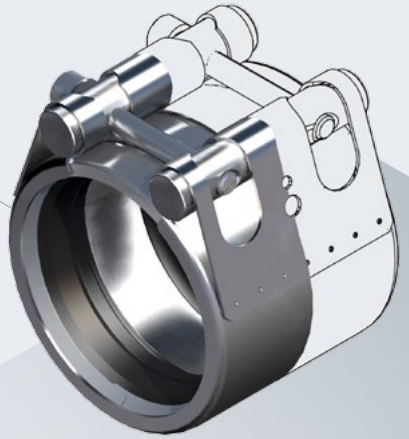


RESPONSIBILITY SUSTAINABILITY PERFORMANCE

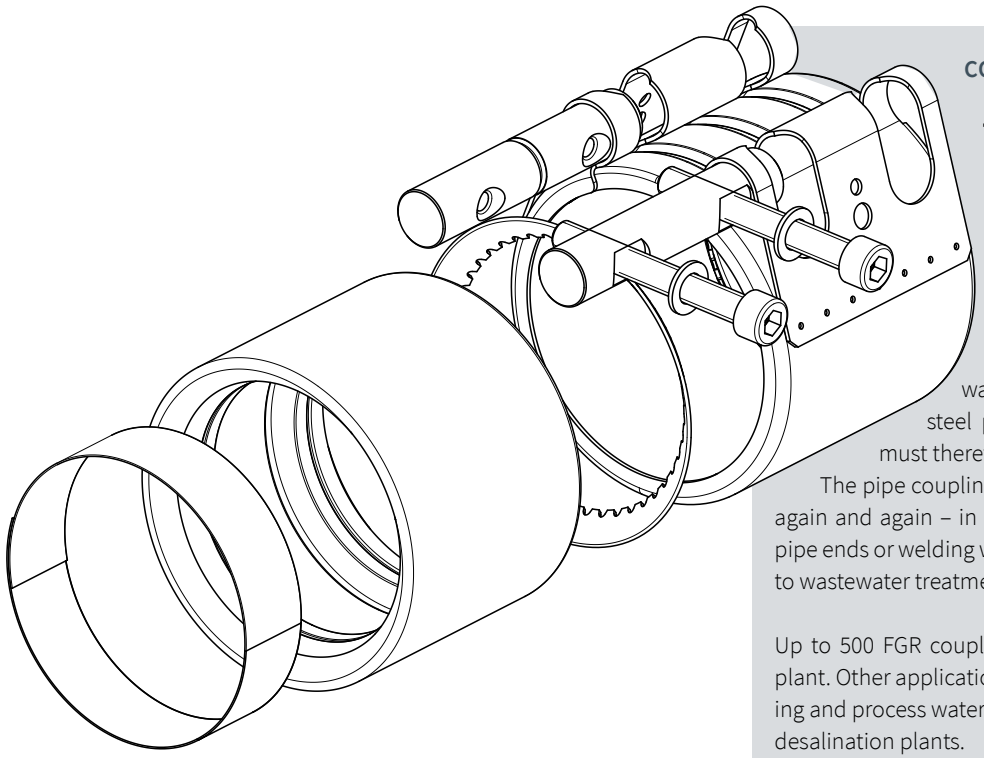
CORPORATE RESPONSIBILITY REPORT 2018

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

INTRODUCTION

NORMA GROUP

NORMA Group is an international market and technology leader in engineered joining technology (joining, connecting and fluid handling technology) and offers more than 40,000 high-quality products and solutions to around 10,000 customers in more than 100 countries. NORMA Group's joining products are used in various industries and can be found in vehicles, ships, trains, aircraft, domestic appliances, engines and plumbing systems as well as in applications for the pharmaceutical and biotechnology industries. From its headquarters in Maintal near Frankfurt/Main, Germany, the Company coordinates a global network consisting of 30 production facilities as well as numerous sales and distribution sites across Europe, the Americas, and Asia-Pacific.



COVER

THE FGR PIPE COUPLING – A RELIABLE CONNECTION FOR SUSTAINABLE PERFORMANCE

The FGR pipe coupling reliably connects pipes made of metal, such as steel, stainless steel or copper, but also pipes made of plastic. What does this have to do with sustainability? The way it is used in waste water treatment plants is just one example. The steel pipes used here are exposed to acidic liquids and must therefore be replaced regularly. The advantage of the FGR: The pipe coupling is tightened with two screws and can thus be used again and again – in contrast to other solutions, no pre-treatment of the pipe ends or welding work is necessary. The FGR thus makes a contribution to wastewater treatment while saving resources through its reusability.

Up to 500 FGR couplings can be used in a single wastewater treatment plant. Other applications include municipal and private water supply, cooling and process water in the chemical industry, power plants and seawater desalination plants.

TABLE OF CONTENTS

INTRODUCTION

Table of Contents 3
Foreword 4
NORMA Group at a Glance 5

CR STRATEGY

Management of CR 9
Stakeholders and Materiality 10
CR Roadmap 2020 12
Awards and Results of Sustainability Ratings 14

RESPONSIBLE MANAGEMENT

Strategic Approach 16
Compliance 17
Data Protection 18
Awareness of CR within the Company 19
Outlook 20

BUSINESS SOLUTIONS

Strategic Approach 23
Quality 23
Sustainability in Purchasing 25
Innovation 27
Customer Satisfaction 29
Outlook 30

EMPLOYEES

Strategic Approach 33
Occupational Health and Safety 33
Training and Development 35
Appropriate Remuneration and Employee Satisfaction 37
Diversity and Equal Opportunity 38
Outlook 38

ENVIRONMENT

Strategic Approach 41
Environmental Management Systems 41
Climate Protection in Production 43
Water in Production 44
Resource Efficiency 45
Environmental Impact of Products 47
Outlook 49

COMMUNITY

Strategic Approach 51
NORMA Clean Water 51
Corporate Volunteering 53
Commitment at the Sites 54
Outlook 55

DATA

About this Report 57
Key Performance Indicators 59
GRI Content Index 64
Assurance Report 70
Imprint 72

3 Table of Contents
4 **Foreword**
5 NORMA Group at a Glance

FOREWORD [GRI 102-12, 102-14]

DEAR READERS,

Responsibility – Sustainability – Performance – for us, these three terms form a triad that determines the entrepreneurial activities of NORMA Group. Only a company that acts responsibly can make a contribution to sustainable development. At the same time, we are convinced that our focus on sustainability issues such as climate change and the scarcity of water and resources makes NORMA Group economically successful.

Corporate Responsibility is therefore at the heart of NORMA Group's Vision 2025. Our approach is underscored by our commitment to the 10 principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption.

The consequences of this approach are quite obvious: we will continue to develop our core business in the direction of e-mobility and efficient water management. This includes both entering new markets and the targeted acquisition of companies, but also the internal further development of the entire Group organization, by training and developing our employees, for example.

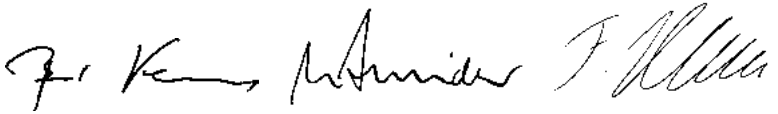
Last year, we also adopted a comprehensive environmental strategy for NORMA Group. For our own production plants, we have set ourselves quantitative targets in the areas of greenhouse gas emissions, water consumption and waste generation. In addition, we consider NORMA Group's environmental impact along the entire value chain. In our purchasing department, for example, we have pursued measures to quantify greenhouse gases and water consumption in the supply chain. These approaches will be continued and expanded during the next year.

The responsible use of water is also the focus of our NORMA Clean Water project in Brazil. Together with the children's charity Plan International, we were able to take the first steps towards an improved water supply in the north-east of the country. Last year, we once again held NORMA Help Day in the neighborhoods of our plants. Both the quantitative survey and the feedback from the participants demonstrate the success of our volunteer day.

All in all, we can look back on numerous advances in the area of Corporate Responsibility. This report is intended to present these developments in a transparent and clear manner. The successes we have enjoyed as a Company are built on the commitment of our employees. They therefore receive our heartfelt thanks!

Please consider this report as an opportunity to enter into dialogue with us – we look forward to a fruitful exchange!

Sincerely,



Bernd Kleinhens
Chief Executive Officer (CEO)

Dr. Michael Schneider
Chief Financial Officer (CFO)

Dr. Friedrich Klein
Chief Operating Officer (COO)

3 Table of Contents
4 Foreword
5 NORMA Group at a Glance

The information reviewed by PwC, which together forms the separate non-financial Group report, is marked with a line next to the respective text.

NORMA GROUP AT A GLANCE

BUSINESS MODEL

[GRI 102-7, 103-1]

NORMA Group is an international market and technology leader in the area of advanced and standardized connecting technology (joining, mounting and fluid handling technology). With its 30 production sites and numerous sales offices, the Group has a global network with which it supplies more than 10,000 customers in more than 100 countries. NORMA Group's product portfolio includes more than 40,000 high-quality joining products and solutions in the three product categories clamps (CLAMP), joining elements (CONNECT) and fluid systems/connectors (FLUID). The products NORMA Group offers are used across industries in a wide range of applications, whereby the product specifications differ depending on the application and customer requirements.

High customer satisfaction forms the foundation of NORMA Group's continued success. The main factors here are its customized system solutions, the global availability of its products in consistently high quality, delivery reliability and a strong brand image.

By opening new plants and competence centers and making strategic acquisitions, NORMA Group has succeeded in expanding its international presence quite significantly in recent years while optimizing its distribution channels and intensifying its cooperation with local customers.

PRODUCT PORTFOLIO AND APPLICATIONS

[GRI 102-2, 102-6]

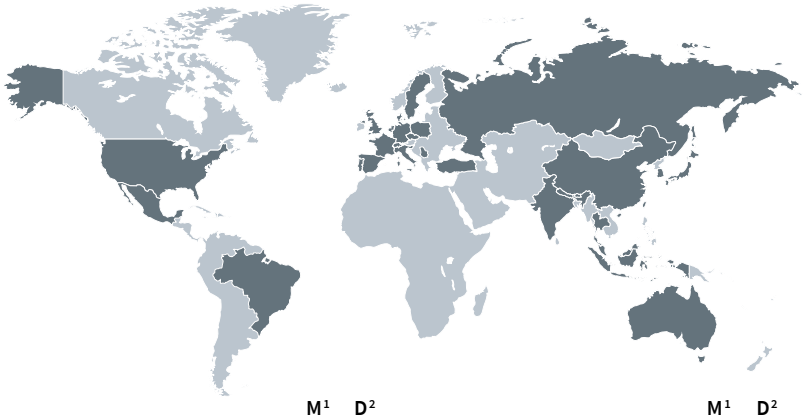
The products that NORMA Group offers can for the most part be divided into the three product categories clamps (CLAMP), joining elements (CONNECT) and fluid systems/connectors (FLUID).

The clamp products (CLAMP) are manufactured from unalloyed steels or stainless steel and are generally used to join or seal elastomer hoses.

The connection products (CONNECT) include connectors made of unalloyed steels or stainless steel that are partly equipped with elastomer or metal seals and are used as the joining and sealing elements of metal and thermoplastic pipes.

NORMA GROUP SITES

[GRI 102-4]



	M[1]	D[2]
EMEA		
Germany	■	■
France	■	■
Italy		■
Netherlands		■
Poland	■	■
Portugal	■	■
Russia	■	■
Sweden	■	■
Switzerland	■	■
Serbia	■	
Spain		■
Czech Republic	■	
Turkey		■
United Kingdom	■	■

	M[1]	D[2]
Americas		
Brazil	■	■
Mexico	■	■
United States	■	■
Asia-Pacific		
Australia		■
China	■	■
India	■	■
Indonesia		■
Japan		■
Malaysia	■	■
Singapore		■
South Korea		■
Thailand		■

1_Manufacturing sites
2_Sales and distribution sites

The FLUID products are single or multiple layer thermoplastic plug-in connectors and liquid systems that reduce installation times, ensure reliable flow of liquids or gases and occasionally replace conventional products such as elastomer hoses. NORMA Group's fluid products are used in thermal management systems in hybrid and electric vehicles, among other applications. In addition, the FLUID product portfolio includes solutions for applications in the sectors of storm water management and landscape irrigation, but also joining components for infrastructure solutions in the area of water.

MARKET AND COMPETITIVE ENVIRONMENT

NORMA Group's advanced engineered joining technology is used in all applications in which pipelines, tubes and other systems need to be connected together. Because joining technology plays a role in nearly all industries, NORMA Group serves many different end markets. Besides the automotive, commercial vehicle, and aviation industry, NORMA Group is also active in the construction and mechanical engineering industry, the pharmaceutical and biotechnology fields, agriculture and the drinking water supply and irrigation industry as well as in other sectors. ▶ ANNUAL REPORT, P. 48

NORMA Group provides solutions for numerous industrial applications. Its expertise covers metal-based connection solutions and products (CLAMP and CONNECT) as well as thermoplastic materials (FLUID). Thanks to the unique combination of expertise in both metal and plastics processing and the broad diversification of its product portfolio, NORMA Group can offer its customers a wide range of solutions to different problems from a single source and thus distinguishes itself from its competitors who mainly specialize in individual product segments.

TWO COMPLEMENTARY DISTRIBUTION CHANNELS

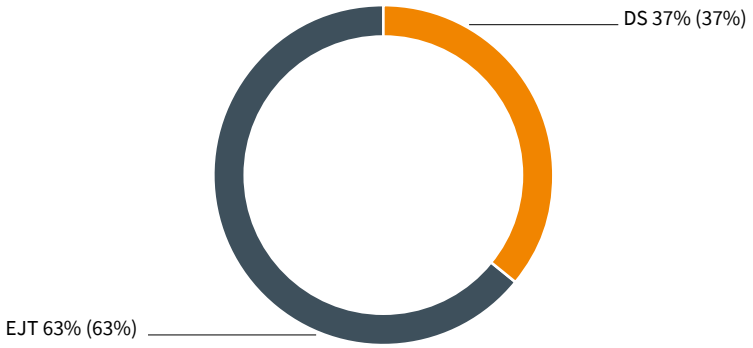
NORMA Group supplies its customers via two different sales channels,

Engineered Joining Technology – EJT
and
Distribution Services – DS.

The two distribution channels differ in terms of the degree of specification of the products, while having intersections in production and development that enable cost benefits and ensure the highest quality standards.

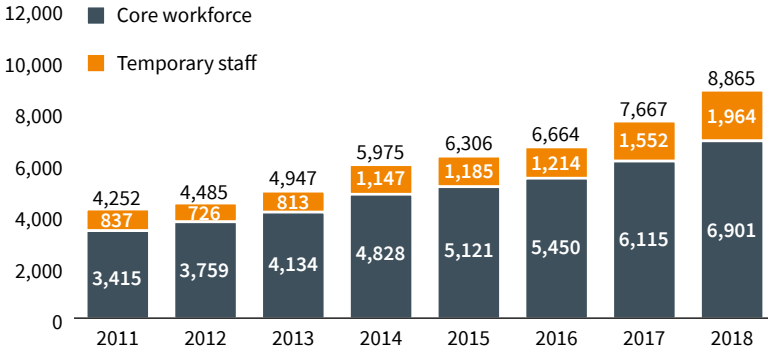
The area of EJT includes sophisticated, individually customized joining technology and is particularly characterized by close development partnerships with OEMs (original equipment manufacturers). Via its Distribution Services (DS), NORMA Group markets a broad range of high-quality, standardized brand products. In addition to its own global distribution network, the Company also relies on multipliers such as sales representatives, retailers and importers. You will find further information on our distributions channels in the Annual Report. ▶ ANNUAL REPORT, P. 40

SALES BY DISTRIBUTION CHANNELS 2018 [1]



1_Previous year's figures in brackets.

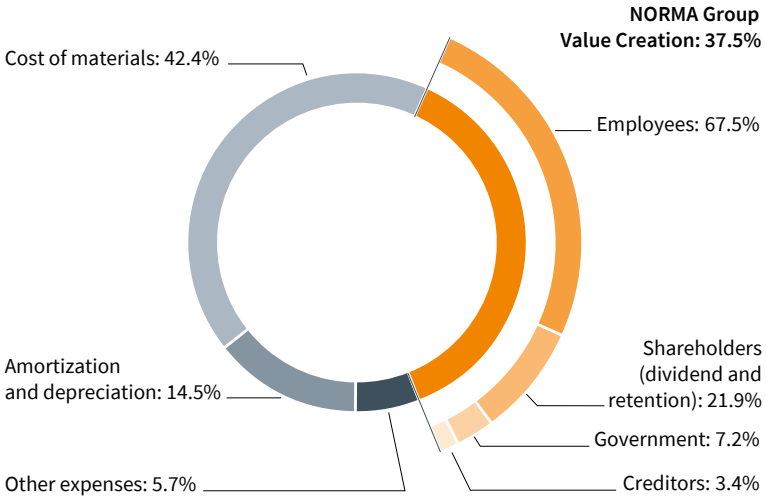
PERSONNEL DEVELOPMENT AT NORMA GROUP



3 Table of Contents
4 Foreword
5 **NORMA Group at a Glance**

NORMA GROUP VALUE CREATION [GRI 201-1]

IN %



ORGANIZATIONAL AND LEGAL STRUCTURE

[GRI 102-1, 102-3, 102-5, 102-7, 102-8, 102-45]

8,865 employees worked for NORMA Group at the end of 2018 of whom 1,964 were temporary staff. NORMA Group SE is the parent company of NORMA Group. It has its headquarters in Maintal near Frankfurt/Main, Germany. NORMA Group SE serves as the formal legal holding of the Group. It is responsible for the strategic management of business activities. As of December 31, 2018, NORMA Group SE holds shares in 51 companies that belong to NORMA Group either directly or indirectly and are fully consolidated. Further information, e.g. regarding the structure of our Group-wide central management responsibilities can be found in the Annual Report. ▶ ANNUAL REPORT, P. 37

GROUP MANAGEMENT

[GRI 102-18, 102-19, 102-23]

NORMA Group SE has a dual management system that consists of a Management Board and a Supervisory Board. The Management Board manages the Company under its own responsibility, while the Supervisory Board advises and monitors the Management Board. Detailed information on the composition of the Management Board and Supervisory Board as well as the allocation of responsibilities can be found in the Corporate Governance Report. ▶ ANNUAL REPORT, P. 25 Information on compensation structures can be found in the Remuneration Report for the Management and Supervisory Board. ▶ ANNUAL REPORT, P. 91

OPERATIVE SEGMENTATION BY REGIONS

NORMA Group's strategy is based, among other considerations, on regional growth targets. In order to achieve these, the operative business is managed by the three regional segments EMEA, the Americas and Asia-Pacific. All three regions have networked regional and cross-company organizations with different functions. The internal Group reporting and control system that Management uses is also therefore quite regional in nature.

SIGNIFICANT CHANGES

[GRI 102-10]

In July 2018, the Company acquired 100% of the shares in the Indian company Kimplas Piping Systems Ltd. (including the English subsidiary Kimplas Limited 'Kimplas'), a company that specializes in water management systems. With the acquisition of Kimplas, NORMA Group is expanding its activities in the fast-growing market for water management systems and at the same time increasing its presence in one of the world's most important emerging markets. ▶ ENVIRONMENTAL IMPACT OF PRODUCTS

In August 2018, NORMA Group also completed the acquisition of 100% of the shares in the Maintal-based supplier Statek Stanzereitechnik GmbH ('Statek'). Statek has many years of experience and extensive manufacturing know-how in stamping, bending and forming technology for virtually all common metals and has been supplying NORMA Group for many years. With Statek's technological expertise, NORMA Group is systematically expanding its value chain while at the same time increasing its flexibility in key product areas.

In November 2018, NORMA Group opened a new plant in Tijuana, Mexico, and in this context established NORMA MANUFACTURING NA SW, LLC.

9 Management of CR
10 Stakeholders and Materiality
12 CR Roadmap 2020
14 Awards and Results of Sustainability Ratings

CR STRATEGY

At the core of Corporate Responsibility (CR) at NORMA Group are the CR areas of action. NORMA Group actively manages these by setting measurable targets and ensuring continuous improvement. All employees can and are encouraged to make a contribution to this by implementing the CR areas of action in their day-to-day work.

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

9 Management of CR
10 Stakeholders and Materiality
12 CR Roadmap 2020
14 Awards and Results of Sustainability Ratings

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CR STRATEGY

MANAGEMENT OF CR

NORMA Group has systematically implemented Corporate Responsibility (CR) since 2012. The goal is to act in a responsible, sustainable and lawful manner in all areas of the Company. To ensure that NORMA Group as a whole remains oriented toward this goal, CR was adopted as a core element of our Vision 2025. The CR Policy and the key areas of action for CR it contains form the basis for managing sustainability issues. We are therefore also structuring this report on the basis of these areas of action.

The CR POLICY applies to the entire NORMA Group. It covers five key areas of action and defines our basic understanding of responsibility as a Company. The policy describes our strategic approach with the aim of coordinating NORMA Group's responsibility in a structured manner and further developing it in a targeted manner. Last year, we partly modified our CR Policy and aligned it with the material CR topics of NORMA Group. In its CR Policy, NORMA Group also reaffirmed its commitment to the UN Global Compact and the United Nations' Sustainable Development Goals. ▶ CR ROADMAP 2020

NORMA GROUP'S APPROACH TO CORPORATE RESPONSIBILITY

For us, Corporate Responsibility means reconciling the impact of our business with the needs of society. Our products already make a valuable contribution to a more sustainable society by helping to reduce the negative effects of global megatrends such as water scarcity and climate change. Our CR strategy forms the basis of responsible actions and transparent business practices.

In order to strategically align and further develop our CR measures, we set up the CR Roadmap that includes specific objectives for each area of action. ▶ CR ROADMAP 2020 The respective departments are responsible for filing and implementing these CR objectives with measures. Guidelines and management approaches are developed for the material CR topics. These can then be implemented reliably and standardized internationally. We use existing management systems, expand them if necessary, or rebuild them. The Group-wide approaches are complemented by nationally adapted, decentralized measures. To what extent CR topics are managed and implemented Group-wide or decentralized depends on how the respective CR objectives can be achieved as effectively as possible.

THE FIVE KEY AREAS OF CORPORATE RESPONSIBILITY AT NORMA GROUP

STEERING COMMITTEE DEVELOPS STRATEGIC ORIENTATION OF CR

[GRI 102-18, 102-20]

Cross-departmental and multi-site coordination is important and necessary for institutionalizing CR throughout NORMA Group. Therefore, a Corporate Responsibility Steering Committee was established in 2012. Anchoring directly with the Management Board, it underpins the high relevance of this topic for NORMA Group. The CR Steering Committee represents all relevant functions at Group level. It includes the heads of purchasing, quality, environment, health and safety (EHS), human resources, investor relations, communications, legal and compliance.

The CR Steering Committee meets once a quarter. Its most important task is to further develop NORMA Group's strategic CR management. In addition, the Committee also assesses cross-departmental coordination and the status of the achievement of objectives related to key CR tasks. The Corporate Responsibility Officers manage departmental coordination, reporting directly to NORMA Group's responsible member of the Management Board. ▶ ANNUAL REPORT, P. 26

9 Management of CR
10 **Stakeholders and Materiality**
12 CR Roadmap 2020
14 Awards and Results of Sustainability Ratings

STAKEHOLDERS AND MATERIALITY

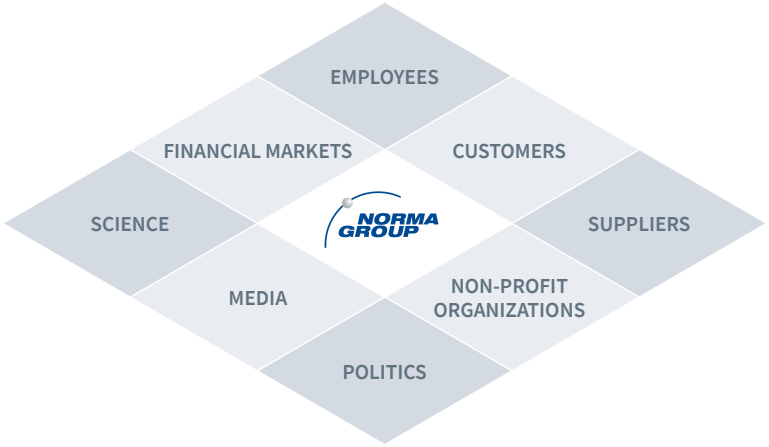
CLOSE EXCHANGE WITH STAKEHOLDERS

[GRI 102-21, 102-40, 102-43, 102-44]

NORMA Group sees itself as a transparent and open company. We specifically and proactively seek exchange with our internal and external stakeholders. This enables us to effectively implement the continuous improvement that applies to all processes at NORMA Group also in the area of Corporate Responsibility. We consider it part of our responsible corporate governance that stakeholders' interests and the impact of our own business activities on stakeholders be reflected in our key decisions. Particularly in the strategic direction of the Company, we value an open and appreciative approach to stakeholder expectations.

The Stakeholder Roundtable, which takes place on an annual basis since 2015, is an important event for NORMA Group to actively exchange with its stakeholders on CR issues. The focus of the event has always been on sustainability topics which have a strategic relevance to NORMA Group, such as "Sustainability in Purchasing" or "E-Mobility." Last year, NORMA Group invited stakeholders to discuss the further development of its Group-wide environmental strategy (see box). The Stakeholder Roundtable will be continued in the coming years with at least one event per year.

KEY STAKEHOLDERS OF NORMA GROUP



MATERIALITY ANALYSIS DEFINES SCOPE OF CR ACTIVITIES

[GRI 102-15, 102-42, 102-46, 102-49]

NORMA Group has defined the most important social, ecological and economic sustainability topics in its materiality analysis. The methodology was based on the recommendations of the Global Reporting Initiative (GRI): We first put together a comprehensive list of CR issues based on topics that were considered to be material in the previous analysis conducted in 2015 as well as relevant

STAKEHOLDER ROUNDTABLE 2018: FURTHER DEVELOPMENT OF ENVIRONMENTAL STRATEGY

In July 2018, NORMA Group invited representatives from suppliers, peer companies, associations, the financial market and the scientific community to a Stakeholder Roundtable in Frankfurt.

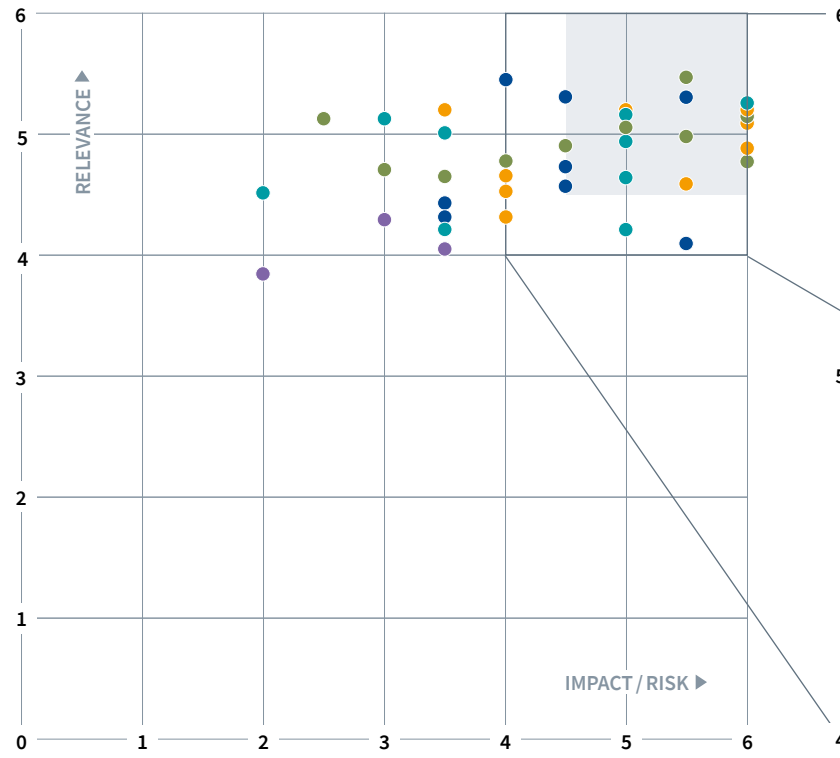
The approximately 30 participants discussed three main topics of the environmental strategy: climate, water and waste, both in plenary sessions and in working groups. The discussion focused, among other topics, on science-based climate targets and adequate objectives in operational water management.

Among participants, NORMA Group's orientation met general approval. However, the participants also suggested that a holistic approach be adopted, taking into account the entire lifecycle of the products, from the raw materials to final recycling.

How NORMA Group took up and implemented the stakeholder recommendations can be found in the final environmental strategy under ▶ ENVIRONMENT.

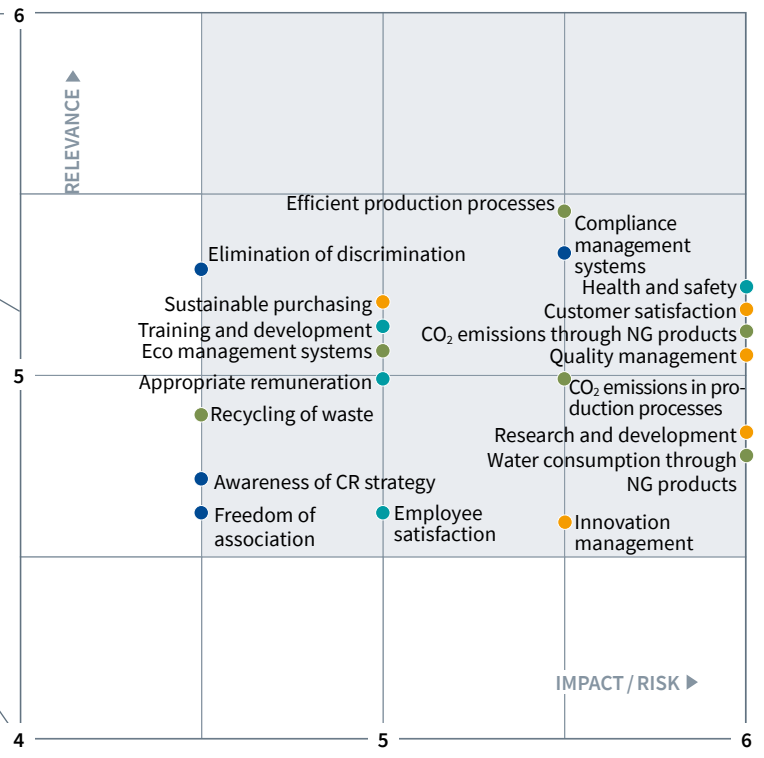
9 Management of CR
10 Stakeholders and Materiality
12 CR Roadmap 2020
14 Awards and Results of Sustainability Ratings

MATERIALITY MATRIX



MATERIAL CR TOPICS

[GRI 102-47]



standards and guidelines such as the Global Reporting Initiative (GRI), the Sustainable Development Goals (SDGs) and the CSR Directive Implementation Act (CSR-RUG). Issues were then aggregated and a total of 40 topics were identified which were assigned to NORMA Group's five key areas of action. Impact and relevance assessments were then conducted on each of the 40 individual topics.

Internal and external stakeholders provided information on how important certain sustainability issues are to them in the assessment of NORMA Group (relevance axis). In addition, various workshops were held with NORMA Group experts to assess the extent to which NORMA Group is influencing the various topics and the resulting risks for NORMA Group (impact-risk axis). The latter was based on so-called gross risks, i.e. risks with which NORMA Group is confronted if no suitable countermeasures are implemented. The results of the materiality analysis were aggregated and then prioritized (see chart).

The materiality analysis was carried out in 2017. The analysis showed that the topics defined in 2017 are still valid and continue to set the framework for NORMA Group. The main topics of each area of action are presented in graphic detail at the beginning of each chapter of this report.

9 Management of CR
10 Stakeholders and Materiality
12 CR Roadmap 2020
14 Awards and Results of Sustainability Ratings

CR ROADMAP 2020

CR ROADMAP DEFINED THROUGH 2020

[GRI 102-44]

Quantitative targets for the topics identified as being material were formulated in the CR Roadmap. By integrating the findings of the materiality analysis into the CR Roadmap, we ensure that our targets are also oriented towards stakeholders' expectations.

The CR Roadmap has already proven itself in recent years as a strategic steering instrument at NORMA Group. On the one hand, it reflects the high ambitions for Corporate Responsibility that NORMA Group pursues and at the same time sets objectively measurable targets. The Roadmap is therefore also a performance indicator for us in Corporate Responsibility: our progress in the areas covered by the Roadmap is regularly reviewed internally and reported externally. The targets we set ourselves for the year 2018 were largely achieved and some targets were even surpassed. The status of implementing the CR Roadmap is shown in detail at the end of each chapter.

In 2018, the CR Steering Committee slightly adjusted the Roadmap in terms of certain aspects. Among other things, the goals of the environmental strategy developed last year were incorporated into the Roadmap. ▶ ENVIRONMENT In the area of ▶ SUSTAINABILITY IN PURCHASING we set ourselves the target to train all purchasing staff regarding sustainability aspects.

CR ROADMAP CONTRIBUTES TO UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (SDGs) are intended to set a global framework for economic, ecological and social development through the year 2030 (see box). The SDGs are dedicated to megatrends such as combating climate change or resource and water scarcity, on which NORMA Group also focuses its business development.

NORMA Group's sustainability objectives are in line with those of the United Nations in many different areas. Some of these issues are particularly relevant to 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. ▶ TRAINING AND DEVELOPMENT

CORE OBJECTIVES 2020	TARGET VALUES 2020
RESPONSIBLE MANAGEMENT	
NORMA Group is to be perceived as a responsible Company in terms of all of its operations.	Consistently good to excellent reviews on our activities and measures that pertain to responsible management within our Group in surveys and ratings.
BUSINESS SOLUTIONS	
NORMA Group will improve and strengthen its market position, taking sustainable business practices and relationships into account.	Sustained and continuous growth in all business fields of relevance to NORMA Group.
EMPLOYEES	
NORMA Group will be viewed as an employer of choice for its employees and will continue to attract, retain and inspire the most talented people to live and to share the Company's values and vision.	Overall employee satisfaction determined in the Employee Satisfaction Survey (ESS) is to be improved (the satisfaction score in the ESS 2017 was at 2.74 on a scale of 1 (very good) to 7 (very poor)).
ENVIRONMENT	
NORMA Group will continuously and systematically reduce the negative environmental impact of its production processes.	100% of NORMA Group's global production sites are to be certified according to ISO 14001 by no later than the end of 2018 and then continuously.
COMMUNITY	
NORMA Group will position itself as a responsible partner in the community.	Consistently good to excellent reviews on the community involvement in stakeholder surveys.

9 Management of CR
10 Stakeholders and Materiality
12 CR Roadmap 2020
14 Awards and Results of Sustainability Ratings

- **Goal 6 – Clean Water and Sanitation:** The products NORMA Group offers globally make a contribution 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 sets a strong example for awareness-raising regarding water management in emerging and developing countries. ▶ ENVIRONMENTAL IMPACT OF PRODUCTS ▶ WATER IN PRODUCTION ▶ NORMA CLEAN WATER
- **Goal 8 – Decent Work and Economic Growth:** NORMA Group pursues ambitious growth targets. At the same time, fair pay and the safety of our employees are important components of the CR Roadmap. ▶ ANNUAL REPORT, P. 7 ▶ APPROPRIATE REMUNERATION AND EMPLOYEE SATISFACTION ▶ OCCUPATIONAL HEALTH AND SAFETY
- **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 and has set quantitative targets in this area as well. ▶ INNOVATION
- **Goal 12 – Responsible Consumption and Production:** NORMA Group seeks to reduce consumption of resources in production and conducts measures on doing so at every plant. Furthermore, we are increasingly taking sustainability criteria into account when purchasing materials. ▶ RESOURCE EFFICIENCY ▶ SUSTAINABILITY IN PURCHASING
- **Goal 13 – Climate Action:** NORMA Group's environmental strategy focuses on consistently reducing greenhouse gases. This applies to both our own production sites as well as the entire value creation chain. ▶ CLIMATE PROTECTION AT NORMA GROUP

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 Safety Measures or "Goal 11 – Sustainable Cities and Communities" through products in the area of infrastructure).

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) were adopted by the United Nations General Assembly in 2015. The goals encompass economic, ecological and social issues and each consist of individual indicators that make implementation measurable.

The target date for the implementation of the targets is 2030. The primary addressees are the signatories, i.e. all nation states. However, the participation of other players, especially companies and civil society, is crucial for the implementation of the goals. In the areas covered by the CR Roadmap, NORMA Group can make a contribution to achieving these goals.

Further information on the Sustainable Development Goals can be found under WWW SUSTAINABLEDEVELOPMENT.UN.ORG

9 Management of CR
10 Stakeholders and Materiality
12 CR Roadmap 2020
14 Awards and Results of Sustainability Ratings

AWARDS AND RESULTS OF SUSTAINABILITY RATINGS

In 2018, NORMA Group again received feedback from external rating agencies on its performance in the area of Corporate Responsibility. The questions asked to 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, the companies surveyed are required to be able to substantiate their responses with documents and certificates. The results of the ratings are primarily used by two stakeholder groups: customers and financial market players.

The feedback received on NORMA Group last year was again predominantly positive: the CR measures received consistently good to very good ratings from the rating agencies. As a result, we were once again able to fully achieve the corresponding core objective of the CR Roadmap. Last year, the positive rating of Oekom-ISS stood out in particular: for the first time, NORMA Group achieved the Prime Standard in this rating. NORMA Group thus ranks among the top ten percent of the rated companies and is qualified for an ecological-social investment from the agency's point of view. In addition, NORMA Group was once again awarded Gold status in the EcoVadis rating (see table for further ratings).

NORMA Group's CR work was also commended beyond the positive assessment of the rating agencies. NORMA Group received the Building Public Trust Award from the auditing firm PricewaterhouseCoopers (PwC) for the best non-financial reporting of all MDAX-listed companies. In addition, the "NORMA Clean Water" project was selected among the finalists for the German CSR Prize in the category "Civil Society Engagement." The prize is awarded to companies that are committed to their social environment and assume responsibility for it.

NORMA GROUP'S PERFORMANCE IN SUSTAINABILITY RATINGS

Sustainability ratings	Rating 2018
EcoVadis	▸ Rating: 78 of 100
	▸ Gold Standard
ISS-Oekom	▸ Rating: C+
	▸ Prime Status
MSCI	▸ Rating: A
Sustainalytics	▸ Rating: 68 of 100
	▸ Average Performer

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

16 Strategic Approach
17 Compliance
18 Data Protection
19 Awareness of CR within the Company
20 Outlook

RESPONSIBLE MANAGEMENT

Corporate Responsibility has to be developed and realized by every employee of NORMA Group. In doing so, the foundation lies in compliance with national and international standards. Additionally, we motivate our employees to take action for our sustainability goals.

16 Strategic Approach
17 Compliance
18 Data Protection
19 Awareness of CR within the Company
20 Outlook

The information reviewed by PwC, which together forms the separate non-financial Group report, is marked with a line next to the respective text.

RESPONSIBLE MANAGEMENT

STRATEGIC APPROACH

ACTING RESPONSIBLY IS OUR BASIC PRINCIPLE

Responsibility, honesty and mutual respect – from both the management and our employees and from NORMA Group towards our business partners – shape our corporate culture. We are aware of our responsibility towards employees, customers, suppliers and our social and ecological environment.

NORMA Group expects its managers and employees to not only comply with existing laws and regulations but also to respect important ethical standards. In particular, the compliance guidelines of NORMA Group have groundbreaking character. In order to meet these requirements, we have set up and continuously develop the appropriate systems, including compliance and risk management systems.

NORMA GROUP IS COMMITTED TO INTERNATIONAL HUMAN RIGHTS AND DIVERSITY

[GRI 103-1, 406-1, 407-1, 408-1; 409-1]

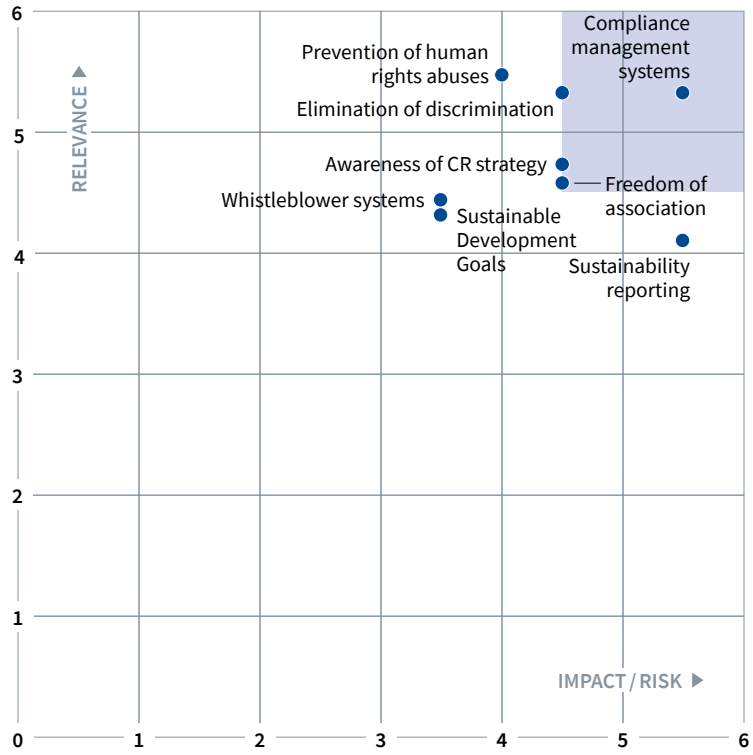
As part of our activities, we do not tolerate compliance violations, such as human rights violations, violations of freedom of association or discrimination. Every aspect of our business respects international human rights. NORMA Group rejects all forms of forced, compulsory and child labor. In doing so, ILO Conventions numbers 138 and 182 are recognized as the minimum standard for protection against child labor. We are also committed to preventing slavery and human trafficking in our business activities.

Furthermore, we recognize the right of our employees to join unions and to found employee representations. We reject discrimination based on ethnic background, gender, sexual orientation and religion. With this in mind, NORMA Group supports measures to promote diversity within the Company. ▶ DIVERSITY AND EQUAL OPPORTUNITY

NORMA Group reports regularly internally on legal disputes to ensure that its claims in the areas of anti-discrimination and freedom of association are met. In 2018, there were no cases of discrimination determined by courts nor violations of freedom of association determined by courts as being committed by NORMA Group.

We also assume our responsibility along the value chain. This is why we commit our suppliers to comply with and respect human rights. However, due to the size and complexity of the value chain, human rights violations cannot be ruled out entirely because NORMA Group has only limited influence on compliance with the minimum standards that extends beyond its direct business partners. If we learn that our business partners are committing or tolerating human rights violations, we end the relationship. In the event of violations by employees, we take measures that can ultimately lead to the termination of the employment relationship. Compliance violations can potentially occur at every stage of the value chain. They relate to employees, suppliers and other stakeholders who are in contact with NORMA Group's business activities. ▶ SUSTAINABILITY IN PURCHASING

MATERIALITY MATRIX



16 Strategic Approach
17 Compliance
18 Data Protection
19 Awareness of CR within the Company
20 Outlook

COMPLIANCE

CLEAR UNDERSTANDING OF VALUES EMBEDDED IN GLOBALLY APPLICABLE GUIDELINES

[GRI 102-16; 103-2]

Understanding NORMA Group's values forms the basis for all business decisions and activities at our Group. In particular, our growing global focus makes global implementation and compliance with codes of conduct increasingly important.

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

- the "CODE OF CONDUCT",
- the two policy directives "CONFLICTS OF INTEREST POLICY" and the "ANTI-CORRUPTION POLICY" as well as
- the "SUPPLIER CODE OF CONDUCT."

Requirements on human rights (no forced labor, no child labor, freedom of association and anti-discrimination) form an integral part of the compliance guidelines. Our compliance management system aims to ensure that our values and rules are lived throughout the Group. Concrete steps are determined, implemented and comprehended each year in a Compliance Action Plan.

GROUP-WIDE COMPLIANCE MANAGEMENT

[GRI 103-3]

The Management Board of NORMA Group is responsible for an effective compliance management system. The Chief Compliance Officer manages the Group-wide compliance activities and reports directly to the Management Board. Besides the central compliance department at Group level, Compliance Officers are appointed at the level of the EMEA, Americas and APAC regions as well as in all operationally active individual entities. The Compliance Officers of the individual Group companies are in regular contact with the other local departments and regularly report to the responsible Regional Compliance Officer, who in turn reports to the Chief Compliance Officer.

Any member of NORMA Group's compliance organization can be contacted at any time on any compliance issues. 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.

The effectiveness of the compliance organization set up by the Management Board is monitored by the Supervisory Board of NORMA Group SE, which is regularly informed about compliance-relevant matters and receives the Company's annual Compliance Action Plan.

CLOSE RISK MONITORING AND CONTROL

[GRI 102-11; 205-1]

Based on a rating system that incorporates both internal and external factors (such as Transparency International's Corruption Perception Index), the risk exposure of each individual NORMA Group company is evaluated centrally for possible compliance-relevant risks (compliance risk scoping) by NORMA Group Compliance.

Together with the companies that have a higher risk value according to the rating system, specific compliance risk assessments are carried out on-site, performing a detailed analysis of the specific compliance risks of the company. In addition to the local Compliance Officer, representatives of all relevant departments are included, e.g. Finance, Purchasing, Human Resources, Production, Research & Development.

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

SYSTEMATIC, DEMAND-ORIENTED TRAINING OF EMPLOYEES

[GRI 205-2]

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. Our goal is that all employees of NORMA Group know our 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 takes place in the form of face-to-face and online training sessions. Depending on the job and responsibility profile of an employee, the training courses to be completed are assigned as needed. Training of fundamental relevance must be completed as basic training by every employee of NORMA Group. This includes the online training courses "Code of Conduct & Compliance Basics," "Information Security" and "Compliance in Purchasing." Depending on the employee's job profile, specific focus trainings (including "anti-corruption," "antitrust," "product liability") must also be completed. In addition, we have developed a concept to refresh the learning content so that the essential and basic contents of the online training are repeated in compressed form once a year in order to keep the knowledge of the employees up to date.

16 Strategic Approach
17 Compliance
18 Data Protection
19 Awareness of CR within the Company
20 Outlook

In the past fiscal year, a total of 487 employees (2017: 598) were registered in the online training system for the basic training courses and 242 employees (2017: 418) for the relevant focus training courses. The reduction compared to the previous year is due to the lower number of new employees as well as to technically related differences in registration times resulting from a change in the compliance training system.

In 2018, 2,189 employees were also enrolled in the mandatory compliance training course "Information Security & Cyber Risks," which served as a refresher on significant risks in the area of information security and the proper handling of these risks.

A total of 2,350 employees received online training on compliance topics (2017: 1,318). The significant increase is mainly due to the mandatory and global registration of all registered employees in the refresher training course "Information Security & Cyber Risks." The aforementioned training courses were completed on schedule by 96.5% of registered employees as of the balance sheet date, taking into account the processing time to be applied. Due to the change in the training system in 2018 and the necessary technical and procedural conversion, it was not possible to complete 100% of the training as of the balance sheet date.

4,205 hours of online compliance training were carried out in fiscal year 2018 in line with previously mentioned criteria (2017: 2.939). Employees who are unable to participate in online training for language or technical reasons, especially industrial employees, are trained personally by the local Compliance Officers in face-to-face trainings.

The need for training is checked regularly. Internal reporting records the status of compliance training. This report is included in the status report on the Compliance Action Plan and is reported to the Management Board on a quarterly basis. Compliance-related topics are also communicated via additional channels such as posters, brochures, Compliance Safety Cards, which summarize key compliance topics in a condensed form, and emails and Intranet articles.

DIFFERENT WAYS OF REPORTING VIOLATIONS

We encourage our employees to report violations of rules and internal policies, even across hierarchical levels. Besides personally approaching supervisors, the human resources department or Compliance Officers, our Internet-based whistleblower system is yet another example. It enables the anonymous reporting of matters by internal or external whistleblowers. The employees of the compliance organization always follow up on indications of possible compliance violations.

For cases in which the electronic whistleblower system cannot be used by our employees for technical or organizational reasons (for example, a lack of PC access by employees in production), we offer other suitable reporting channels, such as notice boxes at our plants.

DATA PROTECTION

INTEGRATION OF DATA PROTECTION INTO PROCESSES AND EMPLOYEE TRAINING

[GRI 103-1, 103-2, 103-3]

NORMA Group collects, processes and stores personal data as part of its business activities. In particular, this involves data relating to our employees, which must be collected within the framework of employment, but also data relating to our business partners. NORMA Group is aware of the high importance of protecting confidential information and in particular personal data.

2,350

EMPLOYEES TRAINED IN ONLINE COMPLIANCE TRAINING COURSES IN 2018.

4,205

HOURS OF ONLINE COMPLIANCE TRAINING IN TOTAL WERE ATTENDED BY NORMA GROUP EMPLOYEES IN 2018.

16 Strategic Approach
17 Compliance
18 Data Protection
19 Awareness of CR within the Company
20 Outlook

With the entry into force on May 25, 2018, of the EU General Data Protection Regulation (GDPR), which is capable of being sanctioned, the data protection requirements have increased once again. NORMA Group welcomes the aim of this EU regulation to harmonize country-specific data protection regulations and strengthen the rights of data subjects with regard to their personal data.

For this reason, NORMA Group began at an early stage to analyze processes and guidelines with regard to their appropriateness in terms of the EU General Data Protection Regulation and, if necessary, to adapt them. In this context, particular importance was attached to training and informing employees. Through specific data protection training, employees worldwide were made aware of data protection and information security issues. Further communication measures such as a continuously updated Intranet page with information on data protection topics and regular news releases on the Intranet accompanied these training measures.

NORMA Group has appointed a data protection officer who is responsible for monitoring and ensuring compliance with data protection requirements. In addition, an internal "Data Protection Office" was implemented already in 2017. It is available to employees in the event of queries, coordinates internal data protection processes and measures and is in continuous consultation with the data protection officer.

AWARENESS OF CR WITHIN THE COMPANY

CONTINUOUS EXCHANGE WITH EXTERNAL STAKEHOLDERS ENSURES TRANSPARENCY

We want to communicate transparently and openly with our various stakeholder groups at all times. Continuous communication through various channels is of central importance to improving our ability to strategically align our actions. For instance, we host background discussions, as well as our annual Stakeholder Roundtable. In addition, we participate in conferences, workshops and industry meetings, engaging in personal exchanges with our stakeholders. ▶ STAKEHOLDERS AND MATERIALITY

NORMA Group also achieves transparency towards external stakeholders by publishing the Annual Report, the Corporate Responsibility report and press releases, among other activities. On the NORMA Group website and social media channels, we also provide continuous information on Company activities. We want to increase understanding of our actions as well as confidence in NORMA Group through the high level of transparency regarding the activities in the fields of corporate governance, the environment and social issues.

INTERNAL CR COMMUNICATION VIA VARIOUS CHANNELS

Successfully implemented measures in Corporate Responsibility – whether in the areas of quality, environment, compliance or any other – depend on the commitment of each individual employee. Only when everyone makes a contribution can NORMA Group operate successfully and sustainably.

It is NORMA Group's goal to inspire its employees to act sustainably in their daily work. The targets of the CR Roadmap are communicated to all sites by the departments responsible for CR issues. CR at NORMA Group is integrated into daily work right from the start. Our internal communication on our corporate goals and our wide range of CR measures is transparent, as well. In particular, we use internal channels such as the employee newspaper "LET'S CONNECT" and the Intranet. To further increase visibility, the information platform on corporate responsibility on the Intranet has been expanded. It is thus easier for employees to obtain information and actively make a contribution to implement corporate responsibility. We also inform our employees at the production sites who do not have access to the Intranet of notices. The CR Award, which was initiated in 2018, is another tool to motivate employees for taking action on sustainability (see box).

CR AWARD – RECOGNIZING SUSTAINABLE COMMITMENT

Last year, NORMA Group launched an internal CR Award. The aim is to further raise awareness of corporate responsibility issues among the workforce and recognize special achievements. The first projects to be honored are those that have made a significant contribution to the environment. One of the decisive factors here is the extent to which the applicants' projects contribute to achieving the environmental objectives of NORMA Group and whether these can also be applied to other sites or processes.

The first application phase for the CR Award began at the end of 2018. The award ceremony will take place at the same time as the ▶ INNOVATION EXCELLENCE AWARD in the spring of 2019, in the presence of all of NORMA Group's executives.

16 Strategic Approach
17 Compliance
18 Data Protection
19 Awareness of CR within the Company
20 Outlook

At the local level, communication activities are implemented, for example, by environmental protection, occupational safety and local compliance officers. Measures such as Diversity Day, NORMA Help Day and the NORMA Clean Water project are intended to shed light on current societal challenges and encourage employees to engage in their own activities. ▶ DIVERSITY DAY ▶ CORPORATE VOLUNTEERING Both internal and external communication is rounded off by social media and blog posts.

SUCCESS OF MEASURES IS REVIEWED REGULARLY

Awareness and knowledge of Corporate Responsibility in the company was first addressed in 2017's employee survey. Nearly 80% of our employees agreed that they are familiar with the Corporate Responsibility Policy and NORMA Group's CR objectives. It is our ambition to ensure that all employees are familiar with our CR Policy and its overarching goals. Our goal is to increase CR awareness to at least 85% in the upcoming employee survey to be held in 2020.

OUTLOOK

Acting responsibly has long been a fundamental principle of NORMA Group. This principle must be constantly reviewed, further developed and adapted to the social and business environment in order to be put into practice.

NORMA Group's compliance management is an integral part of the Group's integrated management system. In the interests of long-term effectiveness, the compliance management system is also subject to continuous review and – where necessary – improvement. In addition, we have set ourselves the goal of having the concept and effectiveness of NORMA Group's compliance management system externally audited.

In this way, NORMA Group ensures that the processes and procedures of compliance management meet the dynamically evolving requirements, provide employees with constant support and underscore our commitment to responsible action both internally and externally.

In addition, NORMA Group will implement further measures to increase awareness of CR in the Company in 2019. This includes expanding internal reporting and communication as well as presenting the CR Award for the first time.

16 Strategic Approach
17 Compliance
18 Data Protection
19 Awareness of CR within the Company
20 Outlook

AT A GLANCE: CR ROADMAP 2020

Core objective "Responsible Management"

NORMA Group is to be perceived as a responsible company in terms of all of its operations.

Target value for 2020

Consistently good to excellent reviews on our activities and measures that pertain to responsible management within our Group in surveys and ratings.

Our goal	Milestone	Date	Status
All employees will know the CR Policy and its overarching objectives.	At least 85% awareness of the CR Policy in the 3-year Employee Satisfaction Survey (ESS).	2020	2017: 79.6%
We will receive advice on the orientation of our CR strategy and on the main focuses in the individual fields of action from representatives of external stakeholder groups.	Once a year, a dialogue format with various stakeholder representatives on a CR topic.	Annually	2018: Stakeholder Roundtable on environmental strategy
We will make sure that we employ effective compliance management systems.	Externally conducted concept review of the compliance management system.	2019	To be conducted in 2019
	Externally conducted effectiveness check.	2020	To be conducted in 2020
All employees are to be trained on compliance topics in a timely manner in accordance with their needs.	100% of the employees have completed the required compliance training courses within the defined time frames.	Annually	2018: 96.5%
The contact persons and reporting channels for compliance issues defined within NORMA Group will be known to all employees.	100% agreement in the 3-year Employee Satisfaction Survey (ESS).	2020	2017: 86.9%
NORMA Group will comply with all international and local laws that protect employees against discrimination.	0 violations determined by courts.	Annually	2018: 0
NORMA Group will adhere to all international and local laws protecting the freedom of association of workers.	0 violations determined by courts.	Annually	2018: 0

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

23 Strategic Approach
23 Quality
25 Sustainability in Purchasing
27 Innovation
29 Customer Satisfaction
30 Outlook

BUSINESS SOLUTIONS

We guarantee highest quality and innovative products and services that help to lower emissions and reduce energy consumption. In our business relationships, we maintain social and environmental standards: NORMA Group encourages suppliers to introduce environmental as well as health and safety systems.

23 Strategic Approach
23 Quality
25 Sustainability in Purchasing
27 Innovation
29 Customer Satisfaction
30 Outlook

The information reviewed by PwC, which together forms the separate non-financial Group report, is marked with a line next to the respective text.

BUSINESS SOLUTIONS

STRATEGIC APPROACH

SUSTAINABLE SOLUTIONS FOR OUR CUSTOMERS

NORMA Group's product solutions address the increasing challenges posed by global megatrends such as resource scarcity and climate change. The permanent adaptation and further development of our products based on innovations play an essential role, as they have to meet ever increasing demands. These include stricter legal framework conditions and new technical requirements regarding the quality of products. When used in engines, for example, this concerns physical capacity at high pressure and high temperature or resistance to chemical substances.

At the same time, NORMA Group attaches great importance to sustainable supply chain management. Our Corporate Responsibility Policy refers to the entire value chain, including our indirect suppliers. We focus on compliance with human rights and environmental standards. We are continuously expanding our commitment to ensuring appropriate working conditions, for example by means of the Supplier Code of Conduct.

With high-quality products, innovative ideas for new solutions and efficient and sustainable purchasing, we form the basis for our customers' satisfaction. We regularly review the targets we set in these areas to ensure that we can meet our customers' needs and continuously improve customer satisfaction.

MATERIALITY MATRIX

QUALITY

PRODUCT QUALITY AS A KEY CUSTOMER PROMISE

The quality of our products 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 our direct customers. Even if only one single element has a leak this could affect the functioning and the safety of an entire vehicle. The same applies in the area of water management and other industries. That is why we want to guarantee our customers the highest level of reliability with our brands. Quality, customer requirements and added value for society are thus directly linked.

Our product quality is based to some extent on high-quality raw materials. This requires that the highest quality standards already be adhered to during the first stages of our supply chain. ▶ SUSTAINABILITY IN PURCHASING However, sub-suppliers can only be indirectly checked for the quality of their products. This level of added value is usually outside NORMA Group's direct control. Risks lie in the fact that a lack of quality would directly lead to worsened customer relationships. ▶ ANNUAL REPORT, P. 86

23 Strategic Approach
23 Quality
25 Sustainability in Purchasing
27 Innovation
29 Customer Satisfaction
30 Outlook

CERTIFICATIONS CONFIRM THE HIGHEST QUALITY STANDARDS

The aim of our management approach in the area of quality is to permanently meet the quality requirements of our customers. For this purpose, all sites are tested and certified internally and externally in accordance with recognized quality standards. All sites with the exception of the US subsidiary NDS are currently certified according to ISO 9001 or IATF 16949 standards. Audit and certification of NDS according to ISO 9001 is planned for 2019. All sites previously certified according to TS 16949 have now been upgraded to IATF 16949 certification. We can thus guarantee our customers in the automotive industry that we are continuing to meet what are currently the highest quality standards. Another two sites that supply the aerospace industry are EN9100 certified. In addition, we achieved the certification of NORMA Group Holding under the ISO 9001 standard. This helps us to ensure that NORMA Group as a whole, including all administrative functions, complies with the highest quality standards (see box).

The introduction, certification and continuous implementation of quality management systems is overseen by the quality management organization. At each of NORMA Group's production sites, local managers are responsible for quality management. They report to the regional Quality Managers and Global Quality Management. In 2018, NORMA Group focused on improving the governance of quality management in two ways. On a regional level, all quality representatives perform weekly reviews of quality performance at the sites within the region. In addition, "Quality Circles" have been introduced. The circles are carried out once per year in every region and are attended by global and regional Quality management as well as quality representatives from all plants of the respective region. Both changes lead to significant improvements regarding the sharing of knowledge and best practices, which in turn had a positive impact on quality KPIs.

CONSIDERABLE IMPROVEMENT OF KEY CONTROL PARAMETERS

NORMA Group measures the quality of its products and processes using two key control parameters, among others: defective parts rejected by the customer (in parts per million, PPM) and the number of quality-related complaints. Due to the high importance of quality assurance, both key figures are also significant non-financial performance indicators for NORMA Group.
▶ ANNUAL REPORT, P. 47

The number of defective parts was 7 PPM in 2018 (2017: 16), while the number of quality-related customer complaints per month was 7 (2017: 9). This translates into an improvement of 56% and 22% respectively.

Both KPIs are reported each month to the Management Board by the Group Quality Manager. Root cause analyses are derived from this at site level and countermeasures are defined. Progress on the measures is also reported to the Management Board.

We have set ourselves goals for the years to come: by 2020, we want the average number of defective parts in all regions to stay well below 20 PPM. The number of monthly quality-related complaints is to stay below eight in the same period.

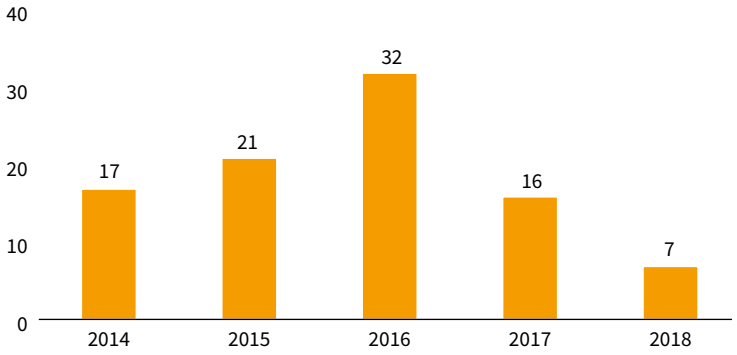
QUALITY IN MANAGEMENT AND ENGINEERING

Highest quality standards are the global aspiration of NORMA Group – not only at production and distribution sites but also in management and engineering. Last year, this claim was also acknowledged in a successful audit and certification of NORMA Group Holding according to ISO 9001.

The audit comprised the Marketing, Sales, Research & Development, Purchasing and Engineering departments and assessed business processes and mechanisms to evaluate progress towards meeting targets on a Group level. The audit helped to further strengthen quality management, starting with the engineering of products and a comprehensive project management when launching new products. Among the positive highlights the auditors found were NORMA Group's structured handling of risks, its target development process and the structured HR tools to develop talents and assess competencies.

DEFECTIVE PARTS

IN PARTS PER MILLION (PPM)



INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

23 Strategic Approach
23 Quality
25 Sustainability in Purchasing
27 Innovation
29 Customer Satisfaction
30 Outlook

SUSTAINABILITY IN PURCHASING

UPHOLDING CORPORATE RESPONSIBILITY IN PURCHASING

[GRI 102-9, 103-1, 103-2, 103-3]

In 2018, NORMA Group purchased goods and services worth EUR 497.5 million. We ensure that Corporate Responsibility aspects are taken into consideration: We work hard to make contractual relationships with our suppliers socially and environmentally compatible, and see to it that human rights, labor and environmental standards are adhered to.

The main purpose of the purchasing process is to reduce costs for NORMA Group and to achieve the maximum value for the Company. The purchasing process is subject to risks with regard to the quality of deliveries and services, as well as the neglect of environmental and social standards in the supply chain. For this reason, we do not only take purely price factors into consideration, but also evaluate quality, logistics and supplier sustainability as part of our purchasing processes. ▶ ANNUAL REPORT, P. 86

The management of sustainability in purchasing is the responsibility of the entire Global Purchasing organization. Every team member in our organization is contributing to it in the course of making sourcing and nomination decisions.

The Stakeholder Roundtable in 2016 on "Supply Chain Sustainability" was an important step in the development of our sustainability concept for purchasing. NORMA Group presented its approach to external stakeholders and adjusted its concept in accordance with the feedback it received. The purchasing department was also involved in 2018's Stakeholder Roundtable on the development of NORMA Group's environmental strategy. ▶ STAKEHOLDERS AND MATERIALITY

SUPPLIER CODE OF CONDUCT FORMS THE FRAMEWORK

[GRI 102-16]

All our suppliers must conduct their business in compliance with laws, ethics, respect for human rights, occupational safety and environmental standards.

For these reasons, we have integrated sustainability aspects into our purchasing processes and our organization, in our purchasing manual, for example, which describes all essential processes and procedures used as a framework for the global organization. The basis for our sustainable supplier relations is our Supplier Code of Conduct. This globally valid code of conduct outlines our expectations for the sustainable management of our suppliers.

Among other topics, it obliges suppliers to comply with the following principles:

- Respect for and attention to human rights
- Exclusion of forced and compulsory labor
- Prohibition of child labor
- Ensuring occupational health and safety
- Business integrity (anti-corruption)

With regard to human rights, the Supplier Code of Conduct is based on regulations issued by the ILO, UDHR, UN Global Compact and SA8000.

SUSTAINABILITY IN SUPPLIER SCORING AND COMMODITY MANAGEMENT

Our commitment to the Supplier Code of Conduct plays an important role in our regular purchasing processes. Only a supplier who signs the Code of Conduct can be classified as "preferred" within the commodity group. 100% of suppliers who are given the status of "preferred" have therefore signed the Code of Conduct or can prove that they have made commitments that extend beyond it. These are 24 suppliers, which make up around 27.0% of our production material turnover.

In order to be able to better assess, compare and manage our suppliers, we introduced a Group-wide supplier scoring in 2013. In addition to the price, numerous other factors are also taken into account, such as quality, cost transparency and logistics services. One of the four pillars of scoring is "sustainability," in which we query environmental and occupational safety certifications.

An additional way of supporting sustainability in Purchasing was the introduction of a new Commodity Strategy Template in 2018. In these strategy documents, we included Sustainability Fact Sheets as an analytical approach to assess sustainability through our 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 fact sheets are in line with NORMA Group's ▶ ENVIRONMENTAL STRATEGY and focus on the topics climate, water and waste. They quantify each commodity's impact on greenhouse gas emissions as well as water consumption and recycling rates in the supply chain and show commodity managers direct improvement measures. In the next years, NORMA Group intends to include sustainability fact sheets into all commodity strategies.

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

23 Strategic Approach
23 Quality
25 Sustainability in Purchasing
27 Innovation
29 Customer Satisfaction
30 Outlook

SUSTAINABILITY SELF-ASSESSMENT FOR SUPPLIERS

[GRI 308-1, 308-2, 414-1]

In 2018, the voluntary sustainability self-assessment formed again part of our supplier scoring. We asked our suppliers for detailed information on social issues (freedom of association, grievance mechanisms and accidents), environmental issues (including CO_2 emissions, water consumption and waste management) and compliance issues.

The evaluation of the self-assessment showed that it was completed by 24.1% of the suppliers included in the scoring. This was an increase of 5.7 percentage points compared to last year. In the upcoming years, our goal is to further increase participation in the sustainability self-assessment by at least 5% per year.

EXCLUDING CONFLICT MINERALS FROM THE SUPPLY CHAIN WHENEVER POSSIBLE

NORMA Group also purchases minor amounts of components that contain the so-called "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 our urea lines, and some components are finished with a coating consisting of tin.

We have therefore launched the "Conflict Minerals Roadmap," which aims to create maximum transparency within the supplier base. The NORMA Group Purchasing organization commits itself to the principles of the Responsible Minerals Initiative, including the usage 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 have to fill out. The management of the CMRT is integrated into our Group-wide eSourcing platform. This allows us to better evaluate and follow up on feedback from our suppliers. We also trained purchasers at all sites on the importance of the issues of conflict minerals and the potential risk related to the materials coming from suppliers who might be involved. In addition, we ensure that 100% of affected suppliers have signed our Supplier Code of Conduct that requires them to confirm that they cooperate with conducting due diligence on conflict minerals issues.

We share the information we receive with our 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.

SUPPLIER CODE OF CONDUCT:
BASIC UNDERSTANDING OF SUSTAINABILITY MANAGEMENT IN PURCHASING, SIGNATURE IS A CONDITION TO BE GRADED "PREFERRED" SUPPLIER

SUPPLIER SCORING:
CARRIED OUT ONCE A YEAR, ENVIRONMENTAL AND HEALTH AND SAFETY CERTIFICATES AS WELL AS SUSTAINABILITY SELF-ASSESSEMENT ARE CRITERIA IN THE SCORING

COMMODITY STRATEGIES:
CONTAIN SUSTAINABILITY FACT SHEETS, WHICH QUANTIFY IMPACTS ON CLIMATE AND WATER AND IDENTIFY IMPROVEMENT POTENTIALS

TRAINING:
STANDARD TRAINING OF ALL PURCHASING EMPLOYEES ON SUSTAINABILITY TOOLS IN PURCHASING (STARTING 2019)

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

23 Strategic Approach
23 Quality
25 Sustainability in Purchasing
27 Innovation
29 Customer Satisfaction
30 Outlook

INNOVATION

INNOVATIONS SECURE SUSTAINABLE GROWTH

Besides aspects of social and environmental sustainability, it is essential for NORMA Group to secure its long-term economic success. The basis for this is profitable growth, which we measure above all through the key figures of Group revenue and adjusted EBITA margin. ▶ ANNUAL REPORT, P. 45 Only if we can continue setting ourselves apart from our competitors will we be able to maintain customer satisfaction and our market position.

Innovations also form the basis for more environmentally friendly products, in electromobility, for example. ▶ ENVIRONMENTAL IMPACT OF PRODUCTS However, they can only be achieved if NORMA Group creates an innovation-friendly climate in which its employees can develop new ideas and foster a culture of innovation. With its organizational structure at all levels and at all sites, NORMA Group has a significant influence on whether this can be achieved.

INNOVATION ROADMAP FORMS THE BASIS FOR RESEARCH & DEVELOPMENT

Our research and development department is tasked with identifying and evaluating innovative technologies worldwide. The basis for the content orientation of our research activities is our "Innovation Roadmap." It focuses on global megatrends such as resource scarcity and climate change, but also on specific market requirements for specific products.

The basis for this is our continuously high financial and personnel investment in research and development (R&D). Engineered Joining Technology (EJT) R&D spending in 2018 amounted to EUR 30.5 million (2017: EUR 29.4 million). This corresponds to 4.5% of the R&D ratio in terms of EJT sales. 365 people worked in product development and R&D at NORMA Group last year (2017: 344).

32

INVENTIONS WERE FORMALLY REPORTED WITHIN NORMA GROUP.

365

EMPLOYEES WORKED IN RESEARCH AND DEVELOPMENT AT NORMA GROUP AT THE END OF 2018.

4.5%

OF ENGINEERED JOINING TECHNOLOGY (EJT) SALES WAS INVESTED IN RESEARCH AND DEVELOPMENT.

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

23 Strategic Approach
23 Quality
25 Sustainability in Purchasing
27 Innovation
29 Customer Satisfaction
30 Outlook

MEASURING OUR PERFORMANCE ON INTERNAL KEY FIGURES

The key indicator according to which we manage and internally evaluate our research activities is the number of invention applications in the Company. An invention application takes place as part of an internal, formalized process upstream of the external process of a patent application. We have set ourselves the goal of achieving at least 20 new invention applications every year. This figure was 32 in 2018 (2017: 33), which again surpassed our target of 20 applications. Information on patents and patent families can be found in the ▶ ANNUAL REPORT, P. 50

In a structured process, we also consistently collect and evaluate ideas reported to us by employees. Subsequently, ideas are prioritized in a ranking. Environmental aspects also play a role in idea management: in evaluating our ideas, we focus, among other things, on their significance for reducing emissions, combating water scarcity and increasing energy efficiency. It is particularly important to us that not only many ideas are generated, but above all that they are of high quality: we evaluate quarterly the average rating of the top 10 ideas in our Company. As with the number of invention applications, the number of ideas submitted is regularly reported to the Management Board. As soon as we discover that this value is dropping, we take countermeasures such as creative training or cross-departmental workshops.

CREATING CROSS-DEPARTMENTAL CONNECTIONS

Close collaboration between different departments such as R&D, product development and application engineering is essential for developing new products and technologies. We have institutionalized regular exchange meetings at the local, regional and global levels to optimize this. In addition, the various teams continue to train each other in new technologies and projects.

INNOVATION SCOUTS DEPLOYED AT ALL SITES

The basis for innovations are our employees' ideas. In addition to our employee suggestion scheme, we encourage our Innovation Scouts to build on this. Daily work does not often provide enough space to pursue creative and new ideas. Our Innovation Scouts therefore provide all employees with a platform for gathering ideas, pursuing them and appreciating the creativity of our employees (see box).

In general, Innovation Scouts distinguish themselves by their many good ideas. In addition, they serve as multipliers for employees who have ideas and create connections with our research department. Innovation Scouts are not tied to a particular department. Everyone can be innovative, whether in production or development, purchasing or the HR department. At Innovation Summits, the Scouts have the opportunity to exchange at the regional level.

Charles Eisenhauer
Innovation Scout in
Fresno, California (USA)

PRACTICAL INSIGHT: WORKING AS AN INNOVATION SCOUT

What is your task as an Innovation Scout at NORMA Group?
I see my role as a dual one: On the one hand, I am acting as a support person between any employee and the innovation team to convey an idea or opportunity to the innovation team. On the other hand, I conduct research on my own to identify product or process ideas or business opportunities which I can then present to the R&D team.

How do you get your ideas?
From employees, co-workers, industry publications or even workshops. Often, it is also crucial to get in touch with other NORMA Group plants and other companies or to exchange thoughts on trade shows. Great ideas begin with a simple thought which then evolves into a solution.

What was your latest idea?
To improve our cooperation with other companies which also operate in the area of drip irrigation systems and have products which are complementary to ours. Such a collaboration could help in expanding our market share, e.g. regarding irrigation systems for small farms in the US. I already presented the idea to our R&D department and we are currently defining the next steps.

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

23 Strategic Approach
23 Quality
25 Sustainability in Purchasing
27 Innovation
29 Customer Satisfaction
30 Outlook

INNOVATION COUNCILS BRING EXPERTISE TOGETHER

In order to further boost certain issues of particular relevance, NORMA Group has also set up Innovation Councils. These are made up of managers from different departments and regions and aim to gather knowledge about radical and disruptive trends in the company environment and to develop strategies for them. Innovation Councils are created on a temporary basis: after the strategy development phase, these are transferred to the operative work processes. Over the last few years, electromobility was the focus of an Innovation Council. The resulting e-mobility strategy was validated, among others, at 2017's Stakeholder Roundtable with external experts.

INNOVATION PARTNERSHIPS WITH CUSTOMERS AND RESEARCH INSTITUTIONS

NORMA Group works closely with universities, research and development institutes as well as customers, suppliers and other partners worldwide. This allows us to gain additional resources and expertise in the development of our products and to be able to immediately pick up on global trends, seamlessly translating them into new technologies and product ideas. This in turn allows for rapid marketing of product innovations.

INNOVATION EXCELLENCE AWARD RECOGNIZES OUTSTANDING INNOVATIVE ACHIEVEMENTS

In recognition of achievements by individuals or groups within NORMA Group, we award the Innovation Excellence Award once a year. It recognizes, for instance, process optimizations, higher earnings contributions, better product quality, competitive advantages and higher environmental friendliness. The Management Board decides annually on the best ideas submitted by employees.

In 2018, the jury received more than 40 proposals from all regions. Out of the seven finalists, the project “Cooling System for E-Truck” emerged as the winner. Within only four weeks, the team had developed the prototype of a cooling water system for a truck with a purely electric drive.

In addition to the Innovation Excellence Award, NORMA Group initiated the Corporate Responsibility Award with the objective of increasing awareness of Corporate Responsibility within the Company and stimulating innovation in that area as well. ▶ AWARENESS OF CR WITHIN THE COMPANY

CUSTOMER SATISFACTION

STAYING AT THE FOREFRONT BY FOCUSING ON CUSTOMERS’ NEEDS

Customers are one of the key stakeholders of NORMA Group. ▶ STAKEHOLDERS AND MATERIALITY Satisfying their needs is the basis of NORMA Group’s business success in the short and long term. Orientation toward customer needs is therefore a top priority in each of our business processes. Through innovative high-quality products and the continuous optimization of our processes, we increase added value for our customers – and thus form the foundation for long-term and successful cooperation.

NORMA Group is operating in an environment that is changing rapidly – industry standards, regulatory requirements and consumer preferences demand further efforts in areas like emission reduction, space reduction or modularization. To stay at the forefront, NORMA Group cannot only rely on internal data analysis – improvements also require active and close exchange with our customers. It is their needs which define measures in ▶ QUALITY MANAGEMENT, lean management or ▶ RESEARCH AND DEVELOPMENT.

In order to obtain direct feedback on customers’ perceptions, NORMA Group’s marketing department conducts a Customer Satisfaction Survey (CSS) on a biennial basis. The objective of the survey is to identify both areas which already satisfy customers’ needs as well as areas for further improvement. Thus, NORMA Group identifies its strengths and weaknesses which are used to make strategic decisions, e.g. by incorporating results into internal business development conferences. Starting from the strategic approach, concrete measures are being developed by a cross-functional team to increase satisfaction among customers. Whether the measures taken show an impact on customers’ satisfaction is then verified via regular monitoring and in subsequent surveys.

RESULTS FROM THE 2018 CUSTOMER SATISFACTION SURVEY

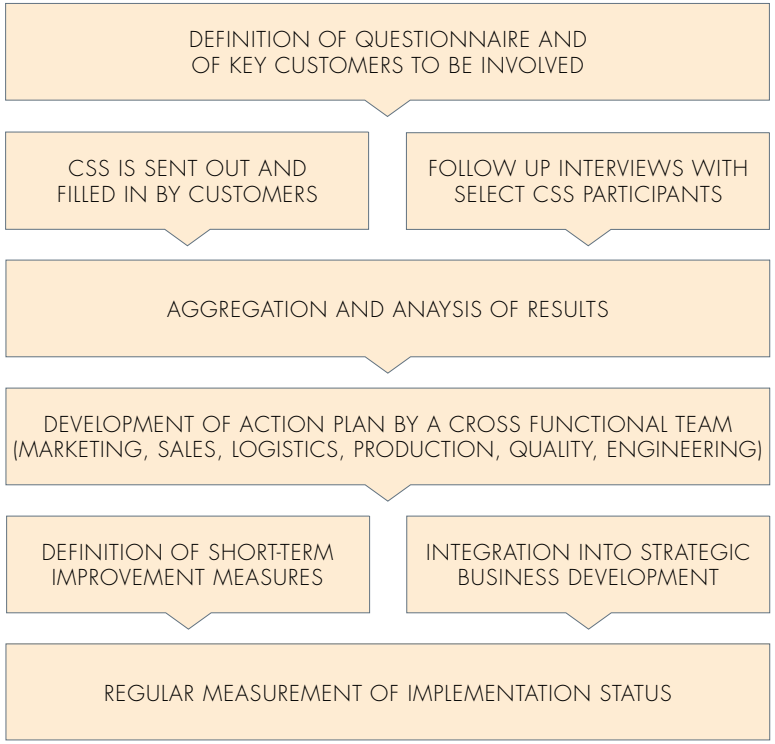
Compared to previous years, the methodology of the 2018 CSS has been revised, with the focus now lying on NORMA Group’s largest customers with regard to sales revenues. Carried out in Q4, 2018, the survey achieved a response rate of more than 20% of all customers approached, which is the highest value since NORMA Group started the CSS process in 2011. The most important aggregated KPIs are the Customer Satisfaction Index (CSI) and the Net Promoter Score (NPS). The CSI is measured on a scale from 0 (unsatisfied) to 100 (satisfied) and describes the overall satisfaction of a customer with NORMA Group’s performance. The NPS measures the willingness of customers to recommend NORMA Group as supplier. The NPS is measured by deducting the percentage of

23 Strategic Approach
23 Quality
25 Sustainability in Purchasing
27 Innovation
29 Customer Satisfaction
30 Outlook

customers who are less likely to recommend NORMA Group as a supplier from the percentage of customers who are willing to recommend NORMA Group. In last year's CSS, the CSI was 65, which meant a decrease compared to the previous survey in 2016 (71). The NPS, however, increased by 5 percentage points from 22% to 27% with half of the total of customers being considered as promoters of NORMA Group's products and solutions.

To collect direct feedback and provide details for further analysis, qualitative interviews were conducted with key customers following the quantitative survey. All results have been consolidated and provide the basis for action plans to be developed in each improvement area identified in the CSS.

PROCESS CUSTOMER SATISFACTION SURVEY 2018



OUTLOOK

NORMA Group is constantly working to develop new solutions and optimize existing systems to meet the increasing demands of its customers. At the same time, we are continuing our work to integrate sustainability aspects into our business practices and relationships.

We want our product solutions to systematically align with the needs of our customers. We will therefore further optimize our customer survey process and continue improving its results. Quality and innovation play a crucial role for our customers. We have set ourselves specific targets accordingly: the number of defective parts are to be well below 20 parts per million (PPM) in the medium term, and in the single-digit range in the long term. In addition, we aim to reduce the number of monthly customer complaints to an average of under eight. In R&D, we have set ourselves the goal of generating more than 20 invention applications each year.

In purchasing, we want to improve our sustainability performance by increasing the participation of our suppliers in our Sustainability Self-Assessment, by integrating sustainability fact sheets into all commodity strategies and by training our employees accordingly.

23 Strategic Approach
23 Quality
25 Sustainability in Purchasing
27 Innovation
29 Customer Satisfaction
30 Outlook

AT A GLANCE: CR ROADMAP 2020

Core objective "Business Solutions"

NORMA Group will improve and strengthen its market position, taking sustainable business practices and relationships into account.

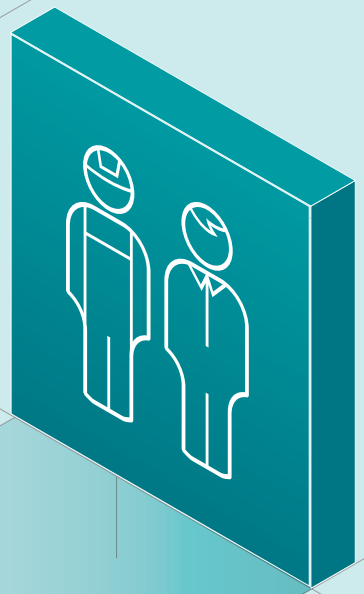
Target value for 2020

Sustained and continuous growth in all business fields of relevance to NORMA Group.

Our goal	Milestone	Date	Status
New control systems and structures on innovative management will increase the number of innovative products and processes on the market.	The number of invention applications exceeds 20 per year.	Annually	2018: 32
Our authenticity together with trustworthy customer relations will contribute to continuous organic and sustainable growth supported by innovations when possible.	Implementation of an updated process to measure customer satisfaction.	2018	Implemented
	Development of a baseline and improve in the following years.	2020	
We will improve the quality of our products to satisfy our customers. The share of defective parts in our production (in PPM per month) will remain in the single-digit range in the long term. In the medium term, this value is to be reduced to under 20 PPM.	We will reduce the share of defective parts to 20 PPM or fewer.	2020	2018: 7
	The number of reported customer complaints will be under 8 per month on an annual average.	2020	2018: 7
We want to procure raw materials, products and services at optimal costs, also taking sustainability aspects into account in selecting our suppliers.	The share of suppliers in the Supplier Scoring process that participate in the "Sustainability Self-Assessment" will increase by 5% every year through the year 2020.	Annually	2018: 24.1% 2017: 18.4%
We also systematically integrate sustainability aspects when we develop our procurement strategies for our various groups of products.	100% of existing commodity strategies will also include a sustainability fact sheet.	2020	Sustainability Fact Sheets in newly developed commodity strategies
	All team members of Group Purchasing will be trained on Sustainability aspects.	2019	

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

33 Strategic Approach
33 Occupational Health and Safety
35 Training and Development
37 Appropriate Remuneration and Employee Satisfaction
38 Diversity and Equal Opportunity
38 Outlook



EMPLOYEES

Our employees enable and drive our business success. We will continue to invest in a safe and supportive working environment, protect our employees' health and strengthen our position as an employer of choice. We embrace diversity throughout NORMA Group and promote a working environment free of prejudice.

33 Strategic Approach
33 Occupational Health and Safety
35 Training and Development
37 Appropriate Remuneration and Employee Satisfaction
38 Diversity and Equal Opportunity
38 Outlook

The information reviewed by PwC, which together forms the separate non-financial Group report, is marked with a line next to the respective text.

EMPLOYEES

STRATEGIC APPROACH

EMPLOYEES MAKE VALUABLE CONTRIBUTIONS EVERY DAY

[GRI 102-8, 103-1, 103-2, 103-3]

At the end of December 2018, NORMA Group had 8,865 employees throughout the Group (core workforce including temporary workers), which is 15.6% more than in the previous year (2017: 7,667). The number of temporary workers as of the reporting date was 1,964 (2017: 1,552). This corresponds to a share of the total workforce of around 22.2%.

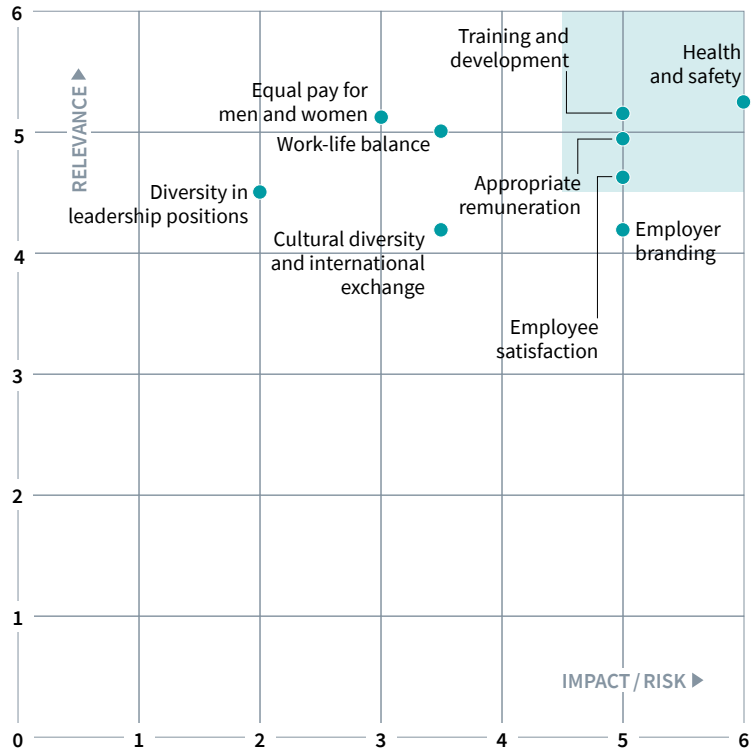
Due to its internationality, HR management at NORMA Group is organized locally. This allows sites to take varying local conditions better into account in their daily HR work. On the basis of a firmly embedded employee culture, we implement various measures in occupational health and safety, training and development, remuneration as well as diversity and equal opportunities. The high average satisfaction of our employees confirms our approach. ▶ EMPLOYEE SATISFACTION

COMPANY CULTURE IS THE BASIS FOR EMPLOYEE SATISFACTION

NORMA Group has defined core values that reflect the fundamental convictions of our Company. They are the compass for our actions and the guiding principles of how we act and work with our business partners. The goal of our employees is to live out these values every day. This includes change readiness, team spirit, open-mindedness and strong ties or relationships.

To bring Company values closer to our new colleagues, we conduct "Living Our Values" training courses in small groups from different divisions. These make our Company values practically tangible through various interactive methods and give employees the chance to discuss Company values with one another. Measures for ▶ OCCUPATIONAL HEALTH AND SAFETY, ▶ EMPLOYEE DEVELOPMENT and ▶ INNOVATION MANAGEMENT would not be as effective without the appropriate Company culture.

MATERIALITY MATRIX



OCCUPATIONAL HEALTH AND SAFETY

THE HEALTH AND SAFETY OF EMPLOYEES ARE PRIORITIES

[GRI 103-1, 103-2, 103-3, 401-2, 403-4, 403-5, 403-7]

According to the International Labor Organization (ILO), about 317 million work-related accidents occur worldwide each year. www ILO For this reason, companies have a particular responsibility with regard to the health and safety of their employees. Accordingly, NORMA Group places top priority on the health and safety of its employees. Regular risk assessments at our production sites identify machinery and vehicle traffic to be the most important factors to control. However, we assess these risks to be minor due to our systematic and Group-wide approach to Health and Safety management.

33 Strategic Approach
33 Occupational Health and Safety
35 Training and Development
37 Appropriate Remuneration and Employee Satisfaction
38 Diversity and Equal Opportunity
38 Outlook

Laws and regulatory frameworks are clearly defined standards for occupational health and safety in our Company, but in many cases we go significantly beyond a mere meeting of requirements. In light of the subject's importance, it is addressed in our Management Manual valid throughout the Group. "At NORMA Group we live out a 'safety first' culture, which is reflected and strengthened throughout our company." With supplementary programs, we ensure that all workplaces offer the highest level of security to avoid accidents. In particular, we make technical arrangements and conduct training courses to prevent accidents at work. Our high standards apply to temporary workers as well as to our regular staff and we also include health and safety certifications into our supplier scoring process. ▶ SUSTAINABILITY IN PURCHASING

CERTIFICATION OF ALL MANUFACTURING SITES

[GRI 403-1, 403-2, 403-3]

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 contacts for questions on the topic. It is our goal to have all manufacturing entities certified according to OHSAS 18001 (or its successor ISO 45001) by 2020. At the end of 2018, 20 of 27 of the production sites that had been part of NORMA Group for more than 12 months were externally audited and certified according to the international standard OHSAS 18001. Compared to end of 2017 the absolute number of certified sites stayed the same while the share dropped from 80% at the end of 2017 to 74% in 2018 due to newly acquired locations which have not been certified yet. For all locations currently not certified, we have fixed timelines which ensure that we achieve our goal of 100% certification of all NORMA Group manufacturing sites by 2020.

OHSAS 18001 prescribes the conduction of regular assessments on site level to identify risks for the health and safety of workers. On this basis, regular internal audits are carried out in order to identify potential for improvements and to define appropriate measures. Progress resulting from these measures is tracked regularly.

ACCIDENT RATE AS THE KEY PERFORMANCE INDICATOR

[GRI 403-9]

Introducing management systems for work safety is not an end in itself. To control their effectiveness, we monitor 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. We have already been able to significantly reduce the accident rate in recent years. In 2018, the accident rate per 1,000 employees was 7.8, which means an increase compared to 2017 (6.3).

We also monitor the number of medical treatments or accidents that result in a work loss of less than three days (treatment rate). In 2018, this was 40.9 treatments per 1,000 employees. This value, too, increased compared to 2017 (36.0).

In order to focus on preventive rather than reactive measures, we also monitor 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 it to local Health and Safety representatives.

PRACTICAL INSIGHT: HEALTH AND SAFETY DAY IN SERBIA

Ensuring the health and safety of employees at our plants requires everyday discipline and continuous improvements. In addition, on the international Health and Safety Day, NORMA Group Serbia organizes events focusing on particular health and safety topics.

In 2017, the Serbian management used the occasion to install permanent Health Check Corners where employees can measure their blood pressure, temperature as well as body weight and body mass index. Also, more than one third of NORMA Group's biggest manufacturing location filled in an anonymous questionnaire. The data was subsequently used to define improvement measures and design tailored workshops.

In 2018, Health and Safety Day focused on health risks of administrative staff. With support from external experts, employees from all offices conducted several short exercises. To promote long-term engagement of employees, guidelines on these exercises were distributed in the entire plant.

33 Strategic Approach
33 Occupational Health and Safety
35 Training and Development
37 Appropriate Remuneration and Employee Satisfaction
38 Diversity and Equal Opportunity
38 Outlook

EFFECTIVENESS IS MEASURED REGULARLY

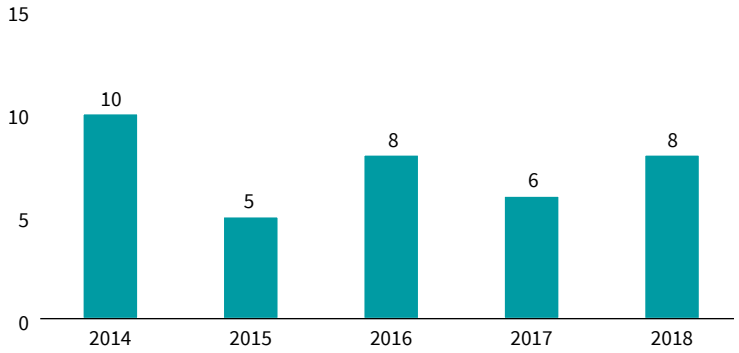
The success of our health and safety management is assessed by regular reporting from our global Health and Safety Management to the Management Board. Thorough root cause analyses are derived from this at site level and countermeasures are defined. Progress on the measures is also reported to the Management Board.

Last year, NORMA Group also conducted a global assessment of the different types of accidents and medical treatments. Currently, the findings of the assessment as well as best practice approaches to confront the risks are being shared with the local management of our manufacturing plants.

Our declared goal is to further reduce the accident rate in the coming years. By 2020, we want to improve to a maximum of four notifiable accidents per 1,000 employees per year. ▶ CR ROADMAP 2020 The "Value-based safety" initiative is a key instrument for achieving this goal by encouraging our employees to identify safety risks at an early stage and change processes and their behavior accordingly.

DEVELOPMENT OF THE ACCIDENT RATE

REPORTABLE INCIDENTS PER 1,000 EMPLOYEES



TRAINING AND DEVELOPMENT

CENTRAL SUCCESS FACTOR OF OUR BUSINESS ACTIVITY

[GRI 103-1, 103-2, 103-3]

NORMA Group sees itself as a "learning organization," aspiring to continuously develop. One of the reasons why this is so important is that we operate in a very dynamic environment with constantly changing demands placed on us. Trends such as digitalization, connectivity, flexibility and sustainability are particularly relevant.

The core of NORMA Group's business model is to adapt quickly and flexibly to changing customer requirements as well as economic and social conditions. Targeted and sustainable training and development of our employees along with

Ashley Hanel
HR Generalist in Auburn Hills, USA

PRACTICAL INSIGHT: ACKNOWLEDGED EDUCATION PARTNERSHIP

The plant in Auburn Hills received the "2018 Partner Award" from Oakland University for its collaboration program. Since 2015 the plant has been working with about 20 undergraduate students enrolled in the university's School of Education and Human Services, School of Business Administration, School of Engineering and Computer Sciences programs.

At NORMA Group, the students work directly with the Operational Excellence Leader who is responsible for the plant's lean management. As part of their work, they provide a Lean Assessment with recommendations on an area or project.

The plant regularly hires interns and graduates from Oakland University. "The relationship with the university has made NORMA Group a well-known company to students attending the school," says Ashley Hanel, who is now working in NORMA Group's HR department and who initiated the partnership, when she was an Oakland University student herself.

33 Strategic Approach
33 Occupational Health and Safety
35 Training and Development
37 Appropriate Remuneration and Employee Satisfaction
38 Diversity and Equal Opportunity
38 Outlook

harnessing their creative potential in a "learning organization" are our keys to innovation and success.

ALL SIDES BENEFIT FROM CONTINUING EDUCATION AND TRAINING

As a responsible employer, we want to offer our employees a demanding environment that includes the opportunity for further development. At the same time, today's working environment expects skills that can cope with the changes megatrends bring. Training and continuing education thus not only serve NORMA Group as a Company, but also the long-term prospects for our employees.

ENSURING EMPLOYEE DEVELOPMENT THROUGH TRAINING

[GRI 404-1]

In order to meet our requirements for training and developing our employees, we have firmly rooted the subject in our HR strategy. Among other measures, we founded the global Competence Center Learning and Development in 2016 that is supported at the regional level by Learning & Development Managers and onsite by HR Business Partners. The goal of this Competence Center is to provide processes and tools to identify, develop and retain the right talent at the right place, at the right time and at an acceptable cost. This comes from NORMA Group's values as well as our Company and HR vision.

Our goal is to ensure that every NORMA Group employee receives an average of at least 30 hours of training per year. Training includes internal as well as external training courses and workshops, but also so-called bubble assignments (see next page). In 2018, that average was at 23.9 hours per employee, a decline of 20.6% compared to 2017 (30.1 hours per employee). The decline is mainly attributable to increased cost pressure in the second half of the year. This made it necessary to significantly reduce the conducting of external training except for training that was legally required.

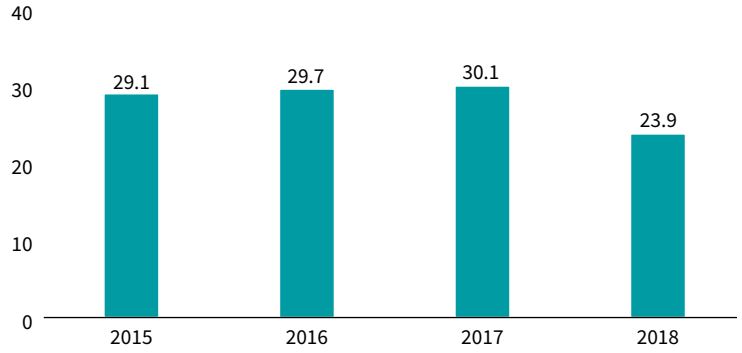
NORMA Group is currently building up more internal training capacity in order to meet the demand for continuous, high-quality training for its employees and managers, even in the face of demanding budgets. An important component of this is NORMA Group's Learning Management System, which was expanded last year. The aim is to provide employees online with a platform on which standard training courses can be offered, while at the same time enabling them to advance their training in line with their individual needs.

We also ensure the effectiveness of our training through regular internal reporting on participation rates and feedback as well as through specific questions in our Employee Satisfaction Survey (ESS). ▶ EMPLOYEE SATISFACTION

COMPETENCY MODEL

DEVELOPMENT OF TRAINING HOURS

IN HOURS PER EMPLOYEE



TARGETED ACQUISITION OF COMPETENCIES

[GRI 404-2, 404-3]

Employee training is most effective when it aligns with the demands of the working environment. To ensure this, our approach is principally demand-oriented, based on bottom-up departmental reporting. NORMA Group also developed a competence model over the last few years. The skills that are important to us have been defined in numerous workshops and with the participation of employees in all regions.

33 Strategic Approach
33 Occupational Health and Safety
35 Training and Development
37 Appropriate Remuneration and Employee Satisfaction
38 Diversity and Equal Opportunity
38 Outlook

Last year, we systematically further integrated the competence model into our HR structures (see chart). 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 within the framework of the competencies that are of importance to NORMA Group.

The acquisition of proper competences is also integrated in our Performance Management Process (PMP). The obligatory annual employee appraisals based on this not only include defining a target agreement with management, but also supporting employees in acquiring the necessary skills.

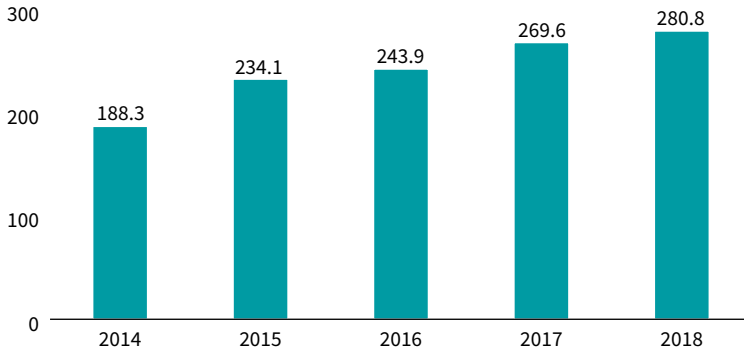
INTERNATIONAL EXCHANGE

[GRI 401-2, 404-2]

For an international Company such as NORMA Group in a globalized world, cross-border exchanges and intercultural skills are crucial for success on both a personal and Company level. ▶ DIVERSITY AND EQUAL OPPORTUNITY Our assignment programs offer our employees the opportunity to expand their experiences and skills abroad. Programs generally distinguish between short-term 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.

DEVELOPMENT OF PERSONELL EXPENSES

IN EUR MILLION



APPROPRIATE REMUNERATION AND EMPLOYEE SATISFACTION

FAIR PAY FOR ALL EMPLOYEES

[GRI 102-41, 103-1, 103-2, 103-3, 401-2]

Our HR policy is based on ensuring that all employees receive competitive and fair pay for their work. This usually goes beyond the pay of local statutory or collective minimum wages – these are at best a minimum standard for us. In addition, we intend to introduce performance- or success-based incentive systems at all sites worldwide that have not yet done so. At the end of 2018, we had achieved this goal at 98% of our sites. The only site without an incentive system was Groen Bevestigingsmaterialen which had eight employees. Currently, NORMA Group does not inquire as to how many employees are covered by collective bargaining agreements.

EMPLOYEE SATISFACTION AS A KEY PARAMETER

Occupational health and safety, continuing education and training as well as fair pay – all these aspects serve the satisfaction of our employees. We are convinced that satisfied employees are also more committed in their daily work. For us, measuring employee satisfaction is an "organizational thermometer" for identifying strengths and quickly launching potential for improvement.

Every three years, NORMA Group carries out a large-scale employee survey. All permanent employees working for NORMA Group at the end of 2016 were able to take part in the 2017 survey. The survey, conducted on a voluntary basis, had a participation rate of 82%. 76% of respondents said that they were satisfied or very satisfied with their work situation at NORMA Group. Average satisfaction was at 2.74 on a range from 1 (very satisfied) to 7 (very dissatisfied).

The results are an incentive for us to continue improving our working environment at NORMA Group. In the past year, various measures were therefore implemented worldwide that directly respond to the feedback of the employee survey. Examples include the renovation or furnishing of social facilities at sites in the Americas region or the development of clearly defined career paths for employees in this region. Measures implemented in the APAC region included workload reduction and team building. The focus of the EMEA region was, among other topics, on holding various workshops for managers and employees on the subject of stress management.

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

33 Strategic Approach
33 Occupational Health and Safety
35 Training and Development
37 Appropriate Remuneration and Employee Satisfaction
38 Diversity and Equal Opportunity
38 Outlook

DIVERSITY AND EQUAL OPPORTUNITY

DIVERSITY PAYS OFF

[GRI 102-12, 103-1, 103-2, 103-3]

Studies show that companies that value diversity are more successful than those with largely homogeneous teams. As an international Company with sites and representative offices in 26 countries, NORMA Group is already structurally characterized by a high degree of diversity. By signing the ▶ CHARTER OF DIVERSITY NORMA Group commits itself to ensuring that all employees are valued – regardless of gender, nationality, ethnicity, religion or belief, disability, age, sexual orientation or identity.

Our Diversity Mission Statement reads: "NORMA Group embraces diversity of thoughts by respecting our employees' unique characteristics, experiences and ideas. We are committed to creating an environment of communication, networking, exchange and dialogue where talent is recognized, developed and united. We – all together – are the pacesetter in our industry."

DIVERSITY OFFICERS AND DIVERSITY DAY

We have appointed a Diversity Officer in every region to achieve this goal. Through extensive measures, NORMA Group has committed itself to diversity and an open working atmosphere in which our employees can network and exchange ideas.

We celebrate our commitment to diversity at NORMA Group every year on Diversity Day. Campaigns were again carried out last year at all sites worldwide, with the exception of the newly acquired plants of Kimplas Piping Systems and Statek Stanzereitechnik, to sensitize our employees to the issue of diversity and to further promote it. Diversity Day 2018 was held at all NORMA Group sites under the motto "Team Spirit."

EQUAL TREATMENT FOR MEN AND WOMEN

[GRI 405-1]

Men and women have the same opportunities at NORMA Group, also with respect to assignment of management positions. We actively oppose discrimination and take for granted that women and men should be paid the same amount for the same jobs and qualifications. The proportion of women depends on the proportion of women who are available through the job market and who have the necessary qualifications. Accordingly, it varies worldwide between sites. At the end of 2018, the proportion of women in the total core workforce was 34.8% (2017:36.4%). NORMA Group's Supervisory Board currently has two female members, which equates to a share of 30%.
▶ ANNUAL REPORT, P. 30

OUTLOOK

We want to remain an attractive employer for our employees in the future. Our primary goal is therefore to further improve the satisfaction of our employees. This will be reviewed again in 2020 as part of a large-scale employee survey.

We will continue to invest in occupational safety and health at work. To ensure the effectiveness of occupational safety measures, all production sites are to be certified in accordance with the OHSAS 18001 standard (or the succeeding standard ISO 45001) by the end of 2020. We have also set ourselves the goal of reducing the accident rate per 1,000 employees to less than four per year.

In continuing training and development, we aim to have our employees attend at least 30 hours of training per year. In addition, we want to ensure that performance-based incentive systems are implemented at all sites.

33 Strategic Approach
33 Occupational Health and Safety
35 Training and Development
37 Appropriate Remuneration and Employee Satisfaction
38 Diversity and Equal Opportunity
38 Outlook

AT A GLANCE: CR ROADMAP 2020

Core objective "Employees"

NORMA Group will be viewed as an employer of choice for its employees and will continue to attract, retain and inspire the most talented people to live and to share the Company's values and vision.

Target value for 2020

Overall employee satisfaction determined in the Employee Satisfaction Survey (ESS) is to be improved (the satisfaction score in the ESS 2017 was at 2.74 on a scale of 1 (very good) to 7 (very poor)).

Our goal	Milestone	Date	Status
As a responsible Company, we will invest in a safe and efficient working environment and working conditions that protect the health of our employees and maintain their well-being. None of our employees shall have a work-related accident.	100% of the production sites[1] are to be certified according to OHSAS 18001 (or its successor ISO 45001).	2020	2018: 74%
	Our accident rate (per 1,000 employees) will be under 4 per year.	2020	2018: 7.8
As a "learning organization," we will ensure our continuous development.	An average of at least 30 training hours per year and employee.	Annually	2018: 23.9 hours
We will see to it that systems for ensuring appropriate remuneration are used at all of our sites.	Performance-oriented incentive systems to be in place at all sites[1].	2020	2018: 98%

1_With a transition period of 12 months for newly integrated sites.

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

41 Strategic Approach
41 Environmental Management Systems
43 Climate Protection in Production
44 Water in Production
45 Resource Efficiency
47 Environmental Impact of Products
49 Outlook

ENVIRONMENT

Being responsible means taking our dependency and our impact on the environment into account. In our own production, we ensure compliance with environmental standards and make ambitious contributions in the areas of climate, water and waste management. With our joining technology, we support customers to meet future environmental standards and improve their environmental performance.

41 **Strategic Approach**
41 **Environmental Management Systems**
43 Climate Protection in Production
44 Water in Production
45 Resource Efficiency
47 Environmental Impact of Products
49 Outlook

The information reviewed by PwC, which together forms the separate non-financial Group report, is marked with a line next to the respective text.

ENVIRONMENT

STRATEGIC APPROACH

NORMA GROUP'S ENVIRONMENTAL STRATEGY

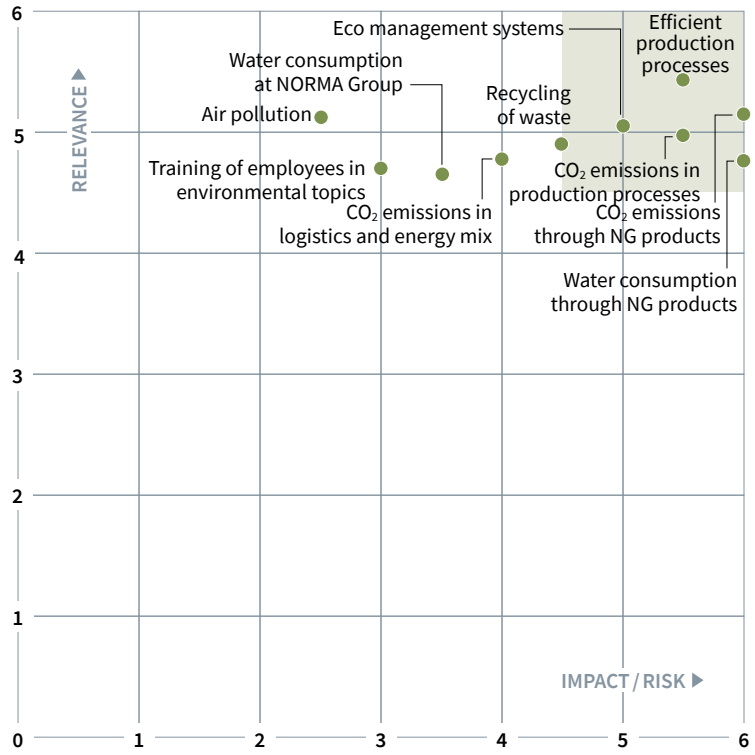
Megatrends such as resource scarcity and climate change are fundamentally and lastingly transforming the world. NORMA Group is aware of its responsibility in this respect because our products and services directly influence the challenges that arise for customers, society and our Company itself from these megatrends. Our products particularly contribute to greater energy efficiency, reduced emissions and more efficient use of water.

In order to further structure and enforce our efforts in these areas, we developed a comprehensive environmental strategy during the past year. The process of developing the strategy involved an assessment of historic data, benchmark analyses as well as internal workshops with participants from all regions. The Stakeholder Roundtable was another important milestone as it helped to validate our approach and provide new impulses which were subsequently integrated into the environmental strategy. ▶ STAKEHOLDERS AND MATERIALITY

The basis of our strategy form the material topics which we identified in our materiality analysis in 2017: climate, water and waste. ▶ STAKEHOLDERS AND MATERIALITY The strategy clusters each of these topics into three levels (see graphic detail on the next page): at the core is the management within our 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 us to focus on the operations which lie in our direct sphere of influence while not neglecting impacts that arise in our supply chain our during the usage phase of our products. The environmental strategy is framed by communication measures and the further development of due diligence and risk management approaches.

The targets set in the environmental strategy have been integrated into the CR Roadmap. Detailed approaches to the three different topics will be explained in the following chapters. Other environmental topics such as biodiversity and handling hazardous substances were viewed to be less relevant for NORMA Group. As a result, they are not the focus of our CR activities. The lower materiality of biodiversity is due to the fact that NORMA Group mainly operates its production sites in designated industrial and commercial areas. Handling hazardous substances affects only a few production sites, and the legal requirements are being met.

MATERIALITY MATRIX



ENVIRONMENTAL MANAGEMENT SYSTEMS

ENVIRONMENTAL OPPORTUNITIES AND RISKS

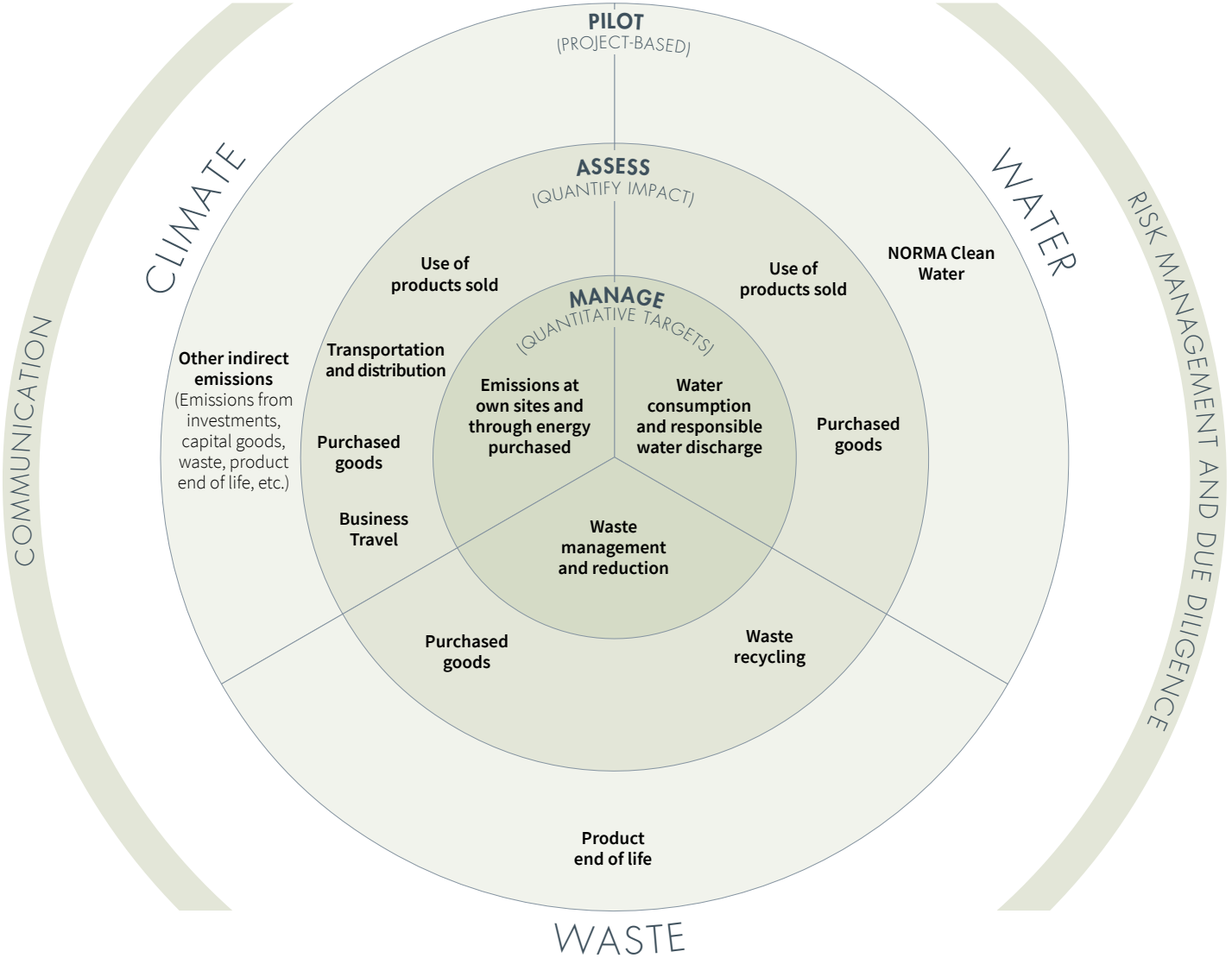
[GRI 103-1, 103-2, 103-3, 308-1, 308-2]

We can only contribute to a more efficient and environmentally friendly economy if environmental protection is integrated into the processes and workflows of all NORMA Group sites. At the same time, the ▶ ENVIRONMENTAL IMPACT OF OUR PRODUCTS is an important selling point for our customers. In addition, we help them save costs through energy- and resource-efficient processes.

41 Strategic Approach
41 Environmental Management Systems
43 Climate Protection in Production
44 Water in Production
45 Resource Efficiency
47 Environmental Impact of Products
49 Outlook

However, our business is also subject to risks. For example, the environmental impact cannot be measured or effectively managed across the enterprise without an effective environmental management system. At the same time, there is the risk of rising production costs due to using resources inefficiently, which would lead to competitive disadvantages. In addition, NORMA Group must meet increasing legal and social requirements when it comes to environmental topics. Our customers and investors increasingly attach importance in their ratings to a transparent presentation of greenhouse gas emissions and efficient use of water and resources by NORMA Group.

ENVIRONMENTAL STRATEGY



INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

41 Strategic Approach
41 Environmental Management Systems
43 Climate Protection in Production
44 Water in Production
45 Resource Efficiency
47 Environmental Impact of Products
49 Outlook

Along the supply chain, similar environmental risks as for NORMA Group itself exist because the majority of our suppliers also come from the manufacturing industry. Assessment and verification of these potential sustainability and financial risks are the responsibilities of our purchasing department. ▶ SUSTAINABILITY IN PURCHASING ▶ ANNUAL REPORT, P. 86

GROUP-WIDE ENVIRONMENTAL MANAGEMENT SYSTEM

In its CR Roadmap, NORMA Group has set itself the goal of 100% integrated manufacturing sites certified according to the international standard ISO 14001. Considering the strong growth through acquisitions, the target only refers to those locations which have been integrated into NORMA Group for more than 12 months. As of December 31, 2018, 93% (25 of 27) of these production sites were certified according to ISO 14001. In that context, the first-time certification of NORMA Group's subsidiary NDS during the past year was a significant step towards reaching the target. The two entities missing are Lifial in Portugal (certification in first half of 2019) and Connectors in Switzerland (no certification due to relocation to a new site in 2019).

Responsibility for the introduction and implementation of the environmental management systems lies with our environmental department, which is staffed with qualified personnel at all production sites. This structure enables us to develop and implement 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, our sites are audited regularly 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 reporting of aggregated data to the Management Board on a global level.

CLIMATE PROTECTION IN PRODUCTION

REDUCING GREENHOUSE GAS EMISSIONS

[GRI 103-1, 103-2, 103-3]

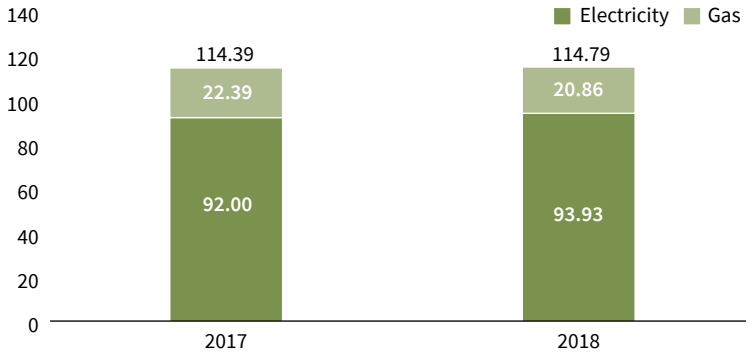
The global manufacturing industry contributes significantly to the emission of greenhouse gases through its own production processes and energy consumption. Reducing CO_2 emissions provides a significant lever to reach the world community's goal to keep global warming well below two degrees: only if we succeed in meeting our ambitious growth targets while minimizing our greenhouse gases can NORMA Group make a sustainable contribution to climate protection.

With our environmental strategy, we aim at making an ambitious contribution in combating climate change. The strategy focusses on emissions generated by production processes at our manufacturing locations (Scope 1 and 2). For these emissions we set ourselves an absolute reduction target: despite significant growth targets, NORMA Group wants to reduce its greenhouse gas emissions by 16% by 2025 (baseline 2017). The calculation of this target was based on the Sectoral Decarbonization Approach of the science-based targets initiative and excludes those emissions resulting from unorganic growth. To ensure achievement of the targets also on a local level, we are currently integrating the targets into our ▶ ENVIRONMENTAL MANAGEMENT SYSTEMS.

No policy for the purchase of green electricity or renewable energies is currently in place at NORMA Group. Instead, we control emission reduction by reducing our energy requirements. For NORMA Group, the individual plant management

DEVELOPMENT OF SPECIFIC ENERGY CONSUMPTION

IN KILOWATT HOURS PER EUR THOUSAND OF REVENUES



41 Strategic Approach
41 Environmental Management Systems
43 Climate Protection in Production
44 Water in Production
45 Resource Efficiency
47 Environmental Impact of Products
49 Outlook

is responsible for the concrete measures taken to reduce energy consumption and thus greenhouse gas emissions.

MODERATE INCREASE OF ENERGY CONSUMPTION

[GRI 302-1, 302-3, 302-4, 305-1. 305-2, 305-4, 305-5]

NORMA Group is currently concentrating on the collection and management of its greenhouse gas emissions from emissions resulting from the electricity and gas consumption of its production sites. Last year, electricity and gas consumption lead to emissions of 51,018 tons of CO_2 emissions. This translates into 47.06 kg per EUR thousand of revenue, which is a decrease of around 6.6% (2017: 50.38 kg per EUR thousand of revenue). The corresponding energy consumption of electricity and gas (combined) was 124.45 gigawatt hours or 114.79 kilowatt hours per EUR thousand of revenue.

Emissions are calculated using a combination of location-based and market-based methodologies: We use emission factors from specific suppliers wherever these are available (market-based). If this is not the case, we use country emission factors provided by the International Energy Agency (location-based). Values on emissions calculated according the location-based methodology can be found under ▶ DATA.

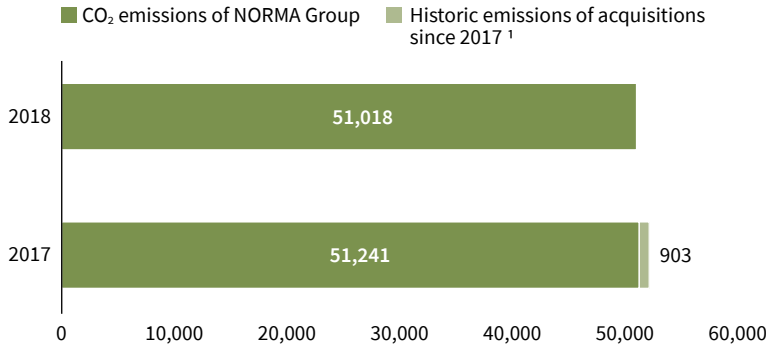
QUANTIFICATION OF EMISSIONS ALONG THE VALUE CHAIN

In addition to our ambitions to lower emissions generated at our manufacturing locations, we also take action to manage greenhouse gas impacts along the value chain (Scope 3 emissions). On the one hand, we also include our supply chain in our approaches since in many cases large volumes of energy are needed to manufacture the materials and components we purchase. Only if our suppliers also effectively reduce their greenhouse gas emissions can a contribution to climate protection be made. On the other hand, we aim at reducing the carbon footprint during the usage phase of our products. This is especially important in the automotive industry where – among other products – we develop new applications in the area of e-mobility. ▶ ENVIRONMENTAL IMPACT OF PRODUCTS

The basis for further management is to quantify emissions along the value chain. During the past year, we started first initiatives to assess the impacts resulting from the production of key commodities (▶ SUSTAINABILITY IN PURCHASING) as well as of the usage of our products. During the next years, we aim to broaden our analysis to further relevant commodities and product portfolios.

DEVELOPMENT OF CO_2 EMISSIONS

FROM ELECTRICITY AND GAS CONSUMPTION, IN TONS



1_Estimate of 2017 emissions generated that were acquired by NORMA Group in or after 2017. For the calculation methodology, see GHG protocol, chapter 5. [GRI 102-48]

WATER IN PRODUCTION

ACTIVELY ADDRESS WATER SCARCITY

[GRI 103-1, 103-2, 103-3, 303-1, 303-2, 308-2]

The United Nations estimates that demand for water will increase by 40% by 2050. According to current calculations, one in four people will then be living in a country with water scarcity. www UNITED NATIONS NORMA Group recognized this megatrend at an early stage and has reacted accordingly. In the meantime, NORMA Group's product portfolio consists to a large extent of water management products, which help our customers optimally control water consumption. ▶ ENVIRONMENTAL IMPACT OF PRODUCTS

A total of 19% of the world's water consumption is attributable to the production processes of industry alone. www FAO With its worldwide presence, NORMA Group is also represented in regions with a medium to high risk of water scarcity. Against this backdrop, NORMA Group also has a special responsibility to handle this resource carefully in its own production. Our production sites are to serve as a model for the more sustainable and resource-efficient use of water. Water consumption at NORMA Group is largely generated by cooling systems within our production processes. By reducing water consumption in this context, production costs can be reduced accordingly.

Water consumption also plays an important role in the supply chain: for example, NORMA Group purchases granulates, molded rubber parts and plastic parts, some of which are produced using water-intensive processes in the chemical industry. For this reason, NORMA Group has included both the reduction of water consumption and the safe handling of wastewater in its Supplier Code of Conduct and its Commodity Strategies. ▶ SUSTAINABILITY IN PURCHASING

41 Strategic Approach
41 Environmental Management Systems
43 Climate Protection in Production
44 Water in Production
45 Resource Efficiency
47 Environmental Impact of Products
49 Outlook

REDUCTION OF OUR OWN WATER CONSUMPTION

[GRI 303-1, 303-2, 303-3, 307-1]

For years, NORMA Group has been working to continuously reduce the use of water in its own production processes. In our environmental strategy, we address both the water consumption at our manufacturing sites and along the value chain. For our own sites, we set ourselves the target of reducing water consumption in relation to net sales by 15% by 2025 (baseline 2017) which translates into a 2% efficiency improvement per year. In order to achieve this target, we have a special focus on locations in areas of water risk (quantitative and qualitative according to the AQUEDUCT methodology).

We focus on our production sites as a framework for data collection and targets, as water consumption at our administrative and distribution sites plays only a minor role due to significantly lower consumption levels.

The control of water consumption follows our environmental management systems. ▶ ENVIRONMENTAL MANAGEMENT SYSTEMS. It is implemented globally and locally by the environmental department and at plant level in accordance with ISO 14001 standards.

NORMA Group's water is mainly sourced from municipal water supplies or other public or private water utilities and – at some locations – from ground and surface water. Last year, the water consumption of NORMA Group's production sites totaled 152,943 cubic meters and remained almost unchanged compared to 2017 (152,413 cubic meters). Accordingly, the consumption of water per EUR thousand of revenues was 0.14 cubic meters (2017: 0.15 cubic meters), which translates into a 5.9% improvement compared to the previous year.

WATER CONSUMPTION

IN CUBIC METERS PER EUR THOUSAND OF REVENUE

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. In 2018, one Chinese NORMA Group subsidiary, Fengfan Fastener (Shaoxing) Co., Ltd., ("Fengfan") was ordered to pay a fine of EUR 103 thousand (plus legal fees) because the responsible environmental authority found that Fengfan violated Chinese water pollution control regulations by releasing wastewater used in the production of cable ties without the necessary treatment. NORMA Group took steps including installing new equipment to filter the waste water and replacing the old cleaning agent to ensure that processes are now fully compliant.

RESOURCE EFFICIENCY

RISING COMMODITY PRICES

[GRI 103-1, 103-2, 103-3, 301-1]

Among other reasons, rising commodity prices reflect the growing shortage of the natural foundations of our economy. Efficient handling of the materials required for our production is therefore not only economically necessary to reduce production costs, but also from an environmental point of view.

As a manufacturing Company, we depend on various raw materials and primary products as important precursors of our products. NORMA Group's total production materials turnover amounted to EUR 336.3 million in 2018 (2017: 296.0 million). The largest share was accounted for by steel and metal components, granules and plastic and rubber products. ▶ ANNUAL REPORT, P. 69

NORMA Group considers the probability of rising raw commodity prices to be likely. Due to the countermeasures initiated, however, only minor financial effects are expected, as a share of the commodity price increases can be passed on to the customer by renegotiating contracts. ▶ ANNUAL REPORT, P. 86

CONSISTENTLY REDUCING WASTE VOLUMES

The reduction of waste and the recycling of valuable materials also play important roles in NORMA Group's environmental strategy besides reducing greenhouse gas emissions and using water efficiently. In our environmental strategy, we set the target of continuously reducing waste generation in relation to net sales every year.

Last year, NORMA Group produced 6,841 metric tons of metallic waste (2017: 6,166 metric tons). That means 6.31 kg of metallic waste per EUR thousand of sales revenues, which is a moderate increase of 4.1% compared to 2017 (6.06 kg).

41 Strategic Approach
41 Environmental Management Systems
43 Climate Protection in Production
44 Water in Production
45 Resource Efficiency
47 Environmental Impact of Products
49 Outlook

In addition, we measure the amount of waste along the categories of non-metallic waste, residual waste and paper waste.

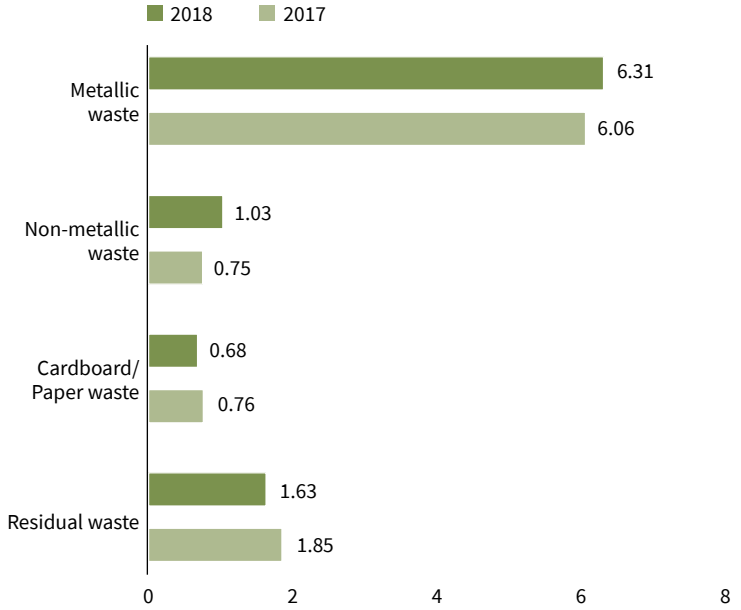
EFFICIENT PRODUCTION PROCESSES

The reduction of waste generation is also controlled in accordance with our environmental management systems. That means it is implemented globally and locally by the environmental department and implemented at the plant level in accordance with ISO 14001 standards. ▶ ENVIRONMENTAL MANAGEMENT SYSTEMS. At the same time, we optimize the efficiency of our production through the implementation and continual updating of the NORMA Production System (NPS). ▶ ANNUAL REPORT, P. 66

In the past year, NORMA Group rolled out two new key performance indicators with a view to improving process efficiency and reducing the volume of waste generated. The first indicator describes the number of defective parts produced internally but not delivered to the customer (cf. defective parts under ▶ QUALITY). It is measured in parts per million (PPM). In addition, the scrap rate is calculated, which sets the value of the scrap in relation to the total production material used. To make management as effective as possible, data is collected at the machine, department and plant levels and aggregated regionally and globally. At the end of 2018, the indicators were collected at all NORMA Group sites with the exception of the acquired plants of Lifial, Kimplas and Statek. Based on the initial data from 2018, targets will be formulated for both KPIs in 2019.

VOLUMES OF DIFFERENT FORMS OF WASTE [GRI 306-2]

IN KG PER EUR THOUSAND OF REVENUE



CLOSING RECYCLING CYCLES

[GRI 301-3]

Depending on the type of waste, we employ different recycling methods. For example, metal waste resulting from production processes is collected and recycled. A large share of the metallic waste generated is externally recycled by NORMA Group. 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 granulated. If possible, we also purchase recycled plastic, particularly at our subsidiary NDS where more than 50% of plastic purchased is recycled.

We are currently not in the position to recycle our own products, as these are 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 of course 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

SCRAP MARKETPLACES – RAISING AWARENESS AT ALL PLANTS TO AVOID WASTE

In addition to the introduction of new key indicators, Scrap Marketplaces were set up at all sites last year. The aim of these “Marketplaces” is to sensitize the workforce to the avoidance of scrap and waste. Scrap is collected in red boxes and displayed visibly in the production halls. The clear visibility is intended to encourage employees to look for solutions to produce less waste.

The scrap is placed into the boxes in such a way that it is possible to see how much scrap was produced on which machine. In addition, it is subdivided into planned scrap, which is caused, for example, by retooling or the design of the product, and unplanned scrap, which is caused by the incorrect setting of a machine, for example. Depending on the plant, the contents of the Scrap Marketplaces are checked weekly or even daily, the causes analyzed and appropriate countermeasures defined.

41 Strategic Approach
41 Environmental Management Systems
43 Climate Protection in Production
44 Water in Production
45 Resource Efficiency
47 **Environmental Impact of Products**
49 Outlook

as RoHS (Restriction of Hazardous Substances), REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) or California Proposition 65 on the requirements on drinking water infrastructure and supports its customers' recycling concepts.

ENVIRONMENTAL IMPACT OF PRODUCTS

NORMA GROUP OFFERS SUSTAINABLE PRODUCT SOLUTIONS

[GRI 103-1, 103-2, 103-3]

Increasing environmental awareness, resource scarcity and growing cost pressures are now playing a key role in almost every industry. In addition, there are mandatory legislative provisions leading to stricter emission regulations and specific requirements for materials used, especially in the automotive and commercial vehicle industry. NORMA Group therefore builds value-adding and sustainable solutions in its product portfolio.

The product solutions of NORMA Group in the clamps, fasteners and fluid systems categories are processed within end products. Above all, our products have the task of ensuring the efficient transport and use of liquid or gaseous substances. The main advantages of our joining solutions lie in their optimization in the areas of emissions, leakage and weight, as well as in volume and assembly time. In addition, we are expanding our product portfolio in the area of electromobility to support future mobility concepts (see below).

When developing new products, we focus on our customers' specifications and requirements. Satisfying their wishes and offering solutions to their problems is a top priority for NORMA Group. The basic requirement that all our products must always meet is the effective prevention of leaks and pollutant spills. We meet this basic requirement for our customers and ensure the highest reliability and quality. ▶ QUALITY At the same time, we also develop ideas for our customers in respective projects that improve the environmental friendliness of their and our products. To assess our improvements, we have set ourselves the task of estimating and quantifying the impact of our products in their usage phase both regarding greenhouse gas emissions (Scope 3 emissions) and water consumption.

RISKS FROM BUSINESS ACTIVITIES

With respect to various environmental aspects, certain risks may arise from business relationships, products and services. In the field of water management, for example, our products offer the advantage of lower water consumption, among their other benefits. However, if we fail to live up to this promise, there is a possibility that water will be wasted, which is critical in regions where water scarcity is a major issue.

In the automotive industry, a primary environmental risk is the emission of pollutants. This can be caused by leakages, poor exhaust gas purification or unnecessary vehicle weight, which would increase fuel consumption. This also creates risks for our business: quality defects could lead to legal disputes, liability for damages or the loss of customers.

ACTIVE MANAGEMENT OF E-MOBILITY OPPORTUNITIES

Transport accounts for around 14% of global greenhouse gas emissions. IPCC The global target to reduce global warming to well below 2 degrees by 2050 is accompanied by increasing pressure on the automotive industry to reinforce efforts to realize e-mobility as a primary mode of transportation.

Still, many challenges have yet to be overcome, with the range of e-cars and charging infrastructure being the most prominent ones. NORMA Group aims to make an active contribution by developing new products such as thermal management systems for the cooling and heating of batteries. During product development, they are tailored to solve the main challenges faced by customers: weight savings, lack of space and the reduction of pressure drops of coolants in the system. The latter is decisive to ensuring optimal performance of the batteries' thermal management systems: only if the flow of coolant is properly managed throughout the entire system, with a total length of up to 20 meters, is the thermal management working efficiently and no additional pump upsizing (and thus extra weight) needed. In addition to providing solutions to these requirements, NORMA Group also ensures the highest safety standards by applying its experience in the design of fuel transport systems in the delicate environment of batteries and cooling water.

Currently, NORMA Group is managing its e-mobility efforts in a project-based organization with dedicated engineering and sales staff. In doing so, we have the flexibility to confront an emerging and very dynamic market and to connect the new challenges to our already existing product portfolio and customer expertise. All relevant internal stakeholders received extensive training throughout the last year. To ensure global alignment and steering, all projects are coordinated and supported by the Global Product Management E-Mobility.

This management approach is already showing initial results. Last year, NORMA Group won a contract to supply around 40,000 thermal management systems for electric cars to a leading Chinese car maker. The success was based on intense cross-functional cooperation, especially between sales and

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

41 Strategic Approach
41 Environmental Management Systems
43 Climate Protection in Production
44 Water in Production
45 Resource Efficiency
47 Environmental Impact of Products
49 Outlook

engineering. As thermoplastics are primarily used, the systems are around 65 percent lighter than those using rubber hoses.

SUSTAINABLE WATER MANAGEMENT AS A KEY GROWTH MARKET

With worldwide water shortages on the rise, there is an increasing need for efficient water supply and infrastructure solutions. NORMA Group is taking this trend into account by continuously improving its water management products. Last year, products in the area of water management amounted to 17% of NORMA Group's annual sales. Among many others, products include drip irrigation systems which save up to 60% of water consumption compared to sprinklers or joining solutions such as the FGR coupling which may be applied in water treatment plants. ▶ INTRO Another area of application are drainage systems which catch and collect water for discharge or for further purification and re-use.

NORMA Group's organization in the area of water management is decentralized with NORMA Group's US subsidiary NDS in Americas and growing organizations in EMEA and APAC. All regions maintain a constant and intensive exchange in order to adapt existing products to market needs and develop new solutions. In addition, NORMA Group expands both its internal competencies and increases its market penetration by selective acquisitions (see box).

NEW ACQUISITION: KIMPLAS PIPING SYSTEMS CONFRONTS WATER SCARCITY IN INDIA

Each summer, large parts of India suffer from severe water crises, putting numerous lives and livelihoods under threat. Water scarcity in India is due to several factors, among them inefficiencies in water supply technology. This is of particular importance when households tap the water supply pipes: up to 40% of water in the distribution system is lost due to leakages at the point of retrieval.

To confront this situation, NORMA Group's subsidiary Kimplas Piping Systems ("Kimplas") developed specialized joining solutions, using electrofusion technology. Using this technology, the parts of the joining element touching the pipe are melted and fuse with the materials of the pipe. The result: an enduring and safe connection with no leakages at the point of retrieval which provides a valuable contribution to water efficiency in Indian households. Following this development, Kimplas became a pioneer in house service connections, which by now have been made a mandatory element of public water supply projects in India.

NORMA Group acquired Kimplas in 2018. The key factor in the acquisition is Kimplas' expertise and product range in the area of water management which also include water irrigation systems.

41 Strategic Approach
41 Environmental Management Systems
43 Climate Protection in Production
44 Water in Production
45 Resource Efficiency
47 Environmental Impact of Products
49 Outlook

OUTLOOK

We will continue to consistently pursue our efforts and measures in the area of environmental and climate protection in the years to come. The main focus for NORMA Group will be on continuously and systematically reducing the environmental impact of its production processes. We will therefore see to it that 100% of all production sites that have been part of NORMA Group for more than 12 months are certified in accordance with ISO 14001.

In the areas of greenhouse gas emissions, water consumption and waste generation, we will continue to pursue the ambitious goals that we set for ourselves for our production sites last year. To this end, new indicators will be introduced and internal reporting further improved. The aim is also to quantify NORMA Group's impact along the value chain: This applies on the one hand to the impact on the supply chain and on the other to the environmental impact of NORMA Group products during their service life.

AT A GLANCE: CR ROADMAP 2020

Core objective "Environment"	Target value for 2020
NORMA Group will continuously and systematically reduce the negative environmental impact of its production processes.	100% of NORMA Group's global production sites[1] are to be certified according to ISO 14001 by no later than the end of 2018 and then continuously.

Our goal	Milestone	Date	Status
We will reduce the CO_2 footprint of our production, taking science-based targets into account.	Absolute reduction of CO_2 emissions (Scope 1 and 2) by 16% compared to 2017.	2025	2018: Reduction by 0.4% (baseline 2017)
We will lower our consumption of water as a resource in production focusing on areas of high water-stress.	Reduction of water consumption in relation to sales by 15% compared to 2017.	2025	2018: Reduction by 5.9% (baseline 2017)
We will reduce waste and increase the efficiency of material use in our production processes.	Yearly reduction of waste in relation to sales.	Annually	2018: Increase of metallic waste per EUR thousand of revenue by 4.1% (baseline 2017)
	Introduction of "scrap rate" and "defective parts in production" as new KPIs in the area of production.	2018	Implemented

1_With a transition period of 12 months for newly integrated sites.

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

51 Strategic Approach
51 NORMA Clean Water
53 Corporate Volunteering
54 Commitment at the Sites
55 Outlook

COMMUNITY

NORMA Group is highly interested in livable and prosperous neighborhoods. Via our Corporate Citizenship Programs, we aim to strengthen, and contribute positively to the communities in which we operate and support select projects for sustainable development.

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

51 Strategic Approach
51 NORMA Clean Water
53 Corporate Volunteering
54 Commitment at the Sites
55 Outlook

COMMUNITY

STRATEGIC APPROACH

NORMA GROUP IS COMMITTED TO SOCIETY

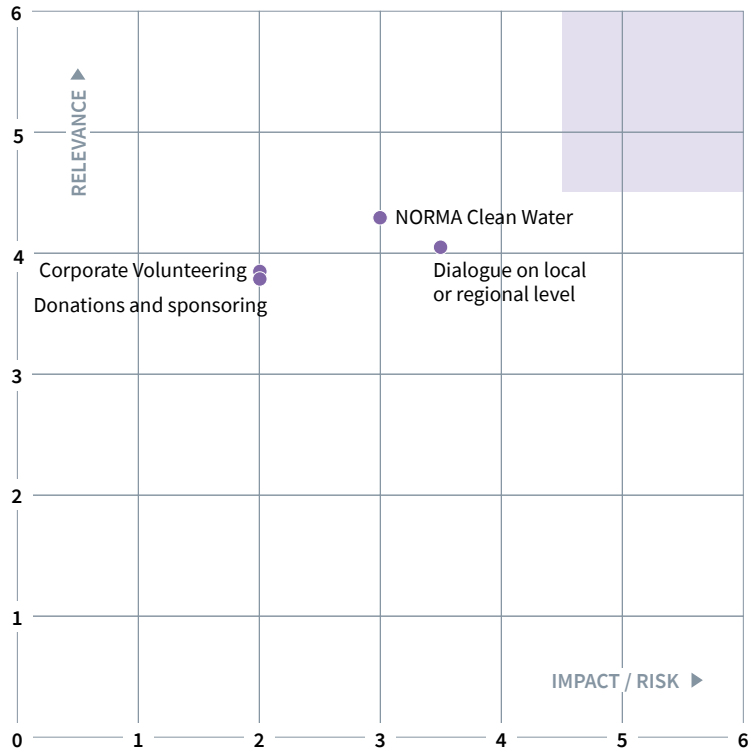
NORMA Group considers it self-evident to act as a socially committed company and an active member of society. We want to have a positive impact on the regions and local communities in which we operate. In our core business, we make an important contribution in a variety of ways, for example through our human resources management, anti-corruption measures and environmental management.

We value exchange and close contact with our neighbors at all NORMA Group sites. We conduct Corporate Citizenship activities closely related to our core business. Employee involvement makes a decisive contribution to the success of our activities.

Our social commitment activities are based on our Corporate Citizenship Guideline (CCG) and are managed at Group level by the CR Officers. They receive support from employees with decentralized responsibilities at our production sites, on organizing our global Help Day, for example. With the NORMA Clean Water project, we are also developing model measures to show how global challenges – especially the scarcity of water as a resource – can be addressed.

All activities are weighted and evaluated after their implementation. Depending on the respective projects, key figures are collected and communicated, in the CR Roadmap, for example. ▶ CR ROADMAP 2020

MATERIALITY MATRIX



NORMA CLEAN WATER

WATER AS A VITAL RESOURCE

Many regions of the world face major challenges in the areas of water supply, sanitation and hygiene. However, in a report by the World Health Organization (WHO), more than 80% of the countries surveyed responded that they do not have sufficient funding to meet their national water, sanitation and hygiene goals. WHO The lack of funding is also associated with social consequences: children, especially girls, suffer from the often precarious situation as they are traditionally responsible for the domestic water supply.

For NORMA Group, water is a strategic focus area with a direct connection to our core business as we provide various product solutions for water management. ▶ ENVIRONMENTAL IMPACT OF PRODUCTS Our lighthouse social commitment project therefore naturally focuses on water. At the same time, it seeks to show how challenges in the areas of water, sanitation and hygiene can be met through cooperation between business and civil society.

NORMA GROUP'S COMMITMENT HAS BEEN ACKNOWLEDGED

Today, the NORMA Clean Water project can already look back on several years of history. Our partner is always the children's charity Plan International, which supervises and implements the work on site. Last year, the cooperation between NORMA Group and Plan International received public recognition: NORMA Clean Water was among the finalists for the German CSR Award in the category "Civil

The information reviewed by PwC, which together forms the separate non-financial Group report, is marked with a line next to the respective text.

51 Strategic Approach
51 NORMA Clean Water
53 Corporate Volunteering
54 Commitment at the Sites
55 Outlook

Society Engagement." The prize is awarded to projects and initiatives that demonstrate exemplary corporate responsibility.

Between 2014 and 2017, NORMA Clean Water focused on the water supply and hygiene situation in Indian schools in the greater Pune area. Construction measures for the repair and renovation of toilet facilities were implemented at a total of 25 schools and almost 16,000 pupils and around 650 teachers were trained in the use of clean drinking water and hygiene. The training formed the core of the work as they ensure that the water facilities are used to improve hygiene even after the end of the project.

NORMA CLEAN WATER IN BRAZIL

Following the success in India, NORMA Clean Water is being continued in the Codó and Peritoró regions in the state of Maranhão in northeastern Brazil. Here, too, safe access to clean water is lacking. The aim of the project is therefore to improve the living and health conditions of children and their families. To this end, NORMA Group launched the three-year project in Brazil in 2017. In concrete terms, a total of 400 families are to have access to clean water by 2020 through the construction and repair of new drinking water facilities. In addition, at least 170 families are to benefit from vegetable gardens that diversify and expand their food supply. Here, too, training is at the heart of the project to ensure the long-term success of NORMA Clean Water.

Last year, the project made further progress: technical studies were carried out in four project communities to prepare construction measures for the water supply systems. All in all, around 450 residents of the six project communities participated in training courses on maintenance of the infrastructure, but also on hygiene, health and gender roles. In addition, so-called water committees were established in all project communities. The committees are an important cornerstone for project implementation because they are involved in the implementation and maintenance of the construction measures and thus embed the project throughout the communities.

Angela Bergel
Head of Corporate Partnerships at
Plan International Deutschland

"FIRST AND FOREMOST IS TRUSTFUL DIALOGUE."

Why are partnerships with companies so important to Plan?
We believe that partnerships with business are important because both parties can complement and benefit from each other. Companies have technical know-how that we don't have or they can pass on social standards to their suppliers in the supply chain. Together, we have a much greater impact than each on its own.

What are the success factors for good cooperation?
First and foremost is a trustful and constructive dialogue between the partners. What is decisive for us is that the company's attitude also fits in with our work as a children's rights organization. Of course, there are different expectations in large companies and non-governmental organizations, but if both partners pursue common long-term goals, synergies and real added value can be created for all those involved.

What distinguishes the cooperation with NORMA Group?
With NORMA Clean Water, we are setting standards in the interaction between business and development cooperation. Rarely have we been so successful in bringing together the local needs of our program countries with the core business of our partners. The direct link between the contacts as well as clear obligations are decisive for the success of the partnership. We are very proud of this.

51 Strategic Approach
51 NORMA Clean Water
53 Corporate Volunteering
54 Commitment at the Sites
55 Outlook

CORPORATE VOLUNTEERING

NORMA GROUP PROMOTES CIVIC INVOLVEMENT OF EMPLOYEES

[GRI 103-1, 103-2, 103-3]

Civil society is crucial for the functioning of society as a whole. Against the backdrop of the current social challenges arising from megatrends such as migration and global disparities, NORMA Group aspires to get involved and play an active role. To this end, we specifically promote social projects at NORMA Group sites. We also encourage our employees to make a contribution, for example, by making current projects known throughout the company. ▶ AWARENESS OF CR WITHIN THE COMPANY

NORMA HELP DAY AT ALL PRODUCTION SITES

[GRI 413-1]

A foundation for the civic involvement of our employees was created with NORMA Help Day, which was first held in 2014 in Maintal with 35 employees. The program has spread internationally since 2015 to all NORMA Group sites, with employees' participation being voluntary. More than 700 employees at 34 sites participated in Help Day activities in 2018. The drop in the number of participants compared to the previous year (estimate: more than 900 employees) is mainly due to the fact that fewer sites organized events that involved the entire staff (e.g. open house day). More than 30 non-governmental organizations (NGOs) benefited from the commitment of our employees worldwide. Since contributions and projects vary greatly depending on the region, they are organized and implemented in a decentralized manner. Here are a few examples of our commitment:

Last year, employees from the NORMA Group plant in the Czech Republic helped to repaint the equipment on a children's playground. In Switzerland, employees took the Help Day as an opportunity to "change sides": they supported the work of a workshop for the disabled and accompanied the employees there for a day in the garden, laundry or kitchen.

In Qingdao, China, employees had the possibility to bring their English skills to bear in a primary school or to cook and eat together with senior citizens in a care center. In Wuxi, too, employees visited a retirement home and organized games and a communal meal for the residents.

In the Americas region, among others, employees sewed colorful children's blankets for the local hospital (Auburn Hills, US), helped sort old clothes for local needy people (St. Clair, US) or supported a primary school for children with disabilities in maintaining play equipment (Ciudad Juarez, Mexico).

POSITIVE FEEDBACK FROM PARTICIPANTS

Last year too, we again conducted an evaluation of NORMA Help Day. More than 200 NORMA Group employees took part in the survey. The feedback from the participants was predominantly positive. This is reflected in the quantitative evaluation (see figures on the right), but also in the many descriptions of the employees' experiences.

We also received a lot of positive feedback from the external project partners. This makes Help Day a complete success for our Company and all participants. For this reason, the action day is to be continued in the coming years.

97 %

OF THE PARTICIPANTS AGREE WITH THE STATEMENT THAT NORMA HELP DAY WAS A SUCCESSFUL EVENT.

87 %

OF THE PARTICIPANTS WOULD RECOMMEND TAKING PART IN NORMA HELP DAY TO THEIR COLLEAGUES.

55 %

OF THE PARTICIPANTS ARE THINKING ABOUT EXTENDING THEIR LOCAL INVOLVEMENT.

INTRODUCTION
CR STRATEGY
RESPONSIBLE MANAGEMENT
BUSINESS SOLUTIONS
EMPLOYEES
ENVIRONMENT
COMMUNITY
DATA

51 Strategic Approach
51 NORMA Clean Water
53 Corporate Volunteering
54 Commitment at the Sites
55 Outlook

COMMITMENT AT THE SITES

IN DIALOGUE WITH LOCAL STAKEHOLDERS

Besides the activities already described, NORMA Group is in constant dialogue with local stakeholders and actively participates in society. We have long been supporting local non-governmental organizations through donations and sponsorship, focusing on social, philanthropic and cultural projects in the regions. The approach is again decentralized because we believe that the efficiency of the support measures depends on the conditions in the region.

The Corporate Citizenship Guideline (CCG) serves as the controlling instrument. The guideline, which applies to all NORMA Group sites, describes the main issues, target audiences and forms of our commitment. It thus serves as an important orientation aid for those responsible in our plants with regard to the design of their site-based donation and sponsoring activities. Approval processes and reporting are also linked to NORMA Group's international Compliance Management. ▶ COMPLIANCE Since 2013, spending on donations and sponsoring has also been uniformly recorded internationally in accordance with the CCG. As in all other areas, NORMA Group attaches great importance to transparency in terms of its local involvement. Sponsorship expenditures in the past year were at EUR 18 thousand, while spending on donations totaled EUR 66 thousand.

NORMA HELP DAY: IMPRESSIONS

FERAMUZ CABUK
Process Engineer, Germany
"In our group, there was a good understanding and great cooperation right from the start, which I really enjoyed. We also quickly convinced our partners from the local youth club that we could make a contribution. The best proof of this was the impatient children waiting for their toys to be repaired."

SUPHIS SUPHASORN,
Warehouse Supervisor, Thailand
"I really liked the day with the kids. We had a lot of fun playing games with the pupils and I think they also enjoyed the exchange with us. All in all, Help Day was a great experience!"

IRIS HERNANDEZ,
Quality Systems Engineer, Mexico
"It was a very fulfilling experience to work together as a team with my colleagues in order to help our community. We had a very nice day, enjoying our work and having fun. With these activities, our company shows its commitment towards the community and demonstrates its values. At the same time, it always casts seeds among us as employees to always help your neighbors."

51 Strategic Approach
51 NORMA Clean Water
53 Corporate Volunteering
54 Commitment at the Sites
55 Outlook

OUTLOOK

CONSOLIDATING AND EXPANDING COMMITMENT

NORMA Group intends to continue and expand its social commitment in the years to come. Our goal is to consistently achieve good to very good assessments of our social commitment in stakeholder surveys.

In doing so, we continue to rely on our successful cooperation with Plan International as part of the NORMA Clean Water project. We also want to achieve the project objectives in the communities in Brazil, thus setting an example of how sustainable water management can make a contribution to solving social and ecological challenges.

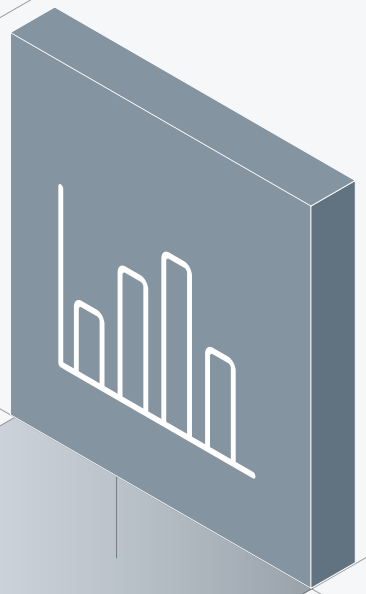
In addition, we want to motivate our employees to continue their active social commitment. This applies above all to the implementation and expansion of the annual NORMA Help Day, which has proven to be a successful model for corporate volunteering in recent years. Last but not least, we intend to continue supporting non-governmental organizations in the vicinity of our sites with donations and sponsoring in the years to come.

AT A GLANCE: CR ROADMAP 2020

Core objective “Community”	Target value for 2020
NORMA Group will position itself as a responsible partner in the community.	Consistently good to excellent reviews on the community involvement in stakeholder surveys.

Our goal	Milestone	Date	Status
We will show that water is a scarce and valuable resource at many of our sites and demonstrate how important an efficient water supply is. Together with partners, we will conduct model projects to improve the current situation.	400 families in six rural communities in the Codó and Peritoró regions of Brazil receive a secure water supply and deepen their knowledge of domestic and agricultural water use and hygiene.	2020	Project start (0 out of 400)
The employees of NORMA Group engage voluntarily in charitable causes at their sites.	All production sites participate in the annual Help Day.	Annually	2018: 100% of production sites and further distribution sites
By making donations and engaging in sponsoring in the areas of environment, sports and social affairs, we will strengthen the local structures at all of our sites.	NORMA Group’s investments in the community will be based on the Corporate Citizenship Guideline.	Ongoing	2018: donations: EUR 66 thousand sponsoring: EUR 18 thousand

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 Imprint



DATA

Facts and figures on various aspects of how we assume responsibility are listed on the following pages that show how we perform in the CR areas of action in a transparent manner.

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 Imprint

ABOUT THIS REPORT

SCOPE AND PURPOSE

[GRI 102-45, 102-50, 102-51, 102-52]

This CR Report covers fiscal year 2018 and presents information on NORMA Group's CR-relevant goals, approaches and actions, as well as on its strategic direction in the area of Corporate Responsibility. The statements and information given in this report apply to all subsidiaries of NORMA Group. Exceptions are expressly indicated. Stakeholders and companies outside the scope of consolidation of NORMA Group are not the subject of this report.

This report is published simultaneously with the the Annual Report on March 20, 2019. By publishing a separate CR Report and the CR content on our website, we seek to provide detailed information on NORMA Group's strategic CR approach and exemplary action. This allows NORMA Group to create the basis for open and trusting dialogue with its stakeholders.

STRUCTURE

[GRI 102-46]

The structure of this report is based on NORMA Group's CR-specific areas of action: Responsible Management, Business Solutions, Employees, Environment and Community. The focus of the individual chapters, on the other hand, is on the "material topics" which were defined in a materiality analysis. ▶ STAKEHOLDERS AND MATERIALITY Throughout the report, highlighted boxes present examples from the Company's practice, which should illustrate individual topics.

To aid in the readability of the CR Report, we generally refrain from using male and female forms of language. Of course, terms such as employee always include all genders.

NON-FINANCIAL REPORT, GRI AND UN GLOBAL COMPACT

[GRI 102-54]

This CR Report serves to fulfill the legal requirements that have arisen for NORMA Group in accordance with the Law on Strengthening the Non-Financial Reporting of Companies in Management and Group Management Reports (CSR Directive Implementation Act, CSR-RUG). NORMA Group has embedded a separate non-financial report in accordance with the German Commercial Code ("Handelsgesetzbuch", HGB) into this CR Report. The mandatory parts of the non-financial report are indicated by a line next to the respective text. An overview of the compulsory components according to HGB can be found in the table on the following page.

References to disclosures outside the Consolidated Management Report or 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. The opinion of the independent audit firm PricewaterhouseCoopers (PwC) is shown on page 70.

After the implementation of the net method in the determination of reportable risks according to 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 pages 79 - 81 of the Annual Report. The gross risks identified in the materiality analysis are briefly described in the subchapters of the CR Report.

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

The CR Roadmap also includes the precise objectives of our Company up to the year 2020 and the current status of corresponding action. The progress of the Roadmap is regularly discussed in the CR Steering Committee and published externally. The Management Board of NORMA Group is actively involved in review activities; the Roadmap is thus a central instrument of due diligence for NORMA Group.

The information reviewed by PwC, which together forms the separate non-financial Group report, is marked with a line next to the respective text.

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 Imprint

CONTENT NON-FINANCIAL DISCLOSURE

Mandatory information according to HGB	Reconciliation in report content / material topics	Pages
Business Model	NORMA Group at a Glance	5
Environmental Issues	Environmental Management Systems	41
	CO_2 Footprint in Production	43
	Water Consumption in Production	44
	Recycling of Waste	45
	Efficient Production Processes	45
	Sustainable Purchasing	25
Labor Issues	Compliance Management Systems	17
	Elimination of Discrimination	16
	Freedom of Association	16
	Occupational Health and Safety	33
	Training and Development	35
Social Issues	This aspect was found to be non-material in the materiality analysis.	see 11, 51
Respect for Human Rights	Compliance Management Systems	17
	Elimination of Discrimination	16
	Freedom of Association	16
	Sustainable Purchasing	25
Combating Corruption and Bribery	Compliance Management Systems	17
Presentation of Risks	See respective subchapters	
Correlations to the Consolidated Financial Statements	About this Report	57

This report has been prepared in accordance with the GRI Standards: Core option. This includes the implementation of the materiality analysis.

It also offers an orientation to GRI Standards within the non-financial report. Above all, the materiality analysis, the presentation of management approaches, and the key figures are oriented toward the specifications of the GRI Standards.

The report successfully passed GRI's Materiality Disclosure Service. The GRI content index can be found on pages 64 – 69.

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.

Other CR-specific data can be found on the following pages. Additional general data can be found in the ▶ ANNUAL REPORT 2018.

57 About this Report
59 **Key Performance Indicators**
64 GRI Content Index
70 Assurance Report
72 Imprint

KEY PERFORMANCE INDICATORS

GENERAL DATA / DESCRIPTION OF BUSINESS MODEL

KPI	Unit	Data 2018	Data 2017	Change in %	GRI Standard
Number of manufacturing locations		30	27	11.1	102-7
Number of manufacturing locations that have been integrated into NORMA Group for at least 12 months		27	25	8.0	
Number of countries in which NG is currently represented (with sites and offices)		26	26	0.0	102-4
Number of products		> 40,000	> 40,000	n/a	102-7
Revenue	EUR millions	1,084.1	1,017.1	6.6	102-7
Adjusted gross profit	EUR millions	626.6	601.3	4.2	
Adjusted EBITA	EUR millions	173.2	174.5	– 0.7	
Share of sales realized internationally	%	81.2	80.3	n/a	102-7
Total number of employees including temporary workers		8,865	7,667	15.6	102-8
Permanent staff		6,901	6,115	12.9	102-8
EMEA employees (permanent staff)		3,744	3,545	5.6	102-8
Americas employees (permanent staff)		1,842	1,575	17.0	102-8
Asia-Pacific employees (permanent staff)		1,315	995	32.2	102-8
Temporary employees		1,964	1,552	26.6	102-8

RESPONSIBLE MANAGEMENT

KPI	Unit	Data 2018	Data 2017	Change in %	GRI Standard
Compliance management systems & compliance training					
Number of registrations for online training courses (“Basics”)		487	598	– 18.6	205-2
Number of registrations for online training courses (“Focus”)		242	418	– 42.1	205-2
Number of registrations for online training courses (“Refresher”)		2,189	1,335	64.0	205-2
Share of completed online training courses (all)	%	96.5	100	n/a	205-2
Number of employees who were trained on compliance topics online		2,350	1,318	78.3	205-2
Completed hours in compliance online training (all)	h	4,205	2,939	43.1	205-2
Completed hours in compliance online training per participant	h per employee	1.79	2.23	– 19.8	205-2
Substantial fines for non-compliance with laws and regulations	EUR thousands	103	0	n/a	307-1
Elimination of discrimination					
Number of discriminations determined by courts		0	0	0.0	406-1
Freedom of association					
Number of violations of freedom of association determined by courts		0	0	0.0	407-1
Awareness of CR strategy					
Share of ESS participants who know the CR Policy	%	79.6 (2017)	79.6	n/a	

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 Imprint

BUSINESS SOLUTIONS

KPI	Unit	Data 2018	Data 2017	Change in %	GRI Standard
Customer satisfaction					
Customer satisfaction index (CSI) [1]	on a scale of 0 (low satisfaction) to 100 (high satisfaction)	65	71 (CSS 2016)	–8.5	
Net Promoter Score (NPS) [1]	%	27	22 (CSS 2016)	22.7	
Quality					
Number of manufacturing locations certified according to ISO 9001 or TS 16949		26	25	4.0	
Number of manufacturing locations certified according to EN 9100		2	2	0.0	
Defective parts	PPM (parts per million)	7	16	–56.3	
Number of customer complaints per month	average per month	7	9	–22.2	
Sustainability in Purchasing					
Purchasing turnover	EUR millions	497.5	433.1	14.9	
Total production materials turnover	EUR millions	336.3	296.0	13.6	301-1
Share of preferred suppliers who have signed the Supplier Code of Conduct (SCoC)	%	100.0	100.0	n/a	308-1, 414-1
Number of preferred suppliers		24	25	–4.0	
Share of preferred suppliers in direct material purchasing spend	%	27.0	32.9	n/a	
Share of suppliers in supplier scoring that participated in sustainability self-assessment	%	24.1	18.4	n/a	308-1, 414-1
Innovation					
Employees in R&D		365	344	6.1	
Share of R&D employees in relation to the consolidated core workforce	%	5.3	5.6	n/a	
R&D expenditure in the EJT area	EUR millions	30.5	29.4	4.0	
R&D ratio in terms of EJT sales	%	4.5	4.6	n/a	
Number of invention applications		32	33	–3.0	

1_Further information on the calculation of both the CSI and the NPS can be found on page 29.

57 About this Report
59 **Key Performance Indicators**
64 GRI Content Index
70 Assurance Report
72 Imprint

EMPLOYEES

KPI	Unit	Data 2018	Data 2017	Change in %	GRI Standard
Occupational health and safety					
Number of manufacturing locations[1] certified according to OHSAS 18001		20	20	0.0	
Share of manufacturing locations[1] certified according to OHSAS 18001	%	74	80.0	n/a	
Accident rate	accidents/ 1,000 employees	7.8	6.3	24.6	403-9
Medical treatment rate	treatments/ 1,000 employees	40.9	36.0	13.6	403-9
Number of lost time incidents		61	42	45.2	403-9
Number of medical treatments (non-notifiable accidents)		358	271	32.3	403-9
Training and development					
Average training hours per employee[2]	h	23.9	30.1	-20.6	404-1
Appropriate remuneration/payment					
Share of locations with performance-oriented incentive systems	%	97.7	n/a	n/a	
Adjusted personnel expenses	EUR millions		269.6	4.2	
Employee satisfaction					
Participation rate in Employee Satisfaction Survey (ESS)	%	82.3 (2017)	82.3	n/a	
Overall satisfaction of employees	on a scale of 1 (very good) to 7 (very poor)	2.74 (2017)	2.74	n/a	
Diversity and equality of opportunity					
Share of female employees in core workforce	%	34.8	36.4	n/a	405-1
Number of women in the six-person Supervisory Board		2	1	100.0	102-22, 405-1

1_The calculation considers only those locations that had been integrated for more than 12 months into NORMA Group as of December 31, 2018.
2_ Does not include training at newly acquired subsidiary Kimplas Piping Systems.

57 About this Report
59 **Key Performance Indicators**
64 GRI Content Index
70 Assurance Report
72 Imprint

ENVIRONMENT[1]

KPI	Unit	Data 2018	Data 2017	Change in %	GRI Standard
Eco-management systems					
Number of manufacturing locations certified according to ISO 14001		25	22	13.6	
Share of manufacturing locations certified according to ISO 14001	%	93	88	n/a	
CO_2 emissions in production processes					
CO_2 emissions from electricity and gas consumption (market-based)	t	51,018	51,241	–0.4	305-1, 305-2, 305-5
CO_2 emissions from electricity and gas consumption (location-based)	t	53,567	n/a	n/a	305-1, 305-2, 305-5
Electricity consumption	MWh / EUR thousands of revenue	93.93	92.00	2.1	302-1, 302-3, 302-4
Gas consumption	MWh / EUR thousands of revenue	20.86	22.39	–6.8	302-1, 302-3, 302-4
Water in production processes					
Water consumption	m^3 / EUR thousands of revenue	0.14	0.15	–5.9	303-1
Resource efficiency					
Metallic waste	kg / EUR thousands of revenue	6.31	6.06	4.1	306-2
Non-metallic waste	kg / EUR thousands of revenue	1.03	0.75	37.4	306-2
Cardboard/paper waste	kg / EUR thousands of revenue	0.68	0.76	–9.8	306-2
Residual waste	kg / EUR thousands of revenue	1.63	1.85	–12.0	306-2

1_The calculation considers only those locations that had been integrated for more than 12 months into NORMA Group as of December 31, 2018.

COMMUNITY

KPI	Unit	Data 2018	Data 2017	Change in %	GRI Standard
NORMA Clean Water					
Families benefitting from infrastructure measures		0	n/a	n/a	
Number of participants in workshops health, hygiene and gender equality		443	n/a	n/a	
NORMA Help Day					
Number of production and distribution sites that participated in NORMA Help Day		34	32	6.3	413-1
Number of participants in NORMA Help Day		> 700	> 900	~ – 20	
Participation at the sites					
Donations	EUR thousands	66	246	– 73.3	
Sponsoring	EUR thousands	18	11	56.4	

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 Imprint

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 Imprint

GRI CONTENT INDEX [GRI 102-55]

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The Materiality Disclosures Service was performed on the German version of the report.

UNIVERSAL STANDARDS

GRI Standards		Page	UNGC
GRI 101: Foundation 2016			
GRI 102: General Disclosures 2016			
Organizational profile			
102-1	Name of the organization	7	
102-2	Activities, brands, products, and services	5	
102-3	Location of headquarters	7	
102-4	Location of operations	5	
102-5	Ownership and legal form	7	
102-6	Markets served	5	
102-7	Scale of the organization	5, 7	
	Information on total assets, equity and liabilities can be found in the Annual Report.	AR p. 107	
102-8	Information on employees and other workers	7, 33	
102-9	Supply chain	25	
102-10	Significant changes to the organization and its supply chain	7	
102-11	Precautionary Principle or approach	17	
102-12	External initiatives	4, 38	
	United Nations Global Compact Diversity Charter (Germany) Charta zur Vereinbarkeit von Pflege und Beruf in Hessen (Charter on reconciling care and work – Hesse, Germany)		
102-13	Membership of associations		
	NORMA Group SE is member of the following associations (memberships of local or regional subsidiaries not included): Bundesverband deutscher Pressesprecher e.V. (Federal Association of German Press Spokespersons) Deutsches Aktieninstitut e.V. (German Equity Institute) Deutsches Institut für Interne Revision e.V. (German Institute of Internal Auditing) DIRK - Deutscher Investor Relations Verband e.V. (German Investor Relations Association) Gesellschaft für Finanzwirtschaft in der Unternehmensführung e.V. (Society of Corporate Finance in Management) RKW Hessen Rationalisierungs- und Innovationszentrum der Wirtschaft e.V. (Business centre for streamlining and innovation, Hesse)		

GRI Standards		Page	UNGC
Strategy			
102-14	Statement from senior decision-maker	4	
102-15	Key impacts, risks, and opportunities	11	
	Besides the general presentation of the risk identification in the chapter "Stakeholders and Materiality," descriptions of impacts and risks in the individual subject areas are described in the individual subchapters.		
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	17, 25	10
Governance			
102-18	Governance structure	7, 9; AR pp. 25	
102-19	Delegating authority	7	
102-20	Executive-level responsibility for economic, environmental,and social topics	9	
102-21	Consulting stakeholders on economic, environmental, and social topics	10	
102-22	Composition of the highest governance body and its committees	AR p. 27	
102-23	Chair of the highest governance body	7; AR p. 27	
102-24	Nominating and selecting the highest governance body	AR pp. 27	
102-25	Conflicts of interest	AR p. 23	
102-27	Collective knowledge of highest governance body	AR pp. 20	
	In accordance with section 171 (1.4) AktG (new version), the Supervisory Board is obliged to review the content of the non-financial report.		
102-30	Effectiveness of risk management processes	AR pp. 25	

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 Imprint

GRI Standards		Page	UNGC
102-32	Highest governance body's role in sustainability reporting	AR pp. 20	
	In accordance with section 171 (1.4) AktG (new version), the Supervisory Board is obliged to review the content of the non-financial report.		
102-35	Remuneration policies	AR p. 91	
102-36	Process for determining remuneration	AR p. 91	
102-37	Stakeholders' involvement in remuneration	AR p. 91	
Stakeholder engagement			
102-40	List of stakeholder groups	10	
102-41	Collective bargaining agreements	37	
102-42	Identifying and selecting stakeholders	11	
102-43	Approach to stakeholder engagement	10	
102-44	Key topics and concerns raised	10, 12	
Reporting practice			
102-45	Entities included in the consolidated financial statements	7, 57	
	Further information on the divisions included in the annual report can be found in the annual report.	AR pp. 133	
102-46	Defining report content and topic boundaries	11, 57	
102-47	List of material topics	11	
102-48	Restatements of information	44	
102-49	Changes in reporting	11	
102-50	Reporting period	57	
102-51	Date of most recent report	57	
102-52	Reporting cycle	57	
102-53	Contact point for questions regarding the report	72	
102-54	Claims of reporting in accordance with the GRI Standards	58	
102-55	GRI content index	64	
102-56	External assurance	70	

TOPIC-SPECIFIC STANDARDS

GRI Standards		Page	UNGC
ECONOMIC TOPICS			
Economic Performance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	5	
103-2	The management approach and its components	AR pp. 25	
103-3	Evaluation of the management approach	AR pp. 25	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	7	
201-4	Financial assistance received from government	AR p. 186	
Procurement Practices			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	25	
103-2	The management approach and its components	25	
103-3	Evaluation of the management approach	25	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers		
	NORMA Group's purchasing philosophy is to purchase all goods and services locally if possible. The only exceptions are procurement opportunities at significantly lower rates or if the goods are not available locally. While materials for use are purchased largely locally, only two-thirds of production materials can be obtained from regional suppliers due to the special (quality) requirements. One-third comes from a few (global) suppliers who supply to all NORMA Group sites.		
Anti-corruption			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	16	10
103-2	The management approach and its components	17	
103-3	Evaluation of the management approach	17	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	17	10
205-2	Communication and training about anti-corruption policies and procedures	17	10
205-3	Confirmed incidents of corruption and actions taken		10
	During the reporting period, NORMA Group was not made aware of any cases of corruption.		

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 Imprint

GRI Standards		Page	UNGC
Anti-competitive Behavior 2016			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	16	
103-2	The management approach and its components	17	
103-3	Evaluation of the management approach	17	
GRI 206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		
	In the reporting period, neither penalties nor fines were imposed on NORMA Group for infringements, violations or non-compliance with antitrust laws, regulations or obligations.		
ENVIRONMENTAL TOPICS			
Materials			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	41, 45	7, 8
103-2	The management approach and its components	41, 45	7, 8
103-3	Evaluation of the management approach	41, 45	7, 8
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	45, AR p. 69	7, 8
	Reducing the volume of materials used is an important goal of NORMA Group. The purchase value (in euros) of materials is NORMA Group's most important measure for simplifying control worldwide.		
301-3	Reclaimed products and their packaging materials	46	
Energy			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	41, 43	7, 8
103-2	The management approach and its components	41, 43	7, 8
103-3	Evaluation of the management approach	41, 43	7, 8
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	44	7, 8
302-3	Energy intensity	44	7, 8
302-4	Reduction of energy consumption	44	7, 8

GRI Standards		Page	UNGC
Water			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	41, 44	7, 8
103-2	The management approach and its components	41, 44	7, 8
103-3	Evaluation of the management approach	41, 44	7, 8
GRI 303: Water 2018			
303-1	Interactions with water as a shared resource	44, 45	7, 8
303-2	Management of water discharge-related impacts	44, 45	7, 8
303-3	Water withdrawal	45	7, 8
Emissions			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	41, 43	7, 8
103-2	The management approach and its components	41, 43	7, 8
103-3	Evaluation of the management approach	41, 43	7, 8
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	44, 62	7, 8
305-2	Energy indirect (Scope 2) GHG emissions	44, 62	7, 8
305-3	Other indirect (Scope 3) GHG emissions		
	The amount of greenhouse gases emitted by third parties (such as suppliers or transporters, Scope 3) is currently not systematically tracked by NORMA Group.		
305-4	GHG emissions intensity	44	7, 8
305-5	Reduction of GHG emissions	44	9
Effluents and Waste			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	41, 45	7, 8
103-2	The management approach and its components	41, 45	7, 8
103-3	Evaluation of the management approach	41, 45	7, 8
GRI 306: Effluents and Waste 2016			
306-2	Waste by type and disposal method	46	7, 8
Environmental Compliance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	41	7, 8
103-2	The management approach and its components	41	7, 8
103-3	Evaluation of the management approach	41	7, 8
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	45	7, 8

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 Imprint

GRI Standards		Page	UNGC
Supplier Environmental Assessment			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	25	7, 8
103-2	The management approach and its components	25	7, 8
103-3	Evaluation of the management approach	25	7, 8
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	26, 41	7, 8
308-2	Negative environmental impacts in the supply chain and actions taken	26, 41, 44	7, 8
SOCIAL TOPICS			
Employment			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	33	
103-2	The management approach and its components	33	
103-3	Evaluation of the management approach	33	
GRI 401: Employment 2016			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	33, 37	
	In principle, the outlined offers from NORMA Group are addressed to all members of the core workforce (generally proportionate for part-time employees). The only exception are part-time employees in the US with an average weekly working time of less than 25 hours, who do not receive certain social benefits.		
Occupational Health and Safety			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	33	
103-2	The management approach and its components	33	
103-3	Evaluation of the management approach	33	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	34	
403-2	Hazard identification, risk assessment, and incident investigation	34	
403-3	Occupational health services	34	
403-4	"Worker participation, consultation, and communication on occupational health and safety"	33	
	The proportion of employees represented by safety committees is currently not tracked by NORMA Group.		
403-5	Worker training on occupational health and safety	33	
403-6	Promotion of worker health		
	Larger NORMA Group sites have occupational health physicians which do also provide regular information on general non-work related health topics. Awareness-raising on healthy living is also part of dedicated "Health and Safety Days" which are organized by individual entities on their own initiative.		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	33	
403-9	Work-related injuries	34	
Training and Education			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	35	6
103-2	The management approach and its components	35	
103-3	Evaluation of the management approach	35	
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	36	6
404-2	Programs for upgrading employee skills and transition assistance programs	36, 37	
404-3	Percentage of employees receiving regular performance and career development reviews	36	6
	The proportion of employees regularly participating in a performance assessment is currently not inquired by NORMA Group.		
Diversity and Equal Opportunity			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	38; AR p. 30	6
103-2	The management approach and its components	38; AR p. 30	
103-3	Evaluation of the management approach	38; AR p. 30	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	38; AR p. 30	6

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 Imprint

GRI Standards		Page	UNGC
Non-discrimination			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	16, 38	6
103-2	The management approach and its components	17, 38	
103-3	Evaluation of the management approach	17, 38	
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	16	6
Freedom of Association and Collective Bargaining			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	16	3
103-2	The management approach and its components	17	
103-3	Evaluation of the management approach	17	
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	16	3
Child Labor			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	16	5
103-2	The management approach and its components	17	
103-3	Evaluation of the management approach	17	
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	16	5
	In the 2017 reporting year, no significant risk of child labor was identified for any NORMA Group site.		
Forced or Compulsory Labor			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	16	4
103-2	The management approach and its components	17	
103-3	Evaluation of the management approach	17	
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	16	4
	In the 2017 reporting year, no significant risk of child labor was identified for any NORMA Group site.		

GRI Standards		Page	UNGC
Human Rights Assessment			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	16	
103-2	The management approach and its components	17	
103-3	Evaluation of the management approach	17	
GRI 412: Human Rights Assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments		
	The Group-wide risk assessment incldues particular sections on labor law issues, e.g. in terms of working time.		1
Local Communities			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	53	1
103-2	The management approach and its components	53	
103-3	Evaluation of the management approach	53	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	53	1
Supplier Social Assessment			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	25	2
103-2	The management approach and its components	25	
103-3	Evaluation of the management approach	25	
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	26	2

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 Imprint

GRI Standards		Page	UNGC
Public Policy			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	16	
103-2	The management approach and its components	17	
103-3	Evaluation of the management approach	17	
GRI 415: Public Policy 2016			
415-1	Political contributions		
	Donations directly or indirectly to Lpolitical parties, politicians and their families or entities they hold interests in, or organizations affiliated with political parties are not permitted by NORMA Group. During the period under review, NORMA Group's donation accounts did not indicate any such benefits.		
Customer Privacy			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	18	
103-2	The management approach and its components	18	
103-3	Evaluation of the management approach	18	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		
	During the reporting period, NORMA Group was not notified of any claim or allegation of breach of customer privacy or data protection.		
Socioeconomic Compliance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its boundaries	16	
103-2	The management approach and its components	17	
103-3	Evaluation of the management approach	17	
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area		
	During the reporting period, NORMA Group paid no significant penalties or fines for infringements, violations or non-compliance with laws, regulations or obligations in the area of compliance and products.		

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 Imprint

ASSURANCE REPORT [GRI 102-56]

INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON NON-FINANCIAL REPORTING[1]

TO NORMA GROUP SE, MAINTAL

We have performed a limited assurance engagement on the separate non-financial group report pursuant to § (Article) 315b Abs. (paragraph) 3 HGB ("Handelsgesetzbuch": "German Commercial Code") of NORMA Group SE, Maintal, (hereinafter the "Company") for the period from January 1, 2018, to December 31, 2018 (hereinafter the "Non-financial Report"). The Non-financial Report comprises the sections marked with a vertical line in the Corporate Responsibility Report of the Company for fiscal year 2018.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the Non-financial Report in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB.

This responsibility of the Company's executive directors includes the selection and application of appropriate methods of Non-financial Reporting as well as making assumptions and estimates related to individual non-financial disclosures which are reasonable under the circumstances. Furthermore, the executive directors are responsible for such internal control as they have considered necessary to enable the preparation of a Non-financial Report that is free from material misstatement whether due to fraud or error.

INDEPENDENCE AND QUALITY CONTROL OF THE AUDIT FIRM

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis – IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the Non-financial Report based on the assurance engagement we have performed.

Within the scope of our engagement, we did not perform an audit on external sources of information or expert opinions referred to in the Non-financial Report.

We conducted our assurance engagement in accordance with the 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 allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the Company's Non-financial Report for the period from January 1, 2018, to December 31, 2018, has not been prepared, in all material aspects, in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB.

In a limited assurance engagement, the assurance procedures are less in extent than for a reasonable assurance engagement, and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

1_PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the separate non-financial group report 2018 of NORMA Group SE, Maintal and issued an independent assurance report in German language, which is authoritative. The following text is a translation of the independent assurance report.

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 Imprint

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the execution of the materiality analysis
- Inquiries of personnel involved in the preparation of the Non-financial Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Non-financial Report
- Identification of likely risks of material misstatement in the Non-financial Report
- Analytical evaluation of selected disclosures in the Non-financial Report
- Conducting review procedures in Maintal, Germany, as well as Qingdao and Wuxi, China
- Comparison of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- Evaluation of the presentation of the non-financial information

ASSURANCE CONCLUSION

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the Company's Non-financial Report for the period from January 1, 2018, to December 31, 2018, has not been prepared, in all material aspects, in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB.

INTENDED USE OF THE ASSURANCE REPORT

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company about the results of the limited assurance engagement.

The report is not intended for any third parties to base any (financial) decision thereon. Our responsibility lies only with the Company. We do not assume any responsibility towards third parties.

Frankfurt/Main, March 8, 2019

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke
Wirtschaftsprüfer

ppa. Dieter W. Horst

57 About this Report
59 Key Performance Indicators
64 GRI Content Index
70 Assurance Report
72 **Imprint**

IMPRINT

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PHOTO CREDITS

NORMA Group

Forward-looking statements
This sustainability report contains certain future-oriented statements. Future-oriented statements include all statements which do not relate to historical facts and events and contain future-oriented expressions such as “believe”, “estimate”, “assume”, “expect”, “forecast”, “intend”, “could” or “should” or expressions of a similar kind. Such future-oriented statements are subject to risks and uncertainties since they relate to future events and are based on the Company’s current assumptions, which may not in the future take place or be fulfilled as expected. The Company points out that such future-oriented statements provide no guarantee for the future and that the actual events including the financial position and profitability of NORMA Group SE and developments in the economic and regulatory fundamentals may vary substantially (particularly on the down side) from those explicitly or implicitly assumed in these statements. Even if the actual assets for NORMA Group SE, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with such future-oriented statements in this sustainability report, no guarantee can be given that this will continue to be the case in the future.

Note on the sustainability report
This sustainability report is also available in German. If there are differences between the two, the German version takes precedence.

Note on rounding
Please note that slight differences may arise as a result of the use of rounded amounts and percentages.

Information on the Global Reporting Initiative
The Global Reporting Initiative (GRI) assists all organizations with their sustainability reporting. For this reason, it has developed a comprehensive framework for reporting on sustainability that is used all over the world. This framework report, including the reporting guide, discusses the principles and indicators that organizations can use to measure their economic, ecological and social performance.For this report the “Materiality Disclosure Service” was conducted by the Global Reporting Initiative (GRI).

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