

Sustainability statements

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General information

Basis for preparation

Under the CSRD (Corporate Sustainability Reporting Directive of the European Union), companies in scope will be required to report on sustainability issues in their management report for the 2024 financial year and to obtain an assurance conclusion on this report. However, the implementation of CSRD in Dutch law has been delayed. Although there is not yet a formal statutory requirement to report in accordance with the CSRD due to the delayed implementation, TKH prepared its sustainability statements 2024 based on the CSRD on a voluntary basis. At the same time, we obtained a voluntary assurance on the sustainability statements.

The CSRD requires companies to report their sustainability statements based on the ESRS (European Sustainability Reporting Standards), providing the framework and methodology for reporting. All material datapoints are reported on, other than those subject to phase-in or are voluntary. The EU Taxonomy is also included.

The sustainability statements are reported on TKH Group N.V. level and are prepared on a consolidated basis. The scope of the consolidation is equal to the scope of consolidation for the financial statements. Acquired companies are reported from the date of acquisition in accordance with the CSRD. In 2024, the following companies are acquired and added to the sustainability reporting: JCAI, Comark, and Liberty Robotics. VMI has opened a new location in India, and this has been added as well. In 2024, TKH divested the companies EKB Groep and HE System Electronic. The sustainability reporting of these companies are included until divestment.

We consolidated data for the non-financial reporting using the same system as for the consolidated financial data (Cognos). Any data procured through alternative methods, such as estimation or extrapolation in our value chain, is clearly marked as such. Data like this includes a level of estimation uncertainty. This applies to certain categories of the scope 3 emissions, for which the data has been collected manually (category 1, 4, 9, 11 and 12). The sustainability statements contains value chain information related to scope 3 GHG emissions (ESRS E1 climate change), ESRS S2 workers in the value chain, and ESRS S4 customers and end-users.

No relevant pieces of information were omitted for reasons related to classified and sensitive information and information on intellectual property. TKH did not use any exemptions provided under Article 19a and 29a of Directive 2013/34 of the European Parliament and of the Council of the European Union in the preparation of its sustainability statements. The basis of preparation, the resulting level of accuracy, the estimation of outcome uncertainty and, where applicable, planned actions to improve the accuracy and outcome uncertainty of sustainability information in future annual reports are disclosed for each material topic in the relevant section of the sustainability statements.

2024 is the first CSRD reporting year and the framework and implementation guidance are still in development. Different interpretations of the CSRD and ESRS requirements could result in different outcomes and reporting in the next reporting year.

Time horizons

The time horizons considered in these sustainability statements align with those applied in the financial

statements. Short-term is the reporting period in our financial statements, one year; medium-term is from the end of the short-term up to five years; long-term is defined as more than five years.

Value chain and sources of estimation, and outcome uncertainty

All sustainability data from our operating companies, except for scope 3 GHG emissions, are reported on a quarterly basis in our financial and sustainability reporting tool Cognos, according to our Sustainability Reporting Manual that include definitions, (reporting) procedures and calculation methods. The sustainability data from our operating companies are tracked and reported to measure progress against our sustainability targets.

The KPIs are based on activity data as much as possible, which in turn are based mostly on meter readings, invoices, and data provided by suppliers. However, the preparation of the sustainability statements requires management to make judgments, estimates and assumptions that affect amounts reported. The estimates and underlying assumptions are reviewed on an frequent basis. The calculation of the scope 3 emissions have a higher degree of judgement and complexity for which changes in the assumptions and estimates could result in different results than those recorded in the sustainability statements in this annual report 2024. Data on GHG emissions are based on measurements and estimates at both TKH group and operating company level. The emissions figures reported are TKH's best estimate. The basis of preparation is data submitted by our operating companies, which is validated and consolidated by TKH Group's sustainability team. In 2024, we extended our scope 3 GHG emissions dashboard by adding category 1 purchased goods and services,

category 4 upstream transport, category 9 downstream transport, category 11 use of sold products, and category 12 end-of-life treatment. This emissions data has been collected through the end of the year, via a manual process.

For the calculations of our scope 3 emissions, we make use of a high-level of estimations. The following estimations are most relevant:

- Emission factors are partly based on industry averages. The database used to retrieve the industry averages are the Ecolnvent databases.
- The life-time of our sold products is partly estimated and based on the average portfolio of the operating company in question (scope 3 category 11 emissions).
- Energy consumption of our sold products is partly estimated based on the average portfolio of the operating company in question (scope 3 category 11 emissions).
- In case the exact treatment of our products at their end of life (scope 3 category 12) is unknown, we assume the most conservative and/or polluting outcome of a treatment (in most cases incineration).

Replacing industry average data to calculate the scope 3 emissions attributed to our suppliers and customers with supplier and customer specific carbon footprint data is a key driver to improve our data quality. The use of estimations are in more detail disclosed in the respective paragraphs, for estimation used for the GHG emissions reference is made to the Climate change section. Other metrics containing estimates are disclosed in more detail in the respective paragraphs. Part of the inventory of pollution to air, soil, and water, based on the list of pollutants and related threshold values specified in Annex II of Regulation (EC) No 166/2006, is based on estimates and own calculations, resulting in uncertainty about the outcome. More information is included in chapter Pollution E2.

Changes in preparation or presentation of sustainability information

In 2024, we implemented several changes in the preparation and presentation compared with previous periods, as we changed the format of the sustainability

statements to align with the CSRD requirements. As a result, several metrics have been added versus the previous reporting year to disclose the metrics and targets required under the CSRD. This also improves the comparability and understandability of the sustainability information provided.

Reporting errors in prior periods

Reporting errors in prior periods are restated in the current reporting period. Where this is the case, we indicate this through an explanatory footnote. For 2024, we did not identify any material reporting errors which resulted in a restatement.

Incorporation by reference

Some disclosures are incorporated by reference. Wherever we incorporate information by reference (to other parts of the management report), this is clearly indicated. The following is a list of the ESRS disclosure requirements and specific datapoints incorporated by reference to other parts of the annual report.

#	Datapoint	Incorporation by reference
ESRS2.GOV-1	The role of the administrative, management, and supervisory bodies, composition of the Executive and Supervisory Board	<ul style="list-style-type: none"> • Members of the Executive Board, page 47 • Members of the Supervisory Board, page 48
ESRS2.GOV-3	Integration of Sustainability-related performance in incentive schemes	<p>Sustainability performance described in Remuneration Report, page 59 and 61</p> <ul style="list-style-type: none"> • Page 59: Sustainability performance (20%) paragraph with LTIFR and employee satisfaction performance • Page 59: sustainability performance in STI 2024 table • Page 61: Targets and performance 2024 paragraph with performance multiplier B on CO₂ footprint reduction and diversity • Page 61: B Sustainability in LTI 2024 table
ESRS2.21	Information about member's experience relevant to sectors, products and geographic locations of undertaking	<ul style="list-style-type: none"> • Members of the Executive Board, page 47 • Members of the Supervisory Board, page 48 • Report of the Supervisory Board, page 50 table Supervisory Board competences and skills
ESRS2.23	Sustainability-related expertise that the bodies directly possess or can leverage, and how those skills and expertise relate to material IROs	<ul style="list-style-type: none"> • Members of the Executive Board, page 47 • Members of the Supervisory Board, page 480 • Report of the Supervisory Board, page 50 table Supervisory Board competences and skills
ESRS2.38	Elements of strategy that relate to or impact sustainability matters, its business model and its value chain	For background information on our value chain refer to Long-term value creation, pages 28-29

Governance of sustainability issues

Administrative, management, and supervisory bodies

The Supervisory Board oversees the way the Executive Board defines and implements TKH's policies and strategy to achieve the identified objectives of the company and its affiliated companies. The Supervisory Board also monitors whether the interests of the various stakeholders have been sufficiently considered. In doing so, the Supervisory Board is provided with financial, commercial, operational, sustainability, and governance information, thereby focusing on the interests of the company's stakeholders. Sustainability is on the agenda of the Supervisory Board meetings on a quarterly basis. The Audit Committee of the Supervisory Board is responsible for overseeing sustainability reporting. The responsibilities are formalized in the rules of procedure for the Supervisory Board and its committees.

The Executive Board – the overall ownership of sustainability is with the CEO – is responsible for strategic risk management and for identifying the impacts, risks and opportunities using the double materiality analysis. The Executive Board is responsible for all assessments of and changes to sustainability aspects in the company strategy and business model. The Executive Board is also responsible for approving targets and sustainability-related policies. This also includes the monitoring of the performance of each operating company through the quarterly reporting cycle.

The Executive Board is informed about sustainability matters during each Management Board meeting, and quarterly through our internal sustainability reporting. This includes communication regarding our annual reporting, IRO identification from the DMA, reporting requirements based on IROs, and our quarterly sustainability

performance. The Executive Board discusses the sustainability strategy, implementation of policies, KPIs and progress with the various operating companies at least once a quarter. This is based on financial and non-financial reports, with the latter covering all material sustainability matters. Thus, sustainability management is integrated into our regular risk management processes and controls.

The responsibilities for sustainability-related impacts, risks and opportunities are reflected in the Supervisory and Executive Board's mandates as part of the overall ownership and supervision on sustainability-related topics. The individual impacts, risks and opportunities are not allocated to individual members. The members have sufficient/advanced knowledge, skills and experience in the area of sustainability, and can make a balanced judgement on the matter. Members of the Executive and Supervisory Board follow internal sustainability training programs. In 2023 and 2024, various deep-dive sessions on sustainability topics have been organized, for example on the CSRD, the double materiality assessment process and outcomes including material impacts, risks, and opportunities management, other upcoming sustainability

laws and regulations, cybersecurity, and bribery and corruption. The Supervisory Board has been further informed about developments in the field of sustainability and TKH's position in this regard, including the sustainability strategy. The outcome of the DMA including the material sustainability-related impacts, risks and opportunities are discussed within and approved by the boards. The KPIs connected to the impacts, risks and opportunities are part of the quarterly sustainability reporting, and discussed within the Executive and Supervisory Board. The role and composition of the Executive Board and Supervisory Board are in more detail described in the Governance section.

The Executive Board is supported by the Director Sustainability in the operational implementation of the sustainability strategy. The Director Sustainability, who reports to the CEO, is responsible for setting targets, monitoring and reporting on sustainability performance and progress, identifying and managing sustainability-related impacts, risks and opportunities, and developing sustainability-related policies. Sustainability is a standard item on the agenda at the monthly TKH's Management Board

Diversity administrative, management, and supervisory bodies

	2024			2023		
	male	female	total	male	female	total
Supervisory Board (non-executive members)	2	3	5	3	2	5
Diversity percentage	40.0%	60.0%	100.0%	60.0%	40.0%	100.0%
Diversity target Supervisory Board	33.3%	33.3%		33.3%	33.3%	
Independent board members percentage	100%	100%	100%	100%	100%	100%
Executive Board (executive members)	3	0	3	3	0	3
Diversity percentage	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%
Diversity target Executive Board	33.3%	33.3%		33.3%	33.3%	

meetings. The Director Sustainability is a member of the Management Board. Each month the Executive Board receives an update of the Director Sustainability and evaluate the progress made within the sustainability program. Each quarter the Executive Board receives an update on the performance of sustainability-related KPI's.

The Director Sustainability is in close cooperation with other functions, such as finance & control, and with TKH's Internal Audit Department in relation to the auditing of sustainability matters during the internal audits. TKH's Internal Audit Department carries out sustainability internal audits on the processes to be carried out and the accuracy of the data as a permanent part of its work program. All internal audit reports are shared with the Executive Board once they are completed, the material findings are reported to and discussed with the Audit Committee during the Audit Committee meetings.

New sustainability initiatives are preferably developed in work groups, in collaboration with (topic experts of) operating companies. This expedites the building of support within the TKH Group and makes implementation of the sustainability strategy and related operational processes more efficient and effective.

Information about representation of employees and other workers is included in the section Engaging with our workforce.

Sustainability-related performance in incentive schemes

Members of the Supervisory Board do not receive variable remuneration, or incentives based on financial or sustainability-related performance of TKH. The variable remuneration for the Executive Board members consist of a short-term incentive (STI) in the form of a bonus, and a long-term incentive (LTI) in the form of a share plan.

STI

Variable remuneration is an essential part of the remuneration package for Executive Board members in terms of rewarding short-term results in line with strategic objectives. The STI is based on annual financial and sustainability-related performance measures including personal targets. On the recommendation of the Remuneration Committee, the Supervisory Board sets the targets and criteria for earning a performance bonus in advance of the reporting year. Once the reporting year has ended, the size of the performance bonus is determined by the Supervisory Board, based on the results achieved and the criteria set.

In 2024, the following sustainability topics were part of the STI targets:

- employee satisfaction (weight of 10% in STI): target of 7.8
- LTIFR - safety performance (weight of 10% in STI): target of 0.7 with a bandwidth pay-out between 0.6 and < 1.0

LTI

The long-term variable remuneration aims to align the interests of the Executive Board members with the long-term interests of TKH's shareholders. For that purpose, a share plan was enacted that provides for a long-term incentive. Under the share plan, members of the Executive Board receive shares based on the achievement of targets. Members of the Executive Board receive shares on the condition that they personally invest in the same number of shares as they receive under the LTI plan. By

Management Board

Alexander van der Lof (*Executive Board member*)

Elling de Lange (*Executive Board member*)

Harm Voortman (*Executive Board member*)

Jacqueline Lenterman

Gertjan Sleeking

Derk Postma

personally investing in the same number of shares as they are awarded under the LTI, each member of the Executive Board invests a significant amount of money in a way that prudently manages risk but still encourages an entrepreneurial spirit to create long-term value. As a result, the interests of the Executive Board and the shareholders remain aligned. In 2024, the following sustainability topics were part of the LTI targets:

- Diversity (weight of 10% in LTI): target of 20.0%
- CO₂ reduction (weight of 10% in LTI): target of 67.3% CO₂ reduction scope 1 and 2

A more detailed description of the key characteristics of the incentive schemes is included in the section Remuneration Report, on pages 59-61.

Policy name	Key contents
Remuneration policy	<ul style="list-style-type: none"> • Aims to provide remuneration in line with the market to attract, motivate, and retain qualified executives for the publicly listed company, taking into account the Company's size, strategy, and unique characteristics. • Remuneration policy for Executive Board and Supervisory Board. • Remuneration Committee is responsible for implementation. • Based on good practices, Dutch Corporate Governance Code, and regulations. • Published on the website.

Policies, action plans, metrics and targets

The following sections (Environmental information, Social information, and Governance information) indicate the policies and action plans we have in place to manage each material topic. Overall, we have policies and action plans in place for the material topics of our own operations, although we identified opportunities to improve. A need remains to gain further insight into which resources we allocate to the execution of our strategy regarding our material topics and how we track our progress.

We currently have limited detailed policies and action plans in place for topics related to the value chain. We will prepare an action plan to follow up on these. Part of this plan is to determine ambitions, set up policies and action plans, allocate resources, set targets and track effectiveness. This will be aligned with our strategic goals and embedded in our operation (business planning cycle, measuring and monitoring). Part of it will always be qualitative analytics as some topics are not quantitatively measurable. The sections Environmental information, Social information, and Governance information contain short descriptions of the definitions of the datapoints disclosed.

At least once a year the Executive Board and the Supervisory Board will be informed by the Director Sustainability about the material impacts, risks and opportunities, the implementation of due diligence, and the results and effectiveness of policies, actions plans and the adopted targets. The Executive Board and the Supervisory Board will then evaluate and determine how they will oversee the strategy, risk management process and important decisions that need to be made, based on the defined material impact, risks and opportunities. The metrics included in the sustainability statements are not validated by an external body other than assurance provider. The targets are applicable to all operating companies, unless stated otherwise in the specific disclosure.

Due diligence process

The due diligence process performed to determine our material impacts, risks and opportunities are included in the section Impact, risk and opportunity management.

Reference to the information provided in our sustainability statements about our current sustainability due diligence process and performance is included in the table below.

We currently have limited detailed policies and action plans in place for topics related to the value chain. We will prepare an action plan in 2025 with the purpose to manage the identified value chain related IROs going forward.

Risk management and internal controls over sustainability reporting

The general risk management and internal control structure is included in the Risk management section. In addition to risk assessment, TKH's Internal Control Framework (ICF) based on the COSO 2017 framework includes a structured process for identifying and managing opportunities. These are evaluated based on their strategic, operational, financial, compliance, and sustainability impact. Risks are assessed on its potential impact on the organization and the probability that this risk will occur. The impact includes financial and non-financial factors such as reputation. The risk appetite is also taken into account, representing

Core elements of due diligence	Paragraphs
Embedding due diligence in governance, strategy and business model	<ul style="list-style-type: none"> Administrative, management, and supervisory bodies Policies, action plans, metrics and targets Risk management and internal controls over sustainability reporting Strategy, business model and value chain Process to identify, assess, and prioritize material impacts, risks, and opportunities Material impacts, risks, and opportunities
Engaging with affected stakeholders in all key steps of the due diligence	<ul style="list-style-type: none"> Interests and views of stakeholders Administrative, management, and supervisory bodies Process to identify, assess, and prioritize material impacts, risks, and opportunities Policies, action plans, metrics and targets
Identifying and assessing adverse impacts	<ul style="list-style-type: none"> Process to identify, assess, and prioritize material impacts, risks, and opportunities Material impacts, risks, and opportunities
Taking actions to address those adverse impacts	<ul style="list-style-type: none"> E1 Climate change action plans E2 Pollution - Actions E3 Water - Actions E5 Circular economy - Actions Sustainable innovation – Actions S1 Diversity – Actions S1 Health and safety – Actions S2 Workers in the value chain – Actions S4 Consumers and end-users – Actions G1 Business conduct AI and algorithm ethics – Actions
Tracking the effectiveness of these efforts and communicating	<ul style="list-style-type: none"> Environmental, Social, and Governance information.

the risk (amount) we are willing to accept in pursuit of our strategic objectives.

Controls are in place to ensure reliable reporting on sustainability-related metrics. The sustainability reporting processes and definitions used by TKH have been formalized in our Sustainability Reporting Manual, which provides guidance on how to collect, consolidate, and report data. The data has been reviewed for plausibility and progress by the responsible company officers using the financial reporting model. The data has been validated by TKH's sustainability department on group level, and analysis have been done. For most of the reported datapoints differences greater than 10% compared with the previous year have been investigated. As the sustainability reporting scope has increased in 2024, we have established a wider range of internal controls deemed appropriate and adequate following an ongoing evaluation of the risks related to data accuracy and completeness.

In addition, TKH's Internal Audit Department carries out internal audits on the processes to be carried out and the accuracy of the data as a permanent part of its work program. All internal audit reports are shared with the Executive Board, the material findings are reported to and discussed with the Audit Committee. External expertise is sought for specific and complex sustainability issues, for example related to the calculation of scope 3 emissions. In the year under review, Internal Audit performed reviews on selected non-financial reporting KPIs and operating companies and identified areas for improvement and optimization. No material deficiencies were identified. The 2024 findings included non-material topics such as minor reconciliation differences in sustainability reporting including documentation, and consistency in way of working regarding sustainability reporting, partly as a result of the decentralized organizational structure. In 2025, we

will continue to develop the review activities related to non-financial information, with the ambition to include all CSRD-related quantitative datapoints in the scope of internal audit over time.

Identified risks are prioritized based on impact and likelihood amongst others, following TKH's risk management approach. We currently have limited detailed policies and action plans in place for topics related to the value chain. We will prepare an action plan in 2025 with the purpose to manage the identified value chain related IROs going forward.

More information on the process to identify, assess, and prioritize sustainability-related material impacts, risks, and opportunities is included in the section Process to identify, assess, and prioritize material impacts, risks, and opportunities.

Strategy, business model, and value chain

For a general description of our strategy, business model, and key markets served, see section Strategy and performance. Details of the business model and value chain, including the inputs and approach to gathering, developing and securing those inputs, the outputs, and the outcomes in terms of current and expected benefits for customers, investors and other stakeholders are included in the section Long-term value creation.

TKH manufactures computer, electronic and optical products, as well as electrical equipment and machinery, which are classified under the NACE Code C26 Manufacture of computer, electronic and optical products, C27 Manufacture of electrical equipment, and C28 Manufacture of machinery and equipment. These activities are activities in high climate impact sectors, based on the sectors that are listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council (as defined in Commission Delegated Regulation (EU) 2022/1288).

TKH has offices and production sites in 34 countries and serves customers in over 90 countries. TKH's operations are grouped into three business segments: Smart Vision systems, Smart Manufacturing systems, and Smart Connectivity systems.

Turnover per business segment			
in million	NACE	2024	2023
Smart Vision systems	C26	€489.6	€500.5
Smart Manufacturing systems	C28	€608.8	€573.6
Smart Connectivity systems	C27	€631.9	€800.5
Other and eliminations	others	€-17.6	€-27.1
Total turnover		€1,712.7	€1,847.5

Employees		
in headcount	2024	2023
Smart Vision systems	2,241	2,203
Smart Manufacturing systems	1,822	2,036
Smart Connectivity systems	2,438	2,426
Other	164	104
Total employees	6,665	6,769

More information per business segment is included in note 22 information by segment in the financial statements.

TKH's strategic program Accelerate 2025 includes actions to increase turnover and ROS by unlocking the full potential of our innovative technologies in the high-growth markets in which we operate. By leveraging our current market positions and the megatrends of automation, digitalization, and electrification, TKH is well positioned to take full advantage of the expected market growth.

In addition, we prioritized sustainability in our strategy, actions, and targets, driven to improve our performance on sustainability. TKH will further improve its strategic resilience through by addressing material impacts and risks while capitalizing on opportunities. This will be achieved through:





- 1 Diversified business model & market positioning:**
 - Operating across three business segments (Smart Vision, Smart Manufacturing, and Smart Connectivity systems) reduces dependency on a single industry or market.
 - Focus on high-growth sectors (automation and electrification) aligns with long-term market trends.
- 2 Sustainability & risk management integration:**
 - The Accelerate 2025 strategy embeds sustainability into business operations, addressing risks related to climate change, resource scarcity, and regulatory shifts.
 - Proactive supplier diversification and long-term

contracts and engagement mitigate risks from raw material shortages (e.g., copper, aluminum).

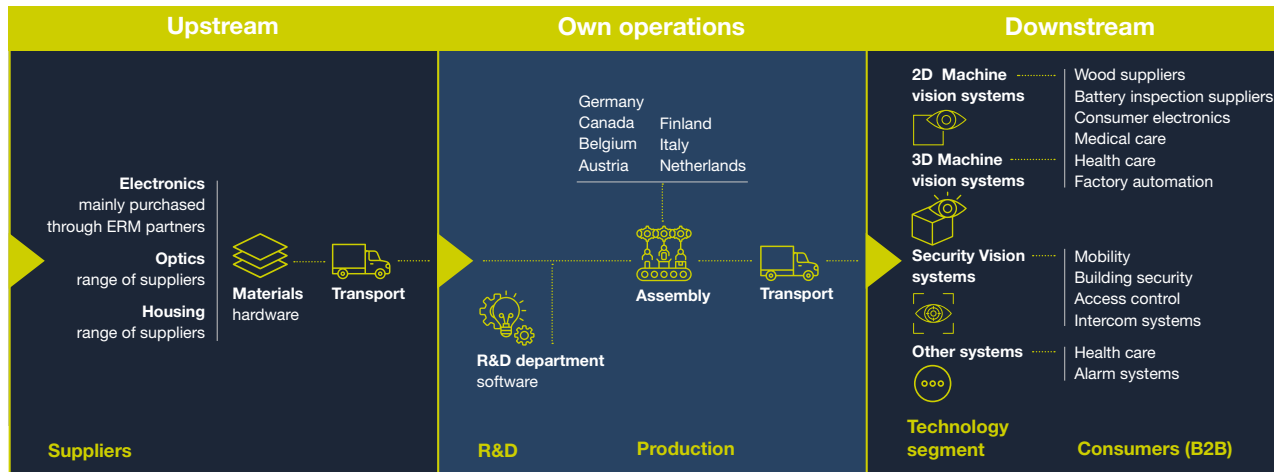
- 3 Operational flexibility & innovation investments:**
 - A €200 million investment program completed in 2024, strengthening innovation capacity in AI, electrification, and smart manufacturing.
 - Global production flexibility allows adaptation to supply chain disruptions and geopolitical risks.
- 4 Scenario analysis & actions 2025:**
 - Stress testing and risk assessment ensure adaptability to climate and regulatory changes.

- Investments in digital transformation and automation position TKH to take advantage of emerging opportunities.

Our defined (annual) sustainability targets and goals for 2030 are ambitious and present challenges. We focus on multiple markets and operate globally with a global value chain, which inherently results in regions facing potential political and industry/sector challenges in the areas of human rights, corruption/bribery and the environment. This includes topics such as human rights and working

Environment	Social	Governance
 <p>Sustainability is a strategic priority and our operating companies have implemented relevant ISO environmental standards. By integrating sustainability into every aspect of our business, we are minimizing energy use, GHG emissions, waste, and raw materials.</p> 	 <p>We create a healthy work culture where people and their safety always come first. We empower our employees to take the initiative, respecting and valuing every individual equally regardless of age, sex, race, religion.</p>	 <p>We conduct our business with honesty, integrity, accountability, and transparency. We continuously engage with stakeholders through dedicated events and relevant channels, while complying with all relevant sustainability laws and regulations wherever we operate.</p>
Targets		
Environment	Social	Governance
100% carbon neutrality in own operations by 2030 (scopes 1 and 2)	> 25% of female members in executive and senior management teams by 2030	> 90% strategic suppliers assessed
> 80% recycling (copper, aluminum, and plastics)	< 1.0 Accident rate (LTIFR)	Enhance (sustainability) policies and procedures
< 5% waste	< 4.0% Illness rate	
	> 7.5 Employee satisfaction score	

Vision technology's value chain



conditions of value chain workers, availability of renewable technologies to realize GHG emissions reduction targets for scope 1 and 2, resource shortages and diversity, and availability and collaboration in the value chain e.g. related to decarbonation of scope 3 GHG emissions and human rights. Sustainability-related challenges are disclosed in more detail in the respective paragraphs.

In 2024, the strategy and the business model of TKH were not amended. As part of the execution of the Accelerate 2025 strategy, TKH acquired the companies Liberty Robotics and JCAI. In addition, the companies EKB Groep and HE System Electronic were divested. The strategic investment program of €200 million was completed in 2024.

Smart Vision systems

TKH creates state-of-the-art Vision technology, which accounts for about 85% of the turnover of the Smart Vision systems segment. This technology includes 2D and 3D Machine Vision and Security Vision systems. TKH's 2D and 3D Machine Vision technology systems are used to improve quality inspections, operations, and object monitoring in numerous industries, such as

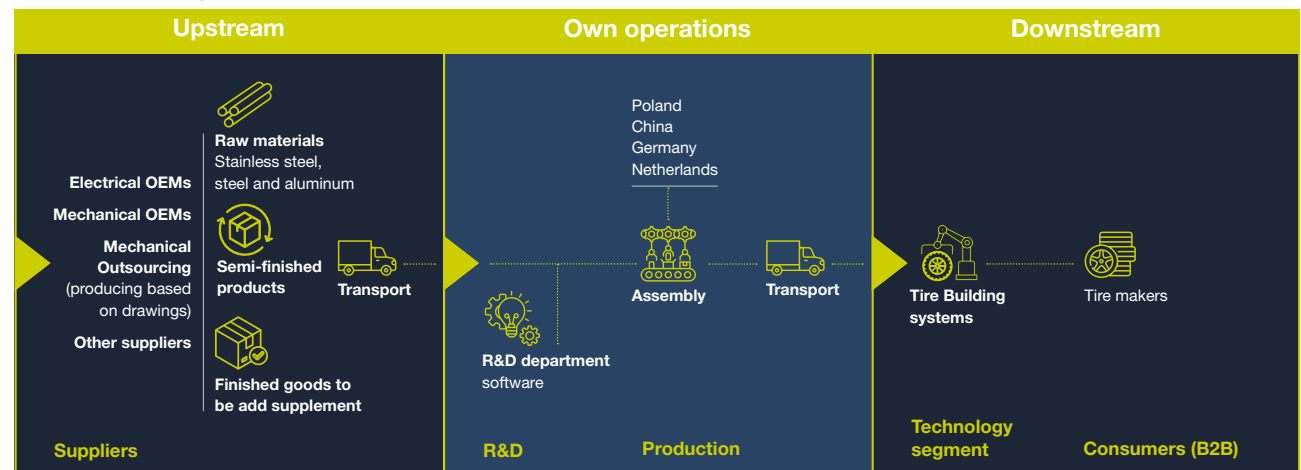
consumer electronics, factory automation, logistics, the wood industry, intelligent transport systems (ITS), and medical and life sciences. Meanwhile, our Security Vision systems, combined with advanced communication technologies, enable customers to efficiently manage and control the urban environment. They also improve

efficiency, safety and security in various markets, such as infrastructure and building security. Within this segment, there is no significant dependency on key-suppliers or customers, as there are diverse material inputs and substitutable suppliers, and different market segments and customers served.

Smart Manufacturing systems

At TKH, we leverage our unique expertise to create superior manufacturing systems, capitalizing on our deep understanding of the automation production processes in different industries. Our systems and machines contribute to highly efficient manufacturing and processing. Our Smart Manufacturing systems serve industries ranging from tire production for cars and trucks to factory automation and medicine distribution. Our Tire Building systems represent a share of about 83% of turnover within the Smart Manufacturing systems segment. Within this segment there is no major dependency on specific key customers, as a wide range of customers are served. There is a dependency on one particular supplier, because customers prescribe this supplier as their factory automation system.

Tire Building's value chain



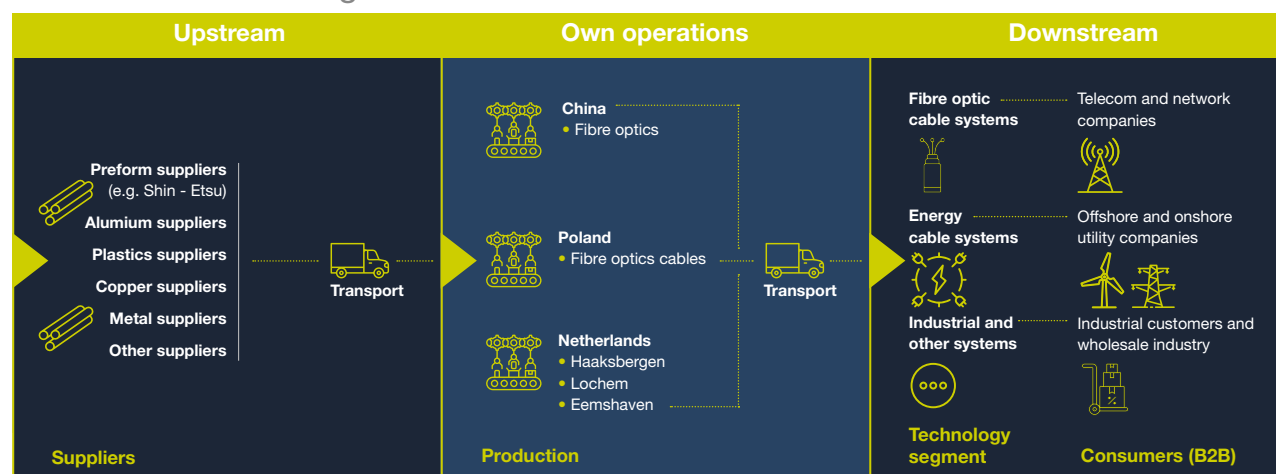
Smart Connectivity systems

TKH creates advanced Smart Connectivity systems, engineering complete, unique solutions that combine our integrated system approach with our connectivity proposition. Electrification and Digitalization represent a share of about 48% and 29% of turnover of the Smart Connectivity systems segment respectively. Our Electrification solutions are designed for on-shore and off-shore energy distribution. Digitalization represents Fibre Optic connectivity systems for data and communication networks. In addition to Electrification and Digitalization, TKH produces specialized cable systems for industrial automation applications in high-tech environments. In addition, TKH offers a unique connectivity technology for airfield ground lighting systems: Contactless Energy and Data Distribution (CEDD). This connectivity system consists of hardware components and intelligent software, to improve the efficiency and safety of specific airfield applications. Within this segment there is no major dependency on specific key customers, as a wide range of market segments and customers are served. There is a dependency on suppliers of raw materials (copper and aluminium), due to the limited numbers of global suppliers.

Interests and views of stakeholders

TKH recognizes and acknowledges the importance of having a meaningful dialogue with its stakeholders about sustainability and the company's strategy including business model and value chain. Meaningful stakeholder dialogue is characterized by two-way communication and depends on the good faith of participants on the sides of both TKH and the stakeholders. TKH's Stakeholder Engagement Policy has been published on our website, and serves to include the interests of relevant stakeholders in defining and further developing the sustainability strategy. This requires effective consultation and engagement with our stakeholders, in which context we strive to optimally serve their interests and build lasting

Electrification and Digitalization's value chain



relationships with them. This policy provides guidelines and principles to maintain and strengthen these relationships. The CEO is responsible for implementation of the policy. The policy defines our key stakeholders being our employees, shareholders, customers, suppliers, analysts, banks, public bodies and other stakeholders including sectoral organizations and NGOs. If the (central) works council of the company is considered a participant in a stakeholders dialogue, the chair of the works council will be invited to participate in such dialogue in case the stakeholder dialogue will be held in groups. This is also the case when the stakeholder dialogue with the works council has already taken place in regular contacts between the Executive Board and the works council (and the Supervisory Board).

TKH uses various methods and channels to engage in dialogue with its stakeholders, depending on the nature, purpose, and frequency of the interaction. The Executive Board decides whether a stakeholder dialogue will be held with more stakeholders at the same time (collectively) or through (one or more) year-round bilateral

contacts between the company and a specific stakeholder/representative of a group of stakeholders (individually). The main outcomes of the stakeholder dialogues are discussed with the Executive and Supervisory Board.

We consulted with representatives from these key stakeholder groups on sustainability-related impacts, risks and opportunities. We prioritize the input from stakeholders, based on frequency (how often specific issues are mentioned by multiple stakeholders), severity (the potential magnitude of the impact on our stakeholders or business, and the alignment (how these issues align with our long-term strategic goals and regulatory requirements). The views of these stakeholders shape our strategic decision-making process. We incorporate feedback on specific areas of our business into our planning, actions, targets, policies and disclosures.

Table with stakeholders, channels of engagement and key engagement topics

Stakeholder	Relevance and purpose	Engagement channels	Key engagement topics	Supportive to our strategy
Employees	<ul style="list-style-type: none"> Crucially important for the success of TKH. The company's ambassadors. Most important "authorized capital". Good employment practices. Development opportunities and a good package of primary and secondary employment benefits. A safe and healthy working environment. 	<ul style="list-style-type: none"> Internet and intranet. Staff magazine. Employee satisfaction survey. Staff meetings. Conferences and seminars. Webinars. Performance reviews. Survey on materials impacts, risks, and opportunities (IROs). 	<ul style="list-style-type: none"> Health and safety. Diversity. Climate change. Sustainable employability. SDGs. IT & Security / Privacy. Strategic program. Defining materials impacts, risks, and opportunities (IROs). 	<ul style="list-style-type: none"> Commitment to the diversity of the workforce. Learning organization. Boost innovative capacity. Leadership and entrepreneurship. Integrity & zero tolerance.
Shareholders	<ul style="list-style-type: none"> Investment through a shareholding in TKH, thereby strengthening our capital position. Good return on investment with good dividend policy and long-term value creation. 	<ul style="list-style-type: none"> Internet. Financial reporting and annual reports. General meeting of shareholders. Investor days. Capital Markets Day. Survey on materials IROs. 	<ul style="list-style-type: none"> Financial reporting and annual reports. Sustainability. SDGs. Diversity. Climate change. Strategic program. Defining materials IROs. 	<ul style="list-style-type: none"> Long-term shareholdings.
Customers	<ul style="list-style-type: none"> Buy products and services. Develop sustainable package of products and services through collaboration. Offer innovative, high-tech technologies and comprehensive solutions. Good ROI for customers. 	<ul style="list-style-type: none"> Internet. Events, symposia, and trade fairs. Customer satisfaction survey. Survey on materials IROs. 	<ul style="list-style-type: none"> Sustainable product portfolio. SDGs. Customer satisfaction. Climate change. Defining materials IROs. 	<ul style="list-style-type: none"> Technological developments. Growth targets.
Suppliers	<ul style="list-style-type: none"> Supply of services and products for our business operations. Fair business practices and doing good business at market rates. 	<ul style="list-style-type: none"> Business associates. Negotiations. Code of supply and site visits. Survey on materials IROs. 	<ul style="list-style-type: none"> Sustainable product portfolio. SDGs. Defining materials IROs. 	<ul style="list-style-type: none"> Technological developments. Sustainable procurement.
Analysts	<ul style="list-style-type: none"> With the aid of analysis and research, prepare profiles and ratings on the basis of which investors can make a selection for their investments. Honest and transparent communication about developments. 	<ul style="list-style-type: none"> Internet. Financial reporting and annual reports. IR meetings. Capital Markets Day. Reporting. Survey on materials IROs. 	<ul style="list-style-type: none"> Financial reporting and annual reports. Financial ratios. Sectoral developments. Strategic program. Defining materials IROs. 	<ul style="list-style-type: none"> Long-term value creation and transparency.
Banks	<ul style="list-style-type: none"> Financial service providers with the aid of which TKH is able to achieve its growth targets. Creditworthy enterprise that is appropriately balancing risks against returns and complies with contractual agreements. 	<ul style="list-style-type: none"> Internet. Financial reporting and annual reports. Half-yearly discussions. Survey on materials IROs. 	<ul style="list-style-type: none"> Financial reporting and annual reports. Financial ratios. Risk analysis. Defining materials IROs. 	<ul style="list-style-type: none"> Sustainable funding policy.
Public bodies	<ul style="list-style-type: none"> Act as initiator, facilitator of supply chain and other projects, and driver of sustainable initiatives. Boost the economic appeal in the region with respect to business office location and employment. Supply chain initiatives with a significant contribution to sustainability. 	<ul style="list-style-type: none"> Internet. Network and thematic meetings. Survey on materials IROs. 	<ul style="list-style-type: none"> Sustainable and other developments in the region. Defining materials IROs. 	<ul style="list-style-type: none"> Strategic investment decisions.
Education and knowledge institutions	<ul style="list-style-type: none"> Influx of new talent in order to compensate for such things as a shortage of technical personnel. Providing a challenging work environment with ample development opportunities. Providing traineeships – work experience. 	<ul style="list-style-type: none"> Internet. Trade fairs and seminars. Social media. 	<ul style="list-style-type: none"> Relevance of education (in relation to the relevant discipline). Profiling TKH as an interesting employer. 	<ul style="list-style-type: none"> Sustainable workforce. Learning organization.
Community and sectoral organizations (including NGOs)	<ul style="list-style-type: none"> Possess an extensive network and knowledge of the positions in the supply chain. Expertise in specific sectors. Contribute ideas to and start up joint ventures. 	<ul style="list-style-type: none"> Internet. Reporting and reports. Annual reports. Survey on materials IROs. 	<ul style="list-style-type: none"> SDGs. Climate change. Defining materials IROs. 	<ul style="list-style-type: none"> Sustainable business operations. Consolidate social initiatives.

Material impacts, risks, and opportunities management

Process to identify, assess, and prioritize material impacts, risks, and opportunities

TKH identified material sustainability topics by following the double materiality approach (impact materiality/ financial materiality - DMA) brought forward by the European Sustainability Reporting Standards (ESRS). The following steps were taken from the start of the DMA project to the sign-off of material sustainability topics:

- Defining the scope and objectives
- Identifying potential material sustainability matters (longlist of sustainability topics)
- Determining definitions, thresholds and value chains
- Assessing of material sustainability matters (shortlist of sustainability topics)
- Internal validation of assessment outcomes
- Validation by other internal and external stakeholders
- Signing-off on material topics by the Executive Board and Supervisory Board

In performing this assessment, we used the list of sustainability matters covered in the topical ESRS provided in application requirement 16 of ESRS 1. Based on these sustainability matters we defined a comprehensive longlist of 130 potentially relevant sustainability topics. This longlist was narrowed down to a shortlist of 67 sustainability topics by scoping out sustainability topics which are not relevant due to the nature of our business and value chain (for example animal welfare and invasive alien species). For each of the 67 sustainability topics on the shortlist we assessed the impacts, risks, and opportunities (IROs) in the short, medium and long-term, as well as their respective materiality. The assessment on the IROs was enriched by including the business segments and value chains perspectives and experiences from across TKH

Group. This ensures we do not miss possible IROs, taking into account TKH Group's various and globally dispersed (production) sites, the complex and diverse supply chains as well as the broad customer base in several end markets. All these 67 sustainability topics and the related IROs were evaluated and prioritized based on their respective nature (impact, risk or opportunity) by considering both the impact and financial materiality.

The impact materiality is defined as follow:

- Positive impact materiality: scale and scope of the impact
- Negative impact materiality: scale, scope, and irremediable character of the impact

Positive and negative impacts have been assessed for actual and potential impacts, where for potential impacts the likelihood is assessed.

The financial materiality is defined as follow:

- Risks and opportunities: financial size times likelihood

In determining the financial size and likelihood we used our existing risk management model, based on a five-point scale. The EBITA used to determine the financial size is based on the EBITA of the most recent full reporting year at the time of the execution of the DMA.

Size	
Potential size category	Financial size in % of EBITA
1. Very low	<5%
2. Low	between 5% and 10%
3. Medium	between 10% and 20%
4. High	between 20% and 40%
5. Critical	>40%

Likelihood	
Potential size category	Likelihood in %
1. Rare	<20%
2. Unlikely	between 20% and 40%
3. Possible	between 40% and 60%
4. Likely	between 60% and 80%
5. Almost certain	>80%

Also the scale, scope, and irremediable character are defined based on a five-point scale:

Scale, scope, and irremediable character		
Scale	Scope	Irremediable character
1. Very low	1. Operating company	1. Very low (immediately)
2. Low	2. Local	2. Low (0-1 year)
3. Medium	3. Country	3. Medium (1-5 years)
4. High	4. Regional	4. High (5-20 years)
5. Critical	5. Global	5. Critical (>20 years)

The outcome of the DMA has been validated at the group level by leveraging internal expertise, industry reports, and specialist insights. This was followed by an assessment at the business segment level to ensure that key value chain topics are adequately addressed in the respective segments.

For our Smart Connectivity segment, we conducted an in-depth evaluation due to the heightened risk of adverse impacts on workers in the value chain. In this process, we:

- 1 Mapped dependencies and impacts by analyzing labor conditions, supply chain resilience, and regulatory developments.
- 2 Identified risk and opportunity linkages by assessing how labor risks could lead to operational disruptions,

reputational risks, and potential regulatory compliance costs, while also considering opportunities for enhanced worker welfare programs and stronger supplier relationships.

- 3 Integrated findings into risk management by aligning our assessment with scenario analyses and stakeholder consultations, ensuring that business decisions reflect identified connections.
- 4 Monitored ongoing developments through engagement with industry bodies, regulatory frameworks, and supply chain monitoring to track evolving risks and opportunities.

In addition, we consulted with representatives from key stakeholder groups on the sustainability-related topics. For this, we used the outcome of the internal assessment of the DMA and asked our external stakeholders to prioritize the material sustainability topics and to provide input if sustainability topics were missing or are of less importance in their perspective. The engagement with external stakeholders did not result in additional sustainability topics. More information on stakeholder engagement is included in the Interests and views of stakeholders section.

The DMA process was initiated in 2023, and formally finalized in 2024. We will update the DMA on an annual basis, including engaging with relevant stakeholders, but will monitor for significant updates on an ongoing basis. We will also assess how we can improve the DMA process further, to mitigate the risks that sustainability topics have been wrongly classified as non-material. There is a risk that an internal or external stakeholder does not have sufficient in-depth knowledge of the ESRS,

which could lead to incorrect input or interpretations. Training programs on ESRS and sustainability topics are important in this sense. At the same time, this is the first year of reporting under the ESRS framework which is still in development by providing additional implementation guidance. This entails the risk that we have interpreted certain ESRS requirements differently than intended.

Material impacts, risks, and opportunities

The DMA resulted in 13 material sustainability topics, which are grouped into the ESRS categories Environmental, Social, and Governance in the graph and table on the next page, including the reference to the ESRS topical standard, the IROs, and the value chain boundary.

The material sustainability topics includes two company specific topics: sustainable innovation and AI and algorithm ethics. While most of the material sustainability topics are in line with the materiality analysis based on the reporting requirements of the GRI from the prior year, we have identified AI and algorithm ethics as an additional sustainability topic that requires attention because of changes in the execution of our strategy over the past year. Furthermore, we have now identified water use, compliance with environmental regulations, and human rights in the value chain as a distinct topic, which was previously included under respectively responsible production and responsible procurement.

Material IROs

Environmental

- Climate change mitigation
- Pollution of air, soil, and water
- Water consumption
- Resource inflows, waste, and waste recycling
- Sustainable innovation

Social

- Diversity
- Health and safety
- Child / forced labor, and health and safety (workers in the value chain)
- Privacy (cybersecurity)

Governance

- Corporate culture
- Corruption and bribery
- Management of relationships with suppliers
- AI and algorithm ethics

Environmental - material IROs

Reasonably expected time horizons	Upstream	Own operations	Downstream
Short-term, Medium-term, Long-term	Climate change mitigation		
Short-term, Medium-term, Long-term	Pollution of air, soil, and water		
Short-term, Medium-term, Long-term	Water consumption		
Short-term, Medium-term, Long-term	Resource inflows, waste, and waste recycling		
Short-term, Medium-term, Long-term	Sustainable innovation		

Sub-topic	Impacts	Risks	Opportunities
E1-Climate change GHG emissions, energy efficiency and consumption (climate change mitigation)	<ul style="list-style-type: none"> Emissions contributes to global warming and climate change, and have an actual negative impact on the environment. 	<ul style="list-style-type: none"> Inability to reduce our carbon footprint through energy efficiency improvements and renewable energy sources, leading to missed net zero commitments or increased costs to meet targets. GHG emissions may be subject to carbon pricing mechanisms, which can increase operating costs and reduce profitability. 	
E2-Pollution Pollution of air, soil, and water Smart Connectivity systems	Potential negative impacts related to our cable production sites: <ul style="list-style-type: none"> Pollution caused by spills in the soil of toxic/polluting materials as a result of accidents during cable production. Emissions into the atmosphere of as a result of cable production activities (e.g. Nitrogen oxides (NOX), sulphur oxides (SOX)). Pollution of water in the proximity of TKH cable production sites, as a result of release of pollutants into process water. 	<ul style="list-style-type: none"> Environmental pollution leading to remediation costs, sanctions, fines, and reputational damages. 	
E3-Water and marine resources Water consumption	<ul style="list-style-type: none"> The consumption and quality of water resources have an actual negative impact on the environment, as well as on communities that depend on those resources. 	<ul style="list-style-type: none"> Interruption of operations due to unavailability of water. 	
E5-Resource use and circular economy Resource inflows, waste, and waste recycling	<ul style="list-style-type: none"> Sourcing resources unsustainably and waste have an actual negative impact on the environment, including greenhouse gas emissions. 	<ul style="list-style-type: none"> TKH is dependent on resource inflows, limited availability of resource inflows such as copper and other (raw) materials could affect the company in a negative way. Waste can pose financial risks for due to its impact on resource efficiency, operational costs, and environmental compliance. 	
Entity-specific Sustainable innovation	<ul style="list-style-type: none"> Sustainable innovation and technology are actually making a positive contribution to the achievement of the SDGs by promoting sustainable production and consumption, and addressing environmental challenges at customers. This can help create a more sustainable world. 	<ul style="list-style-type: none"> Insufficient technological development and innovation can threaten TKH's long-term value creation. 	<ul style="list-style-type: none"> Customer's need for sustainable innovation and technology offers TKH opportunities for growth and value creation.

Social - material IROs

Reasonably expected time horizons	Upstream	Own operations	Downstream
Short-term, Medium-term, Long-term	←----- Diversity -----→		
Short-term, Medium-term, Long-term	←----- Health and safety -----→		
Medium-term, Long-term	←----- Child / forced labor, and health and safety -----→		
Short-term, Medium-term	←----- Privacy (cybersecurity) -----→		

Sub-topic	Impacts	Risks	Opportunities
S1-Own workforce Diversity	<ul style="list-style-type: none"> A lack of diversity could have a potential negative impact on the overall health, wellbeing, and performance of our own workforce. 	<ul style="list-style-type: none"> A lack of diversity can result in employees feeling not valued, respected, and supported, resulting in negative reputation, impacting performance of employees and organization and therefore costs. 	
S1-Own workforce Health and safety	<ul style="list-style-type: none"> Health and safety incidents have an actual negative impact on the health and safety of our own workforce. 	<ul style="list-style-type: none"> Health and safety incidents can increase the risk of illness, injury and death, leading to lower morale, increased absenteeism and decreased productivity. 	
S2-Workers in the value chain Child / forced labor, and health and safety Smart Connectivity systems	<ul style="list-style-type: none"> Bad working conditions, incidents, and violations of work-related rights, could have a potential negative impact on the overall health and wellbeing of workers in the value chain (copper mines). 	<ul style="list-style-type: none"> Suppliers in the upstream copper value chain who do not respect working conditions and labor rights, can pose a reputational risk, which could lead to financial losses. 	
S4-Consumers and/or end-users Privacy (cybersecurity)	<ul style="list-style-type: none"> Data leaks or cyber incidents involving GDPR-sensitive data, and loss of business sensitive information, have an actual negative impact on the right of data protection. 	<ul style="list-style-type: none"> Privacy can be a financial risk. If customer data is not adequately protected it could lead to violation of laws, fines, and penalties and loss of trust. 	

Governance - material IROs



Sub-topic	Impacts	Risks	Opportunities
G1-Business conduct Corporate culture	<ul style="list-style-type: none"> Absence of good corporate culture can potentially have a negative impact as a result of a lack of accountability, unethical behavior, and inadequate response to environmental and social challenges. 	<ul style="list-style-type: none"> Failing to address the potential negative impact can result in regulatory fines, legal penalties, and reputational damage. 	
G1-Business conduct Corruption and bribery	<ul style="list-style-type: none"> Not preventing the spread of unethical and illegal practice could have a potential negative impact on societal well-being. 	<ul style="list-style-type: none"> Corruption and bribery can result in a lack of transparency and accountability, leading to erosion of public trust and damage to TKH's reputation. 	
G1-Business conduct Management of relationships with suppliers	<ul style="list-style-type: none"> Conflicts, for example as a result of geopolitical developments (such as the Russia-Ukraine war, trade tariffs, availability and price of energy), could have a potential negative impact on people and the environment. 	<ul style="list-style-type: none"> Reputational risks, as well as legal and financial liabilities. TKH may also face risks from political instability, including expropriation or nationalization of assets of suppliers (based on their location). Inadequate management of relationships with suppliers can result in non-productive relationships with suppliers, leading to inadequate inflow of (raw) materials and thus, discontinued production and operations. 	
Entity-specific AI and algorithm ethics	<ul style="list-style-type: none"> Unjustified actions, bias, discrimination or breach of privacy due to the use of AI systems could have a potential negative impact on people. 	<ul style="list-style-type: none"> Insufficient adequate use of AI tools can lead to leakage of business sensitive information such as intellectual property. Non-compliance with AI algorithm could lead to violation of laws, fines and penalties, reputational damage, and loss of trust. 	

Environmental information

Climate change (E1)

Environmental	Value chain boundary			Material IROs		
	Upstream	Own operations	Downstream	Impacts	Risks	Opportunities
GHG emissions, energy efficiency and consumption (climate change mitigation)	*	*	*	<ul style="list-style-type: none"> Emissions contributes to global warming and climate change, and have an actual negative impact on the environment. 	<ul style="list-style-type: none"> Inability to reduce our carbon footprint through energy efficiency improvements and renewable energy sources, leading to missed reduction targets or increased costs to meet targets. GHG emissions may be subject to carbon pricing mechanisms, which can increase operating costs and reduce profitability. 	

Our approach to determining our material impacts, risks and opportunities is described in the General information section. Climate mitigation is important; we are committed to minimizing our consumption and related impacts to the extent possible (scope 1 and 2). Our assessment showed both GHG emissions, as well as energy efficiency and consumption, to be assessed as material topics for TKH – the former for our full value chain and the latter for our own operations. As part of the DMA and related analysis, we have considered the climate-related physical risks and climate-related transition events listed in the climate change application requirements. We also assessed our impact on climate change through our GHG emissions. In 2024, we completed our scope 3 emissions inventory and started assessing our ambitions and identifying decarbonization levers for scope 3. We are currently working on the detailed plans for implementation in the coming years.

Introduction

TKH's production processes rely on energy and material inputs, leading to GHG emissions that contribute to climate change. TKH's cable portfolio is a key component

in technologies that support the transition to a net-zero economy, including renewable energy development. With our vision and tire building systems, we improve the sustainability performance of our customers. Reducing the energy consumption of our products during their use phase, improving recyclability of our products and increased production output by using our technologies at customers sites reduces the environmental impact. As we continue to expand our activities, integrating sustainability enables us to minimize energy use and GHG emissions. Our operating production companies have implemented the ISO standards that share common ground with sustainability goals, including the ISO 14001 environmental management system and the EN-16247 energy audit system, which is related to the European Energy Efficiency Directive.

Climate-related risks and opportunities

The potential impact of climate change on our strategy and our business model has received a great deal of attention in the year under review. We analyzed the potential climate-related transition risks to our operations posed by climate

change, and how these climate-related transition risks could be turned into opportunities, for instance through innovations in climate adaptation or climate-change mitigation. Our climate risk and opportunity assessment follows the TCFD framework, integrating key risk categories into our sustainability strategy. The high-level 2024 assessment primarily focused on physical (acute) risks, while transition risks will be formally identified and assessed in the coming years as part of an expanded scenario analysis. The assessment performed is based on the current situation of TKH, and does not yet include a climate scenario analysis considering for example a high-emissions and 1.5 degree aligned scenario. In 2024, TKH did not conduct a comprehensive resilience analysis in accordance with the full requirements of the CSRD. These include defining time horizons for climate-related risks and opportunities, evaluating exposure of assets and business activities to transition risks (likelihood, magnitude, and duration), and integrating scenario analysis. While our general time horizons for sustainability align with our financial reporting (short-term: 1 year, medium-term: 2–5 years, long-term: >5 years), we have not yet explicitly defined these time

Risk area	Climate-related transitions risks
Regulatory risks	Future implementation of CO ₂ taxation/pricing will mean higher operational and compliance costs
Technology risks	High investment costs to bring technology up to a level where it can meet the demand for products and services that can offer reduced emissions
Market demand and market change risks	Failure to meet the expectations of key stakeholders, including customers and investors, in relation to information on how we are addressing the challenges of climate change
Resource scarcity	Increasing volatility in the price and availability of (raw) materials/resources

horizons for specific climate-related risks and opportunities. We recognize the importance of such an analysis and plan to expand our assessment in the coming years to align with best practices and regulatory expectations.

Due to the locations of our (production) facilities, the physical (acute) risk is considered less relevant for TKH. However, physical (acute) climate change risks are part of the assessment when making business decisions, for example when changing locations or expanding our facilities or activities. We have also assessed the exposure of our strategic suppliers (suppliers with an annual purchase volume above €1 million) to any material first-order and second-order physical climate change impacts. This

assessment includes impacts indirectly caused by the physical effects of climate change, such as a significant economic crisis due to physical damage to business, or human migration due to flooding.

TKH's strategy already integrates climate-related considerations through its transition plan, decarbonization roadmap, and sustainability-linked incentive schemes for executives. While we have not yet conducted a full resilience analysis, we are actively implementing mitigation strategies such as electrification, energy efficiency improvements, and supplier engagement. Future scenario analyses will help refine our adaptation strategies to ensure resilience against climate risks.

Opportunity area	Climate-related opportunities
Efficient production	Further implementing more efficient production processes via our Operational Excellence Program
Renewable energy use	Further implementing carbon neutral operations by purchasing green energy, self-generated energy through solar panels, green certificates, etc.
R&D and innovation	Accessing markets with our innovations
	Increasing turnover through demand for those of our innovations that result in lower emissions for our customers
	Differentiating ourselves from the competition
Renewable energy programs in value chain	Contributing to the achievement of internationally agreed climate mitigation targets, and acquiring and leveraging our knowledge by participation in initiatives for renewable energy
Circular economy	Continuing to pursue waste-reduction targets and recycling ambitions to make a sustainable and demonstrable contribution to the circular economy

Our analysis identified four potential climate-related transition risk areas that could impact TKH's strategy and operations, which are presented in the table on the left.

In addition to managing risks, we have identified seven key opportunity areas to drive climate adaptation and mitigation, which are presented in the table on the left. The climate-related risks and opportunities are also part of the DMA process.

Our approach and policies

In 2021, as part of our Capital Markets Days (CMD) targets, we announced ambition to reduce our GHG emissions for our own operations (scopes 1 and 2) with 100% by 2030 (carbon neutral). We take 2019 as our baseline, which represents TKH's activities prior to COVID-19.

The focus on sustainability performance including climate change is also reflected in the remuneration of the Executive Board. The main goals related to sustainability aspects are included in the short-term incentive (STI) as well as the long-term incentive (LTI) performance targets. The STI includes targets for employee satisfaction and safety performance. The LTI contains targets on diversity and CO₂ reduction, both related to the progress towards our 2030 targets.

A detailed breakdown of the targets, including the 2024 performance, is included in the General information on page 87 and the Remuneration report on pages 59-61. We have integrated environmental policies per operating company as part of the health and safety policy focusing on various environmental-related topics such as climate and energy, waste, transportation and supply chain. They also address our (local) compliance with environmental laws and continuous improvement of practices. We are in the process of considering an environmental policy that involves the whole group.

TKH is not excluded from any EU Paris-aligned benchmarks as we do not meet any of the exclusion criteria stated in Article 12.1 (d) to (g) of Commission Delegated Regulation (EU) 2020/1818.

Transition plan

In 2024, we further developed the existing transition plan, including by further developing the scope 3 GHG emissions inventory and targets. Our transition plan has been defined based on the following steps.

1 Develop a GHG Calculation Framework

We developed unified guidelines for all companies to calculate their scope 1, 2, and 3 GHG emissions according to the GHG protocol. The guidelines are included in our Sustainability Reporting Manual as well as in our Cognos system used for sustainability reporting.

2 Define Carbon footprint & baseline

We reviewed our calculated GHG emissions for scope 1, 2, and 3. We completed GHG calculations for previously unreported scope 3 categories. For scope 1 and 2, the base year for the emission target is set at 2019 as part of our Accelerate 2025 targets defined in November 2021. The base year for the emission target for scope 3 is 2024, because the carbon footprint inventory for scope 3 was completed in 2024.

3 Identify Emissions Hotspot

Based on the reported carbon footprint by each operating company, we have identified the (group of) operating companies and business segments with the highest emissions. These are Smart Manufacturing systems (VMI – tire building machines) and Smart Connectivity systems (TKF - cable production company) due to their size and global footprint. In the roadmap for achieving the reduction targets, these operating companies are prioritized.

4 Benchmarking

We benchmarked our carbon footprint with best practices and investigated peers' decarbonization initiatives. We also evaluated emission reduction potential of taken or planned actions, as per information collected in the as-is analysis.

5 Assessment of ambition and identification of levers

We collected external and internal views on our reduction ambitions. Also we identified emission reduction initiatives by assessing our product portfolio to determine potential portfolio shifts, and by assessing technology to determine feasible options to reduce emissions in our value chain.

6 Business case, Strategy & Recommendations

We created business cases for prioritized decarbonization initiatives. We still need to develop recommendations for additional decarbonization initiatives to close the gap and reach the target for scope 3 emission. Based on the information available, we formulated our decarbonization strategy.

7 SBTi Target setting

We assessed possible scenarios based on identified emission reduction initiatives. We agreed upon the target setting for scope 1 and 2 aligned with SBTi (science-based target initiative). For this we used the near-term SBTi tool, aligning with the Paris Agreement and 1.5°C scenario. We will consider to engage with SBTi for commitments and target approval.

8 Organizational implementation

The transition plan has been approved by the Executive and Supervisory Board. The CEO is responsible for the implementation of the transition plan, supported by the Director Sustainability. We analyzed the consequences of our defined strategy for our organization (e.g. finance, personnel capacity, procedures). We designed mechanisms to enable or accelerate organization implementation, such as awareness campaigns and integrating sustainability into our annual strategic plan and budget process. Progress of the implementation is monitored through the quarterly sustainability reporting. This ensures that the transition plan is embedded and aligned with TKHs' overall business strategy and financial planning.

GHG emissions reduction targets and ambitions

In 2021, as part of our CMD targets, we announced an ambition to reduce our carbon emissions for our own operations (scopes 1 and 2) by 100% by 2030. This is a carbon neutral market-based target, also taking into consideration GHG removals or carbon credits, if any. We take 2019 as our baseline, which represents TKH's activities prior to COVID-19. Because these CMD targets are more ambitious than the SBTi-aligned targets, they are also aligned with the Paris Agreement and 1.5°C scenario.

In 2024, we aligned our near-term reduction targets with SBTi, resulting in a 2030 carbon reduction target for scope 1 and 2 of 42.0%. The SBTi-aligned net-term carbon reduction targets by 2030 are based on net-zero science-based targets, meaning excluding carbon credits and including neutralization. The SBTi-aligned carbon reduction targets are calculated based on the SBTi

GHG emissions reduction targets scope 1 and 2	Reduction target	Target year	Base year
Scope 1 and 2 – SBTi-aligned	42.0%	2030	2023
Scope 1 and 2 – CMD carbon neutral market-based target	100.0%	2030	2019

The reduction targets value are in absolute terms as % of the base year. CMD: Capital Markets Day.

cross-sector (absolute contraction methodology) emission reduction factor and the base year 2023. The near-term reduction target includes a forward looking ambition (FLA) adjustment, which enables companies to count early emission reductions towards achieving their near-term SBTs, while at the same time prevents companies from setting targets that have already been achieved.

Future expected developments such as changes in sales volumes, autonomous growth, shifts in customer

preferences and demand, and new technologies are part of the GHG emissions in the coming years and therefore also part of the reduction target. We have assumed that this will result in a 15% increase in our GHG scope 1 and 2 emissions. The impact of acquisitions and divestments in 2024 on the emissions inventory of the base year 2023 is considered to be non-significant because they relate to non-production sites. Influences from external factors in the base year, such as temperature anomalies, are considered to be non-material.

In 2024, we completed our scope 3 emissions inventory and started assessing our ambitions and identifying levers for scope 3. We are currently working on the detailed plans for implementation in the coming years.

Decarbonization levers

We evaluated emission reduction potential of taken or planned actions, as per information collected in the reported carbon footprint and sustainability-related plans for the period 2025-2029 as submitted by each operating company. This covers both identified emission reduction initiatives related to our own operations, as well as the feasible options to reduce emissions in our value chain. The table on the next page provides an overview of the most relevant decarbonization levers including the scope where it applies.

Scope 1 and 2

We have developed a decarbonization strategy (see waterfall chart on the next page) to assess and align our actions with our ambition of reducing our carbon footprint in our own operations by 100% by 2030 (carbon neutral). In the decarbonization strategy towards 2030 we assumed a 15% increase in our scope 1 and 2 emissions due to activity growth.

The first key decarbonization lever is electrification. This represent 17.1% of the reduction. We aim to replace 100% our fleet with electric cars by 2030. In the coming years we also scheduled several replacements of gas using (heating) systems by electric (heat) pumps. The second key decarbonization lever is energy efficiency by reducing the amount of energy we consume. This represent 11.7% of the reduction. The third key decarbonization lever is renewable energy, representing 49.0% of the reduction. The share of self-generated renewable electricity will increase in the coming years due to investments done and planned related to solar panels on our buildings and parking places. In

Terms used	Definition
Greenhouse Gas (GHG) Protocol	The Greenhouse Gas (GHG) Protocol is a comprehensive global standardized framework to help measure and manage GHG emissions from private and public sector operations, value chains, and mitigation actions. The SBTi's criteria and recommendations, including the Corporate Net-Zero Standard, rely on the accounting frameworks developed by the GHG Protocol.
Carbon	Carbon dioxide (CO ₂ - by far the biggest contributor to climate change).
Near-term science-based targets	Near-term science-based targets outline GHG emissions reduction over the coming 5 to 10 years that are in line with what climate science deems necessary to limit warming to 1.5°C above pre-industrial levels.
Net-zero science-based targets	SBTi-aligned net-zero targets include both near- and long-term science-based targets. They are GHG mitigation targets that imply: <ul style="list-style-type: none"> • Reducing scope 1, 2 and 3 emissions to zero or a residual level as defined within eligible pathways; • Permanently neutralizing any residual emissions at the net-zero target year and any GHG emissions released into the atmosphere thereafter.
Neutralization	Neutralization refers to measures that companies take to counterbalance the climate impact of GHG emissions which are impossible to avoid after their net-zero target date. Neutralization involves permanent removal and storage methods of CO ₂ from the atmosphere. In order to achieve net-zero, once companies have achieved their long-term target, they must neutralize any residual emissions (usually less than 10% of base year emissions) using permanent carbon removals and storage.
Forward looking ambition adjustment	An adjustment applied by SBTi target-setting tools to calculate the ambition of near-term scope 1 and 2 absolute and intensity targets that do not use the most recent reporting year as the base year.
Net-zero emissions	Net-zero emissions are achieved when human-caused GHG emissions are balanced by removing the same quantity of emissions from the atmosphere over a specified period of time. Net-zero GHG emissions must be achieved at the global level to stabilize temperature increase at 1.5°C.
Carbon neutral	Carbon neutral is generally used when counting the use of carbon offsets (i.e. investing in projects that remove carbon from the atmosphere to counterbalance some or all GHG emissions). Carbon neutral does not necessarily mean that direct emission reductions have taken place. Carbon neutrality claims also do not necessarily include GHGs other than carbon dioxide.

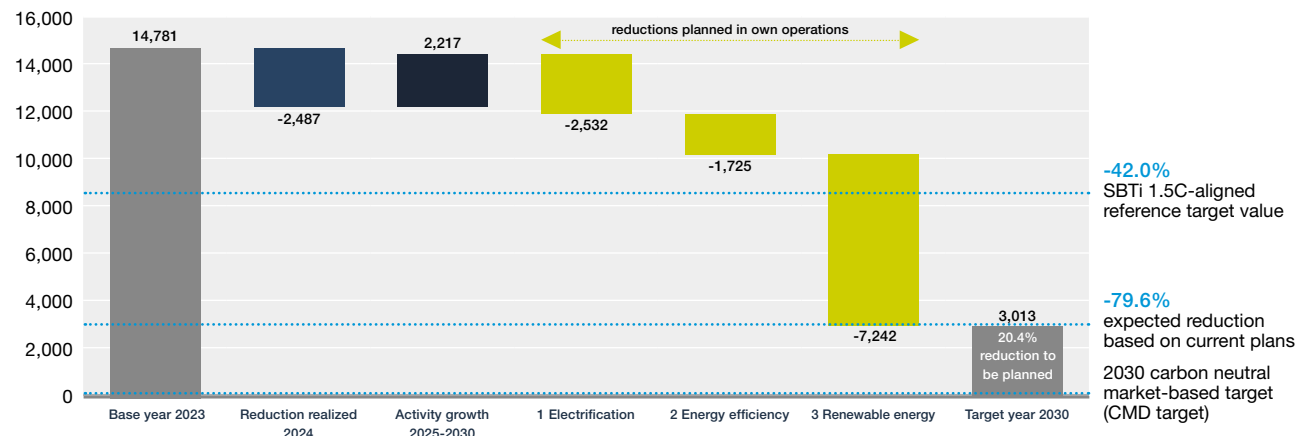
Decarbonization levers	GHG emission category	Description
1 Electrification	Scope 1	Electrify the organization fleet, and change of energy sources to electricity (reducing gas consumption).
2 Energy efficiency	Scope 1 and 2	Reduce energy consumption by using technologies with lowest possible energy consumption.
3 Renewable energy	Scope 2	Increase share of renewable energy and self-generated renewable electricity by installing solar installations.
4 Business model innovation	Scope 3	Transitioning from a product-based model to a service-based model, resulting in less emissions from the production and use of sold products.
5 Product and service design	Scope 3	Design products and services with sustainability as a priority to lower emissions throughout their lifecycle.
6 Supply chain and circularity (supplier engagement)	Scope 3	Collaborate with suppliers to enhance their environmental performance by setting joint emission reduction targets, providing training and resources, and establishing supplier sustainability programs. Prioritize sourcing from suppliers with lower carbon footprints and choose sustainable materials and products by incorporating carbon reduction criteria into procurement decisions.
7 Customer engagement	Scope 3	Educate and involve customers to encourage the sustainable use of sold products by offering recycling incentives and providing guidance on reducing carbon footprints (to reduce emissions associated with product use and disposal).
8 Waste management	Scope 3	Adopt operational policies on waste management by implementing waste reduction and recycling programs.
9 Transportation	Scope 3	Reduce emissions from transportation from suppliers (purchased goods) and to customers (sold products) by using other ways of transportation.
10 Travel	Scope 3	Adopt operational policies on business travel and employee commuting by promoting remote work to cut down on commuting emissions, and encouraging the use of public transport.

addition, the share of renewable energy will increase by purchasing renewable energy and green certificates. The planned actions are expected to further decarbonize our scope 1 and 2 footprint by 77.8% over the period 2025-2030. Compared to the base year 2023, we expect to decarbonize our scope 1 and 2 emissions by 79.6% (period

2023-2030), which is above the SBTi-aligned reduction target of 42.0%. The remaining expected reduction of 20.4%, to realize our carbon neutral ambition by 2030, will be further investigated in 2025 and included in our decarbonization strategy. The realization of the target is partly dependent on available and affordable low-carbon

technologies and green certificates until 2030. This might be a challenge for some countries in which we operate. Replacing gas-based systems with electric heat pumps in older buildings presents challenges and may lead to locked-in emissions. Green certificates for gas will be used where possible for the residual emissions and any remaining emissions in 2030 would have to be offset.

Carbon emissions reduction scope 1 and 2



Scope 3

In 2024, we completed our scope 3 emissions inventory. The boundaries and definitions for scope 3 emissions are aligned with the GHG protocol. The main contributors in our scope 3 emissions are the emissions resulting from the purchase of raw materials and products used to manufacture our products (category 1), and the emissions occurring during the use phase of our products (category 11).

Using our products during their life time results in direct and indirect emissions. Direct emissions are resulting from products that directly consume energy (electricity) during use, for example our vision systems or tire building machines. Our cables, for example energy and communi-

cation cables, together with accessories, transport electricity between two locations. During this transport, part of the energy is lost, as the passage of the electric current through the conductor produces heat, known as Joule effect. This energy loss is not related to a direct consumption of energy by the cable, but due to the inherent resistivity of the conductive material when electricity is transmitted through the conductor.

Therefore, these emissions resulting from energy losses are considered as indirect emissions within category 11 of scope 3, and included in the scope 3 category 11 emissions inventory according to the GHG protocol.

When it comes to reducing carbon emissions across our value chain (scope 3), we have identified seven key levers that should help us achieve our ambition. Collaboration

with our value chain partners is key to collectively decarbonize. These collaboration projects are grouped under the categories supply chain and circularity (supplier engagement) and customer engagement. With business model and product innovations we targeted to reduce the emission during their use phase. Lastly, we identified decarbonization opportunities related to waste management, upstream and downstream transportation, and travel although the contribution of these categories are of less impact compared to the other decarbonization levers. In 2025, we will work further on the implementation of our decarbonization strategy for scope 3 and expected decarbonization opportunities by developing detailed plans per decarbonization lever.

Key actions planned and progress 2024

The following key actions per decarbonization lever are planned.

Electrification, energy efficiency, and renewable energy

Efficient energy consumption and the reduction of CO₂ emissions are important performance indicators for all our sites. Under the terms of the EU Energy Efficiency Directive (2012/27/EU), member states must ensure that large organizations undergo an energy audit to gather information on real-time energy consumption and gain insight into the potential for energy savings. At a country level, where applicable, TKH developed an integrated plan for energy efficiency to meet the requirements of this Directive. We use these reports for our energy reduction plan, among other things. We regularly monitor the identified potential for energy savings to ensure our progress and compliance with improvement plans. Energy-saving measures that already have been implemented include replacing conventional lighting with LED lighting, replacing central-heating boilers with energy-efficient models, replacing LPG forklifts with

Decarbonization levers	Key actions
1 Electrification	<ul style="list-style-type: none"> Phase out gas installations. Phase out petrol and diesel cars from our fleet. New purchased or leased forklifts are electric, resulting in increasing percentage of electric forklifts.
2 Energy efficiency	<ul style="list-style-type: none"> Develop smart buildings solutions, e.g. using LED lights, intelligent thermostats and other building automation (light sensors, automatic switch on/off). Reduce unnecessary space in office facilities to reduce energy usage.
3 Renewable energy	<ul style="list-style-type: none"> Increase percentage of renewable electricity. Increase percentage of self-generated renewable electricity. Add renewable electricity requirements in rental contracts.
4 Business model innovation	<ul style="list-style-type: none"> Develop and implement new service programs, and extend existing service programs.
5 Product and service design	<ul style="list-style-type: none"> Implement development principles based on EcoDesign. Improve energy efficiency of products during use phase. Improve recyclability of materials part of sold products.
6 Supply chain and circularity (supplier engagement)	<ul style="list-style-type: none"> Increase share of recycled content part of copper purchase. Prioritize sourcing from suppliers with lower carbon footprints and choose sustainable materials and products by incorporating carbon reduction criteria into procurement decisions. Engaging with strategic suppliers to stimulate them to reduce their carbon footprint. Setting joint emission reduction targets. Providing training and resources, and establishing supplier sustainability programs.
7 Customer engagement	<ul style="list-style-type: none"> Educate and involve customers to encourage the sustainable use of sold products. Offering recycling incentives. Providing training and guidance on reducing carbon footprints.
8 Waste management	<ul style="list-style-type: none"> Implementing waste reduction programs. Implementing recycling programs.
9 Transportation	<ul style="list-style-type: none"> Reduce/eliminate use of air freight. Implement green transport procurement strategy.
10 Travel	<ul style="list-style-type: none"> Promote online meetings and remote work. Encouraging the use of public transport. Bicycle purchase and repair plans for employees as part of their employee benefit budget.

electric forklifts, monitoring and reducing energy peaks, and investing in energy from sustainable sources, such as solar panels. With a total of 64,000 m² of office and factory space in Haaksbergen, 3,251 lighting fixtures have been replaced by LED. The total effect of replacing these 3,251 fixtures on electricity consumption was calculated at an annual saving of 1,840 MWh at the end of the project. By constantly improving our production processes and procedures, and continuing to explore new, energy-efficient solutions, and investigating the opportunities to invest in self-generated electricity, we aim to address the energy factor wherever possible. By doing so, we are attempting to minimize both CO₂ emissions and energy costs.

In 2024, our net carbon footprint for scopes 1 and 2 decreased by 70.3% compared with the reference year, 2019 (2023: reduction of 64.3% compared to 2019). We did not purchase any carbon offsets. At our sites, we reduced our scope 1 (direct) emissions. This was mainly driven by energy efficiency measures, our program to replace gas with alternative energy sources, the continuation of working from home, and mild winters. New buildings, such as our new subsea factory in Eemshaven in the Netherlands, are constructed without gas as much as possible. On balance, the emissions resulting from gas consumption decreased by 27.3% compared to the previous year. Emissions from transportation from own and/or controlled vehicles, which include emissions from lease cars, decreased by 11.2%. This is mainly due to the electrification of our lease car fleet and promoting online collaboration to limit travel as much as possible. Since 2022, new company cars leased in the Netherlands must be electric, resulting in a share of electric cars of 34.8% of the total lease car fleet. From 2024, all new lease cars within the group must be electric, with only a few exceptions. Additionally, we are investing in the essential charging infrastructure and continuously expanding our network of electric vehicle charging stations,

conveniently including those within our employee and visitor parking areas.

Our scope 2 emissions were further reduced as a result of a higher share of renewable energy, resulting from a shift to renewable energy sources and self-generated energy through solar panels installed on our buildings and properties, combined with purchased green certificates which was the main contributor in the reduction of scope 2 emissions. The share of renewable energy consumption in the total energy consumption increased from 55.5% in 2023 to 61.9% in 2024.

Business model innovation, and product and service design

We use product life-cycle assessments as input for sustainable product innovations, including circularity. For example, our operating company VMI achieved a remarkable milestone by conducting a comprehensive Life Cycle Assessment for their MAXX tire building machine. This accomplishment marked a pioneering effort in the tire manufacturing industry, as VMI became the first manufacturer to undertake such an analysis specifically for tire building machines. This cradle-to-grave analysis examined the entire lifecycle of the machine, emphasizing aspects under VMI's control. EcoDesign is a crucial approach that VMI values, and VMI provides training on it to their lead engineers. This training equips engineers with the knowledge and tools to seamlessly incorporate environmental considerations into the product development process, leading to a more sustainable product and therefore lower scope 3 emissions. EcoDesign essentially means finding a balance between environmental and economic factors. It's about making sure that environmental concerns are a fundamental part of every step in developing a product. This approach aims to create products that have the least possible negative impact on the environment throughout their entire life cycle, from the initial idea to when they're

no longer in use. During the training, engineers focus on a strategy called life cycle design using a tool called the LIDS wheel. This strategy encourages engineers to think about a product's entire life cycle, including how it's made, how it's used, how it's maintained, and what happens to it when it's no longer needed. By embracing EcoDesign principles and using the LIDS wheel, VMI's lead engineers are better equipped to develop products that not only work well and make economic sense but also contribute positively to environmental sustainability. This commitment not only benefits VMI but also aligns with global efforts to make products that have a smaller impact on the environment. In addition, transitioning from a product-based model to a service-based model will result in less emissions from the production and use of sold products.

Supply chain and circularity (supplier engagement)

We actively engage with our suppliers to share our ambitions and encourage these key stakeholders to do the same. Key impact areas for suppliers are: increasing process efficiency; moving to renewable energy; and reducing the use of fossil materials and fuels. We also see more intensive collaboration with suppliers on developing new innovative solutions as a key driver towards reducing our full value chain carbon footprint. We held in-depth discussions with selected key suppliers on how their plans can support our ambition and how we can collaborate to close any gaps. In 2024, one of our suppliers introduced a first-of-its-kind circular jacketing solution for low- and medium-voltage cables that marks a significant milestone in sustainable development for the wire and cable industry. This fully formulated natural medium-density polyethylene (MDPE) jacketing compound contains 50% post-consumer recycle, reducing CO₂e emissions during production by an estimated 0.2 kg per kg of compounded polymer – a 13% decrease compared to its virgin equivalent.

Customer engagement

Many of our customers are setting targets for decarbonization themselves, moving to renewable electricity and cleaner sources of powering their processes. This is increasingly leading to a lower carbon footprint during the use phase of our products. Through customer engagements, we aim to align customers decarbonization targets with our ambitions.

Waste management

This lever focuses on reducing the end-of-life impact of the materials in our products. This can mainly be achieved by increasing the amount of renewable materials, which can be done through applying recycled materials, among others. In 2024, our operating company TKF introduced the green label, by announcing the Green YMK: the first green installation cable. This cable consists of 100% recycled copper and bio-based plastics for minimal environmental impact. During the research we looked at the reuse of used raw materials, without making concessions to the quality and especially the user-friendliness of the cable. The packaging was also included in this. For example, this cable is supplied on 100 meter rings or on reels, where the reels are made of 100% recycled material and the rings are provided with a foil that consists of 50% recycled material and that is fully recyclable.

Transportation

We actively engage with our transportation service providers to share our ambitions. For example, our operating company TKF has worked with one of their transportation service providers for over two years to achieve zero-emission transport. Currently, 80% of TKF's transport in the Netherlands runs on 100% HVO (Hydrotreated Vegetable Oil), including the cranes. Additionally, since last spring, all our transport forklifts have been 100% electric. We are now taking it a step further by introducing new electric trucks.

Travel

Recognizing our global presence and the necessity of travel for meetings and maintenance at customer sites, we actively promote alternatives such as telephone and video conferences whenever feasible. This approach allows us to reduce the environmental footprint associated with travel while still ensuring effective communication with our customers on a global scale. At one of our operating companies, we use shuttle buses to make our company accessible via public transportation, contributing to sustainability by reducing individual car usage and promoting eco-friendly commuting options. Additionally, we provide bicycles for employees, further encouraging sustainable transportation choices and reducing the environmental impact of daily commutes.

Transition plan related investments

No capital expenditures (capex) have been made related to coal, oil or gas-related economic activities. There have not been any site-related investments in 2024 with locked-in GHG emissions that might impede our emission-related targets, based on our assessment as per end of 2024. Locked-in GHG emissions of our products could inhibit our scope 3 GHG emissions reduction. For a quantitative assessment of our potential locked-in GHG emissions associated with purchased foods and use of sold products, please refer to the GHG metrics section below.

For climate mitigation and adaptation, the current expenditures are included in the EU taxonomy reporting (see Appendix). In the coming 5 years, we planned investments to support the implementation of our transition plan with regard to scope 1 and 2 GHG emissions. Identified investments in the form of capex amounts to €3.6 million and are mainly related to replacements of gas systems with electric heat pumps, installation of solar and photovoltaic panels, and other investments to reduce

energy consumption. We identified €2.7 million additional operating expenses (opex) in the coming 5 years to implement sustainability related programs. This is calculated based on the identified additional opex for 2025 times the 5 years period. The additional opex are related to the hire of additional employees for sustainability functions at operating companies, supply chain programs, trainings, replacement of cars, purchase of green certificates, implementation of a leadership and development program for females, and other programs. The capex and opex investments are based on plans and estimates at this moment and will be examined again in 2025 whether additional investments and expenditures are necessary to meet the targets and our ambitions. These investments are not planned for aligning our economic activities (turnover, capex, opex) with the criteria established in Commission Delegated Regulation.

GHG metrics

The GHG emissions are prepared on a consolidated basis. The scope of the consolidation is equal to the scope of consolidation for the financial statements. The companies in which TKH has a minority ownership stake are not included in the sustainability statements, because we have no operational control over them. The GHG inventory boundaries for scope 1, 2, and 3 are based on the GHG protocol. The turnover to calculate the energy intensity rate and the GHG emissions intensity reconciles with the total turnover included in note 22 of the financial statements. The total turnover included in the financial statements is based on the requirements in accounting standard IFRS 15.

We have not used contractual instruments for the sale and purchase of energy bundled with attributes about the energy generation or for unbundled energy attribute claims. The percentage of scope 1 GHG emissions from regulated emission trading schemes is zero.

GHG emissions scope 1 and 2

in ton CO ₂ -equivalent unless otherwise stated	Retrospective				Milestones and target years	
	2024	2023 base year	movement	%	2030 target year	% target / base year
Scope 1 GHG emissions						
Gross scope 1	5,049	6,285	-1,237	-19.7%	3,645	42.0%
Scope 2 GHG emissions						
Gross scope 2 (location-based)	54,794	55,677	-883	-1.6%		
Gross scope 2 (market-based)	7,245	8,496	-1,251	-14.7%	4,928	42.0%
Total scope 1 and 2 GHG emissions (location-based)	59,843	61,962	-2,119	-3.4%		
Total scope 1 and 2 GHG emissions (market-based)	12,294	14,781	-2,487	-16.8%	8,573	42.0%

GHG emissions scope 3

in ton CO ₂ -equivalent unless otherwise stated	2024 base year	% of total
Significant scope 3 GHG emissions		
Cat. 1 – purchased goods and services	420,168	12.8%
Cat. 2 – capital goods	19,843	0.6%
Cat. 3 - fuel- and energy-related activities	11,330	0.3%
Cat. 4 - upstream transportation and distribution	4,805	0.1%
Cat. 5 - waste generated in operations	5,246	0.2%
Cat. 6 - business travel	4,941	0.2%
Cat. 7 - employee commuting	10,237	0.3%
Cat. 9 - downstream transportation	4,282	0.1%
Cat. 11 - use of sold products	2,731,018	83.1%
Cat. 12 - end-of-life treatment of sold products	74,436	2.3%
Total gross scope 3 GHG emissions	3,286,306	100.0%

GHG emissions total

in ton CO ₂ -equivalent unless otherwise stated	2024
Total GHG emissions	
Total GHG emissions (location-based)	3,346,149
Total GHG emissions (market-based)	3,298,600
GHG emissions intensity (location-based)	1,954
GHG emissions intensity (market-based)	1,926

Scope 1

Our scope 1 emissions derive from fuel for leased and owned cars, fuel for buildings, and gas for building heating. Scope 1 emissions decreased by 19.7% compared to previous year, mainly driven by a reduction of our gas consumption and electrification of our fleet. Emissions from gas consumption reduced by 27.3% due to energy efficiency, and an impact from divestments. The share of electric cars in the total fleet increased from 26.1% in 2023 to 34.8% in 2024, on balance resulting in an emission reduction of 11.2% compared to previous year.

The basis for scope 1 emissions is activity data, which in turn are based mostly on meter readings, invoices, and data provided by suppliers. All conversion factors are reviewed annually and updated if necessary. For scope 1, TKH calculates the energy use and the related CO₂ emissions, using conversion factors from co2emis-siefactoren.nl. TKH uses tank-to-wheel emission factors.

Scope 2

Our scope 2 accounts for electricity consumption at our production sites and offices. Scope 2 location-based emissions decreased by 1.6%. This decrease is a

GHG emissions scope 1 and 2 – progress towards CMD targets

in ton CO ₂ -equivalent unless otherwise stated	2024	2023	2019 base year
Gross scope 1 GHG emissions	5,049	6,285	8,642
Gross scope 2 GHG emissions (market-based)	7,245	8,496	32,773
Total Scope 1 and 2 GHG emissions (market-based)	12,294	14,781	41,415
Carbon footprint reduction scope 1 and 2 compared to based year (market-based)	-70.3%	-64.3%	

combination of factors, such as an impact of divestments, and the shift from cable production activities from China to Poland resulting is on balance less energy consumption. Due to the nature of the reporting, the location-based method does not take investments in renewable energy into consideration. Scope 2 market-based emissions decreased by 14.7% as a result of increased purchased renewable energy (20.8%) and self-generated renewable energy (43.8%) compared to the previous year. Electricity consumption covered by green certificates was on a similar level as 2023.

Location-based emissions

Emissions are calculated by using the country-specific conversion factors for electricity for the energy grid. This method reflects the energy mix within the specific country of consumption and does not consider any purchase of renewable energy or credits. To calculate GHG emissions, the Ecolnvent 3.11 database has been used.

Market-based emissions

Emissions are calculated by taking a specific conversion factor which an organization uses for its purchased electricity. Renewable energy purchases and green certificates are considered when accounting for indirect GHG emissions using the market-based approach. To calculate the residual GHG emissions, the conversion factor of co2emissiefactoren.nl been used for all remaining entities.

Scope 3

Scope 3 emissions are the indirect GHG emissions attributed to an organization's value chain. Scope 3 comprises 15 categories. The main development during the year was the completion of the scope 3 GHG emissions calculation, by adding the categories purchased goods and services (1), capital goods (2), transportation (4 and 9), employee commuting (7), use phase (11), and end-of-life treatment of sold products (12). In addition, the collection of waste data for waste generated in own operations (5) has been extended. With these additions, we cover approximately 97% of our value chain emissions. Category 1 and 11 accounted for approximately 96% of the total scope 3 emissions.

1 purchased goods and services

GHG emissions associated with the purchase of services are calculated as the direct cost associated with a specific type, multiplied by a matching emission factor from Exiobase (2019).

The GHG emissions associated with the purchase of goods are calculated as follows. 56.2% of the reported emissions is based on the asset tool 2024v2.2. of CE Delft. The asset tool values are based on Ecolnvent 3.9.1 processes, the used LCIA method is IPCC 2021 GWP100 V1.02.

33.1% of the reported emissions is based on the average-date method. The GHG emissions are calculated

using material weight per material type, multiplied by a matching emission factor from the Ecolnvent 3.11 database.

10.7% of the reported emissions is based on the spend-based method. The costs per material per operating company has been corrected for inflation in the relevant country of spend using inflation rates from IMF2024, and converted from local currency to EUR, multiplied by the corresponding spend-based emission factor from Exiobase (2019).

For emissions derived from purchases of goods, 12.8% of the emissions have been based on supplier-specific data.

2 capital goods

GHG emissions associated with the additions to tangible assets, are calculated as the amount of capitalized cost per type of investment (land, buildings, machinery installations, and other equipment), multiplied by a matching spend-based emission factor from Exiobase (2019).

3 fuel- and energy-related activities

GHG emissions related to fuel- and energy-related activities not accounted for in scope 1 or scope 2, comprise indirect emissions associated with the production of purchased fuels, gas and electricity. The GHG emissions are calculated using the country emission factors from the Ecolnvent 3.11 database multiplied by the scope 2 (electricity) consumption, and the emission factors from co2emissiefactoren.nl for the others.

4 upstream transportation and distribution

The GHG emissions associated with the upstream transportation are calculated as follows.

18.3% of the reported emissions is based on the asset tool 2024v2.2. of CE Delft. The asset tool values are

based on Ecolnvent 3.9.1 processes, the used LCIA method is IPCC 2021 GWP100 V1.02.

46.3% of the reported emissions is based on the average-date method. The GHG emissions are calculated using distance, weight, and method of transportation per shipment (road, rail, water, and air), multiplied by a matching emission factor from the Defra 2024 database. In case the exact distance cannot be derived from our systems, we have assumed the distance between the capitals of the countries. In case the exact weight cannot be derived from our systems, we have assumed an estimated weight per material based on the total weight.

35.4% of the reported emissions is based on the spend-based method. The transportation costs per operating company has been corrected for inflation in the relevant country of spend using inflation rates from IMF2024, and converted from local currency to EUR, multiplied by the corresponding spend-based emission factor from Exiobase (2019).

5 waste generated in operations

GHG emissions of waste generated in own operations refers to the emissions resulting from the disposal and treatment of waste produced by a company's operations. The GHG emissions are calculated using actual waste data per operating company. The following material categories are used: copper, plastics (PVC, XLPE, PE), other plastics, steel, aluminium, wood, paper and board, electronics, hazardous materials, and other materials. For each category the waste treatment has been reported being recycling, incineration, landfill or unknown. In case the waste treatment is uncertain, the treatment is reported under unknown. This means that that highest waste treatment emission factor is used for that particular material category. We applied the assumption that the majority of copper, aluminium, and steel waste will be

recycled. The GHG emissions are calculated using the material-specific emission factors from the Ecolnvent 3.11 database multiplied by the weight of waste per material. For the category other materials we used the median of the emission factors applied for the other material categories.

6 business travel

GHG emissions associated with the business travel activities are calculated as the amount of kms per travel category (air short-haul, air medium-haul, air long-haul, rail, bus, and car) multiplied by the travel-specific emission factors from the Ecolnvent 3.11 database.

7 employee commuting

GHG emissions related to employee commuting are linked to the indirect emissions generated from the transportation of employees between their homes and their place of work. The emissions are calculated as the amount of kms per commuting category (car, public transport, and other) multiplied by the commuting-specific emission factors from the Ecolnvent 3.11 database.

Emissions have been calculated based on a combination of activity data and estimations. Estimations are for example based on answers to a survey with questions regarding the means of transportation and type, and average weekly days spent working in the office. These average commuting weeks have then been multiplied by the number of employees of the particular operating company.

9 downstream transportation

The GHG emissions associated with the downstream transportation are calculated as follows.

16.9% of the reported emissions is based on the asset tool 2024v2.2. of CE Delft. The asset tool values are

based on Ecolnvent 3.9.1 processes, the used LCIA method is IPCC 2021 GWP100 V1.02.

81.2% of the reported emissions is based on the average-date method. The GHG emissions are calculated using distance, weight, and method of transportation per shipment (road, rail, water, and air), multiplied by a matching emission factor from the Defra 2024 database. In case the exact distance cannot be derived from our systems, we have assumed the distance between the capitals of the countries. In case the exact weight cannot be derived from our systems, we have assumed an estimated weight per material based on the total weight.

1.9% of the reported emissions is based on the spend-based method. The transportation costs per operating company has been corrected for inflation in the relevant country of spend using inflation rates from IMF2024, and converted from local currency to EUR, multiplied by the corresponding spend-based emission factor from Exiobase (2019).

11 use of sold products

GHG emissions of the use of sold products refers to the direct and indirect emissions resulting from the use of our products during their life time.

Direct emissions are resulting from products that directly consume energy (electricity) during use, for example our vision systems or tire building machines. Our cables, for example energy and communication cables, together with accessories, transport electricity between two locations. During this transport, part of the energy is lost, as the passage of the electric current through the conductor produces heat, known as Joule effect. This energy loss is not related to a direct consumption of energy by the cable, but due to the inherent resistivity of the conductive material when electricity is transmitted through the

conductor. Therefore, these emissions resulting from energy losses are considered as indirect emissions within category 11 of scope 3. The GHG emissions are calculated as follows.

75.4% of the reported emissions is based on the asset tool 2024v2.2. of CE Delft. The asset tool values are based on Ecolnvent 3.9.1 processes, the used LCIA method is IPCC 2021 GWP100 V1.02.

24.6% of the reported emissions is based on the average-date method. The GHG emissions are calculated using the number of products sold, the estimated energy use per product or group of products, and the expected lifetime, multiplied by the country-specific emission factors from the Ecolnvent 3.11 database. We assumed that the area in which the use phase takes place is equal to our customer's location. In case the exact energy usage of our product cannot be derived from our systems or other sources, we used estimates or general available sources.

12 end-of-life treatment of sold products

GHG emissions of end-of-life treatment of sold products refers to the emissions resulting from the disposal and treatment of our product at the end of their lifetime. The GHG emissions are calculated as follows.

92.0% of the reported emissions is based on the asset tool 2024v2.2. of CE Delft. The asset tool values are based on Ecolnvent 3.9.1 processes, the used LCIA method is IPCC 2021 GWP100 V1.02.

0.3% of the reported emissions have been based on LCA data obtained from suppliers.

7.7% of the reported emissions are calculated using material weight data per operating company. The following material categories are used: copper, plastics, other plastics, steel,

aluminium, wood, paper and board, electronics, lenses, fibre, hazardous materials, and other materials. For each category the waste treatment has been reported being recycling, incineration, landfill or unknown. In case the waste treatment is uncertain, the treatment is reported under unknown. This means that that highest waste treatment emission factor is used for that particular material category. We applied the assumption that copper, aluminium, and steel waste will be 100% recycled. The GHG emissions are calculated using the material-specific emission factors from the Ecolnvent 3.11 database multiplied by the weight per material. For the category other materials we used the median of the emission factors applied for the other material categories.

Other categories

The other scope 3 categories are considered as not-applicable for TKH, because we have limited activities

connected to these categories.

- Category 8 upstream leased assets: we do not have any leased assets that are not in our control.
- Category 10 processing of goods sold: we do not sell physical products that require further processing by our clients.
- Category 13 downstream leased assets: we do not act as a lessor.
- Category 14 franchises: we do not operate with franchises.
- Category 15 investments is designed primarily for private financial institutions (e.g., commercial banks), but is also relevant to entities with investments not included in scope 1 and scope 2. Our business activities do not involve significant financial investments that lead to indirect GHG emission.

Energy consumption and mix				
in MWh unless otherwise stated	2024	2023	movement	%
Fuel consumption from coal and coal products	1,276	1,105	171	15.5%
Fuel consumption from natural gas	16,710	20,147	-3,437	-17.1%
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	15,837	20,876	-5,042	-24.1%
Total fossil energy consumption	33,823	42,131	-8,308	-19.7%
Share of fossil energy consumption in total energy consumption (%)	37.7%	44.5%		-6.8%
Consumption from nuclear sources	336	0	336	
Share of consumption from nuclear sources in total energy consumption (%)	0.4%	0.0%		0.4%
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	53,852	51,449	2,403	4.7%
Consumption of self-generated non-fuel renewable energy	1,658	1,153	505	43.8%
Total renewable energy consumption	55,510	52,602	2,908	5.5%
Share of renewable energy consumption in total energy consumption (%)	61.9%	55.5%		6.4%
Total energy consumption	89,668	94,733	-5,065	-5.3%
Energy intensity rate (for high climate impact sectors) in MWh/turnover in million €	52.4	51.3	1.1	2.1%

Pollution (E2)

Environmental	Value chain boundary			Material IROs		
	Upstream	Own operations	Downstream	Impacts	Risks	Opportunities
Pollution of air, soil, and water		* Smart Connectivity systems		Potential negative impacts related to our cable production sites: <ul style="list-style-type: none"> • Pollution caused by spills in the soil of toxic/polluting materials as a result of accidents during cable production. • Emissions into the atmosphere of as a result of cable production activities (e.g. Nitrogen oxides (NOX), sulphur oxides (SOX)). • Pollution of water in the proximity of TKH cable production sites, as a result of release of pollutants into process water. 	<ul style="list-style-type: none"> • Environmental pollution leading to remediation costs, sanctions, fines and reputational damages. 	

Our approach to determining our material impacts, risks and opportunities is described in the General information section. For pollution, the material sub-topics identified are pollution of air, soil and water. The sub-topic microplastics has not been considered material. The material topics are relevant to our own cable production sites, as part of our business segment Smart Connectivity systems. We have not conducted specific consultations with potential affected communities, other than through our stakeholder engagement process.

Introduction

Our products, including parts and materials from suppliers, are subject to regulation by various government and regulatory agencies, e.g., Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and other (local) regulations regarding pollutions. Since part of our raw materials are delivered to us in the form of pellets, TKH actively recognizes the potential risks of environmental pollution and contamination by pellet loss. In addition, pollution could occur by spills in the soil of

toxic/polluting materials as a result of accidents during cable production. Cable production results into emissions into the atmosphere, for example Nitrogen oxides (NOX) and sulphur oxides (SOX). Pollution of water in the proximity of TKH cable production sites also could occur, as a results of release of pollutants into process water.

Our approach and policies

All operating companies to whom the Health, Safety & Environment (HSE) policy is relevant have established and implemented it, including a clear commitment to preventing pollution and minimizing health risks. Stakeholders are not directly involved in policy and target setting. We are actively exploring the development of a comprehensive pollution policy that applies to the entire group, further strengthening our environmental commitments. To proactively identify and mitigate pollution-related risks, we conduct structured screenings of our site locations and business activities. These assessments evaluate both actual and potential pollution-related impacts within our operations. The methodologies, assumptions, and tools used in this process includes ISO 14001-

certified environmental management systems at all production locations. Each relevant operating company (mostly cable production companies) has established internal awareness programs and procedural safeguards to minimize pellet loss and prevent contamination. Our cable production companies demonstrate a strong commitment to pollution mitigation by implementing specific measures, amongst others by filtering dust from the factories' chimneys, by purifying the chimney gases. Environmental matters are managed by the local Health, Safety & Environment (HSE) function. In performing the local HSE functions, systems are adopted with the intention to guarantee strict compliance with the regulations in accordance with best practices. The systems collect and analyze environmental data using a platform, it monitors the exposures to risks using specific indicators, organizes specific training and conduct audit work at the production locations. The HSE policy of operating companies include explicit commitments to preventing incidents and managing emergency situations through structured risk assessments, proactive control measures, and targeted employee training. Additionally, it defines

Policy name	Key contents
Health, safety and environmental (HSE) policy (at operating company level)	<ul style="list-style-type: none"> • Describes how the operating company deals with health and safety issues, including safety instructions and procedures. • Applicable for all production sites, and if relevant for other locations. • Managing director of the operating company is responsible for implementation. • Based on ISO 14001 standard. • Published on the intranet of the operating companies, and part of local procedures/handbooks.

clear response procedures to minimize the impact of incidents on people and the environment. This update aligns with our broader risk management framework and reinforces our commitment to safety, sustainability, and operational resilience.

Pollution metrics

In line with the HSE policy's commitment to preventing pollution and minimizing health risks, we monitor emissions from our cable production processes. In this way, we can measure reductions in emissions by gradually introducing new methods and/or products, particularly for cable degassing, isolation and printing operations. The inventory of pollution to air, soil, and water, is based on the list of pollutants and related threshold values specified in Annex II of Regulation (EC) No 166/2006. For part of the pollutants, we have determined on the basis of (laboratory) measurement reports and reports from external sources that the listed threshold values have not been exceeded in 2024. We used estimates for the pollutants which are not measured through (laboratory) measurements reports provided by external parties. These estimates are calculated by internal technical engineers and the health,

safety and environmental department. Information used in the calculation is based on available internal information, e.g. related to chemicals used in the production process, internal registration of pollution and losses of pollutants, impact of filter systems used, and the impact of suspended particles, amongst other things. Based on this, we concluded that the listed threshold values have not been exceeded in 2024. Due to the use of estimates and own calculations, there is uncertainty in the outcome of the assessment. We will further optimize the process in 2025, including by having measurements carried out by external experts for the remaining relevant pollutants in order to further substantiate that the listed thresholds for the relevant pollutants are not exceeded. While we are in the optimization the emissions inventory, no target has been defined yet.

We record all environmental incidents, breaches, and fines, with voluntary targets of zero environmental breaches and fines related to our own operations. The target is based on compliance. An environment incident is an incident having environmental impact. An environmental breach occurs when there is a failure to comply with an environmental legislative obligation, e.g. breaches or non-compliances

(which can result in fines). The amount of environmental incidents, breaches and fines provides an indication of how well we control air pollutants, emissions to water, and pollution to soil. In 2024, no confirmed environmental breaches or fines were reported, while five environmental incidents reported. Each incident is assessed to determine if additional internal control measures or other actions are needed. Depending on the topic, an external researcher may be appointed to ensure independence and objectivity. If deemed necessary, disciplinary and corrective measures are taken. The reported 2024 environmental incidents are related to small oil leakages from machines or during transportation. Therefore, we concluded that no further action was deemed necessary, as all remediation actions were addressed directly upon detection.

Actions

We defined the following actions for 2025:

- Review whether it is necessary to develop a group-wide pollution policy to ensure consistent approach to all operations.
- Completion of the inventory of relevant emissions at our cable production sites, supported by (laboratory) measurement reports, followed by defining a target to prevent and control the emissions.

Actions related to pollution are revisited every year and integrated in the activities at operating company level. Due to the nature of the actions, the resources needed for these actions are opex-related and do not require any significant capex. The opex are also not significant, since these initiatives are embedded in ongoing environmental management efforts. Targets are determined by the Executive Board. Tracking effectiveness is part of our quarterly sustainability reporting. In cases where no quantitative measures are available we report on progress based on qualitative information. The ambitions and annual targets set are included in the relevant tables.

Environmental compliance table

	annual target	2024
Number of environmental incidents	0	5
Fines for environmental breaches (in €)	€0	€0
Number of environmental breaches	0	0

Water (E3)

Environmental	Value chain boundary			Material IROs		
	Sub-topic	Upstream	Own operations	Downstream	Impacts	Risks
Water consumption		*		<ul style="list-style-type: none"> The consumption and quality of water resources have an actual negative impact on the environment, as well as on communities that depend on those resources. 	<ul style="list-style-type: none"> Interruption of production sites due to unavailability of water. 	

Our approach to determining our material impacts, risks and opportunities is described in the General information section. For water and marine resources, the material topic identified is water consumption, mainly related to our sites in water scarce areas. The material topic only applies to our own operations. We have not screened our assets and activities using specific methodologies or tools to identify impacts, risks and opportunities in our own operations and its upstream and downstream value chain, other than by assessing the business description, portfolio and asset base per operating company. We have not conducted specific consultations with potential affected communities, other than through our stakeholder engagement process.

Introduction

The significance of water use lies not only in its direct impact on the operating costs of a business, but more essentially, on the broader environmental implications. Importantly, careful and intentional management of water use demonstrates the commitment to sustainable operations. At TKH, we acknowledge the inherent water use of our operations. Being active with manufacturing companies in the cable production industry, we rely on water for our production processes. Water is essential for cooling and serves both drinking and sanitary purposes at our factories and offices. Therefore, water has proven to be material in this report's materiality analysis.

Our approach and policies

At TKH, our water policy focuses on reducing our operational impact on water consumption and quality. Interests of key stakeholders in setting the policy are not considered specifically. Water-related considerations are not a direct factor in product and service design across our business segments. Our primary focus is on operational water efficiency, compliance with environmental standards, and responsible water management within our production facilities. We commit to transparently disclose relevant water management indicators in line with global reporting standards, including CDP Water and ISO 14001 Environmental Management. We measure and monitor the water risk and stress, applying internationally accepted methodologies and mitigate risks through efficient water management, conservation and protection. Our established processes are integrated into the functions that are responsible for daily adherence to our policies. Environmental topics are continuously addressed through our ISO 14001 certifications.

We also ensure adequate water, sanitation, and hygiene facilities at all workplaces globally. We raise awareness of water related environmental impacts and possible actions that can be taken to reduce them. We reduce water consumption by using efficient equipment or technology, and minimize water consumption by reusing water and we promote industrial closed-loop water processes. We concentrate our water consumption reduction efforts at our sites in water scarce areas. ISO norms such as 14001, which are already established in our production companies, help us understand and manage these valuable resources better. Annually, we perform an assessment of our operational sites to address potential water-related risks. We utilize publicly accessible tools such as the Aqueduct Water Risk Atlas by WRI and WWF Water Risk Filter to define and respond to these risks.

We have no policies or practices adopted related to sustainable oceans and seas, because this subtopic is not material for TKH. Prevention and abatement of water

Policy name	Key contents
Water policy	<ul style="list-style-type: none"> Describes how we strive to reduce our impact related to water, defining goals, implementing actions, and monitoring results. Applicable for all operating companies. Not based on a specific framework or guidelines. Managing director of the operating company is responsible for implementation. Provided to managing directors and available for all functions having access to the reporting system Cognos.

pollution is considered to be not-material and not part of the water policy.

Water metrics

We have not identified any material targets relevant to disclose. We have the ambition to keep the average water consumption per headcount on the same level as the previous reporting year, to monitor water consumption and to identify measures.

Among our production sites, one location has been identified as exposed to substantive financial and strategic risks related to water. This site is situated in China in an area with extremely high-water stress. In response, we defined the risk exposure and anticipated potential losses, and implemented proactive measures to mitigate business interruption. Important production sites are flexible to ensure we can shift production capacity from high-water stressed areas to other locations. In addition, we have office locations based in high-water stress areas. For these locations we assessed that the anticipated potential losses and business interruption are limited.

At this stage, specific mitigation actions have not yet been fully implemented due to the need for a comprehensive feasibility study on the technical, financial, and regulatory aspects of water sourcing and operational flexibility. Additionally, in 2025, we will assess the cost-effectiveness

and long-term sustainability of potential solutions to ensure alignment with broader strategic objectives.

The water intensity ratio is calculated based on the total water consumption (in m³) divided by the total turnover, with the total turnover included in note 22 of the financial statements. Reported water consumption is sourced from direct measurements from water meters and water invoices which are stored locally at the operating companies.

The total water consumption in 2024 was 116,821 m³, a 24.1% decrease compared to 2023. This decrease is mainly the result of the closing of cable production activities in China, and the shift from fibre cable production activities from China and the Netherlands to Poland.

For our cable production activities we assumed that water is not stored but reused, because part of the water withdrawal is used in a closed system. For the cooling of our extrusion lines we have a central cooling system where water is evaporated via a condenser. The cooling water is pumped from there to the factory to cool the lines. In 2024, we improved our estimation on water reuse. Based on meter reading of the pumps, we calculated that water is pumped around 154 times before the water has completely evaporated. We calculated this by dividing the flow rate of the circulation pump (the amount of water that flows through a certain point on the pump per unit of time)

by the flow rate of the water supply (the amount of water that flows through a certain point on the water supply per unit of time). The water recycled and reused of 10,840 m³ for 2024 represents the (one-time) water withdrawal which is then used in the closed system (and reused approximately 154 times).

Actions

Going forward, we will continue our efforts to maintain our ISO 14001 certification, and promote responsible environmental behavior both internally and in dialogue with business partners.

One of our production sites is located in China, an area experiencing extremely high-water stress. We have identified a material risk of business interruption due to potential water shortages. In response, we have assessed risk exposure and anticipated potential losses. As part of our 2025 action plan, we will strengthen our disclosure on water-related risks and implement the following mitigation measures for relevant operating companies:

- Water efficiency optimization: improve water management practices in production processes to reduce consumption and enhance efficiency.
- Diversified water sourcing: conduct feasibility studies and evaluate alternative water supply solutions to ensure operational continuity.
- Operational resilience: assess potential scenarios for adjusting production planning, including shifting production to other sites in the event of severe water scarcity.

The implementation of our 2025 action plan may result in investments in research and technical assessments, for example collaboration with environmental experts or water resource specialists. These measures will be integrated into our broader sustainability strategy, ensuring transparency, financial planning, and long-term water resilience across our operations.

Water metrics table

	2024	2023
Water consumption (in m ³)	116,821	153,948
Water consumption in areas of high-water stress (in m ³)	27,021	26,339
Water recycled and reused (in m ³)	10,840	13,670
Water stored (in m ³)	0	0
Changes in water storage (in m ³)	0	0
Water intensity ratio	68.2	83.3

The consumption in areas of high-water stress is based on an assessment via Aqueduct Water Risk Atlas (wri.org).

Circular economy (E5)

Environmental	Value chain boundary			Material IROs		
	Upstream	Own operations	Downstream	Impacts	Risks	Opportunities
Resource inflows, waste, and waste recycling		*		<ul style="list-style-type: none"> Sourcing resources unsustainably and waste have an actual negative impact on the environment, including greenhouse gas emissions. 	<ul style="list-style-type: none"> TKH is dependent on resource inflows, limited availability of resource inflows such as copper and other (raw) materials could affect the company in a negative way. Waste can pose financial risks for due to its impact on resource efficiency, operational costs, and environmental compliance. 	

Introduction

Our approach to determining our material impacts, risks and opportunities is described in the General information section. For circular economy, the material topics identified are resource inflows, waste, and waste recycling. The material topics applies to our own operations. We have not screened our assets and activities using specific methodologies or tools to identify impacts, risks and opportunities in our own operations and its upstream and downstream value chain, we rely on analysis of the business description, portfolio and asset base per operating company. We have not conducted specific consultations with potential affected communities, other than through our stakeholder engagement process.

The main raw materials used by TKH are copper, aluminum, and plastics, being part of the supply chain of Smart Connectivity systems. Within Smart Manufacturing systems the main materials used are steel and electronics. Lastly, within Smart Vision systems the main materials used are steel, aluminium, and electronics. Other materials used are mainly packaging materials (wood, paper and board, plastic foils). The majority of the waste is classified as non-hazardous (2024: 96.6% of

total waste). More information on our value chain is included in the section Strategy, business model and value chain.

Companies that generate waste and fail to implement effective waste management practices may face regulatory fines, legal liabilities, and reputational damage. On the other hand, implementing sustainable waste management practices, such as reducing waste production, recycling, and repurposing, can improve resource efficiency, reduce operational costs, and enhance the company's reputation. By considering waste as a potential source of financial risks and opportunities, TKH adopted more sustainable waste practices, to reduce our environmental impact, and increase our financial stability.

As a strategic priority, sustainability is firmly embedded in our day-to-day operations, and sustainability initiatives are being integrated into our organization. Integrating sustainability enables us to minimize waste. Raw materials are becoming scarce due to the increasing demand. As a company, we want to take responsibility for our incoming products, which is why we are aiming for a sustainable supply chain.

Our approach and policies

Sustainable business practices also include the sustainable management of resources. Our Operational Excellence Program focuses on production efficiency, so we never lose sight of issues such as reducing energy consumption and the use of raw materials. At all our manufacturing sites, we aim to select raw materials and other materials that have little or no environmental impact from the design stage. Efficient management of materials and raw materials is important because of the consumption of valuable metals such as copper and aluminum, which are essential components of the cable production process, and because of the waste that is inevitably generated. Our ambition is to eliminate waste to the extent that it has the least impact on the environment. This also helps us to avoid unnecessary costs. We have adopted the following two approaches to this:

- Quantitative: we aim to reduce the amount of waste at source, structurally by using the raw materials most efficiently and therefore increasing material productivity. We also reduce waste through process improvement and innovation.
- Qualitative: we aim to minimize the harmful effects of waste by maximizing the use of recycled materials and optimizing waste treatment through greater cooperation throughout the value chain.

The Executive Board of TKH is accountable for implementing current and future policies related to resource use and the circular economy. The Internal Audit Department is responsible for overseeing policy execution, and ensuring compliance with environmental regulations. The Managing Directors of each operating company are responsible for local execution, ensuring alignment with TKH's environmental objectives. TKH integrates globally recognized environmental management and sustainability standards into its operations to ensure alignment with industry best practices and regulatory requirements. These include:

- ISO 14001 certification. All TKH production sites comply with ISO 14001 environmental standards, ensuring a responsible disposal and recycling of electronic waste, promoting circular economy principles.
- Industry initiatives & ESG Ratings (e.g., EcoVadis, CDP, or other programs). TKH and part of the operating companies participates in relevant third-party sustainability assessments to track environmental performance and identify improvement opportunities. These standards form the foundation of TKH's waste reduction, resource efficiency, and sustainable procurement efforts, ensuring regulatory compliance and industry best practices.

TKH actively incorporates stakeholder perspectives into the development of policies related to resource use and circular economy. Key stakeholder engagement methods include:

- Regular sustainability meetings to align with evolving environmental and business expectations.
- Supplier dialogues to ensure responsible sourcing and compliance with sustainability criteria.
- ESG reporting consultations to address investor and regulatory concerns regarding sustainability performance.
- Regulatory updates and industry working groups to stay aligned with global best practices and emerging standards.

This structured approach ensures that TKH's circular economy strategy remains relevant, effective, and aligned with external expectations while fostering collaboration across the value chain.

TKH ensures that practices and policies on resource use and circular economy are and will be accessible and communicated effectively to both internal and external stakeholders through multiple channels:

- Internal distribution: Policies are published on the TKH intranet, integrated into operating company handbooks, and included in employee training programs.
- Supplier engagement: Sustainability criteria and environmental expectations are embedded in supplier contracts, procurement guidelines, and Code of Supply.
- Public transparency: Policy commitments are disclosed in TKH's sustainability report, website, and investor ESG presentations.
- Regulatory compliance and audits: Policies are subject to internal audits, external assessments, and compliance reviews to ensure proper implementation and accountability.

We have health, safety and environmental (HSE) policies at operating company level. These HSE policies do not explicitly include measures to reduce virgin material, increase recycled content, and promote sustainable sourcing.

Resource inflows metrics

The main (raw) materials used by TKH are copper, aluminum, steel, plastics, and electronics which results in respective waste streams. Other materials are mainly related to packaging materials, and consists of wood, paper and board, plastic foils and other materials.

In addition to price and quality, we consider sustainability criteria when selecting raw materials and other materials. Partnerships in the value chain also play a role in the successful introduction of sustainable product innovations. By working closely with our partners in the value chain, we will achieve the innovations needed to meet this goal. Sustainable cable composition is a high priority for cable manufacturing companies, and we continue to look for innovative manufacturing techniques and ways to improve efficiency in the value chain. We are engaged in discussions throughout the value chain on how to make processes and products more sustainable, so we can use resources more effectively. A key example is that approximately 23% of purchased copper is from secondary reused or recycled sources, which means that 23% of the copper we purchase contains recycled content. This is calculated based on information provided by suppliers, and public available information on recycled content.

Our resource inflow is calculated based on recorded purchases in the reporting year. To determine the weight of the materials, we used the weight recorded on the purchase orders, purchase invoices, or transportation documents. In case a weight could not be obtained, the weight is

Policy name	Key contents
Health, safety and environmental (HSE) policy (at operating company level)	<ul style="list-style-type: none"> • Describes how the operating company deals with environmental, health and safety issues, including safety instructions and procedures. • Applicable for all production sites, and if relevant for other locations. • Managing director of the operating company is responsible for implementation. • Based on ISO 14001 standard. • Published on the intranet of the operating companies, and part of local procedures/handbooks.

estimated based on the estimated share of the material in the total weight of the product. To avoid double counting, intercompany shipments are not included, ensuring only external material purchases are accounted for.

Waste metrics

We have not set any material targets relevant to disclose. Our established processes at our operating companies are anchored within the functions that have day-to-day responsibility for ensuring adherence to our policies. Environmental topics are also addressed on a continuous basis through our ISO 14001 certifications for our production sites.

Due to the importance of the materials, and their contribution to the total waste resulting from our own operations, we focus mainly on the raw materials copper, aluminium and plastics used to produce our products, covering our cable production activities. Our internal targets are not aligned with ESRS metrics, and are focusing on the total waste from the most relevant raw materials used in cable production (copper, aluminum, and plastics) compared to total relevant material consumption, and the percentage of recycling of this waste. More information is included in the section Sustainability performance.

Our waste is calculated based on recorded waste in the reporting year. To determine the weight and treatment method of the waste, we used the weight and treatment method recorded on reports of external recycling and waste processing companies. In case a weight could not be obtained, the weight is estimated based on the estimated share of the material in the total weight of the product. In case the treatment method could not be obtained, we have assumed that the waste is incinerated. To avoid double counting, intercompany shipments are excluded.

Resource inflows	
in ton	2024
Overall total weight of materials used	84,022
Percentage of biological materials that is sustainably sourced	0%
Weight of secondary reused or recycled components, secondary intermediary products and secondary materials	3,488
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	4.2%

Waste from own operations		
in ton	2024	% of total
Total waste	11,509	100.0%
Copper	2,265	19.7%
Aluminum	1,339	11.6%
Steel	479	4.2%
Plastics (e.g. PVC, XLPE, PE)	2,235	19.4%
Wood	2,122	18.4%
Paper and board	824	7.2%
Electronics	9	0.1%
Other plastics (e.g. foils, packaging)	161	1.4%
Hazardous materials	394	3.4%
Other materials	1,682	14.6%
Hazardous waste disposal	394	100.0%
Incineration	381	96.7%
Landfill	1	0.3%
Recycling	8	2.0%
Other disposal operations	4	1.0%
Non-hazardous waste disposal	11,115	100.0%
Incineration	2,279	20.5%
Landfill	951	8.6%
Recycling	6,839	61.5%
Other disposal operations	1,046	9.4%
Total weight non-recycled waste	4,663	
Total percentage non-recycled waste of total waste	40.5%	

Approximately 55% of the waste is related to our main raw materials copper, aluminium, steel, and plastics. Our operational excellence programs are focused on right-first-time production to reduce waste in our own operations. TKH does not have radioactive waste.

Our copper suppliers reprocesses pure copper waste into fully usable copper. This means that copper waste is 100% recycled. This also applies to aluminum and steel. Plastics that have become unusable during the cable production process, but are suitable for recycling, are offered to waste processing companies for conversion into new raw materials. Mainly due to the product mix, we increased the use of plastics, which resulted in more plastic waste. As a result, the total recycling percentage decreased. Cables (particularly odd lengths of cable) are sorted as much as possible, and we are looking into the possibility of completely recycling these cables – and the same applies to the plastics used in insulation and sheathing material.

Since 2023, our cable production company TKF participates in the International Responsible Business Conduct (IRBC) agreement for the Renewable Energy Sector. While the renewable energy sector has achieved great progress on environmental and societal issues, including climate change, there are still numerous obstacles to overcome. As a prominent player in the cable production and telecom industry in the Netherlands, TKF understands the vital importance of sustainable practices and responsible behavior in an ever-evolving world. TKF has a responsi-

bility as a supplier of subsea cables for offshore wind energy to bring the industry expertise to the forefront and acknowledge the hurdles faced by our company and many others involved in the renewable energy value chain. By participating in this agreement, TKF is committed to collaborating with our stakeholders, as well as all others participating in the renewable energy agreement. We aim to identify and mitigate our own (including suppliers) risks and impacts on both society and the environment. We are also in continuous conversation with our main copper suppliers regarding a responsible supply chain. Our largest supplier in terms of purchase volume is part of The Copper Mark industry initiative. The Copper Mark is an initiative that requires a review of the sustainability standards at copper production sites including mines, smelters, and refineries. The Copper Mark covers the 32 sustainability criteria set out in the Responsible Minerals Initiative's (RMI) Risk Readiness Assessment and incorporates all major environmental, social and governance issues, such as child labor and occupational safety. The Copper Mark is also aligned with the United Nations Sustainable Development Goals (SDGs).

In the year under review, TKF received several certificates for validation of raw material passports. The raw material passport was created a few years ago and makes it possible to clearly calculate the degree of circularity of a raw material and the CO₂ emissions. This certification validates the circularity data in raw material passports. Our ambition is to have raw material passports available for all our cable portfolio.

Actions

We defined the following actions for 2025:

- Review whether it is necessary to develop a group-wide procurement policy, to reduce virgin material, increase recycled content, and promote sustainable sourcing.

Actions related to circular economy are revisited every year and integrated in the activities at operating company level. Due to the nature of the actions, the resources needed for these actions are opex-related and do not require any significant capex. The opex are also not significant, since these initiatives are an integral part of our day-to-day expenses and procurement activities.

Sustainable innovation (entity-specific material topic)

Environmental	Value chain boundary			Material IROs		
	Upstream	Own operations	Downstream	Impacts	Risks	Opportunities
Sustainable innovation		*		<ul style="list-style-type: none"> Sustainable innovation and technology are actually making a positive contribution to the achievement of the SDGs by promoting sustainable production and consumption, and addressing environmental challenges at customers. This can help create a more sustainable world. 	<ul style="list-style-type: none"> Insufficient technological development and innovation can threaten TKH's long-term value creation. 	<ul style="list-style-type: none"> Customer's need for sustainable innovation and technology offers TKH opportunities for growth and value creation.

Our approach to determining our material impacts, risks and opportunities is described in the General information section. The material topic only applies to our own operations.

Introduction

Sustainable innovation is an entity-specific material topic, because innovation is key to TKH's success and supported by the outcomes of the DMA process. Our sustainable innovations and technologies contribute to the achievement of the SDGs by promoting sustainable production and consumption, and addressing environmental challenges for customers. This helps creating a more sustainable world.

Investing in innovative technologies is vital to maintaining our position as a leading technology company and maximizing sustainable value for our stakeholders and the world around us. Innovation and customer focus are key to keeping us at the forefront of creating best-in-class and innovative technologies and responding quickly and effectively to changing market trends.

Insufficient technological development and innovation can threaten TKH's long-term value creation.

These risks may emerge in the following areas:

- The pace of technological development
- Conservatism in certain end markets to embrace our new disruptive technologies
- The execution of the R&D roadmap
- Our competitor's new technologies
- Our payback capacity

Our approach and policies

We do not have a specific policy for sustainable innovation other than the target we have set. We will review whether it is necessary to develop a group-wide sustainable innovation policy. We focus continuously on innovation and executing the strategic roadmap, ensuring efficient time-to-market. The Executive Board and local management frequently discuss the latest technology and innovation developments. We capitalize on technology leadership by leveraging and accelerating growth from innovations and by utilizing the R&D pipeline. We bring key innovations to maturity with targeted profitability and limit the number of new and large "start-up" projects. In addition, we are focused on expanding market share by unlocking the full potential of our innovations and disruptive technologies and aligning our innovation strategy with relevant megatrends that drive long-term industry growth.

The Sustainable Development Goals (SDGs), developed by the United Nations, are a blueprint for achieving a better and more sustainable future. TKH recognizes their importance and aims to contribute to the SDGs through its business operations and innovative product portfolio, in line with its long-term value creation process. To make an effective and targeted contribution through the SDGs, we focus on areas where we believe we can have the greatest impact and make the most direct contribution. Sustainability is a key element in our product portfolio and enables our customers to improve their sustainability performance. In this context, we are focusing on four SDGs. Sustainability is increasingly integrated in our operations and supply chain, with two other SDGs we focus on internal operations and business practices.



SDG 3: good health and well-being



TKH's technologies and solutions support the care process, resulting in greater efficiency and reliability in the healthcare sector, for home care, professional care, and pharmaceutical companies.

Impact

When it comes to the continuously evolving technological support of the care process, TKH believes that care can become more efficient and reliable by tailoring technology more closely to each client. In fact, "tailor-made" is at the heart of TKH's care solutions for both extramural and intramural care. Our care technology platform, which includes customized alarm scenarios and smart sensors, facilitates the rapid and flexible connection of care systems to a comprehensive range of functions and applications for care needs. It also helps to make care delivery more user-friendly and accessible. Our Smart Manufacturing technology responds to increasingly stringent quality measures imposed by the pharmaceutical industry to package different medicines with the highest precision. In addition, the risk of contamination of medicines is eliminated.

Examples of our innovative SDG solutions

- Care technology platform
- Mission critical communications systems
- Medication distribution and inspection system
- Special cable systems for medical equipment
- 2D Vision systems for medical equipment
- Blood pressure sensors
- Thermal camera systems

SDG 7: affordable and clean energy



With its Connectivity technologies, TKH is developing innovative cable systems that contribute to the energy transition and the use of sustainable energy sources, including offshore wind farms. In this way, we contribute to Europe's energy reduction targets.

Impact

TKH's Connectivity technology plays a fundamental role in the distribution of green energy, such as wind power. Our innovative subsea cable concept, for example, connects wind turbines in offshore wind farms and is characterized by high performance, risk reduction, installation efficiency, and sustainable composition. With the trend towards electrification, there is a considerable need to upgrade and expand power grids; TKH's power cable systems offer a solution to alleviate this enormous demand.

Examples of our innovative SDG solutions

- Energy cable systems for the energy transition
- Subsea cable systems for offshore wind farms

SDG 9: industry, innovation and infrastructure



TKH has a strong reputation as an innovator in the tire building, robotics, and mechanical engineering industries. We pioneer technologies and innovations to capitalize on the pillars of "Industry 4.0", and the demand for increased productivity, and improved product quality and production processes. Our technology also makes infrastructure safer and more available.

Impact

TKH's Connectivity, Vision and Security technologies make it possible to build sustainable infrastructure that meets strict safety and efficiency standards. Our innovative vision and manufacturing systems also enable our customers to make products more efficiently, reliably and flexibly. Our Vision technology is used for inspection, quality, product, and process control in amongst others industrial automation, battery inspection, consumer electronics, and scientific research. TKH leverages its unique expertise and deep understanding of the automation of production processes for controlling and monitoring industrial processes, as well as comprehensive manufacturing systems for car and truck tire production.

Examples of our innovative SDG solutions

- Fibre-optic cable systems
- Access control and security systems
- CEDD/Airfield Ground Lighting system
- Industrial 2D and 3D Vision systems
- Tire Building systems
- Special cable systems for robotics and mechanical engineering
- Test & measurement systems for e-mobility

SDG 11: sustainable cities and communities



By combining communications and Security technology to develop innovative, comprehensive solutions for the built environment, we help to improve the efficiency, safety, and security of the systems used in and around cities.

Impact

TKH's technologies and resulting solutions contribute to making cities safer. Our Security technology enables the built environment to be monitored and controlled with alarm systems, mission-critical communication systems, access and recording systems, and evacuation systems. Mobility security solutions focus on vehicle tracking, video analytics for public transport and security solutions on toll roads. In addition, TKH technologies improve efficiency, safety, and security in multi-story car parks, football stadiums, schools, and financial institutions.

Examples of our innovative SDG solutions

- Mobility inspection systems and security solutions
- Mission-critical communication systems
- Parking guidance and security systems
- Connectivity systems

SDGs 8 and 12 focus on our internal operations and business practices

SDG 8: decent work and economic growth



Through knowledge sharing and our strong R&D focus, we offer a distinctive and innovative portfolio of high value-added products. Healthy balance sheet ratios and a solid operating cash flow also support TKH's growth strategy. Through good employment practices, we offer our employees a vibrant and safe working environment with ample development opportunities. We have set KPIs and targets on health and safety as well as employee satisfaction.

Impact

TKH is committed to providing a safe and inspiring work environment for our employees. We offer our employees the training and resources they need to perform their activities and develop their skills effectively. By sharing knowledge, TKH further develops its sustainable portfolio in response to market needs. Through our operational excellence programs, which systematically focus on both customer value and on making the best possible use of our people's knowledge and skills, we excel in our business operations.

SDG 12: responsible consumption and production



Through our business operations, TKH focuses on responsible operations and production, and on reducing our negative impact on the environment as much as possible. All our production companies are certified in accordance with the ISO 14001 environmental management system and work according to the LEAN principle to eliminate waste in the production process.

Impact

TKH's sustainability policy is designed to ensure that we continuously improve our environmental performance and minimize the negative impact of our operations on the environment. All of the raw materials used by TKH production companies are selected, to the greatest extent possible, to have little or no harmful effect on the environment from the initial design stage. TKH's production environment focuses on eliminating waste as much as possible, and sets targets for reducing waste and recycling raw materials. We regularly discuss sustainability opportunities and our Code of Supply with our suppliers.

Sustainable innovation metrics

To measure how effective our practices are in increasing positive outcomes for the environment and related financial effects, we set a target on turnover resulting from our innovations. Our target is to generate more than 10% of our turnover from products that have been introduced in the prior two years. As a result, a major part of our technology portfolio is always in the early stages of the product life cycle, which is an essential strategic foundation for securing future growth. With the various strategy programs implemented in the past decade including acquisitions, we strengthen our portfolio of proprietary technologies. To reflect the current position in the transformation of TKH towards a technology company, we adjusted the innovation target in 2024 (from 15% in 2023 to 10% in 2024). We do not engage directly with stakeholders in setting targets related to sustainable innovation. TKH generated €301 million turnover in 2024 from innovations across our three business segments. The percentage of turnover generated from innovations was 17.6%, well above our target of 10%. Investing in R&D and accelerating and scaling innovations are vital for future growth, and for maintaining and expanding our leadership positions in the niche markets in which we operate. In 2024, we spent €80.7 million on R&D activities (2023: €77.2 million).

TKH has a strong sustainable portfolio and has selected six Sustainable Development Goals (SDGs) to guide our approach to sustainability. Two of these focus on our internal operations and business practices, while the remaining four focus on our innovative product portfolio. TKH's innovative products make a significant contribution to the SDGs. Our target is to have at least 70% of our turnover linked to SDGs. In 2024, 71.6% of our portfolio's total turnover is linked to the SDGs that we have defined as relevant. In this way, we support our customers in achieving their sustainability goals and simultaneously provide a clear direction for our own company's sustainable development.

To measure the result of our innovations, we also monitor the number of live patents. We also use patents to secure our value proposition. In addition to investing in our own technology development, we also invest in partnerships for specific specialisms and speed up the time-to-market for selected technology systems. Lastly, via acquisitions we aim to strengthen market position and/or product portfolio. We have 1,422 live patents in 2024. Continually accelerating and scaling our innovations is essential to maintaining our leading position and driving growth.

Turnover from innovations is based on the turnover in the reporting year from new products launched in the current and previous two reporting years. Innovation as percentage of turnover is calculated based on the turnover from innovations divided by the total turnover, with the total turnover included in note 22 of the financial statements. TKH positions itself as an innovative technology company. This measure provides useful information of the ability of TKH to bring innovations to the market and translate these in turnover. Turnover linked to SDGs is calculated by allocating TKH's portfolio based on internal reporting of turnover in the reporting year by end-market combined with portfolio information included in quarterly reports of operating companies, divided by the total turnover, with the total turnover included in note 22 of the financial statements. This measure provides useful information about the ability of TKH to bring portfolio to the market which is connected to one of the SDGs.

Actions

We defined the following actions for 2025:

- Increase comparability of reported metrics by exploring industry benchmarks and standardizing measurement methodologies.
- Further development and integration of our technologies through the execution of our R&D roadmap.
- Review whether it is necessary to develop a group-wide sustainable innovation policy.

Actions related to sustainable innovation are revisited every year and integrated in the activities at operating company level. More information on differentiation through innovation is included in the section Strategy and business. Due to the nature of the actions, the resources needed for these actions require significant capex. For 2025, we expect a similar level of R&D spending and percentage of capitalized as in 2024. The opex are not significant, since these initiatives are an integral part of our day-to-day expenses and R&D activities.

The ambitions and annual targets set are included in the tables. Targets are determined by the Executive Board. Tracking effectiveness is part of our quarterly sustainability reporting. In cases where no quantitative measures are available we report on progress based on qualitative information.

Sustainable innovation table

	annual target	2024	2023
Turnover from innovations (in million)		€301.4	€297.5
Innovation as percentage of turnover	> 10%	17.6%	16.1%
Turnover linked to SDGs (percentage)	> 70%	71.6%	70.2%
Number of live patents		1,422	1,400
Total R&D spend (in million)		€80.7	€77.2
R&D capitalized (in million)		€46.5	€41.8
R&D capitalized as percentage of total R&D spend		57.5%	54.2%

Social information

Our workforce (S1)

Social	Value chain boundary			Material IROs		
	Sub-topic	Upstream	Own operations	Downstream	Impacts	Risks
Diversity		*		<ul style="list-style-type: none"> A lack of diversity could have a potential negative impact on the overall health, wellbeing, and performance of our own workforce. 	<ul style="list-style-type: none"> A lack of diversity can result in employees feeling not valued, respected, and supported, resulting in negative reputation, impacting performance of employees and organization and therefore costs. 	
Health and safety		*		<ul style="list-style-type: none"> Health and safety incidents have an actual negative impact on the health and safety of our own workforce. 	<ul style="list-style-type: none"> Health and safety incidents can increase the risk of illness, injury and death, leading to lower morale, increased absenteeism and decreased productivity. 	

Introduction

TKH has a decentralized structure with an open business culture and a high level of entrepreneurship with short lines of communication. Our organization is also characterized by delegated authority, trust, and transparency. A key component of our strategy is a strong, diverse workforce of talented people, with the passion and drive to make things happen. Working together with talented and qualified people is vital to achieving our mission of creating best-in-class Smart Technologies. We strongly believe that the diversity of our workforce will further strengthen the success of our defined strategy. Therefore, one of our priorities is to promote and safeguard diversity within our organization.

We also want to ensure that we have an attractive and safe workplace. Being an attractive and responsible employer is an important commitment that we take seriously. TKH offers an inspiring, safe, and healthy working environment for our workforce, and we are

constantly striving to improve. It must always be our key priority to make sure that all our employees return home safe and sound at the end of each workday.

The contributions of our workforce are essential to our achievements. A lack of diversity can result in employees feeling not valued, respected, and supported, resulting in negative reputation, impacting performance of employees and organization and therefore costs. Health and safety incidents can negatively impact employees by increasing their risk of illness, injury and death, leading to lower morale, increased absenteeism and decreased productivity.

Our people

Our own workforce consist of employees and non-employees. Employees are on the payroll based on an employment relationship according to national law or practice, and consists of permanent and temporary hires with a contract for an indeterminate or a limited period for

full-time or parttime work, including employees with a non-guaranteed hours contract. Non-employees are not on the payroll and consist of interns/stagiaires, and other temporary workers hired for a short duration mostly from employment agencies (e.g. in Dutch “uitzendkrachten”, self-employed people).

Identified potential material negative impacts on the overall health and wellbeing of our own workforce applies to all own workforce and are not related to individual incidents. Our policies to manage material impacts, risks and opportunities applies therefore to all own workforce. We have no operations at significant risk of incidents of forced or child labor or compulsory labor, either in terms of type of operation or countries or geographic areas with operations considered at risk. Own workforce performing production activities may be at greater risk of harm related to health and safety issues. TKH employs people with a disability and/or disadvantage in the labor market. TKH is acknowledging these people to be particularly

Central Works Council

Olaf Karsten (VMI), *chairman*

Gerard Roolvink (TKF), *secretary*

Jan Jaap Derksen (VMI)

Maurice Fliescher (Intronics)

Onno Verkerk (TKH Security)

André van Loon (TKF)

vulnerable. No material impacts on workers that may arise from transition plans for reducing negative impacts on environment and achieving greener and climate-neutral operations were identified. There are no material positive impacts.

Our policies

Code of Conduct

We have included provisions regarding the respect and protection of human rights in our Code of Conduct towards our employees. Our policy is based on the UN Guiding Principles on Business and Human Rights, to not tolerate any violation of human rights. We use the OECD Guidelines and ILO Declaration on Fundamental Principles and Rights at Work as a reference framework to enable us to quickly identify potential risks. These OECD Guidelines refer to the Universal Declaration of Human Rights, which states that all parties in society, including companies, have an obligation to respect and protect human rights. In 2024, we endorsed the guidelines provided in the UN Global Compact. Related to our own workforce we do not accept trafficking of human beings, forced or compulsory labor and child labor. In case of violations human rights, possibilities to remediate human rights impact are investigated and

implemented. Existing policies are also reviewed as well as other measures to prevent this in the future.

Discrimination

TKH has a strict policy of equal treatment for all employees regardless of race, nationality, ethnic background, color, age, religion, gender, sexual orientation, political opinion or disability. Through our Code of Conduct we ensure discrimination is prevented, mitigated and acted upon once detected. Violations can be reported through our internal procedures. We have established a process for recruiting new employees based on an appropriate profile for the function. We do not differentiate between male and female employees' base salaries and apply market-based remuneration. There may be differences between countries depending on local market practices and tax and social security structure. We have a remuneration policy based on the requirements of the job, and the experience and skills of the individual.

Enhancing inclusion

In our recruitment, we are committed to providing a suitable work environment for people with a disability and/or disadvantage in the labor market. Disability is an umbrella term that covers illnesses/disorders, activity limitations, and participation restrictions. An illness/disorder is a problem in the function or structure of the body. An activity limitation is a difficulty encountered by an individual in executing a task or action. A participation restriction is a problem experienced by an individual in a range of everyday situations that results in a disadvantage in the labor market. TKH creates work experience opportunities for the long-term unemployed or people returning to the labor market. Since 2022, TKH has been PSO certified ("prestatieladder sociale ondernemen"). This certificate is a quality mark that proves our organization has an above-average level of

social entrepreneurship and focuses on the employment of vulnerable groups in the labor market. We have a proven record of contributing to an inclusive society. By participating in the PSO, organizations around TKH are also encouraged to do business in a more socially responsible way.

Engaging with our workforce

Engaging with employees

We gain insight into the perspectives of our own workforce included the people who may be particularly vulnerable to impacts via direct engagements, meetings with works councils, employee satisfaction surveys, and yearly performance reviews.

The Executive Board maintains direct contact with employees in all parts of the organization, for example by attending employee presentations, participating in project meetings, or taking part in informal gatherings. In addition, at least one regular Supervisory Board meeting is held annually at the location of a TKH operating company. Such a company visit allows the Supervisory Board to meet with local management and employees and to gain a better understanding of TKH's activities, technological developments, and organizational capacity. The Supervisory Board is updated on local developments and possible challenges faced by local management. Company visits, presentations, demonstrations, and guided tours are always part of the program. Particular attention is also paid to the local company culture.

The interests of the employees are represented at the level of the operating companies by the local Works Councils, and at the TKH group level by the Central Works Council. These councils ensure ongoing employee representation under the terms of the Works Councils Act (Wet op de Ondernemingsraden). During the year under review, the Executive Board and the Central Works

Council held three informal meetings. From the Executive Board, the CEO was present as the function and most senior role within TKH that has operational responsibility for ensuring that engagement happens and that results inform TKH's approach. Topics discussed included the results and organizational developments, progress on the strategic program including acquisitions and divestments, the budget, and TKH's annual report including the performance on non-financial KPIs compared to the targets. This includes sustainability-related matters such as diversity, and health and safety. An annual Works Council day is held on a regular basis to strengthen the ties between the various Works Councils of the Dutch operating companies and to promote the exchange of knowledge and experience. TKH considers consultation with the Central Works Council and other Works Councils to be important and places great value on an open dialogue. We believe that an active approach to employee representation helps us to remain vigilant.

Process for remediating negative impacts and channels to raise concerns

It is very important to measure good employment practices and the effectiveness of engagement with our own workforce. Important aspects are assessed through employee satisfaction surveys and employee performance reviews. The surveys and review meetings provide important information regarding the motivation, satisfaction, and expectations of our employees. Identified areas for improvement are included in the HR plans at the concerning operating company.

We have a long history of conducting employee satisfaction surveys within a four-year cycle combined with “are we on track” surveys during this cycle. The surveys provide important information regarding the motivation, satisfaction, and expectations of our employees. Follow-up surveys also measure the effects

of improvements made in response to the findings. We carry out these surveys in collaboration with a specialized third-party research agency. Some operating companies have carried out a satisfaction survey focusing on (company) specific topics. Based on the results of the survey, we evaluate where we need to amend our working methods, policies and develop a robust action plan. The employee satisfaction score in 2024 was 7.8, reflecting surveys from 2021-2024 among 4,788 employees, representing 72% of the number of employees (headcount) as of December 31, 2024. The employee satisfaction score is equal compared to 2023 (7.8) but increased compared to the previous years, demonstrating the effectiveness of the measures and action plans implemented.

Yearly performance interviews are conducted to discuss performance and opportunities for further development, as well as possible improvement for the organization and expectation of our employees. In 2024, 63% of all employees received a performance review (2023: 76%). This is not 100% because not all of the employees are

eligible for performance review, for example because they just have been hired and the one-year period has not yet passed.

TKH is committed to an open culture in which employees can openly discuss any concerns, problems or abuses. Employees are encouraged to report matters to their (direct) manager or supervisor. Employees can report in confidence and the employee shall suffer no detriment from making such a report. In addition, we established a Whistleblower Procedure for a clear course of action for employees who wish to raise issues or concerns such as a possible criminal offense or violation of the law, giving or receiving a bribe, disclosure of confidential information, dishonesty or unethical behavior (such as discrimination, (sexual) harassment, bullying, etc.), and tax-related issues. TKH has implemented specific measures to ensure that any form of retaliation is prevented, and it remains vigilant in safeguarding whistleblower anonymity and protection. Reports are reviewed and investigated by the local confidential officer and/or the Group Compliance Officer. Depending on the topic, an external researcher may be

Policy name	Key contents
Code of Conduct	<ul style="list-style-type: none"> • Describes how we act as a company, how we make ethical decisions, and how we deal with different dilemmas within our company. • Applicable for all operating companies. • Managing director of the operating company is responsible for implementation. • OECD Guidelines is used a reference framework, in addition to the guidelines provided in the UN Global Compact. • Published on our website and should be read and signed by each employee.
Whistleblower procedure	<ul style="list-style-type: none"> • Procedure to raise issues or concerns such as a possible criminal offense or violation of the law, a violation of TKH's internal policies and/or procedures, giving or receiving a bribe, disclosure of confidential information, dishonesty or unethical behavior, etc. • Applicable for all employees and third parties. • Managing director of the operating company is responsible for implementation. • Based on the EU Whistleblower Directive 2019/1937. • Provided to managing directors, confidential officers, and available for all functions having access to the reporting system Cognos.

appointed to ensure independence and objectivity. If deemed necessary, disciplinary and corrective measures are taken. We track and monitor the issues raised by ensuring all received reports are recorded, investigated, and closed. We track the effectiveness of the procedure via engagement with our own workforce, including via employee surveys, and performance reviews. TKH promotes awareness of the whistleblower procedure through internal training and various communication channels such as shared folders. In case of violations or incidents, possibilities to remediate the impact on own workforce are investigated and implemented. Existing policies are also reviewed as well as other measures to prevent this in the future.

More information is included in Business conduct policies and corporate culture.

Our people: key figures

Total number of employees (in head count), at December 31, 2024 is 6,665. Total average number of employees (head count), during 2024 is 6,795. Total number of full-time equivalent (FTE) is 6,492, and reconciles with the FTE number in note 22 of the financial statements. Total number of employees who have left TKH in 2024 is 826. Percentage of employee turnover is 12.4%. This is calculated based on the number of employees who left TKH in 2024 divided by the number of employees at December 31, 2024.

The total number of employees decreased slightly from 6,769 end of 2023 to 6,665 end of 2024. This is caused by, on the one hand, divestments and relocation of production activities from China and the Netherlands to Poland, and on the other hand, the scaling up of activities resulting from our strategic investment program (for example the new subsea factory in Eemshaven).

Employees by gender		
	2024	2023
Male	5,095	5,154
Female	1,569	1,615
Other	1	0
Total	6,665	6,769

Employees by type and gender				
	2024			
	male	female	other	total
Permanent employees	4,476	1,358		5,834
Temporary employees	535	170		705
Non-guaranteed hours	84	41	1	126
Total	5,095	1,569	1	6,665

Employees by region		
	2024	2023
Netherlands	2,375	2,458
Germany	1,153	
Europe (other)	1,475	2,830
Asia	848	883
North America	565	498
Other	249	100
Total	6,665	6,769

The employees included in the tables are reported in head count and at the end of the reporting period (31 December). HR data are obtained every quarter. HR data are derived from the HR accounts held by TKH's operating companies. The table with employees per region is based on the location of the operating company where the employee is contracted. The nationality or actual place of work/living is irrelevant for this breakdown.

Diversity (S1)

Our approach and policies

A diverse workforce can bring a variety of perspectives, skills, and experiences, which can lead to increased creativity, innovation, and problem-solving within TKH. Diversity can also contribute to a more inclusive and equitable workplace, where all employees feel valued, respected, and supported. At the same time, there could be a potential negative impact on the overall health and wellbeing of our own workforce in case this topic is not managed properly. To advance the positive impacts and manage potential negative impacts we create an open culture in which employees can openly discuss any concerns, problems or abuses. Also, we integrated diversity in our HR policies, amongst other things concerning recruitment, development and retention of women. TKH is an international group of companies with a workforce of many nationalities. In such an international environment, we take a broad view of diversity. The diversity practices at TKH focuses on a variety of abilities, skills, and nationalities, and we employ a mix of men and women and age distribution. The current age structure results in a manageable level of staff turnover due to retirement.

We developed targeted programs to raise awareness of diversity and to better embed it in the organization. For example, there are programs for middle and senior management to achieve a better gender balance in jobs and consultation structures. Moreover, this is also important in the context of succession planning. By ensuring the work seamlessly matches the skills and capabilities of each employee, we not only save costs but more importantly, relieve our highly qualified technical staff of repetitive tasks, allowing them to focus on more complex tasks. This approach enhances our technical employees' job satisfaction, thereby enhancing their long-term connection with our organization.

Diversity metrics

To measure effectiveness of diversity initiatives, we monitor KPIs and have set an ambitious diversity target in 2021 to increase the proportion of female employees in executive and senior management roles to at least 25% by 2030. This target was determined based on the 2020 diversity figure of 16.8%, benchmarking with other technical companies, and engagement with various stakeholders. Operating companies are responsible for improving the gender balance within their own organizations, and progress is closely monitored by the Executive Board.

The executive and senior management positions (top management) are defined as follows:

- Executive management: statutory management director level (reporting directly to the Executive Board).
- Senior management: managers who are members of the operating company's management team and responsible for specific business units or departments (e.g. finance, human resources, sales, marketing, legal, R&D, QHSE, supply chain and operations).

To recruit new (female) talent, TKH maintains close contact with business schools and universities. We are in contact with educational institutions that provide job-specific or management training courses. We offer internships, graduation projects, and short courses to attract potential talent at an early stage. In addition, we use targeted programs to attract more (female) students with limited or lower levels of education – such as those in vocational training – to give them an opportunity to improve their skills in practice, and to interest them in a possible job in our organization.

Recruitment of this kind is a high-priority area. There is an increasing shortage of qualified (female) personnel, especially in technical and technological positions. It will become more challenging to fill such positions in the coming years. However, we have seen that the positioning of our operating companies under the TKH brand has had a positive effect in attracting new employees. Employer branding is increasingly being used to reach and interest future talent. When recruiting external (female) candidates, we are increasingly using referral recruitment, i.e. asking our current employees to recommend new colleagues. By recruiting in this way, we have a higher chance of finding a match, as our employees can make a good assessment of a potential candidate's suitability for the position and fit with the organization. When capacity became available due to reduced demand or other constraints, employees were (in some cases temporarily) reassigned to fill other positions, where possible.

In 2024, the proportion of women in our total workforce decreased slightly to 23.6% (2023: 23.9%). The male-to-female ratio was relatively high due to the technical and technological nature of our work and the labor market supply. However, women are increasingly choosing technical and technology-related careers, so we can continue to target and recruit more women for the positions in our organization. In 2024, the proportion of female executive and senior management employees increased to 21.6% from 19.2% in 2023. In the year under review, we expanded our diversity program, which will continue in 2025 to meet our ambitious target of 25% by 2030. We initiated specific programs to recruit women, including a trainee program for young women. Through this program, female employees have the opportunity to work in different (technical and technological) positions

combined with a specific development program to further develop their other skills including management skills and personal development. We have also established specific working groups to promote women within our organizations. In this way, we aim to increase the inflow and throughput of female employees within our organizations.

The Executive Board, Management Board and Supervisory Board aim for diversity in their composition in terms of age, gender, background, expertise, occupational experience, and nationality, taking into account the statutory requirements. In terms of gender diversity, the Supervisory Board has a balanced composition of at least 1/3 female members and at least 1/3 male members. The Executive Board consists of three members, all of whom are male. The Management Board consists of six members, of which five are male and one female. TKH will strive to ensure that new appointments to the Executive Board, Management Board, and Supervisory Board are made with the aim of having of at least 1/3 female members and at least 1/3 male members.

Actions

We defined the following actions for 2025:

- Continue targeted programs to attract more (female) students – recruitment of females.
- Strengthen development programs to improve skills including management skills and personal development, enabling women to be promoted to senior and executive positions.
- Review of measures to remedy any negative impact on our own workforce related to diversity.

Actions related to our own workforce are revisited every year and integrated in the activities at operating company level. Due to the nature of the actions, the resources needed for these actions are opex-related and do not require any significant capex. The opex are also not

Employees by function and gender							
	2024			2023			
	male	female	other	total	male	female	total
Supervisory Board	2	3		5	3	2	5
Percentage	40.0%	60.0%		100.0%	60.0%	40.0%	100.0%
Target % Supervisory Board		33.3%				33.3%	
Executive Board	3	0		3	3	0	3
Percentage	100.0%	0.0%		100.0%	100.0%	0.0%	100.0%
Target % Executive Board		33.3%				33.3%	
Management Board	5	1		6	5	1	6
Percentage	83.3%	16.7%		100.0%	83.3%	16.7%	100.0%
Target % Management Board		33.3%				33.3%	
Executive and senior management	279	77		356	282	67	349
Percentage	78.4%	21.6%		100.0%	80.8%	19.2%	100.0%
Target % executive/senior management by 2030		25.0%				25.0%	
Total	5,095	1,569	1	6,665	5,154	1,615	6,769
Percentage	76.4%	23.6%	0.0%	100.0%	76.1%	23.9%	100.0%

Number of employees by age							
	2024			2023			
	male	female	other	total	male	female	total
Under 30 years old	820	232	1	1,053	820	209	1,029
Percentage of employees under 30 years old	16.1%	14.8%	100.0%	15.8%	15.9%	12.9%	15.2%
Between 30 and 50 years old	2,730	894		3,624	2,779	949	3,728
Percentage of employees 30 and 50 years old	53.6%	57.0%		54.4%	53.9%	58.8%	55.1%
Over 50 years old	1,545	443		1,988	1,555	457	2,012
Percentage of employees over 50 years old	30.3%	28.2%		29.8%	30.2%	28.3%	29.7%
Total	5,095	1,569	1	6,665	5,154	1,615	6,769

significant, since these initiatives are an integral part of our day-to-day expenses and HR activities.

The ambitions and annual targets set are included in the tables. Targets are determined by the Executive Board. Tracking effectiveness is part of our quarterly sustainability

reporting including diversity metrics. In cases where no quantitative measures are available we report on progress based on qualitative information.

Health and safety (S1)

Our approach and policies

A lack of health and safety measures can negatively impact employees by increasing their risk of illness, injury and death, leading to lower morale, increased absenteeism and decreased productivity. Safety management, including awareness and performance, is therefore a top priority within TKH, and preventing accidents and promoting a professional safety culture are an important part of this. We achieve the latter by being transparent about accidents and near-misses, so employees are more aware of potentially risky situations and can react quickly.

Within our operating companies we have implemented a health and safety policy, a safety management system, and health and safety awareness programs. In addition, we measure effectiveness through targets and KPIs to manage actual negative impacts. Through our health and safety policies at our manufacturing companies, we acknowledge our responsibility for protecting the health and safety of our employees. It covers all aspects of the work environment, including physical conditions, working hours, workload, ergonomics, psychosocial factors, and clear work instructions on machine safety. Strict measures are taken to ensure that employees comply with requirements such as wearing safety shoes and protective clothing. We also encourage employees to alert each other to situations that could lead to dangerous incidents. Our primary goal with our health and safety policy is to prevent health problems and work-related accidents.

Safety is crucial for our operating production companies. Due to the nature of their work, the TKH's manufacturing companies are certified under the ISO 45001 standard. This ISO standard covers requirements for an occupa-

tional health and safety (OH&S) management system, which means that OH&S risks can be managed and performance improved. To make safety demonstrable, we focus on specific, measurable performance targets for safety indicators, including work-related injuries with lost time and ill health. We aim to identify, assess, and take appropriate preventive measures against risks. We continued to focus on health and safety (awareness) programs at our production facilities. Regular risk assessments are conducted to identify potential safety risks. In some cases, this resulted in the relocation of machinery or material storage to eliminate the risk. For certain activities with a higher safety risk, the employee concerned must first complete a special safety course. As part of an ongoing safety learning program, safety questions are asked on a weekly basis. The aim is to increase attention for and awareness of important health and safety topics.

Health and safety metrics

We are firmly committed to achieving a zero recordable accident result and our goal is to create a culture of safety that is ingrained in everything we do. For this reason, we deeply analyze each accident and share the lessons learned across the group to avoid similar incidents from happening in other places. Besides, we actively encourage each employee to speak up should one see or experience something that is unsafe or could be improved.

The percentage of own workers who are covered by health and safety management system based on recognized standards is 51.6%. This is calculated based on the total own workers and includes both production sites and office locations. In 2024, 100% of our own workforce at our production sites was covered by the ISO 45001 standard as health and safety management system.

The number of recordable work-related accidents for own workforce was 114. The LTIFR for 2024 decreased slightly to 0.7 compared to the previous year (2023: 0.8) and is below the target of < 1.0. TKH defines its Lost Time Injury Frequency Rate (LTIFR) as the number of incidents resulting in at least one day's absence from work without the possibility of any replacement, per million hours worked. Reportable incidents are based on actual

Policy name	Key contents
Health, safety and environmental (HSE) policy (at operating company level)	<ul style="list-style-type: none"> • Describes how the operating company deals with health and safety issues, including safety instructions and procedures. • Applicable for all production sites, and if relevant for other locations. • Managing director of the operating company is responsible for implementation. • Based on ISO 14001 standard. • Published on the intranet of the operating companies, and part of local procedures/handbooks.

Health and safety metrics own employees

	annual target	2024
Percentage of own workers who are covered by health and safety management system		51.6%
Number of fatalities as result of work-related injuries and work-related ill health	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0	0
Number of recordable work-related accidents		114
Rate of recordable work-related accidents		9.6
Lost time injury frequency rate (LTIFR) – no replacement work possible (TKH KPI)	< 1.0	0.7

occurrences and are never extrapolated or estimated.

Despite a range of measures and an open safety culture, there is an inherent risk of under-reporting accidents, because of self-reporting of accidents (in most cases).

Reported hours are measured, calculated, or estimated.

The absolute number of serious accidents reported covers all employees on TKH's payroll, excluding employees of third-party contractors. The LTIFR is reported at group level and not specified by region or gender.

The fact that accidents have occurred confirms the need for continuous training and focus on safety issues in both our own organization and that of our suppliers. In 2024, our cable production company TKF obtained the Safety Culture Ladder certification (level 3) in addition to the ISO 45001 certification. This will further support the implementation and monitoring of health and safety measurements, to mitigate the risk of incidents resulting in work-related injuries.

Actions

Looking ahead to 2025, we have defined the following actions to further improve health and safety:

- Continue with safety awareness programs – to reduce number of incidents.
- Review of existing health and safety program.
- Review of measures to remedy any negative impact on our own workforce related to health and safety.
- Setting specific targets on CSRD health and safety metrics, in addition to existing internal health and safety targets (see section Sustainability performance).

Actions related to our own workforce are revisited every year and integrated in the activities at operating company level. Due to the nature of the actions, the resources needed for these actions are opex related and do not require any significant capex. The opex are also not significant, since these initiatives are an integral part of our day-to-day expenses and HR activities.

Targets are determined by the Executive Board. Tracking effectiveness is part of our quarterly sustainability reporting including health and safety metrics. In cases where no quantitative measures are available we report on progress based on qualitative information. The ambitions and annual targets set are included in the tables.

Workers in our value chain (S2)

Social	Value chain boundary			Material IROs		
	Upstream	Own operations	Downstream	Impacts	Risks	Opportunities
Working conditions and other work-related rights (child / forced labor, and health and safety)	<p style="text-align: center;">*</p> <p style="text-align: center;">Smart Connectivity systems</p>			<ul style="list-style-type: none"> Bad working conditions, incidents, and violations of work-related rights, could have a potential negative impact on the overall health and wellbeing of workers in the value chain (copper mines). 	<ul style="list-style-type: none"> Suppliers in the upstream copper value chain who do not respect working conditions and labor rights, can pose a reputational risk, which could lead to financial losses. 	

Introduction

While we are active with a wide range of technology portfolio in different business segments, geographical areas with suppliers worldwide, TKH has an indirect impact on workers in its value chain. A worker in the value chain is an individual performing work in the value chain of TKH who are or can be materially impacted by TKH, regardless of the existence or nature of any contractual relationship with TKH. This includes all workers who are not part of TKH's own workforce.

Based on our double materiality assessment the topics health and safety (working conditions) and child/forced labor (work-related rights) are identified as material, with a potential negative impact on all the workers in copper mines, being part of the value chain of our business segment Smart Connectivity systems. Suppliers in the upstream copper value chain who do not respect working conditions and labor rights, can pose a reputational risk, which could lead to financial losses. There are no material positive impacts.

Our approach and policies

A lack of attention to health and safety can negatively impact workers in the value chain by exposing them to dangerous conditions and increasing the risk of injury or illness. To manage potential negative impacts we

implemented a code of supply, we perform desktop reviews and on-site assessments at tier-1 suppliers, and we measure effectiveness through targets and KPIs. We do not have a specific policy for workers in the value chain. There are no mechanisms and processes on monitoring compliance with the UNGC, ILO Declaration and OECD Guidelines described in our current policies, nor are the measures to remedy any negative impact on human rights. We will review whether it is necessary to develop a supplement to existing policies.

Through the signing of our Code of Supply, we request our tier-1 suppliers to respect and comply with the fundamental rights granted to all employees under applicable national statute. Furthermore, we expect our tier-1 suppliers to fully recognize the labor standards issued by the International Labor Organization (ILO), taking into due account the applicable laws and regulations in different countries and at different sites. This includes, but is not limited to, the following subjects:

- Employment should be freely chosen in accordance with the Universal Declaration of Human Rights of the United Nation.
- We expect our suppliers to prohibit and refrain from any kind of trafficking in human beings, forced labor or compulsory labor and child labor within their organization.
- We expect that our suppliers promote equal opportu-

nities and equal treatment.

- Furthermore, we expect our suppliers to prohibit any form of discrimination in recruiting, promoting or selecting employees for basic or advanced training programs. Within the organization of our suppliers, no employee may be discriminated against, based on his or her gender, age, ethnicity, nationality, sexual orientation, disabilities, union membership, political affiliation or religious conviction.
- We expect our suppliers to respect employee's rights with regard to collective bargaining and freedom of association.
- We expect our suppliers to fully comply with applicable national statute on working time.
- Furthermore, we expect that the employees of our suppliers receive a remuneration which is in line with applicable national statute.
- We expect our suppliers to ensure a safe working environment and therefore to fully comply with applicable national statute governing health and safety at work.
- Our suppliers are expected to establish and maintain an appropriate occupational health and safety management system (in accordance with ISO 45001, or national equivalent).
- We expect our suppliers to protect the health and safety of employees and contract labor and minimize any adverse work conditions.

- Our suppliers are expected to take all the necessary actions to ensure consumer safety. Supplier will ensure that their products will not be made of hazardous substance as defined in EU Directive Restriction of Hazardous Substances.

Value chain of copper

Copper is an important raw material for our cable production companies which are part of the business segment Smart Connectivity systems. Copper is a global industry, from the mines of South America to refineries in Asia. Copper's supply chain has several inherent risks including health and safety (working conditions) and child/forced labor (work-related rights). We are at the end of the value chain, with tier-1-2-3 suppliers in the upstream value chain. We purchase semi-fabricated copper products such as copper wires from our tier-1 suppliers. Our tier-2 suppliers are companies smelting and refining copper purchased from tier-3 suppliers being the copper mining companies.

In 2024, we implemented a classification system for our tier-1 suppliers at our largest cable production site through a comprehensive risk assessment focusing on

Policy name	Key contents
Code of Supply	<ul style="list-style-type: none"> • Describes how we expect our strategic suppliers to act, including criteria on environmental, social and governance topics. • Applicable for all suppliers. • Managing director of the operating company is responsible for implementation. • Based on labor standards issued by the International Labor Organization (ILO). • Published on our website and should be read and signed by each strategic supplier (annual purchase volume >€1 million).

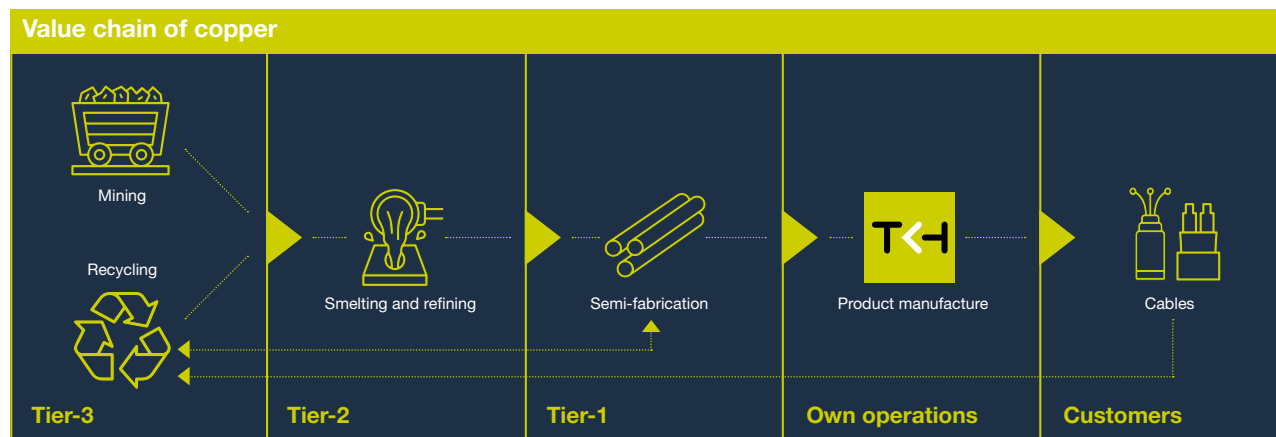
human rights, environmental aspects and our leverage. The assessment takes also into account the tier-2 and tier-3 suppliers. For the latter part, we are dependent on the information publicly available or provided by the tier-1 suppliers. Human rights risks are classified into three categories using the Human Rights Guidance Tool for the financial sector, based on EIRIS analysis of the human rights (ethical investment research services). Environmental aspects are mainly focused on GHG emissions. Based on our relative share in the purchased volume, we assess the leverage we have. The combined scores on human rights, environmental aspects and our leverage result in a risk classification of the supplier. We will monitor the classification on an annual basis. We will engage with suppliers classified as high risk to manage

the identified potential risks. In addition, we monitor whether our suppliers are certified for the Copper Mark, the leading international recognized assurance framework for a responsible supply chain in copper production.

Engaging with workers in the value chain

We do not engage directly with workers in the value chain. Consequently, they are also not directly involved in target setting. We manage relationships with suppliers via meetings, and we perform desktop assessment and on-site supplier assessments on our strategic suppliers to obtain information on the working conditions of value chain workers. The purchase departments within our operating companies have the operational responsibility for ensuring that engagement happens, under supervision of the managing director. A full description of how we manage supplier relationships is included in the Management of relationship with suppliers section and in the paragraph Due diligence process below. The human rights section of these supplier assessments include questions on child labor, forced and compulsory labor, working hours, minimum wages, freedom of association, discrimination and harassment.

TKH is committed to an open culture in which employees can openly discuss any concerns, problems or abuses. Also external parties like suppliers or workers in the value chain are able to report matters, directly to the operating company via a complaint procedure, or by reporting to



TKH. A Whistleblower Procedure is established for a clear course of action for employees or third parties (employees) who wish to raise issues or concerns such as a possible criminal offense or violation of the law, giving or receiving a bribe, disclosure of confidential information, dishonesty or unethical behavior (such as discrimination, (sexual) harassment, bullying, etc.), etc. TKH is committed to protecting workers in the value chain from retaliation. Reports made in accordance with the established procedure will not negatively affect the workers in the value chain position. Every complaint or report is investigated through the local complaint procedures. Reports received by TKH are reviewed and investigated by the Group Compliance Officer. In case of violations, possibilities to remediate the impact on workers in the value chain will be investigated and implemented. If the supplier does not respond adequately, the business relation with the supplier concerned will be reconsidered. Existing policies will also be reviewed as well as other measures to prevent this in the future. In 2024, no severe human rights issues and incidents have been reported. We do not specifically assess whether our workers in the value chain are aware of the complaint procedure. TKH trusts these structures and processes as a way to raise concerns/needs, and have them addressed.

We also engage with value chain partners through the International Responsible Business Conduct (IRBC) agreement for the Renewable Energy Sector. In particular, we focus on copper suppliers classified as high risk based on our risk assessments. We are in direct contact with these tier-1 suppliers, focusing on reducing the identified risks and implementation of action plans.

Due diligence process

We have implemented proactive measures to mitigate harm of workers in the value chain. As part of the onboarding process of new suppliers we perform a

Code of Supply table

	annual target	2024
% of strategic suppliers that signed the Code of Supply	> 90%	89.4%
% of strategic suppliers that signed the Code of Supply and received a desktop assessment		54.7%
% of strategic suppliers that signed the Code of Supply and received an on-site assessment		31.7%

high-level pre-screening, followed by direct suppliers engagement via our Code of Supply and assessments. We oblige our strategic suppliers to sign the Code of Supply, followed by a desktop assessment and on-site assessment based on our self-assessment checklist. Strategic suppliers are suppliers with an annual purchase volume of more than €1 million (in the reporting year). The assessments carried out with suppliers have not revealed any material violations of human rights. In case of violations, the business relation with the supplier will be reconsidered.

More information is included in the Management of relationship with suppliers section.

Copper from responsible production

Since 2023, our cable production company TKF participated in the International Responsible Business Conduct (IRBC) agreement for the Renewable Energy Sector. While the renewable energy sector has achieved great progress on environmental and societal issues, including climate change, there are still numerous obstacles to overcome. As a prominent player in the cable production and telecom industry in the Netherlands, TKF understands the vital importance of sustainable practices and responsible behavior in an ever-evolving world. TKF has a responsibility as a supplier of subsea cables for offshore wind energy to bring the industry expertise to the forefront and acknowledge the hurdles faced by our company and many others involved in the renewable energy value chain. By participating in this agreement TKF

is committed to collaborating with our stakeholders, as well as all others participating in the renewable energy agreement. We aim to identify and mitigate our own (including suppliers) risks and impacts on both society and the environment.

We are also in continuous conversation with our main copper suppliers regarding a responsible supply chain. This is important because through our tier-1 suppliers we source raw materials from around the world. The countries of origin for the copper supply includes regions that could pose risks regarding compliance with human rights related sustainability standards. Therefore, TKH values long-term business relationships with companies in the copper supply chain. This strategy is crucial for fulfilling the growing global demand for responsibly produced copper. Primary raw materials such as copper will also be needed in the future to satisfy the growing needs for metals for the green transition.

In 2024, we assessed 78.2% of the tier-1 copper suppliers of our largest cable production site based on our new developed comprehensive risk assessment (see value chain of copper, based on purchased kg). Our largest supplier in terms of purchase volume is part of “The Copper Mark” industry initiative. The Copper Mark is the leading international recognized assurance framework for a responsible supply chain in copper production. The Copper Mark covers the 32 sustainability criteria set out in the Responsible Minerals Initiative’s (RMI) Risk Readiness Assessment and incorporates all major

Tier-1 copper suppliers table

	target 2030	2024
% of tier-1 copper suppliers certified by The Copper Mark (based on purchased kg)	> 80%	59.0%
% of tier-1 copper supplier assessed (2024 risk management assessment – based on purchased kg)	100%	78.2%

environmental, social and governance issues, such as child labor and occupational safety. The Copper Mark is also aligned with the United Nations Sustainable Development Goals (SDGs). Our target is to have at least 80% of our copper suppliers certified by The Copper Mark by 2030. In 2024 in total 59.0% of our tier-1 suppliers (based on purchased kg) were certified by The Copper Mark.

Actions

We defined the following actions for 2025:

- Review whether it is necessary to develop a supplement policy for workers in the value chain to the existing policies.
- Review of measures to remedy any negative impact on workers in the value chain.
- Review of mechanisms and processes on monitoring compliance with the UNGC, ILO Declaration and OECD Guidelines described in our current policies.
- Extend the risk assessment by adding other tier-1 copper suppliers to our assessment, by classifying them as a high, medium or low risk supplier. This will allow us to defined more precise targets in 2025.
- Focus on suppliers classified as high risks by engaging on mitigating the identified potential risks.

Actions related to workers in the value chain are revisited every year and integrated in the activities at operating company level. Due to the nature of the actions, the resources needed for these actions are opex-related and do not require any significant capex. The opex are also not significant, since these initiatives are an integral part of our day-to-day expenses and procurement activities. The ambitions and annual targets set are included in the tables. Targets are determined by the Executive Board. Tracking effectiveness is part of our quarterly sustainability reporting. In cases where no quantitative measures are available we report on progress based on qualitative information.

Consumers and/or end-users (S4)

Social	Value chain boundary			Material IROs		
	Upstream	Own operations	Downstream	Impacts	Risks	Opportunities
Privacy (cybersecurity)		*	*	<ul style="list-style-type: none"> Data leaks or cyber incidents involving GDPR-sensitive data, and loss of business sensitive information, have an actual negative impact on the right of data protection. 	<ul style="list-style-type: none"> Privacy can be a financial risk. If customer data is not adequately protected it could lead to violation of laws, fines and penalties and loss of trust. 	

Introduction

TKH is active with a wide range of technology portfolio in different business segments, and geographical areas with customers worldwide. All sales transactions are business-to-business. As a result, we have an indirect impact on consumers and end-users. Consumers and end-users are individuals who acquire, consume and ultimately use or are intended to ultimately use a particular product or service for personal use, either for themselves or for others.

Based on our double materiality assessment the topic privacy (cybersecurity) is identified as material. Data leaks or cyber incidents involving GDPR-sensitive data, and loss of business sensitive information, have an actual negative impact on the right of data protection. TKH depends on consumers' trust in the security systems of its operating companies, such as intercoms, (surveillance) cameras, and vision systems. A perceived risk of data leaks could lead to decreased sales, contract terminations, or reputational damage. Additionally, privacy concerns may result in stricter regulatory requirements, impacting product design and compliance costs.

Data protection is also relevant for our products that store customer data, related to the aforementioned portfolio and customer production data stored in our tire building machines and vision systems. Privacy and cybersecurity covers both the privacy and security of our products and

services sold to our customers and the cybersecurity of our organization developing and producing these products and services. If customer data is not adequately protected it could lead to violation of laws, fines and penalties and loss of trust. There are no material positive impacts.

Our approach and policies

We do not have a specific policy for consumers and/or end-users. Consequently, they are also not directly involved in target setting. There are no mechanisms and processes on monitoring compliance with the UNGC, ILO Declaration and OECD Guidelines described in our current policies, nor are the measures to remedy any negative impact on human rights. We will review whether it is necessary to develop a specific policy for consumers and/or end-users.

We have included provisions regarding the respect and protection of human rights in our Code of Conduct. Our Code of Conduct is based on the UN Guiding Principles on Business and Human Rights, to not tolerate any violation of human rights. We use the OECD Guidelines and ILO Declaration on Fundamental Principles and Rights at Work as a reference framework.

Cybersecurity concerns the risk of a breach of data availability, confidentiality, and integrity (including IP). This also includes cyberattacks that compromise data (including

IP) to disrupt business operations and infrastructure. Important elements in this respect are our decentralized IT landscape, the use of multiple ERP systems, the continuity of production sites, the protection of developed technologies (IP protection) and data protection legislation, including GDPR. To manage potential negative impacts we implemented an IT and Security policy, and we perform IT audits and penetration testing and we measure effectiveness through targets and KPIs. We guide our operating companies to implement cybersecurity measures.

The IT and Security policy covers various topics, including detailed policies on specific topics such as business continuity, operational IT controls, and specific guidelines to securely develop software. IT audits have been carried out at the operating companies, based on which action plans have been developed to address vulnerabilities in the IT systems. As a result of the IT audits, cybersecurity and cyber risks have been given a high priority in the organization and awareness of potential risks has been increased. Communication on cybersecurity takes place through regular newsletters, for example. Penetration tests have also been carried out at some operating companies to determine whether the organization is sufficiently resilient to potential digital attacks. These tests have provided insights into potential vulnerabilities in our IT infrastructure and their potential consequences. The ultimate goal is to implement secure

processes and effective controls and to create a safe and honest culture, without material incidents.

In 2024, we placed increasing emphasis on the risk of ransomware and our resilience should such an event occur, as well as the EU NIS2 Directive, which is partly implemented into national law by EU Member States in 2024. The topic is a recurring item on the agenda in meetings of the Executive Board and Audit Committee meetings. As a result, this topic continues to receive the attention it deserves. IT & Security is part of the immediate focus area of the Internal Audit team.

European legislation on the protection of private data, the General Data Protection Regulation (GDPR), imposes strict rules on the use of personal data and the storage of such information. One of the requirements is the establishment of a processing register that shows what personal data is being used or stored, where, and for what purpose. The establishment of this register provides insight into and control over the organization's data processing and the related privacy controls. An internal privacy policy has also been drawn up and implemented in the organization. Internal Audit, in collaboration with the internal Legal Advisor (who is also the Data Privacy Officer), ensures the proper application of GDPR legislation within the organization.

Collectively, these policies and procedures reflect our strong commitment to respect the human rights of both consumers and end-users.

Engaging with consumers and end-users

High-quality technologies, solutions, and corresponding services are essential to our commercial impact. Customer interests play a central role in the way we conduct and implement operational activities and developments. We collaborate closely with our customers

Policy name	Key contents
Code of Conduct	<ul style="list-style-type: none"> • Describes how we act as a company, how we make ethical decisions, and how we deal with different dilemmas within our company. • Applicable for all operating companies. • Managing director of the operating company is responsible for implementation. • OECD Guidelines is used as reference framework, in addition to the guidelines provided in the UN Global Compact. • Published on our website and should be read and signed by each employee.
IT security policy	<ul style="list-style-type: none"> • Guidance on IT controls and information security, including security breach/incident reporting, intellectual property protection, amongst other things. • Applicable for all operating companies. • Managing director of the operating company is responsible for implementation. • Based on ISO 27001:2022 controls. • Provided to managing directors and the IT and security responsible of each operating company.
Privacy policy	<ul style="list-style-type: none"> • Describes how we act as a company on privacy-related topics, and how we want to protect personal employee data within our company. • Applicable for all operating companies. • Managing director of the operating company is responsible for implementation. • Based on the EU General Data Protection Regulation (GDPR). • Provided to managing directors and available for all functions having access to the reporting system Cognos.

to get insights and knowledge of the consumers and end-users to understand their needs and if there is a risk for material impact on them. We measure, monitor, and evaluate customers through customer satisfaction surveys on a four-year cycle. The survey contains predefined topics, but also provides the opportunity for customers to raise any other concerns for example related to privacy or data protection. Based on the outcomes, we can take specific action to better serve our customers. Through training and skills management, standardization of processes, and further improvement of our availability, information systems, and 24-hour service, we aim to provide an even better customer experience. The managing director of the operating company is responsible for executing the survey, and the implementation of defined actions.

TKH is committed to an open culture in which employees can openly discuss any concerns, problems or abuses. Also external parties like customers are able to report matters, directly to the operating company via a complaint procedure, or by reporting to TKH. A Whistleblower Procedure is established for a clear course of action for employees or third parties who wish to raise issues or concerns such as a possible criminal offense or violation of the law, giving or receiving a bribe, disclosure of confidential information, dishonesty or unethical behavior (such as discrimination, (sexual) harassment, bullying), etc. TKH is committed to protecting customers from retaliation. Reports made in accordance with the established procedure will not negatively affect the customers' position. Every complaint or reported is investigated. Complaints reported to the operating company are investigated through the local complaint

procedures. The number of received complaints and number of complaints settled within five working days are KPIs and quarterly reported as part of the sustainability reporting. Reports received by TKH are reviewed and investigated by the Group Compliance Officer. Depending on the topic, an external researcher may be appointed to ensure independence and objectivity. If deemed necessary, disciplinary and corrective measures are taken. We do not specifically assess that our consumers and/or end-users are aware of and trust these structures or processes as a way to raise their concerns or needs and have them addressed. More information is included in the section Business conduct.

Data leaks and cyber incidents require immediate action to stop the incident, and our procedures are set in motion. If the data leak or cyber incident involves a GDPR breach that presents a risk to the affected individuals, we immediately inform the customer, who reports the incident to the relevant local authority and the affected individuals. The affected individuals' perspectives do not influence the management of actual GDPR incidents. However, concerning potential impacts, citizens can contact the data controller (our customers) to invoke their GDPR rights and, if applicable, we will conform to the request.

In the event of a project experiencing system failure or downtime, we have established procedures to manage and mitigate such issues. We act immediately to stop the incident, and we will communicate with the customer and keep the client updated regarding the reestablishment of normal operations. The consumers and end-users do not influence the management of this. However, engagement with the affected consumers and end-users happens via the customers, who will provide them with the necessary information.

The engagements have not revealed any material violations of human rights. In case of violations, the business relation will be reconsidered.

In addition, possibilities to remediate the impact on consumers and end-users will be investigated and implemented. Existing policies will also be reviewed as well as other measures to prevent this in the future.

More information is included in Business conduct policies and corporate culture.

Consumers and/or end-users metrics

We continuously train our employees to detect phishing attempts sent by email. We do so by sending fake phishing emails to employees on a regular basis, to raise awareness and train detection skills. If they miss the signs of phishing and slip, they are informed what signs in the fake phishing email they should have noticed.

Several small and non-material security incidents occurred at our own operations during the year under review. However, we experienced one larger incident due to a successful ransomware attack at one of our operating companies, which impacted access to operating systems for two weeks but without material impact. These incidents reinforce the need to remain vigilant to IT Security risks. Consumer and end-user topics are also addressed on a continuous basis through ISO 27001, as part of our operating companies are ISO 27001 certified. The ISO 27001 provides security requirements which mitigates the risk of cybersecurity incidents and their

potential impact. In 2025, we will update our IT security policy and continue with internal audits to identify improvements. Further information about IT security is included in the Risk management section.

We measure, monitor, and evaluate customers through customer satisfaction surveys on a four-year cycle. Our average customer satisfaction survey score for 2024 is 8.6 (2023: 8.6). The customer satisfaction score reported (maximum score of 10) is based on the outcome of the most recent customer satisfaction surveys conducted by an external research company. Each year, a number of operating companies conduct the survey. A survey reflects the customer base of the respective operating company. The customer satisfaction score reported in 2024 reflects surveys from the period 2021-2024 and is based on the weighted average of the responses from all customers in this period.

Through training and skills management, standardization of processes, and further improvement of our availability, information systems, and 24-hour service, we aim to provide an even better customer experience.

Customers and end-users table

	annual target	2024	2023
Number of reported cybersecurity incidents within own operations with direct financial impact on TKH of > €100k	0	1	0
Customer satisfaction survey score	> 7.8	8.6	8.6

Actions

We defined the following actions for 2025:

- Review whether it is necessary to develop a supplement policy for consumers and/or end-users to the existing policies.
- Review of mechanisms and processes on monitoring compliance with the UNGC, ILO Declaration and OECD Guidelines described in our current policies.
- Review of measures to remedy any negative impact on human rights of consumers.
- Update our IT and security policy to incorporate best practices for encryption, multi-factor authentication, resilience against ransomware, and other developments for example related to new laws and regulations.

We did not identify any specific action in relation to our own practices regarding product design, marketing or sales, or whether wider industry or collaborative action with other relevant parties is required. Actions related to consumers are revisited every year and integrated in the activities at operating company level. Due to the nature of the actions, the resources needed for these actions are opex-related and do not require any significant capex. The opex are also not significant, since these initiatives are an integral part of our day-to-day expenses and sales activities.

The ambitions and annual targets set are included in the tables. Targets are determined by the Executive Board. Tracking effectiveness is part of our quarterly sustainability reporting. In cases where no quantitative measures are available we report on progress based on qualitative information.

Governance information

Business conduct (G1)

Governance	Value chain boundary			Material IROs		
	Sub-topic	Upstream	Own operations	Downstream	Impacts	Risks
Corporate culture		*		<ul style="list-style-type: none"> Absence of good corporate culture can potentially have a negative impact as a result of a lack of accountability, unethical behavior, and inadequate response to environmental and social challenges. 	<ul style="list-style-type: none"> Failing to address the potential negative impact can result in regulatory fines, legal penalties, and reputational damage. 	
Corruption and bribery		*		<ul style="list-style-type: none"> Not preventing the spread of unethical and illegal practice could have a potential negative impact on societal well-being. 	<ul style="list-style-type: none"> Corruption and bribery can result in a lack of transparency and accountability, leading to erosion of public trust and damage to TKH's reputation. 	
Management of relationships with suppliers	*	*		<ul style="list-style-type: none"> Conflicts, for example as a result of geopolitical developments (such as the Russia-Ukraine war, trade tariffs, availability and price of energy), could have a potential negative impact on people and the environment. 	<ul style="list-style-type: none"> Reputational risks, as well as legal and financial liabilities. TKH may also face risks from political instability, including expropriation or nationalization of assets of suppliers (based on their location). Inadequate management of relationships with suppliers can result in non-productive relationships with suppliers, leading to inadequate inflow of (raw) materials and thus, discontinued production and operations. 	

Introduction

As a global technology company with decentralized operations in more than 30 countries, and interaction with a large number of business partners including suppliers, TKH depends on transparency, trust, ethical business conduct and compliance throughout its organization and value chains. Compliance with applicable laws and regulations and TKH's policies, procedures and guidelines can help mitigate a range of risks, including those associated with fraud, corruption (i.e. abuse of entrusted power for private gain), bribery (i.e. dishonestly

persuading someone to act in your favor by giving them a gift of money or another inducement), unfair competition, export violations, sanctions, human rights including child labor, IT security, health and safety, environment, data privacy, and financial and sustainability reporting requirements. Failure to comply with applicable regulations and expectations for responsible business conduct can result in loss of license to operate and could expose TKH to investigations, criminal and civil sanctions such as fines and penalties, and materially impact financial results. The defined targets are based on

compliance, therefore key stakeholders are not directly involved in target setting. The company has procedures in place related to fraud, bribery, or material non-compliance issues, specifically relating to accounting, internal controls, or auditing matters. Fraud and non-compliance is also an attention point during the Audit Committee meetings and the audit by the external auditor.

In addition, non-compliance on relevant environmental, social and governance topics by suppliers could result in risks on people and the environment. Inadequate

management of those relationships could jeopardize adequate inflow of important (raw) materials. Global economic, market and geopolitical developments could influence the execution of the strategy and the financial position and results of TKH. Examples are the Russia-Ukraine war and economic and political confrontations between world powers (trade tariffs, availability and price of energy), the erosion of trade agreements, and the impact of (global) inflation. In this context, monitoring of (dependency) of suppliers is also of importance.

More information on human rights in the value chain can be found in the Social information section.

Role of administrative, management, and supervisory bodies

The Executive Board, led by the CEO, holds ultimate responsibility for defining, implementing, and monitoring business conduct policies across the organization. This includes ensuring governance policies are aligned with strategic objectives, regulatory requirements, and ethical business practices.

To ensure effective oversight of business conduct, TKH has established clear procedures and accountability mechanisms, covering:

- Policy development: Governance policies are developed by the Executive Board, reviewed by the Supervisory Board, and formalized in internal procedures.
- Implementation & monitoring: The Director of Sustainability, reporting to the CEO, is responsible for operational enforcement of compliance beyond reporting obligations.
- Risk management & internal controls: The Internal Audit Department assesses governance risks related to business conduct, ensuring controls are in place to mitigate potential ethical and compliance risks.

- Training & awareness: Board members and senior management undergo corporate ethics, business conduct, and compliance training. Where no formal program exists, action plans will be developed to address this gap.

The Supervisory Board ensures that the Executive Board not only monitors governance and sustainability but actively enforces ethical business practices and compliance frameworks, intervening when necessary to uphold integrity standards. Beyond overseeing sustainability reporting, the Audit Committee ensures continuous improvement of governance policies, monitors the effectiveness of governance policies and internal controls, and assesses compliance with business conduct requirements to safeguard ethical integrity.

Both boards have expertise in corporate governance, risk management, compliance, and sustainability, ensuring effective oversight of business conduct. Members possess backgrounds in finance, legal, ESG compliance, and general business ethics, supporting informed decision-making and strategic alignment with regulatory and ethical standards.

Corporate culture

TKH conducts its business according to the principles of honesty, integrity, accountability, and transparency. We are committed to complying with relevant laws and regulations that are enforced. These core values define the culture and behaviors that we're committed to embedding throughout TKH. All employees are expected to be aware of the core values underlying our actions and

our risk profile, and to take responsibility for any potential risks. They are also expected to act in accordance with TKH's Code of Conduct. This Code of Conduct is fundamental to everything we do and describes how we act as a company, how we make ethical decisions, and how we deal with different dilemmas within our company. Additional policies have been implemented in relation to the principles included in the Code of Conduct, including:

- rules and guidelines for decision-making and approval procedures and authorization levels for the management of our operating companies;
- an Internal Control Framework (ICF) which is used to analyze and evaluate the strategic, operational including sustainability, financial, and compliance risks for its operating companies;
- various rules of conduct for employees, customers, and suppliers including a whistleblower procedure; and
- guidelines for internal control procedures, IT security policy, treasury policy, and a financial and non-financial (including sustainability) reporting manual.

More information can be found in the Risk management section.

Code of Conduct

We have a Code of Conduct in place to ensure that every employee acts in accordance with TKH's guidelines. The Code of Conduct uses the OECD Guidelines as a reference framework, in addition to the guidelines provided in the UN Global Compact endorsed by TKH. Our Code of Conduct defines the way we live our core principles every day. It covers various topics related to principles of honesty, integrity and transparency,

Code of Conduct table			
	annual target	2024	2023
% of total employees that signed the Code of Conduct	100.0%	98.9%	96.5%

including anti-bribery and anti-corruption, honest business conduct, conflicts of interest, health and safety and human rights. Clear guidelines, operational control, and a zero-tolerance policy regarding matters of principle, such as fraud, bribery, and corruption, ensure that work is carried out in accordance with the appropriate principles and agreements.

Each employee working for TKH received the Code of Conduct and needs to sign the Code of Conduct as proof of having read and understood what is required. The managers of our operating companies are responsible for implementing the Code of Conduct in their organizations. The content of the Code of Conduct is included in internal training programs. The Code of Conduct has been signed by 98.9% (2023: 96.5%) of the total number of employees. The yearly target of 100% has not been achieved, partly due to a longer than expected lead time for new employees to sign the Code. We are in close contact with the operating companies, and we are establishing clear rules to eliminate such delays as soon as possible. The Internal Audit team plays an important role in monitoring the effectiveness of the Code of Conduct. It works closely with TKH's Compliance Officer and Legal Advisor.

Policy name	Key contents
Code of Conduct	<ul style="list-style-type: none"> • Describes how we act as a company, how we make ethical decisions, and how we deal with different dilemmas within our company. • Applicable for all operating companies. • Managing director of the operating company is responsible for implementation. • OECD Guidelines is used a reference framework, in addition to the UN Global Compact guidelines. • Published on our website and should be read and signed by each employee.
Whistleblower procedure	<ul style="list-style-type: none"> • Procedure to raise issues or concerns such as a possible criminal offense or violation of the law, a violation of TKH's internal policies and/or procedures, giving or receiving a bribe, disclosure of confidential information, dishonesty or unethical behavior, etc. • Applicable for all employees and third parties. • Managing director of the operating company is responsible for implementation. • Based on the EU Whistleblower Directive 2019/1937. • Provided to managing directors, confidential officers, and available for all functions having access to the reporting system Cognos.
Internal Control Framework	<ul style="list-style-type: none"> • Describes how we act as a company, how we make ethical decisions, and how we deal with different dilemmas within our company. • Applicable for all operating companies, except for companies classified as small (< 20 FTEs). • Managing director of the operating company is responsible for implementation. • Based on the COSO 2017 framework. • ICF per process (e.g. sales, procurement) is included in reporting forms in the reporting system Cognos, and available for all functions having access to the reporting system Cognos.
Code of Supply	<ul style="list-style-type: none"> • Describes how we expect our strategic suppliers to act, including criteria on ESG topics. • Applicable for all suppliers. • Managing director of the operating company is responsible for implementation. • Based on labor standards issued by the International Labor Organization (ILO). • Published on our website and should be read and signed by each strategic supplier (annual purchase volume > €1 million).
Internal control procedures	<ul style="list-style-type: none"> • Guidance on specific internal control procedures, addressing adequate segregation of duties, adequate security of valuable and moveable assets, monthly reviews of operating performance and reporting to TKH, amongst other things. • Applicable for all operating companies. • Managing director of the operating company is responsible for implementation. • Based on general internal control standards and the COSO 2017 framework. • Provided to managing directors and available for all functions having access to the reporting system Cognos.
IT and security policy	<ul style="list-style-type: none"> • Guidance on IT controls and information security, including security breach/incident reporting, intellectual property protection, amongst other things. • Applicable for all operating companies. • Managing director of the operating company is responsible for implementation. • Based on ISO 27001:2022 controls. • Provided to managing directors and the IT and security responsible of each operating company.

Policy name	Key contents
Financial Reporting Manual	<ul style="list-style-type: none"> • Guidance on financial reporting, addressing accounting principles and valuation methods for balance sheet and profit and loss accounts, including guidance on the reporting through our financial reporting system Cognos. • Applicable for all operating companies. • Managing director of the operating company is responsible for implementation. • Based on IFRS. • Provided to managing directors and available for all functions having access to the reporting system Cognos.
Sustainability Reporting Manual	<ul style="list-style-type: none"> • Guidance on non-financial (sustainability) reporting, addressing accounting principles and estimation methods for defined KPIs connected to the identified material sustainability topics, including guidance on the reporting through our reporting system Cognos. • Applicable for all operating companies. • Managing director of the operating company is responsible for implementation. • Based on the CSRD and ESRs. • Provided to managing directors, the sustainability responsible of each operating company, and available for all functions having access to the reporting system Cognos.

Internal reports and whistleblower procedure

TKH is committed to a culture where employees can openly discuss any concerns, problems, or (suspected) violations of the Code of Conduct. Employees can report misconducts or (suspected) violations through an internal reporting procedure. Depending on the situation, the report can be done to the direct supervisor, HR or local management.

In addition, a whistleblower procedure provides for a clear course of action for employees who wish to raise issues or concerns such as a possible criminal offense or violation of the law, a violation of TKH's internal policies and/or procedures, giving or receiving a bribe, disclosure of confidential information, dishonesty or unethical behavior (such as discrimination, (sexual) harassment, bullying, etc.), and tax-related issues. To strengthen the organization's commitment to ethical practices, an updated whistleblower procedure will be implemented in 2025 combined with a new online platform through which (anonymous) reports can be submitted. This new online

platform will replace existing (local) systems and reporting channels. In addition, a new training program will be introduced for staff receiving and managing whistleblower reports (confidential officers), including any measures ensuring they are adequately prepared. TKH promotes awareness of the whistleblower procedure through internal training and various communication channels. In addition, this topic is part of the employee satisfaction surveys to foster a transparent culture.

TKH is committed to protecting whistleblowers from retaliation. Reports made in accordance with the established procedure will not negatively affect the whistleblower's position within the company. Additionally, TKH has implemented specific measures to ensure that

any form of retaliation is prevented, and it remains vigilant in safeguarding whistleblower anonymity and protection. Reports are reviewed and investigated by the local confidential officer and/or the Group Compliance Officer. Depending on the topic, an external researcher may be appointed to ensure independence and objectivity. If deemed necessary, disciplinary and corrective measures are taken. External parties can also report to the Group Compliance Officer. In 2024, no report was received through the whistleblower procedure (annual target is receiving all reportable cases). TKH received one report in 2023 which has been carefully investigated in 2024 by an external researcher specialized in the relevant research topic. The investigation into the facts and circumstances that led to the report in 2023 shows that there was no indication for a suspicion of wrongdoing as referred to in the TKH whistleblower procedure.

In 2024, three violations of the Code of Conduct were reported through the internal reporting procedure. These incidents are not related to bribery or corruption. As a result, the employees involved were dismissed after various conversations and measures to improve their behavior and to ensure that they would act in accordance with the Code of Conduct. We believe it is important to promote an open and transparent culture and to measure these issues in employee satisfaction surveys.

Actions related to the procedure are part of our annual business plan and are revisited every year. Due to the nature of the actions, the resources needed for these actions are opex related and do not require any

Internal reports and whistleblower table

	annual target	2024	2023
Number of reports through internal reporting procedure	all	3	2
Number of reports through whistleblower procedure	all	0	1

significant capex. The opex are also not significant, since these initiatives are an integral part of our day-to-day expenses and HR activities

Actions

We defined the following actions for 2025:

- Implement an updated whistleblower procedure.
- Implement a new online platform through which (anonymous) reports can be submitted.
- Introduce new training program for staff receiving and managing whistleblower reports (confidential officers).

Actions related to business conduct are revisited every year and integrated in the activities at operating company level. Due to the nature of the actions, the resources needed for these actions are opex related and do not require any significant capex. The opex are also not significant, since these initiatives are an integral part of our day-to-day expenses and (HR) activities.

Targets are determined by the Executive Board. Tracking effectiveness is part of our quarterly sustainability reporting. In cases where no quantitative measures are available we report on progress based on qualitative information.

Corruption and bribery

We are committed to conducting our business fairly, transparently and with integrity, while applying high ethical and legal standards. We do not approve any form of corruption and bribery including any other form of unethical business practice. We have a Code of Conduct in place, covering various topics including anti-corruption and anti-bribery. TKH endorsed the ten principles of the Global Compact of the United Nations in the areas of human rights, labor, environment and anti-corruption which are aligned with the United Nations Convention against Corruption. We are committed to not only avoid

bribery, extortion and other forms of corruption, but to proactively develop policies and concrete programs to address corruption internally and within our most important supply chains.

As part of our TKH Manual we have a set of internal guidelines and procedures related to anti-corruption or anti-bribery, focusing on internal control measures, management responsibilities, and authorization requirements. In addition, we have internal guidelines and checklists on compliance with sanctions and export regulations for transactions with customers. Through the TKH Code of Supply, our strategic suppliers are aware that they should follow our business ethics and confirm this by signing this Code of Supply. Compliance with this code is verified during supplier audits. As described under business conduct policies, any violation of our anti-corruption or anti-bribery rules and procedures can be reported through our whistleblower or internal reporting procedure and is investigated by the Group Compliance Officer and/or an independent team, separate from the chain of management. Each report is submitted to the Executive and Supervisory Board through the Audit Committee.

TKH has embedded its risk management policy at all levels of the organization. This involves an Internal Control Framework (ICF) which is used to analyze and evaluate the strategic, operational including sustainability, financial, and compliance risks for its operating companies (including potential corruption and bribery risks). TKH's risk management policy reflects the organization's size and decentralized structure. The implementation of the components of this risk management policy are assessed and monitored by Internal Audit. An open, transparent culture with sufficient critical capacity is a prerequisite for an organization to properly manage risks, responsibilities, and competencies. TKH considers a

suitable risk management model to be an important tool for creating sustainable long-term value. A continuous focus on risk awareness is a key element of TKH's culture. The pursuit of a balanced risk profile is embedded in this culture through short lines of communication and is supported by closely monitoring agreed objectives through a comprehensive Key Performance Indicator (KPI) dashboard.

More information can be found in the Risk management and the Management of relationship with suppliers section.

The company's internal risk management and control system is also an ongoing focus for the Audit Committee of the Supervisory Board. Topics such as non-compliance with laws and regulations, specifically (commission) payments to third-party agents and non-routine transactions in high-risk countries, are frequently discussed. At least once a year the Audit Committee discusses the company's fraud risk assessment, including inherent fraud risks, identified significant risks, and other risks and attention areas including corruption and bribery. Internal Audit performs audit activities to gain a clearer picture of the possible risks of fraud, non-compliance, corruption, bribery, and review internal control measures related to these risks. Fraud and non-compliance is also an attention point during the audit by the external auditor. Based on internal fraud risk assessments performed, we determined a potential and inherent corruption/fraud risk in the value chain of our business segment Smart Manufacturing systems due to the use of third-party agents towards part of our end customers. To mitigate the risk, we implemented various measures such as governing the working relationship with agents and intermediaries by guidelines and template contracts. We also train our third-party agents to ensure that every agent acts in accordance with TKH's guidelines.

Anti-corruption and anti-bribery training table

	target 2025	2024
% of headcount at-risk covered by anti-corruption and anti-bribery training	> 90%	27.5%

As part of our internal training program we organized several physical and online meetings to address important topics related to fraud, corruption, and bribery. We specifically focus on functions at-risks of corruption and bribery, which include procurement, sales, legal, financial administration and senior and executive management. The yearly training program addresses topics such as sanctions regulation, the procedure to be followed in that respect, definition of fraud and the fraud triangle, definition of corruption and bribery including examples, and the internal payment framework, by means of theory and case studies. In addition, our operating companies implemented company specific training programs focusing on the most relevant corruption and bribery risks for their business, for example related to commission payments to third-party agents (Smart Manufacturing systems). In 2025, we will launch a new training program for functions at-risks of corruption and bribery, to help our employees to act in line with our anti-corruption and anti-bribery rules and procedures.

To enhance governance competencies, board members participate in regular training on various topics. In 2023-2024, deep-dive sessions covered double materiality, cybersecurity, and sustainability regulations,

ensuring continuous learning and adaptation to evolving governance challenges. Members of the Executive and Supervisory Board will also participate in the new 2025 training program for functions at-risks of corruption and bribery.

In 2024, no confirmed incidents of corruption or bribery were reported as well as by no convictions for violation of such laws (annual target: no incidents or fines). In addition, there are no instances of employees being dismissed or disciplined for corrupt practices during the year. Any incident of corruption or bribery is assessed to determine if additional internal control measures or other actions are needed. Each incident is investigated by the Group Compliance Officer. Depending on the topic, an external researcher may be appointed to ensure independence and objectivity. If deemed necessary, disciplinary and corrective measures are taken. Each incident is reported to the Executive and Supervisory Board through the Audit Committee. Although we concluded that no action was necessary due to the absence of any known corruption cases, we will launch a new training program in 2025 to further enhance awareness.

Actions

We defined the following actions for 2025:

- Introduce new training program for functions at-risks of corruption and bribery, including members of supervisory bodies.

Actions related to anti-corruption and anti-bribery are revisited every year and integrated in the activities at operating company level. Due to the nature of the actions, the resources needed for these actions are opex related and do not require any significant capex.

The opex are also not significant, since these initiatives are an integral part of our day-to-day expenses and (HR) activities.

Targets are determined by the Executive Board. Tracking effectiveness is part of our quarterly sustainability reporting. In cases where no quantitative measures are available we report on progress based on qualitative information.

Management of relationship with suppliers

We expect our suppliers to adopt a zero-tolerance policy on issues that are material to us. Our principles and requirements are set out in a Code of Supply, which covers Environmental, Social and Governance topics such as human rights, the environmental impact (e.g. policies, environmental management systems, pollution prevention etc.), occupational health and safety, compliance with law and regulations including corruption and bribery, and ethical behavior. This set of environment, social and governance topics are part of the selection criteria of suppliers. In case criteria are not met by the supplier, the business relationship will be reconsidered. We oblige our strategic suppliers (supplier with an annual purchase volume of more than € 1 million must) to sign the Code of Supply, followed by a desktop assessment and on-site assessment.

Incidents of corruption and bribery table

	annual target	2024
Number of convictions for violation of anti-corruption and anti-bribery laws	0	0
Amount of fines for convictions for violation of anti-corruption and anti-bribery laws	€0	€0

Code of Supply table

	annual target	2024
% of strategic suppliers that signed the Code of Supply	> 90%	89.4%
% of strategic suppliers that signed the Code of Supply and received a desktop assessment		54.7%
% of strategic suppliers that signed the Code of Supply and received an on-site assessment		31.7%

The Code of Supply has been signed by 89.4% (2023: 91.9%) of the total number of suppliers in scope. The annual target of 90% has not been achieved, partly due to a longer than expected lead time for new suppliers to sign the code. We are in close contact with the suppliers, and we are establishing clear rules to eliminate such delays as soon as possible. Within a maximum of two years after signing the Code of Supply, a desktop assessment of the supplier in question must be carried out to review the items stipulated in the Code. Within five years after signing the Code of Supply, an on-site assessment must be carried out. Internal Audit has included the auditing of processes related to the Code of Supply in its work program.

We have included provisions regarding the respect and protection of human rights in both our Code of Conduct and our Code of Supply. Our policy does not tolerate any violation of human rights. We use the OECD Guidelines as a reference framework to enable us to adequately identify potential risks. These OECD Guidelines refer to the Universal Declaration of Human Rights, which states that all parties in society, including companies, have an obligation to respect and protect human rights. In addition, the guidelines provided in the UN Global Compact are endorsed by TKH.

As part of the assessment we carry out with suppliers as part of our Code of Supply, we ask suppliers about their human rights record and discuss possible areas such as discrimination, the right to social security, and the risk of

child labor in the value chain. The assessments carried out with suppliers have not revealed any violations of human rights. In case of violations, the business relationship will be reconsidered. Privacy is an important human rights principle. People must be able to live in freedom without everyone knowing everything. The Dutch Privacy Act, including the EU Regulation (EU GDPR) gives people more rights – and organizations more obligations – to handle personal data carefully. Internal Audit covers human rights as part of its auditing activities and asks our managers about their compliance with human rights and whether any potential human rights conflicts could arise, especially in the value chain in which we operate.

Optimizing (regional) portfolio and local manufacturing footprint also contributes in lowering supplier risks. A situation where important raw materials such as copper, aluminum, steel and plastics, and technical (electronic) components have long delivery times, are unavailable or only available in limited quantities, as well as price increases related to raw materials can put pressure on our profit margins. To mitigate these risks, we increase our inventory of critical raw materials and components where applicable. At the same time, we try to redesign products as much as possible to increase the use of alternative materials and components with better availability/pricing, in addition to the use of alternative suppliers. Lastly, we developed cooperation programs between operating companies to discuss developments, trends, and risks and to leverage buying power and knowledge within the group and business segments.

Actions

We defined the following actions for 2025:

- Review of existing policies related to management of suppliers, including the code of supply and connected self-assessment.
- Evaluate if additional programs are required to further increase the number of suppliers that signed the code of supply, received a desktop-assessment or on-site assessment.

Actions related to management of relationship with suppliers are revisited every year and integrated in the activities at operating company level. Due to the nature of the actions, the resources needed for these actions are opex related and do not require any significant capex. The opex are also not significant, since these initiatives are an integral part of our day-to-day expenses and procurement activities.

Targets are determined by the Executive Board. Tracking effectiveness is part of our quarterly sustainability reporting. In cases where no quantitative measures are available we report on progress based on qualitative information.

AI and algorithm ethics (entity-specific material topic)

Governance	Value chain boundary			Material IROs		
Sub-topic	Upstream	Own operations	Downstream	Impacts	Risks	Opportunities
AI and algorithm ethics		*	*	<ul style="list-style-type: none"> Unjustified actions, bias, discrimination or breach of privacy due to the use of AI systems could have a potential negative impact on people. 	<ul style="list-style-type: none"> Insufficient adequate use of AI tools can lead to leakage of business sensitive information such as intellectual property. Non-compliance with AI algorithm could lead to violation of laws, fines and penalties, reputational damage, and loss of trust. 	

Introduction

AI and algorithm ethics is an entity-specific material topic, because AI is an important part of TKH's business strategy and R&D roadmap, and supported by the outcomes of the DMA process.

Artificial intelligence (AI) is not just about efficiency and streamlining laborious tasks. Thanks to machine learning and deep learning, AI applications can learn from data and results in near real-time, analyzing new information from many sources and adapting accordingly, with a level of accuracy that's invaluable to business. This ability to self-learn and self-optimize means AI continually compounds the business benefits it generates. In this way, AI helps our businesses to adapt at speed, with a regular stream of insights to drive innovation and competitive advantage in a world of constant disruption. When scaled, AI can become a key enabler of our strategic priorities.

At the same time, the use of AI systems must not go beyond what is necessary to achieve a legitimate aim. Therefore, risk assessment should be used to classify AI algorithm systems to prevent harms which may result from such uses, such as unjustified actions, bias, discrimination or breach of privacy (AI ethics). Non-compliance with AI algorithm could lead to violation

of laws, fines and penalties, reputational damage, and loss of trust. In addition, the use of AI tools within our own operations could lead to leakage of business sensitive information such as intellectual property.

Use of AI tools

The input of confidential or sensitive information into an AI Tool could result in the disclosure of such information to third parties, and, similarly, input of personal identifiable information can lead to breaches of privacy laws. Therefore, in order to mitigate these risks we developed an AI Tools policy in 2024. The purpose of this policy is to establish guidelines for the appropriate and ethical use of AI within TKH, including the use of Generative AI and Algorithmic AI tools, to ensure that AI technology is used to enhance productivity, efficiency, and decision-making while complying with applicable law and respecting

privacy, confidentiality, and data security. This Policy applies to all employees and to all (independent) contractors who perform services for TKH. Interests of key stakeholders in setting the policy are not considered specifically, as the policy is based on the EU AI Act 2024/1689 and the TKH IT security policy.

As a general principle, all AI Tools are disallowed for use, unless they have been approved for use by the internal AI Tooling Committee. It is never allowed to use AI Tools for non-work related purposes, illegal activities, spamming or any other unsolicited advertising. No AI user may use AI Tools for selection or recruitment of employees or job candidates, for placing targeted job advertisements or for screening or filtering applications. All users must at all times comply with the Code of Conduct and the IT & Security Policy issued by the relevant operating company

Policy name	Key contents
AI Tools policy	<ul style="list-style-type: none"> Provides guidelines for the appropriate and ethical use of AI within TKH, including the use of Generative AI and Algorithmic AI tools. Applicable for all employees and contractors. Managing director of the operating company is responsible for implementation. Based on the EU AI Act 2024/1689 and the TKH IT security policy. Published on our intranet, and distributed to all managing directors of our operating companies, and their management teams.

when using AI Tools. A (suspected) violation can be reported through the internal reporting procedure. Implementation at operating companies will also be monitored by internal audit. Violations of the policy may result in disciplinary action for employees or, in case of an (independent) contractor, to termination of the contract.

Classification of AI systems

It is important to define AI ethics as a set of guiding principles that stakeholders (from engineers to government officials) use to ensure AI technology is developed and used responsibly. This means taking a safe, secure, humane, and environmentally friendly approach to AI. To ensure this, we follow the AI Act of the European Union as a guiding principle. The Act assigns applications of AI to three risk categories. First, applications and systems that create an unacceptable risk, such as government-run social scoring of certain type, are banned. Second, high-risk applications, such as a CV-scanning tool that ranks job applicants, are subject to specific legal requirements. Lastly, applications not explicitly banned or listed as high-risk are largely left unregulated.

The EU AI Act entered into force on August 1, 2024. The law will become applicable in number of milestone dates, starting in February 2025 (Prohibited Systems) and finalizing in August 2026. TKH started the process of implementation by establishing an AI Ethics committee in the second half of 2024. The committee includes persons with legal, AI and compliance knowledge and is responsible for developing policies and supervising the risk assessments performed by the operating companies. A self-assessment procedure has been developed, through which each AI system needs to be assessed by, amongst other things, classifying the AI system, the scope and the general purpose. This procedure will be further implemented in 2025. Since we have not yet

classified our AI systems, no target has been defined yet. Our ambition is to have no AI system classified as unacceptable and to have a complete algorithms register in 2025. The classification of AI systems contributes to the insight in compliance with the AI Act, and can also be compared with other companies using AI systems.

Actions

We defined the following actions for 2025:

- Review of mechanisms and processes on monitoring compliance with the AI Tools Policy.
- The classification of AI systems started in Q4 2024, and will continue in 2025 in combination with setting a target. Our ambition is to have all AI system classified as acceptable and to have a complete algorithms register in 2025.
- Implement a training program to ensure the proper knowledge level of our employees and contractors, related to AI systems and the AI Act.
- Update our IT security policy to reflect most recent developments, e.g. related to new laws and regulations.

Actions related to AI are revisited every year and integrated in the activities at operating company level having AI tools or developing AI systems. Due to the nature of the actions, the resources needed for these actions are opex related and do not require any significant capex. The opex are also not significant, since these initiatives are an integral part of our day-to-day expenses and AI activities.

Targets will be set by the Executive Board. Tracking effectiveness will be integrated into our quarterly sustainability reporting in 2025.

Appendices

EU taxonomy disclosure

TKH's reporting on EU taxonomy activities follows Regulation EU 2020/852 of the European Parliament and of the Council supplemented with Commission Delegated Regulation (EU) 2021/2139, Commission Delegated Regulation (EU) 2023/2485, Commission Delegated Regulation (EU) 2023/2486 and Commission Delegated Regulation (EU) 2022/1214. The EU Taxonomy Regulation is intended to serve as a standardized and mandatory classification system to determine which economic activities can be considered environmentally sustainable, and it requires companies to report on how and to what extent their activities are associated with such taxonomy-eligible activities. There are still uncertainties about the interpretation of the Taxonomy Regulation and the comprehensive and detailed framework is still in development. The EU Taxonomy Regulation provides certain conditions for taxonomy alignment. The relevant activity must substantially contribute to one or more of the following six environmental objectives, while not significantly harming any of the others.

There are six environmental objectives under the EU Taxonomy:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

The Delegated Acts adopted under the EU Taxonomy Regulation provide technical screening criteria that must also be met to conclude on taxonomy alignment, while also doing no significant harm to the remaining objectives and meeting minimum standards on human rights and labor standards. For an economic activity to be considered environmentally sustainable under the EU Taxonomy, it must be determined whether it is taxonomy eligible and whether it is taxonomy aligned, and the proportion in the total turnover, capex and opex.

EU Taxonomy turnover

Based on our assessment we concluded that only a very limited proportion of our turnover-generating activities should be included. The Taxonomy-eligible but not Taxonomy-aligned turnover was 0.3% in 2024 and related to 8.1 data processing, hosting, and related activities. Because we do not meet the requirements of the EU Directive on Data Centre Energy Efficiency the technical screening criteria are not met. As a result this activity is considered to be eligible but not aligned. The remaining turnover is non-eligible (99.7%). The turnover is calculated based on the "total turnover" according to the consolidated statement of profit and loss. The total value of TKH's turnover amounts to €1,712.7 million.

EU Taxonomy capex

We also assessed our capital expenditure. The reportable Taxonomy-eligible but not aligned capital expenditures in 2024 were 6.4% of the total capital expenditure in 2024 and related to 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (1.2%), 7.7 Acquisition and ownership of buildings (4.4%), and 8.1 data processing, hosting, and related activities (0.8%). Because we do not meet the requirements, the technical screening criteria are not met. As a result, this activity is considered to be eligible but not aligned. The remaining capex is non-eligible (93.6%). The capital expenditure was deter-

mined based on the 2024 additions to property, plant and equipment, intangible assets, and additions to right-of-use assets, excluding any re-assessments and excluding goodwill (refer to note 3 intangible assets and goodwill, note 4 property, plant and equipment, and note 5 right-of-use assets of the financial statements). The total value of TKH's capex amounts to €167.7 million.

EU Taxonomy opex

The Taxonomy-eligible but not aligned operational expenditures in 2024 were 8.4% and related to 7.7 Acquisition and ownership of buildings. Not eligible operational expenditures were 91.6%. Operating expenses per the EU Taxonomy definition covers direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plants, and equipment. This differs from the definition of operating expenses in our financial statements. We used the following general ledger accounts in the operational expenditures assessment: R&D expenses, building maintenance, repair/maintenance, short-term leases, low-value leases, cost of machinery, cost of warehousing and furniture, and cost of manufacturing and housing. These costs are included in the other operating expenses (refer to note 25 of the financial statements). The total value of TKH's opex amounts to €50.3 million.

Our EU taxonomy accounting policy includes references to the related line items in the consolidated financial statements, to avoid double counting between the various reporting categories and objectives. We will continue to monitor legislative developments and adapt our disclosures as necessary.

We have no economic activities related to nuclear energy and fossil gas.

EU Taxonomy turnover table			Substantial contribution criteria						Do no significant harm criteria										
Economic activities	Code	Absolute turnover	Proportion of turnover, 2024	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, 2023	Category enabling activity	Category transitional activity
		€ million	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
• Data processing, hosting and related activities																			
	8.1	5	0.3%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
		5	0.3%														0.3%		
Turnover of Taxonomy-eligible activities (A.1 + A.2)																			
		5	0.3%														0.3%		
B. Taxonomy non-eligible activities																			
Turnover of Taxonomy non-eligible activities (B)																			
		1,708	99.7%														99.7%		
Total (A+B)																			
		1,713	100.0%														100.0%		

EU Taxonomy capex table			Substantial contribution criteria						Do no significant harm criteria										
Economic activities	Code	Absolute capex	Proportion of capex, 2024	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) capex, 2023	Category enabling activity	Category transitional activity
		€ million	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
• Transport by motorbikes, passenger cars and light commercial vehicles																			
	6.5	2	1.2%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
• Acquisition and ownership of buildings																			
	7.7	7	4.4%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
• Data processing, hosting and related activities																			
	8.1	1	0.8%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
		10	6.4%														0.5%		
Capex of Taxonomy-eligible activities (A.1 + A.2)																			
		10	6.4%														0.5%		
B. Taxonomy non-eligible activities																			
Capex of Taxonomy non-eligible activities (B)																			
		158	93.6%														99.5%		
Total (A+B)																			
		168	100.0%														100.0%		

EU Taxonomy opex table			Substantial contribution criteria							Do no significant harm criteria									
Economic activities	Code	Absolute opex	Proportion of opex, 2024	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) opex, 2023	Category enabling activity	Category transitional activity
	€ million	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which enabling																			
Of which transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
• Acquisition and ownership of buildings																			
	7.7	4	8.4%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
• Data processing, hosting and related activities																			
	8.1	0	0.0%	N	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
		0	0.0%														0.0%		
Opex of Taxonomy-eligible activities (A.1 + A.2)																			
		4	8.4%														0.0%		
B. Taxonomy non-eligible activities																			
Opex of Taxonomy non-eligible activities (B)																			
		46	91.6%														100.0%		
Total (A+B)																			
		50	100.0%														100.0%		

Nuclear and fossil gas related activities		YES/NO
Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Datapoints derived from other EU regulation

The table below outlines the datapoints derived from other EU legislation as listed in ESRS 2 Appendix B. It indicates where these datapoints can be found in our

report and identifies which data points are assessed as not-material or not-relevant.

not-material: information not material to reporting
not-relevant: information not relevant to our own operations or value chain

Datapoints derived from other EU regulation					
Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	pages/reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		86
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		86
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				88
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		not-relevant
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		not-relevant
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not-relevant
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not-relevant
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	101-106
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		101
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		101

Datapoints derived from other EU regulation

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	pages/reference
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				110
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				110
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				110
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		107
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		107
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	not-relevant
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		not-relevant
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			not-relevant
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			not-relevant
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		not-relevant

Datapoints derived from other EU regulation

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	pages/reference
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				111-112
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				113-114
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				113-114
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				not-relevant
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				114
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				114
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				not-relevant
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				not-relevant
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				not-relevant
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				not-relevant
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				not-relevant
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				not-relevant
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				117
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				117
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				not-relevant
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				not-relevant

Datapoints derived from other EU regulation

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	pages/reference
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				123-126
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		123-126
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				123-126
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				129
SRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				124-125
ESRS S1-14 Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		130
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				phased-in
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		not-material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				not-material
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				not-material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		not-material
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				131-134
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				131-133
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				131-133
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		131-133

Datapoints derived from other EU regulation

Disclosure Requirement and related datapoint	SFDR (1) reference	Pillar 3 (2) reference	Benchmark Regulation (3) reference	EU Climate Law (4) reference	pages/reference
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		131-134
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				131-134
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				not-material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		not-material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				not-material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				135-136
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		135-136
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				137
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				139-142
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				142
ESRS G1-4 Fines for violation of anti- corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		144
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				143-144

- 1 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).
- 2 Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).
- 3 Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and

- financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
- 4 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).
 - 5 Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how

- environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
- 6 Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p. 1).
 - 7 Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

Foreign Object Detection

In 2024, VMI introduced Foreign Object Detection on the VMI MAXX tire building machines, the first Artificial Intelligence application within the MAXX machine. This in-line, high speed detection system utilizes a PIXXEL camera to detect foreign objects on tread material. As foreign objects might lead to scrap and ultimately potential failure of tires, they need to be detected before building a tire, to prevent negative impact for both tire manufacturers as well as end customers.

A superfast AI algorithm analyzes images in real-time which ensures extremely high levels of accuracy, resulting in optimized levels of productivity, whilst minimizing the usage of energy and raw materials. Ultimately, this new feature will contribute to lower scrap rates and increased safety of tires.

VMI's Foreign Object Detection is a seamless collaboration between different TKH entities, including TKH Artificial Intelligence, TKH Technology and TKH Vision's Solution Center.

Features

- Foreign Object Detection checks the tread base for particles, like plastic liner or wood chips.
- The particles are detected by a smart AI algorithm.
- If a foreign object is found, the operator will see a picture of the defect on the HMI and can decide to start the automatic removal cycle or remove it by hand.
- Retrofittable on existing VMI MAXX machines.

