

Sustainability report

2019



**Passionate
about steel**

Sustainability report

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Prologue

"We communicate transparently about points for improvement."



Smulders is a company that is dedicated to innovation and technology. For many years, we are one of the market leaders of load-bearing steel structures as well as in the offshore wind market. However, we also want to build a sustainable future: for our company and for the world.

Our sustainability report is not merely good news and we communicate transparently about points for improvement. We want to perform our core business as sustainable as possible.

We therefore continue along our chosen path, with a focus on energy efficiency and sustainable energy. We continue to build our tradition of local commitment and employee engagement. I want to thank all employees who contribute every day to realise this vision.

Raf Iemants
Managing Director Smulders



WHO ARE WE?

About Smulders

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

We have more than 1,000 employees spread over facilities in Belgium, the UK, Poland and India.

Our markets

Smulders realises unique and challenging projects in three market segments:

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

The share of the "Offshore Wind" market increased even further in 2019, as this year we worked mainly on three major projects for both the foundations and the substations: SeaMade, Triton Knoll and Moray East.

The demand from Offshore Oil & Gas has come to a complete standstill. We continue to actively explore this market and expect that there is certainly still a future in Offshore Gas.



BELGIUM

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

UNITED KINGDOM

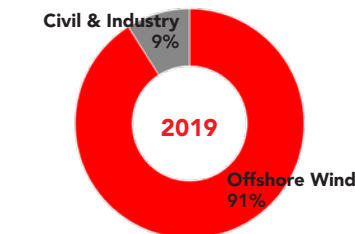
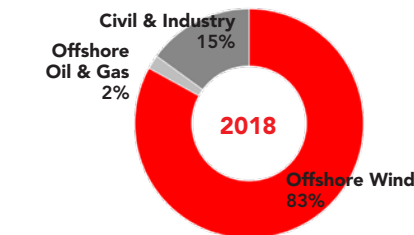
- Smulders Projects UK (Newcastle upon Tyne)
- SLPE (New Malden, LondOn)

POLAND

- Spomasz (Zary)
- Spomasz (Niemodlin)
- Spomasz (Leknica)

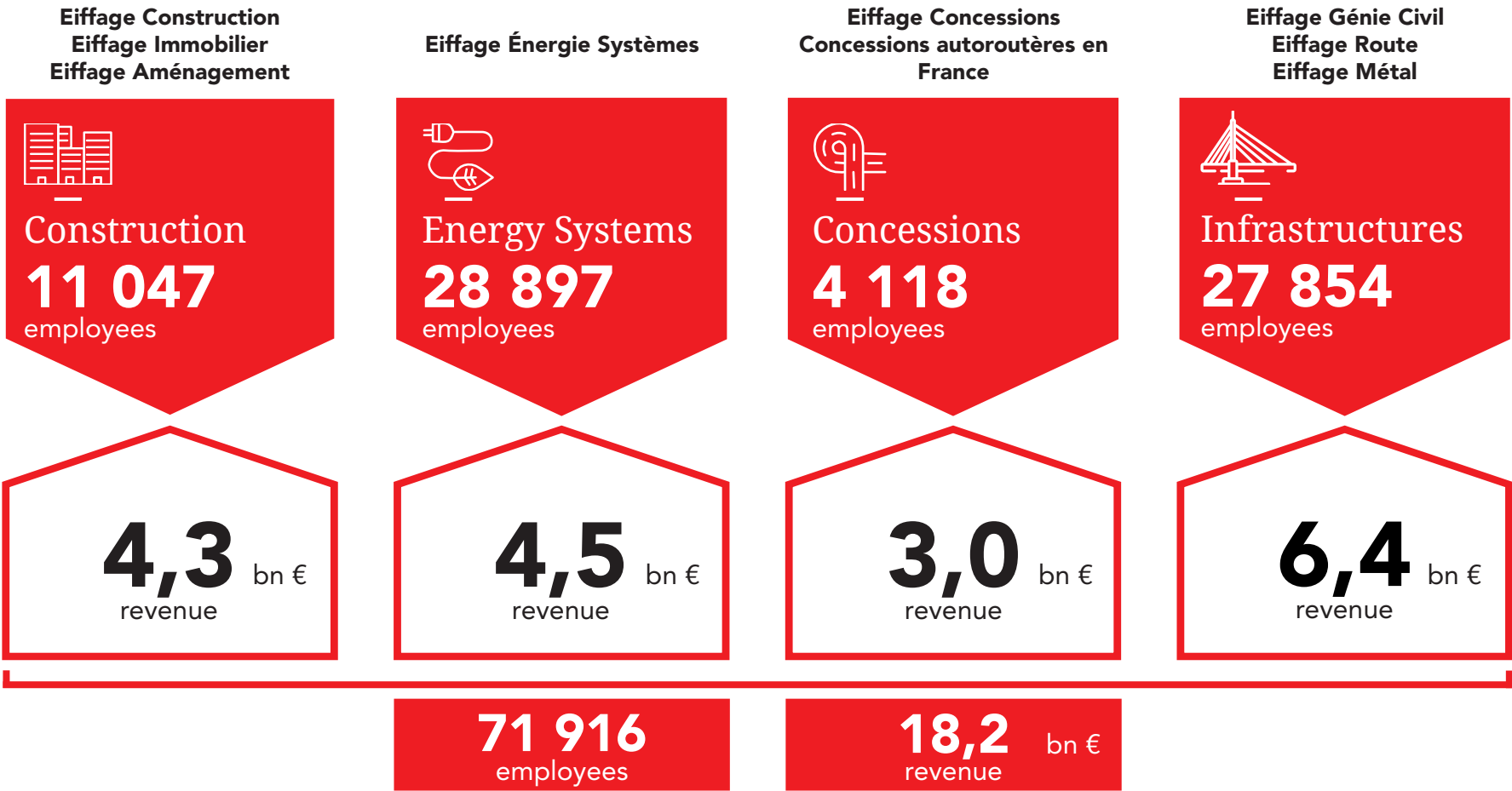
INDIA

- Angus (Bangalore)



The strength of a large group

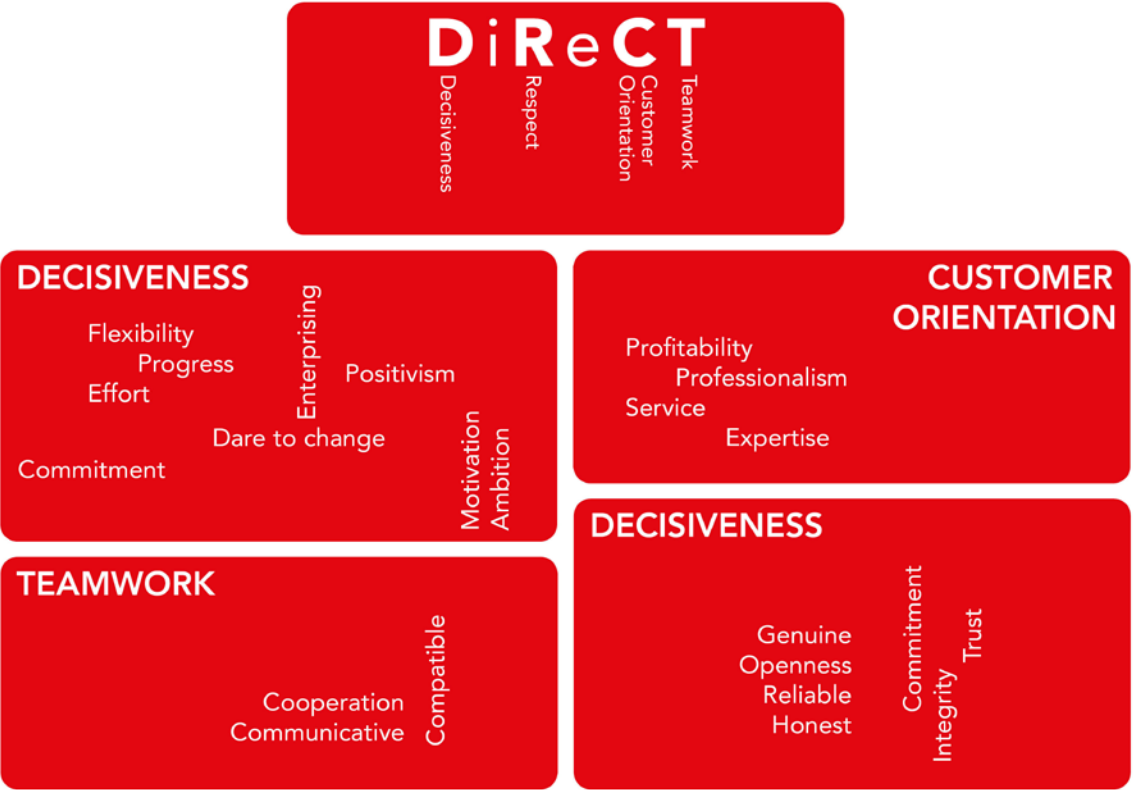
We form part of Eiffage, a prominent group active in the European concessions and public work sector. The group operates from four branches: Construction, Infrastructures, Energy and Concessions. Smulders is part of the Infrastructures’ branch.



Our values

Our main motivation for decades has been “To make our client’s wishes reality”. By combining our passion for steel with an extensive expertise, our products are unrivalled in the market. We construct our products with the utmost care and quality and proactively think along with our clients. We distinguish ourselves by our expertise, our technical competence and above all by our drive to realise our promises to our clients. This is demonstrated by our reference projects all over the world, simply because they have been realised with a passion for steel.

At Smulders, we are driven by our four core values: Decisiveness, Respect, Client-orientation and Teamwork. These 4 values are the basis for success in realising our mission and vision.





SUSTAINABLE ENTREPRENEUR SHIP

By implementing strong systems, processes and policies across the entire company structure, we can manage our impact on the environment and reduce our carbon footprint.

For many years, Smulders is involved with social commitment. For example, we have a partnership with local schools for many years, support social projects and do our utmost to have as little negative impact as possible on our neighbours (noise, odour, traffic, etc.).

Since 2014, Smulders is focused more on CO₂ management. By mapping out our energy consumption, we get a clear picture of where the potential opportunities for energy reductions lie in our organisation. We use the CO₂ Performance Ladder, which is an instrument that helps companies reduce their CO₂ emissions. More information on this subject can be found in the chapter CO₂ Performance ladder.

The reduction of CO₂ is only the tip of the iceberg when it comes to a sustainable policy.

In 2019, Smulders had a CSR scan carried out, which is a tool of MVO Vlaanderen (CSR Flanders).

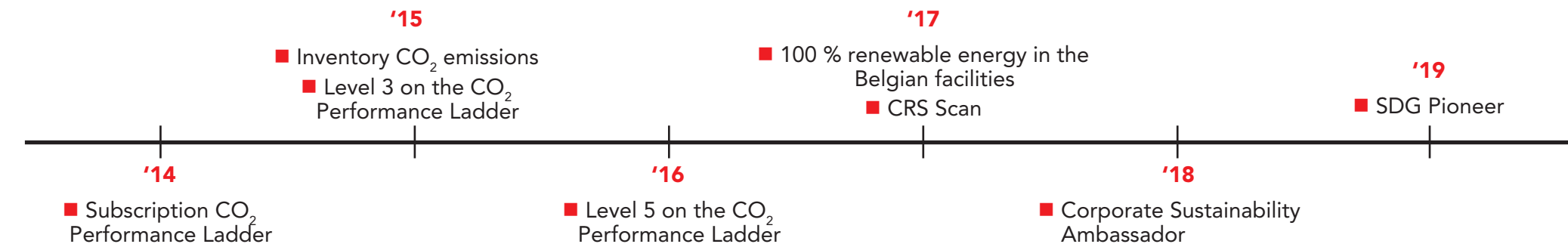
In order to be able to grow faster in the field of sustainability, Smulders has appointed a Sustainability Ambassador since the end of 2018. The Ambassador is the point of contact within Smulders for everything concerning sustainability. He or she ensures the promotion of sustainability in all its facets communicates about progress and develops actions, whether or not based on the ideas of our own employees.

The VOKA Sustainable Entrepreneurship Charter, abbreviated VCDO in Dutch; has been in existence since 2016. With the Voka Sustainable Business Charter, you can use a tailor-made action plan to create a business that is profitable for your company as well as for people and the environment. The VCDO uses the 17 Sustainable Development Goals (SDGs) of the United Nations Global Compact as a guideline. With more than 12,000 participating companies from

over 160 countries, including Eiffage, the UN Global Compact is the largest voluntary initiative for responsible entrepreneurship in the world.

Smulders was awarded SDG Pioneer by VOKA in 2019. This is the title you receive when you are awarded VCDO Laureate three times within a period of five years and each time with ten actions from the action plan being positively evaluated in at least four of the 5P's (People, Planet, Prosperity, Peace and Partnership). During this period, you implement actions with positive results within each of the 17 SDGs. After three years, Smulders carried out actions for all 17 objectives. For this, Smulders will receive a UNITAR-certificate from the United Nations in October 2020. The SDGs for which we carried out actions in 2019 will follow later in this report.

The activities for the SDGs of previous years are listed briefly later in this report and can be found in more detail in the previous reports.





FRAME OF REFERENCE

Smulders makes conscious choices to create value in a sustainable way with regards to the 5Ps; People, Planet, Prosperity, Peace and Partnership. There is a strong interaction between these five factors and they inspire each other.

We use two instruments for this purpose: the VOKA Sustainable Entrepreneurship Charter and the CO₂ Performance Ladder. Since not everything can be discussed in detail, we briefly summarise how Smulders interprets sustainable entrepreneurship.



People

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

Involvement

Employees are one of the most important stakeholders in a company. In order to create even more involvement, Smulders introduced the referral bonus system in 2019. If you bring in a new colleague and the new employee remains employed for at least 6 months, you will receive a nice bonus in the form of a smartphone or a voucher.



Colleague Erik of our Arendonk facility was the first to receive a referral bonus.

We also try to create involvement and awareness among employees regarding Sustainability. Employees can contact the Corporate Sustainability Ambassador with their ideas. The Ambassador ensures the communication, promotion of sustainability, communication about progress and setting up actions.

Additionally, we like to put our employees in the spotlight. In our Passion magazine, we interview several colleagues about our projects or their passion in life

Training

The focus within the group lies on our largest capital: our employees. Training, coaching, communication, mutual understanding and personal growth must therefore be accessible to everyone.

At Smulders, we encourage lifelong learning and attach importance to the careers of our employees. That is why the working group for Training demonstrated the need for a Learning and Development Officer. This is someone who streamlines all training courses and identifies the

educational needs. It is a coordinating position for the training courses organised across the three Belgian sites.

In addition, internal entrepreneurship is also highly appreciated and our employees are given the freedom to go their own way.

Various training courses take place within our organisation every year. These training courses can cover the following topics: safety, quality, personal skills, etc. For example, the training course in Observation Techniques is organised in hierarchical line with practical exercises on the work floor. The aim is to have these observations carried out on a regular basis, in which the supervisor and management evaluate an implementer and then go on a ‘be safe tour’ through the department in search of positive and less positive findings. This training is part of the further development of the safety ladder.

Furthermore, the employees have the possibility to request training themselves, in addition to the compulsory training courses

Safety

Small attentions

Colleagues at all of our facilities are encouraged to report Unsafe Situations. It is the people on the shop floor, who know what can be improved. For example, monthly a few movie tickets are raffled off to all who submitted a report.

1,000 days without a lost time accident

On June 17th 2019, Willems in Balen has achieved 1,000 days without a lost time incident, which is the result of more than 10 years of collective investment in safety awareness at every level. The safety figures have thus improved considerably thanks to the necessary efforts, training, toolboxes, increased safety requirements in projects, more involvement of management, etc.

Safety Ladder level 3

In August 2019, the auditors of TÜV performed a rather intensive audit. TÜV is the world leader in inspection, control, analysis and certification. We achieved a good result: level 3 on the safety culture ladder, which was no walk in the park, therefore we focused on some of our facilities.

The safety culture ladder is a standard that provides insight into an organisation’s safety awareness. It consists of five levels and each culture level is a development phase in which a company finds itself. Level three means that preventive measures are in place, that

compliance with safety procedures is seen as essential and that the involvement lies with the safety professional and management. We are now looking into the work points that we received as advice. For example, the observation rounds will take place according to a renewed template so that we focus on values and motivation rather than on tasks. In August 2020, the next audit will take place during which we hope to achieve level 4 at all of our facilities.

The most important thing is ‘to address each other on unsafe behaviour or unsafe actions’. This ensures the best and most efficient way to avoid accidents. In the end, that is the purpose: ‘returning home the way we arrived’.



The 5 levels of the safety culture ladder.

Introductory film

Every Smulders facility has an introductory film. Since 2019, everyone who wants to enter the production area or performs operations on the site has to watch this introductory film. Access will only be granted after solving the related questions and achieving a score of at least 80%.

Job specific instruction films

After analysis of the accidents, near misses reports during inspections or RUS reports (Report Unsafe Situations), there are three main “professions” on our work floor that require extra attention. We want to support our employees with safety and quality information before we actively put them to work. Therefore, we made separate films for welders, painters and transport.

We test their knowledge by conducting a subsequent test in the native language of the users. There are 12 languages available, both for the film as for the questionnaire, so that we can achieve a maximum positive effect.

November Safety Week

In 2019, we held a November safety week again and it was a success! A full program for production employees as well as office staff and management gives safety awareness an extra annual boost!

Charities

Youca Action Day

On October 17th, Lotte, who is a student, worked at Iemants for a day as part of the Youca Action Day. Her salary of that day, 55 euros, goes to projects of dedicated young people in Guinea and Belgium.



Student Lotte worked at our Technology department for a day.

Make-A-Wish

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

Twerk

Once again, Saint Nicholas found some goodies in 2019 at Twerk, a sheltered workshop that supports people with autism with heart and soul.

Christmas gift

Every year, the management gives a Christmas present to all employees. In 2019, we once again gave them the opportunity to give up their own Christmas gift and donate its value to charity. We raised more than 2,500 euros! About 50 colleagues from Arendonk and Balen donated the value of their gift to VIBO, which is a school for special needs education. VIBO's infrastructure has been in need of renewal for years. Due to the lack of subsidies, they are forced to finance it themselves. The Christmas present from our colleagues will help them on their way. Our colleagues in Hoboken once again opted for the Welzijnsschakel, a voluntary organisation that exerts themselves for people from Hoboken and Wilrijk who have a low income and struggle to make ends meet. They were able to donate 945 euros.

Lunch packages 'Day of solidarity'

On September 8th, the 'Day of Solidarity' was organised in Arendonk again. Iemants has supported this initiative for several years. Employees had the opportunity to order lunch packages, half of which was paid for by Iemants. More than 80 colleagues ordered a delicious packed lunch! All proceeds went to Vibo De Ring, Vibo De Brem and Mekanders.

Team events

Every year a number of events take place, which are supported by, organised by or participated in by our employees. Colleagues motivate each other to participate in these events, which results in a larger group activity involving many colleagues!

10 Miles

Also in 2019, we participated in the Antwerp 10 Miles & Marathon. More than 30 colleagues and family members have given it their best again. Some even ventured into the marathon!



Every year, many sporty colleagues participate in the Antwerp 10 Miles.

Family day

Every 1.5 years, we organise a family day or staff party for our employees. This year we organised an adventurous trip to the Beekse Bergen, in which almost 200 colleagues and their families took part! In the morning, a free visit to the Safari Park was planned. After lunch, numerous activities were organized for young and old. The day ended with a delicious barbecue.

Our Polish colleagues traditionally organise a family day at the end of the summer. In 2019, they welcomed about 400 attendees.

With entertainment for young and old, this edition was again more than successful.

Vacation and Christmas drinks

Like every year, the colleagues in Arendonk and Balen kicked off their summer and Christmas vacations with a drink. Talking to colleagues with a drink and tasty fries or a BBQ, what more can you want to start the holiday on a good note!

Carnival ball

Every year our Polish branch Spomasz organises a costumed carnival ball. In 2019, the theme was a wink to their communist past.



Every year Spomasz organises a costumed ball at the end of the Carnival period.

Dragon Boat Race

In 2019, we participated for the fourth time in the Dragon Boat Race in Antwerp. Colleagues from the Belgian branches rowed as hard as they could under the loud encouragement of their colleagues.

Planet

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

CO₂-management

Smulders is committed to ecological development. We inventory CO₂ emissions and have a plan of action to reduce them. More information about this can be found in the chapter CO₂ Performance ladder.

Sustainable Development Goals

Most of the initiatives and sustainable actions are elaborated on within the framework of the Sustainable Development Goals. You can read more about this in a later chapter.

Equipment gets a new life

Smulders is working on state-of-the-art steel constructions and therefore we need advanced and modern machines. However, this does not mean that ‘old’ equipment is no longer usable. Therefore, we try to extend the lifespan of machines, vehicles, etc. that are still working. At the end of October, for example, we donated an old van to the Balen-Tansila organisation, which is a group of volunteers who want to improve the living conditions in Tansila (Burkina Faso).

In autumn, we also donated four welding machines to the PTZO School in Turnhout.

This gives students the opportunity to gain knowledge and skills using our old welding equipment. As a result, our equipment often gets a new life, offers opportunities to people and we make the world a better place!

Informing, sensitising, participating

Good communication is part of our corporate sustainability and we take every opportunity to inform colleagues and invite them to participate in actions. New since 2019 is the monthly article in our newsletter. This way, we keep our employees informed of actions and facts, for which we try to create awareness. We also communicate about sustainability to the outside world. Visitors of our website can find all sustainability information on the sustainability page and we regularly post information on social media.

IOK Litter campaign

On April 30th 2019, almost 350 companies from the Kempen region, including Smulders, took part in the fourth edition of the Litter campaign for entrepreneurs of the Kempen from IOK, which is the intercommunal organisation for the development of the Kempen. Just like every

year, we are committed to cleaning up litter in Arendonk and Balen.

TETRA project drone inspection

One of Smulders’ development projects is ‘automated inspection of infrastructure using drones’. The offshore wind farms are less easily accessible once they have been effectively installed at sea. As a result, inspections cost more time, money and generate more CO₂ emissions. In cooperation with, among others, the University of Antwerp, Smulders submitted a project application to inspect infrastructure (our OHVS modules, jackets and TP’s) automatically using camera images from drones. This reduces energy consumption on the one hand, and on the other hand, it improves the quality of the inspection by allowing us to focus on possible problem zones and providing us with camera images. The kick-off of the project took place in mid-October.

The project tries to make its scope as wide-ranging as possible. This increases the chance of commercially profitable applications. It is therefore not limited to the offshore wind sector, but also to telecom operators (transmission masts) and infrastructure works (e.g. bridges).

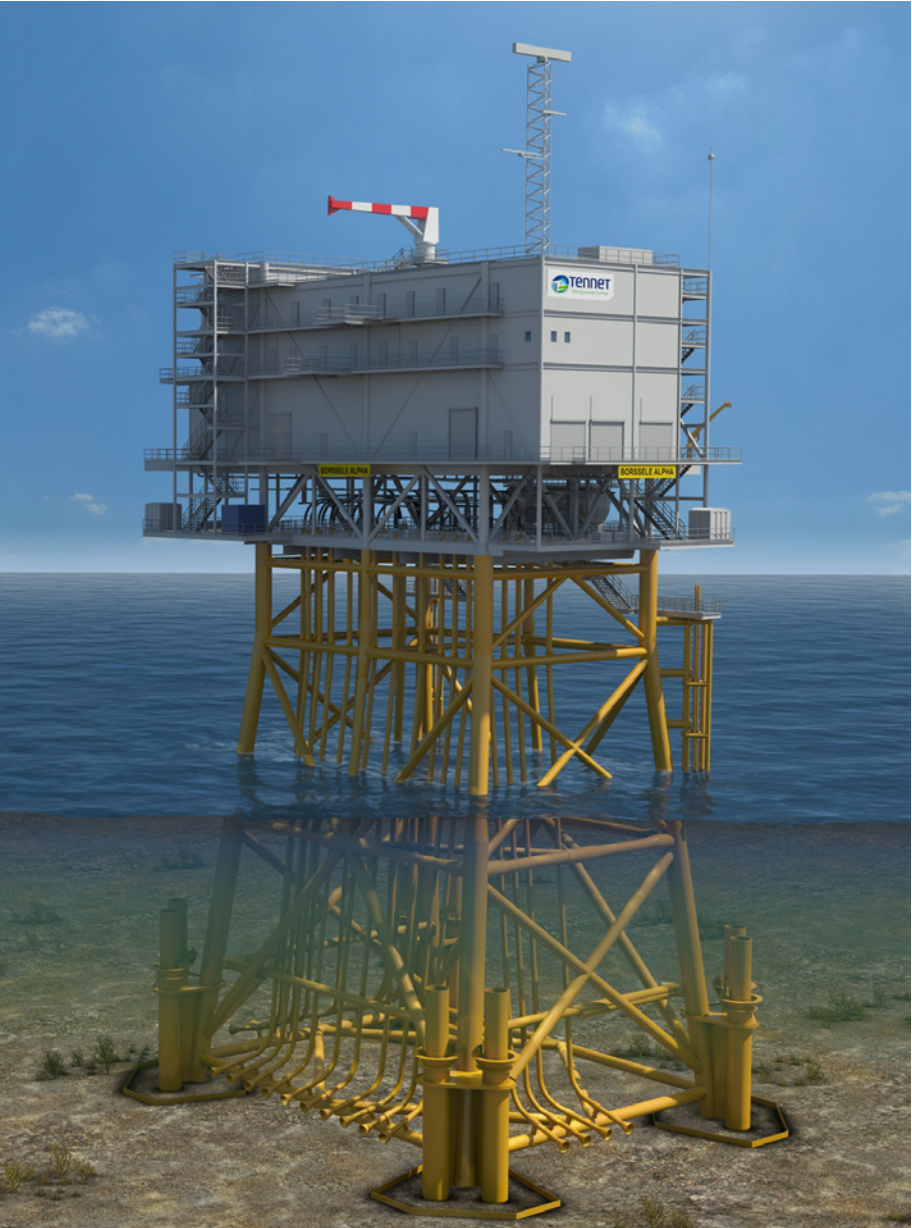
Prosperity

Ensure prosperous and fulfilling lives in harmony with nature.

Tennet HKN/HKW tender

We won this tender thanks to the MEAT criteria (Most Economically Advantageous Tender). They are an evaluation tool to determine the hypothetical amount of added value of the proposal based on a grading system. The greater the added value, the higher the hypothetical deduction and thus a higher score that can be obtained by the contractor (Smulders). The criterion allows employers, when making a contract decision, to take into account the qualitative, technical and sustainable aspects of the proposals and for this to be reflected in the price.

Smulders and ENGIE Solutions have carried out an interesting study for TenneT’s tender. The study focused on the consequences of offshore wind farms at sea and what methods are available to guarantee life under water. We looked at mussel cages and special concrete that acts as coral. These are explained further in this report.



Peace

Promote peaceful, just and inclusive societies.

Stakeholder analysis

The new versions of the ISO standards for quality and environment have a strong focus on risk management. One of the most important aspects of this is the stakeholder analysis, which involves two things. Firstly, there is the identification of stakeholders. These include customers, suppliers, shareholders, banks, inspection bodies, insurance companies and our neighbours! Secondly, we have to assess what the stakeholders want from us. For example, customers want a high-quality product that is on time, banks want a healthy financial situation and neighbours want a local commitment with as little inconveniences as possible.

As a steel construction company, we potentially have a great deal of influence on our immediate surroundings. That is why Smulders has been working for years on nuisance-reducing measures and consultation with neighbours and local authorities. The stakeholder analysis has resulted in a number of actions that will further increase our relationship with the surrounding society.



Partnership

Implement the agenda through a solid global partnership.

University of Antwerp

Guest lectures

We give annual Offshore Wind Energy guest lectures at the University of Antwerp about offshore wind technology, in which we stress the importance of sustainability. In this course, a few themes on corporate sustainability, CO₂ emissions, Smulders' performance ladder and VOKA Sustainable Entrepreneurship Charter were incorporated.

TETRA-project

The TETRA project, as mentioned above, was invented together with the University of Antwerp and the Scientific and Technical Centre for the Construction Industry, abbreviated WTCB in Dutch.

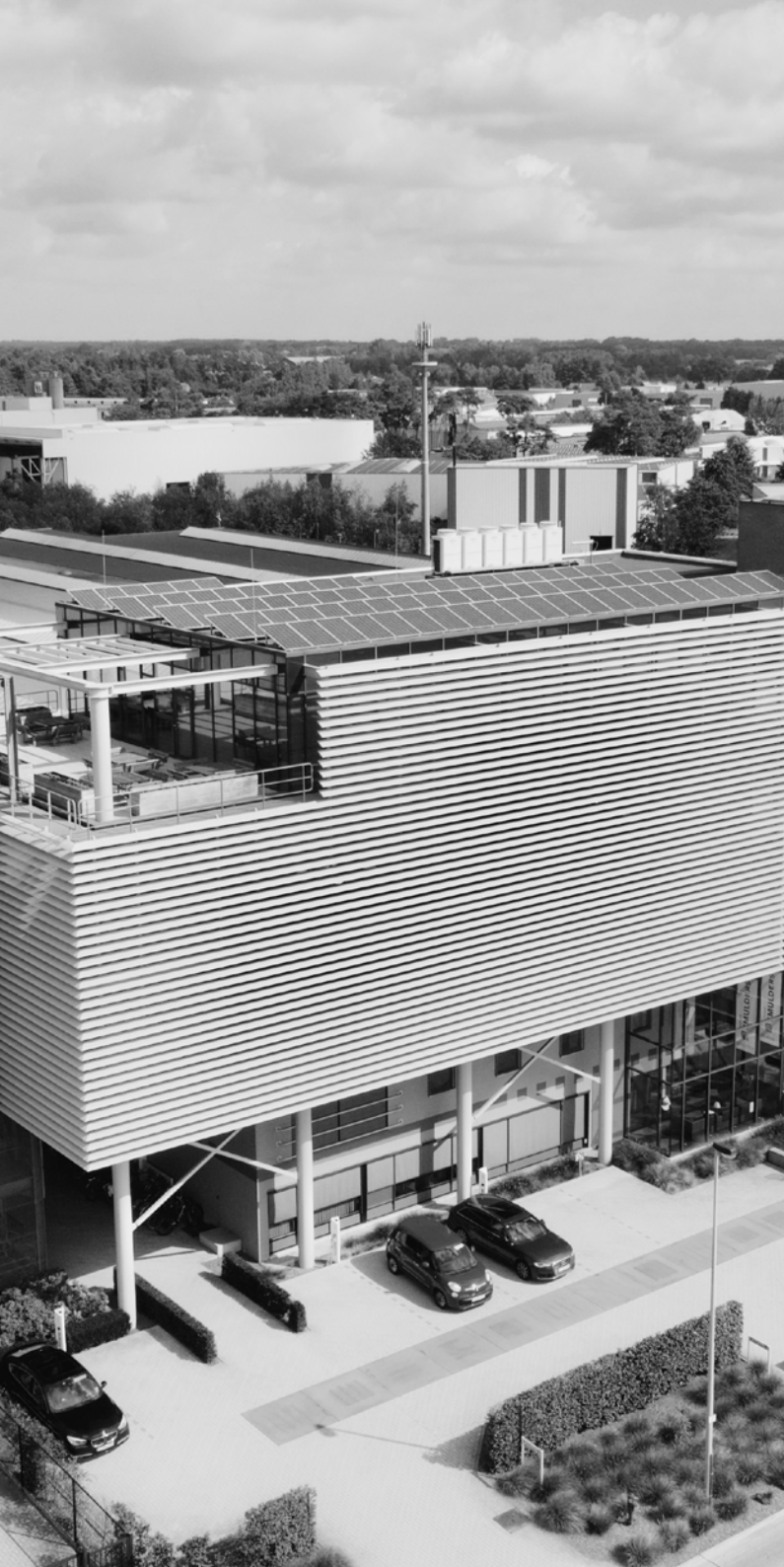
In addition to companies making a construction that needs to be inspected, experts are needed in the field of drone technology (hardware, software and pilots), statistical interpretation and validation of data (knowledge centres) and visualisation (graphical software). Since each link is essential for achieving the final goal, cooperation is a clear requirement in some projects.

Ghent University / Howest

Local Grid

In 2018, a number of regulatory changes were implemented that fit in with the transition to smart grids, where locally generated renewable energy is used and buffered locally as much as possible. The amended regulations make it easier to make a direct link between a decentralised producer and a customer.

The load-bearing capacity of the headquarters' roof in Arendonk was insufficient to support the current generation of solar panels without additional reinforcement. On the other hand, there were still many companies with free roof space in the immediate vicinity of Smulders in Arendonk. It was therefore opportune to set up a partnership with one or more neighbours. For this project, we are working with Howest, UGent Lemcko and Eneco. The ultimate goal is to make a roadmap on how to set up a direct line so that other companies can also take this initiative.



SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are the 17 development goals of the United Nations Global Compact that must be realised before 2030. Smulders uses this as a critical framework, in order to integrate sustainability in our policy proactively

Compared to the rest of the world, Belgium is doing relatively well when it comes to realising SDGs. In the global SDG index, published in July 2019, we were ranked 16 out of 162.

Actions concerning the SDGs are realised in collaboration with VOKA. The network supports and encourages companies to work on sustainable entrepreneurship through an action plan. After three years, we carried out actions for all 17 SDGs and Smulders was certified. Smulders will receive a UNITAR certificate from the United Nations for this in October 2020.

In 2019, we carried out actions around objectives 7, 12 and 14, which we will discuss in more detail in the overview below. For more information on the other SDGs, you can consult our previous sustainability reports.

SUSTAINABLE DEVELOPMENT GOALS



#7 – Affordable and sustainable energy

Ensure access to affordable, reliable, sustainable and modern energy for everyone.

ICE

ICE stands for Integrated Cold Electrode and is a form of Submerged Arc Welding (SAW), which is energy saving. With this welding technique, a third wire is added in parallel with the two hot wires to the smelt without any additional energy being added. This results in a welding speed of up to 50% higher and 33% energy savings.

We started developing this new welding technique in 2016. We brought it up to standard according to EN1090, in cooperation with VSE Technologies & Exova. Subsequently, the welding technique was effectively applied in 2017 & 2018 within a first project. Since 2019, this is applied on a large scale.

The ICE process produces a very stable weld. However, the welding process has to pass a whole series of tests in order to be recognized as a new welding process in the EN1090 standard for load-bearing steel and aluminium structures. ICE was already used in mechanical engineering (not EN1090).

#12 – Responsible production and consumption

Ensure sustainable consumption and production patterns.

Corporate Sustainability Ambassador

The concept of CSR (Corporate Social Responsibility) has existed within the company for a long time. Various projects and actions have been running for years around the theme of sustainability. We also pay attention to reducing Smulders’ footprint. However, there has not been much communication about this, both internally and towards our stakeholders. We just did it.

This changed at the end of 2018, when we appointed a Corporate Sustainability Ambassador. Thanks to this Ambassador, we can integrate CSR better within the company by centralising colleagues’ ideas and working them out as much as possible.

We also log Best Practices (BPs). Last year, we collected 21 ideas about sustainability and the environment. All ideas have been read into the CAR-OFI system and are being monitored

#14 - Life in the water

Conserve and make sustainable use of the oceans, seas and marine resources.

Education UA

As mentioned earlier, we give annual guest lectures at the University of Antwerp. Because Offshore Wind is one of Smulders major markets, our operations have a direct impact on life in the water. That is why during the course Offshore Wind Energy, we pay attention to the impact, sustainability and to how Smulders works on this.

Study on the consequences of offshore wind farms

For a tender Smulders has carried out a study related to the consequences of offshore wind farms at sea and what methods are available to guarantee life under water. This was necessary because over the past 150 years there has been a strong impoverishment of biodiversity in the North Sea, due to large-scale soil movements and to the sharp decline in the availability of hard substrate. Therefore, there was a strong focus on ecosystem functions.

We made five proposals in the field of nature: a Biohut, reefballs, bird nests, improving biodiversity protection and a double bubble curtain. In this report, we only discuss the first two.

A Biohut is a constructed fish habitat that mimics the ecological function of a shallow water nursery. They can be pre-installed on the legs or braces of the jackets. Biohuts offer a number of ecological functions as they create a reef

effect and thus a suitable habitat for animals that gather around the offshore structures. This contributes to a fully integrated and efficient way to support a sustainable biodiversity of the marine offshore environment. The Biohuts will be partially filled with oyster shells that can serve as an excellent breeding environment for many organisms. The Biohuts are made of 100% recyclable materials (steel and oyster shells) so that they do not release toxic substances into the water and are a 100% recyclable after their lifespan (10 years).



Biohuts create a suitable habitat for animals that gather around the offshore structures.

Another proposal is Reef Balls, which are designed artificial reef modules that mimic the structure and function of a natural reef. They improve the ecological functioning by offering a greater diversity of habitats. It is proposed to place several large structures such as reef balls or concrete tubes with large crevices on top of the

scour protection to provide shelter for Atlantic cod and associated fauna. The reef balls require no maintenance and will last up to thirty years. Another advantage is that they can help scientific research to map the establishment of flora and fauna on the additional structures.



Remaining SDGs

Check our previous Sustainability Reports for more information about the next SDGs.

#1 - No poverty

Orphanage project Nepal 2017

Smulders financed the building materials for an orphanage project in Nepal. An employee got a couple of months of paid leave to help the construction on site. (See sustainability report 2017)

#2 - No hunger

Natuursoep

During the winter period, the Arendonk branch serves soup during lunchtime from Natuursoep. This local family business works with local, seasonal ingredients. (See sustainability report 2018)

#3 - Good health and well-being

Entrance gates

By installing gates in Arendonk and Balen in 2017, presence monitoring is simplified and completed and the risk of burglary has been reduced. (See sustainability report 2017)

#4 - Quality education

FireStarter Lessons Learned: lifelong learning

In 2017, we implemented a detailed procedure that enables us to learn from previous mistakes, reduce losses and limit risks.

Induction process

In 2017 and 2018, a working group from HR reviewed and optimized the induction process by, among other things, providing a range of trajectories. In 2019 and 2020, we will focus on specific trajectories for external employees. (See sustainability report 2018)

Internships for students Environmental care

Thanks to these internships, we realise that courses are provided with practical experience, which is important for the knowledge and insight of students. Additionally, we make Smulders known as a company within schools and among students.



#5 - Gender equality

Risk analysis Psychosocial

After the risk analysis at the end of 2016, a female confidential councillor was appointed and we looked for career opportunities or reorientation within departments where mainly women were working. (See sustainability report 2017)

#6 - Clean water and sanitation

Water fountains

In the office building and workshop in Arendonk, we placed water fountains in 2018, connected to the public water supply and all employees were given their own drinking bottle to reduce waste. (See sustainability report 2018)

#7 - Affordable and clean energy

ICE

This is an innovative welding technique for Submerged Arc Welding, where, aside from two hot wires, a third wire is added to the melt without additional energy input. This results in an energy saving of 33%.

#8 - Decent work and economic growth

Team events

The various team events bring employees closer together and promote respect. (See sustainability report 2017)

#9 - Industry, innovation and infrastructure

Sustainable mobility

In function of their commute to work, a Defensive Driving Toolbox was given to all staff during the annual safety week.

Curieuze Neuzen

This is the civic investigation of air quality, in which Smulders participated in 2018 and for which the branch in Arendonk was one of the measurement points. (See sustainability report 2018)

#10 - Reducing inequalities

WELT – Work Experience & Learning Trajectories

The cooperation provided us advice on personnel and training policy. We gained insights into proactively responding to the challenges of the labour market and, with the help of VDAB (the Flemish employment agency), we started a training program for potential spray painters. (See sustainability report 2018)



#11 - Playground Retie

Speeltuín Retie

We manufactured a new playground for the Municipal Primary School of Retie in 2017. (See *sustainability report 2017*).

Bike lease plan

From 2018, employees can lease a bicycle (electric or otherwise). That has had the positive result that more people use a bicycle now. (See *sustainability report 2018*)

#12 - Responsible consumption and production

Best Practices (BP's)

Through FireStarter, we have Best Practices on environment and safety and we can better integrate CSR.

Sustainability Ambassador

He or she is responsible for communication within Smulders, promotes sustainability, communicates about progress, develops actions and looks at employee ideas.

#13 - Climate action

100% renewable energy

In 2017, we switched to a contract with 100% renewable solar energy for all the Belgian branches. (See *sustainability report 2017*)

Rational use of energy

By placing additional meters at strategic locations, the company wants to better map electricity consumption (e.g. office building consumption) so that targeted actions can be taken.

#14 - Life below water

TenneT

For TenneT's tender, Smulders and ENGIE Fabricom carried out an interesting study into the consequences of offshore wind farms at sea and the methods available to guarantee life under water. We looked at mussel cages and special concrete that acts as coral.

University of Antwerp

During the course Offshore Wind Energy, we pay attention to sustainability and to how Smulders works on this.

#15 - Life on land

Printed matter with FSC-label

To contribute to sustainable forest management our brochures, our magazine and other printing are printed on paper with FSC label. (See *sustainability report 2018*)



Our brochures, magazines and other printing are printed on paper with FSC-label.



#16 - Peace, justice and strong institutions

Stakeholder analysis

Smulders has been working for years on nuisance-reducing measures and consultation with neighbours and local authorities. Because of the stakeholder analysis, a number of actions have arisen that have grown the relationship with the surrounding society. (See *sustainability report 2017*)

Arendonk: renovations + event for opening of new building

In our Arendonk facility, LED lighting was installed everywhere, walls were insulated and we installed green roofs and sustainable glass. The aim of the open day in 2019 was to show the new building in a way that also highlights the sustainable aspects, creating more involvement and awareness, both among our employees as well as among their family.



Employees and their families could take a look at our renovated office building during the open day.

#17 - Partnerships to achieve goals

Make-A-Wish

Smulders often offers support to organisations such as Make-A-Wish. Make-A-Wish fulfils the heart's desire of children fighting a life-threatening disease to bring hope, strength and joy. Smulders supported them by purchasing Easter eggs for the employees. (See *sustainability report 2017*)

TETRA project

In 2019, we started a research project on the use of drone inspections at offshore wind farms together with the University of Antwerp and other fellow companies.



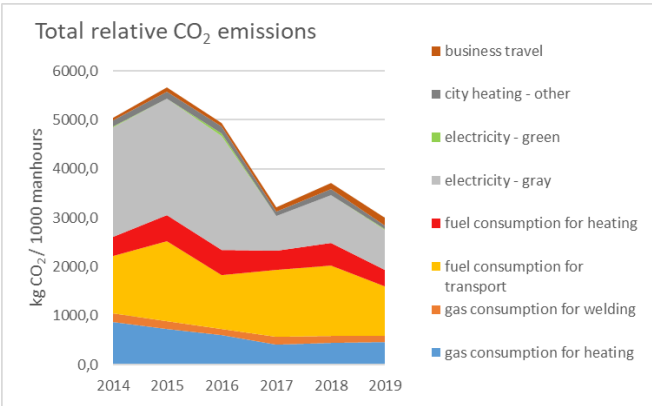
CO₂ PERFORMANCE LADDER

Smulders has been systematically working on its CO₂ emissions since 2015, both for ourselves as for the entire chain of raw materials and end products (Life Cycle Analysis, LCA). Numerous actions are defined and monitored within the framework of the CO₂ Performance Ladder

Emission evaluation 2019

In the fall of 2019, all branches will be working at full capacity, but this will not make up for a bad spring for Hoboken and Newcastle. We see a slight increase in the total number of hours worked compared to 2018, but certainly not yet the number of hours we can expect when all branches are working at full capacity for a whole year.

In 2019, we clocked in at 10,674 tons of CO₂, or 3 kg of CO₂ per man hour at Smulders. We can see a decrease in the amount of CO₂ emissions in 2019. This is mainly due to a decrease in diesel consumption. As already indicated in the half-yearly review, this diesel consumption originates mainly from Hoboken and Newcastle, the two sites that most recently returned to full capacity.



We see a decrease in the amount of CO₂ emissions in 2019.

Clarifications per branch

In Arendonk, the relative CO₂ emissions have risen slightly due to the transport of goods. In Balen, there is a reduction in heating emissions because of the insulation of the spray halls in the summer of 2018.

In Hoboken, we see a decrease in emissions due to internal transport, as walkways have been installed that reduce the number of vertical movements and reduce the number of hired cherry pickers and telescopic handlers.

In Poland, there are no major changes in comparison with 2018.

Strong fluctuations in activity make it difficult to draw conclusions for Newcastle. However, we do see a strong decrease in emissions from internal transport compared to 2018. Also in Newcastle, attempts have been made to reduce the use of cherry pickers by focusing on the construction of scaffolding.

Scope 3 emissions

Due to the start-up of activities in the spring of 2019, a disproportionate amount of steel has been purchased in relation to the number of hours worked. After all, the vast majority of steel is purchased at the start of a project. On a yearly basis, this effect is weakened. We still see a slight increase in scope 3 emissions per man hour, but much less than in the first two quarters.

Over the years, we have seen a very slight decrease in scope 3 emissions in relation to the quantity of steel. This is partly due to the link to the chain analysis. Most of the emissions are linked to the quantity of raw material. On the other hand, those that are not linked to the chain analysis are linked to our scope 1-2 emissions. Throughout the years, Smulders has achieved a decrease in the scope 1 - 2. The scope 3 factors linked to this, then decrease proportionally.

Energy Management Plan

Bike lease

The bike lease plan is already mentioned earlier. By encouraging employees to take the bike, this will naturally result in a decrease in kilometres done by car. Next to the financing of the bikes, annual maintenance, comprehensive insurance for damage and theft and 24/7 assistance in case of sudden immobilisation are also included.

The bike lease plan is a great success! In 2019, we commuted about 352,000 kilometres by bike to and from work in one of the Belgian Branches. This is 90,000 kilometres more than in 2018. By not doing these kilometres by car, we saved more than 75 tons of CO₂. To make a comparison: this is the same as consuming 22,500 kilos of standard office paper or travelling 1,200,000 km by train.

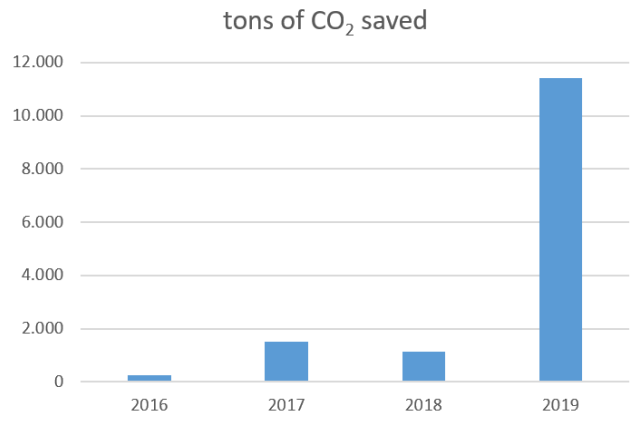
ECO design

The aim of ECO design is to reduce the amount of raw materials required for the execution of a project, in cooperation with clients and design agencies.

In recent years, Smulders has developed the ECO Design project. The client's design was critically evaluated and, where possible, the design was adjusted so that less steel or paint was required. We have realised this mainly in civil and industrial construction. In the offshore sectors (Wind and Oil & Gas), this was less successful because the requirements imposed on

the construction are very high and we entered the total chain of the project reasonably late (after preliminary study and design phase).

Now, the time has come to extend this project to the offshore wind sector. In consultation with our main customers and major design agencies, we want to optimise the design of the various structures. We want to be involved early in the chain so that influence on the design is still possible. We also want to standardise and look at other raw materials, besides steel and paint, and include their CO₂ impact in the design choices. The graph shows in tons how much CO₂ we saved in 2016, 2017, 2018 and 2019 by using fewer raw materials. An achievement we can be proud of!



By using fewer raw materials, we save an enormous amount of CO₂ every year.

A good example of this is Saint-Nazaire, which is the first French offshore wind farm. The project was developed by the French government. They aim to increase their share of renewable energy to 32% by 2030. Once operational in 2022, the wind farm will supply approximately 20% of the domestic electricity consumption of the Loire-Atlantique region.

Saint-Nazaire is the second design in which we have had a major influence on the concept. At Saint-Nazaire, Eiffage Métal has been appointed as EPCI contractor and Smulders is responsible for the design. This enabled us to realise a saving of 3.640 ton of steel. This is equivalent to as much as 5.040 tons of CO₂. This can be compared to travelling 80,000,000 km by train.



Smulders is responsible for the design of the transition pieces for the Saint-Nazaire offshore wind farm.

Green electricity

All branches in Belgium have been operating 100% powered by the Belgian sun since 2017. It is important that it is Belgian as there are some examples of 'false' green energy. For example, grey energy (fossil, nuclear) can be compensated by purchasing a piece of Russian primeval forest.

We are also trying to achieve 100% green and local in 2020 in Spomasz (Poland) and Smulders Projects UK. For Poland, we are now looking for suppliers of 100% Polish green energy. In Newcastle, the search for a supplier of 100% British green electricity is now also a priority.





Smulders

Hoge Mauw 200

2370 Arendonk - Belgium

T +32 14 672 281

info@smulders.com

sustainability@smulders.com

duurzaam@smulders.com

www.smulders.com