



MULTUS

BKB Group Sustainability Report 2023



BKB
PRECISION



ANKRO
KUNSTSTOF VERSPANING



BLW
KUNSTSTOFFEN

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Mannes Westhuis

CEO BKB Group



Jeroen Leeuwis

CFO BKB Group

Introduction

Foreword by our CEO

As we navigate the complex challenges of the 21st century, sustainability has become a guiding principle for businesses worldwide. I am proud to present BKB Group's first Sustainability Report, reflecting our commitment to integrating environmental care, social responsibility, and strong governance with economic growth.

As an SME, we aim to keep our approach practical while striving to drive sustainability forward in our industry. This report provides a clear overview of the topics most relevant to us, detailing our activities, ambitions, and targets.

We recognize that this is just the beginning of our journey. We have identified areas for improvement for the upcoming year and welcome your support and feedback. Join us in this effort to create a healthier environment and a fairer society.

Mannes Westhuis
CEO BKB Group

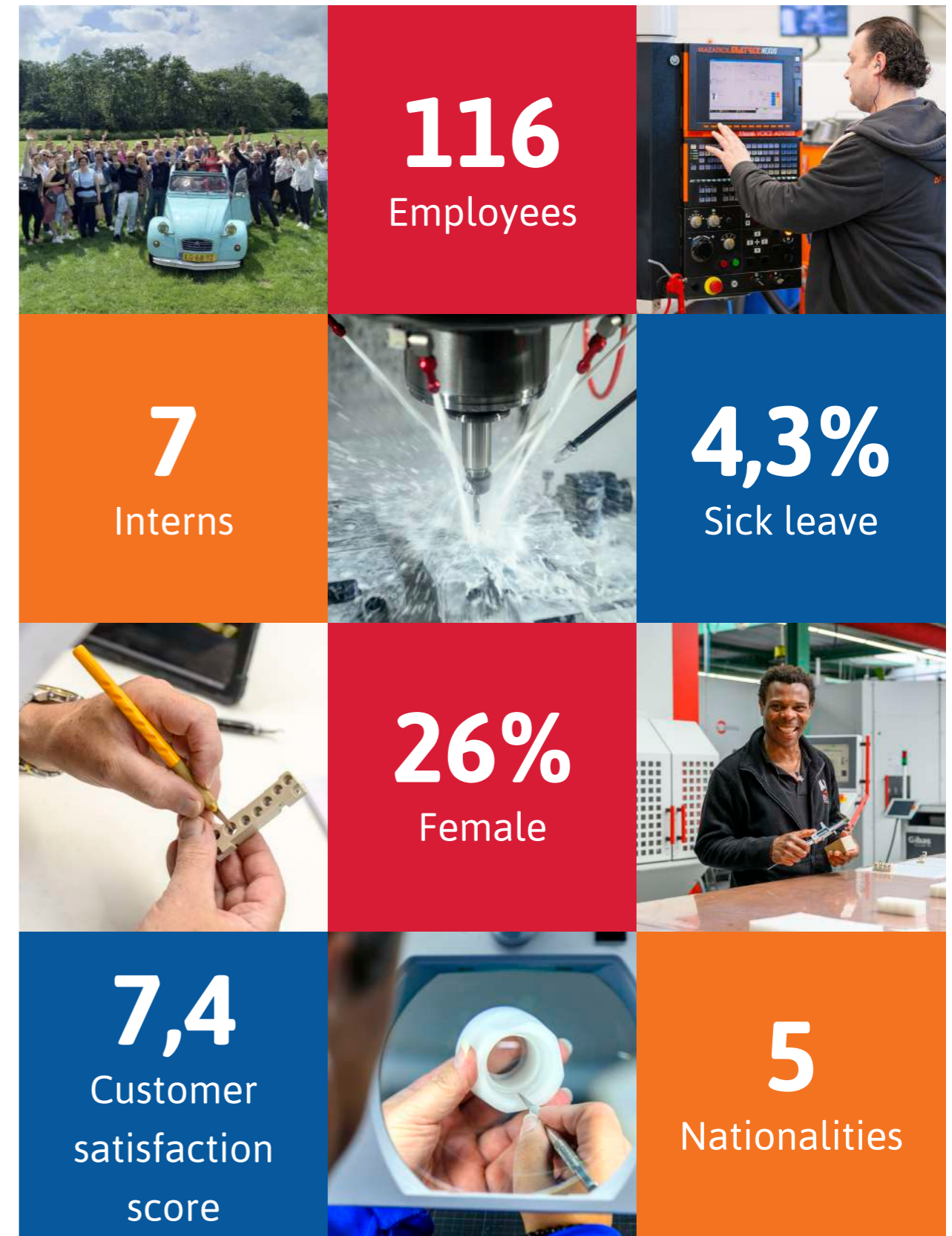


Our organization

BKB Group specializes in manufacturing precision plastic products for the high mix, low volume, and high complexity needs. Starting with BKB Precision, we have become one of the top specialized plastics machining company in the Netherlands, offering services from CNC machining (milling, turning-milling and turning) to cleaning and assembly.

In 2023, ANKRO Kunststof Verspaning was already part of the BKB group, known for its expertise in manufacturing plastic components across various industries like food and pharmaceuticals. In December 2023, we expanded our capabilities with the acquisition of BLW Kunststoffen. This addition not only increased our expertise in plastic machining but also reinforced our ability to serve the high-tech industry more effectively.

With the inclusion of BLW Kunststoffen, we're even better positioned to meet the diverse needs of our clients. We aim to continue growing and maintaining high standards in everything we do, ensuring we deliver top-notch precision in all our plastic parts.



Materiality assessment

In 2023 we have conducted our first materiality assessment. This is important, as we want to focus on the sustainability matters that are deemed important to our stakeholders across our value chain. To determine this, we have applied the following 4 steps of an impact materiality assessment, in line with the Global Reporting Initiative (GRI).



Step 1: Understand the context

First, we looked closely at how the BKB Group operates and identified who's involved, identifying both internal and external stakeholders. Then, we validated which topics are important for reporting, using guidelines like the Global Reporting Initiative (GRI), the Corporate Sustainability Reporting Directive, and EcoVadis. Finally, we compared these topics to what other companies in our industry are focusing on, including our suppliers and clients.



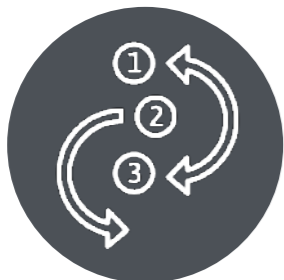
Step 2: Identify impacts

Building on the findings from Step 1, we identified 24 potential sustainability matters. Subsequently, we conducted a working session with the board of management to narrow down these topics based on their relevance to BKB Group by creating initial impact descriptions. As a result, the list of sustainability matters was shortened to 14 topics.



Step 3: Assess the significance of the impacts

The next step was to understand which sustainability matters were considered most important by a broader group of stakeholders. We collected input on relevance from various stakeholders such as the Management Team of the BKB Group, a supplier, a client, and our investor Capital 365 by conducting interviews, and rolling out a survey. This provided new input to determine the relevance of each topic.



Step 4: Prioritize the most significant impacts

Following feedback from our stakeholders, we prioritized and narrowed down our sustainability themes to 8 key topics. These were again validated internally. On the right is a table with an overview of these topics.

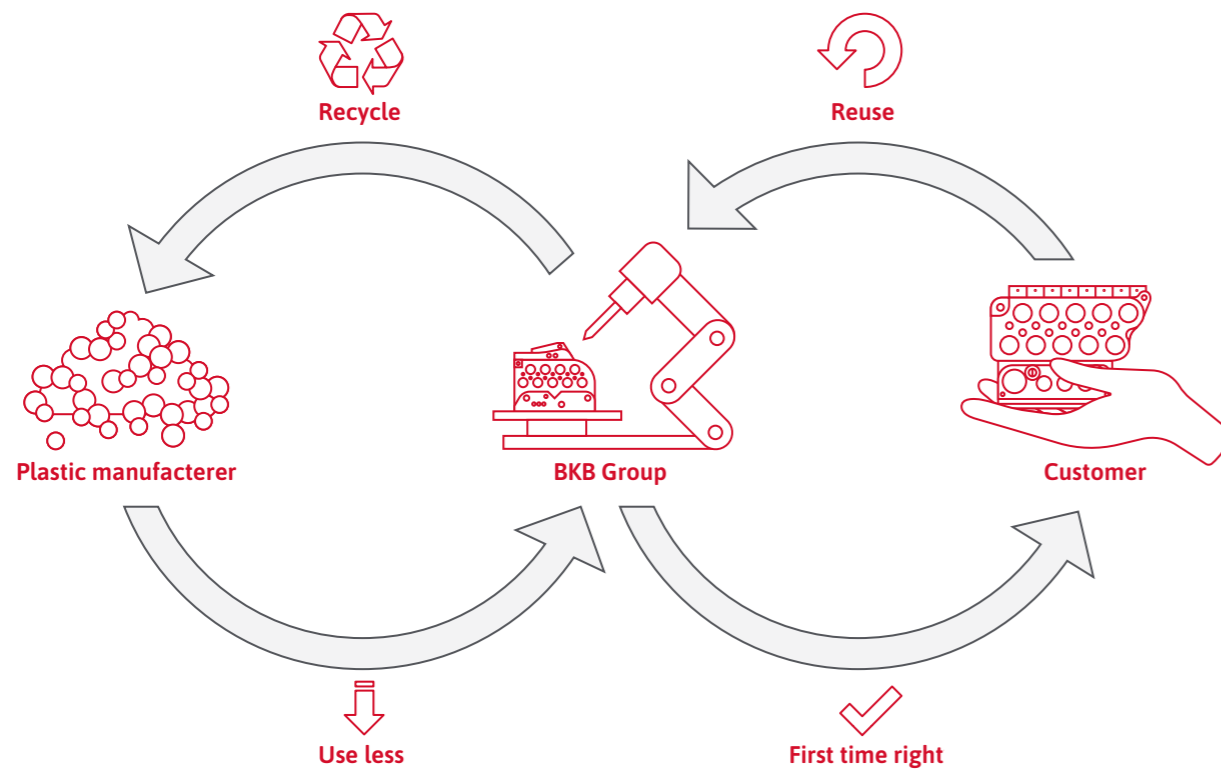
Environment	Social	Governance
Circularity	Attractive workplace	Ethical business conduct
Climate Change	Health & safety	Cyber Security
	Community involvement	Responsible Supply Chain

We will elaborate on each topic throughout the report, detailing the actions taken in 2023 and outlining our plans for 2024. For topics currently under development, our emphasis will be more on ambitions rather than specific targets for the upcoming year. For well-established topics, we aim to set concrete targets over multiple years, giving us clear goals to achieve as an organization. This report refers to the GRI Standards where applicable, and an overview of the specific disclosures can be found on page 21. The scope of this sustainability report includes BKB, ANKRO, and BLW for the full annual year 2023.



Environment Circularity

As a plastics machining company, our most significant environmental impact arises from the plastic materials we use. We consider it our duty to adopt circular economy principles to reduce our ecological footprint. This effort concentrates on four key streams: reducing our raw material consumption (use less), ensuring our products meet high-quality standards from the outset to prevent rework and waste (first time right), exploring opportunities to return and reuse plastics wherever possible (reuse), and seeking methods to enhance our recycling efforts (recycle).



Use less

We are focusing on enhancing our machining methods for plastic plates by purchasing plastics in sizes preferred by BKB, BLW and ANKRO. However, there may be potential for optimization at ANKRO. Ideally, we aim to decrease the total weight of waste (in kilograms) relative to the weight of the products we purchase, effectively improving our machining efficiency.

We are currently improving the waste stream separation process across the BKB Group to accurately measure the total amount of plastic waste generated.

First time right

At BKB Group we have implemented an internal programme called ‘Q in Process’ in order to integrate quality within our operations. Through these initiatives, we deliver products with high reliability, adhering to the ‘do it right the first time’ principle to reduce waste and enhance the quality of our deliveries.

Reuse

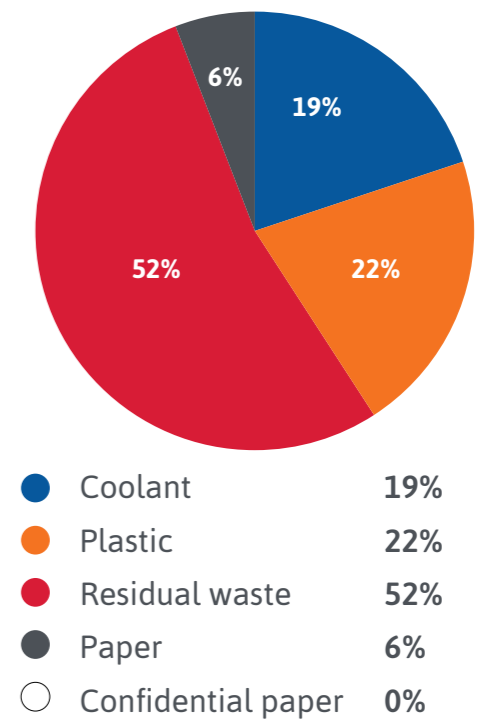
We are actively exploring a reuse stream with our customers and will participate in the ‘Circular Innovation Program’ in 2024. Through this initiative, we aim to take back certain components and investigate potential ways to repurpose them.

Recycle

In 2023, BKB Group generated 227.54 tons of waste, of which 31.8% is recycled—a rate we aim to improve. To achieve this, we need to enhance our waste separation processes.

We initiated a partnership with the ReVink program in November 2023, enhancing our sorting process to yield a purer residual plastic stream. This process is focused on converting this material into recyclable plastics. Essentially, our goal with this collaboration is to close the loop, creating a circular waste stream that preserves the value of the material through recycling materials into granulate. Since our start in November, we have collected 3,342 kg, in total we differentiate 14 different plastics in our circular waste stream.

Waste streams 2023



“At BLW Kunststoffen, maintaining quality standards is paramount. We strive for top quality through close involvement of our staff, clear communication with customers, and efficient process controls. Critical dimensions are emphasized on drawings, and defects are promptly reported back to the responsible employee.”

“We minimize plastic waste by purchasing intelligently per order. Additionally, inspired by the success at BKB Precision, we have begun implementing the same waste stream separation system at BLW Kunststoffen.”

- Maarten van Lierop
Quality Manager, BLW

Our aim is to extend this program and to increase the proportion and types of plastics that are recyclable. In 2024, we will explore ways to implement this further across the organization by our 'No Waste Program'. The idea of this initiative, is that we want to separate our residual streams as good as possible, in order to improve the recycle and reuse percentage.

To start with, we will aim to reach an organization-wide recycling target of 50% by 2025. Alongside improving our waste separation process, we will focus on enhancing the data quality of our waste streams across the group.

By 2025, our aim is to recycle 50% of our organisations waste.



Circular Innovation Program

Since March 2024, BKB Precision, along with partners in the high-tech sector, has been participating in the ImpactX program. This three-month initiative is aimed at promoting innovations in the circular economy both within our company and across the high-tech industry. Our participation aims to generate innovations that deliver circular solutions, all supported by the expertise and coaching of industry professionals.

Climate Change

Last year, we embarked on an ambitious journey to reduce our carbon emissions. This year, we will expand our efforts to the BKB Group. This report aims to identify the sources of our emissions and develop targeted reduction strategies.

Our carbon footprint assessment adheres to the Greenhouse Gas (GHG) Protocol guidelines, with BKB Group as the reporting entity. Emissions are reported in carbon dioxide equivalent (CO₂e), focusing on the most significant sources.

Certain categories were omitted from our analysis based on recommendations from CE Delft and practical considerations. Waste was excluded due to variability in emission factors linked to different waste processing methods. Capital goods, including our plastic processing machines, were also omitted as they currently lack reliable data on their carbon impact.

All carbon emissions categories were measured as location-based emissions, with the exception of plastics. To calculate the emissions for plastics, we used emissions factors from the suppliers (market-based), substituting with general emission factors (location-based) where necessary.

In 2023, the carbon footprint of our organization amounted to 2149,7 tCO₂e. The initial findings highlight that the majority of our emissions fall within Scope 3, primarily from purchased plastics, energy use, and employee commuting. Please find an overview of all emission categories in the graph on the next page.

For our largest emission category, plastics, we aim to account for as much as possible. Throughout 2023, we have calculated the emission factors for 92% of the volume of plastics purchased across the group. The residual 8% has not yet been included in our calculations.

Carbon emissions 2023



Category	Share	Emissions
01 Purchased heat	2,3 %	48,5 tCO2e
02 Own transport	0,3 %	6,4 tCO2e
03 Purchased electricity	23,8 %	512,5 tCO2e
04 Purchased plastics	60,2 %	1294,3 tCO2e
05 Delivery of plastics	1,8 %	39,3 tCO2e
06 Business travel	0,6 %	13,4 tCO2e
07 Employee commuting	6,9 %	147,6 tCO2e
08 Indirect emissions from own transport	0,1 %	2,1 tCO2e
09 Indirect emissions from purchased heat	0,4 %	8,1 tCO2e
10 Indirect emissions from purchased electricity	3,6 %	77,6 tCO2e

Our initiatives for 2024 include:

Purchased Plastics: We are committed to reducing emissions by adhering to circular economy principles, which involve minimizing material usage and incorporating recycled materials. By implementing these strategies, we aim to significantly lower our emissions by using less virgin materials.

Energy: In 2023, we switched to a renewable electricity provider for BKB Precision. Now, we plan to explore similar options for our other sites. In terms of heating, our ANKRO label utilizes a thermal energy storage system, eliminating the need for gas purchases. However, finding sustainable alternatives for other sites remains challenging.

Mobility: Most emissions arise from employee commuting. Currently, 71% of our employees use fossil fuel-driven vehicles, which significantly increases the carbon emissions. In contrast, 80% of our business travel by road is conducted using electric or plug-in hybrid vehicles. At BKB Group, we already facilitate sustainable transport to and from the company by providing charging infrastructure. In 2024, we will further investigate how we can improve these efforts even more.

Additionally, we collaborate with external partners to facilitate the delivery of plastics, which is mostly done using diesel-driven transport. For this latter category, we need to improve data quality as we are not yet able to track all transport for the BKB Group, while also investigating sustainable alternatives to deliver our products to our customers

Target

Our objective is to align our greenhouse gas reduction efforts with the Paris Agreement and achieve net-zero emissions. This goal depends significantly on the availability of recycled plastic. Given these uncertainties, we have established an initial target to reduce absolute emissions from Scope 1, 2, and 3 by 50% by 2030, compared to 2023 levels. To achieve growth while simultaneously striving for carbon reduction, BKB Group has also set an intensity target. This target focuses on reducing our emissions per euro of revenue. In 2023, the emissions intensity was 0.098 kg CO2 per euro of revenue. By 2030, our goal is to reduce this to 0.049kg CO2 per euro of revenue.

By 2030, we aim to reduce our GHG emissions by 50% compared to 2023

Social

Employee health & safety

At BKB, we have integrated Health, Safety, and Environment (HSE) into our operations, which marks an important step towards creating a safer environment for our employees. Over 2023, we have had the following actions:

- Implementing the use of mandatory safety footwear across production floors of BKB Precision, with plans to expand this requirement across the entire BKB group.
- Prohibiting eating on the work floor to enhance workplace safety further.
- Maintaining trained Emergency Response (BHV) personnel throughout the company.
- Undergoing audits by ARBO inspectors with useful recommendations.

Initiatives

For 2024, BKB is focused on establishing a comprehensive Health, Safety and Environment (HSE) policy, as we understand the importance of a structured approach. Also we will start with:

- The implementation of a Deviation Management System (DMS), aimed at consolidating and analyzing safety incidents. This system is intended to facilitate safety rounds and contribute to creating a structured database for incident reporting.
- In the beginning of 2024, we have initiated a preliminary inventory of hazardous substances and plan to conduct a more extensive investigation in the coming year.
- A sound survey was conducted in March 2024, with protective gear provided. The mandatory use of this gear will be contingent upon exceeding specific decibel thresholds.



Attractive workplace

At BKB Group, we are committed to being an attractive employer for current and future employees, offering a workplace environment that attracts talent, fosters growth, and fulfillment for our employees. Our focus on people varies from talent management, promoting learning opportunities, and fostering diversity & inclusion.

Talent Attraction

We recognize the importance of attracting top talent to drive innovation and growth within our organization. In a competitive job market, it is our role to highlight the benefits of joining BKB Group. To facilitate this, we actively participate in various student fairs to attract interns. Last year, we hired a significant number of employees and also welcomed 7 interns across the group. As of December 31st, we employ 116 employees at BKB Group. By combining young graduates with experienced employees, we believe in creating an innovative workforce where we grow together.

Upcoming year, we maintain active collaborations with schools and external organizations to facilitate student intake. By appointing a recruiter and collaborating with marketing, we plan to further improve our employer branding.

As part of maintaining talent, we aim to evaluate and improve our employee engagement and satisfaction. That is why we conduct a periodic Employee Satisfaction Survey. The first survey took place in February 2024, and the results will be reported next year.

Brainport Industries Human Capital Platform

As part of our ongoing commitment to sustainability and human capital development, we actively participate in the Brainport Industries' Human Capital Platform. This initiative allows us to collaborate with industry peers, sharing insights and strategies on attracting and retaining talent, enhancing labor conditions, and fostering a competitive and inclusive work environment.



Learning Opportunities

At BKB Group, we are dedicated to fostering a culture of continuous learning and development among our employees.

- **Onboarding:** Our onboarding system includes personalized introduction meetings and shadowing opportunities, lasting 2-3 weeks. This ensures a smooth transition into BKB Group, providing valuable insights and hands-on experience in areas such as material recognition and measurement techniques.
- **Training programs:** We offer a wide array of training programs catered to different levels and interests within the organization. From training by industry experts, to performance engagement workshops and leadership programs, we equip our employees with the skills they need to thrive. Additionally, we offer external courses on request to enhance professional development. For the upcoming year, we aim to transition further into a learning organization by emphasizing team learning and knowledge retention.
- **Performance evaluation:** Our annual performance evaluation includes a comprehensive review process, featuring both performance and appraisal rounds. We stimulate our employees to evaluate and reflect, ensuring accountability and growth opportunities for everyone.



“ The onboarding project at BKB Precision has allowed me to become acquainted with the organization and facilitated smooth communication among colleagues. I feel valued and treated as a full-fledged colleague, with opportunities for personal development and learning from mistakes. The theoretical knowledge I acquire can be immediately applied in practice, enhancing my understanding and enabling me to earn my diploma while working. ”

- **Joep Geurts**
CNC-Operator, BKB

Diversity & Inclusion

We are committed to embracing diversity in its many forms, including but not limited to gender, ethnicity, age, and background. Starting in 2023, we will initiate reporting on gender diversity within our workforce. Our workforce data reveals that 26% of BKB Group’s workforce is female—a figure we recognize may reflect industry trends, as the manufacturing sector often sees a higher percentage of male employees. We will be evaluating our performance against industry benchmarks and seeking ways to enhance the gender inclusivity.



- **Edith Vass**
Production Worker, ANKRO

“ In a sector generally dominated by men, I began as one of the few women on the factory floor at ANKRO, starting out as a production worker. Despite having lived in the Netherlands for over 10 years, I never encountered any issues with my background. As a woman in a male-dominated industry, I received additional support from my colleagues.

However, as I’ve progressed, transitioning into a role as a CNC machinist and gaining proficiency in independently setting up machines, I’ve noticed a growing appreciation for my skills and contributions among my male coworkers. The most valuable aspect of working at ANKRO, to me, is witnessing the impact I can make by programming machines and shaping plastics based on engineering drawings. ”

Community involvement

BKB Group has been connected to Mercy Ships for several years, an international organization providing medical care to the poorest in developing countries. We support Mercy Ships both financially and in governance, reaffirming our commitment to their mission. We strongly believe in the importance of access to quality healthcare for everyone. Mercy Ships operates two hospital ships – the Africa Mercy and the Global Mercy, the world’s largest private floating hospital. Both ships are specially equipped to assist people in the poorest countries in Africa.

In 2024, the BKB Group will also partner with the Heart Foundation ‘Hart voor de Zaak.’ Through this collaboration, we aim to guide our employees toward a healthier lifestyle. Additionally, at BKB Precision, an Automated External Defibrillator (AED) is available for emergency use. In April 2024, the Heart Foundation will install another AED at ANKRO.”



Governance

Ethical Business Conduct

Throughout 2023, we experienced no incidents or violations of our Ethical Code of Conduct, reinforcing the effectiveness of our ethical guidelines and our team's dedication to upholding these standards.

As BKB Group expands to include three subsidiaries in 2024 -BKB, ANKRO and BLW- we recognize the importance of enhancing our guidelines to reflect best practices. To this end, we will explore the UN Guiding Principles on Business and Human Rights, which provide a global standard for preventing and addressing adverse human rights impacts related to business activities. We will also examine the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. It's important to note that these practices will help us in improving our policies, without giving a specific form they must take.

Also, we will align with the required procedures outlined in the Whistleblower Protection Act, ensuring the safety of our team members who demonstrate integrity. It's our commitment to continuously enhancing our ethical practices to meet the highest standards of fairness, transparency, and responsibility. This defines our long-term success but also further improves the trust of all our stakeholders.

Cyber Security

We prioritize cyber security to safeguard the intellectual properties of our clients, suppliers, and ourselves, particularly in the high-tech industry. In 2023, BKB Group did not report any violations. Efforts are also underway to establish a comprehensive cyber security policy on behalf of the BKB group. Currently, the policy is in draft form and progressing towards implementation in 2024.



As a co-initiator and member of the Cyber Resilience Center Brainport, we remain vigilant in tracking developments and have enlisted as one of the ten pilot companies involved. Linked to the Cyber Resilience Center Brainport, we are participating with CYRA (CYberRAting) as our cyber security rating system. Our aim this year is to achieve CYRA level Basic, demonstrating our commitment to both policy and technical aspects of cyber security.

Responsible Supply Chain

BKB is committed not only to addressing the social and environmental impacts of its own operations but also to those across its value chain. Our main suppliers, located in the Netherlands, are involved in the sectors of plastics, metals, packaging, cleaning, and surface treatments.

Currently, the BKB Group is organizing supply chain visits to ensure quality, logistics, technology, and compliance with our standards. In 2024, our aim is to review our supply chain and begin incorporating sustainability topics within it.

Furthermore, we plan to initiate a supplier code of conduct to ensure compliance with our sustainability standards. This will foster responsible environmental practices, ethical labor conditions, and fair business operations. By integrating these principles, BKB aspires to lead by example, encouraging a culture of responsibility and sustainability within the industry.

Overview Initiatives 2024

BKB Group is at the beginning of its sustainability journey. We will further improve our data quality across our material topics. Additionally, we will undertake the following actions and initiatives, as detailed below.

Domain	Topic	Initiatives or targets
Environment	Circularity	2025: 50% recycling rate target across all our waste streams
	Climate Change	2030: 50% absolute GHG reduction as compared to 2023
Social	Attractive workplace	Strengthening the employer branding and improving our learning capabilities
	Health & safety	Implementing a Deviation Management System
	Community involvement	Continued support in Mercy Ships
Governance	Ethical business conduct	Enhancing our Ethical Code of Conduct
	Cyber security	Achieve CYRA level Basic
	Responsible Supply Chain	Creating a supplier code of conduct

GRI table

GRI Category	GRI Number	GRI Disclosure	Detail	Section	Page
General Disclosures	GRI 102	102-1	Name of the organization	Introduction	4
General Disclosures	GRI 102	102-2	Activities, brands, products, and services	Our organization	5
General Disclosures	GRI 102	102-3	Location of headquarters	Our organization	5
General Disclosures	GRI 102	102-4	Location of operations	Our organization	5
General Disclosures	GRI 102	102-5	Ownership and legal form	Our organization	5
General Disclosures	GRI 102	102-6	Markets served	Our organization	5
Economic	GRI 201	201-1	Direct economic value generated and distributed	Foreword by our CEO	4
Environmental	GRI 305	305-1	Direct (Scope 1) GHG Emissions	Climate Change	12
Environmental	GRI 305	305-2	Energy indirect (Scope 2) GHG emissions	Climate Change	12
Environmental	GRI 305	305-4	GHG emissions intensity	Climate Change	12
Environmental	GRI 306	306-2	Waste by type and method	Circularity	9
Social: Labor Practices	GRI 401	401-1	Workforce details	Attractive workplace	16
Social: Occupational Health and Safety	GRI 403	403-1	Occupational health and safety management system	Employee health & safety	15
Social: Occupational Health and Safety	GRI 403	403-2	Hazard identification, risk assessment	Employee health & safety	15
Social: Occupational Health and Safety	GRI 403	403-5	Worker training on occupational health and safety	Employee health & safety	15
Social: Society	GRI 413	413-1	Operations with local engagement, impact assessments, and development programs	Community involvement	18

Contact information

For any questions or feedback regarding our sustainability report, please contact j.vermunt@bkbprecision.com.