

Social Responsibility 2024

Respect | Honesty | Reliability | Involvement

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Message from the Managing Director

By Managing Director Oddbjørn Maurdalen

Furnes Jernstøperi AS's vision is to contribute to **Absolute Quality** that provides a sustainable future and value by developing continuous improvement. Our core values are respect, reliability, honesty and involvement. Our policy is to run the business with a strong focus on health, environment and safety, the community around us, our employees, and our customers.

The guidelines for fulfilling social responsibility at Furnes Jernstøperi AS are described in the document *"Social responsibility in Furnes Jernstøperi AS,"* which has the following supporting documents: *"Absolute quality – social responsibility in Furnes Jernstøperi AS," "Furnes Jernstøperi AS and Global Compact," "Code of Conduct for Furnes Jernstøperi AS," "Furnes Jernstøperi AS – Follow-up of ethical guidelines," "Transparency Act – Furnes Jernstøperi AS,"* and *"Conflict Minerals Policy – Furnes Jernstøperi AS."*

When evaluating performance, equal importance must be placed on HSE (health, safety and environment) and injury prevention as on production, quality, sales, delivery times, efficiency, and cost control. In addition to being important from an ethical standpoint, we believe that the time and resources spent on safety work lay the foundation for a more efficient production and less waste.

We are working closely with the AVK Group to further develop a lean-based organization. Employee sick leave and attendance remain a continuous focus in the company. Our goal is a maximum sick leave rate of 6.5%, which we have managed to achieve in the past few months.

Oddbjørn Maurdalen
Managing Director

About Furnes Jernstøperi AS

By Managing Director Oddbjørn Maurdalen

Furnes Jernstøperi AS was established in 1958 in Brumunddal and relocated in 1967 to the Stange industrial park in Stange municipality.

Today, we are one of the Nordic region's largest manufacturers of street castings, producing manhole covers, frames, grates and other cast products. Furnes Jernstøperi AS manufactures street hardware under the brand name **FURNES**[®].

Furnes Jernstøperi AS currently has approximately 132 permanent employees. The company has about a 55% export share, mainly to Scandinavia, and we have established a presence in Finland. In 2024 we trained apprentices who obtained their trade certificates, and several more are in the pipeline for 2025. In 2024/2025 two of our employees are attending a Lean course within the AVK Group.

The Danish AVK Group, through AVK Furnes Holding ApS, owns the Furnes Group, which consists of the operating companies Furnes Jernstøperi AS and Randers Jernstøperi AS. The AVK Group has a turnover of approximately NOK 15.0 billion and about 5,500 employees.

The foundry is built around a Heinrich Wagner Sinto molding line. This line has a high capacity and uses flask dimensions of 1000 x 1000 x 300/200 mm. Melting is carried out in two 6-ton electric induction furnaces, and casting is performed by an automated pouring machine.

Furnes Jernstøperi AS has a modern laboratory with a spectrograph. We engage in active product development, and patterns are milled based on 3D CAD models in our own pattern workshop. The production facility is continuously updated and maintained.

Management Team at Furnes Jernstøperi AS

Oddbjørn Maurdalen – Managing Director

Trond Rykhus – Technical Manager

Frode Amundsen – HSEQ Manager (Health, Safety, Quality & Environment Manager)

Rune Iversen – Finance Manager

Morten Risdal – IT and Logistics Manager

Ole K. Aasvestad – Head of Product and Pattern Department

Ole Anders H. Vestby – Head of Business Support & Marketing

Geir Kåre Kroken – Sales and Marketing Manager, Norway

Lasse Ekman – Marketing Manager, Sweden

Hans Lykke Jensen – Managing Director, Randers Jernstøperi AS

Social Responsibility, Global Compact and Ethical Guidelines

By HSEQ Manager Frode Amundsen

Furnes Jernstøperi AS adheres to the ten principles of the UN Global Compact.

Our commitment to social responsibility applies to all employees, suppliers and customers. We take social responsibility and engagement seriously and emphasize ethical guidelines that, among other things, uphold fundamental human rights, employee rights as workers, consideration for the environment, sustainable use of natural resources, and integrity in business conduct.

A fundamental principle is that all employees, suppliers and customers must comply with and respect the laws of the jurisdictions in which they operate. Based on our ethical guidelines, Furnes Jernstøperi AS places requirements on suppliers exposed to high risk with regard to human rights and sound environmental management.

Under our ethical guidelines, Furnes Jernstøperi AS has a procedure for whistleblowing whereby employees can report concerns about potential breaches of the ethical guidelines or other unethical or illegal actions. We require at-risk suppliers to sign our ethical guidelines and we conduct follow-up to ensure full compliance throughout the entire value chain.

(The documentation for our social responsibility policies is available in English, titled “Social responsibility in Furnes Jernstøperi AS,” with the following supporting documents: “Absolute quality – social responsibility in Furnes Jernstøperi AS,” “Furnes Jernstøperi AS and Global Compact,” “Code of Conduct for Furnes Jernstøperi AS,” “Furnes Jernstøperi AS – Follow-up of ethical guidelines,” “Transparency Act – Furnes Jernstøperi AS,” and “Conflict Minerals Policy – Furnes Jernstøperi AS.”)

Furnes Jernstøperi Aims to Excel in Sustainable Production

By HSEQ Manager Frode Amundsen

Furnes Jernstøperi AS's vision is to contribute to a sustainable future by emphasizing continuous improvement, precision, respect and involvement. Our policy is to run our operations with a strong focus on health, environment and safety, the surrounding society, our employees and our customers, and to foster a culture of openness. In order to reach this goal, we have mapped the competencies of our employees and developed plans to elevate them to the appropriate level to achieve our objective of sustainable production.

Similarly, management works systematically to adopt new technology in production and material science. To ensure sustainable production, significant investments have been made in machinery and equipment so that we can produce with minimal emissions, the lowest possible energy consumption per kg of cast product, and zero injuries to our employees.

We use 100% renewable energy from Norwegian hydropower for melting, production, lighting and heating. We reuse as much scrap iron as possible as raw material, and we are working to obtain the best possible technology available when we replace our most power-intensive machines. Efforts are ongoing to recover as much energy as possible from our processes, with the goal of producing an equivalent amount of castings in a shorter time than before, thereby reducing energy consumption and costs. We are also working to reduce waste from production and processes.

As the first foundry in the Nordic region, we prepared Environmental Product Declarations (EPDs) for our grey iron and ductile iron products. This was done after the company conducted a Life Cycle Analysis (LCA). These tools help us identify improvement areas for achieving sustainable development in the right direction. We have a central warehouse strategically located, and we continuously strive to optimize sustainable deliveries to our customers.

To achieve the goal of producing the world's most sustainable street hardware at a competitive price, we must continue our work with automation. Every day, we need all employees to participate in efforts to eliminate "time thieves" and all costs that do not add value to our products.

Environmental Considerations – External and Internal

By HSEQ Manager Frode Amundsen

External Environment: Furnes Jernstøperi AS is subject to oversight and reporting to the Norwegian Environment Agency in accordance with the requirements of our emissions permit. Each year we submit a self-report to the Environment Agency detailing our environmental performance against specified requirements. Our maximum permitted production volume is 20,000 tons per year.

In 2024:

— The tonnage of iron melted increased by approx. 22% compared to the previous year, and about 90% of total production was ductile iron.

— Total energy consumption increased by approx. 17% compared to the previous year, while total water consumption increased by approx. 167%* compared to the previous year.

Water consumption: There have been some issues with the water meters in recent years, which has led to misleading records and, in this case, a significantly exaggerated figure. These meters have now been replaced.

— The total recorded consumption of diesel (Liters) increased by 9% compared to the year before.

— The total recorded consumption of all types of gas increased by approx. 53%** compared to the year before.

Gas consumption is now recorded in a different way, which we believe is more accurate.

— The total amount of waste delivered (sand/slag, ordinary and hazardous waste) to recycling facilities increased by 16% compared to 2023.

The large differences between 2023 and 2024 are largely because in 2023 we had temporary layoffs and reduced production from January to June, whereas in 2024 we operated at full production with two shifts. We have emissions to the external environment in the form of sand, dust and melting fumes from five registered filters in the plant. Emission measurements are carried out by Alex Stewart International AS, an accredited company approved by the Environment Agency. There were two unauthorized filter emissions in 2024, which were reported to the Environment Agency.

Internal Environment: Furnes is subject to supervision by the Norwegian Labour Inspection Authority for its internal working environment. We are a participant in the Inclusive Workplace Agreement (IA-agreement).

Attendance and Follow-up:

Work attendance was 91.7%, which is 0.8% lower than our target of 93.5%, but an improvement of 1.3% from the previous year. The rate of sick leave lasting more than 16 days was 96.6%, which is 0.4% worse than the year before. We have held dialogue meetings as part of following up on long-term absence, involving department managers and middle managers, with assistance from Falck (our occupational health service) and NAV (the Norwegian Labor and Welfare Administration) to better address sick leave issues.

Improvement Work Has No Limits

By HSEQ Manager Frode Amundsen

Furnes Jernstøperi AS's production involves situations where people interact with molten metal at very high temperatures, powerful machines, and chemicals. Every incident or injury has an underlying cause. These can be prevented by reporting and investigating the course of events and by taking steps to avoid repetition. Risk analysis and the implementation of measures to reduce the risk of dangerous conditions and dangerous actions are the foundation of all prevention.

Furnes Jernstøperi AS has a vision of achieving the goal of zero injuries and work-related illnesses and works systematically to attain it. Injuries or unwanted events that lead to a doctor's visit and/or absence are recorded in an injury report, and each incident is investigated to find measures that can prevent similar incidents from happening again. Near-misses and minor accidents are reported in an app and followed up in the same way as improvement suggestions and deviations, as close to the scene of the incident as possible, to ensure that similar events do not recur.

It is therefore important to place as much emphasis on injury prevention as on production, quality, sales, delivery times, efficiency, and cost control. In this context, **FVU** (Furnes Business Development) is a helpful contributor and an effective tool in HSE work to prevent injuries. Through FVU, employee involvement in work processes and adaptations lays the groundwork for accountability in ensuring a safe work environment.

To prevent injuries and chronic harm, we invest regularly in machinery and equipment that help improve our employees' workday. There is a strong focus on making the production flow as smooth as possible, without waste and unnecessary stoppages — something we also consider to be injury-prevention measures. In 2024, 34 safety inspection rounds were carried out, and this large increase is due to moving the safety round follow-up into our app and setting a 90-day cycle per department. In addition, results are followed up in management meetings every Monday. These efforts have led to significant, positive changes throughout the factory.

Our goal is for every new employee to feel welcome and safe in their work at Furnes. In addition, we want to ensure that injuries are avoided, and that instructions and routines are followed. Therefore, we have a dedicated onboarding program for new hires. A substantial portion of this program is now implemented as a follow-up module in our app. Moreover, during their first six months, new employees undergo regular check-in meetings, follow-ups and guidance.

We maintain a training plan that outlines the need for training and development of personnel, based on a competence overview we maintain for each employee. Using this overview, we can address needs and ensure that regulatory requirements are followed. We are working on creating courses in our app which will help increase the skills of many of our employees. We have a good cooperation with local training companies and the Innlandet Vocational College. The competence overview is further developed and updated during employee appraisal interviews as well.

Energy Management

By Technical Manager Trond Rykhus

We focus on three main areas when it comes to monitoring the company's energy consumption: electricity, diesel, and propane gas.

The figures for 2024 are relatively stable compared to 2023. In general, we have not achieved the reductions we aimed for. We purchase green electricity from a Norwegian power company.

For **electricity**, we are working to achieve a 1% reduction in usage per year. *kWh per produced kg*: 2020 – 1.39 (–0%); 2021 – 1.35 (–3%); 2022 – 1.36 (+1%); 2023 – 1.46 (+7%); 2024 – 1.43 (–2%).

For **diesel**, we aim to reduce consumption by 1% per year. Diesel is used primarily for forklift transport on our premises. *Liters per ton sold*: 2020 – 1.10 (–17%); 2021 – 1.27 (+16%); 2022 – 1.37 (+8%); 2023 – 1.32 (–4%); 2024 – 1.33 (+1%). An electric forklift is now being tested.

Propane gas is mainly used for heating and drying ladles, and as of today we do not have a good alternative for this. We are looking into new, more efficient equipment, which is in our plan for 2025.

Management Systems

By HSEQ Manager Frode Amundsen

Furnes Jernstøperi AS is certified by Kiwa Sertifisering AS in accordance with the standards for quality management systems (NS-EN ISO 9001:2015) and environmental management systems (NS-EN ISO 14001:2015). We have been third-party certified to these standards since 1996 and 2001, respectively.

Furnes Jernstøperi AS is approved by Kontrollrådet (the Norwegian Control Council) for the supply of standardized street hardware in accordance with the standards *EN 124-1:2015* (Gully tops and manhole tops for vehicular and pedestrian areas – Part 1: Definitions, classification, general principles of design, performance requirements and test methods) and *EN 124-2:2015* (Part 2: Gully tops and manhole tops made of cast iron). We have been third-party approved for the supply of street hardware since 1998.

Furnes Jernstøperi AS is subject to annual audits by RISE in Sweden for relevant type-approved products, in accordance with building code requirements for protection against accidents, etc.

Furnes Jernstøperi AS is also approved by Lloyd's Register as a manufacturer in compliance with Lloyd's Register's requirements for "Castings in Spheroidal Graphite Iron" (maximum weight 250 kg). This approval is contingent on compliance with the rules for manufacturing, testing and certification of materials.

Furnes Business Development and Lean

By HSEQ Manager Frode Amundsen

Our goal is to achieve the best possible workflow throughout the company. It begins with the sales organization and ends with finance and product invoicing. In between lies the entire organization, which must work together to achieve this efficient flow.

Our scope for action is defined in the main documents “Business Plan” and “Strategy Deployment.” Furnes Business Development (FVU) has, through the implementation of the FJ app as a digital solution, been a success—improving employee involvement, sense of ownership, influence, and serving as a great tool for information flow in the company. The app provides access to our management system, messaging, and modules for registering deviations, improvement suggestions and near-misses, as well as the Emergency Response Plan, Industrial Safety Plan, news, 5S audit rounds, safety rounds, internal phone directory, and so on.

Human factors such as employee well-being, safety, and taking responsibility for one’s own work environment (with reduced sick leave) are a key strategy for the company. This focus ultimately simplifies the work needed to improve machine/equipment utilization, reduce manufacturing costs and minimize rework. The result is higher capacity and quality, and not least, fewer errors – thereby increasing customer satisfaction. All of this contributes to creating a dynamic and strong organization that shares a common goal of achieving periodic operational targets, where every department is involved in the company’s value chain to realize improvements, and takes an active and creative part in changes and innovations in the company’s development.

We have for many years worked with the “5S” methodology to eliminate waste and improve order and organization. By using an app for 5S audits, we have taken this to new levels in terms of tidiness, organization, and cleanliness in the foundry. In 2024 a total of 62 rounds of 5S audits were conducted at the company.

We continued our continuous improvement efforts, and by using several Lean tools, we can achieve solid improvements by continuing to eliminate sources of error, reduce inventory, and meet our set goals. Lean philosophy and mindset have begun to become part of the organization, which will make it easier going forward to implement course corrections and improvement initiatives. The goal is to have an environment and an organization where continuous improvements take place, and everyone participates and contributes to these.

Industrial Safety

By Industrial Safety Chief (IV Leader) Tore Strømnes

The industrial safety service at Furnes (Industrivern) is subject to oversight by NSO (the Norwegian Industrial Safety Organization). The industrial safety team operates according to the industrial safety plan, which comprises the comprehensive underlying documentation for our emergency preparedness.

In 2024, the industrial safety unit had a first-response group of 14 people. In addition, there are support functions for order and security, technical service, and a rescue staff. In total, the industrial safety staff consisted of 17 people. Five drills were carried out during 2024 focusing on tasks such as first aid (including defibrillator training) and fire/extinguishing exercises. We had no real emergency incidents in 2024.

Contact Information

Furnes Jernstøperi AS

Uthusvegen 8, N-2335 Stange, Norway

Tel: +47 62 53 83 00

Email: post@furnes-as.no

Web: www.furnes-as.no

Org. no. NO 979 459 548 MVA

Account no. 8150 2206923

IBAN: NO65 8150 2206923