

ERIKS

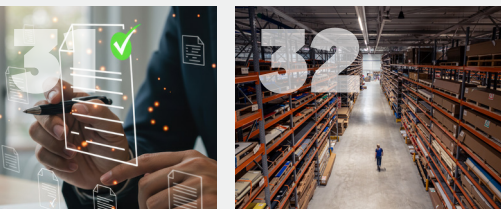
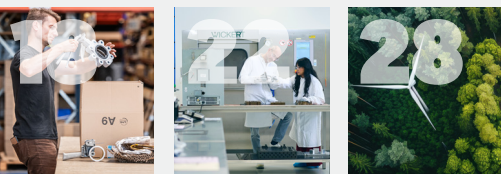
2024

Sustainability Progress Update



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About this document

This Sustainability Progress Update 2024 provides a consolidated overview of our environmental, social, and governance (ESG) performance and progress over the reporting year. It is intended to inform our stakeholders, including customers, suppliers, employees, and investors about the actions we are taking to address key sustainability challenges and create long-term value.

This document covers the period from January 1 to December 31, 2024, and includes data and insights from both group-level operations and selected local entities. Where relevant, we indicate any limitations in scope, data availability, or methodology. This approach reflects our ongoing efforts to improve transparency, consistency, and alignment across the organization.

The content has been developed in close collaboration with internal stakeholders across business units and functions. It incorporates insights from supplier and customer engagement, as well as an internal review of evolving regulatory and voluntary reporting requirements. In particular, we are preparing for future compliance with the Corporate Sustainability Reporting Directive (CSRD) and related frameworks, which are shaping our reporting structure and data readiness.

The structure of this document follows our key sustainability themes, with dedicated chapters addressing the most relevant topics for our business and stakeholders. This document also serves as a foundation for future reporting cycles and supports our broader ESG strategy.

For questions, feedback, or suggestions regarding this 2024 sustainability progress update, please contact us at sustainability@eriks.com.

Message from the CEO



Victor Aquina | CEO

At ERIKS, we see sustainability as essential to long-term success. As an industrial component expert, we embrace both the opportunities and challenges of integrating sustainability across our operations.

Victor Aquina, CEO, reflects on the past year's challenges, celebrates key milestones, and shares his vision for ERIKS' role in shaping a more sustainable industrial future.

Customer focus

"Collaboration with our customers remains central to our sustainability approach. As an industrial component expert and technical partner to industry leaders, we support customers in advancing their sustainability goals, not only through the products we supply, but through tailored solutions that improve efficiency, reliability, and environmental performance. For our strategic customers, we go further: co-developing initiatives that reduce carbon emissions, optimizing operations, and accelerating innovation. Ahead of my new role in early 2025, I engaged with many of these customers. Their message was clear: they expect us to be credible, proactive and committed, not just as a supplier, but as a strategic partner in their ecosystem."

"We expect an even stronger focus on navigating a complex and evolving regulatory landscape, accelerating our efforts to reduce environmental impact, and deepening collaboration to meet rising sustainability expectations. These shared priorities highlight the need for close partnership and continuous improvement. As our customers work hard to reduce their carbon emissions, we see a clear opportunity to help them accelerate progress, through smarter design, optimized systems, and the deep technical expertise we bring as a trusted partner. "

Safety culture

"In 2024 we were proud to report Zero Life-Changing Incidents, a powerful reflection of the safety culture we've built together. At the same time we saw a rise in lost time injuries globally, which prompted renewed focus on safety, reinforcing that it remains a continuous priority.

“Collaboration with our customers remains central to our sustainability approach. ”



“With agility, strong partnerships, and an engaged workforce, we’re ready to turn complexity into opportunity.”

Building on this momentum, we introduced new tools to help teams take daily ownership of safety. Toolbox kits in multiple languages supported more effective safety talks and additional training was provided on key tools like incident reporting and safety visit registration.”

“We ensured safety leadership was visible and active across all sites, with managers taking part in a structured tour program, making safety a shared, ongoing conversation. And to bring it closer to the shop floor, we reintroduced safety rounds for team leaders, reinforcing a proactive, bottom-up mindset that keeps safety visible and embedded in daily routines.”

Innovation & sustainability mindset

“Through joint initiatives with customers, we work to align business goals with sustainability objectives and foster innovation. Whether it’s helping a customer repair instead of replace, or advising on energy-efficient motor systems, our expertise enables customers to enhance performance while reducing environmental impact, making their processes more efficient, reliable, and future-ready. Internally, we continued to strengthen our sustainability culture by supporting teams to integrate environmental and social considerations into daily decisions. To share best practices and real-life use cases, we organized monthly Innovation Cafés, leveraging the strength and expertise of our workforce to share best practices and scale proven solutions across ERIKS.”

“The road ahead will bring challenges that will shape how we operate and deliver value. As we adapt to a leaner organization, driving efficiency will be key to maintaining impact and agility. At the same time, evolving regulations and growing customer expectations demand faster action and deeper insights, making collaboration and innovation more critical than ever.”

Plan for 2025 and beyond

“Last year, our joint sustainability initiatives with customers demonstrated how aligning ESG ambitions can drive mutual value deepening relationships and supporting more resilient business outcomes. In 2025, we will build on this progress by co-developing a targeted sustainability roadmap with our country teams to increase impact and accelerate progress toward 2030. With agility, strong partnerships, and an engaged workforce, we’re ready to turn complexity into opportunity.”



Victor Aquina | CEO



2024 marked a year of progress and adaptation for ERIKS, as we navigated a fast-changing sustainability landscape shaped by tightening regulations, rising customer expectations, and shifts within our own operations.

2024 Sustainability Highlights



Sustainable innovation and customer solutions

As demand and opportunities for insights grow, we expanded our monitoring, detection, and circular capabilities like repair services particularly for motors, gaskets, and hoses, to help identify issues early, reduce environmental impact, and support more sustainable operations.

As one of 15 pioneering partners, ERIKS joined *CirclesOfLife*, an EU backed consortium with shipyards, research institutes, suppliers & NGOs to drive circular innovation in European shipbuilding.



Climate change

Scope 1 and 2

Continued reduction of Scope 1 and 2 emissions [-6%] across the ERIKS organization.

Scope 3

We initiated databases and systems to support the early stages of developing life cycle assessments, improving the accuracy of sustainability data to ensure compliance and guide informed decision-making.



Attraction and retention of employees:

Successfully launched a global Employee Value Proposition campaign, including engaging videos with compelling examples, resulting in a fourfold increase in open applications.



Healthy and safe work environment

0-life-changing incidents.



Responsible procurement

We launched a new supplier platform to enhance sustainability awareness across our supply chain and updated our Global Procurement Policy with clearer guidelines for sustainable sourcing.



Data privacy and cybersecurity

Successfully launched a company-wide initiative combining targeted training and phishing simulations to strengthen data security awareness, contributing to zero cybersecurity incidents throughout the year.

Who we are



> Our technical know-how is the foundation of our expertise

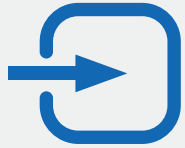
Our Business Model

ERIKS is an industrial components expert that offers a broad portfolio of technical products, co-engineering and customization solutions, as well as related services. We help customers across diverse industrial segments to improve their products' performance and reduce their total cost of ownership.

We predominantly serve customers in three industrial segments: maintenance, repair and overhaul (MRO), original equipment manufacturing (OEM), and engineering, procurement and construction (EPC). Across these segments, we play a critical role in our customers' supply chains, delivering the right components, services, and technical support to keep operations running, products performing, and projects on track. We support MRO customers by installing, maintaining, and upgrading their production operations to improve uptime and reduce total cost of ownership. Our OEM customers use ERIKS products to build their machinery and enhance product performance. For EPC customers, we provide the technical products and services needed to complete large-scale projects -such as production facilities- on time, on budget, and to specification.

Our technical know-how is the foundation of our expertise. Over the past 80 years, we have cultivated deep knowledge across a broad spectrum of technologies, enabling us to deliver innovative and reliable solutions. We supply A-brands as well as our own branded products. A strong focus on digitalization and data insights allows us to develop new services and improve processes for our customers.

At ERIKS, we stand for doing good business. We value long-term relationships with all our supplier, customers and other stakeholders, conduct business in a compliant and transparent way and contribute to a better and more sustainable industrial ecosystem.



Inputs and dependencies

Financial

Investments in innovation, [digital] infrastructure and sustainability

Human

Skilled engineers, technical specialist and support staff that meet customer needs

Manufactured

Components and technical parts from around the world

Intellectual

Technical know-how, proprietary information, R&D

Natural resources

Rubber compounds, metals, polymers, chemicals

Social

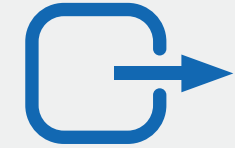
Long standing customer and supplier relationships



Own Operations



- Engineering
- Monitoring & Inspection
- Maintenance
- Production & Assembly
- Supply chain solutions
- System solutions
- Training & Courses



Outputs and outcomes

Impacts through products and services:

We help customers in a variety of industrial segments to improve their products' performance and reduce their total cost of ownership

Other positive impacts:

- Sustainable innovation
- Customer Value
- Economic contribution: wages and taxes paid, Profits

Other negative impacts:

- **Environmental:** Emissions, waste, energy use
- **Social:** Supply chain risks

**ERIKS operates
in 12 countries**

> 4700 employees globally

The Netherlands, Belgium, Luxembourg, France, Germany, the UK, Ireland, Switzerland, Slovakia, China, Singapore, Malaysia and the Czech Republic.

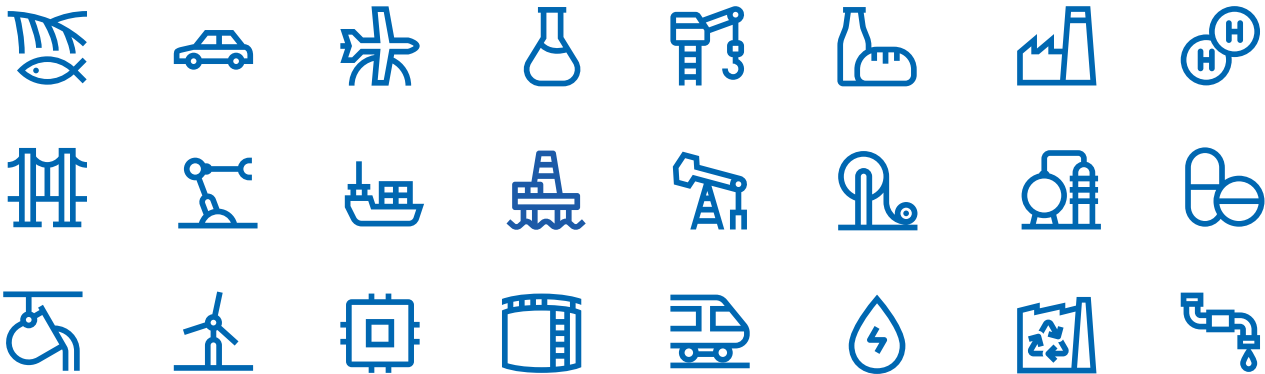
Our Profile

In 2024, ERIKS continued to strengthen its position as a leading industrial service provider, driven by strategic developments that supported our long-term growth and operational resilience. While our core operations remain focused on Europe, with a significant footprint in the Netherlands, we also maintain a strategic position in the Asia-Pacific region, enabling us to serve global customers with localized expertise and solutions.

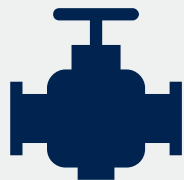
The year also marked a new chapter for ERIKS, following the transition in ownership from SHV to new private equity owner, effective May 1st. This change, along with a leadership transition in Q4, laid the groundwork for a renewed strategic focus. As we move into 2025, we are positioning the organization for long-term resilience and value creation, with sustainability remaining a central pillar of our approach.

Our mission is improving the performance
of industrial processes and products to
make industry perform better.

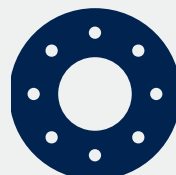
Industries we support



Our products



Flow Control



Gaskets



Industrial
Hoses



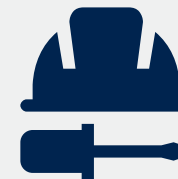
Power
Transmission



Sealing &
Polymers



Engineered
Plastics



Tools, Maintenance
& Safety

Our services



Engineering



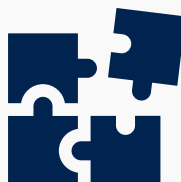
Monitor & Inspect



Maintenance



Production
& assembly



Supply chain
solutions

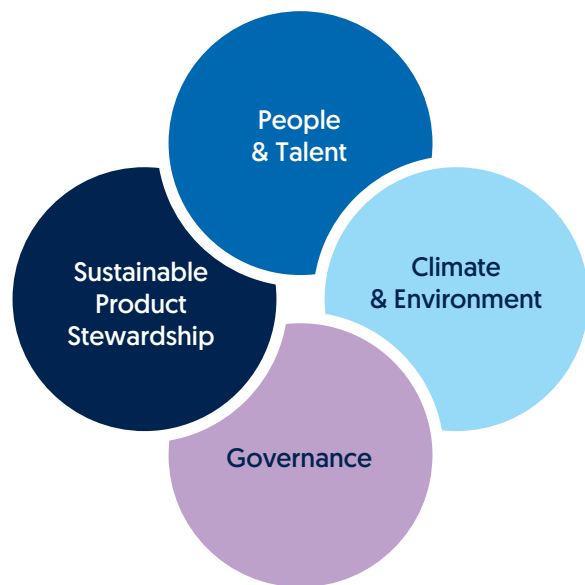


System
Solutions



Training
& courses

Sustainability Strategy



ecovadis

Our approach

We structured this year's document around four pillars—Sustainable Product Stewardship, People & Talent, Climate & Environment, and Governance—to reflect stakeholder priorities and the material topics outlined in ERIKS' CSRD framework. As our sustainability strategy is currently being updated, this structure helps us stay aligned with evolving expectations and ensures the continued relevance of our reporting. It also supports our broader ambition to industrialize sustainability by focusing on the areas where we can have the greatest impact across the industrial value chain.

Our Sustainability Recognitions and Certifications

Where relevant, our operations hold certifications and ratings such as ISO 9001 [Quality], ISO 14001 [Environmental], and ISO 45001 [Occupational Health & Safety]. In addition, six ERIKS entities including Netherlands [Group], Belgium, Germany, France, Switzerland [Maagtechnic], and the UK are assessed by EcoVadis. These assessments reflect varying maturity levels across our organization. Notably, our UK operations were awarded a gold rating in 2024, setting an example within ERIKS.

Why Stakeholder Engagement

Engaging with our broader stakeholder network helps ERIKS to make the right impact with the right people. In 2024, we expanded our collaboration with suppliers, customers, and industry partners to promote responsible practices and co-develop sustainable solutions. Through open dialogue, joint initiatives, and knowledge sharing, we aim to build trust, foster innovation, and accelerate progress toward a more sustainable industrial future.

Stakeholder Engagement in practice

From idea to impact empowering our employees to innovate with customers

In 2024, ERIKS held a Global Innovation Challenge under the theme "Innovation Validation", designed to harness the creativity of our employees and align it with real customer needs.

Over four weeks, eight cross-functional teams engaged in a structured Validation Sprint, transforming early-stage ideas, often sparked by customer interactions, into tested value propositions. Through direct engagement with customers, teams refined their concepts based on real-world feedback, ensuring relevance and impact.

Engagement in Action Belgium Experience Day

In November 2024, ERIKS Belgium hosted its annual Experience Day, welcoming customers, suppliers, and industry experts for a day of hands-on learning. Led by our Power Transmission and Tools, Maintenance & Safety teams, the event featured workshops and live demos on innovation, sustainability, energy efficiency, and food safety, fostering meaningful stakeholder dialogue.

Making it Happen Netherlands Experience Day

In April 2024, ERIKS Netherlands held its Experience Day in Ede, engaging customers, suppliers, and sustainability leaders. The event spotlighted Power Transmission and Engineered Plastics, with expert talks, facility tours, and showcases on energy savings, food safety, and the energy transition.

Overview Stakeholder Engagement

Stakeholders	Why we engage	Where and how	Topics of interest
Customers	- To understand their needs - Customers use our products as part of their own operations and/or products	- Yearly NPS survey - Regular customer visits - Technicians feedback - Collaborate on solutions	- Product quality - Delivery time - Total cost of ownership - Product innovation - Scope 3 data - Life Cycle Assessments
Employees	- Our employees are key in our business success and make it possible to deliver high quality products and services to customers - Employee health and wellbeing is of importance to our success - Retaining talent	- Engagement surveys - Town halls - Learning & Development / Training sessions - Performance reviews	- Health & Safety - Mental wellbeing - Career development - Diversity & Inclusion
Shareholders	- To ensure transparency - Drive long-term value - Align on business strategy	- Annual Progress Updates - Quarterly updates - ESG Disclosures	- Financial performance - Risk management - ESG Strategy & Performance - Product Stewardship - Decarbonization
Suppliers	- Ensure responsible sourcing - Drive innovation across the value chain	- Business Code of Conduct - Supplier offline/ online events - Joint developments	- Responsible sourcing - Quality - Compliance
Institutions, Schools and Universities	- Product innovation and knowledge exchange - Attracting talent	- Via projects & start-up engagement - Internships - Career events at ERIKS facilities	- Hydrogen - Hyperloop - Engineering

Material Topics

In 2023, ERIKS refined its material topics through a Double Materiality Assessment (DMA), combining financial and impact analysis, stakeholder input, and peer benchmarking. Validated by the management board, this process reduced the number of topics from eight to six and aligned them with ESRS standards. In 2024, we reassessed the DMA to ensure continued relevance, incorporating insights from due diligence, customer feedback, and local teams supported by our ESG committee. As part of our CSRD preparation, we are actively evaluating the processes and controls needed to support future limited assurance, with a clear focus on improving the quality, completeness, and audit-readiness of our non-financial data.

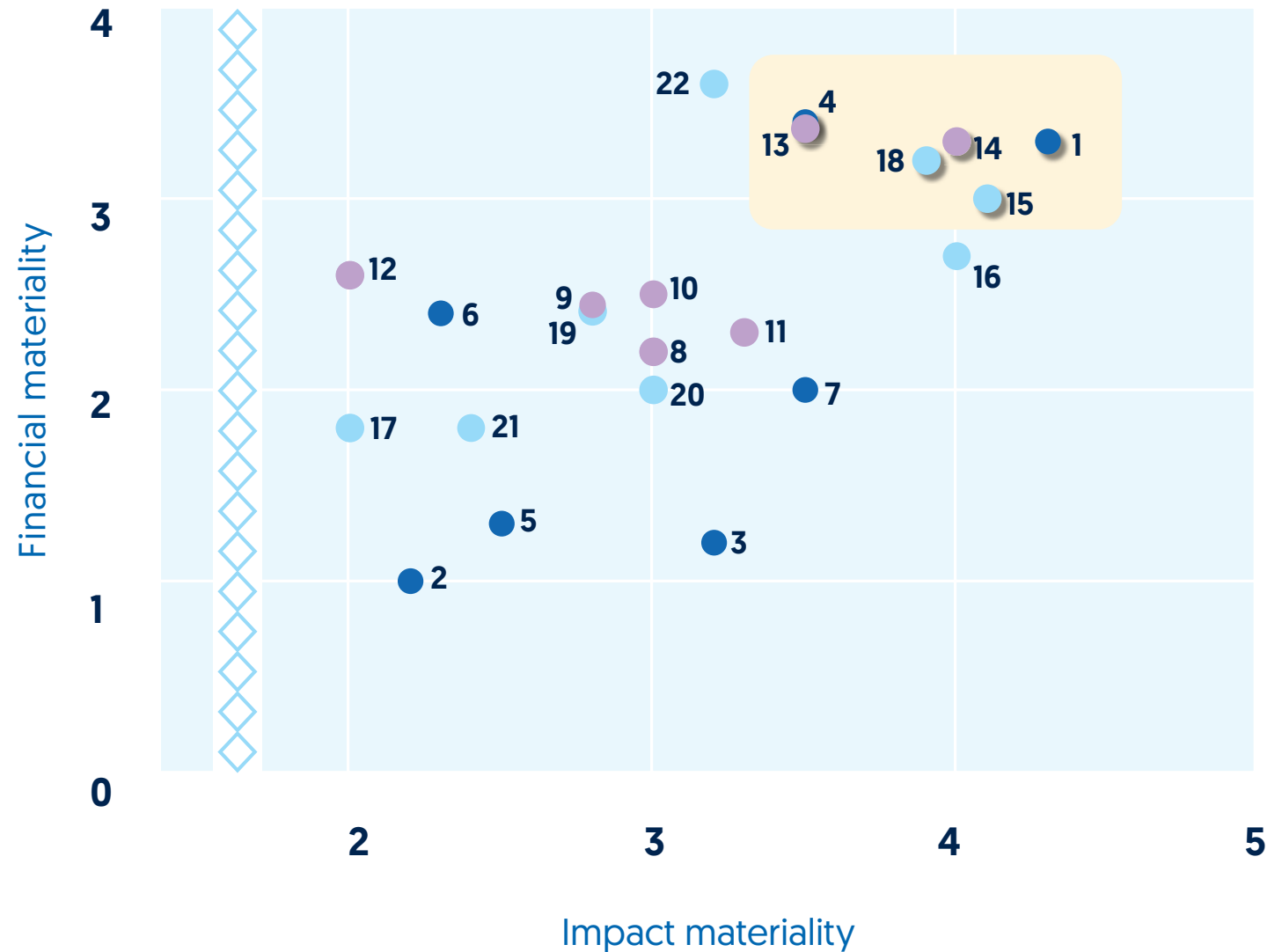


Outside-in
Financial materiality

ERIKS

Inside-out
Impact materiality

1. **Healthy and safe work environment ***
2. Community rights
3. Training and development of employees
4. **Attraction and retention of employees ***
5. Working conditions own workforce
6. Human rights
7. Diversity, equity, and inclusion in own workforce
8. Financial stability
9. Customer health and safety
10. Digitalisation
11. Business regulations, ethics, and integrity
12. Business resilience
13. **Data privacy and cybersecurity ***
14. **Responsible procurement ***
15. **Sustainable innovation and customer solutions ***
16. Efficient and sustainable distribution
17. Biodiversity and ecosystems
18. **Climate change ***
19. Pollution
20. Waste management
21. Water stewardship
22. Circularity



* Six final highly material topics to report on

Double Materiality Assessment (DMA) priority areas



Attraction & retention of employees

At ERIKS, we recognize that our people and knowhow are our greatest strengths. Their technical expertise, deep product knowledge, and strong relationships with customers and suppliers are key to our success. We focus on attracting and developing talent to remain competitive and future ready. With a skilled workforce and a strong foundation in place, we are proactively preparing for the future, enhancing current capabilities and bringing in new ones to stay agile and competitive.

We have established comprehensive policies, targets, and data points in line with regulatory requirements, strengthening our foundation for a sustainable and compliant workforce strategy.



Healthy & safe work environment

A strong health and safety culture is fundamental to how we operate at ERIKS. With our employees working in our own production facilities and on customer sites, ensuring a safe working environment is a top business priority. We are committed to making sure everybody returns home safely at the end of the day. Proactive safety not only protects our people but also ensures operational continuity, lowers incident costs, and reinforces our reputation with customers.

Our continued focus on embedding policies, training, and impact measurement has reinforced a proactive approach to prevention and workplace safety.



Climate change

Climate change presents both a responsibility and a strategic priority for ERIKS. As an industrial component expert operating across diverse industries, we recognize the importance of managing our environmental impact while helping our customers do the same. Reducing carbon emissions and improving energy efficiency not only supports our own operational resilience and cost efficiency, it also strengthens our position as a trusted partner to customers who increasingly value sustainability in their supply chains.

In 2024 we enhanced data collection for greenhouse gas (GHG) emissions, improving accuracy and transparency. In 2025, our priority will be expanding Scope 3 reporting and developing a formal sustainability & climate change policy.

Double Materiality Assessment (DMA) priority areas



Responsible procurement

Responsible procurement is a material topic for ERIKS due to growing regulatory demands and increasing expectations for transparency and accountability in global supply chains. Beyond compliance, we view responsible sourcing as a strategic opportunity to strengthen supplier relationships, reduce risk, and create long-term value. Our approach is centered on building ethical, resilient, and sustainable supply chains that align with our business goals and customer expectations.

To support this, we introduced key initiatives in 2024, including an updated Global Procurement Policy and the launch of a supplier portal. These tools help embed sustainability into procurement practices and prepare us for future reporting requirements.



Sustainable innovation and customer solutions

Sustainable innovation enables ERIKS to support customers in meeting their sustainability goals while strengthening long-term business relationships. By developing solutions, together with our suppliers, which reduce environmental impact and improve efficiency, we help drive progress across the value chain. This approach not only creates shared value but also fosters collaboration with our strategic customers and suppliers, positioning ERIKS as a proactive partner in building more sustainable industrial systems.

Investing in lifecycle assessment expertise has brought standardization to product and service data collection, strengthening our ability to support the first customers with sustainability insights.



Data privacy and cyber security

As we operate in an increasingly connected and data-driven world, safeguarding information is essential to maintaining trust and business continuity. At ERIKS, we recognize the growing importance of data privacy and cybersecurity, not only to comply with evolving regulations, but to ensure we handle sensitive data responsibly.

A strong foundation of secure systems, knowledgeable staff, and clear accountability helps us protect our operations, meet customer expectations, and support the digital transformation of our business and industry.

We updated our policy and introduced phishing awareness training to enhance employee understanding and strengthen data security measures.

Our Roadmap

We are currently in the process of further detailing our ESG roadmap, which is being shaped by the development of key data points, policy frameworks, and benchmarks. While specific KPIs and timelines are still being finalized, this work is closely linked to our ongoing ESG-strategy refresh in 2025.

We aim to provide more detailed insights in next year's sustainability update. The roadmap remains a living document, evolving in response to internal progress, regulatory developments, and stakeholder expectations.

Product Stewardship & Design



Material themes:

- Sustainable innovation and customer solutions
- Responsible procurement

Key Target

- Define and grow our sustainable product and service portfolio

People



Material themes:

- Attraction and retention of employeeer
- Healthy & Safe work environment

Key Target

- Zero live changing changing incidents

Cimate & Environment



Material themes:

- Climate change

Key Target

- Carbon footprint [Scopes 1, 2 & 3] measured; new reduction target defined

Governance



Material themes:

- Data privacy and cybersecurity

Key Target

- Zero incidents of non-compliance on material topics



Sustainable Product Stewardship



Advancing circular innovation in Semicon

In 2023, ERIKS participated in the ASML Circular Innovation Program (CIP), collaborating with key stakeholders in the semiconductor value chain to enhance circularity.

To contribute to ASML's ambitious sustainability goals, ERIKS developed a roadmap focused on professionalizing its Circular Semicon Repair business. In 2024, this plan, integrating expertise from ERIKS' engineering, innovation, and sustainability teams, was awarded a golden award by ASML executives during the program's closing pitch event.

This recognition shows ERIKS' commitment to driving circularity through cross-functional collaboration and customer-focused innovation.

This chapter focuses on two key material topics:

- **Sustainability innovation & customer solutions:** advancing engineering practices and product development to address climate and societal challenges, including circularity and life cycle thinking.
- **Responsible procurement:** ensuring ethical sourcing and supplier collaboration to drive sustainability across the value chain.

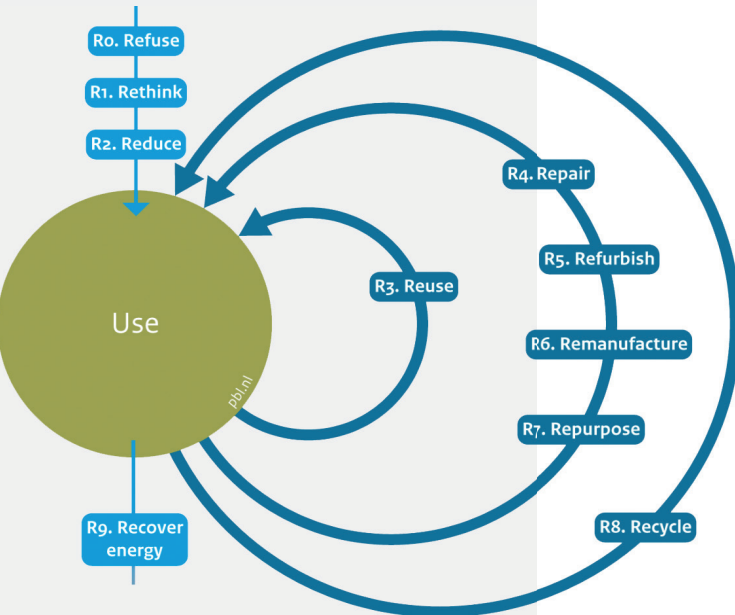
Sustainable innovation & customer solution

Sustainable Engineering

Our Sustainable Engineering process allows us to incorporate quality, reliability and a long-term circularity approach, where we look at both the short-term and long-term impact of our products. By focusing on circularity, we can reduce our impact over time.

We continue the transformation of our engineering practices from linearity to circularity. Whereas with a linear approach people buy a product, use it, and then throw it away, with a circular approach, products gain a longer lifespan, are repairable, reusable and ultimately recyclable.

The transition to a more circular economy offers clear societal environmental and economic benefits. For ERIKS, it also presents a valuable opportunity to innovate with our customers. By exploring how to do more with less, we reduce waste, extend product life, and strengthen supply chain collaboration. Already materializing through joint initiatives with key customers, circularity is becoming a driver of long-term value. Building internal capabilities in this area will be essential as expectations and opportunities continue to grow.



The 9R Framework, developed by Potting et al. (2017) for the PBL Netherlands Environmental Assessment Agency, outlines nine strategies for circularity in product chains.

At ERIKS, we are committed to advancing circularity in our operations and solutions. To guide this transition, we use the 9R framework, a structured and hierarchical model that helps organizations move toward more circular design and engineering.

The 9R framework categorizes circular strategies from R0 [Refuse] to R8 [Recover]. These strategies are ranked by their environmental preference: the lower the R-number, the tighter the material loop, meaning fewer external inputs are needed and the strategy is more circular. For example, refusing unnecessary products [R0] or rethinking design [R1] has a greater circular impact than recycling [R7] or energy recovery [R8], which are further down the hierarchy.

This model is not just theoretical, it is highly applicable to ERIKS. It helps us assess and improve the circularity of our product and service offerings. Whether we are redesigning components for longer life, enabling reuse through modularity, or supporting customers with repair and refurbishment solutions, the 9R framework provides a clear lens through which we evaluate our impact and set priorities.

Embedding 9R principles makes circular thinking central to how we create value, for customers, the environment, and our long-term resilience.

Circularity

In 2024, ERIKS made tangible progress in embedding circularity across our operations. We focused on practical, scalable initiatives that go beyond recycling, aligning with higher levels of the 9R ladder such as rethink, reuse, and repair:

- **Strategic collaboration (R1 – Rethink):** Our participation in ASML's Circular Innovation Program led to a cross-functional roadmap for circular repair in semiconductors rethinking the traditional way of working.
- **Repair over replace (R4 – Repair):** We explored repair options where feasible, such as hose repair, to extend product lifecycles and reduce waste.
- **Expanding circular practices (R3 Reuse and R4 Repair):** We applied circular principles in other business areas, including gaskets and our Tools, Maintenance and Safety [TMS] product group.
- **Internal reuse platform (R3 – Reuse):** We launched an internal online marketplace to facilitate the reuse of equipment, furniture, and office supplies across our locations. The platform now has over 100 active users.

Case study

Product compliance in action: the PFAS challenge

The proposed EU PFAS restriction in 2023 presented significant challenges and uncertainties across the European business landscape. In response, ERIKS proactively initiated several key activities.

Customer Communication: In 2024 we launched an online blog to provide our customers with timely and transparent updates on the status of the 2023 EU PFAS ban proposal and its potential impact.

PFAS Expertise Development: We invested in 2024 in training our product specialists to understand the implications of the proposed PFAS ban and the existing regulatory context under EU REACH and the EU POPs Regulation.

Impact Assessment and Alternative Solutions: Our product specialists are being trained to evaluate the impact of transitioning to non-PFAS alternatives, enabling us to better understand the implications for our products and customers.

Product Redesign Initiatives: We have commenced projects to explore and implement PFAS-free designs where technically and practically feasible. As part of this process, we noticed that viable alternatives may not exist for all applications at this moment.

Life Cycle Assessments

In 2024, ERIKS deepened its circularity efforts through its participation in the Circles of Life consortium with a leading maritime customer. As part of this EU-sponsored initiative, we co-developed the Shipyard Environmental Performance Index (SEPI) and the Ship Lifecycle Passport (SLP)—tools that empower stakeholders across the supply chain to monitor, assess, and improve environmental performance. The project also enabled ERIKS to strengthen its Life Cycle Assessment (LCA) capabilities, resulting in a robust data framework and over 100 product LCAs completed. Building on this foundation, we have expanded the scope beyond maritime, applying LCA insights to other business areas and enhancing collaboration with suppliers and customers.

Product Compliance

In 2024, ERIKS further strengthened its commitment to product safety and sustainability through the start of Product Compliance department, which enhances our approach to managing chemical substance regulations, such as EU REACH.

We do this by:

- **Dedicated expertise:** We maintain dedicated resources focused on understanding and ensuring adherence to the evolving regulatory requirements for our products, all guided by our comprehensive Product Compliance policy.
- **Proactive monitoring:** We increased our efforts to proactively monitor the regulatory landscape, with the goal to anticipate and respond effectively to new and changing legislation.
- **Enhanced communication:** We are committed to improving communication channels with both our suppliers and customers to ensure clear and timely information regarding chemical compliance.
- **Regulatory adherence:** Our goal is to ensure all our products meet or exceed the requirements of applicable chemical substance legislation, such as EU REACH.



Packaging

Across ERIKS, we have engaged with multiple customers to explore ways to reduce plastic use in our packaging processes. These collaborative discussions helped us understand customer requirements while aligning on shared sustainability goals. As a result, we conducted a variety of packaging tests across several sites to evaluate alternative materials and methods. Two locations have already adopted a more sustainable packaging approach, which includes switching to paper tape and filling material. Additionally, these sites have eliminated plastic straps and optimized box sizes to reduce excess material. We continue to build on these improvements with plans to further cut down on plastic use throughout our packaging operations.

Responsible Procurement

In 2024, we strengthened our commitment to responsible procurement with the launch of our supplier portal, a key milestone in enhancing transparency and collaboration across our supply chain. This platform enables us to systematically collect sustainability-related data from our suppliers, including:

- **Acknowledgement of our Code of Business Conduct.**
- **Reporting of greenhouse gas (GHG) emissions.**
- **Adoption of science-based targets or Net Zero ambitions.**
- **Participation in third-party sustainability assessments such as EcoVadis.**

The portal provides a solid foundation for integrating sustainability into our sourcing decisions. Together with our procurement teams, we are continuously working to expand the scope and quality of the data collected, supporting more informed and responsible decision-making.

This work is underpinned by our updated Procurement Policy, which now includes a dedicated sustainability section outlining clear expectations for suppliers on environmental and social responsibility. Looking ahead, we are committed to further developing our tools and processes to strengthen supplier engagement, improve data insights, and drive continuous improvement across our value chain.



People and Talent



ERIKS continued its efforts in 2024 to foster a resilient, inclusive and secure workplace where employees can thrive. Here we focus on the key updates for People and talent, while touching upon the material topics of

- **Attraction and Retention of Employees**
- **Healthy & Safe Work Environment, and**
- **Data Privacy and Cybersecurity.**

People Strategy

Our people strategy is built on the values that drive performance: cooperation, courage, and accountability. These shape how we work across teams, with customers, and in how we lead.

We act on the principles of customer first, Know-How Wins, and be responsible, which reflect the qualities our customers trust: expertise, reliability, and a proactive mindset.

We foster a culture where people work together, take initiative, and own results. Our teams are skilled, hands-on, and closely connected to customer needs. We work flexibly and use data to stay focused and effective. Through smart innovation and collaboration, we stay competitive and trusted as a forward-thinking partner. We create space for people to grow, share ideas, and turn knowledge into impact adapting quickly and delivering great work.



In 2024, we organized a series of voluntary awareness webinars, including International Women’s Day, Inclusion Week, Pride Month, and Movember, which were well received, with approximately one-third of our workforce participating.



People in 2024

Attraction and Retention of Employees

Attracting and retaining the right talent is essential to ERIKS’ long-term success. In 2024, we strengthened our employer brand through the launch of a global Employee Value Proposition (EVP) campaign, designed to communicate what value ERIKS offers as an employer. This initiative significantly increased online visibility and engagement, with over 3.6 million social media impressions in the Netherlands alone, and a fourfold increase in open applications across regions.

We also continued to monitor employee engagement and demographic trends, including age distribution, across our global workforce. In several areas of the business, we benefit from a highly experienced and technically skilled employee base. To ensure this valuable expertise is preserved and passed on, we are actively fostering intergenerational knowledge transfer. In 2024, we conducted a targeted succession analysis for key roles, strengthening leadership continuity and future readiness, helping us build continuity, drive innovation, and strengthen long-term capabilities across the organization.

A diverse and inclusive workplace plays a key role in attracting talent and enhancing employee engagement. At ERIKS, we are committed to fostering an environment where all employees feel welcome, respected, and safe to contribute their ideas.

We are especially proud of the progress made in advancing gender equity. The proportion of women in senior leadership rose to over 27%. We also made measurable progress in narrowing the gender pay gap, reducing it from 7% to 6%, with a target of 5% in line with the EU Pay Transparency Directive. These achievements reflect our ongoing commitment to building a workplace where all employees can thrive and contribute to ERIKS’ success.

	2021	2022	2023	2024
% Women in senior leadership	19	27	26	27



In the context of broader organizational changes, 2024 also saw a slight reduction in global headcount. This was part of a strategic realignment aimed at positioning ERIKS for long-term resilience and growth, with further developments expected in 2025.

Health & Safety

The rise in LTI workdays prompted intensified safety efforts, reflected in the more than doubling of safety visits, in line with the renewed focus highlighted by the CEO.

	2021	2022	2023	2024
Severe injuries	0	1	0	0
Near misses	427	324	263	235
LTI workdays	394	236	298	570
Safety visits	447	359	490	1288



Our Global Safety Campaign

Our global safety campaign, Zero = Hero, has been at the heart of our vision of zero work-related accidents for several years now. This multimedia campaign encouraged employees to step up and be 'real heroes' by demonstrating and promoting model safety behaviour. In 2024, we reported zero serious accidents and zero severe injuries, down from one two years ago. Our ambition remains firm, to push for zero incidents.

Health & Safety Management

To drive continuous improvement, we implemented Visible Felt Leadership (VFL) in 2024, encouraging leaders to actively engage with employees to identify and mitigate safety risks in real time. This has contributed to greater awareness and a more supportive safety culture across all levels of the organization.

Our health and safety management structure includes dedicated Health, Safety, and Environment (HSE) professionals in each country, supported by a central team to ensure alignment and knowledge sharing. While safety strategies have traditionally been developed locally, 2024 saw increased global coordination and approach, laying the foundation for a harmonised HSE strategy from 2025 onwards.

We expanded and tailored safety training to reflect employees' specific roles and environments. This includes general training on critical topics such as first aid, personal protective equipment, and incident reporting. We also support our customers with guidance on safe product use and assistance with complex maintenance tasks.

Since 2022, ERIKS has significantly strengthened its approach to health and safety, embedding key initiatives such as the integration of psychosocial workload (PSA) into our Periodic Medical Examinations, the structured use of RE&I in role design, and the expansion of targeted training programs. These efforts reflect a broader shift toward a more holistic and proactive safety culture.

Looking ahead, we are preparing to launch a refreshed global safety campaign that moves beyond the traditional "Zero = Hero" mindset. While our commitment to zero incidents remains unchanged, the new approach places greater emphasis on the behaviours and mindsets that drive lasting safety outcomes. By focusing on leadership ownership, emotional safety, and continuous learning, we aim to foster a culture where safety is not just a target but a shared responsibility. This evolution is supported by the rollout of a new incident reporting system, designed to enhance responsiveness and agility in managing safety risks across the organization.



Reporting, Communication & Engagement

Incident reporting remains a cornerstone of our safety culture. Our policy states that all incidents are reported within 24 hours through our digital system. Local safety teams ensure that managers are promptly informed, including details on root causes and preventive actions. Weekly safety conference calls further support thorough investigation and follow-up, helping us learn from each event and continuously improve. We conduct regular risk assessments at all our workplaces to proactively identify and address potential hazards. These assessments are coordinated globally and executed locally by safety experts, resulting in targeted action plans involving key personnel such as production and logistics managers. This structured approach ensures that risks are systematically managed and minimized.

Equally important is our commitment to creating a culture where everyone feels safe to speak up. Employees are encouraged and empowered to pause work and raise concerns whenever they feel unsafe or uncertain. This emphasis on emotional safety and shared responsibility reinforces our belief that safety is not just about procedures, it's about people, trust, and open communication.

By strengthening our safety culture, expanding access to training, and fostering proactive leadership engagement, we continue to build a safer, healthier workplace for all.

Emotional Safety

For ERIKS, health and safety go beyond physical well-being. We recognize the importance of emotional and mental well-being as integral parts of a truly safe workplace. To reinforce this, we have intensified our training efforts, expanded both onsite and online learning opportunities, and strengthened our culture of safety through enhanced leadership engagement and communication.



Online Safety

Cybersecurity plays a critical role in protecting our people, operations, and data. In an increasingly digital environment, ERIKS continues to strengthen its defences to ensure a safe and resilient workplace for all. A few highlights from 2024:

- **Cybersecurity Awareness**

An awareness campaign was launched where employees were regularly tested via 'real-life' use cases of phishing emails and messages. Every quarter all (>4300) employees were targeted, with specific target groups on a monthly basis.

- **Cyberprotection & Remediation**

We demonstrated strong cybersecurity performance by successfully blocking ongoing malware attempts and continuously resolving vulnerabilities to strengthen the foundations of our system landscape. These efforts ultimately led to zero incidents, an outcome that reflects the effectiveness of our approach.

- **Phishing Tests & Training**

A mandatory training session was conducted for all employees covering phishing, CEO fraud, and acceptable use policies. In addition, specialized training provided to all Finance department staff on payments, fraud, phishing, and other related security threats.



Climate and Environment



In this chapter, we outline our actions and progress in reducing our environmental impact and adapting to climate-related risks. As climate change remains a material topic for ERIKS, it impacts both our strategic priorities and operational responsibilities. The key focus is on the ERIKS decarbonization approach and the overview of our 2024 GHG emissions (Scope 1 and 2).

While data on water and waste are not yet consistently tracked across all ERIKS entities, we recognize their importance and are exploring how to integrate these metrics into future reporting cycles. Biodiversity was assessed as not material to ERIKS' operations in the 2023 DMA, given our limited direct land use and impact.

In 2025, we will continue our assessment of physical climate risks to our operations and supply chain, building on work already ongoing. While a full analysis of transition risks will require further development, we recognize their growing relevance and will explore how to incorporate them into our evolving climate strategy in line with CSRD expectations. In practice, many of our current actions already reflect elements of transition risk, as we increasingly align with customers who expect more on sustainability and climate performance. This dynamic not only drives operational change but also informs our strategic direction, helping us stay competitive and relevant in a rapidly shifting market landscape.

Decarbonization Strategy

Having met our initial decarbonization targets through local initiatives it is now time to set new ambitions. While a group-wide decarbonization strategy is still in development, we are already aligning local initiatives under a shared vision for 2025 and beyond. This does not mean efforts have stalled. On the contrary, teams across ERIKS continue to drive progress through practical actions such as transitioning to paper-based packaging, electrifying parts of the logistics fleet, installing solar panels, and adopting electric and hybrid company vehicles. These initiatives reflect a strong and ongoing commitment to sustainability, even as we prepare to define our next set of goals.

A standout example of such an initiative within the group is ERIKS Industrial Services, which in 2024 established a comprehensive baseline for Scope 1, 2, and 3 emissions and committed to achieving carbon neutrality by 2050. With interim targets of a 58.3% reduction in Scope 1 and 2 emissions and a 35% reduction in Scope 3 emissions (from a 2022 baseline), they have set a clear and ambitious path forward.

Their decision to join the Science Based Targets initiative (SBTi) further validates the robustness of their approach. The experience and insights gained by ERIKS Industrial Services will serve as a valuable foundation for the rest of ERIKS as we move toward a unified decarbonization framework. This framework, to be developed in 2025, will align individual efforts under a shared vision, establish measurable targets, and provide a roadmap for long-term impact. It will also help identify gaps, foster collaboration, and attract further investment in sustainability, marking a shift from isolated initiatives to strategic transformation.

Scope 1 and 2 GHG Emissions

Year	Scope 1 & 2 (in kTon CO ₂ e Market-based)
2018	16.2 *
2019	24
2020	22
2021	20
2022	11.5
2023	12.3
2024	11.3

* Like-for-like comparison: 2018 emissions restated to exclude USA for consistency with current scope.

Between 2018 and 2025, ERIKS achieved a notable reduction in GHG emissions. This was driven by the merging of facilities, alongside local energy-saving efforts such as LED lighting, smart systems, and an increasing share of electric vehicles. Several sites also adopted green electricity or installed solar panels. These combined actions reflect our commitment to sustainability. A detailed evaluation and updated decarbonization plan are in development for 2025.

Case study

Revamp or replace? Smarter motor decisions for long-term impact

Context

Electric motors are essential to industrial operations and represent a major share of energy consumption in manufacturing. Traditionally, revamping older motors was considered a cost-effective and sustainable option. In 2024, ERIKS partnered with a major food industry customer to reassess this approach.

Challenge

The customer operated multiple production sites, each with over 200 motors many, up to 70 percent more than 15 years old. While rewinding motors appeared to offer short-term savings, ERIKS engineers conducted a detailed analysis comparing the long-term energy use, carbon emissions, and total cost of ownership between revamping and replacing motors with new IE4 models.

The findings were clear: depending on the motor type, replacing instead of revamping could reduce carbon emissions by 3 to 7.5 percent per motor per year. With hundreds of motors per site, the cumulative impact was substantial. Despite higher upfront investment, the return on investment ranged between 1 and 3 years, making replacement the more sustainable and economically sound choice.

Outcome

This project marked a shift in approach. In 2024, ERIKS began integrating carbon and energy impact assessments into all major motor projects. Today, this is standard practice, helping customers make informed decisions that balance cost, performance, and environmental impact.

Why it matters

According to the **European Commission**, updated Ecodesign regulations for electric motors and drives are expected to deliver 106 TWh of annual energy savings by 2030, equivalent to the electricity consumption of the Netherlands. ERIKS' approach supports this ambition by helping industrial partners identify and act on opportunities for meaningful carbon and energy reductions.

Scope 3 Emissions

Our Scope 3 assessment conducted prior to 2024 identified the use of sold products, particularly electric motors and pumps, as the most material emissions category, accounting for approximately 62% of our Scope 3 footprint. While we have not recalculated our Scope 3 emissions in 2024, we have taken targeted action based on these insights.

By supporting customers in replacing outdated motors with high-efficiency alternatives, we are actively contributing to lower emissions in their operations while reducing our own Scope 3 impact. These initiatives demonstrate how data-driven insights are translating into practical, measurable progress.





Governance



A proper governance framework is key for the long-term success of ERIKS. It provides the structure and accountability needed to uphold our values, manage risks, and drive sustainable performance. This chapter outlines our governance structure, the Policies and Codes of ERIKS.

Governance Structure

ERIKS is managed by a Management Board supported by limited professional staff functions. The countries are managed by local management teams lead by the local Managing Director. This structure is laid down in our Management Charters, which include an attachment containing our entire authorisation scheme, specifying the matters that are subject to approval of our Management Board. Key functions such as Finance, Ethics & Compliance and Sustainability are coordinated at central level to provide consistent guidance and oversight throughout the whole organisation.

These functions work closely with the business side of the organization to ensure that sustainability is embedded in daily operations and commercial decision-making. In 2024, we updated the related Control Framework to align with evolving regulatory requirements and our current strategic direction. This focussed setup enables us to stay responsive to emerging expectations and translate our sustainability ambitions into concrete, actionable initiatives across all markets and functions.

Relevant Policies & Codes

- **Code of Business Conduct Business Partners**
- **Code of Business Conduct Employees**
- **Data Privacy Policies and Procedures**

For actual information on our compliance approach including links to our Code of Business Conduct we refer to our **corporate website**.



Closing Remark

This has been a year of change, for our company and the world around us. In the face of ongoing global uncertainty, one thing remains clear: sustainability is not optional. It has become a core part of our renewed strategy and a shared responsibility we are committed to.

While there is still work to be done, we are taking deliberate steps to clarify what this means in practice. The challenges remain, but so does our ambition. As we move forward, sustainability will continue to guide our decisions and shape the way we grow and serve our customers, with purpose, accountability, and a long-term view.



ERIKS

Making industry perform better