

SUSTAINABILITY STRATEGY

nmc

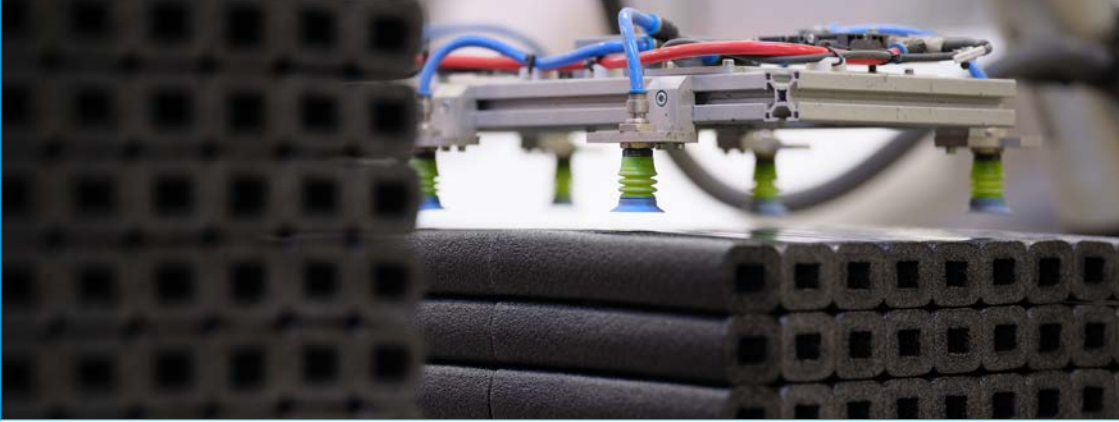
ALL ABOUT COMFORT AND PROTECTION



OUR PURPOSE

At NMC, we aim to provide people with comfort and protection for a better life.

This purpose inspires and motivates us, guides us in defining priorities, targets and action plans, and reflects our aspiration to contribute to a better world for all.



DEVELOPING VALUABLE FIRST-RATE FOAM SOLUTIONS

We develop and offer sustainable products that, in their respective application fields, make a very specific contribution to a better life and create value for customers and consumers. With a resolute spirit of innovation and more than 70 years of experience, NMC stands for quality, reliability and proficiency in the field of high-performance foam solutions.

CONSIDERATION IN EVERYTHING WE DO

Our values are the compass we trust and follow.

As a family-owned company, our values are of fundamental importance in conducting our business activities and constitute the core principles in which we believe in and live by.

OUR CORE BUSINESS SEGMENTS





TECHNICAL INSULATION

Save energy and preserve the environment

PROTECTIVE PACKAGING

Ensure your valuable goods arrive in perfect condition

DESIGN ELEMENTS

Create unique living spaces.

UNDERLAYS FOR FLOATING FLOORS

Enjoy the silence and beauty of your floors

SOLUTIONS FOR INDUSTRIES

Upgrade the performance of your products or systems

VALUES

The following core values give a meaning and form the framework of our guidelines for quality assurance, cooperation and sustainability.



Balance

We meet expectations in harmony. We place people at the centre of our actions and meet expectations of customers, shareholders and collaborators.



Determination

We act in a focused and efficient way. We stay focused on our goals and achieve together results that allow us and our partners to invest in the future.



Innovation

We pro-actively shape change. We challenge the status-quo, working every day on improving and renewing, and aim to contribute to a better quality of life.



Team spirit

We work in teams for a common success. We believe that we can achieve more together than the result of individual efforts.



Motivation

We challenge and encourage each other. Our purpose inspires and motivates us to face challenges together and with commitment and to make a contribution every day.



Transparency

We communicate openly and honestly. Successful partnerships rely on mutual understanding and trust. That is why we listen to understand and communicate responsibly.



Credibility

We deserve to be trusted. We act self-determined and with integrity, are absolutely reliable and respecting agreements and commitments.



Agility

We are anticipating change. We are forward thinking and open to the world, and align and act together quickly when our environment changes.



Sustainability

We consider sustainability as the basic principle of our actions.



Sustainability

We respect laws, regulations and internal guidelines to ensure safety and protection of people and the environment.

We promote and stimulate a sense of responsibility for safety at work and environmental protection with all our employees.

We are constantly improving our quality and management systems in order to reduce environmental impacts and to meet future customer expectations.

We continuously reduce emissions, resource and energy consumption, prevent soil contamination and avoid or recycle waste.

We take environmentally friendly initiatives, are dedicated to a circular economy and encourage the use of recycled and renewable raw materials.

We set and pursue short- and mid-term goals in order to ensure the long-term continuity of our company.



BUSINESS & ESG STRATEGY



OUR BUSINESS STRATEGY

In line with our values and in the pursuit of our purpose, our business strategy represents our roadmap to help us reach our goals in an effective and responsible manner.

Our business strategy is based on the following principles to drive internal and external growth:

- Focus on people, their competences and their well-being
- Proximity to customers to understand their needs and to provide them with high-quality solutions
- Innovation and a constant strive in the development of new applications
- Research of excellence and continuous improvement of quality, service and cost
- Acquisitions and partnerships to strengthen or expand our core businesses

Keeping a foothold in the present and looking to the future, we wish to complement these business principles with a new set of guidelines. Namely principles that speak for our ambition of remaining a leading, growth-oriented and thriving international business whilst being ecologically and socially responsible in order to leave a better world to future generations.



LEADING BY EXAMPLE: OUR SUSTAINABILITY STRATEGY

Embedding a new set of principles in our strategy and focusing our thinking on sustainability is now more than ever a priority. As industry leaders, we acknowledge our responsibility and wish to drive change from within, setting high standards and championing progressive measures to make a worthy contribution to a non-negotiable cause.



We, at NMC, are firmly invested in developing and delivering innovative, practical and effective solutions to reduce negative effects on the environment, advance the wellbeing of people and actively contribute to a circular economy.

In this sense, we have identified three core focus areas that constitute the pillars of our sustainability strategy and will thus fundamentally shape our overall business strategy for decades to come. **Circularity, decarbonisation and empowerment** will henceforth frame our activities and decision-making throughout the organisation.

DRIVING THROUGH ESG



SHAPING OUR SUSTAINABILITY STRATEGY

Sustainability and environmental protection have always been part of NMC's company culture and DNA. Indeed, these values have been intrinsically bound to the company ever since its inception and are still at the forefront of everything we do to date.

At the beginning of the 1970s, in the midst of the first oil crisis, NMC developed innovative pipe insulation made from synthetic foam, reacting to the increased need for energy saving. In the 1980s, as the first mover in its sector, the company adapted its foam manufacturing processes to CFC-free gasses and started recycling its own waste materials. In this sense we, as a business, have a long tradition in achieving our objectives with innovative products and processes that are efficient and respect the environment. We use our creativity and technological competence to stand up to new challenges with new solutions.

Moreover, many of our products are also directly beneficial to the environment themselves. Our insulation products help end-consumers and building operators reduce energy consumption significantly at a very advantageous cost-benefit ratio. Our protective packaging solutions ensure the safe transport of fragile goods, making sure they arrive undamaged thus avoiding further shipment or use of resources. Many of NMC's solutions also help increase other products' performance considerably. For example, our foam inserts greatly increase the insulation value of windows and contribute to a better energy certification for the entire building. Lastly, NMC's underlays offer an efficient way for sound and thermal insulation for floating floors that also increase the lifespan of the flooring system.



BUY-IN AND SUPPORT ACROSS OUR BUSINESS LANDSCAPE

As sustainability is since many years deeply imbedded in our culture, our new set of ambitions is shared and encouraged at all levels of our organisation. With the full support of our shareholders, board of directors and management, as well as the complete buy-in from all our colleagues, we continue our journey with great confidence and enthusiasm. NMC complies with and goes beyond statutory and regulatory requirements in terms of environmental and social protection. We involve and engage our people, stakeholders and suppliers by incorporating these issues into business management on a daily basis.

SETTING GOALS, DEFINING KPIs AND MEASURING PROGRESS

As is commonly accepted, you can't manage what you don't measure. As simple and as obvious it may seem, we see the essential relevance and importance of this statement when it comes to sustainability. Setting new ambitious objectives is important, but making sure these are specific, measurable, relevant and time-bound is crucial. This will not only help us in specifying our approach; it will also increase our transparency in this process and our accountability regarding our statement to help preserve and protect the environment and promote social progress. In this sense, our three focus areas; circularity, decarbonisation and empowerment, are pursued with clear objectives and distinct key performance indicators to help us measure progress and define success in this new step.

OVERVIEW FOCUS AREAS

Inspired by our purpose and our values, our three focus areas drive and motivate us to further improve our sustainability credentials and make a positive change to our activities. There is already much in place at NMC regarding these focus areas, but we feel like there is still a lot more that can be done.

Circularity

Protect our resources

Preserving our planet's resources and eliminating waste whilst achieving superior performance and product quality.

Decarbonisation

Protect our climate

Implementing new processes and advanced technological innovations to reduce emissions and safeguard our atmosphere.

Empowerment

Protect our people

A safe workplace and optimal conditions to give our people the opportunity to reach their potential and contribute in a fulfilling way.

Responsible business and sustainable governance

Focus Area 1:

CIRCULARITY | Protect our resources

PRESERVING OUR
PLANET'S RESOURCES
AND ELIMINATING WASTE
**WHILST ACHIEVING
SUPERIOR PERFORMANCE
AND PRODUCT QUALITY.**



Our contribution

Foams offer a high performance to weight ratio and very often allow us to produce superior products using less material. Thus, by their nature, our foam solutions bring clear ecological benefits and help optimising resource consumption.

We actively direct our research, our production and our portfolio of applications towards improved circularity. By upgrading our processes, we are contributing to climate protection without compromising on our products' technical characteristics.

We already source alternative raw materials based on circular carbon (i.e., recycled and/or bio-based) to reduce our fossil fuel-based raw material consumption and are committed to increase our efforts in this field. The development of innovative products such as CLIMAFLEX Naturefoam®, which is made of more than 30% of materials based on circular carbon serves as a prominent example. Furthermore, our Nomapack® protective packaging range is produced using at least 30% of recycled raw materials. The circular carbon content is verified and certified by PolyCert and ISCC+.

We are continuously improving internal processes in order to minimise any kind of waste generated during production. Over 80% of our production waste is recycled, either with the help of our own recycling facilities or by external partners.

OUR 2030 GOALS

- **Minimum 30% of used polymers based on circular carbon**
- **Design for recyclability at the core of all new developments**
- **Zero waste to landfill**

Our ambitions

NMC is looking into ways to turn recycled plastics back into entirely new foam products. These new levels of circularity enable numerous circuits of the recycling circle and help contribute to the industry efforts to move towards a true circular economy.

Our commitment to closing the loop in a circular economy consists in increasing the quantity of recycled and sustainable polymers used for our production process. We therefore work on ambitious projects to increase recycling rates and use of sustainable raw materials while ensuring the respect of the technical specifications of our products and high quality levels to meet our customers' expectations. Quality alternative raw material solutions in circular carbon or bio-based polymers are key to reach this objective.

Designing our products for full recyclability to fit in existing and relevant recycling streams is also a priority. In this sense, NMC's product design guidelines already favour mono-material products, facilitating the products' recycling. Composites are and will only be offered if product added value significantly outweighs benefits of alternative solutions.



Until 2030, every product, whether existing or new, will also undergo a thorough and systematic Life-Cycle-Analysis to determine its environmental footprint as accurately as possible. New procedures will then be sought after to reduce this footprint.

Reducing the amount of non-recoverable waste, striving for zero landfill, and working on the optimisation of used material by lowering material density where possible are also fundamental to reach our circularity goals.

We strive to closely work with our business partners, with our industry's associations as well as with specialized companies to increase recycling of our foam products after their use and introduce post-consumer recycled materials back into our production processes.



Focus Area 2:

DECARBONISATION | Protect our climate

IMPLEMENTING NEW
PROCESSES AND ADVANCED
TECHNOLOGICAL INNOVATIONS
TO REDUCE EMISSIONS AND
**SAFEGUARDING OUR
ATMOSPHERE.**



Our contribution

Energy efficiency, the use of renewable resources and alternative energy resources are the key to combine successful entrepreneurship and climate protection.

As such, we develop and manufacture products designed to protect our climate. For instance, pipe insulation, such as produced by NMC, is an inexpensive and highly efficient energy-saving measure, both in private households and industrial applications. Furthermore, a lot of our industry solutions significantly reduce the thermal conductivity of our clients' products and thus play an important role in decreasing emissions at the level of the end consumer.

On an operational level, our biggest production sites are equipped with their own photovoltaic installations. For instance, NMC SA in Belgium is equipped with its own photovoltaic system covering 21% of the site's electricity requirements.

In the context of its plan to improve its energy efficiency and reduce emissions, NMC already measures its scope 1 and 2 greenhouse gas emissions in order to efficiently identify and implement improvement measures.

OUR 2030 GOALS

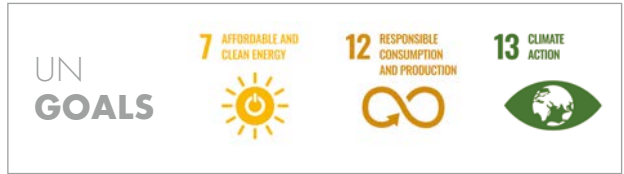
- **Further reduction of scope 1 and 2 emissions by 30% compared to 2019**
- **Increase the share of in-house produced green energy**
- **100% of externally sourced electricity from green sources**

Our ambitions

Our ambition is to achieve the maximum improvements in energy efficiency and to drive down CO2 emissions to the bare minimum.

NMC sees climate change mitigation as an ever-evolving process. That is why NMC continuously monitors and aims at reducing energy consumption and optimising energy efficiency in its operations. Not only does it improve the cost efficiency, which is crucial for our competitiveness, but energy also represents our biggest source of emissions. Thus lower energy consumption is crucial to reaching our climate goals.

Reducing scope 1 and scope 2 emissions in absolute terms and relative to revenue is key to meeting our decarbonisation goals. Building on past emission reduction initiatives such as our important solar panel installations, our 2030 ambition is to decrease our scope 1 and 2 emissions by an additional 30% compared to our reference year 2019. Whilst acknowledging the operational challenges to track and influence our scope 3 emissions, we are actively working with our suppliers and partners to reduce them significantly.



We are also looking into new energy sources in order to reduce non-renewable energy consumption. Correspondingly, we strive to shift from gas to electricity wherever possible and aim to only purchase green electricity if feasible in the given location. In this sense we are looking to constantly increase the percentage of renewable energy used either by building internal capacity or by the means of external partnerships.



Focus Area 3:

EMPOWERMENT | Protect our people

A SAFE WORKPLACE AND
OPTIMAL CONDITIONS
TO GIVE OUR PEOPLE THE
**OPPORTUNITY TO REACH
THEIR POTENTIAL
AND CONTRIBUTE IN
A FULFILLING WAY.**



Our contribution

NMC commits to providing a healthy and safe working environment for its employees, contractors and all on-site visitors. In order to do so, we mitigate risks, identify hazards, provide relevant training and offer opportunities for employees to get involved and contribute to the improvement of health and safety on a daily basis.

We believe that healthy professional relationships based on mutual respect are the key to successful collaboration and business. We offer equal professional opportunities regardless of gender, religion, sexual orientation and cultural background. We recognise the benefits and the added value brought by a diverse and multicultural workforce. As a company, we furthermore have a zero-tolerance policy regarding abuse, discrimination and harassment.

At NMC, we aim to offer safe and stable employment. When hiring, we look to form strong long-term relationships with colleagues at all levels of our organisation. Throughout their career, we value the know-how, expertise and skills of our colleagues and assure conditions in which our people can further develop their competences, grow professionally and operate in a pleasant and familiar working environment.

OUR 2030 GOALS

- **Lost Time Injury Frequency Rate below 5**
- **Minimum 24 training hours per colleague per year**
- **Voluntary staff turnover below 10%**

Our ambitions

We strive to implement a zero-harm culture as we are convinced that all work-related accidents and illnesses can and should be avoided. Accidents are reported to management and corrective measures are immediately defined in team. In this sense, workplaces are regularly evaluated through ad-hoc risk assessments, after which remedial actions are reported in a timely manner. Moreover, ergonomic working conditions are analysed when designing new workplaces and procedures.

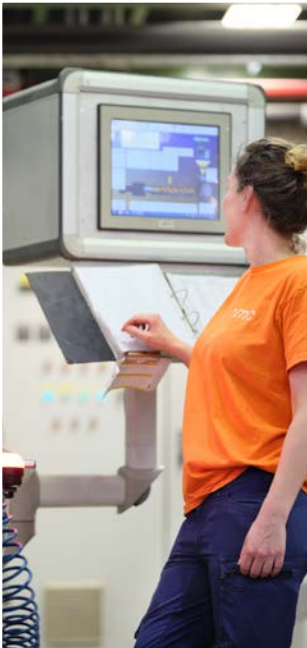
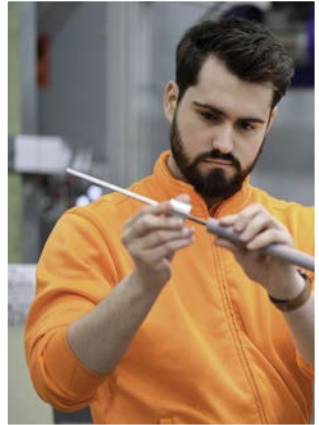
We place a great deal of importance on employee satisfaction, providing our colleagues with fulfilling work and fostering a sense of community. As a family company, we emphasize the importance of team spirit as a value, and we take pride in seeing the continued formation of strong professional and personal bonds between colleagues.

We recognise that the true value of our company rests with our people. In this sense, we offer and encourage our collaborators to pursue training programmes that make sense for their role in order for them to continue growing professionally and find a deeper meaning in their work. Through continued education, we aim to empower our collaborators to gain confidence, proficiency, and autonomy in their activities.

What it all amounts to is that NMC strives to be a good employer, with the ultimate ambition that all employees would recommend their friends to work for NMC.



UN
GOALS



Focus Area 4:

Overarching theme: **RESPONSIBLE BUSINESS**

CONTINUOUS INVESTMENT

IN THE FUTURE AND

LONG-TERM RESPONSIBLE

STRATEGY.



Our contribution

As a family-owned and value-driven company, we are not focused on short term success. Instead, we are working for the long term. Therefore, we continuously invest in the future. We invest in R&D, in infrastructure, in our technology, in sales and in marketing and last but not least, in the competence and in the development of our colleagues, who represent the biggest asset of our company.

Sustainability remains one of the key values of NMC's identity and it defines the way the Group acts towards the environment, its employees and society as a whole. As such, NMC actively works on establishing and maintaining an environmentally sustainable business operation.

We carry out our activities in a responsible manner; we have a sound set of policies, principles and codes -ethical business, whistleblowing, health & safety and responsible purchasing- that guide our actions and provide us with a framework for our operations, business and decision-making. We furthermore have sound grievance mechanisms in place, allowing colleagues to effectively address concerns and complaints in the workplace.

OUR 2030 GOALS

- **Health and safety management system implemented in all subsidiaries**
- **Sound set of Corporate Social Responsibility reporting framework in place**

As we pay attention to both the protection of the environment and the company's ecological management system, we have received an ISO 14001 certification: the international standard for environmental management.

NMC also lives by and promotes high standards of business ethics. As a group, we recognize and embrace our impact on the communities in which we operate. We are committed to make a real difference to our colleagues, clients and society.

As such, NMC believes that it is vital to promote Corporate Social Responsibility management and good Corporate Governance throughout and beyond the Group's organisation. This also extends to NMC's Board of Directors for which the shareholders have set a comprehensive set of rules defining the constitution, age limits, frequency and holding of meetings, as well as the operating rules and ethics of the Board of NMC International. For instance, minimum half of the Board of Directors is not involved in the daily business activities.

With the support of shareholders and banks and its colleagues, the company is well positioned to continue on its journey and values new ideas, an active exchange and dedicated partners.

We will continue to provide people with comfort and protection for a better life in the future.

UN GOALS

3 GOOD HEALTH AND WELL-BEING 

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 

12 RESPONSIBLE CONSUMPTION AND PRODUCTION 







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