

# Sustainability report

2020



**Passionate  
about steel**  

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**Sustainability report**

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# Preface

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

Our sustainability report is not a “good news show” and we communicate transparently about areas for improvement. After all, we want our core business to be carried out as sustainably as possible.

This past year was largely dominated by the corona crisis, which had a major

impact on everyone’s personal and social life. However, there is also a sustainable side to the corona crisis. In a world that is suddenly less global, where we mostly rely on digital tools to connect and work... This also creates a more local and sustainable growth story, with positive side-effects on our CO<sub>2</sub> transport emissions. The results can be found in this report.

I would like to thank all employees who, every day, contribute to help realise our sustainable vision.

**Raf Iemants**  
Managing Director Smulders



**“We communicate transparently about areas for improvement.”**





# WHO ARE WE?

## About Smulders

Smulders is an international steel construction company with more than 50 years 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 working across offices in Belgium, the United Kingdom, Poland and India.

Thanks to the location of our branches, we can often call on local resources. Moreover, we save on unnecessary transport which has a positive impact on our CO<sub>2</sub> emissions.

## 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 2020 as we worked mainly on 3 major projects for both foundations and substations: SeaMade, Triton Knoll and Moray East.

Demand from Offshore Oil & Gas has come to a complete standstill. However, we remain active in this market due to the increase in decommissioning of old oil & gas structures.



### BELGIUM

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

### UNITED KINGDOM

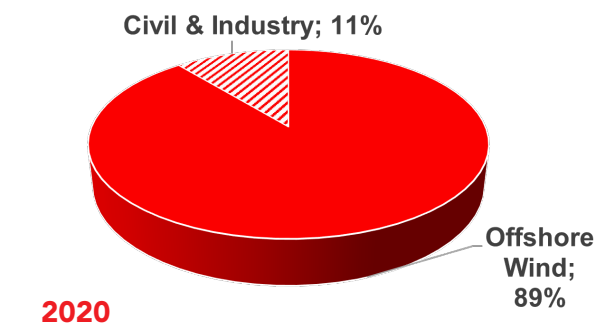
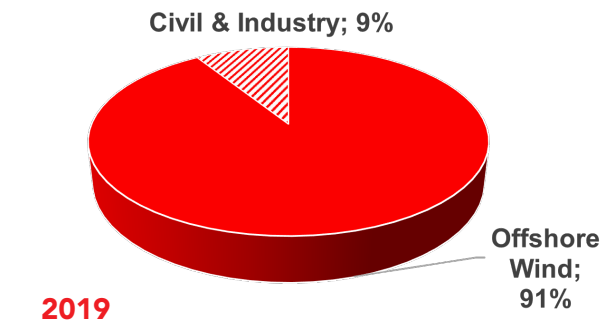
- Smulders Projects UK (Newcastle upon Tyne)
- SLPE (New Malden, London)

### POLAND

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

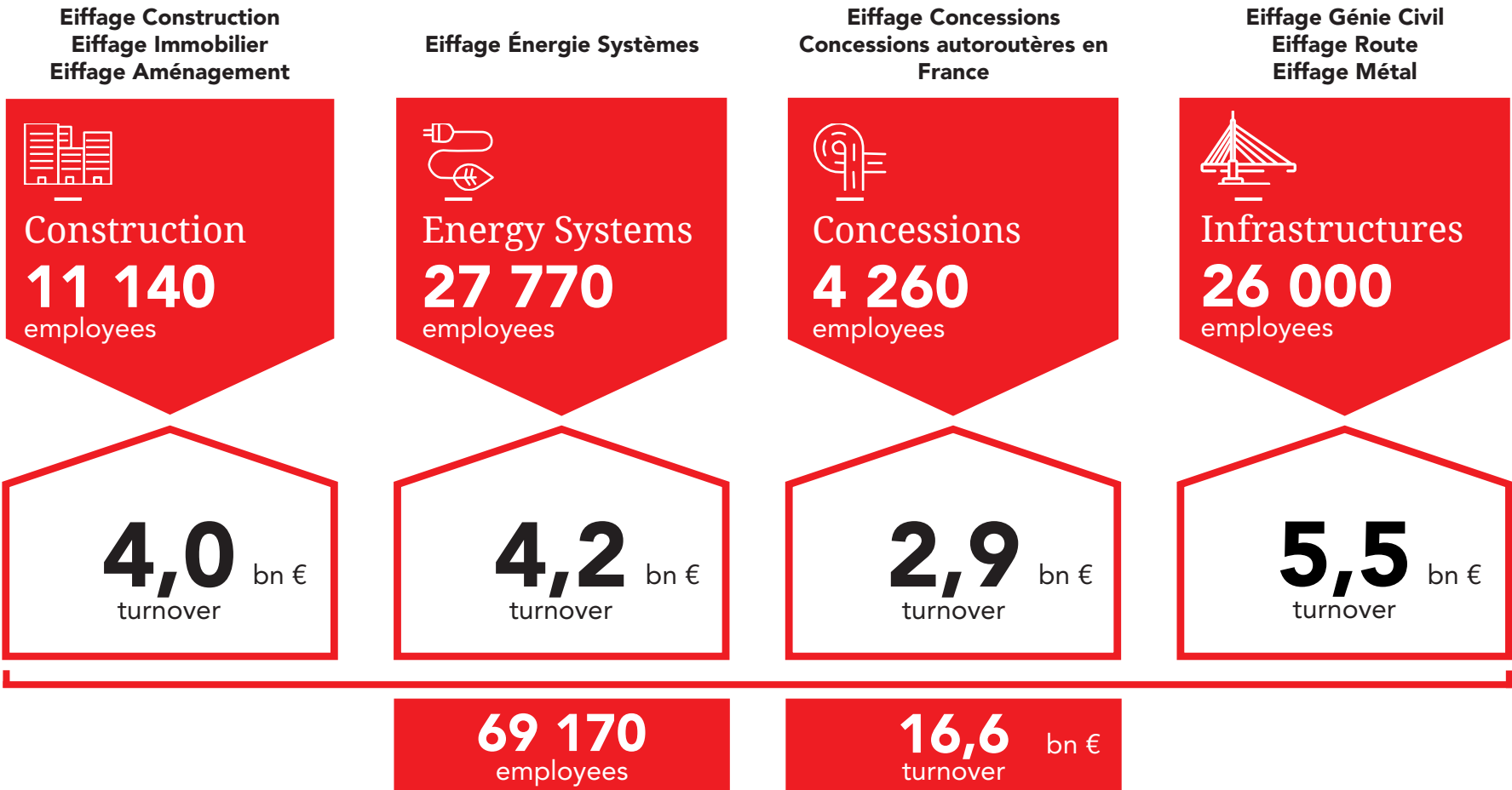
### INDIA

- Angus (Bangalore)



# The strength of a large group

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

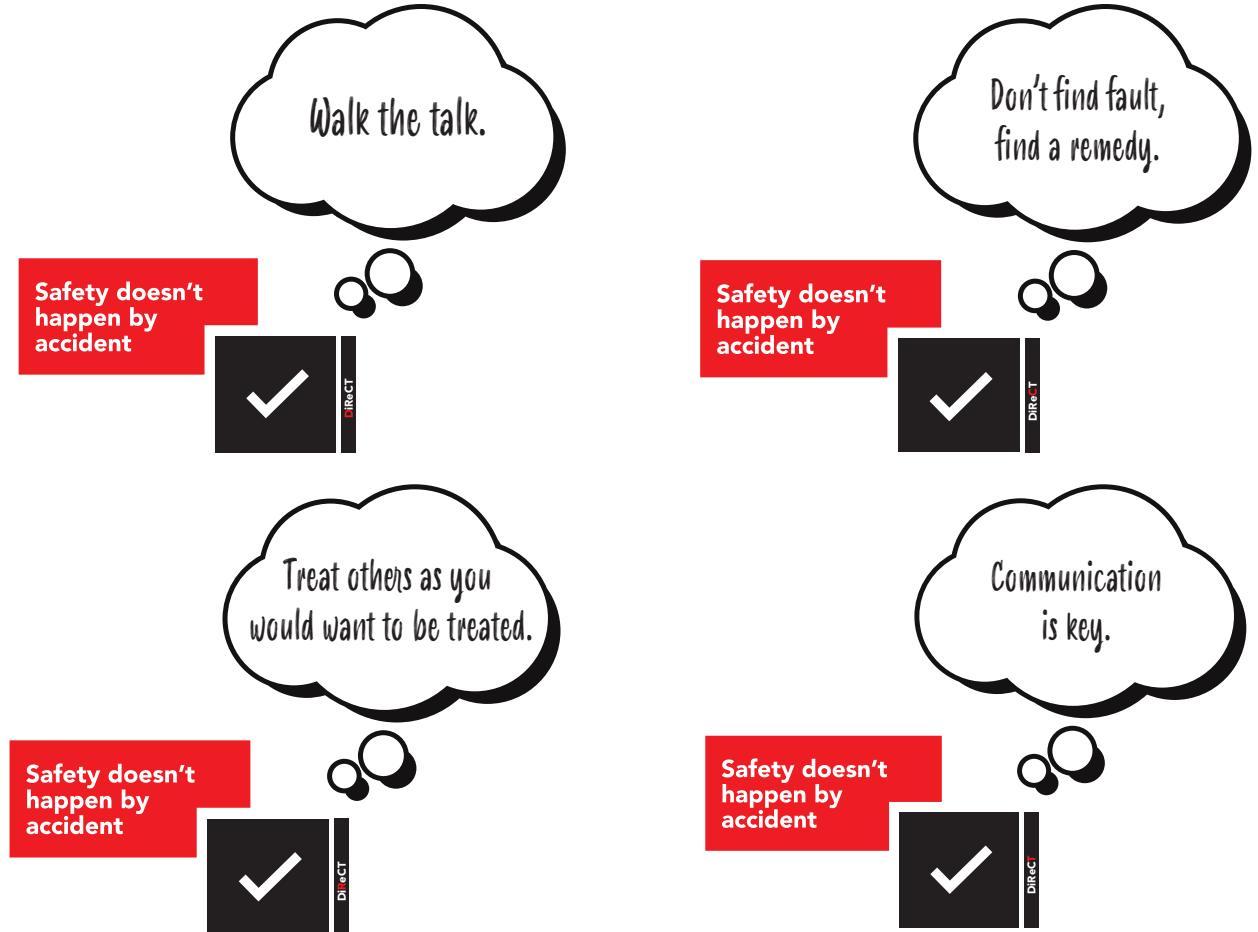


# Our values

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

We create our products with utmost care and a keen eye for quality in constant proactive interaction with our clients. We stand out in terms of know-how and technical skills, but most of all because of our drive to fulfil the promises we make to our clients. That is why our reference projects are working at full speed all over the world. Simply because they were realised with a true passion for steel.

Smulders’ policy is based on four core values: Decisiveness, Respect, Customer orientation and Teamwork. These 4 values are the basis for success in realising our mission and vision. In 2020 we expanded these values with an additional slogan. These have recently been put in the spotlight thanks to our new stickers.







# SMULDERS AND SUSTAINABLE DEVELOPMENT

By implementing strong systems, processes and good policies across the entire company structure, we can manage our impact on the environment and reduce our carbon footprint. Smulders has long been committed to social engagement. For example, we have worked with local schools for many years, we support social projects and we do everything we can to have as little negative impact as possible on our neighbours (noise, smell, traffic, ...).

Since 2014, Smulders has been focusing more on CO<sub>2</sub> management. By mapping out our energy consumption, we also get a clear picture of where the savings options for our organisation lie. For this, we use the CO<sub>2</sub> Performance Ladder, an instrument that helps companies to reduce their CO<sub>2</sub> emissions. More about this can be found in the chapter CO<sub>2</sub> Performance Ladder.

The reduction of CO<sub>2</sub> is only the tip of the iceberg when it comes to sustainable policy.

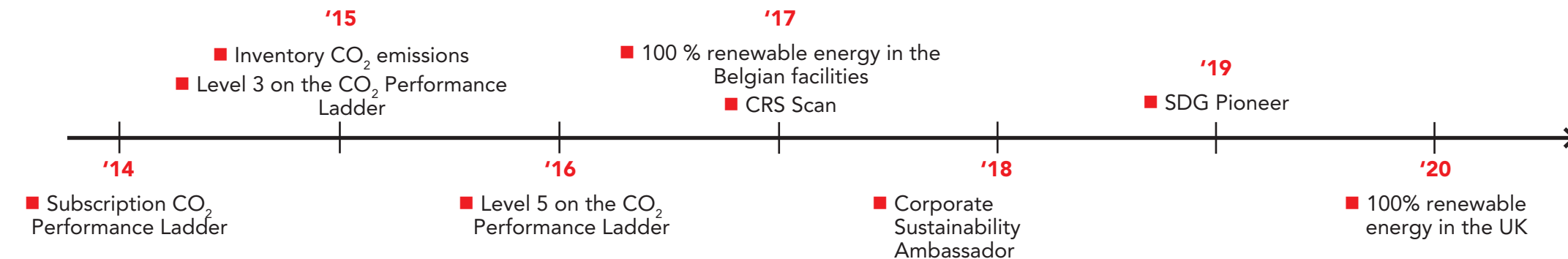
Smulders had a CSR scan carried out in 2017, a tool from CSR Flanders.

In order to grow faster in the field of sustainability, Smulders has had a sustainability ambassador since the end of 2018. The ambassador is the point of contact within Smulders for everything that has to do with sustainability. It promotes sustainability in all its facets, communicates about progress and develops actions, whether or not based on the ideas of our own employees.

Another route we are taking is that of the VOKA Charter Duurzaam Ondernemen. The VOKA Charter Duurzaam Ondernemen, abbreviated VCDO, has been in existence since 2016. Via a tailor-made action plan, the VCDO enables companies to work towards managing their business in a way that is profitable for the company as well as for people and the environment. VCDO uses the 17 Sustainable

Development Goals (SDGs) of the United Nations Global Compact as a guideline. With more than 12,000 participating companies from more than 160 countries, including Eiffage, the UN Global Compact is the largest voluntary initiative for responsible entrepreneurship in the world.

Smulders was already awarded SDG Pioneer by VOKA in 2019. Companies receive this title when they 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 5 P's (People, Planet, Prosperity, Peace and Partnership). During this period you also carry out actions with a positive result within each of the 17 SDGs. After 3 years, Smulders has carried out actions for all 17 objectives. For this, Smulders received a UNITAR certificate from the United Nations in October 2020. The SDGs which we carried out in 2020 will follow later on in this report.





# FRAME OF REFERENCE

Smulders makes conscious choices to create sustainable value in the field of the 5 P's: People, Planet, Prosperity, Peace and Partnership. There is a strong interaction between these 5 factors and they mutually inspire each other.

We use two instruments for this: the VOKA Charter Duurzaam Ondernemen and the CO<sub>2</sub> Performance Ladder. As not everything can be covered in detail, we briefly summarize what Smulders understands by sustainable development.





# People

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

## Involvement

We try to create involvement and awareness around the topic of sustainability. Employees can contact the sustainability ambassador with their sustainable ideas. Since September 2020 we have not 1, but 2 sustainability ambassadors who take care of communication, promotion of sustainability, communication on progress and setting up actions. Do you have ideas or suggestions for improvement related to sustainability and would you like to get them to us? Then mail them to:

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

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

## Training

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

At Smulders we encourage lifelong learning and we attach importance to the careers of our employees. That is why the Training Working Group identified the need for a Learning and Development Officer. This is someone who streamlines all training courses and looks at where the education needs lie. It is a coordinating role for training courses that is organised across the three Belgian branches. In addition, internal entrepreneurship is also highly valued and our employees are given the freedom to go their own way.

Various training courses are held within our organization every year. These training courses can cover the following topics: safety, quality, personal skills, .... For example, the Observation Techniques course is organised for the hierarchical line with practical exercises on the work floor. The goal is to have these observations carried out on a regular basis, whereby the supervisor and management evaluate a worker and subsequently, via a B-SAFE tour in the department, look for positive and less positive observations. This training is part of the further development of the safety ladder.

Employees also have the opportunity, in addition to the mandatory training, to request training courses themselves.

In September 2020, the colleagues in Hoboken started using the new training tower next to the training centre. This tower can be used for the following courses:

- Working at height
- Use of vertical ladders in TP's
- Use of the rescue device
- Working on scaffolding

# Safety

## Small tokens of appreciation

Colleagues in all branches are encouraged to report Unsafe Situations. It is the people who spend a lot of time in the workplace who know what could be done better. The figures show that this way of working has become a good reflex: At group level, 441 reports were made compared to 323 in 2019. The designation of a winner is no longer done by lottery, but after evaluation by the committee. As a reward, the movie tickets were replaced by awarding SMILES on our rewards platform so that a useful gift can be chosen.

## Balen almost 2 years without Lost Time Injury

Willems in Balen is almost 2 years without a Lost Time Injury (LTI), the result of more than 10 years of collective investment in safety awareness at every level. The safety figures have therefore improved considerably thanks to the necessary efforts, training, toolboxes, increased safety requirements in projects, more involvement of management, etc.

Here too, a sustainable gift will be chosen in the form of extra SMILES.

On July 9, 2020, Willems achieved '1 year without' an LTI. In addition to the many production hours to get the Moray East project

finished, not always in easy working conditions, they were able to proudly report that no one had been injured who could no longer work. In fact, in 2020, Willems did not record a single injury with external care. This is great work!

## Safety Ladder level 3

In 2020, the expansion to the yards, England and Poland and the upgrade to level 4 could not take place due to COVID-19. In any case, our objective remains to achieve level 4. And we will continue to raise awareness by means of toolbox info, safety flashes, safety alerts, B-SAFE observations, weekly inspections, audits, etc. In 2021 we will go all out again.

The safety culture ladder is a standard that provides insight into the safety awareness of an organization. It consists of 5 levels and each culture level represents a development phase in which a company finds itself. Level 3 means that prevention measures are in place, the compliance with safety procedures is considered essential and that the involvement lies with the safety professional and management. We are now eagerly tackling the working points we were advised to include. For example, the observation tours will take place according to a renewed template so that we focus on values and motivation, rather than on tasks.

The most important thing here is to 'hold each

other accountable for unsafe behaviour or unsafe actions'. This provides the best and most efficient way to avoid accidents. And that is, after all, what it's all about in the end: 'going home as we arrived'.



The five levels of the Safety Culture Ladder.

## November Safety Week

In 2020, we organised another safety week in November and with success. Due to a full program for both production and office staff as well as management, safety awareness gets an extra annual boost. In addition, several workshops were held, such as "Whistling to Work" and "Impact of Drugs and Alcohol". We also organised training courses for certain groups on overhead cranes, lifting of loads, explosion safety, BA4 and first aid.

## Safe@Work

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

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

The contribution of the managers is intended to ensure that the people they supervise dare to speak freely about safety and think about how it can be made even safer. Moreover, they must work together with other managers on safety. Only when we work together as a team and everyone contributes, can we raise our safety awareness to a higher level.

## Digital safety apps

By using an app we save on paper consumption. RUS reports and FOTO's are digitally registered and the B-SAFE form was also replaced by the use of an app.

## Smulders Projects UK

In the course of 2020, Smulders Projects UK has reached several milestones. The Moray East project was completed with fewer incidents and LTI's than the previous Beatrice project.

To this end, the following measures were taken:

- Reward of RUS reporting with monthly vouchers awarded to winners of the monthly RUS competition.
- More training to ensure safe implementation of the project.
- Introduction of a new drug testing technology, which uses fingerprints to determine drug use.
- Design and use of a special lifting frame, with remote locking and unlocking mechanism and CCTV surveillance equipment, which reduces the risks of working at height.

In addition, an internal “track and trace” system for managing the COVID-19 risk was put in place, allowing SPU to operate with very small numbers of infections and no known workplace transmissions throughout the pandemic. Additional COVID-19 controls included:

- Site access control - personal temperature testing
- Virus testing - on site by specialised organisation
- Changes of break/shift times on site
- Additional hand washing stations on site
- Additional canteen areas provided
- Temporary changing rooms, including a large marquee
- Additional cleaning staff for welfare areas.

## Team events

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

*This year, unfortunately, almost all events have been*

*cancelled due to the COVID-19 pandemic.*

## Holiday and Christmas drinks

The holiday and Christmas drinks were also different this year due to COVID-19. An alternative was provided in the form of apero boxes and picnic packages that could be ordered in advance.



Just before the Christmas holidays, colleagues could collect an apero box as an alternative to the Christmas drinks.

## Charities

### Make-A-Wish

By donating Easter eggs to our employees for Easter, Make-A-Wish can make sick children dream, laugh and help.

### Twerk

Sinterklaas also found a lot of goodies in 2020 at Twerk, a sheltered workshop that supports people with autism spectrum disorder with heart and soul.

### Christmas present

Every year, the management gives a Christmas present to all employees. In 2020, our employees were again given the opportunity to forgo their own Christmas present and donate its value to charity. We raised more than 2,720 euros! About 70 colleagues from Arendonk and Balen donated the value of their gift to the Vrij Instituut voor Buitengewoon Onderwijs (VIBO). VIBO's infrastructure has been in need of renovation for years. Due to lagging subsidies, they are forced to pay for this themselves. The Christmas present from our colleagues helps them on their way.

Our colleagues in Hoboken once again opted for the Welzijnsschakel, a voluntary organization that is committed to people from Hoboken and Wilrijk who have difficulty making ends meet on a low income. They were able to donate 1,040 euros.

### Packed lunches 'Day of Solidarity'

On September 11, the 'Day of Solidarity' took place again in Arendonk. Lemants has been supporting this initiative for several years.

Employees had the opportunity to order packed lunches, half of the cost of which was paid for by lemants. More than 80 colleagues ordered a packed lunch. All proceeds from this went to Vibo De Ring, Vibo De Brem and Mekanders.

### COVID-19: Donation of material to hospitals

At the beginning of the COVID-19 pandemic, there was a major shortage of protective equipment for nursing and care staff. All Belgian branches of Smulders donated a total of 2,000 mouth masks to AZ Turnhout to make the treatment of COVID-19 patients as safe as possible. We also donated 500 Tyvek overalls from lemants and Willems to AZ Turnhout and AZ Herentals. The colleagues in Hoboken donated material to the employees of the Middelheim hospital and the residential care center 't Blauwhof.

We also donated 2 tablets worth €775 each to hospitals so that patients could maintain contact with home via video calls.

### Spomasz

Our Polish colleagues supported several charities in 2020. They donated material to the local hospital, promoted football to the children in Zary and bought Christmas presents for the children in the hospital in Zielona Góra.

In July they took part in a special promotion for little Mia, who was born in 2019 with a muscle disease and needs a huge amount of money for life-saving therapy.

Nominated individuals, companies, institutions had to do 10 push-ups or 10 squats. If they did the exercise, they paid at least 1 euro, otherwise they deposited at least 2 euros in Mia's account. Our colleagues from Spomasz collected 576 euros.



Thanks to 10 push-ups, the Spomasz colleagues collected 576 euros for baby Mia, a child with a muscle disease.



# Planet

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

## CO<sub>2</sub>-management

Smulders is committed to ecological development. We make an inventory of CO<sub>2</sub> emissions and have an action plan to reduce these emissions. More information about this can be found in the chapter CO<sub>2</sub> Performance Ladder.

## Sustainable Development Goals

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

## Equipment gets new life

Smulders works on state-of-the-art steel projects and to do so, we require advanced and modern equipment. However, that doesn’t mean that older equipment is no longer useful. We try to prolong the use machinery that is still working.

For example, last year we donated ten old laptops to the students of the 6th secondary school of the Wico Campus in Neerpelt. For the business economics course, they were commissioned to set up a Vlajo (= Flemish Young Enterprises) student company. Their company was named ITPlatform and focuses on refurbishing used computers and laptops.

In total, they received more than 100 used computers through various channels that they will offer for sale after repair. The duration of their project is 2 years.

The girls’ chiro of Arendonk received an old container from Smulders to store the cooking material for their camp. Balen’s colleagues fitted the container with shelves.



We refurbished an old container for the cooking team of the Arendonk girls’ chiro.

The residual materials from the ‘Cycling through the Trees’ project were also reused. The colleagues in Balen turned it into a monument in honour of the Canadian crew of the Halifax bomber that crashed in Ham during a bombing raid on Leopoldsburg on 28 May 1944.

## Inform, raise awareness and participate

Good communication is part of our corporate sustainability and we therefore use every opportunity to inform employees and invite them to participate in actions. With an article in our monthly newsletter we keep employees informed of actions and facts through which we try to raise awareness. We also communicate about sustainability to the outside world. Visitors to our website will find all information related to sustainability on the sustainability page. And we regularly post information on social media.

## IOK litter action

In recent years, lemants and Willems took part in the IOK Litter Action. Several colleagues are committed to make the environment around our company litter-free. Due to COVID-19, the litter campaign was unfortunately cancelled earlier this year.

Order and tidiness were also part of the November safety week this year. That is why we organised a litter campaign on our own initiative. Clean-up campaigns took place both outside and inside the offices.

# Prosperity

Ensure prosperous and fulfilling lives in harmony with nature.

## Tennet HKN/HKW tender

We have secured this contract thanks to MEAT criteria (Most Economically Advantageous Tender). The MEAT criteria are an evaluation tool that measures the amount of added value of the proposal based on a points system. The greater the added value, the higher the score that can be achieved by the contractor, i.e., us. The criterion enables clients to take into account the qualitative, technical and sustainable aspects of the proposals by reflecting them in the price when making a permit decision.

The total environmental impact of the project is converted into a concrete amount in euros using the Environmental Cost Indicator (ECI). A contractually determined “environmental cost” may not be exceeded. Smulders makes every effort to stay well below this maximum value. For example, we only purchase steel on the European market, which also has an Environmental Product Declaration (EPD). Production is also kept to a maximum within Belgium and the Netherlands. For example, we purchase raw materials with a smaller environmental impact and the influence of transport remains limited, both to and from Smulders. During the project, the ECI is calculated several times, so that adjustments can be made if necessary.



The topside for Hollandse Kust (noord) is currently under construction at the ENGIE Solutions yard in Hoboken.



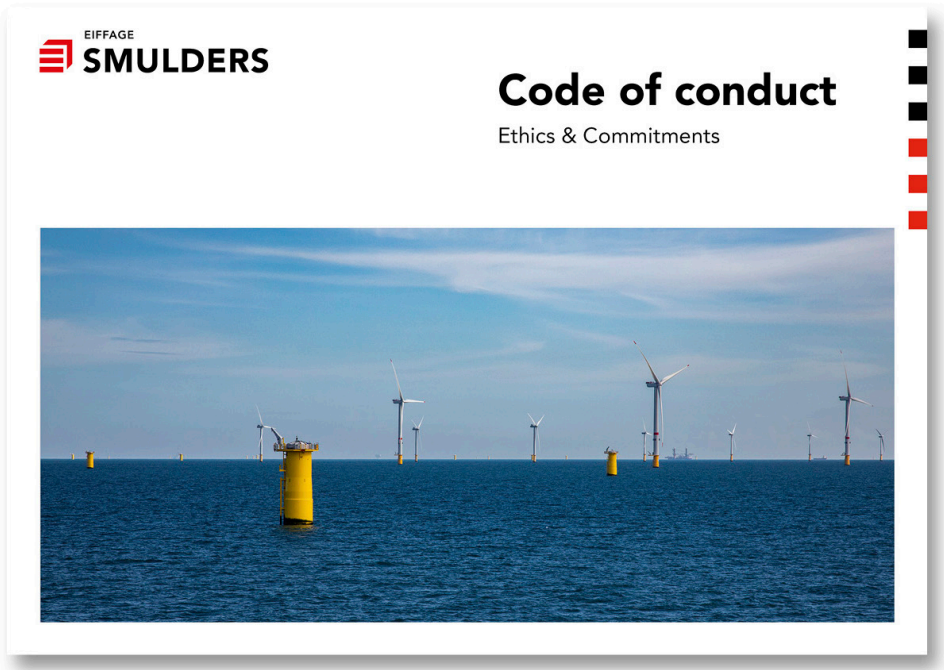
# Peace

Promote peaceful, just and inclusive societies.

## Ethical Business Conduct

Due to the continued growth of Smulders and the start of the Asian and North American offshore wind market, we are confronted with a few realities that we no longer think about in Western Europe. These include large-scale corruption, poor working conditions and even child and forced labour.

In 2020, Smulders has therefore drawn up an Ethics Policy, which lists what Smulders stands for, what customers, employees and subcontractors must adhere to and where they can go if something does go wrong. In doing so, we have based ourselves on Eiffage’s policy and existing international treaties such as those of the International Labour Organisation.



# Partnership

Implement the agenda through a solid global partnership.

## University of Antwerp

### Guest lectures

Every year, we give guest lectures on Offshore Wind Energy at the University of Antwerp about offshore wind technology in which we emphasize the importance of sustainability. This course incorporated themes about corporate sustainability, CO<sub>2</sub> emissions, the performance ladder of Smulders and VCDO.

This year we also gave a lecture about Smulders and sustainability during the Green & Tech week of the PXL Hogeschool Hasselt.

### TETRA-project

The TETRA project is carried out in collaboration with the University of Antwerp and the Belgian Building Research Institute (BBRI).

Besides companies that make constructions that must be inspected, experts are also needed in the field of drone technology (hardware, software, pilots), statistical interpretation and validation of data (knowledge centres) and visualization (graphic software). Since each link is essential for reaching the end goal, collaboration is clearly a requirement in some projects.

## UGent/ Howest

### Local Grid

Since 2018, some regulatory changes have been implemented that fit in with the transition to smart grids, in which locally generated, renewable energy is used and buffered locally as much as possible. The amended regulations make it easier to establish a direct link between a decentralised producer and a customer.

The load-bearing capacity of the roof of the headquarters in Arendonk was insufficient to support the current generation of solar panels without additional reinforcement. On the other hand, there were many companies with free roof space in the immediate vicinity of Smulders. It was therefore opportune to set up a collaboration with one or more neighbours. For the study we worked together with Howest, UGent Lemcko and Eneco. The full study can be found on the Sustainability page of our website.

### Lidwina

Lidwina is a sheltered workshop from Mol. Lidwina’s employees have been doing green maintenance at Smulders for some time, but are also called in for specific production tasks that

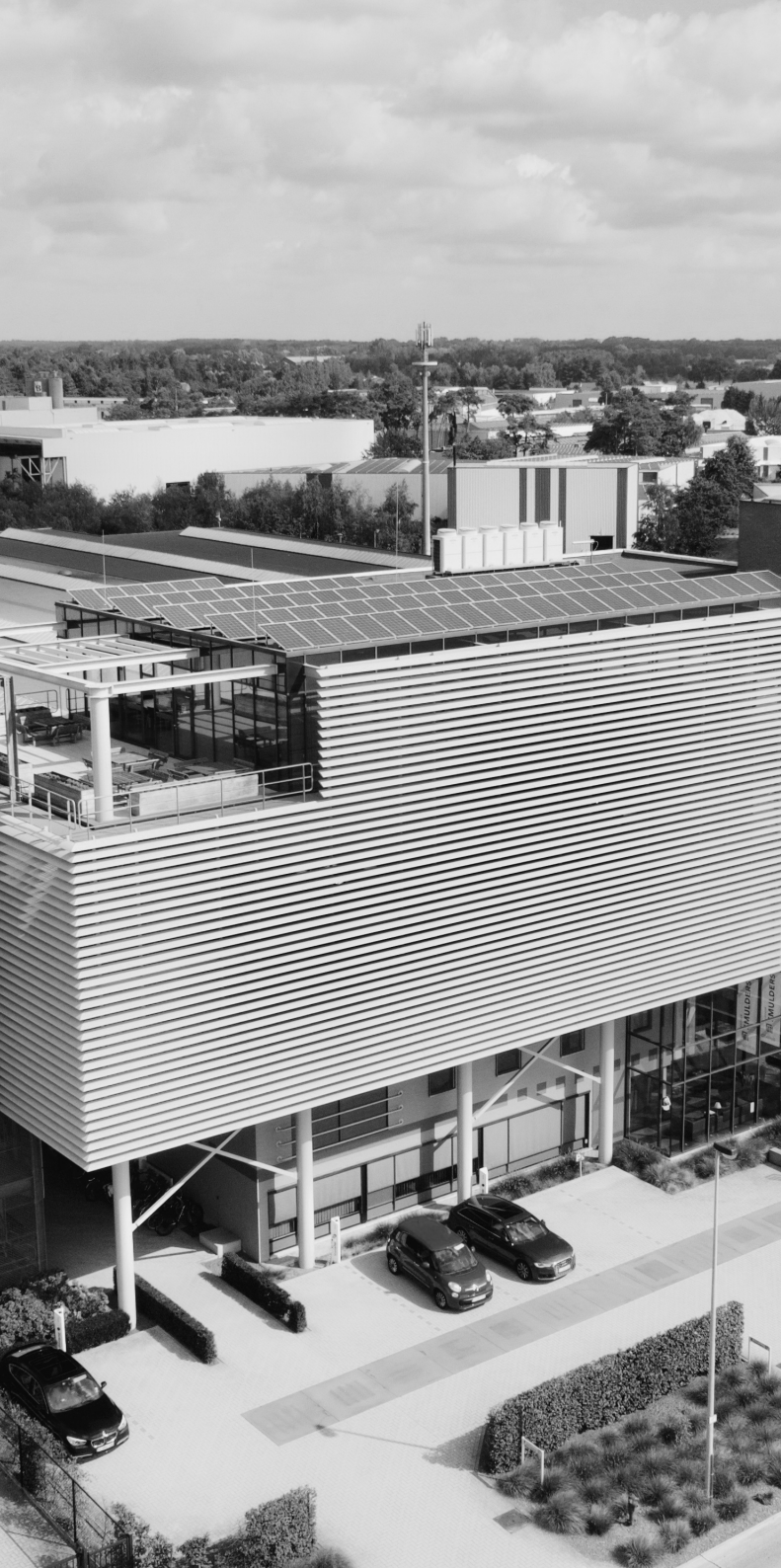
are repetitive. For example, they are used in the production chain of the TenneT pylons. They round off the edges and holes of the small parts so they are ready to be coated.

## Canon Secure Printing

Every week, between 300 and 500 sheets of paper end up in the waste bin at our Arendonk site because of incorrect printing, double printing, .... That is why we decided to switch completely to Secure Printing. This means that print jobs no longer automatically roll out of a copier, but that you only allow the print job to continue after you have registered with your badge.

In 2020, a large part of our copiers were already equipped with this possibility. We will complete this exercise in 2021.





# SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals, abbreviated as SDGs, are 17 sustainable development goals of the United Nations Global Compact to be achieved by 2030. Smulders, like Eiffage, uses this as a critical reflection framework so that sustainability is proactively integrated into policy. Compared to the rest of the world, Belgium is doing relatively well when it comes to achieving the SDGs. In the global SDG index, published in July 2019, Belgium was in 16th place out of 162.

Actions on the SDGs are implemented in collaboration with VOKA. The network supports and encourages companies to work on sustainable entrepreneurship through an action plan. After 3 years we have carried out all 17 objectives and Smulders continues to be certified. For this, Smulders received a UNITAR certificate from the United Nations in October 2020. For more information about these SDGs and our previous actions, you can consult our previous sustainability reports.

But of course we go further. In 2020 we again completed actions which we discuss in more detail in the overview below. The following points are discussed elsewhere in this report: energy monitoring, local grid, Tetra drone inspection, safety films, Safety Culture Ladder, electric car lease study, environmental cost indicator and ethics policy.

## SUSTAINABLE DEVELOPMENT GOALS



# #2 - No hunger

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

## Too good to go

Too Good To Go was also added to the Safe@ Work platform, which was explained earlier. This organization collects food from shops, restaurants and the like, that can no longer be sold but is actually too good to throw away. Through an app you can buy cheap food last minute and help to prevent food waste. By offering Too Good To Go via the platform, we hope to make the concept known to our employees.

# #9 - Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

## Fieldwire

In the Fieldwire software, minor deviations and damages to the product are listed and followed up for repair. In 2020, the system was set up in such a way that customers and subcontractors can also work in our system. This creates added value for all parties involved. Both customers and subcontractors can report matters themselves in this system, follow up for implementation and close. This way, there are fewer discussions between the parties about whether or not to

report findings, to carry out the repair and the final approval of the repair.

# #11 Sustainable cities and communities

Make cities and human settlements inclusive, safe, resilient and sustainable

## Expansion of the Hoboken noise barrier

Smulders has good contact with the neighbourhood/neighbours at the various locations. After the expansion of the industrial sites in Hoboken, the expansion of the noise barrier quickly followed after consultation with the neighbourhood. For this expansion alone, we are talking about an investment of several tens of thousands of euros.

# #14 Life below water

Conserve and sustainably use the oceans, seas and marine resources for sustainable development

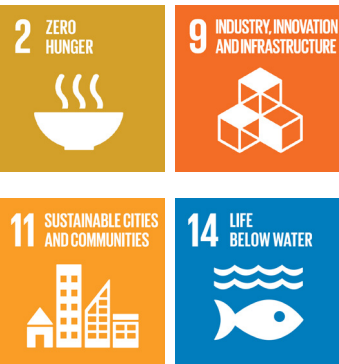
## Promoting biodiversity

In addition to calculating the environmental cost indicator, we also had to submit options for nature enhancement during the tender phase for the Tennet Hollandse Kust project. Some of these options are now being implemented, such as the Bio Hut and artificial reef balls. Both concepts form an artificial reef, which offers protection to various forms of marine fauna. For example, mussels and oysters grow in the Bio hut (a cage structure). These attract crustaceans and

snails. Which in turn attracts small and large fish. The artificial reef balls offer protection to various fish species and serve as a nursery for the next generation.



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





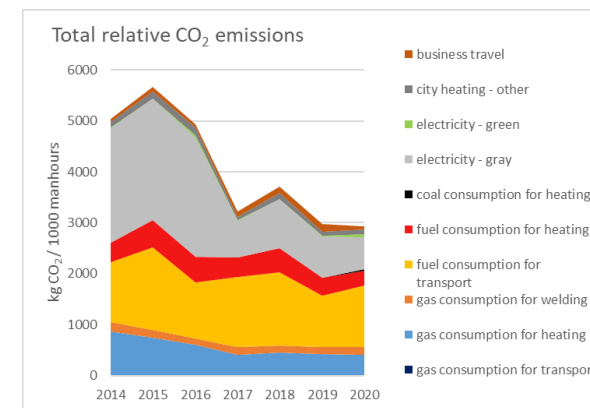


# CO<sub>2</sub> PERFORMANCE LADDER

Smulders has been systematically working on its CO<sub>2</sub> emissions since 2015. And this for ourselves as well as for the entire chain of raw materials and end products (Life Cycle Analysis, LCA). Numerous actions are defined and monitored in the context of the CO<sub>2</sub> Performance Ladder.

## Emission evaluation 2020

The year 2020 was marked by COVID-19 and all the inconveniences this entailed. Even though this was a challenge, our production continued to run smoothly. In fact, 2020 was a busy year for Smulders: 40 high-voltage pylons, a few advertising pylons, 3 bridges, 7 substations, 55 jackets and about 150 transition pieces. For example, 13% more hours were worked in 2020 than in 2019.

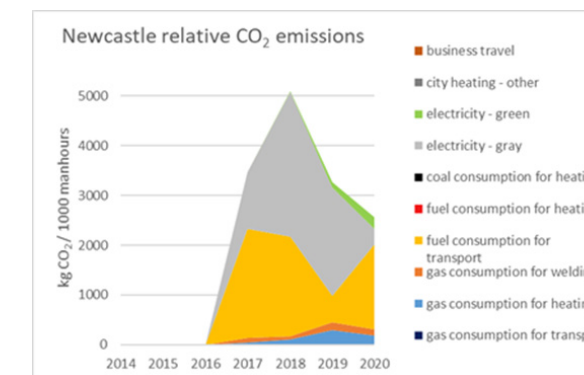
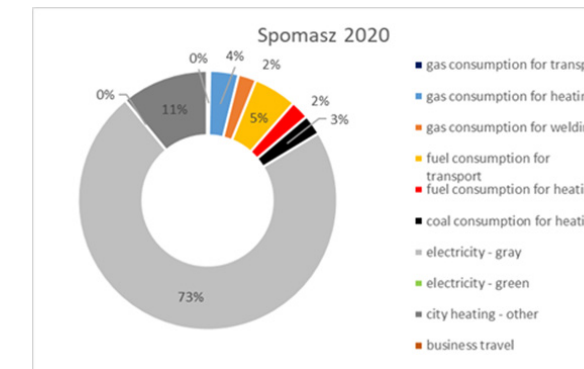


We see a decrease in the amount of CO<sub>2</sub> emissions in 2020.

In 2020, as Smulders, we will clock off at 11,898 tons of CO<sub>2</sub>, or approximately 3 kg of CO<sub>2</sub> per man-hour. In 2020 we see a very slight decrease in the amount of CO<sub>2</sub> emissions. This is mainly due to the switch to green energy at our UK facility. In England we switched to 100% green energy in mid-2020. In Poland, this switch takes place at the turn of the year. That is why this difference will only be fully reflected in the CO<sub>2</sub> figures for 2021. Then the light gray part should almost disappear.

## Some particularities

- In the figures of Arendonk (headquarters) we see a halving of emissions from business travel. From March onwards, air traffic is almost at a standstill due to COVID-19.
- In Poland, the smaller sites in Leknica and Niemodlin have been added to the figures. Due to the poorer condition of the buildings and installations, the relative figures for Spomasz are rising slightly. All in all, the impact on the figures appears to be limited. With 73% emissions from gray electricity, the objective for Spomasz remains to switch to green electricity as quickly as possible.
- With the addition of these locations, we also see some new factions appearing at Spomasz. Gas, fuel oil and coal are used for heating buildings and sanitary facilities at these locations. The coal-fired installation will be replaced as soon as possible.
- There is no straight line to be drawn about the data of Newcastle. Years of very high activity alternate with years of virtually no activity. You could somewhat compare 2018 with 2020, both years of very high activity. And then we see a huge drop in the share of gray electricity. In March 2020, Smulders Projects UK switched to locally produced, green electricity. Because we are not getting any information about the production method of green electricity for the time being, we are currently counting everything as biomass, the green electricity with the highest emissions. Hence the appearance of a light green fraction.



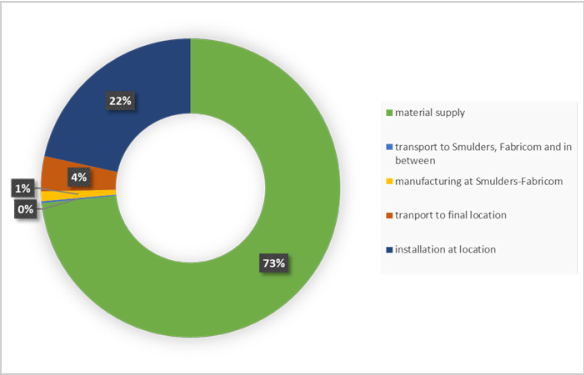


Scope 3 Emissions

In 2020, the focus on scope 3 emissions has gained momentum.

Thanks to the calculation of the Environmental Cost Indicator (ECI) on the project Tennen Hollandse Kust, we have collected additional background data and gained new insights to reduce our scope 3 emissions.

- It is confirmed that 73% of the scope 3 emissions are in the raw materials. Reducing the necessary quantity of raw materials and purchasing sustainable raw materials are therefore priorities. In the context of the Hollandse Kust project, 95% of the steel was purchased with Environmental Product Declarations (EPD). For the paint, these EPDs were drawn up by the supplier at our request.
- The second largest fraction, at 26%, consists of Transport and Installation (T&I) offshore. Here we learned about the influence of the type of ship on the consumption and the possibilities of alternative fuels. In addition, we see that the Transport share only accounts for 4% of this 26%. Our final assembly locations are very close to the final destination. Local content does therefore have a major influence on the total emissions of the project.
- For the same reason, the transport factor to our production facilities is zero. Virtually all raw materials were purchased in Western Europe. And all production facilities for this project were located in the Benelux.



At the end of 2020 we joined the Moonshot Project. This is a think tank to lead the offshore wind sector in Europe to circularity as quickly as possible. Circular raw materials have a much lower footprint. It is an important part of the road to a carbon neutral economy.

We also want to endorse the SteelZero charter in 2021. The global initiative aims to put pressure on the steelmakers to move quickly towards low-carbon steel production.

Energy Management Plan

Green electricity

Since 2017, all branches in Belgium have been working 100% on Belgian sun. It is important that this is Belgian as there are some known examples of ‘false’ green energy. We do not want any gray energy (fossil, nuclear) which is compensated by the purchase of a piece of Russian primeval forest.

After Belgium, Smulders Projects UK (Newcastle upon Tyne, United Kingdom) has also had local, green electricity since March 2020. Zary and Niemodlin in Poland switch on 01/01/2021. Leknica switches on 01/01/2022.

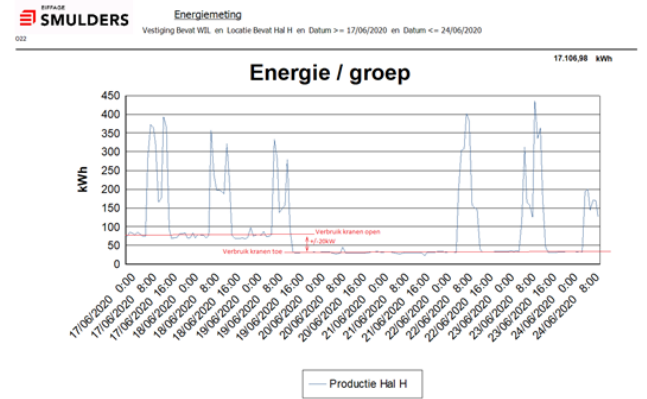
Energie Monitoring Systeem

Maintenance and production joined forces after an energy monitoring system (EMS) was installed. The EMS helped to provide insight into the consumption and performance of the various installations, which quickly led to a savings plan to reduce standby consumption, among other things.

In Balen, for example, we already have 6.5% less energy wasted annually, thanks to the automation of the working hours of the Plymovent smoke extraction system and the purchase of a new freeze dryer.

Not everything can be automated in the short term, so the alertness and decisiveness of our people remains important to work together make the difference. Turning off 2 main valves at a temporary blast hall at the end of the working day saves no less than €9,000 per year. The graph below shows the consumption in kWh. It is striking, yet again, that closing the valves after working hours can save about 20 kW per hour. This means a difference of 94,400 kWh per year. This is comparable to about 400 solar panels.

By automating and renewing the other energy consumers, we are doubling these savings once again, so that the investment costs are recovered in less than one year.



Electrification of passenger transport

After the roll-out of the new bike lease plan in recent years, there was a shortage in Balen of both parking for bicycles and charging stations for electric bicycles. This was remedied in 2020 by expanding the bicycle shed, with sufficient

electrical plugs, of course.

Despite COVID-19, 2020 was also a particularly good year for cycling. For commuter traffic, we cycled around 400,000 kilometres to and from one of the Belgian locations in 2020. This is about 50,000 kilometres more than in 2019. That is a remarkable increase, even though a lot of work was done from home last year. By not doing these kilometres by car, we saved more than 80 tons of CO<sub>2</sub>.

These are the results of all our Belgian branches:

Iemants (Arendonk)	SPB (Hoboken)	Willems (Balen)
220,240 km	52,112 km	127,895 km
155 employees by bike	44 employees by bike	87 employees by bike

In 2020, a comparative study was made between our fleet of commercial vehicles and the range of fully electric cars. These electric cars are currently much more expensive to purchase. But if we calculate with the Total Cost of Ownership (TCO), these cars are already cheaper than a company car today. Lower fuel costs, lower maintenance costs and favourable taxation make electric cars a smart choice for companies.

After the study in 2020, we will work out a full electric car policy in 2021, whereby we will start purchasing fully electric company cars from the fourth quarter. Smulders will skip the hybrid cars.





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