

**ESG**



**SUSTAINABILITY  
AT BOAL**

**BOAL**  
GROUP

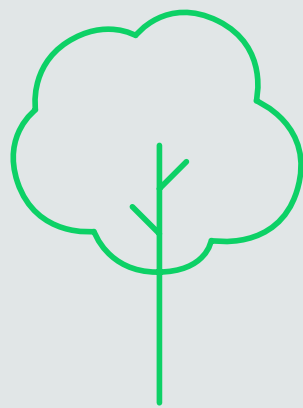


# ESG AT BOAL GROUP

BOAL RANKED #1 IN OUR CATEGORY WITH OUR ESG-SCORE IN 2022

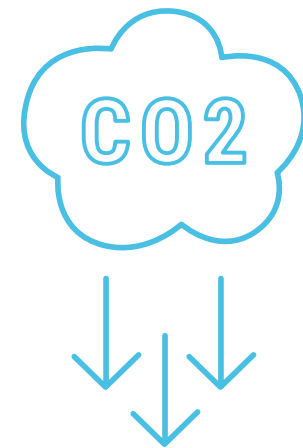
## PRODUCT ENVIRONMENTAL IMPACT

We ensure our products are made in the most sustainable way possible, using recycled materials and with the smallest CO2 footprint possible.



## CO2 REDUCTION ACROSS OUR PROCESSES

Becoming the green supplier for a green world. Not only at our own facilities, but also requiring our suppliers to do so.



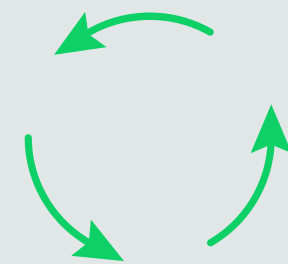
## TRANSPARENCY & REPORTING

Honesty, transparency and integrity are core values, we exemplify integrity in all BOAL Group activities and relationships.



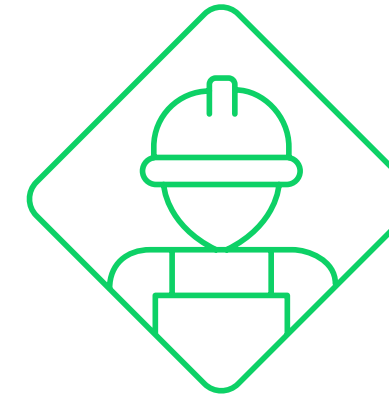
## PROMOTING THE CIRCULAR ECONOMY

We constantly strive to use less of the Earth's resources more efficiently and productively.



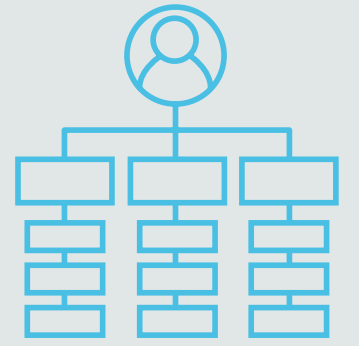
## HEALTH AND SAFETY

Make safety a priority and a passion. Striving for zero accidents and near misses.



## EMPLOYEE DEVELOPMENT

Foster a fair workplace free of harassment and strive for a culture where ethical conduct is recognized, valued.



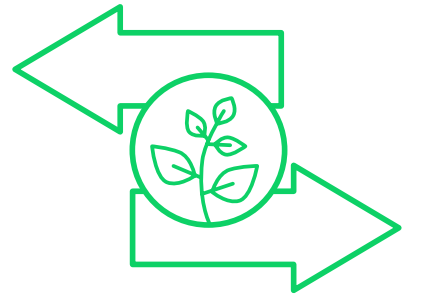
## CUSTOMER SATISFACTION

We are a loyal and reliable supplier and business partner and adhere to the principles of fair trade.



## PRIORITIZING ENERGY EFFICIENCY

Reducing the use of fossil fuels as quickly and safe as possible at our production facilities, offices & car fleet.



## ENVIRONMENT | SOCIAL | GOVERNANCE

### A BRIGHTER WORLD FOR EVERYONE

In the next 40 years Global food demand will increase by 50%. As a consequence we must produce more food in the next four decades than we have in the last 8000 years of agriculture combined. As a company, we are committed to finding innovative Greenhouse and Solar solutions to address this crisis and partnering with stakeholders across the globe to create a brighter future for everyone.



**'EVERY BUSINESS DECISION NEEDS TO PASS OUR ESG-FILTER'**

Adri Pols, CEO BOAL Group



WE SUPPORT

01.

# FOREWORD BY THE CEO



## 1.1 SUSTAINABILITY LEADERSHIP

With pride we present BOAL's 2022 Sustainability report on the outcomes of our ESG-journey. One year ago, we published a limited sustainability report over 2021; this report can be seen as a comprehensive and substantiated communication on the progress of our company's sustainability efforts.

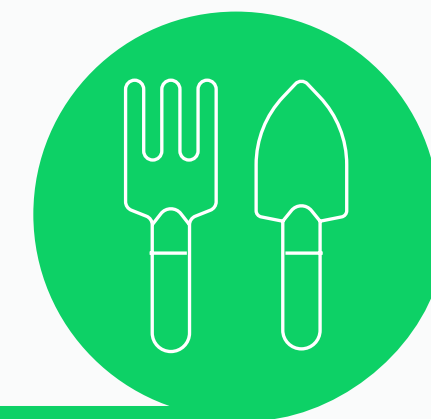
Over the last 12 months ESG has become an even more important part of our core values. On all levels of the company, we have been working hard to make this a key business driver which is fully engrained in our strategy, business, and operations.

Thereby the global challenges we mentioned last year have not diminished, on the contrary! We already realized that we were in the midst of a global climate crisis that would have far-reaching

impacts on our environment, on our lives and on global socio-demographic imbalances. Russia's invasion of Ukraine resulted in a humanitarian crisis in the affected region and an ongoing energy crisis impacting Europe in particular, including the aluminum and horticulture sectors we are in.

More than ever sustainability is becoming a pivotal determinant for the future of businesses. We are observing a growing demand from our customers, employees, and communities to indeed consider the impact of our actions on our people, communities, and natural environments. Despite all challenges, we are energized by the prospect of continuing to stretch ourselves and innovate, to show resilience and rise above.

**Adri Pols on behalf of BOAL**



## 01 / **START**

(Jan '22 - March '22)

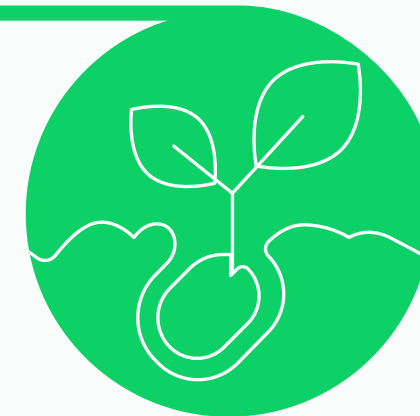
Roadmap ESG Strategy + Sustainability ESG Rating (Risk score Negligible)



## 02 / **SEED**

(April '22)

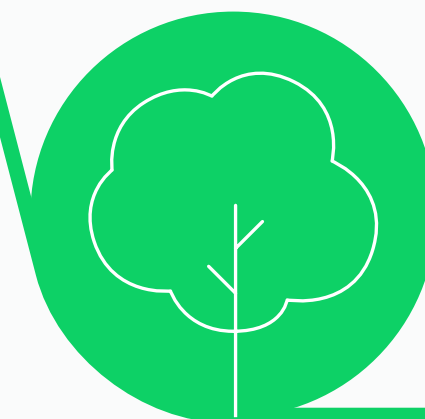
Setting Organizational Goals and Objectives. Elaborate Organization and Structure. Decide frequency on Meetings + Communication



## 03 / **SEEDLING**

(May '22 - June '22)

Kick off permanent ESG organization. Set up of structured report for monitoring progress



## 04 / **SAPLING**

(Aug '22 - Nov '22)

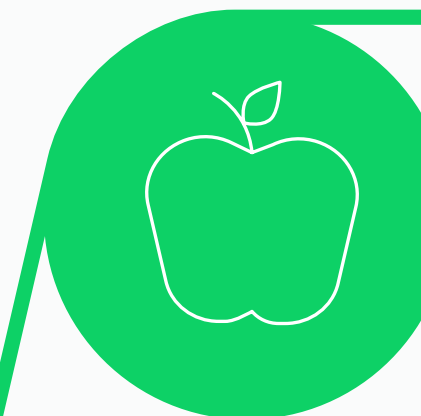
Execution of workstream projects



## 05 / **TREE**

(June '22 - July '22)

Evaluation of ESG organization and Deliverables. Start execution of workstream projects



## 06 / **FRUIT**

(Dec '22)

First tangible results on ESG projects

## 1.2 ROLLING OUT THE ESG ROADMAP

At the start of our ESG journey in the last quarter of 2021, we could not have imagined the enormous steps we would make as an organization in 2022 in the field of Environment, Social and Governance.

On all material topics we have progressed substantially. After outlining our strategy including ambitious targets, we set-up the organization and started on the various projects, whereby in the last months of the year we started harvesting tangible results.

## 1.3 ACHIEVEMENT SUMMARY

Implementing our ESG Roadmaps starts paying off in a positive way. We **improve, facilitate, and promote** all aspects of our sustainability strategy, both within our company and towards our external stakeholders.

**Improve** is all about reducing the environmental

impact of our own operations. We are very well on track this year with respect to our **Greenhouse Gas (GHG) reduction and Energy Efficiency** lowering our absolute Scope 1 and 2 emissions with 16% against previous year's emissions.

We worked on further **improving** our **Health and Safety** performance in 2022. We can be proud of streamlining our policies and methods on this topic, introducing a BOAL Group wide Safety standard. Safety remains our highest priority and we strive to be incident and injury-free. We aim to deliver this by creating a culture in which everyone working for BOAL, whether as an employee or a contractor, is engaged in maintaining a safe work environment.

We continued **to develop and strengthen our organization, leadership, people, and culture** to enable continued high performance and engagement. By extending the management board and implementing functional reporting lines we

accelerated leadership development for both people and teams throughout the entire group.

We also started to **facilitate** our customers and partners in our industry in their sustainability endeavours. By sharing our ESG journey via various associations and platforms we try to connect, inspire, educate, and share knowledge on **Circular economy and Product Environmental Impact**. Developing products and solutions that deliver **Customer Satisfaction** and deplete the earth less is thereby one of the focus points.

Concerning **Transparency & Reporting**, we started our support for the UN Global Compact in 2022 and thereby committed ourselves to report our progress via the Communication on Progress framework of this initiative. We are proud to be recognized as one of the first members in our industry working towards and **promoting** the SDG's together with governments, industry bodies and peers.

The participation in the SDG Flag Day / #togetherfortheSDGs is a good example.

A comprehensive ESG risk rating was performed by Sustainalytics (a Morningstar company) in the first quarter of 2022 and we received our rating in April. It was an incredible reward for the steps we have taken in terms of ESG.

On an annual basis Sustainalytics awards those companies with the best ESG Risk Ratings score. Strong outperformers in their respective region/continent are awarded with the Regional Top-Rated Badge, BOAL being one of these. Strong outperformers in their respective industries receive the Industry Top Rated Badge, with BOAL occupying the number one position in its

industry. The last and most prestigious badge is for the worldwide 50 companies with the best overall ESG risk rating score out of the more than 15.000 companies comprehensively assessed by Sustainalytics: the Global Top 50 Badge.

In summary, at BOAL Group we are humbled and very proud to have been awarded all three of these badges.



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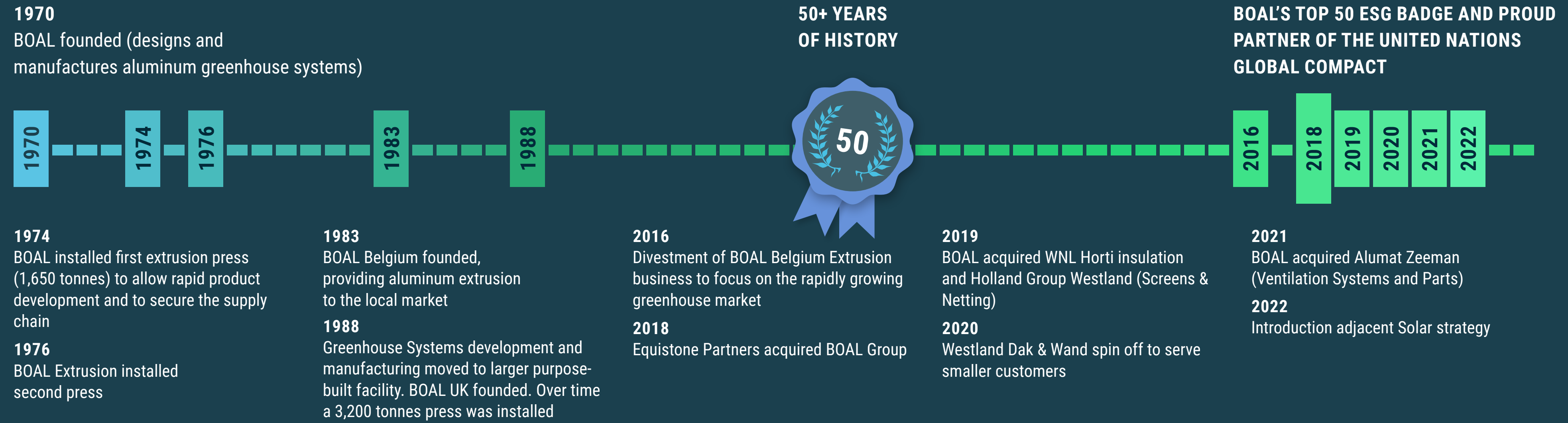
02.

# COMPANY PROFILE





# HORTICULTURE IS IN OUR ROOTS AND TOGETHER WITH SOLAR IT WILL PROPEL US INTO A SUSTAINABLE FUTURE



## 2.1 HORTICULTURE IS IN OUR ROOTS AND TOGETHER WITH SOLAR IT WILL PROPEL US INTO A SUSTAINABLE FUTURE

It is our purpose to partner with builders and growers worldwide by engineering and manufacturing compatible components for high-tech covered cultivation. Together we enable

growers to flourish and to sustainably feed the growing population with fewer resources.

About 75 percent of greenhouse growers indicated mid 2022 that they are adjusting their cultivation strategy, or even temporarily ceasing production, because of the financial impact due to the high

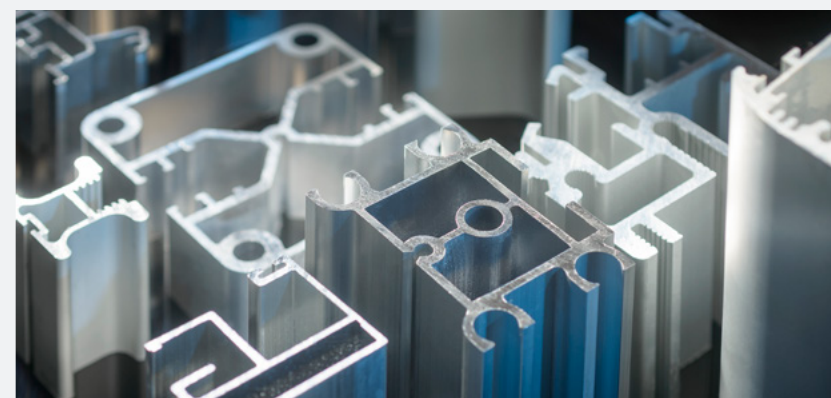
energy costs. It is therefore logical that the energy crisis also has an impact on BOAL as a supplier of the horticulture industry.



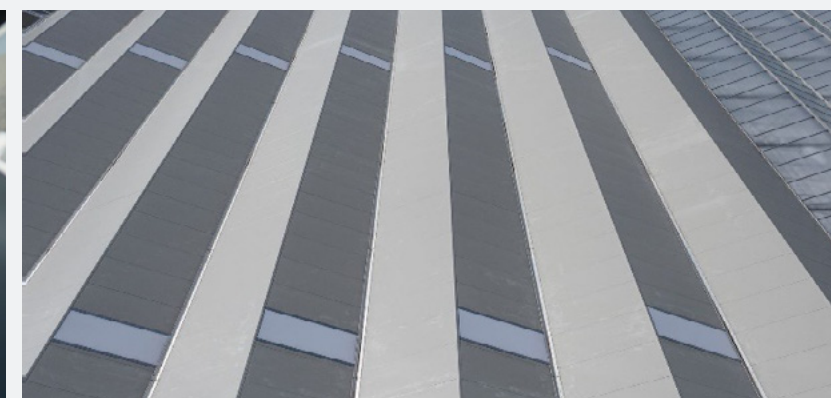
**ROOF & SIDEWALL SYSTEMS**



**INSECT NETTING**



**ALUMINUM EXTRUSION (UK & NL)**



**INSULATION SYSTEMS**



**CLIMATE SCREENS**



**VENTILATION, SCREENS & PARTS**

Fortunately, our aluminum extrusion business isn't depending on horticulture only. BOAL's aluminum profiles are used in many different sectors. We have a specific focus on the solar sector as it is a driver of the energy transition. Aluminum has the ideal properties for use in solar mounting systems. They are lightweight yet durable, which

means they can withstand high winds and snow loads with ease. Additionally, aluminum frames are resistant to corrosion and weathering, which helps to prolong the lifespan of the solar panels. Overall, our aluminum frames are seen as a great choice for solar panels because they offer a balance of strength, durability, and cost-

effectiveness. Our strategic focus on the solar industry helps our company to be resilient through different economic cycles.

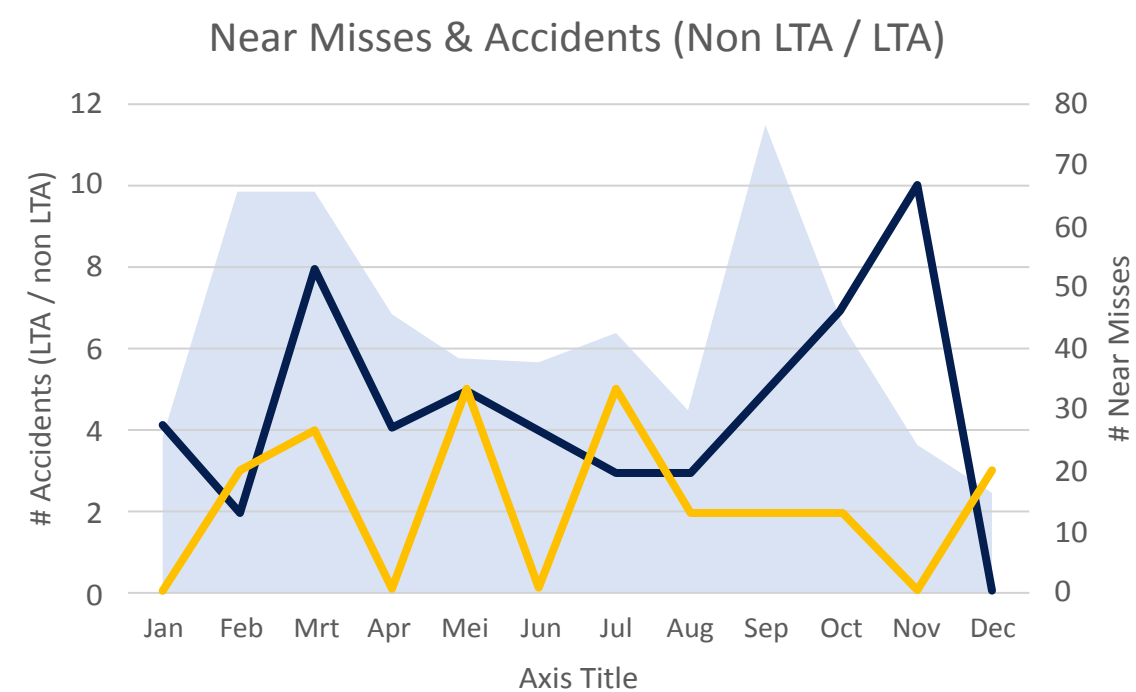
## BOAL'S MATERIAL TOPICS

- Scope 1 + 2 CO2 Emissions / Energy efficiency
- Scope 3 CO2 Emissions
- Health & Safety
- Employee Development
- Circular Economy / Product Environmental Impact
- Customer Satisfaction
- Transparency & Reporting

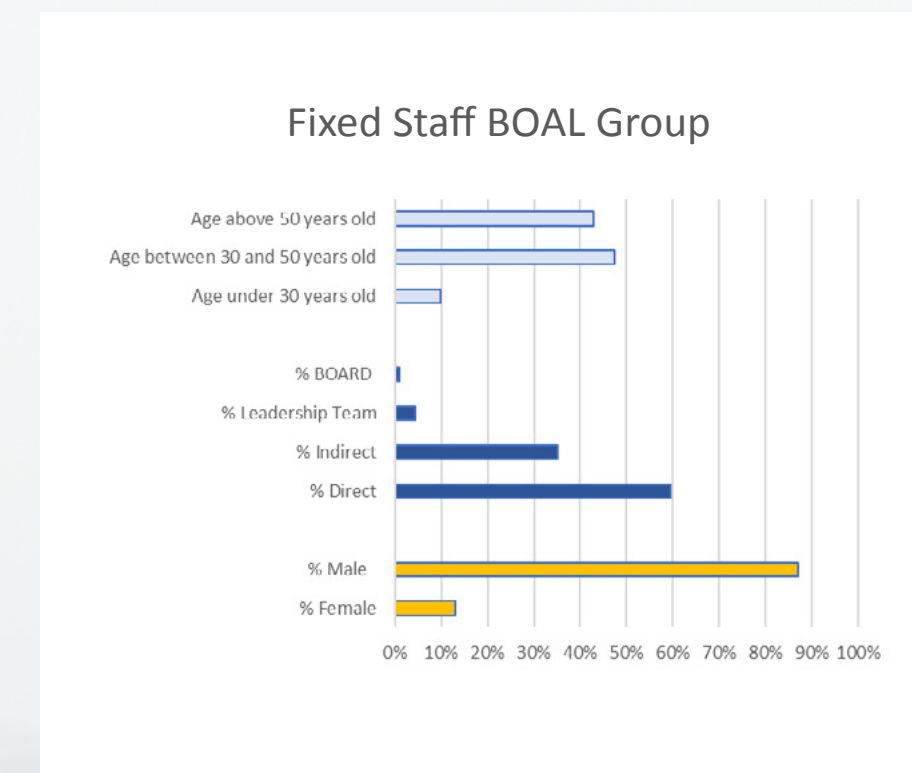
## TRANSPARENCY & REPORTING

- ESG governance mechanisms & reports implemented
- Awarded with the Sustainalytics 2023 Global Top 50 Badge
- Committed to UN Global Compact "Communication on Progress"

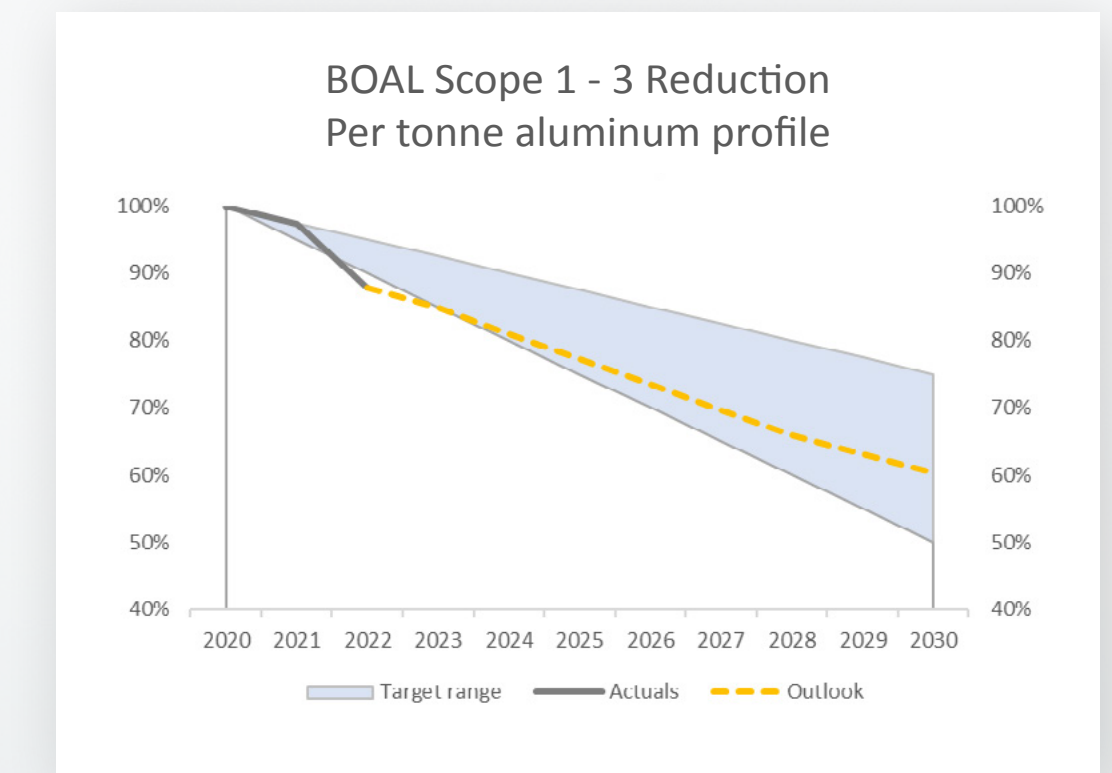
## HEALTH & SAFETY



## 526 EMPLOYEES



## 9% REDUCTION IN CO2 EMISSION PER TONNE ALUMINUM IN 2022



## CIRCULAR ECONOMY / PRODUCT ENVIRONMENTAL IMPACT

- Insect netting to reduce pesticides and enhance biodiversity
- Climate screens and sandwich panels to reduce energy usage
- Focus on aluminum with reduced carbon emissions
- ETFE greenhouses with 10 times less embodied energy per M<sup>2</sup> than glass

## 2.3 BUSINESS UNITS, PRODUCTS, AND MARKETS

**BOAL Extrusion** specializes in the production of extruded aluminum products whereby profiles are formed in a specific shape by pressing these through a die. As already indicated, next to building greenhouses and solar panel mounting systems, the extruded aluminum profiles can be used to make a wide range of products, including, curtain wall systems, aluminum luminaires profiles for LED lights and window and door frames. BOAL Extrusion has a reputation for producing high-quality, custom extruded aluminum products that meet the unique needs of its customers.

The company utilizes state-of-the-art technology and equipment, and employs a team of skilled professionals to design, manufacture and deliver the products to the customers. BOAL Extrusion is committed to providing excellent customer service and is dedicated to continuously improving

its operations to meet the evolving needs of the industry. Our key focus at BOAL Extrusion is to reduce our CO2 footprint by reducing the use of energy and of natural gas in particular.

**BOAL Systems** specializes in the design, manufacturing, and supply of high-quality aluminum systems for both Horticulture and Solar panel mounting. BOAL Systems' in-depth engineering knowledge and close relationship with BOAL Extrusion delivers innovative sustainable solutions which makes them a popular choice among its customers.

The high-quality insulation systems of **WNL Horti Insulation** are an essential part of the energy conservation strategy implemented in high-tech greenhouses. By adding insulated sandwich panels to roofs, sidewalls and front walls, which do not require any sunlight, growers will conserve a significant amount of energy. Production and

service rooms equipped with insulation panels constitute safe workspaces and storage rooms with a stable atmosphere, thus conserving energy and possibly reducing food wastage. WNL offers various types of advanced joined panels (no sealant necessary) and integrated roofing systems, suited to the characteristics, and intended use of each type of greenhouse.

To make an additional contribution to strengthen biodiversity, insect netting is a real value add. **Holland Netting**, as a pioneer and world leader in this area, is known for its focus on innovation, quality, and sustainability in the horticultural industry. Windows equipped with insect-netting reduce pesticide use and improve biodiversity, whereby recent scientific studies show that insect netting has no adverse effects on the greenhouse's climate.

Horticulture screen systems for greenhouses have undergone a tremendous development in recent years. Screens are fulfilling more and more functions like temperature regulation, energy saving, light management, and humidity control. All contributing to a sustainable food production. As versatile supplier of screen systems, **Holland Screens** is planning to go even further and is currently looking at integrating the circular economy philosophy into its operations.

The wisdom that repairing parts is much more sustainable than completely renewing entire greenhouse systems, has been embedded at Alumat Zeeman for many years. With the state-of-the-art machine park combined with decades long extensive industry knowledge, **Alumat Zeeman** offers parts, industrial processing, screen & ventilation systems being both service-oriented and environmentally friendly.



03.

# SUSTAINABILITY MOTIVATION, MANAGEMENT AND STRATEGY

### **3.1 MOTIVATION / PART OF THE CORPORATE STRATEGY / SUSTAINABLE VALUE CREATION**

The BOAL Group is committed to creating value in a sustainable manner, which is reflected in our corporate strategy and all key decision-making processes. We understand that Environmental, Social and Governance (ESG) issues are becoming increasingly relevant to our stakeholders and society as a whole, and we recognize the importance of addressing these in order to create long-term value. Therefore, we have chosen to integrate ESG principles into our operations and governance structures, and to report on our performance in these areas through our annual Sustainability report.

We believe that by proactively managing ESG risks and opportunities, we can ensure the long-term performance of our business and contribute to the well-being of society and the planet. Furthermore, by transparently reporting our performance in

these areas, we demonstrate our accountability to our stakeholders. We see the future in sustainable value creation, and we are confident that our commitment to ESG will enable us to create value for all our stakeholders in the long term, while ensuring that we operate in an environmentally, socially, and ethically responsible way.

### **3.2 MATERIALITY ASSESSMENT AND STAKEHOLDER MANAGEMENT**

When developing our ESG strategy, we conducted a thorough materiality assessment to identify the key ESG issues that are most relevant to our company and stakeholders. Through the extensive compilation of internal BOAL's ESG metrics performance like Diversity of workforce, Health and Safety performance, Gas and Electricity usage / CO2 footprint, was mapped and benchmarked with peers in the industry. Subsequently a materiality assessment was done via interviews with customers, suppliers, management/staff,

and stakeholders such as business associations, interest groups and industry leaders on ESG. Through this process, we were able to identify 7 topics that emerged as key drivers for our ESG strategy:

- Scope 1 + 2 CO2 Emissions / Energy Efficiency
- Scope 3 CO2 Emissions
- Health & Safety
- Employee Development
- Circular Economy / Product Environmental Impact
- Customer Satisfaction
- Transparency & Reporting

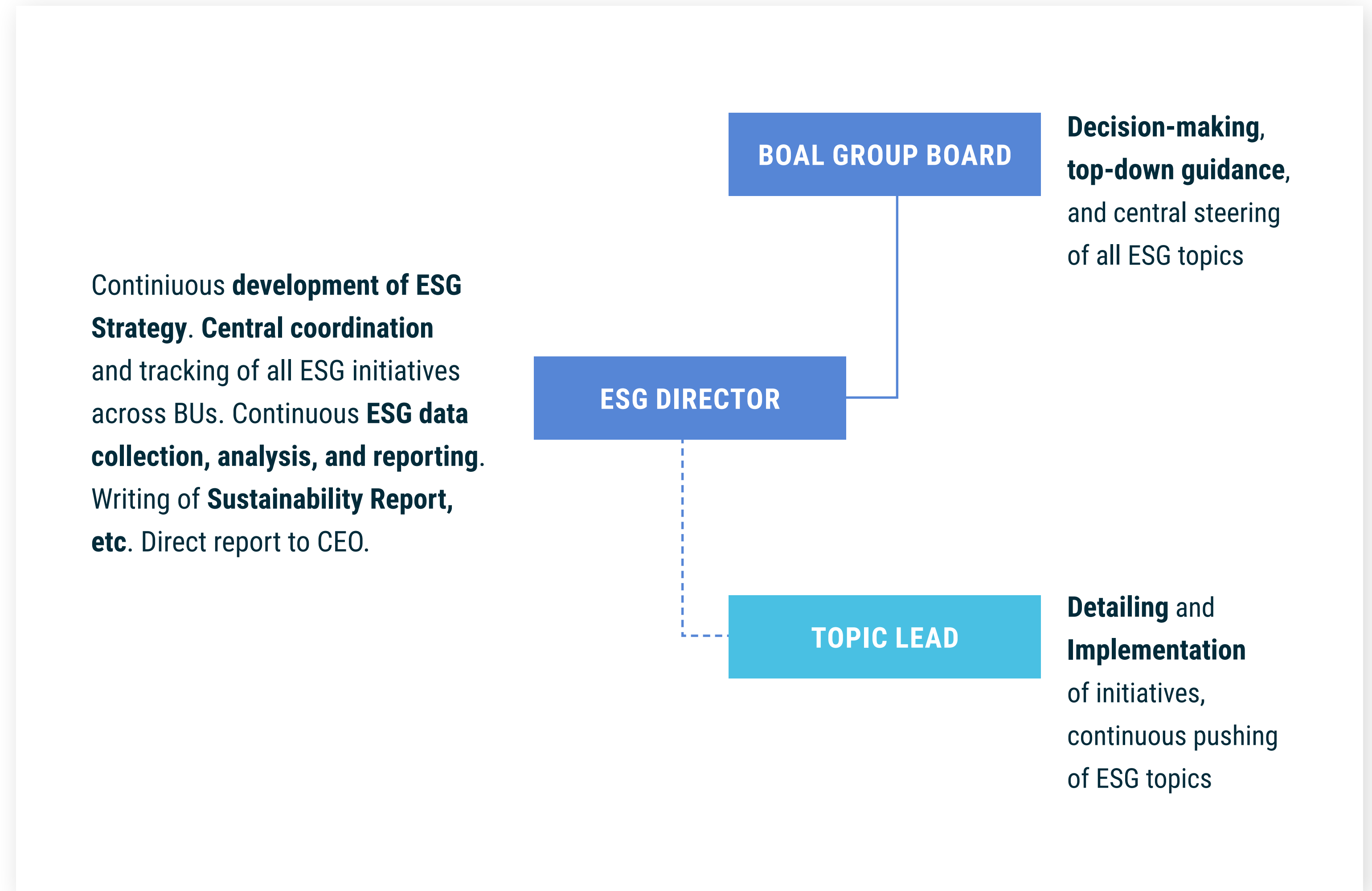
These topics were chosen based on their relevance to our operations, their potential impact on our stakeholders, and their alignment with our corporate values and strategy.

By focusing on these key drivers, we prioritize our efforts and resources in areas where we can have the greatest impact. Furthermore, by engaging with our stakeholders in the materiality assessment process, we ensure that our ESG strategy is aligned with their interests and expectations. We will continue to use these key drivers as a guide in our ESG strategy and reporting. To be sure that the material topics remain valid, we will carry out a yearly review going forward.

### 3.3 SUSTAINABILITY MANAGEMENT AND GOVERNANCE

To ensure BOAL Group’s implementation readiness for its ESG strategy, members of the Senior Leadership Team (SLT) were appointed as “Topic lead” per material topic. By doing this, progress within the organization for every ESG topic was secured, including a reporting line to the associated board member. Additionally, a fully dedicated ESG

Director and a subordinated project-organization for the ESG topics was installed.





To maintain momentum to ensure engagement of all BOAL employees and motivation to achieve ESG targets as promised, clear internal and external commitments were made.

INTERNAL	EXTERNAL
Establishing ESG governance mechanisms & reports to closely track implementation progress & ESG performance.	Externally communicate ESG targets and progress on an ongoing basis (e.g., Sustainability report / UN Communication on Progress).
Internally communicate on decisions regarding targets, initiatives, and mandates of Topic Leads to all staff.	Demonstrate seriousness regarding ESG towards customers & business partners (e.g., via offering "Circular Products", certificates)
Incentivize management via ESG KPIs and reward structure.	ESG risk rating

To keep the progress on ESG going and allowing it to run flawlessly and in accordance with the plan the following governance structure was set in place:

MEETINGS	PARTICIPANTS	CADENCE
ESG SteerCo/Update to Shareholders	Shareholders BOAL Group board Topic owners (optional)	Quarterly
ESG Committee	BOAL Group board ESG Director Topic owners	Monthly
Project Jour Fixe	CEO ESG Director	Bi-weekly
Working sessions	ESG Director Topic owners Project members	As needed

The responsibilities of the ESG committee hereby consists of:

- Monitor Product Environmental Impact of all BOAL Group products and services
- Track progress towards ESG ambition, targets and deadlines
- Develop and set up ESG activities, programs & initiatives
- Consult and discuss stakeholder considerations
- Track overall ESG strategy development and adjust as needed
- Approve ESG budget including CAPEX requests

Results are communicated within our organization to all employees and externally if applicable.

Part of the bi-weekly meetings is keeping track of all ESG initiatives and where necessary to adjust direction, pace, or importance. ESG reporting is included in the monthly financial and control schedule.

By taking a comprehensive approach to sustainability, we make sure that our operations are environmentally responsible, socially equitable, and economically viable in the long term. This not only benefits our company and stakeholders, but also contributes to the overall well-being of the communities and ecosystems in which we operate. Through effective governance structures and transparent reporting, we can hold ourselves accountable for our sustainability performance and continuously improve upon it. Furthermore, by embedding ESG into our decision-making processes and strategic planning, we can identify and capitalize on opportunities for growth and innovation. Ultimately, sustainability management and governance are essential for the long-term success and resilience of the BOAL Group.



### 3.4 SUSTAINABILITY STRATEGY AND VISION (TARGETS, INITIATIVES, STATUS)

Our vision for sustainability is to be a leader in our industry, continuously improving our performance with the focus on the topics mentioned in the table, that can be seen as essential components for our company:

MATERIAL TOPIC	STRATEGY & TARGETS
SCOPE 1 & 2 EMISSION ENERGY EFFICIENCY	2025: 25% reduction and in 2030: up to 50% reduction of GHG emission intensity from a 2020 baseline
SCOPE 3 EMISSION	When choosing our business partners, we will make sustainability and especially CO2-emissions one of the key decision parameters. The aim is to have a 25% to 50% reduction of emissions by 2030
EMPLOYEE HEALTH & SAFETY	To compete in 2024: Industry average for TRIR #Near misses, #Accidents. To lead in 2030: Top quartile for TRIR #Near misses, #Accidents
TRANSPARENCY & REPORTING	2023: Strong and active Governance Policy. UN Global compact & CSRD-compliant Sustainability Report
EMPLOYEE DEVELOPMENT	2023: Build full-fledged group wide HR platform & system
CUSTOMER SATISFACTION	Differentiate versus competition via sustainable products
CIRCULAR ECONOMY / PROD. ENVIRONM. IMPACT	Stand out from the competition via sustainable products. Launch 3 “circular” products in 2023 with 10-75% share of recycled input as parallel options to existing products

We strive to create long-term value for our stakeholders and to contribute to the well-being of the communities and ecosystems in which we operate.

### 3.5 SUPPORT OF THE UN GLOBAL COMPACT'S PRINCIPLES

At BOAL we are committed to be a responsible corporate citizen and to contributing towards this. The UN Global Compact offers a framework for

companies to align their strategies and operations with universal principles on human rights, labor, environment, and anti-corruption, and to contribute to the achievement of a sustainable future. The BOAL Group has incorporated the [Ten Principles](#) of the United Nations Global Compact into its strategy, policies, and procedures.

Additionally, the United Nations believes that ending poverty and other deprivations must go

together with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. To do so the [17 Sustainable Development Goals](#) (SDGs) were developed, which BOAL also supports. Based on the strategy and nature of BOAL's products for controlled environment agriculture and solar energy, BOAL focusses especially on:



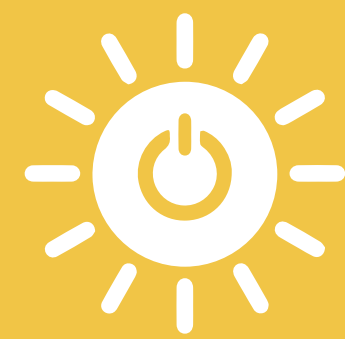
#### 2. ZERO HUNGER

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



#### 6. CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all.



#### 7. AFFORDABLE AND CLEAN ENERGY

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



#### 11. SUSTAINABLE CITIES AND COMMUNITIES

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



#### 15. LIFE ON LAND

Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

04.

# ENVIRONMENTAL AND CLIMATE PROTECTION



## 4.1 CO2 EMISSION REDUCTION AND ENERGY EFFICIENCY

Aluminum is both an important input to a number of technologies critical to the energy transition, and a significant source of CO2 itself. The aluminum value chain is responsible for about 3% of the world's direct industrial CO2 emissions. Within the BOAL Group the aluminum extrusion branch is also the major consumer of energy. Of course, in our Horticultural businesses, we are also working hard to reduce our CO2 footprint through energy-saving measures and (generating our own) green electricity via solar panels, but the focus at Extrusion has the greatest impact. To achieve our targets on emissions, BOAL has - based on a thorough analysis - developed a gradual path towards its targets in 2030.

TABLE: SCOPE 1-3 CO<sub>2</sub> EMISSION INTENSITY TREND

	CO <sub>2</sub> EMISSION INTENSITY			
	YEARS			
	2019	2020	2021	2022
Scope 1 CO <sub>2</sub> (tCO <sub>2</sub> / €m)	39	37	23	21
in % of Total	1,68%	1,60%	1,26%	1,54%
Scope 2 CO <sub>2</sub> (tCO <sub>2</sub> / €m)	27	27	21	16
in % of Total	1,16%	1,15%	1,13%	1,14%
Scope 3 CO <sub>2</sub> (tCO <sub>2</sub> / €m)	2.240	2.262	1.807	1.354
in % of Total	97,16%	97,25%	97,61%	97,3%
Total (tCO <sub>2</sub> / €m)	2.305	2.326	1.851	1.391

### Scope 1 and 2 / Energy efficiency

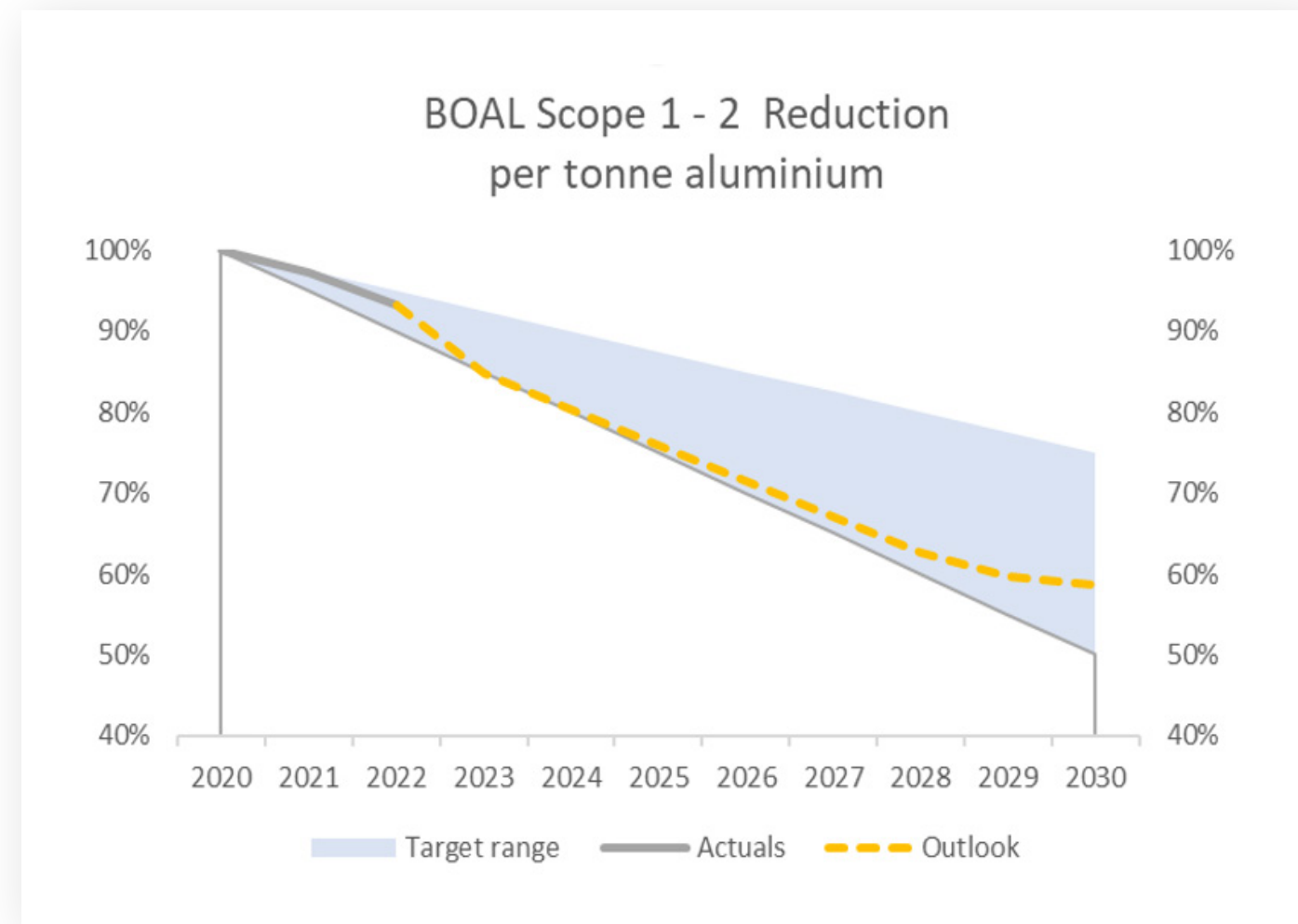
Halving the Scope 1 and 2 CO2 emissions per tonne of produced aluminum in 2030 can be carried out based on a strategy that has the following three pillars:

1. Switching to green electricity;
2. Increasing energy efficiency;

3. More efficient gas ovens / Switch to electric ovens powered with green electricity.

The first two pillars can be implemented quickly and that is why we immediately have started working on these. We have signed a contract to ensure 100% of our electricity in the UK is green. Various analyses and measurements have been carried out to understand which processes can be improved to make them more energy efficient. Hereby the high gas prices were also a driver as due to that, the economic payback times were shortened.

We want to contribute to CO2 reduction across all companies. An example of this is the greening of the lease car policy, which means that electric driving is now the most attractive option. Other areas include the further expansion of energy-saving lighting and preventing waste of energy.



The third pillar has most impact. Replacing inefficient gas ovens is critical for our reduction of CO2 emissions. At the same time these are complex projects with many variables to consider like financial, technical, and environmental aspects. As a result, these types of projects have a long lead time.

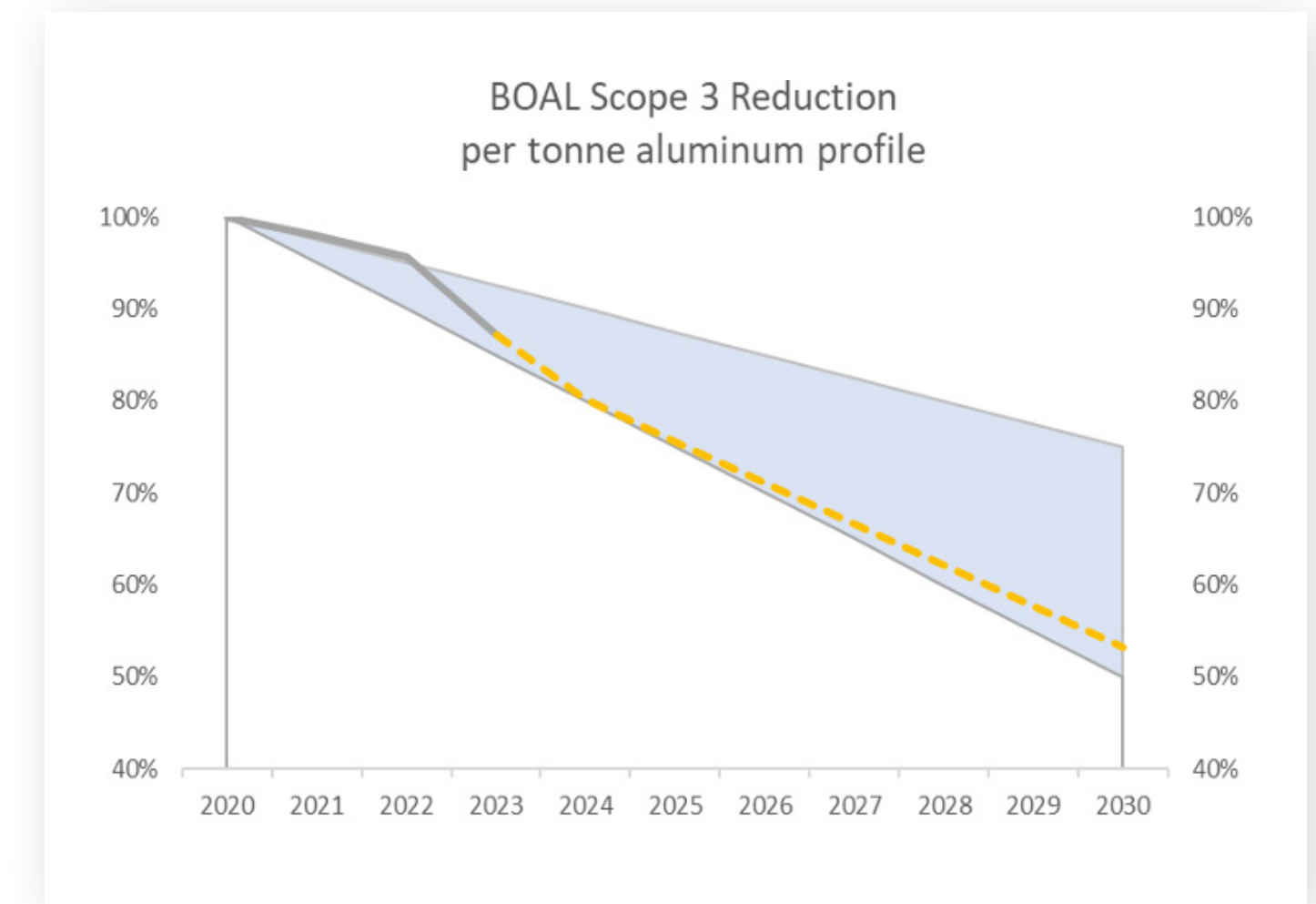
In the 4th Quarter of 2022, a Capex request for a new billet oven was approved by the BOAL board. The equipment has been ordered and installation

is planned for December 2023. The new oven is 40% more efficient in gas use than the current one. In addition, in the field of electric ovens, a suitable supplier has been found that has a high degree of knowledge in the area of electric ageing ovens. Possible future replacements of ovens can therefore be CO2-free, provided the electricity grid has sufficient capacity and the economic business case is also positive.

### Scope 3

In order to achieve the Net Zero Emissions by 2050 Scenario, the worldwide Aluminum Industry should decline its emission by about 3% per year to 2030. In the past few years, on a global level, the average emissions intensity of aluminum production has seen only a slight downward trend. However, looking at our extrusion business our Scope 3 emissions improved by 10% measured by CO2 emissions per tonne aluminum produced compared to 2021. We place particular emphasis

on choosing our sourcing partners to ensure we continuously reduce our Scope 3 emissions, ahead of the industry.



Even when we look to the future and discuss the possibilities with our aluminum suppliers, we assume that we will take significant steps until 2030 to meet our stated goals. In order to achieve this, the aluminum sector is developing and deploying new technologies to reduce emissions from primary and recycled production, while the

industry and its customers need to increase scrap collection, sorting and recycling.

## **4.2 CIRCULAR ECONOMY**

Circularity, or the concept of designing products and systems that can be reused, repaired, refurbished, and recycled, is becoming essential in our efforts to create a sustainable future. By embracing circularity, we can reduce our dependence on finite resources and decrease the amount of waste that ends up in landfills. Additionally, circularity can help to create jobs, stimulate economic growth, and promote social well-being.

We already knew that the metals we use (mainly aluminum but also steel) are very reusable, but last year we changed our perspective also on other products and looked further towards the circularity concept when improving / designing our products & solutions. Although we just started, we are

making progress in redesigning our products to become circular. A concrete example is a climate screen with a high percentage of recycled input. We are also assessing the use of PVC: to either replace it with a more environmentally friendly or a degradable alternative.

In addition, we also focus on all relevant procurement categories. And every decision is made through our ESG filter, meaning all our business decisions and investments must pass our commitments towards our ESG-goals in order to be eligible for approval.

## **4.3 ENVIRONMENTAL MANAGEMENT (WASTE, WATER, LOGISTICS)**

Our extrusion plant in Shepshed is at the forefront of waste management. Partnering with a leading provider of recycling and resource recovery solutions, a new bailing solution and waste segregation has allowed us far greater control

and now allows us to manage our waste streams. Instead of landfill, now up to 99% of our UK waste goes to downstream recycling making, a proud contribution to our ESG commitments. This successful initiative is set to be copied soon for all BOAL branches.

As climate change progresses, water stress will increase, whereby UNICEF foresees that half of the world's population could be living in areas facing water scarcity by as early as 2025. Some 700 million people could be displaced by intense water scarcity by 2030. And by 2040, roughly 1 in 4 children worldwide will be living in areas of extremely high water stress.

With the United Kingdom and the Netherlands having low to medium-low water stress levels, our BOAL operations are not directly affected by water scarcity risks. Compared with its industry, the water usage of BOAL is only 15% of the median



in the building products. Still, we see it as our responsibility to continuously optimize our water management to positively impact the communities and environments we operate in.

This also stems from the controlled environmental agriculture philosophy whereby BOAL's advanced greenhouse systems helps to preserve water by a closed loop, providing our customers with bespoke products which will contribute to reduce the amount of water they use with factor 10, in comparison with growing crops in open field. Our ambition is a 15% reduction in water withdrawal by 2025 from a 2020 baseline.

BOAL relies on third parties to transport its goods. We are aware that the transport of goods has a significant impact on our carbon footprint, which is why we are actively striving to reduce emissions as much as possible. Hence, we started an initiative to proactively seek out a logistics partner that

continuously works on reducing their impact on the environment.

Our transport partner at Extrusion in de Lier for example now has its entire fleet equipped with Euro 6 engines and uses vegetable oil fuel.

Compared with average diesel fuel, this has the following positive properties:

- Completely fossil-free diesel;
- Reduces CO2 emissions by 90% compared to regular diesel;
- Contains virtually no sulphur particles and aromatics;
- Does not contain FAME biodiesel components;
- Is well biodegradable.

Another example is the container transport of BOAL's subsidiary Holland Groep Westland (HGW) which ships numerous containers worldwide every year. Since CO2 emissions are released during container transportation, we try to find a

logistics partner that reduces these emissions. After investigating the market, we have found a reliable partner which has implemented several ESG initiatives such as:

- Implementing a "Reduce-Reuse-Recycle" policy on a global scale to manage the company's consumption of energy, water, and waste material;
- Future implementation of the "Carbon Footprint" to assist in measuring and controlling the release of CO2 emissions from the company, third party service providers and customers;
- Is certified to ISO 14001 Environmental Management system requirements.

With our efforts in the field of environmental management, BOAL shows it recognizes the importance of balancing economic, social, and environmental considerations to create long-term value for our stakeholders and contribute to the well-being of society and the planet.

05.

# SUSTAINABLE PRODUCTS



## **5.1 PRODUCT ENVIRONMENTAL IMPACT AND SUSTAINABILITY OF BOAL PRODUCTS**

Overall, BOAL's products have an environmental impact, but we are committed to minimizing it by implementing sustainable practices in the production process and promoting recycling of their products after use. Our efforts in reducing the environmental impact of our products make BOAL a good choice for industries that strive for sustainability.

To obtain Customer Satisfaction and at the same time tackle global battles is a challenge that we have taken on. Hereby we focus to reduce climate change, biodiversity loss, waste & pollution and improve human well-being. This challenge has become concrete by making an ESG inventory scan of all the products and production factors of the different BOAL subsidiaries.

Although in the development stage, we see various sustainable products per BOAL subsidiary that we now see viable for further development and introduction to the market. In the coming period we will work on further developing the sustainability of our products by:

- Increasing the recyclability of the product;
- Increasing the percentage of recycled input of the product;
- Reducing CO2 emissions and increase energy efficiency during the manufacturing process;
- Purchasing raw materials with reduced CO2 emissions during the manufacturing process;
- Improving insulation values of products.

In terms of production, the environmental impact of BOAL's products can be significant due to the energy and resources required to extract, process and manufacture aluminum. We are aware of this and are in close contact with our aluminum suppliers to obtain aluminum billets with reduced

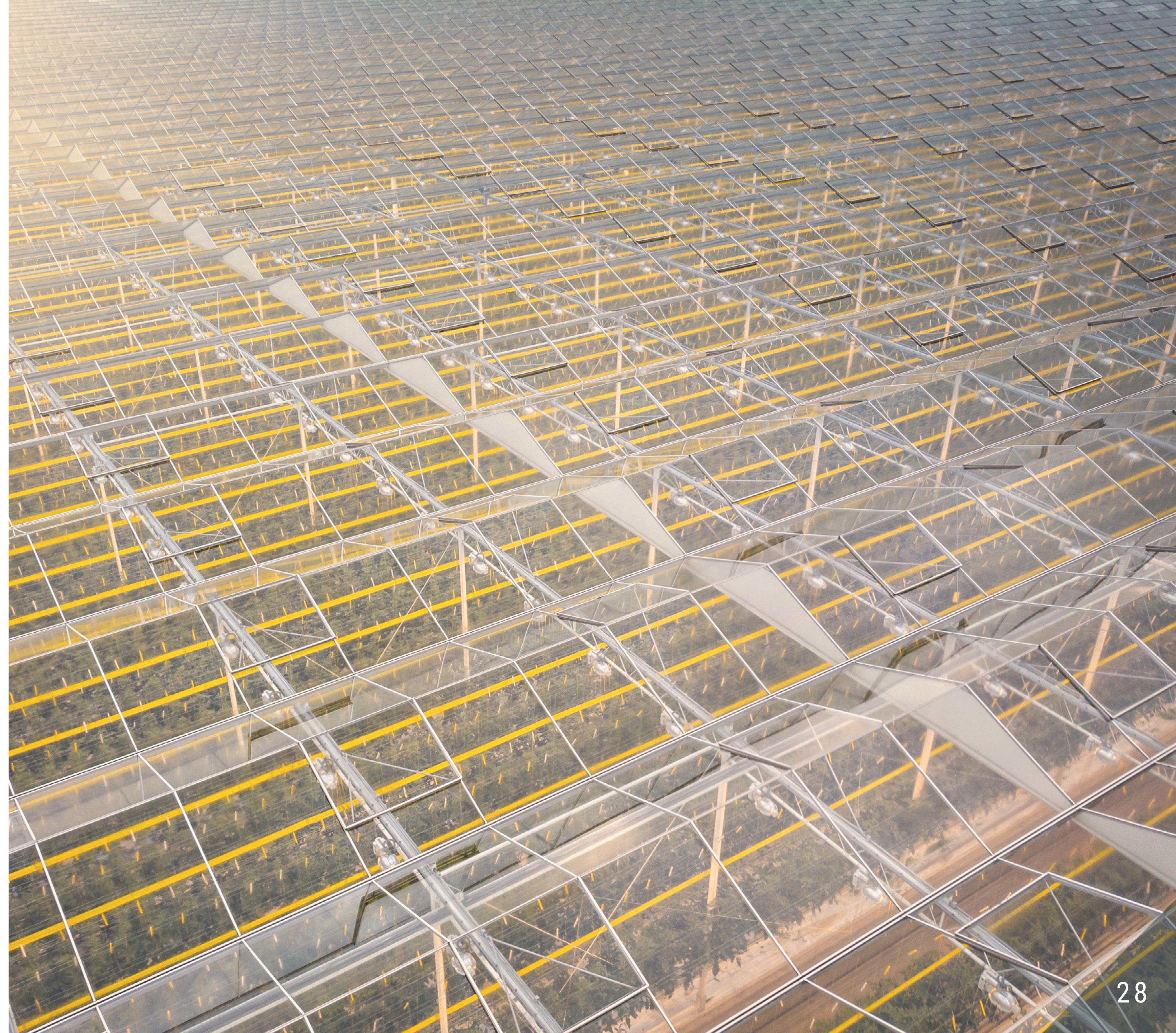
environmental impact. This can be done via products with large recycled input, manufacturers investing in renewable energy sources and implementing energy efficiency measures in the production process.

During use, our products in horticulture and other industries have a relatively low environmental impact, as they are lightweight, durable, and require little maintenance. Additionally, because aluminum is 100% recyclable, BOAL's products can be recycled at the end of their useful lives, thus reducing their overall environmental impact.

## **5.2 CUSTOMER SATISFACTION**

Customer satisfaction and Product Environmental Impact play a critical role in ensuring that our products meet the needs of customers and are sustainable.

In the horticultural industry, customers expect high-quality greenhouse systems that can withstand the rigors of outdoor conditions and increasing extreme weather events. Additionally, growers expect enhanced products that are able to protect the plants from pests and diseases, while allowing enough light and air to reach the plants. Insect netting and greenhouse screens are an important component of horticulture and contribute to customer satisfaction and product safety by providing a physical barrier against pests and insects, thus protecting the plants from damage and disease, while allowing enough light and air to reach the plants. This helps to minimize the environmental impact of horticulture and promote sustainable practices.



06.

# SOCIAL RESPONSIBILITY



## 6.1 HEALTH AND SAFETY

As BOAL, we place the highest priority on the health and safety of our employees, temporary staff and contractors working in our factories and on site. In the previous year, we launched a groupwide program to enhance and align our health and safety management over the different companies in order to further improve our performance in this area.

This program included measures such as creating a safety culture by sharing best practices, incident reporting and performing regular risk assessments. In the past year, we have identified 505 near misses, 55 accidents without a longer work stoppage and 25 lost-time accidents (LTA's) within the BOAL Group. On all incidents we have done an extended risk analysis which helped us in our efforts to improve on a safe working environment.

We have set targets for 2023 to improve reporting on near misses in order to reduce the number of LTA's and to improve our overall health and safety performance. We believe that investing in health and safety not only benefits our employees and stakeholders, but it also contributes to a more sustainable business environment. We are committed to continuously monitoring and improving our health and safety performance to ensure that we provide a safe working environment for all.

## 6.2 EMPLOYEE SATISFACTION AND EMPLOYMENT CREATION

Creating a positive work environment for our employees at BOAL, will foster their satisfaction and decrease staff turn-over. We fully understand that not only in a tight labour market a satisfied workforce is essential. But also aspects like quality, reliability and continuity, happy and proud

employees will ensure our business performance long term.

In order to fulfil the various vacancies, we have recently expanded our HR team with a dedicated recruiter, to ensure we attract and retain the best talent possible. Furthermore, we have implemented an extensive onboarding program, to ensure that new employees feel welcomed and integrated into our company culture.

To further engage our staff, we have held various meetings and events to keep our employees informed and to foster a sense of community. We also strive to integrate our employees between different companies under our corporate umbrella by working on groupwide projects and initiatives. We are committed to continuously monitoring and improving our employee satisfaction, to ensure that we provide a positive work environment for all.

### 6.3 EMPLOYEE DEVELOPMENT AND EDUCATION

Investing in the development and training of our employees either on the job or in other ways is key to our overall performance. At the beginning of our ESG journey, we have explained the purpose and vital importance of this topic through masterclasses and company sessions. As the leading company on controlled environment agriculture, BOAL understands that providing growth and learning opportunities in this field to our employees not only benefits them, but also contributes to a more sustainable business environment.

We also encourage our employees to pursue educational and career opportunities, and we provide the necessary support and resources to help them succeed. In addition, we regularly review our employee development and training programs to ensure they meet the needs of

our employees and align with the company's objectives.

We believe investing in the development and training of our employees is essential to our business, and we are committed to providing our employees with the tools and resources they need to succeed. The launch of BOAL (B)Right Ideas serves as a remarkable demonstration of this dedication, as it promotes collaboration among employees to cultivate a superior, secure, inventive, and fulfilling workplace that benefits both individuals and the environment.

### 6.4 DIVERSITY AND INCLUSION

At BOAL, we are committed to promoting diversity and inclusion among our employees. We believe that a diverse workforce is not only the right thing to develop, but it leads to better decision making, improved employee satisfaction and more innovation.

Our recruitment processes are designed to attract a wide range of qualified candidates and we actively seek individuals from under-represented groups.

We also emphasize the importance of diversity to all employees to help them understand and appreciate the different backgrounds and perspectives of their colleagues. Diversity and inclusion are not only important in the workplace. For example, we sponsor social initiatives such as "Lunchroom Bijzonder" in de Lier, where people with an intellectual disability and people with a distance to the labor market work. This allows them to participate in society.

As part of our commitment to fostering diversity in our local environment, we recognized the importance of providing a furnished house on our premises free of charge for refugees in need.

We believe that this small act of kindness can go a long way in making a positive impact on the lives of those who have been displaced from their homes.

Additionally, we understand the importance of providing opportunities for children in our local community to engage in physical activity and build relationships through sports. That's why we have made a commitment to sponsor the yearly main youth event of a local football club, which will help make sports more accessible for children in our community.

By fostering a culture of diversity and inclusion, we create a more equitable and inclusive workplace for all employees, as well as a more successful company. Our [corporate video](#) that was released at the end of 2022 demonstrates how we work together and with respect for each other towards the goals we have set as a company.

## 6.5 SUPPLY CHAIN RESPONSIBILITY ON WORKING CONDITIONS AND HUMAN RIGHTS

BOAL takes supply chain responsibility very seriously and we are committed to ensuring that our suppliers and partners operate ethically and in compliance with all relevant laws and regulations.

BOAL is aware of the upcoming EU legislation in the field of supply chain responsibility (both Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD)) and is already at an advanced stage to comply with these.

We already have a Supplier Code of Conduct that details our expectations for working conditions, human rights, and environmental protection. If necessary, we will verify that our suppliers comply with this code. If improvements at a supplier can be made, we will help them to improve their practices.

We also prioritize working with suppliers who are transparent about their working conditions and have robust policies to promote ethical behavior. In addition, we encourage our suppliers to adopt sustainable business practices, such as reducing their carbon footprint and minimizing waste. By actively managing our supply chain in this way, we promote employee well-being and protect human rights, while also reducing our overall impact on the environment.



07.

# RESPONSIBLE CORPORATE GOVERNANCE

## 7.1 COMPLIANCE AND BUSINESS ETHICS

Our company is committed to conducting business ethically and in compliance with all relevant laws and regulations. We have a strict code of conduct in place that governs competitive behavior and prohibits any form of corruption. To ensure compliance, we provide training to all employees on topics such as business ethics, anti-corruption, and competition law.

We have a zero-tolerance policy for corruption in any form and any violations will result in disciplinary action. We believe that operating in an ethical and compliant manner not only helps to protect our reputation but also contributes to a more sustainable business environment. Key anchor points are:

- Obey all laws governing our business conduct worldwide;
- Exemplify integrity in all BOAL Group activities and relationships;

- Make safety a priority and a passion;
- Avoid conflicts of interest between work and personal affairs;
- Foster a fair workplace free of harassment;
- Build a culture where ethical conduct is recognized, valued, and exemplified by all employees.

We strive to create a culture of openness, to maintain our outstanding reputation, and to protect our trustworthy and reliable business relations with our customers and partners. With a robust whistleblower policy, we encourage employees and other stakeholders to report on suspected misconduct without any risk of retaliation. Over the last 4 years no incidents have been reported via the whistleblower procedure.

Another prime example of the guidelines and measures we have adopted relates to the avoidance of political interference. It is our commitment to always act in a politically independent manner

and not to exert any undue influence. BOAL does not permit any direct and/or indirect political involvement on behalf of the company. Thus, we are pleased to report that BOAL has not engaged in any direct and/or indirect lobbying activities or promoted any political affiliations, and no political expenditures have been made.

With membership in the United Nations Global Compact and the applicable values and standards intertwined in our policies, we believe that being a responsible corporate citizen is not only the right thing to do, but it also makes good business sense.

## 7.2 DATA AND INFORMATION SECURITY

BOAL recognises the importance of data and information security in maintaining the trust of our employees, customers, and other stakeholders.

To ensure the governance of data and information security, we have implemented a robust set of measures to protect against potential threats.

As awareness is often the first step towards data security, therefore we regularly conduct tests and audits to ensure compliance. An example of this are the phishing emails sent by our data security partner to monitor our own behaviour and learn how to avoid responding to real phishing mail. In line with legislation, we have reported a data breach which was immediately resolved.

We understand that protecting sensitive information is crucial for our business, and we take it very seriously. We are committed to continuously monitoring and improving our data and information security governance, to ensure that we provide the highest level of protection for our customers and stakeholders.



08.

# OUTLOOK



## 8.1 CONTINUATION OF CURRENT ESG INITIATIVES

The set-up to integrate ESG through a large number of projects within the various material topic workstreams can be considered successful. In conclusion, BOAL has set ambitious ESG goals for the coming year that aim to further strengthen the company's commitment to sustainability. These goals include the further development of our strategy on topics such as circularity, product environmental impact and energy efficiency, which are critical to achieving a sustainable future.

Our focus on circularity will involve expanding our range of products with more recycled input, which will not only reduce the our environmental impact but also contribute to the creation of a more sustainable world.

Reducing our Carbon Footprint includes amongst others the installation and commissioning of

the new billet oven in Shepshed in the UK by the end of 2023. Further we will increase using self-generated renewable energy via solar panels and keep on focussing on implementing energy-efficient technologies like energy-efficient lighting and reducing transportation emissions.

BOAL's ESG goals demonstrate our commitment to sustainably meet the needs of the customer in combination with creating a more sustainable future. Our efforts in implementing these material topics will not only benefit the environment but also its customers, shareholders, and other stakeholders.

## 8.2 NEW FORESEEN ESG INITIATIVES

In the past year we have already experienced that the roll-out of the ESG strategy is a process of mutual complementarity, cross-fertilization, and iteration. We currently have great ideas and ambitions, and with our sustainability culture

further embedding in the everyday activities and habits of our employees, we believe that the number of new ESG initiatives will further increase. We thereby see opportunities in the following areas:

### Carbon footprint reduction / Energy efficiency

Next to implementing the previously mentioned initiatives to reduce the carbon footprint of the building, aluminum, and horticultural industries, we look at techniques such as Lifecycle Analysis (LCA) to better understand where we can improve and make an impact to diminish the depletion of the earth.

### **Circularity / Sustainable materials**

Using sustainable and eco-friendly aluminum to minimize environmental impact means the focus on circular business models. This will include even closer cooperation in the aluminum supply chain working together with both suppliers as customers to find new ways to increase recycled materials and designing products that can be easily repaired and implementing closed-loop systems.

### **Biodiversity protection**

Protecting and preserving biodiversity is becoming an increasingly important topic on the global sustainability agenda. In general, Controlled Environmental Agriculture will increase agricultural production while reducing the use of arable land, which already benefits biodiversity. Besides, the solutions of Holland Netting can be seen as one of the future pathways towards sustainable crop protection in horticulture.

In future, we will therefore further focus on this topic in order to protect Biodiversity.

### **Community engagement / Social responsibility**

Through our engagement with local communities and stakeholders, we will continue to promote sustainable practices around horticulture and solar. In addition, as BOAL we will further contribute to our local community by sponsoring events and activities that promote the bonding of society via sustainable practices.

