

social performance

Our social performance is focused on health & safety and diversity. We have set clear health & safety KPIs including LTIFR (the number of lost time injuries per one million working hours), average days lost as a result of a LTI and absenteeism rate to monitor our performance. For diversity we monitor gender diversity of our total workforce and focus on gender diversity within the senior leadership of the company.
The social performance of 100% of our locations is reflected in the data on this page.



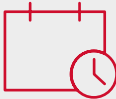
lost time injury frequency ratio



progress towards target of LTIFR <5
health & safety is driven by our HSR & sustainability network. The business teams have a joint responsibility to realise the group-wide average of an LTIFR below 5 in the coming years. There were no fatalities in 2022.



gender diversity senior leadership



average number of days lost per LTI



average days lost per LTI stayed below 18
safety policies and improvement plans throughout the business teams keep performance steady with a slight increase to 17.7 average number of days lost per LTI.



absenteeism rate (COVID-19 excluded)



absenteeism rate increased to 3.8%. COVID-19 related absenteeism 0.7% (aggregated absenteeism 4.5%)
COVID-19 related absenteeism is not being able to work because of a COVID-19 infection or related reasons like quarantine, awaiting test results, preventive at home or other. Working from home is not included in the absenteeism rate.

total workforce

24%

Supervisory Board

25%

progress gender diversity senior leadership

gender diversity is monitored at various levels, total workforce (24%), Supervisory Board (25%) and senior leadership (25%). Diversity is a priority and is driven by our people & culture network. As a result of improved reporting, total workforce gender diversity is restated to 24% from 26% reported in 2021.

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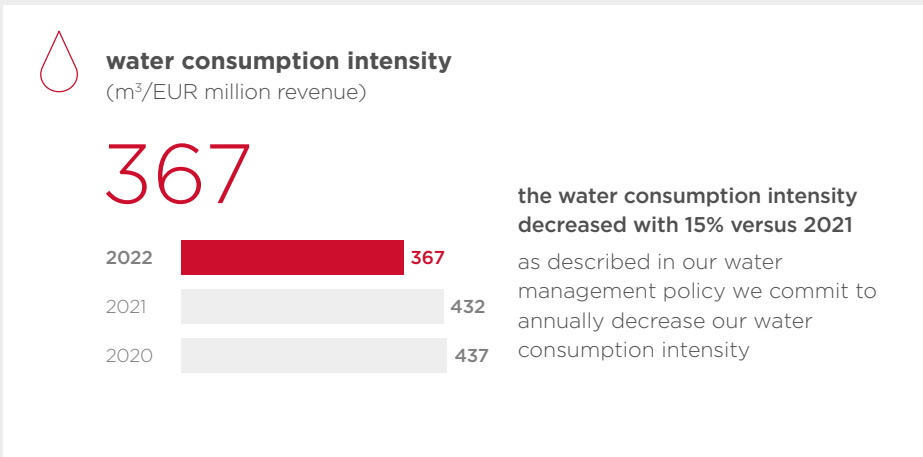
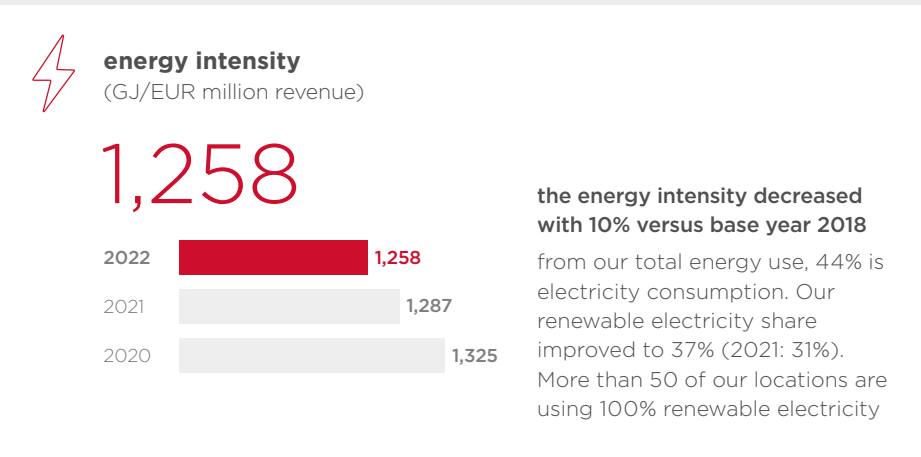
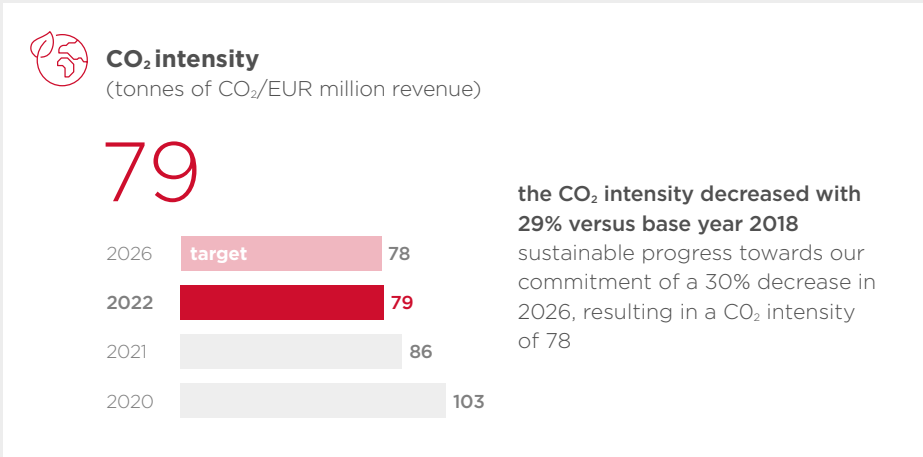
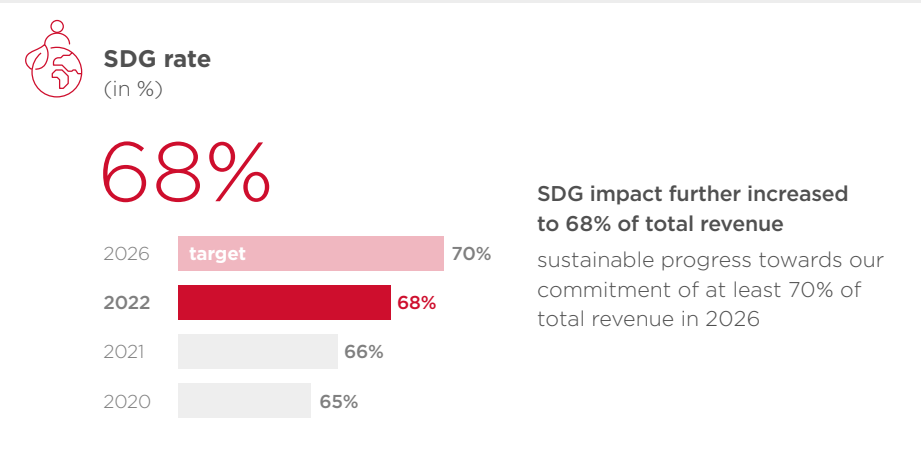
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environmental performance

Energy use & CO₂ emissions and natural resource efficiency are material to us. The main Aalberts KPIs to measure our environmental performance are SDG rate, CO₂ and energy intensity, our renewable share and water consumption intensity. **The SDG rate, carbon emissions, (renewable) energy use and water consumption of 100% of our locations is reflected in the data on this and the following page.**



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We use accepted standards and protocols to compile, measure and disclose our greenhouse gas (GHG) emissions related to our entire company using the operational control approach. In doing so, we aim to ensure the reliability of our reported data by performing internal audits and thoroughly checking our data before we disclose it. Our GHG emissions are calculated and disclosed in line with the guidance set out in the GHG Protocol and cover our direct (scope 1) and indirect (scope 2) GHG emissions, which primarily consist of electricity and natural gas. Scope 2 is calculated via the location and the market-based approach. The market-based approach shows our supply choices in the renewable electricity purchased. We annually review and update our carbon emission factors to have these aligned to the latest guidance and best practices using sources as AIB and DEFRA. Our carbon emissions decreased by 1.2% and energy consumption shows a 5.9% increase compared to 2021.


We are taking part in a CO₂ offset programme through Verified Carbon Units (2,076 tCO₂ in 2022) to mitigate our CO₂. To ensure quality of the offset projects, our Verified Carbon Units are verified under the Verra (VCS) standard. The offset is not taken into account calculating the total carbon emissions as disclosed in the table.


Our total energy consumption was affected due to acquisitions with a relative high energy intensity in the second half of 2021. Carbon-emissions organically decreased by 7.6% and energy consumption decreased by 5.0%. These organic changes are shown for a fair year-on-year comparison. For this comparison we extracted the effects of acquisitions, divestments and changes to the measurement methodology.


The CO₂ and energy intensity are calculated by dividing the carbon emission and energy by total revenue. The revenue of EUR 3,230 million equals the revenue as stated in the consolidated income statement on page 73. The CO₂ intensity in 2022 was 79tCO₂ per EUR million revenue, resulting in a 8% decrease compared to 2021. The energy intensity was 1,258 GJ per EUR million revenue, resulting in a 2% decrease compared to 2021.

As a result of implementing actions and investments as defined in the improvement plans and upgrading to ‘world-class’ operations, our total CO₂ emissions are decreasing. Our CO₂ intensity improvement is only partly caused by higher revenue due to pricing initiatives.

Water withdrawal is defined as the sum of third-party, surface and ground water withdrawn. Water consumption is the sum of all water withdrawn minus water discharged. It is our policy to reduce water withdrawal and to recycle and treat water where possible. The definition used for water treated is the total amount of water returned to the source of extraction at similar or higher quality as raw water withdrawn, treated by our own locations onsite. Most of our water withdrawal is third-party water. The total water withdrawal decreased by 4.0% and water consumption decreased by 7.9% compared to 2021. We are investing in water saving through multiple projects.

	2022	2021	2020
 CO₂ intensity	79	86	103
CO₂ (in Ktonnes)	254	257	270
scope 1	125	104	89
scope 2 (market-based)	129	153	181
scope 2 (location-based)	144		

	2022	2021	2020
 energy intensity	1,258	1,287	1,325
energy consumption (in TJ)	4,062	3,835	3,458
energy (electricity)	44%	50%	53%
energy other (gas, district heating, fuel)	56%	50%	47%
electricity consumption (in TJ)	1,786	1,915	1,826
renewable electricity	37%	31%	15%

	2022	2021	2020
 water consumption intensity	367	432	437
water withdrawal (in 1,000 m³)	1,505	1,567	1,594
water consumption	79%	82%	72%
water treated	21%	18%	28%
water withdrawal (in 1,000 m³)	1,505	1,567	1,594
third-party water	1,166	1,213	1,077
groundwater and surface water	339	354	517
water consumption (in 1,000 m³)	1,186	1,287	1,141

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In accordance with European Regulation 2020/852, Aalberts is disclosing the part of its revenue, its capital expenditure and operating expenditure resulting from products or services associated with economic activities considered to be environmentally sustainable. This classification system, is known as the ‘EU taxonomy’.

Aalberts reports its percentage eligibility related to revenue, capital expenditure and operational expenses, and alignment on these three subjects. We defined the business activities within Aalberts. These activities are clustered by technologies and/or markets. Further we determined per business activity whether the activity fits one of the six objectives as described in the EU taxonomy, of which climate mitigation (Annex I) and climate change adaptation (Annex II) are disclosed. In case the business activity was covered by Annex I or Annex II, the activity is considered eligible. Working from eligibility to alignment should be done by applying the technical screening criteria, investigating whether the activities meet the ‘do not significant harm’ criteria and checking if the activities comply with the minimum safeguards.

For 2022 we did not change our approach, we still see the best fit between our activities and climate change mitigation (Annex I). The Aalberts way of value creation is to achieve unique positions with high growth potential and sustainable impact. The products and services we deliver are often enabling activities. Such activities play a crucial role in the decarbonisation of the economy by directly enabling other activities to be carried out at a low carbon level. However, for some of our activities the end-use of our products is not being defined in

the taxonomy. Also, as only end-use is described in the taxonomy, it is not always clear whether our activities can be seen as an enabling activity. This is mainly related to Aalberts’ business activities within advanced mechatronics and surface technologies. Therefore we took a conservative approach for those technologies and only took low carbon technologies relating to sustainable transportation into account.

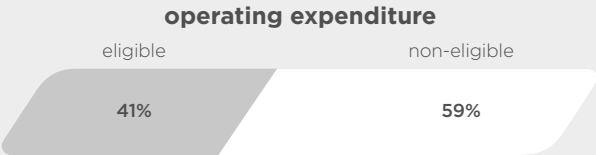
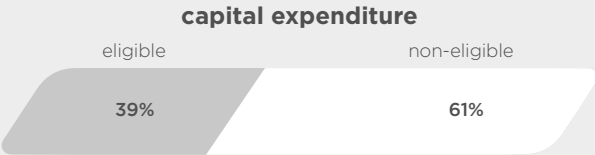
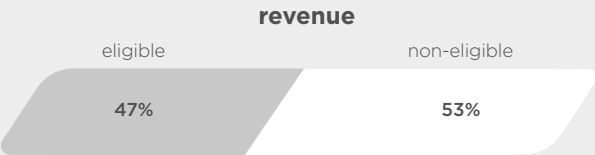
The eligibility percentages are presented in three KPIs: revenue, capital expenditure and operating expenditure. The revenue equals the revenue as presented in the consolidated income statement on page 73 and covers our business activities. Capital expenditure concerns the addition to the property, plant and equipment as presented in note 6. The operating expenditure covers direct non-capitalised costs in accordance with the EU taxonomy. These expenses are part of the expenses within the consolidated income statement page 73. For calculating the percentage of eligible capital and operating expenditure we took the same approach as in 2021. We expect to provide further insight in 2023. The business activities as defined do not have overlap, so risk of double counting is avoided.

Our business activities that are eligible are mainly activities within hydronic flow control and integrated piping systems, relating to manufacturing and installation of energy efficiency equipment and water supply systems for buildings. Our eligible activities are covered by chapters 3 (manufacturing), 5 (water supply, sewerage, waste management and remediation), 6 (transport) and 7 (construction and

real estate activities). The eligibility in construction and real estate activities is underlined by the renovation wave. Examples of eligible activities are efficiency & safety technology, smart home, and fittings for water & wastewater supply. We assessed that our material eligible activities are covered by chapter 5 and 7 as referred to above. We are in the process of disclosing the eligibility per activity in detail, for which we expect to provide further guidance in 2023. As the EU taxonomy is still in a developing stage, more guidance is expected which could have an impact on our 2022 findings. The four Annexes that still have to be disclosed will be reviewed when available to see if our business activities have a (better) fit. Whereas the EU taxonomy has to grow in maturity, sustainable progress is embedded in the Aalberts organisation for years. Our social and environmental impact is reflected in our SDG rate and the social and environmental targets and performance are shown on pages 43 and 44.

alignment

In 2022 we investigated the technical screening criteria and do not significant harm criteria for our eligible activities. On a high level we see alignment with these criteria, but this process will be further formalised in 2023. For the minimum safeguards criteria we do not comply yet. We are in the process of formalising an overall human rights due diligence process for Aalberts to comply with the minimum safeguards. Therefore, we consider ourselves not aligned yet in terms of the EU taxonomy. We expect to provide further insight in 2023 on alignment.



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