

1 March 2011

Keynote-speech at the Leadership Team Summit by Frank Coenen

Mantra 7: Our safety and environmental standards are the same all over the world, because every human being is equally valuable.

Like I said about transparency: society has developed a high sensitivity towards ethics and respect for the environment and human beings.

But in a globalised world, this entails challenges for international companies how to operate in countries all over the world. Different countries have different cultures, sometimes even different ethical and legal boundaries. Because some companies move their production to developing countries, they also outsource their pollution to these countries.

But is this the way Tessenderlo Group wants to do business?

Are these the things we want to tell our children and grandchildren? I don't think so. That's not the kind of company we want to be.

Another example:

After the disaster of BP's oil spill in the Gulf of Mexico, companies are looking to move their rigs to Brazil. Because the ecological catastrophe makes the future of US offshore drilling less certain, Brazil is plowing ahead with a 220 billion dollar five-year plan to tap oil fields even deeper than BP's Gulf well.

Is this the way Tessenderlo Group wants to do business? No it isn't.

We do not export risks or pollution. Our safety and environmental standards will be the same all over the world.

There will be **no difference in sustainability or safety**, regardless what country we are operating in. Our employees are the core of our business operation. We have to make sure that any job can be executed safely and without health risks. With training and education we improve the safety of our people.

A good integration of our plants in the nearby environment is a necessary condition to receive a 'license to operate'. This also means that we want to work with local people and that solutions for possible problems are the result of the interaction between local people, governments and us.

For instance, today in Brazil, while building a new gelatin plant, we are working out some compensatory measures:

- by assisting the community with practical tools for the preservation of the region's ecosystem.
- by promoting environmental education in local schools and communities

Also when it comes to people, we want to be sustainable. We want to invest in our people: in their safety, in their dignity, in their personal development.



Bringing Chemistry to Life

This goes for our plants in Belgium, in Europe, but also for our plants in Brazil, China, and all other locations. Being an international company, we are sometimes confronted with large cultural differences, with other laws and other standards that are different from country to country. But this does not give a company a free ride to use different measurements depending on the place in the world. There is still a huge difference between legal and ethical. That is why we make sure that we are not only legally within boundaries, but that we also operate in a responsible, ethical way. And everybody may know we do business this way.

Mantra 8: Only a sustainable company can truly contribute to sustainability

I don't know how many times I've used the word sustainability in the last hour. But I have to use it twice in this last mantra.

Because it concerns our company : Tessenderlo Group.

“Only a sustainable company can truly contribute to sustainability.”

Several years ago this would have been a cliché. But today, it isn't anymore. I'm proud to say that Tessenderlo Group is doing and will do business in a sustainable way. Not sustainability like in “environment” or “being green”.

But in respecting the interests of shareholders, stakeholders and society, and that with a long term view.

One may think that shareholders are a bunch of rich people or financial institutions. Nothing less is true. Over 95% of all money invested in companies belongs to pension funds and funds managing the savings of people. People like our friends or family.

By creating shareholder value, we create value for our society.

That's why we take care of our shareholders. There is a regained need for certainty and appreciation in the long term. People ask for a sustainable, corporate policy.

While a lot of listed companies were prisoners of their profit and sales prognosis, a company like Unilever decided to no longer focus on quarterly results but instead strive for a consistent, profitable growth. Even Jack Welch, former CEO of General Electric who used to be very keen on profits and the value of his company for shareholders, made a 180° U-turn in 2009 as he told the Financial Times that “shareholder value is a result, not a strategy”.

Tessenderlo Group does business in a sustainable way. And that's also what we are going to do in the future.

We will take care of the well-being of our employees.

We will be uncompromising on safety.

We will aim for diversity in our organisation.

We will develop the talents of our people.

We will define the competencies we need to reach our goals and attract talent if we don't find it inside.

We will recognise efforts towards sustainability improvement.

We will offer our shareholders a sustainable return rather than short-term-gains.

And we want to be a company where people are proud of what they do.



Conclusion

These were my eight mantras for the sustainable future of our company.

And what now? What do I expect you to do?

You don't have to paint the walls green.

There are 3 things I want you to do.

First:

Sustainability is the **heart of our business**, part of the core of our processes, and the main reason for innovation.

Thinking of sustainability should be a **part of our culture**.

Second:

I want you **to infect** every member of your team, every employee of Tessenderlo Group and everyone you know, **with these principles**.

Tell them.

Read about them.

Embrace them.

Learn to love these principles, if you don't already do.

Finally, the **third** thing I ask you is :

Walk the talk.

Principles are one thing.

But how can we embrace principles when we don't live by them.

Make your plant sustainable.

Ask yourself what the things are that you and we can do to be an example.

Preserving our environment.

Walking the talk.

Not only I will be thankful,

but also our most important stakeholder, our planet earth.

Thank you.