

# TESLIN PARTICIPATIES ESG FUND REPORT 2024

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An overview of the ESG performance of Teslin Participaties portfolio companies in 2023

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**TESLIN**  
PARTICIPATIES

**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 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 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



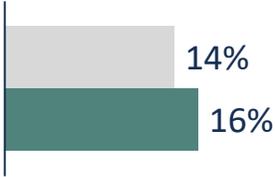
**Reports on GHG emissions**  
(% of companies)



**GHG reduction plan in place**  
(% of companies)



**SBTi<sup>2</sup> targets in place**  
(% of companies)



**Reports on LTIF<sup>3</sup>**  
(% of companies)



**Reports on absenteeism**  
(% of companies)



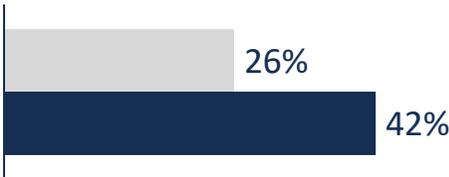
**Employee survey in place**  
(% of companies)



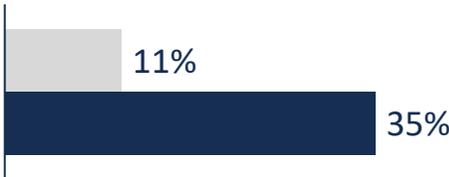
**ESG policy in place**  
(% of companies)



**ESG officer in place**  
(% of companies)



**DMA<sup>4</sup> analysis in place**  
(% of companies)



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

# EXECUTIVE SUMMARY FUND REPORT – TESLIN PARTICIPATIES



## 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, most companies in the fund are rated as *'Committed'* or above in terms of ESG performance reflecting the dedication towards its integration in business practices. One company, namely Accsys, is rated as *'Integrated'* at the moment.
- All companies expressed the ambition to continuously improve ESG performance. This is further sustained by required CSRD<sup>1</sup> compliance in the short term.
- In 2023, Teslin Participaties has 4.3% Taxonomy alignment for revenue, 10.1% for CapEx, and 5.0% 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, Teslin Participaties' investments have improved their ESG reporting with new initiatives across environmental, social and governance themes. For example, 92% of the fund monitors and reports on their Scope 1 and 2 emissions, compared to 86% in 2022. Additionally, continuous steps have been taken towards emissions reductions, calculating Scope 3 emissions and integrating sustainable material use in production and packaging.
- As part of this year's updated methodology, an in-depth analysis on relevant EGS themes has been performed for companies scoring *'Reactive'* or *'Involved'*. More information on this new methodology can be found in [Annex B](#).
- Acomo improved its rating from *'Involved'* to *'Committed'* due to the improved integration of ESG strategy and KPI monitoring. Kendrion reduced its rating from *'Integrated'* to *'Committed'* as a result of limited improvement.



## AMBITION 2025+

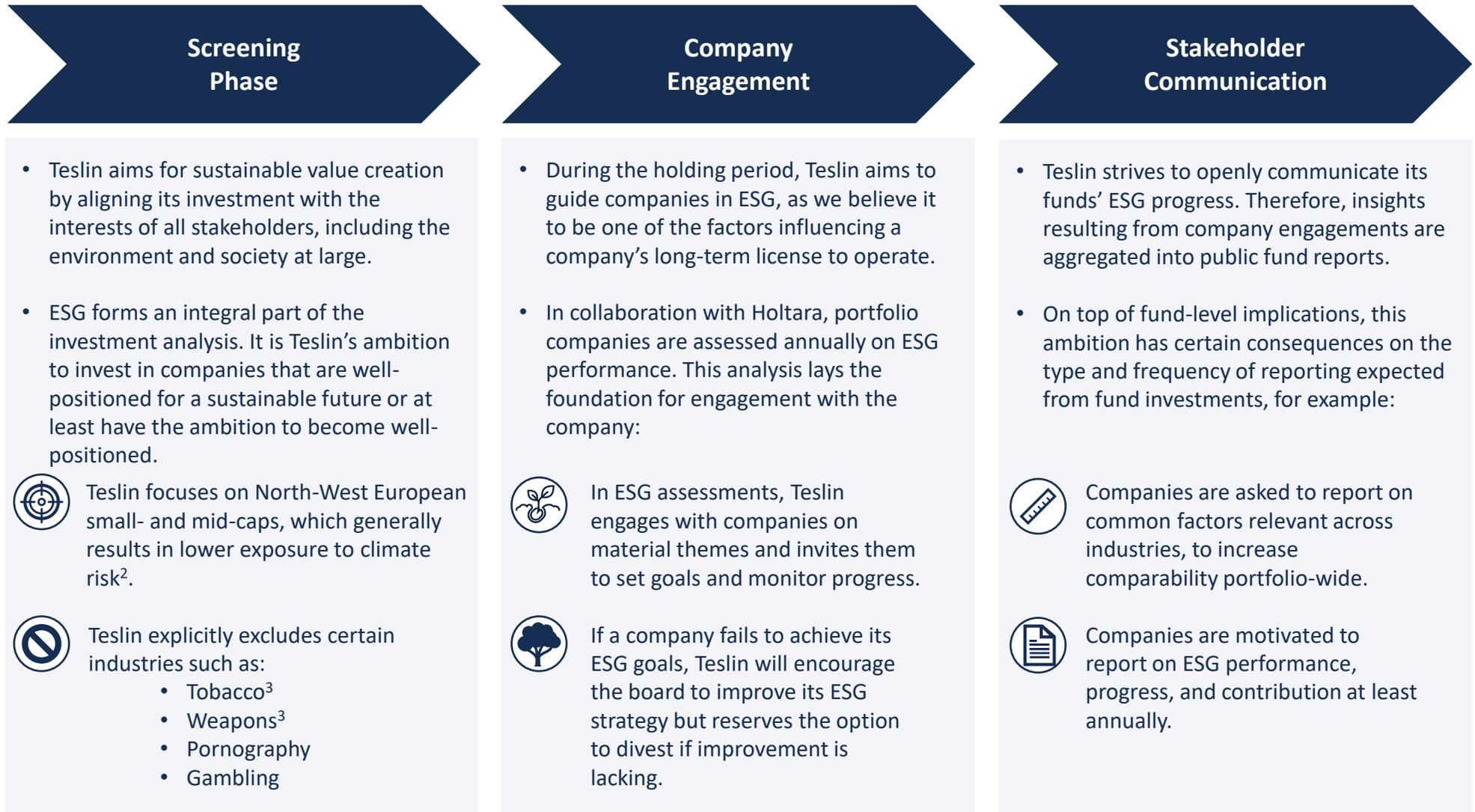
- Teslin remains actively engaged with the Teslin Participaties portfolio, guiding it towards a sustainable future.
- Teslin's goal is to have all fund companies scoring at least *'Committed'* by 2025. Teslin Participaties has the additional goal as a fund to have 50% of its companies push further to become *'Integrated'* by 2025.
- Teslin Participaties will maintain its focus on investments that have a positive societal impact while continuously enhancing its ESG assessment capabilities.

<sup>1</sup> 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 policy<sup>1</sup>



<sup>1</sup> Please refer to Annex B in case you desire to read our complete ESG policy; <sup>2</sup> 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; <sup>3</sup> 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 policy<sup>1</sup> 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’<sup>2</sup>.
- 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

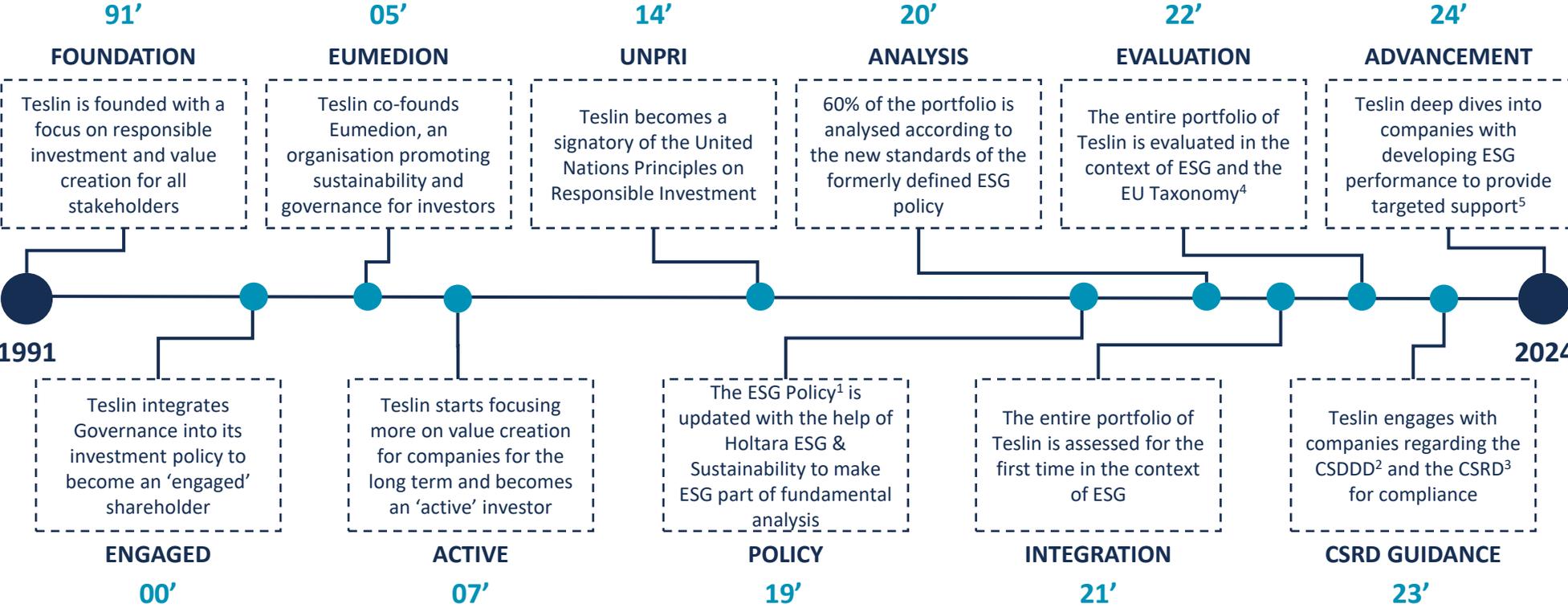
Teslin Capital Management has further developed its own ESG performance through an internal ESG assessment performed in 2022. Some noteworthy initiatives of last years are:

- In 2023, its office has been renovated to include heat pumps, solar panels and an energy management system.
- Other CO<sub>2</sub> 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.

<sup>1</sup> Teslin’s full ESG policy can be found Annex A; <sup>2</sup> Only available in Dutch

# ESG TIMELINE

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



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



# 3. ESG PERFORMANCE OF TESLIN PARTICIPATIES

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

## FUND HIGHLIGHTS



*92% of companies  
report on Scope 1  
and 2 emissions*

*Every company  
demonstrates  
its ESG efforts  
through reports*

*94% of invested  
capital is rated  
“Committed” or  
above*

# FUND OVERVIEW

In 2024, 87.4% of invested capital has undergone an ESG assessment

Company	Description	Invested capital – 30.09.2024 (%)	ESG company scan	
			2024	Type
Accell <sup>1</sup>	Designer and manufacturer of bicycles, parts & accessories	9.7%	✓	Update
Accsys	Producer of durable wood by treating soft wood with chemicals	5.0%	✓	Update
Acomo	Trader, distributor, and processor of agricultural products	11.1%	✓	In-depth
Beter Bed <sup>1</sup>	Wholesaler and retailer of beds, mattresses, and associated products	2.6%	✓	Update
CM.Com	Cloud provider for conversational commerce	3.5%	✓	In-depth
Ebusco <sup>2</sup>	Producer and distributor of electric busses and charging systems	1.9%	✗	No scan
HyET Solar <sup>3</sup>	Developer and producer of innovative PV foil	1.0%	✗	No scan
ICT Group <sup>4</sup>	Service provider of operational technology solutions	9.7%	✗	No scan
Kendrion	Manufacturer of electromagnetic systems and components	9.3%	✓	Update
Nedap	Software developer for multiple niche industries	9.4%	✓	Update
NX Filtration	Developer and producer of water filtration membranes	4.0%	✓	Update
TKH Group	Industrial technology conglomerate in telecom, building and industry	24.7%	✓	Update
TomTom	Developer of mapping software and navigation solutions	8.0%	✓	Update
<b>Total</b>		<b>100.0%</b>		

## Key figures 2024



<sup>1</sup> No engagement has taken place for Accell Group and BeterBed in 2024 as the companies are not publicly traded, the ESG assessments take place once every two years. <sup>2</sup> No engagement with Ebusco has taken place as a result of divestment; <sup>3</sup> No engagement has taken place with HyET Solar; <sup>4</sup> No engagement has taken place with ICT group, this will be held in 2025. Source: Publicly available company data, Teslin, Holtara analysis

# MATERIAL ESG THEMES

The most occurring themes are energy & carbon, supply chain control, and integration of sustainability principles

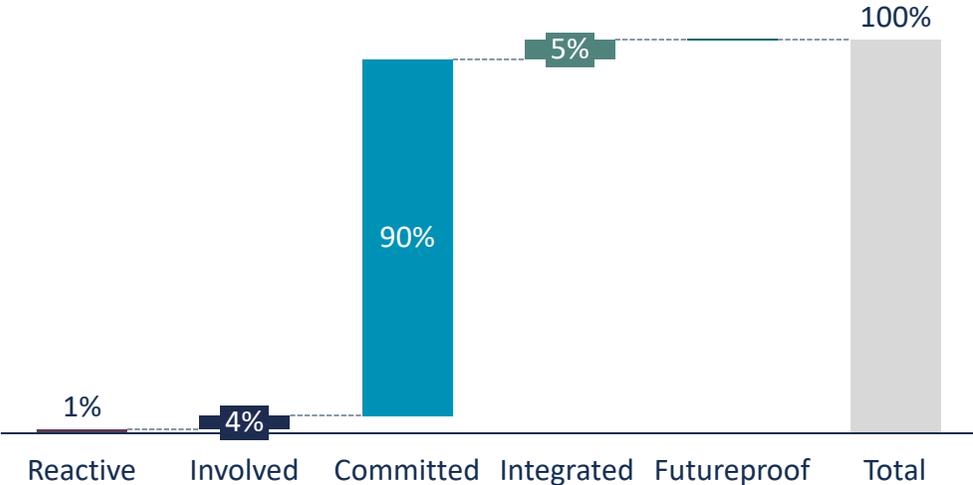
Category	ESG theme	Definition	Number of companies with ESG theme
 <b>Environmental</b>	Energy & carbon	<ul style="list-style-type: none"> <li>Relates to the carbon footprint caused by, amongst others, energy consumption in operations.</li> </ul>	11
	Product design & lifecycle management	<ul style="list-style-type: none"> <li>Relates to the maximisation of product lifetime and minimisation of product lifecycle impact.</li> </ul>	5
 <b>Social</b>	Talent management & retention	<ul style="list-style-type: none"> <li>Relates to the ability of a company to effectively attract, develop, motivate and retain employees.</li> </ul>	5
	Impact of products & services	<ul style="list-style-type: none"> <li>Relates to the measurement and communication of the potential positive (downstream) impact of products and services.</li> </ul>	6
 <b>Governance</b>	Integration of sustainability principles	<ul style="list-style-type: none"> <li>Relates to a company's ability to implement and integrate sustainability throughout the organisation.</li> </ul>	10
	Supply chain control	<ul style="list-style-type: none"> <li>Relates to responsible, transparent, and sustainable supply chain management.</li> </ul>	8

Source: Publicly available company data, Teslin, Holtara analysis

# ESG RATING BY INVESTED CAPITAL

95% of invested capital is rated “Committed” or above, showcasing increased integration of ESG strategies

**Teslin Participaties ESG performance<sup>1</sup>**  
 (% of invested capital in scope for ESG assessment)



- In 2024, **Teslin engaged with company representatives 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.
- 95% of invested capital is rated “Committed” or “Integrated”. All companies address sustainability beyond laws and regulation. Some of the companies publish comprehensive integrated reports such as Accsys.
- **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. Four companies aim for ‘futureproof’ by 2025.

## Explanation of performance standard

### Reactive

Limited attention to ESG within the company, ESG response only based on compliance with **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, **including 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

<sup>1</sup> Rankings are based on the proprietary framework of Holtara ESG & Sustainability; Source: Teslin, Holtara analysis  
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# ESG PERFORMANCE AND FUTURE AMBITIONS

Acomo has improved its rating to “Committed” whilst Kendrion’s rating has decreased to “Committed”

Company	ESG performance <sup>1</sup>					Notable progress initiatives in FY 2023
	Reactive	Involved	Committed	Integrated	Futureproof	
ACCELL GROUP						<ul style="list-style-type: none"> <li>[No assessment has been performed this year]</li> </ul>
ACCSYS						<ul style="list-style-type: none"> <li>Introduced fully recyclable packaging for Accoya Color</li> </ul>
A COMO						<ul style="list-style-type: none"> <li>Prepared for upcoming EUDR<sup>2</sup> regulation and the required data collection at smallholder farms</li> </ul>
BeterBed holding						<ul style="list-style-type: none"> <li>[No assessment has been performed this year]</li> </ul>
CM						<ul style="list-style-type: none"> <li>Introduced company wide carbon footprint measurements</li> </ul>
HyET Solar						<ul style="list-style-type: none"> <li>[No assessment has been performed this year]</li> </ul>
TICT GROUP <small>Making the world a little smarter</small>						<ul style="list-style-type: none"> <li>[No assessment has been performed this year]</li> </ul>
KENDRION						<ul style="list-style-type: none"> <li>Installed solar panels on its facility in Suzhou, China with an anticipated 650.00 kWh capacity<sup>3</sup></li> </ul>
nedap						<ul style="list-style-type: none"> <li>Committed to become completely electricity self-sufficient</li> </ul>
NX filtration						<ul style="list-style-type: none"> <li>Continued the reduction of chemicals</li> </ul>
TCH GROUP						<ul style="list-style-type: none"> <li>Water assessment at strategic suppliers</li> </ul>
tomtom						<ul style="list-style-type: none"> <li>Acquired BREEAM certificates for office locations</li> </ul>

<sup>1</sup> The ESG performance assessment is a joint effort between Holtara and Teslin; <sup>2</sup> 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 31<sup>st</sup> of December 2024 but has recently been postponed for a year; <sup>3</sup> As Kendrion has shown limited progression in line with the 'Integrated' rating it was granted last year, its rating has reduced to 'Committed' again.

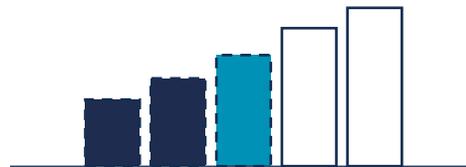
# PROGRESS CASE – RATING UPGRADE ACOMO

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 FLAG<sup>1</sup> emissions as part of scope 3 emissions to align with standards provided by the SBTi<sup>2</sup> and GHG protocol.

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

<sup>1</sup> 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;  
<sup>2</sup> SBTi is a global framework helping companies set scientifically validated greenhouse gas emissions reduction targets.

## Environmental



### Introducing recyclable packaging

Accsys's introduced **fully recyclable packaging** for the transportation of its Accoya Color line. This is achieved through:

- Wrapping the Accoya Color product in **paper** to protect against dirt and water uptake.
- The wrapping has undergone a pulping assessment at the BioComposites Centre<sup>1</sup>, receiving an **overall A rating**, which signals **high recyclability**.
- Apart from being recyclable, the wrapping also **clearly identifies Accsys's brand** within their customer's facilities.

## Social



### Supporting earthquake hit areas

TomTom has used **its internal expertise and tools** to assist in earthquake-hit regions in 2023. This was done through:

- Updating a combined **65,292 data points**, **3,800 buildings**, and **50 kms of roads** on Humanitarian Street Map<sup>2</sup> to assist in **recovery and support efforts** for the earthquakes in Turkey and Syria, and Morocco.
- **Contributing 10,000 euros** towards GIRO 555 to support earthquake victims of the Turkey and Syria earthquake.

## Governance



### Integrating sustainability in procurement

Kendrion has introduced an **online Code of Conduct training** in 2023. This training has the goal of:

- Continuously create awareness amongst employees of the **values** underlying Kendrion's Code of Conduct.
- Address matters such as **corruption, bribery, and conflicts of interest** to strengthen its commitment to prevent corruption.
- Provide an **interactive learning experience** with concrete examples of expected behaviour to ensure employees do what is ethically right.

<sup>1</sup> The BioComposites Centre is a research facility of Bangor University specializing in developing sustainable biomaterials and biobased technologies; <sup>2</sup> The Humanitarian OpenStreetMap Team (HOT) is a global non-profit organization that uses collaborative mapping to create free, up-to-date maps to support humanitarian efforts during disasters, epidemics, and crises

# IDENTIFIED ESG IMPROVEMENT OPPORTUNITIES

Most improvement opportunities are focused on carbon emissions calculations and reporting

Company	ESG Report	ESG rating 2023	Examples of identified improvement opportunity
 ACCELL GROUP	Section in annual report	Committed	Developments on KPIs of new ESG strategy with a focus on recycling and second-life
 ACCSYS	Section in annual report	Integrated	Increase closed loop acetic acid usage in Arnhem
 A COMO	Section in annual report	Committed	Decrease the number of whistleblowing reports
 BeterBed holding	Sustainability Report	Committed	Gain insights how BeterBed improves customer's sleep patterns
 CM	Section in annual report	Involved	Report on share of renewable energy production and procurement
 HyET Solar	Not available	Reactive	[No assessment has been performed this year]
 TICT GROUP Making the world a little smarter	Section in annual report	Committed	[No assessment has been performed this year]
 KENDRION	Section in annual report	Committed	Disclose on the carbon reduction targets that are set
 nedap	Section in annual report	Committed	Start measuring and reporting Scope 3 emissions on a regular basis
 NX filtration	Section in annual report	Committed	Incorporate Science Based Target Initiatives on scope 1 and scope 2 in the annual report
 TKH GROUP	Section in annual report	Committed	Improve carbon footprint data quality per 2024 on TKH's most relevant emissions
 tomtom	Sustainability report	Committed	Improve scope 3 emissions calculations (both activity- and spend-based)

## 4. NEXT STEPS AT FUND LEVEL

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

## Teslin Participaties 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 Teslin 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 SFDR<sup>1</sup>, CSRD<sup>2</sup>, and EU Taxonomy in the short term.



### Methodology revision

Revise the methodology used as Teslin Participaties 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

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

<sup>1</sup> Sustainable Finance Disclosure Regulation; <sup>2</sup> Corporate Sustainability Reporting Directive; Source: Teslin

# ANNEX A

Overview of relevant KPIs and metrics for portfolio companies

# CARBON FOOTPRINT METRICS

Most investments publicly disclose their operational carbon footprint

2021 2022 2023

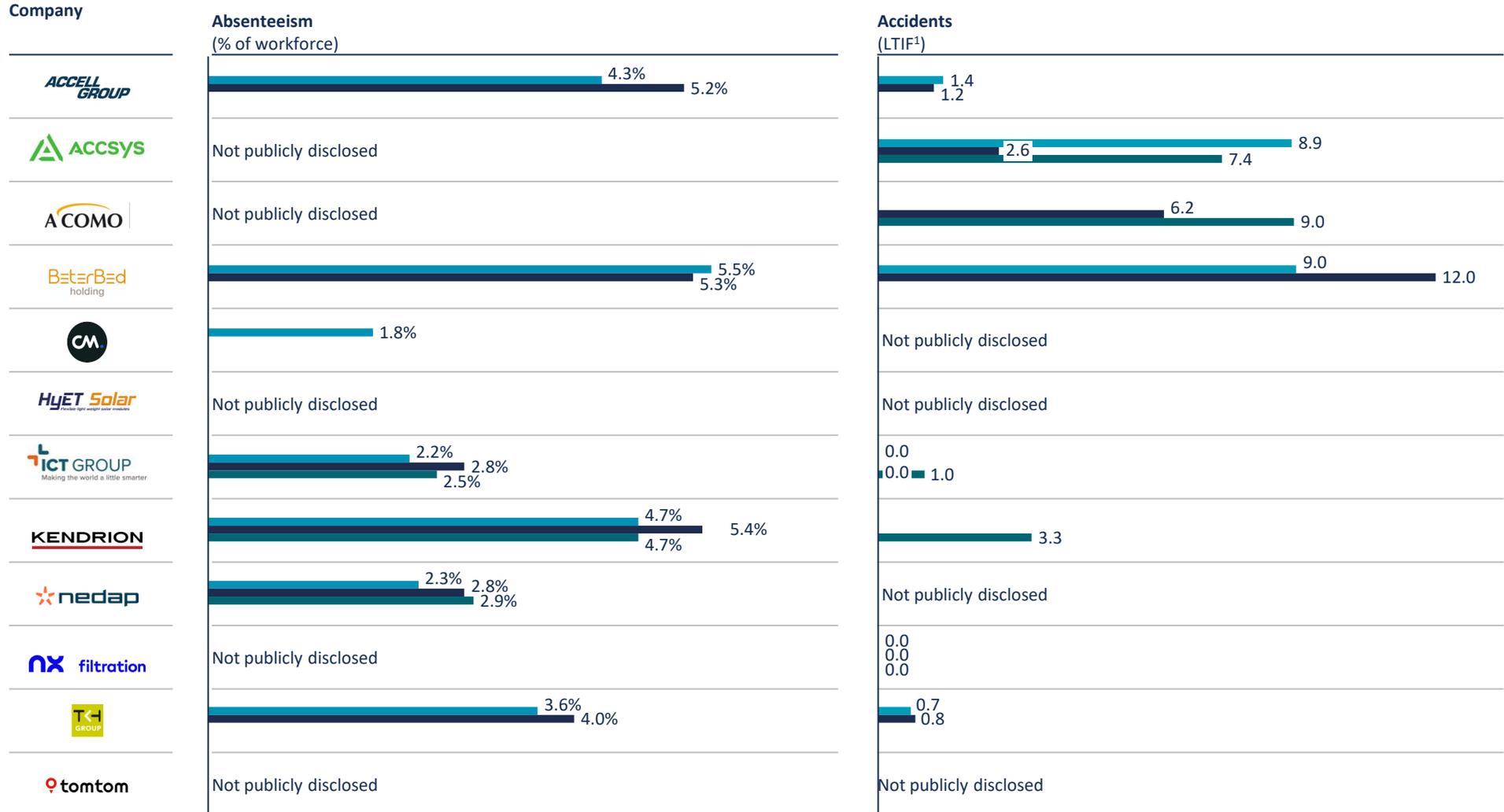
Company	Carbon footprint <sup>1</sup> Scope 1 + 2 (kt CO <sub>2</sub> -eq)	Carbon footprint Scope 3 (kt CO <sub>2</sub> -eq)	Carbon intensity <sup>2</sup> Scope 1 + 2 (tCO <sub>2</sub> -eq/ € m revenue)	Carbon intensity Scope 3 (tCO <sub>2</sub> -eq/ € m revenue)
<b>ACCELL GROUP</b>	9.6 7.7	6.0 6.1	7.0 5.4	4.4 4.2
<b>ACCSYS</b> <sup>3</sup>	5.4 7.6 6.7	n/a 91.2 129.1	44.5 67.0 39.7	0.0 563.1 949.5
<b>ACOMO</b>	14.5 15.6 12.0	n/a n/a 2.5	11.6 11.0 9.5	n/a n/a 2.0
<b>BeterBed holding</b>	6.2 2.3	Not publicly disclosed	29.0 10.0	Not publicly disclosed
<b>CM</b>	0.2 0.3 1.4	n/a n/a 0.6	0.9 1.1 5.2	0.0 0.0 2.1
<b>HyET Solar</b>	Not publicly disclosed	Not publicly disclosed	Not publicly disclosed	Not publicly disclosed
<b>TICT GROUP</b> <small>Making the world a little smarter</small>	4.5 2.0 1.7	0.2 0.6 0.9	9.3 24.7 7.4	0.0 0.0 0.0
<b>KENDRION</b>	6.4 5.8 6.2	Not publicly disclosed	13.8 11.2 12.0	Not publicly disclosed
<b>nedap</b>	1.1 1.1 1.2	Not publicly disclosed	5.3 4.8 4.4	Not publicly disclosed
<b>nx filtration</b>	0.1 0.1 0.5	0.1 0.5 0.2	13.6 29.5 63.0	16.5 62.9 24.7
<b>TCH GROUP</b>	29.1 23.7	1.1 3.7	19.1 0.0 13.0	0.7 2.0
<b>tomtom</b>	3.9 3.2 2.0	0.2 18.5 18.9	7.7 5.9 3.4	0.4 34.5 32.5

<sup>1</sup> Please refer to Annex B of this report for a detailed overview of the different carbon emission scopes; <sup>2</sup> Carbon intensity is calculated based on the carbon footprint and revenue data publicly available; <sup>3</sup> Accsys differentiates between the 'location-based' and 'market-based' approach in emission calculations. In this report the market-based emissions are shown;

# SOCIAL METRICS

Still, the majority of investments do not disclose both absenteeism and LTIF

2021 2022 2023



<sup>1</sup> LTIF is defined as the number of non-fatal accidents per million hours worked. Source: Publicly available company data

# ESG GOVERNANCE METRICS

Most companies publicly disclose key ESG-related policies

- ✓ In place
- 🕒 Partly in place<sup>2</sup>
- ✗ Not in place

Policy	ACCELL GROUP	ACCsys	ACOMO	BeterBed holding	CM	HyET Solar	TICT GROUP Making the world a little smarter	KENDRION	nedap	NX filtration	T4 GROUP	tomtom
ESG or CSR policy <sup>1</sup>	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Anti-corruption/Bribery	✓	✓	✓	✓	🕒	✗	✓	✓	✓	✓	✓	✓
Business ethics	✗	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Whistleblowing	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Code of Conduct	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Health & Safety	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Data security & privacy	✓	✓	✓	🕒	✓	✗	✓	✓	✓	✓	✓	✓
Procurement practices	✓	✓	✓	✓	✓	✗	🕒	✓	✓	✓	✓	✓
Remuneration incl. ESG criteria	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓	✗
D&I	✓	✗	✓	✓	✓	✗	✓	✓	✓	🕒	🕒	✓

<sup>1</sup> This year a new definition of ESG policy was utilised, which caused changes in the presence of the policy for a few companies; <sup>2</sup> 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 Teslin Participaties 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.

Source: Teslin, Holtara



# 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 CO<sub>2</sub> 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"> <li>• Carbon emissions</li> <li>• Energy consumption</li> <li>• Water consumption</li> <li>• Hazardous material use</li> <li>• Resource management</li> </ul>	<ul style="list-style-type: none"> <li>• Product development &amp; circularity</li> </ul>	<ul style="list-style-type: none"> <li>• Employee health &amp; safety</li> <li>• Employee wellbeing</li> <li>• Development &amp; retention</li> <li>• Diversity of staff</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality &amp; safety</li> <li>• Human rights &amp; community relations</li> </ul>	<ul style="list-style-type: none"> <li>• Appointment of directors and supervisory board members</li> <li>• Independence &amp; responsibility of the (supervisory) board</li> <li>• Remuneration policy</li> </ul>	<ul style="list-style-type: none"> <li>• Integrity (throughout the value chain)</li> <li>• Legal &amp; regulatory compliance</li> <li>• Responsibility of end-markets</li> <li>• Data privacy and security</li> </ul>

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



# ESG METHODOLOGY – IN-DEPTH ASSESSMENTS

In-depth assessments enabled a tailored approach for companies at the early stages of their ESG journey

**In-depth assessment process steps**



1

## Theme identification

One of the material themes is selected for which an opportunity for progression is identified in the short, medium, and long term



2

## Competitor analysis

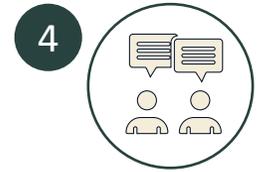
Competitors are investigated and industry best practices are researched to determine logical next steps



3

## Feasibility of initiatives

A (quantitative) analysis is performed to suggest feasible improvement initiatives and demonstrate value creation

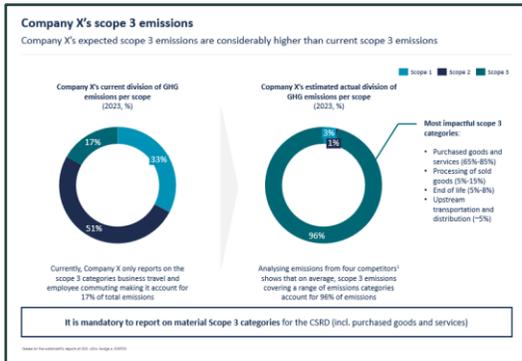


4

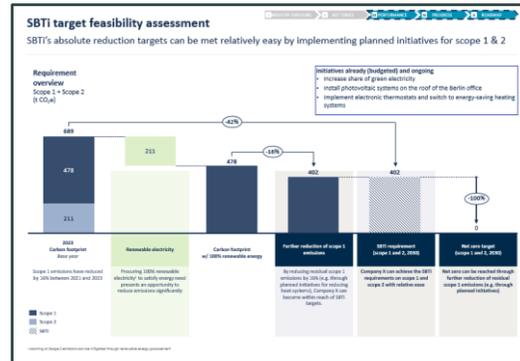
## Discussion with company

Findings of the analysis and the potential initiatives are discussed with the company to further assess feasibility and encourage action

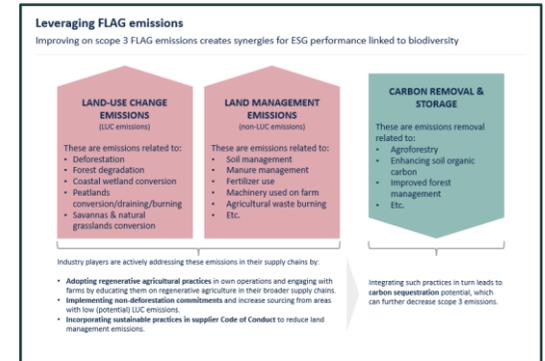
**Examples of deep-dives support slides**



**Scope 3 assessment (incl. material subcategories) to improve measurement**



**SBTi target feasibility assessment for companies that have not committed yet**



**FLAG emissions expertise sharing for companies in the food sector to ensure compliance**

# 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
<p style="text-align: center; font-weight: bold; margin: 0;">Scope 3</p> <ul style="list-style-type: none"> <li> Purchased goods and services</li> <li> Capital goods</li> <li> Fuel and energy-related activities (excl. S1-2)</li> <li> Upstream transportation and distribution</li> <li> Waste generated in operations</li> <li> Business travel</li> <li> Employee commuting (incl. work-from-home)</li> <li> Upstream leased assets</li> </ul>	<p style="text-align: center; font-weight: bold; margin: 0;">Scope 1</p> <ul style="list-style-type: none"> <li> Stationary combustion</li> <li> Mobile combustion</li> <li> Fugitive emissions from air-conditioning</li> <li> Other fugitive or process emissions</li> </ul> <p style="text-align: center; font-weight: bold; margin: 0;">Scope 2</p> <ul style="list-style-type: none"> <li> Purchased electricity (facility use)</li> <li> Purchased electricity (vehicle use)</li> <li> Purchased heat and steam</li> </ul>	<p style="text-align: center; font-weight: bold; margin: 0;">Scope 3</p> <ul style="list-style-type: none"> <li> Downstream transportation &amp; distribution</li> <li> Processing of sold products</li> <li> Use of sold products</li> <li> End-of-life treatment of sold products</li> <li> Downstream leased assets</li> <li> Franchises</li> <li> Investments</li> </ul>

Source: Greenhouse Gas Protocol

## Some companies of Teslin Participaties 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 REQUIREMENTS

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 NFRD<sup>1</sup> 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 CSRD<sup>2</sup>.

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.

<sup>1</sup> Non-Financial Reporting Directive <sup>2</sup> Corporate Sustainability Reporting Directive  
Source: EU Taxonomy resources of EU

# TAXONOMY OVERVIEW FOR TESLIN PARTICIPATIES

Teslin Participaties has 4.8% taxonomy alignment for revenue and 8.8% and 3.1% for CapEx and OpEx

Company	Eligibility in 2023 <sup>1</sup> (% of revenue, CapEx, and OpEx)	Alignment in 2023 <sup>2</sup> (% of revenue, CapEx, and OpEx)
 ACCELL GROUP	Not publicly disclosed	Not publicly disclosed
 ACCSYS	Not publicly disclosed	Not publicly disclosed
 ACOMO	0.0% 11.1% 6.2%	0.0% 8.0% 0.0%
 BeterBed holding	Not publicly disclosed	Not publicly disclosed
 CM	100.0% 100.0% 100.0%	0.0% 0.0% 0.0%
 HyET Solar	Not publicly disclosed	Not publicly disclosed
 TICT GROUP <small>Making the world a little smarter</small>	Not publicly disclosed	Not publicly disclosed
 KENDRION	6.6% 9.1% 52.3%	0.0% 0.0% 0.0%
 nedap	2.7%	2.6% 4.2% 0.9%
 NX filtration	Not publicly disclosed	54.0% 90.0% 54.0%
 TKH GROUP		0.0% 0.0% 0.0%
 tomtom	0.0% 6.6% 0.1%	0.0% 0.2% 0.0%



## Fund's Taxonomy alignment<sup>3</sup>

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.

Teslin Participaties can report for 2022:

- Revenue alignment: 4.8%
- CapEx alignment: 8.8%
- OpEx alignment: 3.1%
  
- Transitional activities: 0%
- Enabling activities 0%

<sup>1</sup> An eligible activity means that an activity is included in the EU Taxonomy but says nothing about alignment; <sup>2</sup> Alignment goes beyond eligibility and implies that an eligible activity meets all criteria; <sup>3</sup> Ordina is included in the final calculation for fund eligibility and alignment  
Source: Taxonomy Regulation, Sustainable Finance Disclosure Regulation, European Commission, Company annual reports



# ANNEX C

Overview of Teslin's ESG policy and the used methodology

# COMPANY SUMMARIES

## Accell & Accsys

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



Committed

Integrated

### Summary of performance

Accell is currently rated as committed, having a sustainability strategy including ambitious but realistic targets and reporting extensively on the development of a wide range of sustainability KPIs. Accell has the opportunity to establish itself as a climate leader in the bicycle industry by becoming fully circular and committing to SBTi target.

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

#### Environmental

- Developments on KPIs of new ESG strategy with a focus on role-modelling recycling and second-life

#### Social

- Developments on KPIs of new ESG strategy, such as HSE club for safety and feedback loop checks to ensure product quality
- Analysis on emissions saved versus alternatives and health impact of people

#### Governance

- Improved and renewed Supplier Code of Conduct
- Integrated reporting and ESG dashboard

### Next steps to monitor

[Determined in KKR Value Creation Plan]

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



Integrated

Futureproof

### Summary of performance

Teslin views Accsys as an impact investment and an industry frontrunner with a sustainable product proposition. The Company is engaged, aware of key ESG themes, and reports extensively. Improvements could include detailed reporting on Scope 3 emissions drivers, setting SBTi targets in “Energy & Carbon,” and establishing measurable KPIs with timelines.

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

#### Environmental

- Reporting on Scope 3
- Implementation of new wood species Taeda Pine
- Moved Accoya Color to fully recyclable packaging

#### Social

- New L&D modules and exchange US/NL

#### Governance

- 100% of suppliers screened on ESG criteria

### Next steps to monitor

- Scope 3 methodology explanation
- Increase of renewables share in offsets / renewables
- Improving closed loop acetic acid usage in Arnhem
- Long term target setting (plus tangible reduction targets per key KPI)

## Acomo & Beter Bed

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



**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
-------	-------------

- |                      |   |
|----------------------|---|
| <b>Environmental</b> | <ul style="list-style-type: none"> <li>Increasing share of certified products</li> <li>Reduction in packaging volume of materials</li> </ul>      |
| <b>Social</b>        | <ul style="list-style-type: none"> <li>Target introduced on certified locations</li> <li>Introduction of Jammies</li> </ul>                       |
| <b>Governance</b>    | <ul style="list-style-type: none"> <li>Target introduced on high-risk suppliers audited</li> <li>Supplier Ethical Data Exchange joined</li> </ul> |

### Next steps to monitor

- Formulating concrete targets for various key ESG themes
- Provide a roadmap for Scope I and II Emissions
- 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 2023	Ambition for 2025
---------	--------------------	-------------------



**Committed**

**Integrated**

### Summary of performance

BBH has made continuous progress on its relevant ESG-themes that are well-defined and communicated to other stakeholders. The company still has to sharpen its its long-term objectives by measuring its scope 3 and developing a carbon footprint roadmap to become "Integrated".

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

- |                      |   |
|----------------------|---|
| <b>Environmental</b> | <ul style="list-style-type: none"> <li>Piloting electric delivery vehicles</li> <li>Goal to recycle &gt;95% of collected packaging</li> </ul>       |
| <b>Social</b>        | <ul style="list-style-type: none"> <li>Increase internal promotions to 10% per year</li> <li>Contribution to healthy sleeping in society</li> </ul> |
| <b>Governance</b>    | <ul style="list-style-type: none"> <li>Strategic partnerships with suppliers</li> <li>CSR criteria in tenders</li> </ul>                            |

### Next steps to monitor

- Measure new activity-based Scope III emissions with targets expected in 2025
- Provide more insight in how BBH will measure and report on the improved quality of sleep of its customers
- Audit of medium risk suppliers (high-risk suppliers have been audited in 2023)
- Increase the number of mattresses returned for recycling above 20%

## CM.com & Kendrion

Company	ESG rating in 2023	Ambition for 2025
	<b>Involved</b>	<b>Futureproof</b>

**Summary of performance**

CM.com is rated “Involved” with a broad ESG strategy and several KPIs reported. Expansion is needed on “Energy & Carbon” and “End-Market Exposure.” Setting annual KPI targets for all material themes could advance it to “Committed,” with significant progress required for “Futureproof.”

Topic	Initiatives
<b>Environmental</b>	<ul style="list-style-type: none"> <li>Company wide carbon footprint measurement</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>Female Leadership, no pay gap in hiring, SRIO</li> <li>Periodical security and privacy training and checks</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>SDG prioritization based on materiality and stakeholder analysis</li> <li>Publicly disclosed client cases</li> </ul>

- Next steps to monitor**
- Clear carbon footprint targets on Scope 1 and 2, and preferably also Scope 3
  - Disclosure of renewable energy production
  - Wider reporting on talent management and related KPI’s; explanation and targets on employee satisfaction
  - External disclosure of anti-corruption and bribery policies

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

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

- 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

## Nedap & NX Filtration

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

### 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
<b>Environmental</b>	<ul style="list-style-type: none"> <li>Objective to become completely electricity self-sufficient</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>Defined a DEI policy</li> <li>ISAE3402/ISO27001/NEN7510</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>Code of Conduct and yearly audits to promote CSR</li> <li>Internal campaign themed ‘Do the right thing’, and perform a double materiality analysis</li> </ul>

### Next steps to monitor

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

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

### Summary of performance

NX Filtration has improved reporting on KPIs including SBTi targets and set clear targets for 2030. However, so far, many key KPIs are worsening as a direct result of its expansion efforts. Sharp improvement is expected when the new factory comes online in 2024 and 2025, which could result in an integrated rating

Topic	Initiatives
<b>Environmental</b>	<ul style="list-style-type: none"> <li>GHG footprint mapped from scope 1 to 3<sup>1</sup></li> <li>Ongoing reduction of chemical usage</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>Good relations with academic institutions</li> <li>Social impact mapped in ESG reporting</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>Supplier Code of Conduct (c. 100% adherence)</li> <li>ESG and taxonomy alignment reporting</li> </ul>

### Next steps to monitor

- Introduction of selected ESG targets within their integrated reporting in the 2022 annual report
- Sustainalytics ESG rating will be published, the channel is to be determined
- Science Based Target Initiatives on Scope 1 and Scope 2 in the annual report
- Net Zero 2030 vision and targets included in 2022 annual report

## TKH Group & TomTom

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

### Summary of performance

TKH demonstrates strong commitment towards ESG and is delivering on its targets set in 2021. We believe TKH is close to an upgrade towards Integrated. TKH has included scope 3 emissions in its dashboard but not updated its existing targets to include this measure. Therefore, we do not upgrade TKH to Integrated as of now.

Topic	Initiatives
<b>Environmental</b>	<ul style="list-style-type: none"> <li>Electrification of lease fleet</li> <li>Water assessment at strategic suppliers</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>Increased employee satisfaction (7.8 vs. 7.6)</li> <li>(Strategic) suppliers audited every 2 years</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>Updated ESG policy in 2022</li> <li>Internal reporting now includes more ESG themes</li> </ul>

### Next steps to monitor

- More CSRD metrics reported in 2024 with full reporting in 2025 based on limited assurance
- Activity-based Scope 3 reporting per 2024 on TKH's most relevant emissions
- Full Scope 3 reporting per 2025 including SBTi targets
- Receival of additional external ESG-ratings

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

### Summary of performance

TomTom has a wide range of ESG initiatives in place including KPIs and targets, the first tangible progress is already visible, but the targets are still far away, especially regarding energy & carbon and talent management & retention, which puts them at 'committed' for now, with strong integrated potential next year.

Topic	Initiatives
<b>Environmental</b>	<ul style="list-style-type: none"> <li>BREEAM certificates for office locations</li> <li>Global student hackathon</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>TomTom Traffic Index</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>Information Security Management System</li> <li>Annual sustainability reporting (incl. KPIs)</li> </ul>

### Next steps to monitor

- Will increase reporting on Scope 3 emissions per 2024 (both activity- and spend-based)
- Increase employee engagement score, which was under pressure due to restructuring program
- Improve reporting on privacy to better align with external sustainability scores (e.g. Sustainalytics)
- First steps towards CSRD reporting, e.g. 2023 will include a double materiality assessment



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