

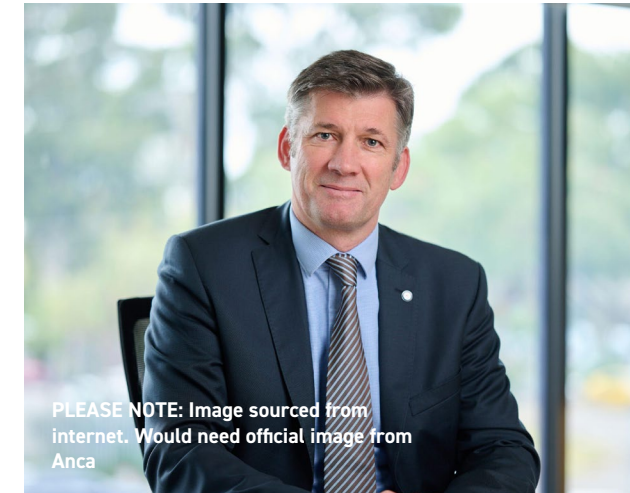


SUSTAINABILITY STRATEGY

2025 – 2030



ANCA's Commitment to Sustainability



CEO Statement

As I reflect on ANCA's history and our place in the global manufacturing industry, I feel both proud of our legacy and clear-eyed about our responsibility. For five decades, ANCA has built a reputation for precision, innovation, and technical excellence. Now, we are turning that same mindset toward a vital area: sustainability for our shared future.

At ANCA, we recognise that sustainability is a journey—not a checkbox or a short-term goal. As engineers we know that steady, incremental improvements are at the heart of every approach. While we may not have all the answers yet, we are committed to taking meaningful steps that make a difference. That means being more thoughtful in how we design, manufacture, and operate, and working towards improvements that are both practical and impactful over time.

We know we can't do this alone. Creating a more sustainable future will require collaboration—with our employees, our customers, and our partners. It's not about perfection, but progress. And we're committed to learning, adapting, and improving along the way.

Sustainability and good business go hand in hand. With the right mindset, we believe we can find that balance—and help our industry move forward, one smart step at a time.

Martin U. Ripple, CEO, ANCA Group

Introduction

In a world where sustainability is no longer optional but imperative, ANCA Group stands at the forefront of a manufacturing revolution. As a global leader in CNC technology, we recognise our unique position to drive meaningful change.

This Sustainability Plan for 2025-2030 is not just a roadmap—it’s our declaration of intent to help shape the future of manufacturing.

We’re not just adapting to a changing world; we’re actively engineering it, grinding away at outdated practices and polishing a new standard of industrial excellence that puts sustainability at its core.

Governance and Leadership

At ANCA Group, we recognise that effective governance and strong leadership are fundamental to driving our sustainability agenda forward.

The ANCA Sustainability Steering Committee has been created to ensure that sustainability considerations are integrated into our core business strategy and decision-making processes. The group is responsible for developing, implementing, and monitoring our Group Sustainability Plan. This committee is driven by Operations and comprises representatives from CEO, Finance, HR, Infrastructure Management and Business Units. By bringing together diverse perspectives and expertise, we ensure a holistic approach to sustainability that addresses the complex challenges and opportunities facing our business and industry.

The ANCA Sustainability Steering Committee provides regular updates to the ANCA Board on our progress towards sustainability goals and emerging sustainability risks and opportunities.



Annual Sustainability Report

- **CEO**
 - Final Approval
- **Operations**
 - Facilitate & Coordinate
- **Finance**
 - Collect financial positions
 - Validate financial assessments
- **Communications**
 - Format and finalise
- **Human Resources**
 - Human diversity data collection
- **Safety**
 - Safety data
- **Infrastructure management**
 - Energy company liaison
- **Supply Chain**
 - Logistics
 - Modern slavery



Sustainable Strategy – Update and review

- **CEO**
 - Final Approval
- **Operations**
 - Facilitate
- **Business unit heads**
 - Strategic alignment
- **Engineering**
 - Product development



Flowdown Strategy – Define Global Projects

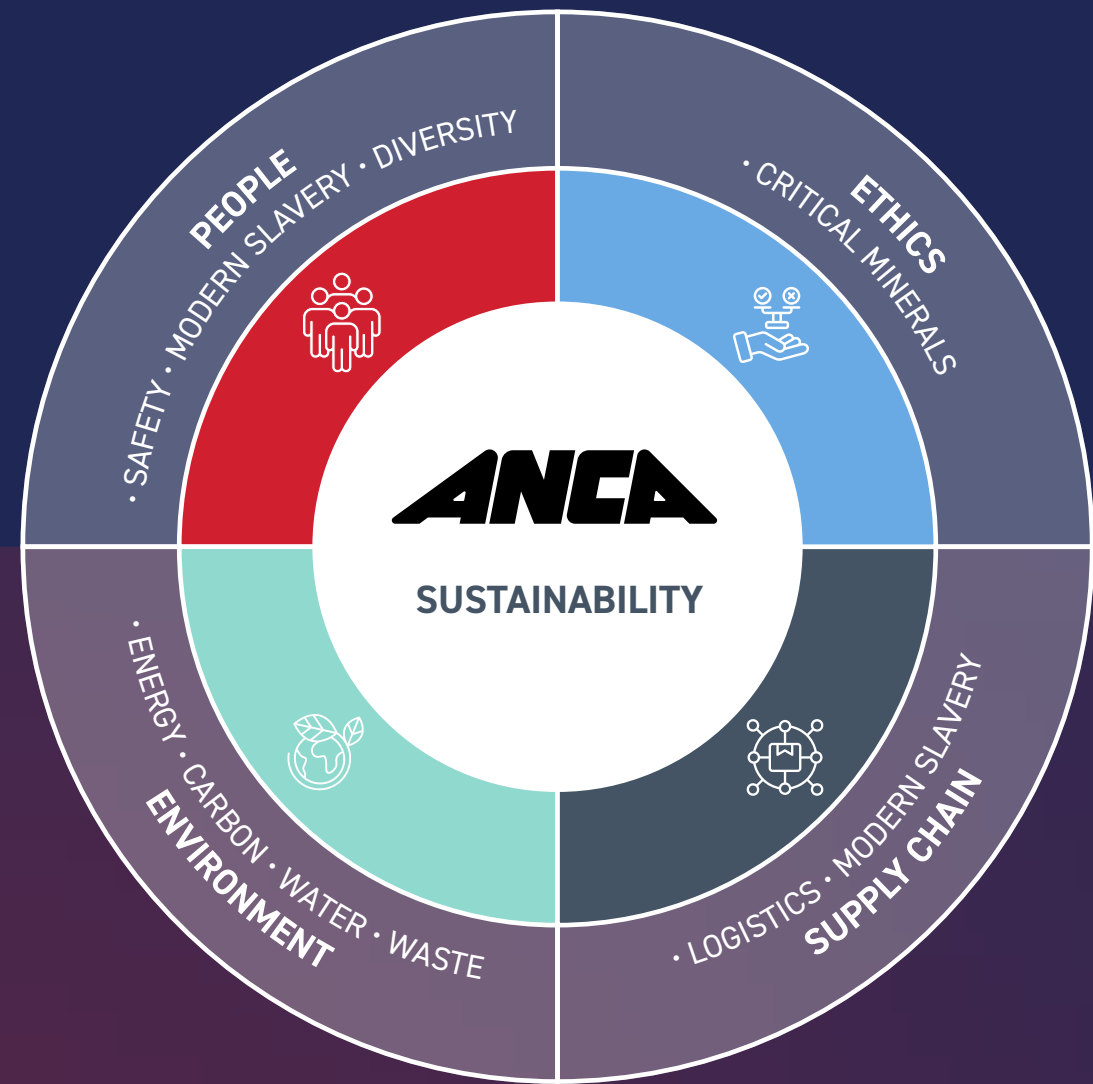
- **CEO**
 - Final Approval
- **Operations**
 - Facilitate
 - Coordinate
- **Finance**
 - Resource financial impact oversight
- **Business unit heads**
 - Strategic oversight



Review Capex/Budget

- **CEO**
 - Final Approval
- **Operations**
 - Coordinate
- **Finance**
 - Support financials for business case development

Sustainable Targets and Goals



Materiality Assessment

Financial materiality: How a company's sustainability factors impact its financial prospects

Impact materiality: How a company impacts society and the environment

Environmental, social, and governance (ESG) considerations: How a company's decisions impact people, society, and the environment

ANCA conducted a comprehensive materiality assessment to inform our sustainability strategy and reporting. This assessment follows the principle of double materiality, considering both the impact of sustainability issues on our business and the impact of our business on the environment and society. By adopting this approach, we ensure that we focus our efforts on the areas where we can have the most meaningful impact and create long-term value.



Environment

We are committed to reducing our environmental impact and contributing to global climate change mitigation efforts.

Our key environmental targets include:

- Carbon Emissions - ANCA commits to reduce absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2023 base year.
- ANCA also commits to reduce absolute Scope 3 GHG emissions 25% within the same timeframe. These targets align with the Science Based Targets initiative (SBTi), demonstrating our commitment to ambitious climate action in line with the latest climate science.

We will achieve these reductions through a combination of energy efficiency measures, renewable energy adoption, and close collaboration with our supply chain partners.

Waste and Circular Economy - We are committed to embracing circular economy principles in our manufacturing processes. This will involve initiatives such as redesigning products for recyclability, implementing take-back programs, and finding innovative ways to reuse or recycle manufacturing waste.



Diversity and inclusion

The safety, wellbeing, and diversity of our workforce are paramount to ANCA Group’s success and sustainability.

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- **Health and Safety:** We are committed to maintaining a Lost Time Injury Frequency Rate (LTIFR) of 6 or lower, with an ultimate goal of zero harm in our workplaces.
- **Learning and Development:** We invest in the future through our Apprentice and Graduate Programs, LEAN training, and ongoing skill development—ensuring our people drive innovation, efficiency, and long-term sustainability.
- **Diversity:** We are dedicated to fostering a diverse and inclusive workplace by increasing female representation, enhancing employee engagement, and developing strong leadership through our ANCA Leadership Framework. With a global recruitment system, talent development programs, and succession planning, we ensure the right people thrive in the right roles. Our Graduate Program expansion and commitment to advancing diverse talent drive long-term growth and innovation.
- **Community Engagement:** ANCA is committed to making a positive impact in the community through long-standing support of environmental, educational, and social initiatives. A key focus is inspiring and nurturing the next generation of STEM leaders by actively partnering with schools and universities. Through our sponsorship program, ANCA provides financial backing, mentoring, engineering expertise, and hands-on opportunities, such as interactive facility tours at our Melbourne headquarters. This support empowers university teams to excel in global competitions, including robotics, space exploration, space rocketry, and electric Formula One car design.

ANCA sponsors teams from RMIT, Melbourne, and Monash universities, and we are proud to now employ students who began their journey with us through these programs. In addition to fostering STEM education, ANCA takes pride in contributing to broader community needs. We regularly participate in fundraising efforts for cancer research and provide essential support to those in need with gifts and food donations during the festive season.

ANCA has engaged with the following community groups:

- Monash High Powered Rocketry - Australia
- Melbourne University Motorsports - Australia
- Oakland Community College – USA
- Monash Nova Rover – Australia
- #TeamSeas – Thailand
- Melbourne University Vex Robotics Club
- Generate 22 – Robotics Conference – Australia
- Brighton Grammar Constellation Racing – Australia
- Vernier Society and Foundation – Australia
- RMIT Motorsport
- World’s Greatest Shave
- Code the Future charity – Australia
- Community Volunteering program – Thailand
- Adopt a Family – USA
- Cancer Council Biggest Morning Tea – Australia
- Cancer Council – Shitbox Rally
- Ahbap Platformu Resmi Sitesi - Türkiye-Syria earthquake assistance



Ethics

We are committed to upholding the highest ethical standards in all our operations and business relationships.

- **Anti-Slavery:** ANCA Group commits to signing and adhering to the Modern Slavery Act 2018. Refer to Modern Slavery statement <https://modernslaveryregister.gov.au/statements/ink27TY6ocdgSTy/pdf/>



Supply Chain

We recognise the importance of extending our sustainability efforts throughout our supply chain.

- **Sustainable Logistics:** Our goal is to reduce the carbon footprint of our logistics operations. This will be achieved through optimising shipping routes, transitioning to low-emission vehicles, and partnering with eco-friendly logistics providers
- **Ethical Supply Chain:** We commit to implementing a robust supplier code of conduct.
- **Supplier Sustainability:** We aim to assess and engage our key suppliers on their sustainability performance using established sustainability rating platforms.

Sustainable Innovation

At ANCA Group, innovation is not just a buzzword—it’s the very essence of our culture and the driving force behind our success for the past 50 years.

Our founder, Pat McCluskey, famously said, “My enduring philosophy in business is if you always do what you’ve always done, you’ll always get what you’ve always gotten. New ideas and new thinking is the basis of our business.” This ethos continues to shape our approach to business and sustainability today.

Innovation at ANCA goes hand in hand with sustainability. Our relentless pursuit of excellence in CNC grinding technology inherently leads to more sustainable outcomes. By constantly pushing the boundaries of what’s possible in precision engineering, we create machines that are not only more capable but also more energy-efficient, resource-conservative, and longer-lasting.

This focus on innovation naturally aligns with key sustainability principles:

Energy Efficiency: Our latest machine designs incorporate cutting-edge technologies that significantly reduce energy consumption without compromising performance. This not only benefits our customers by lowering their operational costs but also contributes to global efforts to reduce carbon emissions.

Material Optimisation: Through innovative grinding techniques and software algorithms, our machines minimise material waste in the production process. This not only improves cost-effectiveness for our customers but also promotes resource conservation on a broader scale.

Longevity and Upgradability: We design our machines with durability and future proofing in mind. By creating products that last longer and can be upgraded over time, we reduce the need for frequent replacements, embodying the principles of a circular economy.

Smart Manufacturing: Our innovations in IoT and data analytics enable predictive maintenance and optimal machine utilisation, reducing downtime and extending equipment life—a win-win for both productivity and sustainability.

While our primary focus has always been on delivering excellence and driving business success, the outcomes of our innovative efforts inherently position ANCA as one of the most sustainable companies in our industry. Our commitment to pushing technological boundaries not only keeps us at the forefront of the CNC grinding market but also contributes significantly to more sustainable manufacturing practices globally.

By continuing to foster a culture of innovation and explicitly linking it to our sustainability goals, we aim to create even more value for our customers while contributing to a more sustainable future for our industry and the planet.

Implementation Roadmap

ANCA Group’s sustainability strategy implementation will be a phased approach from 2025 to 2030, ensuring steady progress towards our goals.



Conclusion

We recognise that the path to sustainability is an ongoing journey that requires constant vigilance, assessment, and refinement. Our commitment to monitoring and continuous improvement is central to the success of our sustainability strategy.

In the precision world of CNC grinding, microns matter. We’re applying that same exacting standard to our sustainability efforts. Every percentage of emissions reduced, every litre of water saved, every gram of waste diverted—it all adds up to a significant impact.

This plan is our blueprint, but its success depends on the dedication and ingenuity of every member of the ANCA family. From the shop floor to the boardroom, from our suppliers to our customers, we all have a role to play in grinding out a more sustainable future.

The future of manufacturing is sustainable, and ANCA is leading the charge. Join us as we grind away the old paradigms and polish a new, brighter future for our industry and our planet.



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Translated into nine languages, every month we share customer success stories, latest products, services and tips and tricks on how to get the most from your grinding investments. Sign up at www.anca.com/subscribe



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