



# Powered by Resourcefulness

Annual Report  
2023

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## Key figures

		2023 adjusted <sup>1</sup>	2023	2022	2021	2020	2019
Operating revenues	NOK million	14,756	14,756	12,188	10,909	9,941	9,346
EBITA	NOK million	1,873	1,380	1,625	1,769	1,522	1,381
Operating profit (EBIT)	NOK million	1,666	1,172	1,450	1,552	1,300	1,177
Profit before taxes	NOK million	1,481	987	1,401	1,524	1,070	1,130
Net profit (profit for the period)	NOK million	1,244	750	1,068	1,133	798	858
Total assets	NOK million	16,513	16,513	13,932	11,589	10,977	10,867
Equity	NOK million	6,638	6,638	6,380	5,993	5,429	5,076
Return on equity	%	18.3	10.7	16.6	19.1	14.8	16.2
Return on total assets before tax	%	11.2	7.9	11.8	14.4	11.9	11.8
Earnings per share	NOK	3.63	2.36	3.48	3.70	2.63	2.78
Earnings per share fully diluted	NOK	3.63	2.36	3.48	3.70	2.63	2.78
Net cash flow from operating activities	NOK million	1,801	1,586	1,150	1,779	1,710	1,313
Number of employees as of 31 December		5,370	5,370	5,015	4,610	4,307	4,328
Female employees	%	23	23	23	22	21	21
Female managers (of all managers)	%	25	25	25	24	24	23
Number of reportable injuries		105	105	147	101	71	142
GHG emissions Scope 1 & 2	Metric tons	27,751	27,751	25,820	24,020	24,100	26,200

1) Adjusted for one-off expenses from cyberattack and Food restructuring

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# Our values



## Innovation

We believe in creatively solving today's challenges to shape a better future. We encourage trying, learning, and sharing.

We embrace change by pushing boundaries and challenging the status quo to advance and continuously improve. We strive to make every day better than yesterday.



## Passion

We believe people make the greatest impact when they care deeply about what they do.

We inspire one another through teamwork, and build on each other's differences, strengths and expertise. We can be ourselves and thrive on the diversity of our culture.

We respect and care about each other. We have fun and celebrate our achievements together.



## Responsibility

We believe that each one of us is responsible for making a difference for our customers, people and planet. We keep each other safe, and our health and wellbeing come first.

We always meet our commitments in an ethical and trustworthy way. We challenge ourselves to act sustainably in everything we do.

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# Powered by resourcefulness

Global warming is on track for 2.9 degrees Celsius as greenhouse gases keep rising.<sup>1</sup> Meanwhile, the world has consumed as much materials over the past six years as we did in the entire 20th century. Only seven percent of these resources are consumed circularly.<sup>2</sup> How we obtain, use, and reuse resources must be transformed.

It may be a gloomy picture we are presented with. The good thing is that there are concrete actions that can be taken. Proven systems and technology that enable circularity and optimize resource productivity exist. These should be applied at greater scale while we push for more solutions to be developed. By reducing dependency on virgin resources, these solutions can help us reduce carbon emissions and support our efforts to align with the Paris Agreement. At TOMRA, it is with passion and a great sense of responsibility that we lead the way and use our resourcefulness to innovate and develop solutions that make an impact.

In 2022 we launched our updated ambitions and strategic priorities for the years until 2027. With efforts stepping up worldwide to increase circularity and reduce waste and greenhouse gas emissions, we target to double our business by accelerating growth in our divisions and develop new adjacent opportunities. In 2023, we made material progress on our ambitions despite the challenges we faced.

## ACCELERATING GROWTH IN OUR CORE BUSINESS

Deposit return systems have proven to be an effective way to achieve circularity. Beverage containers are recycled in a closed loop, allowing new containers to be produced over-and-over again from the same material. Never has there been more activity around the world in planning, implementing, and expanding deposit systems. Romania and the state of Victoria in Australia both implemented a deposit system in 2023, with Hungary and Ireland having prepared for their launch at the start of 2024. Eight existing markets expanded their deposit systems during or at the turn of the year and more countries will surely follow.

2023 was a record year for TOMRA Collection, with all-time high revenues, delivering 18% currency adjusted growth. To maintain our position as the leading technology provider, we have continued to innovate several new concepts for a better recycling experience, including the next generation multi-feed reverse vending machine "TOMRA R2" and the new backroom solution Rollpac.

As consumers and global brands take action to reduce their carbon footprint, and legislative measures focusing on increased recycling of resources continue to be implemented, the demand for recyclates will increase. An important step to enable recycling is to recover the resources that should be recycled from waste and sort them into high quality fractions. In 2023, TOMRA Recycling had another great year with record high revenues, growing 18% currency adjusted, and a record strong bottom line. We launched new promising products, including our INNOSORT FLAKE for plastics recycling and the AUTOSORT PULSE which can become transformative for the aluminum recycling industry.

Overall, TOMRA grew revenues by 11% (currency adjusted) in 2023 to a record high NOK 14,8 billion. While TOMRA Collection and Recycling accelerated, a challenging environment held us back in Food.

## RISING UP TO CHALLENGES

Macroeconomic circumstances and climate events posed significant headwinds for our customers and inevitably for TOMRA Food. Without growth in the market, and with 7% decline in our revenues (currency adjusted), we decided to restructure the division to increase both profitability and ultimately customer satisfaction. This has not stopped us

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from continuing to innovate and maintain our position as a technology leader. In 2023, we expanded our AI offering, LUCAi®, to help our customers obtain more value through increasingly precise grading and sorting of food. As the world population grows and the middle class rises, and as stricter food safety and quality requirements evolve, we expect a shift to more automation within food production – taking TOMRA Food back on an accelerating growth track.

Entering the year, we worked our way out of the supply chain disruption and inflation challenges of 2022. While some potential is still to materialize, gross margins have mostly been recuperated. Midway through 2023 we were faced with an unprecedented challenge no CEO wants to meet. We were subject to an extensive cyberattack. Thanks to the hard work and resilience of our people and partners, we managed to keep most services and equipment operational under difficult circumstances and we were able to keep producing and delivering equipment to our customers. In the aftermath, TOMRA has fortified its defenses against cyber threats. We are grateful to be back to normal operations where we instead can focus our efforts on innovating solutions for a more sustainable future.

**DEVELOPING NEW ADJACENT OPPORTUNITIES**

As part of our strategy, TOMRA is developing new business opportunities within TOMRA Horizon that leverage our technology and decades of know-how. Each of the three initiatives that we have launched focuses on solving a concrete problem our planet is facing while building a profitable business.

TOMRA Feedstock, which aims to turn plastic waste into valuable resources, announced its second investment into an advanced sorting plant in 2023. This plant will be in Norway and is being built in cooperation with the Norwegian producer responsibility organization Plastretur. TOMRA Feedstock leverages our waste sorting technology to create new value chains that recover the plastic waste which is typically incinerated or landfilled today.

TOMRA Reuse, which seeks to reduce waste and optimize resources in urban areas, entered into an agreement with the city of Aarhus in Denmark to launch the world's first open-

managed reuse system for takeaway packaging. To achieve this, we leverage our reverse vending technology and develop the complete infrastructure for reusable takeaway packaging.

In TOMRA Textiles, we are still in an early phase where we have built a team which is aiming to launch circular solutions for textiles by leveraging our waste sorting technology. The textile industry is one of the largest CO2 emitters, with less than 1% of textile waste being recycled today.

**IMPROVING OUR OWN FOOTPRINT**

In line with our ambition to be leading the resource revolution, we seek to become a fully circular business that is safe, fair, and inclusive.

Safety in TOMRA has greatly improved in 2023, with increased reporting of potential hazards but fewer people being injured at work. Increased awareness and mitigating actions are key to avoid injuries amongst our own employees and the employees of our customers. No one should get injured while working for TOMRA or when operating our machines.

Development of our science-based targets has been a priority over the past year, which we will submit for independent validation by the Science-based Targets initiative (SBTi) in 2024. We have several ambitious projects running to design and produce our machines more sustainably, reducing transportation emissions and energy consumption, and using more sustainable materials. In 2023, 30 new decarbonization projects were initiated with an estimated expected saving of 1,300 tons CO2 scope 1 and 2 emissions.

**POWERED BY RESOURCEFULNESS**

Despite 2023 being a year with extraordinary circumstances, we have stayed true to our strategic ambitions and set the course for TOMRA's five-year journey towards 2027. We have delivered on our growth ambition and made progress on our profitability target in both TOMRA Collection and Recycling. In TOMRA Food, we have taken actions to refocus the course to build a robust organization for the future. At the same time, we are developing exciting and promising adjacent businesses.

In 2023, we delivered earnings per share of NOK 3.63

excluding one-off costs<sup>3</sup> and NOK 2.36 including, compared to NOK 3.48 in 2022. We propose a dividend to our shareholders of NOK 1.95 per share, an increase of 8% from 2022 and which is equivalent to a payout ratio of 54% of EPS adjusted for one-off costs.

We are determined to continue create value for both shareholders and society. We have a mindset in TOMRA that there is no problem we can't solve. We will keep innovating and developing solutions for increased circularity and resource optimization, accelerating growth both in our core and our new adjacent business opportunities - powered by resourcefulness.

**Tove Andersen**

President and CEO TOMRA Systems ASA

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# Leading the resource revolution

Only seven percent of the world's precious resources are circular today and more than 30% of all consumable food is wasted each year.<sup>1</sup> With efforts stepping up worldwide to reduce waste and greenhouse gas emissions, TOMRA's solutions help to enable circular economies and optimal resource productivity – turning waste into valuable resources.

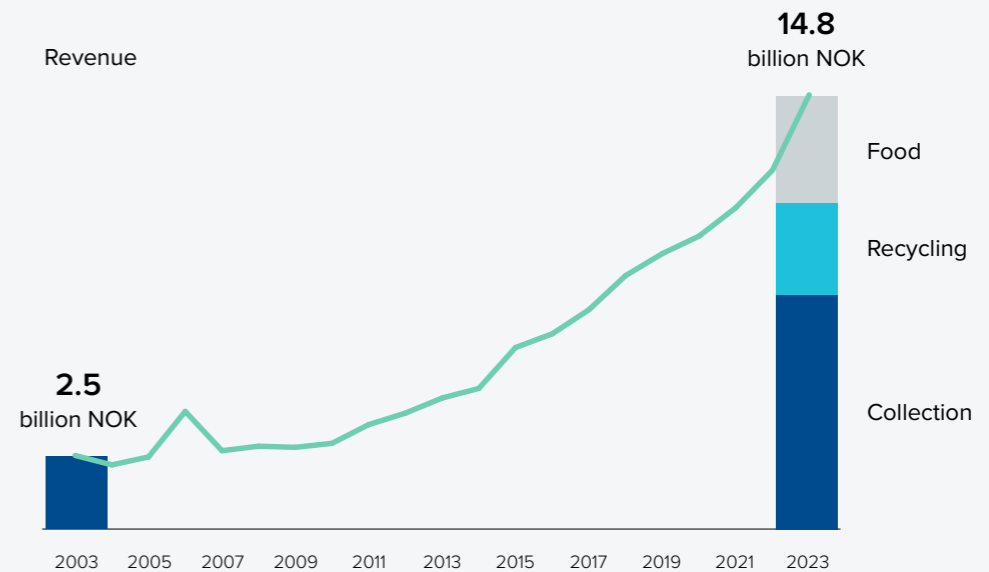
TOMRA operates in markets where we take a leading global position and make a meaningful impact – providing thought leadership and pushing the boundaries with innovative technology to transform how resources are obtained, used, and reused.

For decades, TOMRA has pioneered solutions to enable automated identification, collection, grading, and sorting of resources in our three divisions: Collection, Recycling and Food. Over the past 20 years, we have increased our revenue five-fold, grown our net profit by 7% annually, and have consistently paid dividends at a rate above 40% of EPS.

Our strategy is to accelerate growth in our three divisions and in parallel develop profitable adjacent business activities by leveraging our technology and know-how – creating value for customers, shareholders, and society for generations to come.

<sup>1</sup>) Source: The Circular Gap Report 2024, Circle Economy Foundation and Technical Platform on the Measurement and Reduction of Food Loss and Waste, Food and Agriculture Organization of the United Nations, 2024.

## Creating value through three divisions



Revenue 2023

**14.8**

billion NOK

Employees 2023

**~5,400**

employees

Locations in

**100+**

countries

Operating

**110,000**

installations

### Our strategy

Accelerate growth in core and develop adjacent opportunities while becoming a fully circular business that is safe, fair and inclusive.

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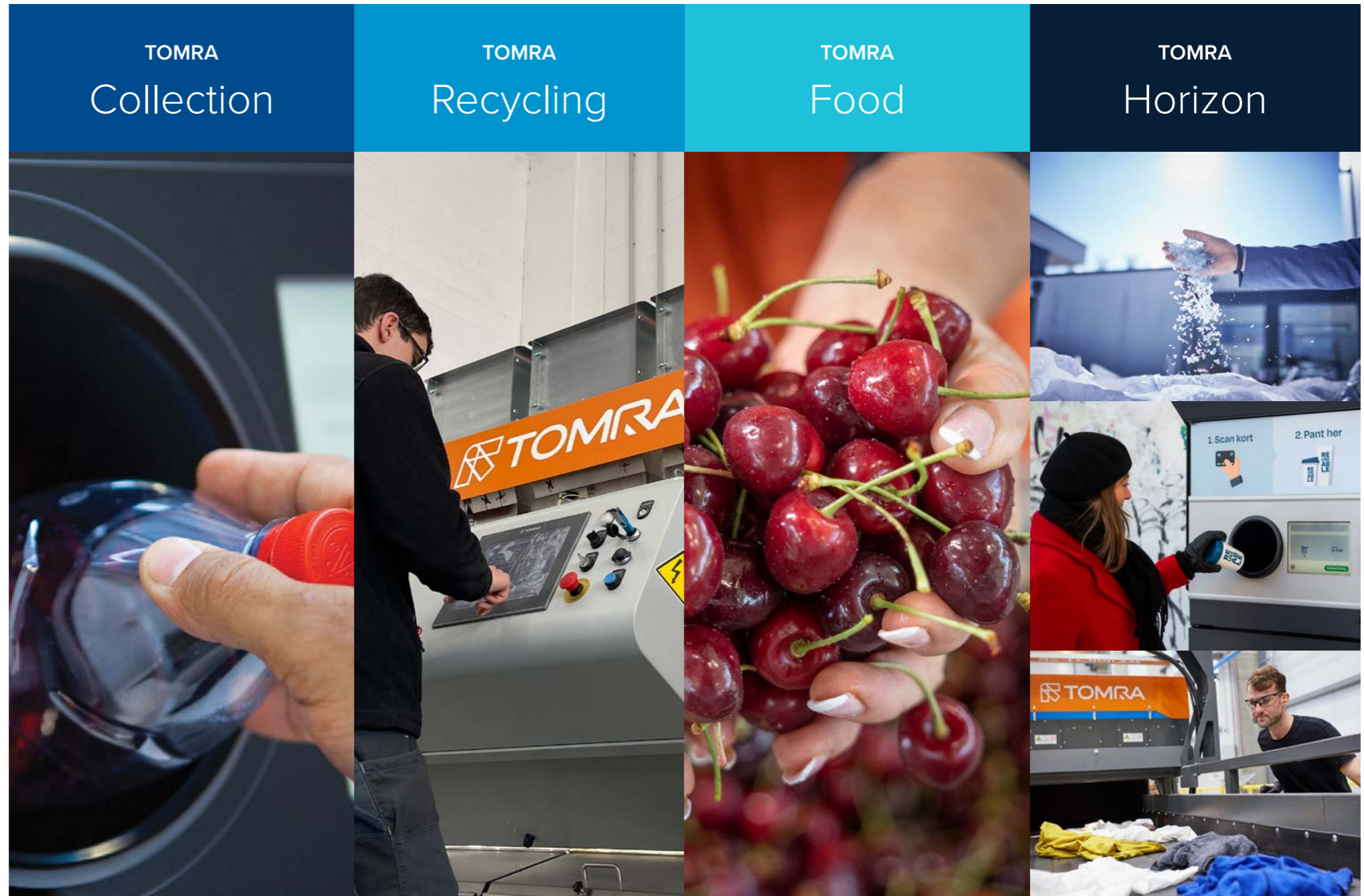
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# Executive Leadership Team



## Tove Andersen (b. 1970)

### POSITION

President and Chief Executive Officer of TOMRA Group.

### EDUCATION

MBA from the BI Norwegian Business School (1997); Master of Science Degree (Sivilingeniør) in Physics and Mathematics from the Norwegian University of Science and Technology NTNU (1994).

### CAREER HISTORY

2021: joined TOMRA as President and CEO; 1997-2021 Yara International ASA (previously Hydro Agri); Executive Vice President Europe (2020-2021), EVP Production (2018-2020), EVP Supply Chain (2016-2018), as well as diverse management roles with responsibility for marketing, business development and finance.

### SHARES

29,480 shares and 20,000 share options.

### BOARD MEMBERSHIPS

Publicly listed: Equinor ASA (member), Borregaard ASA (member).



## Eva Sagemo (b. 1975)

### POSITION

Chief Financial Officer of TOMRA Group.

### EDUCATION

Executive Master of Management with specialization in tax law, BI Norwegian Business School (2021) and Bachelor's degree in Audit, Oslo Metropolitan University (2000).

### CAREER HISTORY

2022: appointed CFO of TOMRA; 2012-2022 TOMRA Systems ASA; Group Controller TOMRA Group (2018-2022), Group Controller TOMRA Sorting (2012-2018), as well as various financial roles in BDO, Aibel, and Fugro.

### SHARES

6,628 shares.

### BOARD MEMBERSHIPS

None.



## Lars Kversøy Enge (b. 1984)

### POSITION

Executive Vice President, Head of Group Strategy.

### EDUCATION

MSc in Industrial Economics and Technology Management from the Norwegian University of Science and Technology NTNU (2009).

### CAREER HISTORY

2022: joined TOMRA as EVP Group Strategy; 2014-2022 Yara International ASA; CFO Yara Europe (2018-2022), VP Corporate Performance and Risk (2018-2020), CFO Yara Industrial (2016-2018), Project Leader and later Head of Group M&A at Yara (2014-2016), as well as experience from McKinsey & Company (2009-2014).

### SHARES

2,926 shares.

### BOARD MEMBERSHIPS

Kezzler AS (member).



## Stefan Schrahe (b. 1974)

### POSITION

Executive Vice President, People & Organization.

### EDUCATION

Degree in Business Administration, majoring Human Resources and Organizational Development from AKAD University in Rendsburg (2001).

### CAREER HISTORY

2023: joined TOMRA as EVP People & Organization; 2019-2023 Aptiv PLC; VP Human Resources EMEA (2021-2023), HR Director EMEA (2019-2021); 2000-2019 GKN plc; SVP Human Resources at GKN ePowertrain (2017-2019), HR Director at GKN Land Systems (2014-2016), as well as various international management positions within Human Resources across the automotive, aerospace, agriculture and industrial mechanical engineering industries.

### SHARES

4,200 shares.

### BOARD MEMBERSHIPS

None.

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Executive Vice President, Head of TOMRA Food.

**EDUCATION**

BSc Electronics, University of Salford, Manchester (1985).

**CAREER HISTORY**

2023: appointed EVP Head of TOMRA Food; 2016: appointed EVP Head of TOMRA Collection; 2004-2016 TOMRA Systems ASA as CEO and President TOMRA North America (2011-2016) and SVP Technology TOMRA (2004-2011); 2000-2004: VP Business Unit Tactical Radio at Kongsberg Defense and Communications AS, VP Product Management and VP R&D at Kongsberg Ericsson Communications ANS (1997-2000); Technical management and project management NFT-Ericsson ANS (1990-1997).

**SHARES**

91,230 shares.

**BOARD MEMBERSHIPS**

Non-listed: Jets Vacuum AS (member).

**Marius Fraurud (b. 1971)****POSITION**

Executive Vice President, Head of TOMRA Collection.

**EDUCATION**

MSc Electronics from the Norwegian University of Science and Technology NTNU (1999).

**CAREER HISTORY**

2023: appointed EVP Head of TOMRA Collection; 2016-2023 TOMRA Systems ASA as SVP Head of EMEA (2023), SVP Head of The Solution Hub (2020-2023), SVP Head of RVM Technology (2019-2020), VP R&D (2016-2019); 2012-2016 Aker Solutions ASA as R&D Manager (2014-2016) and Manager (2012-2014); 2005-2010 Ericsson as Chief Architect (2010-2012) and System Manager (2005-2010); 2001-2005 AXXESSIT ASA as System Design Manager (2004-2005) and FPGA designer.

**SHARES**

6,173 shares.

**BOARD MEMBERSHIPS**

None.

**Volker Rehrmann (b. 1961)****POSITION**

Executive Vice President, Head of TOMRA Recycling.

**EDUCATION**

PhD in Computer Science, University of Koblenz, Master's in Computer Science, University of Paderborn.

**CAREER HISTORY**

2019: appointed EVP Head of Tomra Recycling; 2004-2019 TOMRA Systems ASA as Chief Technology Officer and Head of Business Area Sorting Solutions; prior to joining TOMRA through the acquisition of TITECH in 2004, he was founder and Managing Director of Real Vision Systems GmbH from (1998-2002).

**SHARES**

33,104 shares.

**BOARD MEMBERSHIPS**

None.

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Sustainable development is at the core of our business model and strategy

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# Corporate Sustainability report

## Introduction

At TOMRA, we firmly believe that corporate sustainability is not only our moral duty but also a strategic advantage. It enables us to build a thriving business while creating value for all stakeholders and our planet.

Sustainability at TOMRA involves two critical aspects: maximizing the positive impacts of our products and solutions on the environment and society (our handprint), and diligently minimizing any negative sustainability effects resulting from our activities (our footprint). Anchored in our vision of "Leading the Resource Revolution," sustainability lies at the core of our business model and strategy.

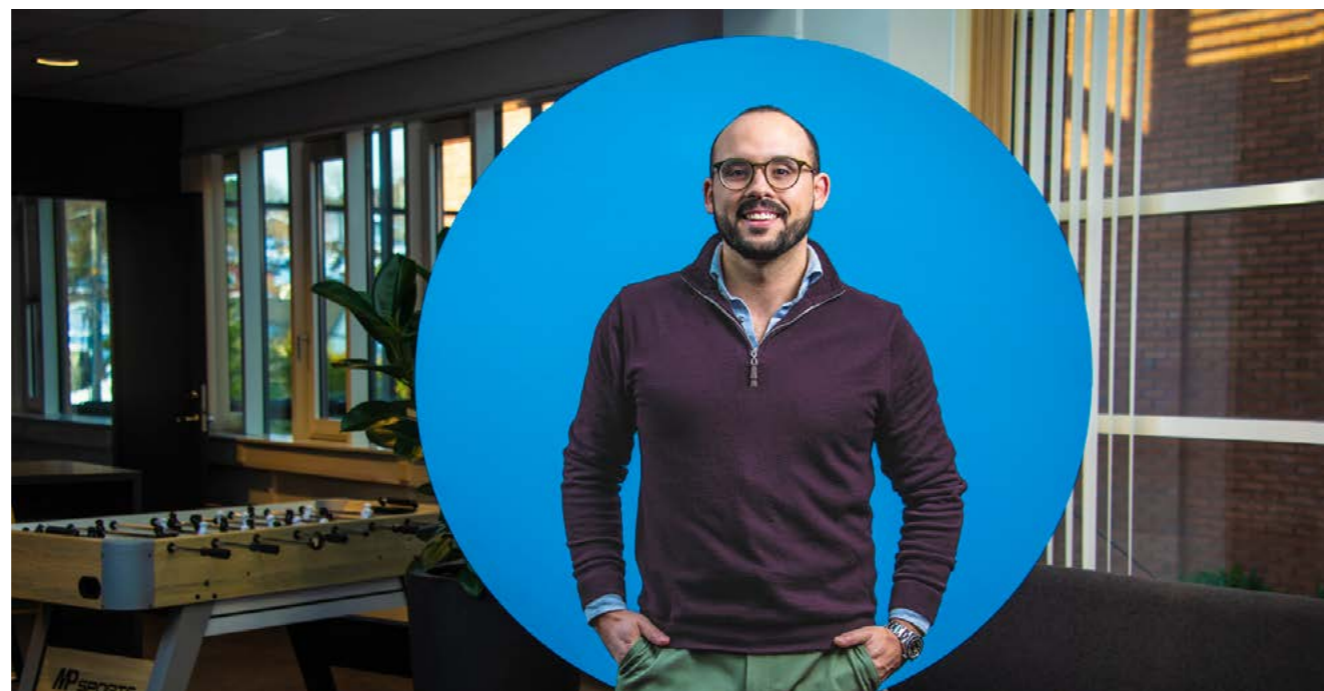
1) To be submitted for external validation by the Science Based Targets initiative in 2024.

As a technology and solutions provider, TOMRA plays a crucial role in the necessary transition toward a resource-efficient, low-carbon, and circular economy. Our commitment to sustainability also serves as a cultural driver, attracting and retaining top talent while positioning us as industry leaders.

2023 was a year of operationalizing projects and initiatives to begin delivery on commitments made in our sustainability strategy update from 2022, and accelerating progress toward our 2030 targets. The year also saw further integration of sustainability topics in our organization and management practices, including people and planet

performance indicators and ringfenced sustainability budgets. Furthermore, climate action has been a key priority on our sustainability agenda this year, with efforts to improve greenhouse gas data across all emission scopes, develop science-based net-zero targets<sup>1</sup> and chart out a roadmap to guide our decarbonization journey.

More details about this work is presented on the following pages, along with information about sustainability management, strategy actions, and performance at TOMRA.



“ Sustainability at TOMRA involves two critical aspects: maximizing the positive impacts of our products and solutions on the environment and society (our handprint), and diligently minimizing any negative sustainability effects resulting from our activities (our footprint).

**Nicolai Prytz – Vice President, Head of Sustainability, TOMRA Group**

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## TOMRA's approach to sustainability

**SUSTAINABILITY AMBITION**

At TOMRA, our sustainability ambition is three-fold: Leading the Resource Revolution while becoming a fully circular business and being safe, fair and inclusive.

**Leading the Resource Revolution:**

TOMRA's mission is to transform how we all obtain, use and reuse the planet's resources to enable a world without waste. We create lasting social and environmental value through our products and services, driving increased resource productivity in all sectors that we serve.

**Becoming a fully circular business:**

TOMRA is committed to minimizing the environmental footprint of our products and operations. We work to embed circular and eco-design principles in our product development processes and decision-making, which includes all materials and machine parts along their value chain. We focus on circularity of our own products, targeting net-zero GHG emissions by 2050.

**Safe, fair, and inclusive:**

TOMRA operates with integrity and fairness to be an employer of choice and a trusted business partner. We recognize the importance of creating an environment that supports our people's well-being and ensures they have a safe working environment every day, and the same for workers in our supply chain. We take action to promote a work environment that embraces cultural diversity, equity, and inclusiveness.

**SUSTAINABILITY CONTEXT**

TOMRA is well positioned with regards to key megatrends affecting the global economy today and into the foreseeable future. We offer solutions that help address sustainability challenges related to resource scarcity and depletion, unsustainable consumption, climate change, urbanization, and waste in nature. At the same time, new business opportunities for TOMRA arise with the increasing global focus on circular economy, low-carbon transition, food safety and food security.



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The regulatory landscape surrounding corporate sustainability is rapidly evolving and stakeholder expectations are increasing. This is a development that we wholeheartedly welcome as it is pushing businesses to think, act and operate more sustainably, and global corporations need to be leading the way into a greener and more sustainable world economy. We believe that our responsibility to continuously improve the sustainability performance of TOMRA's operations also brings opportunities. Evolving standards for transparency, sustainability governance, reporting, and risk management are driving innovation and progress across industries. Of particular current focus for TOMRA is the EU Corporate Sustainability Reporting Directive (CSRD) and rollout of the European Sustainability Reporting Standards (ESRS) which, for us, will come into force as of next year's reporting (fiscal year 2024). See more information about TOMRA's efforts in relation to CSRD and ESRS-readiness on [page 17](#).

**SUSTAINABILITY GOVERNANCE**

TOMRA defines corporate sustainability as the management of business relevant environmental (E), social (S) and corporate governance (G) issues. With the recognition that relevant ESG issues occur across business functions and can have impact on various parts of the organization, we have taken an integrated approach to sustainability management, anchored in Group Strategy. This structure ensures that sustainability considerations are embedded in our corporate strategy development and implementation processes. Efforts to identify, assess, and manage sustainability-related impacts, risks and opportunities are largely integrated in the company-wide risk management process and strategic planning at Group and division levels.

The overall governance and organization structure for sustainability at TOMRA is described in figure 1, with defined management bodies and teams operating across three levels.

**Direction and decision**

The Board of Directors is ultimately responsible to ensure that the Group's corporate governance, environmental, social, and ethical practices are adequate. For oversight, we have a Corporate Sustainability Board Committee, which assists the Board by monitoring and reviewing TOMRA's practices and

policies on sustainability matters, including regular reviews of progress. The Committee Chair fulfills the formal requirements linked to sustainability expertise in the committee.

The CEO is responsible for decisions on sustainability strategy, incl. Group targets, and budget. These matters are reviewed annually by the Executive Leadership Team (ELT) as part of the strategy and business plan process. Furthermore, the ELT is kept informed about ongoing sustainability projects and performance through brief reports at ELT meetings from the Sustainability Council Chair.

The Sustainability Council is mandated to make decisions on behalf of ELT in relation to sustainability management and strategy execution. With bi-monthly meetings, the council acts as steering group for larger sustainability projects and

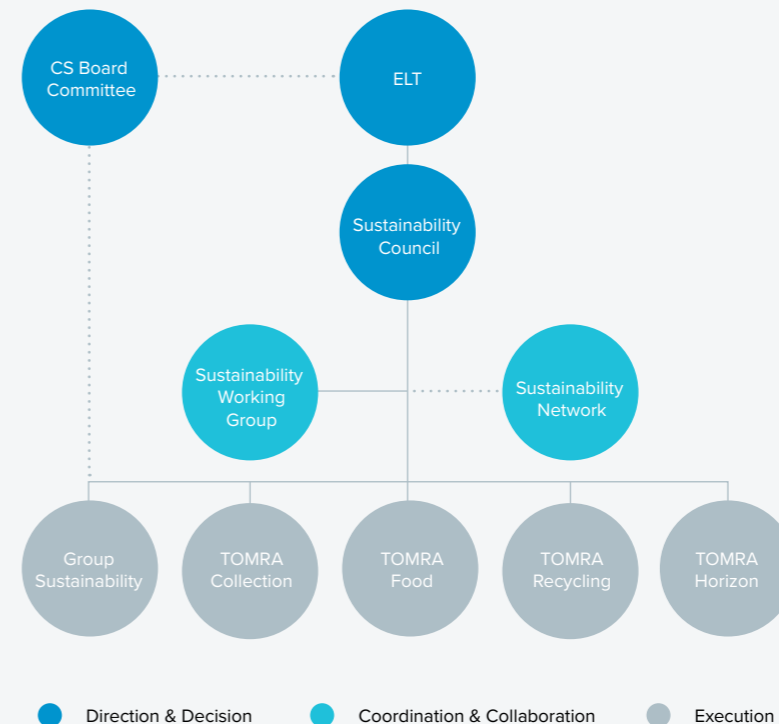
regularly reviews performance reporting across the TOMRA Group. Sustainability Council members include EVP Group Strategy (Chair), Group CFO, Heads of Strategy from each division, Head of Group Controlling, and Head of Group Sustainability.

**Coordination and collaboration**

To ensure company-wide coordination and collaboration we have two fora: Firstly, the Sustainability Working Group is a cross-divisional team comprising everyone working in dedicated sustainability roles and is chaired by the Head of Group Sustainability. This team acts as a collaboration forum to align, coordinate, share best practices, and support each other across the sustainability agenda.

Secondly, the Sustainability Network is a voluntary network

Figure 1



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of 'local sustainability champions', open to anyone interested across the group. Participants help promote the TOMRA sustainability agenda within their parts of the organization by sharing relevant information with colleagues and acting as driving agents for local sustainability initiatives.

**Execution**

The Group Sustainability function has overall responsibility to lead and coordinate corporate sustainability efforts at TOMRA, including Group-level strategy development and execution plans, ESG integration into corporate governance and processes, sustainability reporting, communications, and engagement. Importantly, Group Sustainability works closely with the divisional sustainability teams to guide and support strategy implementation efforts.

The divisional sustainability teams are responsible to lead divisional strategy development and execution, cascade Group targets, drive implementation efforts, and report on progress. The ownership and management responsibility of specific sustainability projects, incl. most decarbonization initiatives, lies at the division level.

**INCENTIVE SCHEMES - PEOPLE, PLANET, AND PROFIT**

This year we launched people and planet performance indicators in TOMRA. This means that when we measure and follow up performance, we don't only review the financial targets (Profit), we focus as well on the targets set on safety, diversity, engagement (People), and our own greenhouse gas emissions (Planet). People and planet reporting is now part of quarterly business reviews for each division and will as of 2024 link directly to variable compensation for the divisional leadership teams.

**SUSTAINABILITY TARGETS**

To focus our sustainability agenda and direct efforts where they matter most, TOMRA has outlined five strategic focus areas for action (our most material topics) and defined specific targets for each area. This framework builds on insights gained from our latest materiality assessment, which helped us to better understand where we have the biggest sustainability impact and what specific issues are most important, both from business and stakeholder perspectives.<sup>2</sup>

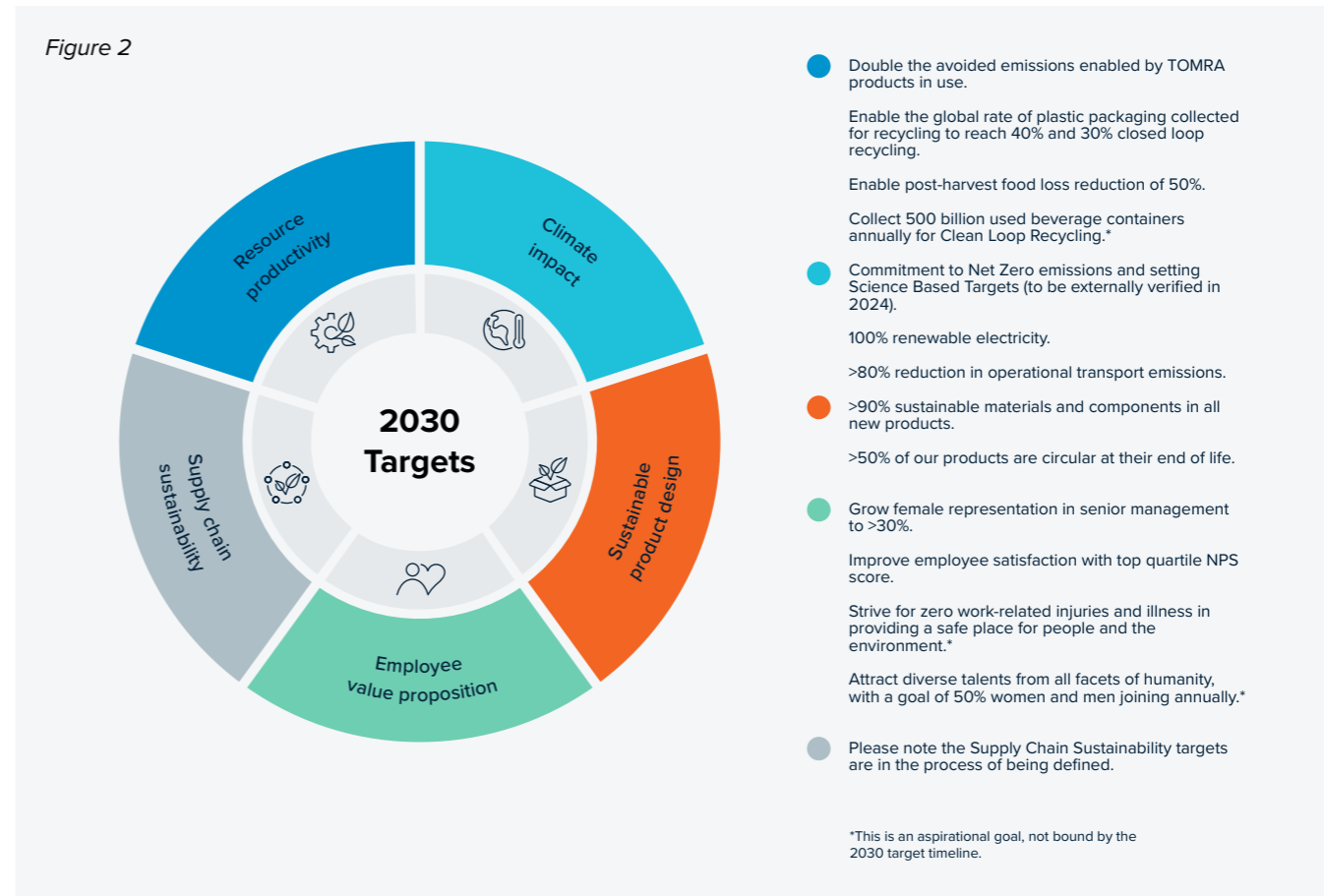
The targets below represent our commitment at TOMRA to ensure that sustainability is embedded in everything we do. It is what we must effectively achieve to realize our ambition – to be Leading the Resource Revolution while Becoming a Fully Circular Business and being Safe, Fair and Equal.

We know that achieving these targets will require hard work, innovation, investments, and not least collaboration. Furthermore, we acknowledge significant uncertainty regarding how we will meet some of the targets, and that it will require taking the first steps without knowing necessarily where the subsequent steps will lead us. Nevertheless, it is a firmly held belief at TOMRA that this is the direction we

need to move in – to continue our leading position, to attract and retain talent, and to deliver the best solutions for optimal resource productivity.

The targets were launched in June 2022, and we have since then worked to operationalize them through dedicated projects and initiatives, ESG data collection and improvement efforts, and internal reporting. A regularly updated document is available at [www.tomra.com/sustainability](http://www.tomra.com/sustainability) providing details about the current status of strategy implementation efforts, and descriptions of planned or initiated actions to achieve our sustainability targets.

Figure 2



2) As part of TOMRA's preparations for ESRS reporting we are currently working to update the materiality assessment in line with CSRD guidelines and the principle of double materiality. This project will be completed within the first half of 2024 and reflected in next year's Annual Report.

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MATERIALITY

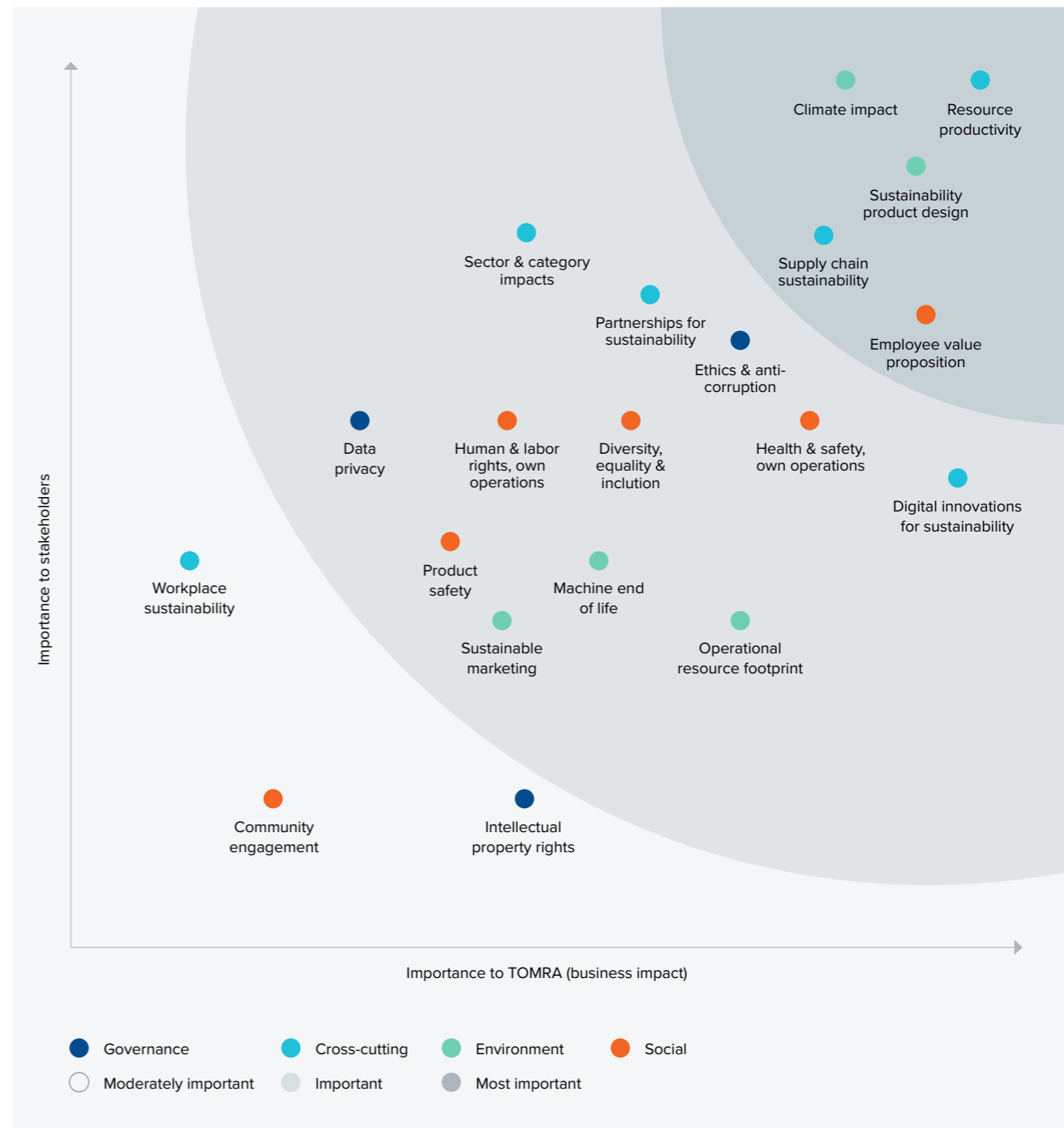
Our latest materiality assessment, conducted in 2020, has been important in identifying key sustainability risks, impacts and opportunities, guiding our strategic approach to sustainability and focusing efforts where they matter most. Our five strategic focus areas and target framework cover the sustainability topics considered most material for TOMRA, as represented in the upper right corner of the materiality matrix (figure 3).

Double Materiality and ESRS-readiness

Looking ahead, TOMRA is in the process of conducting a comprehensive double materiality assessment in accordance with the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). This represents an evolution in our approach by systematically considering the financial implications of material environmental, social, and governance topics, alongside broader societal and environmental impacts, risks, and opportunities. This strategic initiative will further refine our focus, ensuring that our sustainability agenda remains anchored in an up-to-date understanding of what are the most material sustainability issues for TOMRA, and aligned with best practice in the rapidly evolving landscape of corporate sustainability management and reporting.

The ongoing double materiality assessment project is expected to conclude within the first half of 2024 and will be reflected in the Annual Report 2024 which will also be our first year of ESRS reporting. The project also includes important updates to our value chain ESG mapping and sustainability-related stakeholder engagement. Both aspects are central to the process of a double materiality assessment.

Figure 3



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**VALUE CHAIN IMPACTS**

Mapping our value chain impacts is a process of identifying all relevant sustainability impacts, including both risks and opportunities, across the value chains in each of our divisions. Figure 4 provides a summary of

the ESG issues considered across different stages of TOMRA's value chain. This helps to inform our growing understanding of how ESG risks and opportunities have impact on TOMRA, and how our operations may affect the world around us.

Figure 4



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**STAKEHOLDER ENGAGEMENT**

Dialogue and collaboration with our key stakeholder groups is imperative to understanding and improving TOMRA's sustainability impact and is also an important means of building trust. We are regularly in dialogue with key stakeholders to discuss important topics that relate to

TOMRA's business, understand what sustainability related concerns they have, and find solutions in partnership. Inclusive collaboration enables much greater impact than what TOMRA as an organization can achieve on its own.

We are committed to incorporating stakeholder feedback

into our decision-making processes, ensuring that TOMRA's sustainability initiatives resonate with the expectations and needs of our diverse stakeholder community. Table 1 provides a summary of key stakeholder interactions in 2023, ESG topics of special interest or concern, feedback received, and TOMRA's response.

Table 1

	Suppliers and Partners	Investors	Employees	Customers	Public opinion & Governments
<b>How we bonded/interacted</b>	<ul style="list-style-type: none"> <li>Supplier commitment to Group Principles for Suppliers and Partners, and to Code of Conduct</li> <li>Sustainability provisions supplier self-assessment questionnaire</li> <li>Regular dialogue with strategic suppliers</li> <li>Recycling division third party assessment through EcoVadis</li> <li>Ongoing engagement to understand and reduce emissions</li> <li>Engaging closely with organizations involved in the end-of-life management of our products</li> </ul>	<ul style="list-style-type: none"> <li>Responding to selected rating agency questionnaires</li> <li>Dedicated ESG calls and inquiries</li> <li>General ESG information provided on request</li> </ul>	<ul style="list-style-type: none"> <li>Gallup Employee Engagement Survey</li> <li>Employee Resource Groups, each sponsored by member of Executive Leadership Team</li> <li>CEO and Executive Leadership Team communication with employees (town halls and information campaigns)</li> <li>Workshops and trainings across a breadth of internal stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Industry association networks</li> <li>Regular customer communication</li> <li>Exhibitions and industry trade shows (incl. EuroShop, WasteExpo, N-EXPO, Pollutec, Linga, PRS, ~200 total for the Group)</li> <li>Engagement of major customers on material topics</li> <li>Direct contact with sales, supply chain, sustainability and management</li> </ul>	<ul style="list-style-type: none"> <li>Participation in global trade associations and business leaders' networks (WBCSD, GAA - Equitable Livelihoods, Friends of Champion 12.3, Ellen MacArthur Foundation, AEPW)</li> <li>Signatory and active member of Business Coalition for a Global Plastics Treaty</li> <li>Dialogues with public authorities on material issues for TOMRA and our ecosystem</li> </ul>
<b>High materiality aspects</b>	<ul style="list-style-type: none"> <li>Fair and safe working conditions</li> <li>Compliance</li> <li>Environmental protection</li> <li>Supply chain sustainability</li> <li>Ethics &amp; anti-corruption</li> <li>Sustainable logistics</li> <li>Sustainable packaging</li> </ul>	<ul style="list-style-type: none"> <li>Long-term financial performance</li> <li>ESG risk management</li> <li>Transparency and reporting</li> <li>Sustainable products and services</li> <li>Strong focus on governance, transparency and innovation</li> </ul>	<ul style="list-style-type: none"> <li>Employee engagement and wellbeing</li> <li>Occupational purpose</li> <li>'Walking the talk'</li> <li>Health &amp; Safety</li> <li>Diversity, Equity &amp; Inclusion</li> <li>Community Engagement</li> </ul>	<ul style="list-style-type: none"> <li>Resource productivity</li> <li>Product safety</li> <li>Climate impact</li> <li>Supply chain transparency and sustainability</li> <li>Product circularity</li> <li>Product innovation</li> <li>Supply chain disruptions</li> </ul>	<ul style="list-style-type: none"> <li>Business ethics</li> <li>Human &amp; labour rights</li> <li>Transparency &amp; reporting</li> <li>Diversity, Equity &amp; inclusion</li> <li>Resource productivity</li> <li>Sustainable product design</li> <li>Climate &amp; energy smart solutions</li> <li>Food security</li> <li>Circular economy</li> </ul>
<b>Stakeholder's expectations</b>	<ul style="list-style-type: none"> <li>Collaboration and guidance on sustainability provisions</li> <li>Long-term perspectives and strategies</li> <li>Scope 3 emission reductions</li> <li>Innovation to accelerate reducing climate impact of products</li> <li>Prioritizing safety for employees and end-users</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with the reporting frameworks ESRS and CSRD</li> <li>Engagement with ESG rating providers and own ESG teams in evaluating the company's ESG profile</li> <li>Consistent disclosure of ESG metrics, with concrete KPIs and teargets</li> <li>Remuneration linked to sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Engagement on DEI topics</li> <li>Activities to increase representation of women and people from minority groups</li> <li>Engagement on sustainability topics from top management</li> <li>Strong focus on HSE</li> <li>Leadership and talent development</li> </ul>	<ul style="list-style-type: none"> <li>Increasing number of Collection (B2C) customers express need for innovative solutions for increase consumer convenience</li> <li>Collaboration on technology development and innovation</li> <li>Solutions that enable operational and sustainability ambitions</li> <li>Solutions that enable customers to reduce their emissions, such as lower energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>Acceleration of actions to reduce greenhouse gas emissions and address climate change</li> <li>Introduction of metrics to describe progress on sustainability strategic targets</li> <li>Contribute with thought leadership and best practice on circular economy and food security</li> <li>Stakeholder collaboration</li> <li>Acknowledgment of the climate impact that sits outside of scope 1+2, including limiting business travel activities</li> </ul>
<b>Our response</b>	<ul style="list-style-type: none"> <li>Engagement and dialogue with strategic suppliers and partners</li> <li>Onboarding program for all new suppliers, including IDD processes</li> <li>Annual physical audits of strategic suppliers</li> <li>Health and safety initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to setting Science Based Targets and Net Zero ambition by 2050</li> <li>Sustainability strategy with targets for 2030</li> <li>Performance targets on both People, Planet and Profit</li> <li>EU taxonomy assessments</li> <li>Preparing for ESRD/CSRS, in process of conducting a double materiality assessment</li> </ul>	<ul style="list-style-type: none"> <li>DE&amp;I physical workshops and online trainings</li> <li>TOMRA Safe program: Safe Place, Safe People and Safe Processes</li> <li>Individual development plans and leadership development framework</li> <li>Global hybrid working principles</li> </ul>	<ul style="list-style-type: none"> <li>EcoVadis assessment invitation to strategic suppliers for Food &amp; Recycling</li> <li>Compliance with Norwegian Transparency Act</li> <li>Sustainability strategy and targets for product sustainability</li> <li>Procurement compliant with REACH and RoHS</li> </ul>	<ul style="list-style-type: none"> <li>Resources on industry thought leadership publicly available at website Circular Economy Resource Hub, including whitepapers, factsheets, podcast TOMRA Talks</li> <li>Webcast and communication materials on reuse systems for takeaway food and beverage packaging</li> <li>Video and social media articles on the Global Plastics Treaty</li> <li>Updating TOMRA Travel Policy</li> </ul>

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**MANAGEMENT SYSTEMS (ISO CERTIFICATIONS)**

TOMRA acknowledges the importance of international standards certifications, considering them vital to our quality and environmental management systems. Such standards are key in systematically managing risks and identifying opportunities. Certifications enhance our ability to align with customer needs, set clear quality and environmental goals, and demonstrate our commitment to excellence. They also contribute to our proactive risk management and position TOMRA as a reliable, quality-driven organization. Table 2 provides an overview over ISO certificates obtained across TOMRA Group. Further to this list, it is worth noting that TOMRA Collection's main production partner, Scanfil (operating in Poland and Estonia), is certified according to ISO 14001, ISO 9001 and ISO 45001.

**COMMITMENT TO INTERNATIONAL STANDARDS AND FRAMEWORKS**

As a longstanding member of the UN Global Compact (UNGC), TOMRA is committed to promoting responsible business practices and adhering to the ten principles set forth by the UNGC. This report forms part of our yearly Communication on Progress to the UNGC.

In addition, TOMRA actively pursues the realization of the United Nations Sustainable Development Goals (SDGs), aligning our strategies with global efforts for a sustainable future. See [tomra.com/sustainability](https://tomra.com/sustainability) for more information about how and where TOMRA contributes toward achievement of the SDGs.

TOMRA respects internationally recognized human rights principles, including those articulated in the International Bill of Human Rights and the International Labor Organization (ILO) Core Conventions on Labor Standards. TOMRA endorses the principles of both the UN Guiding Principles on Business and Human Rights (UNGPs) and the Organization for Economic Co-operation and Development's (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct. Upholding these principles underscores our commitment to creating a positive impact on both a local and global scale. To ensure that TOMRA is not complicit in human rights abuses, TOMRA bases its human rights due diligence processes on the OECD Due Diligence Guidance for [Responsible Business Conduct](#).

Table 2

**Overview over TOMRA's certificates**

Country	Location	Area certified	Certificates	TOMRA Collection	TOMRA Food	TOMRA Recycling
Germany	Koblenz	TOMRA Recycling Sorting: all processes TOMRA Recycling Mining: only production	ISO 14001, ISO 9001, ISO 45001			●
Slovakia	Senec	Separate certificates: TOMRA Recycling Sorting: operations TOMRA Food: operations	ISO 9001, ISO 14001, ISO 45001		●	●
China	Xiamen	TOMRA Sorting Solutions: research and development, sales and service TOMRA Sorting and Collection Solutions: manufacturing and sales	ISO 9001	●	●	●
Norway	Lier	TOMRA Production AS: production	ISO 14001, ISO 9001	●		
Norway	Asker	TOMRA System ASA, Head office, Research and development and operations	ISO 14001, ISO 9001, ISO 27001	●		

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## Leading the Resource Revolution

**This chapter describes how TOMRA technology and solutions enable positive environmental and social impact – our sustainability handprint.**

The common denominator for all TOMRA products is that they increase the resource productivity of the value chains and applications which they serve. The use of resources and consumption patterns in modern human societies are grossly unsustainable and a cause of serious environmental concern. Over-consumption leads to the depletion of natural resources, degradation of ecosystems, and increase of greenhouse gas emissions. Utilizing the planet's resources more productively is imperative to avoid these adverse environmental impacts and can serve as a means – across industries – to increase efficiency, reduce waste, and promote more sustainable consumption.

At TOMRA, we are committed to maximizing sustainable value creation and the handprint of our solutions. We do this by driving resource productivity through our three core divisions, Recycling, Collection, and Food; through our new business ventures in TOMRA Horizon; and in partnership with other businesses, think tanks, and NGOs.



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**TOMRA RECYCLING**

TOMRA Recycling designs and manufactures sensor-based sorting technologies for the global recycling, waste management and mining industries.

Once waste has been collected, sorting is an essential step in achieving circularity. The more waste is sorted by, for example, material type, shape or color, and the cleaner the sorted fractions, the more material can be recovered, recycled and turned into new products. Our sorting applications range from polymers, metals, paper, wood and more. By continuously innovating, making our technology smarter and harnessing the potential of digital solutions, TOMRA Recycling is helping to enable the transition to a circular economy and to comply with recycling legislation (e.g. regulations on recycled content in products).

Within the mining industry, we support our customers on their journey to maximize resource recovery and minimize their environmental footprint. Our sorting solutions extract valuable minerals from waste materials and make a significant contribution to reducing the use of water, chemicals and energy.

**TOMRA COLLECTION**

TOMRA Collection provides reverse vending technology to enable the efficient collection of beverage containers for Clean Loop Recycling - where they are continually recycled back into new beverage containers - and reused, often as part of deposit return systems. This helps reduce the potential for packaging waste to end up in our streets, oceans, landfills, or incinerators, where among many other negative impacts, they release greenhouse gases into the atmosphere as they break down or are burned.

At the same time, efficient collection of used beverage containers works to reduce reliance on virgin materials for producing new containers, enabling further climate impact, since beverage containers made from recycled materials have a much lower carbon footprint than those made from virgin materials.

TOMRA solutions captured approximately 46 billion containers last year. Our long-term ambition is to collect

500 billion used beverage containers for recycling and reuse every year. With approximately 1.4 trillion beverage containers produced annually, the potential to expand our impact is significant.

**TOMRA FOOD**

TOMRA Food specializes in sensor-based sorting and integrated post-harvest solutions, excelling in the detection and removal of unwanted materials during manufacturing and processing. Our advanced technology sorts foods based on color, shape, size, structure, and even biological characteristics, setting industry standards for food safety and quality. By seamlessly integrating post-harvest solutions, we significantly reduce food loss in the production stage. Food loss occurs across the entire value chain, starting from post-harvest losses on the farm to the retail stage. TOMRA Food's solutions positively impact these stages by sorting and grading foods to optimize yields and profits. Our commitment extends beyond technology; we actively connect with customers and the industry to capture voices on sustainability related to food loss, shaping our value proposition.

This year we conducted a study focused on capturing and understanding customer and market insights concerning the topic of food waste. Moving forward, we aim to collaboratively define and pursue shared sustainability goals across the food processing industry. This approach enables TOMRA Food to align its strategies, offerings, and practices with the evolving needs and expectations of our customers. Our focus is on fostering sustainable growth and creating enduring value for both customers and the industry, thereby contributing to the reduction of food loss and the improvement of operational efficiency.

**TOMRA HORIZON**

TOMRA Horizon is our platform to explore new business areas and to create new business ventures that are adjacent to our three core divisions. Each new business idea initiated under TOMRA Horizon will be focused on solving a problem our planet is facing and on building a profitable business while doing so. Furthermore, the business ventures we initiate will build on and complement the knowledge and technology developed in TOMRA's core divisions over decades. Currently we have initiated three new business

ventures: TOMRA Feedstock, TOMRA Reuse and TOMRA Textiles.

- TOMRA Feedstock seeks to close the gap in plastics by enabling the recovery of plastics from incinerators and operating large scale sorting plants. The recovered and sorted plastics will then be of a quality that enables recycling into new products. So far, TOMRA has committed 80m€ into two projects, one in Germany and one in Norway. Together the plants will have a capacity of 170kt per year.
- TOMRA Reuse seeks to facilitate a shift from single-use packaging to reusable packaging in cities through building a "Circularity-as-a-Service" solution for the restaurant, café, and takeaway food segment. A first pilot has been initiated in the city of Aarhus, Denmark, and will go live in 2024.
- TOMRA Textiles seeks to close the gap in fiber-to-fiber circularity in the textile industry by applying TOMRA's leading sorting solution capabilities in the value chain for textile waste. A team has been established and is exploring various business opportunities and partnerships.

**PARTNERSHIPS**

In 2023, TOMRA Group became a full member of the World Business Council for Sustainable Development (WBCSD). The WBCSD is a global CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world. TOMRA is an active member in the Circular Products and Materials pathway, engaging in topics around a global circularity protocol, digital product passport and more. Along with over 1900 delegates and observers, TOMRA is participating in the UN Environment Program's Intergovernmental Negotiating Committee that will craft a global plastics treaty to end plastic waste and drive investment to create a circular economy. Furthermore, TOMRA is an active member of the Alliance to End Plastic Waste (AEPW) as well as the Ellen MacArthur foundation.

**ENABLING AVOIDED EMISSIONS**

Through both our collection and sorting solutions, TOMRA machines recover and collect materials at high volumes, in turn enabling the avoidance of greenhouse gas emissions. When more materials like plastics or metals are recycled it significantly reduces their embedded carbon intensity, both at production stage (less virgin raw material input) and in

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waste management (diverted from landfill or incineration). In 2023, the avoided carbon emissions enabled from TOMRA products in use by customers was close to 23 million tonnes of CO2 equivalents, representing an 8,7% increase from 2022. The total avoided emissions compare to about 47% of Norway's greenhouse gas emissions in 2022.<sup>3</sup>

It should be noted that this calculation of TOMRA's avoided emissions is based on several assumptions and intended solely as an aid to illustrate the environmental handprint of TOMRA Group installations in use by our customers. It does not constitute a full life cycle analysis of the materials. Based on the number of installed machines we estimate the total weight of different material types collected/ sorted per year and multiply with industry emission factors.

To further improve the data accuracy for this metric we have in 2023 initiated a project together with environmental consultancy, Eunomia, with the aim to develop a more granular and robust methodology for calculating our avoided emissions. We have started the work with a focus only on TOMRA Collection but will expand the scope and aim to cover avoided emission reporting for all of TOMRA Group with the new methodology as of 2024 reporting. The new approach is being developed in line with the recently published Guidance on Avoided Emissions developed by the WBCSD and Net Zero Initiative,<sup>4</sup> and is expected to result in more modest numbers than what is reported for TOMRA Group today.

For TOMRA Collection, one of the key differences between the currently used and new methodology relate to the reference scenarios which we compare against. With the current methodology we assess emissions related to the globally returned or handled mass of materials and the

recycling benefit from virgin material displacement only. The new methodology considers a minimum level of collection and recycling in a market without TOMRA Collection's presence, and that the role we play in several markets to enable functional DRS has a significant positive impact on the collection and recycling rates.

Furthermore, the new methodology also considers the added value from compaction solutions that reduce transport emissions, the energy-saving effects of early material sorting, and country-specific emission factors and recycling rates.



“ TOMRA's products, values, and company purpose are well-aligned with Scaniafil. TOMRA is a pioneer in the cleantech industry, which is also extremely important to Scaniafil and identified as one of the fastest-growing industry sectors. TOMRA is a trendsetter, actively paving the way and setting new standards and trends for the circular economy and the efficient use of natural resources. Scaniafil is proud to collaborate with TOMRA for close to 20 years, and we hope that we together can continue to have a positive impact on the environment.

**Ákos Sifter - Global Account Manager at Scaniafil (TOMRA strategic supplier)**

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## Becoming fully circular

**This chapter describes how we work at TOMRA to manage and reduce any negative environmental impact resulting from our business and operations – our footprint.**

We focus on circularity of our own products, working to embed circular and eco-design principles in our product development processes and decision-making, and we are targeting net-zero GHG emissions across our value chain by 2050. We believe that our responsibility to continuously improve the sustainability performance of our operations is also a driver of new business opportunities for TOMRA.

### CLIMATE CHANGE

Climate change is one of the defining issues of the 21st century. Approaching 1.5° C warming, the IPCC's sixth assessment report stresses the need for swift and substantial emissions reductions to meet the targets of the Paris Agreement. The window of opportunity for changing the trajectories of climate change is rapidly reducing, as global emissions are reported to have fully bounced back to close to record highs after the drop seen due to COVID. We have a responsibility and an opportunity to help deliver on the critical 1.5-degree pathway – and all companies must decarbonize over the coming decades, irrespective of what sector they are in.

### Net-zero commitment

TOMRA Group committed in 2022 to become a net-zero company by 2050 and setting science-based targets (SBT) to reduce greenhouse gas emissions across our entire value chain – in line with the global target of the Paris Agreement to stay below 1.5 degrees global warming. Development of our SBT and a corresponding decarbonization roadmap has been one of our top sustainability priorities over the past year. We are preparing to submit targets for independent validation by the Science-based Targets initiative (SBTi) within 2024 and will expand annual reporting of indirect emissions (scope 3) to cover all relevant emission categories across TOMRA's value chain.

While we are still only at the starting blocks of TOMRA's decarbonization journey, we know that the efforts and time invested now will be crucial to meet our long-term net-zero commitment. Through ongoing work on the decarbonization roadmap we are deepening our understanding of key levers that TOMRA can and must operate over the next twenty-five years to reduce our climate impact, and which key initiatives to plan for and getting started on immediately.

### 2023 GHG footprint

In 2023 we have seen an increase in TOMRA's overall GHG footprint. Scope 1 and 2 emissions combined increased by about 7%, while emissions from business travel and the use of sold products (which are the two Scope 3 categories included in current reporting) increased by almost 70%. For our direct emissions (scope 1) a significant part of the increase can be attributed to business ramp-up in new and recently established TOMRA markets, incl. TOMRA Collection activities in Romania, Hungary, and Poland. Growth in our operational vehicle fleet, from 1,560 in 2022 to 1,813 in 2023 has also driven up emissions from fuel consumption. 31 of the new vehicles added to our fleet this year are electric vehicles, which is also reflected in the Scope 2 emissions increase, especially for TOMRA Recycling Germany, where also a facility expansion in 2023 has added to the footprint.

We believe that the increase in Scope 3 emissions from business air travel continues to be influenced by changes in travel regulations and restrictions from those during the height of the Covid pandemic. We see a decrease in domestic travel, but an upswing in international and inter-continental travel (especially notable increase to and from China) paired with increased transportation by employee-owned vehicles.

As for scope 3 emissions from the use of sold products we have updated the reporting methodology in line with GHG Protocol guidance. Previously we have reported this figure based on the total installed base of TOMRA machines. Now, we instead calculate the CO2 emissions impact based on machines sold within the reporting year, multiplied by their LCA-based lifetime expectancy, and estimated average

energy consumption per year (same factor as previously used). With this new reporting methodology there will be a significant degree of volatility in reported emissions, depending on the number of machines sold.

Finally, the eco-intensity of TOMRA's operations (scope 1+2 emissions divided by value added to society) shows a 1,5% increase, which reflects the increase of direct emissions as well as the overall growth of the organization. See the Environmental Report on [pages 33-34](#) for more details.

### 2023 reduction target and actions

To ignite action in 2023 and kickstart the net-zero journey we set a target for the year to reduce scope 1 and 2 emissions by a minimum of 2,000 tCO2 (equal to approx. 7% of scope 1 and 2 emissions in 2022); and to support this we allocated a budget of NOK 30 million to finance near-term emission reduction projects across the organization. Even though we were not able to meet this target, important progress was made with 30 new projects approved for funding and launched, totaling estimated GHG savings of 1,309 t CO2.

At the beginning of the year, we launched a call to action, inviting TOMRA team members in all divisions to contribute their innovative ideas and project proposals. The response and level of engagement was fantastic. New initiatives launched include solar energy generation installed at several offices, warehouses, and other TOMRA facilities around the world. Increased electrification of our service fleets and logistical operations has also contributed, with electric vehicles (from vans to trucks to bicycles) deployed across our global operations, and charging facilities being installed to support this development. Meanwhile, route optimization projects are ongoing. Scope 2 emission reductions were also facilitated through energy efficiency projects like warehouse lighting being upgraded to low-consumption alternatives, optimizing ventilation systems, and the sourcing of certified 100% renewable energy.

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[Climate risk](#)

The impacts of climate change on business materialize not only as physical climate risks (damages related to extreme weather and climate events), but also as transition risk (regulatory and market changes) and liability risk (legal responsibility towards those who are adversely affected by climate change). As any global company, TOMRA is exposed to some level of physical risk in terms of severe climate events that could damage business facilities or disrupt supply chains, or risk of drought and chronic heatwaves that could regionally affect agricultural viability and as such have impact on the customer base for TOMRA Food.

Although the general level of climate risk for TOMRA (both physical, transition, and liability) is considered relatively low, we did see in 2023 that extreme and irregular regional weather events had a negative impact on our business. The New Zealand apple industry was decimated by a cyclone, causing catastrophic floods, and destroying both orchards and infrastructure. Record rains and snow have disrupted many harvests in California, resulting in unpredictable yields and quality. Both events have significantly impacted TOMRA Food's customer base.

[Looking ahead](#)

In 2024 our efforts to manage and reduce TOMRA's climate impact will focus on: i) securing SBTi validation for our climate targets, ii) improving Scope 3 data collection and reporting processes, and iii) finalizing and launching a net-zero and SBT-aligned decarbonization roadmap. Work to develop this roadmap involves broad internal stakeholder engagement with workshops and brainstorming across key departments and functions. The aim is to identify, analyze, and plan for high-impact initiatives and projects that will drive TOMRA's decarbonization in the coming years.

**SUSTAINABLE PRODUCT DESIGN**

To achieve our ambition of becoming a fully circular company, we must embed sustainability principles in our product design and development processes. By focusing on sustainable product design, we aim to increase the circularity of TOMRA machines and optimize their environmental impact throughout their life cycle. Last year, we made a commitment to use at least 90% sustainable materials and



“Coop Trading is pleased to have TOMRA as one of our selected partner suppliers and a key enabler in our efforts to promote the circular movement agenda. We look forward to taking our partnership and cooperation further and becoming even more ambitious on the climate agenda.”

**Anni Mikkelsen – QA and CR Manager at Coop Trading (TOMRA Collection customer)**

components in all new products and ensure that at least 50% of our products are circular at their end of life by 2030.<sup>5</sup> To achieve these goals, we need to manage impacts throughout the product value chains until the end of life and establish baselines of environmental impact. Building on new insights gained from Life Cycle Assessments (LCAs) conducted in 2022 for core products from each division, we have in 2023 launched several initiatives and are planning to pilot new solutions to further evolve our knowledge and understanding of product circularity and sustainability.

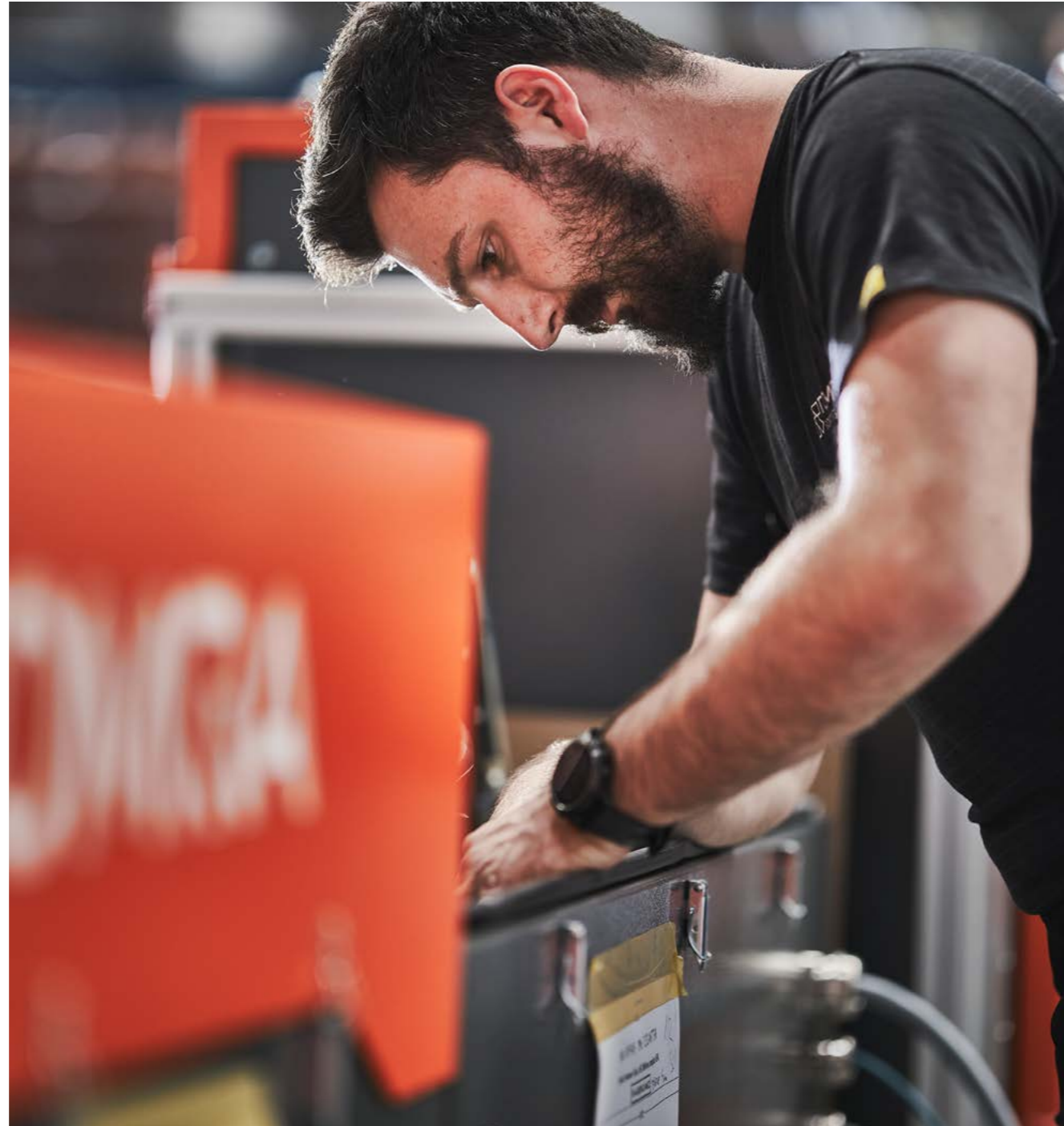
**TOMRA Collection**

Building on both the TOMRA Group Sustainable Product Design targets and new insights garnered through LCAs, product innovation teams at TOMRA Collection have begun to address opportunities to reduce the negative environmental impacts of our solutions. Such concerns were

reflected in the concepts we unveiled at EuroShop 2023, with the Single- and Multi-Feed Concept machines exhibiting less overall material used in their production, the inclusion of power-saving modes, and other innovations. These products are now reaching market readiness and are already deployed in test markets.

In search of longer-term transformation, we also began the exploratory process of establishing a circular material stream for the polymer parts found in TOMRA reverse vending machines. After some initial failures in our efforts to establish an efficient recycling loop for these plastic components, we entered collaborations with stakeholders across the plastics value chain, leading to the forging of new partnerships bringing us closer to closing the loop on this material. By exploring the viability and scalability of a circular polymer setup, we can gain insight into how to approach the many

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other material streams associated with our products, not just the plastics. While we have just started working on this and it will require significant efforts going forward to meet our targets, these are important initial steps to put us on a path towards closing the loop on as many material types as possible.

A number of other ongoing projects initiated across the TOMRA Collection organization seek to further reduce our products' footprints, from their design, through their production and use, all the way to their end of life.

#### **TOMRA Recycling**

In TOMRA Recycling we have embarked on a journey to establish a product sustainability baseline for all our products, by quantifying the environmental impact of their entire life cycle - from manufacture to use and eventual end-of-life. To support this objective, we are investing to develop internal competency and capacity to more regularly perform product LCAs. This strategic initiative not only improves our understanding of the key hotspots, but also enables us to develop innovative solutions that address the identified challenges head-on. It is a crucial step towards a more sustainable and informed approach to product design and development.

Another key focus area of product development this year has been to reduce the overall use-phase energy consumption of our future machines by aiming to optimize and reduce the amount of pressured air that is used for ejection valves.

In the business area of TOMRA Ore Sorting, we have this year launched a new ejection module for our COM Tertiary XRT Sorter. This machine is developed specifically for sorting small particle sizes, down to 4mm in size. One of the highest operational costs for such a sorter is the compressed air needed to eject a certain percentage of material. The new ejection module is designed to operate in high-capacity applications and this new technology can deliver a 70% reduction in energy use for compressed air proven on a production scale.

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## Being safe, fair and inclusive

**Being fair, safe, and inclusive is a fundamental part of TOMRA's sustainability ambition. In this chapter, we will discuss our commitment to compliance, people, health and safety, and supply chain sustainability.**

Since our founding in 1972, TOMRA has always been guided by the principles of honesty and integrity, with the central aim to develop sustainable solutions for businesses and the world. We believe that sustainable business is only possible when we prioritize the well-being of our employees, customers, and the communities we serve.

### COMPLIANCE AND BUSINESS CONDUCT

The TOMRA culture is rooted in the principles of honesty and respect for all people. Successful businesses are profoundly dependent on trust and a good reputation. TOMRA's operations demand a high degree of care, honesty, and integrity.

In 2023, the Group Compliance team experienced an increase in its workforce, bolstering its capabilities and reinforcing its presence within the organization. TOMRA maintains elevated standards of performance and ethical behavior for all employees, spanning its own operations as well as interactions with suppliers and partners. These standards are guided by the Code of Conduct, Business Principles for Suppliers and Partners, and the Human and Labor Rights Policy, ensuring fair business and labor practices. Further details can be found on our [website](#).

The Code of Conduct, available on our website and translated into 20 languages, comprehensively covers key business conduct topics including HSE, Equal Opportunities, Human Rights, Harassment, Data Privacy, Anti-Bribery and Corruption, Gifts and Hospitality, Anti-Money Laundering, and Conflict of Interests. Our commitment to raising awareness of key compliance issues is evident through mandatory training for all employees. In 2023, TOMRA achieved a 98%

completion rate for our Code of Conduct e-learning course, emphasizing the importance of ethical conduct.

Other key e-learning courses, such as Anti-Bribery & Corruption, Competition Law & Antitrust, Confidential Information & IP, Anti-Money Laundering, and the newly launched course in Trade Compliance, are strategically assigned to key employees based on a mapping of functions at risk, achieving a close-to-100% completion rate.

Promoting openness and transparency, TOMRA encourages all employees and business partners to report any violations of the Code of Conduct or other policies, including concerns about human and labor rights. The TOMRA Notification Portal serves as a platform for reporting, accessible both internally and externally, allowing anonymous reporting. Retaliation against individuals raising concerns in good faith is strictly prohibited, and the Compliance department investigates all reported concerns. The notifier remains engaged throughout the investigation, being informed of relevant conclusions and actions taken by TOMRA. The process adheres to the internal policy on incident management.

Throughout 2023, there has been an increase in reported cases to the Compliance team, reflecting the positive outcomes of efforts to raise awareness and improve accessibility of important policies for all TOMRA employees. There were no confirmed cases of corruption reported through the Notification Portal in 2023.

### POLITICAL ENGAGEMENT INCLUDING LOBBYING ACTIVITIES

TOMRA's commitment to sustainability and transparency is also reflected in our involvement in political arenas. We firmly believe that meaningful engagement with policymakers and diverse stakeholders is pivotal to advancing the transition towards a circular economy, characterized by minimal waste and efficient resource utilization. As a technology and systems solutions provider, we actively endorse and contribute to ambitious circular economy policies.

Throughout the 2023 financial year, TOMRA actively participated in advocacy initiatives at the European Union (EU) level, particularly concerning the revision of key legislative frameworks related to waste and circular economy. Our involvement spanned contributions to consultations, attendance at relevant meetings and events, and membership in industry associations and networks. We interacted with the European Commission, Parliament, and other EU institutions, leveraging our practical experience and expertise to champion solutions that address waste reduction, strengthen recycling efforts, and promote circular practices. Additionally, we advocated for policies that encourage innovation, job creation, and environmental protection.

A notable highlight of our engagement occurred within the context of the proposed Packaging and Packaging Waste Regulation. On September 6, 2023, TOMRA organized a lunchtime briefing at the European Parliament in Brussels. This event spotlighted the impact of single-use and reusable takeaway food packaging on climate change when implemented at scale. Furthermore, it showcased TOMRA's cutting-edge technologies, currently deployed on a local scale, for a deposit system catering to reusable takeaway packaging. By fostering a dialogue on the environmental implications of packaging choices and presenting tangible solutions, we aim to contribute to a more sustainable and circular future.

TOMRA complies with the EU Transparency Register under registration number 828715012462-94. This commitment reflects our dedication to openness, integrity, and accountability in our interactions, ensuring that our stakeholders can trust in the transparency of our engagements and initiatives.

### HEALTH AND SAFETY

In 2021, TOMRA launched the TOMRA Safe program, driven by the belief that all workplace injuries and illnesses are preventable. The primary goal was to instill a health, safety, and environmental mindset in every employee, fostering an actively lived and shared safety culture. Our target for

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occupational health and safety is to strive for zero work-related injuries and illness in providing a safe place for people and the environment. This target is not bound by the 2030 timeline, as other sustainability targets. As of the latest report for 2023, we are pleased to present the following key highlights.

**Cultural Integration**

Our commitment to the health and safety of every employee is evident in the integration of safety into our core values. Emphasizing respect, care, and prioritizing employee well-being, we have created a culture that places safety at the forefront. Communication efforts were intensified through TOMRA Safe platforms, with SharePoint sites established at both group and business unit levels for easy access to real-time health and safety information incident statistic, performance results and automations for incident reporting.

**Training and Awareness**

Deepening our safety culture, focused health and safety training initiatives were implemented across the organization. These initiatives aimed at building awareness, capability, and capacity within our workforce ensuring safety leadership through fostering collaboration and engagement with our people leaders and employees and empowering everyone in the business to identify hazards and seek out controls to make the workplace safer. In April 2023, we celebrated World Health & Safety Day at Work to emphasize and prioritize safety awareness.

**Safety Surveys and Initiatives**

In 2023 TOMRA took a significant step by introducing a comprehensive safety survey. This initiative was designed to enhance our understanding of employee perceptions regarding health and safety throughout the organization and to assess our current safety maturity. The survey not only facilitated comparisons with industry averages and best practices but also offered valuable insights into potential safety improvement opportunities.

The active engagement of our workforce was evident, with a robust 74% participation rate, signifying a strong commitment to making TOMRA a safer workplace. Following the survey, teams across the organization were entrusted with the

task of unpacking and analyzing the results. Subsequently, presentations were conducted with leaders at various levels, and workshops were facilitated with employees to collaboratively devise strategies for improvement.

Additionally, in 2023, we introduced Critical Control Management, a targeted risk management initiative. This program is specifically designed to analyze and evaluate critical risks with the potential to cause serious injuries or fatalities. The initiative aims to implement high-level systematic controls surrounding these critical risks, providing structured guidelines to enhance safety measures across the organization.

**Safety Performance**

Over the past year, there has been a notable improvement in safety performance. In 2023, TOMRA witnessed a decline in both medical treatment incidents (MTI) and lost time incidents (LTI), with 41 MTIs and 64 LTIs, compared to 79 and 68, respectively, in 2022. Furthermore, our total reportable incidents decreased from 147 in 2022 to 105 in 2023, reflecting a reduction in frequency rates from 11.46 in 2022 to 8.46 in 2023.

Under the framework of our TOMRA Safe program, internal campaigns were conducted to encourage

proactive measures, accompanied by the establishment of key performance indicators (KPIs) for hazard reporting. This proactive approach resulted in an increase in the identification and reporting of hazards, growing from 2,324 instances in 2022 to 2,525 instances in 2023. Additionally, there was a rise in the reporting of near-miss incidents, increasing from 171 in 2022 to 272 in 2023.

These noteworthy changes indicate not only a significant decrease in total reportable incidents but also an increase in hazard and near-miss reporting, emphasizing a heightened awareness of health and safety risks. This positive trend underscores the establishment of a robust reporting culture founded on trust and collaboration within the organization.

While striving for continuous improvement, we acknowledge the regrettable occurrence of two severe incidents in TOMRA Collection during 2023. One incident involved a fall from a ladder, necessitating a significant recovery period. The other incident resulted in the amputation of a fingertip due to a crushing injury. All affected employees have received treatment and are either in recovery or have fully recovered. We remain resolute in our pursuit of zero work-related injuries and are actively implementing corrective actions in response to these incidents.

Table 3

Incident and fatality				
	2022	FR*	2023	FR*
Severe Incident & Fatality (SIF)	4	0.31	2	0.16
Total Reportable Incidents (TRI)	147	11.46	105	8.46
Lost Time Incidents (LTI)	68	5.30	64	5.16
Medical Treatment Incident (MTI)	79		41	
First Aid Incident (FAI)	209		225	
Near Miss Incident (NMI)	171		272	
Hazards identified / reported	2,324		2,525	

\* Frequency Rate

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**PEOPLE AT TOMRA**

At TOMRA, our mission is not only to excel in our business operations but also to embody our core values and foster a workplace culture that is caring, safe, fair, diverse, and inclusive. Our commitment is to create an environment that attracts, develops, and retains TOMRA talents, encouraging a flexible work setting that embraces innovative technologies, supports personal freedom, and champions teamwork and agility. Through continuous employee development, competitive compensation and benefits, and a strong focus on health, safety, and well-being, we strive to provide holistic support, allowing our employees to perform at their best while learning, growing, and feeling fully engaged.

With a global workforce of approximately 5,370 individuals operating in more than 100 countries, we are privileged to work across diverse cultures and geographies, spanning various sectors. Our business serves a broad customer base, ranging from local farmers and municipal waste treatment plants to large multinational corporations.

**Organized into three divisions and group functions, our workforce distribution stands as follows:**

- TOMRA Collection: 2,770 employees (24% female)
- TOMRA Food: 1,530 employees (21% female)
- TOMRA Recycling: 900 employees (24% female)
- TOMRA Group: 170 employees (35% female)

TOMRA employees working from the Asker headquarters who participated in our annual environmental cleanup campaign on September 14, 2023.

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[TOMRA's Culture and Values](#)

We firmly believe that a strong and clear purpose serves as the bedrock for a robust culture, playing a pivotal role in the long-term success of our business. TOMRA's culture, rooted in a set of distinct values and behaviors, guides our actions and decisions. It is a central pillar that promotes consistent leadership behavior across our diverse businesses.

In 2023, we initiated culture training workshops for the Executive Leadership Team, setting the stage to extend this program to all leaders in 2024. This strategic move aims to equip newly appointed managers with a deep understanding of TOMRA's values and behaviors, fostering their growth as effective leaders. We strive to create a culture where our leaders actively solicit and value feedback at all organizational levels, using insights to continually enhance employee engagement and operational efficiency.

Recognizing the ongoing importance of sustaining a leadership culture, senior executives and leaders throughout the company dedicate time, resources, and attention to ensure that our culture continues to distinguish TOMRA as an exceptional workplace.

[Diversity, Equity, and Inclusion](#)

TOMRA is committed to develop a workplace that embraces diversity, promotes equity, and champions inclusion. We recognize that our strength lies in the rich tapestry of experiences and perspectives that our employees bring. Our commitment to fairness, respect, and engagement is integral to our culture, and we are dedicated to continuous improvement.

[In pursuit of these values, we have two targets to reinforce our commitment:](#)

- **Attracting Diverse Talents:** TOMRA aims to sustain growth by attracting diverse talents, with a goal of achieving a balanced representation of 50% women and men annually.
- **Senior Management Representation:** We aspire to grow female representation in senior management to exceed 30%, further enhancing diversity and inclusivity in leadership positions.

To drive these initiatives, TOMRA places openness, equal opportunities, and mutual respect at the core of our organizational values. Throughout 2023, we actively listened to our employees, soliciting feedback through annual engagement surveys, talent management activities, and exit interviews to work on further improvements on our Diversity, Equity, and Inclusion Strategy. We employed a variety of formats to raise awareness of diversity and strengthen psychological safety and a sense of belonging and inclusion, celebrating events like Diversity Day, International Women's Day, and Pride month. Beyond gender representation, our commitment extends to fostering a culture that actively denounces racism and is inherently anti-racist. We want everyone who works for us to feel free and be able to reach their full potential – irrespective of origin, gender, skin color, religious beliefs, political or other convictions, disabilities, age, sexual orientation and identity and other factors.

[Increasing female representation](#)

At TOMRA, our commitment to Diversity, Equity, and Inclusion (DEI) is not just a statement but a practice that starts at the highest levels of leadership. Our Executive Leadership Team (ELT) is a testament to this commitment, with women representing 29% of TOMRA's executive positions.

To further encourage gender representation across the organization, we have set a clear target: achieving at least 30% female representation in senior leadership roles by the year 2030. Removing barriers for underrepresented employees is a priority, and we actively implement equitable programs, provide training and development opportunities, and offer avenues for growth and promotion.

We actively monitor female participation in the workforce. In 2023, women constituted 23% of the TOMRA workforce,

[Employee Resource Groups](#)

TOMRA have initiated several Employee Resource Groups (ERGs) each sponsored by one of our Executive Leadership Team Members, to amplify the voices of underrepresented communities:

- **LGBTQ+ ERG:** Established in September 2022, TOMRA's LGBTQ+ Employee Resource Group (ERG) comprises 33 members across 8 countries and 4 continents. The group, consisting of LGBTQ+ individuals and allies, fosters a supportive community within the organization. Its primary objectives include providing member support and serving as an anonymous liaison to the Executive Leadership Team (ELT), ensuring a safe and inclusive work environment. The ERG aims to create a workplace where individuals freely express their authentic selves, contributing to TOMRA's culture of inclusivity.
- **Women's ERG:** Established in 2022, TOMRA's Woman's Employee Resource Group (ERG) has grown to 210 members globally. Dedicated to empowering women, the dynamic group fosters inclusivity through connections, mentorship, collaboration, and insightful discussions. The ERG aims to break down barriers, inspire personal and professional growth, and develop strong female leaders within TOMRA. This commitment aligns with TOMRA's broader dedication to diversity, equity, and inclusion.
- **Roots ERG:** Established in 2022, TOMRA's Roots Employee Resource Group (ERG) comprises 42 members across EMEA, Americas, and APAC. The ERG enhances intercultural awareness, fostering cultural sensitivity and competence. Roots plays a crucial role in leading inclusively, supporting initiatives for organizational learning and effectiveness. In each region, priorities include elevating awareness (EMEA), celebrating diversity (Americas), and recognizing diversity in the workplace (APAC). Roots ERG actively contributes to TOMRA's commitment to diversity, shaping a more inclusive and globally connected community.

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maintaining stability compared to the previous year. Female representation among all people leaders at TOMRA, individuals with direct reports, also remained steady at 25%. Encouragingly, the representation of women in our new hires increased by 1% compared to the previous year, reaching 28% in 2023.

In 2023, TOMRA marked International Women's Day with local events in at least 10 offices, alongside a streamed panel open to all employees. The theme, "Embrace Equity," resonated, emphasizing fairness, respect, and equal opportunities. This inclusive celebration aimed to raise awareness, aligning with our core value of "responsibility". Through these initiatives, TOMRA actively contributes to fostering a workplace that celebrates diversity, ensuring every individual is empowered for a more inclusive future.

In 2023, TOMRA's Collection Division met its goal of achieving 30% female leaders, with a matching gender distribution among new hires. Collaborative efforts, including unconscious bias training and inclusive language in job ads, enhanced the recruitment process. TOMRA Collection integrated a DEI workshop into onboarding and established a global DEI network for knowledge sharing. Celebrating diversity, Collection embraced initiatives like Woman's Day and Cultural Diversity Day.

Expanding efforts, TOMRA Recycling conducted DE&I awareness workshops for Recycling employees in Germany, UK, Slovakia, China, Italy, South Korea, Japan, South Africa, US, Spain, Poland, and France, reinforcing the company's commitment to an inclusive workplace culture.

**Wage gap**

At TOMRA, we firmly believe in the principle that individuals should be compensated equitably for their contributions, regardless of gender, race, or other protected characteristics. To uphold this commitment, we employ a comprehensive approach, benchmarking and setting pay ranges based on relevant market data while considering factors such as role, experience, and performance. We regularly review our compensation practices across our entire workforce, ensuring that our pay structure is just and equitable at both the collective and individual levels. Our commitment to pay

equity is a dynamic process that evolves with the changing landscape, emphasizing our commitment to fostering an inclusive work environment.

Total for TOMRA in 2023 was an average gender wage gap of -2.3% across our global workforce. Notably, in the European region, which houses approximately 60% of our employees, the wage gap is positive at +2.0%, indicating a favorable position for our female employees. Similarly, in North America, where around 20% of our workforce is located, the wage gap stands at -2.6%. This means that for approximately 80% of our employees, the wage gap falls within the narrow range of +/-3%.

However, we recognize that challenges persist in certain continents, where the wage gap ranges from -7% to -29%. These variations are, in part, attributed to lower female representation at senior levels in specific geographical regions. As part of our ongoing commitment to addressing potential concerns, our salary compensation process are regularly reviewed and addressed, with the aim to ensure that all employees are remunerated fairly based on their skills, qualifications, and experience.

**Recruiting and onboarding**

In 2023, TOMRA experienced significant growth, welcoming over 600 new colleagues into our global family. Recognizing that every candidate interaction is a potential future customer or colleague, we are dedicated to ensuring equal, valued, and respectful treatment for all. To promote consistency in our communication with prospective candidates, we initiated a comprehensive group-wide harmonization of our Employer Branding Guidelines.

In Germany, the Collection entity took proactive steps to support new hires by introducing a monthly newsletter as an additional resource alongside our primary onboarding practices. This initiative aims to provide valuable insights and foster a sense of belonging from the very beginning of the employment journey.

Within TOMRA Food, a structured survey cycle has been implemented in specific regions to gather feedback on onboarding practices and training programs. This includes measures of job satisfaction and reviews of job expectations,



“ We are working systematically on increasing the percentage of women in the TOMRA workforce, with the goal of 50% women and men joining annually.

**Eva Sagemo – Chief Financial Officer, TOMRA Group and Executive Sponsor of Women's ERG**

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ensuring continuous improvement in the onboarding experience. Moreover, comprehensive training sessions covering various aspects of recruitment and onboarding, such as interview experiences and best practices for hiring that promote Diversity, Equity, and Inclusion (DEI), have been rolled out to all hiring managers in the Food division.

#### Talent and development

At TOMRA, we recognize that our people are at the heart of our mission to lead the resource revolution and transition into a fully circular business model, all while fostering a culture that prioritizes safety, fairness, and inclusivity. Through talent development we aim to create the next generation of leaders who will drive our mission forward.

Through our leadership programs, we equip our leaders with the essential tools needed for effective leadership in the present, while also preparing them for the challenges of the future. Leveraging TOMRA Learn, our comprehensive online

learning management system, we offer a blend of in-person and virtual learning opportunities across our business, ensuring a flexible and accessible approach to continuous development.

The focus on developing individuals remains a cornerstone of our strategy to enhance organizational effectiveness. As part of our regular operating cadence, we integrate succession planning to identify and nurture emerging leaders. Annual reviews of top leadership succession plans with the Board of Directors further exemplify our commitment to ensuring a robust leadership pipeline.

TOMRA provides continuous coaching and mentoring opportunities at all levels of the organization. Internal job opportunities, including global rotations and stretch assignments, are actively promoted to encourage our employees to explore new horizons, develop their skills, and advance their careers.

By continually investing in the growth and development of our people, TOMRA aims to create a workplace where talents flourish, innovation is sparked, and each employee is empowered to contribute meaningfully to our shared mission and vision for a sustainable future.

#### Employee engagement

In TOMRA we remain dedicated to actively listening to our employees, gauging their engagement, and taking decisive actions to ensure their well-being. This year marks the third consecutive year of measuring global employee engagement, employing consistent tools and questions to monitor our progress and gain valuable insights into our workforce.

Regrettably, our overall participation rate experienced a decline in 2023, down from 90% to 79%. This dip, however, is not unexpected when considered in the context of the transformative events at TOMRA this year, including the aftermath of a cyber-attack and the restructuring at TOMRA Food.

Changes in leadership at TOMRA Food, coupled with the implementation of a new operating model, resulted in diminished scores compared to the previous year. On Group level the engagement score in 2023 is 3.89 compared to 3.94 in 2022.

TOMRA Leadership is acutely aware of these challenges and is committed to proactive monitoring, ensuring that action planning remains a top priority for our leaders. As part of our ongoing commitment to our workforce, we have equipped our leaders with enhanced tools for effective action planning following the survey results. Global training sessions have been delivered to local P&O organizations and people leaders, fostering a unified and seamless global approach to best practices in action planning.

Throughout the year, we observed a stabilization in the global turnover rate, settling at 13%.<sup>6</sup> A notable positive development was witnessed in voluntary turnover, with a decrease from 10% to 7%. This reduction reflects a positive trend in employee retention and satisfaction. It is central to highlight that turnover is not a uniform challenge but rather

6) Excluded non-permanent positions, specific exclusion for TOMRA Collection.

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exhibits significant variations among different regions and across various divisions within the company. Understanding these nuances is vital for effective management strategies and targeted interventions. By identifying and addressing specific turnover patterns, TOMRA can tailor its approach to each region and division.

**Employee wellbeing**

At TOMRA, our ambition is a workplace that is not only safe and fair but also inclusive, taking into account both physical and mental well-being. Recognizing the critical importance of mental health, we have embraced a holistic approach to safety, extending our commitment beyond physical safety to include the psychological well-being of our workforce.

In response to the insights from the TOMRA Safe Perception survey conducted earlier this year, it became evident that burnout emerged as a significant concern among our employees. We have actively listened to and carefully reviewed these survey results, and in line with our

commitment to continuous improvement, we are taking decisive actions to address these concerns.

As part of our proactive response, TOMRA extended an invitation to a renowned physician, recognized for expertise in stress management, burnout prevention, and mental health to join us for World Mental Health Day in 2023. This speaker engaged with our resource revolutionaries at TOMRA, providing valuable insights and knowledge on these critical topics. Through this educational initiative, we empowered our workforce with the tools and understanding needed to navigate the challenges of stress, prevent burnout, and prioritize mental health.

This initiative not only exemplifies our commitment to creating a workplace that values the safety and well-being of our employees but also underscores our dedication to continuous learning and improvement. As we move forward, we remain resolute in our pursuit of a workplace that is safe, fair, inclusive, and supportive of both physical and mental health.

**Community engagement**

In 2023, TOMRA proudly witnessed the active participation of employees worldwide in our annual global cleanup initiative, dedicated to picking up litter in their local communities throughout the entire month of September. As part of our commitment to community service, TOMRA allocates a half day for employees to contribute to these meaningful efforts.

Our dedicated workforce engaged in the cleanup with enthusiasm, whether through individual endeavors, joining locally organized events during work hours, or taking the initiative to create their own events in collaboration with local community groups or schools. The collective impact was remarkable, with colleagues logging items picked up in a specially designed app. We are pleased to report that our colleagues surpassed expectations, achieving an impressive 95% of our cleanup goal—an increase from our 2022 results of 77%, showcasing our collective dedication to making a positive impact.

Acknowledging and celebrating the outstanding efforts of our teams, the top three locations in litter collection were identified as China, Germany, and Slovakia. As a token of appreciation and in alignment with our commitment to environmental sustainability, TOMRA will plant 1,000 trees in the continent of the top location, and 500 trees each for the second and third places. This initiative reflects our ongoing dedication to nurturing and preserving the health of our planet.

At TOMRA, we believe in the power of collective action, and through initiatives like the annual global cleanup, we are proud to contribute to the well-being of our local and global communities. As we continue this positive trajectory, we are resolute in our commitment to fostering a sustainable future for generations to come.

**SUPPLY CHAIN SUSTAINABILITY**

In 2023, our commitment to enhancing value chain performance persisted. Recognizing the key role of supply chain governance in ensuring fair working conditions, human rights protection, and environmental preservation, we continued to prioritize these aspects. At TOMRA, supply

“ TOMRA has the possibility to be a true pioneer and walk the talk when it comes to all areas of its business. Amongst other things, it will require that TOMRA engages in more active dialogues with suppliers and strengthens the cross-national collaboration across the group.

**Jürgen Resch – Vice President Supply Chain, TOMRA Collection**



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chain sustainability is part of our sustainability strategy, and we actively work on integrating Environmental, Social, and Governance (ESG) considerations into our supply chain management processes.

Our commitment to supply chain governance is evident in the formulation of policies and procedures. For instance, Compliance clauses are implemented in standard terms and conditions for contracts across all TOMRA subsidiaries, with explicit references to our Code of Conduct and Business Principles for Suppliers & Partners. We have developed an analysis tool supporting our governance of compliance through Integrity Due Diligence procedures for all new customers, suppliers, and partners, described in our Integrity Due Diligence Policy.

A key aspect of our supply chain governance involves the evaluation and engagement of suppliers based on sustainability criteria. TOMRA Group's Business Principles for Suppliers and Partners clearly delineate expectations for fair and safe working conditions, human rights, compliance, and environmental protection. In alignment with internationally recognized principles, TOMRA adheres to the International Bill of Human Rights and the International Labor Organization (ILO) Core Conventions on Labor Standards. To prevent complicity in human rights abuses, TOMRA implements human rights due diligence processes based on the Organization for Economic Co-operation and Development's (OECD) Guidelines for Responsible Business Conduct. Ongoing efforts are made to understand, map, and address risks within our supply chain for continuous improvement.

TOMRA's [Human and Labor Rights Policy](#), in conjunction with the Business Principles for Suppliers and Partners, outlines expectations for sustainability matters across our operations and supply chain. The Human and Labor Rights Due Diligence Report, accessible on our website, offers transparency into our risk management system, recent evaluation results, and details about implemented and planned measures to mitigate risks. Additionally, the report underscores our commitment to strengthening the risk management system and encourages stakeholders to request information or report concerns about human and labor rights in the TOMRA supply chain. Sustainability criteria are integrated into supplier qualification

processes and ongoing engagement across all divisions, recognizing the variability in product portfolios and supply chains across divisions.

[TOMRA Collection](#)

In 2023, TOMRA Collection continued its commitment to sustainability by building upon the initiatives of the previous year. The Supplier Self-Assessment questionnaire, refined in 2022, plays a central role in ensuring that our suppliers align with our social and sustainability values. This commitment extends to sub-suppliers, subcontractors, and partners involved in delivering goods and services to TOMRA.

TOMRA Collection intensified efforts in 2023 to establish sourcing and assembly procedures closer to markets, aiming to reduce shipping and minimize the use of packaging materials. These strategic initiatives, geared towards environmental sustainability, are set to further expand in the future.

Within the TOMRA Collection division, a comprehensive survey was conducted among the supplier network to gain insights into their ongoing efforts to minimize environmental impact. The survey results were compiled into a detailed report, subsequently shared with our supplier network. This report not only served as a baseline, outlining established practices and operational norms but also provided a foundation for future progress. TOMRA Collection is committed to working collaboratively with our suppliers, whether through specific strategies, material optimization, improved manufacturing processes, waste reduction, or the adoption of more environmentally friendly practices, to bring about meaningful change.

TOMRA Collection sets high ethical standards for employees, partners, and suppliers, emphasizing adherence to our Code of Conduct and policies that respect and safeguard human and labor rights. In line with the Norwegian Transparency Act of 2021 and OECD Due Diligence Guidance, our supply chain due diligence efforts aim for transparency and risk mitigation. In 2023, additional supplier engagement efforts were undertaken to ensure active participation and improvement, aligning with our commitment to continuously enhance sustainability practices.

[TOMRA Recycling and Food](#)

In 2023, TOMRA Food and TOMRA Recycling intensified efforts to strengthen sustainability practices in supplier engagement. Our commitment to responsible business practices is reflected in our longstanding practice of evaluating sustainability considerations during supplier assessments.

The combined site in Slovakia, housing both the Food and Recycling divisions, earned an EcoVadis Gold Medal in 2023, as well as TOMRA Recycling in Germany achieving a EcoVadis Silver Medal showcasing our dedication to sustainability. Also, TOMRA Recycling has furthered its partnership with EcoVadis in 2023 to enhance our supplier assessment framework and deepen engagement with key strategic partners. Currently, 63% of our strategic suppliers have joined EcoVadis. Education initiatives and additional guidelines aim to support partners in navigating assessments and improving sustainability scores.

Looking forward, our goal for 2024 is to increase EcoVadis participation among strategic suppliers to at least 70%. We plan to conduct screenings of our top 100 suppliers, with a targeted invitation to the top 50 to join EcoVadis.

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# Environmental report 2023

## NOTES

Emissions have been calculated using the GHG Protocol calculation tools (www.ghgprotocol.org).

Calculations are based on actual and estimated consumption.

Data fields marked with an asterisk(\*) have been restated from the Annual Report 2022.

The provision of information on carbon dioxide emission avoidance is illustrative only, and intended solely as an aid to illustrate the benefit to society generated by TOMRA Group installations in use by its customers. The below information does not constitute a full Life Cycle Analysis.

## Greenhouse gas emissions - consolidated activities

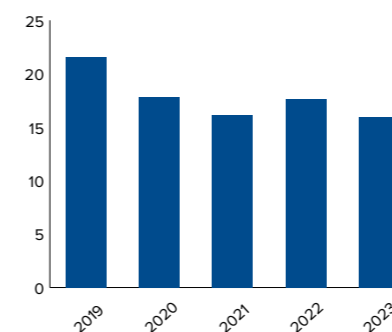
Tonnes carbon dioxide equivalents (tCO <sub>2</sub> e)			2023	2022
<b>Scope 1 GHG emissions</b>			<b>21,351</b>	<b>20,120</b>
Stationary combustion	Natural gas	(Scope 1)	1,700	2,200
Stationary combustion	Propane	(Scope 1)	150	200
Transportation	Petrol vehicles	(Scope 1)	4,300	3,500
Transportation	Diesel vehicles	(Scope 1)	15,200	14,200
Transportation	CNG vehicles	(Scope 1)	1	20
<b>Scope 2 GHG emissions</b>				
Electricity	Location-based emissions	(Scope 2)	6,400	5,700
Electricity	Market-based emissions	(Scope 2)	10,100	9,200
<b>Scope 3 GHG emissions</b>			<b>1,201,200</b>	<b>712,800</b>
Business travel	Vehicles	(Scope 3)	4,300	4,100
Business travel	Air travel	(Scope 3)	10,900	5,700
Use of sold products*	Emissions during use-phase	(Scope 3)	1,186,000	703,000
<b>Total Scope 1 &amp; 2 GHG emissions (Location-based)</b>			<b>27,751</b>	<b>25,820</b>
<b>Total Scope 1 &amp; 2 GHG emissions (Market-based)</b>			<b>31,451</b>	<b>29,320</b>
<b>Total Scope 1, 2 &amp; 3 GHG emissions (Location-based)</b>			<b>1,228,951</b>	<b>738,620</b>
<b>Total Scope 1, 2 &amp; 3 GHG emissions (Market-based)</b>			<b>1,232,651</b>	<b>742,120</b>

## Energy consumption - consolidated activities

Megawatt hours (MWh)		2023	2022
<b>Energy consumption, own operations</b>		<b>82,703</b>	<b>83,620</b>
Natural gas	(Scope 1)	8,460	11,870
Propane	(Scope 1)	630	910
Petrol vehicles	(Scope 1)	16,890	14,690
Diesel vehicles	(Scope 1)	56,720	56,050
CNG vehicles	(Scope 1)	3	100
<b>Energy consumption, purchased grid electricity</b>		<b>23,580</b>	<b>22,000</b>
Purchased grid electricity	(Scope 2)	23,580	22,000
<b>Indirect energy consumption</b>		<b>2,053,000</b>	<b>1,226,000</b>
Third party vehicles	(Scope 3)	13,700	12,800
Air travel	(Scope 3)	23,300	18,200
Energy during use-phase	(Scope 3)	2,016,000	1,195,000
<b>Total energy consumption</b>		<b>2,159,283</b>	<b>1,331,620</b>

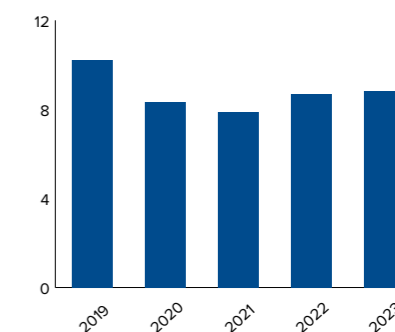
## Energy Consumption per unit of value added

barrels oil / VA



## Greenhouse Gas Emissions from Operations per unit of value added

Tonnes CO<sub>2</sub> / VA



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**Avoided emissions through product use**

<i>Tonnes carbon dioxide equivalents (tCO<sub>2</sub>e)</i>	2023	2022
<b>Beverage container collection through RVMs (1)</b>	<b>3,977,000</b>	<b>3,977,000</b>
Plastic bottles	1,393,000	1,393,000
Glass bottles	349,000	349,000
Aluminium cans	2,191,000	2,191,000
Steel cans	44,000	44,000
<b>Packaging material transport and handling (2)</b>	<b>968,300</b>	<b>891,500</b>
Glass bottles	59,000	60,000
Aluminium cans	804,000	730,000
Plastic bottles, PET	104,000	100,000
Other	1,300	1,500
<b>Material sorted for recycling from mixed sources (3)</b>	<b>17,909,000</b>	<b>16,270,000</b>
Glass	148,000	130,000
Aluminium	7,194,000	6,540,000
PET	4,437,000	4,030,000
HDPE	763,000	690,000
Fiber	418,000	380,000
Non-ferrous metal	1,835,000	1,670,000
Other	3,114,000	2,830,000
<b>Total emission avoidance</b>	<b>22,854,300</b>	<b>21,138,500</b>

**1. BEVERAGE CONTAINER COLLECTION THROUGH RVM'S, TOMRA COLLECTION (REVERSE VENDING)**

Calculated carbon dioxide savings are based on the total number of beverage containers collected through TOMRA's RVM installations. Due to the cyber attack, number of beverage containers collected in 2023 are conservatively estimated to be the same as for 2022. All glass beverage containers are assumed to be non-refillable, giving significantly lower assumed weight. The split between packaging types is based on beverage consumption data and TOMRA estimates. The full benefit of collecting and recycling the beverage containers into new material, versus landfill, is included in the calculation.

**2. PACKAGING MATERIAL TRANSPORT AND HANDLING, TOMRA COLLECTION (MATERIAL HANDLING)**

Carbon dioxide saving are based on the tonnage of beverage container material transported and handled by TOMRA in USA, Canada and Australia. The full benefit of collecting and recycling beverage containers into new material, as opposed to landfill, is included in the calculation, meaning that some of the saving is also included under Beverage container collection through RVMs.

**3. MATERIAL SORTED FOR RECYCLING FROM MIXED SOURCES, TOMRA SORTING (RECYCLING)**

Estimated material throughput in TOMRA Recycling installations is used in the calculation of avoided carbon dioxide emissions. The full benefit of sorting materials and recycling into new is included in the calculation.

**Waste generated in operations**

<i>Tonnes waste</i>	2023	2022
<b>Waste generated in operations (4)</b>	<b>3,690</b>	<b>3,115</b>
Paper, recycled	410	130
Plastics, recycled	970	1,700
Wood, recycled	300	240
Electric and electronic waste, recycled	30	20
Metal scrap, recycled	780	580
Hazardous waste, recycled	20	5
Glass, recycled	190	130
Unsorted	990	310

**Water used in operations**

<i>Cubic metres water</i>	2023	2022
<b>Water used in operations (5)</b>	<b>26,600</b>	<b>25,300</b>
Europe	14,900	14,200
North America	5,400	5,100
Rest of World	6,300	6,000

**4. WASTE GENERATION**

Data excludes material collected from recycling centers. Waste data includes for the first time in 2023 our new TOMRA Feedstock plant. 200 tons plastic waste processed through the plant is included in the reported waste data for 2023.

**5. WATER CONSUMPTION**

Includes estimates for locations where data is unavailable.

**6. EMISSION FROM PRODUCTS DURING USE-PHASE**

TOMRA's methodology on "Emissions from products during use phase" has been to a greater extent aligned with guidance from the GHG protocol for Scope 3 Category 11. When calculating emissions from use-phase we have used market-based emissions factors per country to calculate lifecycle GHG emissions for all machine sales within the reporting year 2023, as well as 2022 to restate the numbers from last year.

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# Taxonomy report

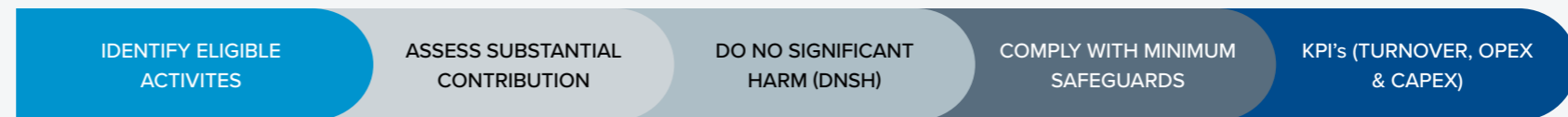
## INTRODUCTION

The EU Taxonomy serves as a key component of the European Commission's action plan on Sustainable Finance and aims at redirecting capital flows towards environmentally sustainable activities. The Taxonomy serves as a classification framework with pre-defined business activities

under six environmental objectives and can be seen as a five-step process to assess eligibility and alignment.

TOMRA has closely followed the development and implementation of the EU Taxonomy regulation and have continuously made internal assessments, however this year

is the first mandatory year of reporting. As a non-financial publicly listed parent company, TOMRA reports on revenue (turnover), capital expenditure (CAPEX) and operating expenses (OPEX) that are associated with Taxonomy-eligible and Taxonomy-aligned economic activities, in accordance with regulation EU (2020/852) and supplementing delegated acts.



## ELIGIBLE ACTIVITIES

TOMRA has identified the following Taxonomy eligible activities:

### 2.3 Collection and transport of non-hazardous and hazardous waste (CE)

TOMRA performs development, manufacturing, installation, service and maintenance, as well as physical and digital upgrade of reverse vending machines (RVMs) with advanced sensor technology. The RVMs are used to collect empty beverage containers in deposit markets and is a crucial component in an efficient deposit return system (DRS). In some markets we also offer end-of-life treatment for RVMs, in the form of a take-back program. Manufacturing and installation of TOMRA RVM solutions is deemed as an essential part of collecting and sorting materials in the deposit return system, where we consider the RVM solution to be a collection and sorting facility. The facility for collecting empty beverage containers is designed with TOMRA machines, and we install, setup, calibrate and integrate the RVM solutions. TOMRA is

also often engaged in the initial architectural planning of larger installations/facilities.

In addition to manufacturing and installation, TOMRA ensures continued operation with physical and digital upgrade of the RVMs through our service offerings, which is essential for ensuring not only the longevity, but also a stable and efficient operation of the RVM solution.

TOMRA evaluates eligibility on the basis of our contribution to construction, operation, and upgrade of facilities.

### 2.7 Sorting and material recovery of non-hazardous waste (CE)

TOMRA provides advanced sensor-based sorting machinery for waste, plastics and metal sorting. Waste sorting enables material recovery from waste streams as well as sorting of mixed waste in separate fractions. Our technology is used to sort paper, metals, plastic, and wood into separate fractions of high-quality secondary materials. For plastics

and metal sorting the target is to upgrade materials for reuse. The sorting machines distinguish between different types of plastic (e.g. PET, PE, PP, PS) and metals, including alloys. Our technology is primarily employed in the sorting of non-ferrous metals such as aluminum, copper, brass, and stainless steel. High quality sorting is also able to sort flakes which have a purity above 99% and can be further employed in a compounding (melting) process in which recycled granulates are produced for use in new products.

TOMRA Feedstock, one of our Horizon ventures, is in the process of constructing two plants for sorting of post-consumer plastic material. We will source pre-sorted mixed plastic material and through a sorting process upgrade the material and sell it to recyclers. The output will consist of different polymer fractions, both flexible and rigid plastics. TOMRA Feedstock aims at converting more than 50% of the processed material into secondary raw materials. The output material can be used by recyclers to produce flakes

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and pellets for applications such as packaging material. TOMRA Feedstock seeks to enable closing the quantity and quality gaps in plastic recycling by producing high quality plastic fractions out of plastic waste that is typically lost to incineration or landfill. TOMRA is investing in building one mid-scale plant in Germany, and one in Norway. Neither of the plants are yet operational but are expected to begin operations in 2025.

TOMRA evaluates eligibility for activities related to waste sorting, and plastics and metal sorting on the basis of our contribution to construction, operation, and upgrade of facilities, as well as for TOMRA Feedstocks activities.

#### [5.5 Collection and transport of non-hazardous waste in source segregated fractions \(CCM\)](#)

TOMRA carries out Material Recovery activities on the US East Coast and in Canada. Material Recovery comprises the pick-up, transportation, and processing of empty beverage containers on behalf of beverage producers/fillers. The activity covers logistics from the retail collection points and redemption centers to the processing facilities owned by TOMRA. The material collected and processed for recycling consists of glass, aluminum, plastic, and cardboard. Glass goes into a beneficiating process in our own facilities, plastic is baled and can be flaked, while aluminum is primarily baled. The material is subsequently sold for recycling. TOMRA's material recovery activities as described above are considered eligible as it collects and transports non-hazardous waste in accordance with the activity description in the Taxonomy regulation.

#### [7.7 Acquisition and ownership of buildings \(CCM\)](#)

TOMRA has operations and offices in a number of geographical locations around the world. As TOMRA owns and/or leases property to support its own operation in these locations, we consider these activities to fall under activity 7.7 - Acquisition and ownership of buildings based on our interpretation of the activity description and supplementing FAQs. Buildings directly related to any of the other eligible activities are included in the capital expenditure KPI for that specific activity.

#### **DETERMINING ALIGNMENT**

Alignment is considered on the basis of our interpretation of the substantial contribution and DNSH criteria, as they are currently presented in the EU Taxonomy regulation. Climate risk is considered on a group level by the Board of Directors, as described in the Consolidation and accounting principles section of the annual report.

#### [2.3 Collection and transport of non-hazardous and hazardous waste \(CE\)](#)

TOMRA RVM solutions are specifically designed to collect and sort used beverage containers as defined by the local deposit return system for the purpose of reuse or recycling of the material. The RVM solutions sort and store the sorted materials separately. Materials and fractions collected by the RVMs are continuously monitored, and regularly reported to relevant stakeholders. A good monitoring system is essential to a well-functioning deposit return system. TOMRA machines are essentially assessed on how well they are able to perform the intended sorting, and any deviations would be identified and corrected.

Health and safety is of the outmost importance to TOMRA, not only for our own employees but also for our customers and the end-users of our products. As such, information about the proper use of our products is provided to relevant stakeholders. Environmental risks are also considered in the proper use of machines, especially through our maintenance and cleaning services.

TOMRA's assessment is that all eligible activities under 2.3 Collection and transport of non-hazardous and hazardous waste (CE) are aligned with the EU Taxonomy, according to substantial contribution and do no significant harm (DNSH) criteria.

#### [2.7 Sorting and material recovery of non-hazardous waste \(CE\)](#)

Plastic, metal and waste sorting enables material recovery from waste streams and save materials that would otherwise end up in landfill or incineration. TOMRA's sensor-based technology is in the forefront of sorting accuracy, and our sorters are able to produce a yield above what is required across all material types we operate in. TOMRA sorters provide state-of-the-art sorting technology covering a

number of advanced technologies, including but not limited to near-infrared (NIR), spectroscopy and X-ray, in order to achieve the required quality standards. All aspects of TOMRA's contribution to both construction and operation of facilities are considered aligned with substantial contribution, as well as DNSH criteria.

#### [5.5 Collection and transport of non-hazardous waste in source segregated fractions \(CCM\)](#)

All materials collected and transported through material recovery activities in the relevant markets are for the purpose of reuse or recycling. In the collection process some materials that are not initially intended for the DRS may be collected and dealt with in an appropriate manner, however the volume is considered insignificant. Throughout the material recovery processes, materials are kept separate and not mixed with materials with different properties. The activity does not significantly harm any of the other environmental objectives, hence the activity is deemed aligned with the EU Taxonomy criteria for substantial contribution and DNSH.

#### [7.7 Acquisition and ownership of buildings \(CCM\)](#)

The amount of detailed information required by the EU Taxonomy about our locations has not been available in time for reporting. Therefore, we have not been able to assess the substantial contribution criteria, and TOMRA has not included these activities as aligned under 7.7 Acquisition and ownership of buildings (CCM) due to a lack of information.

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## MINIMUM SAFEGUARDS

[Human rights](#)

TOMRA employees are required to complete training on our Code of Conduct through an introductory e-learning course. TOMRA complies with the Norwegian Transparency Act that came into effect 1 July, 2022, which requires companies to make sure human rights and decent working conditions are respected in their operations and supply chains. TOMRA works with suppliers and sub-suppliers with a risk-based approach to address potential violations of human rights and labor conditions.

[Bribery and corruption](#)

TOMRA provides introductory e-learning courses for employees covering Anti-Bribery and Corruption, Competition Law and Antitrust, Confidential Information and IP, and Anti-Money Laundering, as well as more advanced courses on Anti-Bribery and Competition law. TOMRA utilizes an advanced analysis tool to support and ensure Integrity Due Diligence procedures into our business processes for all new customers, suppliers, and partners.

[Taxation](#)

TOMRA interacts with a wide variety of different taxation structures globally. TOMRA considers its approach to taxation to be responsible and take a cautious approach where the legislation offers choices or is open for interpretation. TOMRA seeks to comply with relevant tax legislation where we operate and cooperate with tax authorities.

[Fair competition](#)

TOMRA has an Antitrust and Competition Law policy and operates in compliance with applicable competition laws and regulations where free enterprise and fair competition is protected. As per our code of conduct, we expect TOMRA employees to play their part in combating illegal practices and ensuring fair competition.

On the basis of the above mentioned due-diligence measures and the absence of negative impacts or convictions, we consider TOMRA to be compliant with the minimum safeguards as they are currently defined in the EU taxonomy.



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PERFORMANCE AND KPIS

Our disclosures on Revenue, OPEX and CAPEX for Taxonomy-eligible activities are based on our interpretation of the Disclosures Delegated Act annex I (Commission Delegated Regulation (EU) 2021/4987) and additional guidance documents from the European Commission.

TOMRA's activities are related to the boundaries of the reporting entity in accordance with IFRS and as described in the Group financial statements. Information about our consolidation principles can be found under the Consolidation and Accounting principles section of the annual report.

In our disclosure of the numerator for revenue, OPEX, and CAPEX we use an activity-based split to avoid double counting of financial numbers.

Revenue

TOMRA's revenue related to eligible activities includes the following elements:

- Revenue from sale and lease of RVM solutions and sorters, as well as associated services including service and maintenance, spare parts, upgrades, and digital services.
- Revenue in form of handling and processing fees, as well as commodity sales.

TOMRA's main eligible revenue comes from RVM solutions and sorters, which are sold or leased to customers in different segments. Service is usually sold directly to customers through a service agreement or performed as ad-hoc service upon request.

Revenue from material recovery is threefolded and comprises handling fee, material processing and commodity sales following the activities performed by TOMRA in the relevant markets.

Taxonomy aligned revenue is adjusted for green output (i.e. revenue) associated with assets financed using funds from Green Bonds. Green bond financing of our leasing portfolio in Australia, Lithuania, Latvia, Canada and the USA means that related revenue is excluded in the adjusted

KPI's. TOMRA discloses both aligned and adjusted aligned revenue, in accordance with our interpretation of the Taxonomy regulation and supplementing FAQs.

OPEX

OPEX according to the EU Taxonomy represents direct non-capitalized costs related to research and development, building renovation measures, short-term leases and maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective operations of such assets.

In context of TOMRA's operations we interpret this to be:

- Relevant research and development projects that do not qualify for capitalization, consisting of employee expenses, consumables, and other services relevant for maintenance and repair.
- Building renovation measures related to production facilities, or facilities otherwise directly linked to eligible activities.
- Short-term leases related to our assets or processes for taxonomy eligible activities.
- Maintenance and repair OPEX for assets or property, plant, and equipment.

CAPEX

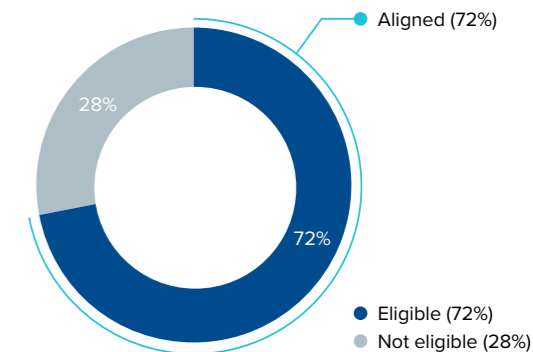
The capital expenditures (CAPEX) KPI entails additions to:

- Property, Plant and Equipment (PPE),
- Intangibles
- Capitalized leases (as required under IFRS).

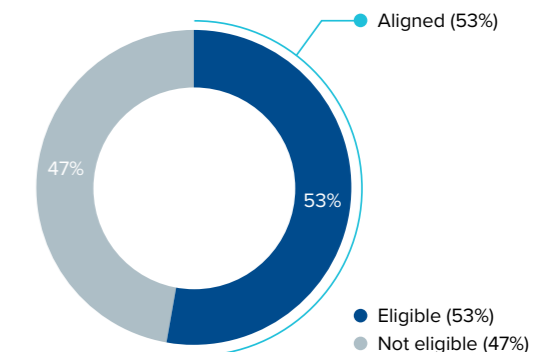
In accordance with the taxonomy regulation, goodwill is excluded from this KPI. Our aligned CAPEX is related to assets associated with taxonomy aligned activities, however any other non-eligible taxonomy investments aimed at reducing our environmental footprint are not included. TOMRA's CAPEX KPI as it is presented mainly includes investments in our leasing portfolio in the Collection division, investments in the Feedstock venture and research and development projects in both Recycling Sorting and Collection. Some investments are also related to our fleet of service vehicles, leased offices, and redemption center locations.

PERFORMANCE AND KPIS FIGURES

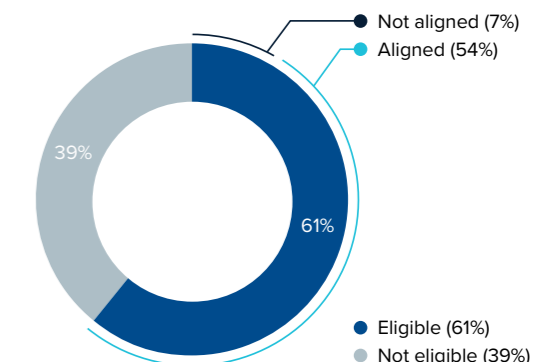
Revenue



OPEX



CAPEX



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Taxonomy-aligned CAPEX is adjusted for funding through Green Bonds, as such TOMRA discloses both aligned and adjusted aligned CAPEX, in accordance with our interpretation of the Taxonomy regulation and supplementing FAQs.

**Performance**

The percentage share of our taxonomy-aligned revenue was 72% in 2023.

As our Ore Sorting and Food business areas are not yet taxonomy eligible (i.e. covered by the EU Taxonomy) approximately 28% of our total revenue is excluded from alignment.

Taxonomy-aligned CAPEX was 54%, however adjusted for funds from Green Bonds, the aligned CAPEX was 31%. The main initiatives financed through Green Bonds were our leasing portfolio and the Feedstock venture. Capital expenditure related to activity 7.7 is reported as not aligned on the basis of lack of information to assess against the technical screening criteria.

Aligned OPEX was 53% in 2023, and mainly consists of non-capitalized R&D projects for the Recycling Sorting and Collection business areas.

**Green bond adjusted KPI disclosures**

2023 total (MNOK)	Revenue	OPEX	CAPEX
<b>Taxonomy-aligned</b>	10,638	30	894
Taxonomy-aligned adjusted	9,275	30	512
<b>Taxonomy-eligible</b>	10,638	30	1,019
<b>Non-eligible</b>	4,118	27	647



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KPI – Revenue

Financial year N	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards (17)			
	Code(s) (2)	Turnover (3)	Proportion of Turnover Year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover year N-1(18)	Category enabling activity (19)	Category (transitional activity) (20)
				Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	"Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
	<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																		
	<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																		
	CE 2.3	6,356	43%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	N/A	Y	Y	Y	-	N/A	Y	-		
	CE 2.7	2,767	19%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	N/A	Y	Y	Y	-	Y	Y	-		
	CCM 5.5	1,515	10%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	N/A	N/A	Y	N/A	Y	-		
	CCM 7.7	0	0%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	N/A	N/A	N/A	N/A	Y	-		
		<b>10,638</b>	<b>72%</b>	<b>10%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>62%</b>	<b>0%</b>								-		
			0%	0%	0%	0%	0%	0%	0%									E	
			0%	0%	0%	0%	0%	0%	0%								-		T

- CE Circular Economy
- CMI Climate Change Mitigation
- E Enabling activity
- T Transitional activity
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- N "No", taxonomy-eligible but not taxonomy-aligned activity
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KPI – Revenue cont.

Financial year N	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
	Code(s) (2)	Turnover (3)	Proportion of Turnover Year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover year N-1 (18)	Category enabling activity (19)	Category (transitional activity) (20)
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
	<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)</b>																		
	CE 2.3	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
	CE 2.7	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
	CCM 5.5	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
	CCM 7.7	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
	<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>																		
		0	0%	0%	0%	0%	0%	0%	0%										
	<b>Total Turnover of Taxonomy eligible activities (A.1+A.2)</b>																		
		10,638	72%	10%	0%	0%	0%	62%	0%										
	<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																		
		4,118	28%																
	<b>Total (A+B)</b>																		
		14,756	100%																

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KPI – OPEX

Financial year N	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
	Code(s) (2)	OpEx (3)	Proportion of OpEx Year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A1.) or eligible (A2.) OpEx year N-1 (18)	Category enabling activity (19)	Category (transitional activity) (20)
				Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	"Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
	<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																		
	<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																		
	Collection and transport of non-hazardous and hazardous waste	CE 2.3	22	39%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	N/A	Y	Y	Y	-	N/A	Y	-	
	Sorting and material recovery of non-hazardous waste	CE 2.7	8	14%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	N/A	Y	Y	Y	-	Y	-		
	Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	0	0%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	N/A	N/A	Y	N/A	Y	-	
	Acquisition and ownership of buildings	CCM 7.7	0	0%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	N/A	N/A	N/A	N/A	Y	-	
	<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>30</b>	<b>53%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>53%</b>	<b>0%</b>									
	Of which enabling			0%	0%	0%	0%	0%	0%	0%								E	
	Of which transitional			0%	0%	0%	0%	0%	0%	0%									T

CE Circular Economy  
 CMI Climate Change Mitigation  
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KPI – OPEX cont.

Financial year N	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
	Code(s) (2)	OpEx (3)	Proportion of OpEx Year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx year N-1 (18)	Category enabling activity (19)	Category (transitional activity) (20)
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
	<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)</b>																		
	Collection and transport of non-hazardous and hazardous waste	CE 2.3	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
	Sorting and material recovery of non-hazardous waste	CE 2.7	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
	Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
	Acquisition and ownership of buildings	CCM 7.7	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
	<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>0</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>									
	<b>Total OpEx of Taxonomy eligible activities (A.1+A.2)</b>	<b>30</b>	<b>53%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>53%</b>	<b>0%</b>										
	<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																		
	OpEx of Taxonomy-non-eligible activities		27	47%															-
	<b>Total (A+B)</b>		<b>57</b>	<b>100%</b>															-

CE Circular Economy  
 CMI Climate Change Mitigation  
 E Enabling activity  
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KPI – CAPEX

Financial year N	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
	Code(s) (2)	CapEx (3)	Proportion of CapEx Year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx year N-1 (18)	Category enabling activity (19)	Category (transitional activity) (20)
				Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	"Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
	<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																		
	<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																		
	Collection and transport of non-hazardous and hazardous waste	CE 2.3	626	38%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	N/A	Y	Y	Y	-	N/A	Y	-	
	Sorting and material recovery of non-hazardous waste	CE 2.7	229	14%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	N/A	Y	Y	Y	-	Y	-		
	Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	39	2%	Y	N	N/EL	N/EL	N/EL	N/EL	-	Y	N/A	N/A	Y	N/A	Y	-	
	Acquisition and ownership of buildings	CCM 7.7	0	0%	N	N	N/EL	N/EL	N/EL	N/EL	-	N	N/A	N/A	N/A	N/A	Y	-	
	<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>894</b>	<b>54%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>52%</b>	<b>0%</b>									
	Of which enabling			0%	0%	0%	0%	0%	0%	0%								E	
	Of which transitional			0%	0%	0%	0%	0%	0%	0%									T

CE Circular Economy  
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KPI – CAPEX cont.

Financial year N	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
	Code(s) (2)	CapEx (3)	Proportion of CapEx Year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx year N-1 (18)	Category enabling activity (19)	Category (transitional activity) (20)
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
	<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)</b>																		
	Collection and transport of non-hazardous and hazardous waste	CE 2.3	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
	Sorting and material recovery of non-hazardous waste	CE 2.7	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
	Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
	Acquisition and ownership of buildings	CCM 7.7	125	7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									
	<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>125</b>	<b>7%</b>	<b>7%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>									
	<b>Total CapEx of Taxonomy eligible activities (A.1+A.2)</b>		<b>1,019</b>	<b>61%</b>	<b>9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>52%</b>	<b>0%</b>									
	<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																		
	CapEx of Taxonomy-non-eligible activities		647	39%															
	<b>Total (A+B)</b>		<b>1,666</b>	<b>100%</b>															

CE Circular Economy  
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# Corporate governance report

**Corporate governance is important to align the interests of shareholders, management, employees, customers, and suppliers, and forms the basis for a healthy corporate culture at TOMRA. The Board of Directors is responsible for corporate governance.**

## IMPLEMENTATION AND REPORTING OF CORPORATE GOVERNANCE

TOMRA is subject to the requirements of §3-3b of the Norwegian Accounting Act, the Norwegian Code of Practice for Corporate Governance and the Continuing Obligations of Stock Exchange Listed Companies, which are available at [lovdata.no](http://lovdata.no), [nues.no](http://nues.no) and [Euronext.com](http://Euronext.com), respectively.

This report follows the system used in the Code of Practice of 14 October 2021. The only known deviation from the Code is described under "General Meetings" below.

At TOMRA, corporate governance is defined as the processes and control features that have been established to protect the interests of TOMRA's shareholders and other stakeholders such as employees, suppliers, and customers.

TOMRA's Corporate Governance Policy has been approved by the Board of Directors and is available on TOMRA's corporate [website](#).

Our values are described in the corporate vision, mission, core values and policies, which can be found on the TOMRA website. We aim to lead the resource revolution, enabling better utilization of the world's natural resources, and we are committed to doing business ethically and with zero tolerance for corruption. The Board of Directors will ensure that the company complies with the requirements of the applicable laws and regulations. To support these aims, we have developed and implemented a Code of Conduct and Corporate Responsibility Statement. This and further information on our sustainability strategy can be found under

"About TOMRA / Corporate Governance" on the TOMRA [website](#).

## BUSINESS DESCRIPTION

TOMRA is a leading global supplier of sensor-based solutions for optimal resource productivity within the business areas reverse vending, material recovery, recycling, ore sorting, and food. The Directors' Report describes the company's activities in more detail, including goals and main strategies.

The Board of Directors defines clear objectives, strategies, and risk profiles for the company's business activities. The company's compliance with these objectives, risks profile and strategy, as well as the adjustments of them, are monitored by the Board of Directors throughout the year.

The Articles of Association are published on [Tomra.com](http://Tomra.com).

## EQUITY AND DIVIDENDS

As of 31 December 2023, Group equity totaled NOK 6,904 million, up NOK 333 million from last year, with an equity ratio of 42 percent. TOMRA's policy is to distribute between 40 to 60 percent of the Group's earnings per share as dividend while maintaining investment grade. When deciding the annual dividend level, the Board of Directors takes into consideration expected cash flows, capital expenditure plans, financing requirements and the need for appropriate financial flexibility. For 2022, an ordinary dividend of NOK 1.80 was paid out per share. For 2023, the Board of Directors has proposed an ordinary dividend of NOK 1.95 per share. Dividend in percentage of EPS is 83 percent which is above the target range, however adjusting for one-off costs related to the cyberattack and Food restructuring the proposal represents 54 percent of adjusted EPS.

The Board of Director's authorizations to increase share capital and to buy back shares are limited to specific purposes and are given by the Annual General Meeting and is granted for a period no longer than to the next general meeting. At the 2023 Annual General Meeting, the Board of

Directors was granted the right to acquire and dispose of up to 1 million treasury shares, for the purpose of fulfilling the employee share purchase program. In addition, the Board of Directors was granted the right to issue up to 29.6 million shares in connection with any mergers and acquisitions. These authorizations are valid until the Annual General Meeting in 2024.

## EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

TOMRA has only one class of shares and each share entitles the holder to one vote. The nominal value is NOK 0.5.

Transactions in treasury shares have taken place on the market at stock exchange prices, according to good stock exchange practice in Norway.

Related party transactions are covered by TOMRA's Code of Conduct, which also applies to Board members. Any member of the Board of Directors or Executive Leadership Team should immediately notify Group Compliance if a potential conflict of interest occurs. There were no material transactions between the company and related parties that required a third-party evaluation during 2023.

## FREELY TRADED SHARES

The shares of TOMRA Systems ASA are listed on the Oslo Stock Exchange and all shares confer equal rights and are freely negotiable. There are no provisions in the Articles of Association restricting the free negotiability of shares as long as the insider regulations are adhered to.

TOMRA's Long Term Incentive Plan (LTIP) requires participants to purchase TOMRA shares equal to 25 percent of the gross amount and restricting the sale of such shares for three years following the purchase.

## GENERAL MEETINGS

In accordance with TOMRA's Articles of Association, the Annual General Meeting shall be held no later than the end

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of June each year, with at least 21 days written notice given to each shareholder. The 2023 General Meeting was held on the 27th of April as a hybrid meeting where shareholders could participate either physically or digitally.

The General Meeting notice is sent to all shareholders with a known address and is also available on TOMRA's website no later than 21 days before the Annual General Meeting. The meeting notice includes documents regarding matters to be considered, information regarding shareholders' rights and guidelines for meeting registration and voting.

Shareholders have the right to cast votes for the number of shares owned and registered in Verdipapirsentralen five working days prior to the General Meeting.

Shareholders unable to attend the General Meeting may either appoint a proxy or submit a vote in advance. The deadline for registration of physical attendance, advance votes, proxies and instructions is 2 working days prior to the Annual General Meeting.

Shareholders have the right to have matters dealt with by the General Meeting. The matters have to be reported in writing to the Board of Directors at the latest 28 days before the General Meeting.

The Chair of the Board, the President and CEO, the external auditor and the Chair of the Nomination Committee will be present at the General Meeting to the extent the agenda items make such attendance relevant.

In line with the Code of Practice, the General Meeting elects an independent person to chair the meeting.

TOMRA does not follow the Code's recommendation to vote separately on each candidate nominated for election to the Board of Directors. The Nomination Committee consider the Board's composition in relation to TOMRA's business and strategy, and competence areas like international operations, relevant industries and value chains, sustainability, finance and capital markets as well as having experience as a senior executive. The voting should therefore consider the Board as a collegium. In addition, according to Norwegian law,

the Board of Directors must comprise of at least 40 percent female members, which TOMRA is compliant with.

**NOMINATION COMMITTEE**

According to the Articles of Association TOMRA shall have a Nomination Committee consisting of two to four members elected for one year at a time by the General Meeting. The charter for the Nomination Committee is approved by the General Meeting.

The Nomination Committee consists of four members, each elected for one year. The composition meets the Code's requirements for independence of the majority of the members. None of the members of the Nomination Committee are members of the Board of Directors, nor does the Nomination Committee include the company's President and CEO or any other executive personnel.

The Nomination Committee proposes candidates for shareholder-elected Board members and its Chair, candidates for members of the Nomination Committee and its Chair,

and remuneration for the Board of Directors, the Nomination Committee, and the Board Committees.

The Nomination Committee meets with the Chair of the Board, Board members and the President and CEO and CFO to evaluate the work and composition of the Board of Directors. The membership of the committee and details of how to submit proposals for new board members are available on [TOMRA.com](#) under "About TOMRA – Board of Directors."

**BOARD OF DIRECTORS**

The shareholder-elected Board members are proposed by the Nomination Committee based on a number of criteria with the aim of safeguarding the interests of the shareholders and the company's need for competence, capacity and diversity. The shareholder-elected Board members and the Chair of the Board are ultimately selected by the shareholders at the Annual General Meeting. The Board of Directors and the Chair are all elected for one year at a time (employee-elected members for two years at a time).



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The Board of Directors consists of five shareholder-elected members, and three members elected among and by the employees in Norway. The composition of the Board of Directors meets statutory requirements and the Code of Practice. The majority of the shareholder-elected members are independent of the company's management, main shareholders and important business associates. The exception is Johan Hjertonsson, which is President and CEO of Latour AB, TOMRA's largest shareholder and Bodil Sonesson which is President and CEO of AB Fagerhult, where Latour AB is the largest shareholder.

The Annual Report provides information about Board members' qualifications, background, share ownership, other board memberships, and how long they have been members of the Board of TOMRA.

The Articles of Association do not require members of the Board of Directors to own shares in the company. However, the General Meeting has decided that external board

members are required to invest in TOMRA shares equal to 20% of their annual gross board fee. The requirement no longer applies once the value of the shareholding exceeds the gross annual board fee.

**THE WORK OF THE BOARD OF DIRECTORS**

The Board of Directors has prepared instructions which define the responsibilities and obligations of the Board of Directors and that comply with the duties stated in the Public Limited Liability Companies Act.

Board members and the President and CEO cannot participate in considerations or decisions of matters of such specific importance to them personally or to their close associates, where they are considered to have a direct or indirect personal or financial interest in the matter. In case of a conflict of interest, the Board member needs to alert the Chair of the Board and not take part in addressing that issue. The Board of Directors has established an annual cycle which includes all planned meetings and a regular agenda.

The annual cycle covers strategic work, commercial issues and governance. The Board of Directors meets at least four times a year. In 2023, eight board meetings were held, and the attendance at the meetings was 97 percent.

The Board of Directors has established three subcommittees, the Audit Committee, the Sustainability Committee, and the Compensation & Organizational Development Committee. The Board Committees consist of members of TOMRA's Board of Directors, chosen by the Board of Directors to reflect a balance of abilities and interests. Charters for each of the Board committees have been prepared and duly approved by the relevant body.

**Audit Committee**

The Audit Committee supports the Board of Directors in supervision of financial reporting, internal accounting controls, compliance, and audit matters. The Audit Committee also evaluates the performance of the internal audit function, the compliance function and information security risk.



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The Audit Committee is chaired by Pierre Couderc with Hege Skryseth and Pauline Bergan as members. Hege Skryseth fulfills the formal requirements linked to financial expertise in the committee. The composition of the committee complies with the requirements in the Code of Practice for independence and competence.

The Audit Committee held five meetings during 2023. The participation rate in the meetings was 100 percent.

**Sustainability Committee**

The Sustainability Committee supports the Board of Directors in supervision of sustainability ambitions and targets. The committee ensures sustainability is embedded in all strategy planning for future growth and reviews the sustainability reporting.

The Committee is chaired by Bodil Sonesson with Alexander Verlo as a member. Bodil Sonesson fulfills the formal requirements linked to sustainability expertise in the committee, and Alexander Verlo is a member of the Sustainability Task Force within TOMRA Collection.

The Sustainability Committee met twice during 2023 and had a participation rate of 100 percent.

**Compensation & Organizational Development Committee**

The Compensation and Organizational Development Committee supports the Board of Directors in reviewing the performance and remuneration of the President and CEO, CFO and Executive Leadership Team. The committee determines TOMRA's compensation policy and any share option programs, bonus programs and relevant pension programs for senior leadership team. The committee evaluates the remuneration and other incentive plans for the Executive Leadership Team and monitor leadership, development, and succession planning.

The Compensation & Organizational Development Committee is chaired by Johan Hjertonsson with Bjørn Matre and Kjell Korneliussen as members.

The committee held three meetings during the year with 89 percent participation. The composition of the committee

complies with the Code of Practice and all members are independent of the Executive Leadership Team.

**Internal evaluation by the Board of Directors**

The Board of Directors and each of its committees conduct an annual self-performance evaluation to determine whether the Board of Directors and each of its committees are functioning effectively. The review is discussed with the full Board of Directors once a year.

**RISK MANAGEMENT AND INTERNAL CONTROL**

The Board of Directors oversees the company's internal control and overall risk management and assurance, and through the Audit Committee, reviews and monitors the effectiveness of the company's policies and practices in such regard. Responsibility for individual areas of control has been delegated through the CEO down to the respective members of the Executive Leadership Team.

**Information and communication**

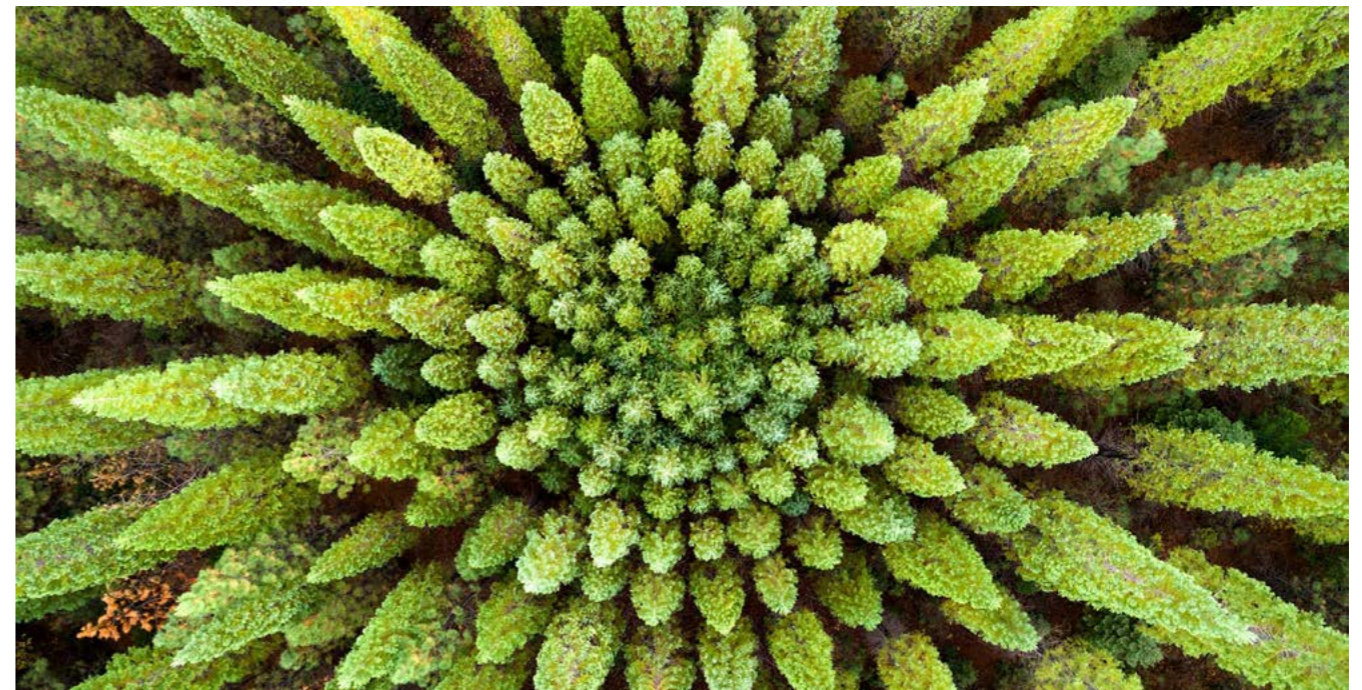
All internal policies and procedures are made available to

employees on our TOMRA SharePoint site. The policies are regularly updated and communicated.

**Risk Management**

The Board of Directors is responsible for approving the Group's strategy, its principal markets, and the level of acceptable risk. Risk management shall ensure that risks relevant to TOMRA's objectives are identified, analyzed, and managed. A sound risk culture is a prerequisite for a successful risk management process. The Board of Directors and its committees monitor and assess risks including environmental, social, strategic, financial, legal and operational risks and the associated control measures put in place to manage them.

The Board of Directors conducts a review of the Group's most important risk exposures and internal control systems at least annually. The risk assessment is consolidated and reviewed by the Executive Leadership Team before being submitted to the Board of Directors.



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**Control Environment**

TOMRA risk management system is designed to ensure that business activities are conducted in compliance with external and internal standards and requirements, and in a safe and secure manner. The aim is to avoid unwanted incidents while creating value. The Board of Directors and the Executive Leadership Team recognize that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance that the desired control objectives will be achieved, and that it cannot provide absolute assurance that no control issues will remain undetected.

TOMRA's Code of Conduct is an important part of the internal control systems. The Code of Conduct and other internal policies are made available for all TOMRA employees. TOMRA also runs mandatory global employee training programs. Integrity Due Diligence process, which covers both existing and new business partners and activities, is integrated as part of our internal control procedures.

A Chart of Authority describes each level of authority throughout the organization. TOMRA has a dual control principle for approvals, and our ERP systems enforce this principle. Matters reserved for the Board of Directors are clearly defined and appropriate authorization limits and reporting procedures are implemented.

TOMRA's internal control framework have been tailored to the requirements of its individual business activities. Controls for areas possessing particularly high inherent risk include clear guidelines for delegation of authority, segregation of duties, and requirements for regular reporting and reviews.

Internal systems and procedures related to sustainability and quality are implemented and described in more detail in TOMRA's Corporate Sustainability report on [pages 11-32](#).

TOMRA has established whistleblowing channels where any unethical behavior or other breach of the Code of Conduct can be reported. Concerns can be reported through an online portal, e-mail and phone. Whistleblowers have full confidentiality, are protected against retaliation, and may request anonymity. Such requests will always be respected.

**Control Activities**

Legal entities submit various reports into the consolidation system every month. The reports are then reviewed in monthly meetings. The input from these meetings forms the basis for the monthly and quarterly reporting to the Board of Directors. The Board of Directors reviews the monthly reports and follows up with management on any actions to be taken to address identified weaknesses.

TOMRA's Group Accounting is responsible for the preparation of the Financial Statement and to ensure reporting according to applicable laws and regulations and in accordance with adopted accounting principles.

The Audit Committee assists the Board of Directors in monitoring the process for identifying, evaluating, and managing risks. The Audit Committee reviews the Financial Statement, audit plans for both external and internal audits, reporting of any identified weaknesses, and the Compliance program and plans.

All Board members receive minutes from each Audit Committee meeting.

**Monitoring Systems**

Line management is responsible for monitoring the internal control routines and for assessing the need for corrective actions within their responsibility.

The internal audit team performs independent audits of subsidiaries, as well as reviews of specific themes, including assessments of risk and the adequacy of the internal controls. Internal audit reports functionally to the Audit Committee and administratively to the CFO. The internal audit team has no direct operational responsibility or authority over any of the activities it reviews. While performing internal audits the team has unrestricted access to all records, personnel, and property of the company to collect such information as is necessary for the performance of its tasks.

The external auditor presents the main elements in the audit and observations on TOMRA's internal controls related to the financial reporting process to the Audit Committee.

The Audit Committee, on behalf of the Board of Directors, has reviewed the effectiveness of the TOMRA's systems of internal control for 2023 and the period leading up to the presentation of the 2023 financial statements.

**REMUNERATION TO MEMBERS OF THE BOARD**

The General Meeting approves the Board of Directors' annual remuneration based on a proposal from the Nomination Committee. The Board of Directors' remuneration is based on comparable international entities of TOMRA's size and complexity and is not dependent on the company's financial results. No share options are granted to the Board of Directors, however the shareholder-elected Board members are required to purchase TOMRA shares. See above under Board of Directors for more details.

No members of the Board of Directors have taken on any assignments for TOMRA besides the Board membership, and no remuneration for such additional services has been received.

Further information on Remuneration to Board members is provided in note 4 and in the [Remuneration report 2023, available on TOMRA's website](#) (Annual General Meeting documentation).

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**SENIOR EXECUTIVE REMUNERATION**

The Compensation and Organizational Development Committee monitors decisions and matters regarding remuneration and terms and conditions for senior executives. The Board of Directors annually assesses the President and CEO's remuneration.

The TOMRA guidelines for remuneration of senior executives have been proposed by the Board of Directors, and approved by the Annual General Meeting, and contribute to achieving TOMRA's long-term goals. The Guidelines are available on the TOMRA [website](#).

Further information on remuneration to senior executives is provided in note 4 and in the Remuneration Report 2023, available on TOMRA's [website](#) (Annual General Meeting documentation).

Both the Guidelines and the Remuneration Report are subject to approval at the General Meeting.

**INFORMATION AND COMMUNICATION**

Communication with financial markets is based on the principles of openness and equal treatment of all shareholders. In order to give the public a good basis for making adequate decisions related to valuation and trade of the TOMRA share, TOMRA shall provide accurate, comprehensive and timely information.

TOMRA's accounting procedures are transparent and comply with the International Financial Reporting Standards (IFRS). The Audit Committee monitors the company's reporting on behalf of the Board of Directors.

TOMRA's annual and quarterly reports contain information on the various aspects of the company's activities. This information is available in the "Investor Relations" section of the TOMRA website along with the financial calendar for 2024.

The President and CEO, the CFO and Group's Investor Relations maintain regular contact with shareholders,

potential investors, analysts, and other financial market stakeholders.

**TAKEOVERS**

The Board of Directors will not seek to hinder or obstruct any takeover bids. In the event of such bids, the Board of Directors will comply with relevant legislation and regulations. The Board of Directors will seek to comply with recommendations in the Code of Practice, including obtaining a valuation from an independent expert and making a recommendation to TOMRA's shareholders regarding acceptance of the bid.

**AUDITOR**

The independent auditor is elected by the General Meeting and is responsible for auditing the Group accounts.

The Board of Directors has delegated to the Audit Committee to monitor the external auditor, and the Audit Committee reports the outcome of this work to the Board of Directors. The external auditor meets with the Board of Directors annually to present the assessment of risk, internal control, and the quality of financial reporting. This also includes a session without the presence of TOMRA senior management.

The external auditor participates in all Audit Committee meetings, and presents the audit plan for the year, a review of TOMRA's internal control procedures, any potential weaknesses identified and proposed improvements. The external auditor also confirms its independence annually.

TOMRA has guidelines for company's use of the external auditor for advisory services, tax services, and other services outside the ordinary audit scope. The Audit Committee has delegated a pre-approval right of NOK 2.5 million to the Group CFO for non-audit services on a yearly basis. The external auditor regularly reports such services to the Audit Committee.

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# 2023 summary and highlights

Revenues in 2023 of NOK 14,756 million represent a growth of 21% compared to 2022. Adjusted for currency, revenues were:

- Up 11% in TOMRA Group
- Up 18% in Collection
- Up 18% in Recycling
- Down 7% in Food

EBITA margin decreased to 9% in 2023 from 13% in 2022.

- Adjusted for one-off costs, EBITA margin was 13%.

EBITA was NOK 1,379 million in 2023, down from NOK 1,625 million in 2022.

- Adjusted for one-off costs,<sup>1</sup> EBITA was NOK 1,873 million.

EPS was NOK 2.36 in 2023 compared to NOK 3.48 in 2022, a decrease of 32%.

- Adjusted for one-off costs<sup>1</sup>, EPS was NOK 3.63.

Cash flow from operations equaled NOK 1,586 million in 2023, up from NOK 1,150 million in 2022.

<sup>1</sup> One-off costs include costs related to the cyberattack and Food restructuring program.

## COLLECTION

- Good revenue development in existing markets.
- Implementation of deposit systems in new markets materialized into strong revenues from Romania and Hungary. Rollout of throughput system in Victoria (AUS) with revenues expected to build up.
- Successful bid for providing reverse vending technology for the expanded deposit system in Quebec (CAN).

## RECYCLING

- Strong revenue growth driven by good momentum across all segments and in most geographies.
- The order intake was NOK 3,247 million in 2023, up 23% from 2022.
- Order backlog of NOK 1,107 million, up 15% from the end of 2022.

## FOOD

- Healthy growth in the processed food but a challenging year in fresh food and for TOMRA Food overall.
- Order intake was NOK 3,728 million in 2023, up 2% from 2022.

- Order backlog increased to NOK 1,143 million, up 6% from the end of 2022.

Share price decreased during 2023 to NOK 123.45 from NOK 165.60.

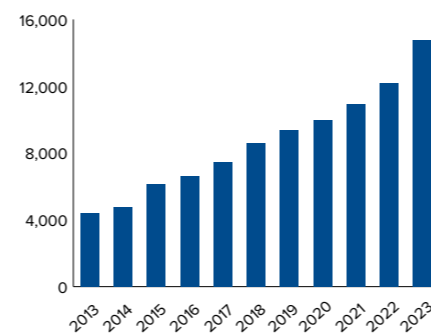
- Adjusting for the dividend of NOK 1.80 per share paid out in May 2023, the total return on the TOMRA share was -24% percent in 2023, following a decline of 47% in 2022 and increase of 50% in 2021.
- 110 million shares traded at Oslo Stock Exchange in 2023, down from 132 million in 2022.

The Group ended 2023 with a strong balance sheet and a solid foundation for further growth.

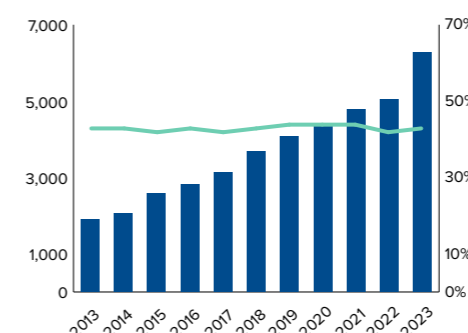
- 42% equity ratio.
- 1.6x Net Interest-Bearing Debt / EBITDA.
- The Board proposed an ordinary dividend of NOK 1.95 per share corresponding to a payout ratio of 54% EPS, adjusted for one-off costs. This is an increase of 8% from NOK 1.80 per share last year.

## TOMRA GROUP FINANCIAL FIGURES

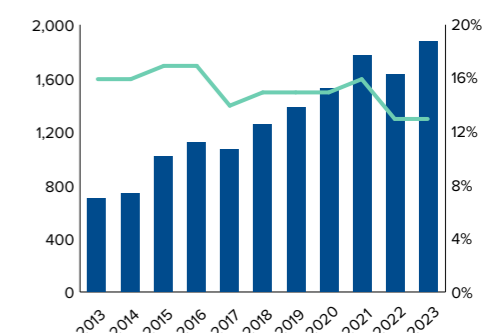
Revenue  
MNOK



Gross contribution and margin  
MNOK



EBITA and margin\*  
MNOK



\* 2023 EBITA and margin is adjusted for one-off costs related to the cyberattack and Food restructuring program.

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# Board of Directors



## Johan Hjertonsson (b. 1968)

### POSITION

Chair of the Board of TOMRA Systems ASA since 2022.

Other positions: President and CEO of Investment AB Latour since 2019.

### EDUCATION

MSc in Business and Economics, University of Lund, 1993.

### CAREER HISTORY

CEO of Fagerhult between 2009-2018, CEO of Lammhults Design Group between 2007-2009 and various management positions within The Electrolux Group between 1990 and 2007.

### SHARES

7,000 shares.

### BOARD MEMBERSHIPS

Publicly listed: Alimak Group (chair), ASSA ABLOY AB (chair), Sweco AB (member), Investment AB Latour (member).



## Bodil Sonesson (b. 1968)

### POSITION

Director. Board member of TOMRA Systems ASA since 2013.

Other positions: President & CEO of AB Fagerhult.

### EDUCATION

Master's Degree in International Finance, University of Lund and Konstanz University.

### CAREER HISTORY

VP Global Sales at Axis Communications and employment with Lars Weibull AB.

### SHARES

3,502 shares.

### BOARD MEMBERSHIPS

Non-listed: The Swedish Chamber of Commerce in Paris (member).



## Pierre Couderc (b. 1959)

### POSITION

Director. Board member of TOMRA Systems ASA since 2014.

Other positions: Managing Director Trouw Nutrition Iberia.

### EDUCATION

Engineering degree, Ecole Nationale Supérieure des Mines de Paris, 1982.

### CAREER HISTORY

CEO and Chair of Executive Committee, Groupe Euralis between 2009-2020 and several management positions within the Danone Group (1987-2008) including General Manager Asia Pacific (2005-2008), General Manager Danone Mexico (2004-2005), and General Manager Danone Argentina (2002-2004). Executive General Manager at Jose Cuervo (2008-2009).

### SHARES

5,520 shares.

### BOARD MEMBERSHIPS

None.



## Bjørn Matre (b. 1960)

### POSITION

Director. Board member of TOMRA Systems ASA since 2019.

Other positions: Owner and Chair of Lille Oslo Eiendom AS and subsidiaries.

### EDUCATION

MSc in Economics and Business Administration from NHH Norwegian School of Economics (1981), and a Master of Laws from UiB University of Bergen (1982) with Bar Exam.

### CAREER HISTORY

Senior Partner at the Boston Consulting Group (BCG) and Chair of BCG Europe, Middle East and Africa. Various leadership roles in the Nordic financial services industry, prior to working for BCG from 1989-2018.

### SHARES

5,192 shares.

### BOARD MEMBERSHIPS

None.

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**Hege Skryseth (b. 1967)****POSITION**

Director. Board member of TOMRA Systems ASA since 2019.

Other positions: Executive Vice President of Technology, Digitization and Innovation at Equinor.

**EDUCATION**

eMBA from NHH Norwegian School of Economics, Bachelor from BI and College graduate NITH.

**CAREER HISTORY**

Executive Vice President of Kongsberg and President of Kongsberg Digital and various management positions from tech companies such as Kongsberg, Microsoft Norway and Geodata (ESRI).

**SHARES**

4,673 shares.

**BOARD MEMBERSHIPS**

Publicly listed: Autostore (member).

**Pauline Bergan (b. 1986)****POSITION**

Employee Elected Director. Board member of TOMRA Systems ASA since 2023.

Other positions: Head of Strategy & Business Development (Acting), TOMRA.

**EDUCATION**

Master's degree in management from ESCP Europe in Paris.

**CAREER HISTORY**

Senior Business Development Manager for Future Circular Solutions within TOMRA Collection. Prior to joining TOMRA, Bergan has worked as a management consultant at Capgemini Invent and in software sales at Microsoft in France and Norway.

**SHARES**

353 shares.

**BOARD MEMBERSHIPS**

None.

**Kjell Korneliussen (b. 1967)****POSITION**

Employee Elected Director. Board member of TOMRA Systems ASA since 2023.

Other positions: Mechatronics Engineer, TOMRA.

**EDUCATION**

Diploma in the field of mechatronics at the Tinius Olsen Technical School.

**CAREER HISTORY**

Joined TOMRA in 2001 as a production assembly line worker. Prior to joining TOMRA he worked as a process operator for Dyno Nobel ASA.

**SHARES**

0 shares.

**BOARD MEMBERSHIPS**

None.

**Alexander Verlo (b. 1980)****POSITION**

Employee Elected Director. Board member of TOMRA Systems ASA since 2023.

Other positions: Senior Mechanical Engineer, TOMRA.

**EDUCATION**

Master of Science from Lund University and Bachelor of Science from University of South-Eastern Norway.

**CAREER HISTORY**

Worked with advanced technical product development and innovation as a senior mechanical designer with Jotron AS and GE Healthcare.

**SHARES**

830 shares.

**BOARD MEMBERSHIPS**

None.

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# Directors' report



## STRATEGIC HIGHLIGHTS

Only 7% of the world's precious resources are circular today<sup>1</sup> and more than 30% of all consumable food is wasted each year.<sup>2</sup> At the same time, global consumption of resources continues to increase. If countries are to achieve the necessary reduction of greenhouse gas emissions set out by the Paris Agreement, transformation is needed. With innovative solutions and technology, society has an opportunity to optimize resource productivity and create circular economies – aiding the path toward net zero by 2050. At TOMRA, our vision is to lead this resource revolution and enable a world without waste.

TOMRA has been pioneering technology-driven solutions for optimal resource productivity since 1972. Our solutions enable automated identification, collection, grading, and sorting of resources. We optimize how resources are obtained, used, and reused – driving resource productivity and turning waste into valuable resources.

We operate in markets where we take a leading global position and make a meaningful impact. Through continuous innovation and thought leadership, our solutions shape new markets – enabling us to grow sustainably and profitably.

Our strategy is to accelerate growth in our core business and in parallel organically explore new adjacent opportunities and alternative business models which support our growth ambitions and diversify our business. We have set ambitious financial targets for the coming years, up until 2027:

TOMRA has an ambition to grow by innovating technology, shaping new markets, and being a system enabler for optimal resource productivity – allowing us to outgrow established markets and achieve average annual revenue growth of 15% from 2022-2027.

At TOMRA, we take leading market positions and diversify our exposure to sustainably create value for generations to

come. We aim to achieve an EBITA margin of 18% by 2027, by providing key technology to enable circularity and resource optimization in high growth segments at attractive margins.

TOMRA is committed to a dividend policy of returning 40-60% of Earnings Per Share (EPS) to shareholders while maintaining a strong balance sheet with investment grade credit rating.

In 2023, both TOMRA Collection and Recycling performed well in line with our long-term ambitions, growing 18% each (currency adjusted) and delivering improved EBITA margins of 17% and 21% respectively. TOMRA Food had a challenging year with 7% decline in revenues, and consequently a decline in EBITA margin due to damaged harvests and a challenging macroeconomic environment for our customers. We are taking firm actions to restructure TOMRA Food and improve profitability.

Despite the setback in TOMRA Food and being subject to an extensive cyberattack midway through the year, we have delivered as promised to our customers and continued to innovate and launch new products into the market. We have also made material progress on developing adjacent businesses with an investment into a second advanced plastic feedstock sorting plant, and the launch of a pilot for reusable takeaway packaging.

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FINANCIAL PERFORMANCE

Group revenues amounted to NOK 14,756 million in 2023, an increase of 21% compared to 2022. Adjusted for currency effects, revenues were up 11% in TOMRA Group, up 18% in both Collection and Recycling, but declined 7% in Food.

Gross margin in TOMRA Group has improved to 43% in 2023 from 41% in 2022 as actions have been taken to recover margins. In 2022, component shortages and cost inflation affected the margins of all business divisions.

EBITA, adjusted for one-off costs, amounted to 1,873 MNOK in 2023, up from 1,625 MNOK in 2022. This corresponds to an EBITA margin of 13%, in line with the margin in 2022. Including one-off costs, reported EBITA ended at 1,379 MNOK, down 15% from 2022, with an EBITA margin of 9%.

Net financial income, including profit from associates, was negative NOK 185 million in 2023, compared to negative NOK 49 million in 2022. The change is largely driven by higher interest rates and additional debt financing including the issuance of new green bonds in the fourth quarter 2022. Interest expenses increased to NOK 115 million in 2023

compared to NOK 34 million in 2022.

Taxes were 237 million in 2023, a reduction compared to 2022 due to a lower operating profit and higher financial costs. The Group's average tax rate increased by 0.3 percentage points, to 24.1% in 2023.

EPS, adjusted for one-off costs related to the cyberattack and restructuring program in Food, was NOK 3.63 in 2023 compared to NOK 3.48 in 2022. This corresponds to an increase of 4%. Including one-off costs, EPS decreased 32% to NOK 2.36.

Cash flow from operations equaled NOK 1,586 million in 2023, compared to NOK 1,150 million in 2022. Cash flow from investments was NOK -1,147 million in 2023, compared to NOK -759 million in 2022. Investments of significance in 2023 include a new installed base of reverse vending machines in Victoria, our planned Feedstock plants, and a strategic investment in Kezzler AS – a software-as-a-service provider enabling serialization and traceability of products through their life cycles. Cash flow from financing was NOK -42 million compared to NOK -198 million in 2022 when an extraordinary

dividend (for financial year 2021) was paid and treasury shares were acquired for the employee share purchase program. Total assets as of 31 December 2023 were NOK 16,513 million, compared to NOK 13,932 million as of 31 December 2022. The equity ratio decreased to 42% in 2023 from 47% in 2022.

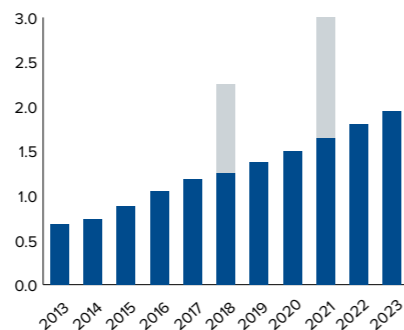
Net Interest-Bearing Debt / EBITDA (rolling 12 months' basis) was 1.6x at the end of 2023 compared to 1.2x at the end of 2022.

[Dividend](#)

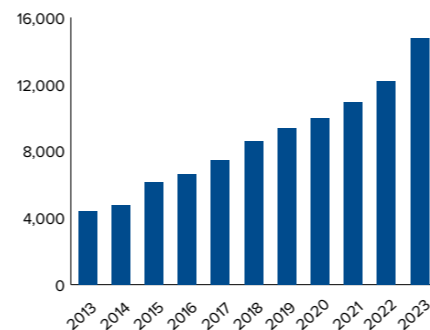
TOMRA aims to distribute between 40-60% of the Group's earnings per share. When proposing the annual dividend level, the Board of Directors has taken into consideration expected cash flows, investment plans, financing requirements and the need for appropriate financial flexibility. The Board of Directors proposes an ordinary dividend of NOK 1.95 per share for 2023, corresponding to a payout ratio of 54% adjusted EPS. This is an increase of 8% from NOK 1.80 per share last year.

TOMRA GROUP FINANCIAL FIGURES

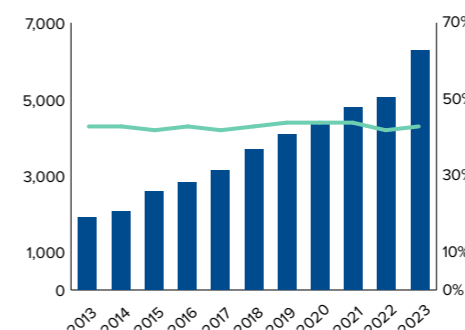
Dividend  
NOK



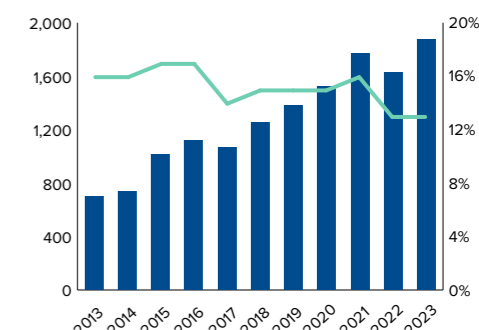
Revenue  
MNOK



Gross contribution and margin  
MNOK



EBITA and margin\*  
MNOK



\* 2023 EBITA and margin is adjusted for one-off costs related to the cyberattack and Food restructuring program.

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Alternative Performance Measures

**TOMRA Collection**

TOMRA's activities within the Collection division include the development, production, sale, lease, and service of automated collection systems, including data structures that monitor the volume of collected materials and associated transactions.

TOMRA is the technology leader in the reverse vending business. Every year, TOMRA facilitates the collection of more than 46 billion empty cans and bottles and provides an efficient way of collecting, sorting, and processing these. This only represents 3% of all recyclable beverage containers in the world, which translates into sizable potential for future deposit return systems. In an effort to increase circularity and reduce litter in the EU, the Single Use Plastic Directive requires 90% of all plastic bottles to be collected by 2029 – a target deposit return systems have proven to achieve.

In Europe and North America, TOMRA's customers are primarily in the retail industry. This is an industry that is relatively robust to financial downturns as the consumption of food and beverages usually remains stable through economic cycles. Food retail chains in general consider a well-functioning container return system to be an important competitive advantage, as consumers tend to choose the store they visit based on the convenience and reliability of a store's return facilities. With approximately 40% of the segment's revenues originating from service and throughput models, and a significant part of new machine sales being replacements, a large part of the revenues are recurring. However, peaks will occur during years when many new markets or large individual markets implement deposit return systems.

While the traditional business model is based on sale and servicing of equipment, deposit models in Lithuania, Latvia, Australia, and North America invite the technology supplier into a so-called throughput system. In this model, TOMRA acts as an operator where we invest into and maintain the ownership in the machine park. In return, TOMRA receives a recurring fee for the volume collected through the installed infrastructure.

**Financial performance**

Revenues in 2023 amounted to NOK 7,981 million, up 29% from NOK 6,192 million in 2022. Adjusted for currency,

revenues increased 18%, driven largely by the rollout of reverse vending equipment in the new deposit systems in Romania, Hungary, and Ireland as well as the system expansion in Netherlands. Sales were also strong in existing markets.

EBITA was NOK 1,324 million in 2023, compared to NOK 946 million in 2022. The EBITA margin increased to 17% in 2023 from 15% in 2022.

**Europe**

Northern Europe has had solid performance, with good sales development in all countries. Throughput volumes increased in Latvia and were relatively stable in Lithuania.

In Germany, growth continued at a normalized pace. A deposit system expansion effective from January 2024 to include alcoholic beverages, juices, and milk-based mixed drinks sold in one-way plastic packaging and cans has driven new installations. Multi-feed machines have started to gain traction in the market and the country has now installed over 50 TOMRA R1 machines.

In The Netherlands, the system expansion, which introduced cans from 1 April 2023, led to a doubling of collected container volumes in the country. Throughout the year, TOMRA has delivered equipment sales to retailers contributing to revenue growth.

Romania successfully launched its deposit return system on 30 November 2023. Sales of equipment to retailers continued at a steady pace in 2023, having started already 2022.

Hungary implemented its deposit return system on 1 January 2024, contributing to equipment sale in 2023. In 2022, the scheme operator selected TOMRA as one of two technology providers for the system.

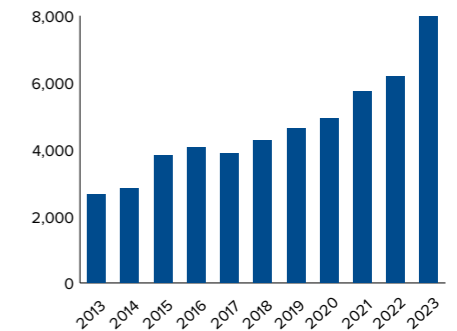
Ireland also launched its deposit return system on 1 February 2024, contributing to new sales towards the end of 2023, with additional sales expected in the beginning of 2024.

**North America**

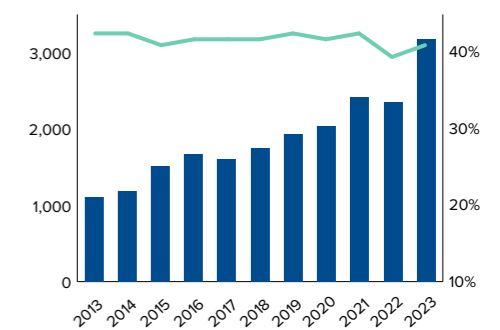
Within reverse vending, TOMRA operates two business

**TOMRA COLLECTION FINANCIAL FIGURES****Revenue**

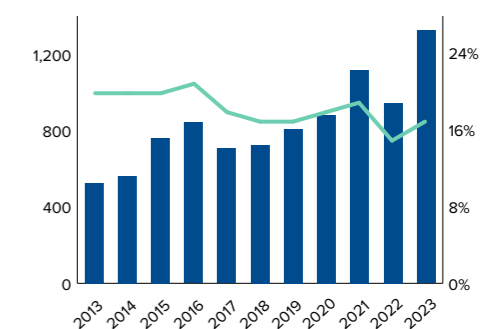
MNOK

**Gross contribution and margin**

MNOK

**EBITA and margin**

MNOK



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models in North America. One is a sales and service model, where machines are sold to the food retail stores in the same way as in Europe; the other is the throughput lease model. In addition to the reverse vending business, TOMRA picks up, transports, processes, and sells used beverage containers on behalf of beverage producers in North-eastern United States and Canada – known as Material Recovery. Volumes of beverage containers collected and processed increased slightly in North America overall, compared to 2022.

The province of Quebec in Canada modernized and expanded its deposit return system on 1 November 2023 – increasing deposit values and adding more beverage and container types to the system. The plan is to include all types of beverage containers between 100 mL and 2 L by 2025. TOMRA has entered into an agreement with Quebec Beverage Container Recycling Association (QBCRA) to equip recycling depots with approximately 1,350 machines over the next three years. Smaller, urban depots will be equipped on a sales and service basis, and larger depots will operate on a throughput revenue model.

Australia

TOMRA has since 2017 been present as a state-wide operator in New South Wales through a joint venture with Cleanaway. In 2022 the contract was extended until late 2026. Under the extension, TOMRA Cleanaway has continued to expand the network in 2023 with approximately 50 additional return point locations.

In November 2023, the state of Victoria introduced a deposit return system where TOMRA Cleanaway was selected as one of three network operators. Through the second half of 2023, TOMRA has been installing collection points. The region TOMRA Cleanaway covers will eventually feature over 400 reverse vending machines.

In addition, TOMRA has operations in the states of Queensland and Western Australia as of 2018 and 2021, respectively. Overall throughput container volumes in the Australian states were relatively stable with a modest increase in 2023.

New markets

The implementation of new deposit systems is a fundamental driver for growth in Collection. The creation of new systems and changes to existing ones will impact TOMRA's performance by driving additional sales and service revenues, as well as potential investments and throughput revenues. A public-driven push to see reduced littering and global commitments to reduce greenhouse gas emissions by increasing the recycled content of beverage containers, enabled by higher recycling rates, are driving the discussion around new deposit systems.

Increased marine littering has been a concern that is currently driving several initiatives, like the EU Single Use Plastic Directive. The EU has set a collection target of 77% on beverage containers made of plastic by 2025, increasing to 90% in 2029. As a response, several EU members are evaluating deposit introduction to significantly increase collection rates and comply with the target.

Among the potential markets for deposit schemes, Austria has amended its Waste Management Law to transpose the EU Single Use Plastic Directive and introduce a deposit system on single-use beverage containers, with the go-live date set to 1 January 2025.

In September 2023, Poland published a law to introduce a deposit return system. The legislation mandates deposits on single-use plastic bottles, reusable glass bottles, and metal cans. Poland can become the world's second largest deposit market and plans to launch the system in January 2025. Scotland had been preparing for the implementation of a deposit return system. Originally planned to start in August 2023, the commencement of the system was postponed – possibly until the rest of UK implements a system.

Uruguay and the state of Tasmania in Australia have stated their commitment to implement a deposit return system in 2024. Tasmania would complete all of Australia's implementation of deposit system, while Uruguay would be the first country in South America to implement a mandatory deposit system.

TOMRA is assessing the commercial opportunities in these

markets along with the development of the regulatory frameworks.

Technology highlights

Having user-friendly, efficient and reliable reverse vending machines installed at collection points is important for more reasons than just staying compliant with regulatory requirements. In a recent consumer research survey TOMRA conducted, 87% of recycling consumers responded that they spend their deposit refund in the store afterwards, bringing additional revenue to the store. Offering a convenient recycling experience also supports the overall success of a deposit return system in achieving its collection and recycling targets.

In 2019, we launched the TOMRA R1, a multi-feed reverse vending machine. It allows consumers to pour entire bags of up to 100 containers into the machine in one go, offering a five times faster recycling experience. The R1 machines have received an enthusiastic response from both consumers and retailers. First launched in Northern Europe, it has now reached over 500 installations in 16 countries. Stores see on average a 33% rise in consumer sessions and 86% increase in containers returned, with some reporting more than doubling in consumer sessions and quadrupling in returned containers.

To maintain our position as a leading technology provider for reverse vending, we continue to develop new and attractive solutions, both for retailers and for consumers. At the EuroShop retail trade fair in 2023, we presented some of our new reverse vending concepts: With the TOMRA R2 machine, we intend to introduce multi-feed reverse vending for everyone. It will feature a smaller physical footprint and be compatible with existing TOMRA backroom solutions. This makes it easy for retailers to upgrade their recycling experience.

We also introduced the RollPac – a vertical backroom solution for retailers. It is designed to reduce the required floorspace at retail stores and to utilize their existing roller cage infrastructure to improve operational efficiency. The RollPac will also be compatible with existing TOMRA equipment to enable easy upgrading.

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TOMRA continues to invest in building a digital ecosystem around the RVMs, using the data collected through the installed infrastructure and enabling a set of digital services. In 2023, new APIs that can be integrated into stores' existing digital ecosystems were launched. Some of the benefits include real-time machine status notifications, transactions and volume data collection for fraud mitigation, return data reconciliation, and refund verifications. Concepts for predictive service and maintenance were also introduced, using AI to ensure maximum machine uptime and the avoidance of unplanned repairs.

**TOMRA Recycling**

TOMRA designs, develops, and customizes sensor-based sorting solutions that enable the recovery of valuable materials from waste streams. Such materials are primarily plastics, non-ferrous metals, paper, organics, e-waste, wood, textiles, and other recyclables. Further down the value chain, sorting is another important step in upgrading recovered materials to homogenous and high-quality fractions for recycling. Sensor-based technology is also employed in the sorting of ores from waste rock, thus increasing the efficiency and lifetime of mines.

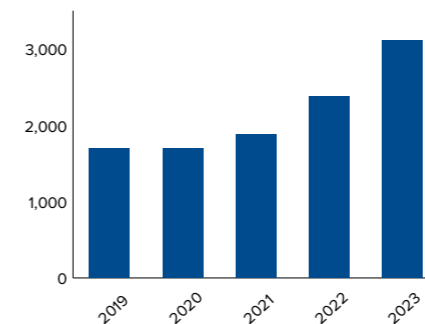
Waste generation rates are influenced by economic development and the degree of industrialization and urbanization. Generally, the higher the economic development and rate of urbanization, the greater the amount of waste produced.

Legislative measures focusing on waste reduction and increased recycling of resources continue to be implemented. In addition, market demand for high-quality recycled material has been fueled by commitments from brand owners to fulfill their sustainability goals. Together, these drivers lead to an increasing need for waste sorting and material recovery.

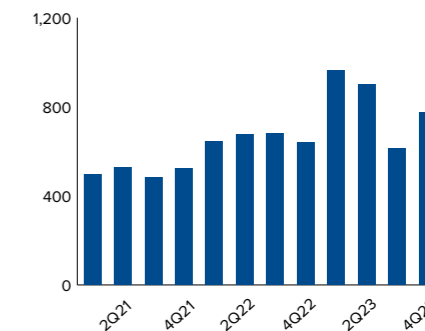
Over the last years and up until halfway through 2023, the momentum in recycling has been steadily increasing within all segments. Particularly in the plastics market, weaker consumption and destocking suppliers have recently led to a fall in polymer prices. Consequently, recycled polymer prices have also fallen and reduced the market's investment

**TOMRA RECYCLING FINANCIAL FIGURES**

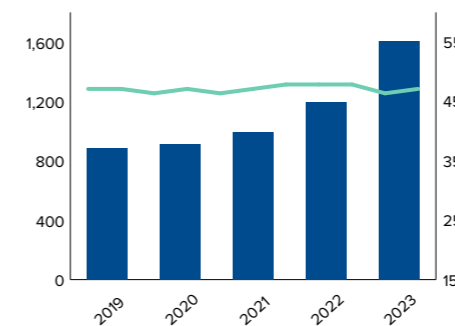
**Revenue**  
MNOK



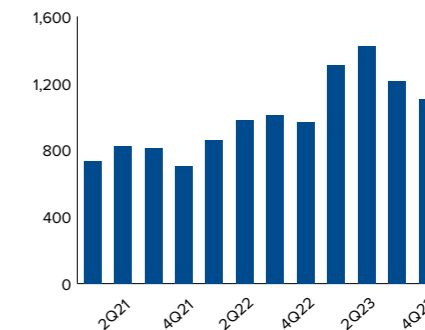
**Order intake**  
MNOK



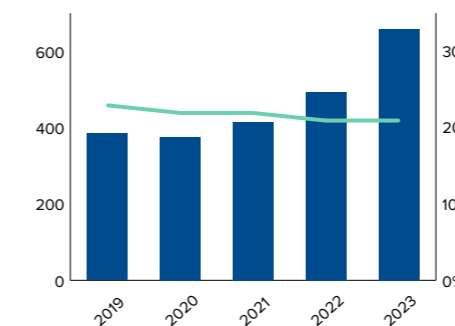
**Gross contribution and margin**  
MNOK



**Order backlog**  
MNOK



**EBITA and margin**  
MNOK



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willingness. The waste sorting business, which makes up roughly half of the customer portfolio in Recycling, has remained a healthy segment driven by legislation and the push for increased circularity. The metal sorting and mining segments have been positively supported by high commodity prices and industrial demand.

*Financial performance*

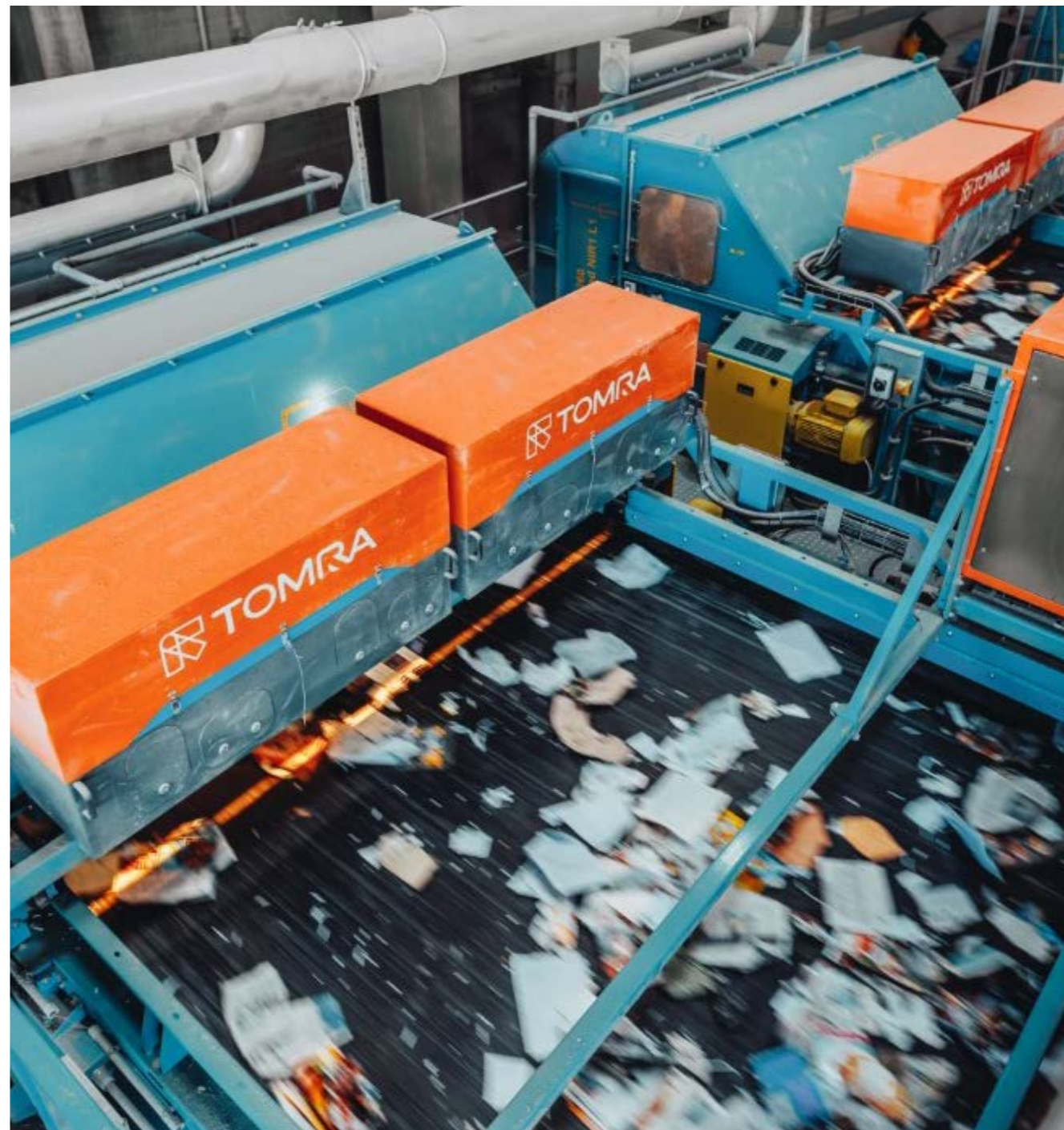
Revenues in 2023 amounted to NOK 3,105 million, up 31% from NOK 2,376 million in 2022. Adjusted for currency, the growth was 18%, driven by good momentum across all segments and in most geographies.

EBITA was NOK 658 million in 2023, compared to NOK 493 million in 2022, an increase of 33%. Adjusted for currency, the increase was 22%. The EBITA margin increased 0.4 percentage points to just over 21% in 2023.

The order intake was NOK 3,247 million in 2023, up from NOK 2,638 million in 2022, resulting in a year-end order backlog of NOK 1,107 million, up from NOK 965 million at the end of 2022. Currency changes had a positive effect on reported performance.

*Technology highlights*

TOMRA Recycling is a leader in advancing aluminum recycling and processing. In 2022, we launched the new X TRACT™ machine for precise x-ray sorting of aluminum from heavy metals. In 2023, we took the next step in aluminum alloy sorting and launched the AUTOSORT™ PULSE. It features dynamic laser-induced breakdown spectroscopy (LIBS) with 3D object recognition and AI to maximize accuracy, throughput, and yield. It accurately sorts input scrap to specific alloys, regardless of condition, with purity levels of 95% and above. This allows for direct remelting without downgrading the material. The demand for recycled aluminum is steadily increasing, for example in the automotive industry, to meet regulatory requirements and decarbonization goals. Recycling aluminum can be as much as 95% less energy-intensive compared to primary aluminum production.



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**TOMRA Food**

TOMRA Food designs and manufactures sensor-based sorting equipment and integrated post-harvest solutions for the food industry. The technology is utilized to sort and grade food produce based on quality, size, and other characteristics, as well as identifying and removing foreign material. The use of advanced analytical technology for fresh whole products and processed food increases productivity and food safety, maximizes output, and minimizes food waste.

TOMRA has a leading position built on the broadest and deepest technology base, the widest range of categories and applications, and a comprehensive geographic reach. This gives the scale needed to lead the development of new technologies and digital solutions, combined with the local presence to support customers where they are.

TOMRA delivers high-capacity sorting and grading solutions in the following food categories: potatoes, nuts and dried fruit, vegetables and fresh cut, protein, seeds and grains, citrus, blueberries, apples, kiwifruit, cherries, and avocados. The market is a global one, with exposure to North America, Europe, and Oceania.

While we experienced healthy growth in the processed food market in 2023, driven largely by continued investments into the potato category, it was a challenging year in fresh food and for TOMRA Food overall. Customers in key categories have been affected by damaged harvests due to heavy rain, hails, and frost. Combined with high interest rates and a challenging macroeconomic environment, the investment sentiment has been low. With the market offering little opportunity to grow the short term, TOMRA Food initiated a cost savings program in October 2023 to improve profitability and restructure the organization for increased customer satisfaction.

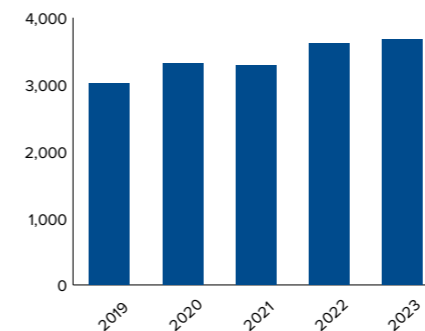
*Financial performance*

Revenues in 2023 amounted to NOK 3,668 million, up 1% from NOK 3,620 million in 2022. Adjusted for currency changes, revenues decreased by 7% due to a weak market in fresh food.

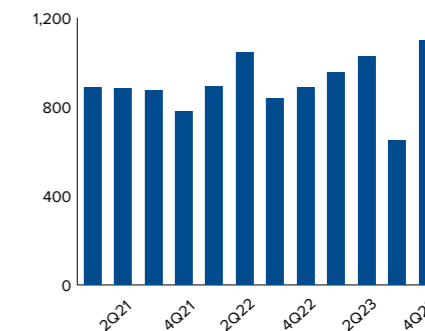
EBITA was NOK -188 million in 2023, compared to NOK 344 million in 2022. The EBITA margin decreased to -5.1% in 2023

**TOMRA FOOD FINANCIAL FIGURES**

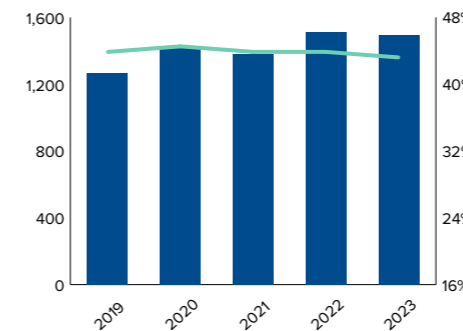
**Revenue**  
MNOK



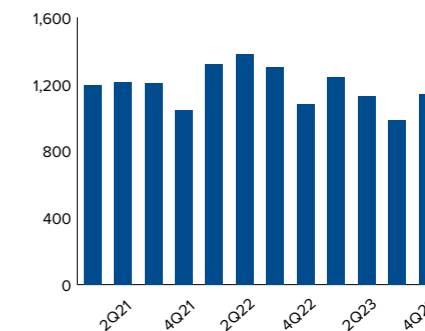
**Order intake**  
MNOK



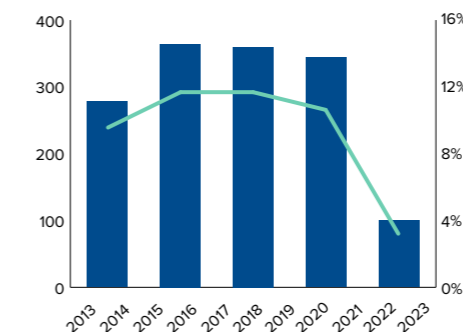
**Gross contribution and margin**  
MNOK



**Order backlog**  
MNOK



**EBITA and margin\***  
MNOK



\* 2023 EBITA and margin is adjusted for one-off costs related to the Food restructuring program.

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from 9.5%. The figures include restructuring costs of NOK 288 million related to the cost reduction program. Adjusted for these, EBITA was NOK 100 million and the EBITA margin 3%.

The order intake was NOK 3,728 million in 2023, up from NOK 3,658 million in 2022. The order backlog at the end of 2023 was NOK 1,143 million, up from NOK 1,083 million at the end of 2022. Currency changes had a positive effect on reported performance.

Technology highlights

In 2023 we have continued to innovate to deliver leading technology to our customers. TOMRA Food has been utilizing artificial intelligence since 2019 to make sorting and grading solutions even more accurate. In 2023, we launched two new AI-powered solutions. TOMRA Neon pre-grades machine-harvested blueberries to identify, differentiate, and remove unwanted clusters, undersize fruit, and unripe fruit. The new-generation Spectrim X series integrates TOMRA's latest LUCAi™ Deep Learning technology for enhanced sorting and grading precision of fruit, reducing the dependency on manual intervention.

**TOMRA Systems ASA**

Reverse Vending Machines (RVMs) are developed in Norway and mainly produced by third parties in Poland and at the wholly owned subsidiary Tomra Production AS in Norway. The machines are sold via the parent company to subsidiaries and distributors, primarily in Europe, North America, and Australia. Activity within the parent company reflects therefore the level of sales of machines and parts to end-customers within the RVM segment. The number of RVMs sold in 2023 increased compared to 2022.

TOMRA Systems ASA reported revenues of NOK 2,954 million in 2023 compared to NOK 2,127 million in 2022.

Operating profit in TOMRA Systems ASA decreased to NOK -71 million from NOK 87 million in 2022, mainly due to higher operating expenses.

Net financial items amounted to NOK 484 million in 2023, down from NOK 853 million in 2022 – explained by lower dividends from subsidiaries and higher financial expenses.

Profit after taxes was NOK 402 million in 2023, compared to NOK 936 million in 2022.

The 2023 net profit should be allocated as follows:

(MNOK)

Dividend	576.3
From retained earnings	(174.7)
<b>Profit after tax</b>	<b>401.6</b>

The Board of Directors confirms that the accounts have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU for TOMRA Group and Norwegian accounting principles (NGAAP) for Tomra Systems ASA, and that the Group, after the dividend payment, has sufficient equity and liquidity to fulfill both its short term and long term obligations.

**RESEARCH AND DEVELOPMENT ACTIVITIES**

Research and development activities are a high priority at TOMRA. In 2023, TOMRA spent 4.7% of revenues on R&D, in line with previous years. R&D has a central role in the development of the individual technology units and is closely connected to the local markets to ensure that we maintain our technological lead.

Recycling and Food share core R&D and the digital platform TOMRA Insight. The digital portfolio is an important building block of TOMRA's success and allows for the generation of valuable information for customers, the value chain, and the business alike – improving quality, efficiency, profitability, and reducing waste. We aim to lead this digital transformation and integrate digital approaches in core business to improve productivity and customer experience.

Optical sorters have for long leveraged AI to drive sorting automation and purity, by for example improve color sorting. Emerging AI technologies can enable new sorting capabilities and is an important part of TOMRA's research and development. Particularly deep learning, combined with conventional sorting technologies, has been a focus area. In Recycling, GAIN™ is a deep learning add-on technology for the AUTOSORT™, making it possible to sort objects based

on their shape and texture. Similarly in Food, LUCAi™ is an optional deep learning add-on technology to classify and grade fruit based on subtle defects such as dehydration, bruising, and early anthracnose.

**FINANCIAL RISK**

The Board of Directors is focused on ensuring that there is a systematic and considered approach to managing risk within all segments of the corporation, and views this as a prerequisite for long-term value creation for the company's shareholders, employees, and other stakeholders. Opportunities for growth shall always be assessed against the associated risks. TOMRA faces normal business risks related to contractual agreements with, for example, customers and suppliers. In addition, there are several macro trends that can affect the industry in which TOMRA operates. A reduction in recycling targets and ambitions, as well as falling material commodity prices, would negatively influence TOMRA as the need for advanced recycling technology would become less obvious.

TOMRA's operations are also influenced by political decisions, specifically regarding deposit legislation. The implementation or expansion of deposit systems in a country or state would create new growth opportunities for TOMRA. A key risk to TOMRA is the speed of local adaption of EU targets and generally the speed at which stricter legislation is implemented.

TOMRA relies on the efficient and uninterrupted operation of information technology systems and networks to operate its business. Disruptions to TOMRA's systems or networks, such as computer viruses, security breaches, cyberattacks, intentional and unintentional acts, natural disasters, war, telecommunication failures, energy blackouts could adversely impact the Group.

In July 2023, TOMRA was subject to an extensive cyberattack, affecting the TOMRA domain and internal IT systems. To contain the attack, TOMRA disconnected selected services until these had been validated and restored or rebuilt. Swift actions limited the impact of the cyberattack and there has been no evidence of sensitive data loss, nor any ransom demands. Most customer machines remained operational in offline mode, and

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manual workarounds kept TOMRA operational during the attack. Strengthened security measures have since been implemented.

Climate change in a business-as-usual scenario poses increased physical risks for TOMRA's operations, customers, and supply chain. The growth in emissions leads to long-lasting changes in and irreversible impacts for people and ecosystems. Water scarcity, flooding, extreme weather events, or climate-related conflicts could impact TOMRA's customers as well as the company's operations and value chain.

Responsibility for financing, cash management and financial risk management is handled by Group Finance. Historically, TOMRA has seldom experienced losses on accounts receivable, and the company's routines concerning credit approval are considered satisfactory. TOMRA's surplus cash is placed primarily in NOK with duration of less than six months. Interest-bearing debt is normally denominated in NOK or EUR, at interest rates fixed for a period of less than six months.

TOMRA is exposed to fluctuations in currency exchange rates. With more than 95 percent of the income in foreign currencies, a strengthening of NOK will lead to reduced earnings for the Group when measured in this currency. Most of the risk is connected to fluctuations in EUR and USD. TOMRA takes advantage of forward exchange contracts to hedge future cash flows in foreign currencies.

With approximately 90 percent of the balance sheet denominated in foreign currencies, TOMRA's equity will also be exposed to changes in currency exchange rates. To partly offset this effect, TOMRA aims to place external bank debt in the same currencies. In addition, TOMRA has implemented the financial risk management systems one would expect given the size and complexity of the company's operations. A more extensive description of TOMRA's internal control procedures and systems for evaluating financial risk is provided on [pages 46-51](#) in this report.

**SUSTAINABILITY**

TOMRA makes a significant contribution to a cleaner and more sustainable world. Our vision and activities fit well within the framework of the UN Sustainable Development

Goals (SDGs), and our solutions contribute towards several of the global goals. Sustainability at TOMRA involves two critical aspects: maximizing the positive impacts of our products and solutions on the environment (our handprint) and minimizing any negative sustainability effects resulting from our activities (our footprint). Anchored in TOMRA's vision of "Leading the Resource Revolution", sustainability lies at the core of our business model and strategy.

TOMRA has been measuring and reporting on environmental performance since 1998. In 2022, we launched an updated, holistic sustainability strategy and committed to implement science-based targets for greenhouse gas emission reduction. In 2023, we have strengthened our sustainability governance – adding People and Planet to existing Profit performance indicators. We have initiated 30 new decarbonization projects with an estimated saving of 1,300 tons CO2 scope 1 and 2 emissions. Development of our science-based targets has also been a priority in 2023, which we will submit for independent validation by the Science-based Targets initiative (SBTi) in 2024. Further details of TOMRA's sustainability program and environmental impact are presented in our Sustainability report on [pages 11-32](#) of this report.

TOMRA Group complies with the Norwegian Transparency Act that came into effect July 1, 2022. The Act requires companies to make sure human rights and decent working conditions are respected in their operations and supply chains. The Group entities work with suppliers with a risk-based approach to address potential violations of human rights and labor conditions. For further information on the work and assessments performed please refer to TOMRA Group's website [www.tomra.com](http://www.tomra.com).

**EU TAXONOMY**

TOMRA has conducted an internal assessment of the eligibility of its activities in the context of the EU taxonomy regulation. Based on the currently published screening criteria, TOMRA estimates that approximately 72% of activities are taxonomy-eligible, measured as a share of revenues. Activities included are collection of post-consumer beverage containers, material pick up and processing operations, and the majority of the recycling business. Not included so far are the food sorting and ore-sorting

sectors. Although the remaining business is seen as having an important contribution to sustainable practices, it is currently not covered by the EU taxonomy regulation and consequently, not included in the share of eligible activities. Further details are presented in our Taxonomy report on [pages 35-45](#).

**ORGANIZATION, HEALTH, AND SAFETY**

TOMRA facilitates equal opportunity for professional and personal development for all employees and does not discriminate on the basis of age, gender identity or expression, color, religion, political affiliation, ancestry, disability, medical condition, sexual orientation, or any other characteristic protected by applicable laws. TOMRA seeks to prevent all forms of harassment, sexual harassment, and gender-based violence. We adhere to these principles in all aspects of employment, including recruitment, training, compensation, promotion, benefits and working conditions, and the opportunity to combine work with family life. These are important principles that are firmly anchored in the company's Code of Conduct.

The number of employees in TOMRA Group was 5,370 at the end of 2023, up from 5,015 at the end of 2022. In Norway the number of employees increased to 498 at the end of 2023, from 426 at the end of 2022.

Female employees made up 23% of TOMRA's workforce and held 25% of management positions at the end of 2023, in line with the levels in 2022. The share of female employees in the Executive Leadership Team was 29% compared to 33% last year, as the team was expanded with one additional executive for people and organization. Three out of TOMRA's eight board members are women. Further details of TOMRA's program to promote diversity, equity, and inclusion are presented in TOMRA's Corporate Sustainability report on [pages 13-34](#) of this report.

The number of total reportable incidents in TOMRA was 105, compared to 147 in 2022. TOMRA continuously strives to reduce the injury rate and has implemented further preventative measures, which have contributed to the decrease from 2022 to 2023.

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The absence rate due to illness in TOMRA Systems ASA decreased to 2.5% in 2023 from 4% in 2022. Further details of TOMRA's program to ensure health and safety are presented in TOMRA's Corporate Sustainability report on [pages 11-32](#) of this report.

TOMRA is continuously taking measures to further strengthen the management of compliance matters. The Code of Conduct, the Business Principles for Suppliers, Counterparty Due Diligence and Conflict of Interest policies are regularly revised. The revised policies have been communicated to all employees and include a systematic training program. A more extensive description of TOMRA's compliance framework is provided in TOMRA's Corporate Sustainability report on [pages 11-32](#).

TOMRA's quality and environmental management systems are based on the international ISO 9001:2015 and ISO 14001:2015 management systems standards. Primary R&D and production units, accounting for over 80% of the operations, have been certified according to ISO 9001. In addition, the R&D and production sites in Poland, Germany and Norway are ISO 14001 certified and TOMRA Collection Asker has established an ISO/IEC 27001 certified Information Security Management System (ISMS) for Reverse Vending Machines and associated services. TOMRA also applies an internal management system that incorporates goal- and result-orientation throughout the entire organization, including performance and leadership evaluation. Additional details are available in TOMRA's Corporate Sustainability report on [pages 11-32](#).

**CORPORATE GOVERNANCE - BOARD DEVELOPMENTS**

TOMRA defines corporate governance as those processes and control structures that have been established to protect the interests of the company's shareholders and other stakeholder groups. TOMRA's guidelines for corporate governance, core values and leadership principles are aligned to ensure sustainable development of the company. These guidelines include the role of the Board of Directors and its committees, requirements concerning the impartiality of its Board members, and Board compensation.

TOMRA Systems ASA and its subsidiaries have insurance that covers directors and officers. The insurance covers direct financial loss suffered by the insured resulting from dishonest acts by permanent or temporary employees of the insured, or by an external third party.

TOMRA's corporate governance report can be found on [pages 46-51](#) in this report. TOMRA's corporate governance policy can be found on [www.tomra.com](http://www.tomra.com).

At the annual general meeting on 27 April 2023, all shareholder elected board members were re-elected.

The Board of Directors held eight Board meetings in 2023 and the attendance at the meetings was 97 percent. Four meetings were physical meetings and four online. In addition, the Audit Committee held five meetings (attendance 100%), the Sustainability Committee held two meetings (attendance 100%), and the Compensation and Organizational Development Committee held three meetings (attendance 89%).

**PROSPECTS FOR THE FUTURE**

A growing global population, which is getting wealthier and more urbanized, demands more food and more convenience. Waste generation rates are expected to increase rapidly over the next decades. The amount of mismanaged plastic waste that ends up in the oceans is projected to triple by 2040 in a business-as-usual scenario. The path to low-carbon growth requires a decoupling from resource use and investment in innovation and technology. TOMRA has secured a strategic position in highly relevant sectors and invests approximately 10% of revenues in technology and activities targeting future growth.

On the back of a focused expansion, the Group's operations today are more diversified and robust and hence less dependent on individual markets than in the past. Even if short-run fluctuations in the demand for TOMRA's solutions may occur, the company will in the long run be able to benefit from favorable macro trends in the food value chain, enforcing the need for automation and technology, and in the recycling universe, where excess waste and pressure on resources is accelerating the need for processing and innovation.

**TOMRA Collection**

Almost all supermarkets in the established deposit markets have automated their return of bottles and cans. These markets therefore represent mainly replacement opportunities and after-markets for service. The installed base of approximately 85,000 machines generates a steady income stream with a high percentage of recurring revenues. Generally, deposit markets are viewed as infrastructure and to date no deposit market has been abolished after introduction. In addition, new markets introducing deposit schemes will from time to time materialize. Timing is however difficult to predict, as new markets are heavily dependent upon the outcome of political processes.

While growth is expected in existing markets, material growth is driven by new deposit markets. There are currently several processes and discussions ongoing with regards to introducing deposit systems. Which markets finally materialize, and what role TOMRA can play in each market is uncertain. As the market leader within reverse vending, TOMRA will typically invest in people and capabilities to be in a good position to monetize on the opportunities when they arise.

**TOMRA Recycling**

Recycling has previously been somewhat cyclical and dependent on commodity risk. Increased diversification of customers such as geography, materials sorted, and their step in the value chain – together with stricter waste and packaging legislation – have made the business more resilient. The timing of customers' investment decisions will inevitably be dependent on macroeconomic conditions. However, the increased focus on plastic pollution, better waste handling and circular economics is expected to fuel long term investments into the recycling industry, for which TOMRA's sorting equipment is essential. The momentum in metals and ore-sorting segments tends to move in sync with commodity prices and be more dependent on single orders, something which we expect will continue to be the case. Despite a momentarily weaker market sentiment in some customer segments at the end of 2023, the Board of Directors assumes that TOMRA should be in a good position to see growth in revenues in the coming years.

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[TOMRA Food](#)

The demand for food and related quality and safety requirements is relatively stable through economic cycles, but macroeconomic conditions and the productivity of harvests may impact customers' investment sentiment. The long-term outlook for TOMRA's sorting and grading solutions is positive, driven by a need for increased automation in the industry due to labor shortages and costs, increased food safety and quality requirements, and consumption patterns. TOMRA launched a restructuring program in Food in 2023 to strengthen its market position with a more efficient and customer centric organization. The product portfolio and category focus will also be optimized for increased efficiency and profitability. Despite a currently weak market sentiment – particularly in fresh food – the Board of Directors assumes that TOMRA should be in a good position to continue to see growth in revenues in the coming years.

[TOMRA Horizon](#)

As a part of our strategy, we organically explore new adjacent opportunities and alternative business models to diversify and generate steadily growing revenues. Through TOMRA Horizon, we create impactful solutions for increased circularity, resource efficiency, and long-term value creation in new business segments by leveraging our technology and know-how. Our current initiatives include:

[TOMRA Feedstock](#)

TOMRA Feedstock turns plastic waste into valuable resources. We leverage our waste sorting technology to create new value chains that recover the plastic waste which is typically incinerated or landfilled today. Through our own sorting plants, we turn this into high quality plastic feedstock for recycling – transforming waste into value. The solution has been developed since 2019 at a pilot facility in Germany.

In 2022 and 2023 we announced investments into two mid-size sorting plants, each with a capacity of 80,000-90,000 tons per annum. One will be fully owned by TOMRA and located in Germany; the other one will be located in Norway in a joint venture with Plastretur where TOMRA holds a 65% ownership stake. The plants will sort post-consumer plastic waste into more than 8 different high quality polymer fractions as feedstock for mechanical and chemical recycling. With increased demand expected for recycled content in new products and packaging, but with limited feedstock available for recycling, TOMRA Feedstock presents an attractive growth opportunity for TOMRA.

[TOMRA Reuse](#)

Single-use packaging accounts for up to 50% of the waste in municipal bins in urban areas. By providing systems for



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reusable packaging, TOMRA Reuse seeks to reduce waste and optimize resources in urban areas. To achieve this, we leverage our reverse vending technology to create open managed systems and complete infrastructure for reusable takeaway packaging.

In 2023, we worked with Aarhus municipality in Denmark to launch a three-year pilot which went live in January 2024. Customers pay a deposit on to-go coffee cups from different cafés and eateries. These can then be returned to automated collection points throughout the city where customers can have their deposit refunded to their standard payment card. With a regulatory push to increase the availability of reuse options, both at EU and on a national level in several countries, providing an efficient system that enables reuse packaging could present an attractive growth opportunity for TOMRA.

TOMRA Textiles

The textile industry is one of the largest CO2 emitters, with less than 1% of textile waste being recycled today. TOMRA Textiles aims to connect the value chain between collectors and recyclers, ensuring textile waste is sorted into fractions for recycling by leveraging our waste sorting technology. Given the magnitude of the textile industry, the low level of circularity and recycling today, and the increased regulatory focus on solving circularity within textiles, this could present an attractive growth opportunity for TOMRA.

**CURRENCY**

A stronger NOK is negative for TOMRA, both because the Group has significant activities abroad that are denominated in foreign currencies and appears therefore less profitable measured in NOK, and because TOMRA has a certain cost base in NOK tied to development activities and headquarter functions. For TOMRA Food, a weaker USD is negative, due to significant revenues nominated in USD, and with a cost base more nominated in EUR and NZD. For a broader review of currency sensitivities, refer to [note 19](#).

**THE TOMRA SHARE**

The number of TOMRA shareholders increased to 13,484 at the end of 2023, from 12,287 at the end of 2022. The number of shares held by Norwegian residents at the end of 2023 was stable 16%.

The number of issued shares of TOMRA Systems ASA is 296,040,156, each with a par value of NOK 0.50 per share. 513,815 treasury shares were held by TOMRA at the end of 2023. The Board of Directors wishes to encourage the company's employees to invest in the company's shares and a share purchase program was therefore established in 2008 that offers employees the opportunity to buy shares at current market rates, and for every five shares held for at least one year, one share is given free of charge. The Board of Directors will recommend at the general assembly that the program should be continued, limited to a total of 1,000,000 shares per year.

The TOMRA share price decreased to NOK 123.45 at the end of 2023 from NOK 165.60 at the end of 2022. Adjusting for the dividend of NOK 1.80 per share paid out in May 2023, the total return on the TOMRA share was -24% percent in 2023, following a decline of 47% in 2022 and increase of 50% in 2021. In comparison, the return on the Oslo Stock Exchange (OSEBX) in 2023 was 10%.

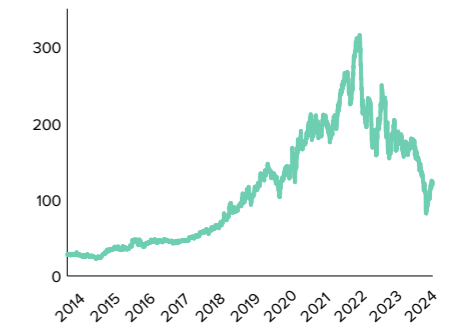
A total of 110 million TOMRA shares were traded on the Oslo Stock Exchange in 2023, down from 132 million the year before. TOMRA's largest shareholder, Investment AB Latour held 21.1% of the shares at the end of 2023, unchanged from 2022.

TOMRA aims to provide timely, relevant, and accurate information to the capital market to provide a basis for trading and fair pricing of the TOMRA share. TOMRA complies with Oslo Børs' Code of Practice for Investor Relations and applicable rules and regulations for listed companies.

**THE TOMRA SHARE**

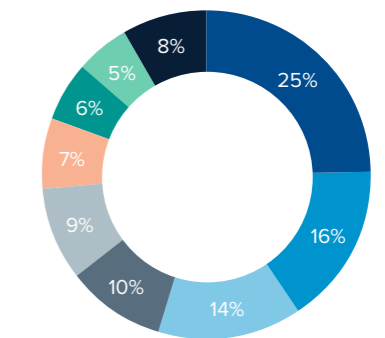
**Shareprice**

NOK



**Shareholders by country**

(nominee accounts)



- Sweden (25%)
- Norway (16%)
- Luxembourg (14%)
- Belgium (10%)
- United States (9%)
- Denmark (7%)
- Ireland (6%)
- United Kingdom (5%)
- Other (8%)

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## FINANCING

TOMRA's debt financing consists of a mix of bonds, bank loans and credit facilities. At year-end TOMRA had committed credit lines of NOK 3,760 million, of which NOK 3,187 million was utilized.

In 2022, TOMRA issued a total of NOK 1 billion in senior unsecured green bonds – of which all was allocated to green projects in 2023. TOMRA's green bond framework has obtained a "Dark Green" shading and governance score "Good" from Cicero Shades of Green.

In 2023, TOMRA entered into an agreement with Export Finance Norway (Eksfin), providing access to a EUR 40 million (approx. NOK 480 million) credit facility for increased financial flexibility. Eksfin is a governmental body helping Norwegian exporters to succeed abroad by ensuring they are financially competitive.

Scope Ratings GmbH affirmed its A-/Stable issuer rating of TOMRA Systems ASA in 2023. Scope has also assigned A- to senior unsecured debt issued by TOMRA Systems ASA and S-1 to short-term debt. The rating reflects positive industry dynamics, strong market positions in key segments and markets, strong profitability, and low financial leverage.

Taking the company's relatively stable cash flow, solid balance sheet and unrealized credit facility into consideration, it is the Board of Directors opinion that the company has the necessary financial flexibility to take advantage of possible growth opportunities.

Asker, 21 March 2024

**Johan Hjertonsson**  
Chairman

**Bodil Sonesson**  
Board member

**Pierre Couderc**  
Board member

**Bjørn Matre**  
Board member

**Hege Skryseth**  
Board member

**Kjell Korneliussen**  
Employee elected

**Tove Andersen**  
President & CEO

**Pauline Agnes Camille  
Lefevre Bergan**  
Employee elected

**Alexander Verlo**  
Employee elected

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## Income Statement

<i>(Amounts in NOK million)</i>	Note	2023	2022
<b>Operating revenues</b>	<b>1, 2</b>	<b>14,756.1</b>	<b>12,188.0</b>
Raw materials and consumables used	3	5,990.8	5,056.2
Employee benefit expenses	4	5,002.6	3,844.5
Depreciation, amortization and impairment	7, 8, 9	1,109.8	911.1
Other operating expenses	4	1,480.6	926.3
<b>Total operating expenses</b>		<b>13,583.8</b>	<b>10,738.1</b>
<b>Operating profit</b>		<b>1,172.3</b>	<b>1,449.9</b>
Financial income	5	11.4	14.8
Financial expenses	5	218.7	110.1
<b>Net financial items</b>	<b>5</b>	<b>(207.3)</b>	<b>(95.3)</b>
Profit from associates	10	22.0	46.7
<b>Profit before taxes</b>		<b>987.0</b>	<b>1,401.3</b>
Taxes	6	237.4	333.7
<b>Profit for the period</b>		<b>749.6</b>	<b>1,067.6</b>
<b>Attributable to:</b>			
Shareholders of the parent		697.1	1,028.8
Non-controlling interest		52.5	38.8
<b>Profit for the period</b>		<b>749.6</b>	<b>1,067.6</b>
Earnings per share, basic (NOK) <sup>1</sup>	14	2.36	3.48
Earnings per share, diluted (NOK) <sup>1</sup>	14	2.36	3.48

1) A share split of 1:2 has been executed with effect from 27 May 2022. Following completion of the share split, the new number of issued underlying shares of TOMRA Systems ASA was 296,040,156, each with a par value of NOK 0.50 per share (before the split NOK 1.00 per share). The calculation of basic and diluted earnings per share for 2022 have been adjusted retrospectively.

## Other comprehensive income

<i>(Amounts in NOK million)</i>	2023	2022
<b>Profit for the period</b>	<b>749.6</b>	<b>1,067.6</b>
<b>Other comprehensive income that may be reclassified to profit or loss</b>		
Hedging of net investment in foreign operations	(113.9)	(66.9)
Tax on hedging of net investment in foreign operations	25.1	14.7
Foreign exchange translation differences	313.9	435.2
<b>Other comprehensive income that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit liability	(1.7)	(4.4)
Tax on remeasurements of defined benefit liability	0.4	1.0
<b>Total comprehensive income for the period</b>	<b>973.4</b>	<b>1,447.2</b>
<b>Attributable to:</b>		
Shareholders of the parent company	915.8	1,389.6
Non-controlling interest	57.6	57.6
<b>Total comprehensive income for the period</b>	<b>973.4</b>	<b>1,447.2</b>

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## Balance sheet as of 31 December

## Assets

(Amounts in NOK million)	Note	2023	2022
<b>Deferred tax assets</b>	<b>6</b>	<b>541.9</b>	<b>347.1</b>
Goodwill	7	3,273.0	3,115.3
Development costs	7	385.6	318.8
Other intangible assets	7	73.9	71.9
Software	7	296.1	279.4
<b>Total intangible non-current assets</b>		<b>4,028.6</b>	<b>3,785.4</b>
Property, plant and equipment	8	1,226.4	960.2
Leasing equipment	8	549.6	478.6
Right of Use assets	9	1,436.2	1,232.3
<b>Total tangible non-current assets</b>		<b>3,212.2</b>	<b>2,671.1</b>
Investment in associates	10	113.8	76.1
Other investments		111.3	0.8
Long term receivables	11	466.7	370.8
<b>Total financial non-current assets</b>		<b>691.8</b>	<b>447.7</b>
<b>Total non-current assets</b>		<b>8,474.5</b>	<b>7,251.3</b>
<b>Inventory</b>	<b>3</b>	<b>2,668.9</b>	<b>2,369.7</b>
<b>Contract assets</b>	<b>2</b>	<b>109.1</b>	<b>113.4</b>
Trade receivables		3,077.4	2,757.4
Other short-term receivables		981.9	689.0
<b>Total receivables</b>	<b>12</b>	<b>4,059.3</b>	<b>3,446.4</b>
<b>Derivatives</b>	<b>19</b>	<b>33.2</b>	<b>1.9</b>
<b>Cash and cash equivalents</b>	<b>13</b>	<b>1,168.0</b>	<b>749.6</b>
<b>Total current assets</b>		<b>8,038.5</b>	<b>6,681.0</b>
<b>Total assets</b>		<b>16,513.0</b>	<b>13,932.3</b>

## Liabilities and Equity

(Amounts in NOK million)	Note	2023	2022
Share capital		148.0	148.0
Treasury shares		(0.3)	(0.4)
Share premium reserve		918.3	918.3
<b>Paid-in capital</b>		<b>1,066.1</b>	<b>1,066.0</b>
<b>Retained earnings</b>		<b>5,572.1</b>	<b>5,313.9</b>
<b>Non-controlling interest</b>		<b>266.1</b>	<b>191.9</b>
<b>Total equity</b>		<b>6,904.3</b>	<b>6,571.8</b>
Deferred tax liabilities	6	54.3	68.4
Pension liabilities	17	253.3	235.9
Interest-bearing liabilities	18	2,577.3	2,191.5
Long-term lease liabilities	9, 18	1,181.8	1,010.1
Other long-term liabilities	20	91.2	331.6
<b>Total non-current liabilities</b>		<b>4,157.9</b>	<b>3,837.5</b>
<b>Contract liabilities</b>	<b>2</b>	<b>728.2</b>	<b>819.2</b>
<b>Derivatives</b>	<b>19</b>	<b>171.5</b>	<b>68.7</b>
Interest-bearing liabilities	18	609.4	0.0
Short-term lease liabilities	9, 18	386.2	286.9
Trade payables		825.8	656.8
Income tax payable	6	175.3	170.6
Provisions	21	280.4	183.5
Other current liabilities	22	2,274.0	1,337.3
<b>Total current liabilities</b>		<b>5,450.8</b>	<b>3,523.0</b>
<b>Total liabilities</b>		<b>9,608.7</b>	<b>7,360.5</b>
<b>Total liabilities and equity</b>		<b>16,513.0</b>	<b>13,932.3</b>

Asker, 21 March 2024

Johan Hjertonsson  
ChairmanBodil Sonesson  
Board memberPierre Couderc  
Board memberBjørn Matre  
Board memberHege Skryseth  
Board memberKjell Korneliussen  
Employee electedPauline Agnes Camille  
Lefevre Bergan  
Employee electedAlexander Verlo  
Employee electedTove Andersen  
President & CEO

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## Consolidated statement of changes in equity

<i>(Amounts in NOK million)</i>	Paid-in capital	Translation reserve	Remeasurements of defined benefit liability/asset	Retained earnings	Total equity attributable to the owners of the company	Non-controlling interest	Total Equity
<b>Balance per 1 January 2023</b>	1,066.0	1,091.0	(115.0)	4,337.9	6,379.9	191.9	6,571.8
Profit for the period				697.1	697.1	52.5	749.6
Changes in translation differences		220.0			220.0	5.1	225.1
Remeasurements of defined benefit liability (assets)			(1.3)		(1.3)		(1.3)
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>220.0</b>	<b>(1.3)</b>	<b>697.1</b>	<b>915.8</b>	<b>57.6</b>	<b>973.4</b>
<i>Transactions with shareholders</i>							
Dividend non-controlling interest				(31.8)	(31.8)	(35.0)	(66.8)
Own shares sold to employees	0.1			48.7	48.8		48.8
Change in estimate of put/call option				(143.1)	(143.1)		(143.1)
Dividend to shareholders <sup>1</sup>				(531.4)	(531.4)		(531.4)
Share issue to non-controlling interest						51.6	51.6
<b>Total transactions with shareholders</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>(657.6)</b>	<b>(657.5)</b>	<b>16.6</b>	<b>(640.9)</b>
<b>Balance per 31 December 2023</b>	<b>1,066.1</b>	<b>1,311.0</b>	<b>(116.3)</b>	<b>4,377.4</b>	<b>6,638.2</b>	<b>266.1</b>	<b>6,904.3</b>
<i>Balance per 1 January 2022</i>							
<b>Balance per 1 January 2022</b>	<b>1,066.0</b>	<b>726.8</b>	<b>(111.6)</b>	<b>4,311.7</b>	<b>5,992.9</b>	<b>171.3</b>	<b>6,164.2</b>
Profit for the period				1,028.8	1,028.8	38.8	1,067.6
Changes in translation differences		364.2			364.2	18.8	383.0
Remeasurements of defined benefit liability (assets)			(3.4)		(3.4)		(3.4)
<b>Total comprehensive income for the period</b>	<b>0.0</b>	<b>364.2</b>	<b>(3.4)</b>	<b>1,028.8</b>	<b>1,389.6</b>	<b>57.6</b>	<b>1,447.2</b>
<i>Transactions with shareholders</i>							
Dividend non-controlling interest				(28.6)	(28.6)	(37.0)	(65.6)
Purchase of own shares	(0.2)			(127.7)	(127.9)		(127.9)
Own shares sold to employees	0.2			53.1	53.3		53.3
Change in estimate of put/call option				(13.0)	(13.0)		(13.0)
Dividend to shareholders <sup>1</sup>				(886.4)	(886.4)		(886.4)
<b>Total transactions with shareholders</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(1,002.6)</b>	<b>(1,002.6)</b>	<b>(37.0)</b>	<b>(1,039.6)</b>
<b>Balance per 31 December 2022</b>	<b>1,066.0</b>	<b>1,091.0</b>	<b>(115.0)</b>	<b>4,337.9</b>	<b>6,379.9</b>	<b>191.9</b>	<b>6,571.8</b>

1) Dividend payment was NOK 1.80 per share in 2023, as proposed in the 2022 financial statements.

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## Cash Flow Statement

	(Amounts in NOK million)	Note	2023	2022	(Amounts in NOK million)	Note	2023	2022
<b>Cash flow from operating activities</b>					<b>Cash flow from financing activities</b>			
Profit/(loss) before taxes			987.0	1,401.3	Proceeds from issuance of long term debt	18	335.0	1,030.7
Income taxes paid			(415.6)	(438.5)	Repayment of long term loans	18	(1.5)	-
(Gains)/losses from sales of fixed assets			-	(1.2)	Net change in revolving credit facility	18	651.2	567.0
Depreciation / Amortisation	7, 8		663.2	598.7	Net change in short-term loans	18	9.4	(403.0)
Depreciation / Amortisation lease contracts	9		367.8	312.0	Installments on lease liabilities	9	(343.6)	(293.1)
Impairment non-current assets	7, 8		78.8	0.3	Dividend non-controlling interest		(66.8)	(65.6)
Net change in inventory			(178.9)	(377.3)	Purchase of treasury shares	14	-	(127.9)
Net change in receivables			(505.8)	(733.2)	Sale of treasury shares	14	48.8	53.3
Net change in payables			16.7	185.6	Share issue to non-controlling interest		51.6	-
Difference between pension expense and pension contribution paid			9.9	(22.4)	Lease interest	9	(63.7)	(38.9)
Exchange rate effects			(112.1)	17.4	Interest paid	18	(130.9)	(34.4)
Profit before tax from associated companies	10		(22.0)	(46.7)	Dividend paid	14	(531.4)	(886.4)
Changes in other balance sheet items			502.3	180.7	<b>Net cash flow from financing activities</b>		<b>(41.9)</b>	<b>(198.3)</b>
Lease interests	9		63.7	38.9	Currency effect on cash		21.2	(74.6)
Interest paid	18		130.9	34.4	Net change in cash and cash equivalents		418.4	118.0
<b>Net cash flow from operating activities</b>			<b>1,585.9</b>	<b>1,150.0</b>	Cash and cash equivalents per 1 January	13	749.6	631.6
<b>Cash flow from investing activities</b>					<b>Cash and cash equivalents per 31 December</b>			
Disposals of non-current assets			51.6	70.6		13	1,168.0	749.6
Dividend from associated companies	10		11.3	4.7				
Acquisition of associates / capital infusion	10		(28.0)	(3.0)				
Acquisition of other shares			(110.4)	-				
Investment in non-current assets			(1,071.3)	(831.4)				
<b>Net cash flow from investing activities</b>			<b>(1,146.8)</b>	<b>(759.1)</b>				

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## Consolidation and accounting principles TOMRA Group - IFRS

### GENERAL

#### [Business concept and customers](#)

TOMRA Systems ASA (the "Company") is a public company domiciled in Asker, Norway. The registered office is Drengsrudhagen 2, Asker.

TOMRA's mission is to transform how we all obtain, use and reuse the planet's resources to enable a world without waste. We create lasting social and environmental value through our products and services, driving increased resource productivity in all sectors that we serve.

The company creates and delivers sensor-based solutions that contribute to optimal resource productivity, and that make sustainable resource use financially profitable in the business areas of packaging, collection, compaction, recycling, ore sorting and food production. TOMRA's customers are located in all continents.

#### [General](#)

The consolidated financial statements of the Company for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements consist of the income statement, other comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes to the accounts.

The financial statements were authorized for issue by the Directors on 21 March 2024 and will be presented for final approval at the general meeting on 25 April 2024. Until the final approval by the general meeting, the board can authorize changes to the financial statements.

#### [Statement of compliance](#)

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU, and the additional disclosure requirements of the Norwegian accounting act as at 31 December 2023.

#### [Basis of preparation](#)

The financial statements are presented in million NOK, rounded to the nearest one hundred thousand.

The financial statements are prepared based on historical cost, except for the following material items:

- Derivative financial instruments recognized at fair value.

- Defined benefit obligation recognized as the net total of the plan assets and the present value of the defined benefit obligation.
- Financial liabilities recognized due to minority redemption rights at the present value of the expected redemption amount.

The financial statements are prepared on a going concern basis.

The accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

#### [Estimates](#)

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of determining carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The area that is most influenced by estimates and management judgement is the annual impairment test of goodwill. Reference is made to note 7 for additional information.

#### [New standards and interpretations not yet adopted](#)

A number of new standards, amendments to standards and interpretations were not effective for the year ended 31 December 2023 and have not been applied in preparing these consolidated financial statements. Those that may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

Amendment to IAS 1 – Non-current liabilities with covenants

TOMRA is considering the effects of the future adoption of these standards. The current assessment is that TOMRA does not expect any material effects on the financial statements from the new standards.

#### [Consolidated companies](#)

The consolidated accounts include the parent company TOMRA Systems ASA and companies in which the parent company has control. Refer to note 23. Composition of the Group.

TOMRA owns 80% of Tomra Collection Australia Pty Ltd (Australia), 57.5 % of Tomra Holding OÜ (Baltics), 60% of Tomra Collection Holding OÜ (Latvia) and 70% of Tomra Collection France. The minority owners in the respective companies hold rights to sell their shares to TOMRA (put options) and TOMRA holds the right to buy their shares (call options). Options for Tomra Collection Australia Pty Ltd, for Tomra Holding OÜ (Baltics) and for Tomra Collection Holding OÜ are expected to be exercised in 2024. For Tomra Collection France the put/call option can be exercised for the period up to one month after the commencement date of the DRS (Deposit return scheme) in France. The sales price is determined based upon the performance of the companies.

The anticipated acquisition method is used in presenting these subsidiaries and the respective obligation, even though still legally being non-controlling interests. Under this method, the interest subject to the option is deemed to have been acquired at the date of acquisition. Accordingly, the financial liability arising from the option is included in the consideration transferred. Under the anticipated acquisition method, the interests of the non-controlling shareholders that hold the options are derecognized when the financial liability is recognized. The financial liability is recognized at the present value of the expected redemption amount. Changes in the carrying amount of the liability will be recognized within equity. If the option expires unexercised, then the liability is derecognized and NCI are recognized, consistent with a decrease in ownership interests in a subsidiary while retaining control.

#### [Climate Risk](#)

In preparing the financial statements, the Directors have considered the impact of climate change. There has been no material impact identified on the going concern assessment and viability of the Group and the financial reporting judgements and estimates. Whilst there is currently no medium-term impact expected from climate change, the Directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's financial statements.

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# Notes TOMRA Group

## Note 1 Segment information

TOMRA has three operating segments; TOMRA Collection, TOMRA Recycling and TOMRA Food reporting to the Chief operating decision maker which is the CEO.

### [TOMRA Collection:](#)

**Reverse Vending** is a provider of Reverse Vending Machines (RVMs) and related data management systems.

**Material Recovery** is a provider of pick-up, transportation and processing services of empty beverage containers on behalf of beverage producers/fillers on the US East Coast and in Canada. In addition the segment generates commodity revenues from the sale of collected materials.

Reverse vending and Material recovery are separate activities within the operating segment TOMRA Collection. The reporting to the chief operating decision maker is at the level of TOMRA Collection.

[TOMRA Recycling](#) is a provider of advanced optical sorting systems to the Recycling industry.

[TOMRA Food](#) is a provider of advanced optical sorting systems to the Food industry.

[Group Functions](#) consists of corporate functions at TOMRA Group.

## Segment information 2023

<i>(Amounts in NOK million)</i>	Collection	Recycling	Food	Group Functions	Total
Northern Europe	1,124.0	84.3	24.6	2.0	1,234.9
Rest of Europe <sup>1</sup>	3,832.0	1,565.2	1,030.7		6,427.9
North America <sup>2</sup>	2,162.9	569.7	1,289.0		4,021.6
South America	2.6	118.9	237.7		359.2
Asia	70.8	462.1	423.0		955.9
Oceania	789.1	168.3	477.1		1,434.5
Africa	-	136.5	185.6		322.1
<b>Operating revenues<sup>3</sup></b>	<b>7,981.4</b>	<b>3,105.0</b>	<b>3,667.7</b>	<b>2.0</b>	<b>14,756.1</b>
Depreciation and impairment	574.4	100.0	228.2		902.6
Other operating expenses <sup>4</sup>	6,083.3	2,347.2	3,627.4	416.0	12,474.0
<b>EBITA</b>	<b>1,323.7</b>	<b>657.8</b>	<b>(188.0)</b>	<b>(414.0)</b>	<b>1,379.5</b>
- in %	17%	21%	(5%)		9%
Amortizations	94.1	31.2	64.7		190.0
Impairment of intangible assets			17.2		17.2
<b>EBIT (operating profit)</b>	<b>1,229.6</b>	<b>626.6</b>	<b>(269.9)</b>	<b>(414.0)</b>	<b>1,172.3</b>
- in %	15%	20%	(7%)		8%
Assets <sup>5</sup>	7,295.8	3,985.4	3,519.6	1,712.2	16,513.0
Liabilities	3,648.3	905.1	1,467.2	3,588.1	9,608.7
Investments in joint ventures and associates	101.5	12.3	-	-	113.8
Share of profit of joint ventures and associates	22.0	-	-	-	22.0
Investments	672.1	278.6	120.5	-	1,071.3

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## Segment information 2022

<i>(Amounts in NOK million)</i>	Collection	Recycling	Food	Group Functions	Total
Northern Europe	926.6	89.9	60.5		1,077.0
Rest of Europe <sup>1)</sup>	2,530.8	1,342.5	854.5		4,727.8
North America <sup>2)</sup>	1,944.0	360.4	1,482.5		3,786.9
South America	8.7	54.4	279.5		342.6
Asia	101.9	317.9	369.2		789.0
Oceania	679.8	85.0	441.3		1,206.1
Africa		125.9	132.7		258.6
<b>Operating revenues<sup>3)</sup></b>	<b>6,191.8</b>	<b>2,376.0</b>	<b>3,620.2</b>	<b>-</b>	<b>12,188.0</b>
Depreciation and impairment	519.9	84.4	131.6		735.9
Other operating expenses <sup>4)</sup>	4,725.9	1,798.5	3,144.5	158.1	9,827.0
<b>EBITA</b>	<b>946.0</b>	<b>493.1</b>	<b>344.1</b>	<b>(158.1)</b>	<b>1,625.1</b>
- in %	15%	21%	10%		13%
Amortizations	89.5	21.4	64.3		175.2
<b>EBIT (operating profit)</b>	<b>856.5</b>	<b>471.7</b>	<b>279.9</b>	<b>(158.1)</b>	<b>1,449.9</b>
- in %	14%	20%	8%		12%
Assets <sup>5)</sup>	5,885.9	3,395.4	3,554.3	1,096.7	13,932.3
Liabilities	2,411.2	693.9	1,424.5	2,830.9	7,360.5
Investments in joint ventures and associates	76.1	-	-	-	76.1
Share of profit of joint ventures and associates	46.7	-	-	-	46.7
Investments	568.7	104.9	157.8	-	831.4

1) Includes revenues from Germany of NOK 2,189 million in 2023 (NOK 1,869 million in 2022). The Group has no customers which individually contribute 10% or more of the Group's revenues.

2) Includes revenues from USA of NOK 3,423 million in 2023 (NOK 3,244 million in 2022).

3) There is no material segment revenue from transactions between the business segments.

4) There are no significant non-cash expenses.

5) NOK 1,662 million of the assets was located in Norway in 2023 (NOK 1,120 million in 2022) Assets and liabilities are distributed to the different reporting segments. Cash, tax positions, and interest-bearing debt (not including IFRS 16 lease liabilities) are allocated to Group Functions.

## Note 2 Revenues

## ACCOUNTING PRINCIPLE

Revenue is measured based on the consideration specified in the contract with a customer. TOMRA Group recognizes revenue when it transfers control over a product or service to a customer.

The Group comprises four revenue streams and operates on all continents. Payment terms differ both between and within the business streams as well as geographically, and include prepayments, progress payments and credit payments (normally not longer than 90 days).

TOMRA Collection principally generates revenue from the sale or lease of Reverse Vending Machines (RVMs) including installation and sale of service on the RVMs. RVMs and service may be sold separately or in bundled packages.

TOMRA Recycling and TOMRA Food principally generate revenue from sale and installation of sorters and sale of service on the sorters.

## SALES AND INSTALLATION OF RVMs AND SORTERS

Sale of the machine and service may be sold separately or in bundled packages. If the sale of the machine, freight, installation, and service are sold as one contract, the transaction price is allocated to the performance obligation sale of the machine, incl freight and installation. The sale of the service contract is considered a separate performance obligation and the consideration is allocated based on their stand-alone selling prices. Any discounts are allocated between the different performance obligations if they are not specified in the contract.

For the sale and installation of RVMs and Sorters, revenue is recognized when the customer obtains control over the machine. TOMRA's assessment is that the customer obtains control over the RVM/Sorter when it is delivered, and revenue is recognized at that point in time.

For some Recycling and Food projects machines are built to a specific customer order or built only for one specific customer to use. These machines have no alternative use for TOMRA and there is an enforceable right to payment (incl. mark-up) for performance completed to date. The revenue is recognized over time as the performance obligation is satisfied. TOMRA uses an input method by measuring the value to the customer transferred to date. The progress is assessed by reference to work performed and cost incurred relative to expected total production costs.

Contract expenses are recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognized immediately in profit or loss.

## SERVICE REVENUES

TOMRA sells both ad-hoc service and service contracts. For ad-hoc service, revenue is recognized at a point in time when the service is performed. For service contracts, revenue is recognized over the contract period, since it is considered a performance obligation satisfied over time where the customer simultaneously receives and consumes the benefits.

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## THROUGHPUT REVENUES AND LEASE OF RVMS / SORTERS

Leases where TOMRA Group is a lessor is classified as either financial or operational lease.

Lease contracts where TOMRA Group does not transfer substantially all the risks and rewards of the asset are classified as operating leases. Rental income is recognized as revenue on a straight-line basis over the lease term or another systematic basis in the Income statement. For throughput leases, revenue is recognized based on actual throughput every month.

Lease contracts where substantially all the risks and rewards are transferred are classified as finance lease. Revenue is recognized at a point in time when the customer obtains control over the machine along with the accompanying receivable. The cost of the RVM/sorter is derecognized from inventory and recognized as Costs of goods sold.

## MATERIAL RECOVERY

Revenue from material recovery consists of pick-up, transportation and processing of empty beverage containers on the East Coast of the United States and in Canada. Revenue recognized from processing and handling is based on the number of containers collected and processed.

Commodity revenues consist of the sale of collected materials including alumina, plastic, and glass. Commodity revenues are recognized when the materials are sold, and the customer obtains control over the goods.

## FINANCING COMPONENT

Very few contracts are sold with payments terms exceeding one year, and the finance component of these contracts is considered immaterial.

TOMRA has no other material obligations for returns, refunds or similar.

## Disaggregated revenues 2023

In the following table, revenue is disaggregated by category.

<i>(Amounts in NOK million)</i>	Collection	Recycling	Food	Group functions	Total
Sale of RVMS / Sorters	3,507.1	2,503.4	2,589.9		8,600.4
Service revenues	1,552.3	581.3	1,020.1	2.0	3,155.7
Throughput revenues and lease of RVMS / Sorters	1,541.8	20.3	57.7		1,619.8
Material Recovery	1,380.2				1,380.2
<b>Operating revenues</b>	<b>7,981.4</b>	<b>3,105.0</b>	<b>3,667.7</b>	<b>2.0</b>	<b>14,756.1</b>

## Disaggregated revenues 2022

<i>(Amounts in NOK million)</i>	Collection	Recycling	Food	Group functions	Total
Sale of RVMS / Sorters	2,439.2	1,931.3	2,721.1		7,091.6
Service revenues	1,335.5	419.8	846.4		2,601.7
Throughput revenues and lease of RVMS / Sorters	1,225.5	24.9	52.7		1,303.1
Material Recovery	1,191.6				1,191.6
<b>Operating revenues</b>	<b>6,191.8</b>	<b>2,376.0</b>	<b>3,620.2</b>	<b>0.0</b>	<b>12,188.0</b>

## Contract balances

<i>(Amounts in NOK million)</i>	2023	2022
Receivables from sales/contracts	2,840.8	2,548.3
Contract assets	109.1	113.4
Contract liabilities	728.2	819.2

Contract assets are limited and refer mainly to sorting equipment developed and manufactured to order with revenue recognition over time in accordance with the percentage of completion method. The balance shows the Group's right to consideration for work completed but not invoiced at the reporting date. The opening balance is normally transferred to receivables during the year and contract assets are increased by new contracts.

The contract liabilities primarily relate to the advance consideration received from customers for service contracts and sale of sorters where up front payments are common practice. The opening balance is normally transferred to revenues during the year and contract liabilities are increased by new advances from customers.

## TRANSACTION PRICE ALLOCATED TO THE REMAINING PERFORMANCE OBLIGATIONS

The following table includes revenues expected to be recognized in the future related to performance obligations that are not satisfied at the reporting date.

<i>(Amounts in NOK million)</i>	2024	2025	Total
Revenues from sale of Sorters	2,236.8	13.5	2,250.3

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

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**Note 3** Inventory/raw materials and consumables used

## ACCOUNTING PRINCIPLE

## Inventory

The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

## Raw materials and consumables used

<i>(Amounts in NOK million)</i>	2023	2022
Raw materials and consumables used in the production process	6,290.0	5 542.5
Change in inventory	(299.2)	(486.3)
<b>Raw materials and consumables used</b>	<b>5,990.8</b>	<b>5 056.2</b>

Raw materials and consumables used include an adjustment of inventory obsolescence of NOK 50.1 million (2022: NOK 41.9 million).

## Inventory

<i>(Amounts in NOK million)</i>	2023	2022
Raw materials	959.0	911.9
Commodities	1.3	1.6
Work in progress	49.0	100.9
Finished goods	839.9	636.4
Spare parts	819.7	718.9
<b>Total inventory</b>	<b>2,668.9</b>	<b>2,369.7</b>

Inventories are not subject to retention of title clauses.

**Note 4** Employee benefit expenses / remuneration of executive management and the board / auditor's remuneration

## ACCOUNTING PRINCIPLE

Salaries and other personnel expenses represent expenses associated with the remuneration of personnel employed by the Group.

## Employee benefit expenses

<i>(Amounts in NOK million)</i>	2023	2022
Salaries	4,072.8	3,059.2
Social security tax	482.5	372.6
Pension - Defined benefit plan	24.5	17.5
Pension - Defined contribution plan	107.3	87.8
Other labor cost <sup>1</sup>	315.5	307.4
<b>Total employee benefit expenses</b>	<b>5,002.6</b>	<b>3,844.5</b>
<b>Number of man-years</b>	<b>5,184</b>	<b>4,898</b>

1) Other labor cost mainly consist of social expenses, meetings, training, recruiting and similar.

The Norwegian companies within the TOMRA Group use a bank guarantee instead of restricted bank accounts for employee tax deductions.

## Executive Leadership remuneration and Board of Directors' compensation

<i>(Amounts in NOK million)</i>	CEO		Other members of the Executive Leadership Team <sup>1</sup>		Total	
	2023	2022	2023	2022	2023	2022
Salary	5,402	4,843	18,810	18,448	24,212	23,291
Variable salary <sup>2</sup>	6,962	3,351	18,177	8,624	25,139	11,975
Pension Premiums	1,071	1,020	2,110	3,339	3,181	4,359
Other benefits	568	258	9,843	4,587	10,411	4,845
<b>Total</b>	<b>14,003</b>	<b>9,472</b>	<b>48,941</b>	<b>36,891</b>	<b>62,944</b>	<b>46,363</b>

1) Michel Picandet was a member of ELT until May 31, 2023. Stefan Schrahe is a member of ELT from April 1, 2023. Thomas Johansen served as an interim ELT member during the period June 1-September 30, 2023. Marius Fraurud is a member of ELT from October 1, 2023. All calculated pro rata.

2) 2022 figures have been adjusted for comparison purposes.

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## Executive Leadership remuneration and Board of Directors' compensation cont.

(Amounts in NOK million)	2023	2022
Fees to Board of Directors	4,478	4,142

Further information on Remuneration to Executive Leadership and Board members is provided in the Remuneration report 2023, available on TOMRA's website (Annual General Meeting documentation)

## Auditors' remuneration

(Amounts in NOK million)	2023	2022
Statutory audit	20.4	16.0
Other attestation services	0.4	0.7
Tax consulting	5.0	9.9
Other services	10.7	3.5
<b>Total</b>	<b>36.5</b>	<b>30.1</b>

In 2023 TOMRA paid PwC 14.3 MNOK in audit fees, 0.4 MNOK in other attestation services, 0.3 MNOK in tax consulting and 0.7 MNOK for other services.

## Note 5 Financial items

## ACCOUNTING PRINCIPLE

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in the income statement.

## Net financial items

(Amounts in NOK million)	2023	2022
Interest income	11.4	14.8
<b>Total financial income</b>	<b>11.4</b>	<b>14.8</b>
Interest expenses	114.9	34.4
Interest leasing contracts	63.7	38.9
Other financial expenses	31.1	22.1
Foreign exchange loss	9.0	14.7
<b>Total financial expenses</b>	<b>218.7</b>	<b>110.1</b>
<b>Net financial items</b>	<b>(207.3)</b>	<b>(95.3)</b>

## Note 6 Taxes

## ACCOUNTING PRINCIPLE

The tax charge in the income statement includes both taxes payable for the period and the change in deferred taxes. The change in deferred taxes reflects future taxes payable resulting from the year's activities. Deferred taxes are determined based on the accumulated result, which falls due for payment in future periods. Deferred taxes are calculated on net positive timing differences between accounting and tax balance sheet values, after offsetting negative timing differences and losses carried forward under the liability method.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## Tax expense

(Amounts in NOK million)	2023	2022
Taxes payable	411.1	399.7
Tax effect of OCI items	25.5	15.7
Net change in deferred taxes	(199.2)	(81.7)
<b>Tax expense</b>	<b>237.4</b>	<b>333.7</b>

## Effective tax rate

Taxes based upon Norwegian tax rates	217.1	22.0%	308.3	22.0%
Tax effect from deviation between local and Norwegian tax rates	8.2	0.8%	19.1	1.4%
Change in unrecognized deferred tax assets	13.6	1.4%	-	-
Tax effect from permanent differences	(1.6)	(0.2%)	6.3	0.4%
<b>Actual tax expense</b>	<b>237.4</b>	<b>24.1%</b>	<b>333.7</b>	<b>23.8%</b>

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Deferred tax assets and liabilities are presented using the tax rate of the applicable jurisdiction applied to amounts representing future tax deductions or taxes payable and consist of the following as of 31 December.

**Deferred tax assets and liabilities**

<i>(Amounts in NOK million)</i>	Inventory	Other current assets	Intangible non-current assets	Tangible non-current assets	Tax losses carried forward	Other	Total
Balance at 1 January 2023	191.1	67.0	(46.0)	(74.9)	1.7	139.8	278.7
Changes in deferred tax	7.7	29.2	14.7	22.8	90.5	34.4	199.2
Effect of movements in foreign exchange	2.8	1.2	(1.7)	2.8	(1.5)	6.1	9.7
<b>Balance at 31 December 2023</b>	<b>201.5</b>	<b>97.4</b>	<b>(33.0)</b>	<b>(49.3)</b>	<b>90.7</b>	<b>180.3</b>	<b>487.6</b>
Balance at 1 January 2022	157.1	48.6	(53.9)	(51.8)	0.3	95.2	195.5
Changes in deferred tax	31.7	12.8	11.2	(15.7)	1.3	40.4	81.7
Effect of movements in foreign exchange	2.3	5.6	(3.3)	(7.4)	0.0	4.3	1.5
<b>Balance at 31 December 2022</b>	<b>191.1</b>	<b>67.0</b>	<b>(46.0)</b>	<b>(74.9)</b>	<b>1.7</b>	<b>139.8</b>	<b>278.7</b>
Of which presented as deferred tax assets 31 December 2023							541.9
Of which presented as deferred tax liability 31 December 2023							54.3
Of which presented as deferred tax assets 31 December 2022							347.1
Of which presented as deferred tax liability 31 December 2022							68.4

Negative and positive timing differences, which reverse or may reverse in the same period, are offset. Deferred taxes are calculated on the basis of timing differences and losses carried forward that are offset. Timing differences between different subsidiaries have not been offset. During the period that these differences reverse, the companies will have a taxable net income that is sufficient to realize the deferred tax allowance. The losses carried forward are all in countries where future taxable profits are expected.

Unrecognized deferred tax assets as of 31 December 2023 amount to 13.6 MNOK.

Pillar 2 legislation has been enacted in Norway and will be effective for TOMRA's financial year beginning January 1, 2024. The Group is in the process of assessing the full impact but does not expect any material impact on tax expenses for 2024.

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## Note 7 Intangible assets

### ACCOUNTING PRINCIPLE

Intangible assets are stated at cost less accumulated amortization and impairment losses.

#### Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries.

#### Development costs

Development costs comprise mainly salaries to engineers and parts utilized in development projects related to new sorters and reverse vending machines.

#### Other intangibles

Other intangibles comprise patents, customer relationships, and agent network from business combinations.

#### Software

Software consists of investments in ERP and CRM systems.

### Intangible assets

(Amounts in NOK million)	Goodwill	Development costs <sup>1</sup>	Other	Software	Total
<b>Cost</b>					
Balance at 1 January 2023	3,318.0	1,041.9	735.8	849.2	5,944.9
Other acquisitions / internally developed		157.3	30.5	92.7	280.5
Disposals			(20.1)	(5.3)	(25.4)
Effect of movements in foreign exchange	162.1	48.2	34.5	19.3	264.0
<b>Balance at 31 December 2023</b>	<b>3,480.1</b>	<b>1,247.4</b>	<b>780.7</b>	<b>955.8</b>	<b>6,464.0</b>
Balance at 1 January 2022	3,157.9	880.8	704.2	731.9	5,474.8
Other acquisitions / internally developed		156.4	2.1	91.8	250.3
Disposals		(1.0)	(18.9)	(1.2)	(21.1)
Effect of movements in foreign exchange	160.1	5.7	48.4	26.7	240.9
<b>Balance at 31 December 2022</b>	<b>3,318.0</b>	<b>1,041.9</b>	<b>735.8</b>	<b>849.2</b>	<b>5,944.9</b>

(Amounts in NOK million)	Goodwill	Development costs <sup>1</sup>	Other	Software	Total
<b>Amortization and impairment losses</b>					
Balance at 1 January 2023	202.7	723.1	663.9	569.8	2,159.5
Amortization charge for the year <sup>2</sup>		81.0	26.0	83.0	190.0
Impairment losses		17.2			17.2
Disposals			(15.0)	(1.6)	(16.6)
Effect of movements in foreign exchange	4.4	40.5	31.9	8.5	85.3
<b>Balance at 31 December 2023</b>	<b>207.1</b>	<b>861.8</b>	<b>706.8</b>	<b>659.7</b>	<b>2,435.4</b>
Balance at 1 January 2022	189.3	665.6	598.8	473.5	1,927.4
Amortization charge for the year <sup>2</sup>		58.9	38.8	77.4	175.1
Impairment losses			0.2		0.2
Disposals		(1.0)	(14.5)	(0.6)	(16.1)
Effect of movements in foreign exchange	13.4	(0.4)	40.5	19.5	73.0
<b>Balance at 31 December 2022</b>	<b>202.7</b>	<b>723.1</b>	<b>663.9</b>	<b>569.8</b>	<b>2,159.5</b>
Useful life	Indefinite	5-7 yrs	3-20 yrs	3-10 yrs	
<b>Carrying amounts</b>					
31 December 2023	3,273.0	385.6	73.9	296.1	4,028.6
31 December 2022	3,115.3	318.8	71.9	279.4	3,785.4

1) The carrying amount at 31 December 2023 was 42.2 million for TOMRA Recycling, NOK 107.1 million for TOMRA Food and NOK 236.3 million for TOMRA Collection.

2) All amortization plans are linear except for customer relations and technology from the purchase price allocation of BEST that have a declining amortization profile.

### RESEARCH AND DEVELOPMENT EXPENSE

Research and development cost of NOK 537.0 million have been recognized as an expense (2022: NOK 464.4 million) and NOK 157.2 million has been capitalized (2022: NOK 156.4 million).

The research and development cost consist of time and material consumed on R&D projects in addition to an estimated overhead.

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## IMPAIRMENT TESTS FOR CASH GENERATING UNITS CONTAINING GOODWILL

The following units have significant carrying amounts of goodwill (each area may comprise several CGUs, impairment tests are performed at CGU level):

<i>(Amounts in NOK million)</i>	2023	2022
TOMRA Collection		
- Reverse vending	294.4	282.9
- Material recovery	130.5	126.4
TOMRA Recycling	1,754.4	1,653.4
TOMRA Food		
- Processed Food	415.4	391.5
- Fresh Food	678.3	661.1
<b>Total</b>	<b>3,273.0</b>	<b>3,115.3</b>

TOMRA tests goodwill and other intangible assets with indefinite useful life annually or more frequently if there are impairment indicators. As of 31 December 2022, the Group had no intangible assets with indefinite useful life, other than goodwill. The recoverable amount of the cash-generating units (CGUs) is based on value in use calculations. These calculations use cash flow projections based on actual operating results (EBITA) and a five-year business plan including a residual value.

**Significant assumptions**

Based on an overall assessment, TOMRA has identified the following assumptions as most sensitive to the value in use calculations.

**Growth rate**

TOMRA has experienced significant growth for several years, Food, Recycling and the Collection segment have grown revenues organically by on average 10 percent per year over the last 5 years, excluding acquisitions. In prediction of cash flows, management has utilized a conservative approach whereby the growth used in the impairment tests is significantly lower than those experienced historically and those that have been utilized in the strategic plan. The growth in the terminal year is set to be between 1.0 and 2.0 percent in the analysis.

**Operating profit (EBITA)**

The future operating profit is dependent on a number of factors, but primarily volumes/market growth, and operating expenses/cost of production. In the impairment tests, TOMRA has estimated EBITA based on management's experience, expectations of future market development and the implemented cost saving initiatives.

**Discount rates**

The discount rates are based on the Weighted Average Cost of Capital (WACC) formula derived from the CAPM model. The WACC has been calculated individually for each CGU and rates of 8.8 percent to 9.8 percent after tax have been applied for the different CGUs.

**Capital expenditure and capital employed**

Capital employed is generally assumed to develop in line with revenues, and sales prices are in general assumed to be stable, following inflation. Capital expenditure is generally equal to depreciation and amortization in the calculation of terminal value as it is assumed depreciation and amortization equal capital expenditure in the long run.

The exchange rates used reflect the actual exchange rate at the balance sheet date.

Below is a description of the different cash generating units and considerations around the impairment tests.

**TOMRA COLLECTION****Reverse Vending**

The CGU comprises the development, production, sales and service of reverse vending machines and related data management systems in deposit markets mainly in Europa, USA and Australia. The main customer group is food retail chains. With a high market share and significant service business, the business segment represents a steady recurring cashflow, with limited risk, as TOMRA has been the global market leader in this segment for more than 40 years. CGUs are identified on a country-by-country basis. Terminal growth rate is assumed to be 1.5 percent, and a WACC of 8.8 percent has been utilized.

**Material Recovery**

The CGU comprises the pick-up, transportation and processing of empty beverage containers on behalf of beverage producers/fillers on the US East Coast and in Canada. The activity in the business area mirrors the drinking consumption in the US deposit states, which is usually stable year over year. TOMRA is the market leader in this business area in regions where it is present, and has been so for over 20 years. CGUs are identified on a country-by-country basis. Terminal growth rate is assumed to be 1.0 percent, and a WACC of 8.8 percent has been utilized.

**TOMRA FOOD**

The business segment comprises the development, production, sale and service of sorting and processing technology for different customer segments. TOMRA Food consist of two CGUs, one for TOMRA Processed Food and one for TOMRA Fresh Food. From 2024 onwards these two CGUs will be merged into one CGU TOMRA Food as a result of restructuring and cross utilization of technologies.

In the food segment, the customers are the fresh and processed food industries. TOMRA is the global market leader in sorting mid-sized objects. With main customers being food producing companies, the cyclicity in the business area is low, due to the global dependency on a steady stream of food. Recurring revenue is however low, as the installed base is rather new (less replacement sales) and service only accounts for a smaller fraction of revenues. As part of a restructuring in 2023 a new operation model has been established based on a regional structure, with effect from 1 January 2024. Within these regions, our existing TOMRA Processed Food & TOMRA Fresh Food customer-facing functions will become one Food team, creating a more responsive and agile organization. Innovation, Product Development, Product Management, Digital and Supply Chain & Operations are united under one leadership to boost operational efficiency and innovation speed to market. The medium to long term outlook remains positive as access to labor, higher labor costs and increased quality and safety requirements are driving the need to automate food processing.

A terminal growth of 2.0 percent and a WACC of 9.3 percent has been used for TOMRA Processed Food. For TOMRA Fresh Food a WACC of 9.8 percent has been applied and a terminal growth of 2.0 percent.

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The business segment comprises the development, production, sale and service of sorting and processing technology for customers in the recycling and ore sorting industry.

In the recycling business, the customers are waste management companies or plant builders operating on behalf of them, where TOMRA provides sorting systems for waste and metal material streams. TOMRA is the global market leader in the business stream and has been so for more than 10 years. The market activity in Recycling is normalizing after extraordinary high growth in 2022 and 2023. For 2024 and onwards revenue growth is expected to be at more modest levels. The demand for circular solutions, driven by consumer expectations, regulatory requirements, and sustainability commitments from the industry, will continue to create opportunities. The business segment experiences some cyclicity due to fluctuations in material prices.

In the ore sorting business, the customers are mining companies, where TOMRA provides ore sorting systems. Current penetration in the mining industry is more limited, but with significant potential, as the acceptance of optical sorting solutions is increasing within the industry.

TOMRA Recycling consist of one CGU. A terminal growth of 1.0 percent and a WACC of 9.3 percent has been applied for TOMRA Recycling.

**Sensitivity analysis**

In connection with the impairment testing of CGU's containing goodwill, a sensitivity analysis has been performed. A reasonably possible change in key assumptions on which management has based its determination of the unit's recoverable amount would not cause the unit's carrying amount to exceed its recoverable amount.

Neither an interest rate increase of 2 percentage points, nor a reduction in forecasted cashflow of 10 percent would trigger a write-down of goodwill.

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**Note 8 Property, plant and equipment****ACCOUNTING PRINCIPLE**

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

**Property, plant and equipment***(Amounts in NOK million)*

	Land & Buildings <sup>1</sup>	Machinery & Fixtures	Vehicles	Leasing Equipment	Assets in Progress	Total
<b>Cost</b>						
Balance at 1 January 2023	608.6	1,553.7	293.5	1,482.2	0.0	3,938.0
Other acquisitions	35.8	186.8	28.4	281.6	258.2	790.8
Disposals <sup>3</sup>	(2.8)	(111.2)	(16.4)	(98.4)	(0.3)	(229.1)
Effect of movements in foreign exchange	30.1	61.5	10.0	73.8	(5.0)	170.4
<b>Balance at 31 December 2023</b>	<b>671.7</b>	<b>1,690.8</b>	<b>315.5</b>	<b>1,739.2</b>	<b>252.9</b>	<b>4,670.1</b>
<b>Balance at 31 December 2022</b>						
Balance at 1 January 2022	520.4	1,319.5	252.5	1,175.2		3,267.6
Other acquisitions	55.8	225.7	18.1	269.2		568.8
Disposals <sup>3</sup>	(2.6)	(80.2)	(5.5)	(79.9)		(168.2)
Effect of movements in foreign exchange	35.0	88.7	28.4	117.7		269.8
<b>Balance at 31 December 2022</b>	<b>608.6</b>	<b>1,553.7</b>	<b>293.5</b>	<b>1,482.2</b>	<b>0.0</b>	<b>3,938.0</b>
<b>Depreciation and impairment losses</b>						
Balance at 1 January 2023	318.0	980.8	196.8	1,003.6		2,499.2
Depreciation charge for the year <sup>2</sup>	47.2	176.2	30.0	219.8		473.2
Disposals <sup>3</sup>	(3.1)	(90.3)	(13.8)	(73.5)		(180.7)
Effect of movements in foreign exchange	16.5	39.9	6.3	39.7		102.4
<b>Balance at 31 December 2023</b>	<b>378.6</b>	<b>1,106.6</b>	<b>219.3</b>	<b>1,189.6</b>		<b>2,894.1</b>
<b>Balance at 31 December 2022</b>						
Balance at 1 January 2022	262.4	813.5	155.0	782.3		2,013.2
Depreciation charge for the year <sup>2</sup>	39.6	145.7	27.0	211.4		423.7
Impairment losses	-	-	-	0.2		0.2
Disposals <sup>3</sup>	(2.6)	(36.4)	(3.5)	(58.4)		(100.9)
Effect of movements in foreign exchange	18.6	58.0	18.3	68.0		162.9
<b>Balance at 31 December 2022</b>	<b>318.0</b>	<b>980.8</b>	<b>196.8</b>	<b>1,003.6</b>		<b>2,499.2</b>
<b>Useful life</b>						
	50 yrs	10 yrs	7 yrs	5-10 yrs		
<b>Carrying amounts</b>						
31 December 2023	293.1	584.2	96.2	549.6	252.9	1,776.0
31 December 2022	290.6	572.9	96.7	478.6	0.0	1,438.8

1) Including land of NOK 40.5 million as of 31 December 2023.

2) All depreciation plans are linear.

3) Disposals includes machines either sold, scrapped or transferred to inventory.

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## LEASING EQUIPMENT

The companies within TOMRA Group had 5,962 reverse vending machines and 132 sorters leased to customers at the end of 2023.

The table below shows the minimum leasing income from today's lease portfolio. In addition to this income, TOMRA will receive income from material handling, service contracts etc.

## Minimum lease income from operating leasing equipment

	2023	2022
Less than 1 year	139.8	139.9
1-2 years	113.8	106.1
2-3 years	84.7	77.6
3-4 years	57.1	48.6
4-5 years	30.0	29.7
Over 5 years	19.5	7.0

Income from RVMs in Australia, Estonia and Lithuania is not included, as payments are variable (throughput revenues).

## Note 9 Leasing

## ACCOUNTING PRINCIPLE

## Short-term leases and leases of low-value assets

TOMRA Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets such as coffee machines, laptops and small items of office furniture. For identifying items of low value, USD 5,000 has been used as a starting point. TOMRA Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The TOMRA Group mainly leases properties, land and cars. Rental contracts are typically made for fixed periods of 1 to 15 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. For lease of vehicles TOMRA have used the practical expedient to not separate non-lease components like service of the vehicles from lease components.

The lease discounting rates are based on interest rate swap rates at year end for 3, 5, 7 and 10 years for all currencies.

## Right of Use assets

(Amounts in NOK million)	Land & Buildings	Vehicles	Machinery & fixtures	Total
<b>Cost</b>				
Balance at 1 January 2023	1,575.2	431.7	4.1	2,011.0
Additions during the year	330.2	266.9	(0.2)	596.9
Lease contracts terminated	(124.7)	(127.9)	(3.5)	(256.1)
Effect of movement in foreign exchange	61.9	20.1	0.4	82.4
<b>Balance 31 December 2023</b>	<b>1,842.6</b>	<b>590.8</b>	<b>0.8</b>	<b>2,434.2</b>
Balance at 1 January 2022	1,167.9	352.6	6.3	1,526.8
Additions during the year	403.6	175.0	-	578.6
Lease contracts terminated	(63.0)	(123.9)	(2.5)	(189.4)
Effect of movement in foreign exchange	66.7	28.0	0.3	95.0
<b>Balance 31 December 2022</b>	<b>1,575.2</b>	<b>431.7</b>	<b>4.1</b>	<b>2,011.0</b>

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## Right of Use assets cont.

(Amounts in NOK million)	Land & Buildings	Vehicles	Machinery & fixtures	Total
<b>Depreciation and impairment losses</b>				
Balance at 1 January 2023	591.3	184.5	2.9	778.7
Depreciation charge for the year	221.1	146.0	0.7	367.8
Lease contracts terminated	(116.7)	(122.7)	(3.4)	(242.8)
Impairment losses	61.6	-	-	61.6
Effect of movement in foreign exchange	23.0	9.4	0.3	32.7
<b>Balance 31 December 2023</b>	<b>780.3</b>	<b>217.2</b>	<b>0.5</b>	<b>998.0</b>
Balance at 1 January 2022	410.8	169.0	4.1	583.9
Depreciation charge for the year	203.0	107.9	1.1	312.0
Lease contracts terminated	(47.4)	(106.6)	(2.5)	(156.5)
Effect of movement in foreign exchange	24.9	14.2	0.2	39.3
<b>Balance 31 December 2022</b>	<b>591.3</b>	<b>184.5</b>	<b>2.9</b>	<b>778.7</b>
<b>Carrying amounts</b>				
Balance 31 December 2023	1,062.3	373.6	0.3	1,436.2
Balance 31 December 2022	983.9	247.2	1.2	1,232.3

## Lease liability

(Amounts in NOK million)	2023	2022
Balance at 1 January	1,297.0	1,015.2
New lease contracts	578.6	566.3
Lease contracts terminated	(9.1)	(36.0)
Lease payments	(407.3)	(332.0)
Interest expense	61.8	38.9
Effect of movement in foreign exchange	47.0	44.6
<b>Balance at 31 December</b>	<b>1,568.0</b>	<b>1,297.0</b>

## Maturity analysis

(Amounts in NOK million)	2023	2022
Less than 6 months	204.4	129.0
6-12 months	181.8	157.9
1-2 years	294.3	232.2
2-3 years	263.7	189.9
3-4 years	175.6	159.3
4-5 years	120.7	114.2
Over 5 years	327.5	314.5
<b>Total lease liabilities at 31 December</b>	<b>1,568.0</b>	<b>1,297.0</b>

See [note 19](#) for maturity analysis of undiscounted values of lease liability. The Group has no material lease contracts not yet commenced.

## Lease restoration provision

(Amounts in NOK million)	2023
Balance at 1 January	31.6
New lease contracts	18.2
Lease contracts terminated	(8.5)
Interest expense	1.9
Effect of movement in foreign exchange	1.1
<b>Balance 31 December 2023<sup>1</sup></b>	<b>44.3</b>

<sup>1)</sup> Lease restoration provision due more than one year after the balance sheet date is classified as other long term liability in the balance sheet statement. The short term part is included in other short term liabilities.

## Amounts recognized in the Income Statement

(Amounts in NOK million)	2023	2022
<b>Lease expenses</b>		
Expenses relating to short-term leases	11.8	9.6
Expenses relating to leases of low-value assets	2.3	0.8
<b>Depreciation of right-of-use assets</b>	<b>367.8</b>	<b>312.0</b>
<b>Impairment of right-of-use assets</b>	<b>61.6</b>	<b>-</b>
<b>Interest expense on lease liabilities</b>	<b>63.7</b>	<b>38.9</b>

## GROUP AS LESSOR

See [note 8](#) for more information about machines where TOMRA is a lessor.

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## Note 10 Investments in joint ventures and associates

### ACCOUNTING PRINCIPLE

When the Group's share of losses equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

An investment in a joint venture or an associate is impaired if circumstances exist which necessitate a lower valuation and which cannot be regarded as of a temporary nature.

### Investments in joint ventures and associates

(Amounts in NOK million)	TOMRA Cleanaway Pty Ltd.	TOMRA Cleanaway (VIC) Pty Ltd.	TOMRA Japan Ltd.	Other	Total
<b>2023</b>					
Balance 1 January 2023	37.4	-	32.7	6.0	76.1
Share of profit for the year	2.0	(1.9)	19.2	2.7	22.0
Acquisition	-	-	-	12.4	12.4
Capital infusion	-	15.6	-	-	15.6
Dividend	-	-	(6.0)	(5.3)	(11.3)
Currency translation difference	1.2	(0.3)	(1.8)	(0.1)	(1.0)
<b>Balance 31 December 2023</b>	<b>40.6</b>	<b>13.4</b>	<b>44.1</b>	<b>15.7</b>	<b>113.8</b>
<b>2022</b>					
Balance 1 January 2022	24.9	-	-	4.9	29.8
Share of profit for the year	11.3	-	32.5	2.9	46.7
Capital infusion	-	-	-	3.0	3.0
Dividend	-	-	-	(4.7)	(4.7)
Currency translation difference	1.2	-	0.2	(0.1)	1.3
<b>Balance 31 December 2022</b>	<b>37.4</b>	<b>-</b>	<b>32.7</b>	<b>6.0</b>	<b>76.1</b>
Equity at date of acquisition	0.0	0.0	0.0		
Country	Australia	Australia	Japan		
Year of acquisition	2017	2023	2008		
Vote and share ownership	50%	50%	50%		

Summary financial information for associates on 100% basis:

(Amounts in NOK million)	TOMRA Cleanaway Pty Ltd.	TOMRA Cleanaway (VIC) Pty Ltd.	TOMRA Japan Ltd.	Other	Total
<b>2023</b>					
Assets	308.8	28.7	219.8	46.1	603.3
Liabilities	227.6	1.9	131.6	7.9	368.9
Equity	81.2	26.8	88.3	38.2	234.4
Revenues	1,647.3	42.3	218.6	74.5	1,982.7
Profit/(loss)	4.1	(3.5)	38.5	7.5	46.6
<b>2022</b>					
Assets	281.0	-	203.3	32.3	516.6
Liabilities	206.2	-	137.9	2.1	346.2
Equity	74.8	-	65.4	30.2	170.4
Revenues	1,376.7	-	186.2	53.7	1,616.6
Profit/(loss)	22.6	-	45.1	6.1	73.8

## Note 11 Long term receivables

### ACCOUNTING PRINCIPLE

Receivables with due dates more than one year after the balance date are reported as non-current assets.

### Long term receivables

(Amounts in NOK million)	2023	2022
Deposits	15.0	18.5
Finance lease receivables <sup>1</sup>	175.0	170.0
Loans to employees	1.4	1.5
Investment related to SERP <sup>2</sup>	158.4	126.3
Other long term receivables	116.9	54.5
<b>Total receivables</b>	<b>466.7</b>	<b>370.8</b>

1) Finance lease receivables relate to machines leased to customers on finance lease contracts (mainly RVMs in USA and Canada).

2) See note 17 for more information about SERP (Supplemental executive retirement plan).

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**Note 12 Short term receivables****Short-term receivables***(Amounts in NOK million)*

	2023	2022
Trade receivables from sales contracts, gross	2,956.4	2,635.7
Other trade receivables	236.6	209.0
Other short-term receivables	981.9	689.0
Provision for bad debt	(115.6)	(87.3)
<b>Total receivables</b>	<b>4,059.3</b>	<b>3,446.4</b>
Provision for bad debt per 1 January	87.3	82.0
Provisions made during the year	54.3	22.0
Provisions used during the year	(28.1)	(21.3)
Effect of movement in foreign exchange	2.1	4.6
<b>Provision for bad debt per 31 December</b>	<b>115.6</b>	<b>87.3</b>

Bad debt written-off and changes in provision for bad debt is reported as other operating expenses.

Trade receivables fall due:

<i>(Amounts in NOK million)</i>	2023			
	Allowance in %	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
Not due yet	0%	2,320.5	7.1	2,313.4
1 - 30 days	0%	435.5	1.1	434.4
31 - 60 days	4%	124.7	5.4	119.3
61 - 90 days	19%	55.0	10.6	44.4
Older than 90 days	36%	257.3	91.4	165.9
<b>Total trade receivables</b>	<b>4%</b>	<b>3,193.0</b>	<b>115.6</b>	<b>3,077.4</b>

<i>(Amounts in NOK million)</i>	2022			
	Allowance in %	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
Not due yet	0%	2,161.9	6.9	2,155.0
1 - 30 days	0%	345.0	0.7	344.3
31 - 60 days	2%	97.3	2.0	95.3
61 - 90 days	16%	42.4	6.8	35.6
Older than 90 days	36%	198.1	70.9	127.2
<b>Total trade receivables</b>	<b>3%</b>	<b>2,844.7</b>	<b>87.3</b>	<b>2,757.4</b>

TOMRA Group uses an allowance matrix taking into consideration historical provision, current and forward-looking estimates that reflect current and forecast credit conditions.

For further information about credit risk, see [note 19](#).**Note 13 Cash and cash equivalents****ACCOUNTING PRINCIPLE**

Cash and cash equivalents include cash in hand, bank deposits, money market funds, and other short-term investments with original maturity of three months or less.

**Cash and cash equivalents***(Amounts in NOK million)*

	2023	2022
Cash and cash equivalents <sup>1</sup>	1,168.0	749.6
<b>Total cash and cash equivalents</b>	<b>1,168.0</b>	<b>749.6</b>

<sup>1)</sup> Includes restricted bank deposits totaling 71.2 million (2022: 10.2 million) for the Group.

TOMRA Systems ASA and its fully owned subsidiaries participate in an international multi-currency cash-pool, and zero-balancing cash pools for AUD, CAD, NZD, SGD and USD. Subsidiaries deposit and withdraw funds through the cash pool agreements as an intra-group receivable/payable against TOMRA Systems ASA, and the transactions are classified as such in the financial statements.

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**Note 14 Equity/earnings per share****Earnings per share**

	2023	2022 <sup>1</sup>
Average number of shares	296,040,156	296,040,156
Average number of shares, adjusted for own shares	295,423,791	295,240,156
Average number of shares, adjusted for own shares, fully diluted	295,423,791	295,240,156
Total equity attributable to the owners of the company 31 December (MNOK)	6,638.2	6,379.8
Equity per share (NOK)	22.46	21.61
Net profit attributable to the owners of the company (MNOK)	697.1	1,028.8
Earnings per share (NOK)	2.36	3.48
Earnings per share, fully diluted (NOK)	2.36	3.48

1) A share split of 1:2 has been executed with effect from 27 May 2022. Following completion of the share split, the new number of issued underlying shares of TOMRA Systems ASA was 296,040,156, each with a par value of NOK 0.50 per share (before the split NOK 1.00 per share). The calculation of basic and diluted earnings per share for 2022 have been adjusted retrospectively.

**PURCHASE OF OWN SHARES**

In 2023 TOMRA was granted authority to acquire treasury shares at the annual general meeting 27 April 2023, limited to a total of 1,000,000 shares. TOMRA did not utilize this proxy in 2023, and owns a total of 513,815 own shares 31 December 2023, representing 0.17 % of TOMRA's share capital.

In 2022 TOMRA was granted authority to acquire treasury shares at the annual general meeting 28 April 2022, limited to a total of 500,000 shares i.e. 1,000,000 shares after the split 27 May 2022. The buy back program of 531,432 own shares was initiated on 9 August 2022 and completed on 17 August 2022. The average value of the shares was 240.73 and the total transaction value was NOK 127.9 million.

**Dividends**

After the balance sheet date the following dividends were proposed by the directors:

(Amounts in NOK million)	2023	2022
NOK 1.95 in ordinary dividend per share (2022: NOK 1.80 in ordinary dividend)	576.3	531.4

The dividend has not yet been provided for and there are no income tax consequences.

**Share purchase program**

Reference is made to [note 16](#).

**Note 15 Shareholders**

The amounts shown are based upon information from Verdipapirsentralen (VPS) and IPREO. On nominee accounts, information regarding beneficial ownership has been collected and presented where possible.

**Largest shareholders registered at 31 December 2023**

	Number of shares	Ownership
1 Investment AB Latour	62,400,000	21.08%
2 APG Asset Management	21,986,527	7.43%
3 Folketrygdfondet	15,165,186	5.12%
4 KIRKBI Invest A/S	14,833,232	5.01%
5 Candriam	9,868,000	3.33%
6 Vanguard	8,897,356	3.01%
7 Nordea Funds	7,329,116	2.48%
8 Storebrand Asset Management AS	5,946,248	2.01%
9 DNB Asset Management AS	5,476,163	1.85%
10 AllianceBernstein	5,078,795	1.72%
11 KLP Kapitalforvaltning AS	4,400,038	1.49%
12 BlackRock	3,836,461	1.30%
13 Raiffeisen Kapitalanlage	3,822,037	1.29%
14 Swedbank Robur Fonder	3,696,275	1.25%
15 Cliens Kapitalförvaltning AB	3,234,000	1.09%
16 Handelsbanken Fonder	3,152,375	1.06%
17 Impax Asset Management	2,325,575	0.79%
18 Danske Invest Asset Management AS	2,099,268	0.71%
19 Credit Suisse Asset Management	1,917,641	0.65%
20 Goldman Sachs Asset Management	1,897,910	0.64%
<b>Total 20 largest shareholders</b>	<b>187,362,203</b>	<b>63.29%</b>
Other shareholders	108,677,953	36.71%
<b>Total (13,484 shareholders)</b>	<b>296,040,156</b>	<b>100.00%</b>
Shares owned by Norwegian residents	46,415,097	15.68%
Shares owned by others	249,625,059	84.32%
<b>Total</b>	<b>296,040,156</b>	<b>100.00%</b>

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## Note 16 Share-based payments

### Share Purchase Program

In 2008 TOMRA established a share purchase program for permanent employees. In this program, TOMRA invites employees to buy shares in TOMRA at market price and receive one bonus share per five shares invested, provided the shares are kept for at least one year and the employee is still employed by TOMRA. The employee can buy shares up to a maximum of 30 percent of his/her gross salary. The share purchase program uses treasury shares acquired by TOMRA as authorized by the Annual General Meeting. The shares are purchased on the Oslo Stock Exchange.

### Share purchase program

<i>(Amounts in NOK million)</i>	2023	2022
Number of shares purchased by employees	233,438	272,370
Share price (closing market share price, the day before the allotment date)	170,80	171,00
Number of bonus shares, distributed one year after investment	52,747	38,830
Total expenses recognized	4.4 million	4.3 million

The Share Purchase program was executed on the 12 May 2023 with 233,438 shares and 52,747 bonus shares at price 170.80 NOK per share. After these transactions TOMRA owns 513,815 shares at an average share purchase price of 240.73 NOK per share.

## Note 17 Pension and pension obligations

### ACCOUNTING PRINCIPLE

#### Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as employee benefit expenses in profit or loss as the related service is provided.

#### Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. TOMRA Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

## Total Pension costs and pension liability for TOMRA Group

	2023	2022
Employee benefit expenses defined benefit plan	24.5	17.5
Employee benefit expenses defined contribution plan	107.3	87.8
<b>Total employee benefit expenses</b>	<b>131.8</b>	<b>105.3</b>
Norwegian plans	4.8	(1.6)
Belgian plans	(3.1)	6.0
Taxes	(0.4)	(1.0)
<b>Net pension costs in Other Comprehensive Income</b>	<b>1.3</b>	<b>3.4</b>
Norwegian plans	28.7	37.7
US plans	217.1	188.9
Belgian plans	7.5	9.3
<b>Total Pension liability</b>	<b>253.3</b>	<b>235.9</b>

### THE METRO PLAN

Tomra North America participates in a multi-employer pension plan, the "Metro-plan". The plan is a Defined Benefit plan (DB) under IAS 19. As there was limited financial information available for the plan, TOMRA applied Defined Contribution plan (DC) accounting for the plan up until 31 December 2012. In 2013 the Metro-plan was restructured, and the fund provided TOMRA with information about TOMRA's net liabilities under the plan. TOMRA entered into an agreement with the fund to settle the underfunding in the plan through annual payments of USD 0.2 million per year over 25 years period. Consequently, a net pension liability of USD 3.5 million (net present value) was recognized in other comprehensive income as a change in estimate in 2013. The agreement with the fund also included a re-entry into the restructured DB-plan based on direct attribution, where TOMRA is responsible for funding of liabilities directly attributable to TOMRA employees only. The Metro plan comprises 43 TOMRA employees, and the premium paid under this plan was 2.9 MNOK (2022: 2.5 MNOK).

In December 2021, TOMRA entered into a similar direct attribution plan in Massachusetts. The plan comprises 12 TOMRA employees and the premium paid was 0.6 MNOK (2022: 0.6 MNOK).

### SERP

Tomra North America Inc offers in addition to a regular 401 (k) plan, a non-qualified, defined contribution, Supplemental Executive Retirement Plan (SERP) for selected executives only. The company contribution to this Plan is contingent on the eligible executive also making a minimum elective contribution to the Plan, and is limited up to certain thresholds. The SERP is fully financed with corporate-owned life insurance and comprises 17 executives. The plan is reflected gross in the balance sheet, with NOK 158.4 million recorded as long term receivables (ref disclosure note 11), and a corresponding figure under pension liabilities.

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## NORWAY

TOMRA has one defined benefit plan which is structured as a retirement net agreement in that it guarantees a supplement to the State benefits. There have not been any agreements for compensation of reductions in State benefits. The plan gives a right to defined future benefits (defined benefit plan). The benefit is mainly dependent upon years within the plan, salary at date of retirement and compensation from the State. The obligations are covered through Storebrand insurance company. The plan should ensure that the employees would get a pension of about 65 percent of salary, if they had full contribution time, limited upwards to 12G. The plan was closed in 2007, and all new employees after that have been included in the defined contribution plan. The plan included 59 employees and 65 retirees at year-end 2023. TOMRA's best estimate of contributions expected to be paid into the plan for 2023 is NOK 15.0 million.

## Note 18 Interest-bearing liabilities

## ACCOUNTING PRINCIPLE

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the profit or loss over the period of the borrowings on an effective interest basis.

## Interest bearing liabilities

(Amounts in NOK million)	2023	2022 <sup>1</sup>
<b>Non-current liabilities</b>		
Bonds long term <sup>2</sup>	1,000.0	1,600.0
Unsecured bank loans <sup>3</sup>	1,242.3	591.5
Other long term loans <sup>4</sup>	335.0	-
<b>Total non-current interest-bearing liabilities</b>	<b>2,577.3</b>	<b>2,191.5</b>
<b>Current liabilities</b>		
Bonds short term <sup>2</sup>	600.0	-
Other long terms loans <sup>4</sup>	9.4	-
<b>Total current interest-bearing liabilities</b>	<b>609.4</b>	-

- 2022 figures have been adjusted for comparison purposes including a reclassification from other long-term liabilities to interest bearing liabilities for an amount of 18.0 MNOK.
- TOMRA has a NOK 600 million senior unsecured bond, with a coupon of 3 months NIBOR + 0,75 % that matures in November 2024. In November 2022 TOMRA issued two new green bonds, one tranche of NOK 500 million with 3 months NIBOR + 1,42 % that matures in November 2025, and a second tranche of NOK 500 million with 3 months NIBOR + 1,67 % that matures in November 2027. The bonds meet the requirements set by Nordic Trustee and are listed on the Oslo Stock Exchange. The loans have floating interest and negative pledge commitments.
- TOMRA Systems ASA has an EUR 150 million revolving credit facility established in December 2020 with tenor 3+1+1 years. The facility was extended with two years and final maturity is December 2025. NOK 1 218 million was drawn on as of 31 December 2023. Optional Currencies are NOK, EUR, USD and GBP. Interest is payable at a rate of IBOR and a margin for loans in NOK and EUR. For loans in USD interest is payable at a rate of SOFR, a credit adjustment spread and a margin, and for loans in GBP interest is payable at a rate of SONIA, a credit adjustment spread and a margin. The margin is dependent on TOMRA's NIBD/EBITDA ratio. The loan agreement is conditional upon an equity covenant of at least 30 percent of total assets, measured at the end of each quarter. TOMRA is in compliance with the covenants as of 31 December 2023.
- TOMRA Systems ASA established in November 2023 a credit line of MEUR 40 funded by Eksportfinansiering Norge. The credit line is guaranteed jointly by Eksportfinansiering Norge and DNB. The financing proposed is offered as a committed credit line, which comes into effect on the basis of signed export contracts. Availability of drawings under the credit Line is two years from signing. Tenor is proposed up to 6 years for each loan tranche with first repayment to take place no later than 6 months after the starting point of credit. NOK 344 million was drawn as of 31 December 2023. Interest is payable at CIRR (Commercial Interest Reference Rate) and a margin. The margin is dependent on TOMRA's NIBD/EBITDA ratio. The loan agreement is conditional upon an equity covenant of at least 30 percent of total assets, measured at the end of each quarter. TOMRA is in compliance with the covenants as of 31 December 2023.

For further information about interest bearing liabilities related to leases, see [note 9](#).

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## Reconciliation of changes in liabilities arising from financing activities

<i>(Amounts in NOK million)</i>	Interest-bearing liabilities	Lease liabilities	Total
<b>Liabilities 31 December 2022</b>	<b>2,191.5</b>	<b>1,297.0</b>	<b>3,488.5</b>
Net proceeds of Revolving Credit Facility	651.2		651.2
Proceeds from issuance of interest-bearing debt	344.4		344.4
Repayment of long term debt	(1.5)		(1.5)
Installments on lease liabilities		(345.5)	(345.5)
Lease interest		(61.8)	(61.8)
Interest paid	(130.9)		(130.9)
<b>Transactions with cash effect</b>	<b>863.2</b>	<b>(407.3)</b>	<b>455.9</b>
Exchange rate fluctuations	1.1	47.0	48.0
New lease contracts		578.6	578.6
Lease contracts terminated		(9.1)	(9.1)
Lease interest		61.8	61.8
Interest expense	114.9		114.9
Change in interest accrued	16.0		16.0
<b>Transactions without cash effect</b>	<b>132.0</b>	<b>678.3</b>	<b>810.2</b>
<b>Liabilities 31 December 2023</b>	<b>3,186.7</b>	<b>1,568.0</b>	<b>4,754.6</b>
<i>Total liabilities consist of:</i>			
Interest-bearing liabilities non-current	2,577.3		
Interest-bearing liabilities current	609.4		
Long-term lease liabilities		1,181.8	
Short-term lease liabilities		386.2	
<b>Total liabilities 31 December 2023</b>	<b>3,186.7</b>	<b>1,568.0</b>	

<i>(Amounts in NOK million)</i>	Interest-bearing liabilities	Lease liabilities	Total
<b>Liabilities 31 December 2021</b>	<b>1,021.0</b>	<b>1,015.2</b>	<b>2,036.2</b>
Net proceeds of Revolving Credit Facility	567.0		567.0
Proceeds from issuance of long term debt	1,030.7		1,030.7
Net repayment of short-term loans	(403.0)		(403.0)
Installments on lease liabilities		(293.1)	(293.1)
Lease interest		(38.9)	(38.9)
Interest paid	(34.4)		(34.4)
<b>Transactions with cash effect</b>	<b>1,160.3</b>	<b>(332.0)</b>	<b>828.3</b>
Exchange rate fluctuations	3.5	44.6	48.1
New lease contracts		566.3	566.3
Lease contracts terminated		(36.0)	(36.0)
Other transactions without cash effect	(27.7)		(27.7)
Lease interest		38.9	38.9
Interest accrued	34.4		34.4
<b>Transactions without cash effect</b>	<b>10.2</b>	<b>613.8</b>	<b>624.0</b>
Liabilities 31 December 2022	2,191.5	1,297.0	3,488.5
<i>Total liabilities consist of:</i>			
Interest-bearing liabilities non-current	2,191.5		
Interest-bearing liabilities current			
Long-term lease liabilities		1,010.1	
Short-term lease liabilities		286.9	
<b>Total liabilities 31 December 2022</b>	<b>2,191.5</b>	<b>1,297.0</b>	

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## Note 19 Financial instruments

### Financial risk

TOMRA Group operates globally and is exposed to financial risks such as foreign currency risk, interest rate risk, credit risk, and liquidity risk. Responsibility for managing financial risk in TOMRA Group is split between the business divisions which manage risk related to business processes, and Group Treasury department and Group CFO which manage risk related to funding, cash management and financial risk management.

### Overview of financial assets and liabilities - carrying and fair values:

For amortized cost assets and liabilities carrying value are assumed to be a reasonable approximation to fair value. Fair value of the derivative financial instruments are based on level 2 inputs according to the fair value hierarchy in IFRS 13.

### Financial assets

	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>(Amounts in NOK million)</i>				
<b>Measured at amortized cost:</b>				
Long term receivables	466.7	466.7	370.8	370.8
Receivables	3,077.4	3,077.4	2,757.4	2,757.4
Cash and cash equivalents	1,168.0	1,168.0	749.6	749.6
<b>Measured at Fair Value through Profit or Loss:</b>				
Forward exchange contracts	33.2	33.2	1.9	1.9
<b>Total</b>	<b>4,745.3</b>	<b>4,745.3</b>	<b>3,879.7</b>	<b>3,879.7</b>

### Financial liabilities

	2023		2022 <sup>2</sup>	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>(Amounts in NOK million)</i>				
<b>Measured at amortized cost</b>				
Payables	825.8	825.8	656.8	656.8
Other current liabilities	436.7	436.7	77.3	77.3
Lease liabilities	1,568.0	1,568.0	1,297.0	1,297.0
Other non-current liabilities	91.2	91.2	331.6	331.6
Senior unsecured bonds	1,600.0	1,600.0	1,600.0	1,600.0
Other long term loans	344.4	344.4		
Unsecured bank facilities	1,242.3	1,242.3	591.5	591.5
<b>Measured at Fair Value through Profit or Loss:</b>				
Forward exchange contracts	14.5	14.5	1.8	1.8
<b>Measured at Fair Value through OCI:</b>				
Cross Currency Interest Rate Swaps <sup>1</sup>	157.0	161.6	66.9	47.7
<b>Total</b>	<b>6,279.9</b>	<b>6,284.5</b>	<b>4,604.9</b>	<b>4,585.7</b>

1) The swaps are designated as hedge instrument of net investment in European subsidiaries  
2) 2022 figures have been adjusted for comparison purposes.

### FOREIGN CURRENCY RISK

#### Transaction risk and translation risk from monetary items

Foreign currency risk arises from transactions denominated in foreign currencies and net investment in foreign operations. TOMRA Group is exposed to changes in the value of NOK relative to other currencies, as NOK is the presentation currency of the Group. With most transactions being in foreign currencies, predominantly EUR and USD, a strengthening of NOK will lead to reduced earnings for the Group when measured in NOK. In accordance with the financial strategy, TOMRA Group can hedge balance sheet items and expected future net cash flow up to 12 months. In addition to derivatives that are designated and qualify for hedge accounting, the Group also holds certain derivatives as economic hedges. TOMRA primarily uses forward contracts as economic hedges to hedge future cash flow and balance sheet items. Some entities also have derivatives that is held for the purpose of hedging future sales and purchase transactions, but the volume of these derivatives is limited. Net foreign exchange gains and losses in the financial statements are most sensitive to changes in the NOK/USD exchange rate, where a strengthening of NOK of 5% would decrease reported profit after tax with approximately NOK 52 million. Changes of 5% in other exchange rates would only have immaterial effects on profit after tax.

Fair value of the forward exchange contracts are disclosed in the table above, and information about net recognised foreign exchange gains and losses is disclosed in [note 5](#).

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**Derivative instruments designated as net investment hedging**

TOMRA Group has foreign subsidiaries. When translating net asset and goodwill related to these entities from the entities functional currency to NOK, changes in the FX rate creates equity volatility in the consolidated financial statements. TOMRA has decided to reduce some of the volatility that is generated from subsidiaries in the EUR zone, by entering into EUR/NOK Cross Currency Interest Rate Swaps (CCIRS). TOMRA has designated these CCIRS contracts as hedging instruments in a net investment hedge. The changes in fair value of the hedging instrument is expected to be highly effective in reducing equity volatility caused by currency translation of foreign subsidiaries with EUR as functional currency. Since both the NOK and EUR interest legs in the CCIRS contracts have a floating interest, changes in fair value of the derivatives caused by interest rate movements will be limited. The effective portion of changes in fair value of the hedging instrument are recognized in other comprehensive income, while the ineffective portion is recognized immediately in the income statement. Gains and losses previously recognized in other comprehensive income are reclassified to the income statement on the disposal, or partly disposal, of the foreign operation.

During 2023 there were no changes in CCIRS designated as hedging instruments.

**Outstanding cross currency interest rate swaps**

Amount forward (sold) / bought (in millions) 2023	2023		
	Notional amount EUR millions	Exchange rate	Due date
EUR/NOK	(59.4)	10.095	2024
EUR/NOK	(48.6)	10.293	2025
EUR/NOK	(48.7)	10.267	2027

Amount forward (sold) / bought (in millions) 2022	2022		
	Notional amount EUR millions	Exchange rate	Due date
EUR/NOK	(59.4)	10.095	2024
EUR/NOK	(48.6)	10.293	2025
EUR/NOK	(48.7)	10.267	2027

TOMRA received NOK 85.7 million (2022: NOK 28.9 million) in interest from cross currency interest rate swaps, and paid an interest in EUR equaling NOK 79.4million (2022: NOK 9.4 million).

The table below shows the movements in the Group's hedging reserves:

**Movement in the groups hedging reserves**

(Amounts in NOK million)	2023		
	Fair value derivative	Deferred tax	Hedging reserve
Opening balance 2023	(66.9)	14.7	(52.2)
Change in fair value effective portion	(47.0)	10.4	(36.6)
<b>Closing balance 2023</b>	<b>(113.9)</b>	<b>25.1</b>	<b>(88.8)</b>

(Amounts in NOK million)	2022		
	Fair value derivative	Deferred tax	Hedging reserve
Opening balance 2022	9.6	(2.1)	7.5
Change in fair value effective portion	(76.5)	16.8	(59.7)
<b>Closing balance 2022</b>	<b>(66.9)</b>	<b>14.7</b>	<b>(52.2)</b>

**INTEREST RATE RISK**

TOMRA Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to primarily follow a floating interest strategy. During 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in NOK and some in EUR.

The reference rate for the bond loans is three months NIBOR. The reference rate for the revolving credit facility depends on which currencies and durations are utilized (optional currencies are NOK, EUR, USD and GBP) and a margin. The margin is dependent on TOMRA's NIBD/EBITDA ratio and the agreement is conditional upon an equity covenant of at least 30 percent of total assets, measured at the end of each quarter. As of 31 December 2023 a NOK equivalent of 1 218 million was drawn of which 55 million in EUR and 600 million in NOK.

The reference rate for Eksportfinansiering facility is payable at CIRR (Commercial Interest Reference Rate) and a margin. The margin is dependent on TOMRA's NIBD/EBITDA ratio and the agreement is conditional upon an equity covenant of at least 30 percent of total assets, measured at the end of each quarter. As of 31 December 2023 an amount of NOK 344 million was drawn.

A change in the interest rate of 100 basis points, calculated on the loan amount as per 31 December 2023, increases annual financial costs by NOK 28.2 million or decreases annual financial costs by NOK 28.2 million.

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## CREDIT RISK

TOMRA Group has limited exposure to credit risk relating to accounts receivable balances. Bad debt written off for 2023 amounts to NOK 10.2 million (NOK 3.6 million in 2022). TOMRA Group's customers include the largest retail chains in the world, as well as large scrap material processors and food producers, where outstanding receivables globally can be significant. In a situation where one of these systems collapses, TOMRA Group could be exposed. Credit risk also arises from derivative financial instruments and deposits with banks and financial institutions. However, counterparts are limited to financial institutions with high creditworthiness. The maximum exposure to credit risk at year-end equaled total receivables on the balance sheet plus any unrealized gain or loss on financial contracts. Reference is made to [note 12](#) for loss allowance on accounts receivable.

## LIQUIDITY RISK

Liquidity risk is the risk that TOMRA is not able to meet its payment obligations. This risk is managed centrally, but in close cooperation with affected subsidiaries. TOMRA initiates measures necessary to maintain a strong liquidity, and cash flow from operations is managed operationally at TOMRA Group level. The liquidity reserve, cash and unused credit lines, was NOK 573 million per 31 December 2023.

The debt profile as per 31 December 2023 is presented below (nominal values).

## Debt profile

	Carrying amount	2023				
		2024	2025	2026	2027	2028+
<i>(Amounts in NOK million)</i>						
Unsecured bank facilities	1,242.3	1,237.2				5.1
Senior unsecured bonds	1,600.0	600.0	500.0		500.0	
Other long term loans	344.4	9.4	57.4	57.4	57.4	162.8
Lease liabilities <sup>1</sup>	1,568.0	341.7	312.3	278.2	200.1	517.0
Other current liabilities	436.7	436.7				
Payables	825.8	825.8				
<b>Total</b>	<b>6,017.2</b>	<b>3,450.8</b>	<b>869.7</b>	<b>335.6</b>	<b>757.5</b>	<b>684.9</b>
Interest payments bonds and loans		163.1	60.1	36.4	29.3	7.8
<b>Total including interest payments</b>	<b>6,017.2</b>	<b>3,613.9</b>	<b>929.8</b>	<b>372.0</b>	<b>786.8</b>	<b>692.7</b>
Forward exchange contracts	14.5	14.5				
- Inflow		(1.8)				
- Outflow		2.1				
Cross Currency Interest Rate Swaps	157.0	68.1	46.1		47.4	
- Inflow		(90.1)	(45.2)	(24.4)	(20.0)	
- Outflow		76.8	34.5	18.6	15.7	
<b>Total including derivative financial instruments</b>	<b>6,188.7</b>	<b>3,683.6</b>	<b>965.2</b>	<b>366.2</b>	<b>829.9</b>	<b>692.7</b>

	Carrying amount	2022				
		2023	2024	2025	2026	2027+
<i>(Amounts in NOK million)</i>						
Unsecured bank facilities	591.5	567.0	18.0			6.5
Senior unsecured bonds	1,600.0		600.0	500.0		500.0
Lease liabilities <sup>1</sup>	1,297.0	311.8	258.6	215.7	182.5	513.0
Other current liabilities	77.3	77.3				
Payables	656.8	656.8				
<b>Total</b>	<b>4,222.6</b>	<b>1,612.9</b>	<b>876.6</b>	<b>715.7</b>	<b>182.5</b>	<b>1,019.5</b>
Interest payments bonds and loans		89.7	79.0	50.0	25.9	23.0
<b>Total including interest payments</b>	<b>4,222.6</b>	<b>1,702.6</b>	<b>955.6</b>	<b>765.7</b>	<b>208.4</b>	<b>1,042.5</b>
Forward exchange contracts	1.8	1.8				
- Inflow		(3.0)				
- Outflow		0.4				
Cross Currency Interest Rate Swaps	66.9		24.9	10.8		12.0
- Inflow		(72.1)	(79.0)	(50.0)	(25.9)	(23.0)
- Outflow		51.0	54.8	40.4	23.4	21.6
<b>Total including derivative financial instruments</b>	<b>4,291.3</b>	<b>1,680.7</b>	<b>956.3</b>	<b>766.8</b>	<b>205.9</b>	<b>1,053.1</b>

1) Carrying amount at discounted value, and future amount at undiscounted values for lease liability.

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**Note 20 Other long term liabilities****Other long term liabilities***(Amounts in NOK million)*

	2023	2022 <sup>1</sup>
Put/call options	5.6	267.9
Lease restoration accruals <sup>2</sup>	38.7	31.6
Other	46.9	32.1
<b>Total other long-term liabilities</b>	<b>91.2</b>	<b>331.6</b>

1) 2022 figures have been adjusted for comparison purposes including a reclassification from other long-term liabilities to interest bearing liabilities for an amount of 18.0 MNOK.

2) For further information about lease restoration accruals, see [note 9](#).

**CONTINGENT LIABILITIES****Guarantees**

TOMRA Group has guarantee liabilities of NOK 257.8 million (2022: NOK 261.4 million).

The guarantees are mainly TOMRA's guarantees towards guarantee institutions, where the guarantee institutions has issued guarantees toward TOMRA's business relations like customers and landlords for proper fulfillment TOMRA's obligations.

**Note 21 Provisions****ACCOUNTING PRINCIPLE****Warranty**

RVMs and Sorters are normally sold with a warranty period between 12 and 24 months. Warranty is recognized as an expense and the liability is accrued for. A general provision has been made for future warranty costs based on previous year's turnover in all Group companies.

**Provisions***(Amounts in NOK million)*

	Warranty	Restructuring	Other	Total
Balance at 1 January 2023	169.3		14.2	183.5
Provisions made during the year	191.0	22.1	9.1	222.2
Provisions used during the year	(37.0)		(0.5)	(37.5)
Provisions reversed during the year	(93.5)		(2.4)	(95.9)
Currency translation differences	7.7	(0.5)	0.9	8.1
<b>Balance at 31 December 2023</b>	<b>237.5</b>	<b>21.6</b>	<b>21.3</b>	<b>280.4</b>

Other provisions comprise mainly of WEEE (Waste of Electrical and Electronic Equipment) provisions.

**Claims and litigations**

The Group has normally some claims and litigations ongoing - as might be expected in a corporation of TOMRA's size and complexity. Most of the cases against TOMRA are assumed to be without merit or covered by insurance, and none of them are assumed to be material.

**Note 22 Other current liabilities****ACCOUNTING PRINCIPLE**

Liabilities with due date within one year from the balance date are classified as current liabilities.

**Other current liabilities***(Amounts in NOK million)*

	2023	2022
Salary, bonus, tax deductions, social security taxes	760.4	604.6
Goods received, not invoiced	175.7	107.7
Accrued commissions	132.8	109.4
VAT & sales tax	184.8	86.5
Accrued expenses	583.6	351.8
Other non-interest bearing debt	436.7	77.3
<b>Total other current liabilities</b>	<b>2,274.0</b>	<b>1,337.3</b>

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**Note 23 Composition of the group**

The Group's consolidated amounts comprise the following units:

**TOMRA SYSTEMS ASA****Europe**

Tomra Europe AS (NO)  
 Tomra Butikkssystemer AS (NO)  
 Tomra Systems AB (SE)  
 OY Tomra AB (FI)  
 Tomra Systems AS (DK)  
 Tomra Holding OÜ (EE)  
 Tomra Service OÜ (EE)  
 Tomra Systems UAB (LT)  
 Tomra Collection Holding OÜ (EE)  
 Tomra Collection Latvia SIA (LV)  
 Tomra Systems BV (NL)  
 Tomra Systems GmbH (DE)  
 Retail Services GmbH (DE)  
 Tomra Leergutsysteme GmbH (AT)  
 Tomra Systems SAS (FR)  
 Tomra Systems NV (BE)  
 Tomra Collection Ltd. (UK)  
 Tomra Production AS (NO)  
 Tomra Collection Slovakia s.r.o. (SK)  
 Tomra Collection France (FR)  
 Tomra Collection Romania s.r.l. (RO)  
 Tomra Collection Portugal, Unipessoal LDA (PT)  
 Tomra Sorting AS (NO)  
 Tomra Sorting GmbH (DE)  
 Tomra Sorting S.L. (ES)  
 Tomra Sorting Ltd. (UK)  
 Tomra Sorting Sp. Z.o.o. (PL)  
 Tomra Sorting S.a.r.l. (FR)  
 Tomra Sorting SRO (SK)  
 Tomra Sorting Ltd (IE)  
 Tomra Sorting SRL (IT)  
 Tomra Sorting NV (BE)  
 Tomra Sorting BV (NL)  
 Best Vastgoed (NL)  
 Belgian Sorting Turkey Mak. San. Tic. A.S. (TR)  
 Tomra Sorting Greece Single Member private Company IKE (GR)  
 Compac Sorting Eq. Europe (UK)  
 BBC Technologies BV (NL)  
 Tomra Collection Hungary Kft. (HU)  
 Tomra Collection Turkey Makine Teknoloji Sanayi ve Ticaret Anonim Sirketi (TR)  
 Tomra Feedstock GmbH (DE)

Tomra Collection Bulgaria EOOD (BG)  
 Tomra Collection d.o.o. Beograd (RS)  
 Tomra Collection Poland Sp.zo.o (PL)  
 Tomra Collection Ireland Ltd (IE)  
 Tomra Food (Valencia) SL (ES)  
 TOMRA Horizon AS (NO)  
 Tomra Collection Greece Single Member Societe Anonyme (GR)  
 TOMRA Collection Italy Srl (IT)

**North-America**

Tomra of North America Inc. (DE)  
 Tomra of North America Finance Company LLC (DE)  
 Tomra Metro LLC (CT)  
 Western NY Bottle & Can Retrieval Center LLC (NY)  
 Upstate NY Bottle & Can Retrieval Center LLC (NY)  
 Farmington Redemption LLC (NY)  
 Tomra Canada Inc. (CA)  
 Returnable Services LLC (DE)  
 Tomra Commercial Software Solutions LLC (DE)  
 Clean Loop Recycling LLC (DE)  
 Tomra Sorting, Inc. (US)  
 Compac Sorting Eq. Ltd. (US)  
 BBC Technologies Ltd. (US)  
 BBC Technologies LLC (US)

**Rest of the world**

Tomra Sorting Japan KK (JP)  
 Tomra Sorting Co, Ltd. (KR)  
 Tomra Sorting (Pty) Ltd. (ZA)  
 Tomra Sorting (Pty) Ltd. (AU)  
 Tomra Sorting Technology (Xiamen) Co. Ltd. (CN)  
 Tomra (Xiamen) Imp. & Exp. Co. Ltd. (CN)  
 Tomra Brasil Solucoes EM segregacao LTDA (BR)  
 Tomra Sorting DMCC (AE)  
 Tomra Sorting Chile SpA (CL)  
 Tomra Sorting India Private Limited (IN)  
 Tomra Sorting LLC (RU)  
 Best Hong Kong Int. Ltd. (HK)  
 Tomra Collection Pty Ltd (AU)  
 Tomra Sorting Singapore PTE Ltd. (SG)  
 Compac Holding Ltd. (NZ)  
 Compac International Ltd. (NZ)  
 Lenz Equipment Ltd. (NZ)  
 Compac Sorting Eq. Ltd. (NZ)  
 Compac Sorting Eq. Ltd. (AU)  
 Compac Sorting Eq. Ltd. (CN)

Compac Sorting Eq. Latin America (CL)  
 Compac Tech Ltd. (NZ)  
 Compac Sorting Equipment (Kunshan) Co. Ltd. (CN)  
 Compac International Trade (Kunshan) Co. Ltd. (CN)  
 Taste Tech Ltd. (NZ)  
 Taste Tech Install Ltd. (NZ)  
 Tastemark Ltd. (NZ)  
 BBC Technologies Ltd. (NZ)  
 BBC Technologies Agricola SPA (CL)  
 Tomra Peru SAC (PE)  
 TOMRA Collection Hong Kong Limited (100%) (HK)

**Non-wholly owned subsidiaries**

Tomra New York Recycling LLC (74%) (NY)  
 Tomra Systems D.O.O (HR) (70%)  
 Western New York Beverage Industry Collection and Sorting LP (74%) (NY)  
 Upstate Tomra LLC (54%) (NY)  
 Tomra Mass. (55%) (MA)  
 Synergistics LLC (51%) (MI)  
 Bottlecycler Australia Pty Ltd (60%) (AU)  
 Tomra Recycling Technology (Xiamen) Co. Ltd (51%) (CN)  
 UBCR (51%) (MI)  
 Tomra Collection Solutions Taiwan (51%) (TW)  
 TOMRA Plastretur Recovery Facility AS (65%) (NO)

**Joint ventures and associated companies**

Tomra Cleanaway Pty Ltd (50%) (AU)  
 Tomra Japan Ltd. (50%) (JP)  
 Incom Tomra Recycling Technology (Beijing) Co. Ltd (49%) (CN)  
 Recycling Lottery International AS (33%)  
 Tomra s.r.o (CZ) (40 %)  
 Tomra Cleanaway (VIC) Pty Ltd (50%) (AU)  
 PolyPerception BV (25%) (BE)

TOMRA Horizon AS (NO), Tomra Collection Greece Single Member Societe Anonyme (GR), TOMRA Collection Italy Srl (IT), TOMRA Collection Hong Kong Limited (HK), TOMRA Plastretur Recovery Facility AS (65%) (NO), and Tomra Cleanaway (VIC) Pty Ltd (50%) (AU) were founded in 2023.

Compac Sorting Eq. Latin America (CL), Best Vastgoed (NL) and Tomra Systems SAS (FR) were liquidated during 2023.

Shares in PolyPerception BV (25%) (BE) were acquired in 2023.

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# Directors' Responsibility Statement

Today, the Chief Executive Officer and the Board of Directors reviewed and approved the Board of Directors' Report and the consolidated and separate annual financial statements for Tomra Systems ASA as of 31 December 2023 (annual report 2023).

To the best of our knowledge:

- the consolidated financial statements are prepared in accordance with IFRS® Accounting Standards and IFRIC as adopted by the EU and additional Norwegian disclosure requirements in the Norwegian Accounting act, that were effective as of 31 December 2023.
- the separate financial statements are prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as of 31 December 2023.
- the Board of Directors' Report for the Group and the Parent Company is in accordance with the requirements of the Norwegian Accounting Act and Norwegian accounting standard no. 16, as of 31 December 2023.
- the statements on corporate governance and corporate social responsibility for the Group are in accordance with the requirements of the Norwegian Accounting Act.
- the consolidated and separate annual financial statements give a true and fair view of the assets, liabilities, financial position and results for the period as a whole as of 31 December 2023 for the Group and the Parent Company.
- the Board of Directors' Report for the Group and the Parent Company includes a true and fair view of;
  - the development and performance of the business and the financial position of the Group and the Parent Company.
  - the principal risks and uncertainties the Group and the Parent Company face.

Asker, 21 March 2024

**Johan Hjertonsson**  
Chairman

**Bodil Sonesson**  
Board member

**Pierre Couderc**  
Board member

**Bjørn Matre**  
Board member

**Hege Skryseth**  
Board member

**Kjell Korneliussen**  
Employee elected

**Pauline Agnes Camille  
Lefevre Bergan**  
Employee elected

**Alexander Verlo**  
Employee elected

**Tove Andersen**  
President & CEO

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# Financial statements TOMRA Systems ASA

## Income Statement

<i>(Amounts in NOK million)</i>	Note	2023	2022
<b>Operating revenues</b>	1	<b>2,953.9</b>	<b>2,127.4</b>
Cost of goods sold	2	1,830.0	1,322.7
Employee benefit expenses	3	566.6	459.2
Depreciation and amortization	6, 7	54.2	56.1
Other operating expenses	3	574.0	202.3
<b>Total operating expenses</b>		<b>3,024.8</b>	<b>2,040.3</b>
<b>Operating profit</b>		<b>(70.9)</b>	<b>87.1</b>
Dividend from subsidiaries		611.2	931.8
Financial income		136.3	47.9
Financial expenses		264.0	127.0
<b>Net financial items</b>	4	<b>483.5</b>	<b>852.7</b>
<b>Profit before taxes</b>		<b>412.6</b>	<b>939.8</b>
Taxes	5	11.0	3.4
<b>Profit for the period</b>		<b>401.6</b>	<b>936.4</b>
<i>Allocated as follows:</i>	11		
Dividend		576.3	531.4
Other equity		(174.7)	405.0
<b>Total allocated</b>		<b>401.6</b>	<b>936.4</b>

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## Balance sheet as of 31 December

## Assets

(Amounts in NOK million)	Note	2023	2022
<b>Deferred tax assets</b>	<b>5</b>	<b>113.3</b>	<b>78.0</b>
Software	6	70.2	91.1
<b>Total intangible non-current assets</b>		<b>70.2</b>	<b>91.1</b>
Property, plant and equipment	7	54.1	55.2
<b>Total tangible non-current assets</b>		<b>54.1</b>	<b>55.2</b>
Investment in subsidiaries	8	3,368.7	3,368.7
Loans to subsidiaries	16	1,566.7	942.6
Investment in associates	8	15.6	15.6
Other investments	8	110.4	-
Long term receivables		34.8	22.5
<b>Total financial non-current assets</b>		<b>5,096.2</b>	<b>4,349.4</b>
<b>Total non-current assets</b>		<b>5,333.8</b>	<b>4,573.7</b>
<b>Inventory</b>	<b>2</b>	<b>57.7</b>	<b>27.5</b>
Trade receivables		7.6	20.2
Intra-group receivables	16	1,537.9	1,453.7
Other short-term receivables		303.7	182.6
<b>Total receivables</b>	<b>9</b>	<b>1,849.2</b>	<b>1,656.5</b>
Derivatives	13	33.2	1.9
Cash and cash equivalents	10	489.2	289.4
<b>Total current assets</b>		<b>2,429.3</b>	<b>1,975.3</b>
<b>Total assets</b>		<b>7,763.1</b>	<b>6,549.0</b>

## Liabilities and Equity

(Amounts in NOK million)	Note	2023	2022
Share capital		148.0	148.0
Treasury shares		(0.3)	(0.4)
Share premium reserve		918.3	918.3
<b>Paid-in capital</b>		<b>1,066.1</b>	<b>1,066.0</b>
<b>Retained earnings</b>		<b>492.7</b>	<b>622.5</b>
<b>Total equity</b>	<b>11</b>	<b>1,558.8</b>	<b>1,688.5</b>
Pension liabilities	12	28.7	37.7
Interest-bearing liabilities	13	2,553.2	2,167.0
Loans from subsidiaries	16	559.5	553.4
<b>Total non-current liabilities</b>		<b>3,141.4</b>	<b>2,758.1</b>
<b>Derivatives</b>	<b>13</b>	<b>171.5</b>	<b>68.7</b>
Interest-bearing liabilities	13	609.4	-
Trade payables		236.3	102.6
Intra-group payables	16	1,147.8	1,187.4
Income tax payable	5	44.8	35.6
Provisions	14	12.0	11.0
Other current liabilities	15	841.1	697.1
<b>Total current liabilities</b>		<b>3,062.9</b>	<b>2,102.4</b>
<b>Total liabilities</b>		<b>6,204.3</b>	<b>4,860.5</b>
<b>Total liabilities and equity</b>		<b>7,763.1</b>	<b>6,549.0</b>

Asker, 21 March 2024

Johan Hjertonsson  
Chair of the Board

Bodil Sonesson  
Board member

Pierre Couderc  
Board member

Bjørn Matre  
Board member

Hege Skryseth  
Board member

Kjell Korneliussen  
Employee elected

Pauline Agnes Camille  
Lefevre Bergan  
Employee elected

Alexander Verlo  
Employee elected

Tove Andersen  
President & CEO

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## Cash Flow Statement

<i>(Amounts in NOK million)</i>	Note	2023	2022	<i>(Amounts in NOK million)</i>	Note	2023	2022
<b>Cash flow from operating activities</b>				<b>Cash flow from financing activities</b>			
Profit/(loss) before taxes		412.6	939.8	Loan payments (to)/from subsidiaries		(618.0)	(963.3)
Income taxes paid		(36.2)	(68.7)	Proceeds from issuance of long term debt	13	335.0	1,000.0
Depreciation / Amortisation	6, 7	54.2	56.1	Net change in revolving credit facility	13	651.2	567.0
Net change in inventory		(30.2)	(2.6)	Net change in short-term loans		9.4	(400.0)
Net change in receivables		(236.2)	(58.0)	Purchase of treasury shares	11	-	(127.9)
<b>Net change in payables</b>		94.0	5.6	Sale of treasury shares	11	48.8	53.3
Difference between pension expense and pension contribution paid		(13.8)	(6.5)	Interest paid		(131.9)	(37.7)
Changes in other balance sheet items		203.1	55.8	Dividend paid	11	(531.4)	(886.4)
Interest expense	4	131.9	37.7	<b>Net cash flow from financing activities</b>		<b>(236.9)</b>	<b>(795.0)</b>
<b>Net cash flow from operating activities</b>		<b>579.4</b>	<b>959.2</b>	Net change in cash and cash equivalents		199.8	119.0
<b>Cash flow from investing activities</b>				Cash and cash equivalents per 1 January	10	289.4	170.4
Acquisition of associates / capital infusion for 2023		-	(3.0)	Cash and cash equivalents per 31 December	10	489.2	289.4
Acquisition of other investments for 2022	8	(110.4)	-				
<b>Investment in non-current assets</b>	6, 7	<b>(32.3)</b>	<b>(42.2)</b>				
<b>Net cash flow from investing activities</b>		<b>(142.7)</b>	<b>(45.2)</b>				

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## Accounting principles TOMRA Systems ASA - NGAAP

### GENERAL

#### [Basic principles](#)

TOMRA Systems ASA is the ultimate parent company of TOMRA Group.

The financial statements, which have been presented in compliance with the Norwegian Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles, consist of the income statement, balance sheet, cash flow statement and notes to the accounts.

Estimates and assumptions that may affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the period, are prepared by management based upon their best knowledge at reporting date. Actual results may differ from those estimates.

#### [Basis of preparation](#)

The financial statements are presented in million NOK, rounded to the nearest one hundred thousand.

The financial statements are prepared based on historical cost, except for the following material items:

- Derivative financial instruments recognized at fair value through profit and loss
- Defined benefit obligation recognized as the net total of the plan assets and the present value of the defined benefit obligation.

#### [Transactions, receivables and liabilities in foreign currencies](#)

Receivables and liabilities are booked at the exchange rate at the date of the balance sheet. Transactions in profit and loss are booked at monthly average exchange rates.

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# Notes TOMRA Systems ASA

## Note 1 Revenues

### ACCOUNTING PRINCIPLE

Revenues for machines and parts are recognized when risk is transferred to the customer. Other service revenue is recognized when services are provided.

Revenues mainly consists of sales of RVMs, spare parts and service manuals/support to subsidiaries.

### Geographical split of revenues

<i>(Amounts in NOK million)</i>	2023	2022
Northern Europe	375.3	362.8
Rest of Europe	2 225.4	1 313.1
America	99.8	212.3
Asia	30.3	52.3
Oceania	223.1	186.9
<b>Operating revenues</b>	<b>2,953.9</b>	<b>2,127.4</b>

For an overview of intercompany sales refer to [note 16](#).

## Note 2 Inventory/raw materials and consumables used

### ACCOUNTING PRINCIPLE

Inventories of raw materials are valued at the lower of cost of acquisition and fair value. Work in progress and finished products are valued at the lower of cost to manufacture or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Spare parts and parts held by service agents are valued at cost. A deduction is made for obsolescence where necessary.

The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

### Raw materials and consumables used

<i>(Amounts in NOK million)</i>	2023	2022
Raw materials and consumables used in the production process	1,860.2	1,325.3
Change in inventory	(30.2)	(2.6)
<b>Raw materials and consumables used</b>	<b>1,830.0</b>	<b>1,322.7</b>

Raw materials and consumables used include an adjustment of inventory obsolescence of NOK 27.4 million (2022: NOK 14.7 million).

### Inventory

<i>(Amounts in NOK million)</i>	2023	2022
Finished goods	19.9	19.2
Spare parts	37.8	8.3
<b>Total inventory</b>	<b>57.7</b>	<b>27.5</b>

Inventories are not subject to retention of title clauses.

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**Note 3 Employee benefit expenses / auditor's remuneration****ACCOUNTING PRINCIPLE**

Salaries and other personnel expenses represent expenses associated with the remuneration of personnel employed by TOMRA Systems ASA.

**Employee benefit expenses**

<i>(Amounts in NOK million)</i>	2023	2022
Salaries	455.5	372.8
Social security tax	55.2	40.0
Pension - Defined benefit plan	10.3	10.8
Pension - Defined contribution plan	27.0	13.8
Other labor cost <sup>1</sup>	18.6	21.8
<b>Total employee benefit expenses</b>	<b>566.6</b>	<b>459.2</b>
Number of man-years	291	253

1) Other labor cost mainly consist of social expenses, meetings, training, recruiting and similar.

TOMRA Systems ASA uses bank guarantee instead of restricted bank accounts for employee tax deductions.

With regard to salary and remuneration to the executive leadership team members employed by TOMRA System ASA and remuneration to Board members, reference is made to [note 4](#) in the consolidated financial statements and the "Remuneration report 2023".

**Auditor's fees**

<i>(Amounts in NOK million)</i>	2023	2022
Statutory audit	4.0	2.9
Other attestation services	-	0.1
Tax consulting	0.1	0.1
Other services	1.0	0.6
<b>Total</b>	<b>5.1</b>	<b>3.7</b>

**Note 4 Financial items****ACCOUNTING PRINCIPLE**

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in the income statement.

Interest income is recognized in the income statement as it accrues, using the effective interest method.

Dividend income is recognized in the income statement when the entity's right to receive payments is established.

**Net financial items**

<i>(Amounts in NOK million)</i>	2023	2022
Dividend from subsidiaries	611.2	931.8
<b>Dividend from subsidiaries</b>	<b>611.2</b>	<b>931.8</b>
Interest income <sup>1</sup>	84.0	47.9
Other financial income	52.3	-
<b>Total financial income</b>	<b>136.3</b>	<b>47.9</b>
Interest expenses <sup>2</sup>	131.9	37.7
Other financial expenses	19.4	12.3
Foreign exchange loss	112.7	77.0
<b>Total financial expenses</b>	<b>264.0</b>	<b>127.0</b>
<b>Net financial items</b>	<b>483.5</b>	<b>852.7</b>

1) Interest income include interest from subsidiaries of NOK 78.6 million (2022: NOK 23.4 million). Interest from cash-pools was NOK 5.3 million (2022: NOK 4.6 million).

2) Net interest expense on bonds was NOK 72.2 million (2022: NOK 28.7 million) after subtraction of NOK 9.3 million through Cross Currency Interest Rate Swaps which converted the NOK bond loans to EUR loans. In addition interest on other loans was NOK 59.7 million (2022: NOK 9.0 million) mainly related to the revolving credit facility.

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## Note 5 Taxes

### ACCOUNTING PRINCIPLE

The tax charge in the profit and loss account includes both taxes payable for the period and the change in deferred taxes. The change in deferred taxes reflects future taxes payable resulting from the year's activities.

Deferred taxes are determined based on the accumulated result, which falls due for payment in future periods. Deferred taxes are calculated on net positive timing differences between accounting and tax balance sheet values, after offsetting negative and positive timing differences which reverse or may reverse in the same period.

### Taxes

(Amounts in NOK million)

	2023	2022
<b>Tax basis</b>		
Profit before taxes	412.6	939.8
Dividend from subsidiaries	(611.2)	(931.8)
Interest deduction limitation	33.9	-
Permanent differences	4.2	8.8
Change in temporary differences	160.7	144.4
<b>Basis for taxes payable</b>	<b>0.2</b>	<b>161.2</b>
<b>Tax expense / (income)</b>		
Taxes payable / (receivable)	-	35.5
Tax effect of equity transactions	1.0	(0.3)
Net change in deferred taxes	(35.4)	(31.8)
Tax expenses related to previous years	45.4	-
<b>Total tax expense</b>	<b>11.0</b>	<b>3.4</b>
<b>Deferred tax assets</b>		
Other current assets	31.0	14.7
Intangible non-current assets	57.2	42.1
Tangible non-current assets	1.4	0.8
Financial non-current assets	3.5	3.9
Provisions	2.6	2.4
Other current liabilities	11.3	5.8
Pension reserves	6.3	8.3
<b>Total deferred tax assets</b>	<b>113.3</b>	<b>78.0</b>

Deferred tax assets are presented using applicable tax rate applied to amounts representing future tax deductions or taxes payable.

## Note 6 Intangible assets

### ACCOUNTING PRINCIPLE

Intangible assets are stated at cost less accumulated amortization and impairment losses. If the fair value of a fixed asset is lower than book value, and the decline in value is not temporary, the fixed asset will be written down to fair value.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Straight-line amortization is applied over the economic life of the asset.

### Intangible assets

(Amounts in NOK million)

	Software	Patents	Total
<b>Cost</b>			
Balance at 1 January 2023	292.8	5.1	297.9
Other acquisitions -internally developed	18.2	0.0	18.2
<b>Balance at 31 December 2023</b>	<b>311.0</b>	<b>5.1</b>	<b>316.1</b>
Balance at 1 January 2022	270.7	5.1	275.8
Other acquisitions -internally developed	22.1	0.0	22.1
<b>Balance at 31 December 2022</b>	<b>292.8</b>	<b>5.1</b>	<b>297.9</b>
<b>Amortization and impairment losses</b>			
Balance at 1 January 2023	202.3	4.5	206.8
Amortization charge for the year	39.0	0.1	39.1
<b>Balance at 31 December 2023</b>	<b>241.3</b>	<b>4.6</b>	<b>245.9</b>
Balance at 1 January 2022	160.3	4.4	164.7
Amortization charge for the year	42.0	0.1	42.1
<b>Balance at 31 December 2022</b>	<b>202.3</b>	<b>4.5</b>	<b>206.8</b>
Useful life	5 yrs	5 yrs	
<b>Carrying amounts</b>			
31 December 2023	69.7	0.5	70.2
31 December 2022	90.5	0.6	91.1

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**Note 7 Property, plant and equipment****ACCOUNTING PRINCIPLE**

Fixed assets are stated at cost less accumulated amortization and impairment losses. If the fair value of a fixed asset is lower than book value, and the decline in value is not temporary, the fixed asset will be written down to fair value.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Straight-line depreciation is applied over the economic life of the asset.

**Property, plant and equipment***(Amounts in NOK million)*

	Software	Patents	Total
<b>Cost</b>			
Balance at 1 January 2023	138.2	1.6	139.8
Acquisitions	12.9	1.2	14.1
Disposals		(0.3)	(0.3)
<b>Balance at 31 December 2023</b>	<b>151.1</b>	<b>2.5</b>	<b>153.6</b>
<b>Depreciation and impairment losses</b>			
Balance at 1 January 2022	118.6	1.9	120.5
Acquisitions	19.6	0.6	20.2
Disposals		(0.9)	(0.9)
<b>Balance at 31 December 2022</b>	<b>138.2</b>	<b>1.6</b>	<b>139.8</b>
<b>Depreciation and impairment losses</b>			
Balance at 1 January 2023	83.8	0.8	84.6
Depreciation charge for the year	14.8	0.3	15.1
Disposals		(0.2)	(0.2)
<b>Balance at 31 December 2023</b>	<b>98.6</b>	<b>0.9</b>	<b>99.5</b>
Balance at 1 January 2022	69.9	1.5	71.4
Depreciation charge for the year	13.9	0.2	14.1
Disposals		(0.9)	(0.9)
<b>Balance at 31 December 2022</b>	<b>83.8</b>	<b>0.8</b>	<b>84.6</b>
<b>Useful life</b>			
	3-10 yrs	3-7 yrs	
<b>Carrying amounts</b>			
31 December 2023	52.5	1.6	54.1
31 December 2022	54.4	0.8	55.2

**Note 8 Shares and investments****ACCOUNTING PRINCIPLE**

Shares intended for long-term ownership are recorded in the balance sheet under long-term investments. These are valued at acquisition cost unless circumstances, which cannot be regarded as of a temporary nature, exist which necessitate a lower valuation.

<i>(Amounts in NOK million)</i>	Country	Year of acquisition	Vote and owner share	Result for the year	Equity at 31.12	Book value
Tomra North America Inc	USA	1992	100.0%	104.6	2,165.3	1,166.2
Tomra Europe AS	Norway	1998	100.0%	76.0	206.6	10.0
Tomra Production AS	Norway	1998	100.0%	67.4	253.8	15.0
Tomra Canada Inc	Canada	2000	100.0%	24.7	188.9	79.8
Tomra Sorting Japan KK	Japan	2000	100.0%	2.8	23.2	7.0
Tomra Sorting AS	Norway	2004	100.0%	317.3	2,646.4	1,817.6
Tomra Sorting Technology (Xiamen) Co. Ltd.	China	2010	100.0%	42.8	166.1	81.4
Tomra Collection Pty Ltd.	Australia	2017	80.0%	41.3	292.3	191.7
TOMRA Horizon AS	Norway	2023	100.0%	(2.2)	(2.2)	0.0
<b>Total shares in subsidiaries</b>						<b>3,368.7</b>
Tomra Japan Ltd.	Japan	2008	50.0%	38.5	88.2	9.6
Recycling Lottery International AS	Norway	2019	33.3%	(3.4)	8.5	6.0
<b>Total shares in associates</b>						<b>15.6</b>
Kezzler AS	Norway	2023	14.0%			110.4
<b>Total shares in other investments</b>						<b>110.4</b>

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Measures**Note 9 Short term receivables****ACCOUNTING PRINCIPLE**

Receivables with due date within one year from the balance date are classified as current assets.

**Short-term receivables***(Amounts in NOK million)*

	2023	2022
Trade receivables from sales contracts, gross	10.4	21.7
Intra group short-term receivables	1,537.9	1,453.7
Other short-term receivables	303.7	182.6
Provision for bad debt	(2.8)	(1.5)
<b>Total receivables</b>	<b>1,849.2</b>	<b>1,656.5</b>
Provision for bad debt per 1 January	1.5	1.5
Provisions made during the year	1.3	-
<b>Provision for bad debt per 31 December</b>	<b>2.8</b>	<b>1.5</b>

Bad debt written-off and changes in provision for bad debt are reported as other operating expenses.

**Note 10 Cash and cash equivalents****ACCOUNTING PRINCIPLE**

Cash and cash equivalents include cash in hand, bank deposits, money market funds, and other short-term investments with original maturity of three months or less.

**Cash and equivalents***(Amounts in NOK million)*

	2023	2022
Cash and cash equivalents <sup>1)</sup>	489.2	289.4
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>489.2</b>	<b>289.4</b>

1) Includes restricted bank deposits totaling NOK 21.8 million.

TOMRA Systems ASA and its subsidiaries participate in an international multi-currency cash-pool, and zero-balancing cash pools for AUD, CAD, NZD, SGD, and USD. Subsidiaries deposit and withdraw funds through the cash pool agreements as an intra-group receivable/payable against TOMRA Systems ASA, and the transactions are classified as such in the financial statements.

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## Note 11 Equity

<i>(Amounts in NOK million)</i>	Share capital	Treasury shares	Share premium	Paid-in capital	Retained earnings	Total equity	Number of shares <sup>1)</sup>
<b>Balance per 1 January 2023</b>	<b>148.0</b>	<b>(0.4)</b>	<b>918.3</b>	<b>1,066.0</b>	<b>622.5</b>	<b>1,688.5</b>	<b>296,040,156</b>
Profit for the period					401.6	401.6	
Pensions					(3.8)	(3.8)	
Own shares sold to employees		0.1		0.1	48.7	48.8	
Dividend to shareholders					(576.3)	(576.3)	
<b>Balance per 31 December 2023</b>	<b>148.0</b>	<b>(0.3)</b>	<b>918.3</b>	<b>1,066.1</b>	<b>492.7</b>	<b>1,558.8</b>	<b>296,040,156</b>
<b>Balance per 1 January 2022</b>	<b>148.0</b>	<b>(0.3)</b>	<b>918.3</b>	<b>1,066.0</b>	<b>290.8</b>	<b>1,356.8</b>	<b>148,020,078</b>
Profit for the period					936.4	936.4	
Pensions					1.3	1.3	
Purchase of own shares		(0.2)		(0.2)	(127.7)	(127.9)	
Own shares sold to employees		0.2		0.2	53.1	53.3	
Dividend to shareholders					(531.4)	(531.4)	
<b>Balance per 31 December 2022</b>	<b>148.0</b>	<b>(0.4)</b>	<b>918.3</b>	<b>1,066.0</b>	<b>622.5</b>	<b>1,688.5</b>	<b>296,040,156</b>

1) A share split of 1:2 has been executed with effect from 27 May 2022. Following completion of the share split, the new number of issued underlying shares of TOMRA Systems ASA is 296,040,156 each with a par value of NOK 0.50 per share (was NOK 1.00 per share).

## TREASURY SHARES

Total shareholding of treasury shares was 513,815 as of year end 2023, representing 0,17% of TOMRA Systems ASA's share capital. For information on purchase of own shares reference is made to [note 14](#) of the consolidated financial statements.

## DIVIDENDS

After the balance sheet date the following dividends were proposed by the directors:

<i>(Amounts in NOK million)</i>	2023	2022
NOK 1.95 in ordinary dividend per share (2022: NOK 1.80 in ordinary dividend)	576.3	531.4

## SHAREHOLDER INFORMATION

A list of the largest shareholders in TOMRA Systems ASA is presented in [note 15](#) of the consolidated financial statements.

## SHARE PURCHASE PROGRAM

Reference is made to [note 16](#) of the consolidated financial statements.

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## Note 12 Pension and pension obligations

### ACCOUNTING PRINCIPLE

#### Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as employee benefits expenses in profit and loss as the related service is provided.

#### Defined benefit plans

The defined benefit pension plan has been treated for accounting purposes in accordance with IAS 19. TOMRA Systems ASA's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to TOMRA Systems ASA, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Equity. TOMRA Systems ASA determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit and loss. TOMRA Systems ASA recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

TOMRA Systems ASA is obliged to have a pension plan for its employees in compliance with Norway's Mandatory Occupational Pensions Act (Lov om obligatorisk tjenestepensjon), and its pension plan meets this requirement.

### OTHER INFORMATION ON TOMRA'S PENSION PLANS

#### Defined benefit plan

TOMRA has one defined benefit plan which is structured as a retirement net agreement in that it guarantees a supplement to the State benefits. There have not been any agreements for compensation of reductions in State benefits. The plan gives a right to defined future benefits (defined benefit plan). The benefit is mainly dependent upon years within the plan, salary at date of retirement and compensation from the State. The obligations are covered through Storebrand insurance company. The plan should ensure that the employees would get a pension of about 65 percent of salary, if they had full contribution time, limited upwards to 12G. The plan was closed in 2007, and all new employees after that are included in the defined contribution plan.

The defined benefit plan, which also covers employees in Tomra Butikkssystemer AS, Tomra Production AS and Tomra Sorting AS, includes 59 employees and 65 retirees at year-end 2023.

The discount rate is in accordance with guidelines from Norsk Regnskapsstiftelse at 30 September 2023, which was the best estimate of the rate at the time the basis for the calculation was set in November 2023.

Actual return on plan assets was NOK -7.0 million in 2023 (NOK 8.5 million in 2022)

TOMRA's best estimate of contributions expected to be paid into the plan for 2024 is NOK 15.0 million.

#### Sensitivity analysis

Sensitivity analysis has been performed on actuarial assumptions, holding other assumptions constant, and the calculations show no material changes in calculated amounts. Performed sensitivity calculations include discount rate (+/- 0.5%), wage increase (+/- 0.5%) and pension regulation (+0.5%).

#### Defined contribution plans

Under the defined contribution plan TOMRA contributes 6% of salary between 0 and 7.1G and 16 % of salary between 7.1 and 12G. In addition TOMRA has a separate pension plan for benefits over 12G, with the same coverage as the plan up to 12G.

(Amounts in NOK million)	2023	2022
<b>Expense recognized in the income statement</b>		
Current service cost	8.0	8.9
Interest cost (income)	1.0	0.6
Social security tax included in pension cost	1.3	1.3
<b>Net pension costs in Income Statement</b>	<b>10.3</b>	<b>10.8</b>
<b>The expense is recognized in the following line item in the income statement</b>		
Employee benefit expenses defined benefit plan	10.3	10.8
Employee benefit expenses defined contribution plan	27.0	13.8
<b>Total employee benefit expenses<sup>1</sup></b>	<b>37.3</b>	<b>24.6</b>
<b>Expense recognized directly in equity</b>		
Actuarial loss (gain) - change in discount rate	(18.5)	(67.1)
Actuarial loss (gain) - change in other financial assumptions	17.1	54.9
Actuarial loss (gain) - experience DBO	(26.8)	(4.9)
Loss (gain) - experience Assets	28.8	12.7
Investment management cost	3.0	3.0
Asset ceiling - asset adjustment	0.6	-
Social security tax included in pension cost	0.6	(0.2)
<b>Net pension costs directly in equity</b>	<b>4.8</b>	<b>(1.6)</b>

1) NOK 10.6 million of total employee benefit expenses for TOMRA Systems ASA was charged to subsidiaries in 2023 (2022: NOK 7.2 million) and the interest of NOK 1.0 million is classified as employee benefit expenses.

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*(Amounts in NOK million)***Financial status as of 31 december**

	2023	2022
Present value of funded pension obligations	247.1	264.9
Fair value of plan assets	(219.0)	(227.2)
Unrecognized actuarial gains & losses	0.6	-
<b>Pension liability</b>	<b>28.7</b>	<b>37.7</b>

**Basis for calculation**

	2023	2022
Discount rate	3.70%	3.20%
Expected wage increase	3.75%	3.75%
Expected increase of base amount	3.50%	3.50%
Expected return on plan assets 31 December	3.70%	3.20%
Average remaining service period	7,99 yrs	8,71 yrs

**Movements in net liability for defined benefit obligations as recognized in the balance sheet**

	2023	2022
Net liability at 1 January	37.7	45.8
Contributions received	(24.1)	(17.3)
Remeasurement recognized in equity	4.8	(1.6)
Expense recognized in the Income Statement	10.3	10.8
<b>Net liability at 31 December</b>	<b>28.7</b>	<b>37.7</b>

**Note 13 Interest-bearing liabilities****ACCOUNTING PRINCIPLE**

Liabilities with due date more than one year after the balance date are classified as non-current liabilities.

The bond loans are in NOK, and a cross currency interest rate swaps (CCIRS) has been used to swap these to EUR. The changes in fair value resulting from change in spot rate are recorded in profit and loss.

**Interest bearing liabilities***(Amounts in NOK million)***Non-current liabilities**

	2023	2022
Bonds <sup>1</sup>	1,000.0	1,600.0
Unsecured bank loans <sup>2</sup>	1,218.2	567.0
Other long term loans <sup>3</sup>	335.0	-
<b>Total non-current interest-bearing liabilities</b>	<b>2,553.2</b>	<b>2,167.0</b>

**Current liabilities**

Current portion of Bonds <sup>1</sup>	600.0	-
Current portion of other long term loans <sup>3</sup>	9.4	-
<b>Total current interest-bearing liabilities</b>	<b>609.4</b>	<b>-</b>

- 1) TOMRA has a NOK 600 million senior unsecured bond, with a coupon of 3 months NIBOR + 0,75 % that matures in November 2024. In November 2022 TOMRA issued two new green bonds, one tranche of NOK 500 million with 3 months NIBOR + 1,42 % that matures in November 2025, and a second tranche of NOK 500 million with 3 months NIBOR + 1,67 % that matures in November 2027. The bonds meet the requirements set by Nordic Trustee and are listed on the Oslo Stock Exchange. The loans have floating interest and negative pledge commitments.
- 2) TOMRA Systems ASA has an EUR 150 million revolving credit facility established in December 2020 with tenor 3+1+1 years. The facility was extended with two years and final maturity is December 2025. NOK 1 218 million was drawn on as of 31 December 2023. Optional Currencies are NOK, EUR, USD and GBP. Interest is payable at a rate of IBOR and a margin for loans in NOK and EUR. For loans in USD interest is payable at a rate of SOFR, a credit adjustment spread and a margin, and for loans in GBP interest is payable at a rate of SONIA, a credit adjustment spread and a margin. The margin is dependent on TOMRA's NIBD/EBITDA ratio. The loan agreement is conditional upon an equity covenant of at least 30 percent of total assets, measured at the end of each quarter. TOMRA is in compliance with the covenants as of 31 December 2023.
- 3) TOMRA Systems ASA established in November 2023 a credit line of MEUR 40 funded by Eksportfinansiering Norge. The credit line is guaranteed jointly by Eksportfinansiering Norge and DNB. The financing proposed is offered as a committed credit line, which comes into effect on the basis of signed export contracts. Availability of drawings under the credit Line is two years from signing. Tenor is proposed up to 6 years for each loan tranche with first repayment to take place no later than 6 months after the starting point of credit. NOK 344 million was drawn on as of 31 December 2023. Interest is payable at CIRR (Commercial Interest Reference Rate) and a margin. The margin is dependent on TOMRA's NIBD/EBITDA ratio. The loan agreement is conditional upon an equity covenant of at least 30 percent of total assets, measured at the end of each quarter. TOMRA is in compliance with the covenants as of 31 December 2023.

For disclosures on Risk management and Derivative financial instruments reference is made to [note 19](#) of the consolidated financial statements.

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**Note 14 Provisions****ACCOUNTING PRINCIPLE**

A provision is recognized in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**Provisions***(Amounts in NOK million)*

	Warranty
Balance at 1 January 2023	11.0
Provisions made during the year	1.0
<b>Balance at 31 December 2023</b>	<b>12.0</b>

Warranty provisions relate to accruals for service expenses on sold machines assumed to occur during the period covered by warranties given to the customer. RVMs are normally sold with a warranty period between 12 and 24 months.

**Note 15 Other current liabilities****ACCOUNTING PRINCIPLE**

Liabilities with due date within one year from the balance date are classified as current liabilities.

**Other current liabilities***(Amounts in NOK million)*

	2023	2022
Salary, bonus, tax deductions, social security taxes	145.4	102.6
Goods received, not invoiced	19.2	0.3
Accrued expenses	100.2	62.8
Dividend accruals	576.3	531.4
<b>Total other current liabilities</b>	<b>841.1</b>	<b>697.1</b>

**CONTINGENT LIABILITIES**

TOMRA Systems ASA has guarantee liabilities of NOK 231.8 million (2022: NOK 213.3 million).

**Note 16 Related parties****TRANSACTIONS WITH RELATED PARTIES**

TOMRA Systems ASA has several transactions with related parties. All transactions are performed as part of ordinary business and executed at arms' length principles.

**The significant transactions are as follows:**

Sales of RVMs, spare parts and service manuals/support of NOK 2,907 million in 2023 (NOK 2,056 million in 2022) to:

Tomra Butikksystemer AS	Tomra Collection Ltd
Tomra Systems AB	Tomra Collection Latvia SIA
Tomra Systems AS	Tomra Collection Slovakia s.r.o.
OY Tomra AB	Tomra Collection Romania S.R.L
Tomra Systems GmbH	Tomra Collection Solution Taiwan
Tomra Systems BV	Tomra Collection d.o.o. Beograd
Tomra Sorting Technology (Xiamen) Co. Ltd.	Tomra Collection Bulgaria EOOD
Tomra Leergutssysteme GmbH	Tomra Collection Turkey Makine Teknoloji Sanayi ve Ticaret Anonim Sirketi
Tomra of North America Inc.	Tomra Collection Poland Sp.zo.o
Tomra Canada Inc	Tomra Collection Hungary Kft.
Tomra Service OÜ	Tomra Collection Portugal, Unipessoal LDA
Tomra Systems NV	Tomra Collection France SAS
Tomra Systems SA	TOMRA Recycling Technology (Xiamen)
Tomra Systems UAB	TOMRA Collection Ireland Ltd
Tomra Systems d.o.o	
Tomra Collection Pty Ltd	

Purchase of RVMs and spare parts from Tomra Production AS of NOK 803.3 million in 2023 (NOK 644.5 million in 2022).

Management fee of NOK 42.6 million in 2023 (NOK 17.6 million in 2022).

For intra Group loans, including interest income and expense, reference is made to [note 4](#).

**Intercompany receivables and payables***(Amounts in NOK million)*

	2023	2022
Loans to subsidiaries	1,566.7	942.6
Intra-group receivables	1,485.6	1,453.7
Loans from subsidiaries	(559.5)	(553.4)
Intra-group payables	(1,147.8)	(1,187.4)
<b>Total</b>	<b>1,345.0</b>	<b>655.5</b>

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# Independent Auditor's report



To the General Meeting of TOMRA Systems ASA

## Independent Auditor's Report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of TOMRA Systems ASA, which comprise:

- the financial statements of the parent company TOMRA Systems ASA (the Company), which comprise the balance sheet as of 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of TOMRA Systems ASA and its subsidiaries (the Group), which comprise the balance sheet as of 31 December 2023, the income statement, other comprehensive income, consolidated statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as of 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 4 years from the election by the general meeting of the shareholders on 4 May 2020 for the accounting year 2020.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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The Group's business activities are largely unchanged compared to last year. There have not been any significant regulatory changes, transactions, or events with material impact on the financial statements for 2023. Furthermore, *Valuation of Goodwill*, has the same characteristics and risks as in prior years, and therefore continues to be an area of focus this year.

#### Key Audit Matters

#### How our audit addressed the Key Audit Matter

##### Valuation of Goodwill

At the balance sheet date, the book value of goodwill was NOK 3 273 million distributed between several different cash generating units (CGUs). The values involved are significant and constitute a major part of the Group's total assets in the balance sheet.

We focused on valuation of goodwill because of the inherent uncertainty of whether future cash flows will support its carrying value. The presumption that future cash flows will support the valuation of goodwill rests on several assumptions that are judgemental in nature, specifically the size and timing of cash flows, and the different elements of the discount rate.

Management's assessment concluded that no impairment was necessary for 2023.

Refer to note 7 to the consolidated financial statements for further information on management's impairment assessment, including the applied assumptions.

We evaluated the appropriateness of management's allocation of goodwill and intangible assets to CGUs, and management's controls over the impairment assessment.

Our procedures included challenging management on the suitability of the impairment model and the reasonableness of the assumptions, as well as a test of the mathematical accuracy of the model.

We assessed the reliability of management's cash flow forecasts through a comparison of actual performance in previous years to previous year's forecasts. We obtained explanations from management on material deviations.

We compared estimates on future cash flows to long term plans approved by the Board of Directors. Further, we challenged management's expectations on future growth by comparing the expectations to historic results for the different CGUs. We also compared the growth assumptions to relevant external sources. Further, we discussed the potential effects of climate risk with management.

We assessed the discount rates by comparing the key components used to external market data where possible. We found that the discount rates for the different CGUs were within an appropriate range.

Based on the procedures performed, we found that management's assumptions were reasonable.

We considered the appropriateness of the information provided in the disclosures, including the provided sensitivities for the discount rate and growth expectations, and found it to be appropriate.

#### Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

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In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.



- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

##### Report on Compliance with Requirement on European Single Electronic Format (ESEF)

##### Opinion

As part of the audit of the financial statements of TOMRA Systems ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name TOMRA\_Annual\_Report\_2023\_ESEF, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

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Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

**Auditor's Responsibilities**

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 21 March 2024.

**PricewaterhouseCoopers AS**

A handwritten signature in blue ink, appearing to read 'Eivind Nilssen', is written over the printed name.

Eivind Nilssen

State Authorised Public Accountant

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# Alternative performance measures

Alternative performance measures used in this report are defined in the following way:

- EBITDA is the calculated profit (loss) for the period before (i) income tax expenses, (ii) finance income and expenses, (iii) amortizations and (iv) depreciations.<sup>1</sup>
- EBITA is the calculated profit (loss) for the period before (i) income tax expenses, (ii) finance income and expenses and (iii) amortizations.<sup>2</sup>
- EBITA, adjusted is the calculated profit (loss) for the period before (i) income tax expenses, (ii) finance income and expenses and (iii) amortizations, and (iv) special items.
- Special items are result elements that are considered to be of one-off nature which does not reflect the performance in the underlying business.
- EBIT is the calculated profit (loss) for the period before (i) income tax expenses and (ii) finance income and expenses.
- Depreciations is the allocated cost of tangible assets over its useful life + write downs related to the same assets.
- Amortizations is the allocated cost of intangible assets over its useful life + impairment losses related to the same assets.
- Net interest-bearing debt is calculated as the difference between interest-bearing debt and cash. Interest-bearing debt includes loans from financial institutions (current and non-current loans) and lease liabilities (current and non-current). Cash includes cash equivalents as short-term deposits, cash funds and bank accounts.<sup>3</sup>
- Currency adjusted revenues/gross contribution/operating expenses/EBITA is the revised revenues/gross contribution/operating expenses/EBITA after adjusting for estimated currency effect.
- Order backlog is defined as the value of firm orders received within TOMRA Recycling and TOMRA Food, that has not yet been delivered (and consequently not yet taken to P/L).
- Order intake is defined as Order backlog at the end of a period minus Order backlog at the beginning of a period plus revenues for the relevant period.
- EBITA margin is defined as EBITA divided by Revenues in percent.
- Return on equity is Profit for the period divided by the average of opening and closing balance majority equity.<sup>4</sup>
- Return on total assets before tax is Profit before tax and interest expenses divided by the average of opening and closing balance total assets.<sup>5</sup>
- Gearing ratio Net interest bearing debt divided by EBITDA.<sup>6</sup>

1) EBITDA = 1,172.3 + 1,109.8 = 2,282.1

2) EBITA = 1,172.3 + 207.2 = 1,379.5

3) Net interest-bearing debt = 2,577.3 + 609.4 + 1,181.8 + 386.2 - 1,168.0 = 3,586.7

4) Return on equity = (749.6 - 52.5) / ((6,571.8 - 191.9 + 6,904.3 - 266.1) / 2) = 10.7%

5) Return on total assets before tax = (1,172.3 + 11.4 + 22.0) / ((16,513.0 + 13,932.3) / 2) = 7.9%

6) Gearing ratio = 3,586.7 / 2,282.1 = 1.57

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