



**2021**

**SUSTAINABILITY  
REPORT**

## Table of contents

<b>Sustainability and CSR at Tessenderlo Group</b>	<b>3</b>
Reporting method and period	4
<b>Materiality analysis</b>	<b>7</b>
<b>Governance of CSR</b>	<b>9</b>
<b>Sustainable Development Goals of the United Nations</b>	<b>10</b>
Our SDGs (Sustainable Development Goals of the United Nations)	11
<b>Our employees</b>	<b>13</b>
The attitudes we share, as a group	13
The guiding principles we share, as a group	14
Developing Human Resources for sustainable growth	17
Training and Talent Management	19
Safety and Health	20
Safety and health achievements	23
Social activities	24
<b>Our planet</b>	<b>25</b>
Every Molecule Counts	25
Environment	26
Innovation	29
Crop Vitality and Tessenderlo Kerley International	31
NovaSource	31
PB Leiner	32
Akiolis	33
DYKA Group	34
Kuhlmann Europe	35
Moleko	36
T-Power	37
Some initiatives within the group	38
<b>Our community</b>	<b>39</b>
<b>KPIs</b>	<b>42</b>
Social metrics	42
Environmental metrics	45
<b>GRI index</b>	<b>47</b>

## Sustainability & corporate social responsibility at Tessenderlo Group

Sustainability and a long-term focus have been a recurring theme in our story for more than 100 years. Whether it is in the products and solutions we supply or the way in which we produce them, the care we show towards our planet and its resources is at the very heart of all of our businesses. We are aiming at developing successful businesses in attractive global markets, with growth potential and where we can help in developing solutions to mega-challenges. This is because we believe that Every Molecule Counts.

It is our ambition to continue our efforts in the future towards remaining a responsible and sustainable company that further strengthens our relationship with our stakeholders. Our key stakeholders are our employees, customers, shareholders, neighboring communities, governments and regulators, trade unions, and suppliers. With the publication of this sustainability report we want to make our sustainability efforts for 2021 more transparent for our environment.

We are therefore building our group with a clear focus on agriculture, food, water management, the upcycling of by-products, and a carefully selected choice of specialty industrial applications where our expertise enables us to make an improved use of resources. We are optimistic about our value creation options in this new era for food, energy, and recycling.

Sustainability and corporate social responsibility (CSR) are inextricably part of the strategy and daily activities of Tessenderlo Group. This includes continuously deciding, acting, and investing with the future in mind. We are convinced that sustainability efforts help us to establish strong relationships with our stakeholders. These efforts enable us to attract and retain new talent, while at the same time also providing a strong impetus for innovation. Within Tessenderlo Group, we want to act according to the expectations of our current and future stakeholders and create value for our company in the long term.

Tessenderlo Group resolutely chooses a sustainable production process that shows maximum respect for people, the planet, and the community. This is why Tessenderlo Group is focusing on the following three important pillars in this report:

### **Our employees**

At Tessenderlo Group we continuously invest in our employees.

### **Our planet**

Tessenderlo Group makes every effort to limit the impact of our activities on our planet by thinking, deciding and acting in a sustainable way.

### **Our community**

From Tessenderlo Group, we work actively together with the environment in which we live and strive to meet the expectations of our stakeholders in the communities and environments where we work and live.

## Reporting method and period

In this sustainability report, we are providing an overview of the most relevant objectives, efforts, and results in terms of sustainability for 2021.

This sustainability part is based on the GRI (Global Reporting Initiative) Standards: “Core option”. This report was not subject to an external audit. The GRI indicators used in this report are indicated for each theme. Tessenderlo Group will continue to publish an annual update of this report.

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.

For any questions, please do not hesitate to contact us by writing to [sustainability@tessenderlo.com](mailto:sustainability@tessenderlo.com).

### Granularity

Reporting granularity is subdivided according to the social category and the environmental category. This is because these two categories will be addressed in different ways, e.g. concerning the application of boundaries. To this end, each category will be reported as follows:

- **The social topics**

These are reported on a Tessenderlo Group level unless mentioned otherwise in the definition of the associated material part of the topic. Several KPIs have been added compared with last year, and this is also the case for procurement (see tables on page 42).

- **The environmental topics**

These are reported separately for each of the following operating segments: Bio-valorization, Agro, and Industrial Solutions. As this division is somewhat different from financial reporting requirements, 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.

Furthermore, with regard to T-Power, we have chosen to consider this segment separately due to the nature of the energy production aspect of the T-Power operating segment. If we added this figure to our total, it would potentially create a misleading picture.

The reference year for social and environmental topics is 2020 unless otherwise stated.

## Reporting boundaries

Guided by the GHG Protocol, for the company boundary, we take the equity share approach. This means, among other things, that we take our joint venture Jupiter Sulphur (part of TKI) into account for 50% and T-Power at a full 100%, even though we are operating under a tolling agreement.

This year, we also included the vehicles either in our own possession or on a long-term lease (as well as company cars - Scope 1). This results in higher energy and energy intensity overall. This is certainly material for the Bio-valorization segment and also Industrial Solutions. The tables at the end of the CSR report show energy figures with and without these aforementioned vehicles, so the comparison with the previous year can be made on the same basis.

For the water calculations, we calculate according to each source of water: ground water, surface water, and third-party water. The “produced water” in line with the GRI definition 303-3 a iv is not taken into account.

For the volume calculations, we have changed the scope for Akiolis, which is part of Bio-valorization, over all the years from upstream to downstream volumes according to the definition: “product to be sold” for intensity calculations. This also increases the intensity calculations for this segment.

For the total employees at our company, we consider the total internal full-time equivalents. Therefore, no temporary employees are included.

Almost all disclosures are based on measured parameters or calculations (the calculations of one liter or kilogram of fuel into MWh are based on local conversion factors according to GRI 302-1); only in exceptional cases are these based on well-defined estimations.

The energy calculations are made according to GRI 302-1, where we deduct the electricity sold.

Furthermore, we will not be taking into consideration small energy consumers that account for less than 5% of their relevant business units. Therefore, the following businesses and/or locations will not be included in our reporting:

- DYKA s.r.o. (Czech Republic)
- Maramba S.R.L. (Paraguay)
- Kuhlmann Switzerland AG (Switzerland)
- Etablissements Violleau SAS (France)
- Tessengerlo Kerley Turkey Tarim Ve Kimya Sanayi Ve. Tic. Ltd. STI (Turkey)
- Tessengerlo Kerley Mexico SA de CV (Mexico)
- Tessengerlo Innovation Center (Belgium)
- Outside storage locations

## Taxonomy

This year, we will also provide further disclosure on the Taxonomy regulation (EU) 2020/852 that applies with effect from January 1, 2022, in relation to the climate objectives. This is because we are in the scope of the Non-Financial Reporting Directive and we are preparing in the near future of the Corporate Sustainability Reporting Directive (CSRD).

The Taxonomy Regulation creates a unified framework that determines to what extent economic activities can be regarded as sustainable, within those criteria, definitions, and approaches. In relation to this, additional reporting requirements for certain listed companies are established: they need to provide information on the proportion of their revenue, capital expenditures (CapEx), and operating expenditure (OpEx) related to sustainable economic activities. 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 Regulation.

The below table shows the % turnover, CapEx, OpEx (non-)eligible with the current Taxonomy. As some definitions of economic activities in the related Taxonomy are subject to interpretation, specifically regarding the production of chlorine, we reserve the right to review our reporting on this topic.

	Total 2021 (in million EUR)	Proportion of Taxonomy eligible economic activities (%)	Proportion of Taxonomy non- eligible economic activities (%)
<b>Group Turnover</b>	2,081.5	0.00%	100.00%
<b>Group CapEx</b>	115.8 *	0.00%	100.00%
<b>Group OpEx</b>	127.7 **	0.00%	100.00%

*\*Intangible & PPE CapEx and incl. IFRS16 Leasing CapEx*

*\*\*Maintenance & R&D OpEx (OpEx as defined under the Taxonomy regulation)*

## Materiality analysis

### Materiality assessments

Materiality assessments were implemented to define which material topics are most important and impactful to Tessengerlo Group. Furthermore, these assessments enabled us to consider how we would prioritize the material topics. Materiality assessments are the backbone of any sustainability reporting. Regarding GRI (Global Reporting Initiative) reporting by Tessengerlo Group, the material topics not only reflect the environmental, economic, social, and governance impact we make but they also highlight how the decision-making and assessments of our stakeholders might be influenced.

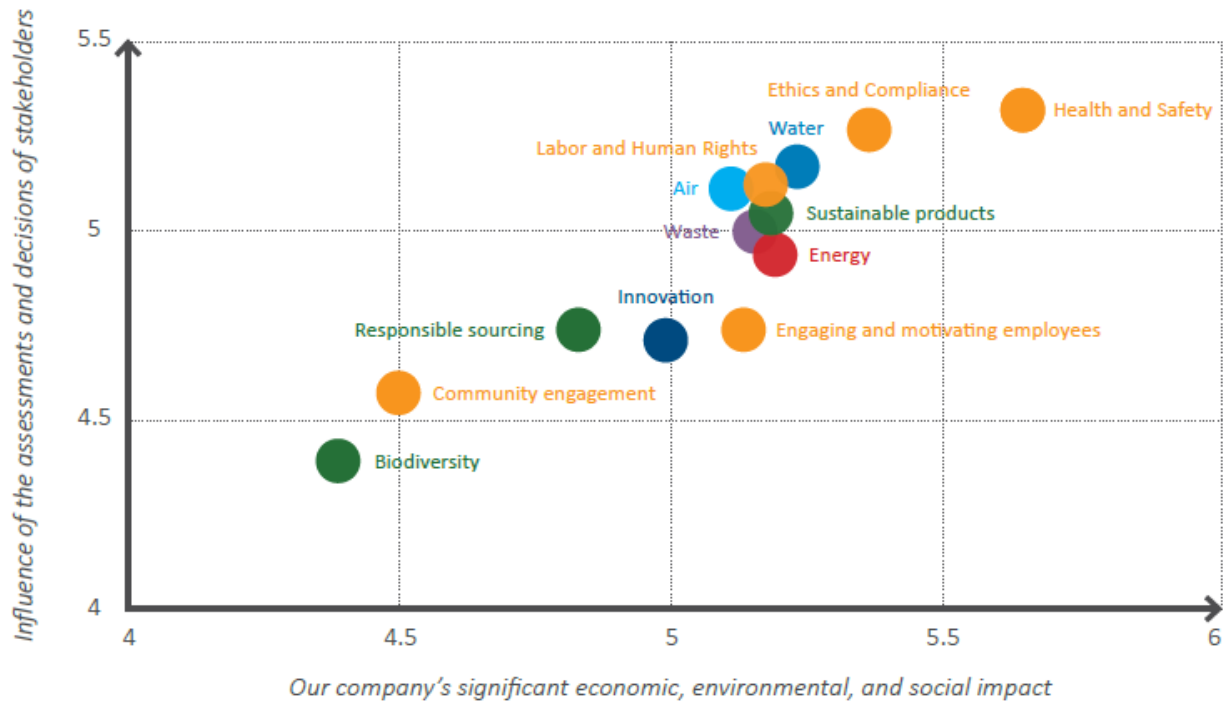
### Our methodology

The methodology behind the materiality assessment involved inviting all colleagues at leadership levels within Tessengerlo Group as well as the CSR Execution Teams. Following this, we carried out a benchmarking process of the industry sectors that are relevant to each of our business units in relation to various material topics. Finally, we put together an online questionnaire that enabled us to select and plot the order of importance for each of the topics. This is done from the position of Tessengerlo Group and also from the perspective of our stakeholders.

### Our results

We received a 100% response rate from our stakeholder representatives regarding the questionnaire. Furthermore, this initiative had the full backing of our ExCom and the Board of Directors. This is absolutely crucial because materiality is not only a very useful tool in terms of reporting, but it also enables us to create focus and align our strategy. After analyzing the completed questionnaires, we produced the below CSR Materiality Matrix. The selected topics have been plotted on the X-axis of the matrix to reflect the order of importance for Tessengerlo Group, and on the Y-axis to reflect the order of importance for the stakeholder representatives.

During the scoring process, the possibility was given to the participants of scoring between 0 and 6 on the X-axis and on the Y-axis, with 0 being “not important at all” and 6 being “very important.” The result shows all topics were ranked above 4 (between “important” and “very important”), meaning that they are all considered impactful and important, but some more than others. The size of the circles has no importance. The warm orange colors refer to the topics selected under “social topics.” The colors of the “environmental topics”: water and air are indicated in blue; energy in red; waste in purple; sustainable products, responsible sourcing, and biodiversity in green. We started the process by placing the most important topics situated at the top right, with other topics to follow.



### Moving forward

We then linked the materiality topics that we had identified as being most important to the GRI reporting standards. Once this was done, we were able to start measuring the materiality topics regarding the selected GRI standards for each topic. In this connection, we refer to the tables at the end of the report which link each topic to the GRI standards and links the social and environmental topics to the Sustainable Development Goals (SDGs) that we selected as being most important to Tessengerlo Group.

In 2021, we further built on social topics (health and safety, labor and human rights, motivating employees, ethics and compliance, and communities), responsible sourcing-related topics, as well as environmental topics regarding energy and water.

From the materiality matrix, for each topic, a selection of KPIs and targets has been made in order to execute the CSR strategy. All Tessengerlo Group employees have their role to play. Dynamic materiality is applied: at certain intervals, the materiality matrix will be updated to reflect the evolution of CSR in general and it will be related to the development of CSR at Tessengerlo Group specifically.

Tessengerlo Group is also aligned with the 10 principles of the UN Global Compact.



## Governance of CSR

The Tessenderlo Group CSR governance structure allows us to implement, drive and steer the CSR strategy and policies and integrate and coordinate between group functions and the different business units (BUs) for social as well as environmental topics. CSR is promoted, supported, and validated at the highest level of the company: the ExCom and the Board.

Separate monthly meetings are set with the ExCom, the Procurement Director, and the Execution Team Environment, which are supplemented with many one-on-one meetings. Regular meetings are set with the Execution Team Social, the various Group (S)VVPs ((Senior) Vice Presidents), and the Data Team.

Tessenderlo Group also aims to steer and monitor the results on KPIs, compared to targets. In order to drive CSR, the targets, are linked to the LTIs (long-term incentives) for the SVPs and the BU Management Teams, and also STIs (short-term incentives) for our E-level (Expert level of Managers) and L-level (Leadership level of Managers) population. Gathering data for the KPIs is done at BU level with the Execution Teams of Environment and Social in cooperation with the Data Team. Our data are integrated and secured on our group's corporate reporting platform.

Reporting of CSR KPIs and targets is performed on a quarterly basis and it is regularly communicated via Q-calls by the ExCom (calls for all L-levels ). Yearly results for the KPIs can also be found in the Tessenderlo Group annual report.

Both internal and external communication is key in CSR as it ensures the right message is sent regarding what we do and what we aim to do. Regular meetings are taking place with the Communication Team to plan and execute CSR communication via the Tessenderlo Group website, InSider (our internal platform), newsletters, as well as through presentations and reports.

The CSR progression is also scored yearly by an external assessor, Ecovadis, which is one of the world's most trusted business sustainability rating companies. Ecovadis scores more than 85,000 companies in over 200 different industries. Ecovadis scores the group on Environment, Labor & Human Rights, Ethics, and Procurement. Detailed feedback allows us to better monitor and manage our progression, and to focus and improve our path going forward.

Besides the scoring of Ecovadis, which resulted in us being awarded a bronze medal in 2021, we will have a statutory audit according to the new CSRD (Corporate Sustainability Reporting Directive), starting from the 2023 reporting year onwards.

## Sustainable Development Goals of the United Nations

### Sustainable Development Goals

The United Nations General Assembly created the Sustainable Development Goals (SDGs) in 2015. These goals define the world that the United Nations wants to create. They are intended to apply throughout the world and the intention is to ensure that no country is left behind. The 17 SDGs represent the 2030 Agenda and specifically the more positive map of the world that the United Nations seeks. From the 17 global goals, a total of 169 targets were defined by the United Nations.

### Adoption of SDGs

The SDGs have received considerable backing from the international business community. With regard to sustainability reporting, 95% of reporting reviewed by the World Business Council for Sustainable Development (WBCSD) in 2019 acknowledged SDGs while 86% of reporting gave priority to specific SDGs. This is a clear recognition of the intent of businesses across the globe to realizing the SDGs.

We chose to publish the SDGs that we are focusing on in our CSR report and on our website; they act as a compass for our strategy, our employees, and also for our stakeholders.

### Our approach

We started by identifying what we aspire to achieve and following this, we worked on completing and finalizing our materiality on Environmental, Social, and Governance (ESG) or CSR (Corporate Social Responsibility) topics. This involved identifying and assessing the various potential topics that are most important from the perspective of our business and our stakeholders.

Our aim here is to create a clear and effective tool to indicate the directions we must take in terms of the deployment of our CSR strategy. We want to make our contribution to the bigger goals authentic through our materiality assessment.

We focused on adopting the SDGs of the United Nations that are easily recognizable and to which all of our employees and relevant stakeholders can relate.

### Our methodology

We selected the goals in line with the materiality study that we carried out in 2020. From there, we focused on linking the material topics with the Global Reporting Initiative (GRI). Following this, we work at both the measurement and monitoring of targets by using Key Performance Indicators (KPIs). This shows us areas where there is potential room to make a difference. The KPIs and targets are also linked to the policies and management approaches.

## Our SDGs (Sustainable Development Goals of the United Nations)

Ultimately, Tessengerlo Group selected the following ten [SDGs](#) out of the 17 Goals:

2. **ZERO HUNGER** – Achieve food security and improved nutrition and promote sustainable agriculture. This is realized via our activities in Agro, Bio-valorization, and Industrial Solutions, with a focus on water. Our contribution to target 2.1 is to reduce hunger and increase access to safe, nutritious, and sufficient food all year round.
3. **GOOD HEALTH AND WELL-BEING** – Ensure healthy lives and promote well-being for all at all ages. Tessengerlo Group takes health and safety very seriously and this is rated with the highest score in our materiality matrix. We want to make sure that our people leave our factories and offices in the same health condition as when they arrived. We have already tracked and monitored relevant data related to this topic for a long time. We also steer on health and safety through our KPIs linked to remuneration. Our Safety and Health policy clearly expresses the importance we as a group place on this subject.
4. **QUALITY EDUCATION** – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. In order to boost employee motivation, this is also referenced in our materiality matrix and training sessions are very important. We are now building in LMS (our learning management system) several programs that are also related to training sessions and are linked with curricula according to each function, as well as being aligned with our Learning & Development policy.
6. **CLEAN WATER AND SANITATION** – Ensure availability and sustainable management of water and sanitation for all. Through our DYKA Group activities, which are linked to water management systems and the work of Kuhlmann Europe, we are active in water treatment, and this can be linked to targets 6.1 and 6.2: achieving universal and equitable access to safe and affordable drinking water and increase water-use efficiency and ensure sustainable withdrawals and the supply of freshwater to address water scarcity.
8. **DECENT WORK AND ECONOMIC GROWTH** – Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all. Tessengerlo Group is focusing on the following targets, which are also expressed via the policies we have in this context: Labor & Human rights, Diversity & Inclusion, our Code of Conduct, and the Supplier Code of Conduct.
9. **INDUSTRY, INNOVATION AND INFRASTRUCTURE** – Build resilient infrastructure, promote inclusive and sustainable industrialization. DYKA Group’s activities in piping for buildings and infrastructure, and also irrigation and sustainable water management, which are driven by innovation, support target 9.1. This is realized by developing quality, reliable, sustainable, and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access. They also support 9.4 by upgrading infrastructure and retrofit industries to make them more sustainable, with increased resource-use efficiency and the greater adoption of clean and environmentally sound technologies and industrial processes.
10. **REDUCED INEQUALITIES** – Reduced inequality within and among countries. Tessengerlo Group contributes by empowering and promoting the social, economic, and political inclusion of all, irrespective of age, gender, disability, race, ethnicity, origin, religion or economic or other status (10.2). Our approach is also supported by our Code of Conduct and our Diversity & Inclusion policy.

11. **SUSTAINABLE CITIES AND COMMUNITIES** – Make cities and human settlements inclusive, safe, resilient, and sustainable. In particular, at Kuhlmann Europe, with its wastewater treatment products, and DYKA Group with its water management systems, contributions can be made to reduce the adverse per capita environmental impact of cities, which also includes paying special attention to air quality and municipal and other waste management (11.6).
12. **RESPONSIBLE CONSUMPTION AND PRODUCTION** – Ensure sustainable consumption and production patterns. Our Bio-valorization segment, which includes Akiolis as well as PB Leiner, contributes to target 12.3 by reducing food waste at the retail and consumer levels and reducing food losses along production and supply chains by valorizing by-products of the meat industry and upcycling residues of restaurants into highly valuable products. In line with the “Every Molecule Counts” philosophy, Tessenderlo Group focuses on target 12.3 by substantially reducing “waste” generation through prevention, reduction, recycling, and reuse. We prefer to focus on upcycling as we turn these side streams into valuable products. Our contribution to target 12.6 is translated in our sustainability reporting and in our Supplier Code of Conduct: “Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.”
13. **CLIMATE ACTION** – Target urgent action to combat climate change and its impacts. Strengthening the resilience and adaptive capacity to climate-related hazards and natural disasters as mentioned in target 13.1 is incorporated in our risk prevention systems in general, specifically our own ERM (Enterprise Risk Management) system and the AXA Climate Risk assessment.



## Our employees

Tessengerlo Group was founded more than 100 years ago. Our founders demonstrated a vision and leadership that is still tangible in our DNA. Our success today relies on the continuation of their legacy: daring to start small and never quitting, not allowing any of our resources to go to waste, and persistently adding value to everything we do through imaginative process thinking and rethinking, and research and development. Our founders also taught us to do business with integrity, and this is a commitment that we unwaveringly maintain as we continue to expand into new businesses areas and regions.

Over the years, Tessenderlo Group has grown into a diversified industrial group with operations and a commercial presence in more than 100 locations across 21 countries around the globe. Each company in the group serves different markets (inter)nationally with products and services that enjoy an excellent reputation. Our various business units and companies represent the beating heart of the group, each with its own identity and culture, the sum of which is more than the parts.

### 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:

- BE POSITIVE - We believe in the potential within and around us: we seize our opportunities with optimism.
- 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.
- BE CONNECTED - We are connected internally and externally: we work closely together to share our knowledge and best practices.
- BE COURAGEOUS – We don't shy away from obstacles. And we believe that having the courage to challenge each other is a good thing.
- BE DECISIVE – We take and execute decisions and we make sure things happen quickly.
- 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.

## The guiding principles we share, as a group

Tessengerlo Group has a positive and pragmatic outlook regarding how we can keep growing our business in a sustainable way: we believe that Every Molecule Counts. Creative, well-considered usage of our resources and a long-term focus are a common thread in our story. It is our ambition to strengthen our leading market position in each business unit and company of our group and to ensure enduring profitability. From a strongly anchored family shareholder base, Tessengerlo Group is further committed to creating shareholder value through the execution of a sustainable long-term industrial strategy.

The following principles guide our relationships with our employees, customers, shareholders, and local communities:

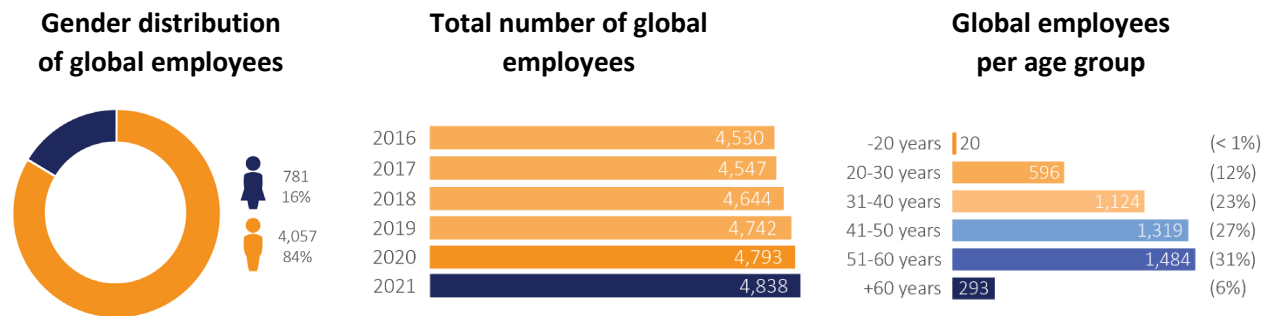
### Our guiding principles

- We believe that Every Molecule Counts: we continually strive to valorize our products and processes to the maximum and to add value to everything we do.
- Our main focus is our business, and we do everything we can to get better at what we do.
- The safety and health of everyone in our business comes first. This is non-negotiable.
- Our people are the beating heart of Tessengerlo Group. We respect, enthuse, challenge, develop, and recognize the achievements of our colleagues.
- The customer is our priority, and this means operational excellence is essential.
- We continuously improve our competitiveness. That is why we optimize our spending and keep overheads to a minimum.
- We are driven by our entrepreneurial spirit: challenge and execution are key. We fight and win the battle in the market by assuming our responsibilities and taking the right actions at all levels.
- We ensure the sum is more than the parts. We leverage our very diverse skills and share best practices within our group through centers of excellence and services.
- We continuously practice our 6 attitudes, and we are fully committed to performing our jobs with integrity.

## Total number of employees

As at December 31, 2021, the total number of employees (FTE) working for the group amounted to 4,838. Out of this total, 864 employees were active in the Agro segment, 2,107 employees were active in the Biovalorization business, 1,829 employees were active in the Industrial Solutions segment and 38 employees were active in T-Power.

Meanwhile, 3,721 of the group's total personnel are employed in Europe, 907 are employed in the Americas and 210 are employed in Asia, Africa, and Australia.



## Gender diversity

In 2020, we launched a new policy regarding Diversity & Inclusion, aimed at further improving diversity and inclusion in our workplace. As shown in the figure above and the KPIs in the tables, we measure and monitor a number of different gender-related metrics in the different levels (general, expert level (E), leadership level (L), Board of Directors, and other governance bodies (see table on the next page)). Also, the salary levels between genders are measured in the different groups. The diversity of our employees can also be seen in the geographical spread.

On December 31, 2021, two out of six members of the Board of Directors were female. The Board of Directors was therefore in full compliance with the Law of July 28, 2011, requiring that as of January 1, 2017, one-third of the members of the Board of Directors should be of a different gender than the other members of the Board. In its selection procedure for the appointment of new directors, the Board of Directors has integrated criteria with regard to diversity of competencies, age and gender diversity.

## Employees and employment – Labor and Human Rights

Tessengerlo Group ensures respect for all basic human rights throughout the world. We do not tolerate any discrimination or harassment on the grounds of race, color, gender, religion, origin, civil status, family circumstances, feelings or sexual orientation, disability or age. Tessenderlo Group expressly does not permit the use of child labor through the company and its suppliers.

We consider all qualified applicants for employment regardless of race, color, gender, religion, age, national origin, sexual orientation, disability status or protected veteran status. In this connection, the group implemented a diversity and inclusion policy in 2020.

In 2020, we also launched a new policy relating to Human and Labor Rights within Tessengerlo Group. The purpose of the policy is to clarify Tessengerlo Group's view that respect for human rights and the observance of labor rights are integral to our business practices and that we, therefore, comply with the UN Global Compact principles.

Any concern our employees might have regarding human rights and labor rights at Tessengerlo Group can be raised either directly with their line managers or with their local senior leaders. This, together with training sessions that are being implemented on this subject, is how we aim to cover our internal risk related to labor and human rights. In case employees have the impression that their concerns have not received sufficient attention, or that the response provided was inadequate, then the matter can be confidentially brought to the attention of the Compliance Officer by writing to: [codeofconduct@tessengerlo.com](mailto:codeofconduct@tessengerlo.com). Our external risk is also referred to in our Supplier Code of Conduct and sustainable procurement policy.

In 2021, the Compliance Officer was informed about three cases on labor rights, which have been resolved. Furthermore, Tessengerlo Group did not receive any formal complaints regarding human rights or diversity and inclusion in 2021.

Labor and Human Rights		
ASSOCIATED MATERIAL ASPECT (GRI)	Score 2020	Score 2021
Diversity of gender in governance bodies (BU Leadership Teams, Group Leadership Team and the Board of Directors)	New in 2021	18% female 82% male
Diversity of governance bodies (gender % of L level, E level and board)	11% female at L level* 24% female at E level* 33% at Board level	12% female at L level* 24% female at E level* 33% at Board level
Diversity of gender (all permanent employees)	New in 2021	16.6% female 83.4% male
Diversity of employees (per region, per gender, and per age category expressed in total numbers)	See Sustainability report 2020	See page 15
% of employees compliant in training Labor and Human Rights	-	New in 2022
Equal opportunity-ratio of basic salary and remuneration of females to males at L level	Female 6% higher than male	Female 5% higher than male
Equal opportunity-ratio of basic salary and remuneration of males to females at E level	Male 3% higher than female	Male 2% higher than female
Operations in which the right to freedom of association and collective bargaining may be at risk	0	0
Total new hires	New in 2021	673 new hires
Employee turnover for 2021	6.5%	12.9%

\*E level = Expert level of Managers at the company; L level = Leadership level of Managers at the company.



## Developing Human Resources for sustainable growth

**Tessengerlo Group relies on a team of experienced professionals and this contributes towards our realization of the business and strategic objectives across all areas.**

With our tagline “Every Molecule Counts” we strongly believe that our people are the most important drivers behind our success of creating sustainable growth. As we are making important strategic shifts across our business units, HR has a crucial role to play in driving people and culture development, business growth, and company agility.

We are convinced that our employees are the most important factor in our success. In a global business where knowledge and expertise are essential, we build on our experienced and motivated employees, who have an in-depth knowledge and understanding of both the group and our products. Our HR managers, who make up part of each of the different management teams in the group, are focused on rolling out the updated business strategies, shaping the organization, defining clear roles and responsibilities, as well as attracting, retaining, and developing the right people, and building motivated teams that will realize the objectives of the group. They also guide each company through the cultural changes that are necessary for the successful implementation of the strategic plans. Professional tools and processes for Talent and Reward, sharing best practices, and automation of transactional work are supporting these common goals.

Within our annual performance cycle, clear objectives that are in line with our strategy execution are defined internally in each of the different business units. Each business unit has a communication plan to cascade these objectives of management down to the shop floor and to communicate them into the minds, hearts, and hands of our team members.

Talent management is a key process within our organization. As our business is constantly growing, we offer challenging yet rewarding jobs for enthusiastic people with backgrounds in Engineering, Sales, and Business Development, as well as Operations Management and General Management. We offer many great opportunities in terms of personal development and we strive to have in place a personal development plan for each individual employee. On-the-job training and a permanent feedback culture are essential, but we also organize learning and training programs for all levels of employees. We build on the strengths of one another, and we deploy our people in a complementary manner.

Within our Talent Review Process, we prepare career paths and carefully develop our talent for the future. In addition, we have invested in platforms to facilitate these processes. HR is also responsible for solid remuneration systems and benchmarked and competitive salary packages. The goal behind our remuneration strategy is payment according to performance, in which we strive to stimulate the entrepreneurial spirit of our employees.

We must ensure that our employees, as individuals, are fully prepared at all times in order to respond to both the short-term and long-term challenges we face, as well as to work productively in result-driven teams.

It is for this reason that we have defined the following seven HR pillars for sustainable growth:

#### **FIRST PILLAR**

Shaping the right and lean organizations that will be able to provide the most effective support to the different business models.

#### **SECOND PILLAR**

Attracting the right employees for the right jobs.

#### **THIRD PILLAR**

Engaging our people as regards the ways in which they can make even better contributions to the execution of our strategy. This can be realized by developing annual performance cycles, continuous feedback, the development of recognition plans, and clear communication.

#### **FOURTH PILLAR**

Seeking to further empower our employees and create motivated teams through a smart combination of dedicated coaching and teambuilding. This will ensure that we have flexible and agile employees.

#### **FIFTH PILLAR**

Training and developing all of the talent in our group. The concept of talent management is considered to be a key process within our organization, and it is therefore the responsibility of every leader and manager in the organization to commit to this objective. In this respect, on-the-job training and a permanent feedback culture are fundamental elements.

#### **SIXTH PILLAR**

Offering a solid reward system with benchmarked and competitive salary packages and benefits. Benchmarking is undertaken via professional salary surveys and we also provide medical insurance for our employees and pension schemes in every country in which we operate.

#### **SEVENTH PILLAR**

Following the Group Code of Conduct and compliance policies at all times.

*Tessengerlo Group's strategy could be undermined by the company's inability to attract or retain employees in key positions, or by the unexpected loss of experienced employees. Tessenderlo Group will continue its efforts to recruit, retain, and develop a competent workforce and manage key talent throughout its global organization.*

## Training and Talent Management

We cherish talent and actively help our employees to grow and flourish. Through dedicated training programs and coaching, we seek to empower our employees, ensuring that they are flexible and agile, while simultaneously encouraging them to consider how they want to contribute to Tessengerlo Group - both today and tomorrow.

We train and develop our employees because they are critical to our success and our ability to execute our business strategy better than our competitors. Our culture includes having high expectations for the personal growth of our employees, and we encourage continuous learning via job-specific, in-person, and online training.

All employees receive on-the-job training, a permanent feedback culture, and training programs. We build on the strengths of one another, and our Talent Review Process aims at preparing career paths and developing our talent for the future.

In 2021, Tessengerlo Group launched a global new learning management system (LMS). This is a standard system work tool for Learning & Development and it allows us to organize and manage learning within the group. It is also to be a “one-stop-shop” ensuring all learning activities are organized more efficiently. Our LMS is just a first step in a series of HR digitalization projects aimed at being future-proof.

Motivating employees		
ASSOCIATED MATERIAL ASPECT (GRI)	Score 2020	Score 2021
Average number of hours of training per employee per year, excluding training on the job/machine	16	14.8
Employees receiving regular signed performance and career development reviews expressed in % of E and L grades	95%	96%
Average years of seniority/company service	11.06	13.21*
% of L and E grade employees in performance-related incentive plans	New in 2021	100%
% of all employees in performance-related incentive plans	New in 2021	66%
E grade employees in formal coaching or mentoring programs	New in 2021	3.24%
% of employees active in LMS (learning management system)	New in 2021	39%
Hiring by source - internal/external	New in 2021	12% internal 88% external

\* Given that we progressively induce more systemization for the gathering of data, some data from 2020 could be slightly less accurate, and consequently, compared to 2021, might not show the complete accurate evolution.

## Safety and health

Tessengerlo Group is committed to protecting and improving the safety, health and general well-being of its employees, customers, suppliers, and neighbors by preventing or limiting its activities and products from affecting people and the environment.

It is our responsibility to ensure that our employees can work in a safe work environment and we are responsible for clearly communicating expectations regarding how to work safely via awareness programs, audits and improvement measures. Tessenderlo Group works to achieve a “zero fatality rate” globally.

Tessengerlo Group’s Safety and Health Policy is integrated into company processes, operations, and systems. The protection of employees, customers, suppliers, visitors, and neighbors against unacceptable risks overrides economic considerations and must not be compromised. In the event of any doubts, the overriding principle of precaution must apply.

### **Safety and health policy of Tessenderlo Group**

Tessengerlo Group and all of its subsidiaries embrace and comply with its legal, ethical, and moral responsibilities, in terms of protecting the safety and health of employees, contractors, customers, and the communities in which we operate. We will always conduct our business to the highest practicable standards.

Tessengerlo Group’s leadership, management, and all employees will act at all times to safeguard the safety and health of all. No business goal, target, or job is more important than ensuring the safety and health of everyone.

To fulfill those responsibilities, Tessenderlo Group ensures that the appropriate level of resources is made available, together with the commitment to continuously improve 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. Every incident and life-threatening accident is thoroughly investigated to determine and implement the improvement actions required to prevent any repeat event. All employees are expected to report all such events to local management so that the appropriate procedures can be followed.

Safety and health will always be a fundamental value of Tessenderlo Group.

Our continuous focus on improving safety and health performance remains the top priority for Tessengerlo Group. The year was dominated by the continuing impact of the global COVID-19 pandemic and consequently employee safety and health risks and performance were heightened. Many business activities continued to be classified as “essential” and, as a result, many of our employees continued operating from our factories and offices in accordance with local legislation. This understandably posed significant organizational and logistical challenges. We reinforced vigorous monitoring and hygiene regimes to safeguard the health of those employees. Our measures were broadly successful and have remained in place to meet national and local statutory obligations. However, our foremost objective remains to ensure that our employees remain safe and healthy and understand, behave, and participate with our commitment to the wellbeing of everyone. We strive to preserve, conserve, and protect the resources we use to conduct our business.

### **Group health and safety performance**

During 2021, we continued to focus on sustained improvements from safety and health performance within each business unit. Management has made this the number one priority and utilizes skilled and qualified internal and external resources. Regular management and employee auditing and workplace inspections are conducted, and thorough investigation and follow-up is conducted on injuries and events that have or could have resulted in accidents 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 are set each year in terms of realizing a continued reduction in accidents and incidents.

Also in 2021, we made further progress in the implementation of a group-wide learning management system, which will enhance our ability to deliver and record systemic safety and health training for all employees and contractors. This major multi-year project will underpin our continuing commitment to training as the key factor in terms of setting standards and expectations for safe behavior in all the locations where we conduct business.

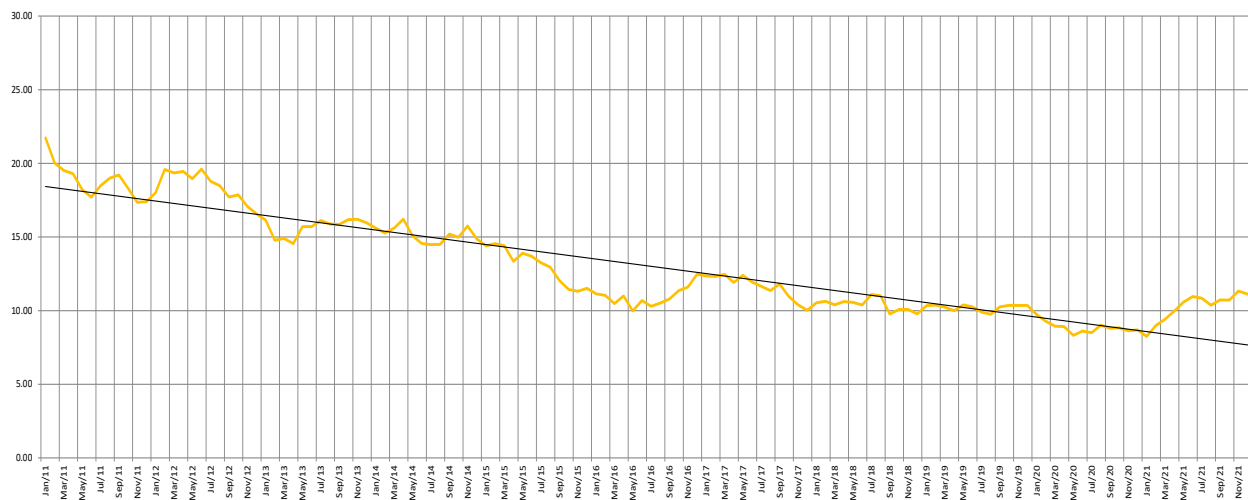
Several business units consistently achieve levels of SHE performance that are significantly below industry benchmarks, whilst other business units continue to make progress towards meeting such levels. However, compared with 2020, a number of business units experienced significant increases in their Lost Time Incident Frequency Rates, and this consequently led to an increase in the group frequency rate. This disappointing increase, which followed many years of improved results has led us to further emphasize to our Guiding Principle that “The Safety and Health of everyone in our business is more important than any other subject.”

## Health and Safety

ASSOCIATED MATERIAL ASPECT (GRI)	Score 2020	Score 2021
Lost Time Incident (LTI) frequency ratio <sup>1</sup> (all employees and contractors)	8.34	11.12
Near misses frequency ratio <sup>2</sup> (all employees and contractors, expressed as number of hours worked)	New in 2021	829.76
Workers representation in formal joint management/employee H&S committee	95%	96%
Accident severity rate <sup>3</sup> (all employees)	New in 2021	0.56
Total safety performance <sup>4</sup> (all employees and contractors)	New in 2021	10.84
Group insurance percentage coverage/Life Assurance coverage	97%	98%

1. LTI (Lost Time Incident) frequency rate is a rolling annual calculation based on the formula "LTIs x 1 million/total hours worked"
2. Near misses frequency ratio (all near miss reports x 1 million/ total hours worked)
3. Accident severity rate (severity of lost time injuries to employees defined as total days absent/1,000 hours worked)
4. Total safety performance (all LTIs + medical treatments x severity rate/total hours worked)

**Tessengerlo Group lost time incident frequency rate**  
(number of lost time incidents per million hours worked)



## Safety and health achievements

### Agro segment

Tessengerlo Kerley, Inc. has a total of 9 facilities that have achieved more than 5 years without a lost time incident. In addition, five of those locations have gone more than 20 years without a lost time incident! To support the employee engagement and workplace culture that leads to this type of performance, Tessengerlo Kerley, Inc. maintains a robust behavioral-based safety award program at all its operational facilities. The program is designed to recognize employee activities that help 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, more than 97% of employees at our process plants actively participated in the Safety Award Program.

Tessengerlo Kerley International continued its focus on H&S (health and safety) and this also applied to its site in Ham, Belgium. The progressive reduction seen in previous years was not sustained. As a result, the second-year implementation of a 5-year action plan for occupational and process safety did not achieve its goals. A thorough review of the reasons behind the increases will result in a fresh impetus towards more sustained reductions. Meanwhile, various other international sites within Tessengerlo Kerley International continued to operate with an accident-free record.

### Bio-valorization segment

PB Leiner continued to make long-term improvements at the majority of its sites, which are located on 4 continents. At the end of 2021, the Lost Time Incident frequency rate was at an historic low of 1.74 and this achievement reflected the commitment from management to rigorously implement new initiatives, new procedures, and behavioral safety practices. A 10% increase in the reporting of “near miss incidents” also led to the ability to further eliminate unsafe conditions and reduce the number of first aid injuries by 9.7%. This core process has also been extended to cover environmental issues with a corresponding increased focus.

At Akiolis, health and safety at work has remained a key area for management. Akiolis employees are faced with many challenging work environments and the number of lost time incidents in 2021 sharply increased from the previous year. However, despite this, 10 sites have gone more than 1,000 days without a lost time incident and 17 sites have gone more than one year without such an incident. Akiolis continues to devote additional resources to realizing further improvements and involving all members of the workforce. In particular, BU and site management have started a program of behavioral safety training to assist them in highlighting where employees can make personal improvements to their own safety and that of colleagues and others they work with. An important initiative resulted in a substantial increase in employee reports of hazard spotting and near misses. This increasing trend will significantly contribute to future reductions in employee lost time incidents.

## **Industrial Solutions segment**

Within DYKA Group, we experienced a deterioration in the lost time incident frequency rate but only a marginal change in the severity rate of those injuries. The introduction of a safety improvement plan in the second half of the year realized a 50% reduction in the safety issues experienced. The “SCOT” personal safety program included 10 mandatory “lifesaving” rules for each site to adopt. The focus on behavioral, technical, and organizational aspects of health and safety are at the heart of the new program. Amongst the DYKA Group sites, BT Nyloplast in Hungary extended its accident performance-free record to 2,417 days. DYKA Group is transferring its best practices and management standards to the sites where further improvements are still required and this “levelling up” process should realize success in 2022. The 2020 acquisition of DYKA Tube SAS in France has now been integrated into the SHEQ policies and procedures of DYKA Group and Tessenderlo Group.

The Kuhlmann Europe site in Loos (Kuhlmann France) had a marginally worse safety performance in 2021 but has continued to focus on a range of site infrastructure investments, which is contributing to the improvement of overall working conditions. The site maintained its ISO 14001 registration.

## **T-Power segment**

T-Power reported two lost time incidents in its operations during 2021.

## **Social activities**

Tessenderlo Group firmly believes in the importance of the recognition of teams based on positive reinforcement. This can be linked not only to achieving certain results to help growth, but also to life events. Our employees spend a lot of their time at work and often “go the extra mile” for the company. Therefore, we believe they should be celebrated and respected for these efforts. We use various occasions like company anniversaries to organize get-togethers for our teams as well as family and friends. Our aim is to ensure our employees can share the pride they have in their work and what we do as a company with those from their personal lives. Social activities are important in contributing to the wellness of each of our employees and building a positive company environment and culture.

Unfortunately, most social activities in the group were either cancelled or postponed due to COVID-19.

### **Tessenderlo Group Strava club**

In light of the Coronavirus restrictions, organizing any group sporting events proved difficult in 2021. In this connection, we launched a Tessenderlo Group club on Strava to allow us to continue with sport and exercise, but in a Corona-proof way. In 2021, 292 colleagues joined our club, 63 of whom achieved our Strava targets of 50 km swimming, 500 km walking or hiking, or 5,000 km cycling.



## Our planet

The challenges that the world faces - from climate change and population growth to food shortages and economic crises - are the basis for our search for products and processes that create value for all of our stakeholders.

There is no need to debate the fact that our planet is warming up. Overwhelming scientific consensus argues that humans are causing this warming through the emission of greenhouse gasses, mostly from the burning of fossil fuels. A warmer planet creates the effect of changing weather patterns. These changes have an impact on freshwater availability. Climate change also affects our ability to produce sufficient food in a reliable manner. It influences our ecosystems and biodiversity, as well as the spread of diseases. Overall, severely changing weather patterns are increasingly having a profound effect on our lives, our economies and our societies. Climate change is the single most important factor that will define our future market environment.

### Growing population

We live on an increasingly crowded planet. According to a United Nations report published in 2019, the current world population of 7.7 billion is expected to reach 9.7 billion by 2050. With approximately 83 million people being added to the world's population every year, the upward trend in population size is expected to continue. Such an increase will inevitably have an impact on climate change and our natural resources, ecosystems, raw materials and land availability.

### Improving standards of living

The global population is not only growing in terms of numbers. Global affluence is also increasing on average. Whilst not every region or country of the world is benefiting from this development, China, Brazil, and India are making big strides forward. Notwithstanding the fact that wider affluence has many positive aspects, it will create a market environment with more people consuming more goods. And this means it will be more difficult for supply to keep up with demand. Improved standards of living are also linked to increasing urbanization; more people are now living in cities than ever before.

## Every Molecule Counts

Every human being has the right to food, and we believe that it is our responsibility to help make this possible through more efficient and sustainable agriculture. As demand outstrips nature's capacity to provide fresh water, and due to a lack of infrastructure, one billion people in the world lack access to sufficient clean water. We offer solutions that promise a reduction of water use in agriculture and improve water management and quality - these represent important steps towards conservation and wider access. The earth's natural resources are being squandered by some who think that supplies are endless. Indeed, many such resources are either burned or dumped as waste after use. The reality is that these resources can never be replenished. Therefore, in order to avoid depleting resources that should be available to future generations as well as our own, we provide solutions to further reuse and recycle materials, hence adding value to them.

Our challenge is to contribute to making a significant improvement in the efficient use of raw materials, especially residuals or by-products from natural origin. This will mean we are making the most of the resources. For this reason, we are 100% committed to finding new and more sustainable ways in order to successfully address the following mega-challenges:

- Maximizing food production
- Optimizing the use of water
- Using our resources more responsibly
- Making better use of bio-residuals
- Reducing our energy footprint

## Environment

Tessenderlo Group is aware of the impact our production operations have on the planet. We want to take our share of responsibility and minimize the impact of our operations. We will continue to explore ways of reducing our environmental footprint in every aspect of our activities.

“Every Molecule Counts” is at the heart of our strategy and this is expressed by the numerous business activities and projects we deploy in terms of circularity. At the same time, our activities are subject to environmental regulations that could create substantial costs and lead to disputes regarding environmental matters. National and local authorities might even impose “no-fault liability”, leading to a negative impact on our activities. Meanwhile, the environmental regulations in the markets where we operate are becoming stricter, with a growing emphasis on compliance.

We offer various products and environmentally friendly solutions, in which we typically reclaim and transform by-products from our own or other industries.

Based on the outcome of the materiality analyses and taking the assessments of our employees and stakeholder representatives into account, we decided to focus on the topics of water and energy. Both topics represent areas of major importance with regard to helping preserve the natural resources of our planet, and are at the same time material to our business. As production volumes are subject to change, we have also calculated the intensity ratios of water and energy, which represent a more tangible steering metric.

There are two approaches regarding environmental sustainability:

1. Reduce the impact of our own operations on the environment, related to climate change mitigation
2. Reduce the impact of the environment on our operations, related to climate change adaptation

### **Reducing the impact of our own operations on the environment:**

Going back to the subject of materiality we see that there is a whole cluster relating to sustainable products: energy, water, air, and by-products. “By-products” is our preferred terminology instead of “waste” because we see by-products as being value products that fit into our “Every Molecule Counts” philosophy. Energy and water are tackled as the first topics at group level to report on in our step-by-step approach. Energy and CO2 relate to climate change mitigation and both energy and water are seen as very important environmental topics, where our company also has an impact. We work continuously on energy efficiency. Of course, next to these material topics, other parameters will follow such as monitoring of the upcycling of by-products and the use of recyclates (non-virgin raw materials) in our strategy towards the circular economy.

At present we have two main approaches for environmental topics:

- Circularity (Every Molecule Counts), see narratives of each BU
- Optimization (energy and water), see tables with metrics and evolution

The tables on the next page show how energy and water are monitored by our KPIs. In order to reach our targets, many projects are planned or at the execution stage across the different BUs. These projects can be product-related or process-related. Operational Excellence programs also help in this context. Apart from the Tessenderlo Group CSR policy, several BU environmental policies are currently being implemented, such as energy and energy efficiency policies, e.g. at some of our Belgian plants we have Energie Beleidsovereenkomsten (energy policy agreements); some other BUs have their own environmental policies and might be monitoring some additional CSR related KPIs and targets, but they are always integrated into the Tessenderlo Group CSR approach.

Neither our emissions nor our carbon footprint are currently reported. As there are various different approaches for calculating the carbon footprint, which result in rather different outcomes (e.g. mass allocation, economic allocation, etc.), we would like to see further progress regarding a regulated standardization in this context. Carbon footprints can only be compared on a comparable basis.

#### **Reducing the impact of the environment on our operations:**

Climate change adaptation, which is seen as the process to adjust to the effects of climate change, is now also monitored by us with the support of our Axa Climate project, which gives us a clear view of our actual and future exposure related to climate change. We screen all our own sites, rented terminals, consignment stocks, tolling sites, and our key business supply chains for natural hazards and the possible exposure to climate change. Extreme weather events and droughts pose additional risks through damage to assets and/or adverse consequences on operations, supply chains, and insurance costs. In the broader picture, we also refer to our Enterprise Risk Management Policy where CSR risk is taken up in the screening and the planning.

As can be seen on the next page featuring tables on energy and water, we realized reductions in 2021 compared to 2020, in both cases for the entire group excluding T-Power (where we are operating under a tolling agreement):

- Total energy: reduction of 1.7%
- Energy intensity: reduction of 5%
- Total water: reduction of 0.7%
- Water intensity: reduction of 3.6%

We also refer you to the financial part of the annual report, pages 36 to 41, which elaborates on CSR risks; ethics and compliance, safety, industrial safety, transport accidents, climate risks, cybersecurity risks, usage of Tessenderlo Group products, and market and strategic risks.

ASSOCIATED MATERIAL ASPECT (GRI)	Energy (MWh/y)	Energy intensity (MWh/t)			
	Total energy consumption within the organization, in MWh, and per operating segment	Total energy intensity ratio for the organization, and per operating segment	Organization-specific metric (the denominator) to calculate the ratio	Types of energy included in the intensity ratio	The ratio uses energy consumption within the organization, outside of it, or both
<b>Energy in 2020</b>					
Group (minus T-Power)	2,061,018	0.79	The denominator is in metric tons of year product produced to be sold; by-products included	Hydrogen, electricity, liquid light fuel, liquid heavy fuel, natural gas, coal, wood, steam	The ratio is based on energy consumed within the organization
Agro	364,890	0.23			
Bio-valorization	1,480,030	3.02			
Industrial Solutions	216,098	0.43			
T-Power	2,350,652	NA			
<b>Energy in 2021</b>					
Group (minus T-Power)	2,025,833 2,121,075*	0.76 0.79*	The denominator is in metric tons of year product produced to be sold; by-products included	Hydrogen, electricity, liquid light fuel, liquid heavy fuel, natural gas, coal, wood, steam	The ratio is based on energy consumed within the organization
Agro	338,041 347,281*	0.20 0.20*			
Bio-valorization	1,457,025 1,534,323*	3.14 3.31*			
Industrial Solutions	230,767 239,472*	0.45 0.46*			
T-Power	1,531,225	NA			

**See also boundaries:** \*vehicles are included from 2021 onwards, impacting the overall energy and energy intensity. To enable comparisons with 2020, the data without vehicles are mentioned (this is the first number).

ASSOCIATED MATERIAL ASPECT (GRI)	Water withdrawal (m <sup>3</sup> /y)				Water intensity (m <sup>3</sup> /t)		
	Total water withdrawal from all sources	Water withdrawal by source			Information necessary to understand how the data have been compiled	Water intensity	Organization-specific metric (the denominator) to calculate the ratio
		Surface water	Ground water	Third-party water including city water			
<b>Water in 2020</b>							
Group (minus T-Power)	17,368,681	10,404,045	4,517,606	2,447,031	See separate information on granularity & boundaries	6.67	The denominator is in metric tons of year product produced to be sold; by-products included
Agro	3,531,125	2,204,027	670,042	657,056		2.18	
Bio-valorization	10,747,657	6,445,389	2,555,499	1,746,770		21.93	
Industrial Solutions	3,089,898	1,754,629	1,292,065	43,205		6.21	
T-Power	2,224,721	2,168,545	0	56,177		NA	
<b>Water in 2021</b>							
Group (minus T-Power)	17,254,251	10,304,877	4,058,152	2,891,221	See separate information on granularity & boundaries	6.43	The denominator is in metric tons of year product produced to be sold; by-products included
Agro	3,440,318	2,162,367	522,591	755,360		2.02	
Bio-valorization	10,583,725	6,227,104	2,311,726	2,044,895		22.84	
Industrial Solutions	3,230,207	1,915,406	1,223,835	90,965		6.26	
T-Power	1,362,781	1,306,227	0	56,555		NA	

## Innovation

We were able to successfully continue our innovation and R&D activities in 2021. Our innovation choices continue to be driven by the belief that “Every Molecule Counts” and they are prioritized in alignment with our business strategies. In R&D and new business development, Tessenderlo Group continued to improve and develop product, process, and application technologies through a customer-centric approach, exploring new applications for existing products, as well as enhancing sustainability and environmental protection. We also further developed our collaborations with academia, customers, suppliers, and other relevant stakeholders.

### **Our Agro segment**

In 2021, we further assessed and enhanced the positive agronomic impact of our fertilizers through dedicated lab, pot, and field trials, focusing on the fertilizer aspect, crop growth, crop health, and the effect on soil health and the environment, both in the short-term and the long-term. We will continue to contribute to sustainable agriculture, translating the insights gained from these scientific trials into fertilizer use recommendations and new fertilizer developments.

### **Our Bio-valorization segment**

We are passionate about improving the lives and well-being of humans and animals and - in that context - our product innovations focus on the valorizing and upcycling of by-products from other industries or making the most out of our natural resources. In this regard, we continued to improve our portfolio of healthy collagen ingredients for humans and we started a research program with the University of Maastricht. Furthermore, we published a white paper regarding the positive effects of our collagen peptides in the area of sports nutrition, based on a scientific collaboration with Florida State University. We also continued our research program into collagen peptides with the aim of enabling us to expand our market for collagen and gelatin.

Following the release of our first gelatin bio-ink in the Claro™ series of tissue-engineering products, Tessenderlo Group continued on the path of making further investments, working on scientific developments, and setting up partnerships. In 2021, the group joined forces with bioprinter companies to expand the commercialization of its gelatin bio-ink product line. Besides extrusion-based technologies, the group has recently developed ready-to-use gelatin-based crosslinkable gels for volumetric bioprinting. In 2021, the group also started a collaboration with Utrecht University focusing on biofabrication in regenerative medicine.

### **Our Industrial Solutions segment**

Together with various academic partners, we continued our research to develop sustainable solutions for the recovery of critical minerals, such as copper, which is essential for electromobility, as well as gold for electronics.

In addition, DYKA Group continues to develop innovative solutions in response to megatrends such as urbanization, climate change, water scarcity, and the energy transition. Improving on sustainability is an integral element of the DYKA Group innovation strategy, which is realized by, among other things, increasing the recycled content in products and improving the energy efficiency of the processes used.

For product and technology platforms that are applied across several business units, we rely on our Innovation & Learning Center in Dinuba (California, USA), the Phoenix Innovation Center (USA), and the Tessenderlo Innovation Center (Belgium). We also rely on our R&D expertise across a broad area of organic and inorganic chemistries at lab and pilot scale, which support several innovation projects in Agro,

Bio-valorization, and Industrial Solutions. Furthermore, our R&D teams partner with our operations groups to constantly improve and optimize our products and processes with the aim of ensuring operational excellence.

We continue to invest in innovation at our R&D sites, including commissioning state-of-the-art pilot equipment, which facilitates the development of new sustainability concepts for next-generation products, and improves the “from concept to commercialization” timeframe. Innovation teams at Tessengerlo Group collaborate directly with our customers to support the adoption and use of our products at their sites and in their processes.

Finally, at the end of 2021, Tessengerlo Group signed a partnership agreement with Haarslev, which is the largest supplier of rendering and processing solutions in the world. Haarslev is partnering with Tessengerlo Group to combine their respective experience in the field of the production of highly digestible feather meals and blood meals via gentle drying technologies, with Tessengerlo Group’s patented know-how.

### **Innovation and CAPEX CSR screening tool**

We worked together as part of the 14th Interdisciplinary Assessment Project (IAP) with Agoria, Alimento, Flanders' FOOD, and KU Leuven (Faculty of Economics and Business, Brussels campus, and Faculty of Industrial Engineering, Ghent campus), with 3 students from the Industrial Engineering, Environment and Prevention Management and Commercial Engineering/Commercial Science/Business Administration/Business Economics & Business Policy Master’s programs.

From October to December 2021, the interdisciplinary team of Master's students from these fields developed together with us the basis for a simple, robust, and logical CSR screening tool for all our innovation and CapEx projects. The tool allows "accounting" of the sustainability for our projects in light of the CSR-related upcoming regulations. The scoring tool is now further refined to allow our company to measure the CSR progress in innovation-related and CapEx CSR-related projects on a project and portfolio level.

## Crop Vitality and Tessengerlo Kerley International

### Precision agriculture

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. By providing growers with training based on our research, we give them the tools and resources to improve their soil and crop health. By working continuously with the authorities, crop advisors, and growers, we believe that contributing to the goal of feeding 10 billion people is achievable.

For developing economies, population growth and land availability are some of the main problems agriculture is facing today. Proper use of crop nutrition and crop protection 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

### Crop protection

As long as agriculture has existed, pests, weeds, and diseases have diminished the yield of crops. The responsible use of our NovaSource crop protection products, which include insecticides, herbicides, and fungicides, enables growers to overcome these challenges and continue to provide the world with nutritious, abundant, and affordable food. Our crop protection line includes organic and naturally sourced products that combat fungus and mildews, and provide protection from sun damage.

## PB Leiner

### **We valorize animal by-products better, creating mutual value, close to our stakeholders**

*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, which is the remains of animals slaughtered for the meat and fish industry, might otherwise simply have been discarded: pig skins, beef hide, and bones 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 Tessengerlo Group, we adhere to the group's motto: "Every Molecule Counts." This motto 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 is astonishingly broad. In food, for example, gelatin can make your croissants fluffier, your 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 a 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 consumption of electricity and heat.

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. This means adding value to animal materials generated in the production of, but not included in, food for human consumption. In doing so, we are a link in an intelligent chain based on the recovery of co-products and by-products. 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 in the meat industry (e.g. slaughterhouses, butchers, and cutting plants) and in 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 indeed 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 food for dogs and cats.
- By collecting bones from slaughterhouses, we are also able to extract bone minerals, resulting in ossein, used in gelatin production.

## DYKA Group

### Sustainable water & air management, energy transport and building systems

*DYKA Group's long-life plastic pipe systems reduce water leakages in drinking water supply and wastewater discharge networks. The electrical cable ducting systems and gas piping systems support the energy transition towards renewable energy sources. Incorporating recycled materials into our piping systems reduces the need for finite resources and landfill.*

Catastrophes relating to climate change have increased significantly in recent years and will continue to occur more frequently. Unpredictable levels of rainfall often exceed retention capacities, create flood damage, and overrun water treatment facilities. Although we realize that no system is equipped to completely manage all flooding, our solutions for drainage, attenuation, and infiltration, as well as our stormwater management systems, work effectively against the negative impacts of increasingly frequent rainstorms. These solutions reduce flooding and collect, store, and manage sudden rainfall, which prevents it from immediately spilling into rivers and retaining its capacity for reuse.

Throughout the world, too much clean drinking water goes to waste. This is not only the case in the developing world. Poor quality pipework and leakages in distribution infrastructure result in the loss of one-third of all drinking water. Our solution to this major problem is to supply high-performance, long-life plastic pipe systems that will reduce water loss in the pressure supply network. Our objective is to significantly reduce this staggering level of waste.

The trend of urbanization represents a massive challenge regarding water supply and treatment. Key environmental issues, such as sustainable urban drainage, green infrastructure, and the increasing use of brownfield sites are causing the house building market to change. The growing population also means the market for construction materials is experiencing high levels of demand.

The increasing demographic movement of people to cities has led to the increase in wastewater drainage requirements with a wide network of connections. Pipes and fittings are the prerequisites for housing. We are constantly diversifying our product range to ensure that we can respond to these changes.

Drinking water will become the world's most valuable product over time. We currently face a mega-challenge in providing drinking water to everyone. In the future, we need to become smarter in terms of managing our water supplies. Our plastic pipes will ensure the safe transportation of all different kinds of water; not only drinking water but also rain and wastewater.

Practical innovation also means the creative use of our systems to support other challenges. Just as water pipe systems have clearly contributed to the health and well-being of people for decades, legislation is now focusing on additional building standards with respect to air treatment. Fortunately for the environment and energy consumption, the insulation of our houses has improved dramatically in recent times. However, this brings with it the risk of a decrease in the inflow of oxygen in houses that can, in turn, result in the retention of humidity and poor air quality that endangers the health of the nearby residents. Based on our considerable expertise in water treatment systems we are now converting this knowledge into air ventilation and treatment solutions that will contribute to a healthy climate inside houses.

In the production of the intermediate layer of our PVC 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 materials in injection molded products has increased in recent years (e.g. Rainbox infiltration boxes and inspection chamber bases).

## Kuhlmann Europe

### **Water treatment, cleaner water, and much more**

*We bring solutions to treat and recycle dirty water with quick, cost-effective concepts and we develop sustainable processes for resource conservation.*

In the water treatment market, we are the number three supplier in Europe of inorganic chemicals that act as coagulants 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.

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.

## moleko

### Sustainability in industrial businesses

*Through the creation of environmentally aware chemistries for mining and industrial applications, the moleko business unit is creating a safer workspace for customers and plant production processes.*

Our innovative and alternative chemistries such as Thio-Gold<sup>®</sup>, which can replace cyanide (CN) lixiviants, are allowing 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 both local communities and wildlife from exposure to this hazard.

Our polysulfide line of products including Calmet<sup>®</sup> and Cyntral<sup>®</sup> provide a safe and effective method of remediating heavy metals in contaminated soil and groundwater applications, as well as converting corrosive cyanides in refining applications into nonhazardous chemistry, protecting equipment, and reducing potential environmental emissions.

Our Captor<sup>®</sup> product provides safe, nonhazardous dechlorination and deozonation chemistry in municipal water treatment facilities, which replaces the use of more hazardous chemicals.

Moleko integrates at either its customer's sites or where it can upcycle by-product gases from refineries and convert them into value-added chemistry, all while ensuring world-class environmental performance. This optimizes logistics, thus reducing our carbon footprint.

Our value proposition is founded on making Every Molecule Count and it is backed by a product stewardship program that focuses on the safe and effective use of our products.

Moleko is focused on macro drivers of sustainability where our products play an essential role in enabling the production of copper, water purification, remediation of contaminated soils/water, food processing, and biofuel production.

## T-Power

### Gas power plants in the energy mix of the future

Since June 2011, T-Power has been operating a CCGT plant (Combined Cycle Gas Turbine, steam, and gas power plant) on the Tessenderlo Group sites in the Belgian municipality of Tessenderlo. This gas plant combines a gas turbine with a steam turbine to produce electricity. The natural gas is first burned in the gas turbine, thus driving it, and the combustion gases then enter the recovery boiler, which produces steam. The steam is then fed into the steam turbine. As a result, approximately two-thirds of the combustion heat is recovered. The plant provides 425 megawatts of electricity and it meets the latest environmental standards.

The gas-fired power plant is very flexible, and this flexibility is becoming increasingly important due to the rising share of fluctuating energy sources in the power grid, such as wind power and solar energy. 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.

The CSR infographics for each business unit are available on the Tessenderlo Group website ([www.tessenderlo.com/en/csr-infographics](http://www.tessenderlo.com/en/csr-infographics)).

## Some initiatives within the group

Tessenderlo Group continually strives to find more sustainable solutions. We aim to minimize our ecological footprint and to maximize the contribution of our products in the transition to a green economy. We offer various products and environmentally friendly solutions, in which we typically reclaim and transform by-products from our own or other industries.

In 2021, we took many initiatives with regard to sustainability on a group and BU level to help to create a world that makes the most of its resources. We aim to fully understand what is happening in the world to determine how we can build the business of tomorrow by successfully addressing those issues.

For example, **Tessenderlo Kerley International** continued the conversion of its furnaces, which are used to produce sulfate of potash, a key fertilizer in the agriculture sector. They are converted to a more sustainable energy source, which results in a significant reduction of energy, a lower carbon footprint, and a strong reduction of emissions. 14% of the capacity was converted in 2021, which is an equivalent CO2 reduction of 6.5% and 43% of the capacity has been converted overall, which is an equivalent CO2 reduction of 20% for the total SOP production so far. In the coming years, the program will continue until all our furnaces have been converted.

We are also improving our furnace efficiency at **Kuhlmann Europe** with the Mersen loop of the HCl furnace that has been put into operation. This system is based on the concept of cooling the furnace indirectly with a closed-loop and recovery of the furnace energy to preheat the brine. In addition to making the furnace more reliable, it reduces the amount of steam used to heat the brine. This represents a significant energy gain thanks to the reduction of the gas consumption of the steam boiler and the production of CO2.

In our eco-responsible approach, we are also starting to recover our hydrogen at Kuhlmann France, which is burned instead of using natural gas.

**Tessenderlo Kerley, Inc.** also ran the East Dubuque Air Cooler Expansion project, which installed a fin fan air cooler to cool the product from the production unit during the recent Thio-Sul® expansion project. The installation of the air-cooled system reduces the amount of water consumed and lost to evaporation and blowdown in the cooling tower.

At **DYKA Group**, with the aim of contributing to our sustainability targets in regard to transportation, energy-efficient PP and PVC injection molding machines were installed in 2021 in the DYKA Tube SAS plant in France. DYKA BV in the Netherlands also received the CO2 performance ladder certificate. DYKA's PE gas transportation pipes are KIWA certified for the transportation of hydrogen gas to stimulate the transition towards the use of renewable energy.

All of our injection molding and extrusion plants joined the OCS (Operation Clean Sweep) initiative to reduce the spill of plastic pellets throughout the entire plastic value chain. We also participated in the DI-Plast project to boost the uptake of plastics recyclates in the plastics value chain.

At **T-Power**, we succeeded in the implementation of the SP7 project in 2021. The SP7 upgrade is a full-service package solution that is specifically designed to bring older version machines up to the latest specifications and help to improve performance and flexibility in line with the Belgian energy market. Thanks to this intervention, the flexibility of the plant has increased as it can now provide stable power to the grid from 190 MW, where previously it was only from 240 MW.

## Our community

Sustainability and corporate social responsibility also mean that we as a group must be aware of what is going on outside of our company walls. Tessengerlo Group plays an important role in society. We want to make a positive contribution to society and help to create a society that is characterized by more prosperity and a higher level of well-being for all of our stakeholders. In our daily activities and objectives, we continuously consider our stakeholders, who include our employees, customers, suppliers, partners, shareholders, media, and local residents in the areas in which we operate.

We also care about the community around us and we therefore participate and actively promote the participation of our teams in social and charity events. Some of our companies also have active partnerships with learning institutions and are a recognized partner for development purposes. This is an investment in the future of education, as well as in future generations.

We organize and participate in various initiatives. For instance, we organize on-site plant tours, invite guest speakers at courses, and participate in job fairs; this often results in internships, which in turn can lead to fixed employment over time. Failure to successfully manage relationships with local communities could adversely affect the group's reputation. Tessengerlo Group will continue its efforts to make a positive contribution to the local communities it is part of.

### Business ethics

All employees and subsidiaries of Tessengerlo Group worldwide aim to comply with the applicable laws and regulations of the countries in which they operate, with the Tessengerlo Group Code of Conduct and are expected and required to comply with the contents of the Code of Conduct.

Tessengerlo Group requires honesty and integrity from all employees in the application of the Code of Conduct and in all aspects of its business and expects the same of all its partners. Tessengerlo Group complies with generally accepted international standards for business practices, which form the basis for its activities and relations worldwide. For those also in a position of leadership and management at Tessengerlo Group, this means, among other things, that they show "zero tolerance" towards violations of local/international laws and all infringements of The Code of Conduct, other company rules, and regulations. The protection and care of people and the environment represents a significant part of Tessengerlo Group company policy.

### Code of Conduct

In 2017, a Code of Conduct was drafted and incorporated into our organizational DNA. Our Code of Conduct builds upon the Guiding Principles of Tessengerlo Group, together with our 6 Attitudes. Fundamentally, the Code of Conduct sets out how we intend to continue to fully comply with the laws and regulations in all regions where our organization is operating.

Due diligence procedures have been built into various business processes to ensure compliance with Tessengerlo Group's Code of Conduct across all of our segments. Verification of the operation of these procedures is included in the audit program of the company's Internal Audit Department. The Code of Conduct describes the procedure to be followed for reporting and investigating violations of the Code.

## Procurement & Supplier Code of Conduct

Looking from a social, ethical, or environmental perspective, the area of Procurement is a very important area in terms of sustainability. We look to our own impact for the material topics in Scope 1 and Scope 2, but the impact from the supply chain is as important, or sometimes even more important in terms of emissions or impact on the environment. At Tessengerlo Group, we have a Group Procurement Sustainability Policy that was published in 2021. The purpose of this policy is to solidify sustainability and CSR within Procurement and our suppliers' communities.

In addition to our Group Procurement Sustainability Policy, we also have our Tessengerlo Group Supplier Code of Conduct. This lists for our suppliers our requirements with respect to business ethics, social, safety, health, and environmental performance, which are in line with Tessengerlo Group's guiding principles. We expect all our suppliers, subcontractors, joint venture partners, and agents to comply with these requirements. The Supplier Code of Conduct is an integral part of the business contracts and it is a prerequisite for business partners to be selected to do business with our group. We are in contact with our supply base to have this document integrated and signed. The Code of Conduct and the Supplier Code of Conduct are available on the Tessengerlo Group website ([www.tessengerlo.com/en/sustainability-development](http://www.tessengerlo.com/en/sustainability-development)).

On a regular basis, training sessions on sustainability topics are provided to the Procurement Community of the group. Every training session is registered on LMS and is available for new employees, in the onboarding program. KPIs and targets for Procurement that we monitor are shown in the table below.

Procurement		
ASSOCIATED MATERIAL ASPECT (GRI)	Score 2020	Score 2021
Procurement training in CSR	New in 2021	100%
% of the spend with Supplier Code of Conduct signature, measured against the spent of the previous year	New in 2021	61.38% *

\* Result of calendar year 2021 - as this KPI started in the course of 2021, the score is continuing to increase.

## Anti-bribery and anti-corruption

Tessengerlo Group complies with all applicable anti-bribery laws, including the US Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act, and the local laws in every country in which we do business (for example, European, federal, regional, provincial, and state laws and directives). No employee of Tessengerlo Group must ever offer, provide or receive any financial or other inducements in order to obtain, retain, or alter business contracts, or for the purpose of influencing decisions.

In this context, we created a new anti-bribery and anti-corruption policy in 2020, and we launched the policy throughout the group. In the course of 2021, we also started a series of recurrent online training courses relating to this policy.

Any breach of laws and regulations, or of Tessengerlo Group's policies – such as the Code of Conduct – regarding fraud, anti-trust, corruption, conflict of interests, and other similar areas could have serious repercussions for the group. Potential impacts include prosecution, fines, penalties, and contractual, financial, and reputational damage.



Risks could arise from possible non-compliance with Tessengerlo Group’s Code of Conduct and the associated internal procedures, as well as from the amendment or application of laws and regulations in the various jurisdictions in which Tessengerlo Group nv operates. In order to manage the risk, training courses on the application of the Code of Conduct and anti-trust code are organized worldwide, including the possibility of reporting violations of rules to various individuals in the organization, such as the hierarchical superior, the site leader, and HR and, if necessary, the Compliance Officer. There is also a Compliance Committee active within the group that is dedicated to the coordination of the compliance activities within the group, which includes the definition of the various training programs that are organized.

In both 2020 and 2021, we had a zero score for the alerts to the Compliance Officer at the whistleblowing level, as well as for anti-bribery and anti-corruption.

We also refer you to the financial part of the annual report, pages 36 to 41, which elaborates further on CSR risks; ethics and compliance, safety, industrial safety, transport accidents, climate risks, cybersecurity, usage of Tessengerlo Group products, and market and strategic risks.

Ethics and Compliance		
ASSOCIATED MATERIAL ASPECT (GRI)	Score 2020	Score 2021
Anti-trust training – current rate of compliance in line with the defined schedule	86.3%	85.1%
ABC (anti-bribery and anti-corruption) training – current rate of compliance in line with the defined schedule	New in 2021	62.3%
Code of Conduct training – current rate of compliance in line with defined schedule	100%	95.1%
IP and confidential information training – current rate of compliance in line with defined schedule	91%	73.4%
New hires receiving Compliance training in line with the agreed schedule (by job category) within 90 days of being hired	New in 2021	95%
Training on harassment and discrimination in the workplace (TKI)	100%	100%

## KPIs

Our CSR strategy is inter-connected at the different levels of our group. The materiality topics (Labor and Human rights, Motivating employees, etc.), with its current metrics (associated material aspect) and KPIs (GRI), are linked to the higher level goals of the United Nations (SDGs) and also to our policies and management approaches at Tessengerlo Group. Below are the CSR metrics, with several new KPIs for 2021, and also the associated targets for social topics.

## Social metrics

Labor and Human Rights							
ASSOCIATED MATERIAL ASPECT (GRI)	GRI	SDG	Score 2020	Score 2021	Targets	Group policies	
Diversity of gender in governance bodies (BU Leadership Teams, Group Leadership Team and the Board of Directors)	405-1 a	8 10	New in 2021	18% female 82% male		Diversity and Inclusion policy	
Diversity of governance bodies (gender % of L level, E level and board)			11% female at L level* 24% female at E level* 33% at Board level	12% female at L level* 24% female at E level* 33% at Board level			
Diversity of gender (all permanent employees)			New in 2021	16.6% female 83.4% male			
Diversity of employees (per region, per gender, and per age category expressed in total numbers)	405-1 b 102-8		See Sustainability report 2020	See page 15			
% of employees compliant in training Labor and Human Rights	412-2 b			-	New in 2022	95%	Labor and Human rights policy
Equal opportunity-ratio of basic salary and remuneration of females to males at L level	405-2			Female 6% higher than male	Female 5% higher than male		
Equal opportunity-ratio of basic salary and remuneration of males to females at E level				Male 3% higher than female	Male 2% higher than female		
Operations in which the right to freedom of association and collective bargaining may be at risk	407-1		8	0	0	100%	
Total new hires			New in 2021	673 new hires			
Employee turnover for 2021	401-1, b	8 10	6.5%	12.9%			

\*E level = Expert level of Managers at the company; L level = Leadership level of Managers at the company.

Motivating employees						
ASSOCIATED MATERIAL ASPECT (GRI)	GRI	SDG	Score 2020	Score 2021	Targets	Group policies
Average of hours of training per employee per year, excluding training on the job/machine	404-1	8 10	16	14.8		Learning & Development policy
Employees receiving regular signed performance and career development reviews expressed in % of E and L grades	404-3		95%	96%	> 90%	Group talent strategy policy
Average years of seniority/company service	(401-1, b)	10	11.06	13.21*		
% of L and E grade employees in performance-related incentive plans			New in 2021	100%	> 75%	
% of all employees in performance-related incentive plans			New in 2021	66%	> 90%	
E grade employees in formal coaching or mentoring programs	404-2		New in 2021	3.24%	> 5%	
% of employees active in LMS			New in 2021	39%	> 75%	
Hiring by source - internal/external	401-2, v	8 10	New in 2021	12% internal 88% external	> 20% internal	

\* Given that we progressively induce more systemization for data mining, some data from 2020 could be slightly less accurate, and consequently, compared to 2021, might not show the complete accurate evolution.

Health and Safety						
ASSOCIATED MATERIAL ASPECT (GRI)	GRI	SDG	Score 2020	Score 2021	Targets	Group policies
Lost Time Incident (LTI) frequency ratio <sup>1</sup> (all employees and contractors)	403-2-9-10	3 8	8.34	11.12	By BU and Tessengerlo Group	Health and Safety policy
Near misses frequency ratio <sup>2</sup> (all employees and contractors, expressed as number of hours worked)			New in 2021	829.76	By BU	
Workers representation in formal joint management/employee H&S committee	403-1 102-41		95%	96%	By BU	
Accident severity rate <sup>3</sup> (all employees)			New in 2021	0.56	By BU	
Total safety performance <sup>4</sup> (all employees and contractors)			New in 2021	10.84	By BU and Tessengerlo Group	
Group insurance percentage coverage/Life Assurance coverage	401-2, i, iii	3	97%	98%	95%	

1. LTI (Lost Time Incident) frequency rate is a rolling annual calculation based on the formula "LTIs x 1 million/total hours worked"
2. Near misses frequency ratio (all near miss reports x 1 million/ total hours worked)
3. Accident severity rate (severity of lost time injuries to employees defined as total days absent/1,000 hours worked)
4. Total safety performance (all LTIs + medical treatments x severity rate/total hours worked)

Ethics and Compliance						
ASSOCIATED MATERIAL ASPECT (GRI)	GRI	SDG	Score 2020	Score 2021	Targets	Group policies
Anti-trust training – current rate of compliance in line with defined schedule	205-2	4	86.3%	85.1%	95%	Anti Bribery and - corruption policy & Anti-trust Competition policy
ABC (anti-bribery and anti-corruption) training – current rate of compliance in line with defined schedule			New in 2021	62.3%		
Code of Conduct training – current rate of compliance in line with defined schedule	205-2, 102-16-17, (410-1)		100%	95.1%		Code of Conduct policy
IP and confidential information training – current rate of compliance in line with defined schedule	(418-1)	91%	73.4%	Group IP policy		
New hires receiving Compliance training in line with the agreed schedule (by job category) within 90 days of being hired	404-2	New in 2021	95%	Code of Conduct policy		
Harassment and discrimination in the workplace (TKI)	(410-1)	4	100%	100%		Diversity and Inclusion policy

Procurement						
ASSOCIATED MATERIAL ASPECT (GRI)	GRI	SDG	Score 2020	Score 2021	Targets	Group policies
Procurement training in CSR	404-2	4 8 11	New in 2021	100%	95%	Procurement Sustainability policy
% of the spent with Supplier Code of Conduct signature, measured against the spent of the year before	414-2 a	11	New in 2021	61.38% *	75% **	

\* Result of calendar year 2021 as this KPI started in the course of 2021, the result is further increasing.

\*\* Moving target: the target is increasing over time

## Environmental metrics

ASSOCIATED MATERIAL ASPECT (GRI)	Energy (MWh/y)	Energy intensity (MWh/t)			
	Total energy consumption within the organization, in MWh, and per operating segment	Total energy intensity ratio for the organization, and per operating segment	Organization-specific metric (the denominator) to calculate the ratio	Types of energy included in the intensity ratio	The ratio uses energy consumption within the organization, outside of it, or both
GRI	302-1 e	302-3 a	302-3 b	302-3 c	302-3 d
SDG	12, 13				
Group policies	Corporate Social Responsibility policy				
<b>Energy in 2020</b>					
<b>Group (minus T-Power)</b>	2,061,018	0.79	The denominator is in metric tons of year product produced to be sold; by-products included	Hydrogen, electricity, liquid light fuel, liquid heavy fuel, natural gas, coal, wood, steam	The ratio is based on energy consumed within the organization
<b>Agro</b>	364,890	0.23			
<b>Bio-valorization</b>	1,480,030	3.02			
<b>Industrial Solutions</b>	216,098	0.43			
<b>T-Power</b>	2,350,652	NA			
<b>Energy in 2021</b>					
<b>Group (minus T-Power)</b>	2,025,833 2,121,075*	0.76 0.79*	The denominator is in metric tons of year product produced to be sold; by-products included	Hydrogen, electricity, liquid light fuel, liquid heavy fuel, natural gas, coal, wood, steam	The ratio is based on energy consumed within the organization
<b>Agro</b>	338,041 347,281*	0.20 0.20*			
<b>Bio-valorization</b>	1,457,025 1,534,323*	3.14 3.31*			
<b>Industrial Solutions</b>	230,767 239,472*	0.45 0.46*			
<b>T-Power</b>	1,531,225	NA			

*See also boundaries: \*vehicles are included from 2021 onwards, impacting the overall energy and energy intensity. To enable comparisons with 2020, the data without vehicles are mentioned (this is the first number).*

ASSOCIATED MATERIAL ASPECT (GRI)	Water withdrawal (m <sup>3</sup> /y)				Water intensity (m <sup>3</sup> /t)		
	Total water withdrawal from all sources	Water withdrawal by source			Information necessary to understand how the data have been compiled	Water intensity	Organization-specific metric (the denominator) to calculate the ratio
		Surface water	Ground water	Third-party water including city water			
GRI	303-3 a	303-3 a i	303-3 a ii	303-3 a v	303-3 d	NA	NA
SDG	6, 9, 11, 12, 13						
Group policies	Corporate Social Responsibility policy						
<b>Water in 2020</b>							
<b>Group (minus T-Power)</b>	17,368,681	10,404,045	4,517,606	2,447,031	See separate information on granularity & boundaries	6.67	The denominator is in metric tons of year product produced to be sold; by-products included
<b>Agro</b>	3,531,125	2,204,027	670,042	657,056		2.18	
<b>Bio-valorization</b>	10,747,657	6,445,389	2,555,499	1,746,770		21.93	
<b>Industrial Solutions</b>	3,089,898	1,754,629	1,292,065	43,205		6.21	
<b>T-Power</b>	2,224,721	2,168,545	0	56,177		NA	
<b>Water in 2021</b>							
<b>Group (minus T-Power)</b>	17,254,251	10,304,877	4,058,152	2,891,221	See separate information on granularity & boundaries	6.43	The denominator is in metric tons of year product produced to be sold; by-products included
<b>Agro</b>	3,440,318	2,162,367	522,591	755,360		2.02	
<b>Bio-valorization</b>	10,583,725	6,227,104	2,311,726	2,044,895		22.84	
<b>Industrial Solutions</b>	3,230,207	1,915,406	1,223,835	90,965		6.26	
<b>T-Power</b>	1,362,781	1,306,227	0	56,555		NA	

## GRI index

### Organizational profile

- 102-1 Name of the organization
- 102-2 Primary brands, products and/or services
- 102-3 Location of the head office of the organization
- 102-4 Number of countries in which the organization is active
- 102-7 Size

### Strategy

- 102-14 Statement by the Board of Directors on the relevance of sustainable development for the organization and its strategy

### Ethics and integrity

- 102-16 Internally developed mission or statements of principles
- 102-17 Mechanisms for advice and concerns about ethics
- 102-22 Composition of the highest governance body and its committees
- 102-40 List of stakeholder groups
- 102-43 Approach to stakeholder engagement
- 102-45 Entities included in the consolidated financial statements
- 102-46 Defining report content and topic boundaries
- 102-47 List of material topics

### Reporting method

- 102-50 Reporting period
- 102-51 Date of most recent report
- 102-52 Reporting cycle
- 102-53 Point of contact for questions about the report or its content
- 102-54 Reporting in accordance with GRI Standards
- 102-55 GRI table of contents

### Management approach

- 103-1 Explanation of the material topic and its boundaries (materiality)  
Economic performance
- 201-1 Direct economic value generated and distributed
- 201-3 Defined benefit plan obligations and other retirement plans
- Disclosure 201-4 Financial assistance received from the government

### Anti-corruption

- 205-2 Communication and training about anti-corruption policies and procedures

### Energy

- 302-1e Total energy consumption within the organization, in joules or multiples, and per business segment
- 302-3a Total energy intensity ratio for the organization, and per business segment
- 302-3b Organization-specific metric (the denominator) to calculate the ratio
- 302-3c Types of energy included in the intensity ratio
- 302-3d Information necessary to understand the energy intensity ratio

**Water and effluents**

- 303-3a Total water withdrawal from all sources
- 303-3a I Water withdrawal by source: surface water
- 303-3a ii Water withdrawal by source: groundwater
- 303-3a v Water withdrawal by source: third-party water
- 303-3d Information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used

**Employment**

- 401-1b Total number and rate of employee turnover during the reporting period (by age group, gender and region)
- 401-2 i iii Group insurance percentage coverage
- 401-2 v Retirement fund percentage coverage

**Occupational health and safety**

- 403-2-9-10 Hazard identification, risk assessment and work-related injuries and ill health
- 403-1 Occupational health and safety management system
- 403-4 Workers representation in formal joint management-worker H&S committee

**Training and Education**

- 404-1 Average hours of training per employee per year
- 404-2 Programs for upgrading employee skills and transition assistance programs
- 404-3 Employees receiving regular signed performance and career development reviews

**Human rights assessments**

- 412-2 Employee training on human rights policies or procedures

**Diversity and Equal Opportunities**

- 405-1a Diversity of governance bodies
- 405-1b Diversity of employees
- 405-2 Equal opportunity-ratio of basic salary and remuneration

**Freedom of association and collective bargaining**

- 407-1 Operations in which the right to freedom of association and collective bargaining may be at risk

**Child Labor**

- 408-1 Operations and suppliers at significant risk for incidents of child labor

**Forced or compulsory labor**

- 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

**Local Communities**

- 413-1 Collaborations in which local communities are involved



