

ERIKS **sustainability report** **2021**



ERIKS

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Unlocking the **ecosystem** **potential**

Stepan Breedveld

— CEO, ERIKS

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ERIKS is uniquely positioned to bridge key players, such as our customers and our 20,000 suppliers, to **work together for a better tomorrow.**



Stepan Breedveld

— CEO, ERIKS

I take sustainability personally

To achieve a more sustainable world for generations to come, sustainability must be a personal goal for all of us. At ERIKS, sustainability is high on our agenda, and we focus on these three pillars: safety, diversity and inclusion, and carbon reduction.

It all starts with the safety of our people. Our priority is to get them home safe – every single day. I am proud to share that, for the fourth year in a row, we recorded zero life-changing incidents in 2021 and an incident rate that was 50 percent below target.

We are also strongly committed to making ERIKS a truly diverse and inclusive workplace for everyone. Our goal is to ensure women hold 25 percent of our leadership positions by 2030. In 2021, we reached 19 percent, an increase of 3 percent on the previous year.

We are also moving our culture of inclusion forward through dedicated activities throughout the year. These four key moments are open to all employees: International Women's Day, Inclusion Week, Pride@ERIKS and Movember.

Supporting the transition across industries

Industries are at a crossroads. In every discussion I have with our suppliers, customers and partners, sustainability and circularity are high on the agenda. Sustainability is no longer optional, and ERIKS is here to support and enable their transition to be more sustainable – and this is true for every industry. If we look at the oil and gas industry, for example, societies cannot immediately cease the consumption of oil and gas. Instead of moving away from these industries, we choose to support these industries as they reinvent themselves and become more sustainable. We are also investing in specialism in sustainable energy resources, such as wind energy and hydrogen, to help industries achieve their carbon reduction ambitions and their transition to circularity – and we are already seeing promising results.

**Stepan Breedveld**

— CEO, ERIKS



Sustainability is a key business driver

As a leading specialised industrial service provider, we have the knowledge, both on application and product specialism, to help our customers achieve their sustainability goals. Our energy efficient motors, and steam trap and pneumatics surveys offerings are fitting examples of how we can enable our customers to realise major energy savings. And, at the same time, strengthening their contribution to global efforts to reduce energy consumption and CO₂ emissions. In addition, we are proud creators of sustainable innovations. One example is our Smart Asset Management platform, which notifies customers when maintenance is needed. They can stay one step ahead of breakdowns, increase uptime and significantly reduce spare parts wastage due to unnecessary maintenance. These specialised offerings are examples that highlight how we apply our business strengths and knowledge to make industry work better. In this case, better means helping our customers become more sustainable and efficient.

**Stepan Breedveld**

— CEO, ERIKS

Impact through unlocking the ecosystem potential

Systematic change for a sustainable world can only be met if we all work together. ERIKS is uniquely positioned to bridge key players, such as our customers and our 20,000 suppliers, to work together toward a more sustainable supply chain. Together with our specialised industrial service knowledge and guided by our new Sustainability Strategy, we are gaining traction in our collaboration with customers, suppliers and partners to improve the sustainability of the full value chain (ecosystem). This ambition starts with us! We are adamant about reducing our own footprint: we're cutting our energy consumption and electrifying our fleet to realise a 30 percent CO₂ footprint reduction by 2030.

Sustainability is not an add-on at ERIKS. As we develop and strengthen in the sustainability advisory domain, we are working to fully integrate sustainability into our future value proposition. We have a great strategy, the know-how and the network to do so: it is an exciting time for ERIKS, our customers, suppliers and partners. Because we can, and because we must – our new Sustainability Strategy enables us to act on our courage to care for generations to come and make industry work for a better tomorrow.



Sustainability is our short- and long-term priority

Ricardo Kandelman

— Board Member, SHV Holdings [ERIKS' parent company]



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I see sustainability as how you make societies – and companies within societies – more sustainable over 25, 50, even 100 years. It's not always so obvious how to get there and **we have many challenges to solve.**



Ricardo Kandelman

— Board Member, SHV Holdings

Equality is a precursor to sustainability

Solving fundamental issues around equality is a must before we can fully achieve sustainability. How can we ask someone to increase renewables, when their main concern is making sure they have enough food to put on the table for their family? **In other words, to have societies that are sustainable over time, we need to solve some problems like inequality first.**

Incremental change

We need to remember that becoming sustainable is not a quick process. Those companies that approach sustainability as a short term reaction to a push from governments or consumers run the risk of 'greenwashing.' We recognise that we don't want to leave all action to the next generation but, equally, we know that we won't solve sustainability in days, weeks or months.

How you solve sustainability challenges over the long term is if you do bit by bit every day. Be realistic about what we can and can't do. Our approach is to get real and say 'This is what we can do by these milestones.' And really do what we set out to do. Push it. Invest in it. Measure it.

In real life, this means we need executives to be thinking: To achieve our goals, this is where I need to invest, these are the people I need on my team, these are the concrete next steps I must take.





Ricardo Kandelman

— Board Member, SHV Holdings

Sustainability supports business outcomes

Some people think sustainability will hurt their business. They think that it's not really compatible with certain business goals. We need to work with our customers and suppliers to help create a new understanding around sustainability. With our innovative and impactful products and solutions, we need to show them that sustainable alternatives can have a positive effect on the bottom line.

We want our customers and suppliers to be able to say: ERIKS helped and inspired us to be better than before.

Leading by example

We will not have credibility if we do not lead by example. Within our group, we aim to make sustainability a part of every conversation. We support it at the highest level and it's also reflected in our purpose: *Courage to care for generations to come.*

We want to empower all our people to have the courage to advocate for what needs to be done. From the start to the end of the value chain, every step of the way, we need to push for change, whether it's CO₂ emissions or human rights issues. Have the courage to lead by example.





Who **we are** and what **we stand for**

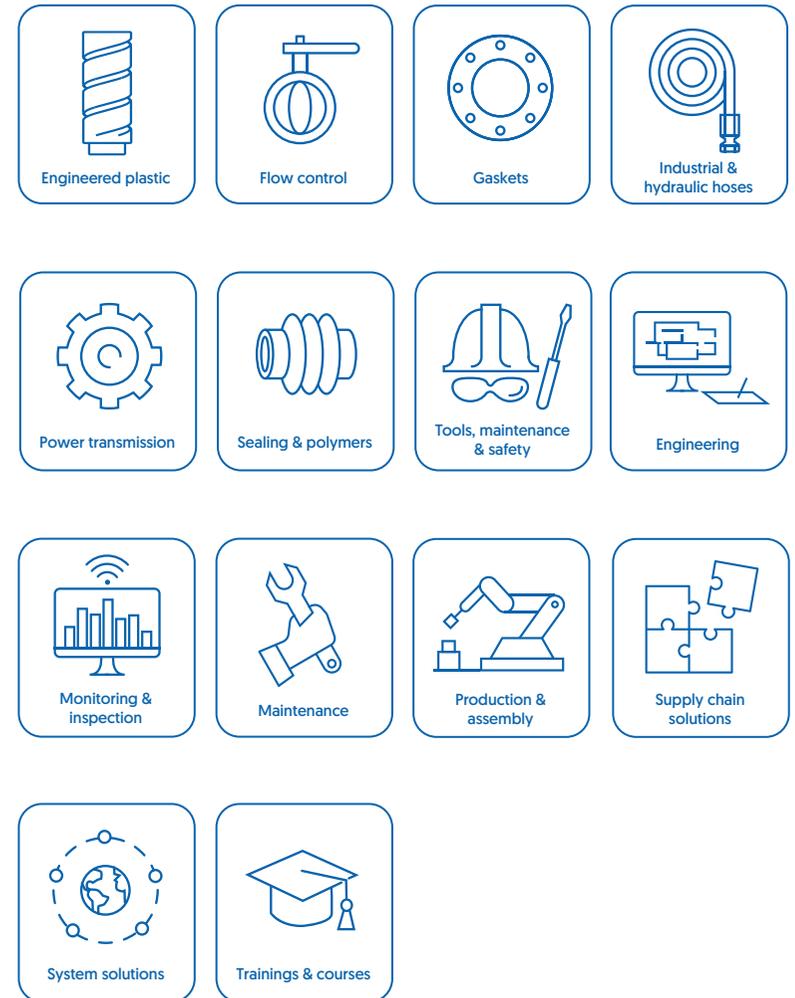
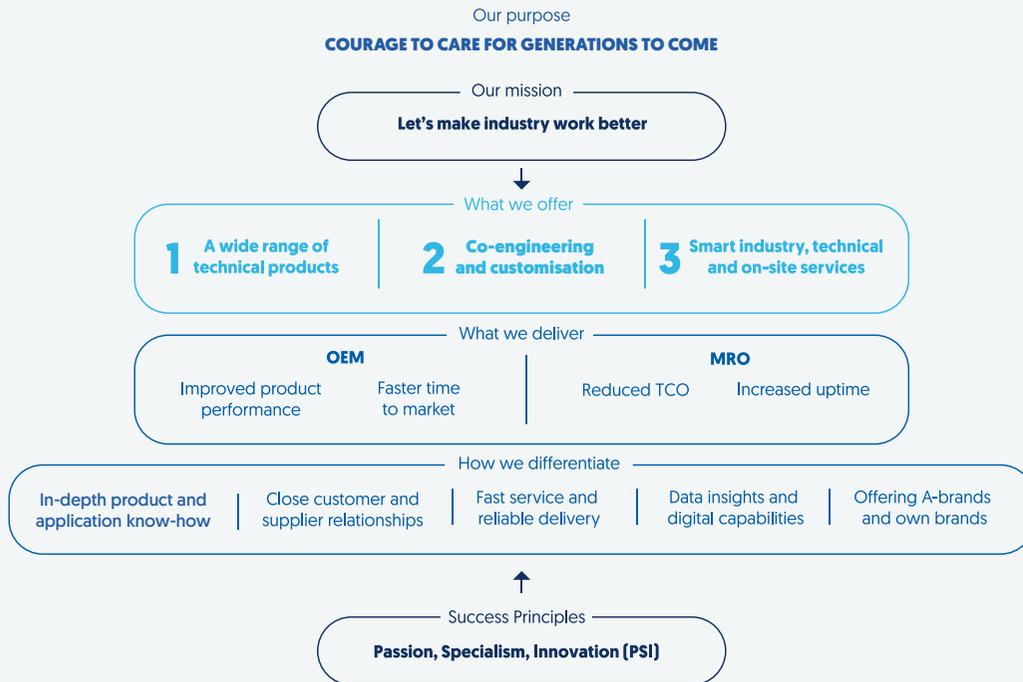
ERIKS is a specialised industrial service provider that offers a wide range of technical products, co-engineering and customisation solutions, as well as related services. We help customers in a variety of industrial segments to improve their products' performance and reduce their total cost of ownership.

Our technical know-how is the basis of our specialism. Over the past 80 years, we have built up a deep level of expertise around each of our products and services. We supply both A-brands as well as our own ERIKS products. A strong focus on digitalisation and data insights allows us to develop new services and improve processes for our customers.

At ERIKS, we stand for doing good business. We value long-lasting relationships with all our stakeholders, we conduct business in a fair and transparent way, and we set out every day to contribute to a better and more sustainable society.

ERIKS is part of SHV, a family-owned company founded in 1896 that consists of eight group companies.

Our products and services



Industries we support



We are working on doing what we do best even better! Sustainability is central to this because our customers and planet demand it. And, because fundamentally, 'better' means more sustainable.

At ERIKS, we believe that the biggest impact we can have – and the North Star of our Sustainability Strategy – is to make industry more sustainable by helping our customers and suppliers move towards more sustainable solutions.

We also can't lose sight of what we can do ourselves at ERIKS. The good news is that we have already realised some of our sustainability goals, like reaching our previous sustainability targets and committing to these UN Sustainable Development Goals: Goal 8 [decent work and economic growth], Goal 13 [climate action] and Goal 17 [partnerships to achieve these goals].

We now want to take our impact to the next level.

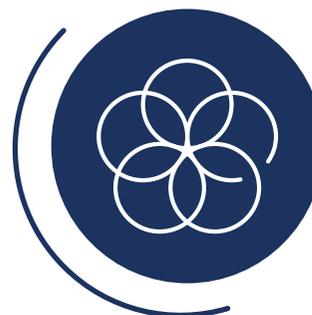
In this sustainability report, you will discover more about what we are already doing and what we have undertaken to do next.



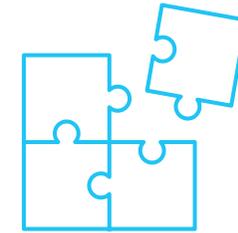
8. DECENT WORK AND ECONOMIC GROWTH



13. CLIMATE ACTION



17. PARTNERSHIPS TO ACHIEVE THESE GOALS



Together we can do better

To achieve a sustainable future we must work together to solve challenges, and luckily that happens to be what ERIKS is good at. For decades, we have been working together with our suppliers and customers – unlocking the potential of our entire ecosystem – to make industry work better. This work will continue as we focus every day in every way on making industry more sustainable.

We recognise that customers are also looking to start-ups and other experts to tap their specific areas of expertise and their innovative ideas. Therefore we will collaborate with other companies, individuals, start-ups and scale-ups to leverage their skills and know-how.

Given our already close relationships with many different companies that are working to solve sustainability challenges in all kinds of new and exciting ways, we are well placed to connect companies when there is an interest or a need.



Looking ahead:

Our **Sustainability** Strategy

ERIKS serves industrial customers that are responsible for 20 percent of global emissions and that consume 54 percent of the world's energy sources (World Economic Forum, March 2022). Therefore, if we talk about making the world more sustainable, we believe that we can have a real impact.

In 2021, we developed a new Sustainability Strategy that builds on our strengths. As a part of SHV, we want to embody its purpose of **Courage to care for generations to come**. And SHV's long-term approach allows us to focus on true impact.

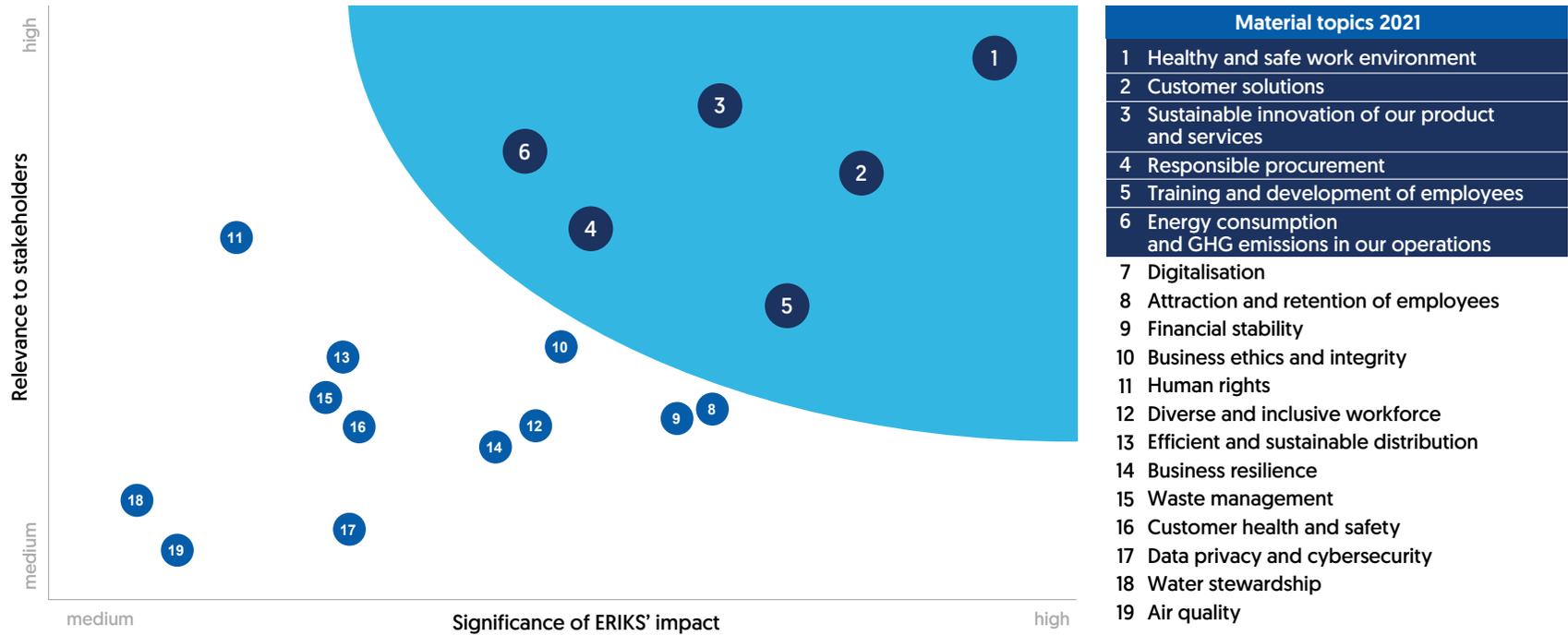
At ERIKS, we are committed to helping industry become more sustainable, in a way that resonates with our mission. Let's make industry work better. For some time now – but even more so into the future – better means more sustainable. From our purpose and mission we have defined our ambition: **Industrialise Sustainability**.



Meeting stakeholder expectations

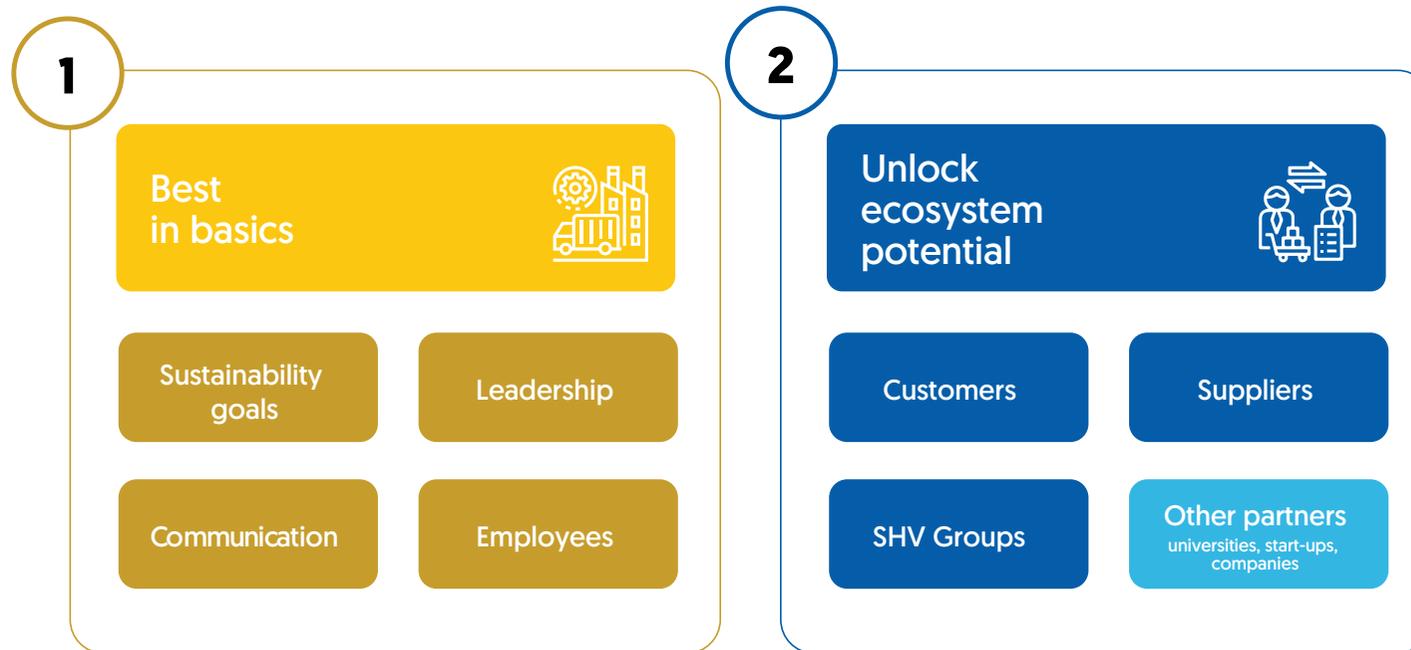
The ambition to Industrialise Sustainability is the result of our 2021 Materiality Assessment, an assessment involving customers, suppliers, employees and our owner (SHV).

The six sustainability topics prioritised are those where ERIKS can – according to our stakeholders – have the most impact. Notably, two of the topics highlight the impact we can create for our customers via our Customer Solutions and our Sustainable Innovation offerings.



Our Sustainability Strategy is derived from the above six material topics and consists of **two building blocks**:

Become the **best in the basics** and **unlock our ecosystem potential** by activating our people, know-how and experience to make meaningful contributions to sustainability.



By integrating sustainability into all our business propositions and working together with our customers, suppliers and other teams, we combine our energies to really make industry more sustainable.



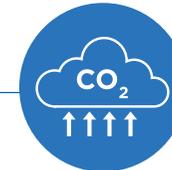
Our Sustainability Strategy is fully aligned with our business strategy. Sustainability is not an add-on to what we do, it is part of what we do. Although there are new capabilities we will be adding, the core of what we do and have been doing for years is making industry work better. By optimising processes and applications, and improving efficiency, we are helping our customers become more sustainable.

Our sustainability KPIs

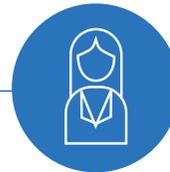
To achieve our overall objectives, we have set ourselves these specific, measurable targets:



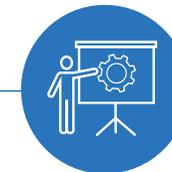
Zero
life-changing incidents



30% less
CO₂ emissions by 2030



25%
of ERIKS' leadership
to be women by 2030



80%
of workforce trained in
sustainability by 2025

Our achievements

In order to be a credible partner to our customers we need to make sure we can showcase our own sustainability credentials. Although our work is far from done, we are proud to say that we have the following certifications and ratings so far:



ISO 9001
Quality



ISO 14001
Environmental



ISO 45001
Occupational
health & safety



Ecovadis Rating

We are in a
unique position
to have an
out-sized impact

While most companies can only really control their own environmental footprint, we are in the unique position to also help transform entire industries – industries that are significant global contributors to natural resource use and greenhouse gas emissions. We will do both. We will continue to work on ourselves and we will also help transform whole industries to become more sustainable – one customer at a time.

In the next sections, we will dive in and show you what we are already doing and what we plan to do next when it comes to the six priority areas identified during the Materiality Assessment.

Health and safety is our top priority



Estelle Vorburger

— Global Quality & Safety Director, ERIKS

We are absolutely committed to making sure our employees, customers, suppliers and contractors are **safe at work.**

When we asked our customers, partners and our people what their top priorities are, health and safety was at the top of the list. This underscores the importance of our long-standing commitment to a **healthy and safe work environment**.

Key achievements we're proud of for 2021:

The most important: 0 severe injuries or fatalities in 2021

Our Total Recordable Incident Rate target was <0.6 and we achieved 0.3 [TRIR is calculated by the number of safety incidents multiplied by 200,000 then divided by the total number of hours worked in a year.]

The number of safety visits by management was above target [447 vs. the 413 target]

1 Health and safety is our top priority



Zero = Hero

Our primary safety campaign, Zero = Hero, was introduced in 2016 and is now firmly established across all our regions. As part of this, our 2030 goal is zero life changing injuries at ERIKS. Most importantly, in 2021 we achieved just that. This is a reflection of the continuous care and attention

Dedicated safety personnel

The nature of our business inevitably creates health and safety risks. To limit these risks as much as possible, we have a robust health and safety management structure, including dedicated Health and Safety, Environment and Quality (HSEQ) Managers and other safety professionals. They share information and safety alerts, and report directly to the ERIKS Management Board.

Safety training

With around 6,000 employees to inform and involve, effective safety education is a gradual and ongoing process. In 2021, we noticed an overall improvement. This is not a reason to be complacent. We know that complacency can lead to an increase in accidents, giving us all the more reason to double down on safety training. Remember, making our business safe is a matter of personal responsibility for each and every one of us.

1 Health and safety is our top priority

8 Life-Saving Rules

In 2021, our 6 Golden Safety Rules were replaced by 8 Life-Saving Rules. These are the core behaviours we expect all employees and visitors to adhere to:

<p>1 I will never work under the influence of alcohol or drugs. </p>	<p>5 I will only undertake work for which I am trained, competent and authorised. </p>
<p>2 I will never walk, stand or work under a suspended load. </p>	<p>6 I will always ensure that all energy sources are safely isolated before commencing work. </p>
<p>3 I will never misuse or tamper with safety controls or equipment. </p>	<p>7 I will always properly wear the personal protective equipment required for the job. </p>
<p>4 I will never work at heights without following proper fall protection practices. </p>	<p>8 I will always operate mobile equipment and vehicles in a safe manner and follow the rules accordingly. </p>

Safety Leadership Essentials Training

In 2021, our Leadership Essentials Training focused on how to become a company where safety is a core value, where the leadership is accountable and where everybody is responsible for their actions.

Our Safety Leadership Essentials Training ensured that all tiers of management have a clear understanding of how they can help create a more proactive safety culture.

In addition, we have introduced a programme to ensure that senior leadership is more visible and that their presence is felt on health and safety issues. Senior leaders have been carrying out site visits – 447 safety visits were performed in 2021 – and contributing to local meetings to demonstrate the high priority we place on safety.

Web-based health and safety reporting

Our web-based application, Intellex, allows quick and easy reporting of near misses, unsafe situations and potential improvements. The system also supports safety inspections and audits. The application dashboard provides a real-time view of ERIKS' health and safety situation and makes it easier to investigate and track associated actions.

In 2021, 427 near miss events were reported demonstrating the attentiveness of our employees to safety issues. Let's keep going! Reporting a near miss helps prevent future accidents across our entire business.

Our customer-centric solutions

Capitalising on our specialism

As an industrial service provider we have deep-rooted product and application knowledge across multiple industries. This enables us to help our customers meet their specific product needs and co-develop products with them that are efficient, have a reduced total cost of ownership (TCO) and – last but not least – are more sustainable.

Our offering

A wide range of technical products.
Co-engineering solutions. Customisations.
Smart industry. On-site technical services.



The results

Improved sustainability by:

- Improved product performance
- Reduced total cost of ownership
- Increased uptime

2

Our customer-centric solutions

Helping our clients become future proof

Our goal is to use our solid market position and know-how to help our customers achieve their sustainability goals. To that end, we have created a wide range of solutions in the following areas of expertise:

- **Energy reduction:** We can help optimise motors, steam systems and pneumatic systems to reduce energy use and CO₂ emissions.
- **Circularity:** We work with our customers and suppliers to improve the circularity of the products ERIKS supplies.
- **Hydrogen:** ERIKS has a unique value proposition with a dedicated team that focuses specifically on the energy transition and keeps a close eye on developments in this area. Our benefits include engineering capacity, rapid prototype production and the right production facilities.
- **Smart Asset Management:** From a sustainability perspective, gathering and reviewing the vibration and temperature data of machinery helps reduce wear and tear. This can extend the machine's life and reduce energy consumption.
- **Energy audits by EM3 (our sister company)**
- **Emissions reduction via responsible procurement:** ERIKS has extensive knowledge about the products it supplies. We can make recommendations to customers regarding the environmental impact of some products so they can make an informed choice.
- **Online configuration tools for optimal (most sustainable) product selection:** Whether it's our TCO motor calculator, VibraConnect or our O-ring selector, we can help customers make more sustainable decisions.

2

Our customer-centric solutions

What are Sustainability Design Sprints?

A new approach to sustainability: working closely together with our customers to develop sustainable solutions for a specific problem.

With the wide variety of expertise we have, we have developed an innovative approach that helps our customers use all the skills and know-how ERIKS has in-house.

We do that via our **Sustainability Design Sprints** where we can help solve problems by visiting a customer's location with a team of experts – each with a different area of expertise and experience. We look for opportunities like removing bottlenecks and pain points, increasing efficiency and effectiveness, creating energy savings and improving site safety.

This pressure-cooker methodology has already led to impressive results for a number of clients.

Getting out of the traditional mode of thinking can bring new ideas to the surface. Here are just some of the tangible customer benefits:

- Access to the relevant experts from ERIKS
- Better understanding of sustainability opportunity areas
- Concrete proposals for making production and the supply chain more sustainable
- Insight into how to analyse potential opportunity areas, ideate on them and execute the improvements

We have run Sustainability Design Sprints for a variety of customers, including Heineken. If you are looking to improve sustainability in your company through a Sustainability Design Sprint, please reach out to us at sustainability@eriks.com

2

Our customer-centric solutions

Case study 1: Energy efficient motor case at a pharmaceutical company

ERIKS is driving several projects at a large pharmaceutical company's sites to help them reduce their energy consumption. Net zero impact on climate by 2030 is one of their sustainability goals. By helping them install more efficient motors and by optimising their steam and pneumatic systems, we can help them reach their goal.

Motor projects: ERIKS surveyed numerous sites in the UK to establish which motors need an upgrade to the high-efficiency IE3 or IE4 motors. A full TCO calculation was also delivered to help the company make an informed decision on motor replacement.

The TCO survey information has also been used to support their 'kaizen' events across several sites. Now, ERIKS together with the pharmaceutical company are rolling out this concept across their sites in Belgium and the Netherlands, with more to follow.

Air and steam: ERIKS' reliability engineering team also conducts air and steam leaks surveys across the company's sites. A full report of the survey is supplied to the customer along with the component parts needed to repair any leaks. The cost of each leak is also calculated for the next 12 months along with energy payback and CO₂ reduction calculations associated with the repaired leaks. .

ERIKS and the customer will now scale this approach to six other UK sites, further reducing their energy costs and environmental impact.

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The project and execution were pragmatic and straightforward. Given ERIKS knows our operation well, there was no involvement needed from our side to make this project a success.

– Director, Head of Environmental Engineering, pharmaceutical company

2

Our customer-centric solutions

Case study 2: Steam trap case at a large chemicals company

At a chemical company's plant in Amsterdam, steam is used to generate heat. When they are working properly, automatic valves, called steam traps, filter out condensed steam without letting steam escape. To ensure that steam energy is not wasted, it's critical to ensure that these steam traps are not faulty.

To solve this problem, the company turned to ERIKS. Working together, experts from ERIKS along with the customer's own maintenance engineering team completed the first steam trap survey at the plant. Using digital ultrasonic technology, it was identified that about 14 percent of the steam traps had a leakage issue. While this may not sound like much, industry benchmarks indicate that this issue could cost about 40 USD per tonnes of steam if left untreated. If fixed, the company could save about 84,000 USD per year!

In terms of sustainability, resolving this issue could reduce CO₂ emissions by more than 300 tonne per year.

What's more, replacing the faulty steam traps would only cost about 3,000 USD, which is money well spent given all of the benefits.

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The project was based on a pragmatic and straightforward approach. ERIKS' reporting was very informative and provided a sense of urgency in replacing the old steam traps.

– Project Lead and Maintenance Engineering Team Member, chemical company

ERIKS and the maintenance engineering team now have their eyes on several other initiatives that could help save both money and the environment.

2

Our customer-centric solutions

Case study 3: Hydrogen reduction line for Deep Branch

Deep Branch is a carbon dioxide recycling company that uses microorganisms to convert clean CO₂ and hydrogen into high-quality products like proteins that can be used in sustainable animal nutrition.

Deep Branch wanted to build a pilot plant to test production at scale. The customer's problem was that the hydrogen they wanted to use for the pilot came in at too high a pressure and was therefore unusable.

To solve the problem, ERIKS built an application that reduced the pressure of the hydrogen, and we delivered a pre-assembled, turnkey hydrogen pressure reduction set to the pilot plant.

The result? With ERIKS' solution, hydrogen pressure was reduced down from 120 Bar to the level that met the customer's requirements. That's not all, independent inspector, KIWA, approved the hydrogen reduction line so that it can be fully implemented.



ERIKS was professional and prompt throughout the entire project. They delivered an effective design for our technical challenge.

– Robert Mansfield, Chief Technology Officer, Deep Branch

2

Our customer-centric solutions

Case study 3 cont.

Because our hydrogen reduction solution is not widely available yet, we had to search for the right products, materials and instruments to make it happen. Luckily, coming up with new inventions and solutions is in our blood. We've been carrying out these kinds of projects for natural gas, air and nitrogen every day for decades. All of this experience gives us the know-how and confidence to track down the required components and dream up a new solution that helps solve a problem or bring a customer idea to life.

Our **vision** on **hydrogen**

Hydrogen is the most abundant element in our universe, and we can use it as an energy carrier to achieve completely green energy.

Implementing this technology is still a challenge, but our team of hydrogen specialists are working to solve it and bring this idea to life.

2

Our customer-centric solutions

Case study 4: Safety hose testing for Döhler Holland

A food manufacturer's worst nightmare is a hose breakage or hairline fracture. Why? Because bacteria can accumulate in small tears contaminating an entire batch of food and because hose rupture during the cleaning process (when a higher temperature, higher concentrate liquid passes through the hose) could cause a major industrial accident.

At Döhler Holland (a supplier of high-quality semi-finished food products), things like fruit juice concentrate are transported from tank to tank via food hoses. As one of the largest suppliers of natural ingredients in Europe, production is continuous and any stoppage costs money, product output and sometimes even scarce raw materials. This is why safety and quality control are top priorities at Döhler Holland.

To prevent hose-related issues, Döhler Holland relies on the ERIKS Field Service Team to closely inspect its hoses on site.

The sustainability angle is that, typically, hoses are replaced after a fixed period of time – even if they are still in good condition – but with ERIKS inspecting each hose its lifespan can be optimally utilised. As a result, Döhler Holland can avoid production disruptions while also getting the most out of each hose.



By inspecting the hoses, you can be sure that the hoses show no defects and are safe to work with.

– Philip Grootjans, Application Engineer Hoses, Accessories and Compensators, ERIKS

Sustainability innovations we're proud of

ERIKS is working every day on new products and solutions that help our customers achieve their sustainability goals. Here are just some examples.

Case study 1: Providing hoses for offshore wind farms

Although, in the past, oil and gas were the main sources of energy, now new alternatives are coming into focus. Wind energy is one such solution that is very exciting, and there are many innovations in this space. Globally, offshore wind capacity is expected to grow sevenfold in the next 10 years.

As a company, we are very focussed on the role we can play in the installation of offshore windmills, and how we can help our customers achieve faster and easier installation, and reduce the total cost of energy. New solutions are also required to help solve specific issues, especially as wind farms are becoming bigger and bigger.

Luckily, innovations are one important area where ERIKS can play a significant role. For example, we developed a unique, large-size hydraulic hose that meets the highest quality standards. These hydraulic hoses have a working pressure of 350 Bar (but are tested for up to 700 Bar), and the 3-inch hose has a length of 20 to 60 metres. The assembly process is automated with dedicated machinery and a reliable supply chain. Engineering support is also provided, helping to reduce damage during operations and minimising wear and tear.

ERIKS is supplying all the world's largest offshore drillers with these high-performance hoses. This helps our customers keep working on expanding – and adding windmill capacity to their offshore wind farms is something the world is in dire need of.

We are proud to play a role in offshore wind farm projects because harnessing the power of the wind is one of the cleanest and most sustainable ways to generate electricity.

3

Sustainability innovations we're proud of

Case study 2: Electric motor total cost of ownership calculator

The purchase price of a new electric motor and the associated repair costs don't tell the whole story when it comes to the true cost of an electric motor. The purchase price is just 1 percent of the total cost of ownership (TCO) while maintenance accounts for another 2 percent. The remaining 97 percent relates entirely to energy costs. For customers, it's worth weighing up the upfront as well as the long-term costs before making an investment.

ERIKS' TCO calculator takes into account all kinds of factors including operating costs, energy costs and CO₂ emissions.

The TCO calculator can help customers make a more informed choice, helping them save money and get the most out of each electric motor.

Since electric motors use 46 percent of the electricity generated worldwide, governments are introducing new rules. In 2023, the EU will introduce energy efficiency requirements for a wide range of motors and ERIKS is ready to help customers prepare for these changes.



Case study 3: Online vibration monitoring with VibraConnect

VibraConnect is part of the ERIKS Smart Asset Management system. With VibraConnect online vibration monitoring, a small sensor is installed to machinery (anything from pumps to conveyors) for early detection of any changes or wear and tear.

Machine vibration and temperature data are collected using state-of-the-art IoT digital technology and tracked in real time. Using AI, the data is automatically analysed and displayed on the customer's **ERIKS Smart Asset Management** platform. All information on the machine's current and historical condition, maintenance history, repair needs and its likely future condition are stored in one place.

VibraConnect helps customers with their overall asset management, enabling optimal maintenance planning, on-time procurement of spare parts, maintenance resource management, and the prevention of unexpected breakdowns and unplanned downtime.

A more efficient operation is a more sustainable operation because less energy will be used overall and parts can be used to the full extent of their life cycle meaning fewer replacement parts.

How we're achieving more responsible procurement

Laurens Schot

— Global Procurement Director, ERIKS



By looking at ways we can improve our supply chain, we can increase sustainability across the whole ecosystem and deliver improvements for our customers.

Procurement is a major aspect of our business and we spend over €1 billion with our suppliers every year. Part of being a sustainable business is influencing change. It is important that we encourage our suppliers to meet the same sustainability standards we set ourselves. By focusing on our supply chain, we can reduce risk to our business, develop a better supply chain and deliver improved solutions for our customers.

Encouraging our suppliers to follow our sustainability standards

Due to the nature of our business and global presence, our supply chain is very complex with over 20,000 suppliers globally. Our Supplier Code of Conduct is an integral part of contract templates and we check that our suppliers commit to it.

4

How we're achieving more responsible procurement

Supplier Portal

Our new Supplier Portal helps us gather all the relevant sustainability information on each supplier. This helps us make more sustainable choices because all supplier sustainability information is in the one place.

Leading the way for the whole industry

Our leading position in the industry compels us to lead the way when it comes to the other players. We are in close business relationships with both A-brands and our customers so inspiring them on a daily basis is one of our key purposes.

An important topic when it comes to sustainability is circularity, and the EU has shared its ambition to be fully circular by 2050. Given ERIKS' role in the ecosystem (distributor), we can play an important role in helping the industries we serve become more circular. We are currently working with a selection of suppliers to learn more about and create effective circular solutions.

Valuing our people: Employee learning and development

Vera van Vilsteren

— Global Learning & Development Manager, ERIKS



At ERIKS, we do our best to attract and keep the brightest talents in the industry. When they join us, we encourage and support them to develop both personally and professionally. We strongly believe that as we learn as individuals, we grow and improve as a company. By focusing on opportunities for continuous learning, we will continue to be a high-performing company that can truly make industry work better every day.

Growing together

The result of our Materiality Assessment also backs up our belief that the training and development of our employees is highly valued by all our stakeholders. We believe this is also one of the reasons why our people stay at ERIKS for an average of more than 10 years.

ERIKS has defined four learning and development principles that we operate from:

Learning for all: Everybody at ERIKS gets the opportunity to learn and develop.

Digital first: We want our people to be able to learn at the time, place and pace that suits them. That's why, where possible, we offer digital learning options, including online courses and live digital sessions on demand.

Self-directed learning: Our employees are the owners of their own development. We want to empower them to initiate discussions around learning, while managers are responsible for offering support and direction.

On the spot: When our people have a specific question, that is when they are most likely to learn and implement. That's why we want to make the learning opportunity as close to the need as possible.

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Valuing our people: Employee learning and development

Learning opportunities

- **LinkedIn Learning:** On-demand online learning (with over 15,000 courses) is available in English, German and French. So far, more than 4,000 hours of courses have been viewed.
- **Content promotion:** A monthly newsletter is sent out to promote and recommend learning content. In 2021, we achieved an 80 percent activation rate showing that our people are taking advantage of this learning opportunity.
- **Manager's Essentials:** Three modules were launched in 2021 to help ensure managers have the skills they need to bring out the best in their employees with a focus on creating avenues for valuable conversations.
- **Step-by-step guides:** We provided one-pagers for all parts of the performance management

Diversity and inclusion

Growing personally and professionally is, for us, inseparable from feeling valued, so we are deeply committed to realising a balanced, diverse and inclusive workplace.

We aim for 25 percent of ERIKS leadership positions be held by women by 2030. In 2021, we achieved a 3-point increase on the previous year and we expect that our investment in this area will continue to have a positive impact on our progress.

Along with this goal, we have a strong focus on measuring the processes around the gender of our talent, including promotion rate, hires and exits. For example, in 2021, 27 percent of our leadership position new hires were female.

Additionally, we are improving our culture of inclusion through dedicated activities that are open to all employees during four key times of the year: International Women's Day, Inclusion Week, Pride@ERIKS and Movember. During these moments we focus on raising awareness on key topics that support our Diversity and Inclusion Strategy, including unconscious bias.

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Valuing our people: Employee learning and development

Listening to our people's voices

Every other year we conduct an employee engagement survey. Our recent survey saw almost 80 percent of our people responding, and each piece of feedback was important in formulating actionable plans to improve. We received positive feedback around our people enjoying working with their colleagues, finding their managers to be helpful and supportive, and believing ERIKS to be an inclusive, bullying-free workplace.

We are working together at all levels, from the front-line to the boardroom, on building on the things that already work well and improving those areas where we have fallen short. Based on the responses,

we know we need to do more around bottom-up listening, ensuring our people have the tools and resources they need to perform, and doubling-down on work-life balance.

Honesty and openness are highly valued at ERIKS. For this reason we have set up a whistleblower system, 'Speak Up', that enables employees to share their concerns on topics where they feel something could harm the company, a co-worker or themselves. This means – besides talking to their managers or HR – everyone can confidentially share anything they feel is not OK.

Reducing our energy consumption and greenhouse gas emissions



Ruben Janssen

— Global Sustainability Manager, ERIKS



We are on track to achieve our 2030 target of reducing our CO₂ emissions by **30 percent.**

Over the past year, we've made strides in further reducing our own energy consumption and greenhouse gas emissions.

We've also been holding workshops to find out what specific teams can do to contribute to our overall sustainability goals. And, this year, we will continue with e-learning opportunities so we can all better understand what exactly sustainability is and how we can all contribute to sustainability at ERIKS.

In order to further reduce our emissions and realise our overall goals, we will focus on these three key areas:

1. Further electrification of our fleet

Our car fleet is a significant part of our total emissions. By switching to electric vehicles we will have a significant impact on our emissions. In Belgium, we will only add electric or hybrids to the fleet, and we will continue to evaluate whether we can make this happen in other countries as well. Keep in mind, an important factor is the charging infrastructure in a country; better infrastructure makes the switch easier.

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Reducing our energy consumption and greenhouse gas emissions

2. Switching to green electricity where possible

We have switched almost all of our operations to run on green electricity, except for our operations in France and APAC (China, Malaysia and Singapore). We are now looking into switching these countries to green electricity as well.

3. Focusing on energy reduction at our sites

Energy saving initiatives include the use of LED lighting, solar panels, heat pumps, smart metering and electric alternatives where possible. We have also consolidated multiple locations to larger new facilities, which were designed with sustainability in mind. Our Ede facility has a BREEAM rating of Very Good and our Halle facility has been designed with the latest technologies.

We currently monitor and measure our direct emissions from ERIKS owned or controlled sources as well as our indirect emissions from the purchase of energy. At the end of 2021, ERIKS implemented a new reporting tool that provides more detail on how our environmental footprint reduction is going. This new tool will help us get 'reasonable assurance' on our environmental footprint data, which is required for a new EU legislation called CSRD (Corporate Sustainability Reporting Directive).



Sustainability is part of **every job, every day**

Dirk Balkenende

— R&D Manager at Sealing & Polymer and Director of ERT
(a rubber development and test laboratory, which is wholly-owned by ERIKS)

**One of our sustainability advocates shares how
sustainability is a part of every job, every day.**



Together we can make
our world **more sustainable**
and our company
more prosperous.



Dirk Balkenende

— R&D Manager at Sealing & Polymer and Director of ERT

■ TELL US ABOUT YOUR WORK

My team is responsible for rubber materials development, for testing, for complex product development (think seal membranes, anti-vibration mounts), for pilot production including statistical process control, and last but not least for rubber knowledge transfer because knowledge is a large part of the added value we give to our customers.

■ WHAT MISSION DID YOU JOIN ERIKS WITH?

I started at ERIKS with a personal mission to introduce state-of-the-art chemistry to the conservative rubber industry. I was fascinated by the large volume of fluorinated materials and, in particular, rubbers sold by ERIKS because, as a scientist, I understand the beauty of fluorine and its unique properties that make it unlike any other material.

■ WHAT'S YOUR VIEW ON THE SUSTAINABILITY IMPACT ERIKS CAN HAVE?

I am convinced that ERIKS, as an industrial service provider, can make a huge difference in both sustainability and in profits.

■ HOW DO YOU RECONCILE BUSINESS GOALS AND SUSTAINABILITY?

As a businessman I see high revenue. I see high margins. We operate in niche markets. But as a human, I understand we need to limit the production of 'forever chemicals' such as fluorinated rubber. And I see this as an example of my vision on millennial engineering leadership where you combine corporate social responsibility with sustainable profit growth.

■ WHAT EXCITING SUSTAINABILITY PROJECTS ARE YOU WORKING ON NOW?

We are bottom up exploring lots of ideas. Some terrible but some with great potential. For example, we are working to exchange chemically crosslinked polymers by physically crosslinked materials such as TPEs which will allow for recycling in the future.

We are implementing the results of a life cycle assessment by a Masters student who worked for us, to let our customers make better and more sustainable choices. And we are looking to exchange synthetic polymers for bio-based ones. Think polymers made out of sugarcane while retaining all of the usual properties and certifications.

Together we can make our world more sustainable and our company more prosperous. I count on you to join me!



This is
sustainability.
This is ERIKS



At ERIKS, we are proud to work to **create a better industry today** so we can all have a better life tomorrow.

Sampo von Raesfeld

— Global Innovation & Sustainability Director, ERIKS



Sampo von Raesfeld

— Global Innovation & Sustainability Director



If Shakespeare were alive today, he would be writing captivating stories about how people with extraordinary courage and character work together every day to save the human race and heal the planet. **This is ERIKS.**

Each and every one of us works every day to augment our capabilities, expand the purpose of the industries we serve and create shared prosperity.

We do this out of conviction. Our purpose comes from within. We do this together with our families, our communities, and the customers and suppliers we partner with.

We choose to be a responsible business each and every time. It is part of our core to shape the sustainability transformation of our whole supply chain and society more broadly by using fewer resources and wasting less.

This is sustainability.

Our efforts are primarily reflected in us leading by example. We go beyond responsible production by supporting our business ecosystem – in a way they understand – to help address issues around energy consumption, waste management, water treatment, circularity and social equity.

Sustainability is a systemic transformation that aims to create a more resilient economy while taking care of our planet and protecting the future of the humans on it.

In our mission, we at ERIKS address our industrial, technological, energetical and socio-political systems in a systematic way, aiming to become less resource intensive and to reduce our impact on climate change.

Our conviction and our inner drive allows us to create value out of our values. We do this because we understand that our business partners view us as fiduciaries of their business – and that, together with our product, application and distribution know-how, we are uniquely positioned to do so. This is a role we embrace in fulfilling our mission, to make industry work better.

At ERIKS, we are proud to work to create a better industry today so we can all have a better life tomorrow.

We are **shaping**
industries today
so our children have
a **better planet**
tomorrow

ERIKS

Key sustainability figures

2030 GOALS

 Safety	0 life-changing incidents		Total Recordable Incident rate (TRIR) per 200,000 worked hours	Recordable cases	Near misses	Severe injuries and fatalities	Recordable cases with lost time incidents (LTI)	Lost workdays as a result of LTI	Long term injured reserve (LTIR) per 200,000 worked hours	Safety visits by management	% completed H&S e-learning
		2021	0.3	21	427	0	16	394	0.4	447	93%
		2021 target	<0.6	No target	No target	0	No target	No target	<0.2	413	>95%

 Greenhouse Gas Emissions	30% reduction by 2030	Year	2018	2019	2020	2021		2030
		'000 tonne CO ₂ e	26	24	22	20		18
		% reduction vs. 2018	-	-5%	-13%	-24%		-30%

 Diversity	Females to hold 25% of leadership positions	2020		2021	
		16%	19%		

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