

MIDLIN ESG FUND REPORT 2024

An overview of the ESG
performance of Midlin portfolio
companies in 2023

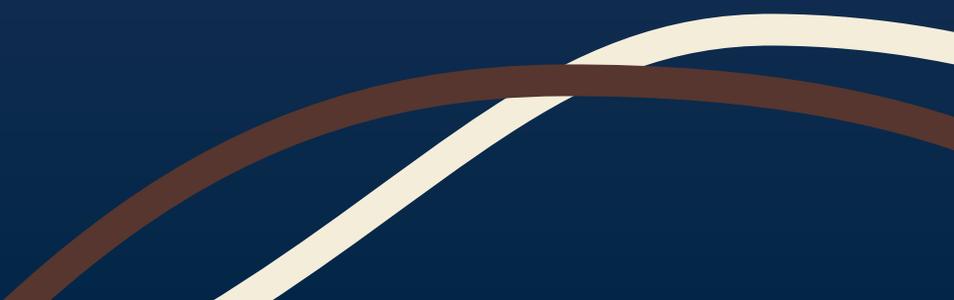
MIDLIN

TESLIN



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1. PREAMBLE TO THE REPORT

ABOUT TESLIN

Teslin invests in small- and mid-caps since 1991 to create long-term value for our stakeholders



INVESTMENT PHILOSOPHY

Teslin invests in small- and mid-caps since 1991 to create long-term value for stakeholders. We invest in small and medium-sized companies with sustainable value-creation potential in North-Western Europe and we manage three investment funds: Teslin Participaties, Gerlin Participaties, and Midlin.

We believe sustainable value creation is only possible when a company considers all stakeholders' interests. We therefore consider it essential to integrate ESG ('Environmental, Social, and Governance') into our investment criteria and practices.

ESG is one of the four pillars that forms Teslin's fundamental analysis. The four pillars are: Market, Strategy, ESG, and Financial.

QUICK FIGURES OF TESLIN

33

Years of experience in small- and mid-cap investing

Team of 24

Experienced investment professionals

~€1 billion

Assets under management

>800

Investors in Teslin funds



WHAT IS ESG?

DEFINITION FOR TESLIN

ESG stands for Environmental, Social, and Governance, known as the three central factors that investors use to measure the sustainability and ethical impact of a company's operations. Sustainability, in itself, is the potential to produce and consume within the regenerative capacity of the earth.

WHY DO WE TALK ABOUT THIS?

Teslin believes that ESG factors can have a considerable impact on the long-term performance of a company and recognises the topic's increasing importance. It demands a more explicit stance on the subject of companies, by reducing and mitigating risks and by looking for opportunities to create sustainable value beyond financial return. Therefore, Teslin takes an active ownership approach, by engaging with the executive teams of portfolio companies on their understanding of and progress on relevant material factors.

ABOUT THIS REPORT

As part of the engagement with investments, Teslin performs individual annual assessments of all companies in its funds. This document represents the third fund assessment, conducted in 2024, reflecting the fund's ESG performance over the year 2023. The fund assessment is an aggregate of individual annual assessments. Summaries of these individual assessments are provided in Annex C of this report.

This document is based on the collective effort of Holtara ("Holtara"), Teslin Capital Management ("Teslin") and its fund companies. The analysis and findings presented herein, are based on information available in the public domain as well as input from Teslin based on discussions with company management. Holtara has assembled this fund report, in cooperation with representatives of Teslin. Neither Holtara nor Teslin, nor any of their affiliates accept liability or responsibility for the accuracy or completeness of, nor make any representation or warranty, express or implied, with respect to the information contained in this presentation or on which this presentation is based or any other information or representations supplied or made in connection with the presentation or as to the reasonableness of any projections which this presentation contains. This presentation is not intended to form the basis of any credit or other investment decision and should not be considered as a recommendation by Holtara or Teslin or any of their affiliates to invest. Nothing in this report is, or should be relied on as, a promise or representation as to the future. In furnishing this presentation, neither Holtara nor Teslin, nor any of their affiliates undertake to provide the recipient with access to any additional information or to update this presentation or to correct any inaccuracies therein which may become apparent. The information contained in this presentation is confidential. It and any further confidential information made available to you must be held in complete confidence and documents containing such information may not be used or disclosed without prior written consent of Holtara and Teslin.

IDENTIFIED GLOBAL CHALLENGES

Teslin's ESG efforts concentrate on nine global challenges

GLOBAL CHALLENGES RELATED TO TESLIN'S INVESTMENTS

ENVIRONMENTAL



CLIMATE CHANGE

The increased presence of Greenhouse Gases in the atmosphere is causing global temperatures to rise

RESOURCE SCARCITY

Resources such as oil, coal, lithium, etc. are becoming scarcer due to their limited presence on the planet

ENVIRONMENTAL POLLUTION

The increased consumption of goods in the last decades has resulted in pollution of natural habitats and the oceans

SOCIAL



EMPLOYEE WELLBEING

Workers are often exposed to dangerous situations in their work, or to mental health challenges, which damages life quality

DIVERSITY, EQUITY & INCLUSION

The workforce faces inequality based on e.g. ethnicity, gender, religion, and other characteristics

WAR FOR TALENT

Due to talent scarcity, companies face growth limitations. Offering appropriate development opportunities is crucial

GOVERNANCE



ESG INTEGRATION

Companies need to continue to step up efforts to integrate business practices that ensure alignment with ESG-related laws

DATA SECURITY

Data use by companies has been continuously increasing, which exposes possible related consumer privacy issues

SUPPLY CHAIN CONTROL

Workers in supply chains of transnational corporations are often exposed to human rights violations

HIGHLIGHTS OF ESG PERFORMANCE

Teslin's portfolio companies have made strides in terms of ESG performance



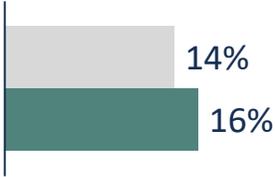
Reports on GHG emissions
(% of companies)



GHG reduction plan in place
(% of companies)



SBTi² targets in place
(% of companies)



Reports on LTIF³
(% of companies)



Reports on absenteeism
(% of companies)



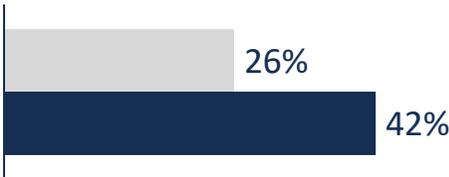
Employee survey in place
(% of companies)



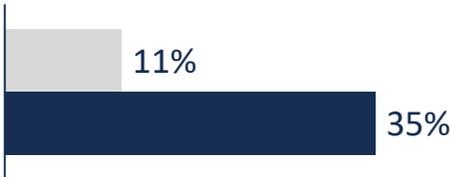
ESG policy in place
(% of companies)



ESG officer in place
(% of companies)



DMA⁴ analysis in place
(% of companies)



¹ These statistics concern all three funds (Teslin Participaties, Midlin, and Gerlin Participaties) together and not just Midlin; ² Science-based Target Initiative; ³ Lost Time Incident Frequency; ⁴ Double Materiality Analysis; Source: Annual Reports

EXECUTIVE SUMMARY FUND REPORT – MIDLIN



CURRENT STATUS

- Teslin strives to invest in companies that are either strategically aligned with a sustainable future or have the potential and ambition to reach that alignment.
- Currently, all companies in the fund are rated as *'Committed'* or above in terms of ESG performance reflecting the dedication towards its integration in business practices. Each company has an action plan and strategy to enhance their ESG practices, with many defining and tracking KPIs and targets.
- All companies expressed the ambition to continuously improve ESG performance. This is further sustained by required CSRD¹ compliance in the short term.
- In 2023, Midlin had 4.9% Taxonomy alignment for revenue, 5.9% for CapEx and 3.9% for OpEx. Taxonomy alignment represents the proportion of the company in revenue, CapEx, and OpEx that can be classified as environmentally sustainable according to the EU Taxonomy.



PROGRESS MADE

- In 2023, Midlin's investments have improved their ESG reporting with new initiatives across environmental, social and governance themes. For example, 100% of the fund monitors and reports on its Scope 1 and 2 carbon footprint, compared to 93% in the ESG review regarding 2021. Additionally, continuous steps have been taken towards emissions reductions, calculating Scope 3 emissions and preparing for regulations.
- As part of this year's updated methodology, an in-depth analysis on relevant ESG themes has been performed for companies scoring *'Reactive'* or *'Involved'*. More information on this new methodology can be found in [Annex B](#).
- Acom and Melexis managed to improve their rating from *'Involved'* to *'Committed'* due to the improved integration of ESG strategy and KPI monitoring. Kendrion's rating has been decreased to *'Committed'*.



AMBITION 2025+

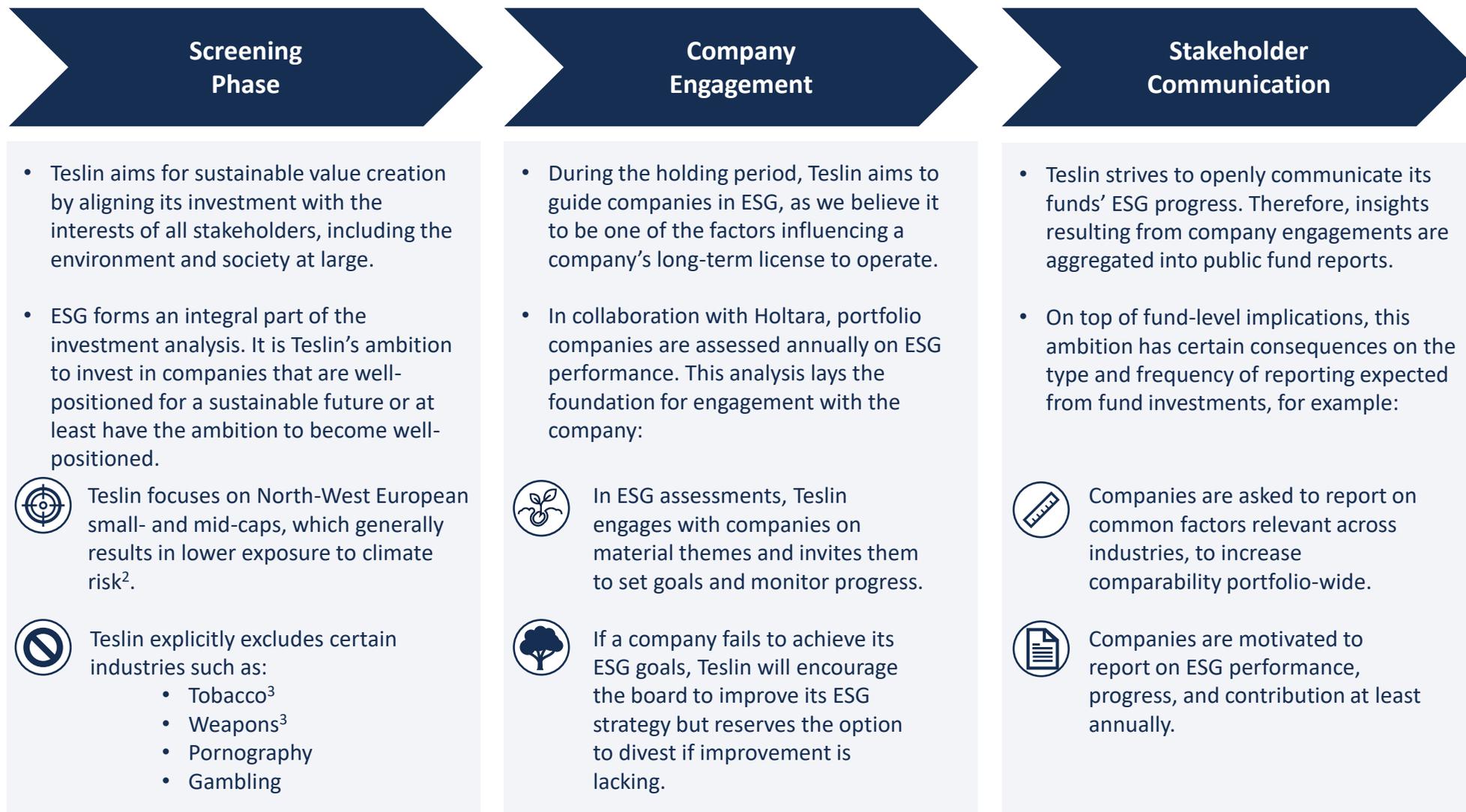
- Teslin remains actively engaged with the Midlin portfolio, guiding it towards a sustainable future.
- Teslin's goal is to have all fund companies scoring at least *'Committed'* by 2025 for which Midlin is in line.
- Midlin will maintain its focus on investments that have a positive societal impact while continuously enhancing its ESG assessment capabilities.

¹ Corporate Sustainability Reporting Directive

2. ESG IN THE CONTEXT OF TESLIN

Context of the measures and initiatives taken by Teslin to further integrate ESG at the fund level

Teslin takes an active ownership approach to ESG, which is reflected in its ESG policy¹



¹ Please refer to Annex B in case you desire to read our complete ESG policy; ² Climate risk describes the physical (how does increased weather intensity affect the company) risks. As climate risk is mainly driven by a company's location of operations, investing in companies based in countries with low climate risk aids company value; ³ Companies involved in "Tobacco" and "Weapons" are excluded in case of deriving a significant part of its revenue in these sectors

Defined ESG standards are upheld both at fund level and at Teslin internally

ESG objectives for Teslin's portfolio companies

Within the space of Environmental, Social, and Governance, Teslin strives for the creation of measurable and useful objectives. In order to do so, alignment with standards, and collaboration with other shareholders and stakeholders are considered to be key. Within each category, the ESG policy¹ sets out the following focus:



Environmental

- Teslin focuses particularly on ways in which a company contributes to the achievement of public goals in environmental improvement, as laid down in the Paris Agreement with special emphasis on the green economic shift.
- The considerations include the use of energy, scarce resources, and water, as well as the processing of hazardous substances and waste streams.



Social

- Teslin focuses on how a company interacts with its stakeholders, e.g. customers, direct and indirect employees, and society at large.
- Analyses aim to gauge whether the quality and safety of products and services is up to par, and whether the company can be considered a good employer i.e. providing a healthy work environment and fair wages.



Governance

- Teslin has defined its vision of good governance in the Stewardship policy 'Active Ownership'².
- Aspects covered in the policy are, amongst others, the rules and controls used to align the interests of shareholders, management, and supervisory board.

Teslin's internal ESG objectives

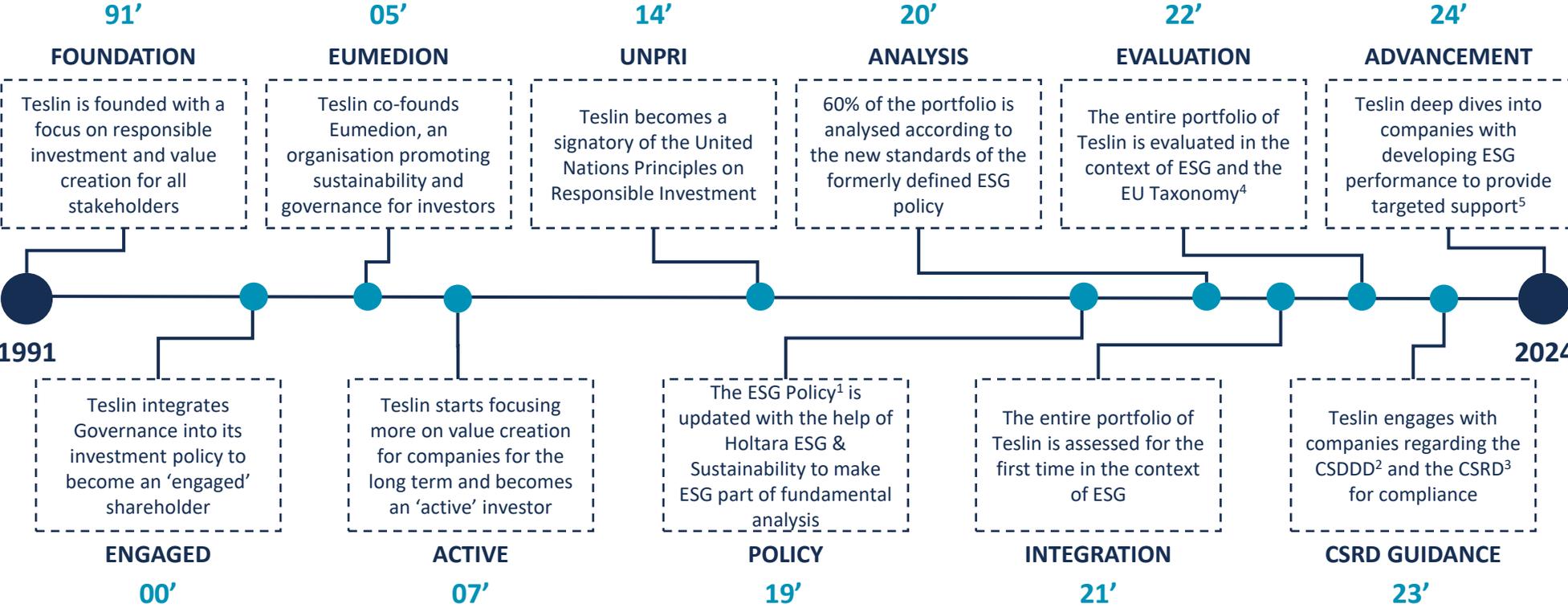
Teslin Capital Management has further developed its own ESG performance through an internal ESG assessment performed in 2022. Some noteworthy initiatives of last years are:

- In 2023, its office has been renovated to include heat pumps, solar panels and an energy management system.
- Other CO₂ emissions reduction opportunities have been identified ranging from commuting to sustainable procurement of materials and services (in cooperation with Coolset).
- Teslin also focuses on providing equal application opportunities to employees in terms of diversity. Teslin is a supporter of the Female X Finance initiative, which promotes the pursuit of careers in the finance industry by women.
- As a responsible employer, Teslin provides its employees with the flexibility to devote time and energy to specific initiatives of their choice, which includes engaging in pro-bono projects.

¹ Teslin's full ESG policy can be found Annex A; ² Only available in Dutch

ESG TIMELINE

Below you can find a visualisation of Teslin’s ESG journey from 1991 to 2024



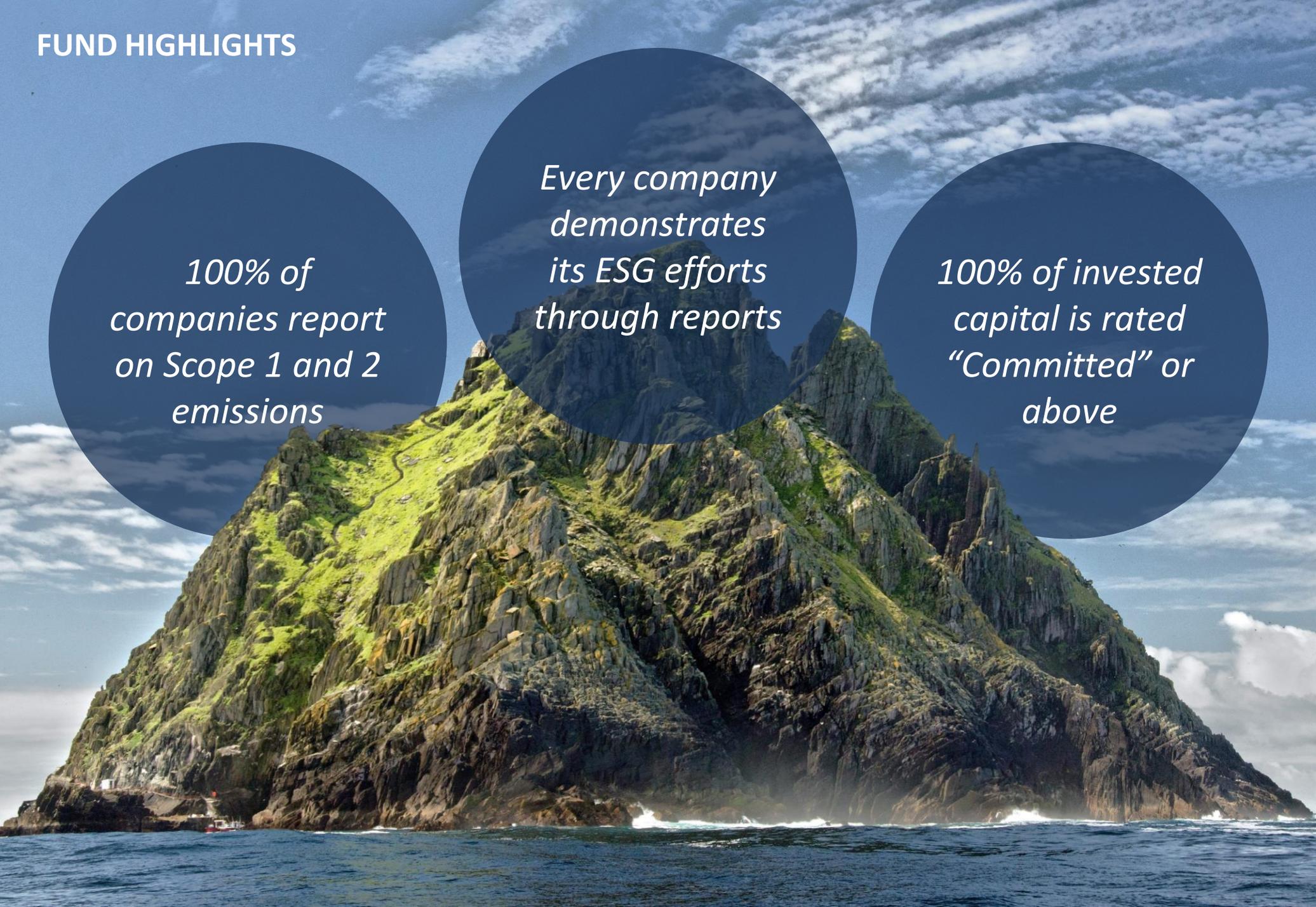
¹ For Teslin's ESG Policy please refer to Annex B; ² Corporate Due Diligence Directive; ³ Corporate Sustainability Reporting Directive; ⁴ For the Taxonomy page please refer to Annex B; ⁵ For further explanation on the 'deep-dive' methodology please refer to Annex B; Source: Holtara



3. ESG PERFORMANCE OF MIDLIN

The performance of Midlin in the context of ESG, including initiatives of portfolio companies and ESG ratings

FUND HIGHLIGHTS



100% of companies report on Scope 1 and 2 emissions

Every company demonstrates its ESG efforts through reports

100% of invested capital is rated “Committed” or above

FUND OVERVIEW

In 2024, 92% of invested capital has undergone an ESG assessment

Company	Description	Invested capital – 30.09.2024 (%)	ESG company scan		
			2024	Type	
A COMO	Acomo	Holding company for group that packages and distribute food products	6.5%	✓	In-depth
AIXTRON	Aixtron ¹	Designs and manufactures advanced semiconductor equipment	3.9%	✗	No scan
ARCADIS	Arcadis	Sustainable engineering and consulting firm	5.4%	✓	Update
ascom	Ascom ²	Service provider of information technology solutions	4.1%	✗	No scan
BARCO	Barco	Manufacturer of digital projection and imaging technology	5.2%	✓	Update
Brunel	Brunel	Provides engineering secondment services	6.9%	✓	Update
Fagron	Fagron	Manufacturer of customized pharmaceuticals	7.6%	✓	Update
KENDRION	Kendrion	Manufacturer of electromagnetic systems and components	5.0%	✓	Update
Melexis	Melexis	Manufacturer of semiconductors for automotive industry	5.4%	✓	In-depth
nedap	Nedap	Service provider of information technology solutions	7.3%	✓	Update
nexus	Nexus	Service provider of information technology solutions for healthcare	7.8%	✓	Update
Redcare	Shop Apotheke	E-pharmacy and pharmaceutical logistics	7.2%	✓	Update
Sligro	Sligro Food Group	Food retailer and wholesaler	3.6%	✓	Update
technotrans	Technotrans	Manufacturer of thermal management solutions	5.5%	✓	Update
Thule Group	Thule Group	Manufacturer of outdoor and transportation products	6.1%	✓	Update
ublox	U-blox	Manufacturer of wireless semiconductors	5.1%	✓	In-depth
WashTec	WashTec	Manufacturer of vehicle washing machines and products	7.5%	✓	Update
Total			100%		

Key figures
2024

15 assessments in total

92% of invested capital

100% of reports discussed with company representatives

¹ Aixtron has not undergone an ESG assessment as it is a new investment; ² Ascom has not undergone an ESG assessment as Midlin divested from the company

MATERIAL ESG THEMES

Most material themes are centred around environmental and governance themes

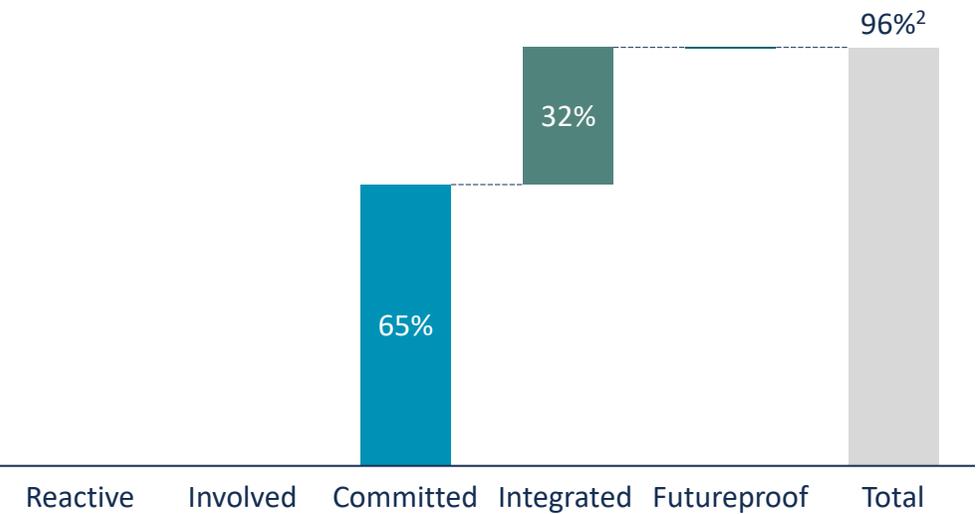
Category	ESG theme	Explanation	Number of companies with ESG theme
 Environmental	Energy & carbon	<ul style="list-style-type: none"> Relates to the carbon footprint caused by, amongst others, energy consumption in operations. 	9
	Product design & lifecycle management	<ul style="list-style-type: none"> Relates to the maximisation of product lifetime and minimisation of product life cycle impact. 	10
 Social	Talent management & retention	<ul style="list-style-type: none"> Relates to the ability of a company to attract, develop and retain employees. 	7
	Employee health & safety ¹	<ul style="list-style-type: none"> Relates to a company's ability to maintain a safe and healthy workplace environment. 	7
 Governance	Integration of sustainability principles	<ul style="list-style-type: none"> Relates to a company's ability to implement and integrate sustainability into the organisation. 	10
	Supply chain control	<ul style="list-style-type: none"> Relates to responsible, transparent, and sustainable supply chain management. 	11

¹Impact of products & services¹ was selected as often as 'employee health & safety'
 Source: Publicly available company data, Teslin, Holtara analysis

ESG RATINGS BY INVESTED CAPITAL

In FY2023, 100% of companies reached a “Committed” or higher rating showing ESG progression and dedication across the portfolio

Midlin ESG performance¹
 (% of invested capital in scope for ESG assessment)



- In 2024, Teslin engaged with company representatives of the assessed fund companies to discuss ESG, and ESG performance was evaluated to set or update a baseline. The ESG progress of each company was discussed with the company's management team.
- 100% of invested capital is rated “Committed” or “Integrated” which is a milestone towards reaching individual company goals. All companies address sustainability beyond laws and regulations.
- All companies indicated the ambition to improve ESG performance by 2025 to at least “Integrated”, indicating that these companies have realised tangible progress on their targets. Six companies aim for ‘futureproof’ by 2025.

Explanation of performance standard

Reactive

No to limited attention for ESG in the company, only based on laws & regulations

Involved

Ad-hoc initiatives in place to manage ESG, mostly from a risk or a cost-efficiency perspective

Committed

Action plan/strategy in place to integrate ESG focused both on ESG risks and opportunities, incl. KPIs and targets

Integrated

Tangible progress on relevant ESG themes; responsible business practices actively marketed to relevant stakeholders

Futureproof

Company's strategy fully aligned with a circular economy; frontrunner in the industry and pushing industry standards

¹ Rankings are based on the proprietary framework of Holtara ESG & Sustainability; ²This analysis excludes Aixtron as its assessment was not part of this year's reporting cycle given it is a new acquisition
 Source: Teslin, Holtara analysis



ESG PERFORMANCE AND FUTURE AMBITIONS

Acomo and Melexis have improved their performance to “Committed” resulting in the whole portfolio scoring “Committed” or higher, Kendrion’s performance has decreased resulting in a “Committed” score

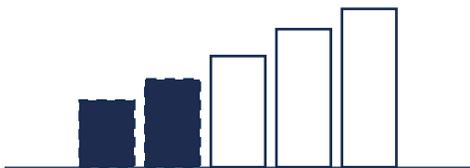
Company	ESG performance ¹					Notable progress initiatives in FY 2023
	Reactive	Involved	Committed	Integrated	Futureproof	
A COMO		→	■	▨	▨	<ul style="list-style-type: none"> Prepared for upcoming EUDR² regulation
AIXTRON						<ul style="list-style-type: none"> [Assessment has not yet been performed this year as it is a new investment]
ARCADIS				▨	▨	<ul style="list-style-type: none"> Resubmitted and confirmed SBTi targets
BARCO				▨	▨	<ul style="list-style-type: none"> >50% of fleet is now EV
Brunel			▨	▨	▨	<ul style="list-style-type: none"> Introduced a carbon reduction plan
Fagron				▨	▨	<ul style="list-style-type: none"> Hired a global quality manager
KENDRION			▨	←	▨	<ul style="list-style-type: none"> Installed solar panels on its facility in Suzhou, China
Melexis		→	■	▨	▨	<ul style="list-style-type: none"> Eliminated the use of hazardous substances at its own sites
nedap			▨	▨	▨	<ul style="list-style-type: none"> Committed to become completely electricity self-sufficient
nexus			▨	▨	▨	<ul style="list-style-type: none"> Developed software that is more energy-efficient
Redcare				▨	▨	<ul style="list-style-type: none"> Share of recycled packaging increased to 93%
Sligro			▨	▨	▨	<ul style="list-style-type: none"> Committed to an absolute 50% carbon emission reduction by 2030
technotrans			▨	▨	▨	<ul style="list-style-type: none"> Developed an energy-efficient thermal system
Thule Group				▨	▨	<ul style="list-style-type: none"> Committed to SBTi net-zero targets
ublox			▨	▨	▨	<ul style="list-style-type: none"> Introduced a career development project for its employees
WashTec			▨	▨	▨	<ul style="list-style-type: none"> Introduced a new sustainability program with targets

¹ The ESG performance assessment is a joint effort between Holtara and Teslin; ² The EUDR is the European Deforestation Regulation which aims to eradicate deforestation from international supply chains of certain products through due diligence assessments. The regulation was set to come into effect on the 31st of December 2024 but has recently been postponed for a year.

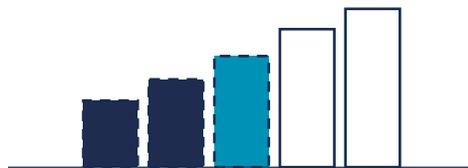
PROGRESS CASE – RATING UPGRADE ACOMO

Acomo managed to upgrade its rating from “Involved” to “Committed” by setting expanding KPIs and targets accompanying its sustainability strategy

Performance rating 2022: **Involved**



Performance rating 2023: **Committed**



ESG-related development and targets in 2023 for Acomo

1. Progress and targets on environmental themes



- **Progress:** Acomo reduced its paper and plastic packaging use by 43% and 35% respectively compared to 2021.
- **Targets:** Separating 60% of waste by 2030.

2. Progress and targets on social themes



- **Progress:** Increased certified third-party locations from 69% in 2021 to 80% in 2023.
- **Targets:** Reaching 100% GFSI-certified own operations by 2030 and 90% CFSI-certified third-party operations by 2030.

3. Progress and targets on governance themes



- **Progress:** Raised Code of Conduct signatories from 80% to 86% and environmental and social audits from 14% to 21% between 2021 and 2023.
- **Targets:** Increasing percentage of supplier that signed the Code of Conduct and have undergone audits to 100% by 2030.

In-depth ESG discussion

This year’s engagement included an additional in-depth analysis of a relevant ESG theme to further assist Acomo in improving its ESG performance.

For Acomo, this analysis focused on two aspects of its carbon footprint management. On the one hand, a comparative industry analysis was performed to better assess relevant scope 3 emissions targets for Acomo. On the other hand, a discussion was held on the inclusion of FLAG¹ emissions as part of scope 3 emissions to align with standards provided by the SBTi² and GHG protocol.

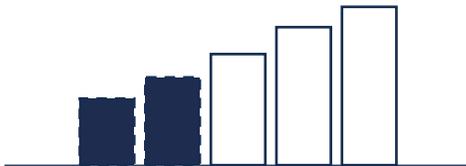
More information on the methodology for the in-depth analysis can be found in [Annex B – Methodology](#).

¹ FLAG (Forest, Land, and Agriculture) emissions encompass greenhouse gas emissions from land use change and land-related activities in the forestry, agriculture, and land management sectors, covering processes from cradle to farm gate; ² SBTi is a global framework helping companies set scientifically validated greenhouse gas emissions reduction targets.

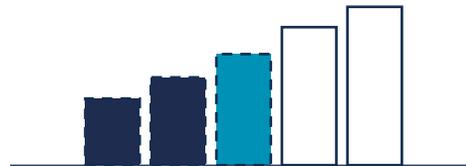
PROGRESS CASE – RATING UPGRADE MELEXIS

Melexis has been upgraded to "Committed," highlighting improved ESG integration in areas like carbon footprint reporting and advancements in supply chain controls

Performance rating 2022: **Involved**



Performance rating 2023: **Committed**



ESG-related development and targets in 2023 for Melexis

1. Progress and targets on environmental themes

- **Progress:** Improved carbon reporting with scope 3 emissions and tangible progress on scope 1 and 2 reductions.
- **Targets:** Melexis is currently reviewing its emission targets following the inclusion of scope 3.

2. Progress and targets on social themes

- **Progress:** Workforce morale (88%) was gauged through an employee listening survey. 'Innovation', 'sustainability' and 'people' scored the highest as motivators.
- **Targets:** Improve on the achieved satisfaction score (target 90%).

3. Progress and targets on governance themes

- **Progress:** An ESG committee (incl. CEO) has been established at the Board of Directors' level.
- **Targets:** Review Melexis's ESG strategy.

In-depth ESG discussion

This year's engagement included an additional in-depth analysis of a relevant ESG theme to further assist Melexis in improving its ESG performance.

The analysis highlighted an opportunity for Melexis to achieve commercial benefits by committing to an ambitious carbon reduction framework, such as SBT¹.

Discussions explored the path to decarbonization, identifying key reduction levers. Additionally, existing internal efforts and industry-led initiatives were recognized as critical enablers for successfully achieving potential targets.

More information on the methodology for the in-depth analysis can be found in [Annex B – Methodology](#).

¹ SBTi is a global framework helping companies set scientifically validated greenhouse gas emissions reduction targets.

Environmental



Preparing for the EUDR

Acomo's subsidiary Tradin Organic has prepared for the upcoming **European Deforestation Regulation (EUDR)** which aims to ensure **deforestation-free supply chains** for certain goods. The preparation entailed:

- Collecting **smallholder farm-level GPS data** of suppliers. Tradin Organic partnered with a company called 'Smallholdr' to **support its smallholder suppliers** in doing so.
- Verifying zero deforestation in recent years by **using satellite data** to facilitate the necessary due diligence process.

Social



Supporting career development

u-blox introduced a forward-looking career program called **Grow@u-blox**. The program includes:

- **Personal and professional growth target setting** for employees together with their superiors.
- Extensive management training that supports regular **employee dialogue** and **career development reviews**.
- Increased **openness** and **communication** about internal positions that become open for employees.

Governance



Integrating sustainability in procurement

Arcadis has taken steps in 2023 to further advance its sustainable procurement practices. These include:

- Started **monitoring 70%** of its supply chain via a digital tool for **sustainability and human rights risk alerts**.
- Invited a first cohort of **125 suppliers** to subscribe to the **CDP Supply Chain¹** initiative and **offered them training**.
- Monitored compliance to **actual and upcoming international and legislative demands** around the supply chain and due diligence.

¹ The CDP Supply Chain initiative is a program that enables companies to engage suppliers in measuring and reporting environmental data, helping organizations identify risks and opportunities in their supply chains

IDENTIFIED ESG IMPROVEMENT OPPORTUNITIES

Most improvement opportunities relate to carbon emissions, either by setting targets or continuing reduction

Company	ESG Report	ESG rating 2023	Example of identified improvement opportunity
 ACOMO	Section in annual report	Committed	Decrease the number of whistleblowing reports
 AIXTRON	Sustainability report	No rating	[No improvement opportunity identified as Aixtron has been acquired in FY 2023]
 ARCADIS	Section in annual report	Integrated	Progress on carbon roadmap for reducing emissions in line with its new SBTi targets
 BARCO	Section in annual report	Integrated	Adoption and implementation of 2030 targets aligned by Science Based Targets Initiative
 Brunel	Section in annual report	Committed	Improve clarification of % of services provided to oil and gas industry
 Fagron	Section in annual report	Integrated	Report on additional health & safety metrics, such as absenteeism
 KENDRION	Section in annual report	Committed	Disclose on the carbon reduction targets that are set
 Melexis	Section in annual report	Committed	Set scope 1, 2 and 3 emission targets
 nedap	Section in annual report	Committed	Start measuring and reporting Scope 3 emissions on a regular basis
 nexus	Sustainability report	Committed	Extend reporting with absenteeism metric
 Redcare	Section in annual report	Integrated	Converse all logistics sites to 100% renewable energy
 Sligro	Section in annual report	Committed	Extension of reporting with data from Belgium and additional emission categories
 technotrans	Sustainability report	Committed	Report on employee related metrics (e.g. employee satisfaction and LTIF ¹)
 Thule Group	Sustainability report	Integrated	Extension of reporting of low-carbon aluminium procured
 ublox	Sustainability report	Committed	Increase the share of renewable energy
 WashTec	Sustainability report	Committed	Include additional scope 3 emissions (e.g. transportation & distribution and use of sold products)

¹ Lost Time Injury Frequency (LTIF) is a safety metric that measures the number of lost time injuries occurring per one million hours worked, providing an indicator of workplace safety performance
Source: Publicly available company data, Teslin, Holtara analysis

4. NEXT STEPS AT FUND LEVEL

Next steps for Teslin in terms of ESG integration at both internal and company levels

Midlin identifies several opportunities for further ESG integration at fund level



Targeted company support

Connect portfolio companies to (external) experts to continue creating opportunities for making progress in terms of ESG by obtaining relevant certification.



Internal team development

Further educate the Gerlin Participaties team regarding ESG analysis and integration through the provision of training and other resources.



Legislative alignment

Continue to engage with companies to further explore and ensure adherence to the SFDR¹, CSRD², and EU Taxonomy in the short term.



Methodology revision

Revise the methodology used as Teslin to ensure it will align better with future regulatory obligations linked to ESG and determine targets for the next five years.



ESG engagement at board level

Gerlin actively engages with management to further promote ESG at the executive level.

¹ Sustainable Finance Disclosure Regulation; ² Corporate Sustainability Reporting Directive; Source: Teslin

ANNEX A

Overview of relevant KPIs and metrics for portfolio companies

CARBON FOOTPRINT METRICS

All investments publicly disclose their operational carbon footprint

2021 2022 2023

Company	Carbon footprint ¹ Scope 1 + 2 (kt CO ₂ -eq)	Carbon footprint Scope 3 (kt CO ₂ -eq)	Carbon intensity ² Scope 1 + 2 (tCO ₂ -eq/ € m revenue)	Carbon intensity Scope 3 (tCO ₂ -eq/ € m revenue)
A COMO	14.5 12.0 15.6	n/a 2.5 n/a	4.2 10.9 9.5	n/a 2.0 n/a
ARCADIS	9.0 8.6 11.1	449.5 245.0 505.2	3.5 3.0 2.8	79.6 65.2 67.0
BARCO	2.7 3.9 3.4	278.2 277.9	3.4 3.2 3.6	346.0 275.2 262.7
Brunel	6.2 6.6 8.1	4.2 9.5 22.4	6.9 6.1 5.6	10.6 6.6 16.8
Fagron	12.5 11.3 16.4	0.7 1.8 158.0	21.8 21.5 16.5	3.1 1.3 207.1
KENDRION	6.4 6.2 5.8	Not publicly disclosed	13.8 12.0 11.2	Not publicly disclosed
Melexis	13.8 12.6 13.4	403.3	21.4 13.1 16.0	418.4
nedap	1.1 1.1 1.2	Not publicly disclosed	5.3 4.4 4.8	Not publicly disclosed
nexus	1.9 2.4 2.4	Not publicly disclosed	9.8 11.5 10.2	Not publicly disclosed
Redcare	3.1 2.5 3.7	22.7 26.7 23.9	2.4 2.1 2.1	20.3 13.3 17.8
Sligro	70.4 76.2 80.5	Not publicly disclosed	30.6 40.0 28.2	Not publicly disclosed
technotrans	4.4 4.0 4.4	Not publicly disclosed	20.4 15.4 18.1	Not publicly disclosed
Thule Group	3.7 3.4 3.6	322.1 73.7 258.6	4.2 4.1 4.3	355.7 213.5 293.1
ublox	4.2 0.9 0.4	169.9	0.7 0.6 1.6	122.7
WashTec	7.2 5.8 7.0	0.0 0.1 63.0	16.3 11.9 14.6	0.3 0.6 0.3

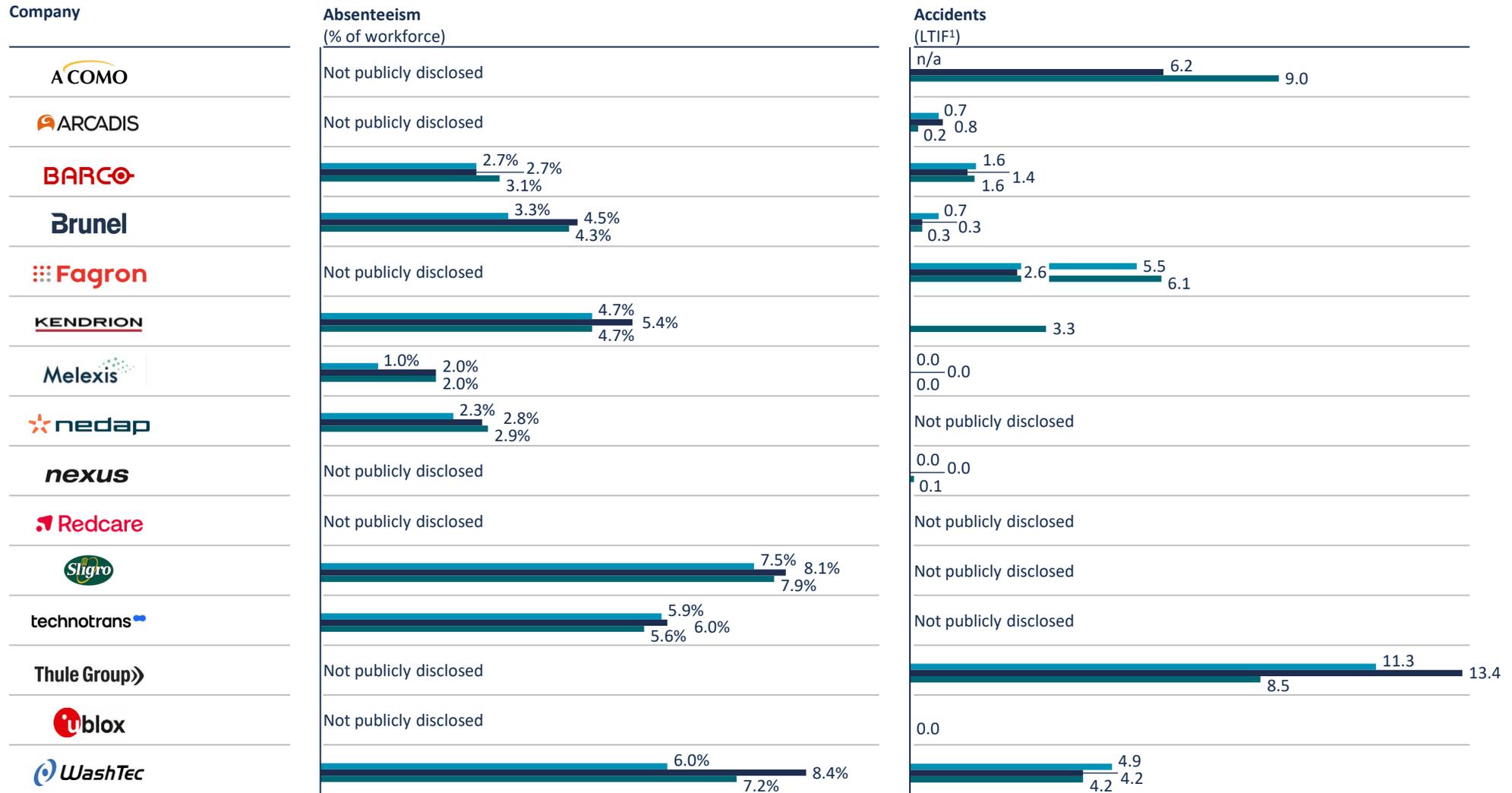
¹ Please be referred to Annex B of this report for a detailed overview of the different carbon emission scopes; ² Carbon intensity is calculated based on the carbon footprint and revenue data publicly available; ³ Revenues of Thule Group, u-blox, were converted using the 2023 annual average exchange rate to euro



SOCIAL METRICS

Currently, Midlin companies only selectively disclose absenteeism and accident rates

2021 2022 2023



¹ LTIF is defined as the number of non-fatal accidents per million hours worked.
Source: Publicly available company data, Teslin, Holtara analysis

ESG GOVERNANCE METRICS

Most companies publicly disclose key ESG-related policies

- ✓ In place
- 🕒 Partly in place¹
- ✗ Not in place

Policy	A COMO	ARCADIS	BARCO	Brunel	Fagron	KENDRION	Melexis	nedap	nexus	Redcare	Stigro	technotrans	Thule Group	ublox	WashTec
ESG or CSR policy ¹	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Anti-corruption / Bribery	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business ethics	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Whistleblowing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Code of Conduct	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Health & Safety	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Data security & privacy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗
Procurement practices	✓	✓	✓	🕒	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Remuneration incl. ESG criteria	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓
D&I	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

¹ Policy is mentioned in company's communications but not accessible to the public online. Source: Publicly available company data, Teslin, Holtara analysis

ANNEX B

Overview of Teslin's ESG policy and the used methodology

ESG POLICY (1/2)

Teslin is a committed long-term investor with an elaborate ESG policy

Teslin's 'Environmental, Social, and Governance' policy

In our world today, we face the challenge of a transformation towards a sustainable and healthy society.

Teslin has been an actively engaged investor with a long-term outlook since its inception in 1991. We mainly invest in small and medium-sized listed companies with sustainable value creation potential in the Netherlands and surrounding countries. We are convinced that sustainable value creation is only possible when a company takes into account the interests of all stakeholders. We therefore consider it a logical step to further integrate ESG ('Environmental, Social, and Governance') into our investment policy and criteria.

What do we mean by sustainable and responsible investment?

It is our ambition to invest in companies that are well-positioned for a sustainable future, or at least have the ambition to become well-positioned. We are convinced that this is only possible if a company does business in a decent manner, which means that the company must take into account the interests of all stakeholders, the environment and society. In the long term, doing so will also benefit performance. Part of investing is identifying and managing risks. We do this through in-depth analysis of, and involvement in, a select number of companies and as such, ESG forms an integral part of our analyses.

How do we integrate ESG?

Sustainability forms an integral part of our investment process, both before and during the investment period. Our focus on North-West European small and mid caps results in relatively low exposure to a number of ESG risks, as country risks are low and certain high-risk industries such as mining and oil production fall outside the scope of our investment universe. We explicitly exclude certain industries such as tobacco, weapons, pornography, and gambling. Nor will we invest if we have reason to believe that in the long term a company will not be able to create value in a sustainable manner.

Our entrepreneurial shareholding in a concentrated portfolio with substantial equity interests requires first and foremost a careful selection of companies in

which we invest. ESG is an important part of our fundamental analysis as it is our objective to determine whether the company is, or could become, future-proof. The condition for a company's growth is increasingly determined by the sustainability of its proposition. Once invested, we aim to guide companies towards a sustainable future. Because of the size of our equity stake, we have influence and are well-positioned to challenge our companies in the field of ESG. We encourage companies to set specific ESG goals and we monitor progress against these. Where we observe that a company is insufficiently successful in achieving its objectives, we will encourage the board to act. Exerting influence by means of exercising our voting rights is an important tool for us. If this does not lead to the desired result, we will reconsider the investment.

We communicate about ESG on our website, in our fund reports, annual reports, and management reports

We have been signatories to the UN Principles for Responsible Investment (UNPRI) since 2015 and report annually on how we implement these principles. We will account for the implementation of our ESG policy in public documents, including our fund reports, annual reports and management reports.

For more detailed information about how Midlin Coöperatief integrates sustainability factors in its investment decision process, please see Annex H of its prospectus.

What does this mean for our companies in practice?

We ask the boards of 'our' companies to report (at least annually) on their ESG performance and disclose how they are contributing to the challenges we face as a society. In doing so, we recognise that the relevant ESG factors differ from company to company and we therefore strive for tailor-made solutions. To increase comparability between companies in our portfolio, we look at a number of common factors that we believe are important for sustainable value creation regardless of the industry and / or the business model.

ESG POLICY (2/2)

Teslin is a committed long-term investor with an elaborate ESG policy

What are our objectives?

ESG provides a framework for analysing companies from different perspectives, identifying opportunities and formulating measurable and useful objectives. Where possible, we do this by collaborating with other shareholders and stakeholders (such as Eumedion – the Dutch organization that represents the interests of institutional investors in the field of corporate governance and sustainability), combining knowledge, and influence.

- Regarding Environmental aspects, we focus in particular on the ways in which a company contributes to the achievement of public goals with respect to environmental improvements, as laid down in the Paris Agreement with special emphasis on the green economic shift. Our analysis includes the use of energy, scarce resources, and water as well as the processing of hazardous substances and waste streams.
- Regarding Social aspects, we focus on how a company interacts with its stakeholders. Whether customers receive safe products and services at a fair price that meet relevant quality requirements or guidelines; whether the company can be considered a good employer (i.e. healthy work environment, fair wages) and whether social responsibility is fulfilled, for example, by ensuring the protection of personal data and striving for fair and sustainable

value chains.

- On the Governance of listed companies, we have set out our own vision in the Stewardship policy 'Ondernemend Aandeelhouderschap' (only available in Dutch). This policy sets out how we, as an active and entrepreneurial shareholder strive for good corporate governance by setting transparent rules and controls to align the interests of shareholders, management and supervisory board.

What do we do ourselves?

We live up to the same standards as we consider relevant for our companies. Our internal ESG committee identifies and implements improvements on relevant ESG themes such as CO2 emissions from commuting and sustainable procurement of materials and services.

As a company, we want to make a positive contribution to socially relevant initiatives. This can be done by making a financial contribution, but above all we want to actively encourage our employees to deploy their expertise and talents for the benefit of society at large. As a responsible employer, Teslin provides its employees the flexibility to devote time and energy to specific initiatives of their choice, which includes engaging in pro-bono projects.

Examples of themes

ENVIRONMENTAL		SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> • Carbon emissions • Energy consumption • Water consumption • Hazardous material use • Resource management 	<ul style="list-style-type: none"> • Product development & circularity 	<ul style="list-style-type: none"> • Employee health & safety • Employee wellbeing • Development & retention • Diversity of staff 	<ul style="list-style-type: none"> • Product quality & safety • Human rights & community relations
			<ul style="list-style-type: none"> • Appointment of directors and supervisory board members • Integrity (throughout the value chain) • Independence & responsibility of the (supervisory) board • Legal & regulatory compliance • Remuneration policy • Responsibility of end-markets • Data privacy and security

Source: Teslin, Holtara



This year Teslin has expanded upon its in-depth assessment methodology for companies



1. In-depth ESG assessments

- For companies scoring **reactive** or **involved** on the ESG performance scale in the previous year, an in-depth assessment was conducted next to the ESG assessment by Teslin and Holtara.
- As part of the in-depth assessment, a **tailored analysis** was performed on an identified ESG theme to **further boost performance** and improve **overall ESG maturity**.
- The analyses were added to the ESG discussion document and served to **guide the discussion** with companies.

2. ESG assessments

- For companies **scoring committed, integrated or futureproof**, an ESG performance assessment was conducted by Teslin using Holtara's proprietary ESG framework.
- Analyses were performed based on publicly available data, non-publicly available data, and discussions with the Teslin team.
- The **ESG assessments** were used as a **discussion document** by Teslin to discuss ESG with company management.
- The company's **5-year performance goals and key monitoring topics** are discussed, with results summarized in Annex C's one-pagers.

ESG performance scale



CARBON FOOTPRINT SCOPES EXPLAINED

Like-for-like comparison of carbon intensity is challenging due to different reporting scopes

Summary

This report follows the GHG protocol, the global standard for measuring greenhouse gas emissions, which separates emissions into three categories:

-  Scope 1 Direct emissions from the organisation
-  Scope 2 Indirect emissions from purchased energy
-  Scope 3 Indirect emissions from the value chain

A significant portion of corporate emissions is attributed to Scope 3 sources. Companies may not always exert direct control over these Scope 3 emissions; however, decarbonisation opportunities can be identified.

The GHG accounting and reporting provided aims to present a faithful, accurate, and equitable representation of the company's emissions. This endeavour aligns with the five fundamental principles of the GHG Protocol:

-  Relevance
-  Completeness
-  Consistency
-  Transparency
-  Accuracy

GHG Protocol categories

UPSTREAM	COMPANY OPERATIONS	DOWNSTREAM
Scope 3	Scope 1	Scope 3
 Purchased goods and services	 Stationary combustion	 Downstream transportation & distribution
 Capital goods	 Mobile combustion	 Processing of sold products
 Fuel and energy-related activities (excl. S1-2)	 Fugitive emissions from air-conditioning	 Use of sold products
 Upstream transportation and distribution	 Other fugitive or process emissions	 End-of-life treatment of sold products
 Waste generated in operations	Scope 2	 Downstream leased assets
 Business travel	 Purchased electricity (facility use)	 Franchises
 Employee commuting (incl. work-from-home)	 Purchased electricity (vehicle use)	 Investments
 Upstream leased assets	 Purchased heat and steam	

Source: Greenhouse Gas Protocol

TAXONOMY OVERVIEW FOR MIDLIN

Some companies of Midlin have to report on the EU Taxonomy

EU Taxonomy introduction

To meet the EU's climate and energy targets for 2030 and reach the objectives of the European Green Deal, investments must be directed toward sustainable projects and activities.

To achieve this, a common language and a clear definition of what is 'environmentally sustainable' is needed. Therefore, the EU's Sustainable Finance Action Plan called for creating a shared classification system for sustainable economic activities.

There are 3 types of activities defined in the EU Taxonomy:

1. Activities that themselves contribute significantly to an objective.
2. Transitional activities, which are activities for which there are no technologically and economically feasible low-carbon alternatives.
3. Enabling activities, which are activities that enable other activities to make a substantial contribution to an objective.

The EU Taxonomy alignment of a company is the proportion of a company's revenue, CapEx and OpEx, that is classified as sustainable by the EU. The alignment is expressed as a percentage of the total revenue and costs, respectively.

Taxonomy requirement

An economic activity is environmentally sustainable if it meets the defined criteria for all of the following conditions:

1. It makes a substantial contribution to one of the six specified environmental objectives:
 - I. Climate change mitigation.
 - II. Climate change adaptation.
 - III. Sustainable use and protection of water and marine resources.
 - IV. Transition to circular economy.
 - V. Pollution prevention and control.
 - VI. Protection and restoration of biodiversity and ecosystems.
2. It does no significant harm ('DNSH') to any of the other objectives.
3. It meets the minimum social safeguards.
4. Comply with the applicable technical screening criteria

An eligible activity means that an activity is included in the EU Taxonomy (e.g. it is covered in the technical screening criteria) but says nothing about alignment. Alignment goes beyond eligibility and implies that an eligible activity meets all defined EU Taxonomy criteria by the European Commission.

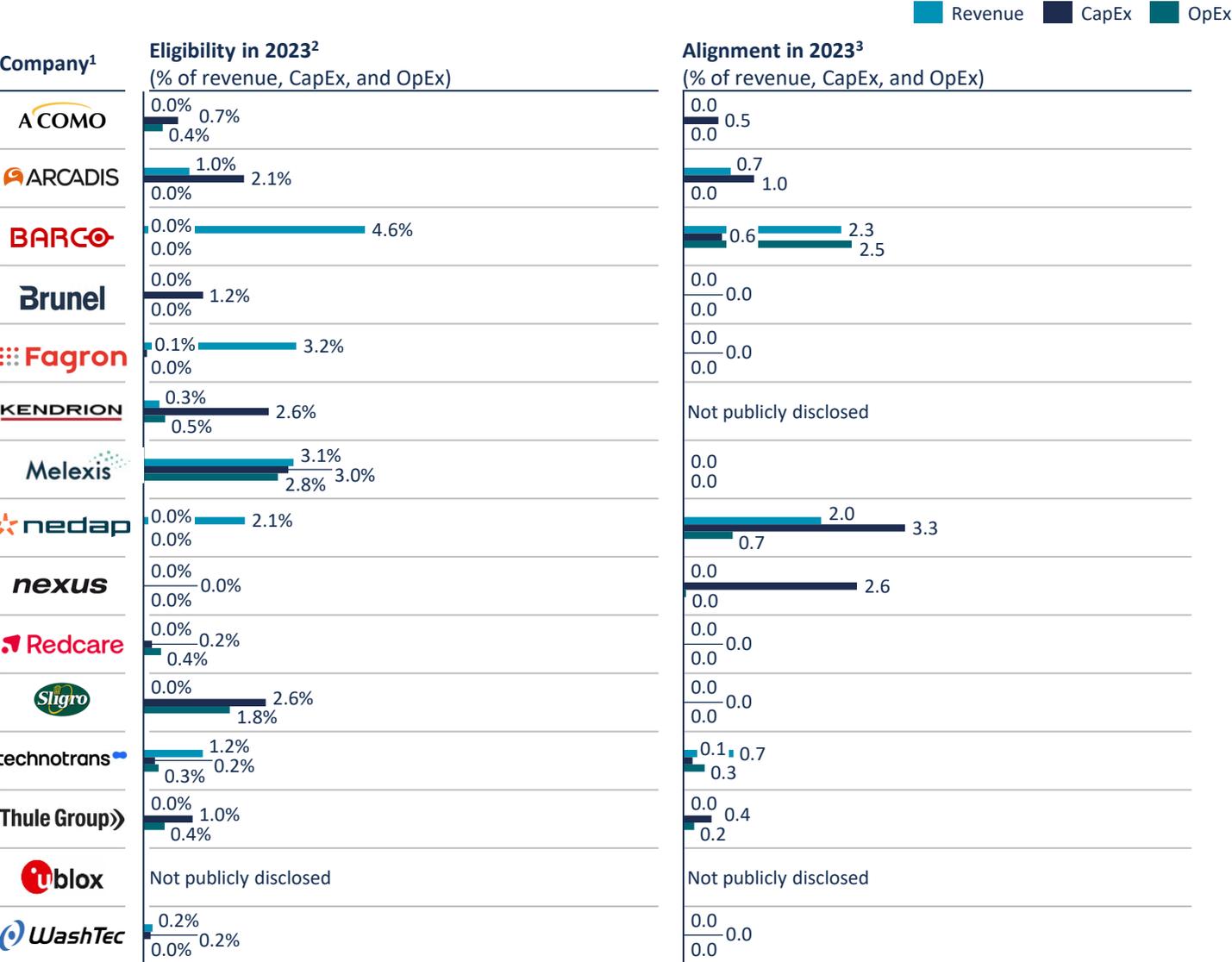
In 2022, companies in the scope of the NFRD¹ were obliged to report on Taxonomy eligibility for the first two objectives. In 2023, this changed to the entire Taxonomy alignment of the company, and from 2025 the scope of companies required to report on the Taxonomy will expand due to the CSRD².

It is important for investors to know if estimates are used by companies for the Taxonomy alignment as investors are not allowed to use estimates. Furthermore, investors must report whether the alignment is verified or calculated by a third party.

¹ Non-Financial Reporting Directive ² Corporate Sustainability Reporting Directive
Source: EU Taxonomy resources of EU

TAXONOMY OVERVIEW FOR MIDLIN

Midlin had 5.8% revenue, 8.6% CapEx, and 3.7% OpEx alignment





Fund's Taxonomy alignment

The Taxonomy alignment per company is obtained from company's annual report. The fund's Taxonomy alignment represents the weighted average of the company's alignment over the investment values.

Midlin can report for 2023:

- Revenue alignment: 5.8%
- CapEx alignment: 8.6%
- OpEx alignment: 3.7%
- Transitional activities: 0%
- Enabling activities: 0%

¹ Ascot has not been assessed in 2023 due to divestment. ² An eligible activity means that an activity is included in the EU Taxonomy but says nothing about alignment; ³ Alignment goes beyond eligibility and implies that an eligible activity meets all criteria
Source: Taxonomy Regulation, Sustainable Finance Disclosure Regulation, European Commission, Company annual reports

ANNEX C

Summaries of company ESG engagements

COMPANY SUMMARIES

Acomo & Arcadis

Company	ESG rating in 2023	Ambition for 2025
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Committed

Integrated

Summary of performance

Acomo has completed its Double Materiality & GAP assessments and published KPIs and targets in 2024 on themes like product quality, fair labour, and climate. In the coming years, the company aims to add more KPIs on themes such as biodiversity, packaging, and business integrity, while making progress on all relevant ESG areas.

Topic	Initiatives
-------	-------------

Environmental

- Increasing share of certified products
- Reduction in packaging volume of materials

Social

- Target introduced on certified locations
- Introduction of Jammies

Governance

- Target introduced on high-risk suppliers audited
- Supplier Ethical Data Exchange joined

Next steps to monitor

- Formulating concrete targets for all (remaining) key ESG themes
- Tangible progress on relevant ESG themes
- Define how Acomo could develop a storyline around the positive impact of its nutritious products
- # of new projects and increased participation in industry initiatives with regards to material ESG themes

Company	ESG rating in 2022	Ambition for 2025
---------	--------------------	-------------------



Integrated

Futureproof

Summary of performance

Arcadis has ESG fully embedded in its strategy and increasingly in its product offering. The company is a frontrunner on most relevant ESG themes and is well-positioned to capture opportunities related to emerging sustainability trends.

Topic	Initiatives
-------	-------------

Environmental

- Newly submitted and confirmed SBTi targets
- Project Nature and Water

Social

- Increasing employee engagement score
- Establishment Global Sustainability Advisory Services

Governance

- CDP Supply Chain Initiative
- Updated human and labor rights policy

Next steps to monitor

- Progress on carbon roadmap
- Development of key indicators that measure the impact of projects on quality of life or advancement of SDG's
- Reporting more supply chain control metrics such as compliance with the CoC and the % of audited suppliers

Barco & Brunel

Company	ESG rating in 2023	Ambition for 2025
	<i>Integrated</i>	<i>Futureproof</i>

Summary of performance

Sustainability is fully integrated in Barco’s strategy and operations and driven by elaborate KPI monitoring, setting of (ambitious) future targets, evaluation of ESG targets and KPIs and extensive reporting on ESG themes and initiatives. Barco has a strong track-record in ESG reporting and progress. Barco could however improve its rating by setting targets on Employee H&S and DEI, and by implementation of a circular business model.

Topic	Initiatives
Environmental	<ul style="list-style-type: none"> >50% of fleet is now EV Full Life Cycle Assessment (LCA) tool
Social	<ul style="list-style-type: none"> HR digital service platform, leadership training Improved customer Net Promoter Score
Governance	<ul style="list-style-type: none"> Improved cyber security score Additional site ISO 27001 certified

- Next steps to monitor**
- Adoption and implementation of 2030 targets aligned by Science Based Targets Initiative
 - Take next step regarding circularity (e.g. introduction of KPIs and target % of sales related to circular products)
 - Extend LCA analysis to all product lines
 - Employee Net Promoter Score of at least 30

Company	ESG rating in 2023	Ambition for 2025
	<i>Committed</i>	<i>Integrated</i>

Summary of performance

Brunel formulated an ESG strategy in 2021 including relevant KPIs and targets and has completed the double materiality assessment in 2023. The company’s goal for the coming years is to include more KPIs and targets and to make tangible progress on the relevant ESG themes.

Topic	Initiatives
Environmental	<ul style="list-style-type: none"> Carbon Reduction Plan Brunel Academy
Social	<ul style="list-style-type: none"> Established regional DIB councils in all countries Promoting tax and compliance training and seminars
Governance	<ul style="list-style-type: none"> External ESG rating Acquisition of Taylor Hopkinson

- Next steps to monitor**
- Tangible progress on relevant ESG themes
 - Reporting on more energy & carbon KPIs such as energy consumption and electricity from renewable sources
 - Better clarification of the services Brunel provides to the O&G industry (e.g. focus on LNG)
 - Reporting on all related metrics for the key ESG themes that are mentioned in the annual report

Fagron & Kendrion

Company	ESG rating in 2023	Ambition for 2025
	<i>Integrated</i>	<i>Futureproof</i>

Summary of performance

Fagron has made tangible progress on themes such as energy & carbon, employee health & safety and supply chain control in recent years. The company’s goal for the coming years is to make further tangible progress on relevant ESG themes as it approaches its 2025 targets.

Topic	Initiatives
Environmental	<ul style="list-style-type: none"> Better data quality for scope 3 emissions Included D&I into onboarding program
Social	<ul style="list-style-type: none"> Global Quality Manager hired Fagron organized the first Fagron Foundation Day
Governance	<ul style="list-style-type: none"> Report on supplier compliance % with CoC (Tier1) EMEA ESG specialist appointed

Next steps to monitor

- Further tangible progress on relevant ESG themes
- Tracking the company’s progress towards net zero (2050)
- Reporting on additional H&S metrics, such as absenteeism
- Conducting a risk analysis for tier 2 and 3 suppliers and showing progress on supplier compliance with CoC

Company	ESG rating in 2023	Ambition for 2025
	<i>Committed</i>	<i>Futureproof</i>

Summary of performance

Kendrion’s ESG rating was downgraded to “Committed” due to unmet requirements for the “Integrated” rating. To regain this, SBTi Scope 1&2 targets, Scope 3 emissions in energy & carbon, and expanded product lifecycle and quality metrics are advised. A new 2024-2028 framework has been launched, but details will be available in AR24.

Topic	Initiatives
Environmental	<ul style="list-style-type: none"> Installation of 650.000 kWh solar panels in Suzhou Comprehensive waste analysis with external specialist
Social	<ul style="list-style-type: none"> Creation of Circle-of-Trust for female employees Global ISO 9001 certification
Governance	<ul style="list-style-type: none"> Compliance training offered to employees Further decrease exposure to combustion engines

Next steps to monitor

- Publication of their new ESG plan in 2024
- Publication of new carbon & energy targets (incl. Scope 3) in line with the EU 2030 targets
- Publication of targets on waste, improvement on H&S metrics
- Conduction of the employee satisfaction survey in 2024

Melexis & Nedap

Company	ESG rating in 2023	Ambition for 2025
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Committed

Integrated

Summary of performance

Melexis is upgraded to "Committed" after significant ESG progress in 2023, including improved reporting on Energy & Carbon (Scope 3), employee survey insights, and supply chain control. To further advance, Melexis should set tangible targets for key ESG KPIs (e.g., emissions by scope, material waste) and seek SBTi validation for emission targets.

Topic	Initiatives
-------	-------------

Environmental

- Installation of solar panels at the leper location
- Reduce energy consumption and optimize battery usage

Social

- No chemical or hazardous substances used in own sites
- Employee listening survey

Governance

- Initiated ESG supplier program to meet CSRD
- ESG committee in board

Next steps to monitor

- Publish scope 3 emission in the 2024 ESG report, and set targets on scope 1, 2 and 3 emission separately
- Extend H&S reporting with insights from employee survey (e.g. satisfaction scores)
- Implement supplier code of conduct
- Implement ESG committee in the Board (to increase attention on this topic)

Company	ESG rating in 2023	Ambition for 2025
---------	--------------------	-------------------



Committed

Integrated

Summary of performance

Nedap will remain the Committed rating in 2023. Nedap has a sustainability strategy in place and has mid term objectives and targets on selected core themes for 2025 and 2030. Going forward, we suggest that Nedap could improve further in setting tangible targets for key ESG KPIs (e.g. emission targets per scope level (also for mid-term horizons), employee satisfaction, etc.), and start measuring scope 3 (incl. target setting)

Topic	Initiatives
-------	-------------

Environmental

- Objective to become completely electricity self-sufficient

Social

- Defined a DEI policy
- ISAE3402/ISO27001/NEN7510

Governance

- Code of Conduct and yearly audits to promote CSR
- Internal campaign themed 'Do the right thing', and perform a double materiality analysis

Next steps to monitor

- Start reporting on scope 3 emissions
- Ecologische "footprint" van Nedap producten verbeteren in de gebruiksfase
- Formulate KPIs on employee satisfaction
- Improve diversity (i.e. female), especially in senior roles

COMPANY SUMMARIES

Nexus & Redcare Pharmacy

Company	ESG rating in 2023	Ambition for 2025
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nexus

Committed

Integrated

Summary of performance

Nexus has improved the transparency of its ESG performance since 2021 by e.g. reporting its CO₂ scope 1 and 2, LTIFR and # GDPR breaches. The company could sharpen its long-term objectives and ambition levels by measuring its scope 3, develop a carbon footprint roadmap, and setting targets on talent management & retention and data privacy.

Topic	Initiatives
-------	-------------

Environmental

- Develop software can be made energy-efficient

Social

- ISO-9001-certified process framework
- Diversity focus at mgmt. level

Governance

- Set up central purchasing department
- IT Security Manager and training of employees and customers

Next steps to monitor

- Start measuring Scope 3 emissions
- Extend reporting with absenteeism metric
- Increase reporting transparency on customer satisfaction (e.g. NPS)
- Improve talent retention (attrition increasing until 2022 due to COVID)

Company	ESG rating in 2023	Ambition for 2025
---------	--------------------	-------------------

Redcare
PHARMACY

Integrated

Futureproof

Summary of performance

Redcare Pharmacy has made tangible progress on themes such as energy & carbon, packaging impact and data security and customer privacy. However, on supply chain control, Redcare Pharmacy still lacks KPIs, and a (publicly) communicated strategy

Topic	Initiatives
-------	-------------

Environmental

- Life Cycle Analysis for >1,000 products
- Recycled packaging share increased to 93%

Social

- MyTherapy App & MedApp

Governance

- CG&C department formed
- Introduction of Supplier Code of Conduct

Next steps to monitor

- Tracking the company's progress towards net zero (2040)
- Conversion of all logistics sites to 100% renewable energy in (2024)
- Reporting on additional metrics related to employee health & safety such as LTIF and absenteeism
- Formulating more supply chain KPIs and targets

Sligro & Technotrans

Company	ESG rating in 2023	Ambition for 2025
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Committed

Integrated

Summary of performance

Sligro demonstrates strong commitment on several key ESG themes. Sligro should make tangible progress on existing KPIs and could include additional KPIs related to several key themes such as energy & carbon (reporting of including scope 3) and product impact. Moreover, Sligro could increase transparency of several targets

Topic	Initiatives
-------	-------------

Environmental

- 50% carbon emission reduction by 2030
- Cooperation with the Voedselbank

Social

- Dashboard to monitor customer satisfaction
- SRP Monitor: Nutritional information for customers
- Improved absenteeism management system and case managers to support employees

Governance

- Extended supplier audits in high-risk countries

Next steps to monitor

- Achieving tangible progress on all relevant ESG themes and updating the ESG strategy
- Extension of reporting with data from Belgium and additional emission categories
- Externally communicate the targets for employee satisfaction and customer satisfaction
- Introduction of targets and improved disclosure of initiatives related to product impact

Company	ESG rating in 2023	Ambition for 2025
---------	--------------------	-------------------



Committed

Integrated

Summary of performance

Technotrans has reported on the progress made on key KPIs and further developed energy-efficient thermal management systems. Structural progress on carbon emissions, product quality, and EH&S metrics is required for an upgrade

Topic	Initiatives
-------	-------------

Environmental

- Reporting of average GWP per refrigerant
- Development of energy-efficient thermal systems

Social

- Personnel training
- Advanced Quality Management System

Governance

- Sustainability report
- Reporting of average GWP per refrigerant

Next steps to monitor

- Employee satisfaction, development and safety
- Calculation of Scope 3 emissions
- Aligning ESG reporting according to relevant regulations such as EU taxonomy and CSRD
- New ESG targets after 2025

Thule Group & u-blox

Company	ESG rating in 2023	Ambition for 2025
Thule Group »	<i>Integrated</i>	<i>Futureproof</i>

Summary of performance

Thule Group can be considered “Integrated” due to having made significant multiannual progress in terms of ESG-related KPIs and having set clear targets (especially in relation to “energy & carbon”). The company could further improve by setting additional targets and demonstrating progress on “employee health, safety & wellbeing” and “supply chain control”. Furthermore, Thule could increase its focus on the implementation of a circular business model.

Topic	Initiatives
Environmental	<ul style="list-style-type: none"> SBTi net-zero commitment Multiple LCAs conducted for products
Social	<ul style="list-style-type: none"> Employee satisfaction score of 78% (2022) Test standards exceed safety regulations
Governance	<ul style="list-style-type: none"> Execution of CSR audits for suppliers Platinum rating from Ecovadis for sust. work

Next steps to monitor

- Extension of reporting of low-carbon aluminium procured
- Extension of reporting of LCA’s
- Extension of target setting and demonstrating progress on “supply chain control”
- Compliance to CSRD and CSDDD

Company	ESG rating in 2023	Ambition for 2025
u-blox	<i>Committed</i>	<i>Integrated</i>

Summary of performance

u-blox made tangible progress in its sustainability efforts: a.o. improved reporting on essential KPIs (e.g. Scope 3 emissions and employee turnover), set emission targets (for scope 1 and 2), implemented a DE&I council, etc. Furthermore, u-blox set tangible medium targets on all five pillars of its ESG strategy.

Topic	Initiatives
Environmental	<ul style="list-style-type: none"> Introduced scope 3 and reduction targets for 1&2
Social	<ul style="list-style-type: none"> Set up global DE&I council Started mapping sustainability impact of products
Governance	<ul style="list-style-type: none"> Improvements to Security Controls, Security Monitoring and Management Revised u-blox Supplier Code of Conduct Refined sustainability strategy with 5 pillars

Next steps to monitor

- Identify scope 3 emission baseline, and set targets for scope 1, 2 and 3 emission reduction
- Improve reporting on talent mgmt. & retention (i.e. employee turnover, absenteeism, etc.)
- Provide more insights from (renewed) customer surveys and their feedback
- Further improve external ESG ratings (e.g. Ecovadis score)

WashTec

Company	ESG rating in 2022	Ambition for 2025
	Committed	Integrated

Summary of performance

WashTec shows commitment to key ESG themes and transparency in its initiatives. In 2023, it made progress in supply chain control reporting. To achieve “Integrated” status, WashTec should expand group-wide KPIs and enhance transparency on targets, particularly for "energy & carbon" and "product lifecycle management”.

Topic	Initiatives
Environmental	• Environment and Energy Roadmap 2025
	• End-of-life equipment recovery and recycling
	• Eco-friendly chemicals and cold-water washing
Social	• Extensive safety training program
Governance	• Supplier Code of Conduct
	• New sustainability program with targets

Next steps to monitor

- Expansion of reporting of the carbon footprint to additional countries and scope 3 categories
- Improvement of disclosure of targets and initiatives related to water and chemicals
- Introduction of targets and expansion of reporting related to product lifecycle management
- Improvement of supplier auditing and reporting on the topic



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