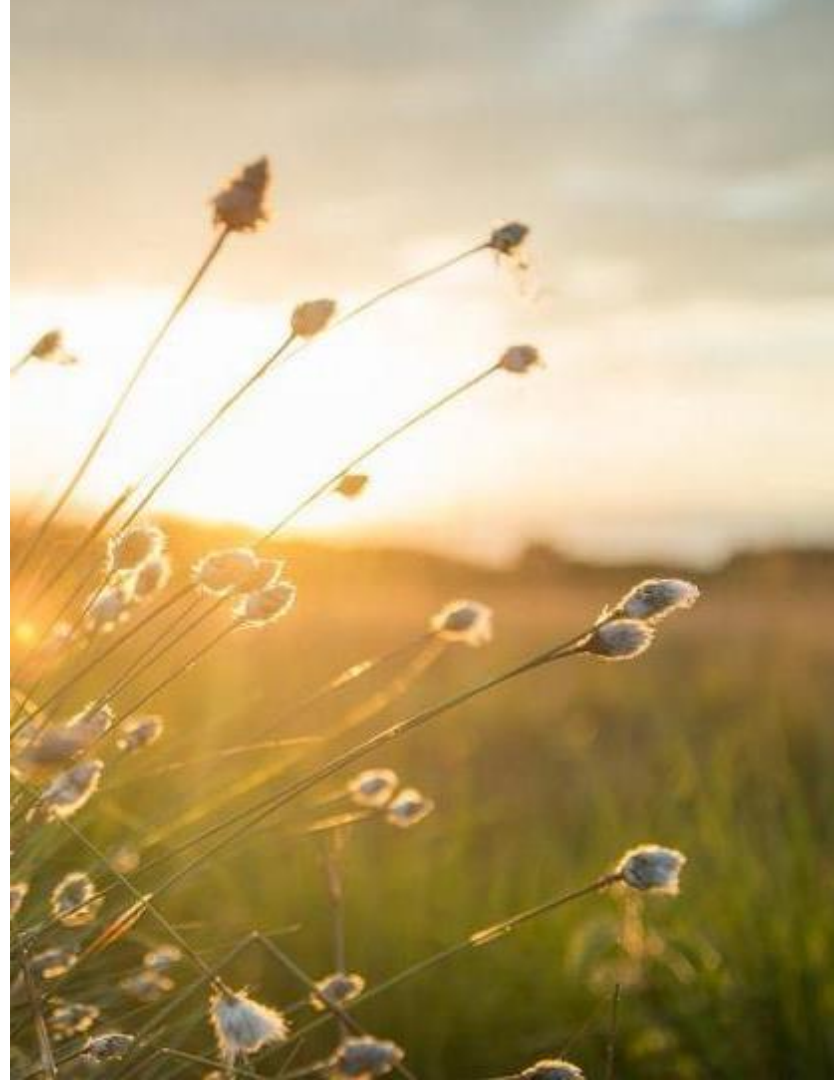


Sustainability Report

We protect what you value most

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ESG targets at Heras Group

Heras commits to reach net-zero emissions and a circular economy by 2050.

ESG	Topic	Target for 2025	Baseline 2022	2023 Result
Environment	Scope 1 & 2 - Own activities	25% CO ₂ reduction	6.003 tCO ₂ (eq.)*	↑ 95,6%
		20% energy consumption reduction (electric + gas)	5.164 mWh	↔ 100%
	Scope 3 - Value chain	20% of lease cars are electric/hybrid	6%	↓ 23,6%
		100% renewable electricity at Heras sites	66%	↑ 83%
		12,5% CO ₂ reduction	349.437 tCO ₂ (eq.)**	↔ 0%
Social	Safety & Health	0 Lost Time Accidents (LTA)	7	↑ 6
		0 Lost Time Injury Frequency (LTIF)	2,7	↓ 3
		0 Severity Rate (SR)	11	↑ 4
	Wellbeing	30 Point improvement Employee-Net Promote Score (E-NPS)	-	↑ +27
		10% reduction Illness Rate (IR)	5,3%	↑ 4,2%
		10% reduction Voluntary Employee Attrition Rate (VEAR)	11,9%	↓ 18,4%
Diversity	20% of vacant management roles filled by female employees (Exco and Exco-1)	-	*	
Governance	ESG Policies	100% necessary ESG related policies in place for the ESG rating	-	↓
		95% of necessary personnel trained on ESG related policies	-	↑ 47%
		ESG rating (target: risk level 0-20)	-	↓ 18,9

Legend:

- ↑ Improvement compared to base year, but target not yet reached
- ↓ Decline compared to base year
- ↔ Equal performance as base year
- ↓ Target reached

* To be calculated



Foreword from our CEO

Our world faces many challenges. The cost of living is rising rapidly, the climate is changing, society is becoming increasingly polarized, and we are running out of natural resources - just to name a few.

At Heras, we take our responsibility to address these global challenges seriously. We want to do our part to meet these challenges – by working together with all our partners in our value chain. In this report you can read more about Heras and our ESG commitment.

Kind regards,

Emmanuel Rigaux
CEO



Heras Group at a glance

Over 70 years of proven track record



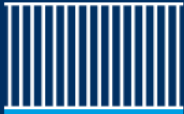
~1,000
experts



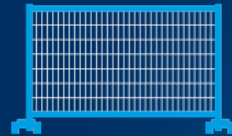
Experienced
management team



4 production facilities



100,000
gates installed



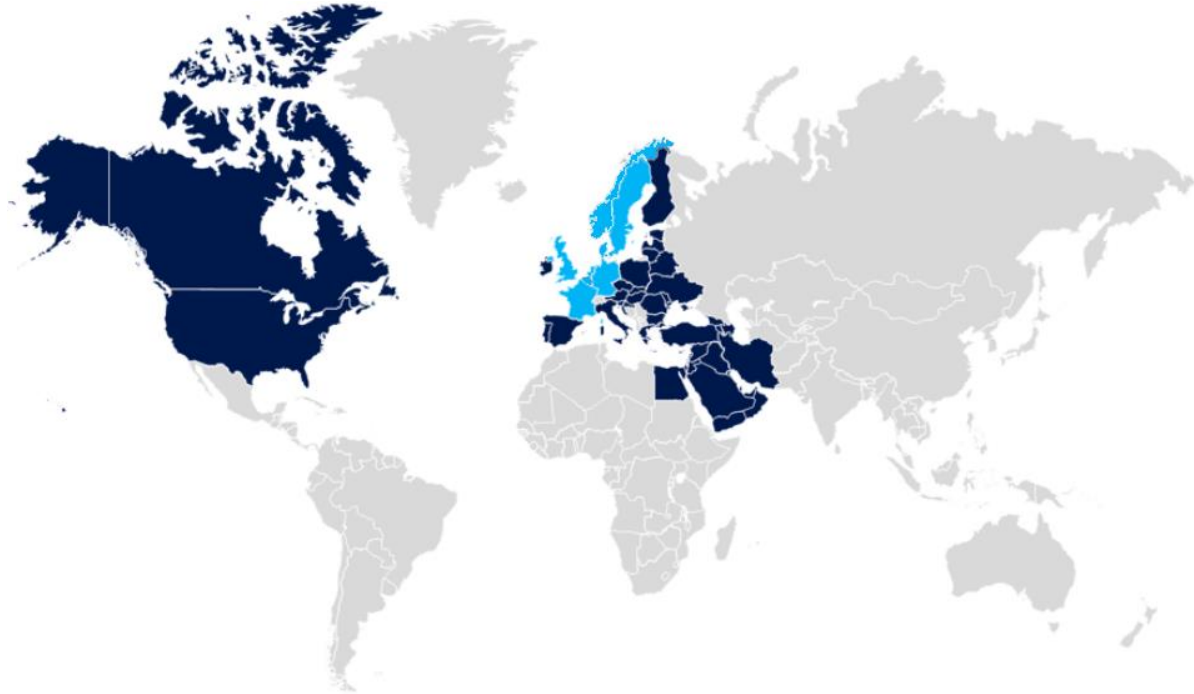
1.7 m
mobile fences p.a.



50,000 assets under
service agreement

Heras Group presence

- Heras is a European end-to-end supplier of permanent and mobile perimeter protection solutions.
- Heras Group is present with manufacturing sites and subsidiaries in eight European countries.
- Most market revenue is created in the countries where Heras is present
- There are also sales, operations and exports to further European countries, the Middle East, and North America.



Heras Group activities

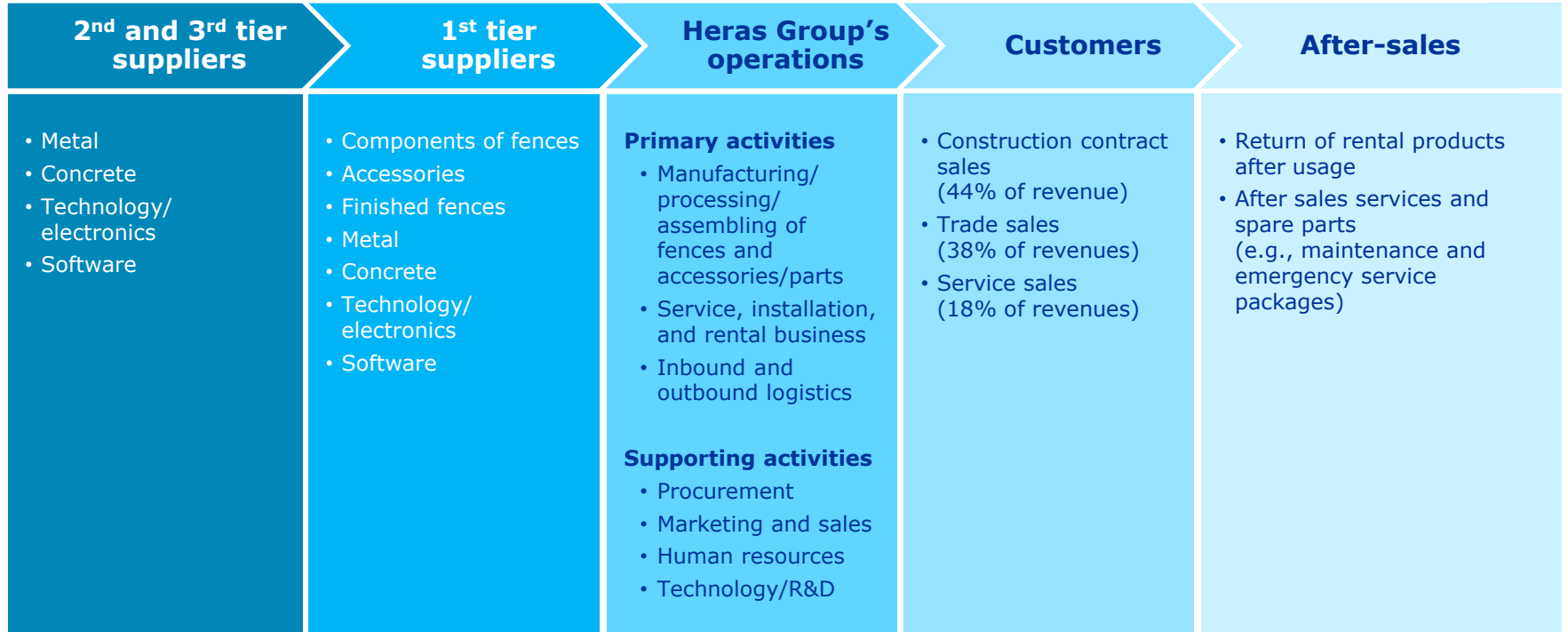
Heras Group is active in four industry sectors:

1. Metal processing industry - production of fences and accessories;
2. Supplier and installer to the construction and further industries - Mobile and Permanent business unit;
3. Rental business - Mobile business unit;
4. Service and predictive maintenance.

Our Permanent business unit accounts for 68% of revenues, our Mobile business unit for 32%.



Heras Group's value chain



Stakeholders and priorities

Employees	Growing importance for (potential) employees that Heras contributes on sustainable topics.
Customers	The number and the depth of sustainable demands from customers are growing, in alignment with the Sustainable Development Goals (SDG's) .
Investment company	Equistone demands an ESG strategy, -targets, polices, a ESG-rating and quarterly status reports.
Suppliers	Heras is highly dependent on materials, whilst scarcity on key materials is growing and international conflicts impact deliveries. On ESG we see a big difference between the level of commitment of our suppliers. Some are fully committed and actively reducing carbon emissions in line with the SBTi, some haven't even started.
Competitors	Overall, the competition does not yet (publicly) reflect much on ESG as important topic.
Legislators	Legislation and report demands on ESG are growing, for example the upcoming CSDDD (I-MVO) and Corporate Sustainability Report Directive (CSRD) .
Standards	A lot of standards are being created to normalize ESG. E.g., on material/product passports.
Society	NGO's and civilians are increasingly speaking up and demand that governments and companies take their responsibility.
Planet	We created an imbalance on our planet, which causes rapid climate change, biodiversity loss, natural disasters, extreme weather events, and natural resources crises - just to name a few.

Stakeholders and priorities

In 2022 Heras Group performed a stakeholder analysis based on questionnaires. The most material topics* for Heras Group according to the stakeholder reactions were:

Environment

- Waste discharge
- Energy efficiency of operations
- Carbon emission reduction

Social

- Health & Safety
- Use of substances hazardous to health
- Anti-discrimination
- Human rights

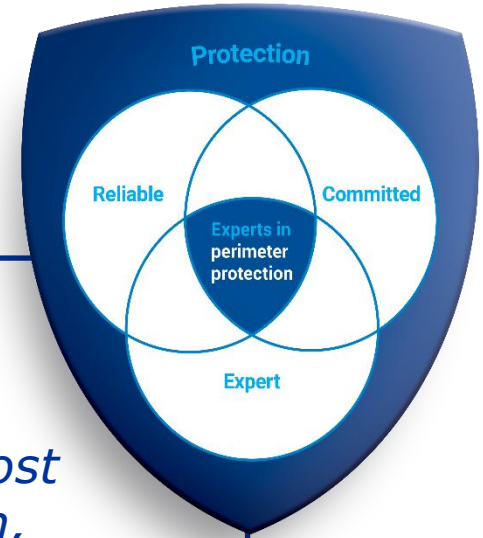
Governance

- Structure and oversight of the company
- Transparency and reporting
- Whistleblower
- Anti-bribery and corruption procedures
- Anti-competitive practices

ESG mission statement



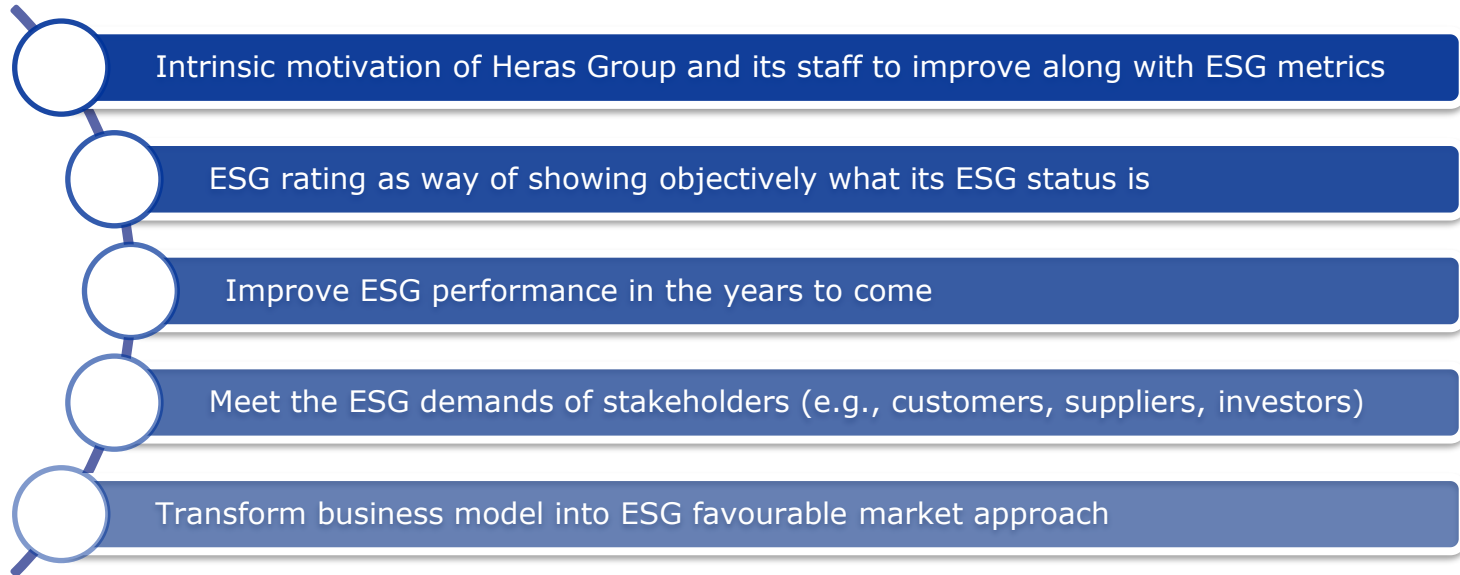
Protecting what our customers value most for generations to come, through design, manufacture, install and service of premium perimeter protection solutions.



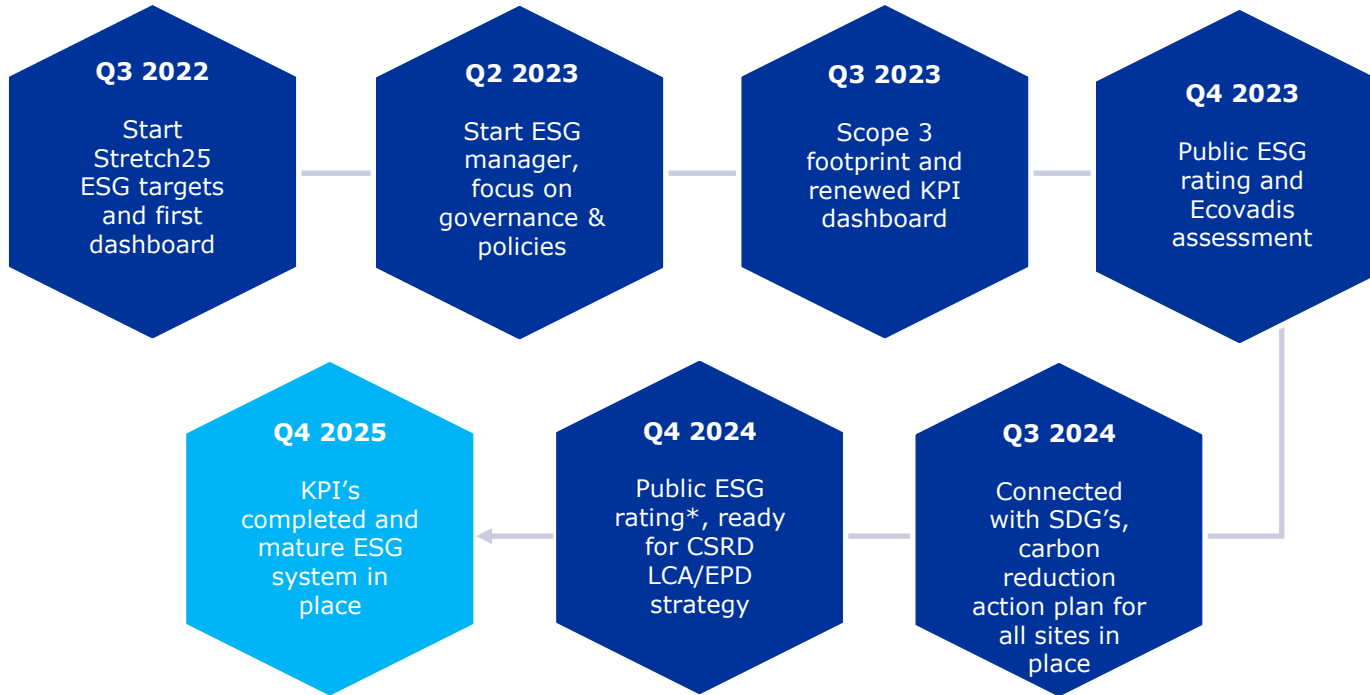
ESG strategic goals: Stretch25

In 2022, Heras Group started the **Stretch25 strategic program (2022-2025)** with the objective to build a **solid** platform for Heras' **long-term** future. One of the workstream within this program is ESG.

The **ESG goals** for this workstream are:



ESG roadmap



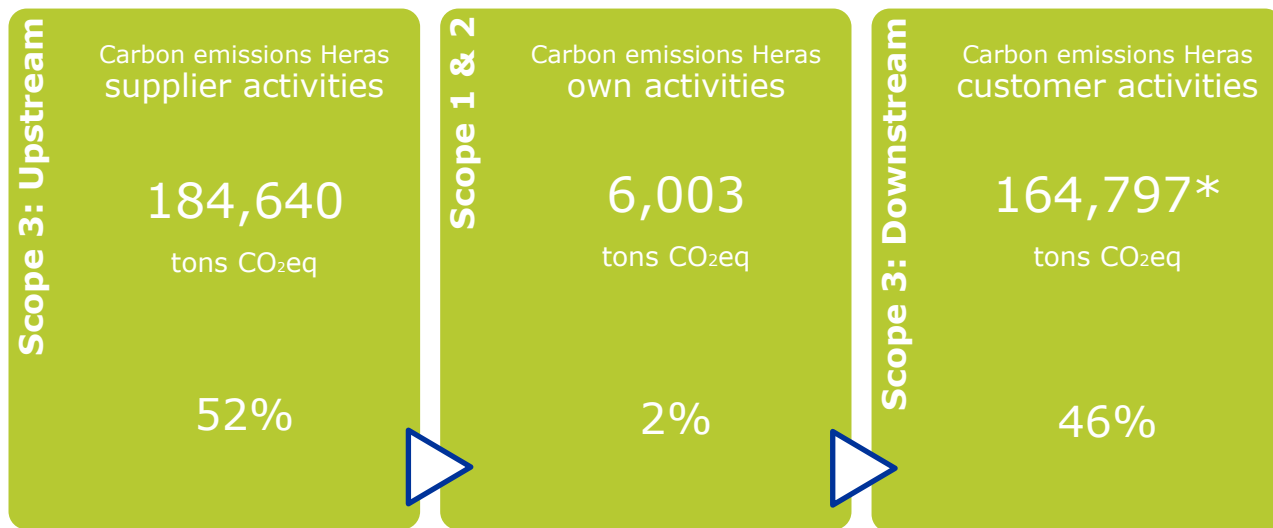
ESG governance



Coordination
by ESG Manager

Environmental responsibility

The carbon footprint of Heras calculated over 2022 is **355,440 ton of CO₂eq**. The biggest part of our impact is in **scope 3 (98%)**. **Purchased goods and services (50%)** and **End-of-life treatment of sold goods (43%)** make up for 93% of scope 3.



Environmental responsibility

- In line with the linear reduction pathway of the **GHG-protocol** and the Science Based Targets initiative (**SBTi**), **targets** have been set for **2025**, with 2022 as a baseline.
- Scope 1: For direct emissions from Heras' facilities and vehicles, the main goal is to **reduce** the amount of **natural gas** use and **increase** the number of **electric/hybrid cars**.
- Scope 2: For our indirect emissions from purchased electricity and heating and cooling, the main targets are to **reduce** the consumption of **electricity** and only use **renewable** forms of electricity.
- Investments have been made to lower the temperature of our chemical baths (done January 2024), with which gas usage will be reduced by 2%. For our plant in Belgium, a **renewable energy contract** has been signed (end 2022).
- Further **innovations** in our factory will also reduce the amount of electricity and gas use because of **new technologies and less machinery**.

Target 2025

- 25% CO2-reduction
- 20% energy consumption reduction (electric + gas)
- 20% of lease cars are electric/hybrid
- 100% renewable electricity at Heras sites

Baseline 2022

6,003 tCO₂

571,254 m³ + 5,164 mWh

6%

66%

Environmental responsibility

- Scope 3 makes up for **98% of our total impact**. Our near-term target, following the linear pathway of the SBTi, is an annual reduction of 2.5% per year. And in line with the SBTi, we calculated our target starting in 2020, which makes our target for 2025 a **reduction of 12.5%**. To reach this target, we will first create improvement plans with our **supply chain** (in accordance with the **OECD guidelines** for multinational enterprises), starting where we make the highest impact. And we will create **Environmental Product Declarations (EPD's)** to better understand the impact of our (future) products and services.
- Suppliers are our primary focus because of our impact in **Purchased goods and services (50%)**. We will also investigate additional opportunities to improve our impact on **End-of-life treatment of sold goods (43%)**.
- A lot of our current activities already have a **positive impact** on our scope 3. Due to the quality of our product and the **(predictive) maintenance** we do, it has a **long lifespan**. We **rent out** mobile fences and **repair** them when needed. We also have products that use **less materials** and sell **recycled footings**. More examples can be found on heras.com.
- We used **secondary data** to calculate our current scope 3 impact and due to a **lack of data** downstream '11. Use of sold products' is not yet calculated. We plan to **keep improving the quality** of our data and plan to add the missing data in our next report.

Target 2025

12.5% reduction of CO2 emission
After 2025: 2,5% yearly

Baseline 2022

349,437 tCO2

Social responsibility

Health & Safety

- People make our company. That is why health and safety are **paramount**. The same goes for the customers we work for, the suppliers we work with and the communities in which we work.
- Heras is committed to the **continual improvement** in the Occupational Health and Safety Management Systems, according to legal and other requirements by providing **healthy working conditions** and to include the **consultation** and participation of workers and their representatives.
- The starting point of this principle is the Heras **Safety Culture Program**. In it, the **9 Life-Saving Rules** forms the basis for making the risks in our work manageable and ensuring that accidents can be prevented. These rules are uniformly drawn up and applicable for each country in addition to the local laws and regulations.

<u>Target 2025</u>	<u>Baseline 2022</u>
• 0 Lost Time Accidents (LTA)	7
• 0 Lost Time Injury Frequency (LTIF)	2.7%
• 0 Severity Rate (SR)	11%

Social responsibility

Diversity and anti-discrimination

Heras endorses the principles of **equality and diversity** and has social policies, practices and (introduction) training in place to **promote** this. We will **protect individuals** from discrimination if they have a protected characteristic as: age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, and pregnancy and maternity. These principles are **connected to our values**, the (supplier) code of business conduct and performance reviews.

Modern slavery

Heras **prohibits** the use of modern slavery and human trafficking in our **operations and supply chain**. We are **committed** to implementing systems and controls aimed at ensuring that modern slavery is not taking place anywhere within our organisation or in any of our supply chains. We will use **OECD improvement plans** as mentioned under Environment. Read our **Supplier Code of Conduct** for more information.

Target 2025

- 20% of vacant management roles filled by female employees (Exco and Exco-1)

Baseline 2022

-

Social responsibility

Wellbeing, training and data protection

- **Employees** and their level of expertise are **crucial** to Heras. We want to keep them happy and keep investing in **human capital**.
- **Protecting (personal) data** is crucial in modern business. Heras **only** uses personal data **when necessary**, as stated in our data privacy policy.
- Personal data is processed in accordance with the **General Data Protection Regulation** (Regulation (EU) 2016/679) and other applicable national and European privacy legislation and regulations (together the “data protection law”).

<u>Target 2025</u>	<u>Baseline 2022</u>
• 30 Point improvement Employee Net Promotor Score (eNPS)	-
• 10% reduction employee Illness Rate (IR)	5.3%
• 10% reduction Voluntary Employee Attrition Rate (VEAR)	11.9%

Governance

- Heras supports the **highest standards in corporate governance**. Our goal is to promote excellent governance by assuring our employees of our commitment to quality, sustainability, openness, responsibility and integrity.
- Heras **respects and complies with applicable laws** and has certifications on ISO9001 (quality) ISO14001 (environment), ISO45001 (safety & health), VCA & Safety Culture ladder (Dutch standards) and CO₂ performance ladder level 3 (Dutch standard).
- To achieve this, **necessary (board committee) governance processes and ESG policies** have been created and are being communicated. ESG **targets and KPI's** have been set and improvement will be tracked via **quarterly reports** to Equistone. The public **ESG rating** done in 2023 is proof our impact and commitment.



Target 2025

- 100% necessary ESG related policies in place for the ESG rating
- 95% of necessary personnel trained on ESG related policies
- ESG rating (target: risk level 0-20)

Baseline 2022

-
-
-

Governance

Political involvement and lobbying

It is the policy of Heras to conduct all its business in an **honest and ethical manner**.

We do not tolerate any bribery or corruption and are committed to acting **professionally, honestly and with integrity** in all our business dealings and relationships wherever we operate. We are committed to implementing effective systems to **prevent bribery and corruption** and will comply with all laws relevant to combating bribery and corruption.

Heras also **respects and complies with the laws** regarding political contributions in the countries and regions in which we operate. Beforehand, political contributions are **always reviewed** by Legal and Compliance and **management approval** is needed. Political contributions are always **recorded properly**.

In 2023 **no political contributions** were made.

Governance

Whistleblowing

Our **whistleblower statement** is designed to **support and encourage** employees or others with serious concerns or information about questionable practices to do the right thing and come forward to voice these concerns.

We recognize that employees may need to come forward on a confidential basis. We want to make it clear that they can do so **without fear of retaliation**.

In 2023, 0 whistleblowing cases were handled (in 2022 there was 1*).

Outlook 2023 - 2025

- In Q2 **2023**, an ESG-manager was hired to create more **focus on ESG**. He is responsible for coordinating the **further development** of our ESG strategy (Stretch25). In Q4 2023, a **private ESG-rating** was done by Sustainalytics. Heras was Industry Top Rated 2024. Heras also received a silver medal from Ecovadis.
- In **2024**, the next steps will be taken with an increased **focus on scope 3 actions**. Heras will develop an **LCA/EPD strategy** and will also prepare her systems and processes for the Corporate Sustainability Report Directive (**CSRD**). And we will make a connection to the UN Sustainable Development Goals (**SDG's**). In Q4 2024, a **public ESG-rating** will be done Sustainalytics.
- In **2025**, the necessary data will be gathered to be able to report, in accordance with CSRD, in 2026.

The next sustainability report is planned for Q1 2025.

Questions or suggestions?

Please reach out to us:

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We protect
what you value most