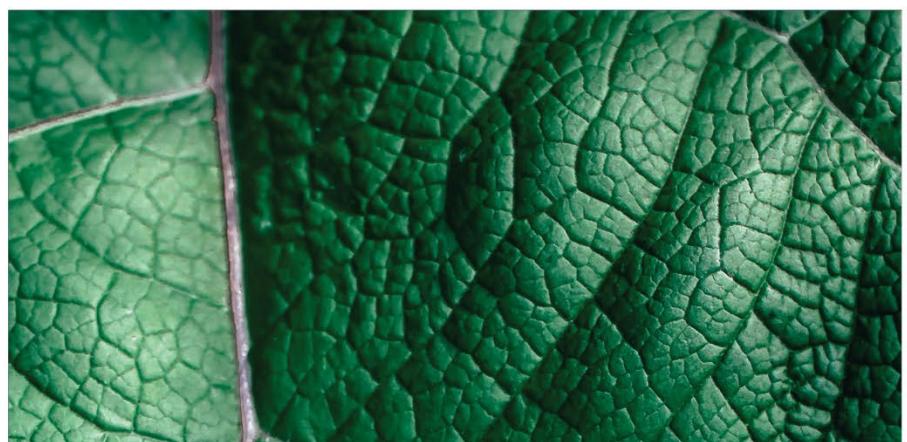


SUSTAINABILITY REPORT

2023



Tessenderlo Group
EVERY MOLECULE COUNTS

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Our sustainability strategy

Word from our CEO

“ The Corporate Sustainability Reporting Directive is an invitation to recalibrate our sustainability focus, in consultation with all our stakeholders.

At Tessenderlo Group, our activities cover a highly diverse range of sectors and markets. Despite the complex group structure that has developed over the years, we have always shared an innate drive to use our resources at our disposal to the fullest: “Every Molecule Counts.”

When our group first started out, over 100 years ago, we used sulfur, recovered from the petrochemical industry, to produce mineral fertilizers. To this day, we are still continuously improving these fertilizers so we can help feed the world’s growing population as effectively as possible. And our efforts didn’t stop there. When we make those sulfur-based fertilizers, a side-stream of hydrochloric acid is released. Long before the concept of upcycling caught on, our group decided we did not want to let this side-stream go to waste, so we sought to develop new applications for it. That is how we started to make gelatin and collagen for use in food and health applications. It’s also how we got to start making ferric chloride for water treatment, supplying the city of Paris with fresh drinking water. Meanwhile, another company in an entirely different segment is producing high tech castings from scrap metal, giving the molecules a second and even third life.

“Every Molecule Counts” is an approach to sustainability that is ingrained in our DNA. And with the evolving global Environmental, Social, and Governance (ESG) insights, our ability to make each of our actions and our resources count is being taken even further. We are developing more structural and systematically sustainable frameworks in other areas as well. Climate change mitigation is a good example: I’m pleased to report that despite the complexity of our many activities and the fact we have a global presence, we were able to comprehensively map our carbon footprint in 2023. The next step, which we will take this year, will involve formulating targets to ensure we further improve our impact.

For this year’s sustainability reporting, we are preparing for the implementation of the new European reporting standard, the EU Corporate Sustainability Reporting Directive (CSRD). For us, the concept of double materiality that is introduced in this directive is an opportunity to recalibrate our sustainability focus. By engaging with all our stakeholders and taking both an outside-in, as well as an inside-out view, we are able to establish clearly formulated Corporate Social Responsibility (CSR) spearpoints, and develop corresponding strategic roadmaps.

Bearing in mind the diverse range of activities and markets in which we operate, our sustainability journey will inevitably run at different speeds. Each segment and each business unit has defined its own distinct CSR focus points. However, irrespective of sector specifics, we believe our conviction that “Every Molecule Counts”, combined with the guidance and framework provided by the CSRD will help us bolster all our sustainability efforts.

We are on the move!

Luc Tack
CEO

What's new in this year's report?

This year's report marks a significant stride toward implementing the new EU Corporate Sustainability Reporting Directive. We have introduced new concepts, like double materiality and updated taxonomy reporting, alongside expanded material topic reporting coverage.

Additionally, we have revamped the report's structure for enhanced clarity and readability, aiming to bolster transparency and streamline our sustainability efforts.

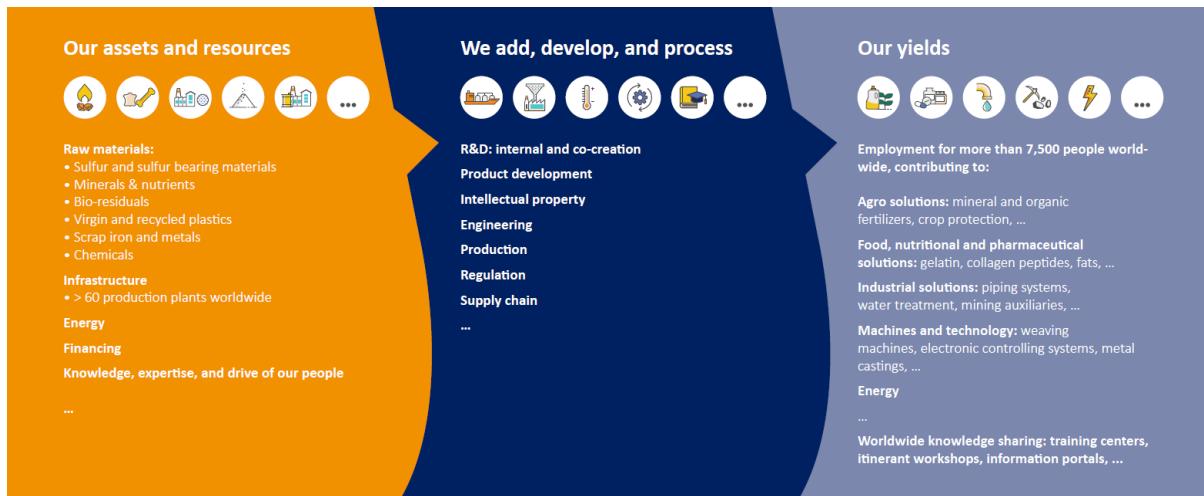
The integration of Picanol Group into Tessenderlo Group in 2023 added complexity, requiring harmonization of KPIs. All 2023 data in this report represent the united group we are today.

As announced last year, this report is the first to present our group's full scope of carbon emissions.

Our commitment to enhancing disclosure and transparency on ESG matters aligns with evolving reporting guidelines and stakeholders' expectations.

The value we create

Group overview



Every Molecule Counts

We are more than 7,500 colleagues, collaborating around the globe, operating in very diverse industrial segments: Agro, Bio-valorization, Industrial Solutions, Machines & Technologies and T-Power. What unites the group is our conviction that Every Molecule Counts.

The world today faces great challenges. Nevertheless, at Tessenderlo Group, we are optimistic. Optimistic in our belief that prosperity and sustainability can go hand in hand. We believe that there is uncovered value and potential everywhere: in the resources we use, in our processes, and in ourselves.

This can be in the big things: many of our products are about recovering side-streams and discarded materials to upcycle them into valuable essential applications for everyday life - think, for example, organic fertilizers or gelatin for pharmaceutical capsules made from animal by-products, purification of water obtained with residue chemical compounds from our fertilizer production, or durable high-tech castings made from scrap metal. We uncover value where most would never even imagine it exists.

We are equally unrelenting in enhancing efficiency and using our potential to the fullest. Our fertilizers, for example, provide crops with the nutrients they sorely need, whilst also nurturing the soil they grow in. Our pipe systems reduce water leakages and support the flow of energy and air. Our weaving machines are optimized to cause ever less waste fiber and reduce energy consumption.

But it's also in the smaller things: we incorporate recycled materials in our pipe systems, and we are progressively favoring transport via water, rather than clogging our roads. Big or small, it all counts. Every single one of these actions is breaking fresh ground to realize our sustainable path forward.

To consistently keep progressing, you need entrepreneurial spirit. We've got that covered. We owe the impact we have and size that we are today to the initiative and smart ideas of our people over the years. But patience is also key for us to tenaciously keep pushing the needle. You might think that we have a bit less of that based on the many projects we undertake. But consider this: our drive to make Every Molecule Count is nothing new. It is something we have always done. Because our founders, back in the 1900s, started off by processing simple raw materials and persistently seeking new and better uses for these materials and their derivatives.

Since then, our group has been steadily growing, and continuously reinvesting. We won't stop this.

Environmental, Social, and Governance bio of each of our business units

Our Agro segment

Crop Vitality

Crop Vitality follows the 4Rs of nutrient stewardship: the Right Source and Right Rate at the Right Time and the Right Place. We put those guidelines into practice through our Tessenderlo Kerley line of sustainable crop nutrition products that assist growers in their mission of feeding the world.

Our agricultural activities support our vision of building a safe, smart, and sustainable world. By upcycling by-products from refineries into safe, non-hazardous fertilizers that become a valuable resource for growers, we contribute to creating sustainable agriculture. 4R agricultural practices like precise fertilizer placement enable growers to use less product and lower their water use. Our combination of high-efficiency fertilizers and the 4R principles helps to maximize yields and reduces nutrients lost to air or runoff to waterways. The proper use of crop nutrition products limits the need to clear more precious land for additional crop production, while maintaining the yields we need to feed the world.

Every time a crop is grown and harvested, nutrients are taken from the soil and must be replaced to continue producing food, feed, fuel, and fiber crops. Sulfur, nitrogen, potassium, calcium, and magnesium fertilizers make a vital contribution to healthy, productive soils by providing the nutrients that plants need for growth.

Crop Vitality's research and field testing have led to new products and discoveries that help increase growers' crop yields. In 2022, we began production of MAJOR 90®, an organic fertilizer listed by the Organic Materials Review Institute (OMRI) that delivers needed elemental sulfur to a wide variety of crops. In addition, our research into nitrification inhibition has revealed the value of our fertilizers containing thiosulfates in reducing nitrogen loss while providing essential sulfur for crops – an important breakthrough as growers continue to push for higher yields on reduced acreage.

As steward of the land we provide growers with training based on our research and supply them with our line of sustainable crop nutrition products, we continue to give them the tools and resources they need to improve their soil and crop health, maximize yields on minimal acreage, and meet the food demands of a growing global population.

Tessenderlo Kerley International

In agriculture, our crop nutrition and crop protection companies support growers in meeting the global demand for food production.

Producing sufficient food for a growing population is the driving force behind the progress of agricultural production and sustainability initiatives. A potential global population of nearly 10 billion by 2050 means advances in food production technologies will be needed.

Our agricultural activities support our vision of building a safe, smart, and sustainable world. By upcycling by-products from refineries into safe, non-hazardous fertilizers that become a valuable resource for growers, we contribute to creating sustainable agriculture. We help growers around the world meet the challenges of global food production. This is achieved with our high-efficiency fertilizers that are used in conjunction with precision agricultural practices, which reduce the amount of nutrients lost to air or runoff to waterways. Precision agricultural practices can lower water use with drip irrigation and placing fertilizer in the exact location where the plant requires it as opposed to simple broadcast methods. Via trainings, we give growers the tools and resources to improve their soil and crop health.

For developing economies, population growth and land availability are some of the main problems agriculture is facing today. Proper use of crop nutrition products make the available farmland more effective and limits the need to clear more land for additional crop production.

Every time a crop is grown and harvested, nutrients are taken from the soil and these nutrients must be replaced in order to continue producing food, feed, fuel, and fiber crops. Sulfur, nitrogen, potassium, calcium, and magnesium fertilizers make a vital contribution to healthy, productive soils by providing the nutrients that plants need for their growth.

NovaSource

Growers continue to face challenges presented by pests, weeds, disease and climate change, all of which threaten to reduce their crop yields. NovaSource's line of crop protection products help growers to overcome these challenges using our insecticides, herbicides, fungicides and sun protectants.

Our line includes organic and naturally sourced products to help combat plant diseases and provide protection from sun damage. Surround®, one of our organic products, protects crops from damaging effects from high heat and intense sunlight.

Through the responsible use of NovaSource's crop protection products, growers continue to navigate threats to their crop yields and provide the world with nutritious, abundant and affordable food.

Violleau

At Violleau, we offer organic fertilization and biocontrol solutions to our customers, as well as personalized advice according to the soil, climate, and crop situation.

Taking the environment into account is a big part of everything we do. Our activity is part of the circular economy logic as we valorize animal and plant by-products from agricultural and agri-food activities into organic fertilizers. We believe in valorizing every stream and offering local solutions to the organic agriculture market.

From an upstream perspective, we offer recovery solutions to our farming partners for some of their effluents, to local food industries for their co-products, or to surrounding towns for the green waste they collect.

We also provide biocontrol solutions to give farmers the necessary tools to control pests in a sustainable and reasonable manner.

Our Bio-valorization segment

PB Leiner

At PB Leiner, we produce gelatin and collagen peptides that are used for valuable applications in the food, pharmaceutical, and health & nutrition sectors. The raw material we use might otherwise simply have been discarded: pig skins, beef hide and bones, and fish skin are products that, in most countries, are only used for human consumption in limited quantities, or even not at all. By upcycling these materials, we make the most of our planet's resources.

As part of Tessenderlo Group, we adhere to "Every Molecule Counts." This represents the unique attitude we have towards sustainability and innovation. In everything we do, we seek to further valorize the resources at our disposal. This counts just as much for the end products we make, which we constantly optimize, as it does for the by-products from our processes, which we consistently seek to repurpose as best we can.

The application potential of gelatin and collagen peptides is astonishingly broad. In food, for example, gelatin can make croissants fluffier, mousses airier, and it gives gummies that nice chewy bite. Moreover, gelatin can extend the shelf life of certain foods, hence limiting food waste. Gelatin is also the most widely used ingredient to make medical capsules, on account of its almost universal body tolerance, combined with the fact that it melts at body temperature and displays useful elasticity and clarity features. Collagen peptides in turn can enhance bone and joint health and are used as part of patients' recovery nutrition.

And that is not all. We also produce dicalcium phosphate (DCP) from animal origin, which is suitable for animal feed. This phosphorus source replaces phosphorus from mining in the feed sector, thus counteracting the depletion of our natural resources. Furthermore, DCP from animal origin is better absorbed by chickens, which leads to less phosphorus pollution of open waters. And the sludge sediment that remains after the treatment of our wastewater contains nutrients like phosphorus and nitrogen that help plants grow. Those nutrients actually come from the plant feed given to the cows and pigs that are our source of raw material. And so today we are working on closing the loop: at several locations across the globe, we are working on ways to transform our sludge into a soil enhancer.

Whilst meat consumption in the Western world is slightly declining, the worldwide consumption of meat is still increasing due to the growth of global GDP. By continuously looking at how we can optimize our processes, we not only increase the yield but are also able to upgrade the characteristics of our finished products. This results in higher value creation of the consumed raw materials.

When it comes to our processes, we also actively apply our "Every Molecule Counts" philosophy. We are continuously working to improve every segment of our organization. For example, while our production process uses large quantities of water, we take great care to minimize our water consumption and to make sure it is properly treated before discharge so it has no negative impact on the receiving water body. When it comes to energy, we continuously strive to optimize and reduce our energy consumption and CO₂ footprint and invest in the electrification of our industrial processes.

This being said, continuous improvement will only get us so far. A dedicated workgroup is setting out the beacons and how we will get there, and we are committed to making the necessary investments.

Akiolis

At Akiolis, we help to create a more sustainable world through our operations. We specialize in rendering activities and the production of high-value proteins and fats derived from animal by-products and other organic sources. In doing so, we are a link in an intelligent chain based on the recovery and valorization of co-products, by-products, and fallen stock. Processed animal protein (PAP) and animal fats generated from these materials allow us to conserve fossil fuels and food sources. As a core element of the circular economy, the recovery of animal materials enables us to directly address the question of sustainable development.

Our business model is naturally aligned with the circular economy. As part of our service, we collect animal co-products and by-products from the breeders and the meat industry (e.g. slaughterhouses, butchers,...) and from distribution (e.g. large retailers). Through appropriate treatment, we are able to harness the nutritional or technological potential of these animal proteins and fats, which we then provide to manufacturers in various sectors that require renewable materials for their own processes.

Some examples:

- Our PAP and animal fats are a substitute for fossil fuels in generating green electricity or steam used in industrial furnaces, or as a building heating source.
- Our proteins can be used to feed farmed fish. They are also a substitute for fishmeal, which helps to protect and conserve maritime wildlife.
- Our animal proteins can also be used to fertilize soil or be applied as a fertilizer to vines, fruit trees, vegetable crops, and green spaces, and they conform to organic agricultural standards.
- Our animal fats are an ingredient in soaps and detergents, as a substitute for palm oil.
- Our fats and proteins are also an ingredient in pet food.
- By collecting bones from slaughterhouses, we are also able to extract ossein from bone minerals, used in gelatin production.
- Sanitary safety : by collecting fallen stock from the breeders in a timely manner, we prevent diseases development and protect the environment as well as animal and human health.

Our Industrial Solutions segment

DYKA Group

DYKA Group is much more than just a manufacturer or distributor of plastic pipe systems and fittings. By transporting water, air, and other energy sources in a reliable, efficient, and sustainable way, we do our bit for a better planet every day. Moreover, we do this with recycled or recyclable materials. We can therefore proudly say that we are "Nature's Network".

We are living in an ever-changing world wherein DYKA Group provides added value solutions for growing needs related to urbanisation, an increasing scarcity and abundance of water, a massive energy challenge, climate change, and a greater demand for a more comfortable, secure and healthy lifestyle. We are constantly diversifying our product range to ensure that we can respond to these challenges.

DYKA Group's sustainability program

A lot of our existing products already help our customers, end users, and other people in becoming more sustainable. At the same time, we are embedding sustainability further into our operations and processes. Together with all of our employees, we focus on our sustainability program which consists of three pillars: Circularity, People and Continuous Improvement. This program covers nine United Nations' Sustainable Development Goals. All specific and timebound target are to be found on www.dyka.com.

Sustainability program: Circularity

The first pillar of our sustainability program is Circularity. We want to prevent raw materials becoming waste and we want to minimize our emissions. The pillar circularity features four specific topics: responsible water management, reducing our CO₂- footprint, material efficiency and waste management.

A great example of our circularity efforts are shown in the use of recyclates. Incorporating recycled materials into our piping systems reduce the need for finite resources and landfill. In the production of the intermediate layer of our PVC (polyvinylchloride) pipes, we increasingly incorporate recycled PVC material, giving new value to post-consumer PVC material and reducing demands on finite resources whilst maintaining high-quality levels. Also, the use of recycled PP (polypropylene) materials in injection molded products has increased in recent years (e.g. Rainbox infiltration boxes and inspection chamber bases). Finally, our DYKA plants in the Netherlands (Steenwijk) and France (Sainte-Austreberthe) can deliver bio-circular PVC, which is made from ethylene linked to biogenetic waste origin, from food and forestry-sector residual and waste streams, a process guaranteed by ISCC PLUS.

Sustainability program: People

The second pillar of our sustainability program is People. This pillar focuses on a safe, inclusive, and empowering work environment:

- Safety is our number one priority, which is why we are committed to provide a safe and healthy workplace for our employees.
- Concerning education, our aim is for all of our employees to regularly complete sustainability and other training sessions. With the new Learning Management System, we have already taken a great step towards achieving this aim.
- We want to focus on having a more diverse and inclusive workforce.

Sustainability program: Continuous Improvement

The third pillar of our sustainability program is Continuous Improvement. This pillar focuses on sustainable innovation and strengthening our sustainability performance.

One important example of our aim within sustainable innovation is that all new launched products shall be designed in a way that they are recyclable or reusable and that all new products will feature improved sustainability performance compared to their predecessors.

Kuhlmann Europe

At Kuhlmann Europe, we bring solutions to treat and recycle waste water and to produce drinking water with quick, cost-effective concepts and we develop sustainable processes for resource conservation.

In the water treatment market, we are one of Europe's leading inorganic coagulant producers for customers in municipal or industrial waste and drinking water plants. We serve some of the major cities in Europe, including Paris and Brussels. Too frequently, contaminated wastewater from industrial processes is simply thrown away and many decontamination methods employ finite raw materials, which create additional waste and environmental problems. We help our customers take dirty water and deliver clean water through the use of recycled chemicals that coagulate phosphates and other contaminants both quickly and in a cost-effective way.

The Kuhlmann Europe business unit offers alternative reuse opportunities for the by-product HCl from SOP (sulfate of potash) and waste pickle liquor from the steel industry by converting them into coagulants used for the treatment of municipal and industrial wastewater, as well as for the production of drinking water. Another source of iron, a co-product of the metallurgical industry called Mill Scales, can be used as a raw material for the production of ferric chloride.

The circular business model for water treatment products allows for the use of a by-product from the sulfate of potash fertilizer production present in our group as a raw material for the steel industry. Once used by the latter in their pickling operations, Kuhlmann Europe recuperates the pickling liquor from our customers, which is in turn used to produce coagulants for water treatment. These coagulants then enable phosphorus to be extracted from wastewater and in doing so prevent the eutrophication of surface waters.

moleko¹

Through the creation of environmentally aware chemistries for mining and water treatment applications, moleko is creating a safer work environment for customers and their plant production processes.

Circularity in the chemical industry demands differentiation, sustainable practices and the efficient use of every molecule. Moleko plays a vital role in assisting and enhancing the businesses of its customers through its essential chemistries. This includes key segments such as energy transition via effective copper production and water purification.

Our alternative chemistries such as Thio-Gold®, which can replace cyanide (CN) lixiviants, allow for extended mine life and gold recovery with less environmental impact and a safer working environment. Our cyanide detoxification chemistry and applications help to eliminate the discharge of noxious chemicals to mine tailings, which protects local communities and wildlife from exposure to this hazard.

¹ Please note that all Tessenderlo Kerley, Inc. (TKI)-produced products are reported under the Agro segment (the energy and water consumption of TKI is fully included in the Agro segment). Tessenderlo Kerley, Inc. comprises the Crop Vitality, NovaSource, and moleko business units of Tessenderlo Group. Please see Reporting method and framework on page 142.

Our polysulfide line of products, including Calmet® and Cyntrol®, provide a safe and effective method of remediating heavy metals in contaminated soil and groundwater applications, converting corrosive cyanides in refining applications into non-hazardous chemistry, protecting equipment, and reducing potential environmental emissions.

Our Captor® product provides safe, non-hazardous dechlorination and deozoneation chemistry in municipal water treatment facilities, which replaces the use of more hazardous chemicals.

Moleko is committed to finding innovative ways to reduce waste. We upcycle by-product gases from refineries and convert them into value-added chemistry while ensuring world-class environmental performance. This can be done at the customer's site to optimize logistics and reduce our carbon footprint.

As part of our product stewardship endeavors, we strive to make every molecule count and focus on the safe and effective use of our products while innovating essential chemistries for a sustainable future.

Our Machines & Technologies segment

Picanol Group

Picanol

When it comes to preventing waste and reducing energy consumption, Picanol has long faced up to its responsibility. We have demonstrated this with our pioneering Sumo Drive. Introduced back in 1996, it is still the most energy-efficient main drive available. Sustainability is also about waste management. We not only reduce waste but also try to avoid it completely. Our EcoFill feature is an excellent example of this. Breakthrough developments such as the Blue22 generation of prewinders make it possible to minimize the waste length even while the machine is running. Here too, technology helps us to create possibilities that were unthinkable before. So we can even dream of a machine tuning itself!

Proferro

At Proferro, we believe that every ending is a new beginning. This is a sustainable conviction that we live up to on a daily basis by focusing on circular production, energy efficiency, and a wide range of environmentally friendly initiatives. We aim to set a new standard in the foundry industry, combining our passion for excellence with a deep respect for the environment. At Proferro, we believe that a fundamental part of sustainability involves reusing and recycling materials. Here, high-tech parts are made from materials that are at least 80% recycled. Therefore, it involves utilizing steel scrap from the metal and construction sectors, to save it from consignment to waste. We process this scrap metal into high-quality cast iron, which is a metal that is 100% recyclable while retaining its exceptional strength and flexibility.

Psicontrol

Psicontrol develops the brains of energy-saving products with its custom-made controllers, helping customers to pursue their sustainability ambitions. With a clever combination of intelligent control algorithms, coupled with sensors and actuators, the customer can thus make his product more sustainable and efficient.

Our T-Power segment

Since June 2011, T-Power has been operating a CCGT plant (Combined Cycle Gas Turbine) on the Tessenderlo Group site in Tessenderlo (Belgium). In combined cycle power plants a gas turbine generator generates electricity while the exhaust heat from the gas turbine is utilized to generate steam by passing it through a heat recovery steam generator. This steam is used to generate additional electricity via a steam turbine. As a result, approximately two-thirds of the combustion heat is recovered. This combination of two power generation cycles enhances the efficiency of the plant. The plant provides 425 megawatts of electricity and it meets the latest environmental standards. T-Power is continuing to investigate the upgrade of the gas turbine that will result in higher efficiency and electrical output.

The gas-fired power plant is very flexible, and this flexibility is increasingly important due to the rising share of fluctuating energy sources in the power grid, such as wind - and solar power. A gas power plant has lower emissions than lignite and coal-fired power plants and it also has a different risk profile to that of nuclear power stations. This modern power plant enables Tessenderlo Group to respond to developments in the Belgian energy market.

Towards a sustainability strategy

As our different segments and business units are operating in very diverse markets and environments, the sustainability journey and spearpoints are different for each one. DYKA Group, for example, is clearly at a more advanced stage of maturity, in part because of the requirements of the construction sector, which are more advanced than other sectors. Regardless of sector specifics, our general approach to sustainability remains the same throughout Tessenderlo Group. Below is an overview of the different stages in our sustainability approach.

General approach



Stakeholder engagement matrix

In today's dynamic and interconnected world, companies must actively involve stakeholders in decision-making processes to ensure alignment with their interests, needs and expectations. This overview provides an overview of our stakeholder interaction: how we engage with them, and what the most important topics in 2023 were. Through stakeholder management we strive to enhance transparency, build trust, mitigate risks and drive sustainable growth.

Who do we engage with?	Why do we engage?	How do we engage?	Recurring topics in 2023
Customers	<p>Building strong relationships with our customers is essential to realizing business success. We also want to keep our finger on the pulse regarding (macro) economic developments and to understand and anticipate our customers' changing needs in order to remain a reliable and steadfast partner.</p>	<p>One-on-one meetings, customer events, training sessions, trade fairs, online activities and campaigns (advertising, press, and social media), customer satisfaction surveys, etc.</p>	<p>Products and services, pricing, delivery and quality performance, product safety, sustainability progress (including carbon footprints and CSRD preparations), global crises and their potential impacts on our operations and logistics, etc.</p>
Employees	<p>When our people are thriving, our business will flourish. We depend on the active engagement of our employees to be able to deliver on our promises and to keep developing and implementing our long-term strategy.</p>	<p>Town hall meetings and calls, regular meetings with works councils, the performance review process, regular training sessions and awareness programs, regular team meetings, engagement surveys, social events, intranet, narrowcasting, etc.</p>	<p>Business and company performance, well-being at work, transformational leadership, CSRD preparedness (including carbon footprint, double materiality update, etc.), the integration of Picanol Group into Tessenderlo Group, organizational changes, etc.</p>
Suppliers	<p>Durable and close partnerships with our suppliers not only safeguard smooth operations and a steady supply of key raw materials. As part of a larger value chain, we have to work closely together to consistently keep pushing the boundaries of responsible and social entrepreneurship.</p>	<p>Meetings, e-mails, calls, supplier visits, etc.</p>	<p>Product/service information, pricing, supply disruptions due to geo-political issues, upcoming regulations and impacts, etc.</p>
Local communities	<p>As an integral part of the local communities in which we are embedded, we want to contribute to making them sustainably good places to live. We engage to understand local needs and concerns, ensure safety, and minimize inconveniences.</p>	<p>Meetings with local stakeholders (neighbors, educational and non-governmental institutions, local policymakers, etc.).</p>	<p>A broad range of topics depending on region, activity, and current affairs.</p>

Who do we engage with?	Why do we engage?	How do we engage?	Recurring topics in 2023
Academia, Research & development	To break new ground with regard to product and process innovation, we partner with academic institutions around the world. We look to them for support and guidance in innovation and seek objective, science-based feedback from them.	Collaborations, research, scientific agricultural field trials, publications, lectures and training sessions, company visits, trainee programs and internships, thesis collaborations, networking, etc.	A broad range of specialty topics, including collagen and hydrolysates, tissue engineering with 3D printable gelatin, new fertilizers, fertilizer processes, etc. Collaborations with universities and technical institutes.
Regulators, Policymakers	To meet increasingly complex regulations relating to our products and processes.	Engagement through industry associations, specialist meetings, and seminars.	A broad range of topics, depending on region, activity, and current affairs.
Shareholders, Financial institutions	Demonstrating transparency towards our shareholders and keeping them informed is essential to ensuring long-term shareholder engagement.	Regulated reporting, press releases, conference calls, annual shareholder meetings, etc.	Key topics include financial performance and regulated reporting on shareholder structure and the repurchase of shares, regulated disclosures, leadership changes, the Picanol Group / Tessenderlo Group merger, etc.

Megatrends and impacts

Just like any other organization, certain megatrends and challenges require our group to think forward and innovate and adapt accordingly. We have identified five global shifts that we need to address as a matter of priority.

Energy transition

Global warming poses a serious risk to our environment, society, and economy. The transition to net zero is fundamentally reshaping the business landscape. We are committed to reducing our greenhouse gas emissions and shifting to more renewable and low-carbon sources of energy while ensuring reliability and affordability for our customers. At the same time, we must continue to monitor financial and reputational risks, and spot opportunities in the years to come.

Material scarcity and circularity

The depletion of natural resources and the accumulation of waste can put pressure on the cost and quality of produced goods. That is why we have always strived to use the resources at our disposal better, with “Every Molecule Counts” remaining our firm conviction. We adopt upcycling principles and continuously look to enhance efficiency and yield wherever possible.

Better use of water

The scarcity and pollution of water limit our operations and harm the communities we serve. We are dedicated to conserving and protecting water, as it is essential for our operations and the well-being of our local communities. Improved water footprints through sustained reuse and even closed circularity for all our sites are key for our future.

Digitalization

Digital tools, automation, data collection, analytics, and artificial intelligence are transforming the world and can disrupt our business models. Leveraging the power of digitalization offers great opportunities to gain a competitive advantage, improve efficiency, and enhance customer experience. However, we must also address challenges related to workforce skills, data security, and compliance.

Growing world population

We live on an increasingly crowded planet, with the world population expected to reach nearly 10 billion people by 2050. This increase will inevitably have an impact on many macro trends, such as climate change, the availability of natural resources and land, and the precariousness of certain ecosystems. While living standards are improving for many, climate change is threatening the livelihood of others. As an enterprise, we need to invest in evolving products and services, be able to provide better yields, preserve the earth's capacity to regenerate, rely less on fossil fuel, and accommodate dietary shifts.

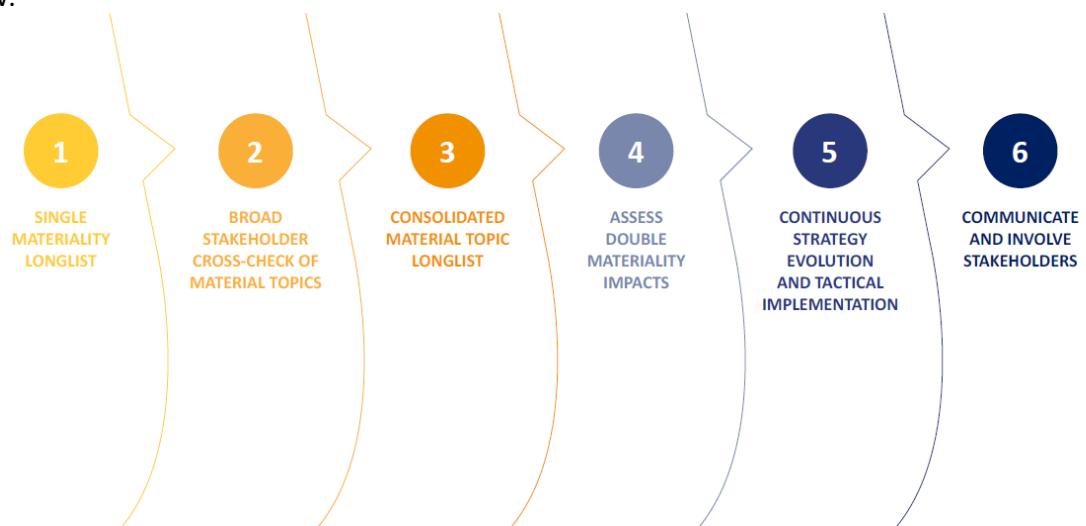
Double materiality

The EU Corporate Sustainability Reporting Directive (CSRD) is more than just a pivotal point in sustainability reporting. The concept of double materiality also offers new guidance on how organizations can prioritize within the vast array of sustainability efforts before them. In the past, materiality assessments only considered how an organization's actions affected the outside world (environment, social, etc.). However, with the growing understanding that a company's actions and the world's bigger problems are intricately connected, double materiality adds the dimension of how the external environment affects organizations and their business value. Just a few examples of how climate change inevitably entails risks for businesses: potential supply chain disruption, extreme weather damage, but also changing consumer behavior in the wake of global warming awareness.

Hence, we decided to move forward by updating our previously single materiality study into a double materiality study in 2023. This involved carefully examining the interaction between economic, environmental, social and governance factors in a two-dimensional way: the impact of our business on ESG on the one hand, and the impact of environmental and social trends on our business on the other hand.

How we approach and implement double materiality

The materiality study forms the basis for our ESG report. The process and implications are visualized below.



1. Single materiality longlist

We started from the materiality study we made in 2021, adding desktop research benchmarks of peer industries and market analysis, and we discussed topics with company experts and aligned with our enterprise risk management. Out of this combined input, we generated a long list of topics that are potentially material to Tessenderlo Group.

2. Broad stakeholder cross-check of material topics

We conducted qualitative surveys and live interviews with 83 stakeholders (customers, suppliers, board members, other external stakeholders, internal leaders, and experts, in a rough 50/50 split internal/external). The surveys included in-depth questions on the material longlist, but also open-ended questions on broad ESG threats and opportunities.

3. Consolidated material topic longlist

We reviewed and consolidated all the inputs to establish a materiality impact long list and prioritized the inside-out view, i.e. the impact of our business on environment and social.

4. Assess double materiality impacts

For all material topics, we assessed risks and opportunities, and quantified financial performance impacts. We looked at financial, reputational, regulatory, operational, people and safety impacts and used this to estimate an impact value on our financials. Some materiality topics have both opportunities and risks. We further ranked these in a consolidated matrix view. For some topics we rate the opportunity higher than the risk and vice versa. It is our target to mitigate risks or to turn them into opportunities over time. Financial impact can be reviewed and updated every year.

5. Continuous strategy evolution and tactical implementation

With this new input, our strategic framework is evolving and we redefine targets, actions and KPIs where necessary. We will further optimize our double materiality study in 2024.

6. Communicate and involve stakeholders

We share the strategic framework and results with our stakeholders, both internally and externally (annual results, etc.).

Tessenderlo Group materiality topics and how we defined them

We carried out a number of interviews and surveys with both internal and external stakeholders. Based on their input, the following 15 topics have been identified as having a material impact on people or the environment over the short, medium, or long term. For each of these topics, we added their definitions to clarify how we understand them. Moreover, the topics have been ranked in importance, based on how they were weighed by all interviewed/surveyed stakeholders.

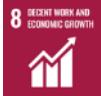
Material topics and how we understand them

TIER 1 MATERIALITY TOPICS				
Topic	Definition	ESRS ²	SDG ³	
1 Health, safety, and well-being at work	Keeping all our employees, contractors, and neighboring communities safe against risks generated by our operations. Nothing we do, is worth getting hurt for. In addition, we ensure a balance of the physical, mental, and emotional well-being of our employees. This encompasses factors such as work-life balance, supportive relationships, job security, and a positive work culture. We make sure we have procedures in place for emergency and security risks.	S1 own workforce	   	
2 Climate: Decarbonization of the energy consumption of our operations and value chains (GHG emissions)	Mitigating climate change by reducing GHG emissions and adapting our assets, processes, and products to decarbonize. Improving our energy mix and transition to green energy.	E1 climate change	   	

² More details on the European Sustainability Reporting Standards (ESRS) can be found here: <https://www.efrog.org/lab6>

³ More information on the United Nations Sustainable Development Goals (SDG) can be found here: [THE 17 GOALS | Sustainable Development \(un.org\).](THE 17 GOALS | Sustainable Development (un.org).)

TIER 1 MATERIALITY TOPICS			
Topic	Definition	ESRS	SDG
3 Upholding responsible, ethical, and sustainable business practices across our value chains	Responsible value chains refer to upholding ethical and sustainable practices adopted by businesses across our entire value chain. This involves conducting operations ethically and transparently, without engaging in corruption, bribery, or deceptive practices. It also includes respecting and upholding the labor rights and human rights of everyone across the entire value chain. In other words, no child labor, safe working conditions, freedom of association, and collective bargaining rights. We also strive to source our inputs in a way that minimizes environmental impact, look for sustainable alternatives, and work towards securing key raw materials in the future.	G1 business conduct S2 workers in the value chain	
4 Sustainable profitability	Safeguarding the profitability of our business while transitioning to a more sustainable future. Providing a framework to ensure investments/M&A are sustainable (or made more sustainable) and profitable in the long term.	ESRS (strategy part)	
5 Circularity, recycling, and waste reduction	Waste reduction involves practices aimed at minimizing the amount of waste generated, by ensuring operational excellence, reusing or valorizing waste streams, recycling whenever possible, and responsibly disposing of any remaining waste.	ESRS E5	
6 Pollution	We continuously assess our risks regarding pollution. We manage and mitigate our environmental impact, adhere to regulations, and engage in sustainable practices and production processes to reduce our pollution levels. This includes air, water, waste disposal, soil contamination, odors, and more.	ESRS E2	
7 Safe and sustainable products	We make sure that our products are free from unreasonable risk of harm when used as intended. We ensure product safety by adhering to all applicable safety standards and regulations, proper labeling, and providing instructions for safe use. In addition, we strive to make our products more sustainable and improve sustainability features by further developing and investing in production processes. The goal here is to protect consumers and users from harm and comply with legal and ethical obligations regarding the safety and environmental impact of our products and services.	ESRS S4 and all E	

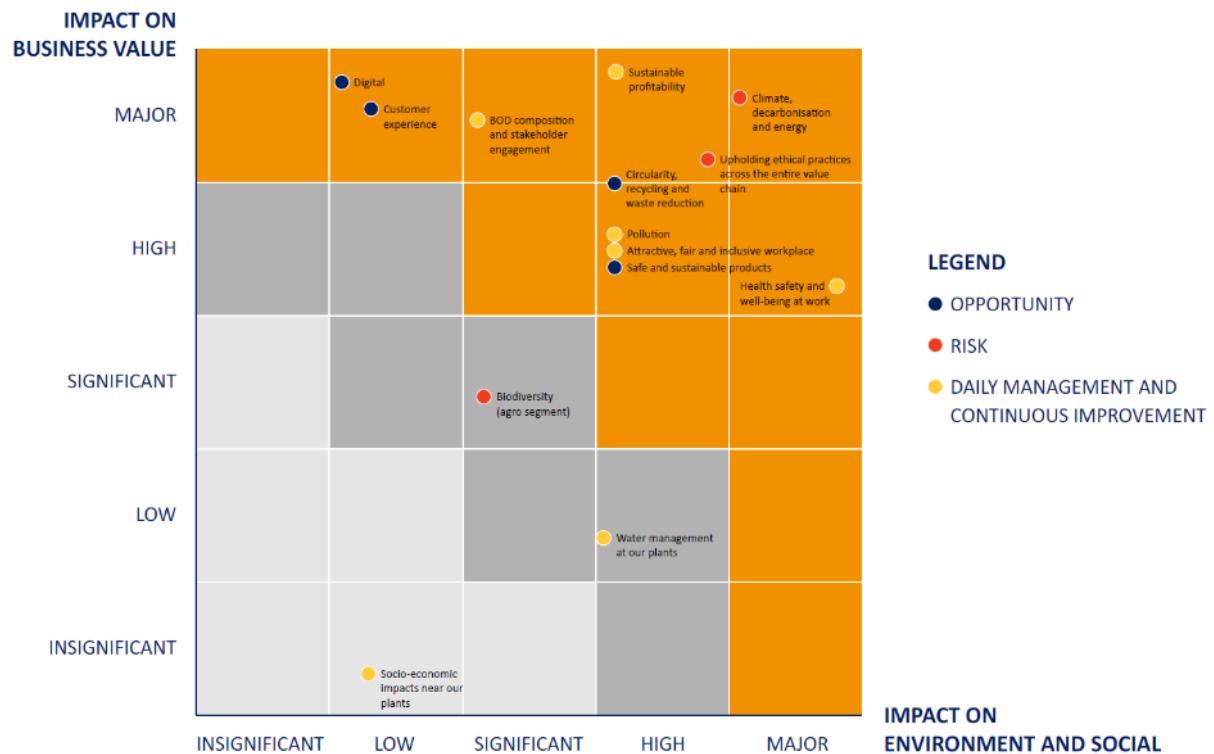
TIER 1 MATERIALITY TOPICS			
Topic	Definition	ESRS	SDG
8 Water management at our plants	Ensuring the responsible and efficient use, conservation, and treatment of water resources within our company. It includes reducing water consumption, recycling, and reusing water where feasible, and implementing wastewater treatment to minimize pollution and ensure full compliance with water regulations.	ESRS E3	 
9 An attractive, fair and inclusive workplace	We create an environment where individuals feel valued, respected, supported, and empowered to participate fully. We embrace diversity by ensuring equal opportunities, representation, and involvement in decision-making on all levels of the group. We ensure a workplace that fosters equality, equity, and fairness in treatment. This includes elements such as offering competitive salaries, comprehensive benefits, career opportunities, career development, and a work culture that encourages collaboration, entrepreneurship, work-life balance, supportive leadership, and recognition for achievements.	ESRS S1	   
TIER 2 MATERIALITY TOPICS			
10 Biodiversity	We strive to understand how our activities, products, and supply chains impact ecosystems, species, and habitats. This includes identifying risks associated with biodiversity loss, opportunities to contribute positively to the conservation and restoration of nature, and how to include these risks in our decision-making process where needed.	ESRS E4	  
11 Stakeholder engagement & BOD composition	Ensuring we have the processes, tools, and touchpoints in place to have a dialogue with all stakeholders on material topics. Board composition is in line with our business strategy, our group's attitudes and our long-term vision.	ESRS S (all) and ESRS G1	 
12 Socio-economic impacts on communities near our operations	Assessing any impacts we have on surrounding communities and avoiding or mitigating negative impacts from our operations, products, and services. Furthermore, it involves assessing how we can contribute positively to local communities.	ESRS S3	 
13 Customer experience	Improving customer experience from first contact to usage of our products and services and after service.	ESRS S4	
14 Digitalization / data collection / transparency	Digitalization and compliant data collection are needed for improved efficiency, traceability, sustainability reporting, operational excellence, and improved customer experience.	ESRS 2 and G1	

This list has then been further analyzed to identify the potential risks and opportunities for our business performance, with an evaluation of potential business value impact.

The outcome of these assessments has been visualized in the below double materiality matrix, showing both dimensions:

- **Single materiality:** identifying material topics where our business has an impact on people or the environment over the short, medium, or long term (inside-out).
- **Double materiality:** identifying the impact of the material topics that have potential risks or opportunities that influence our business value over the short, medium, or long term (outside-in).

Materiality matrix



It is this double materiality matrix that will function as our guide to progress on our sustainability journey. It clearly indicates the inseparable link between sustainability and profitability; one cannot exist without the other, and we can only move forward while balancing both. We use our double materiality to guide our decisions and determine where to put our focus for the years to come. Topics identified as opportunities and risks will get increased focus and resources. Topics identified as daily management will remain a target, to ensure they get the right focus and resources.

Actions and evolutions 2023: Environment

Environmental metrics – overview

KPI MEASUREMENT ESRS	UNIT	RESULTS				TARGET ⁴		
		2021	2022	2023 (excl. Picanol Group)	2023 (incl. Picanol Group)			
Mitigating climate change and decarbonization – ESRS E1								
ENERGY								
Total energy consumption within Tessenderlo Group ⁵	MWh	5,212,371	5,622,415	4,243,122	4,346,579			
NON-RENEWABLE ENERGY								
Total consumption non-renewable energy	MWh	5,212,371	5,555,300	4,182,652	4,285,277			
Fuel consumption from coal and coal products	MWh	100,019	97,927	96,864	140,603			
Fuel consumption from crude oil and petroleum products	MWh	289,969	212,440	173,421	174,948			
Fuel consumption from natural gas	MWh	4,304,719	4,739,344	3,456,680	3,470,039			
Fuel consumption from other non-renewable sources	MWh	104,512	88,400	79,716	79,716			
Energy consumption from nuclear products	MWh	413,152	417,188	375,971	419,973			
Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources	MWh	449,611	443,584	398,871	442,781			
Total production non-renewable energy	MWh	1,558,410	1,813,410	1,189,163	1,189,163			

All CSR metrics in this report for the financial years 2021 and 2022, unless explicitly stated otherwise, are only applicable to Tessenderlo Group excluding Picanol Group.

⁴ Empty cells indicate target setting ongoing or to start.

⁵ To improve accuracy, the basis for calculation has been extended. Hence, reported data for 2021 and 2022 are higher than previously reported.

KPI MEASUREMENT ESRS	UNIT	RESULTS				TARGET
		2021	2022	2023 (excl. Picanol Group)	2023 (incl. Picanol Group)	
RENEWABLE ENERGY						
Total consumption renewable energy	MWh	0	50,142	60,469	61,301	
Fuel consumption from renewable sources (incl. biomass, biogas, non-fossil fuel waste, hydrogen,...)	MWh	0	7,526	0	0	
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	0	42,616	57,943	57,994	
Consumption of self-generated non-fuel renewable energy	MWh	0	0	2,526	3,308	
Total production renewable energy	MWh	0	0	2,526	3,308	
Energy intensity ratio within Tessenderlo Group ^{6 7 8 9}	MWh/k€	2.51	2.17	1.84	1.48	
GREENHOUSE GAS (GHG) EMISSIONS						
Gross Scope 1 GHG emissions (incl. Picanol Group)	tCO ₂ e	Not calculated	1,009,474	Not applicable	767,946	
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (ETS)	%	Not calculated	74%	Not applicable	67%	
Gross Scope 2 GHG emissions (incl. Picanol Group)	tCO ₂ e	Not calculated	142,573	Not applicable	132,467	
Gross Scope 3 GHG emissions (incl. Picanol Group)	tCO ₂ e	Not calculated	7,786,417	Not applicable	6,673,699	
Total GHG emissions (incl. Picanol Group)	tCO ₂ e	Not calculated	8,938,464	Not applicable	7,574,112	
GHG emissions intensity ¹⁰	tCO ₂ e/k€	Not calculated	3.45	Not applicable	2.59	

⁶ GRI 302-3 b: Tessenderlo Group specific metric (denominator) to calculate the ratio = net revenue

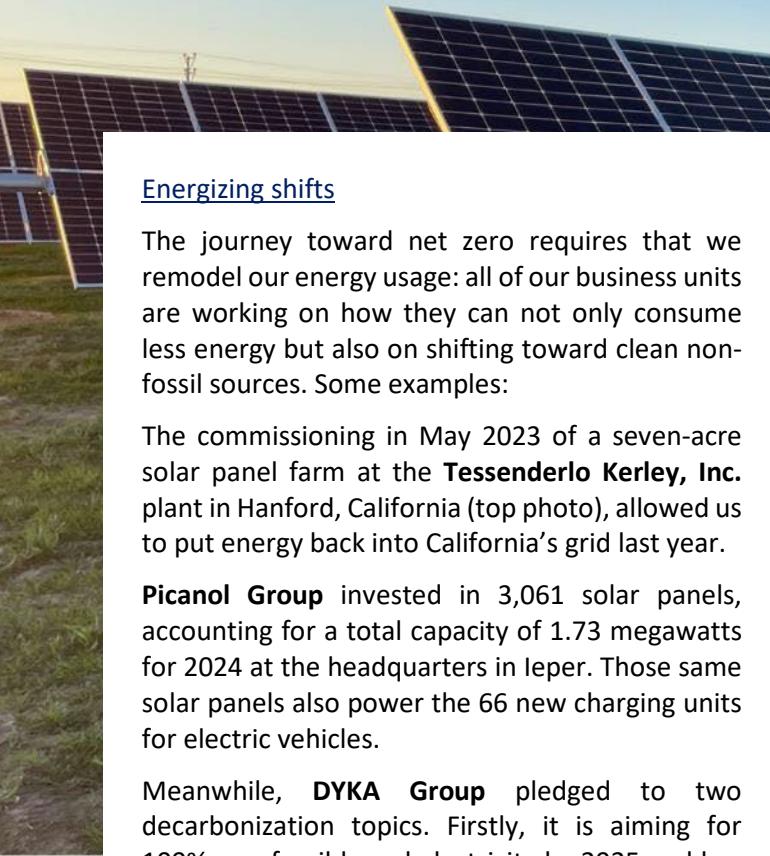
⁷ GRI 302-3 c: Type of energy included in the intensity ratio = hydrogen, liquid light fuel, liquid heavy fuel, natural gas, coal, coke, wood and steam

⁸ GRI 302-3 d: The ratio is based on energy consumptions within Tessenderlo Group

⁹ ESRS E1-5 39: The high climate impact sectors used to determine the energy intensity are: Energy, Manufacturing, Agriculture, Construction and Food and Beverage

¹⁰ GHG emissions intensity, denominator: net revenue

KPI MEASUREMENT ESRS	UNIT	RESULTS				TARGET		
		2021	2022	2023 (excl. Picanol Group)	2023 (incl. Picanol Group)			
Countering pollution – ESRS E2								
AIR EMISSIONS								
Sulfur dioxide (SO ₂)	kg SO ₂	Not measured	630,269	460,820	470,973			
Nitrogen oxides (NO _x)	kg NO _x	Not measured	717,522	620,338	662,287			
Non-methane volatile organic compounds (NMVOC)	kg	Not measured	2,203	3,527	7,045			
Fine particulate matter (PM _{2,5})	Kg	Not measured	63,289	37,048	41,369			
Ammonia (NH ₃)	kg NH ₃	Not measured	83,677	86,734	86,734			
Heavy metals	kg	Not measured	220	220	261			
WATER EMISSIONS								
Nitrate (expressed as NO ₃ -N)	kg NO ₃ -N	Not measured	161,658	150,044	150,086			
Phosphate (expressed as PO ₄ -P)	kg PO ₄ -P	Not measured	19,652	21,040	21,059			
Using water better – ESRS E3								
Total water withdrawal	m ³	18,618,262	19,061,692	17,943,478	18,023,972			
Surface water withdrawal	m ³	11,638,171	11,709,436	10,625,224	10,666,232			
Ground water withdrawal	m ³	4,139,243	4,409,444	4,384,341	4,384,341			
Third-party water withdrawal	m ³	2,840,623	2,942,812	2,933,913	2,973,399			
Water intensity ratio (denominator = revenue)	m ³ /k€	8.96	7.37	7.78	6.16			
Advancing circularity – ESRS E5								
WASTE								
Hazardous waste (official definition of site's country/region)	tons	Not measured	3,218.27	3,001.56	4,177.71			
Non-hazardous waste (official definition of site's country/region)	tons	Not measured	203,284.88	187,771.91	209,321.21			
Nurturing biodiversity – ESRS E4								
KPIs as of 2024								



Energizing shifts

The journey toward net zero requires that we remodel our energy usage: all of our business units are working on how they can not only consume less energy but also on shifting toward clean non-fossil sources. Some examples:

The commissioning in May 2023 of a seven-acre solar panel farm at the **Tessenderlo Kerley, Inc.** plant in Hanford, California (top photo), allowed us to put energy back into California's grid last year.

Picanol Group invested in 3,061 solar panels, accounting for a total capacity of 1.73 megawatts for 2024 at the headquarters in Leper. Those same solar panels also power the 66 new charging units for electric vehicles.

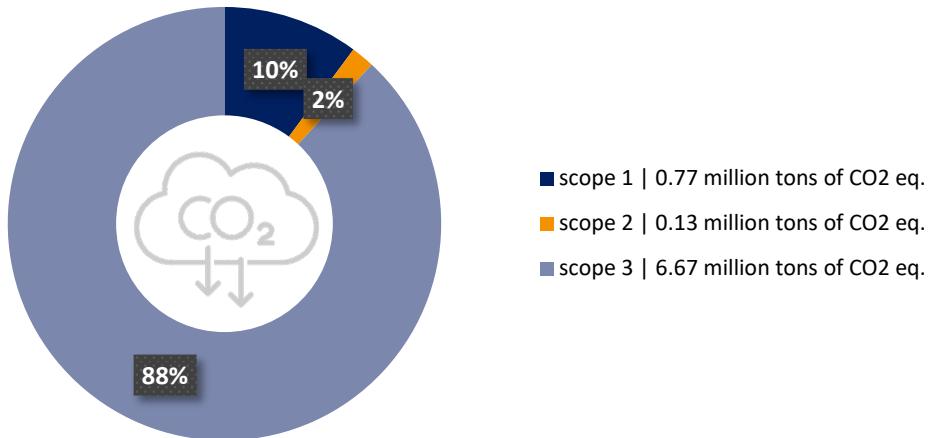
Meanwhile, **DYKA Group** pledged to two decarbonization topics. Firstly, it is aiming for 100% non-fossil-based electricity by 2025 and has already reached up to 50% in 2023. The energy is purchased from (wind and solar) sources external to the organization. Secondly, it is aiming for a 50% reduction of Scope 1 and 2 CO₂ emissions by 2030, for which it is well on track. A great example of this is the electric transport, both from the DYKA Netherlands plant as from the branches, to the construction sites of large projects in Amsterdam.



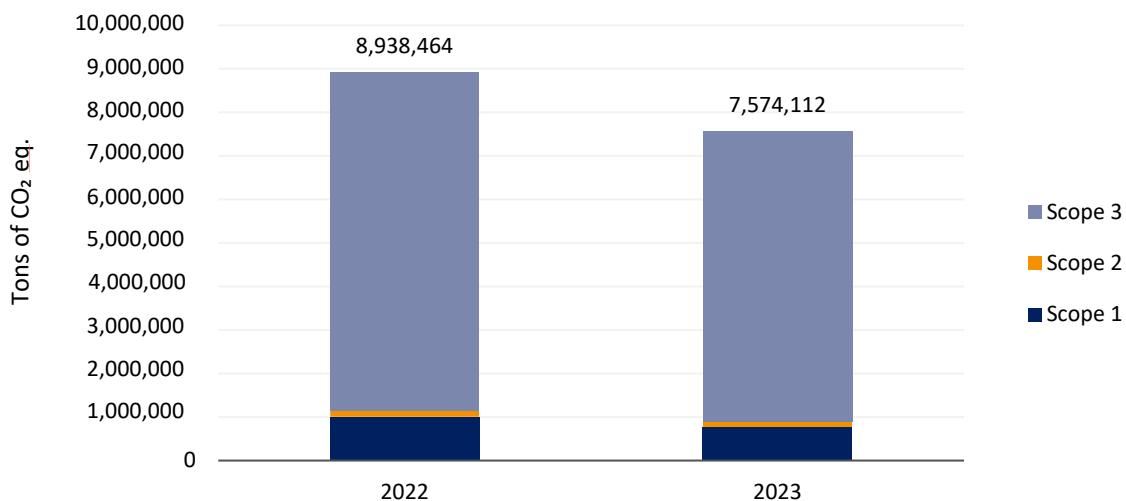
Carbon reporting: scope 1-2-3

Compared to 2022, and in consultation with external assurance, we have slightly adapted our measuring protocol, the full scope of which can be found in Annex 1.

2023 total greenhouse gas emissions by scope¹¹



Carbon footprint evolution



Our full scope greenhouse gas emissions in 2023 amounted to 7.57 million tons of CO₂ equivalent, which is 15.3% lower than our emissions in 2022.

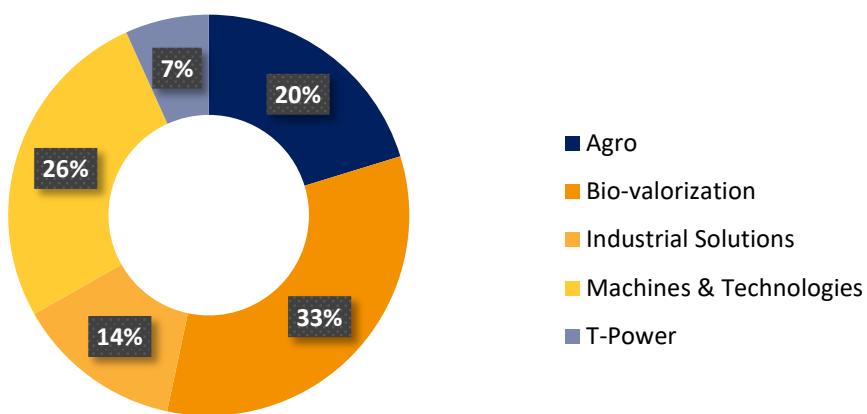
This reduction can largely be attributed to a decrease in sales and production volumes compared to 2022. Reduced sales and the ensuing lower production volumes will understandably lead to a decrease in carbon emissions related to purchased raw materials, manufacturing processes, transport, and energy consumption.

¹¹ The GHG protocol identifies three scopes of emissions: Scope 1 | Direct emissions from sources that are owned or controlled by the reporting organization, such as on-site combustion of fossil fuels or emissions from company-owned vehicles. - Scope 2 | Indirect emissions associated with purchased or consumed energy, such as emissions from electricity or heat purchased from an external source. - Scope 3 | Other indirect emissions from sources not owned or controlled by the reporting organization, such as emissions from the production of purchased goods and services or the transportation of products and waste.

GHG emissions quantification is subject to significant inherent measurement uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values to combine emissions of different gases. Greenhouse gas quantification is unavoidably subject to significant inherent uncertainty as a result of both scientific and estimation uncertainty. Estimation uncertainty can arise because of:

- the inherent uncertainty in quantifying inputs, such as activity data and emission factors, that are used in mathematical models to estimate emissions (measurement uncertainty).
- the inability of such models to precisely and accurately characterize under all circumstances the relationships between various inputs and the resultant emissions (model uncertainty).
- the fact that uncertainty can increase as emission quantities with different levels of measurement and calculation uncertainty are aggregated (aggregation uncertainty).

Carbon footprint by segment¹²



For scopes 1 and 2, the main impact can be observed in our T-Power segment, where reduced running hours gave rise to lower consumption of natural gas for production and, therefore, a considerable reduction in emissions. Some CapEx projects that had an impact on our carbon footprint were completed in 2023, although it is still too early to perceive the impact of those investments. For the 2023 calculations, we also optimized data collection processes and updated emission factors, hence increasing data accuracy. However, this only accounts for minor differences in the 2023 figures.

Moving forward, Tessenderlo Group must continue to implement sustainable practices, strategies, and investments in order to further reduce our carbon footprint and mitigate climate change impact.

The full scope of our carbon footprint now mapped for all our activities and segments, we have started to work on systematic roadmaps to further reducing our footprint. Concrete targets, in line with the Paris Agreement, will be defined and published in the course of 2024.

¹² Please note that all Tessenderlo Kerley, Inc. (TKI)-produced products (Crop Vitality, NovaSource and moleko) are reported under the Agro segment for this carbon footprint report.

Segment	Unit	Results ¹³		
		2021	2022	2023
Mitigating Climate Change & Decarbonization - Energy consumption				
Agro	MWh	388,398	314,130	282,637
Bio-valorization	MWh	1,534,323	1,517,708	1,433,207
Industrial Solutions	MWh	239,472	273,777	211,439
Machines & Technologies	MWh	OOS ¹⁴	OOS	103,457
T-Power	MWh	3,050,179	3,516,799	2,315,838
Segment	Unit ¹⁵	Results		
		2021	2022	2023
Mitigating Climate Change & Decarbonization - Energy intensity				
Agro	MWh/k€	0.48	0.30	0.33
Bio-valorization	MWh/k€	2.39	1.90	1.97
Industrial Solutions	MWh/k€	0.43	0.42	0.33
Machines & Technologies	MWh/k€	OOS	OOS	0.17
T-Power	MWh/k€	42.83	43.66	30.18
Segment	Unit	Results		
		2021	2022	2023
Mitigating Climate Change & Decarbonization - Renewable Energy Consumption				
Agro	MWh	0	0	2,526
Bio-valorization	MWh	0	2,836	2,735
Industrial Solutions	MWh	0	47,306	55,208
Machines & Technologies	MWh	OOS	OOS	832
T-Power	MWh	0	0	0

¹³ Data sources updated with increased accuracy, compared to Annual Report 2022.

¹⁴ OOS = Out Of Scope. Before the integration of Picanol Group into Tessenderlo Group.

¹⁵ Following the integration of Picanol Group into Tessenderlo Group, we have adapted the calculation of Energy Intensity.

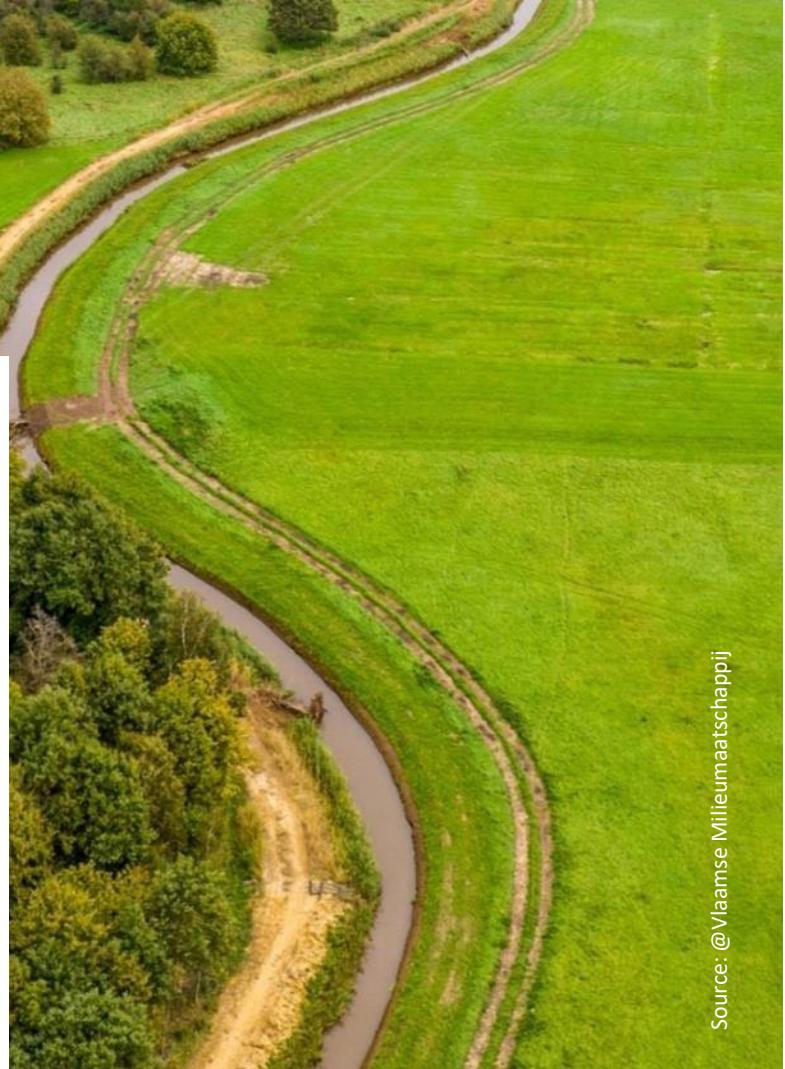
Setting things straight

The world is changing, and what was right yesterday, does not necessarily hold true today. We learn as we go and that is why we invest in remediation projects related to historical pollution, even if everything was well within permits and regulations at the time.

In Ham, together with the competent Flemish authorities, **Tessenderlo Kerley International** finalized the rehabilitation of the Winterbeek waterway. A total of 258,000 tons of contaminated material were removed over a length of 17 kilometers. The sanitation will give new opportunities to local fauna and flora. In order to ensure the positive effect of the remediation work, Vlaamse Milieumaatschappij (VMM), the University of Antwerp, and the Institute for Nature and Forest Research are continuing to monitor the situation in the river.

Meanwhile, in the north of France, **Kuhlmann Europe** has embarked on the clean-up of 21,000 m³ of historically polluted soil. This approach involves the separation of contaminated soil based on distinct metals, enabling us to repurpose the uncontaminated soil and subject the remainder to tailored treatments.

T-Power, in turn, worked to reduce its consumption of hypochlorite in cooling water. Lowering the dosage frequency required careful monitoring of the condenser performance and continuous scanning for unwanted bacterial growth. The team's combined efforts paid off significantly as consumption decreased by almost one-third.



Source: @Vlaamse Milieumaatschappij

Pollution management

Pollution management is critical for environmental preservation and safeguarding ecosystems. Pollution can impact air, water, soil, noise, waste, and biodiversity, which can lead to health risks and non-compliance with regulations. To view our pollution KPI, please refer to the KPI overview at the beginning of this section on environment (p. 24). Meanwhile, some illustrations of how our group implements initiatives against pollution can be found on the previous page.

When it comes to governance, most of our plants already have the ISO 14001 standard in place. ISO 14001 is an internationally agreed standard that sets out the requirements for an environmental management system. It helps organizations improve their environmental performance through the more efficient use of resources and reduction of waste.

In the years to come, we will continue to improve our pollution management practices and take further steps to reduce pollution.

Segment	Unit	Results ¹⁶			
		2021	2022	2023	
Countering pollution - Water emissions					
Nitrate					
Agro	kg NO ₃ -N	Not measured	2,908	3,263	
Bio-valorization	kg NO ₃ -N	Not measured	63,344	39,042	
Industrial Solutions	kg NO ₃ -N	Not measured	95,309	107,470	
Machines & Technologies	kg NO ₃ -N	OOS ¹⁷	OOS	42	
T-Power	kg NO ₃ -N	Not measured	97	269	
Phosphate					
Agro	kg PO ₄ -P	Not measured	N/A	N/A	
Bio-valorization	kg PO ₄ -P	Not measured	17,400	18,267	
Industrial Solutions	kg PO ₄ -P	Not measured	2,252	2,770	
Machines & Technologies	kg PO ₄ -P	OOS	OOS	19	
T-Power	kg PO ₄ -P	Not measured	N/A	N/A	
Countering pollution - Air emissions					
Sulfur dioxide					
Agro	kg SO ₂	Not measured	551,690	392,476	
Bio-valorization	kg SO ₂	Not measured	78,512	68,306	
Industrial Solutions	kg SO ₂	Not measured	67	38	
Machines & Technologies	kg SO ₂	OOS	OOS	10,153	
T-Power	kg SO ₂	Not measured	N/A	N/A	
Nitrogen oxides					
Agro	kg NO _x	Not measured	180,487	181,491	
Bio-valorization	kg NO _x	Not measured	294,752	278,570	
Industrial Solutions	kg NO _x	Not measured	3,683	2,172	
Machines & Technologies	kg NO _x	OOS	OOS	41,949	
T-Power	kg NO _x	Not measured	238,600	158,104	
Non-methane volatile organic compounds (NMVOC)					
Agro	kg	Not measured	N/A	N/A	
Bio-valorization	kg	Not measured	2,203	3,527	
Industrial Solutions	kg	Not measured	N/A	N/A	
Machines & Technologies	kg	OOS	OOS	3,518	
T-Power	kg	Not measured	N/A	N/A	
Fine particulate matter (PM2,5)					
Agro	kg	Not measured	32,696	23,626	
Bio-valorization	kg	Not measured	28,749	11,619	
Industrial Solutions	kg	Not measured	1,843	1,803	
Machines & Technologies	kg	OOS	OOS	4,320	
T-Power	kg	Not measured	N/A	N/A	
Ammonia					
Agro	kg NH ₃	Not measured	83,000	85,123	
Bio-valorization	kg NH ₃	Not measured	677	1,612	
Industrial Solutions	kg NH ₃	Not measured	N/A	N/A	
Machines & Technologies	kg NH ₃	OOS	OOS	N/A	
T-Power	kg NH ₃	Not measured	N/A	N/A	
Heavy metals					
Agro	kg	Not measured	181	80	
Bio-valorization	kg	Not measured	0	103	
Industrial Solutions	kg	Not measured	39	36	
Machines & Technologies	kg	OOS	OOS	41	
T-Power	kg	Not measured	N/A	N/A	

¹⁶ Data sources updated with increased accuracy, compared to Annual Report 2022.

Precious water

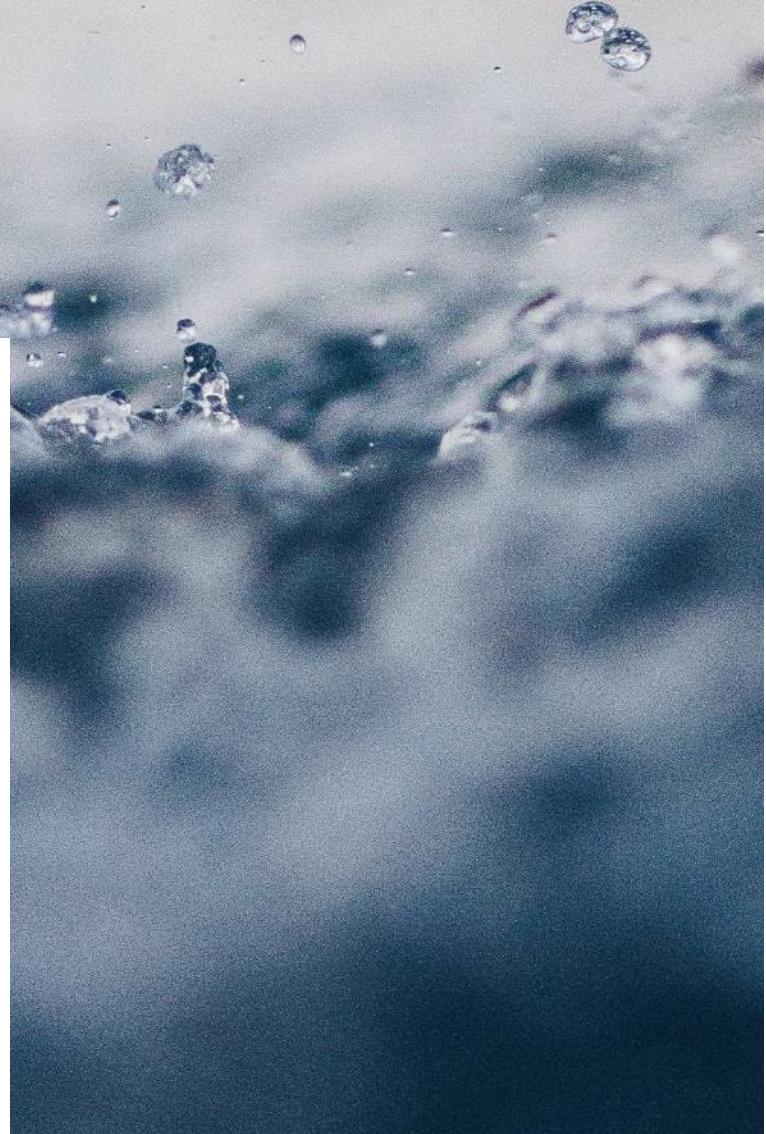
To address the issue of water scarcity and ensure sustainable water withdrawal, we need to consume less water and uncouple water consumption from production growth. At all our sites, we're making earnest efforts to do just that and you can find a handful of examples below.

In 2023, **DYKA Group** set itself the ambition of decreasing water intensity (total drinking water consumed per ton of product produced) by 20% by 2026. It is well on track with this as the last update showed it has realized a 10% reduction in 2023.

At its sites in Saint-Langis and Javené in France, **Akiolis** installed circuits drawing from the wastewater treatment plant to water the biofilters. This initiative will save 43M³T of drinking water per year, the equivalent of 11.5 olympic swimming pools. Having got the hang of it, the team will deploy the same system at other sites as well.

Meanwhile, **Tessenderlo Kerley, Inc.** implemented a cooling tower blowdown water recycling program, which allowed for a significant reduction of freshwater consumption at the plant in Hanford, California (US).

PB Leiner successfully reduced water intensity by 1.8% compared to the 2021 baseline. This achievement was not the result of one single grand project but rather the addition of various small-scale initiatives. It strategically recycled water of sufficient quality from one process to another, fine-tuned the purging of cooling towers, and heightened vigilance with regard to tank overflows.



Water management

Water management at our plants is a cornerstone of our commitment to sustainability. As water is one of the most valuable resources on earth, we implement effective water management strategies across all our plant locations. We are optimizing our production processes to minimize water consumption while simultaneously maximizing recycling and reuse. Wherever possible, we have closed-loop systems to reduce the strain on local water sources and also to reduce wastewater discharge. And when we discharge wastewater, we make sure it is properly treated before it is discharged. This is done not only to meet regulatory requirements but also to ensure it does not have a negative impact on the receiving water body. We focus on continuous improvement to further reduce water usage and enhance our water management practices.

We also collaborate with local communities and stakeholders to share best practices that will help us to scale our efforts. To view our water KPIs, please refer to the KPI overview at the beginning of the section on environment (p. 24).

Segment	Unit	Results ¹⁷		
		2021	2022	2023
Using water better - Water withdrawal				
Agro	m³	3,441,548	3,373,750	3,167,597
Bio-valorization	m³	10,583,500	10,891,045	11,190,647
Industrial Solutions	m³	3,230,207	3,092,924	2,508,477
Machines & Technologies	m³	OOS	OOS ¹⁷	80,494
T-Power	m³	1,362,781	1,703,973	1,076,757
Using water better - Water emissions				
Surface water				
Agro	m³	2,162,367	2,028,718	1,806,854
Bio-valorization	m³	6,227,104	6,181,422	6,188,705
Industrial Solutions	m³	1,915,406	1,820,146	1,579,182
Machines & Technologies	m³	OOS	OOS	41,008
T-Power	m³	1,333,293	1,679,150	1,050,483
Ground water				
Agro	m³	603,906	646,795	527,421
Bio-valorization	m³	2,311,501	2,546,440	2,957,982
Industrial Solutions	m³	1,223,835	1,216,209	898,938
Machines & Technologies	m³	OOS	OOS	0
T-Power	m³	0	0	0
Third-party water, including city water				
Agro	m³	675,275	698,236	833,323
Bio-valorization	m³	2,044,895	2,163,183	2,043,960
Industrial Solutions	m³	90,965	56,569	30,356
Machines & Technologies	m³	OOS	OOS	39,486
T-Power	m³	29,488	24,823	26,274
Using water better - Water intensity				
Agro	m³/k€	4.26	3.20	3.69
Bio-valorization	m³/k€	16.45	13.61	15.41
Industrial Solutions	m³/k€	5.82	4.74	3.89
Machines & Technologies	m³/k€	OOS	OOS	0.13
T-Power	m³/k€	19.14	21.15	14.03

¹⁷ Data sources updated with increased accuracy, compared to Annual Report 2022.

Bio-circular PVC and recyclates

DYKA has been systematically working on drawing from ever more sustainable raw materials. 2023 marked a breakthrough year on two levels for DYKA: to begin with, DYKA Netherlands realized and sold its first bio-circular PVC pipes. These are made with bio-circular ethylene, from food and forestry residual streams, and do not compete with the food chain. This smart innovation meets all quality requirements and results in, according to the supplier, a CO₂ reduction of at least 90%.

However, more than that, DYKA is also increasing the total amount of recyclates in its products. A great recyclate example is the newly launched Axedo Gully, which is made out of 100% PP recyclate.



Life cycle design

Using our resources to the fullest also refers to thinking well ahead when designing a new product. With each new development, we seek to do better with regard to performance, energy efficiency, but also life cycle.

For the design of a weaving machine platform, for example, **Picanol** creates an individual Material Passport for each machine. This passport keeps track of all the material usage and coatings used on the machine in order to facilitate easier dismantling and recycling at its end of life. Furthermore, we avoid using rare earth materials wherever possible, which is why Picanol mainly uses internally developed switched reluctance motors that don't require magnets.

Finally, Picanol's newest development, the Ultimax rapier weaving machine, was developed to support the increasing use of recycled yarn, which is often weaker and more irregular than original yarn, and requires effective dust evacuation and active brakes.



Giving back to the soil

Using the resources at our disposal even better is at the core of Tessenderlo Group's culture. In some cases, this implies quite a large degree of circularity: **PB Leiner's** Latin American plants have been conducting research to develop a sustainable solution for the sludge generated during the liquid effluent treatment process.

The Santa Fe plant (Argentina) has now succeeded in composting the sludge and producing a Class A organomineral fertilizer.

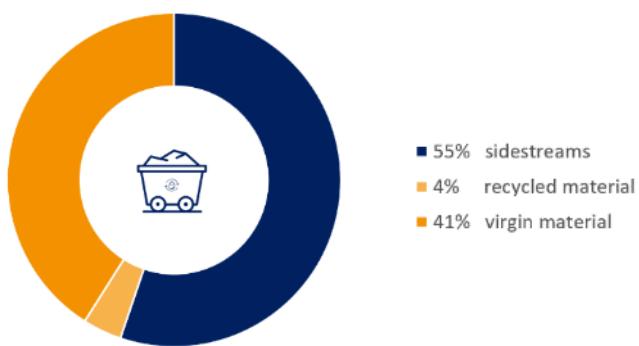
Meanwhile, at our Acorizal plant in Brazil, our team has been working with EMPAER, the local agency for agricultural development, to test the efficiency of the organomineral fertilizer for family farming.

Valorizing residual materials

Nowadays, across all industries, embracing circularity, recycling, and effective waste management is not an option but a responsibility. Indeed, it represents a crucial opportunity to build a sustainable future. The continuous search to further valorize the resources at our disposal has been our conviction for many years: “Every Molecule Counts”. We consistently try to realize the potential of our resources, our processes, and ourselves even better. We do this by recovering materials that have been either leftover or discarded so they can also be upcycled into valuable essential applications for everyday life, as well as enhancing efficiency where we can. A more in-depth explanation of how we implement our “Every Molecule Counts” philosophy throughout all our activities on a daily basis can be found throughout this report.

Infographic: raw material origin

Our conviction that “Every Molecule Counts” implies that we use the raw materials at our disposal in the most efficient way. Valorizing side streams has been at our core since our foundation, as has been the drive to always do better. However, if one doesn’t measure, one cannot improve effectively. That is why we have started to quantify the different origins of our raw materials in terms of waste/virgin streams. You can find the 2022 result in the below table. This calculation is a pilot, measuring the weight of all raw materials throughout our processes. Given the recent integration of Picanol Group and the very different nature of the end products of Picanol and Psicontrol, these two companies have not been taken into account in this infographic. We will develop a different kind of calculation for the activities of these two companies.



Raw material origin interpretation

Virgin material refers to raw materials that have been sourced directly from nature or are in their original, unused state, or previously unused raw materials that are typically extracted or harvested from natural resources, such as minerals, ores, fossil fuels, timber, or agricultural products. These materials have not undergone any previous processing or are sometimes newly manufactured to serve as a primary resource in a production process.

Recycled materials are materials that have been recovered or diverted from the waste stream and processed into new products or materials. These materials are typically derived from post-consumer or post-industrial waste through various recycling processes, such as sorting, cleaning, shredding, melting, or refining.

Side streams, which are also known as by-products or co-products, refer to secondary or auxiliary streams of materials, energy, or resources that are generated during industrial processes or manufacturing operations. These materials are produced alongside the main product or output and can have potential value or utility if they are recovered, reused, or repurposed effectively. Side stream management involves identifying opportunities to extract value from these secondary streams while simultaneously minimizing any waste and environmental impact.

Segment	Unit	Results ¹⁸			
		2021	2022	2023	
Advancing circularity - Waste					
Non-hazardous waste					
Agro	tons	Not calculated	5,966	5,463	
Bio-valorization	tons	Not calculated	194,728	178,447	
Industrial Solutions	tons	Not calculated	2,561	3,787	
Machines & Technologies	tons	OOS ¹⁷	OOS	21,549	
T-Power	tons	Not calculated	30	75	
Hazardous waste					
Agro	tons	Not calculated	363	263	
Bio-valorization	tons	Not calculated	250	225	
Industrial Solutions	tons	Not calculated	2,604	2,512	
Machines & Technologies	tons	OOS	OOS	1,176	
T-Power	tons	Not calculated	2	1	

¹⁸ Data sources updated with increased accuracy, compared to Annual Report 2022.



Buzz and bees

Fueling our ambition towards caring for and enhancing biodiversity, several of our business units have been taking small actions to help nature along.

Many of our plant locations have some unused green land, on which bees are happy guests. At one of the **Akiolis** locations in France, a flowery field hosts approximately 50,000 bees.

Meanwhile, **PB Leiner** in Vilvoorde also hosts several beehives, and at **Kuhlmann Europe** in France, they even have Kuhlmann Europe-branded honey, which is harvested from their own beehives and is distributed to all the employees.

Finally, **Tessenderlo Kerley International** has been sowing flower seed mixes to support the local bee population.



Ongoing actions to nurture biodiversity

Biodiversity ensures the resilience and stability of ecosystems that provide us with essential resources such as food, medicine, clean water, and air purification. Our latest materiality study revealed a much higher weight on biodiversity as previously envisioned, especially for specific segments such as Agro and Bio-valorization. Following through on this evolving insight, we are currently investigating how to incorporate biodiversity into our segment strategies. Our first initiative in 2024 will involve investigating how our segments, activities, products, and supply chains impact ecosystems, species, and habitats or activities where we have a potential dependence on nature. Based on that impact assessment, we will initiate the next steps for the most impactful areas in our group in order to build a more harmonious relationship with nature.

We are, therefore, on the verge of making the first planned steps on our biodiversity journey. However, we have already taken some small actions that will help to enhance the variety of life:

- Flower meadows have been planted at several of our business units to attract bees. Tessenderlo Kerley International, PB Leiner, Kuhlmann Europe, as well as Akiolis, have been sowing wildflower seeds at several plants and putting in place beehives to ensure additional pollination alongside the production of local honey.
- Plant nutrients that support regenerative farming practices: Tessenderlo Kerley's CaTs® fertilizers not only provide the much-needed nutrients calcium and sulfur for crops but they are also used for soil improvement. They assist with water infiltration and drainage, as well as reduce compaction in the soil. Meanwhile, the organic fertilizer range of our Violleau business unit helps to protect soil health and increase soil organic matter.

Safe and Sustainable Products

Focusing on the safety and sustainability properties of our products is a top priority for us. We make sure that all our products have the proper mandatory registrations in all the countries where we sell them and ensure that they adhere to the safety and environmental standards of the countries in which we operate. Our two R&D centers in Tessenderlo (Belgium) and Phoenix, Arizona (USA) continue to research how we can improve the features and functionalities of our products. This involves rigorous testing and collaborations with both universities and independent technical institutions. In Dinuba, California (US), we run our own R&D farm, where we perform various trials on a multitude of crops every season. We also have a training center where we invite customers and farmers to visit and receive training on the application and features of our products.

In addition to this, we organize many other educational events for our customers, and the concepts of safety and sustainability form part of these sessions. Furthermore, our communication strategy also includes the organization of stewardship programs, developing training materials, and publishing digital campaigns to reach out to our customers.

For an industrial group like Tessenderlo Group, which plays a key role in the supply of food, clothing, drinking water, etc., it is not only of the utmost importance that the solutions we provide meet the highest safety standards; increasingly, our solutions must also bring a positive contribution in terms of sustainability.

Here are some examples of core products that are contributing to the sustainability journey of our customers and other purchasers in our value chains:

- Thio-Sul® fertilizers: by adding Thio-Sul®, KTS®, and/or other thiosulfates like CaTs® to liquid nitrogen blends, growers can both protect against nitrogen losses as well as provide the essential sulfur that their crops need to thrive, thus improving yields which, in turn, reduces the carbon footprint of the crops grown with Thio-Sul® fertilizers.
- CaTs®: a calcium fertilizer that can also be applied as a soil-enhancing solution, reducing the compaction of the soil and allowing water to easily reach the roots of crops.
- DYKA's Axedo gully is made out of 100% PP recyclates.
- Picanol's weaving machines boast the best output/energy consumption ratio in the world.
- TEXTURA™ gelatin: this instant gelatin doesn't require a heating step for it to be effective in terms of texturizing food.
- Our Violleau organic fertilizers are circular and contribute to more organic and regenerative agriculture practices, which has a positive impact on the soil.
- And many more...

To gain a better insight into the environmental impact of our products, we have started several projects calculating their carbon footprint. This will provide further transparency and reveal more opportunities to increase the sustainability of our products. On top of this, we are adding additional sustainability parameters and lifecycle design to many of our new developments and trial procedures. This will enable us to become more effective on our journey to realizing a greener future.

Actions and evolutions 2023: Social

Vision of our CTO – Development of people for sustainable growth

“ Feedback is a dare, an aspiration to grow.

For over a century, “Every Molecule Counts” has fueled our journey, pushing us to unlock the potential within our resources, our processes, and ourselves. In that sense, we have never been ones for being idle. But neither has the world – it is characterized by high levels of unpredictability of markets, geopolitics, and speed of change. Much as it may seem that the world has only recently come into this situation of turbulence, this is not a new condition. The world has always been in a state of flux, and navigating it successfully has always been a challenge. Embracing the challenges of a dynamic world, our attitudes define us, fortifying our resilience.

BE CURIOUS

In 2023, our employees dedicated an average of almost three working days of formal training, reflecting our commitment to continuous improvement. Considering that 70% of learning is unlogged, on the job, or through mentoring and explicit coaching, our collective efforts span more than one week per year, and this helps to raise our standards. Curiosity extends beyond learning: It is about cultivating a questioning mind, and remaining open and engaged with the world. Our teams actively support local and global initiatives like World Cleanup Day 2023, where over 300 of our colleagues globally came together to clean our sites’ surroundings.

BE COURAGEOUS

Our entrepreneurial spirit and inquisitive minds drive our courage, but true courage involves giving, asking and receiving feedback. Feedback is our compass, guiding us when we’re exploring uncharted territories. We see it as an essential building block to grow. Challenging ourselves and others opens doors, expanding our potential. Stakeholder feedback, which is represented in this report, is a dare – an aspiration for growth.

As we set the course, our culture of drive, curiosity, and courage will define us. In the years ahead, we will anchor our commitment to continuous improvement, steering toward a high-performance culture. Eyes wide open, full steam ahead!

Sandra Hoeylaerts
Chief Transformation Officer

The attitudes we share, as a group

The various different business units and companies of Tessenderlo Group are not all involved in the same activities. Nevertheless, we speak one language and are united by the attitudes we share. These attitudes have been key in creating a strong company culture that focuses on excellence and sustainable growth:

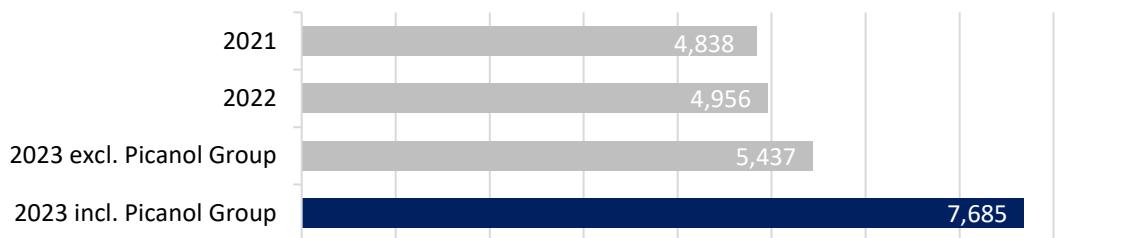
1. **BE POSITIVE** - We believe in the potential within and around us: we seize our opportunities with optimism.
2. **BE CURIOUS** - We are open-minded and eager to learn: we want to get better at everything we do and discover even more about the world we live in.
3. **BE CONNECTED** - We are connected internally and externally: we work closely together to share our knowledge and best practices.
4. **BE COURAGEOUS** - We don't shy away from obstacles. And we believe that having the courage to challenge each other is a good thing.
5. **BE DECISIVE** - We take and execute decisions and we make sure things happen quickly.
6. **BE FOCUSED** - We set priorities and we pursue results together.

Our 6 attitudes indicate what we consider to be most important as a group. However, whilst these attitudes act as a source of inspiration, they only really exist to the extent that we practice them. This is why we are committed to actively applying our attitudes in our everyday work. Because it reflects positively on our colleagues, customers, and other stakeholders. As a result, they clearly see our entrepreneurial spirit and job satisfaction, and our value-driven, "can-do" mentality.

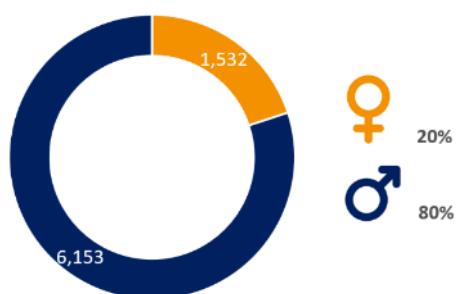


Social metrics – overview

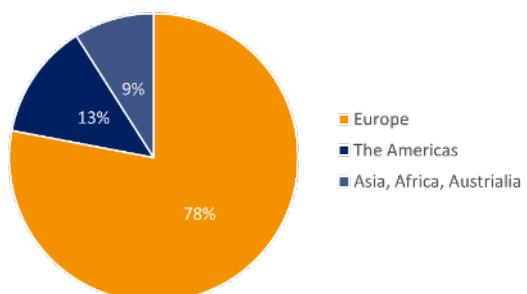
Total number of employees in 2023¹⁹



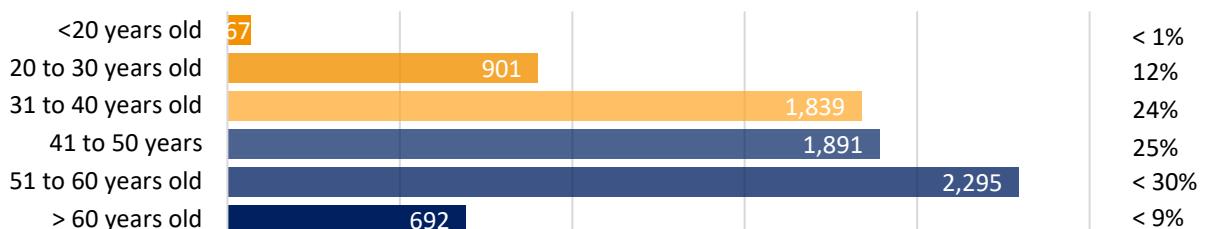
Gender distribution of global employees



Regional spread employees



Global employees per age group



¹⁹ Between 2022 and 2023, there has been a change in calculation for Tessenderlo Group: in 2022 the total number of employees was counted in FTE (Full Time Equivalent), while from 2023 onwards total head count is taken into account.

KPI MEASUREMENT ESRS	UNIT	RESULTS				TARGET ²⁰
		2021	2022	2023 (excl. Picanol Group)	2023 ²¹ (incl. Picanol Group)	
Health, Safety and Well-being at work – ESRS S1²²						
Lost Time Injuries	N	120	114	97	173	
Lost Working Days	N	5,085	5,585	4,715	6,022	
Lost Time Injury Frequency Rate - all employees and contractors	LTI's x 1 million/total hrs worked	10.4	10.8	9.3	15.2	
Group Insurance coverage/Life Assurance coverage	%	98%	98%	98%	96%	
Attractive, Fair and Inclusive workplace – ESRS S1						
Diversity of gender in TG governance bodies – female male	%	18% 82%	18% 82%	N/A	35% 65%	
Diversity of Board of Directors – female male	%	33% 67%	33% 67%	N/A	44% 56%	
Diversity of gender L-level – female male	%	12% 88%	15% 85%	15% 85%	16% 84%	
Diversity of gender E- level – female male	%	24% 76%	25% 75%	25% 75%	24% 76%	
Diversity of gender – female male	%	17% 83%	17% 83%	17% 83%	20% 80%	
Diversity of employees per age category	%	See chart on previous page				
Diversity of employees per region	%	See chart on previous page				
Employees compliant in training 'Labor and human rights'	%	Not reported	81%	91%	86%	95%

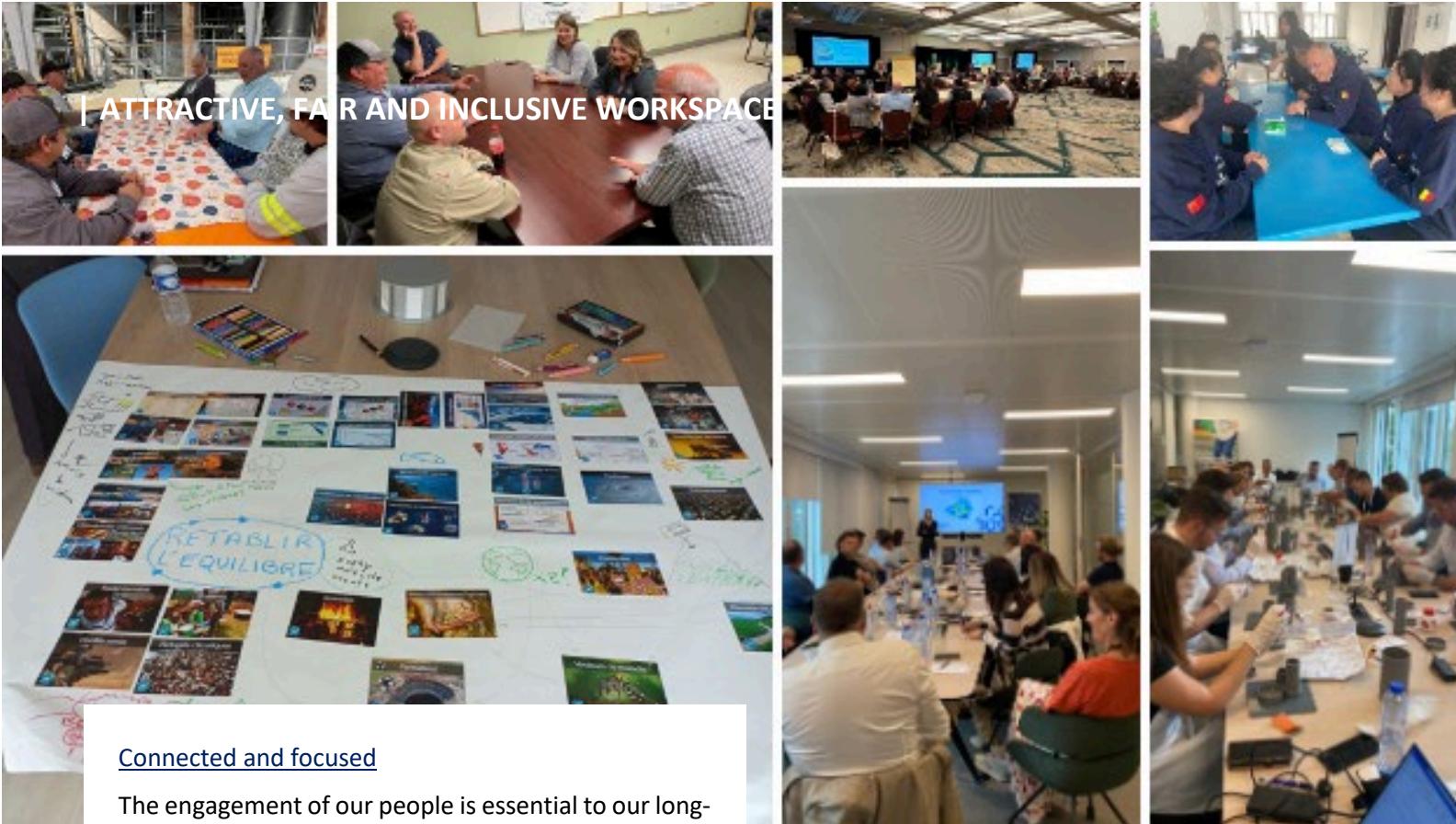
²⁰ Empty cells indicate target setting ongoing or to start.

²¹ Empty cells indicate that Picanol Group is not yet included in this KPI.

²² Safety KPIs have been adapted following the integration of Picanol Group into Tessenderlo Group.

KPI MEASUREMENT ESRS	UNIT	RESULTS				TARGET ²⁰
		2021	2022	2023 (excl. Picanol Group)	2023 ²¹ (incl. Picanol Group)	
Equal opportunity-ratio of basic salary and remuneration of women to men at L-level	%	Female 5% higher than male	Male 3% higher than female	Female 1% higher than male	Male 1% higher than female	
Equal opportunity-ratio of basic salary and remuneration of women to men at E-level	%	Male 2% higher than female	Male 4% higher than female	Male 3% higher than female	Male 4% higher than female	
Operations in which the right to freedom of association and collective bargaining may be at risk	N	0	0	0	0	0
Total – new hires / leavers	N	673 Not reported	641 384	608 532	844 946	
Employee turnover (all reasons incl. retirement)	%	13%	7%	10%	11%	
Average of hours of training per employee per year	Hrs	14.80	15.42	15.78	20.4	
L- and E-grade employees receiving regular signed performance reviews	%	96%	100%	99%	99%	> 90%
Average years of employee seniority / company service	Yrs	13.21	13.1	12.56	12.17	
L- and E-grade employees in individual performance related incentive plans	%	100%	100%	100%	93%	> 75%
Employees in collective performance related incentive plans	%	66%	66%	66%	75%	> 75%
L- and E-grade employees with a personal development plan in LMS or another registration system	%	Not reported	52%	34%	31%	> 90%
E-grade employees in formal coaching or mentoring programmes	%	3%	8%	7%	6%	> 5%
Employees active in the Learning Management System (LMS)	N	39%	44%	67%	43%	> 50%
Hiring by source – internal / external	%	12% 88%	12% 88%	7% 93%	19% 81%	> 15% internal
Socio-economic embedding in communities near our operations – ESRS S3						
Collaborations in which local communities are involved – connecting the dots – connection to business environment (proxy)	%	Not reported	75%	75%	75%	75%

| ATTRACTIVE, FAIR AND INCLUSIVE WORKSPACE



Connected and focused

The engagement of our people is essential to our long-term success. That is why our leaders commit to being close to the work floor. In 2023, across all countries and segments, they met up with our employees, inviting active and open-minded exchanges regarding our strategy and challenges.

Tessenderlo Kerley, Inc., for example, engaged in roundtable discussions across the USA, **PB Leiner's** leadership took time to enter earnest dialogue with all its workers in all corners of the world, and **DYKA Group** set up its first group-wide onboarding day. During this onboarding day, new employees from different entities and countries came together to connect and meet the DYKA Group Leadership Team. Meanwhile, **Akiolis**, organized a *Fresque du Climat* workshop, embarking with the team on a co-created sustainability strategy.



Curious and connected

Learning and Development goes beyond formal training sessions: since the inception of the Group Mentoring Program, more than 75 mentor/mentee pairs have been formed. The Group Mentoring Program fosters a culture of growth embedded in trust.

A boost in self-confidence and progressively mastering tools and techniques for problem-solving, navigating difficult conversations, and focused leadership are just a few of the many learnings cited by those participating in the program.

Attractive, fair, and inclusive workplace

We are committed to partnering with our business leaders to create a strong company culture that stimulates organizational agility and sustainable business growth. We focus on building an inclusive workplace where our greatest asset — our people — can make the best use of their talent, grow both personally and professionally, and feel valued, by fostering an environment that prioritizes Learning and Development, Employee Well-being and Engagement, and the promotion of fair and equal pay.

Learning and Development: Cultivating Excellence and Growth

We recognize that the world is evolving rapidly, and so too are the skills people require for success. Our commitment to Learning and Development is the cornerstone of our HR strategy. We aim to create a culture of continuous learning where every employee is encouraged and empowered to seize opportunities to enhance their skills – through formal training programs, professional networking, and continuous on-the-job learning.

By implementing targeted training programs, coaching and mentorship initiatives, and collaborations with leading educational institutions, we strive to provide our workforce with the tools they need to thrive in an ever-changing landscape. Our goal is not just professional growth but also personal development, as we believe that a fulfilled individual will contribute more effectively to our collective success.

Fair and equal pay and an Inclusive Workplace: Striving for Equity and Diversity

Tessenderlo Group is dedicated to creating an inclusive workplace where diversity is not just acknowledged but celebrated. We firmly believe that a diverse workforce fosters innovation and brings different perspectives to the table.

We promote internal mobility and opportunities for growth for everyone, regardless of gender, age, race, or background. Our commitment to fair and equal pay ensures that every employee is compensated fairly for the contributions they make. We continuously evaluate and adjust our policies to uphold our principles of equity and fairness, striving to eliminate any gender pay gaps and promote a workplace where everyone has equal opportunities to succeed.

At Tessenderlo Group, our HR vision is not just a statement; it's a roadmap to creating a workplace that reflects our core attitudes and empowers our people to reach their full potential.



Well-being beyond the job

We want to invest in our employees' overall well-being, which is why we organize events and regularly try to take a moment every once in a while to consider how each of us can enhance our quality of life.

For example, **Tessenderlo Group's** Strava community encourages and rewards ever-increasing numbers of employees to exercise. When it comes to mental health, hands-on tips and coaching accompanied a group survey.

PB Leiner organized global workshops on individual and team resilience, and for the second year in a row, **Kuhlmann Europe** set up a Quality of Life Week aimed at nurturing collective well-being at work with workshops, an insightful conference, and relaxation sessions.



Workers for worker safety

The safety and health of all our people are our first priority, always. Our safety campaigns run all year round.

In 2023, to go that one step beyond in order to raise awareness, **Kuhlmann Europe**'s employees set out to make their own safety posters and taglines, choosing from 3 safety themes. You can admire their creativity and drive below – the winning teams were rewarded with a lunch.



Health, Safety & Well-being at work

Well-being and Engagement: nurturing a healthy and positive work environment

Ensuring the well-being of our employees is paramount. We understand that a healthy, happy workforce is a productive workforce. Therefore, Tessenderlo Group is committed to promoting physical, mental, and emotional well-being among our employees.

As an industrial company, ensuring physical safety on the work floor is, of course, a top priority. Beyond this, our initiatives include wellness programs, mental health support, and flexible work arrangements.

We focus on building a feedback culture through multiple channels to collect insights and build targeted initiatives that will have a positive impact on our employee experience throughout their time of employment with Tessenderlo Group. By focusing on moments that matter for employees, we are fostering a supportive environment where every individual feels heard and appreciated, thereby boosting engagement, creativity, and overall job satisfaction.

Safety indicators

Nothing we do is worth getting hurt for – At Tessenderlo Group, we prioritize the safety, health, and well-being of our employees, customers, suppliers, and neighbors, and strive to limit any negative impacts from our activities and products on people and the environment.

Through clear communication, awareness programs, audits, and improvement measures, we ensure a safe work environment, aiming for a “zero fatality rate” globally. Our Safety and Health Policy is integrated into all company processes, operations, and systems, emphasizing the importance of protecting against risks and prioritizing precautionary measures over economic considerations.

[The Safety and Health Policy of Tessenderlo Group](#)

Tessenderlo Group and all of its subsidiaries embrace and comply with the legal, ethical, and moral responsibilities in terms of protecting the safety and health of employees, contractors, customers, and the communities in which we operate. In order to fulfill those responsibilities, Tessenderlo Group ensures that the appropriate level of resources is made available, together with the commitment to continuously improve our safety and health performance. It is the role of senior leadership to determine, deploy, and manage the required resources to meet Tessenderlo Group’s responsibilities.

All employees and others engaged by Tessenderlo Group are expected at all times to fully comply with applicable regulations and local processes that are determined necessary to protect safety and health. In addition, every incident that occurs is reported and thoroughly investigated to determine and implement the improvement measures required to prevent any repeat event.

[2023 performance](#)

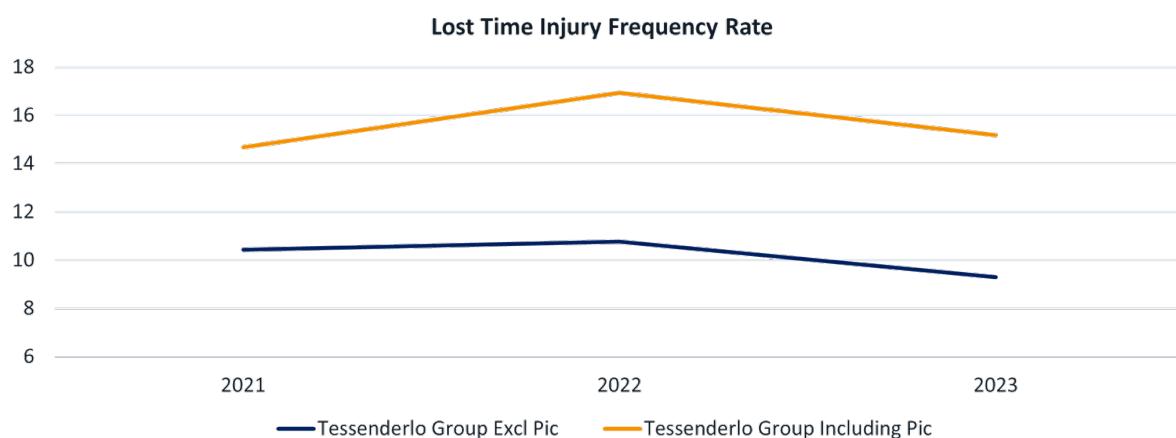
In order to sustain our focus on continuous improvement on safety and health, Tessenderlo Group’s leadership deploys skilled and qualified internal and external resources to perform systematic safety enhancing actions. Regular management and employee auditing as well as workplace inspections are undertaken, and thorough investigations and follow-ups are conducted on injuries and events that either have or could have resulted in incidents and harm. Safety and health performance is reviewed each month with the ExCom and the senior management of each business unit and, consequently, revised targets and action points are set each year.

Important indicators for safety, namely Lost Time Injuries (LTI - table 1 below) and Lost Time Injury Frequency Rate²³ (Frequency Rate – figure 1 below), both decreased significantly in 2023, by 24% and 10% respectively.

Table 1

Lost Time Injuries	2021	2022	2023	2023 vs 2022
Agro segment	14	21	6	
Bio-valorization segment	80	79	75	
Industrial Solutions segment	26	14	16	
Machines & Technologies segment	93	114	76	
T-Power segment	0	0	0	
Tessenderlo Group excl. Picanol Group	120	114	97	
Tessenderlo Group incl. Picanol Group	213	228	173	-24.12%

Figure 1



This latter decrease is all the more encouraging considering that this number also takes Picanol Group into account. The integration of Picanol Group, with its historically higher frequency rate of around 40, actually curbs the decrease by several units. Overall, all segments have worked hard and this is visible in the improved performance.

Lost working days	2021	2022	2023	2023 vs 2022
Agro segment	269	490	280	
Bio-valorization segment	4,408	4,515	4,121	
Industrial Solutions segment	407	580	314	
Machines & Technologies segment	1,445	2,004	1,307	
T-Power segment	1	0	0	
Tessenderlo Group excl. Picanol Group	5,085	5,585	4,715	
Tessenderlo Group incl. Picanol Group	6,530	7,589	6,022	-20.65%

To further bolster our safety performance going forward, it is critical that we firmly anchor safe behavior in our collaborative mindset. This is a mentality in which all collaborators take up responsibility for the safety of the collective: motivating each other to pay the utmost attention to safety, calling out unsafe behavior, and taking the right initiatives when spotting potentially unsafe situations. To this end, a behavioral-based safety program has kicked off in February of this year.

²³ Lost Time Injury Frequency Rate is calculated as follows: LTIs x 1 million/total hours worked)

Safety and health achievements for each segment

Our Agro segment

The 17 Tessenderlo Kerley, Inc. process plants and facilities ended 2023 having achieved the lowest total recordable incident rate since 2018. In addition, five of those facilities have gone more than 5 years without a Lost Time Injury.

To support the employee engagement and workplace culture that leads to this type of performance, Tessenderlo Kerley, Inc. maintains a robust behavioral-based Safety Award Program at all its process plants and facilities. The program is designed to recognize employee involvement that helps ensure everyone goes home unharmed every day. The focus areas of the program include safety meetings participation, completion of safety inspections, hazard identification, and involvement in the task observation process. During the past year, 97% of employees at our process plants actively participated in the Safety Award Program. In addition, Tessenderlo Kerley, Inc. implemented its multi-year Serious Injury Prevention Program, focused on ensuring HSE management system critical controls needed to prevent severe injuries are fully effective. During the past year, the Severe Injury Prevention Program resulted in system improvements related to hazard identification and control, energy isolation, confined space entry, chemical and physical exposures, working at heights, and suspended load and critical lifts.

In 2023, Tessenderlo Kerley International maintained its engagement to improve Health & Safety. The team in Ham, Belgium, realized a very good achievement of being incident-free for the first seven months of 2023. Unfortunately, a serious incident occurred in August, which made it clear to us that our “Lock Out, Tag Out, Try Out” (LOTOTO) procedure is not completely foolproof. Following this, several incidents occurred in which behavioral safety was one of the root causes. That is why the Ham team continues to focus on its LOTOTO procedure and behavior safety management system in 2024, looking for areas to further improve.

Meanwhile, the other international sites within Tessenderlo Kerley International continued to operate with an incident-free record.

Our Bio-valorization segment

PB Leiner developed “Plan 2030,” which is a comprehensive 7-year action plan aimed at reducing the number of LTIs by 50%, with a target of a 7% reduction per year. This ambitious yet achievable goal underscores our dedication to fostering a culture of safety excellence and ensuring the well-being of our workforce for many years to come.

Central to our approach is a behavior-focused strategy, recognizing that safety is not just about rules and procedures but also involves cultivating a mindset of vigilance and responsibility. In 2023, a renewal of the Safety policy was created with a clear focus on safe behavior. We prioritize initiatives that empower employees to make safety-conscious decisions every day, ensuring both their well-being and that of their colleagues and contractors. By leveraging leading indicators such as near-miss reporting frequency and close-out rates, we actively gauge the robustness of our safety culture and proactively address potential risks before they escalate. Through these measures, we foster a proactive safety culture that prioritizes prevention and continuous improvement.

Safety cross-audits were carried out at 5 of our 8 sites to serve as a cornerstone of our safety program, providing invaluable insights into our safety performance and identifying areas for improvement with a focus on best practice sharing. By systematically assessing our safety practices through these audits, we proactively address risks and implement preventive measures to mitigate potential hazards.

In 2024, PB Leiner will be taking the next steps in our maturity model by installing a standardized safety plan for each site focusing on 5 basic safety behaviors that will help us to go to the next safety level.

In 2023, Akiolis continued to deploy a behavioral safety training program for new managers and started refresher training for existing managers to help them highlight behaviors that employees need to improve in order to reduce the risk of incidents. In total, more than 1,400 safety dialogues were conducted on the shop floor in 2023.

As for all of our business units, safety and health at work remained a focus area for the Akiolis management. Akiolis' employees are exposed to many challenging work environments that can lead to Lost Time Injuries. Proper and regular risk analysis as well as focused and adapted behaviors are the key tools to avoid incidents.

The number of work-related Lost Time Injuries has slightly decreased. However, the results across the different sites show a lack of consistency. In 2023, seven Akiolis sites went more than 1,000 days without a lost-time incident and 19 sites went one year without an LTI.

Our Industrial Solutions segment

Within DYKA Group, having taken a major step forward from 2021 to 2022, we experienced a slight deterioration in the overall Lost Time Injury Frequency Rate during 2023. Whereas the focus on behavioral, technical, and organizational aspects of safety and health are at the heart of DYKA Group's safety program, we noticed a disproportionate number of incidents around (un)loading trucks in 2023. Such activity is widespread and with high frequency across DYKA Group's footprint of 9 Distribution Centers and more than 70 branches around Europe. Therefore, DYKA Group implemented a specific program targeted at these activities that will be further rolled out in 2024. DYKA Group is transferring its best practices and management standards to entities that can benefit from further improvements. As an example, the number of spots where forklifts can cross pedestrian routes is being reduced to a bare minimum. DYKA Group's entities in Hungary, Germany, and Poland were successful in terms of staying incident-free in 2023. Meanwhile, the plant in Gaillon (France), which was acquired at the end of 2022, has been fully incorporated into the operations of DYKA France, including the successful alignment of SHEQ policies and procedures with DYKA Group and Tessenderlo Group standards.

Kuhlmann Europe once again achieved a good safety performance in 2023 with just a single LTI and 7 Medical Treatment Injuries, including incidents at external companies. Moreover, in order to focus on our safety culture, we repeated our Safety Days initiative. Focusing on the site's overall HSE risks deployed in the form of games, we organized an ATEX²⁴ awareness training session, different workshops such as addictions and safety behavior, and we also tested a driving simulator. The aim of these days is to encourage employees from different departments to detach themselves from their day-to-day work, to share safety tips, and use their own skills and experience.

Furthermore, with regard to management systems, the sites in France and Belgium once again maintained their ISO 9001 and 14001 registrations without any deviations. As expected, the French site also obtained its agreement in relation to its wastewater monitoring system, which was awarded by the French Water Agency. In 2023, Kuhlmann France's partnership with the Lille fire brigade was maintained and it should be strengthened with the implementation of a post-event SEVESO organization and the updating of the new contingency plan required by the prefecture.

²⁴ Two European directives form the ATEX regulations. They set out the minimum standards with regard to explosive atmospheres for employers and manufacturers.

Our Machines & Technologies segment

After several years with relatively high incident rates, the Lost Time Injury rate at Picanol decreased by one-third in 2023. Based on a risk analysis of previous incidents, numerous improvement measures have already been implemented. An immediate result of this is the halving of first-aid incidents. A lot of attention also goes into safety training sessions with active employee participation. These training sessions are developed in-house and taught by a team of safety ambassadors who coach their colleagues on safety issues. An excellent example of this was the escape room-style safety training session where participants were confronted with the various risks in the assembly department and had to find the correct solution themselves. Internal transport remains a major risk. Therefore, the internal circulation plan was completely revised.

As part of the Safety@Proferro program, several initiatives were taken in the foundry. Much attention is paid to the involvement of first-line managers. Priority is given to regular safety toolbox meetings in which both safety issues and improvements are discussed on a weekly basis. These safety messages are supported by a visual poster campaign tailored by Proferro. First-line managers also have dedicated safety tasks such as carrying out safety observation rounds and reworking safety instructions. In addition, there is a continued focus on safety training and improving technical safety. In that context, the ammonia storage was completely renewed. Since the second half of 2023, the positive impact of these actions has been evident as the number of incidents is decreasing significantly.

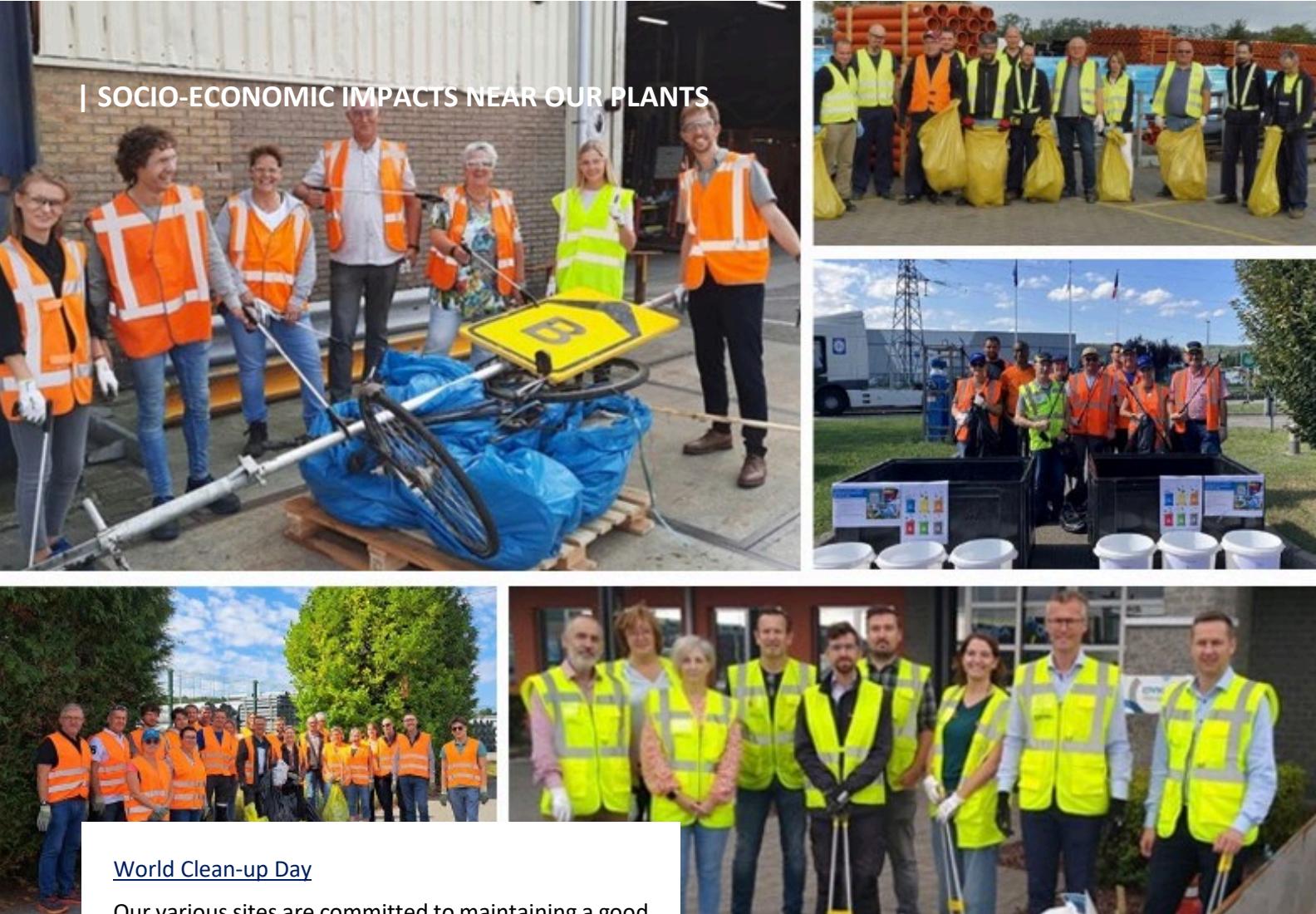
Our T-Power segment

For the second year in a row, T-Power didn't have a Lost Time Injury. Moreover, each employee participated in bimonthly safety meetings and the targeted area inspections were met. However, there is scope for improvement in the risk analyses and contract evaluations.

Next to that, an ergonomic training session for office desk best practices took place, as well as training sessions on first aid, conduct with regard to confined spaces, the identification of dangerous products, and fire prevention.

In collaboration with neurologic sleep experts, we learned about methodologies to better understand the impact of working in shifts and how to deal with that.

| SOCIO-ECONOMIC IMPACTS NEAR OUR PLANTS



World Clean-up Day

Our various sites are committed to maintaining a good relationship with their local communities and environments. While each site organizes voluntary work and/or sponsoring events, the highlight in 2023 was World Clean-up Day.

Both **PB Leiner** and **DYKA Group** organized this on a global level, partnering with neighbors and associations to clean up the surrounding areas of each plant. Together, they collected no less than 2,500 kilograms of waste.

Moreover, the event proved to be an outstanding team-building experience that was marked by enthusiastic participation from diverse departments, fostering connections and a sense of camaraderie among the participants.



Off-road

To avoid further clogging already over-crowded roads, our teams are working out viable alternatives.

Tessenderlo Kerley International, Kuhlmann Europe, and Picanol Group have all started or increased logistics via waterway and **Tessenderlo Kerley, Inc.** is increasingly relying on trains to transport goods.



Governance and prosperity

Vision of our CFO

“ Cross-pollinating innovation and forging durable partnerships along our entire value chain will propel us further towards our sustainability imperatives

With a workforce of over 7,500 individuals, we understand the pivotal role we play in the communities we serve and the livelihoods of numerous partners intertwined with Tessenderlo Group's success. Our commitment to achieving long-term sustainable outcomes is a profound responsibility that guides our every decision. However, recognizing that sustainable innovation is the cornerstone of lasting impact, we also acknowledge that such innovation can only endure with sustainable return.

It is, in this sense, crucial that we make the right choices moving forward. Often, the solutions we seek are closer than we realize, and for Tessenderlo Group, the key lies in the intricate ecosystem of trades that has evolved throughout our existence. Our businesses are inherently connected with circularity and the interdependence among our business units is a testament to our commitment. By recovering and valorizing the residual products of one business unit in another business unit, we create a synergy that transforms waste into innovation, building the bridge from a wasteful present to a sustainable future.

To propel ourselves further toward our sustainability imperatives, fostering connectivity and focus is essential. This extends not only across all our diverse segments and activities, but also involves cross-pollinating innovation and establishing enduring partnerships throughout our entire value chain.

By embedding sustainability principles into every facet of our business — from supply chain management to product design and customer engagement — sustainable innovation becomes the driving force enabling us to adapt to evolving market demands, mitigate risks, and seize emerging opportunities. As we uphold sound governance and ethical business practices, this chapter provides a comprehensive overview of our governance structure, practices, and initiatives that enhance transparency, accountability, and responsibility.

In closing, with more than a century of stable fruition behind us, we are resolute in continuing our journey. We firmly believe that prosperity and sustainability can and must go hand in hand.

Miguel de Potter
Chief Financial Officer

Enhancing Customer Experience

Tessenderlo Group operates globally and our commitment is to deliver high-quality products with exceptional reliability. Our focus on product excellence allows us to stand out in the market and provide added value to our customers' production processes and their end-products.

Raw Material Management

Various geopolitical events, such as the conflict in Ukraine, have impacted our raw material supplies in the last few years. We made additional efforts to ensure that our products consistently meet all customer specifications and requirements. Proactive communication regarding any changes in our products to the market remains a priority. Therefore, we continue to monitor and assess the effects of supply changes in order to uphold our high-quality standards and keep up a good dialogue with our customers and suppliers to maintain robust supply chains.

Building and Sharing Knowledge

We recognize the importance of sharing knowledge with our customer base to optimize the usage of our products. For us, the correct and safe usage of all our products is a top priority and customer feedback also serves as a valuable learning opportunity for us to further improve and develop our offerings. In this connection, our business units regularly organize training events with customers, we maintain several learning centers globally, conduct customer satisfaction surveys, and engage in constant dialogue to understand and meet the evolving needs of our customers.

Sustainability and Digital Solutions

Enhancing customer experience through sustainability and digital solutions is a key focus area for us. The increasing number of sustainability regulations demand greater transparency, traceability, and data sharing, which has prompted us to seek partnerships across our value chain to address sustainability challenges in a collaborative way. Simultaneously, we explore digital tools to streamline and automate interactions with customers in our efforts to enhance efficiency and consistency across our operations.

Digitalization

Tessenderlo Group is driving forward its digitalization efforts in order to stay ahead in a rapidly changing business landscape. Digitalization is an opportunity to gain a competitive advantage, adapt to changing customer needs and requirements, improve process efficiency, and further objectify our decision-making processes. Digital technologies and Information and Communication Technology (ICT) also play a critical role in ensuring business continuity, especially in the face of disruptions such as natural disasters, pandemics, or cyberattacks.

As the potential and importance of digitalization will continue to increase in the coming years, the boundaries between ICT and business will continue to blur. It is, therefore, important that we set the beacons in our ICT strategy to ensure our ultimate goal of becoming a customer-driven and information-driven group. In this regard, we have developed a clear ICT mission and strategy, which has been translated into an ICT roadmap that defines the key projects we will focus on in the coming years. As agility and cybersecurity are part of our mission, we will, of course, continuously monitor our efforts and adjust our roadmap as necessary.

Recognizing the impact of digitalization on our current and future business, we have identified the following digital focus areas:

Operational excellence

- Integrating digital tools to streamline internal processes, increase productivity, and reduce operating costs.
- Deploying robust analytics and measurement tools to gain meaningful insights.

Enhancing the customer experience

- Developing digital interfaces to improve customer interactions.
- Creating digital platforms, such as chatbots and online customer service portals, ensures that businesses can provide support and services to their customers, maintaining customer satisfaction and loyalty.
- Using data analytics to personalize the customer experience and offer additional services.
- Computing customer feedback and market intelligence to increase the speed of (re)action when developing products and services.

CSR reporting

- Building data collection and calculation solutions to monitor and report on our progress on all ESG issues and to comply with new disclosure standards.

Business continuity & Cybersecurity

- Remote Work Enablement: Implementing digital tools and ICT solutions to enable remote work, ensuring that businesses can continue operations even when employees can't physically be in the office. This includes tools for video conferencing, cloud-based collaboration platforms, and secure remote access to company networks.
- Data Protection and Recovery: Implementing ICT solutions such as cloud storage and backup services ensures that critical business data is protected against loss due to hardware failure, natural disasters, or cyber incidents. These services enable rapid data recovery, minimizing downtime and data loss.
- Automated Systems: Piloting automation and AI-driven technologies that can take over routine tasks and maintain operations when human intervention is not possible, ensuring critical processes continue uninterrupted.
- Cybersecurity Measures: Implementing digital technologies that provide advanced cybersecurity solutions which protect sensitive data and IT infrastructure from cyber threats, ensuring business operations can continue smoothly. These include firewalls, encryption, intrusion detection systems, and regular security updates.

Upholding responsible, ethical and sustainable business practices across our value chains

At the core of our operations is a commitment to ethical standards and regulatory compliance. We prioritize transparency, integrity, and accountability, fostering a culture that upholds the highest ethical standards in every aspect of our business.

Our Code of Conduct is our central guide for setting the principles and values for our business practices. Every employee is expected to adhere to this code. It provides guidelines on ethical decision-making, ensuring consistency in behavior across all levels of our organization.

Cornerstones of regulatory compliance:

- 1. *Human Rights and labor rights.***

Respecting and upholding human rights is integral to our operations. We work diligently to ensure that our value chains prioritize fair labor practices, promote diversity and inclusion, and uphold the dignity and rights of all individuals involved in our business and employment processes.

- 2. *Competition compliance and anti-trust.***

Adherence to competition law is a cornerstone of our business strategy. We actively promote fair competition, prevent anti-competitive practices, and safeguard market dynamics to combat corruption, as well as maintain a stringent anti-bribery framework.

- 3. *Training and awareness.***

An overview of all the policies that guide us at Tessenderlo Group can be found on page 64. We organize regular training and awareness programs to empower the importance of ethical conduct, ensuring a level playing field in our business transactions.

- 4. *Trade partner screening.***

Due diligence procedures and trade partner screening have been built into various business processes to ensure compliance in all locations and value chains in which we operate. Verification of the operation of these procedures is included in the audit program of the company's Internal Audit Department.

- 5. *Whistleblowing.***

We are in the process of finalizing the communication plan for our Whistleblowing Policy. This will initially focus on Europe with plans for expansion to other regions in the future. In order to ensure compliance with speak-up and incident management standards, we've selected a digital tool, which will enable us to efficiently log, monitor, and address any future complaints in a compliant and ethical manner. The software tool has been approved. Our next steps involve informing our Works Councils and workforce, followed by training sessions on the policy, associated processes, and the functionality of the software. Our goal is to have all of this completed by the end of Q3 2024. In addition we will extend the team of compliance officers for the group.

Sustainable procurement

We have also had a Group Procurement Sustainability Policy since 2021 that was updated and published on our website in 2022. The purpose of this policy is to solidify sustainability and CSR within Procurement and our suppliers' communities. In addition we expect all our suppliers to comply with our supplier code of conduct. Adhering to these standards is key to our business partnerships as outlined in our contracting process. We engage with our supplier base to ensure the signed acknowledgment of the Supplier Code of Conduct and our Group Procurement Sustainability Policy. A goal within our sustainable procurement strategy is also to ensure security of supply for key raw materials and that we also search for more sustainable alternatives where needed.

KPIs

KPI MEASUREMENT ESRS	RESULTS				TARGET
	2021	2022	2023 (excl. Picanol Group)	2023 ²⁵ (incl. Picanol Group)	
Upholding responsible, ethical, and sustainable practices across the entire value chain					
Anti-Trust training – current rate of compliance in line with defined schedule	85%	90%	95%	94%	95%
ABC (anti bribery and – corruption) training – current rate of compliance in line with defined schedule	62%	81%	90%	71%	95%
Code of conduct training – current rate of compliance in line with defined schedule	95%	81%	91%	86%	95%
IP and confidential information training – current rate of compliance in line with defined schedule	73%	90%	95%	84%	95%
New hires receiving compliance training in line with the agreed schedule (by job category) within 90 days of being hired	95%	100%	100%	91%	95%
Harassment & discrimination in the workplace (TKI) training	100%	100%	93%	93%	95%
Procurement training in CSR	75%	100%	100%	100%	90%
Supplier Code of Conduct % suppliers signed	61%	81%	81%	80%	77%
Reported incidents of corruption and bribery	0	0	0	0	

²⁵ Empty cells indicate that Picanol Group is not yet included in this KPI

Group policies overview

Communication	Communication Policy	Policy to ensure consistent communication throughout the group and establish the roles and responsibilities for communication purposes.
	Crisis Management & Communication Policy	This policy is a formal guideline for managing crisis situations (incidents both on-site and off-site) and for governing all crisis communications.
	Sponsorship Policy	Formal policy governing all sponsorship arrangements.
Competition Compliance	Competition Compliance Policy	This Policy sets out guidelines to be followed by all employees active in those parts of Tessenderlo Group's business where competition law issues could arise.
Corporate Housekeeping	Contract Filing Policy	This Policy sets out how contracts should be filed within the BU's and which contracts are to be sent to Group Legal for filing in the Central Repository.
	Corporate Housekeeping Policy	This document specifies the responsibilities of HQ and the business units with respect to corporate housekeeping.
	Decision Matrix	This Matrix sets out for which matters the BU has to seek approval from the ExCom and which TG Corporate functions need to be involved in the decision process for a well-defined number of topics.
	Digital Signing Policy	This document is a summary of the principles and way of working of digitally signing contracts and other documents (electronic signature) at Tessenderlo Group.
	Document Retention Policy	This policy provides guidelines and principles for the retention or destruction of documents within TG.
	Enterprise Risk Management Policy	This policy provides insights on how Enterprise Risk Management is organized within the Group. It describes the different steps in the management of risk and the different actors in risk management and the determination of roles and responsibilities.
	ExCom Contract Approval Policy	This Policy describes when and how a contract must be submitted to the ExCom for approval.
	Litigation Report Procedure	The object of this Policy is to offer a guideline for all group companies on the reporting of any significant, threatened, ongoing and settled litigation on a bi-annual basis in the Litigation Report.
	Signatory Authorization Policy	This Policy provides the general guidelines and principles according to which management and employees of Tessenderlo Group may commit the Company contractually.
Governance	Code of Conduct	All employees and subsidiaries of Tessenderlo Group worldwide are required to comply with the Tessenderlo Group Code of Conduct. The Code deals with business ethics, health and safety, employee conduct (conflicts of interest, business gifts and entertainment...), and compliance with regulations.
	Corporate Governance Charter	This Charter ensures that the governance and management of Tessenderlo Group are aligned with the principles of Corporate Governance, in accordance with the recommendations of the Belgian Corporate Governance Commission.
	Corporate social responsibility Policy (CSR)	This policy outlines how we conduct our CSR (Corporate Social Responsibility) or ESG (Environmental, Social, and Governance) efforts.
	Data Protection and Privacy Policy (GDPR)	General Privacy Policy is to provide adequate safeguards for the processing of personal data according to General Data Protection Regulation (GDPR).
	Human Rights and Labor Rights	The purpose of this policy is to illustrate how Tessenderlo Group considers respect for human rights and the adherence to labor rights to be an integral part of our business conduct.
	Insider Trading Dealing Code	This policy sets out the regulation and conduct for any employee in possession of inside information.
	Procurement Sustainability Policy	Formal policy on sustainability within the Procurement Department.

Finance and Treasury	Bank or Corporate Guarantees Policy	The purpose of this Policy is to ensure that all Group companies requesting a bank or corporate guarantee, or amendments of existing guarantees, comply with the minimum Group requirements.
	Bank Relations Policy	This Policy sets out the rules and responsibilities on opening and closing of bank accounts as well as the rules on authorized signers on those accounts.
	Capex Opex & Operating Lease Procedure	Approval and reporting rules for capital and operating expenditures and leases, requiring the ExCom approval.
	Foreign Exchange Policy	This policy sets out how the foreign currency balances must be reported to Group Treasury and when and how foreign currency balances are hedged.
	Intercompany financing Policy	This policy sets out how to establish intercompany interest rates chargeable by one legal entity to another legal entity within the Tessenderlo Group for loans, deposits, cash pool deposits and cash pool overdrafts.
	Segregation of Duties Policy	This document provides guidance in the yearly separation of duties analysis exercise to support the internal and external audit processes.
	Third Party Payment Policy	This policy sets out the basic rules on addressing invoices and other documents to third parties, on making payments to third parties and receiving payments from third parties.
People	Ultimate Beneficial Owner Policy	This policy sets out the procedure for the registration of the Ultimate Beneficial Owner (UBO) and the reporting to Corporate.
	Diversity and inclusion	This purpose of this policy is to solidify the promotion of equality and diversity in the workplace.
	International SOS – HotLine Information	The assistance program provides expanded protection to deal with travel, medical and security needs that might arise anywhere across global markets.
	Learning & Development Policy	This policy provides an integrated and group-wide approach for the learning & development vision and the different roles and responsibilities in this process.
	Talent Acquisition Procedure	This procedure provides an integrated and group-wide approach as regards recruiting, selecting, hiring and onboarding talent.
	Travel & Expense Policy	The purpose of this policy is to define and communicate the standards and procedures for business travel and expense reporting.
ICT	Safety & Health Policy & reporting process	This policy sets out how we protect the safety and health of all our stakeholders.
	Acceptable Use of ICT assets	This Policy provides the necessary guidelines on use of internet and email and electronic devices (computer, smartphone) in order to ensure confidentiality, integrity and availability of the information.
	Generative Artificial intelligence Policy	This policy aims to establish guidelines for the use of a generative artificial intelligence models (AIM).
	Password Policy	This policy defines the rules that are applicable to SAP and non-SAP (Windows) passwords.
Innovation and Intellectual Property	Proper Use of Electronic Means of Communication	This policy outlines the proper use by end users of electronic devices and email and internet made available by Tessenderlo Group.
	Intellectual Property Policy (IP)	Purpose of this policy is to achieve the TG IP vision of building, defending and leveraging our intellectual assets and to set out the decision structure on IP matters.
	Stage & Gate Model Governance	This document explains the roles and responsibilities in the Stage & Gate model to be used in Innovation projects.
	Stage Card	This document summarizes the Stage & Gate model to be used in Innovation projects.
	Stage Gate Innovation model	This document explains the Stage & Gate model to be used in Innovation projects.

Insurance	Stock & Transit Insurance Policy – Claim	Instruction to Group entities with regards to the Royal & Sun Alliance Insurance PLC Stock & transit insurance/marine cargo insurance: what to do in case of a claim?
	Insurance Policy	Formal insurance policy governing all Group insurances, excluding HR related insurances.
	Group Credit Policy	Policy explaining the group comprehensive credit insurance program covering the buyer's and country risks to which the BUs have to adhere. The policy also explains the role of the BU credit committees.
Tax and Transfer Pricing	Transfer Pricing policy	This policy sets out how to deal with transfer pricing issues within the group.
	Tax Haven policy	This policy sets out which countries are considered to be Tax Haven countries as per the Belgian Tax Code, explains how payments to these countries should be approved ex-ante and how these payments should be reported.
Trade Compliance	Anti-bribery and Anti-Corruption Policy	This policy is intended to outline the risks related to bribery and corruption and to highlight employees responsibilities.
	Trade compliance policy	This policy sets out the rules and regulations with regard to specific products or sanctioned persons, entities or countries.

ESG ratings Ecovadis

Our CSR progress is scored yearly by an external assessor, EcoVadis. This is one of the world's most trusted business sustainability rating companies. EcoVadis evaluates Tessenderlo Group based on Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. The detailed feedback provided by EcoVadis enables us to better monitor our CSR progress and improve our CSR path going forward.

For the second year running, Tessenderlo Group was awarded a silver medal by EcoVadis for our ongoing commitment to sustainable business practices. Our score for 2023 increased by 6 points, to 67/100, which means we retained the silver medal. Furthermore, the score advances our group to a place among the top 15% of companies assessed by EcoVadis in 2023 (85+ percentile). This compares to our position in the top 25% for 2022.

The progress we made this year can be attributed to a number of improvements in regard to sustainability, which include developing and implementing new policies, targets, and KPIs, as well as organizing training sessions and consolidating and monitoring data. However, the main drivers behind the improved score are the full-scope Greenhouse Gas Protocol reporting for the group and our sustainable procurement initiatives.

More details on our rating can be found in the scorecard below.



Comprehensive third-party reviews such as the EcoVadis assessment help us better grasp how we are doing in terms of sustainability, what refinements we can make, and ultimately inspire us to achieve new heights in our sustainability journey.

Our exposure to climate risks

Climate risk

As a company, Tessenderlo Group faces both opportunities and challenges related to climate change, which exposes our markets, assets, operations, and the supply chain. Climate change may pose transition risks such as market preferences, evolving legislation, and advancing technology. The transition to a climate-neutral society is both an urgent challenge and an opportunity, with a potential downside of market risk and risk for stranded assets. Meanwhile, diverse climate regulations may distort competition.

In the EU, the climate transition is linked to levying an increasing carbon price on emissions, with the Carbon Border Adjustment Mechanism (CBAM) aiming at ensuring a level playing field. Our investments are evaluated in the context of climate risk scenarios, including extreme weather risk. We are strategically positioned to address transition risks by advocating for low-carbon solutions, adopting lifecycle perspectives, and fostering resource-efficient approaches through stakeholder dialogues. Climate is one of the key focus areas of our double materiality study.

Climate Change Resilience Plan

Tessenderlo Group's global value chains, from sourcing to markets, including production, logistics operations, and warehouses, could be directly or indirectly negatively affected by extreme weather conditions and natural disasters. We have implemented specific precautionary measures for operations located in areas that are more likely to be affected by such scenarios. We also put significant efforts into risk assessments, business continuity planning, emergency preparedness, crisis management training, and scenario planning, in order to minimize potential threats to the security, health, and safety of our operational assets. Global warming is changing the climate, and we are, therefore, undertaking a more detailed assessment of the expected changes in physical climate risk exposure for all key assets: the Climate Change Resilience Plan.

Our Climate Change Resilience Plan is designed to address both physical and transition risks and safeguard the future viability of our business. Our key objectives include a thorough assessment of risks, which is not limited to hazards, and the formulation of a climate resilience strategy encompassing:

- *Physical Protection Measures:* The implementation of strategies to safeguard both people and assets from the adverse impacts of climate-related events.
- *Organizational Measures:* The development and implementation of measures within the organization to enhance adaptability and responsiveness to climate-related challenges.
- *Sustainable Supply Chain:* The integration of sustainable practices into our supply chain to fortify resilience and reduce vulnerability to climate-induced disruptions.

This proactive approach aims at fortifying our resilience against the impacts of climate change, ensuring a sustainable and secure trajectory for our business in the face of evolving environmental conditions.

AXA Climate assessment

During the 2021-2022 reporting period, we tasked AXA Climate SAS with conducting a comprehensive assessment utilizing the scenarios outlined by the Intergovernmental Panel on Climate Change (IPCC) under the Global Climate Models from CMIP5. Our approach involved the evaluation of two scenarios, namely Representative Concentration Pathways (RCP) 4.5²⁶ and RCP 8.5²⁷, across two time horizons (2030 and 2050) in comparison to the baseline of 2022.

Because of the integration of Picanol Group, the establishment of new plants, the continuous growth in our supply chain, and the evolution of our risk modeling approach, we arranged an update in 2023 with AXA Climate for a new analysis. This time, we adopted the CMIP6 model (Coupled Model Intercomparison Project Phase 6), which offers a complementary set of scenarios focusing on projecting socioeconomic changes. Notably, the CMIP6 models were specifically developed in support of the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR6).

2023 Assessment parameters

Scope

- Total Sites: 640
- Own Sites: Expanded to 207 locations, covering manufacturing plants, warehouses, terminals, branches, administrative buildings, innovation centers, and ICT server locations.
- Rented Terminals and Warehouses: Increased to 256 locations, including consignment stocks with customers.
- Key Suppliers and Customers: 177 sites, essential for the supply chain.

Physical circumstances

- Solid-mass related: earthquake, landslide, and subsidence risks.
- Temperature-related: heat and duration, cooling, hot days, ice days, and wildfire risks.
- Water-related: coastal, riverine, and surface water floods, tsunami risks and water stress per watershed, and consecutive dry days.
- Wind-related: Hail days, tropical cyclones, winter storms, and winter winds.

Direct Impact on Assets and People

- Flood: Threatens infrastructure and safety.
- Geophysical Parameters: Includes earthquakes, impacting structures and safety.
- Wildfire: Direct risk to assets, especially in vegetated areas.
- Wind: Can damage structures and pose safety risks.

Indirect Impact on Energy Consumption and People

- Cold and Heat: Affects energy needs, impacting worker well-being and community.

Indirect Impact on Water Consumption and Community

- Drought: Affects water availability, impacting the community, agriculture, and ecosystems.
- Rain: Crucial for water supply, but excess rain can lead to flooding and related issues.

²⁶ The base case scenario, RCP 4.5, envisions mid-century warming ranging from +1.6 to 2.5°C, with end-of-the-century warming projected to reach +2.1 to 3.5°C compared to the pre-industrial era. It is noteworthy that current climate policies and 2030-determined contribution targets align with this scenario, projecting an end-of-the-century warming of +1.9 to +3.0°C.

²⁷ In contrast, the pessimistic case, RCP 8.5, anticipates mid-century warming of +1.9 to 3.0°C, approximately 0.4°C warmer than RCP 4.5. The end-of-the-century warming for this scenario is projected to range from +3.3 to 5.7°C compared to the pre-industrial era.

Our focus at this stage

Updated data were delivered by AXA Climate SAS at the beginning of Q4 2023. A priority scale was defined as follows:

low	There is a very limited risk and vulnerability that does not require a specific intervention beyond business as usual to react to climate change consequences.
moderate	There is a limited risk and vulnerability that does not require a specific intervention beyond business as usual to react to climate change consequences.
high	Existing risk that can aggravate with climate change, which may have an impact on business continuity or short-term damages. It requires further investigation to be either disqualified as a risk or considered as a higher priority for Tessenderlo Group. It should currently represent a medium level of priority for Tessenderlo Group.
extreme	Existing risk strongly aggravating with climate change involving significant impacts on business or damages. It requires further investigations to determine impacts on business and CAPEX, and adaptation strategy. It should currently represent a top priority for Tessenderlo Group.

Our own sites

Our primary focus lies on our company-owned facilities in Europe, the Americas, and Asia. In accordance with our four priority scales, a percentage of maximum value at risk for each hazard category, specifically water, wind, temperature, and geophysical (mass-related) impacts is calculated. The report includes the count of locations for each category. The data is provided for the baseline year 2022 (data was reviewed in 2023) and two future scenarios, projecting toward the two time horizons of 2030 and 2050.

For our analysis and mitigation plans, we focus on the “*Extreme*” priority scale. Existing risks within this category have the potential to significantly worsen with climate change, resulting in substantial impacts on our business and potential damages. Where any site activity is assessed to be at risk, a vulnerability assessment will be conducted to assess the materiality of the risk, taking the local conditions into account. We will then be able to identify adaptation or mitigation solutions to reduce the risk, quantify the consequences, and understand the effects on revenue, CapEx/OpEx, productivity, and reliability of the asset. This category currently holds the highest priority for Tessenderlo Group.

Our rented sites

We also provide similar reporting for our leased sites, including terminals, warehouses, and consignment stocks. We recognize the need to potentially adjust our supply chain in response to climate change. For instance, as agricultural activities in the USA migrate from the West to the East and possibly in Europe from the South to the North, driven by factors such as the availability of water, we acknowledge that serving our customers may require different terminal locations than those we have historically utilized.

In addition to supply chain adaptation, we are concerned about the situations in territories such as Sub-Saharan Africa, where approximately 95% of agriculture is rain-fed. The significant contribution of agriculture to GDP and employment increases vulnerability, as do other weather-sensitive activities such as herding and fishing, which results in income losses and heightened food insecurity. Consequently, product adaptation and innovation are integral components of our climate adaptation projects.

When the priority scale is deemed “*Extreme*,” this means that existing risks have the potential to significantly exacerbate with climate change, leading to substantial impacts on our business and potential damages. Further investigations are imperative in order to assess the suitability of the location and its alignment with strategic objectives. Currently, this stands as a top priority for Tessenderlo Group, driven not only by the inherent risks but also by the imperative to maintain customer intimacy.

The majority of our leased inventory locations pertain to tank terminals, which are designed to withstand various hazards. When securing a new location, we mandate the completion of an extensive questionnaire by the site owner that covers aspects such as construction materials, storage occupancy, the possible presence of flammable materials, storage activities, security measures, fire prevention, historical losses, and comprehensive risk management. In this regard, all of our inventory is covered by a “stock and transit” insurance policy.

The significant number of external (rented) locations is a direct outcome of our customer intimacy strategy. Hence, we remain vigilant to the risk of market migration induced by climate-related factors.

Our approach extends to climate change impacts on our key trade partners, including suppliers and customers. Irrespective of the risk level (“Low,” “Moderate,” “High,” or “Extreme”), we adhere to a consistent prevention strategy and we already have a clear understanding of supply chain risks. While the sites of some of our suppliers and customers may face potential disruptions, the overall risk is minimal. Contingency plans, including sourcing alternatives, can be explored if necessary. Climate impacts will be actively discussed with our trading partners as required.

Group conclusions

Our ongoing climate change adaptation efforts are subject to continuous refinement. In alignment with global climate initiatives, such as COP 27 and the ongoing COP 28, the outcomes of our current analysis are dynamic and may necessitate adjustments to accommodate new scenarios. Adaptation requirements are viewed through various lenses, serving distinct purposes for our diverse stakeholders:

- *Adaptation for People and Community Impact:* Prioritizing health and safety protection for individuals. Addressing broader community well-being.
- *Adaptation for Physical Asset Impact:* Safeguarding our physical assets. Ensuring business continuity.
- *Product Adaptation to Climate Conditions:* Aligning our products with prevailing climate conditions.

This latest analysis indicates that Tessenderlo Group currently faces relatively lower exposure than in the past. However, as we expand our presence and footprint, the integration of climate action, as well as product adaptation, will remain integral to our future strategies.

Beginning in 2024, our designated climate “owners” within each business unit will continue to assess physical risks. They will also evaluate and qualify transition risks, encompassing factors such as carbon pricing, innovative technologies, market migration, and reputation, among other things. Opportunities related to resource efficiency, energy sources, and the adaptation of products and services for increased resilience will also be a focal point in this ongoing assessment.

Conclusions on a segment level

Our Agro segment

The economic challenges faced by growers, including substantial price increases for inputs such as fertilizers, seeds, crop protection, utilities, insurance, and land rent, are compounded by factors such as climate change (weather variability, extreme events such as fires and floods, new invasive pests, and prolonged droughts), rising labor costs, labor shortages leading to significant wastage, regulatory and sustainability requirements, and consumer demand for sustainable food. This array of challenges extends beyond climate change alone, although climate adaptation remains a pivotal aspect.

Growers are actively seeking new engagement models with suppliers in order to identify solutions that balance resilience, performance, and cost-effectiveness.

Tessenderlo Group is fully aware of the profound impact of climate change, and is very concerned about its effects on people, assets, food production, supply chain disruption risks, and the ongoing agricultural transition. We have been proactively adjusting our product range for an extended period. Noteworthy examples include initiatives related to the migration of agricultural activities due to climate considerations, particularly significant droughts.

Some key examples from our agricultural segment include:

- 4R Nutrient Stewardship: business units provide crop nutrition and protection tools, promoting sustainable stewardship in fields. Ensuring the right rate, time, and place for nutrient delivery from the correct source is crucial for crop yield and quality.
- Reduced Water Consumption: Strategies to optimize water usage.
- Precision Fertilization: Ensuring precise and efficient fertilizer application.
- Circular and Sustainable Bio-fertilizers: Derived from food and feed products, promoting circular and sustainable practices.
- Crop Protection Line: Inclusive of organic and naturally sourced products combating fungus and mildew, and providing sun damage protection.
- Potential Terminal Relocation: Considering terminal relocations to better serve our customers.

Our Bio-valorization segment

Our Akiolis and PB Leiner business units are exposed to challenges posed by climate change, specifically the increasing frequency of heatwaves and water stress, which have the potential to significantly impact the breeding sector, which is our primary source of raw materials. In addition, there is an observable shift towards reduced meat consumption.

In this context, innovation assumes a pivotal role. Our strategic emphasis on specialties, enhanced valorization, and engagement in alternative energy projects, including initiatives for decarbonization and a gasifier project, underscores our commitment to addressing these challenges. Furthermore, we actively foster close collaborations with our raw material suppliers.

While our segment is not inherently exposed to extreme risks, we are actively engaged in mitigating some high risks. This proactive approach aligns with our commitment to ensuring sustainable and resilient business practices in the face of evolving climate dynamics and market trends.

Our Industrial Solutions segment

Our water treatment business unit, Kuhlmann Europe, operates within a context where it faces neither high nor extreme climate risks, and it is not significantly impacted by regulatory or sustainability risks. This favorable position enables us to fulfill a crucial role in a critical sector: providing safe drinking water.

Within our DYKA Group business unit, the exposure to high or extreme risks is minimal. This allows us to concentrate on essential aspects such as product adaptation, optimizing distribution performance, delivering exceptional service, fostering customer intimacy, identifying differentiators, staying attuned to local preferences, and initiating new quality marks through innovative solutions. These efforts collectively contribute to assisting our customers in navigating their own challenges.

Our Machines & Technologies segment

For our Machines & Technologies segment, the recent inclusion of Picanol Group in our climate analysis reveals a low to moderate level of exposure to risks. Our comprehensive approach considers various factors to ensure a resilient strategy for this segment.

Our T-Power segment

T-Power focuses on electricity production and the exposure to climate risks is exclusively low. This positioning underscores our commitment to secure electricity production by balancing the electricity grid with the fluctuation of renewable energy sources.

EU Taxonomy

The EU taxonomy is a classification system that establishes a list of “environmentally sustainable” economic activities. The purpose of the EU taxonomy is to scale up environmentally sustainable investments and help in terms of reaching the EU’s climate and environmental targets for 2030 and the objectives of the European Green Deal.

In 2022, Tessenderlo Group provided information on taxonomy alignment and eligibility for climate change mitigation and climate change adaptation. Meanwhile, new for 2023 was the addition of 4 environmental objectives and an expansion of new economic sectors and activities across all 6 of these objectives. The 4 new environmental objectives are:

- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

For the process of our taxonomy reporting, we started with the identification of eligible economic activities. After that we checked the technical screening criteria to verify if we meet them, followed by an assessment of the Do no significant harm (DNSH) criteria and the minimum social safeguards. Finally we screened all OPEX and CAPEX of 2023 and calculate how much was eligible and/or aligned. Not all Tessenderlo Group activities are categorized under the NACE codes of the current taxonomy version. The fact that a company does not have activities aligned with taxonomy does not lead to definitive conclusions with regard to the environmental performance of these companies. Not all activities that can make a substantial contribution to the environmental objectives are listed in the Climate Delegated Act at this stage.

For KPI reporting related to turnover, CapEx, and OpEx, Tessenderlo Group has defined economic activities as eligible if they can be assessed against the technical screening criteria set out in the Climate Delegated Act and have a potential to either be or become taxonomy-aligned.

The following economic activities related to turnover fall within the scope of current EU taxonomy reporting for the year ending December 31, 2023:

Kuhlmann Europe

- NACE code C20.13 - Manufacture of other inorganic basic chemicals
- Climate change mitigation 3.13. Manufacture of chlorine
- The manufacture of chlorine is considered an eligible activity for climate change mitigation. Our manufacture of chlorine has the potential to be aligned as it meets most of the technical specifications for alignment. However, we have not been able to conduct a full assessment of all aspects it not causing significant harm and minimum safeguards connected to it. Therefore, we have postponed making a statement on the alignment of this activity. The Chlorine is also used for further processing in our production processes and there is no third party sales of our chlorines.

Psicontrol

- NACE code C26.1 - Manufacture of electronic components and boards
- Circular Economy 1.2 Manufacture of electrical and electronic equipment
- The production of electronical control units is eligible for circular economy but as we still have to perform a diligent assessment of all the alignment criteria, we are not currently ready to give a statement on the alignment of this activity.

Proferro

- NACE code C24.5.1 – Manufacture of iron and steel
- Climate change adaptation 3.9 (d) casting of iron
- The casting of iron is eligible , but it is not aligned as we do not meet all technical screening criteria.

T-Power

- NACE code D35.1.1 - Production of electricity
- Climate Change Mitigation/Adaptation: 4.29 Electricity generation from fossil gaseous fuels
- This activity is eligible for climate mitigation/adaptation but not aligned because we do not meet all technical screening criteria

The below list shows the 2023 CapEx and OpEx that are eligible for taxonomy. We cannot yet give any statement on the alignment of these CapEx and OpEx as we need more preparation time to be able to fully screen the technical specifications and requirements for alignment.

Code	Activity	CapEx by activity (million EUR)	OpEx by activity (million EUR)	Type of CapEx/OpEx
CA4.1	Electricity generation using solar photovoltaic technology	5.78	0.21	type C
CM7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	0.08	0	type C
CA4.2	Cogeneration of heat/cool and power from bioenergy	8.30	0.05	type C
CM4.25	Production of heat/cool using waste heat	0.32		type C
CA3.13	Production of chlorines	0	0.24	type A
TOTAL		14.474	0.49	

The list below summarizes the total turnover, CapEx, and OpEx that are eligible for taxonomy in relation to the group total turnover, as well as CapEx, and OpEx in 2023. The full mandatory template for turnover as well as CapEx and OpEx taxonomy reporting can be found in the annex of this report.

	TOTAL 2023 (million EUR)	Share of economic activities eligible for taxonomy (million EUR)	Share of economic activities eligible for taxonomy (%)	Share of economic activities aligned for taxonomy (%)	Share of economic activities not eligible for taxonomy (%)
Group turnover	2,938.3	227.21	7.73%	0.00%	92.27%
Group CapEx	205.0	14.47	7.06%	0.00%	92.94%
Group OpEx	167.5	0.49	0.29%	0.00%	99.71%

Reporting and framework

Reporting method and framework

In this Sustainability Report, we are providing an overview of the most relevant objectives, efforts, and results in terms of sustainability for the year ending December 31, 2023.

We continue to improve our disclosure and transparency on ESG topics, in line with developments in reporting guidelines and our stakeholders' expectations, and to prepare for the EU Corporate Sustainability Reporting Directive.

This report was not subject to an external audit. Only the GHG emissions report was subject to a limited assurance. The methods and boundaries for our Corporate Carbon Footprint report can be found in the annex. This Sustainability Report constitutes the declaration of non-financial information of the group and meets the requirements of art. 3:6 § 4 and 3:32 § 2 of the Belgian Code of Companies and Associations.

Reporting boundaries

In line with our financial reporting, we report the CSR data on consolidated group and segment levels. The segments are: Agro, Bio-valorization, Industrial Solutions, Machines & Technologies, and T-Power. Please note that all Tessenderlo Kerley, Inc. (TKI)-produced products are reported under the Agro segment (the energy and water consumption of TKI is fully included in the Agro segment). Tessenderlo Kerley, Inc. comprises the Crop Vitality, NovaSource, and moleko business units of Tessenderlo Group. Our Violeau business unit is also part of the Agro segment. As 2023 is the year in which Picanol Group became part of Tessenderlo Group, we will mostly report two sets of data, considering on the one hand Tessenderlo Group excluding Picanol, and Tessenderlo Group including Picanol on the other. This will enhance transparency and maintains the link with past and future reporting.

Materiality

Through the 2023 materiality update, we started our approach to double materiality and strengthened the link between our stakeholder engagement and prioritizations. The update of our materiality study provided some new topics vs. our single materiality study from 2022. We also added clear definitions of each of the materiality topics.

EU taxonomy

On June 27, 2023, the European Commission adopted a Taxonomy Environmental Delegated Act, which included a new set of EU taxonomy criteria for economic activities making a substantial contribution to one or more of the non-climate environmental objectives, namely: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. The European Commission has also adopted amendments to the Taxonomy Disclosures Delegated Act and the Taxonomy Climate Delegated Act, covering the environmental objectives of climate change mitigation and adaptation. We aligned our Taxonomy Report for 2023 to reflect these new updates.

ESG KPIs and metrics

For our ESG KPI and metrics, we report on a consolidated group level. Included are all our business units and all our operating plants. Only our newly acquired location for Bio-valorization in Ribera d'Ondara, Lleida, Spain, is not yet included as 2023 was an integration year for that location. External warehouses, server rooms, and some office locations are not included as they are not considered material. For social data, we consider the total internal full-time equivalents (unless otherwise stated). No temporary employees or contractors are included, unless differently specified.

Safety metrics

All our workforce is included. Meanwhile, with regard to the external workers, interim workers are included, while subcontractors are not included. Psicontrol (Râşnov, Romania), and Picanol (Suzhou, China) are not yet included in the safety statistics.

Corporate carbon footprint

We refer you to the separate calculation protocol in our annex as the scope and boundaries for our GHG report differ in some areas from some of our ESG KPIs and it was subject to external limited assurance.

Restatements

Notifications of restatements of information from previous reports are provided where relevant in this report.

Appendices

Annex 1 - Measuring our carbon footprint: protocol

This document describes the approach and results of our 2023 Carbon Footprint Study.

The Greenhouse Gas (GHG) Protocol is a set of standardized guidelines developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) for calculating and reporting greenhouse gas emissions. It provides a common language and methodology for organizations to enable them to measure and manage their carbon footprints.

The GHG Protocol is widely recognized as being the most comprehensive and authoritative standard for corporate carbon footprint reporting. It has been adopted by governments, businesses, and NGOs worldwide, and is commonly used by organizations to measure and report their GHG emissions. The GHG Protocol is regularly updated to reflect the latest scientific knowledge and best practices, ensuring that it remains a reliable and relevant tool for climate action.

To perform this carbon footprint study, we are adhering to the guidelines provided in the Corporate Standard and the Corporate Value Chain Standard, which can be found on the [GHG Protocol website](#).

This carbon footprint document has been made for the financial year ending December 31, 2023. Thus, the data collected in this document are in line with that reporting period. Our Picanol Group business unit is included in our scope for the full 2023 reporting year (in January 2023, Picanol Group became a business unit in the Machines & Technologies segment of Tessenderlo Group). Picanol Group was also included in our 2022 GHG calculations.

Calculating GHG emissions typically involves multiplying activity data with the appropriate emission factors, and the resulting value is commonly expressed in tons of CO₂ equivalent, which serves as a standard unit based on the global warming potential (GWP) of the different GHGs emitted. The accuracy of the carbon footprint is highly dependent on the quality of the data and emission factors used.

Tessenderlo Group has opted for an operational approach in its Corporate Carbon Footprint, which means that the focus is on the emissions that result from the company's activities and operations. Therefore, only the activities that are operated by Tessenderlo Group will be accounted for in scopes 1, 2, and 3.

Scope 1 | Direct emissions from sources that are owned or controlled by the reporting organization, such as on-site combustion of fossil fuels or emissions from company-owned vehicles.

Scope 2 | Indirect emissions associated with purchased or consumed energy, such as emissions from electricity or heat purchased from an external source.

Scope 3 | Other indirect emissions from sources not owned or controlled by the reporting organization, such as emissions from the production of purchased goods and services or the transportation of products and waste.

All operations of Tessenderlo Group are included. Due to the operational approach, Jupiter Sulphur (JV 50%) is included for the full 100% and T-Power is included in our Scope 1 greenhouse gas emissions reporting. Picanol Group is also included for comparison in future reports. The use of sold products is taken only for the relevant product lines (weaving machines/fertilizers/electronic appliances) as these are the only products where we can influence the use phase and where there is a clear view of the use phase. For other processed sold products, we have no influence and these are used in so many different processes that it is not possible to have a clear overview of further processing steps. Therefore, these do not form part of our GHG calculations.

All emission factors are split in order to account for Forest, Land and Agriculture (FLAG) emissions separately. For scope 2 we used a market based approach. This approach considers not only where energy is consumed (location based) but also where it was sourced and how it was generated, including any renewable energy certificates.

The emission factors are extracted from: Ecoinvent v3.9.1 and 3.10, GHG Protocol, co2Logic, Methanol Institute, Bilan Carbone© v 8.6 and 8.8.

The information and data were gathered by the following Tessenderlo Group departments: Finance, Operations, HR, Logistics, Procurement, and Engineering. The information used for reporting on GHG emissions in this report has been monitored by the central CSR team, which reports directly to the Executive Committee.

The report has been reviewed by senior management from our business units, and was approved by the Tessenderlo Group Executive Committee in March 2024.

This carbon footprint calculation was carried out with some support from South Pole, a global company offering comprehensive sustainability solutions and services. South Pole built our calculation model for the 2022 reporting year and supported us in terms of making the necessary updates for the 2023 calculation.

For the 2023 results, we analyzed impacts from the various categories. Those categories that had a low impact (< 5% of the total emissions) were investigated to ascertain if there were significant differences in comparison to 2022. If this was not the case, we calculated these categories with an extrapolation from 2022 to 2023 or took "as is" from 2022. Extrapolation was done based on volume or FTE depending on the categories. Meanwhile, for the categories that impact the remaining 95%, we collected new data for 2023.

Our carbon footprint of 2022 and 2023 was subject to a limited assurance from KMPG. Please see also the KMPG limited assurance report for 2023 in our annex.

Annex 2 – EU taxonomy reporting templates

Turnover

CapEx

OpEx

Financial year N Economic Activities (1)	Code (a) (2)	2022 OpEx (3)	Proportion of OpEx year N (4)	Substantial Contribution Criteria				DNSH criteria (Does Not Significantly Harm) (5b)				Category enabling activity (13)	Category transitional activity (20)
				Climate Change Mitigati- on (5)	Water Pollution (8)	Biodiver- sity (9)	Circular Econom- y (15)	Climate Change Mitigati- on (11)	Water Pollution (14)	Biodiver- sity (15)	Climate Change Mitigati- on (12)		
Text		MEUR	%	%	%	%	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES													
A.1 Environmentally sustainable activities (Taxonomy-aligned)				%	%	%	%	%	%	%	%	%	%
ACTIVITY				%	%	%	%	%	%	%	%	%	%
OpEx of environmentally sustainable activities (Taxonomy-aligned)				%	%	%	%	%	%	%	%	%	%
OpEx of environmental enabling				%	%	%	%	%	%	%	%	%	%
OpEx of environmental transitional				%	%	%	%	%	%	%	%	%	%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)				%	%	%	%	%	%	%	%	%	%
Electric generation using solid, liquidified, gaseous or bioenergy	CC04.1	0.307	0.16%										
Generation of heat and power from biomass	CC04.2	0.046	0.02%										
Production of chlorine	CC03.15	0.24	0.14%										
OpEx of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)				0.453	0.29%	%	%	%	%	%	%	%	%
A.3 OpEx of taxonomy-aligned activities (A1+A2)				0.353	0.29%	%	%	%	%	%	%	%	%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES													
OpEx of taxonomy- non-eligible activities		161.00	99.7%										
TOTAL		161.35	100%										
Proportion of OpEx/Total OpEx													
Taxonomy-aligned Taxonomy-eligible per objective													
CCM		%											
CFA		%											
WTR		%											
CE		%											
PPC		%											
BIO		%											

