

Sustainability report

2021



**Passionate
about steel**

Sustainability Report

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Foreword

As a company, Smulders attaches great importance to innovation and technology. For many years, we have been a leader in the world of steel structures, also in the offshore wind sector. But we also want to build a sustainable future. For our company and the world.

Our sustainability report is not a ‘good news show’ and we communicate transparently on areas for improvement. We want our core business to be as sustainable as possible.

The past year was also largely dominated by the Covid pandemic with a major impact on everyone’s personal and social lives. On the upside, the sustainable aspect of the Covid crisis was also maintained.

Working from home has been an essential tool in preventing the spread of the virus. Consequently, commuting to work still remained rather limited.

In addition, virtual meetings were still preferred instead of travelling abroad each time. Far fewer kilometres were travelled by car or airplane compared to the same periods in 2019. In 2021, for example, we flew a total of 980,777 km compared to 1,338,321 km in 2020 and 2,731,690 km in 2019.

As in the previous year, this resulted in quite a reduction of our CO₂ transport emission. Combined with all the other actions, we accomplished a strong decrease, while still being on the same productivity level.

I would like to thank all the staff who contribute to achieving this vision every day.

Raf Iemants
Managing Director Smulders



“We communicate transparently on areas for improvement.”



WHO ARE WE?

About Smulders

Smulders is an international steel construction company with more than 50 years of experience. We are a solid and flexible partner in project management, engineering, assembly and surface treatment of mainly heavy, technically complex steel constructions.

We have more than 1,000 employees spread over branches in Belgium, the United Kingdom, Poland and India. Thanks to the location of our branches, we can usually rely on local workers, while also saving on unnecessary transport, which has a positive impact on our CO₂ emissions.



BELGIUM

- Smulders / Iemants (Arendonk)
- Willems (Balen)
- Smulders Projects (Hoboken)

UNITED KINGDOM

- Smulders Projects UK (Newcastle upon Tyne)
- SLPE (London)

POLAND

- Spomasz (Zary)
- Spomasz (Niemodlin)
- Spomasz (Łeknica)

INDIA

- Angus (Bangalore)

Our markets

Smulders realises unique and challenging projects in three market segments:

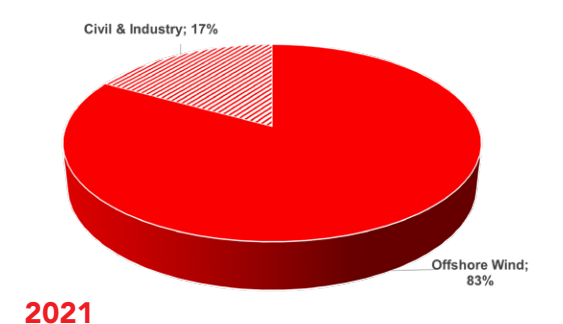
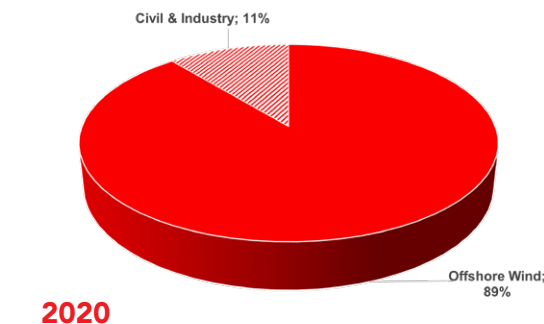
- Offshore Wind
- Offshore Oil & Gas
- Civil & Industry

In these three segments, the market share of "Offshore Wind" has decreased slightly. However, this sector does remain our most important market segment.

In Civil & Industry, we see an increasing demand for the renovation/replacement of bridges, which translates into an increase in market share from 11% to 17%.

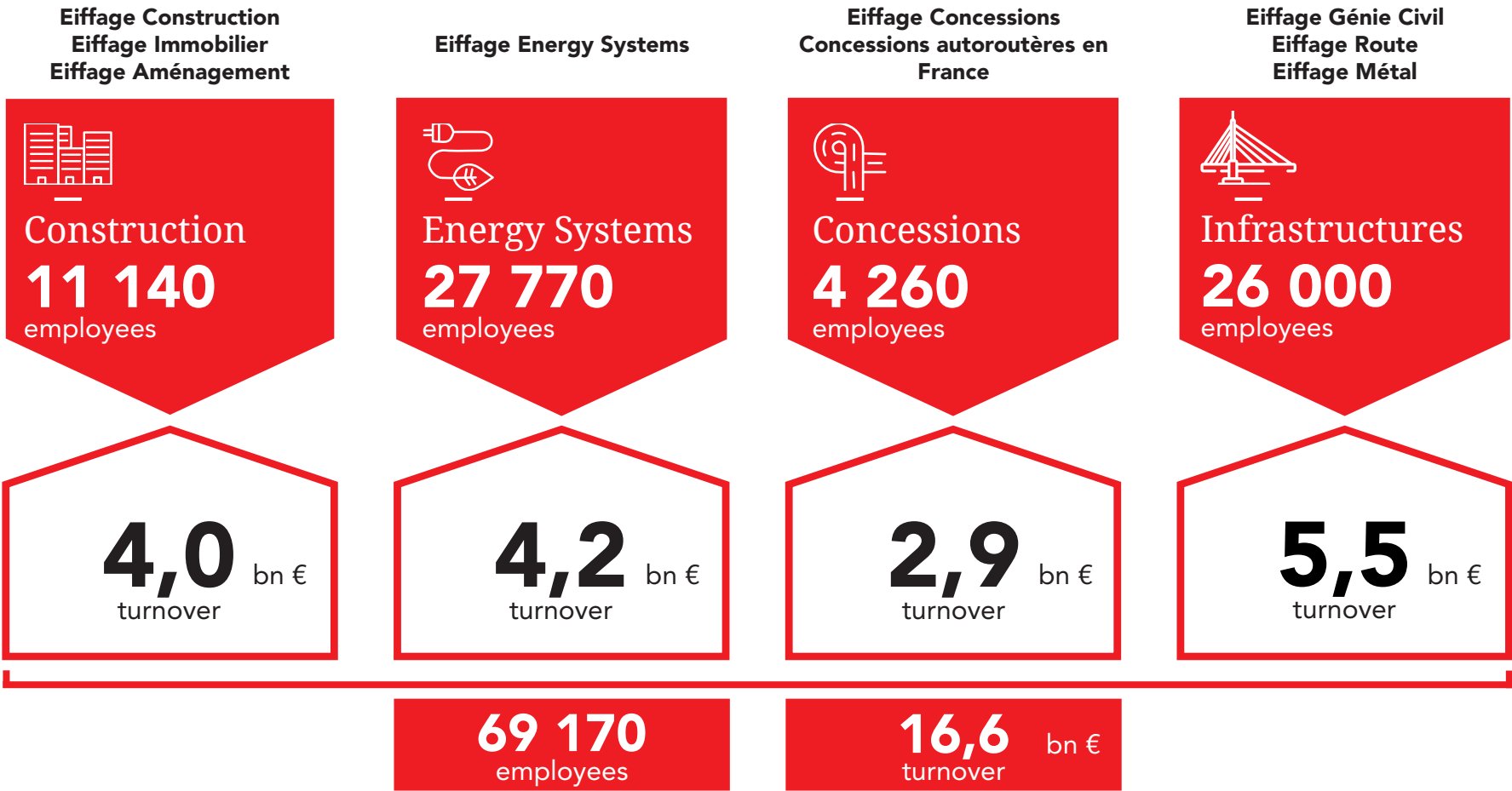
We are currently building several bridges: Rheinbrücke, Darmstadt, Henneaulaan and Clyde Crossing.

The demand from Offshore Oil & Gas has come to a complete standstill. We continue to actively monitor this market in view of the increase in decommissioning of old oil & gas structures.



The strength of a large group

We are part of Eiffage, a leading group in the European concessions and public works sector. The group operates through 4 business lines: Construction, Infrastructure, Energy and Concessions & Public-Private Partnerships. Smulders forms part of the Infrastructure branch.



Our values

Throughout the past decades our main goal has always been: “To make our client’s wishes reality”. Combining our passion for steel with our extensive expertise enables us to bring unique products to the market.

We create our products with utmost care and a keen eye for quality in constant proactive interaction with our clients. We stand out in terms of know-how and technical skills, but most of all because of our drive to fulfil the promises we make to our clients. Our reference projects around the world prove it. Simply because they were realised with a true passion for steel.

In recent years, we have made a strong commitment to Sustainability and we can proudly say that we are one of the pioneers. Sustainability is becoming increasingly important for our customers, even during the tendering phase, and will play an even greater role in the future. Thanks to our pioneering role and the actions we have taken, we have achieved excellent scores and we can be truly ‘on top of the game’.

All Smulders operations are based on our 4 core values: Decisiveness, Respect, Customer focus and Teamwork. These 4 values are the basis for success in realising our mission and vision.

Our mission

We also rewrote our mission in 2021:
“*Passionately creating complex steel structures by embracing unique expertise and innovation.*”

Our mission statement is now more focused on innovation, which we have been actively pursuing in recent years in several areas of our business. This focus on innovation can partly be attributed to sustainability. Just think of renewable energy sources, energy-saving measures, research into future low-carbon or even carbon-neutral alternatives, etc.

Our aim is to be fully CO₂ neutral by 2035. By the end of 2022, we will draw up a carbon-neutral plan for each site, which will specify the actions to be taken to achieve this objective. You will read more about this in the chapter on the CO₂ Performance Ladder.



SMULDERS AND SUSTAINABLE BUSINESS

Provence Grand Large
3 offshore wind floating foundations

Implementing strong systems, processes and good policies throughout the company has allowed us to manage our environmental impact and reduce our carbon footprint.

Smulders has long been committed to social engagement. For example, there is a long-standing cooperation with local schools, we support social projects and we make every endeavour to limit any negative impact on our neighbours (noise, smell, traffic, etc.).

Since 2014, Smulders has been focusing more on CO₂ management. Mapping out our energy consumption provides a clear picture of where the potential savings for our organisation lie. We use the CO₂ Performance Ladder, an instrument that supports companies in the reduction of their CO₂ emissions. You can find more about this in the chapter CO₂ Performance Ladder.

The reduction of CO₂ is only the tip of the iceberg when it comes to a sustainable policy. Since 2017, Smulders has therefore specifically focused on sustainability, initially via the CSR scan and later via the VOKA Charter Sustainable Entrepreneurship.

In order to grow faster in the area of sustainability, Smulders first appointed a sustainability ambassador at the end of 2018, and in 2020, we even found two new sustainability ambassadors. The ambassadors are the point of contact within Smulders for everything related to sustainability. They promote sustainability in all its facets, communicate progress and develop actions, whether or not based on the ideas of our own employees.

VOKA Charter Sustainable Entrepreneurship

Another route we are taking is that of the VOKA Charter Sustainable Entrepreneurship. VOKA Charter Sustainable Entrepreneurship, abbreviated as VCDO in Dutch, has been in place since 2016. With the VCDO, companies work, through a tailor-made action plan, towards managing their business in a way that is profitable for the company as well as for people and the environment. VCDO uses the 17 Sustainable Development Goals (SDGs) of the United Nations Global Compact as a guide. With over 12,000 participating companies from more than 160 countries, including Eiffage, the UN Global Compact is the largest voluntary corporate responsibility initiative in the world.

Smulders has been awarded SDG Pioneer by VOKA after 2019. This is the title you receive when you become a VCDO laureate 3 times within a period of 5 years and requires 10 actions from the action plan to be positively evaluated in at least 4 out of the 5 Ps (People, Planet, Prosperity, Peace and Partnership). In this period, you also carry out actions with positive results within each of the 17 SDGs. For this, Smulders received a UNITAR certificate from the United Nations in October 2020. The SDGs for which we took action in 2021 follow later in this report.



Ecovadis

Naturally, we have continued to focus on Sustainable Entrepreneurship since 2020. Our efforts were rewarded with a gold medal at Ecovadis this year for our Iemants facility. This places us in the top 5% of the more than 85,000 companies worldwide that have already been audited by EcoVadis. More than 600 multinational companies use the EcoVadis assessment to make purchasing decisions. In the petrochemical sector in particular, Ecovadis accreditation is becoming a minimum requirement for being allowed to carry out projects.

BBAE

Every two years, the VBO-FEB (Federation of Belgian Enterprises) organises the Belgian Business Awards for the Environment (BBAE). These awards are presented to small and large enterprises that contribute to sustainable development and also combine economic activity and environmental care in an innovative, intelligent way. In 2021, we participated for the first time and made the shortlist of 10 nominees.





Saint-Nazaire
80 transition pieces

THE FRAME OF REFERENCE

Smulders makes conscious choices to create value in a sustainable way in terms of the 5 Ps: People, Planet, Prosperity, Peace and Partnership. A strong interaction exists between these 5 factors and they also inspire each other.

We use two instruments for this: the VOKA Charter for Sustainable Entrepreneurship and the CO₂ Performance Ladder. As not everything can be covered in detail, we will briefly summarise what Smulders understands by sustainable business.



People

End poverty and hunger in all forms and ensure dignity and equality.

Involvement

We try to create involvement and awareness about the topic of sustainability. Employees can come to the sustainability ambassador with their sustainable ideas. Since September 2020, we have not one but two sustainability ambassadors who take care of communication, promotion of sustainability, communication on progress and setting up actions. Do you have any ideas or suggestions for improvement related to sustainability and would you like to get them to us? Then mail them to:

- sustainability@smulders.com
- duurzaam@smulders.com

We like to put our employees in the spotlight. In our magazine Passion, we interview several colleagues about our projects or about their passion, among other things.

Training

The focus within the Group is on its greatest asset: our employees. Training, coaching, communication, mutual understanding and personal growth should therefore be available to everyone.

In addition to the compulsory training courses, employees also have the opportunity to

request their own training, and within Smulders we encourage lifelong learning and attach importance to the careers of our employees. Internal entrepreneurship is highly valued, and our employees are given the freedom to choose their own pathway.

Every year, various training courses are held within our organisation. These training courses can cover the following topics: safety, quality, personal skills ... For example, the Observation Techniques training is organised for the management with practical exercises on the work floor. The aim is to carry out these observations on a regular basis, whereby the supervisor and management evaluate an operator and subsequently make a B-Safe tour of the department to look for positive and less positive findings. This training is part of the further development of the safety ladder.

Awareness Week

During our annual Awareness Week, we offer our employees the opportunity to attend various trainings. In the first place, the focus was obviously on safety, but a number of non-binding internal and external workshops were also organised, such as Mental Capital, Sustainability, Ergonomics in the Workplace, etc. A short session was also held to inform our employees

about our ethical values and principles.

Presentation techniques

Our supervisors from Belgium and Poland attended the ‘Presentation Techniques’ workshop for the first time this year. During this course, they learned to communicate more efficiently and clearly. After all, it is not always easy for everyone to convey the same clear message to a group. They received practical and useful tips to make toolboxes more interactive.

Safety

Small attentions

Colleagues in all branches are encouraged to report Unsafe Situations. The people who are often on the shop floor know best what can be improved. The figures show that this way of working has become an almost automatic reflex and there is an open reporting culture. At group level, 672 reports were made compared to 441 in 2020. More than 92% were resolved/adjusted within a (relatively) short period of time. Winners are no longer appointed by lottery, but after evaluation by a committee. As a reward, the cinema tickets were replaced by awarding SMILES, so that a useful gift can be chosen.

Balen and Newcastle without absences after workplace accidents

In 2021, Willems has reached the milestone of more than two years without a lost time accident for the second time. At the end of November, unfortunately, one lost time accident had to be recorded, but this is still an excellent performance.

In Newcastle, 600,000 hours were performed without any accidents. To reward the employees, they were treated to Fish & Chips.

Forward Together

The number of FOTO notifications (Forward Together) has also increased this year. 138 improvement projects were submitted, of which more than 50% were effectively implemented (in part or as a whole).

Compliments for the workshop

The FPS Welfare visits almost every year and concluded in early 2022 that they were very satisfied with the order, cleanliness, and organisation of the inspected workshops. A feather in everyone’s cap, for this can only be achieved by forming a united front. It is quite a challenge to never let your guard down, because an accident at work could happen before you know it.

And not just the authorities are so positive about our workshops: even one of our most important customers in 2021 (Tennet) regularly found it to be a pleasure to see our production teams at work (in a safe and well-organised manner).

Last year, Poland was also visited by inspectors from the Labour Inspectorate, the Sanitary Service and the State Fire Service. We scored very well on organisation, working conditions and compliance.

The commitment of our employees was particularly appreciated. During the behavioural audit of the Safety Culture Ladder, the auditors were pleasantly surprised by our employees’ awareness and knowledge of safety.

Our customers from Hollandse Kust Zuid, Baltic Eagle and Dogger Bank were impressed as well to see our production teams at work.

Safety Culture Ladder niveau 4

After an exciting and lengthy process involving all branches and some yards, we achieved level 4 on the Safety Culture Ladder this year.

The safety culture ladder is a standard which provides insight into an organisation’s safety awareness. It consists of 5 levels and each culture level is a development phase the company is in at a particular time. Level 4 means that safety is a priority in our organisation, that we dare to address each other when it comes to safety and that we work continuously on improvements and awareness. We are now eagerly working on the recommendations that we were advised to take on board. The inspection rounds, for example, will be done according to a new template, so that we focus on values and motivation rather than on tasks.

The most important thing is to ‘call each other to account for unsafe behaviour or actions’. This ensures the best and most efficient way to avoid accidents. And that, after all, is what it is all about: ‘going home in the same state as we arrived’...



The 5 levels of the Safety Culture Ladder

November Awareness Week

The annual safety week was renamed in 2021: Awareness Week. We organised a lot of actions, trainings, information moments and toolboxes in the framework of safety, well-being, environment and sustainability. In addition, several workshops took place, such as: ‘First Aid for Mental Problems’, ‘Ergonomics in the Workplace’, etc. In addition, an interactive workshop on Sustainability was held for the first time.

Safe@Work

In 2020, Smulders launched the Safe@Work platform. Employees are rewarded for safe behaviour, good safety results and initiatives. This is expressed in SMILES (Safety Makes It a Lot Easier) that can be exchanged for a gift on the platform. There are many categories to choose from with a clear emphasis on safety and on charities.

In addition, the platform also focuses on “Walk the Talk” and this is extremely important for the management. To earn their SMILES, they have to complete four additional safety tasks each month, such as an interactive toolbox, an inspection tour, a B-SAFE observation, a safety moment, etc.

Digital safety apps

By using an app, we save on paper consumption. Reports of safety risks and suggestions for improvement are recorded digitally, and the Be-Safe observation form was also replaced by the use of an app.

Team events

For years, a number of events have been taking place that employees have committed to, registered for or organised themselves. Colleagues motivate each other to sign up for these events. And that results in a larger group event involving many colleagues!

Holiday and Christmas drink

The Covid measures did not allow us to organise holiday drinks at our facilities. That is why we invited all employees of our Belgian facilities for a drink in the summer bar Hof ter Dorpe. Many colleagues came to Oud-Turnhout to kick off the holiday together. For the Christmas drink, an aperobox was again provided as an alternative.

10 miles

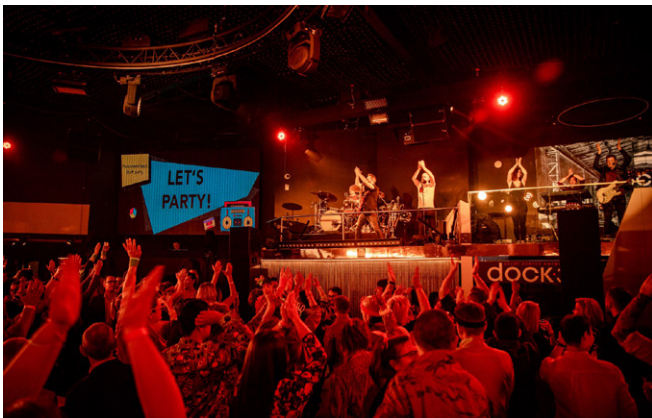
After more than 1.5 years, the 10 Miles run could be organised again in Antwerp. Some 40 Smulders colleagues and family and friends had registered and did their very best during the Alpro Kids Run, the Short Run and the 10 Miles.



Lots of colleagues, family and friends participated in the 10 miles.

Staff party

We had to postpone our staff party for a year, but on 16 October it was finally allowed to take place! We welcomed more than 500 attendees at Dock 3 in Antwerp, whether or not dressed up in our 80s theme...



More than 500 colleagues and their partners showed their best dancing moves during the performance of the cover band Level Six.

Charities

Make-A-Wish

By giving Easter eggs to our employees, we supported Make-A-Wish to make sick children dream and laugh and to help them.

Twerk

In 2021, Sinterklaas again found a lot of goodies at Twerk, a sheltered workshop that supports people with autism spectrum disorders with heart and soul.

Packed lunches ‘Solidarity Day’

On 10 September, we again participated in the ‘Solidarity Day’ in Arendonk. Iemants has been supporting this initiative for several years. Employees had the opportunity to order packed lunches, half of which were paid for by our company. Around 50 colleagues ordered a packed lunch. All of the proceeds went to Vibo De Ring, Vibo De Brem and Mekanders.

Red Nose Day

Our colleagues in Hoboken donated €1,000 to Red Nose Day. The proceeds this year went towards the creation of a Red Nose Academy: a brand new platform full of training and tools to empower students to discuss their problems.

Tablets for Healthcare

Also in 2021, patients in the hospitals could not receive any or few visits because of Covid. Digidak and Intracto therefore launched an action to collect 200 tablets so that the patients could stay in touch with their family and friends. Smulders also donated a number of tablets to support this action.

YOUCA

On 21 October, 15-year-old Joran Van Der Stighelen came to Hoboken to work on the final assembly as part of the Youca Action Day. All of his daily earnings went to KIYO youth projects in Brazil and the Philippines. Also in Arendonk we could count on 2 YOUCA students. Mexx and Brend were allowed to shadow the Lead QC Inspector in the production and spray hall.



Joran worked a day in Hoboken.

Koala Hospital

At the end of 2020, more than 60,000 koalas were affected by the severe bushfires in Australia. The animals died in the flames or were seriously injured. Smulders donated a nice sum to the Port Macquarie Koala Hospital, which takes care of between 200 and 250 sick koalas a year.



Picnic for Bozenka

Our Polish colleagues supported several charities in 2021. They donated equipment to the local hospital, supported various local sports events and bought Christmas presents for the kindergarten in Kędzierzyn-Koźle. In October, they supported a picnic to raise money for Bozenka, a 14-year-old girl who received a prosthesis after the removal of a malignant bone tumour. She will need expensive medication for a long time, which her family cannot afford.

Planet

Protect the natural resources and climate of our planet for future generations.

CO₂ management

Smulders is committed to ecological development. We make an inventory of our CO₂ emissions and have an action plan to reduce them. You can find more information about this in the chapter CO₂ Performance Ladder.

Sustainable Development Goals

Most of the initiatives and sustainable actions are developed within the framework of the Sustainable Development Goals. More on this in a later chapter.

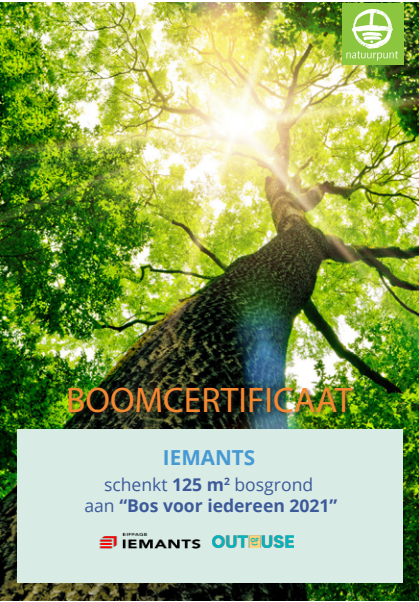
Equipment gets new life

Smulders works on state-of-the-art steel constructions and we need advanced and modern machines for this. However, this does not mean that the 'old' equipment can no longer be used. We try to extend the lifespan of machines, vehicles, etc. that are still working.

Last year, for example, we donated four old containers that were still in good condition to VIBO De Brem. The containers were equipped with outdated, but still reliable office equipment (desks, cabinets, drawer units, etc.).

For the collection campaign "Recycle for Natuurpunt", we handed in old electronic equipment such as mobile phones, laptops and PCs. Our donation is equivalent to 125 m² of newly acquired forest land. The trees are planted

during Natuurpunt's annual tree planting day in November.



Tree certificate

The seafastening that we use during the transport of offshore structures is regularly reused. This fits within our ECO Design framework where we try to reduce the use of raw materials, especially steel, through smart redesign. This (re)design is aimed at making the steel usable or reducing the amount of steel needed.

This year we did so for the following projects:

- HKN jacket: seafastening by Heerema
- HKN topside: partly reused upper grills from Heerema, own lower grills.
- HKN piles: our own seafastening
- STB jacket: reuse rigging platform
- Doggerbank TPs: reuse riverfastening stars

In Balen, an external crane was built with recycled materials. The crane was used to lift the external work platform of Doggerbank A from the transport trucks and to lower it onto a multi-wheeler. Looks are important, but nature deserves better, so we chose not to paint the construction and to use it in its original state.



The new crane in Balen was built with recycled materials.

Information, awareness raising, participation

Good communication is part of our corporate sustainability policy and we therefore use all opportunities and channels to inform and invite colleagues to take part in actions. With an article in our monthly newsletter, we keep employees informed of actions and facts through which we try to create awareness. We also communicate about sustainability to the outside world. Visitors of our website will find all information relating to sustainability on the sustainability page (link toevoegen). And we regularly post information on social media.

IOK litter campaign

After Covid prevented last year's campaign from happening, the 5th edition of the IOK litter campaign could fortunately take place again in September 2021. In Arendonk and Balen, many colleagues once again participated with great enthusiasm in making our industrial zones litter-free.



In Arendonk we could count on 5 colleagues to make our company site and surroundings litter-free again

In Zary, an internal clean-up operation was organised.

Our colleagues from Smulders Projects UK did their own litter campaign. They collected no less than a few hundred kilos of waste from nature.



The colleagues in Newcastle participated in the River Cleanup Day, making the banks of the Tyne litter-free again.

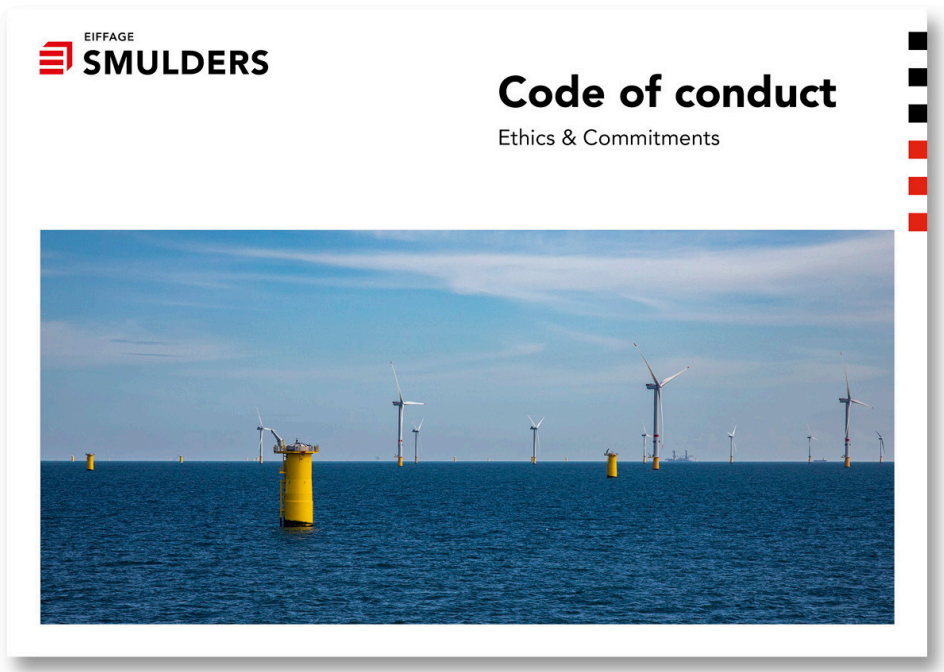
Peace

Promote peaceful, just and inclusive societies.

Ethical business practices

Smulders’ continued growth and the start of the Asian and North American offshore wind market mean that we are confronted with some realities that we no longer even think about in Western Europe. These include corruption, poor working conditions and even child and forced labour.

In 2020, Smulders therefore drew up an Ethics Policy, which summarises what Smulders stands for, what customers, employees and subcontractors must comply with and where they can turn if something does go wrong. In doing so, we based ourselves on Eiffage’s policy and existing international conventions such as those of the International Labour Organisation.



Partnership

Implement the agenda through a solid global partnership.

Guest lectures

Every year, we give guest lectures on Offshore Wind Energy at the University of Antwerp about offshore wind technology and we stress the importance of sustainability. This training included topics on corporate sustainability, CO₂ emissions, CO₂ performance ladder and VCDO (VOKA Charter Sustainable Entrepreneurship).

At the University of Ghent, we gave a workshop on Sustainability using a life-size goose game board. The event was organised by BEST (Board of European Students of Technology) and was entirely dedicated to Sustainability and the 17 SDGs.

In December we participated in NOF’s Offshore Wind Event in Sunderland (UK), where a separate presentation session was scheduled to put our Newcastle yard in the picture.

Innovation project with Drone

The drone inspection innovation project focuses on the inspection of the exterior of transition pieces. Photographs are taken with a drone.

These photos are then processed with an AI programme, which will be able to detect damages automatically. For the integration of everything, Smulders works together with an external partner, i.e. ML2Grow. Eventually, an automatic report will be generated with the aim of reducing inspection time and the use of aerial work platforms. The latter will reduce the danger of working at height and benefit CO₂ emissions.

UGent/ Howest

Our old local grid study was dusted off to be used for the Solar Carport project at a sports complex in Balen. We have designed carports with solar panels, which will be installed in the car park of the sports complex. This complex is close to our site and, thanks to the amended legislation on direct electricity lines, we can install a direct electricity line between the two locations. The sports complex will be the primary energy consumer, but the remaining green power will be diverted to our facility.

Act & Sorb

Act & Sorb is a young company that has developed a production process for making activated carbon from MDF residue. On the one

hand, no fresh wood is used for the production of activated carbon. On the other hand, the production process has been optimised so that the syngas produced, is partly recovered in the process itself and partly used to produce heat and electricity. It also prevents the MDF residue from being dumped or burned.

The final product (FibreCarb) thus has a carbon footprint more than 90% lower than conventionally produced activated carbon. However, the product has not yet been tested in practice. Smulders assists in the Proof of Concept by setting up a real-life test facility and helping to market the end product.

Lidwina

Lidwina is a social enterprise from Mol. Lidwina employees have been taking care of the landscaping maintenance at Smulders for some time, but are also relied upon for specific repetitive production tasks. For example, they are deployed in the production chain of the TenneT masts. They round off the edges and the holes of the small parts so that they are ready to be coated.



Hollandse Kust (noord)
offshore substation

SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals, abbreviated as SDGs, are 17 sustainable development goals of the United Nations Global Compact that must be achieved by 2030. Just like Eiffage, Smulders uses these as a critical reflection framework aimed at pro-actively integrating sustainability into our policy.

Compared to the rest of the world, Belgium is doing relatively well when it comes to the realisation of the SDGs. In the global SDG index, which appeared in June 2021, Belgium ranked 5th out of 193.

Actions on the SDGs are implemented in collaboration with VOKA. The network supports and encourages companies to work on sustainable entrepreneurship on the basis of an action plan. After 3 years, we have performed actions for all 17 objectives and Smulders continues to be certified. For this, Smulders received a UNITAR certificate from the United Nations in October 2020. For more information on these SDGs and our previous actions, please see our previous sustainability reports. However, we will not stop there of course. In 2021, we again had a dozen actions, which we discuss in a little more detail in the following overview. The following points are discussed elsewhere in this report: energy monitoring, local grid, drone inspection, safety films, Safety Culture Ladder, electric car lease study, environmental cost indicator and ethics policy.

SUSTAINABLE DEVELOPMENT GOALS



#1 - No poverty

ArmenTeKort

ArmenTeKort is a citizens’ movement and action research project that wants to challenge the current generation to abolish poverty of opportunity together. Smulders offers financial support to this organisation.

During our Awareness Week, some information sessions were organised with ArmenTeKort, giving colleagues the opportunity to learn about this organisation’s philosophy first-hand. They train buddies to provide the best possible support to an underprivileged fellow human being. One of our employees made the commitment and is now waiting for a match with an underprivileged buddy.

#4 - Quality education

Bolster games

The induction process with the bolster games (“find the mistake” games with real images from the work environment) has been fully rolled out in our Belgian branches. In the future, we also want to work this out for Spomasz and Smulders Projects UK. Our new partner has started working on Zary’s film.

Awareness Week

As mentioned before, our Awareness Week offered many opportunities to learn about various topics: safety, wellbeing, sustainability, ethics ...

#9 - Industry, innovation, infrastructure

Act & Sorb

We are constantly looking for new and (more) sustainable solutions. So in early 2021 we came into contact with Act & Sorb, a company from Genk that makes activated carbon from MDF residue. This is incredibly innovative, as the CO₂ emissions of their product are more than 90% lower than conventionally produced activated carbon. Since no practical tests had yet been carried out, we offered to help Act & Sorb make a test set-up and ultimately bring the product onto the market.

Car policy

Our company car policy was completely rewritten during the last year as a full electric car policy. The purchase of electric commercial vehicles has started and is gradually growing year by year. We also make the switch to the latest technology and skip the hybrid cars (almost completely). Only in exceptional cases can a hybrid be chosen.

#11 Sustainable cities and communities

New climbing tower

The current wooden climbing tower in the playground at the swimming pool in Arendonk was in need of renovation. Smulders and the Sint-Clara College therefore worked together on a new climbing tower with slide. The assembly and welding of the climbing tower was done by the students in our workshop.

Local sponsoring

Our colleagues in Poland are, as always, trying to focus their sponsorship on local initiatives, clubs and institutions. This year’s initiatives included donations to the local football club, a music competition for children at the music school in Zary, a running competition in Leknica and sensory motor tiles for the children at a local day care centre.



#12 - Responsible consumption and production

Purchasing vision

Last year, we took a critical look at our current procurement policy through sustainable glasses. We were fortunate to find that many independent actions were already being taken within the framework of sustainability. In the coming years, we will focus on increasingly integrating sustainability, so that we can truly speak of an organised, sustainable purchasing policy.

#13 - Climate action

Carbon Calculation Tool

As part of his MBA, one of our employees was assigned to do voluntary work in relation to sustainability. He chose to work as a volunteer for Entrepreneurs Without Borders (OZG). He developed a website where a company can calculate its carbon footprint based on electricity consumption, heating and transport.

#15 - Life on the land

Robin Vogels forest

This year, the Robin Vogels forest was created near Bortel in the Groene Woud, a nature reserve of approximately 35,000 hectares.

Thanks to the creation of this forest, we do not only commemorate our colleague Robin Vogels, but we also contribute to the unification of this nature reserve. In addition, the 480 trees will eventually store 32 tonnes of CO₂.

Beehive & flower meadow

Furthermore, we noted that bees have been struggling more and more in recent years. More than 40% of bee species are currently threatened with extinction due to food shortages and agricultural herbicides. This is alarming, as bees are an indispensable link in maintaining a biodiverse nature and a fertile food system.

So Smulders wanted to give the bees a boost, in cooperation with a colleague who is a beekeeper in his spare time. We have installed a beehive, which houses about 10,000 bees in winter. In the summer, the high season, this can amount to as many as 50,000 bees.

In addition, we have planted a flower field and other bee-friendly plants, so that they are sure to find enough food in the immediate surroundings. It’s lovely to have such a green area on our premises...





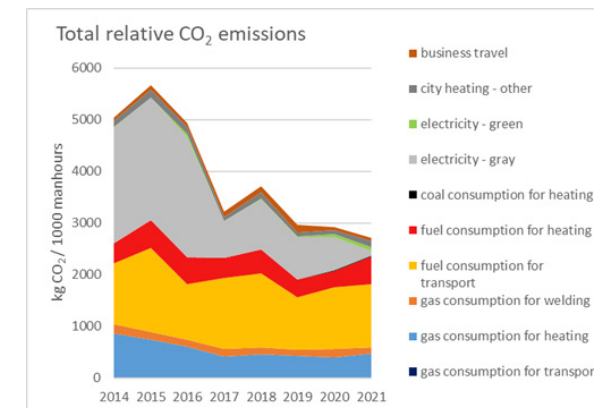
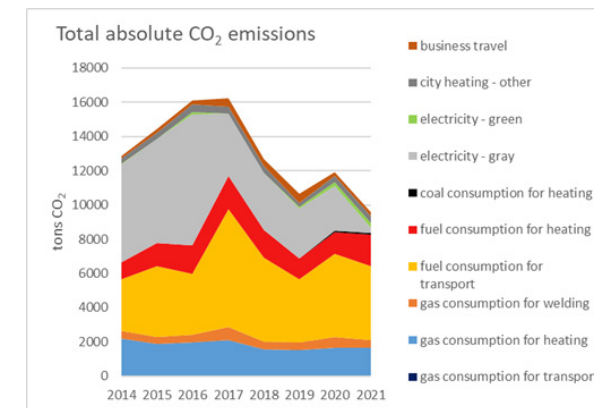
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CO₂ PERFORMANCE LADDER

Smulders has been systematically working on its CO₂ emissions since 2015. And this applies both to ourselves and to the entire chain of raw materials and end products (Life Cycle Analysis, LCA). Within the framework of the CO₂ Performance Ladder, numerous actions are defined and followed up.

Emission review 2021

In 2021, there was a small decrease in the number of hours worked. We are a project-driven organisation. Fewer or less large projects mean fewer hours. This year was also marked by Covid-19. However, as in 2020, this had little effect on our operations.

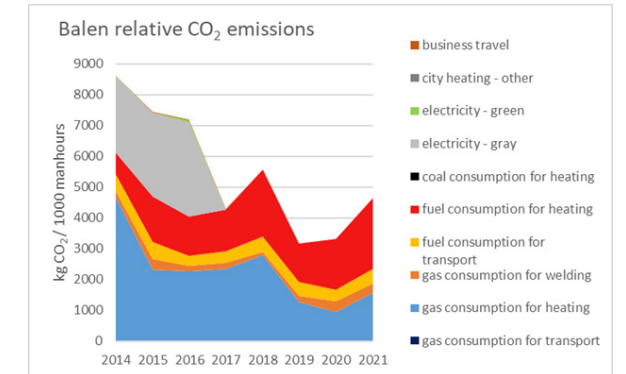


We see a decrease in the amount of CO₂ emissions in 2021.

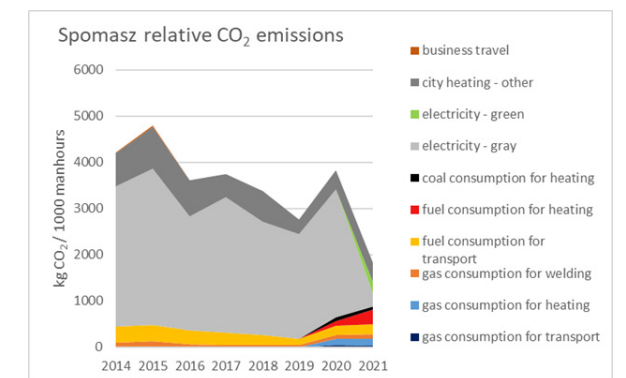
In 2021, we see a decrease in both absolute and relative CO₂ emissions. Due to the decrease in the number of hours, the decrease is more pronounced in the absolute figures. Here we drop to 9,553 tonnes. This is below the threshold of 10,000 tonnes used in the CO₂ Performance Ladder to define a “large company”. However, we are not yet assuming that we will stay below this threshold. On the one hand, the offshore wind sector is expected to grow, which will hopefully also apply to our organisation. On the other hand, no major reductions are planned in the coming years. Work will focus on the installation of solar panels on our sites. However, since we already supply 100% green energy, this will have no effect on our CO₂ balance.

A few particularities

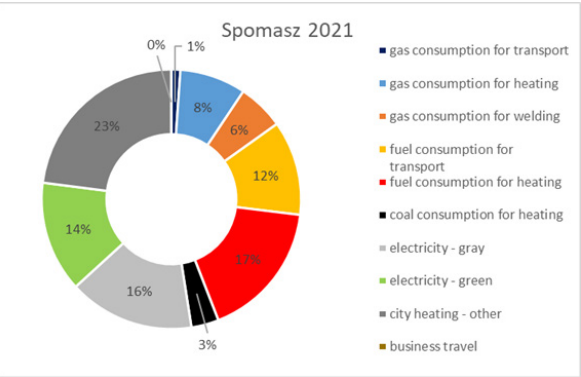
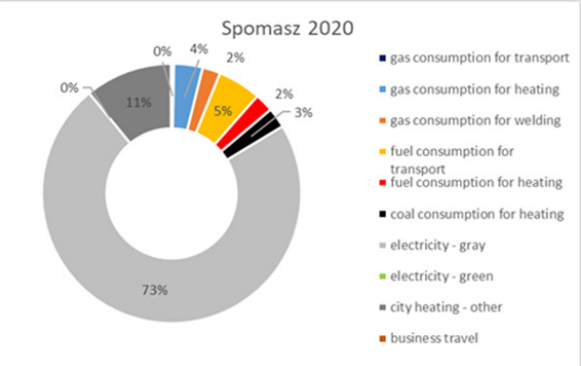
- In the figures from Arendonk (head office) we see a further decrease in emissions from business travel, due to Covid-19 of course. We also see a sharp increase in fuel consumption. Due to the large number of yards, more power generators and yard vehicles with combustion engines were used.
- In Balen, we see strong fluctuations in emissions from oil and gas for heating. This is project-related and linked to the amount of activity in the blasting and painting halls.



- On 1 January 2021, the branches in Zary and Niemodlin switched to 100% green electricity. As a result, relative emissions fell by 52%!



■ As a result, the pie chart for Spomasz also looks completely different. On 01/01/2022, Leknica also switches to green power. A sustainable solution is being sought for the last coal burner in Niemodlin.



■ There is still no line to be drawn in Newcastle’s data. Years of very high activity alternate with years of virtually no activity. In 2021, there was virtually no activity.

Scope 3 emissions

2021 was the year of working groups and commitments.

The Tennet Hollandse Kust project is running at full speed. And the associated Environmental Cost Indicator (ECI) is diligently calculated. In it, we see that what we promised in the tender phase is also a reality.

We participated in the Moonshot project Circular Offshore Wind. We participated in various working groups. There were several sessions for each working group. Especially in the group “Tender and contract criteria” we were able to make our mark. The knowledge gained from the above-mentioned project allowed us to defend with great certainty the necessity of CO₂ emission criteria. These criteria can be met by means of raw material certificates and uniform calculation methods.

In addition, we endorsed SteelZero at the end of 2021. By 2030, half of our purchased steel will have to comply with a CO₂ criterion. By 2050 our steel procurement will be CO₂ neutral.

These are also linked to working groups, which will continue in 2022. Various issues are being discussed in order to exert greater influence on the major steel producers.



Energy Management Plan

Green electricity

Over a period of 5 years, all our branches have switched to 100% green and locally produced electricity. It is important that this green energy is local, as there are some known examples of ‘fake’ green energy. For example, we do not want grey energy (fossil, nuclear) compensated by the purchase of a piece of Russian primary forest.

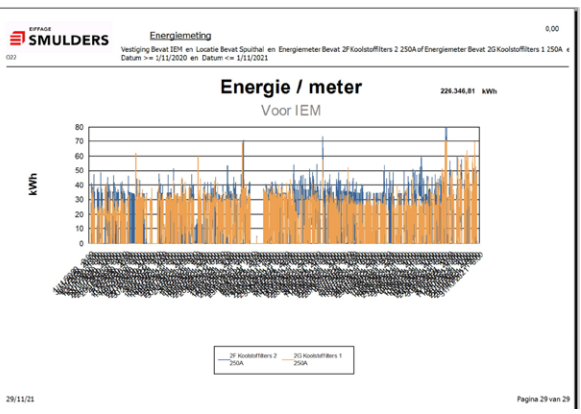
In 2014, we started with 5kg CO₂ per working hour. Thanks to this green energy and all kinds of other actions, we are moving towards 2 kg CO₂ per working hour by 2021. So our carbon footprint per working hour has already been reduced by 60%! However, the easiest parts have been done now. It will take a lot of effort in the coming years to reduce our carbon footprint further. However, together we will take on this challenge!

Energy Monitoring System

Maintenance and production join forces after an energy monitoring system (EMS) is set up. The EMS helped to provide insight into the performance of the different installations, so that a savings plan could quickly be set up to, among other things, reduce standby consumption.

Arendonk

In the past year, ventilation and heating of the coating hall in our Arendonk facility became fully automated and controlled based on the number of painters. Settings and operation are fully digital via PC, smartphone or tablet. In addition, a measuring system was provided to check the contamination of pre-filters and activated carbon filters, with a status report that is sent by e-mail.



The graphs above show that this energy consumption was reduced from 1,168,000 kWh per year to 226,000 kWh per year through automation. That is an annual energy saving of no less than €190,000. Even better, the payback time of this investment was very short: about 2.5 months.

Balen

In Balen, the automation of extraction and measurement of filter contaminants in the blasting hall resulted in energy savings of 118,000 kWh or almost €24,000 per year.

The biggest savings in Balen came from the compressor control and compressor room ventilation in Hall F. The control ensures the

most energy-efficient compressor combination at any air flow rate and automatically changes the compressed air pressure for certain activities. In addition, ventilation has been installed in the compressor room and the heat from this is recovered in production hall F. Everything is controlled digitally, from settings to error messages and graphs. This investment generates a saving of €25,000.

Hoboken

In Hoboken, energy monitoring is being further expanded. We have installed energy meters in 35 key locations to get an insight into energy consumption. The values are stored on the company server every 15 minutes. Our internal software allows us to consult these values and graphs. The estimated annual savings with targeted actions and optimisation of peak consumption could amount to €38,000.

Spomasz

Just like in Balen, we have invested in compressor control and compressor room ventilation with heat recovery at our Niemodlin facility. The investment of €10,000 will be recovered in less than one year, with an expected annual saving of €12,000.

Electrification of passenger transport

Despite Covid-19, 2021 was also a particularly good year for cycling. For commuting, we will have cycled about 400,000 kilometres to and from one of the Belgian locations by 2021. This is a remarkable increase, even though a lot of telework was still done last year. By not doing these kilometres by car, we saved over 80 tonnes

of CO₂.

These are the results of all our Belgian branches:

Iemants (Arendonk)	SPB (Hoboken)	Willems (Balen)
215,265 km	85,180 km	110,166 km
173 employees with bicycle	55 employees with bicycle	83 employees with bicycle

At the end of 2021, our new car policy came into force. From 01 January 2022, we will only buy full electric and true hybrid cars. Hybrids are the exception. The preference is for a full electric car. The target is that at least 90% of the cars purchased for passenger transport will be full electric.

In 2022, plenty of charging stations will be added. More than 120 charging points will be added at all Belgian sites.

In a next phase, the switch to full electric Light Freight will be considered.

New quay Balen

After some administrative wrangling and underground pipes that were not placed according to plan, the new quay in Balen is finally ready. This should lead to CO₂ reductions in two areas.

- With a better equipped quay, the threshold for water transport is lower. We therefore expect the use of water transport to increase, which will keep trucks away from public roads.
- Some loads can now be handled Roll on - Roll off (RORO). This is less energy-intensive than working with one or more cranes.



The new quay in Balen will also save CO₂.

Plan CO₂ Neutraal 2035

Did we mention that 2021 was the year of engagements?

We have set our target for CO₂ neutrality at 2035. The first thing to do, is to work out a concrete plan. We do this within the framework of VOKA Charter Sustainable Business - SDG Champion.

SDG Champion involves developing a plan, idea or strategy over a two-year period that will fundamentally change business operations. So our plan is “CO₂ neutrality”. In 2021 and 2022, we will work on this plan.

The aim is to have an overview by the end of 2022 of what still needs to be done at which site to achieve neutrality. It also provides guidance on how to achieve neutrality. For each source of emission, there are numerous technological solutions. Some technologies are better suited to a particular location than others. If you are in a hot spot, you can think about geothermal energy. If a heat network is going to be set up, you should not invest in electric heat pumps. Moreover, some of these technologies are not yet fully developed today. But we can already take it into account. We are talking, for example, about hydrogen or synthetic fuels.



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