

TESLIN PARTICIPATIES ESG FUND REPORT - 2023

An overview of the ESG performance of Teslin Participaties portfolio companies in 2022



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1. PREAMBLE



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 Finances.

QUICK FIGURES OF TESLIN

<div>32</div> <div>Years of experience in small- and mid-cap investing</div>	<div>Team of 16</div> <div>Experienced investment professionals</div>
<div>~€1.2 billion</div> <div>Assets under management</div>	<div>>800</div> <div>Investors in Teslin funds</div>



Environmental



Social



Governance

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 2023, reflecting the fund's ESG performance over 2022. 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



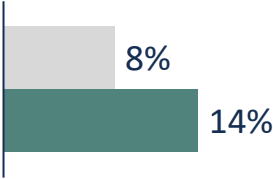
Reports on GHG emissions
(% of companies)



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)



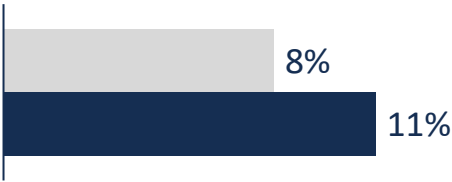
ESG policy in place
(% of companies)



ESG officer in place
(% of companies)



DMA⁴ analysis in place
(% of companies)



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

EXECUTIVE SUMMARY FUND REPORT – TESLIN PARTICIPATIES



CURRENT STATUS

- It is Teslin's ambition to invest in companies that are well-positioned for a sustainable future, or at least have the ambition to become well-positioned.
- Currently, the majority of the companies in the fund are rated as '*Committed*' in terms of ESG performance, meaning there is an ESG strategy with targets in place. Two companies, namely Accsys and Kendrion, are rated as '*Integrated*' at the moment.
- All companies show interest in improving ESG performance over the next years and aim to realise tangible progress on the targets they have set to address their ESG material factors. Most companies target CSRD¹ compliance in the short term.
- 13 out of 14 companies² publicly communicate about sustainability through a section in the annual report, a CSR³ report and/or company websites.
- In 2022, Teslin Participaties has 1.3% Taxonomy alignment for revenue, 2.8% for CapEx, and 3.0% 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 2022, Teslin Participaties' investments have improved their ESG reporting with new initiatives and metrics. For example, 86% of the fund monitors and reports on their Scope 1 and 2 emissions, compared to 73% in 2021. Furthermore, companies are increasingly reporting on their Scope 3 carbon footprint and LTIF⁴.
- Nedap managed to upgrade its ESG rating from '*Involved*' to '*Committed*' by implementing a strategic ESG plan paired with relevant KPI monitoring and targets.



AMBITION 2025+

- Teslin continues to engage with portfolio companies of Teslin Participaties to direct them towards a sustainable future.
- Teslin's goal is to have all fund companies scoring at least '*Committed*' in 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 also continue focusing on investments that contribute positively to society, and continuously improve its capabilities regarding ESG assessments.

¹ Corporate Sustainability Reporting Directive; ² HyET Solar does not publicly communicate about sustainability through a report or its company website yet; ³ Corporate Social Responsibility; ⁴ Lost Time Incident Frequency

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

Screening Phase

- Teslin aims for sustainable value creation by aligning its investment with the interests of all stakeholders, including the environment and society at large.
- ESG forms an integral part of the investment analysis. It is Teslin's ambition to invest in companies that are well-positioned for a sustainable future, or at least have the ambition to become well-positioned.



Teslin focuses on North-West European small- and mid-caps, which generally results in lower exposure to climate risk².



Teslin explicitly excludes certain industries such as:

- Tobacco³
- Weapons³
- Pornography
- Gambling

Company Engagement

- During the holding period, Teslin aims to guide companies in ESG, as we believe it to be one of the factors influencing a company's long-term license to operate.
- In collaboration with Holtara, portfolio companies are assessed annually on ESG performance. This analysis lays the foundation for engagement with the company:



In ESG assessments, Teslin engages with companies on material themes and invites them to set goals and monitor progress.



If a company fails to achieve its ESG goals, Teslin will encourage the board to improve its ESG strategy but reserves the option to divest if improvement is lacking.

Stakeholder Communication

- Teslin strives to openly communicate its funds' ESG progress. Therefore, insights resulting from company engagements are aggregated into public fund reports.
- On top of fund-level implications, this ambition has certain consequences on the type and frequency of reporting expected from fund investments, for example:



Companies are asked to report on common factors relevant across industries, to increase comparability portfolio-wide.



Companies are motivated to report on ESG performance, progress, and contribution at least annually.

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

In 2023, Teslin Capital Management is in the process of conducting an internal ESG assessment, during which KPIs and targets are formulated on material themes. Currently, Teslin internally manages ESG as follows:

- Teslin's ESG committee identifies and implements improvements on relevant ESG themes. These include reduction opportunities in CO₂ emissions from commuting and sustainable procurement of materials and services.
- 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

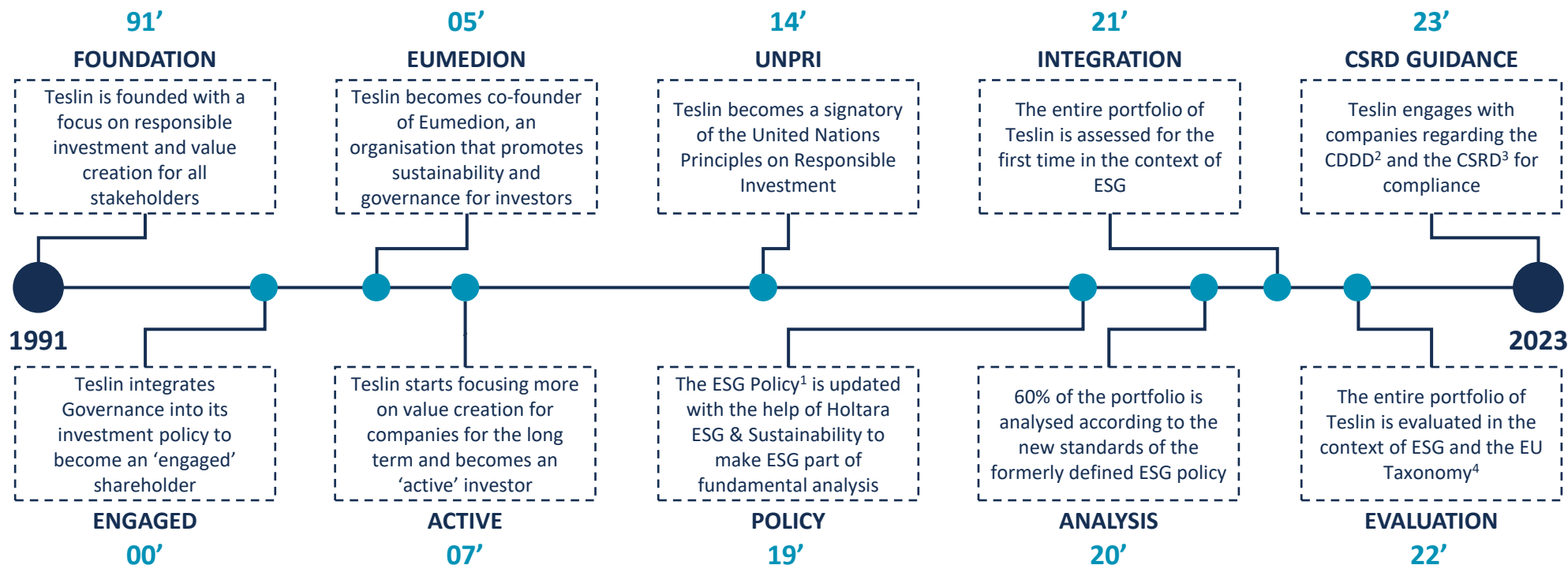
ESG TIMELINE

I. ESG AT TESLIN

II. ESG PERFORMANCE

III. NEXT STEPS

Below you can find a visualisation of Teslin's ESG journey from 1991 to 2023



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; Source: Holtara

Teslin has increased its ESG efforts again this year and has extensive ambitions for the future

2022 and before

- Active as a committed investor since 1991.
- Member of Eumedion¹ since 2005 (corporate governance and sustainability).
- More active engagement when expanding from 'engaged shareholder' to 'active shareholder' in 2007.
- Became a UNPRI signatory in 2014.
- Started to engage with Holtara to assess ESG performance (>60% of invested capital) in 2019/2020: set ESG baseline and defined ambition and policy.
- Published its first ESG fund report to investors in 2020.
- Fully integrated the policy into the investment cycle in 2021.
- In 2022, Teslin started engaging with companies regarding the EU Taxonomy².

2023

- Performed ESG assessments for all companies (except for Ordina³) in the different Teslin funds.
- Conducted annual ESG discussions with 97% of companies regarding performance, material ESG themes, and goals.
- An extra internal workshop was conducted with Holtara relating to Scope 1, 2, and 3 carbon emissions.
- Teslin started engaging with companies on the incoming CSRD⁴ and the action plans in place to comply.

Going forward up to 2025

- By 2024, Teslin aims to ensure that its investments are compliant with the CSRD.
- In 2024, Teslin Capital Management will finalise an internal ESG assessment, in which KPIs and targets will be formulated on material themes.
- Teslin aspires to engage with all fund investments to increase ESG performance to at least 'Committed'⁵ by 2025.
- Teslin aims to further educate investment teams on ESG matters and improve the level of Teslin's ESG analyses.

¹ Eumedion is a foundation representing the interests of its affiliated institutional investors in the field of corporate governance and sustainability; ² Assessment included in Annex B; ³ Ordina was not engaged with this year due to exiting the held position in the company; ⁴ Corporate Sustainability Reporting Directive; ⁵ The 'committed' rating follows Holtara's methodology. Please refer to Annex B for more information 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

*86% of companies
report on Scope 1
and 2 emissions*

*14 out of 15
companies report
ESG efforts*

*82% of invested
capital is rated
“Committed” or
“Integrated”*
















FUND OVERVIEW

I. ESG AT TESLIN

II. ESG PERFORMANCE

III. NEXT STEPS

In 2023, 87.5% of invested capital has undergone an ESG assessment

Company	Description	Invested capital – 30.09.2023 (%)	ESG company scan	
			2023	Type
 ACCELL GROUP	Accell	Designer and manufacturer of bicycles, parts & accessories	19.5%	✓ Update
 ACCSYS	Accsys	Producer of durable wood by treating soft wood with chemicals	4.5%	✓ Update
 ACOMO	Acomo	Trader, distributor, and processor of agricultural products	7.4%	✓ Update
 BeterBed holding	Beter Bed	Wholesaler and retailer of beds, mattresses, and associated products	3.4%	✓ Update
 BRILL	Brill	Publisher of academic books and journals	1.1%	✓ Update
 CM	CM.com	Cloud provider for conversational commerce	3.2%	✓ Update
 EBUSCO®	Ebusco	Producer and distributor of electric busses and charging systems	2.1%	✓ Update
 HyET Solar	HyET Solar	Developer and producer of innovative PV foil	1.8%	✓ Update
 ICT GROUP Making the world a little smarter	ICT Group	Service provider of operational technology solutions	4.9%	✓ Update
 KENDRION	Kendrion	Manufacturer of electromagnetic systems and components	6.4%	✓ Update
 nedap	Nedap	Software developer for multiple niche industries	6.6%	✓ Update
 NX filtration	NX Filtration	Developer and producer of water filtration membranes	4.0%	✓ Update
 ORDINA	Ordina ¹	Service provider of information technology solutions	12.5%	✗ N/A
 TKH GROUP	TKH Group	Industrial technology conglomerate in telecom, building and industry	15.8%	✓ Update
 tomtom	TomTom	Developer of mapping software and navigation solutions	6.9%	✓ Update
Total			100.0%	

Key figures
2023

14 assessments in total

87.5% of invested capital

Almost all² reports discussed
with companies




¹Ordina will leave the portfolio of Teslin Participaties in the upcoming year and therefore no ESG assessment was performed; ²No engagement conversations with company representatives took place with Accell, Accsys, and ICT Group this year
Source: Publicly available company data, Teslin, Holtara analysis

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MATERIAL ESG THEMES

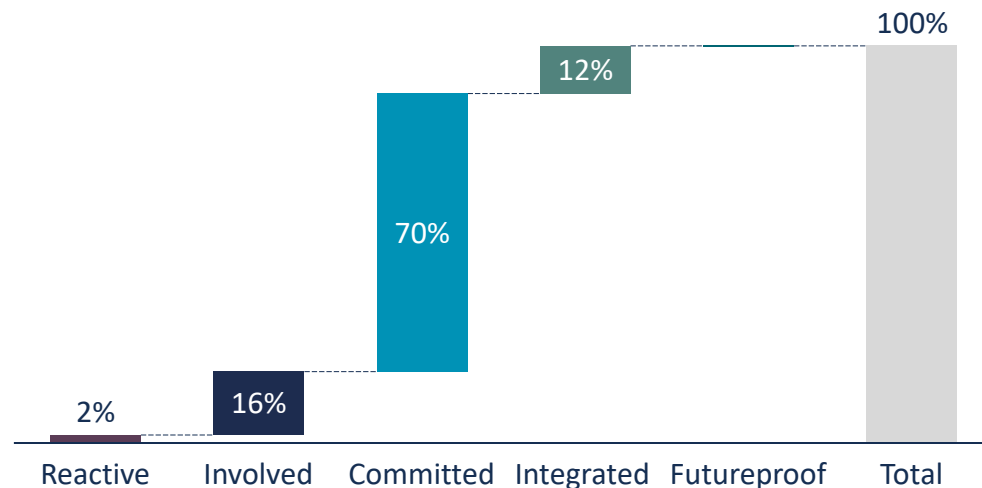
The most occurring themes are energy & carbon, supply chain control, and integration of sustainability principles

Category	ESG theme	Definition	Number of companies with ESG theme
 Environmental	Energy & carbon	<ul style="list-style-type: none"> Relates to the carbon footprint caused by, amongst others, energy consumption in operations. 	13
	Product design & lifecycle management	<ul style="list-style-type: none"> Relates to the maximisation of product lifetime and minimisation of product lifecycle impact. 	5
 Social	Talent management & retention	<ul style="list-style-type: none"> Relates to the ability of a company to effectively attract, develop, motivate and retain employees. 	7
	Impact of products & services	<ul style="list-style-type: none"> Relates to the measurement and communication of the potential positive (downstream) impact of products and services. 	6
 Governance	Integration of sustainability principles	<ul style="list-style-type: none"> Relates to a company's ability to implement and integrate sustainability throughout the organisation. 	12
	Supply chain control	<ul style="list-style-type: none"> Relates to responsible, transparent, and sustainable supply chain management. 	8

ESG RATING BY INVESTED CAPITAL

Almost all companies address sustainability beyond laws and regulations; all companies aim for tangible progress

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



- In 2023, **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.
- 82% 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 and Kendrion.
- **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

¹ Rankings are based on the proprietary framework of Holtara ESG & Sustainability; Source: Teslin, Holtara analysis



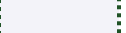


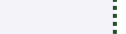








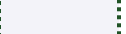


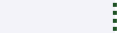


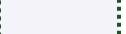








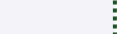


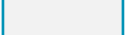
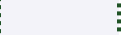


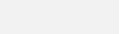
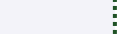


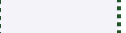



ESG PERFORMANCE AND FUTURE AMBITIONS

I. ESG AT TESLIN

II. ESG PERFORMANCE

III. NEXT STEPS

Almost all companies demonstrate ESG commitment through an ESG strategy or action plan

Company	ESG performance ¹					Notable progress initiatives in FY 2022
	Reactive	Involved	Committed	Integrated	Futureproof	
 ACCELL GROUP						<ul style="list-style-type: none"> Created a roadmap for implementing recycling solutions for batteries of bicycles
 ACCSYS						<ul style="list-style-type: none"> The Accoya plant in Arnhem got ISO 9001 certified (quality system)
 A COMO						<ul style="list-style-type: none"> Increased the share of certified products of tea and coffee (RA, UTZ, or FT certified)
 BeterBed holding						<ul style="list-style-type: none"> Reached 100% compliance with the Supplier Code of Conduct
 BRILL						<ul style="list-style-type: none"> Started measuring personnel-related and DE&I KPIs
 CM						<ul style="list-style-type: none"> Started publishing employee satisfaction score on an annual basis
 EBUSCO®						<ul style="list-style-type: none"> Reported on Scope 1 and 2 carbon footprint emissions
 HyET Solar						<ul style="list-style-type: none"> Expanded the pilot projects to test the effectiveness of Powerfoil
 TICT GROUP Making the world a little smarter						<ul style="list-style-type: none"> Implemented a carbon reduction roadmap including quantified KPI targets
 KENDRION						<ul style="list-style-type: none"> Increased the number of annual supplier audits in comparison to last year
 nedap						<ul style="list-style-type: none"> Estimated carbon emissions over the entire lifecycle of all Nedap products
 NX filtration						<ul style="list-style-type: none"> Published science-based reduction targets for Scope 1 and 2 in the annual report
 TKH GROUP						<ul style="list-style-type: none"> Initiated Scope 3 reporting with first categories such as business travel and commuting
 tomtom						<ul style="list-style-type: none"> Carried out an employee engagement survey in 2022 and linked elements to STI²

¹ The ESG performance assessment is a joint effort between MJH and Teslin; ² Short-Term Incentive
Source: Company data, Teslin, Holtara analysis

PROGRESS CASE – RATING UPGRADE NEDAP

Nedap managed to upgrade its rating from “Involved” to “Committed” by setting ESG-related targets

OVERVIEW OF RATING UPGRADE FOR NEDAP

Performance rating 2021: **Involved**



Performance rating 2022: **Committed**



ESG-RELATED TARGETS OF NEDAP SET IN 2022

1. ENVIRONMENTAL TARGETS



- **Short term:** Use half of the current gas volume (base year 2022) by 2025; Stop the addition of ICE¹ cars to the fleet.
- **Long term:** Reach net-zero emissions for Scope 1 and 2; Eliminate ICE¹ cars from the fleet; Reach 100% renewable electricity.

2. SOCIAL TARGETS



- **Short term:** Provide at least 40 hours of annual training for each employee.
- **Long term:** Improve male/female ratio in tier 2 management to a similar level as the entire group.

3. GOVERNANCE TARGETS



- **Short term:** Implement annual audits for all suppliers.
- **Long term:** Expand options for third-party audits and possible ratings regarding supply chain control.



¹ Internal Combustion Engine; Source: Publicly available company data, Teslin, Holtara analysis



Effectively reducing waste

TKH has implemented a waste reduction strategy that can be **considered two-fold**.

- TKH reduces waste **through improving production efficiency** and general productivity.
- TKH ensures that the waste that is produced **has a minimal effect on the environment** (e.g. using recycled materials).
- **88% of waste was recycled** in 2022 (which was an improvement in comparison to 83% in 2021).
- TKH **uses lifecycle assessment** to provide insights into the environmental impact of products.

BRILL



Sharing sustainability knowledge

Brill shares knowledge to **help reach the Sustainable Development Goals (SDGs)**.

- Brill invests **heavily in open access** to scientific knowledge to ensure everyone has access to the material.
- Brill links its open-source academic inquiries **directly to the SDGs** which results in promoting relevant knowledge for reaching them.
- Brill **moderates a series of podcasts** focussed on modern-day slavery, gender, and climate with experts from each field.





Ensuring a responsible supply chain

Accsys ensures a responsible supply chain by **screening/auditing its suppliers regularly**.

- In 2022, **100% of suppliers were screened on environmental and social criteria** before engaging with them.
- **100% of suppliers were also visited** to ensure that conditions were verified in person (in comparison to 93% in 2021).
- Accsys **monitors the number of incidents relating to indigenous community rights** to ensure that these fragile communities do not get affected by its operations.

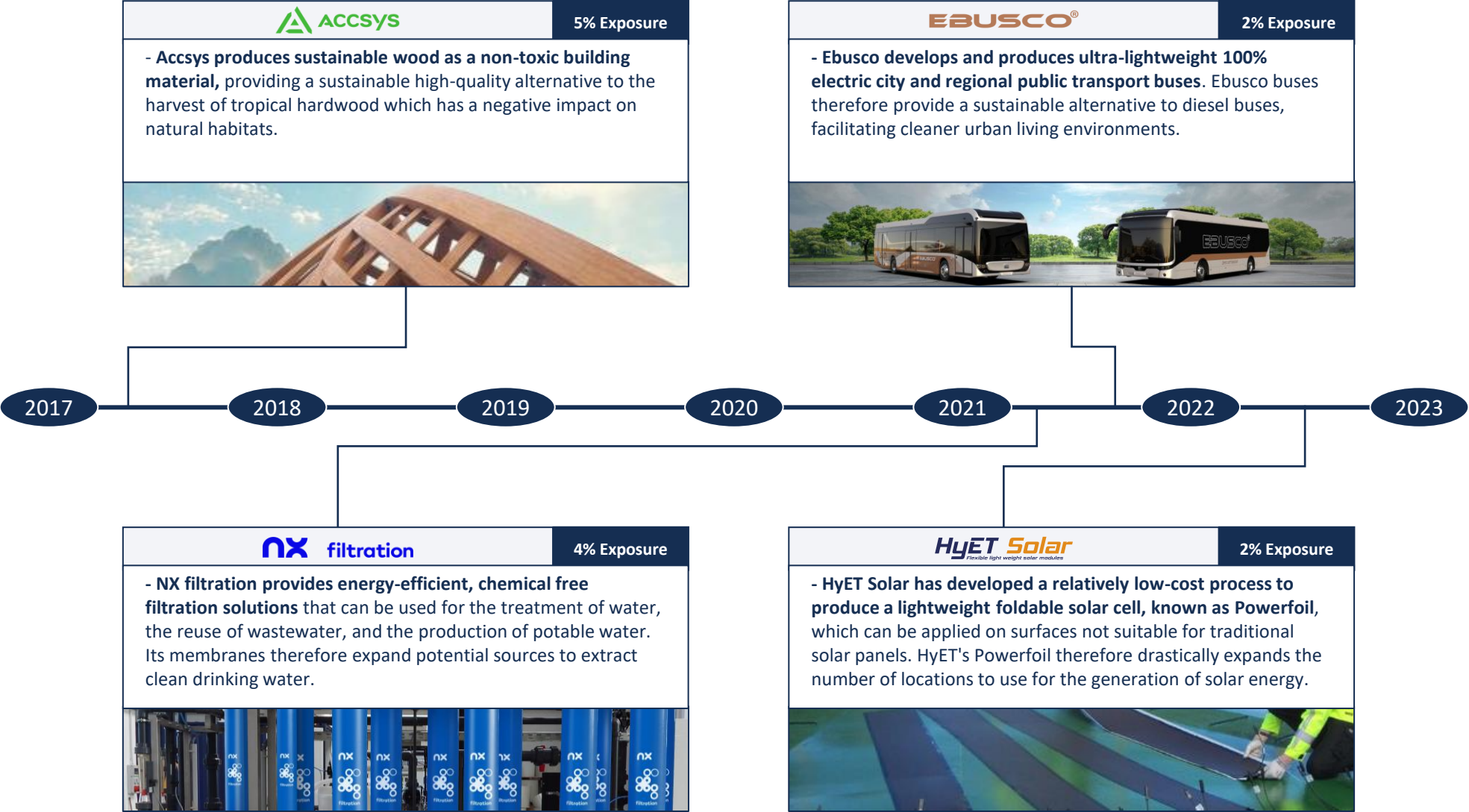
IDENTIFIED ESG IMPROVEMENT OPPORTUNITIES

Many improvement opportunities are centred around reporting carbon emissions

Company	ESG Report	ESG rating 2022	Examples of identified improvement opportunity
 ACCELL GROUP	Section in annual report	Committed	Increase the number of executed supplier audits and explore nearshoring options
 ACCSYS	Section in annual report	Integrated	Reduce packaging material by removal of packaging on normal Accoya
 A COMO	Section in annual report	Involved	Report on # food safety incidents & quality complaints
 BeterBed holding	Sustainability Report	Committed	Complete the Scope 3 carbon footprint measurement
 BRILL	Section in annual report	Involved	Start measuring Scope 1, 2, and 3 emissions as well as energy consumption
 CM	Section in annual report	Involved	Set targets on carbon footprint emissions for Scope 1, 2 and 3
 EBUSCO®	Section in annual report	Involved	Start monitoring Scope 3 carbon footprint emissions and set relevant targets
 HyET Solar	Not available	Reactive	Start monitoring Scope 1 and 2 carbon emissions
 TICT GROUP Making the world a little smarter	Section in annual report	Committed	Further electrify the fleet in relation to reducing carbon emissions
 KENDRION	Section in annual report	Integrated	Report on DE&I KPIs and set targets on an annual basis
 nedap	Section in annual report	Committed	Monitor Scope 3 emissions and set relevant targets for reduction
 NX filtration	Section in annual report	Committed	Set targets on recovery of materials used in the production process
 TCT GROUP	Section in annual report	Committed	Receive additional external ESG rating to prove efforts made
 tomtom	Sustainability report	Committed	Continue transitioning to renewable energy for all offices around the world

INVESTMENTS RELATED TO SUSTAINABLE BUSINESS MODELS

Teslin Participaties increasingly considers sustainable propositions in investment decisions



4. NEXT STEPS AT FUND LEVEL

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



TESLIN

 **Holtara**

Teslin Participaties identifies several opportunities for further ESG integration at fund level



Targeted company support

Connect portfolio companies to (external) experts to create 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 SFDR¹, CSRD², and EU Taxonomy in the short term.



ESG engagement at board level

Teslin has a board seat in 20% of the portfolio companies within Teslin Participaties. The Teslin Participaties team 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

Most investments publicly disclose their operational carbon footprint

A. ESG METRICS

B. DOCUMENTS

C. ONE-PAGERS

2020 2021 2022

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)
ACCELL GROUP	10.2 7.7 9.6	5.7 6.0 6.1	7.9 5.4 7.0	4.4 4.2 4.4
ACCsys ³	6.9 5.4 6.7	Not publicly disclosed	69.0 44.5 67.0	Not publicly disclosed
ACOMO	9.7 14.5 15.6	Not publicly disclosed	13.7 11.0 11.6	Not publicly disclosed
BeterBed holding	7.1 2.3 6.2	Not publicly disclosed	34.3 10.0 29.0	Not publicly disclosed
BRILL	Not publicly disclosed	Not publicly disclosed	Not publicly disclosed	Not publicly disclosed
CM	n/a 0.3 0.2	Not publicly disclosed	n/a 0.9 1.1	Not publicly disclosed
EBUSCO®	n/a n/a 0.9	Not publicly disclosed	n/a n/a 7.7	Not publicly disclosed
HyET Solar	Not publicly disclosed	Not publicly disclosed	Not publicly disclosed	Not publicly disclosed
TICT GROUP Making the world a little smarter	2.4 n/a 4.5	Not publicly disclosed	14.4 n/a 19.2	Not publicly disclosed
KENDRION	6.5 5.8 6.4	Not publicly disclosed	16.4 11.2 13.8	Not publicly disclosed
nedap	1.0 1.1 1.1	Not publicly disclosed	5.3 4.8 5.3	Not publicly disclosed
NX filtration	n/a 0.1 0.1	n/a 0.1 0.5	n/a 29.5 13.6	n/a 16.5 62.9
T4 GROUP	34.1 23.7 29.1	n/a 1.1 3.7	26.4 13.0 19.1	n/a 0.7 2.0
tomtom	2.4 3.9 3.2	n/a 0.2 0.2	4.5 7.7 5.9	n/a 0.4 0.4

¹ Please refer 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 Accsys differentiates between the 'location-based' and 'market-based' approach in emission calculations. In this report the market-based emissions are shown;

SOCIAL METRICS

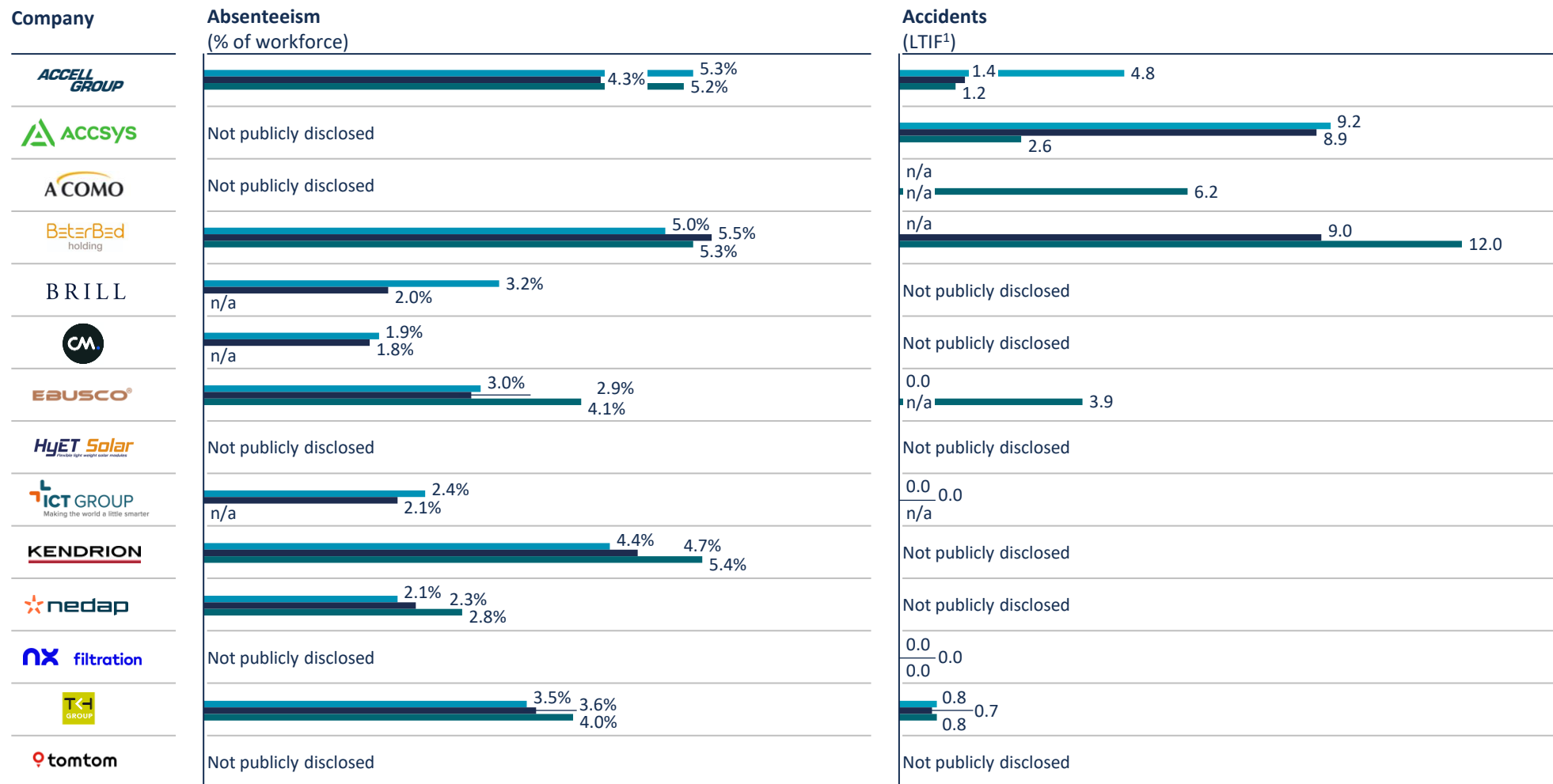
Still, the majority of investments do not disclose both absenteeism and LTIF

A. ESG METRICS

B. DOCUMENTS

C. ONE-PAGERS

2020 2021 2022



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

ESG GOVERNANCE METRICS

A. ESG METRICS

B. DOCUMENTS

C. ONE-PAGERS

Most companies publicly disclose key ESG-related policies

Policy	ACCELL GROUP	ACCsys	ACOMO	BeterBed holding	BRILL	CM	EBUSCO	HyET Solar	TICT GROUP	KENDRION	nedap	nx filtration	T GROUP	tomtom
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 This year a new definition of ESG policy was utilised, which caused changes in the presence of the policy for a few companies; ² Policy is mentioned in company's communications but not accessible to the public online; Source: Publicly available company data, Teslin, Holtara analysis;

✓ In place
⌚ Partly in place ²
✗ Not in place



ANNEX B

Overview of Teslin's ESG policy and the used methodology



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.

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.

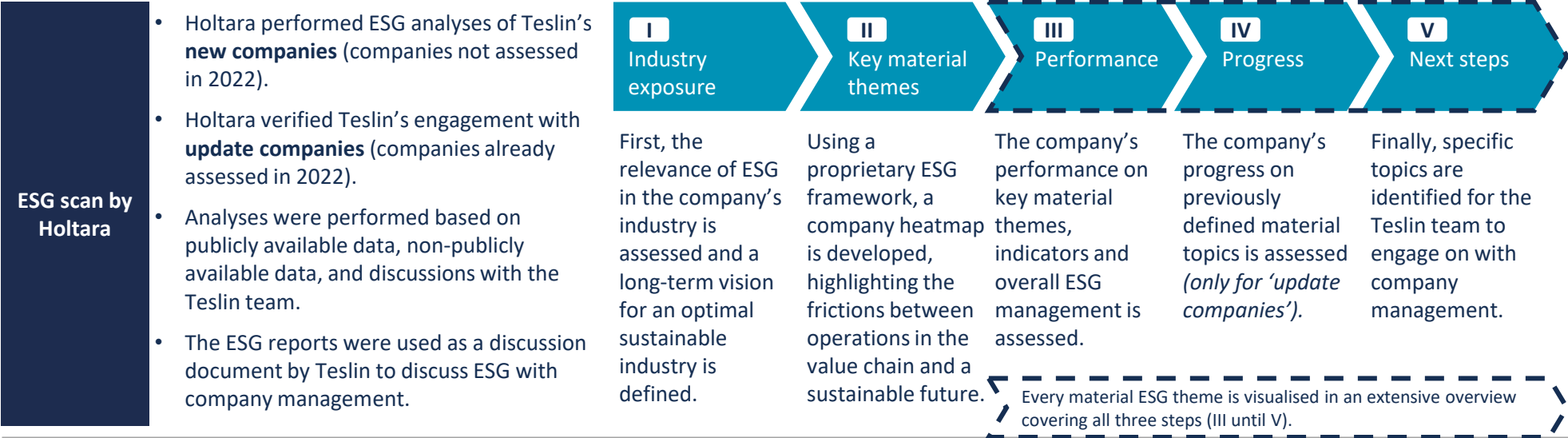
As a company, we want to make a positive contribution to socially relevant initiatives. This can be done by making a financial contribution, but above all we want to actively encourage our employees to deploy their expertise and talents for the benefit of society at large. As a responsible employer, 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	
• Carbon emissions	• Product development & circularity	• Employee health & safety	• Product quality & safety	• Appointment of directors and supervisory board members	• Integrity (throughout the value chain)
• Energy consumption		• Employee wellbeing	• Human rights & community relations	• Independence & responsibility of the (supervisory) board	• Legal & regulatory compliance
• Water consumption		• Development & retention		• Remuneration policy	• Responsibility of end-markets
• Hazardous material use		• Diversity of staff			• Data privacy and security
• Resource management					

Source: Teslin, Holtara

Teslin has assessed the ESG performance of all holdings and discussed the results with management



CARBON FOOTPRINT SCOPES EXPLAINED

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

SUMMARY		GHG PROTOCOL CATEGORIES		
		UPSTREAM	COMPANY OPERATIONS	DOWNSTREAM
<p>This report follows the GHG protocol, the global standard for measuring greenhouse gas emissions, which separates emissions into three categories:</p> <ul style="list-style-type: none"> Scope 1 Direct emissions from the organisation Scope 2 Indirect emissions from purchased energy Scope 3 Indirect emissions from the value chain <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> Relevance Completeness Consistency Transparency Accuracy 		Scope 3 <ul style="list-style-type: none"> Purchased goods and services Capital goods Fuel and energy-related activities (excl. S1-2) Upstream transportation and distribution Waste generated in operations Business travel Employee commuting (incl. work-from-home) Upstream leased assets 	Scope 1 <ul style="list-style-type: none"> Stationary combustion Mobile combustion Fugitive emissions from air-conditioning Other fugitive or process emissions Scope 2 <ul style="list-style-type: none"> Purchased electricity (facility use) Purchased electricity (vehicle use) Purchased heat and steam 	Scope 3 <ul style="list-style-type: none"> Downstream transportation & distribution Processing of sold products Use of sold products End-of-life treatment of sold products Downstream leased assets Franchises Investments

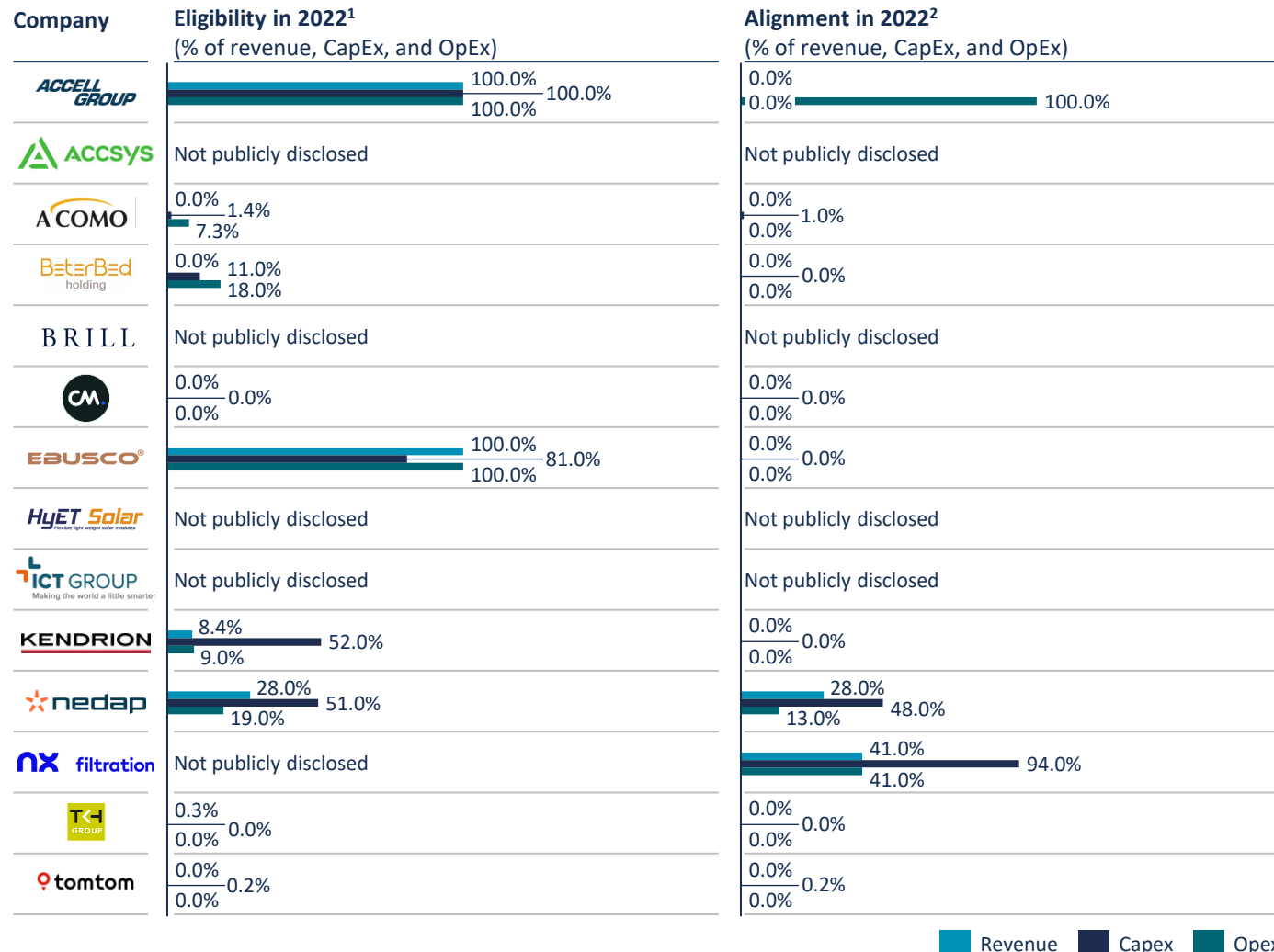
Some companies of Teslin Participaties have to report on the EU Taxonomy

EU TAXONOMY INTRODUCTION	TAXONOMY REQUIREMENTS
<p>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.</p> <p>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.</p> <p>There are 3 types of activities defined in the EU Taxonomy:</p> <ol style="list-style-type: none">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. <p>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.</p>	<p>An economic activity is environmentally sustainable if it meets the defined criteria for all of the following conditions:</p> <ol style="list-style-type: none">1. It makes a substantial contribution to one of the six specified environmental objectives:<ol style="list-style-type: none">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 <p>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.</p> <p>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.</p> <p>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.</p>

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

TAXONOMY OVERVIEW FOR TESLIN PARTICIPATIES

Teslin Participaties has 1.3% taxonomy alignment for revenue and 2.8% and 3.0% for CapEx and OpEx



Fund's Taxonomy alignment³

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: 1.3%
- CapEx alignment: 2.8%
- OpEx alignment: 3.0%
- Transitional activities: 0%
- Enabling activities 0%

¹ An eligible activity means that an activity is included in the EU Taxonomy but says nothing about alignment; ² Alignment goes beyond eligibility and implies that an eligible activity meets all criteria; ³ 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

Summaries of company ESG
engagements



COMPANY SUMMARIES

Accell & Accsys

A. ESG METRICS

B. DOCUMENTS

C. ONE-PAGERS

Company

ESG rating in 2022

Ambition for 2025

ACCELL GROUP

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	<ul style="list-style-type: none"> Developments on KPIs of new ESG strategy with a focus on role-modelling recycling and second-life
Social	<ul style="list-style-type: none"> Developments on KPIs of new ESG strategy, such as HSE club for safety and feedback loop checks to ensure product quality
	<ul style="list-style-type: none"> Analysis on emissions saved versus alternatives and health impact of people
Governance	<ul style="list-style-type: none"> Improved and renewed Supplier Code of Conduct
	<ul style="list-style-type: none"> Integrated reporting and ESG dashboard

Next steps to monitor


[Determined in KKR Value Creation Plan]

Company	ESG rating in 2022	Ambition for 2025
	<div>Integrated</div>	<div>Futureproof</div>
Summary of performance		
Teslin considers Accsys to be an impact investment. It is a frontrunner in its industry with a sustainable product proposition. The company is aware of all key material ESG themes, is engaged and reports extensively. Accsys could further improve by reducing its LTIF in “Employee Health & Safety” and reporting Scope 3 while also setting SBTi targets.		
Topic	Initiatives	
Environmental	<ul style="list-style-type: none">Increased renewable energy use to 63% from 39%	
	<ul style="list-style-type: none">Successful trial with new wood specie Taeda Pine	
	<ul style="list-style-type: none">Life Cycle Analysis of all acetic anhydride supply options	
Social	<ul style="list-style-type: none">Organized a Health & Safety month in Feb-23	
Governance	<ul style="list-style-type: none">100% of suppliers screened on ESG criteria	
Next steps to monitor		
[To be determined in 2024 engagement]		

Company

ESG rating in 2022

Ambition for 2025



Involved

Integrated

Summary of performance

Acomo has made steps in formulating a sustainability strategy by aligning its five strategic pillars to 16 material sustainability topics. The next phase would involve setting achievable targets within Acomo’s control that would allow investors to assess tangible progress. Furthermore, reporting scope 3 emissions will be mandatory and thus should be measured.

Topic	Initiatives
Environmental	<ul style="list-style-type: none"> Some decreasing share of certified products Measuring packaging volume of materials
	<ul style="list-style-type: none"> Reported on certified locations Introduction of Suntein ready-to-eat
Social	<ul style="list-style-type: none"> Increasing audits on social and environmental responsibility Increasing share of compliant suppliers with CoC
Governance	

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 2022

Ambition for 2025

BeterBed

holding

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
Environmental	<ul style="list-style-type: none">Piloting electric delivery vehiclesGoal to recycle >95% of collected packaging
Social	<ul style="list-style-type: none">Increase internal promotions to 10% per yearContribution to healthy sleeping in society
Governance	<ul style="list-style-type: none">Strategic partnerships with suppliersCSR criteria in tenders

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%


COMPANY SUMMARIES

CM.com & Brill

A. ESG METRICS

B. DOCUMENTS

C. ONE-PAGERS

Company	ESG rating in 2022	Ambition for 2025
	Involved	Futureproof
Summary of performance		
CM.com is currently rated as “Involved”, having ESG initiatives and a broad ESG strategy in place. Several important KPIs are being measured and reported but this should be expanded further. Subsequently, annual KPI targets for all material themes would promote CM.com to “Committed”, while progress across KPIs is needed to achieve the 2025 “Futureproof” target.		
Topic	Initiatives	
Environmental	<ul style="list-style-type: none">Carbon footprint measurement (NL operations)	
Social	<ul style="list-style-type: none">Female Leadership, no pay gap in hiring, SRIO	
	<ul style="list-style-type: none">Periodical security and privacy training and checks	
Governance	<ul style="list-style-type: none">Achieving a silver medal according to Ecovadis	
	<ul style="list-style-type: none">Publicly disclosed client cases	
Next steps to monitor		
<ul style="list-style-type: none">Carbon footprint measurement, targets and reporting for the entire operations		
<ul style="list-style-type: none">Renewable energy production and Energy consumption measurement and reporting		
<ul style="list-style-type: none">Wider reporting on talent management and related KPI’s; explanation and targets on employee satisfaction		
<ul style="list-style-type: none">Concrete ESG targets in remuneration; supplier and purchasing policy disclosure, reporting risky client exclusion		

Company	ESG rating in 2022	Ambition for 2025
BRILL	Involved	Integrated
Summary of performance		
We continue to set Brill’s ESG status on Involved as the company is still not disclosing KPI measurements on relevant themes such as Energy & Carbon and Data Security and Privacy. To move to Committed, Brill needs to extend their reporting on key sustainability themes and respective KPI’s, as well as related targets.		
Topic	Initiatives	
Environmental	• Scope 1-3 emissions measurement and insight	
Social	• Pay ratio monitoring and reporting	
	• Investment in Open Access	
Governance	• Security measures and communication on risks	
	• Management Board meetings on compliance	
Next steps to monitor		
• Target setting scope 1-3 carbon emissions measurement		
• Growth of Open Access program across the board of the scientific publishing program		
• Implementation of double materiality matrix as part of CSRD initiatives		
• Improvement of DEI across Brill’s editorial boards and authors		

Company	ESG rating in 2022	Ambition for 2025
	<div>Involved</div>	<div>Integrated</div>

Summary of performance

Due to its role in facilitating electric public transport, Ebusco’s license to grow is positive. Ebusco has also performed its first double materiality assessment to further shape its ESG-strategy. Ebusco should set clear and ambitious targets for the medium and long-term. Monitoring and setting targets on scope 3 emissions will be one of the clear priorities.

Topic	Initiatives
Environmental	<ul style="list-style-type: none">Ground-breaking 0.7 kwh / km for the Ebusco 3.0Collaboration with suppliers/experts on battery reuse
Social	<ul style="list-style-type: none">Engagement with third-party plant on health & safetyUse composite material; end-to-end QC measures
Governance	<ul style="list-style-type: none">Use of cobalt-free batteriesStakeholder dialogue for materiality assessment

- Next steps to monitor**
- Perform and publish materiality analysis in Ebusco’s 2023 Annual Report
 - Develop a Value Creation Analysis for Ebusco’s business model
 - Publish an LCA on the Ebusco 3.0 (12m & 18m) based on research by TNO
 - Publish tangible targets on selected ESG KPIs

Company	ESG rating in 2022	Ambition for 2025
	<div>Reactive</div>	<div>Integrated</div>

Summary of performance

HyET Solar is still in an early phase of development as a company, which causes it to have little information on its ESG positioning. The impactful business proposition offers a good base to become a strong ESG performer, but first, ESG KPIs have to be monitored and a strategy has to be formulated (incl. targets).


Topic	Initiatives
Environmental	<ul style="list-style-type: none">R2R production method and business propositionClaim of no scarce material use
Social	<ul style="list-style-type: none">Claim of no toxic material useGlobal pilot projects
Governance	<ul style="list-style-type: none">Sustainable business proposition

- Next steps to monitor**
- 2024: Product lifecycle assessment
 - 2024: Product recyclability assessment
 - 2024: HyET Solar will set up a ESG roadmap together with an external consultant by end of 2Q23

Company

ESG rating in 2022

Ambition for 2025



ICT GROUP

Making the world a little smarter

Committed

Integrated

Summary of performance¹

ICT Group has undergone improvement concerning the theme “Energy & Carbon” by executing a Scope 3 assessment and formulating a carbon reduction roadmap for Scope 1, 2, and 3. The company has to demonstrate further progress by reducing emissions as well as consider Science-based targets to move up to “Integrated”.

Topic	Initiatives
Environmental	• Complete Scope 3 assessment for carbon emissions
	• Use of 100% renewable (green) electricity in all offices
	• Use of 100% renewable (green) electricity for EVs
	• Participant in multiple industry initiatives for climate change
	• Renewed mobility policy with aim of only leasing EVs by 2025

Next steps to monitor

- Explore the option of Science-based targets in the future
- Electrify the company fleet to reduce carbon emissions
- Improve data quality of carbon analyses (with supplier-based data)
- Install heat pumps in offices to reduce natural gas use

Company

ESG rating in 2022

Ambition for 2025

KENDRION

Integrated

Futureproof

Summary of performance

Kendrion has formulated 2023 targets in its 2019-2023 target framework and publishes progress on an annual basis. A new 2024-2028 target framework will be launched in 2024. ESG performance could be improved by monitoring Scope 3 emissions in “energy & carbon” and improving “product lifecycle” and “employee H&S” metrics.

Topic	Initiatives
Environmental	<ul style="list-style-type: none"> 15% relative reduction by the end of 2023 At least 25 implementation audits annually
	<ul style="list-style-type: none"> 5S methodology to H&S; audits verifying compliance Global ISO 9001 certification
Social	<ul style="list-style-type: none"> Global Legal Compliance & Governance Framework Decrease exposure to combustion engines
Governance	

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
- Meeting of 2019 ESG plan targets

¹ ICT Group has recently become a private company and is assessed once every two years concerning all of its ESG themes and once a year for its focus theme: “Energy & Carbon”

Company

ESG rating in 2022

Ambition for 2025



Committed

Integrated

Summary of performance

We believe Nedap should be rated as Committed in 2023. The company has intensified its efforts by formulating a sustainability strategy that includes objectives and targets on core themes for 2025 and 2030. However, Nedap could sharpen its long-term objective by measuring its scope 3 emissions and develop a carbon footprint roadmap.

Topic	Initiatives
Environmental	<ul style="list-style-type: none"> Commitment to become net-zero in 2030
Social	<ul style="list-style-type: none"> Nedap Masterclass, Nedap University
	<ul style="list-style-type: none"> ISAE3402/ISO27001/NEN7510
Governance	<ul style="list-style-type: none"> Code of Conduct and yearly audits to promote CSR
	<ul style="list-style-type: none"> Increase efficiency in global livestock processes


Next steps to monitor

- Provide information on Nedap’s efforts to reduce Scope III Emissions
- Provide roadmap for the reduction of internal carbon emissions
- Publish results from the employee engagement survey
- Provide more information on the emissions of Nedap’s products through product life cycle analysis (LCA)

Company

ESG rating in 2022

Ambition for 2025



Committed

Futureproof

Summary of performance

NX Filtration has improved efforts in reporting on KPIs. Next steps include expanding the range of KPIs, publishing concrete targets on defined material themes, and demonstrating tangible progress thereon. This is especially of importance regarding the themes ‘Talent Management & Retention’ and ‘Supply Chain Control’.

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

Next steps to monitor

- Tangible progress on ESG agenda in 2023 annual report
- Full project with PWC to determine which ESG KPIs the company will report on
- Will record and reduce their key waste streams in the mega factory
- Will start Employee Satisfaction Surveys (MTO)

Company

ESG rating in 2022

Ambition for 2025

TKH GROUP

Committed

Integrated

Summary of performance

TKH demonstrates strong commitment towards ESG and is delivering on its targets set in 2021. TKH could further improve its ESG performance by setting (SBTi) targets on Scope 3 emissions and reporting on supplier audit practices (and related targets). We also believe that an ambition to be Futureproof in 2025 is not realistic considering TKH’s activities.

Topic	Initiatives
Environmental	<ul style="list-style-type: none"> Started measuring Scope 3 emissions
	<ul style="list-style-type: none"> Active waste reduction strategy
Social	<ul style="list-style-type: none"> ISO 45001 across all production locations
	<ul style="list-style-type: none"> (Strategic) suppliers audited every 2 years
Governance	<ul style="list-style-type: none"> Updated ESG policy in 2022

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 2022

Ambition for 2025



Committed

Integrated

Summary of performance

TomTom has a wide range of ESG initiatives in place, as well as a sustainability strategy (incl. KPIs and targets). However, significant progress is yet to be observed, especially regarding energy & carbon and talent management & retention, which puts it at ‘Committed’.

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

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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