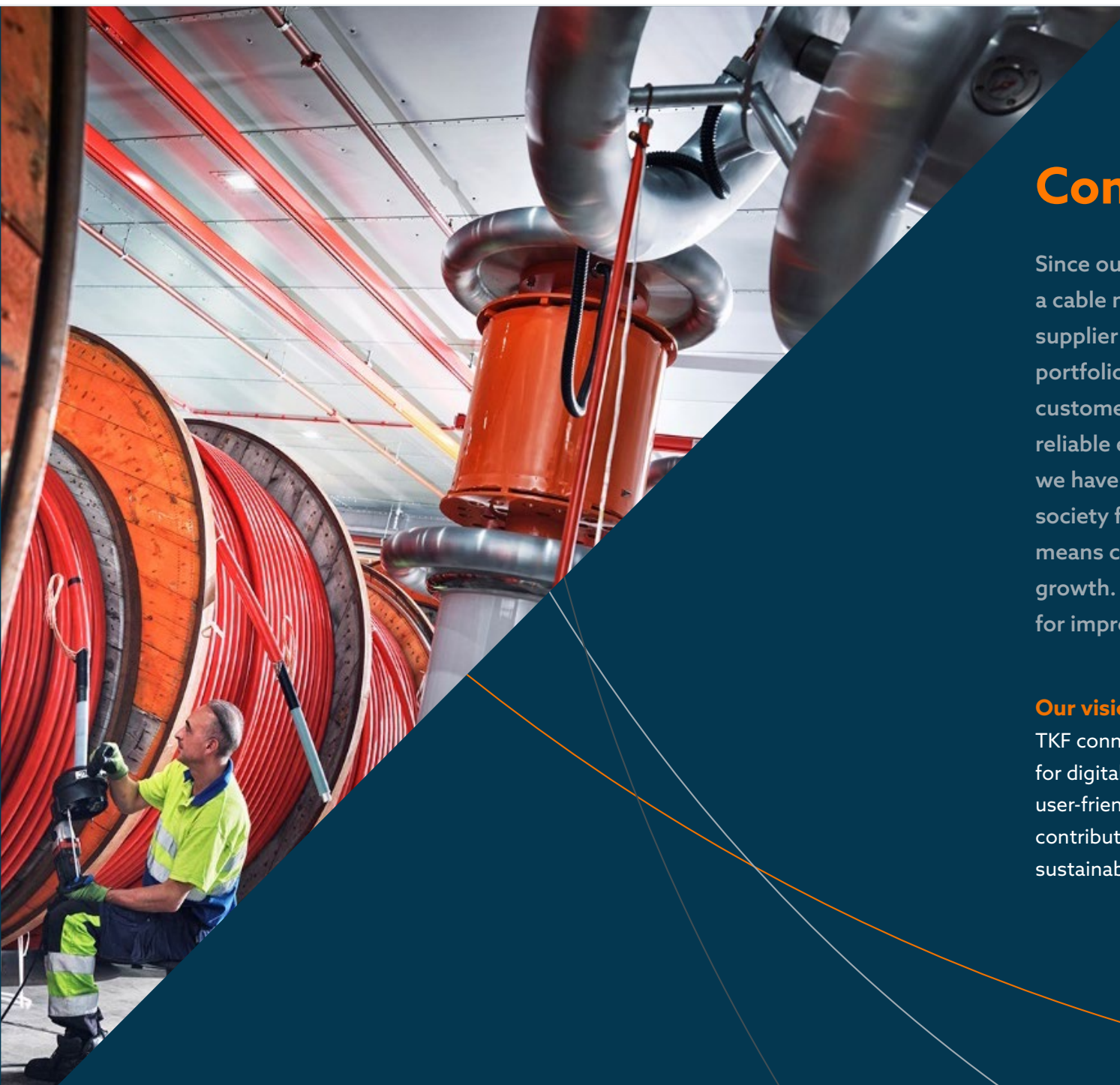




CSR ANNUAL REPORT 2023

Sustainable connecting
people and **technology**





Company profile TKF

Since our founding in 1930, we have developed from a cable manufacturer to a technologically leading supplier of connectivity solutions. With a broad portfolio of cables, systems and services, we offer customers worldwide solutions for creating safe and reliable energy and data connections. In doing so, we have been actively contributing to a sustainable society for years. For us, corporate social responsibility means continuous attention to development and growth. In this, we always see room and opportunities for improvement.

Our vision

TKF connects society with innovative connectivity solutions for digitalization and electrification. We create efficient and user-friendly connectivity solutions which make an important contribution to connecting the society and make it safe and sustainable.



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TKF & Corporate Social Responsibility



Continuous attention for development and growth

The social role of companies such as TKF is increasingly a topic of discussion. In doing so, we have seen a clear change in the approach to corporate social responsibility by the business community in recent years. Whereas in the first instance efficiency and cost savings were reasons for sustainable business, the focus is now mainly on a change in attitude and behavior. As a strategic priority, we are strongly anchoring sustainability in our daily operations and integrating CSR initiatives further and further into the organization. Research and knowledge development play an important role here.

A circular economy is also becoming increasingly important within our company. Raw materials such as copper, aluminum, oil and gas are becoming scarcer and at the same

time the mountain of waste is growing. As a result, the demand for reusing and recycling products and raw materials is increasing.

Within TKF, we provide the necessary capacity and resources to measure and report our performance on corporate social responsibility. Employees undergo education and training so that they can make the right contribution within their own area of responsibility. We use various independent, objective certifications to demonstrate our policy and ambition in the field of CSR. In doing so, we not only pay attention to the environment and climate, but also focus on the social side of business.

To clearly structure the CSR policy, we have defined 2 areas with targeted programs for achieving sustainability results:



Attention for people & development

- Ensure a healthy and safe work environment.
- Provide development opportunities to engage and motivate TKF employees.
- Act socially responsible as an employer towards the organization.
- Making (sponsor) contributions to society.



Responsibility and sustainability impact

- Contributing to a better climate with an energy reduction program.
- Close collaboration with customers and suppliers to make commodity chains more efficient.
- Focus on circularity.
- Innovation power.
- Sustainability in the chain.
- A balanced and sustainable product and customer portfolio.



External CSR ratings

Corporate social responsibility performance ladder

In 2022, TKF was certified for Step 1 of the Prestatieladder Socialer Ondernemen (PSO). The PSO is an initiative of TNO. It is a quality label that provides insight into the extent to which organizations do more than average social business. The focus is on the participation of vulnerable groups in the labor market.

Achieving Stage 1 of the PSO indicates that TKF offers high-quality employment opportunities to people with a distance to the labor market. We do this not only by facilitating workplaces in our own organization, but also by encouraging suppliers and contractors to do social business.



Science based targets initiatives

TKF joined the Science Based Targets initiative (SBTi) in 2022. SBTi is a global initiative that encourages organizations to set ambitious targets to reduce greenhouse gas emissions. SBTi challenges organizations around the world to halve their emissions by 2030 and become climate neutral by 2050. In doing so, the initiative is affiliated with the Paris Agreement, an international treaty to slow global warming.

By mid-2023, we will deliver TKF's targets to SBTi. After validation, they will be officially posted on SBTi's website. Starting in 2024, we will then report annually on our corporate emissions and publicly report on our progress.



ECOVADIS

Last year, EcoVadis again rated us with a Silver medal. This places us among the top 25% companies in the field of sustainability management systems.

EcoVadis is an independent assessment platform that evaluates suppliers using 21 CSR criteria based on sustainable development standards. This involves 4 themes: Environment, Labor and Human Rights, Ethics and Sustainable Sourcing. The assessment results give us and our customers insight into TKF's CSR performance.



CSR performance ladder level 3

Certification body DEKRA again assessed TKF's compliance with the CSR Performance Ladder Level 3 in 2022. The CSR Performance Ladder is a certification standard that allows organizations to objectively demonstrate their performance on corporate social responsibility (CSR). This is how, as a company, you make your sustainable developments and corporate social responsibility concrete.

At TKF, we use the CSR Performance Ladder as a management system to manage stakeholder requirements and expectations for results.

In addition to the CSR Performance Ladder certification, we were previously awarded certificates ISO 9001, ISO 14001 and ISO 45001 by DEKRA.



CSR News

TKF introduces reel return weeks

In 2022, we launched the Reel Return Weeks; an annual initiative where we draw customers' attention to the importance of reusing cable reels.

During 3 weeks in September, we pay extra attention to the several hundred empty reels that are still on the construction site, in storage or somewhere in the field.

When customers do not return empty reels in a timely manner, we have to make use of new reels. When making

our reels, we choose sustainable materials. For example, we make our wooden reels from FSC-wood and our plastic reels consist of recycled plastics. But we can do more! With the current scarcity of raw materials, it is very important that we reuse reels as often as possible. And we pay attention to that during the Reel Return Weeks. Returned reels can be reused up to 7 times.

To encourage customers to return empty reels as soon as possible, we offer the service of picking them up free of charge on location. We do this not only during the Reel Return Weeks, but throughout the year. In this way, we are getting one step closer to a circular economy and working together with our customers and suppliers.



Going sustainable on the road!

At TKF, we are committed to a greener future and looking ahead to develop solutions that contribute to making the industry more sustainable.

We achieve this by using raw materials more efficiently, reducing and reusing waste, and recycling valuable resources. But sustainability goes beyond material choices and recycling. Since 2021, for all our cable transport within the Netherlands, we have been using trucks that run on HVO (Hydrotreated Vegetable Oil). By 2022, this has saved no less than 814,378 kg of CO₂, comparable to about 6,515 flights from Amsterdam to Paris! In addition, the cranes on our trucks also run on HVO fuel and electric truck-mounted forklifts are used.

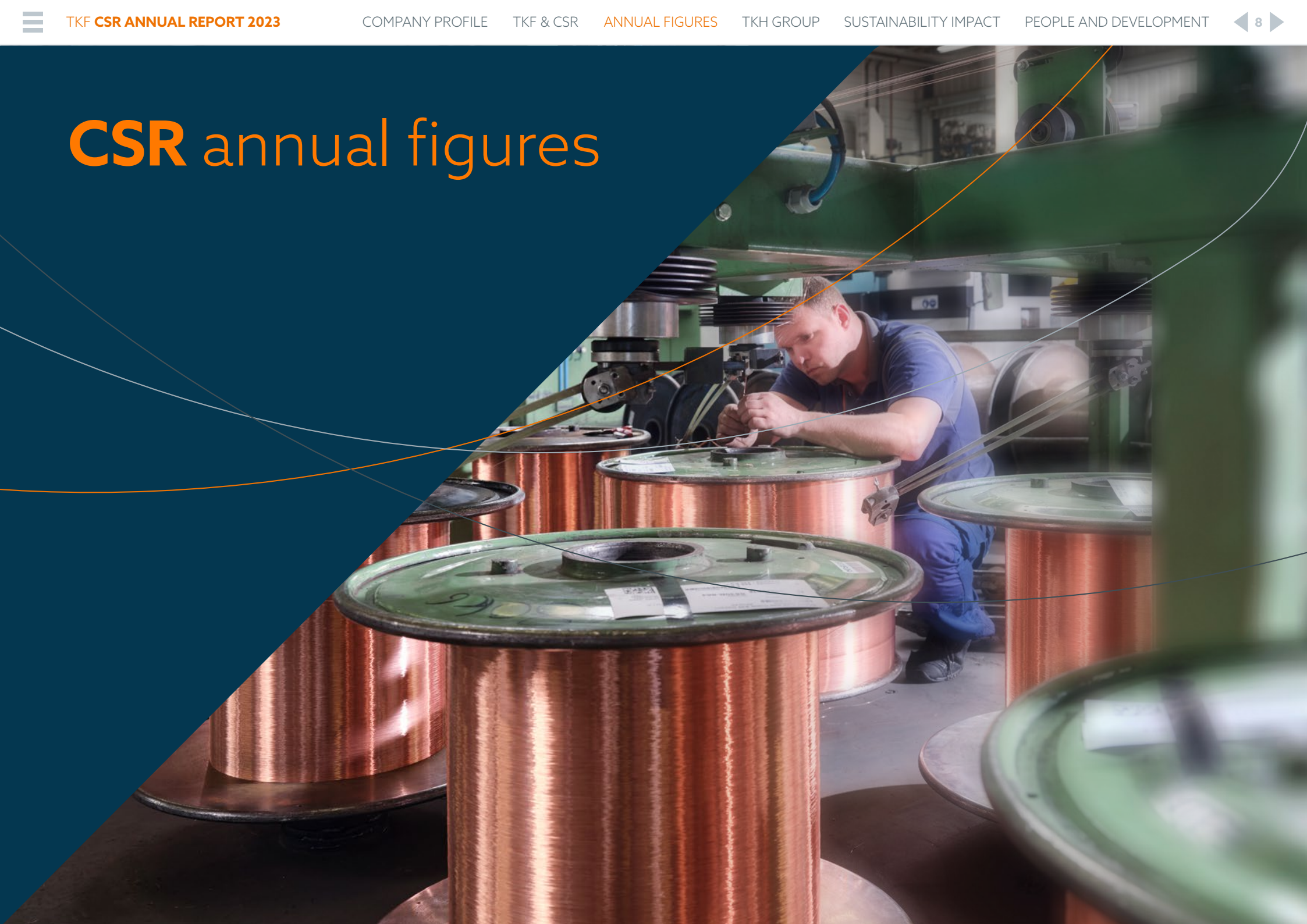
Not only does our external transport runs sustainably, our internal forklift transport is also fully electric. We have created a charging station on our premises for these forklifts, where we use 100% green electricity.

And there is even more good news. In collaboration with our transportation partner BrinkXL, we are making great strides towards electric transportation. Our first electric truck and box truck are on order, further reinforcing our commitment to sustainable mobility by 2024.





CSR annual figures



CSR annual figures

CERTIFICATION



Social
Entrepreneurship



Quality



Environment



Corporate Social
Responsibility



Safety and
Well-being

NET PROMOTER SCORE

On a scale of -100 to 100

+14



CUSTOMER SATISFACTION

On a scale of 0 to 10

8.5



TURNOVER FROM INNOVATIONS

21.9%



2021: **19.8%**

2020: **21.7%**

Objective 2021-2025: **> 15%**

EMPLOYEE SATISFACTION

On a scale of 0 to 10

7.3



TKF AND THE ENVIRONMENTAL FACTORS



CSR annual figures

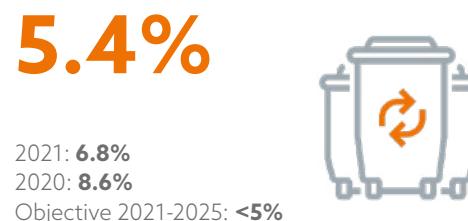
RATIO MEN/WOMEN

Workforce as of December 31



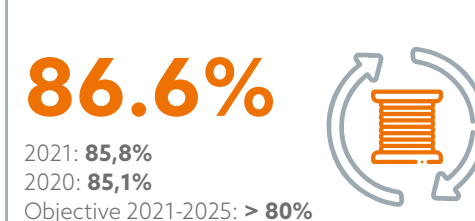
WASTE

% of material consumption



RECYCLING

% of production waste



NUMBER OF FTES

Workforce as of December 31



Number of employees 2021: 734

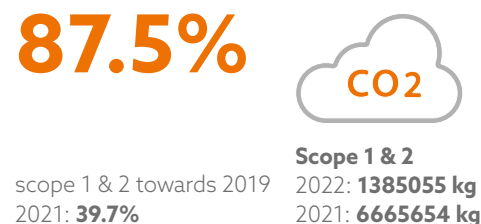
EMPLOYEES WITH DISADVANTAGE ON THE LABOR MARKET

Number as of December 31



REDUCTION OF CO₂ EMISSIONS

CO₂ kg reduction absolute



GREEN CERTIFICATES

Guarantee of origin



LTIFR (LOST TIME INJURY FREQUENCY)

Number of accidents resulting in absenteeism without the possibility of alternative work per 1 million hours worked



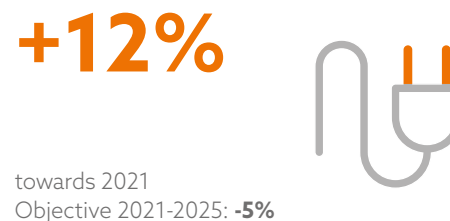
EDUCATION HOURS/FTE

Average hours



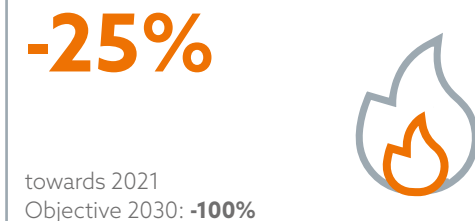
ENERGY CONSUMPTION

kWh reduction absolute



GAS CONSUMPTION

m³ gas reduction absolute



Meet the TKH Group





Vision on CSR & Sustainable Development Goals

TKF is part of TKH Group NV (TKH); an international technology company specialized in creating and delivering Smart Vision Systems, Smart Manufacturing Systems and Smart Connectivity Systems. TKH wants to contribute internationally to a sustainable society. Our parent company constantly strives to ensure that its technological solutions and services meet today's needs and demands, without compromising needs and provisions for future generations. As a subsidiary, we embrace the goals of our parent company.

Sustainable Development Goals

Sustainable Development Goals (SDGs) provide a clear direction on how a more sustainable society can be achieved. This requires a proactive role of the business community and a new way of cooperating within the chain. To make an effective and focused contribution, TKH focuses on the 6 SDGs on which it has the greatest influence. 4 of these SDGs are focused on the innovative product portfolio. The other 2 SDGs are focused on (internal) business operations. Together they form TKH's guiding principles for its approach to sustainability.



Good health and well-being (SDG 3)

TKH's technologies and solutions support the healthcare process. This leads to greater efficiency and reliability in healthcare, both for home care, professional care and pharmaceutical companies.



Affordable and sustainable energy (SDG 7)

TKH develops innovative cable systems that contribute to the energy transition and the deployment of renewable energy sources, including offshore wind farms. This is how we contribute to European energy reduction targets.



Fair work and economic growth (SDG 8)

TKH is a financially healthy and stable company with an ambitious growth strategy. Through good employment practices, we offer employees a vibrant work environment with plenty of development opportunities. Due to the nature of our work, safety has our special attention. We set ISO 45001 certification as the standard for health and safety.



Industry, innovation and infrastructure (SDG 9)

TKH has a strong reputation as an innovator in the tire, robotics, mechanical and engineering industries. We are pioneering technologies and

innovations to actively participate in the 4th industrial revolution. Thus, we contribute to the demand for increased productivity, and improved product quality and production processes.



Sustainable cities and communities (SDG 11)

TKH combines communication and security technology into innovative total solutions for built-up areas. This is how we help increase the efficiency, safety and security of systems used in and around cities.



Responsible consumption and production (SDG 12)

TKH focuses on responsible consumption and production. In doing so, we limit our negative impact on the environment as much as possible. All production companies are certified according to the ISO 14001 environmental management system and work according to the LEAN principle to avoid waste in the production process.

Existing KPIs are aligned with these 6 SDGs. This provides TKH with insights into the current contribution of activities to the SDGs. It also clarifies which additional actions have the greatest impact.

TKH's innovative products make a significant contribution to these SDGs. Approximately 68% of the total product portfolio sales are linked to at least 1 of the above SDGs. In this way, TKH supports its customers in achieving their sustainability goals. At the same time, it provides clear evidence of TKH's own progressive approach and sustainable development.



Responsibility and **sustainability** **impact**



At TKF, we do business in a socially responsible manner with great attention to the environment. We constantly strive to expand our contribution to a sustainable society. Our sustainability policy provides a clear framework for both short- and medium-term plans. In doing so, we always take into account as much as possible the possible consequences for people involved in or around our organization as well as the impact of our choices on the environment and our surroundings.

Responsible products and efficient use of resources

Corporate sustainability also includes the sustainable management of resources. With the operational excellence program we focus on production efficiency. Here we look critically at issues such as reducing energy consumption and (re)using raw materials.

At TKF, we choose raw materials and other materials that have little or no harmful impact on the environment from the design phase. Efficient management of materials and resources is relevant because of the consumption of valuable metals such as copper and aluminum, which are an essential part of the cable manufacturing process, and because of the waste that is inevitably generated.

The main raw materials we use are copper, aluminum and plastics. All the waste we produce is classified into the non-hazardous waste category. Our policy is to eliminate waste as much as possible to minimize its impact on the environment. In this way, we also avoid unnecessary costs. In doing so, we have 2 approaches:

- Quantitative: we want to structurally reduce waste by increasing material productivity. We also reduce waste by improving processes and continuously innovating.
- Qualitative: we strive to minimize the harmful impact of waste. To this end, we use recycled materials wherever possible and optimize our waste disposal together with partners throughout the value chain.

We are well on our way to continuously reducing our waste streams. Our amount of waste, expressed as a percentage of total material consumption, shows a downward trend again this year.

The materials we use are also becoming increasingly sustainable. For example, our copper supplier processes pure copper waste into fully usable copper. Plastics that have become unusable during the cable production process are offered to waste processing companies for recycling into new raw materials. In addition, we continuously investigate the possibility of partially or even completely recycling cables. For this purpose, we invest in production equipment for in-house recycling of cable waste.

Role of the value chain

When selecting (raw) materials, we consider sustainability criteria in addition to price and quality. For the successful introduction of sustainable product innovations, cooperation in the value chain is essential. There-

fore, we work closely with our supply chain partners.

Developing sustainable cables is a high priority and we continue to invest in innovative production techniques and opportunities to improve efficiency in the value chain. We are having conversations with our suppliers about how to make processes and products more sustainable so that we can use resources more effectively. In addition, we use product lifecycle assessments as input for sustainable product innovations, including circularity. We reduce the impact of our activities on the environment as much as possible by continuously measuring and improving our environmental performance. We are committed to preventing or minimizing potential nuisance from our activities for the surrounding area. To this end, we have established internal guidelines and implemented noise and odor reduction measures. We register and deal with environmental complaints and inform those concerned in good time about corrective or preventive measures.

Recycled materials: the innovations and challenges

Circularity is a hot topic. But unlike many other hot topics, it is not a topic of a temporary nature. Raw materials are scarce and prices have risen significantly in recent years. Moreover, the need to produce in an environmentally conscious manner is greater than ever. Delivering quality products that meet today's requirements, without damaging the world of the future: that is the task for all producers. For network operators, too, sustainability is an increasingly important criterion in tenders. How does TKF meet this customer demand and what challenges do we face?

Pieter Dijkstra, Team Leader Process and Material Development, and Dirk Heuker of Hoek, Business Line Manager Energy, are both working daily on making the production process and cables more sustainable because of customer requests. "The application of recycled materials in new products is an important spearhead of TKF. Our cables contain various raw materials and materials, such as copper, aluminum and plastic. Ideally, we would make our products fully circular and apply only recycled or renewable materials over and over again. But every material has its own properties and limitations," says Pieter.

One metal is not the other

Dirk: "Copper, for example, is a raw material that is easy to recycle. This is why we can already use copper in our cables that consists of 100 percent recycled copper. This is a very positive development, proving that sustainability and product quality do not have to get in each other's way." However, there are also recycled materials that are less suitable for use in cables. This is because with recycling materials, the properties of the material can change. Depending on the function of the material, this can pose major challenges. For example, it affects the quality or function of a product. "Take aluminum,



"The application of recycled materials in new products is an important spearhead of TKF"

for example. Recycled aluminum greatly compromises the quality of electrical conductivity. As a result, it is currently not yet possible to apply more than a few percent recycled aluminum,” says Dirk.

The challenges of recycled plastic

In addition to the technical performance of the cables, service life is an important criterion in the application of recycled materials. After all, longevity is the most optimal form of efficient resource use. When applying recycled plastics, achieving a comparable lifespan is therefore an important consideration.

“At TKF, we use plastic as an insulator for our low-, medium- and high-voltage cables. In addition, the outer jacket of our cables consists of plastic. These plastic layers have to meet high requirements, that is why regular recycled plastic is not suitable. To get the right properties, the chain must be made larger. This can be done with biomass and with pyrolysis,” says Dirk.

Both types of recycled plastic undergo rigorous testing at TKF. For example, they are subjected to long-term heat and UV light. The tear stress behavior of the material is also tested, the so-called stress crack resistance. And finally, TKF tests the water permeability. After all, water from the outside may not penetrate through the outer sheath.

Pieter: “We can now use both mechanically recycled plastics and plastics made from bio-oil or pyrolysis oil in our cables. That is a huge step forward. However, due to the amount of plastic we need, this still comes at an additional cost. Currently, this is an important reason for not yet or not completely choose for cables with recycled plastic. But if we as a total chain choose these recycled plastics more often, the volume will increase and the price will drop. This way we all contribute to a more sustainable cable network!”

CSR news

Award for best idea to make TKF more sustainable

Last year we presented the Think Green prize for the first time at TKF. An initiative to involve employees in making TKF more sustainable.

Employees were asked to participate in initiatives to make TKF more sustainable and to submit their ideas. We received a nice number of submissions, from which the 3 best ideas were selected that

actually received a prize. In addition, a summary of all the measures related to our energy consumption behavior was made from the entries, so that we can also have a contribution on a personal level.



CSR news

Cables with recycled plastics: from shampoo bottle pilot to RFO listing

In 2016, we started a progressive pilot at TKF, together with grid operator Alliander. The aim of the pilot: to apply recycled plastic in distribution cables.

Recycling metals have been common practice for many years, due to the high residual value of the raw material. Plastic recycling, on the other hand, was still in its infancy. And yet the growing amount of plastic waste worldwide has been a serious problem for years. As a cable manufacturer and processor of

plastics, we wanted to make an active contribution to the solution.

The results of the pilot were promising. In recent years we have therefore continued to work on using recycled plastic in our products. While the first cables were met with some laughter (because of the soft pink color and the

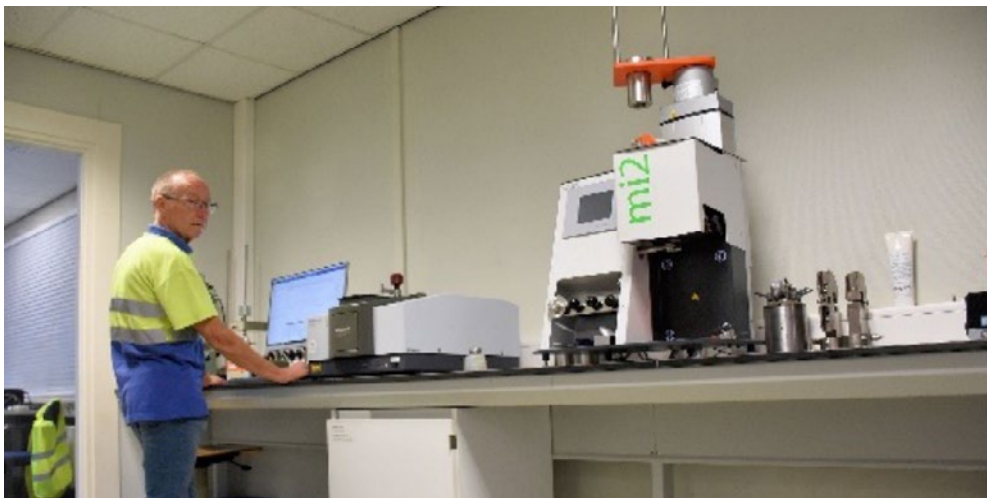
wonderful shampoo smell in our factory), we are now on the eve of producing distribution cables with recycled plastic that meet all applicable quality and environmental standards. The “Rijksdienst voor ondernemend Nederland” (RVO) even assessed that our distribution cables with at least 45% recycled plastic will be included on the environmental list. This makes distribution companies that choose these products eligible for the Environmental Investment Allowance (MIA) and the Random Depreciation of Environmental Investments (VAMIL). With these tax schemes, the government encourages investors to choose products that have a positive impact on the environment.

The listing on the RVO's environmental list is a wonderful step on our route to make the entire chain more sustainable. To this end, we are actively working with progressive partners, from raw material supplier to end customer. In this way, we continue to optimize the application of recycled plastic and, as a chain, change the mountain of plastic waste into a new raw material.

Filtration plants and vulcanization lines prevent environmental pollution and odor nuisance

The demand for distribution cables has grown significantly in recent years due to the energy transition. Various materials are used in the production of distribution cables, including plastics. To ensure that the cable is short-circuit resistant and has a long life, we vulcanize the plastics. This creates Crosslinked Polyethylene (XLPE). During and after this vulcanization process, by-products are created, which are removed in a degasification process.

To meet the demand for distribution cables, at TKF have increased the number of vulcanization lines from 1 to 3. These new lines are directly equipped with an active carbon filter, which filters out the by-products created during the vulcanization process. This prevents harmful substances from entering the environment. Moreover, the environment no longer suffers from annoying odor emissions.



Attention for people and development



The dedication and passion of our employees is the decisive factor in TKF's success. We ask a lot of our employees. They have a clear idea of what is expected of them and how they can actively contribute. It is our duty to be a good employer. In doing so, we motivate and help our employees so that they can perform their work efficiently and with enthusiasm. We offer our employees a healthy work environment, where safety comes first and we provide them with opportunities to develop themselves.

A healthy and safe work environment

Safety awareness among colleagues and open communication about our safety performance are important to us at TKF. This helps us prevent accidents. Encouraging a professional safety culture forms an important basis for this. One way we achieve this is by being transparent about accidents and near-accidents. In this way we alert employees to potentially risky situations and enable them to respond quickly.

Within TKF, we provide clear work instructions so that employees know how to work safely with our machines. We strictly ensure that employees comply with the requirements. Wearing safety shoes and protective clothing is part of this. We also

encourage employees to speak to each other and alert colleagues to situations that could lead to dangerous incidents.

Health and safety are crucial factors at TKF. It is not without reason that we have obtained ISO 45001 certification in 2021. This ISO standard requires a management system related to occupational health and safety (OH&S).

Vitality program FIT@TKF

At TKF we pay a lot of attention to the health of our employees. With the vitality program Fit@TKF we actively support employees in increasing their vitality. We do this for example by offering free fruit at work and a discount on a sports subscription at Bedrijfsfitness Nederland. We also pursue a non-smoking policy



throughout the TKF premises and offer employees the opportunity to take part in a course to stop smoking.

Periodically, we also offer employees the opportunity to voluntarily participate in a health check and a preventive medical examination. These examinations are conducted by an independent institute and the results are being discussed between the

employee and a specialist. If the employee wishes, the specialist provides personal advice to improve health and lifestyle. In addition, we use the anonymized data to improve general working conditions.

In 2022, we also actively promoted the Bike to Work Day and paid extra attention to the mental fitness of employees. With a series of videos we

made employees more aware of their mental state and with playful actions we stimulated a positive mindset and work environment.

Personal development opportunities

Talent and management development are of great importance to TKF. Skills and work experience of employees match TKF as closely as possible. Where necessary, we offer education or training to help employees grow in their jobs. In this way we guide them to the next career step.

We make training budgets available to employees, enabling them to develop new skills and broaden their employability. We organize internal training courses with the help of external professionals so that they fit in as closely as possible with TKF's practice. New employees attend introduction programs, including product training.

Diversity and inclusion

With the rapidly growing organization

that we are, our workforce is also becoming more diverse. And we actively encourage that. We are convinced that diversity makes us a better and a more versatile team. This is not only good for the company culture, but also for our performance.

A major focus within TKF is to improve the gender balance in our organization. In doing so, we focus not only on female employees in a general sense, but specifically on more women in leadership positions. Like our parent organization TKH, we aim to have 25% women in leadership positions by 2030.

An important part of our diversity policy is inclusiveness. We actively engage with people who are distanced from the labor market. We do this internally with workplaces for vulnerable target groups and by encouraging our suppliers and contractors to do business in a more social way. In 2022, this commitment earned TKF the Treading 1 certificate of the Social Business Performance Ladder (PSO).



Work experience placements and training

With over 950 employees at TKF in Haaksbergen, Lochem and Oosterhout, TKF is always looking for skilled and motivated colleagues to join the organization. In doing so, the company is not only interested in people with the right education and work experience, but above all they look at the motivation to want to learn. "With a well-developed sense of responsibility and the will to keep developing, the necessary professional knowledge can be learned in many cases," says Jochem Overdijk, Director of HR.

Work Experience Placements

Training people happens at TKF in different variants. Jochem: "In addition to training our own employees, every year we also offer work experience places for people with a distance to the labor market. We do this in cooperation with the municipality of Haaksbergen. People who, for example, have been ill for a long time or are on welfare are given the opportunity at TKF to gain

work rhythm and work experience. In this way we prepare them for a regular job, either with us or with another company. In doing so, we look beyond our own commercial interests; we like to help people advance in their careers."

Training own staff

For our own and new employees in production, TKF offers the possibility of training to become Mechanical Operator A and B. In 2022, 50 colleagues followed such a training. Jochem: "We offer this opportunity to new employees, who do not yet have the required training qualifications for the position of Operator. They start at TKF and at the same time follow the course for Mechanical Operator A. This 2-year course is provided by the ROC van Twente on location at TKF and leads to a nationally recognized MBO level 2 diploma. And if employees want to continue learning after that, we also offer them the Mechanical Operator B training."

Existing colleagues at TKF are also given the opportunity to take training. In this way, TKF encourages them to work on their personal development. One of those existing colleagues is Johan Amtink. Johan is 54 years old and started at TKF in Lochem in 1990. In the past 33 years he held various positions in Lochem and Haaksbergen. Since 12 years he has been working as Operator at TKF in Haaksbergen.

Through an acquaintance of his father who worked at TKF in Lochem, Johan got the chance to work as a wrapper (nowadays we call it Assistant Operator). With no prior training, but with his common sense, he soon proved his added value and after six months he got a job at TKF. A good choice for the company, as Johan has now been a valued colleague for more than 30 years.

With all this experience in his backpack, one wonders why Johan is still taking Mechanical Operator A training. Johan: "I don't necessarily have to do it for my work as an Operator. It was also not an obligation of TKF. I wanted to do the training myself. In addition to my work as Operator, I also supervise new colleagues. Among other things, I teach them how our machines work. Because of my years of experience, I know how everything works. But to

explain it to them properly, I think it's important to have more technical background knowledge."

And so Johan decided to apply through his supervisor for the 2-year MBO course. Since September last year, he and other TKF colleagues have been taking 2.5 hours of classroom lessons every week in the classroom at TKF in Haaksbergen. He also has 2.5 hours of online lessons every week.

In addition to classes, Johan has homework and practical assignments. On average, he spends about 8 hours a week on his training. In addition to his 40-hour job and his family, this is sometimes quite a challenge. But the conditions at TKF are good. TKF pays for the training, study materials and half of the hours you work outside working hours.

Together in action **for Ukraine**

The terrible images of the war in Ukraine gripped many people. A great need arose to do something for the war victims. Some colleagues took in Ukrainian refugees in their own homes, others donated items or money. On the initiative of TKF employees, we also started the action "Together in Action for Ukraine" in April 2022.

All employees could donate a number of excess leave hours to help war victims. TKF doubled the value of the surrendered leave hours. We decided that the amount we collected was used to benefit local support. Think of paying for housing or a contribution to leisure activities.

Colleagues generously donated their hours and on June 9 we were able to hand over a beautiful cheque to Stichting Noodfonds Haaksbergen. The largest donor, Gea Groote Wolthaar, handed over the cheque worth €24,478.41 to the foundation on behalf of TKF. A wonderful amount for the Ukrainian refugees in Haaksbergen.



AdoptIDee: Children have the future

The success of an organization is greatly determined by the quality of its employees. And we can't start early enough to get potential employees excited about joining TKF. With that idea in mind, TKF participated in AdoptIDee in 2022.

AdoptIDee is an initiative of PNO Consultants in which elementary school students from grades 6, 7 and 8 collaborate with innovative companies. By having the pupils think about innovation challenges faced by companies, they come into contact with IT, innovation and related fields of work at an early stage. In this way, students help entrepreneurs find creative solutions to complex issues and the companies contribute to the employee of the future.

TKF was linked to group 6 of elementary school De Kameleon in Haaksbergen. After a first pitch, explaining the challenge at the elementary school, the children visited TKF. In small groups they came up with creative solutions, which they presented with great energy and

enthusiasm to the company, their classmates and families during the final AdoptIDee day. It was a very inspiring day enjoyed by all present and involved.



Working safely above all

Throughout the year, TKF pays attention to safety. Every year in April we organize a Safety Week, during this week TKF pays extra attention to safety.

Throughout the year attention is also paid to working safely in various areas with the safety campaigns "Always come home safely". Last year's efforts included

frequent Safety Walks, a visual inspection of the workplace to identify and address unsafe and potentially unsafe conditions, linked to our Life-Saving Rules.



Watch an in-depth video on the use of the EZ-Go app here.



Together responsible for safe working

These Safety Walks are walked using the EZ-go app. The EZ-go app is used in different areas at TKF, such as cleaning & inspection, 5S audits and safety audits. Often the emphasis is on the 4-eyes check, the check before a production process is started. The person setting up the machines does a check, a colleague runs the same check again independently. These thorough checks can take as long as 30-45 minutes.

Issues covered include the settings of all devices and machines on the line, any contamination, the operation of sensors and various safety checks. The correct settings are indicated in the app with text and pictures, so there can be no doubt.

Bike to Work Day

At TKF we encourage employees to get and keep on moving. With our participation in the national Bike to Work Day we challenge colleagues to leave the car at home and bike to work.

In 2022, we organized such a Bike to Work Day for both our locations in Haaksbergen and Lochem. Colleagues who came to work by bike were given the opportunity to try out electric bicycles. A test ride on a speed pedelec on the TKF grounds was also among the possibilities. Meanwhile, a mobile bicycle mechanic did important MOT bike checks for participating colleagues.

Our participation in the Bike to Work Day proved successful. Several employees were inspired by the 1-day initiative to take the bike more often for their daily commute. And that is not only good for their own fitness, but also for the environment!



TKF in preparation for **The Corporate Sustainability Reporting Directive**

On 21 April 2021, the European Commission published the CSRD: the Corporate Sustainability Reporting Directive. This new directive stems from the European Green Deal and replaces the existing Non-Financial Information (NFI) Directive. The CSRD requires more companies to report extensively on their sustainability performance. What exactly does the CSRD entail and what does it mean for TKF and TKH?

Derk Postma is Company Secretary, member of the management team and Director of Sustainability at TKH. The CSRD is among Derk's responsibilities. "The new guideline will apply to all listed companies and large corporations that meet at least 2 of the following criteria:

- Sales of more than €40 million.
- A balance sheet total of more than €20 million.
- More than 250 employees (averaged over a year).

So with that, the directive also applies to TKH and therefore to TKF," says Derk.

The CSRD is a new European directive resulting from the European Green

Deal. The Green Deal is a package of policy initiatives to help the EU make the green transition, with the goal of limiting global warming to 1.5°C and greatly reducing greenhouse gas emissions. The end goal is for the EU to be completely climate neutral by 2050.

Derk: "The first companies have to start reporting on CSRD from 2025. That still seems far away now, but the new directive sets such an extensive reporting requirement that we desperately need that preparation time and are thus already busy preparing for it. That we have to report in 2025 means we have to report for the 2024 fiscal year. So that means that from 1 January 2024,

we have to have everything set up to measure and store the requested data."

An important difference between the CSRD and the NFI guideline currently in force is the so-called dual materiality analysis. The current guideline requires companies to report on the environmental impact on the company. This outside-in approach is called financial materiality. With the CSRD, companies must also identify their company's impact on the environment. This inside-out approach is called the impact materiality. This must include social, societal and governance elements in addition to the environment. The entire value chain must also be included in the analysis.

Derk: "For the CSRD you report on 3 topics: environment, social and governance (ESG). These 3 main topics are in turn subdivided into numerous sub-topics. The European

Sustainability Reporting Standards (ESRS) lay down how you have to report everything. Here you have to look at both the results achieved and your future goals. For imaging purposes, the ESRS comprises a total of 82 sub-topics (so-called disclosure requirements) with some 1,200 data points. Reporting must be audited by an external auditor. Fortunately, not all topics apply to all companies, but despite that, we really do need that preparation time."

The expanded reporting requirement of the CSRD creates more transparency about the sustainability performance of nearly 50,000 companies in Europe. Derk: "That transparency makes it possible to compare companies with each other. Based on the data, as a company you can consciously choose certain partners. In this way you work together to make the entire chain more sustainable. With the ultimate goal of operating completely climate neutral in 2050."



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