

*let's go!*

# Annual Sustainability Appendix 2017

Doing good business

**ERIKS**

# Index

*it's about doing more good!*

<b>04</b>	Introduction
<b>06</b>	Company profile
<b>10</b>	Our material topics
<b>12</b>	Engaging with our stakeholders
<b>14</b>	Governance of sustainability
<b>15</b>	About this report
<b>16</b>	Non-Financial Performance
14	<i>Environmental data</i>
16	<i>Social data</i>
18	<i>Supply chain data</i>
<b>26</b>	GRI Content Index

# Introduction

We publish our Sustainability reporting online at [sustainability.eriks.com](https://sustainability.eriks.com), with articles and case studies which present the information in an approachable way.

This year we are also reporting in accordance with the GRI Standards – Core option. The information required by GRI is presented in this Sustainability Appendix. The report is structured following the GRI Universal Standards and Topic-

specific Standards, starting with information on our company, governance and materiality, followed by our environmental, social and supply chain data.

This is the first time that we have reported fully in accordance with the GRI Standards. As we are currently only in the early stages of some of our programs, it has proven to be a challenge to provide data on various quantitative indicators. The aim for next year is to provide more comprehensive data on these quantitative indicators.

# About ERIKS

Making industry work better, increasing efficiency, lowering total cost of ownership and improving product performance. Those are our goals. ERIKS is an experienced multi-product specialist, offering a wide range of high-quality mechanical engineering components and technical and logistics services to all sectors of industry worldwide. Together with our customers, we make industrial companies more successful. Our mission? Applying our skills, knowledge and expertise to make industrial companies work better: increasing their efficiency, while continually challenging both them and ourselves to improve. This starts with PSI: through our Passion, Specialism and Innovation, we make industry work better.

**Our 7 Global Product Groups are ready to serve customers across the world. Customers in North America can also benefit from our impressive range of solutions for conveying systems.**

## SHV values

*SHV's Corporate Philosophy, written in the 1980s, provides us with our company values. These are the glue that holds us all together: wherever we are and whatever our role in the company.*

*SHV's key values of integrity and trust are very important to ERIKS. We encourage all ERIKS colleagues to embrace SHV's Shared Values and Corporate Philosophy, and to place them at the heart of their work.*



Over the years we have built up in-depth knowledge in Sealing and Polymer, Engineered Plastics, Flow Control, Industrial and Hydraulic Hoses, Gaskets, Power Transmission, and Tools, Maintenance and Safety. The ERIKS own-brands are our own A-brands, with a broad product portfolio tailored to the needs of our customers to reduce their Total Cost of Ownership.

ERIKS is a privately-held, Dutch limited liability company. We are part of SHV Group. SHV is a family-owned multinational active in a number of operational and selected investment activities. ERIKS employs over 7500 people across more than 340 branch offices in 18 countries. 35% of ERIKS' employees are under collective bargaining agreements. We offer a range of more than 900,000

products generating a yearly revenue of approximately 1.9 billion euros. Our headquarters are located in Utrecht, The Netherlands.

ERIKS works for a wide range of industries. No matter what industry, we can be active in every area of service, because our experts have years of experience with applications and installations for different businesses.

We exchange knowledge and solutions across industries, to share insights and innovations that support the goals which all industry aims for: to achieve cost efficiency, reliability, productivity and sustainability. Our people are proud to make industry more successful and sustainable in their markets.

# We categorize our customers in 8 main groups



## Power Generation and Waste Water Recycling

ERIKS offers a wide range of internally-developed gaskets that meet the demanding process requirements of the energy supply industry. Our hydraulic assemblies, drive elements and valves are commonly used in power plants, solar installations and wind turbines. Our wide range of seals is a match for even the most extreme conditions. For our standard product range, short delivery times are also standard.



## Food and Pharmaceuticals

ERIKS understands the special challenges faced by food and pharma industries, where public health is at stake, and offers custom solutions for each of them. We have developed a wide range of special seals, valves, hoses, instruments and plastics for applications in these industries. But that's not all. We also supply a complete package of mechanical and electrical transmission products for internal transportation, that meets the special requirements of the food industry.



## Petrochemicals and Refineries

In petrochemical plants and refineries, high pressure, high temperatures, and hazardous liquids and gases place extreme demands on installations. Only the very best seals, valves, instrumentation and hoses are good enough. Customers can rely on global specialist ERIKS to deliver the quality demanded in both midstream (transport and storage) and downstream (refinery) activities. Our extensive stock and local production units ensure fast delivery. In addition, we test components on-site and continuously monitor our customers' systems.



## Primary Industry

It takes a tremendous amount of power to produce and process raw materials such as steel, aluminum, cement, paper and bricks. That is why our customers' power transmission systems need to meet the highest standards. ERIKS offers what industrial customers are looking for. We not only supply the right components, but also offer complete hydraulic and electromechanical systems, including monitoring systems. Our application engineers help to prevent breakdowns, extend the service life of assets and reduce energy costs.



## Machinery and Equipment Construction

Machinery and equipment manufacturers can rely on ERIKS' extensive range of products, whether the requirement is for machined plastics, hydraulic and pneumatic actuators or bearings, or whether the job calls for power transmission, motion control, linear, sealing, rubber or flow technology. That's not to mention our wide range of industrial maintenance products. In recent years ERIKS has also become a leading supplier to the medical and laboratory technology markets.



## Transport, Aviation and Maritime

Marine customers can rely on ERIKS to supply the right parts, in the right place, at the right time – thanks to our complete understanding of the marine industry and the equipment it employs. We have extensive experience in helping customers meet classification and legislation requirements. If components require repair or replacement at sea, in port or dry dock, whether in an emergency or during a scheduled service. ERIKS Marine Services has the products, the expertise and the resources to get the vessel back on hire, out of port or dry dock and back on schedule – quickly, efficiently, and cost-effectively.



## Oil and Gas

In the oil and gas industry, high quality components like piping, bearings and seals are essential. ERIKS not only delivers the quality hardware needed worldwide, but crafts customized, integrated solutions on-site. We can supply power transmission products such as electric motors, gearboxes, chains and drive belts that meet industry standards. We can also take care of certification for our customers. And, of course, we provide maintenance and repair.



## Utility and HVAC

New construction or renovation of large buildings such as office blocks, schools, hospitals, hotels and data centers usually involves work on utility systems. We have extensive experience of contributing to large projects such as these. We provide rubber profiles, plastic piping, hoses, seals and valves for heating, cooling, sprinkler, drinking water and compressed air systems. We also provide instrumentation components and electromechanical actuators for lifts, escalators, doors and ventilation systems. ERIKS can even carry out integration of systems for automation of processes, manufacturing and buildings.

# Our supply chain

Procurement is a core element of the success of both ERIKS and our customers. Ensuring we have a sustainable and reliable supply chain is critical.

Due to the nature of our business and our global presence, our supply chain is very complex, connecting with over 30,000 suppliers from all parts of the world. In 2017 we initiated the use of the Supplier Code of Conduct as an integral part of contract templates, and began to communicate with our suppliers about their need to commit to it.

2017 not only saw the development of the Supplier Code of Conduct, but was also the year in which ERIKS designed an assessment questionnaire to onboard new suppliers. This includes sustainability questions as a first step towards ensuring we are adding the right partners to our supply chain.

As part of our continuous drive to improve this process, in early 2018 we began sending out the questionnaire to our main suppliers: both Global Product Groups and Local Managed Suppliers. The table below shows the results achieved so far. We expect to report even better numbers in the Annual Sustainability Report 2018.

Suppliers	# Suppliers	Questionnaire received and approved	% of suppliers assessed with Supplier Code of Conduct/ Onboarding questionnaire
Total ERIKS*	911	151	17%
GPG Suppliers	363	118	33%
Locally Managed Suppliers >100K	548	33	6%
<i>Global Product Group (€)</i>			
Sealing & Polymer	48	21	44%
Tools & Maintenance	71	0	0%
Industrial Plastics	17	10	59%
Flow Control	59	18	31%
Power Transmission	77	1	1%
Hoses & Gaskets	91	68	75%
<i>Country / Region &gt; 100K (€)</i>			
Netherlands	165	0	0%
Belgium	29	0	0%
Switzerland	26	25	96%
Germany	114	0	0%
France	4	1	50%
UK	73	8	12%
ASIA	2	0	0%
ENA	116	0	0%

# Our material topics

Ensuring our Sustainability vision is aligned with our business strategy is a fundamental step towards achieving success in our goals. The materiality assessment is a way of identifying, understanding and prioritizing the topics that influence our business and where we could add value. The assessment also helps us determine which data we should collect, analyze and act on. Finally, the materiality assessment is also a guide to determine the content of our Sustainability Report.

The process developed for this materiality assessment, connecting with both internal and external stakeholders, provided sufficient input to determine the areas of risk and impact that stakeholders perceived to be of most importance to ERIKS. The outcome helped in compiling the list on the facing page, showing the

material topics we are working on and reporting about in the report on our website.

A list of potential material topics was created by KPMG and SHV. The list showed the categories within sustainability, the topics within each category, and the definition of the topic. The long-list was based on a combination of the GRI Standards, a sector analysis, peer-review and a media search of all SHV Groups.

As a next step we defined the stakeholder groups which would be assessed. We then engaged them through two different surveys: one for external and one for internal stakeholders.

## External

- 23 customers
- 1 NGO
- 5 SHV Group Companies

## Internal

- 6 Board Members
- 3 Group Staff
- 5 Regional Directors
- 7 Non-manager – Mid-manager

The survey was sent to contacts using their usual contact point: for example, to customers through their sales contact. For customers and suppliers it was important to clarify who should respond to the survey. ERIKS defined the respondent as the person who has regular contact with ERIKS, and is therefore familiar with ERIKS' business, and who is also familiar with sustainability topics. In our assessment we decided to give equal weight to the input of all stakeholders.

Having gathered all the answers, through the materiality matrix we defined which topics were to be prioritized.

Once the topics were listed, they were then discussed internally with senior leadership in order to ensure they were business relevant and could be built into our business strategy.

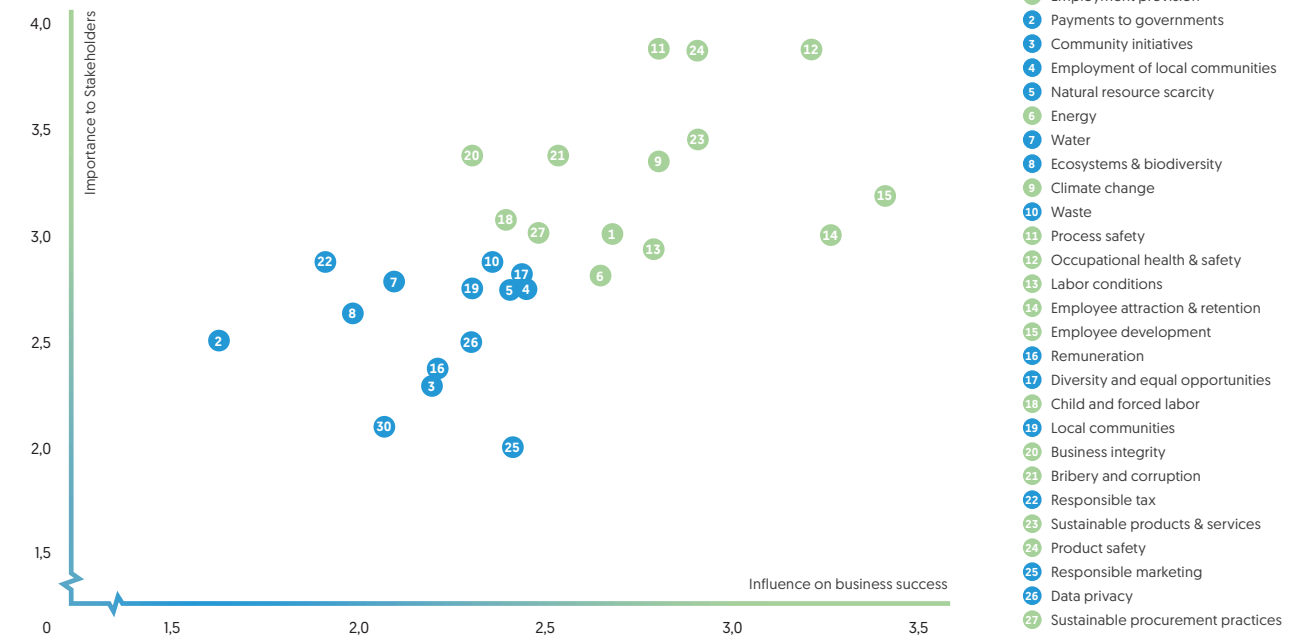
This process resulted in the following material topics:

- Health and safety and process safety
- Employee development, attraction and retention
- Labor conditions, bribery and

corruption, child and forced labor, and business integrity

- Sustainable procurement practices and product safety
- Sustainable products and services
- Climate change and energy

## Materiality Assessment



# Material topics overview

In the overview below we describe, for each material topic, our management approach:

Material topic	Why is it material?	Impact & ERIKS role	What are the boundaries?	Indicators and targets	Responsibility within ERIKS
<b>Health and Safety and Process Safety</b>	Our employees are our most important asset. Ensuring their health and safety is essential to addressing the priorities of our shareholders, Board and customers.	ERIKS plays an important role in creating awareness and accountability to ensure a safe environment for employees. Absence due to accidents at work not only compromises our goal of a safe and healthy working environment, but may also affect customer service, create legal risks, and have financial consequences.	This is restricted to our own facilities and offices, though employees are instructed to practise safe behavior during visits to customers. Visitors are required to follow safety instructions whilst at our locations.	Near misses LTIR Average severity We aim for zero accidents	HSEQ managers, reporting to the regional boards and ultimately to the executive board.
<b>Employee Development and Employee Attraction and Retention</b>	Our aim is 100% of employees feeling ERIKS is a good place to work. Employee satisfaction with their workplace directly contributes to delivering better results to customers and shareholders.	Employee development helps reduce the rate of employee turnover, through more satisfied contributors. It helps create a clear line of succession, ensuring continuity and delivery to our customers, and also contributes to attracting new talent to the company.  ERIKS provides the tools and processes for employees to engage in activities for their own development.	We focus on ERIKS employees and apprentices.	# of training hours annual reviews, development plans and goals.  We also measure the extent to which employees rate ERIKS as a good place to work.	HR develops and deploys all training, processes and systems.
<b>Labor conditions, bribery and corruption, child and forced labour and business integrity (UNGC)</b>	The United Nations Global Compact (UNGC) is a set of 10 principles for responsible business. ERIKS' commitment to the Compact reflects our organization's values and principles. Operating our business according to the principles is not only right but also has business benefits.	ERIKS' commitment demonstrates the the company's social responsibility, and the value it places on integrity and fair treatment of its employees.  We must ensure that we have policies in place and are actively monitoring our activities to avoid any misconduct.	We aim to create a work environment based on integrity. We expect our suppliers to comply with the regulations and we also screen customers to ensure they are compliant with all applicable work and environmental regulations.	Confirmed incidents of corruption and actions taken.  # of customers screened.  % of employees completing e-learning on anti-competition and anti-corruption.	It is our Compliance Department's responsibility to screen our customers.

Material topic	Why is it material?	Impact & ERIKS role	What are the boundaries?	Indicators and targets	Responsibility within ERIKS
<b>Sustainable procurement &amp; Product safety</b>	Ensuring a sustainable supply chain is an essential aspect of our commitment to being a sustainable company. We aim to assess our main suppliers from Tier 1 and to work with them to continually improve sustainability performance.	<p>ERIKS plays an important role in engaging with its main suppliers to assess its policies and practices, to ensure the avoidance of non-compliance with our Code of Conduct.</p> <p>In terms of product safety, it is our responsibility to ensure that every product sold to our customers complies with the regulations in place, such as REACH and RoHS.</p>	<p>Currently, we assess our Tier 1 suppliers.</p> <p>As a company, we are responsible for delivering safe products. However, given the nature of our business, we are also dependent on our suppliers.</p>	<p>% of suppliers assessed with onboarding questionnaire (monitoring began in 2018).</p> <p>Incidents of non-compliance concerning the health and safety impacts of products and services.</p> <p>Incidents of non-compliance concerning product and service information and labelling.</p>	<p>Global Procurement and the local offices are responsible for contacting and engaging with suppliers.</p> <p>HSEQ is responsible for keeping track of the reporting for all product safety-related data.</p>
<b>Sustainable products &amp; services</b>	Among our range of products are several that can deliver improved performance for our customers: for instance by reducing their water or electricity consumption. In combination with our specialism, this is a key differentiator and an important topic to ensure that we continue to be a sustainable company delivering sustainable solutions.	<p>By delivering sustainable solutions to our customers we help them reduce their environmental footprint and achieve related cost-savings.</p> <p>ERIKS' role is to understand the best application for each product, then to find - along with our customers - the best solution to its problems.</p>	We strive to help our customers wherever we are able, by delivering a more comprehensive solution than simply the sale of a component.	Total Cost of Ownership: we aim to deliver €20MM in savings for our customers by 2020.	KAM department and regional business control.
<b>Climate Change and Energy</b>	Our own efforts and achievements in reducing our carbon footprint are the best example we can offer our customers of reducing environmental impact.	<p>Only by being fully committed to reducing our own emissions, lowering our own water consumption, and diverting our own manufacturing and industrial waste from landfill can we expect our customers to heed our advice.</p> <p>We must ensure that our facilities are doing everything possible to ensure reduction in consumption of natural resources, as well as reducing CO<sub>2</sub> emissions and waste production.</p>	We focus on our operations in all regions for managing our energy usage and our carbon footprint.	<p>CO<sub>2</sub> emissions (scope 1 and 2).</p> <p>We are committed to reducing our CO<sub>2</sub> emissions by 20% by 2020, compared with our 2016 baseline.</p>	The reporting process for environmental data is the responsibility of the finance department in each region. The data submitted is further checked by the Sustainability Champion and ultimately by the Global Sustainability Manager.

# Engaging with our stakeholders

We engage daily with different stakeholders, as a critical part of identifying external developments relevant to our business, for driving our sustainability agenda. Engaging with stakeholders is of great importance in helping us to achieve our goals.

We have identified our key stakeholders by means of the extent to which they can influence our business operations and the extent to which we as a company have an impact on them. Key stakeholder groups are our employees, customers, suppliers, NGOs and, internally, the ERIKS Executive board and SHV Sustainability Board.

During our materiality assessment we identified key stakeholders from a sustainability point-of-view. We then established how better to engage with them, identified their sustainability interests and concerns, and established how we could respond to them.

We engage in different ways and at different intervals with each group of stakeholders, as follows:

## Customers

- Responding to requests for assessment of our sustainability initiatives
- Supporting Account Managers in building value propositions involving sustainability savings through Total Cost of Ownership
- This takes place on an ad hoc basis. Usually once a year we review our submissions on online platforms such as SEDEX or ECOVADIS

## Suppliers

- Engaging through Supplier Code of Conduct requests and further supplier assessments
- Collaborating in new product and service developments
- At least once a year we aim to assess the main suppliers who have signed our Supplier Code of Conduct

## Employees

- Newsletters
- Local initiatives e.g. Sustainability Week, HSQE Month
- Surveys
- Alertline
- With our employees we engage on different fronts, on at least a monthly basis

## SHV Sustainability Board

- Monthly Meetings
- Joint Work Groups
- Conference
- At least monthly we engage with the SHV Sustainability Board

## NGOs

- Partnering on initiatives
- Exchanging project information
- Conferences
- On an annual basis we aim to engage with different initiatives from the third sector

Throughout the year we are constantly engaging with our stakeholders. In these dialogues, we listen to concerns or topics raised by them. As part of our commitment towards them, we are always working to ensure we respond to these discussions in the most positive way. Below are some of the topics that were raised in 2017 and how ERIKS responded to them.

- Our customers are becoming more and more concerned with their own supply chain sustainability. To ensure we are complying with regulations and working to continually improve our own footprint, ERIKS is committed to completing self-assessments using a third-party tool, to evaluate our progress towards being a more sustainable company.
- In a number of regions we use the ECOVADIS platform, which enables us to evaluate and assess the results, and work to improve them. We are constantly monitoring the results and driving initiatives to improve the areas of opportunity mapped out by the assessment.
- Employee feedback suggests that sometimes sustainability is a topic far from their daily routine. As part of being closer to them and making sustainability an essential element of our daily operations, we have developed several local initiatives. Among these was the first Sustainability Week held in our Utrecht headquarters. The idea was first proposed at one of our monthly meetings with the SHV Sustainability Board.
- In response to concerns from SHV and several stakeholders about making sure we are doing good business, we are working closely with our main supplier partners to ensure their commitment to the values of the United Nations Global Compact. We have issued a Supplier Code of Conduct, the results of which we are beginning to assess. Based on these, we will develop joint plans wherever required, to ensure sustainability improvements.

# Governance of sustainability

ERIKS' organization comprises a Management board encompassing senior executives from areas such as finance, operations, HR and others, which – along with the CEO – is responsible for cascading policies to the Regions and Global Product Groups.

As part of our commitment to sustainability, a member of the Executive Board has special responsibility for the topic. Reporting to him is the Sustainability Manager, and throughout the regions a group of Sustainability Champions dedicate part of their time to Sustainability. These Champions are supported by a Sustainability Committee in each region, which drives the topic and initiatives.

## Environmental management

ERIKS' operations are of low environmental risk due to the nature of the business. For the operations where we have a manufacturing facility, we have a risk monitoring and mitigation plan to address any unexpected event that could possibly happen. Apart from this we are currently working in several locations, including The Netherlands and the UK, towards ISO 50001 certification. In addition, we are looking into becoming signatories of the United Nations Global Compact. We believe this is the right thing to do to advance sustainability in a broad sense.

# About this report

## Scope of this report

The scope of this report is ERIKS NV and its subsidiaries in which it has a controlling interest. Data changes originating from acquisitions or divestments completed during the reporting year are not included until the next full calendar year.

This Sustainability Appendix and the related Sustainability reporting website cover the period from January 1st 2017 to December 31st 2017. The previous Sustainability Report was published 29 May, 2017. This report does not contain any restatements of information.

## Reporting Principles

This report was drawn up in accordance with the GRI Standards: Core option. The GRI Index table, as included at the back of this report, shows which GRI topics are material to ERIKS and refers to those sections in the report describing those topics and related indicators. We defined the material topics based on a 5-stage process, the first stages of which were identifying the potential topics and which stakeholders should be engaged. Next, two surveys were shared: one for external and one for internal stakeholders. Having gathered the data, we prioritized which topics should be addressed, and validated them with our executive board.

No major changes were made compared with the previous year with regard to material topics.

As per the assessment carried out in 2017, the material topics are:

- Health and Safety and Process Safety
- Employee Development, Attraction and Retention
- Labor Conditions, Bribery and Corruption, Child and Forced Labor, and Business Integrity
- Sustainable Procurement Practices and Product Safety
- Sustainable Products and Services
- Climate Change and Energy

As we report following the GRI Standards, this report is built upon these material themes. Our Sustainability website is also based on materiality, but includes additional information that is broader and not related to the material themes per se.

## External assurance

We do not seek to have the Annual Sustainability Report assured at present.

# Non-Financial Performance

## Environmental data

Energy consumption and certain emissions are a necessary requirement for our operations. As such, we have set a target of reducing energy consumption and emissions by 20% by 2020. The table below shows our 2017 performance in comparison with 2016.

Energy purchased	Unit	Total ERIKS Group* (2017)	Total ERIKS Group (2016)
Year		2017	2016
<i>Direct sources of energy purchased</i>			
Coal	Tonnes	7	6
Natural gas	M3	3.339.099	4.334.039
Petrol	Litres	1.445.413	1.947.414
Diesel	Litres	3.815.057	3.944.683
Propane	Litres	10.748	9.596
Fuel oil	Litres	203.102	150.036
<i>Indirect sources of energy purchased</i>			
Electricity (grey)	MWh	15.537	18.678
Electricity (green)	MWh	18.669	19.165
District heating	MWh	2.369	2.076
<i>Total indirect energy purchased</i>	MWh	36.575	39.919

\*Excluded (due to divestments) are: Denmark, Valtor, Mideast, Vietnam. These businesses are excluded from 2016 in retrospect, in order to make fair comparisons.

Differences reported in Fuel Oil from 2016 to 2017 are mainly the result of a more accurate reporting process within the regions. Petrol and Diesel decreases were due to implementation of policies and controls to improve driving standards and reduce fuel consumption.

Natural gas reduction is directly linked to the average temperature of the winter, and therefore varies year on year.

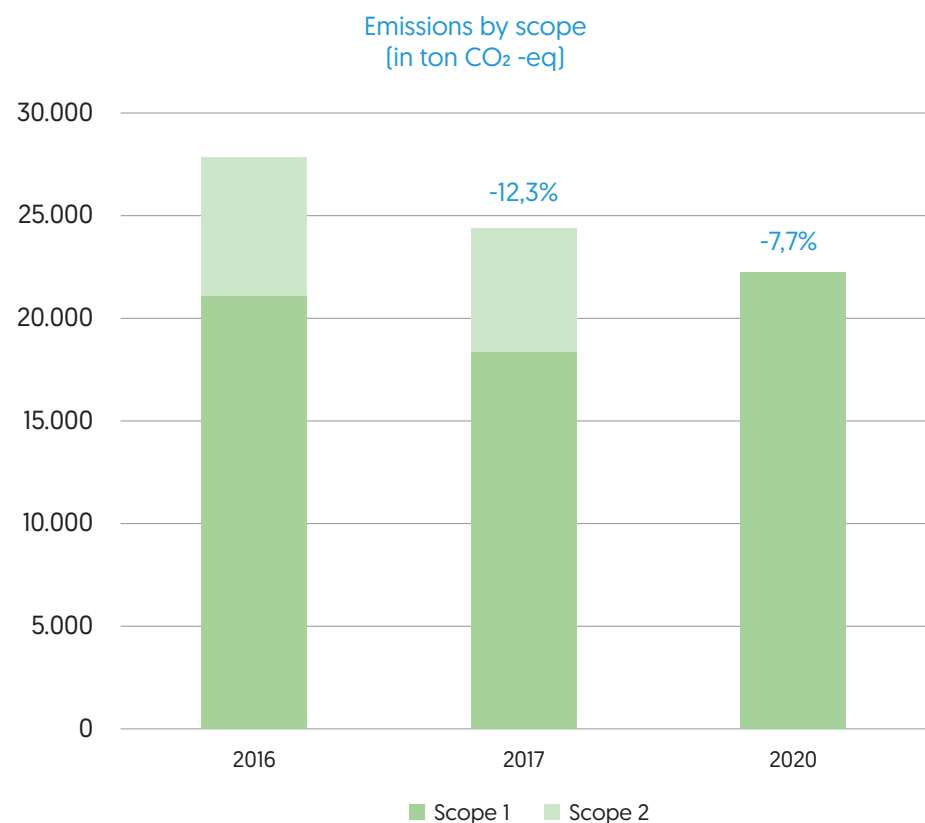
The non-renewable energy used results in our CO<sub>2</sub>-eq footprint, as visualized below.

CO <sub>2</sub> equivalent emissions	Unit	Total ERIKS Group (2017)*	Total ERIKS Group (2016)	Change
Year		2017	2016	
<i>Scope 1 emissions</i>				
Coal	tonCO <sub>2</sub> e	0	0	17%
Natural gas	tonCO <sub>2</sub> e	4.684	6.030	-22%
Petrol	tonCO <sub>2</sub> e	3.137	4.216	-26%
Diesel	tonCO <sub>2</sub> e	10.106	10.433	-3%
Propane	tonCO <sub>2</sub> e	16	14	14%
Fuel oil	tonCO <sub>2</sub> e	520	384	35%
<b>Total Direct Emissions</b>		<b>18.463</b>	<b>21.077</b>	<b>-12%</b>
<i>Scope 2 emissions</i>				
Electricity (grey)	tonCO <sub>2</sub> e	5.769	6.607	-13%
District heating	tonCO <sub>2</sub> e	183	161	14%
<b>Total Indirect Emissions</b>	tonCO <sub>2</sub> e	<b>5.952</b>	<b>6.768</b>	<b>-12%</b>
<b>Total Emissions</b>	<b>tonCO<sub>2</sub>e</b>	<b>24.415</b>	<b>27.845</b>	<b>-12%</b>

\*Excluded (due to divestments) are: Denmark, Valtor, Mideast, Vietnam. These businesses are excluded from 2016 in retrospect, in order to make fair comparisons.

In 2017, both our Scope 1 and Scope 2 emissions decreased. In total, we succeeded in reducing CO<sub>2</sub>-eq emissions by 12% compared with the base year 2016. We are well on the way to achieving our 2020 target of reducing carbon emissions by 20%. However, as a large part of our emissions results from our transport kilometers (our mostly diesel- and petrol-fueled fleet), we still have serious steps to take in the period 2018-2020, given our expected company growth and the resulting increase in the number of vehicles.

Nevertheless we are working with specific targets for each region – based on the level of maturity we see in terms of projects implemented or in the process of implementation – to ensure we will be able to achieve our 20% goal.



## Social data

In 2017 there were 7,091 ERIKS employees. This was a decrease from the previous year, mostly due to divestments.

The following table provides a detailed overview by region.

Region	Total FTE	Full-Time Male	Full-Time Female	Part-Time Male	Part-Time Female	Temporary Male	Temporary Female
Central Europe	3325	2393	506	215	359	196	70
North America	1481	1168	298	9	14	45	19
UK & Ireland	1778	1400	313	18	59	0	0
South-East Asia	126	70	56	0	0	0	0
Own Brand Manufacturing	286	315	118	2	3	24	3
ZaMRO	0	30	3	11	1	6	14
Holding	92	56	49	6	11	9	3
<b>Total</b>	<b>7091</b>	<b>4032</b>	<b>1030</b>	<b>243</b>	<b>388</b>	<b>280</b>	<b>109</b>

There is not a significant portion of our activities being performed by non-employees.

New hires (in FTE) 2017		1295.3
No. of new external hires (in FTE)		1255.4
No. of new hires from other ERIKS org.		39.9
Employees leaving (in FTE)		1311.4
Employees leaving ERIKS entirely (in FTE)		1286
Employees moving to other ERIKS org. (in FTE)		25.4
Employee turnover		0

## Corruption & Bribery

In 2017 there were 16 concerns and issues raised by employees through the Alertline and other channels (such as email). Most cases concerned labor relations, such as substance abuse, unfair employment practices, discrimination and misconduct. Other cases concerned theft and fraud.

In 2017 we ran a global awareness 'Speak Up' campaign, to engage employees and management. We have also run a Fraud Awareness campaign. Moreover, as part of our commitment to anti-corruption and anti-bribery procedures, 1,046 employees completed relevant training. This is a smaller part of our entire employee base, as there are many employees in jobs where these issues do not arise.

As part of our efforts to ensure ERIKS is a good place to work for our employees, we will undertake a new Employee Survey in 2018 to assess this KPI.

### Health & Safety

Our number one priority as a business is to ensure the Health and Safety of our colleagues. By doing so we are not only taking care of our employees, but also of our business. With increasingly strict legislation and regulation in countries where we operate, it is our obligation to do our best to comply. There is also a growing expectation from our customers that we show a good safety performance record, so that they can trust us as reliable partner to work with.

As such, we aim to have zero work-related accidents. Although we have reduced the global number of Lost Time Incidents, there is still room for improvement, as shown by the increase in near misses. Nevertheless we will keep working to make the Zero Accidents Goal an intrinsic part of our work culture.

Lost Time Incidents (LTIs) - Global	2017	2016
Lost Time Incidents (LTIs)	59	72
Lost time Incident Rate (LTIR)	4.8	5.6
Reported near misses	563	508

As part of our constant efforts to develop our people, we are always looking into how we can provide them with appropriate training and courses. Below are some of our 2017 training hours figures:

### Training & development

<b>Number of formal training hours</b>	<b>66,558</b>
External training hours	19,916
In-house training hours	29,174
On-the-job training hours	17,468

According to the last survey in 2017, 75% of employees find ERIKS a good place to work. In 2018 we will undertake a new survey and keep working on the results to understand how we can be a better fit for our employees and how we can achieve our goal of 100% of our employees finding ERIKS a good place to work.

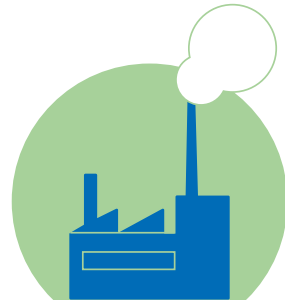
### Supply chain data

Ensuring we have a sustainable value chain is a key part of our mission. In 2018 we began assessing our suppliers regarding their commitment to our Code of Conduct. This will be a major part of our efforts for the coming year.

### Supplier sustainability

Own indicator	% of suppliers acknowledging the ERIKS Supplier Code of Conduct	17%
Own indicator	% of suppliers assessed with Supplier Code of Conduct/ Onboarding questionnaire	17%
Own indicator	TCO of Customers	We are unable to report the TCO number yet, as a system to capture the savings globally in a standardized way is still being developed.

# Did you know that...



24,415 tons kgCO<sub>2</sub>e

In 2017, ERIKS CO<sub>2</sub> emissions were 24,415,201 kgCO<sub>2</sub>e



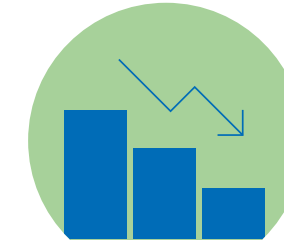
1,822 return flights

That is the same amount as 1,822 return flights AMS – NYC



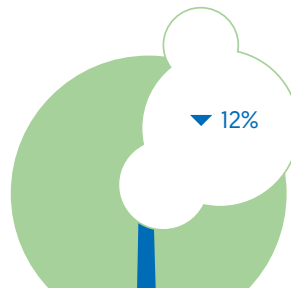
39,919 MWh

We used 39,919,980 kWh of electricity in 2016



8.3 %

We reduced this by 8.3% in 2017



3,429 tons kgCO<sub>2</sub>e

In 2017, our CO<sub>2</sub> emissions were 12% lower than in 2016



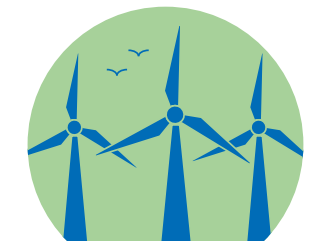
171,495 trees

171,495 trees would be needed to absorb this amount of CO<sub>2</sub>



1,115 households

This reduction of 3,345 MWh could provide 1,115 average Dutch households with electricity for an entire year



79 wind turbines

To generate this amount of energy, 79 wind turbines would need to operate for a week

GRI Content Index

	Disclosure	Reference	Reason for omission or direct disclosure
<b>GRI 102: GENERAL DISCLOSURES 2016</b>			
<b>1. Organizational profile</b>			
102-1	Name of the organization	Company profile	
102-2	Activities, brands, products, and services	Company profile	
102-3	Location of the organization's headquarters	Company profile	
102-4	Number of countries operating	Company profile	
102-5	Nature of ownership and legal form	Company profile	
102-6	Markets served	Company profile	
102-7	Scale of the reporting organization	Company profile	
102-8	Information on employees and other workers	Non-financial performance - Social data	
102-9	Supply chain	About ERIKS	
102-10	Significant changes to the organization and its supply chain	-	There have been no significant changes in 2017.
102-11	Precautionary Principle or approach	Governance of sustainability	
102-12	External initiatives	Governance of sustainability	
102-13	Memberships of associations	-	ERIKS is not part of any association. However we do engage in external initiatives such as the United Nations Global Compact.
<b>2. Strategy</b>			
102-14	Statement from senior decision-maker	Sustainability website: CEO Foreword (include weblink)	
<b>3. Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	Governance of sustainability	
<b>4. Governance</b>			
102-18	Governance structure	Governance of sustainability	
<b>5. Stakeholder Engagement</b>			
102-40	List of stakeholder groups	Engaging with stakeholders	
102-41	Collective bargaining agreements	Engaging with stakeholders	
102-42	Identifying and selecting stakeholders	Engaging with stakeholders	
102-43	Approach to stakeholder engagement	Engaging with stakeholders	
102-44	Key topics and concerns raised	Engaging with stakeholders	

	Disclosure	Reference	Reason for omission or direct disclosure
<b>6. Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	-	As a privately-owned company, ERIKS prefers not to publicize its financial reports. Nevertheless, these are available to be consulted in the Netherlands, according to the law, encompassing all the business units reports.
102-46	Defining report content and topic boundaries	About this report	
102-47	List of material topics	Our material topics About this report	
102-48	Restatements of information	About this report	
102-49	Changes in reporting	About this report	
102-50	Reporting period	About this report	
102-51	Date of most recent report	About this report	
102-52	Reporting cycle	About this report	
102-53	Contact point for questions regarding the report	Sustainability website	
102-54	Claims of reporting in accordance with the GRI Standards	About this report	
102-56	External assurance	About this report	
<b>GRI 103: MANAGEMENT APPROACH 2016</b>			
103-1	Explanation of the material topic and its boundary	Our material topics	
103-2	The management approach and its components	Our material topics	
103-3	Evaluation of the management approach	Our material topics	
<b>Topic Specific Standards</b>			
<b>GRI 201: ECONOMIC</b>			
<b>GRI 205: ANTI-CORRUPTION 2016 (ERIKS' material theme: Labor Conditions, Bribery and Corruption, Child and Forced Labor and Business Integrity)</b>			
205	Management approach disclosures	Our material topics	
205-3	Confirmed incidents of corruption and actions taken	Non-financial performance – Social data	
Own indicator	# of customers screened	Non-financial performance – Social data	
Own indicator	% of employees that completed e-learning on anti-competition and anti-corruption	Non-financial performance – Social data	
<b>GRI 301: Environmental Series</b>			
<b>GRI 302: ENERGY 2016 (ERIKS' material theme: Climate change and Energy)</b>			
302	Management approach disclosures	Our material topics	
302-1	Energy consumption within the organization	Non-financial performance – environmental data	.
302-4	Reduction of energy consumption		

	Disclosure	Reference	Reason for omission or direct disclosure
<b>GRI 305: EMISSIONS 2016 (ERIKS' material theme: Climate change and Energy)</b>			
305	Management approach disclosures	Our material topics	
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	Non-financial performance – environmental data	
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Non-financial performance – environmental data	
<b>GRI 401: Social series</b>			
<b>GRI 401: EMPLOYMENT 2016 (ERIKS' material theme: Employee development and attraction and retention)</b>			
401	Management approach disclosures	Our material topics	
401-1	New employee hires and employee turnover	Non-financial performance – social data	
Own indicator	% of employees who like ERIKS as employer	Non-financial performance – social data	
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016 (ERIKS' material theme: Health &amp; Safety and Process Safety)</b>			
403	Management approach disclosures	Our material topics	
403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities	Non-financial performance – social data	
<b>GRI 404: TRAINING AND EDUCATION 2016 (ERIKS' material theme: Employee development and attraction and retention)</b>			
404	Management approach disclosures	Our material topics	
404-1	Average hours of training per year per employee	Non-financial performance – social data	
<b>GRI 416: CUSTOMER HEALTH AND SAFETY (ERIKS' material theme: Sustainable procurement and Product Safety)</b>			
416	Management approach disclosures	Our material topics	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	In 2017, there have been zero incidents.
<b>GRI 417: MARKETING AND LABELLING (ERIKS' material theme: Sustainable procurement and Product Safety)</b>			
417	Management approach disclosures	Our material topics and how we manage them	
417-2	Incidents of non-compliance concerning product and service information and labelling	-	In 2017, there have been zero incidents.
<b>Non-GRI Standards-linked ERIKS' material theme: Sustainable Procurement Practices and Product Safety</b>			
	Management approach disclosures	Our material topics	
Own indicator	% of suppliers acknowledging the ERIKS Supplier Code of Conduct	Non-financial performance – supply chain	
Own indicator	% of suppliers assessed with Supplier Code of Conduct/Onboarding questionnaire	Non-financial performance – supply chain	
<b>Non-GRI Standards-linked ERIKS' material theme: Sustainable Products and Services</b>			
	Management approach disclosures	Our material topics	
Own indicator	TCO of Customers	Non-financial performance – supply chain	

**ERIKS**

Let's make industry work better