

A World of Capabilities

SUSTAINABILITY REPORT 2023



bm BEHN MEYER
Since 1840

Embracing Sustainability

Inside Our Report

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Message from the Board of Directors



Dear Reader,

The developments in 2023 outlined in this report demonstrate how deeply the **United Nations Sustainable Development Goals (UNSDGs)** are embedded in our corporate strategy as a compass for our actions. While all of Behn Meyer's fifteen business units contribute to different individual UNSDGs, we have defined our corporate purpose along the two major domains of our business. Behn Meyer AgriCare and Ingredients focus on the agro-feed-food value chain and collectively strive towards food security for all. Eradicating hunger is one of the most important UNSDGs. The other half of our business under Behn Meyer Performance Chemicals and Polymers provides energy and water-saving solutions to help our customers succeed in the circular economy. Clean water and sustainable industry innovation are two important UNSDGs.

By defining our purpose through how our businesses advance the UNSDGs, we encode sustainability into our culture and steer the Group in the direction of positive change. We fully recognise our corporate responsibilities and are committed to shaping the ecological and social transformation of the industries we serve and society at large.

As the external environment remained volatile throughout the year 2023, we have strengthened our resilience and invested in several growth opportunities, both in-house and through M&A. Sustainability is driving all of Behn Meyer's activities and investments. In March 2023, we acquired

the German enzyme company MK Enzym GmbH & Co. KG to add to our expertise in the wide field of enzymes. We have been distributing a multitude of enzyme products in Southeast Asia for more than 25 years to diverse end-user industries, such as agriculture, animal feed, aquaculture, food ingredients, water treatment, pulp & paper, textiles and leather. Our Dutch company Intracare B.V. and now also our new Group member MKE in Germany are formulating and marketing tailor-made enzyme products for all of the above industry sectors globally. We will keep investing into our enzyme capabilities as we are firmly convinced that these biocatalysts have a great role to play in transforming chemical processes into a more sustainable practice.

At the end of 2023, Behn Meyer increased its shareholding of Greenitives Norway AS, a company specialising in safe nutritional solutions based on 100% natural marine minerals. Taken together, our investments demonstrate that sustainability is a core part of our business strategy and that we drive change through our portfolio selection. These new solutions will be crucial for retaining and attracting customers as they progress with their own sustainability journeys. You will find several examples and product features of Behn Meyer's enzyme solutions in this report. In a changing world, our path is clear: We will stay focused and continue to transform our company into a fully sustainable business.

We are therefore thrilled to announce that our endeavours have been recognised with the highest possible "Platinum rating" by EcoVadis, one of the world's leading sustainability rating providers. EcoVadis has examined more than 125,000 companies worldwide. To be included in the global top 1% of all companies is an exceptional achievement and proves our steadfast commitment to sustainability to our internal and external stakeholders. Our employees and business partners can rest assured that we at Behn Meyer meet our responsibility as one of the top leaders in our industry.

We know that it will be ever tougher to stay in this top performance bracket, but our inspiring journey from the EcoVadis silver medal in 2021, to gold in 2022, and finally reaching platinum in 2023, is a fantastic accomplishment! I congratulate our corporate sustainability team and all 1,300 colleagues globally, who are the daily champions of sustainability and the backbone of our creativity and innovation. The EcoVadis Platinum rating is our collective success!

Finally, I am proud to share that we have started our own Career Development Programme (CDP) in collaboration with an international training provider. The first batch has started their eighteen months' curriculum, and we are already setting sight to the batches two and three to follow soon. Nurturing our future management capacity is one important step to building a dynamic and diverse, innovative and competitive global team that will be capable of leading Behn Meyer into the future.

On behalf of the Board of Directors, I would like to express my sincere gratitude to all our people, business partners and friends who supported us throughout the year. I reaffirm our commitment to reach net zero by 2040, the year of our Group's bicentennial. Please enjoy reading Behn Meyer's 2023 Sustainability Report.

Behn Meyer's Story in 2023

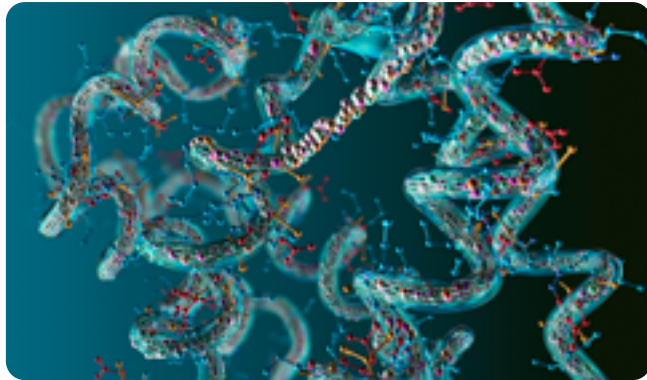


Behn Meyer structures its business across strategic market sectors, establishing dedicated business groups in each operational region. This matrix framework enables us to provide seamlessly integrated and coordinated global sales services, facilitating the sharing of technical and commercial knowledge throughout our organisation. This, in turn, grants our experienced chemists and technical teams with comprehensive insights into local markets and the latest application knowledge.

The oversight of end markets falls under the purview of Business Unit Directors, ensuring exceptional organisational performance. However, the optimisation of services for customers across diverse market segments is the responsibility of each country's management. Local operations receive robust reinforcement from our Group's Strategy Management Team and Regional Business Unit Heads.

Behn Meyer leverages technical expertise to add value, extending the reach of our products in the marketplace. This includes developing a range of innovative and sustainable solutions to meet the varied needs of our customers. These innovative strategies contribute to the continuous growth of various Behn Meyer entities, enabling us to diversify our product range, enter new market segments and deepen collaborations with our strategic partners. Additionally, this approach allows us to introduce sustainability-related practices to new markets.

Behn Meyer's Strategic Investment in MK Enzym



For more than 25 years, MK Enzym has been the partner of choice that offers a broad range of enzymes for food and technical applications. We provide blends that harness the synergistic effect of different enzyme activities produced at our facility in Germany.

Our offerings for environmentally friendly and sustainable enzymatic solutions cover the following industries:

Pulp & Paper: Our enzymes facilitate the breakdown of wood components and reduce energy use during pulp production.

Biogas Conversion: Our enzymes enhance the conversion of nutrients, resulting in increased methane production and improved biogas conversion.

Bakery: Other than improving the texture and flavour of bakery products like breads, our enzymes can also extend their shelf life, simultaneously reducing food waste.

Fish By-Product Utilisation: Our enzymes are utilised in the fish processing industry to extract valuable compounds such as fish oil and fish sauce from by-products generated during fish processing.

Behn Meyer Vietnam Marks a New Era of Expansion



On 23 October 2023, Behn Meyer Vietnam celebrated a significant moment in its corporate history by hosting a groundbreaking ceremony for the construction of the BD2 facility at the Vietnam Singapore Industrial Park (VSIP). The BD2 facility, aptly named as Binh Duong 2 to indicate the company's second building in the province, represents a pivotal expansion, reflecting the company's commitment to growth. The BD2 building, designed to serve as both an office and an extended warehouse, will be completed by year 2024 on a substantial land area of over 10,000 square metres. The scale of the project reflects the company's vision for a future where its business reaches new heights.

The BD2 facility not only marks a significant step forward for the company, but also serves as a symbol of persistence that has brought Behn Meyer Vietnam to this point. As they embark on this exciting new venture, the company stands on the precipice of boundless possibilities, driven by the belief that hard work, vision and ambition can indeed pave the way for a prosperous and dynamic future.

Behn Meyer Group Attains EcoVadis Platinum Rating for Sustainability



Our commitment to sustainable practices and environmental responsibility has resulted in the prestigious EcoVadis Platinum Medal being conferred upon us, firmly establishing Behn Meyer Group within the esteemed top 1% of companies recognised by this renowned sustainability platform.

This noteworthy accomplishment highlights our ongoing efforts to sustain environmental preservation and ethical standards and to embrace social responsibility. Our contributions in these areas have never been more evident and we take immense pride in our role in championing a more sustainable world. EcoVadis, a distinguished authority in sustainability assessments, conducts a comprehensive evaluation grounded in four fundamental pillars: Environment, Labour and Human Rights, Ethics, and Sustainable Procurement. We are pleased to report that Behn Meyer Group has excelled across all vital dimensions, further cementing our position as a front-runner in sustainability excellence.

Mission, Vision, and Core Values

Mission

Our mission is to manufacture and distribute high-performing, sustainable products that demonstrate our commitment to innovation, quality and value for every market we serve.

Through strategic partnerships and collaboration, we strive to provide our customers with a full spectrum of solutions, services, economic incentives and support to help ensure their sustainable success and future.

Vision

Our vision is to create innovative solutions for a better, more sustainable world. All our activities are guided by integrity, environmental commitment and social responsibility.

We strive to be a trusted partner for our customers by providing agile leadership, future-oriented products and intelligent services that help address the challenges of a diverse and changing world.

Core Values



Persistence

We have been part of Southeast Asia for over 180 years, making this heritage our anchor. While we are growing globally today, it is the legacy of our unwavering commitment to Asia that has built the trust in our name.



Commitment

We ensure that we possess the highest levels of professionalism and specialised application knowledge in the industries we serve. We think and act with our customers in mind. Our management is based on equality, diversity and teamwork.



Trust

We are a family firm and all our employees are part of this Behn Meyer family. We understand that customer confidence is based on reliability in long-term relations, and therefore, we trust in our people, empower them to grow and treat everyone around us with dignity and respect.



Sustainability

Corporate Social Responsibility (CSR) has been part of our philosophy right from the company's foundation. We take responsibility for our environmental and social impact, protect the health and safety of everyone around us and use a CSR management system to validate improvements. Giving back to the communities in which we live and work is an honour we hold in very high regard.



Integrity

All our dealings are guided by the iconic handshake between Hamburg merchants. We always keep our word and practice an open partnership with our colleagues, customers and business partners, based on honesty, sincerity and transparency.



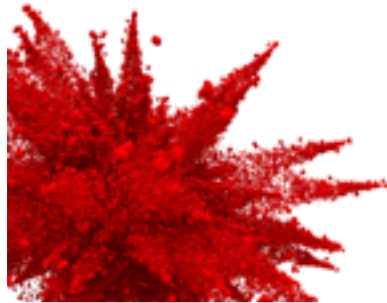
Entrepreneurship

Our distinct Behn Meyer spirit is formed by a deep appreciation for business pioneers, our curiosity and a passion for solutions that help our customers succeed. By listening and embracing technology, we uncover opportunities, innovate and grow together.

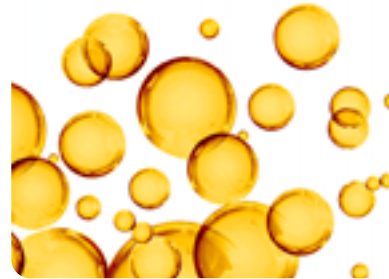
Our Main Businesses



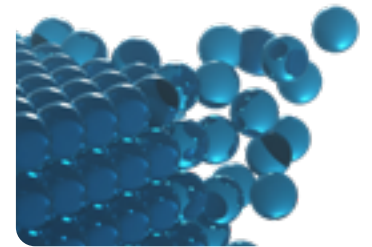
Fertilizer
 Crop Protection
 Additives & Specialities



Food Ingredients
 Animal Nutrition
 Aquaculture
 Personal, Home Care & Pharma



Coatings & Construction
 Leather & Textile
 Oil & Gas
 Process Industries
 Water Treatment



Plastics
 Rubber
 Tyres & Friction

Global Presence



Governance Structure

In all our business ventures, Behn Meyer Group maintains a longstanding commitment to upholding elevated standards of corporate performance, governance and equitable conduct. The Group's Board Members and Senior Management Team serve as exemplary role models for others to emulate. Consequently, we ensure Behn Meyer sustainability by prioritising transparency and accountability in its management practices.

Supervisory Board

The primary corporate governing bodies of the Behn Meyer Group include the Supervisory Board, the Board of Directors and the Steering Committee of the German holding company, Behn Meyer Holding AG.

Comprising six individuals, the Supervisory Board of Behn Meyer Holding AG is constituted by the appointment of three members at the Annual General Meeting by shareholders, while the remaining three are selected from among all ownership families. The position of Chairman of the Supervisory Board is exclusively open to individuals from outside the board.



Hoh Sooi Kim



Bernhard Becker



Christa Lorenz-Meyer



Jens Kellinghusen



Peter-Joachim Schoenberg



Khoo Su Chin

Board of Directors



The Board of Directors members, selected by the Supervisory Board of Behn Meyer for Behn Meyer Holding AG, contribute essential competencies to the Group's decision-making capacity. Currently, six board members oversee the Group's business and initiatives, including sustainability strategies. Behn Meyer, an integrated life sciences group, is actively involved in distributing and producing speciality additives for the agricultural and chemical industries.

The Board of Directors' responsibilities lie in executing the company's role as the general partner in Behn Meyer Deutschland Holding AG & Co. KG. The Board of Directors consists of six key members, each overseeing a specific area: Mr. Prasonk Aramwittaya, Chairman of Chemical Distribution; Mr. Oliver Meyer, Chairman of Chemical Manufacturing; Dr. Dirk Lorenz-Meyer, Chairman Corporate; Mrs. Rohaya Muhammad, Head of Corporate Finance, Accounting and IT; Mrs. Lotta Kellinghusen, Head of Corporate Marketing and Human Resources; Mr. Teo Tee Seng, Chairman of AgriCare. This collective approach ensures balanced and quality decision-making.

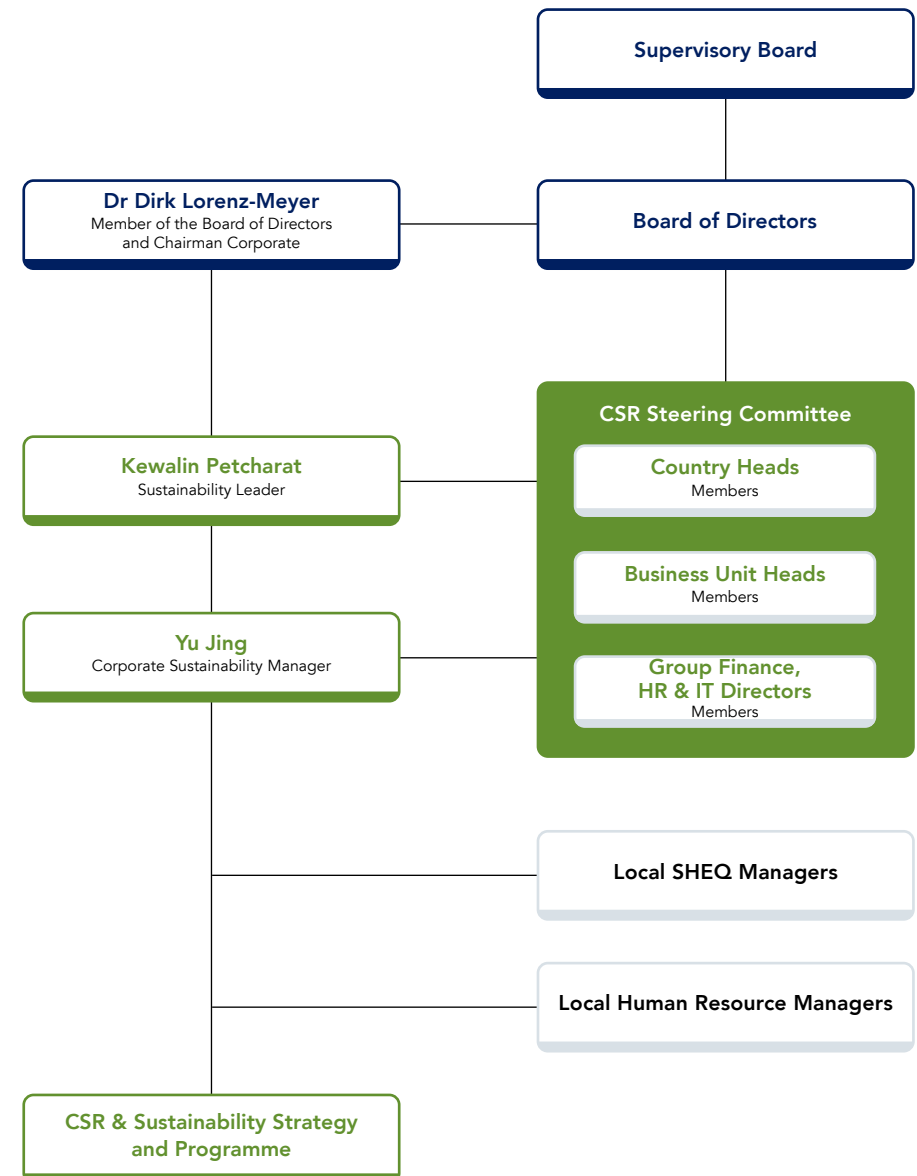
The Board of Directors at Behn Meyer assumes the role of guardianship for the company, managing long-term business goals, organisational strategy, risk management and global operations. They analyse and approve business ideas to secure adequate resources for achieving the company's objectives. Their responsibilities extend to ensuring Behn Meyer's operations prioritise ecological, social and economic responsibility. Additionally, the corporate responsibility of the Board of Directors encompasses dealings with global partners and adherence to legal standards by Behn Meyer.

CSR Steering Committee

Sustainability is a paramount focus in all Behn Meyer’s global endeavours. Dr. Dirk Lorenz-Meyer, a member of the Board of Directors and Chairman Corporate, directly oversees the Group’s sustainability-related initiatives at the holding level.

Operating beneath the Board level, the Group’s **Corporate Social Responsibility (CSR)** Steering Committee supervises the implementation of Behn Meyer’s CSR and sustainability strategy across all affiliates. Comprising Country Heads, Business Unit Heads and the Group’s Finance, HR and IT Directors, the CSR Steering Committee currently includes 16 members. Leaders from pertinent functions and regions are tasked with executing CSR activities and integrating sustainability into the business strategy, corporate culture and day-to-day operations. The compensation of the management team is also tied to the progress made towards sustainability targets. Behn Meyer’s steadfast leadership in this realm stands as one of its most significant strengths, enabling the broad scope and deep penetration of sustainability-related initiatives.

Ms. Kewalin Petcharat, heads Behn Meyer’s CSR Steering Committee. Reporting to Ms. Kewalin Petcharat, is Ms. Yu Jing, the Corporate Sustainability Manager for the Group, who oversees all operational aspects of the sustainability initiatives. Ms. Yu Jing and her team gather and analyse relevant data, formulate sustainability guidelines and, in collaboration with regional SHEQ and HR leaders, ensure their comprehensive implementation across each of the companies in the Group. She establishes goals for the CSR Steering Committee’s consideration and oversees the creation of Behn Meyer’s Annual Sustainability Report. The Group’s Board of Directors reviews these final sustainability goals and action plans annually, subsequently approving, communicating and adopting them. Managers from respective functions and regions are then responsible for implementing the sustainability targets, with support from relevant experts throughout the company.



Sustainable Products

AgriCare

Ingredients

Performance Chemicals

Polymers



Contribution to the UNSDGs



AgriCare

Eko-Soil, the “healing” minerals by Behn Meyer AgriCare Vietnam, offers a holistic solution for Vietnamese growers, specifically targeting soil health concerns, particularly post-harvest. This innovative product ensures the maintenance of optimal soil conditions for uninterrupted cropping cycles. By harnessing the unique advantages of Eko-Soil, Vietnamese farmers can cultivate their land sustainably, promoting long-term agricultural vitality.

Crop Protection – Eko-Soil: The “Healing” Minerals



Biologically active and beneficial microbes



Mobilisation and mineralisation



Fortified with P-energetic® growth activation biotechnology



Balancing the pH of soil

Ingredients

Nutrivo, an entity under the Behn Meyer Group, proudly presents the NutriCSL* series, a groundbreaking line of products meticulously crafted for the pet food industry. As pioneers in the market, Nutrivo is the first company to deliver food-grade solutions that cater to the specific needs of pets. We take pride in innovating sustainable products that can serve our customers in the region.

Food Ingredients – NutriCSL* Series by Nutrivo: Revolutionising Pet Nutrition



What sets NutriCSL* apart is its animal-free ingredients. With the pet population expected to outpace the supply of traditional processing by-products, we anticipate and embrace this evolving trend. NutriCSL* offers a comprehensive range of solutions derived from a diverse array of natural raw materials. Many of these materials, often considered waste with no inherent value, are repurposed through our cutting-edge technologies. We not only introduce highly technological concepts but also contribute to the industry's goal of producing more while reducing environmental impact. Our approach aims to balance nutrient levels effectively, safeguarding and promoting the health of pets in an optimal manner.

Ingredients

Personal Care



The beauty care industry is witnessing a surge in the sustainability trend, as consumers increasingly seek a healthier lifestyle through environmentally friendly products. In response, our product portfolio includes Betaine and Inositol, both extracted from sugar beets, highly purified and upcycled from a sugar production side stream. Betaine offers moisturising benefits and skin protection; and also reduces Trans-Epidermal Water Loss (TEWL) by reinforcing tight junctions in the stratum corneum. Furthermore, it enhances the sensory profile, reducing the oily feeling and stickiness while improving spreadability and leaving the skin feeling silky. Inositol, a natural energy source for cells and skin, stimulates keratinocyte differentiation and fibroblast metabolism, reinforcing the dermis matrix. Clinically, it fights signs of skin fatigue by improving elasticity, water retention and oxygenation for healthier looking skin.

Within our sustainable ingredients group is Xylitol, derived from wood and recycled from the paper production process. As a prebiotic, Xylitol supports skin microbiome diversity, stimulating the *Staphylococcus epidermidis* to produce lactate, part of the natural moisturising factor that maintains skin moisture. In intimate care, Xylitol creates favourable conditions for the intimate microbiota by maintaining an acidic and buffered environment and stimulating the antifungal activity of lactic acid bacteria, thereby reducing the risk of infection.

A recent addition to our product portfolio is Biosilico — sustainable biomaterials, derived from rice husk in various sizes with different functions. Being of organic origin, it is biodegradable and environmentally friendly, serving as an alternative to polyethylene which is currently used in physical exfoliating products. Our commitment to sustainability and environmental responsibilities drives us to continuously seek innovative solutions and to upgrade our products, ensuring they deliver enhanced sustainable value to our customers.

Aquaculture



Aquaculture holds a crucial role in global food production and sustains the livelihoods of populations worldwide. Like the agricultural sector, concerns about sustainability and ecological health are rising in relation to this highly diverse industry. While the use of probiotics and prebiotics in aquaculture has a longstanding history, the expansion of intensive systems and the impact of global climate change present new challenges.

In addressing these challenges, probiotics have become instrumental in detoxifying grow-out ponds and hatcheries. Behn Meyer Aquaculture provides a comprehensive range of eco-friendly biotech solutions utilising natural microbes and enzymes. Notably, our probiotic brands, Epicin and Epizyme PST, are specifically formulated to establish a healthier and cleaner growth environment. Epicin focuses on disease control, while Epizyme PST targets the digestion of organic waste at the bottom of the pond.

A secondary focus for us lies in prebiotics for shrimp and fish feeds. Behn Meyer Aquaculture specialises in synergies between functional prebiotics that can be incorporated by feed manufacturers or applied to finished feeds at the pond site. ImmunoWall®, a prebiotic derived from purified yeast cell walls of *Saccharomyces cerevisiae*, boasts immunity-boosting properties with oligosaccharides, mannose oligosaccharides and high beta-glucans. Penergetic contributes to a balanced gut microflora, while AZOMITE® provides essential trace elements for protein synthesis and immune functions. Behn Meyer Aquaculture skilfully blends these prebiotics to ensure optimal growth of shrimp and fish.

Performance Chemicals

Behn Meyer's Coatings and Construction business unit offers a diverse range of sustainable, high-performance solutions. Within the coating industry, there is a notable emphasis on reducing greenhouse gas (GHG) emissions, utilising bio-based materials and promoting sustainable procurement.

Coatings & Construction



One of the sustainable products in our portfolio is Polyurethane Dispersions (PUDs), which enables paint formulators to align with global environmental standards while bolstering excellent performance in terms of adhesion, elongation, durability and water/chemical resistance. The low volatile organic compounds (VOCs) characteristics of PUDs ensure minimal odour, contributing to a more appealing smell and healthier air quality. Presently, Behn Meyer also provides a new generation of renewable origin PUDs, offering a viable alternative to traditional fossil origin materials. These renewable origin PUDs find applications in construction, flooring, wood coating and various other areas.

Performance Chemicals

Enzymes are biological catalysts that facilitate chemical reactions without being consumed in the process. In leather and textile manufacturing, enzymes can replace or reduce the need for harsh chemicals and traditional processing methods, making the overall production process more environmentally friendly.

Leather & Textile



Innovazyme TEX NC and Innovazyme TEX BP02N, both neutral cellulases for bio-polish, enable a combined bio-polishing and dyeing process with reactive dyes. This saves resources, energy and water, resulting in a more sustainable textile production processes.

Innovazyme TEX PL-BR45, a neutral pectinase for bio-scouring, presents an eco-friendly alternative to traditional cotton scouring methods. By eliminating the need for sodium hydroxide and operating at a lower temperature (60-70°C instead of 90°C), it significantly reduces alkali discharge into wastewater and minimises energy consumption.

For denim abrasion, Innovazyme TEX C-LTA introduces low-temperature cellulase enzymes. Effective at temperatures below 40°C, it achieves impressive abrasion effects without the use of abrasive materials, thereby saving energy in the process.

Performance Chemicals

Process Industries – Enzymes for Liquefaction and Saccharification



Utilising our alpha amylase and glucoamylase enzymes in lieu of acids allows the process to operate at lower temperatures (90-110°C), yielding increased production while simultaneously reducing energy consumption. Notably, enzymes exhibit ready biodegradability, aligning with environmentally conscious practices. The adjustability of the enzyme dosage facilitates faster reaction times, further contributing to reduced overall energy consumption. Unlike acids, enzymes do not corrode equipment, ensuring a prolonged operational lifespan with consistent efficiency. This paradigm shift underscores the benefits of enzymatic processes in glucose production, emphasising sustainability, energy efficiency and equipment integrity.

Water Treatment – Solution for Bio-treatment in Sugar and Beverage Industries



In our effort to minimise waste generation, Behn Meyer has contributed to the zero waste management solutions in the beverage and sugar industries. Through a judicious combination of bacterial/biological and chemical approaches, our initiative aims to optimise processes that align with environmental wellbeing but also showcase a conscientious effort to curtail the industry's ecological footprint.

The incorporation of biological treatments, along with the strategic use of chemicals, reflects a nuanced approach to reducing sludge volume, consequently mitigating disposal costs and lessening the overall environmental impact. This optimisation strategy reflects Behn Meyer's responsible resource management practices.

Furthermore, the use of sludge for compost production and the implementation of controlled aerobic processes for biogas generation shows a holistic waste utilisation model, in line with the principles of a circular economy. This comprehensive approach addresses waste reduction and positions waste as a valuable resource for further processes.

Our product portfolio, comprising Terrased APH12 for pre-treatment, Biotifix Ultra for bacterial intervention, Terracarb 1000 for both anaerobic and aerobic processes, Terrased GL 5 Series for post-treatment and Tanfloc SH and Terrafloc 7 Series for sludge treatment, indicate the thoroughness of waste management solutions which supports with waste reduction and resource efficiency, while contributing to circular economy through waste products reuse.

Polymers

Plastics – Impact Modifier Series



Plastics have evolved into a crucial material, sustaining human life for decades. To minimise the need for virgin plastic, Behn Meyer is focused on extending plastics' lifespan and enhancing their recyclability. Our current initiatives involve intensifying research across a variety of special additives to address the impact resistance limitations inherent in typical polyolefins; the objective is not only to fortify impact resistance in engineering plastics, but also to recover it from recycled plastic materials. This comprehensive approach assists in making plastic more durable, recyclable and environmentally friendly.

Impact modifiers play a key role in plastics manufacturing as they absorb energy during impact and prevent crack propagation, thereby enhancing the overall impact resistance of plastics. This improvement makes plastics more durable against damage from drops, bumps and other impacts, providing a cost-effective alternative to metal in specific applications.

Plastics – ULTRA-PLAST™ Series: Transforming Waste Wood into Valuable Products



Wood-Plastic Composites (WPC) serves as an alternative to traditional wood-made furniture. Meticulously designed, our ULTRA-PLAST™ series is a type of additive that plays a part in transforming waste wood, including wood branches and wood flour, into valuable products such as WPC. This product, based on plant-based fatty acids and compliant with EC regulations for ecological harmlessness, exemplifies our environmental responsibility. The series ensures excellent flowability on various resin bases at low temperatures, facilitating high output with a beautiful wood-like appearance. The ULTRA-PLAST™ series provides manufacturers with reliable solutions to achieve high equipment efficiency while saving energy in production by up to 50%. Elevating the performance of WPC, ULTRA-PLAST™ enhances a product's durability and versatility.

Polymers

Rubber – Clean SURF 8003



Traditional cleaning methods in glove manufacturing typically involve mineral acids and alkalis and are occasionally supplemented with non-ionic surfactants, which can be corrosive and pose risks to aquatic ecosystems if not properly managed. Clean SURF 8003 is an environmentally friendly cleaning chemical that can efficiently break down oils and grease, minimising its environmental impact on the glove manufacturing industry.

Rubber & Tyres – VOC-Reducing, Bio-Based Filler Technology



Behn Meyer introduces a silica, aluminium hydroxide (ATH) and magnesium dihydroxide (MDH)-based filler technology that securely bonds to various rubbers without the typical release of volatile organic compounds (VOCs). This not only aids in achieving energy-efficient production for the tyre industry and other rubber product manufacturers, but also signifies a move towards sustainability. Behn Meyer plans to transition from synthetic silica to bio-silica sourced from rice husks, enhancing the eco-friendliness of this technology in the coming years.

Rubber & Tyres – Perkoat™ Anti-tack



Perkoat™ anti-tack offers a powder anti-tack solution with numerous benefits compared to traditional anti-tack methods. By reducing dust levels, it enhances air quality in production facilities, prioritising the wellbeing and safety of workers. This aligns with sustainability goals by creating a healthier workspace. Additionally, the Perkoat™ Series boosts operational efficiency by minimising downtime for cleaning and maintenance, leading to increased productivity, resource conservation and reduced energy consumption. In the broader context of sustainability, the Perkoat™ Series represents a significant stride towards a more responsible and sustainable future for the rubber and tyre industry.

Sustainability Approach

Strategy for Sustainability

Sustainability Progress

Sustainability Stakeholder Engagement

Materiality

Risk Management



Strategy for Sustainability

Behn Meyer's sustainability strategy is founded on four pillars that were developed in close collaboration with our internal and external stakeholders, and in alignment with international sustainability standards, guidelines and frameworks.

Environment Pillar



Behn Meyer is committed to becoming a more sustainable manufacturer and distributor for the chemical, agricultural and life science industries while minimising its GHG emissions. We optimise the use of resources in our operations and supply chain to address climate change and reduce our environmental impact.

Labour & Human Rights Pillar



Our values of trust, integrity and mutual respect guide us. We are accountable for the living and personal development of our people to bolster possible future capacities that can create value for the company, as well as the community of stakeholders we serve.

Ethics Pillar



To promote a culture of accountability, we conduct our business in accordance with the highest ethical and legal standards in all business activities.

Sustainable Procurement Pillar



Our practices ensure fair sourcing and transparency. This is made possible by sustainable supply chain management.

Value Creation



At Behn Meyer, we are wholeheartedly dedicated to advancing our business objectives in a responsible and sustainable manner. Sustainability is a core focus across all facets of Behn Meyer's global operations. This commitment is realised by aligning our strategies with the **United Nations Sustainable Development Goals (UNSDGs)**, emphasising a specific dedication to health, safety and environmental protection within Behn Meyer's value chain. As a participant in the **United Nations Global Compact (UNGC)** initiative, our approach incorporates the ten UNGC principles, addressing human rights, labour standards, environmental protection, anti-corruption and the standards outlined by the **Global Reporting Initiative (GRI)**. Behn Meyer not only adheres to all applicable laws and regulations in its global activities but also, as a responsible enterprise, strives to meet the highest industry standards.

Sustainability Progress

We aspire to achieve our set near-term goal. Through our four pillars of sustainability, we can measure our progress using the **key performance indicators (KPIs)**. Our sustainability goals and KPIs are continuously reviewed together with our ambitions for continued growth. With less than two years left to reach the near-term goals, Behn Meyer sees balancing our human aspirations with the planet's ability to sustain them as a priority.

Near-term Targets

Environment Pillar

- Expand energy conservation and reduce emissions. **(On track)**
- **25%** clean energy/renewable energy usage coverage for indirect energy. **(On track)**
- **25%** energy intensity reduction below the 2021 baseline. **(On track)**
- **25%** GHG emission intensity reduction below the 2021 baseline (Scope 1+2). **(On track)**

- Reduce compliance risks associated with waste disposal. **(On track)**
- **25%** of waste reused or recycled. **(On track)**

- Water management plans in explicit alignment with municipal, regional and state priorities. **(Completed)**
- **50%** water reuse of total water consumption. **(Reach optimum)**
- **25%** reduction in wastewater production intensity below the 2021 baseline. **(Reach optimum)**

- Ensure minimal risk to local communities and the environment. **(Completed)**
- Maintain zero environmental accidents. **(Reach optimum)**
- Protect environmental and public health by complying with environmental requirements. **(Reach optimum)**

Ethics Pillar

Compliance Management

- No reported issues of non-compliance with laws or regulations in social or economic areas. **(Reach optimum)**

Ethics and Fair Business Practices

- **100%** of employees are trained in policies and procedures relating to ethics. **(On track)**
- No material breaches of these policies and procedures. **(Reach optimum)**

Crisis Management

- **100%** of Behn Meyer sites to have effective crisis management and business continuity plans in place. **(On track)**

Labour and Human Rights Pillar

Engagement on sustainability issues with key stakeholder group.

- Launch Behn Meyer Sustainability Campaign to advance innovation and collaboration on sustainability among Behn Meyer employees. **(Completed)**
- Drive sustainability efforts at all company levels and train **100%** of employees on labour and human rights issues. **(On track)**
- Implement a unified approach towards employees volunteering and community engagement across various locations. **(On track)**
- Obtain **80%** or above for employee satisfaction rating and customer satisfaction rating. **(Reach optimum)**

Diversity and Inclusion

- **100%** of managers will be trained in diversity and inclusive leadership. **(On track)**
- **30%** of management positions are to be held by women. **(Reach optimum)**

Working Conditions

- Align caring employee efforts to increase health benefits and improve health outcomes. **(On track)**
- **80%** or above for employee satisfaction for work-life balance. **(Reach optimum)**
- Zero workplace accidents with lost time. **(Reach optimum)**
- Raise living standards: Ensure every employee in Behn Meyer will earn at least a living wage or income by 2030. **(On track)**

Sustainable Procurement Pillar

- Set up a comprehensive and systematic management approach towards sustainable procurement practice. **(Completed)**
- Responsible, ethical and sustainable sourcing of materials. **(On track)**
- Screen **100%** of 1st tier supplier's ESG performance by 2025. **(On track)**
- Incorporate sustainability topics into all procurement procedures. **(On track)**
- **25%** of CO₂ emission reduction in our supply chain by 2025. **(In progress)**

Long-term Targets



Achieve Behn Meyer's global GHG emissions of net-zero by 2050.

Make 100% of Behn Meyer-label products environmentally sustainable by designing more durable items, eliminating waste and encouraging reuse by 2040.

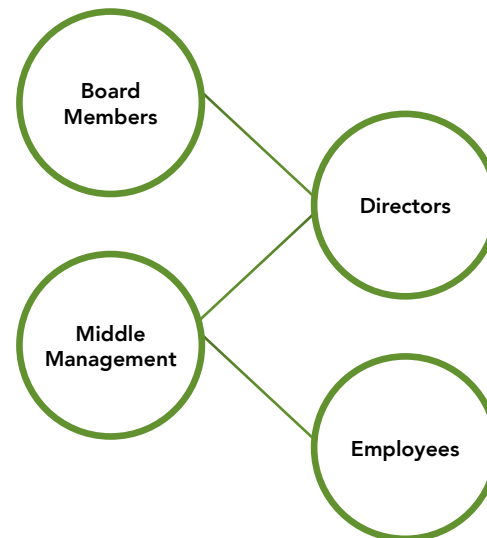
Reducing product carbon footprint.

Sustainability Stakeholder Engagement

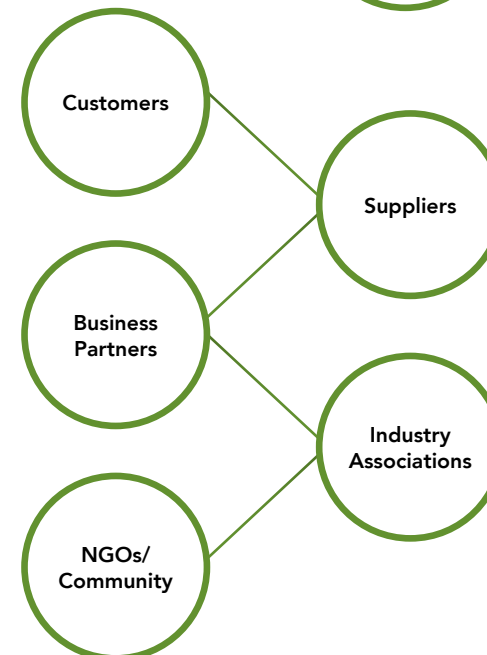
Our interaction with stakeholders is built on consistent, transparent and sincere communication, creating a collaborative environment with the diverse entities crucial to Behn Meyer's operations. By cultivating close ties with our partners, we aim to address concerns effectively and make informed decisions. This enhances the company's value and aligns with the best interests of our stakeholders. Sustaining ongoing communication with these partners remains integral to our operational strategy. Behn Meyer conducts an annual Sustainability Stakeholder Engagement Survey, utilising web-based questionnaires for both internal and external stakeholders. This survey, conducted anonymously, seeks to enhance our work environment, optimise supply chain management and evaluate **environmental, social and governance (ESG)** risks.

Behn Meyer places a high priority on engaging with groups essential for establishing sustainable business practices and maintaining ongoing communication with key stakeholders throughout each **fiscal year (FY)**. The selection of these stakeholders is guided by Behn Meyer's capacity to influence their value chain and the potential impact they may have on the company's operations. Key stakeholder groups encompass company employees, customers, industry associations, business partners, distributors, suppliers and the community, among others.

Internal



External



Behn Meyer's stakeholders have been consulted to assess their views on the company's sustainability performance and future priorities. Through our year 2023 stakeholder engagement exercise, we identified that the top three areas of concern to our stakeholders are:



Data Privacy and Security



Product Safety Compliance



Occupational Health and Safety and Wellbeing

The detailed materiality results of the stakeholder feedback are presented in the following section. The next annual stakeholder engagement exercise will take place in FY2024.

Membership & Associations

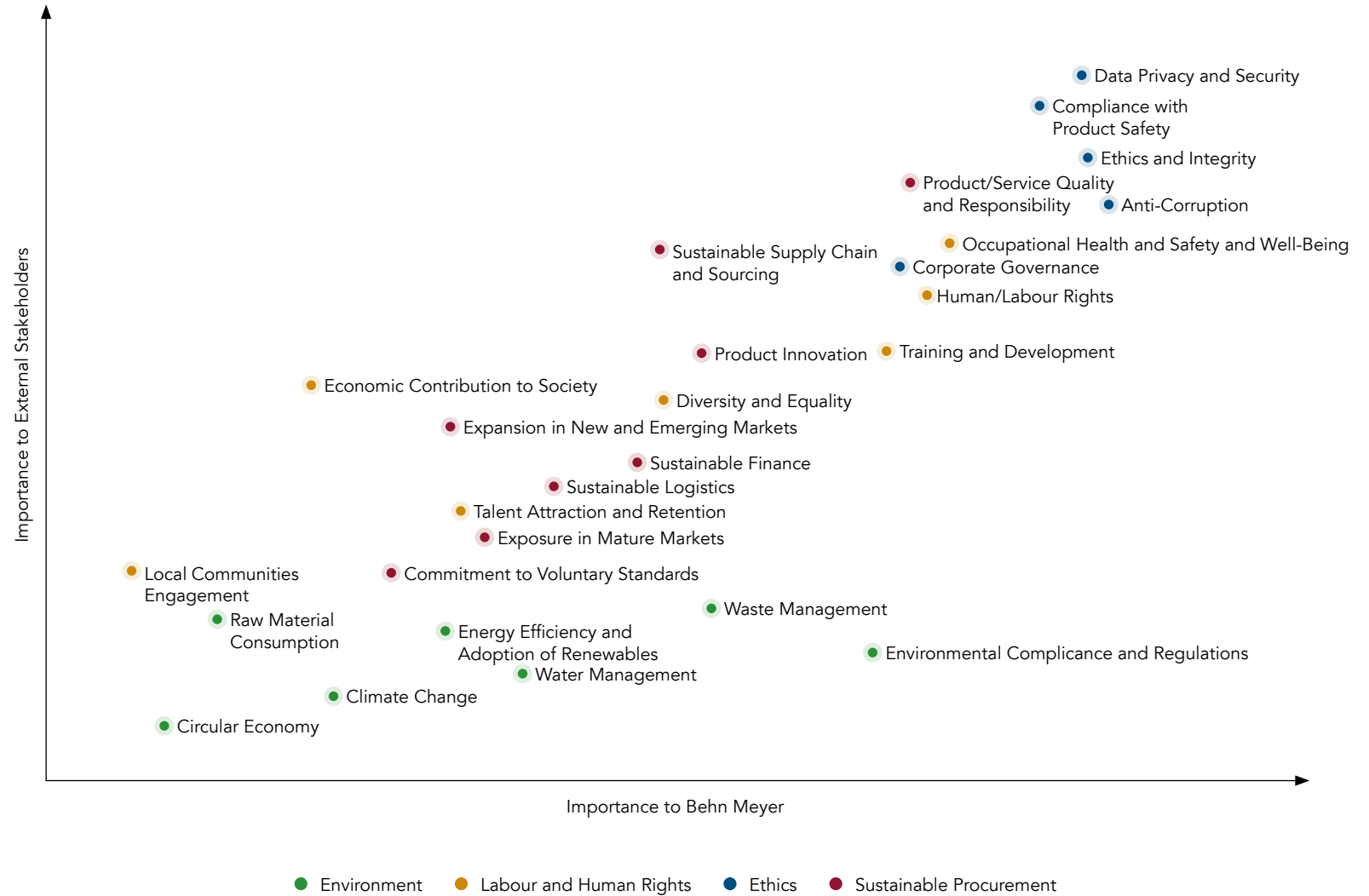
| | | | |
|---|---|---|---|
|  | Animal Health Companies Association (ASOHI) |  | Malaysia External Trade Development Corporation (MATRADE) |
|  | Association of Hamburg Exporters e.V. (VHE) |  | Malaysian International Chamber of Commerce & Industry (MICCI) |
|  | Association of Indonesian Cosmetics Companies (PERKOSMI) |  | Malaysian Plastics Manufacturers Association (MPMA) |
|  | Business Association of the German Rubber Industry e.V. (WDK) |  | Malaysian Rubber Glove Manufacturers' Association (MARGMA) |
|  | Chamber of Commerce Hamburg |  | Malaysian Rubber Products Manufacturers' Association (MRPMA) |
|  | Chamber of Commerce & Industry Queensland (CCIQ) |  | Malaysian-German Chamber of Commerce (MGCC) |
|  | Chemical Industries Council of Malaysia (CICM) |  | Myanmar Ministry of Agriculture, Livestock and Irrigation (MOALI) |
|  | Confederation of Italian Industry (Confindustria) |  | Responsible Care® Global Charter |
|  | Dutch Poultry Association |  | Responsible Care Management Committee of Thailand (RCMCT) |
|  | Employers' Confederation of Thailand (ECOT) |  | Roundtable of Sustainable Palm Oil (RSPO) |
|  | Employers Confederation of the Philippines (ECOP) |  | Thai Chamber of Commerce Business |
|  | Fertilizer Industry Association Malaysia (FIAM) |  | The Federation of Malaysian Manufacturers (FMM) Women in Business |
|  | FMM Export & International Business (EIB) |  | The Federation of Thai Industries (FTI) |
|  | FMM Subang Jaya & Puchong Regional |  | The German-Indonesian Chamber of Industry and Commerce (EKONID) |
|  | German Asia-Pacific Business Association (OAV) |  | The German-Thai Chamber of Commerce (GTCC) |
|  | German Myanmar Business Chamber |  | The Indonesian Food and Beverage Industry Association (GAPPMI) |
|  | German Rubber Society e.V. (DKG) |  | The Incorporated Society of Planters (ISP) |
|  | Glastuinbouw Nederland |  | The Italian Federation of the Chemical Industry (Federchimica) |
|  | Global Compact Network Germany |  | The Plastics & Rubber Institute Malaysia (PRIM) |
|  | Indonesian Chamber of Commerce and Industry (KADIN) |  | The Thai Chamber of Commerce (TCC) |
|  | Indonesia Crop Care Associations |  | The Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) |
|  | International Fertilizer Association (IFA) |  | Überseeclub e.V. |
|  | Malaysian Animal Health & Nutrition Industries Association (MAHNIA) |  | United Nations Global Compact (UNGC) |
|  | Malaysian CropLife & Public Health Association (MCPA) | | |

Materiality



In 2023, Behn Meyer conducted its annual comprehensive stakeholder engagement exercise. This initiative involved evaluating two crucial dimensions: gathering stakeholder feedback on the relevance of each topic to Behn Meyer from their perspective; and internally assessing the topics for their potential impact on Behn Meyer's value creation. The latter evaluation considered factors such as the influence of each issue on strategy development and achievement, market positioning and growth opportunities, risk management, compliance and reputation management.

To systematically focus on the most significant topics for our stakeholders, a materiality matrix was developed. This matrix allows us to concentrate on the issues that hold the highest importance for our stakeholders. Through this materiality assessment, 27 key sustainability aspects were identified, delineating their impact on Behn Meyer's business operations.

Materiality Matrix





Stakeholder-Driven Material ESG Issues

| | Topic | Material ESG Issues | Boundary and Impact | Importance in Behn Meyer's Value Creation | Importance to External Stakeholders |
|--|--|---|---|---|-------------------------------------|
|  Environment | Climate Change | <ul style="list-style-type: none"> Global warming and commitment to reducing air pollution | All stakeholders across our value chain | ● | ● |
| | Energy Efficiency and Adoption of Renewables | <ul style="list-style-type: none"> Energy efficiency in production process Utilising renewable sources of energy | All stakeholders across our value chain | ● | ● |
| | Water Management | <ul style="list-style-type: none"> Water use efficiency in production process Responsible waste and wastewater management at plant Mitigating risks of water pollution from effluent discharge | All stakeholders across our value chain | ● | ● |
| | Raw Material Consumption | <ul style="list-style-type: none"> Reducing the use of natural raw materials | All stakeholders across our value chain | ● | ● |
| | Waste Management | <ul style="list-style-type: none"> Mitigating risks of soil contamination | All stakeholders across our value chain | ● | ● |
| | Circular Economy | <ul style="list-style-type: none"> Life-cycle considerations in value chain Exploring opportunities for a circular business model | All stakeholders across our value chain | ● | ● |
| | Environmental Compliance and Regulations | <ul style="list-style-type: none"> Compliance with environmental standards and regulations Sustainability and carbon emissions reporting Adopting energy or water management facilities | All stakeholders across our value chain | ● | ● |
|  Labour and Human Rights | Occupational Health and Safety and Wellbeing | <ul style="list-style-type: none"> Ensuring occupational health and safety for all personnel Worksite health, hygiene and wellness Emergency preparedness and response | All stakeholders across our value chain | ● | ● |
| | Diversity and Equality | <ul style="list-style-type: none"> Ensuring employees' diversity of gender, age, ethnic background, etc. Ensuring that indefinite and non-permanent workers are not exploited | Within organisation | ● | ● |
| | Training and Development | <ul style="list-style-type: none"> Employee training and development | Within organisation | ● | ● |
| | Talent Attraction and Retention | <ul style="list-style-type: none"> Employee remuneration, benefits, recruitment, and retention | Within organisation | ● | ● |
| | Local Communities Engagement | <ul style="list-style-type: none"> Monitoring the economic impact of development Respect for labour and social policy rights Providing channels for local communities to express their grievances Social commitment, including employee volunteering programmes and social investment | All stakeholders across our value chain | ● | ● |
| | Human/Labour Rights | <ul style="list-style-type: none"> No forced or compulsory labour Non-discrimination | All stakeholders across our value chain | ● | ● |
| | Economic Contribution to Society | <ul style="list-style-type: none"> Operations contribution with tax revenue, local employment, and investments in community | All stakeholders across our value chain | ● | ● |

● Moderate Material Issues ● Critical Material Issues ● Highly Critical Material Issues

Stakeholder-Driven Material ESG Issues

| | Topic | Material ESG Issues | Boundary and Impact | Importance in Behn Meyer's Value Creation | Importance to External Stakeholders |
|--|--|---|---|---|-------------------------------------|
|  Ethics | Corporate Governance | <ul style="list-style-type: none"> Maintaining strong corporate governance practices | Within organisation | ● | ● |
| | Anti-Corruption | <ul style="list-style-type: none"> Commitment to anti-corruption and anti-bribery policies | All stakeholders across our value chain | ● | ● |
| | Ethics and Integrity | <ul style="list-style-type: none"> Ensuring adherence to company Code of Conduct; commitment to ethical workplace and labour practices Ethical behaviour in accordance with accepted principles of right | All stakeholders across our value chain | ● | ● |
| | Compliance with Product Safety | <ul style="list-style-type: none"> Product compliance with standards, including restricted substances lists | All stakeholders across our value chain | ● | ● |
| | Data Privacy and Security | <ul style="list-style-type: none"> Privacy and security, data protection | All stakeholders across our value chain | ● | ● |
|  Sustainable Procurement | Sustainable Supply Chain and Sourcing | <ul style="list-style-type: none"> Traceability Factoring supplier environmental performance into the selection process for materials and services Factoring supplier workplace ethics performance into the selection process for materials and services Factoring supplier diversity into the selection process for materials and services Factoring supplier health and safety performance into the selection process for materials and services | All stakeholders across our value chain | ● | ● |
| | Sustainable Logistics | <ul style="list-style-type: none"> Embracing green transportation practices and principles | All stakeholders across our value chain | ● | ● |
| | Economic Performance | <ul style="list-style-type: none"> Meeting financial performance expectations | Within organisation | ● | ● |
| | Product/Service Quality and Responsibility | <ul style="list-style-type: none"> Commitment to customer satisfaction and service quality Provision of online tools or advisory services to assist customers in the selection of more sustainable products Adherence to ethical marketing principles | All stakeholders across our value chain | ● | ● |
| | Expansion in New and Emerging Markets | <ul style="list-style-type: none"> Expansion into new and emerging markets Innovation and adopting new technologies | All stakeholders across our value chain | ● | ● |
| | Exposure in Mature Markets | <ul style="list-style-type: none"> Exposure in mature markets | All stakeholders across our value chain | ● | ● |
| | Product Innovation | <ul style="list-style-type: none"> Development of more resource-efficient and sustainable products | All stakeholders across our value chain | ● | ● |
| | Commitment to Voluntary Standards | <ul style="list-style-type: none"> Commitment to voluntary standards | All stakeholders across our value chain | ● | ● |

● Moderate Material Issues ● Critical Material Issues ● Highly Critical Material Issues

Risk Management

Effectively managing risks within the organisation is an important goal for Behn Meyer. We are strategically committed to prioritising risk management, recognising its crucial role in ensuring the longevity and growth of our business. Behn Meyer aims to address all implications, encompassing both risks and opportunities, associated with each of our business sectors to continually align with the interests and aspirations of our stakeholders.

To identify and prioritise opportunities and risks we employ various approaches, including sustainable materiality assessments, stakeholder engagement strategies and enterprise risk management. Regulatory compliance takes precedence in our considerations, prompting the application of an integrated enterprise risk management method at the corporate level. Regular communication ensures that potential risks are conveyed to management. Once identified, risks undergo assessment and appropriate risk mitigation measures are implemented. Management shoulders the responsibility for managing risks, with the enterprise risk management model subject to periodic review and approval by the Board of Directors and Committees. These entities also oversee the overall risk management process.



| | Climate Change Risks | Supply Chain Risks | Environmental Regulatory Risks |
|--|---|---|--|
| Landscape Risks | The persistent impact of climate change affects businesses globally, as well as the broader human population. The risks associated with changing climate patterns include extreme weather conditions, such as international health risks, severe flooding and pandemics. These events often lead to disruptions in supply chains, fluctuating energy prices, water scarcity and decrease affordability. | Addressing risks within a business carries the potential for significant cost escalations and disruptions in the supply chain, leading to potential interruptions in business continuity. The majority of risks that could impact operations fall into four key categories: economic, environmental, political and ethical. | Stringent environmental policies, driven by resource and raw material shortages, impose restrictions on manufacturing output. This situation may result in the closure of small suppliers, and sudden supplier closures can occur due to spot inspections. |
| Mitigation Opportunities & Measures | Behn Meyer remains committed to investing in innovative technologies aimed at minimising its environmental footprint. The company consistently endeavours to adapt and proactively counteract the effects of climate change. To thrive in a low-carbon future and navigate the challenges posed by climate change, continual adaptation and adherence to official guidelines are essential. As awareness and transparency grow, Behn Meyer's environmental leadership is poised to enhance the preference for our products, providing a competitive edge and securing an increasing market share in the future. | Behn Meyer has proactively instituted Supplier Sustainability Guidelines with stringent specifications for responsible sourcing throughout our supply chain. Ensuring adherence to Behn Meyer's expectations, including health, personal safety, environmental responsibility and ethical employment is mandated for all suppliers through the signing of a Supplier Code of Conduct. This code furnishes comprehensive guiding principles for vendors and suppliers. Furthermore, Behn Meyer has initiated a sustainability performance assessment, wherein environmental and social risks are evaluated for its top suppliers. | Behn Meyer maintains a vigilant stance, closely monitoring environmental performance indicators and ecological regulatory risks. This proactive approach aims to facilitate continuous improvement and ensure compliance with relevant regulations. |

Risk Management



| | Information Security Risks | Community Risks | Safety Risks | Reputational Risks | Value Chain Workers Risks |
|-------------------------------------|--|---|---|---|--|
| Landscape Risks | The compromise of information and security incidents has the potential to cause business disruptions and reputational harm. | Communities residing near our operations grapple with substantial socioeconomic challenges while simultaneously preserving a robust cultural heritage and endeavouring to overcome these difficulties. The potential risk to our business operations and reputation arises from a lack of comprehension of this dual dynamic in our communities and the failure to maintain a harmonious relationship with them. | The physical and mental health, safety and wellbeing of our employees are important to Behn Meyer. Failure to enforce the health and safety measures may lead to governmental fines and potential disruptions to Behn Meyer's operations. | Greenwashing continues to be a significant concern for regulators, governments and the industry. The risk of greenwashing can emerge unintentionally, posing a particular vulnerability to Behn Meyer in the absence of suitable governance and oversight along the value chain. | Value chain workers face potential risks associated with labour rights violations, supply chain disruptions, technological displacement and economic downturns. Labour rights violations may include inadequate working conditions and low wages, while disruptions to the supply chain due to natural disasters or political instability can impact job stability. The rise of automation poses a threat to manual labour jobs, leading to potential unemployment or the need for reskilling. |
| Mitigation Opportunities & Measures | Behn Meyer has undertaken substantial measures to enhance IT security awareness involving investment in IT security and compliance, along with obtaining comprehensive cyber insurance coverage. | Behn Meyer collaboratively develops scalable solutions for addressing the prevalent development concerns in our communities. Each year, we invest in proven programmes that support health, education, livelihood generation and basic amenities. Behn Meyer actively engages with the community, fostering cultural and ethnic diversity. We acknowledge the significance of cultural distinctions at our operating locations and cultivate a relationship with our communities that embraces and celebrates their history, culture and tribal identity. | Ensuring the safety, health and wellness of our employees and workers has always been a top priority for Behn Meyer. The company has established a comprehensive Safety Management System incorporating mechanisms and procedures to identify, assess and mitigate risks. Behn Meyer's health and safety policy, along with its assessment processes, undergo continuous enhancements in both standard and scope. Collaborating closely with respective country leads, Behn Meyer strives to ensure that the working conditions of its employees align with national guidelines. | To mitigate this risk, Behn Meyer has disclosure requirements for ESG reporting, aiming to prevent the spread of greenwashing practices. Additionally, we align our climate strategies and net-zero commitments with science-based targets, employing this approach to reduce the risks associated with greenwashing. | Behn Meyer implements fair labour practices including fair wages and safe working conditions, which contribute to improved wellbeing and the enhancement of the company's reputation. Behn Meyer invests in skill development and training programmes to empower workers by increasing their employability and enriching personal and professional growth. Inclusive business models that involve value chain workers in decision-making and profit-sharing create a sense of ownership and empowerment. Furthermore, by engaging in community development initiatives, such as helping to build local schools facilities, Behn Meyer contributes to the overall wellbeing of value chain workers and their communities. |

Environment

Key Performance Indicators

GHG Emissions

Energy

Water

Wastewater

Waste

Air Pollution

Biodiversity & Ecosystems



Contribution to the UNSDGs



Key Performance Indicators

The focus of the environmental aspect centres is on safeguarding and prudently utilising Earth's resources. In pursuit of this aim, Behn Meyer's operational team has set sustainability targets for 2025 and aims for net-zero impact by 2040. These objectives cover resources employed in both production and business operations, encompassing energy and water usage, as well as associated outcomes like GHG emissions, waste and wastewater. The company acknowledges the significance of maintaining an effective operational system within ecological limits, which aligns with cost-effectiveness and strengthens Behn Meyer's competitiveness within the industry. We monitor and publicly disclose KPIs through the following chart and we have rectified data from previous years to ensure accuracy and precision.

| Greenhouse Gas (GHG) Emissions ² | Unit Measurement | Year 2021 | Year 2022 | Year 2023 |
|---|---|-----------|-----------|-----------|
| Scope 1 GHG Emissions | tonnes CO ₂ e | 8,375 | 7,238 | 5,878 |
| Scope 2 GHG Emissions | tonnes CO ₂ e | 10,546 | 10,170 | 8,276 |
| Scope 3 GHG Emissions | tonnes CO ₂ e | 165,038 | 166,222 | 155,366 |
| GHG Intensity (Scope 1+2) | tonnes CO ₂ e per tonne of production ¹ | 0.0217 | 0.0215 | 0.0194 |
| Energy Usage | | | | |
| Direct Energy | TJ | 117 | 100 | 85 |
| Indirect Energy | TJ | 72 | 67 | 57 |
| Renewable Energy | GJ | 556 | 1,088 | 8,513 |
| Energy Usage Intensity | MJ per tonne production ¹ | 217 | 207 | 201 |
| Water Usage | | | | |
| Water (Total) | thousand m ³ | 624 | 379 | 258 |
| Water Reused | thousand m ³ | 320 | 260 | 213 |
| Water Usage Intensity | m ³ per tonne production ¹ | 1.08 | 0.79 | 0.66 |
| Wastewater | | | | |
| Wastewater Discharged | thousand m ³ | 469 | 281 | 171 |
| Wastewater Intensity | m ³ per tonne production ¹ | 0.54 | 0.35 | 0.24 |
| Waste | | | | |
| Hazardous Waste | tonnes | 720 | 940 | 885 |
| Non-Hazardous Waste | tonnes | 403 | 1,802 | 1,773 |
| Waste Reused or Recycled | tonnes | 75 | 625 | 586 |
| Waste Intensity | kg per tonne production ¹ | 1.20 | 2.61 | 2.92 |
| Packaging | | | | |
| Packaging (Total) | tonnes | 2,430 | 2,216 | 1,926 |
| Packaging Recycled | tonnes | 139 | 67 | 52 |
| Packaging Intensity | kg per tonne production ¹ | 2.79 | 2.73 | 2.71 |

¹ Production volume includes the operation output of the manufacturing plant and the total sales volume of distribution office/warehouse.

² Figures for greenhouse gas emissions and overall emissions intensity for 2021 and 2022 have been retrospectively corrected to reflect the extent of accuracy and precision.

GHG Emission

Scope and Methodology

Behn Meyer consistently monitors environmental performance through a centralised reporting system that covers all manufacturing facilities, warehouses, distribution centres and laboratories. This system aids in achieving a clear understanding of the progress towards meeting all 2025 targets.

Behn Meyer's dataset includes manufacturing sites, administrative offices, laboratories, distribution offices and warehouses spread across the company's global operations. While some of these smaller locations may not significantly affect the company's overall environmental profile, reporting on their footprint offers a comprehensive overview of all sites under Behn Meyer's ownership or operation. The primary contributors to the company's environmental impact are the production and distribution activities. Consequently, the intensity of environmental performance is calculated based on the total manufacturing output or the total sales volume of distribution offices and warehouses.

Behn Meyer assesses its GHG emissions by using tonnes of carbon dioxide equivalent (CO₂e) per tonne of production and/or sales volume to gauge performance. Although non-production sites, such as administrative offices, contribute only a small fraction to the company's overall emissions footprint, they play a role in Behn Meyer's goal of reducing emissions intensity by 25% by 2025. This reduction is achieved by meticulously tracking and assessing emissions profiles in absolute quantities.

The company employs the Greenhouse Gas Protocol Corporate Standard (Revised Edition), developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), to quantify Scope 1, Scope 2 and Scope 3 emissions. Scope 1 emissions, selected for reporting based on their presence in the company's operations, including carbon dioxide, methane, nitrous oxide and hydrofluorocarbons. The CO₂e figures for Scope 1 emissions sources are determined using Global Warming Potential (GWP) and the Scope 1 emission factors outlined in the GHG Protocol guidelines.

Behn Meyer relies on various sources for calculating Scope 2 and Scope 3 emissions, with a primary reference being the Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting. These guidelines were jointly developed by the United Kingdom Department for Environment, Food and Rural Affairs (DEFRA) and the Department for Energy and Climate Change (DECC).

Scope 1 & Scope 2



The Group employs an operational control approach for Scope 1 and 2 emissions. Scope 1 results from the direct combustion and fugitive emissions within the Group's operating sites or owned properties. This includes natural gas, fuel oil, diesel, liquefied petroleum gas (LPG), ethanol, gasoline and refrigerants used on sites, as well as the combustion of fuel in vehicles operated by Behn Meyer. On the other hand, Scope 2 emissions arising from indirect energy sources include purchased electricity and steam onsite.

In 2023, Behn Meyer recorded a total of approximately 14,153 tCO₂e for both Scope 1 and Scope 2 GHG emissions. Within the Scope 1 emissions, contributions are the highest from stationary combustion of fuel oil and diesel, resulting in 2,540 tCO₂e.

Scope 2 market-based emission constituted 8,276 tCO₂e, with purchased non-renewable electricity contributing 8,264 tCO₂e, and a small amount of purchased steam accounting for 11 tCO₂e.

Behn Meyer strategically manages its energy reduction efforts by addressing both Scope 1 and Scope 2 GHG emissions. The company implements measures to curtail energy consumption by optimising production operations and adjusting product ranges. A key focus for Behn Meyer is the promotion of renewable energy, including initiatives such as incorporating solar power in its manufacturing plants. This initiative is designed to mitigate the impact of GHG emission intensity.

Scope 3

Scope 3 emissions involve all emissions not directly accounted for in Scope 1 and Scope 2 and those that occur throughout Behn Meyer’s value chain, covering both upstream and downstream emissions. These emissions result from activities associated with the company’s operations that are not under Behn Meyer’s direct ownership or control.

Behn Meyer has completed calculations for the key Scope 3 emissions, totalling approximately 155,366 tCO₂e. Aligning with patterns observed in other companies, Behn Meyer’s Scope 3 emissions represent the largest share of the company’s overall emissions profile, alongside its Scope 1 and Scope 2 emissions. Sources of Scope 3 emissions as follow:

| Scope 3 GHG Emissions | Tonnes CO ₂ e |
|---|--------------------------|
| Category 1 - Purchased Goods And Services | 102,472 |
| Category 2 - Capital Goods | 1,335 |
| Category 3 – Fuel and Energy-Related Activities | 2,008 |
| Category 4 - Upstream Transportation and Distribution | 6,677 |
| Category 5 - Waste Generated In Operations | 781 |
| Category 6 - Business Travel | 1,234 |
| Category 7 - Employee Commuting | 1,283 |
| Category 8 - Upstream Leased Assets | 357 |
| Category 9 - Downstream Transportation and Distribution | 12,999 |
| Category 10 - Processing of Sold Products | 18,558 |
| Category 12 - End-of-life Treatment of Sold Products | 5,644 |
| Category 15 - Investments | 2,018 |

Effectively managing our Scope 3 emissions poses numerous challenges, given that these emissions are beyond our direct control. Tackling them requires collaboration with suppliers while recognising the limited influence we may exert. Additionally, measuring emissions is a complex endeavour, necessitating cooperation with peers within and across industries to establish common measurement standards that facilitate comparison and benchmarking.

As an integral component of our sustainable procurement approach, we are intensifying our efforts to forge partnerships with all upstream and downstream businesses and suppliers, aiming to make

tangible strides in reducing our Scope 3 emissions. To implement concrete measures for managing our Scope 3 contributions, we are in the process of digitising and updating our data collection and analysis processes. These initiatives will enhance our comprehension of the impact and potential within our value chain, laying the groundwork for sustainable actions in the future.

To address the challenges associated with Scope 3 emissions, we have implemented several measures, including:

- Actively working to collect Scope 3 data from internal stakeholders.
- Strengthening our engagement with sustainability-focused suppliers, consistently emphasising the importance of data quality and traceability.
- Introducing Supplier Sustainability Guidelines for purchasing and integrating supply chain processes that incorporate ESG KPIs and CSR risk assessment.
- Infusing sustainability considerations into our procurement procedures to monitor supplier input.
- Involving suppliers in climate action by monitoring primary GHG data from their Scope 1 and Scope 2 emissions.
- Establishing absolute internal Scope 3 emissions reduction targets for Behn Meyer.
- Digitising our processes to optimise logistics efficiency.

GHG Management

As part of our ongoing efforts to manage Behn Meyer’s GHG emissions, we are committed to establishing science-based GHG emissions reduction targets through the **Science Based Targets initiative (SBTi)**. We plan to allocate a sustainability budget for GHG management, tying the compensation of the management team to progress towards GHG emissions reduction targets. We are also working on accounting for product-level GHG data using the GHG Protocol or other recognised GHG accounting standards.

Additionally, Behn Meyer continues to take steps to neutralise GHG emissions from our business travel. Noting the significant contribution of travel to GHG emissions, we are dedicated to mitigating the environmental impact of our operations. This involves initiatives such as promoting virtual meetings as an alternative to in-person meetings, encouraging the use of public transportation and sharing economy platforms and offsetting our remaining travel-related emissions through reputable carbon offsetting programmes. By neutralising our business travel emissions, Behn Meyer demonstrates a steadfast commitment to sustainability and contributes to addressing the global challenge of climate change.

Energy

Behn Meyer uses various energy sources including purchased electricity, stationary combustion fuels like diesel, fuel oil, vehicular fuels and natural gas. Electricity is mainly used for plant machinery, IT systems and air-conditioning, while steam is procured from external providers for process heating. The primary focus of energy-saving initiatives is on production sites, with Production Heads taking necessary steps to achieve reduction targets. Regular joint reviews with management provide an opportunity for production teams to discuss the feasibility of newly proposed measures while monitoring progress.



In 2023, Behn Meyer's overall energy consumption totalled 142.5 TJ, with an energy intensity for output at 201 MJ per tonne of production, despite ongoing efforts to transition to less carbon-intensive resources. Special emphasis is placed on supporting the company's less-efficient operations to align with the rest of the energy management strategy. Direct energy sources accounted for 60% of Behn Meyer's total demand, with natural gas and stationary combustion fuels being the primary contributors. Indirect energy from purchased electricity and steam constituted 40% of the company's overall energy use. The most effective approach for reducing energy use has been identified as the diligent implementation of simple and cost-effective alternatives.

Behn Meyer consumed approximately 10.8 TJ of renewable energy for year 2023, closely monitoring renewable energy development in manufacturing plants. Solar photovoltaic panels are anticipated to remain the primary source of growth in renewable electricity, with capacity additions expected to increase in Behn Meyer's operations in the coming years. The company is also pursuing the **International Renewable Energy Certificate (IREC)** to decrease its GHG emissions. By increasing the usage of renewable energy, Behn Meyer commits to utilising renewable energy sources and reducing dependence on fossil fuels, thereby mitigating GHG emissions. 100% of all the electricity Behn Meyer Thailand used in 2022 and 2023 came from renewable sources, including both what we bought from the grid in the market and what we generated ourselves.

Water

The escalating climate crisis has widespread repercussions on our freshwater resources, crucial for the wellbeing of neighbouring communities, ecosystems and economic development. Water plays a vital role in Behn Meyer's day-to-day operations and is an essential component of some of its products. We do not have any water withdrawal activities that significantly impact any water sources for local communities and indigenous peoples or from any protected areas. In 2023, the company withdrew 258,000m³ of water at an intensity of 0.66 m³ per tonne of production.



Next Level Drinking Water Hygiene

- ✓ Ultra stabilised hydrogen peroxide
- ✓ Slow release effect that removes biofilm till the end of the pipeline
- ✓ Eliminates bacteria, viruses, yeasts and fungi, even when they hide in biofilm
- ✓ To be used during empty and operational barns
- ✓ Safe for humans, animals, materials and the environment
- ✓ Extensive registrations worldwide (including ECHA)

Behn Meyer employs an efficient method of reusing operational water at its manufacturing plants to minimise water withdrawals. The company has implemented a water treatment system to ensure the water used in its manufacturing processes is of high quality and meets requirements for various applications. The water treatment system removes impurities and contaminants from wastewater, optimising its use and reducing its environmental impact. Through the treatment and reuse of water, Behn Meyer can conserve water resources and decrease wastewater discharge. Additionally, Behn Meyer has installed rainwater harvesting systems, enabling the collection of rainwater instead of letting it run off from rooftops and go to waste.

Water reuse is a fundamental and easily implemented practice that can lower water withdrawal quantities at specific locations, such as water generated from the vacuum system which is reused for the scrubber operating system, replacing water usage with pressurised gas for the cooling system's filter backwash and hot water from the steam reused in the steam generator. Behn Meyer has reused 213,000 m³ of water, equivalent to 83% of its total consumption needs. The company has set a target to reuse at least 50% of its water, underscoring its commitment to sustainable water management practices.

Additionally, Behn Meyer offers disinfectant that eliminates biofilm from the water system, effectively eradicating up to 99% of microorganisms. Given that water from natural resources often contains pathogens, the use of disinfectants in water treatment facilities becomes essential to ensure the eradication of these microorganisms and prevent waterborne diseases before the water is distributed to consumers.

Wastewater

Behn Meyer adheres to responsible wastewater management practices to mitigate risks to communities and the environment. The company applies a combination of onsite and offsite approaches for wastewater treatment, customising effective treatments for each water-intensive plant based on the unique characteristics of its activities. The treatment process incorporates a sequence of chemical, biological, mechanical or thermal treatments, depending on the physical and chemical nature of the wastewater generated at the production plant. Whether the final treatment is conducted by Behn Meyer or an external contractor, the treated wastewater is discharged in strict accordance with applicable legal frameworks and local permits.



Moreover, onsite wastewater treatment facilities are installed in Behn Meyer's manufacturing plants. Treated wastewater earmarked for final treatment elsewhere undergoes monitoring to ensure regulatory or contractual threshold limits are not exceeded. External tests or assessments of wastewater quality are also conducted to ensure that effluent discharge complies with legal requirements, whether the wastewater is destined for final treatment at a municipal plant or handled by third-party contractors. Behn Meyer prohibits the reuse of its wastewater by other organisations. In 2023, Behn Meyer treated 171,000 m³ of wastewater, with a wastewater intensity of 0.24 m³ per tonne of production.

At Behn Meyer's manufacturing plants, we adopt an industrial estate treatment system for culturing microorganisms to decompose pollutants in wastewater. This involves the application of physical, chemical and biological processes conducted onsite for wastewater treatment. In our Italian plant, wastewater undergoes filtration to maintain solids below the acceptance limit at the Consortium biological treatment. Meanwhile, at our Malaysian plant, coagulation is employed, where a coagulant is added to coagulate colloids, heavy metals and insoluble inorganics suspending particles. In our manufacturing plant in Thailand, a process of separation is carried out to separate sludge and liquid. The resulting liquid becomes clear water and the separated sludge is placed in tanks for further waste disposal. The clear water obtained undergoes checks for various values such as pH, odour and colour, before being discharged into the factory's manhole. The settled sludge, after further treatment, is released through settlement pipes.

After the final stage of treatment, the treated wastewater is discharged either by Behn Meyer or, alternatively, by a licensed external contractor. The water discharged from the external biological plant complies with legal limits. Solid wastewater residue is disposed of by a licensed external contractor.

Waste

The predominant source of waste generated by Behn Meyer stems from manufacturing activities. Hazardous waste includes packaging materials, product and production residues and other liquids that cannot be disposed of as wastewater. Non-hazardous waste consists of office waste, uncontaminated packaging materials and other industrial waste. While Behn Meyer's teams endeavour to reuse and recycle as much non-hazardous waste as possible, the acceptable material categories for recycling vary from country to country. Non-recyclable waste is managed as municipal waste.



Behn Meyer is steadfast in its commitment to global waste reduction, which it oversees through ISO 14001-certified business systems. In 2023, Behn Meyer generated 2,072 tonnes of hazardous and non-hazardous waste, with a waste intensity of 2.92kg per tonne of production. Notably, there were no significant hazardous waste spillage incidents during this period. Out of the total waste generated, 586 tonnes were either reused or recycled.

Handling hazardous waste is entrusted to licensed waste management contractors and Behn Meyer's external partners are mandated to comply with all applicable laws and regulations, and subject to annual audits. The company's policy prohibits hazardous waste disposal in any manner that could harm the environment or communities, with a strict prohibition on the transportation of company waste across national borders.

We regularly conduct training sessions to enhance employee awareness regarding waste reduction and sorting. The mapping of waste streams in our manufacturing facility involves tracking the generation of various waste types during production, including raw material waste, defective products, packaging waste and process residues. In terms of analysis, we seek to understand the root causes of waste generation, such as inefficiencies in production processes or excessive material usage. The optimisation phase involves implementing measures to reduce waste, enhance material efficiency and promote the recycling or reuse of waste materials.

To restrict the transboundary movement of hazardous waste, we have implemented specific actions. Contractors responsible for handling hazardous waste and wastewater undergo assessments based on their environmental impact. Our employees receive training on the safe handling and management of hazardous substances. In 2023, Behn Meyer allocated over 970,000 USD for waste disposal, emissions treatment and remediation, with an additional 62,000 USD dedicated to environmental protection measures.

Air Pollution



While the impact of air pollution is of significant concern due to its adverse effects on human health and the environment, this concern is limited to Behn Meyer as the company does not release a substantial amount of harmful substances like particulate matter through its products and services. Only a small quantity (1.7 tonnes) of nitrogen oxides was emitted at the Italian plant, with 0.03% intensity of the manufacturing plant production in Italy.

Behn Meyer takes proactive measures to prevent the release of atmospheric pollutants and other environmental nuisances, including noise, odour, vibration, road and light. This is in line with compliance with local environmental laws and industrial regulations. The company has implemented various initiatives, such as installing a chemical hood in the laboratory, implementing a dust collector system in the manufacturing area and filtering exhaust gases with activated carbon. Additionally, a noise-preventative maintenance plan is in place to replace equipment parts that may potentially create abnormal noise. Regular analyses on the volumes of major air pollutants are conducted and ambient air quality is monitored consistently. At the manufacturing plants, systems have been installed to mitigate the emissions of dust and particulate matter.

Ozone-Depleting Chemicals (ODCs)

Even though ODCs are not directly associated with Behn Meyer's products or processes, the Group does account for all ODCs used as refrigerants onsite. In 2023, Behn Meyer relied solely on standard refrigerants, including R-22, R410A and R404A. The **global warming potential (GWP)** for refrigerants is determined from the Intergovernmental Panel on Climate Change's Fifth Assessment Report.

Biodiversity & Ecosystems



Behn Meyer's operations are strategically situated away from protected, highly biodiverse or critically important ecosystems and habitats. The company diligently takes precautions to ensure its operations have minimal impact on the surrounding ecosystems. As part of these precautions, newly established manufacturing sites undergo thorough environmental impact assessments. These assessments are extended to include hazardous waste, wastewater and certified disposal companies that Behn Meyer collaborates with.

As of year 2023, there have been no identified significant impacts on local biodiversity or habitats resulting from Behn Meyer's production activities at any of its operating locations.

Social

Our Workforce

Working Conditions

Occupational Health and Safety

Diversity, Equity & Inclusion

Human Rights

Community Engagement

Collective Bargaining and Social Dialogue

Grievance Mechanism



Contribution to the UNSDGs



Our Workforce

Emphasising sustainability goes beyond a mere mission; it involves creating an excellent workplace and nurturing long-standing connections with all stakeholders. The gauge of success lies in the sense of pride associated with being part of the Behn Meyer family.

Behn Meyer has achieved sustained success over the years, owing much of this success to our loyal and goal-driven employees. Our company places a strong emphasis on recruiting top talent and providing an inclusive environment to build a robust future together, granting our employees ample room for personal development. The employee engagement programme is designed to afford each employee specific opportunities for goal achievement. Through personalised training and advancement opportunities tailored to individual needs and skills, we have witnessed positive outcomes in terms of workforce diversity and increased long-term employee retention.

| Analyst Data Summary | Male | Female | Total |
|--|-------|--------|-------|
| Total Workforce ¹ | 871 | 521 | 1,392 |
| Senior Management | 35 | 10 | 45 |
| Middle Management | 185 | 110 | 295 |
| Admin / Support Employees | 297 | 344 | 641 |
| Technical / Laboratory Employees | 100 | 47 | 147 |
| Production Workers / Supervisors | 254 | 10 | 264 |
| Full-time Employees | 783 | 498 | 1,281 |
| Non-Full-Time Employees <small>(Including part-time employees; fixed-term and temporary employment and regular onsite workers)</small> | 88 | 23 | 111 |
| Total Workforce Percent (Aged 18 - 29) | 12.7% | 5.6% | 18.4% |
| Total Workforce Percent (Aged 30 - 49) | 37.7% | 26.7% | 64.3% |
| Total Workforce Percent (Aged 50 - 64) | 10.5% | 6.2% | 16.6% |
| Total Workforce Percent (Aged 65 and above) | 0.4% | 0.3% | 0.7% |
| New Employee Hires Rate (Ages 18 - 29) | 5.2% | 2.4% | 7.6% |
| New Employee Hires Rate (Ages 30 - 49) | 3.3% | 2.1% | 5.4% |
| New Employee Hires Rate (Ages 50 - 64) | 0.3% | 0.0% | 0.3% |
| New Employee Hires Rate (Ages 65 and above) | 0.0% | 0.0% | 0.0% |
| Overall Rate of New Employee Hires | 8.8% | 4.5% | 13.3% |
| Employee Attrition Rate (Aged 18 - 29) | 3.0% | 1.4% | 4.5% |
| Employee Attrition Rate (Aged 30 - 49) | 5.2% | 1.7% | 6.9% |
| Employee Attrition Rate (Aged 50 - 64) | 0.7% | 0.1% | 0.9% |
| Employee Attrition Rate (Aged 65 and above) | 0.0% | 0.0% | 0.0% |
| Overall Employee Attrition Rate | 9.0% | 3.2% | 12.2% |

¹ Figures include all employees.

The Behn Meyer workforce comprises more than 1,300 employees, with 92% being full-time permanent employees and over 4% part-time permanent employees. Approximately 3% are temporary employees, encompassing those on temporary or fixed-term contracts. External contract workers handling tasks such as security, cleaning and maintenance services, contribute to less than 1% of the work across all Behn Meyer locations, measured in man-hours.

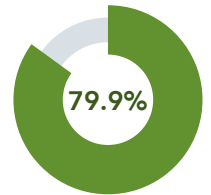
In terms of employee numbers, there has been relatively little change across Behn Meyer locations this year. For total working hours, 14% is attributed to production site workers and laboratory employees, not including office workers. In comparison, external contract workers account for 18% of the total work hours.

Working Conditions

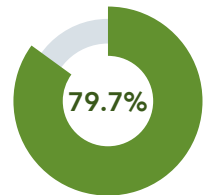
We provide a diverse array of competitive benefits to our employees as part of our employee perks programme. Temporary employees are also entitled to certain selected benefits. Behn Meyer's benefit plans vary across countries to suit the specific needs of each environment. Depending on the operating location of Behn Meyer, the Group offers comprehensive benefits.



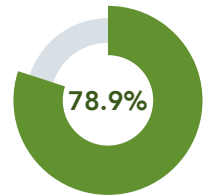
In addition, employees are guaranteed at least 24 hours of rest within a 7-day period. A notable **80.8%** of Behn Meyer employees have expressed satisfaction with the cooperation among colleagues from different departments, while **78.6%** feel satisfied with their work-life balance.



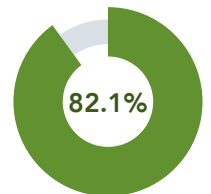
Employees feel their superiors have expressed appreciation for their work



Believe their superiors actively support their career development through coaching and guidance



Feel well-supported by colleagues in carrying out their duties



Feel valued and important within the organisation

To perpetuate a positive work environment, we actively promote dynamic interaction and effective communication among all contributors. Providing employees with a platform to express improvement suggestions enables management to enhance the business in a more targeted manner.

As of the latest employee survey, conducted in December 2023, Behn Meyer proudly presents

83.8%

overall employee job satisfaction rate

83.6%

motivated to go above and beyond their regular duties

80.8%

recommends Behn Meyer as an employer to their friends

Behn Meyer employs a two-way communication system, facilitated through the Behn Meyer Intranet, allowing employees to voice their opinions on working conditions. Additionally, full-time employees benefit from the Behn Meyer Foundation's funding support for their children's education.

Employee Engagement



BM Nite in Thailand (December 2023)



Behn Meyer Vietnam's 30th Year Anniversary Celebration (November 2023)



Behn Meyer 183rd Anniversary in Indonesia (November 2023)



Behn Meyer Thailand's Town Hall (November 2023)



BM Nite in Malaysia (November 2023)



Behn Meyer Vietnam's 30th Anniversary Trip to Thailand (May 2023)

Human capital investment is increasingly crucial for companies aiming to cultivate a sustainable workforce while mitigating the hiring costs associated with high employee turnover. Employees should be adequately compensated through wages and other social benefits, reflecting regional variations in living costs and state-provided social protections. A living wage is essential for workers, and fair pay yields positive outcomes for families, communities and businesses alike. Our objective is to elevate living standards by ensuring that all individuals directly contributing to Behn Meyer’s goods and services earn a living wage or income. As we strive to pay a living wage within our own business, we have established a ground-breaking new target as part of our sustainability near-term goals.

Fair Employment – Living Wage



Behn Meyer acknowledges the role of human resources as a key driver for the company’s sustainability. The company is dedicated to fair compensation, ensuring that all employees receive a living wage that is both fair and liveable, with equal pay for equal work. This living wage policy ensures fair compensation for all employees by implementing a structured approach across the company, defining living wage packages for each entity.

Our Living Wage Framework covers our direct employees and we actively encourage our suppliers, who provide materials, services and contingent labour across our sustainable supply chain, to adhere to this policy. The framework is globally applicable and guided by overarching principles, including commitments to Diversity and Inclusion, Free and Fair Representation and an explicit commitment to a Liveable Wage. In developing our living wage policy, we have drawn on the expertise of the Fair Wage Network. The policy is implemented through various compensation policies and procedures applicable in each country where we employ personnel. Our goal is to uphold this standard through an annual review of our direct employees, with an aspiration to enhance

our position by progressively achieving compliance with cash components of pay and reducing reliance on in-kind benefits.

We have established our Living Wage Measures through an analysis of employees’ wage levels against a living wage benchmark and an annual review of wages against a benchmark recognised by the IDH Living Wage Benchmark Methodologies Recognition Process. Our annual review results are as follows:

| | |
|---|-------|
| Percentage of Internal Employees Covered by Living Wage Benchmarking Analysis | 100% |
| Percentage of Internal Employees and Contract Workers Covered by Living Wage Benchmarking Analysis | 100% |
| Percentage of Internal Employees Paid Below Living Wage | 4.2% |
| Percentage of Contract Workers Paid Below Living Wage | 0% |
| Percentage of Average Wage Gap for Employees Paid Below Living Wage Against a Living Wage Benchmark | 13.7% |

Recruitment

“Achieving a sustainable workforce relies on inculcating deep-rooted employer-employee relationships, and this journey commences with the recruitment process.”

Behn Meyer acknowledges this fundamental aspect and ensures transparency from the beginning by providing precise job descriptions. During the prospecting phase, we describe the conditions and essential skill requirements for each job in our advertisements. This meticulous detailing offers potential employees a clear and transparent understanding of the expectations at Behn Meyer. Upon the selection of a candidate, the individual is required to submit personal details, acknowledge the Company's Code of Conduct and disclose any potential conflicts of interest. Ensuring alignment with our core values and the ability to meet job requirements are integral aspects of the recruitment process.

Career advancement opportunities are also a crucial component in retaining employees. Demonstrated competency in the work environment may make employees eligible for promotion, thus influencing their commitment to the organisation. To proactively manage workforce changes, Behn Meyer informs employees about restructuring, aiming to minimise layoffs and cutbacks and prevent adverse effects on both employees and the business. To maximise employees' rehiring prospects, the company goes beyond expectations by aiding with job searches. In cases of poor performance or improper behaviour, employees are promptly informed and receive a formal warning letter outlining the misconduct. If the behaviour persists, an employment termination letter follows as a final step in the process. Transition support programmes for employees entering retirement or facing termination encompass a range of services. These may involve pre-retirement planning for individuals planning to retire, retraining initiatives for those seeking to remain in the workforce, tailored severance packages that consider factors like age and years of service, job placement services and assistance such as training and counselling for those transitioning to a non-working lifestyle.

Remuneration Process

Aligning ESG metrics with employee compensation poses a considerable challenge for many companies, involving considerations of risk mitigation, performance targets and financial performance. However, at Behn Meyer, we recognise the need to integrate these elements more cohesively to enhance our sustainable impact. To sustain our robust wage structure, we ensure that employee compensation aligns with labour market practices, mitigating unnecessary operational costs and facilitating talent retention.

Behn Meyer upholds the principle of equality, rejecting all forms of discrimination based on factors such as ethnicity, nationality, gender, religion, age, family status, disability or any other protected status as per local law. Employment-related decisions, including compensation determinations, are founded on individual performance, behaviour and other legitimate business considerations, such as group profitability and strategic needs.

Management at Behn Meyer regularly assess our compensation practices to identify areas warranting additional attention, aligning with our assurance to fair pay. According to the 2023 employee survey, 76.7% of Behn Meyer employees expressed satisfaction with the benefits they receive. The ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees stands at 16. The communication of the remuneration process to all employees adheres to our internal salary grid, outlining procedures for salary advancement. The following chart shows a ratio 1.05, showcasing Behn Meyer's commitment to supporting women in the workforce.

| Basic Salary and Remuneration of Women to Men | Ratio |
|---|-------|
| Senior Management | 0.82 |
| Middle Management | 1.15 |
| Admin / Support Employees | 1.85 |
| Technical / Laboratory Employees | 0.72 |
| Production Workers / Supervisors | 0.71 |
| Average | 1.05 |

Training and Skill Development

Behn Meyer attributes its success to the proficiency and capabilities of its skilled workforce. Beyond recruitment, the company places a strong emphasis on talent retention through sustainable knowledge imparted via coaching and mentoring programmes. Numerous opportunities and training initiatives are extended to enhance employees' skills, amalgamating the latest industry knowledge and learning opportunities to drive technological advancements within the company.

Every Behn Meyer employee is provided with training opportunities to facilitate ongoing education and equip them to navigate challenges with newly acquired capacities. These opportunities are accessible and actively encouraged for employees at all levels, encompassing internal training courses, financial support for external training or education and sabbatical periods with a guaranteed return to employment.

Behn Meyer employs English as its universal language to bolster its global presence and to foster a conducive daily work environment for both customers and employees. Clear and consistent communication serves as the foundation for exchanging and implementing the best ideas effectively.

The support offered by Behn Meyer to its employees not only encourages continuous improvement in their knowledge and skills but also promotes career advancement for both the individual and the company, contributing to sustainable growth. Behn Meyer also launched its Career Development Programme (CDP) in partnership with a renowned international training provider, aiming to cultivate a forward-thinking, competitive management team ready to lead the company in the future. In 2023, Behn Meyer sponsored 20,648 training hours dedicated to skills enhancement and 6,811 hours of training on **health, safety and environment (HSE)** topics. The company provided an average of 16 hours of training per employee in 2023.

Given the dynamic nature of change, ongoing education for the workforce is deemed essential. Certain qualifications have become prerequisites, ensuring that workers remain competitive in the labour market. The human resources team collaborates with regional offices to achieve training goals, covering areas such as regulatory compliance, safety, quality, business ethics, human rights, certification work, technical training and soft skills development for supervisory and interpersonal capabilities.

In addition to comprehensive training courses, Behn Meyer supports an engaged workforce through various means. Educational sponsorships for young professionals, an employee recognition programme and the establishment of individual development and career plans contribute to a vibrant workplace. Compensation is provided in cases of layoffs or associated negative impacts during employment. According to our recent employee survey, 82.2% of Behn Meyer's workforce feels encouraged to innovate in their roles, while 78.5% had opportunities for learning and growth within the company in 2023.

| Hours of Training or Education Were Provided | Male | Female | Total |
|--|--------|--------|--------|
| Senior Management | 571 | 114 | 685 |
| Middle Management | 2,541 | 1,644 | 4,185 |
| Admin / Support Employees | 5,295 | 4,935 | 10,230 |
| Technical / Laboratory Employees | 1,116 | 497 | 1,613 |
| Production Workers / Supervisors | 3,905 | 32 | 3,936 |
| Total | 13,426 | 7,222 | 20,648 |

Appraisal

As a company, conducting regular evaluations of both quantitative and qualitative employee performance is crucial for our ongoing growth. Consequently, open communication is consistently encouraged within our organisation, leading us to conduct annual performance appraisals. It has been observed that employees exhibit higher engagement in their work when assessments are conducted, particularly when they are encouraged to perform a self-assessment beforehand. Currently, 85% of Behn Meyer's permanent employees undergo annual performance appraisals and career development planning. These initiatives aim to support employees in achieving both their short-term and long-term career goals, contributing to the enhancement of their job performance.

Behn Meyer also values and recognises the loyalty of its long-serving employees through Long Service Awards. The company invests in the Employee Provident Fund to ensure the financial wellbeing of these dedicated individuals in their retirement. This fund serves to provide financial stability and independence to former loyal employees after their departure from the company.

| Regular Performance and Career Development Reviews | Average | Male | Female |
|--|---------|-------|--------|
| Permanent Employees (i.e., permanent full-time and permanent part-time) | 84.8% | 80.1% | 92.5% |
| Non-Permanent Employees (e.g., temporary or fixed-term employees) | 76.6% | 67.6% | 100% |

Occupational Health and Safety

Occupational health and safety for employees is of utmost importance at Behn Meyer. The company ensures compliance with all applicable laws and regulations, adapting health and safety policies to each location. The **SHEQ team (Safety, Health, Environment and Quality)** oversees adherence to guidelines in each country, led by local SHEQ Managers and their teams. These managers ensure that employees and subcontractors comply with local laws, regulations and internal policies while also developing vigilance-related guidelines and training programmes.

The primary objective is to create a secure environment for Behn Meyer’s employees and onsite workers, instilling a safety mindset to eliminate risks. Strict safety policies established in offices and production sites are crucial to addressing potential risks in facilities and plants, with contingency plans and evacuation routes in place. Manufacturing plants also require a health and safety emergency action plan. Successful safety implementation depends on the collective support of everyone within the company’s facilities. In 2023, 43% of Behn Meyer’s manufacturing sites obtained ISO 45001 certification.



All employees are expected to intervene in emergencies, necessitating health and safety training to make them aware of potential risks at work. In 2023, 6,811 hours of training were dedicated to HSE topics. A joint management and employee Health and Safety Committee, representing around 20% of the total workforce, oversees and advises on onsite health and safety programmes in alignment with policies. The health and safety management system covers all employees and includes risk assessments.

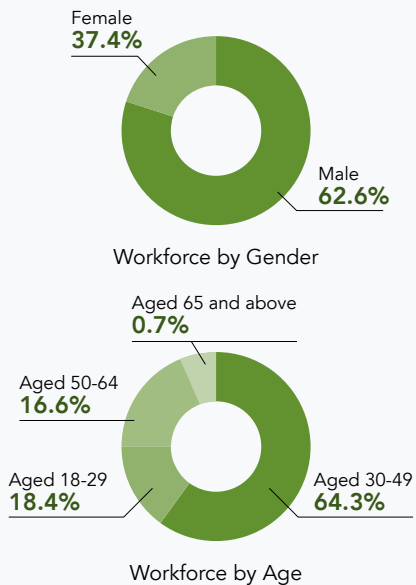
Concerns, complaints and incidents are diligently recorded, investigated and concluded. Non-compliance claims are registered and assessed by the local SHEQ Manager, who determines necessary actions. Significant issues are communicated to the relevant Behn Meyer Product Manager, local Managing Director and Group Director, who assess and communicate critical concerns to the Management Board and Supervisory Board.

Behn Meyer’s manufacturing plants follow a systematic approach to recording and reporting accident statistics, implementing preventive measures for repetitive strain injuries at operation sites and controlling exposure to hazardous substances. While five incidents of occupational injury affected employees in 2023, no such incidents involving external contractors occurred onsite and there were no work-related fatalities for both employees and external contract workers during the same period.

| | |
|---|--------------|
| Lost Time Injury (LTI) Frequency Rate* for Direct Workforce * (Total number of lost time injury events) x 1,000,000 / total hours worked company-wide | 2.053 |
| Lost Time Injury (LTI) Severity Rate* for Direct Workforce * (Number of days lost due to injuries) x 1,000,000 / total hours worked | 5.750 |

Diversity, Equity & Inclusion

At Behn Meyer, we are dedicated to fostering diversity across our global offices, laboratories and manufacturing operations. Our commitment extends to cultivating an equitable work environment with fair treatment for all. We ensure equal access to career opportunities for employees worldwide and actively promote the inclusion of individuals with disabilities. Our policies are designed to champion wage equality, prevent discrimination in professional development and promotions and encourage team collaboration, leadership integration, creativity, organisational flexibility and sustainable innovation.



*Total workforce: 1,392



Gender equality is integral to our corporate sustainability strategy, with Behn Meyer's leadership actively advocating for diversity and encouraging women to play crucial roles in our workforce. While the majority of our production site roles are filled by men due to manual labour and machinery requirements, we are working towards reducing the gender gap. Currently, women constitute approximately 37% of our workforce and 35% of management roles. In 2023, 34% of new hires were women. Our continuous efforts include supporting mentorship and leadership for female talent development. Notably, having a gender-diverse board is considered a key indicator of good corporate governance and sustainability, and Behn Meyer boasts a balanced 50% female representation on its board.

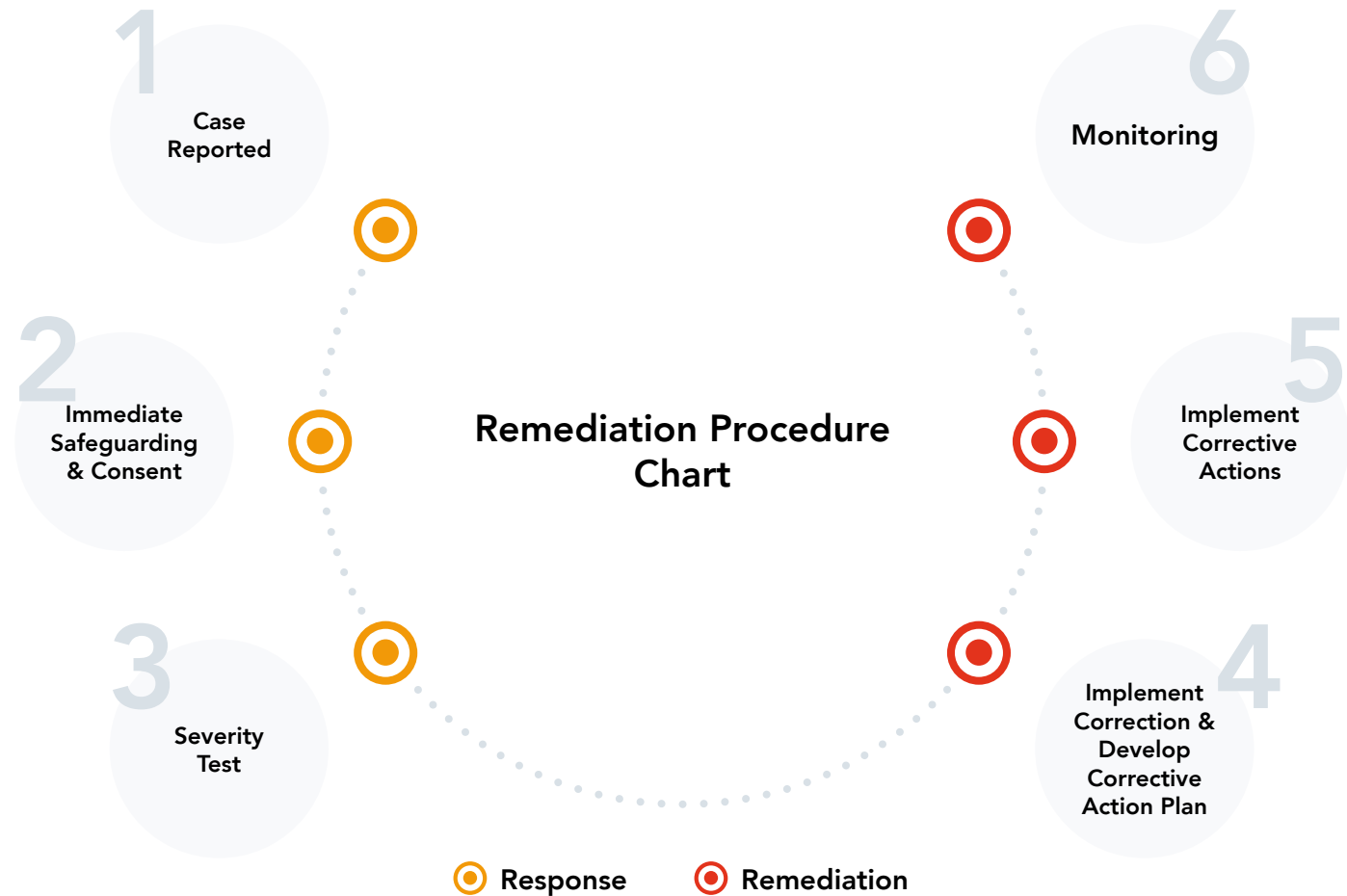
We actively support groups for minorities and vulnerable employees, recognising the diverse ethnic, religious and cultural backgrounds of our global workforce. Additionally, we prioritise job protection through contractual entitlements for parental leave, with 99% of Behn Meyer employees availing themselves of this benefit. In 2023, 100% of female employees returned to work after maternity leave, and all male employees returned after paternity leave.

Behn Meyer vehemently opposes and condemns all forms of discrimination. No individual working at Behn Meyer will face evaluation or disadvantage based on factors such as ethnicity, gender, religion, age, ideology, disability or sexual orientation. Our Code of Conduct strictly prohibits any form of harassment, and we take immediate action on reported incidents related to discrimination or harassment.

To proactively prevent discrimination and harassment in the workplace, Behn Meyer conducts regular awareness training sessions, enhancing employees' understanding of these issues to effectively handle any challenging situations in the future. Behn Meyer employees receive training on preventing human rights violations. To address concerns related to discrimination and harassment, we maintain an open channel for whistleblowers.

In cases where discrimination and/or harassment occur, Behn Meyer has established a remediation procedure to assist victims. Remediation is a non-judicial, operational-level process designed to mitigate incidents of discrimination and/or harassment. This process involves identifying appropriate responses to the violation, ensuring transparency in communication with stakeholders and implementing measures to monitor the effectiveness of the applied remedy.

Discrimination and Harassment



Human Rights

As a responsible transnational company, Behn Meyer endorses the fundamental rights of both its employees and external stakeholders. We strictly adhere to labour and human rights laws and regulations in all countries of operation without exceptions. Operational changes with significant impacts on employment are handled through a notice period, ranging from 4 to 17 weeks prior to implementation. Behn Meyer has not incurred fines or penalties for labour practices or human rights abuses, and there have been no illegal conduct issues related to the treatment of local communities and indigenous people.

A cornerstone of Behn Meyer's commitment is the Social Accountability Declaration outlined in its Code of Conduct. The company rejects discrimination based on race, ethnic origin, gender, religion, philosophy, political or union membership, disability, age or sexual orientation. Empowering management teams to adhere to the Code of Conduct, Behn Meyer ensures that activities are conducted in a locally relevant manner, addressing risks and breaches of ethics directly, without formal procedures for human rights assessments.

Employees are encouraged to report violations to the Compliance Committee through open feedback channels, and other violations can be reported to Behn Meyer's CSR Steering Committee via local reporting channels. New employees are required to read the human rights policy and acknowledge the Code of Conduct. All contracts with Behn Meyer contain a clause requiring business partners to adhere to local laws and regulations.

Regular human rights assessments are conducted, such as the Thai Ministry of Labour's evaluation of operations in Thailand, resulting in a Thai Labour Standard certification. Behn Meyer rigorously reviews its supply chain for human rights abuses through the supplier engagement process and site visits. The organisation consistently evaluates its supplier management strategy to ensure all parties uphold fundamental business ethics, with no complaints filed regarding forced or child labour, gender equality, free association or any other form of discrimination.

Child Labour, Forced Labour & Human Trafficking



Behn Meyer strictly prohibits child labour at any facilities under its control, adhering to the laws of the countries in which it operates. The company does not employ children due to safety concerns and age verification is conducted for all candidates before hiring. There is a zero-tolerance policy for child labour among suppliers, with high-risk vendors subjected to an annual external audit. Both internal and external audits are essential to ensure that forced or child labour is not present in any Behn Meyer facilities. Despite low internal risk, the company remains vigilant against any indications of forced or child labour in the supply chain, including prison labour. Active engagement with stakeholders minimises the risk of being impacted by child and/or forced labour.

In cases of human rights violations such as child labour, forced labour, workplace violence, harassment and discrimination, prompt remedial action is taken. Within 48 hours, the company removes affected individuals from the situation, investigates and develops a remediation plan in close cooperation with affected parties and specialists, as needed.

| | |
|---|-----|
| % of all operational sites that have been subject to human rights reviews or human rights impact assessments | 17% |
| % of the total workforce across all locations who are covered by formally elected employee representatives | 18% |
| % of the total workforce across all locations who received training on diversity, discrimination and/or harassment | 35% |
| % of the total workforce across all locations represented in formal joint management-worker health & safety committees | 20% |
| % of the total workforce across all locations who are covered by formal collective agreements concerning working conditions | 42% |

Community Engagement

Recognising our social mission, Behn Meyer places great importance on close interaction and collaboration with the surrounding communities. The Behn Meyer Foundation was established decades ago, allocating a percentage of our yearly net income to grants and scholarships benefiting eligible employees and their families. Additionally, Behn Meyer actively organises CSR initiatives and disaster relief programmes to further support and uplift our communities.



Beyond requiring the social license from communities, Behn Meyer understands the necessity of sourcing talent and expertise for its workforce. To achieve this, the company strives for collaborative partnerships with local communities, focusing on advancing residents through education and employment while investing in the region to enhance its talent pool.

Unlike typical philanthropy, this strategy emphasises the quality of social impact rather than the monetary value of corporate donations. All business teams are committed to initiating social programmes that address local community needs, with stakeholders and company management closely coordinating to determine these needs and develop CSR programmes. Management actively engages in conversations with community stakeholders to understand and address their needs, providing purpose for Behn Meyer's philanthropic activities and aligning them with the overall business strategy and vision. Maintaining open communication with local community leaders, Behn Meyer takes any concerns seriously and actively addresses grievances, ensuring transparent operations. This approach enables operational managers to address any potential negative impacts on the local community. In 2023, Behn Meyer has not identified any sites with a significant negative impact on the local community.

Behn Meyer maintains a modest presence in its operational areas, with minimal impact at the state, provincial or national level. The company refrains from supporting lobbying activities related to laws or regulations affecting the industry.

Behn Meyer acknowledges that communities serve as the foundation of society and the source of its talent, as evidenced by 98% of its employees being from the local community. Investing in local communities not only indirectly secures Behn Meyer's future workforce, but also provides jobs and opportunities while minimising environmental risks. The company's commitment to community welfare is apparent averaging a 1.26 ratio of the standard entry-level wage for a permanent, full-time employee at Behn Meyer to the legal minimum wage. Sourcing practices vary across product lines, the proportion of spending on local suppliers is 38%.

Socio-economic Impact



Sponsorship for Tam Binh Primary School in Vietnam (November 2023)



Contribution for UPM Excellence Scholarship Award in Malaysia (November 2023)



Donation to Children Supporting Fund in Binh Duong, Vietnam (October 2023)

Addressing concerns expressed by community leaders, Behn Meyer encourages community members to visit facilities, observe safety precautions and assess environmental protections. This approach aims to obtain reliable input from the community and an open-door policy enables Plant Managers to address concerns related to operations. Behn Meyer strives to positively contribute to water and food accessibility, capacity building and education, considering these efforts as crucial strategic goals. The company's teams take the lead in identifying and implementing social initiatives to meet local community needs, engaging in meaningful discussions with stakeholders to better understand these needs for supporting the development of local infrastructures and services. For example, Behn Meyer Indonesia provided a solar-powered water pump for Naisau, East Nusa Tenggara. This water pump provides 35 m³ of water every day for daily use. Behn Meyer Vietnam provided a solar power system for a school in Nghe An province, sponsored a water filtering system in Ca Mau, Vietnam and planted trees in Ho Chi Minh City. Behn Meyer Foundation provides scholarships given directly to children in local communities. There is a total of 341 hours of staff volunteering logged in local community corporate volunteering events.

Socio-economic Impact



Community Development Programme with Halu Oleo University in Indonesia (June 2023)



Solar-powered Water Filtration System Sponsorship in Vietnam (May 2023)



Water & Education Project for SMKN Sasitamean in Indonesia (January 2023)

In 2023, Behn Meyer donated over 18,000 USD to various local societies, complementing direct monetary contributions with in-kind or pro bono initiatives. For instance, in Malaysia, the company provided training for farmers transitioning to fertigation, while in Thailand, Behn Meyer donated IT equipment to a community in need. Ongoing collaborations with local authorities, non-governmental organisations and research institutions further enhance Behn Meyer's support across education, training, renewable energy and water conservation.

Behn Meyer recognises its responsibility to engage with all segments of society responsibly. Our goal is to create a substantial positive impact on the local economy, particularly in enhancing access to water, food and education. Through close collaboration with local authorities, non-governmental organisations and research institutes, Behn Meyer consistently works towards advancing education and economic development while safeguarding planetary resources for local communities. Our CSR activities are designed to foster strong relationships with the local communities, contributing to the spread of positivity and wellbeing.

Corporate Social Responsibility (CSR)



Tree-Planting Project in Ekowisata Mangrove Wonorejo, Indonesia (December 2023)



Mangrove Point Cleaning Project in Klang, Malaysia (December 2023)



Donation for Ladkrabang Community in Thailand (November 2023)



Green Heart Zero Waste Project in Thailand (September 2023)



Tree Planting Project in Can Gio, Vietnam (June 2023)

Collective Bargaining and Social Dialogue

Freedom of Association

Behn Meyer endorses the rights of its employees to form and support unions, establish work councils and engage in collective bargaining. The company does not discriminate against labour union representatives, ensuring their full access to the workplace. To prioritise the welfare of unionised workers, Behn Meyer cooperates with collective bargaining associations. 57% of Behn Meyer's workforce have a formal agreement with the local trade union or worker's union, those formal agreements cover topics such as health and safety and human rights.

In Thailand, the Thai Employers' Association regularly updates the company on the new Thai Labour Code and engages in consultations regarding revised employment contracts. Additionally, collaboration with the Vietnam Confederation of Labour has enhanced Behn Meyer's relationship with its union workers in Vietnam, resulting in benefits such as a complimentary breakfast for union employees once a month. These proactive partnerships with various labour organisations to safeguard workers has led to Behn Meyer having no labour-related violations or fines in 2023.

Collective Agreement

Employees affiliated with trade unions or employee organisations benefit from the protective measures outlined in collective agreements. These agreements comprehensively detail various aspects of working and employment conditions, including wages, working hours, vacation days, diversity and protection against discrimination and harassment. The explicit written nature of these agreements serves to safeguard the rights and interests of employees.

For any agreement established between Behn Meyer as an employer and the representatives of the employee organisation, stringent adherence to legal and regulatory compliance is paramount. This ensures the terms and conditions outlined in the collective agreement are in accordance with established regulations. There is 42% of Behn Meyer's employee workforce, encompassing both employees with contracts and those without, covered by collective bargaining agreements protective scope. Behn Meyer advocates for the rights and wellbeing of its employees through transparent and legally sound collective agreements that foster a fair and equitable work environment.

Grievance Mechanism



Grievance Mechanism

Any complaints or significant concerns related to health and safety or working conditions, including but not limited to issues such as human rights, child labour, forced labour and human trafficking, are addressed through the established complaint and incident handling procedure. Claims raised by (potential) third parties are reported to the Country Head and Group Management. In emergency situations, communication with Behn Meyer can be facilitated through a 24-hour emergency response provider or through local contact with the relevant Behn Meyer's Country Head.

This grievance mechanism has been communicated to all stakeholders, emphasising the provision of support for individuals who may face specific barriers such as language. Non-retaliation measures are in place to protect those utilising the grievance mechanism and steps are taken to maintain the confidentiality of those who make use of it. Throughout 2023, there was one complaint related to labour practices filed through the grievance mechanism and it was fully resolved. No fines, non-monetary sanctions or penalties were paid in 2023 for labour-related violations or practices, including those concerning employee health and safety. Furthermore, no labour-related cases were brought through dispute resolution mechanisms during this period.

Governance

Business Conduct
Business Ethics
Compliance Management
Quality Management
Information Security



Contribution to the UNSDGs



Business Conduct

The Behn Meyer Group is cognizant of core values such as honesty, courage, diligence, reliability, perseverance and gratitude in its operations. As these qualities form the foundation of a sustainable business, we approach our goals meticulously, prioritising the principles of value creation, transparency, integrity, honesty, fairness and adherence to all legal regulations and authorities.



In response to the increasing global awareness of environmental impacts and the growing economic and societal focus on corporate citizenship, Behn Meyer has implemented measures to combat corruption and fraud. Alongside our Code of Conduct, we have established a guideline for addressing bribery (the “ABC Policy”) and protocols for handling inappropriate activities and internal issues. Adhering to the Code of Conduct is crucial for fostering positive relationships and collaboration with our business partners, external service providers and suppliers.

Behn Meyer’s principles and policies act as the first line of defence against corruption, relying on the day-to-day vigilance of our managers and employees. The Code of Conduct was created to establish a shared understanding of the company’s expectations, guiding all our business activities with the highest ethical and legal standards. It is mandatory for all employees within the group to follow this code, which helps maintain the company’s reputation as an employer of choice and a reliable business partner.

Under the pillars of a Diverse Workforce and Culture, Compliance with Laws, Rules and Regulations, an Inclusive and Responsible Workplace, Equal Opportunity and Safe and Healthy Working Conditions, Behn Meyer strives to embody internationally recognised ethical standards in business. This ensures transparency in operations and promotes safe practices in the workplace, safeguarding the company’s morals and the interests of both internal and external stakeholders. As of year 2023, there have been no reported instances of non-compliance with laws or regulations in social or economic areas.

Business Ethics

The Behn Meyer Code of Ethics outlines fundamental principles and expectations for our business partners. This encompasses all customers, material suppliers, intermediate and finished product providers, engineering suppliers, service providers, freight forwarders and logistics service providers associated with our company. Irrespective of geographical location, Behn Meyer companies and employees are obligated to adhere to the principles articulated in the Code of Ethics to maintain enduring relationships with our organisation.

As a key policy component, Behn Meyer unequivocally prohibits any form of bribery. Corruption is deemed unacceptable as it exposes Behn Meyer and its employees to potential legal actions, civil fines and penalties. The Code of Ethics explicitly forbids improper payments, be it to government entities or private sector organisations, extending across all business functions and operations in the countries where Behn Meyer operates. Special approval procedures are in place for sensitive transactions, such as gifts or travel, allowing employees to report or seek approval for actions that might be perceived as courtesies involving external stakeholders.

To prevent conflicts of interest, employees are prohibited from accepting payments, gifts or entertainment from individuals or companies seeking to engage in business with Behn Meyer. Rigorous due diligence procedures are implemented and upheld. Violations of the Code of Ethics by employees or partners, as well as repeated failure to implement corrective measures, can result in suspension or dismissal.



Behn Meyer Group Thailand Awarded the Outstanding Ethics Award 2023 (December 2023)

Potential risks for downstream stakeholders are acknowledged and upstream suppliers are expected to adhere to Behn Meyer's fair competition and anti-trust rules. Compliance with accurate bookkeeping and business records, as well as adherence to applicable local, national and international laws and regulations are essential for suppliers in the company's product supply chain. Trusted suppliers are required to have control systems in place, including policies, training, monitoring and auditing mechanisms in alignment with the Behn Meyer Code of Ethics. Suppliers are encouraged to extend these principles to their own suppliers and contractors. For the year 2023, no violations of the Code of Ethics or incidents were reported through the whistleblower mechanism. Internal risk assessments related to business ethics issues were conducted at 44% of all operating sites and 70% of the total workforce received training in business ethics.

On 6 December 2023, the 21st edition of the Thai Chamber of Commerce Business Ethics Standard Test Awards took place at the University of the Thai Chamber of Commerce. This event, organised to commend private enterprises demonstrating exceptional commitment to ethics, corporate governance, risk management and responsible labour and human rights practices, recognised 20 companies, among which Behn Meyer stood out as the recipient of the prestigious Outstanding Ethics Award 2023.

In alignment with the Thai Chamber of Commerce and the Board of Trade of Thailand's advocacy, we have consistently championed the adoption of sound corporate practices to propel continuous organisational progress. As a company deeply committed to cultivating a culture of responsibility, Behn Meyer advocates the highest ethical and legal standards across all facets of our business operations. Our comprehensive Code of Ethics outlines the expected behaviours of our employees, establishing a clear framework aligned with our core values and principles. Additionally, we have implemented a robust Anti-Bribery and Corruption framework to proactively prevent instances of bribery, fraud and corruption within our organisation.

Compliance Management

Whistleblowing Policy

Behn Meyer's Whistleblowing Policy applies to all employees, directors, business partners and customers. Members of the public are encouraged and, in certain instances, obligated to use designated whistleblowing channels to disclose any perceived, actual or attempted misconduct within Behn Meyer. The whistleblowing mechanism facilitates the reporting of issues such as corruption, bribery, anti-competitive practices and concerns related to information security. Dedicated channels are in place to safeguard confidentiality and prevent any form of retaliation. It is noteworthy that there have been no reports related to the whistleblowing procedure in 2023.

Anti-Bribery and Corruption

Behn Meyer established the Anti-Bribery and Corruption Policy (ABC Policy) to strengthen its commitment to combating bribery. This policy fosters a workplace culture where employees feel secure and can anonymously report any instances of corruption, conflict of interest, fraud, money laundering and similar concerns. It not only strengthens a transparent reporting environment but also enhances efficiency in identifying and addressing misconduct. The existence of an internal compliance management team ensures the policy's effectiveness and provides reasonable assurance that internal processes adhere to established guidelines.

All Behn Meyer employees have been informed of the company's anti-corruption policy and comprehensive training programmes, both virtual and face-to-face, are offered to enhance their understanding of preventing corruption and bribery issues. Notably, 85% of Behn Meyer's workforce is aware of the company's anti-bribery policies and procedures and 78% of sites have implemented an anti-corruption management system. Regular monitoring of ethics and compliance control system effectiveness is conducted through internal audits. Behn Meyer Malaysia Group of Companies holds ISO 37001 certification for implementing a Comprehensive Anti-Bribery Management System (ABMS). The Compliance Committee is responsible for maintaining and enforcing the ABMS to ensure that company operations remain free from any form of bribery and corruption. There were zero confirmed incidents of corruption in 2023.

Anti-Money Laundering

Aligned with Behn Meyer's core values, we consistently commit to integrity and foster transparent partnerships with colleagues, customers and business associates. Our adherence to honesty, sincerity and transparency extends to the implementation of robust anti-money laundering practices. These practices aim to thwart any attempts at concealing the origin, ownership or destination of funds acquired through illegal or dishonest means. By embedding these measures into our operations, we ensure that illicitly obtained funds are not covertly integrated into legitimate economic activities to give them a false appearance of legality. This fortifies our dedication to ethical conduct and maintaining the highest standards in our interactions with stakeholders. There were no reports concerning the anti-money laundering practice in the past year.

Anti-Competitive Practices

Behn Meyer is unequivocal in its stance against anti-competitive behaviour, emphasising this standpoint to employees as part of the company's commitment to compliance with laws and regulations. Adherence to all applicable laws and regulations is an integral aspect of our company policy and legal counsel is readily available to address any queries from employees regarding potential instances of anti-competitive behaviour. To fortify employees' understanding and proactively prevent anti-competitive practices, the company conducts awareness programmes for all employees. Management guides relevant employees on appropriate interactions with competitors to steer clear of any collusion.

In 2023, there were no pending or concluded legal proceedings pertaining to violations of anti-competitive behaviour, anti-trust regulations or monopoly regulations in which the organisation was implicated.

Due Diligence

As an integral component of Behn Meyer's oversight framework, the **Head of Departments (HODs)** conducts due diligence to ensure the selection of the most suitable business partners. Specifically, for substantial or ongoing projects, due diligence procedures encompass the following:

- Verification of the business associate's adherence to appropriate anti-bribery and corruption controls.
- Scrutiny to confirm the absence of convictions or allegations related to bribery or corruption against the candidate or business.
- Oversight and periodic monitoring conducted by procurement personnel within Behn Meyer.
- Assurance that the procurement process is executed with efficiency, transparency and impartiality.
- Exclusion of individuals or businesses with conflicts of interest from the selection process.

All interactions with external entities, including supervisory authorities, business partners or customers, must adhere to principles of transparency and be devoid of external influences. Regular monitoring of business partners, transaction and projects for potential bribery and corruption risks is undertaken by relevant business functions within Behn Meyer. Business partners may be subjected to inspections, audits, risk assessments and due diligence at Behn Meyer's sole discretion. This includes assessments of transactions and projects both before formal agreements are reached and afterwards. Business partners are obligated to cooperate with any such inspection, review or evaluation conducted by Behn Meyer or a third-party designated by Behn Meyer. For year 2023, 44% of Behn Meyer locations have an internal audit system or third-party due diligence check programme on business ethics.

Quality Management

Behn Meyer seeks to produce dependable products that adhere to high ecological standards, promoting both environmental friendliness and safety for human use. The primary objective of the quality management policy is to ensure that products meet stringent quality standards and provide customers and end users with a risk-free usage experience. Our facilities fulfil quality management system such as ISO 9001 and GMP (Good Manufacturing Practice) for certain operating locations.

The customer service quality performance for year 2023 demonstrated an impressive achievement, with a 90% customer satisfaction rating. This outcome serves as a testament to Behn Meyer's commitment to delivering service of the highest quality. The Quality Management System also integrates risk management controls into Behn Meyer's business operations, aiming to reduce susceptibility to risks. In essence, the Quality Management System implemented by Behn Meyer serves as a comprehensive framework designed to attain excellence in product quality within the industry, reinforcing the company's position as a leader in delivering top-notch quality standards.



Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)

Ensuring the safety of the environment and public health by mitigating the risks associated with hazardous chemicals is of the utmost importance to Behn Meyer's operations. Adherence to chemical regulations, such as the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), is integral to enhancing the protection of human health and the environment. These regulations facilitate the early and improved identification of the inherent properties of chemical substances. Considering this, Behn Meyer is steadfast in its commitment to fulfilling compliance-related business activities in accordance with these obligations.

Thorough cross-checking and implementation of the properties of registered substances are essential tasks carried out in the preparation of the respective registration dossiers and risk assessments. Furthermore, the **European Chemicals Agency (ECHA)** plays a crucial role in evaluating the submitted registration dossiers. In instances where ambiguities arise, the ECHA may request registrants to revise their dossiers and even conduct additional tests to ensure comprehensive clarity. Behn Meyer remains dedicated to meeting these regulatory requirements to uphold the highest standards of safety and environmental protection.



Environmental Compliance

Environmental compliance audits assess an entity's adherence to environmental legislation and the potential liabilities arising from non-compliance. This typically involves investigating operations, waste management, compliance with permitting requirements, regulatory reporting and the correct handling of chemicals and hazardous materials, including any discharges into air, land or water. Such audits are conducted at facilities to verify the effectiveness of environmental management systems and identify associated issues. They play a crucial role in ensuring ongoing compliance, identifying on-site deficiencies and implementing corrective measures to enhance environmental performance.

In demonstrating our commitment to environmental stewardship, 71% of Behn Meyer's manufacturing sites in various countries have implemented the **Environmental Management System (ISO 14001:2015)** within their operations. The Environmental Management System audit recognised the understanding exhibited by all employees during the audit in these countries. Furthermore, Behn Meyer Thailand has achieved Green Industry Certification from the **United Nations Industrial Development Organisation (UNIDO)**, highlighting its resource-efficiency and cleaner production that not only creates new business opportunities but also contributes to environmental protection.

Information Security

Behn Meyer provides information security materials to enhance awareness among stakeholders regarding risks associated with sensitive company data. The company acknowledges the importance of individual privacy and is dedicated to safeguarding personal information in line with the **European Union (EU) General Data Protection Regulation (GDPR)** and relevant privacy laws, including the **Personal Data Protection Act (PDPA)** where applicable.



Behn Meyer has embraced and implemented the privacy policy that delineates the company's practices concerning the collection, processing, use and disclosure of personal information, outlining privacy rights. Adherence to this legislation mandates data controllers, encompassing companies and their employees, to fulfil specific obligations regarding personal data. Failure to comply may result in legal consequences. Employees are obligated to consult and inform customers about the details of personal data collection and storage, data transfer to third parties and other similar aspects. There were no substantiated complaints concerning breaches of customer privacy or losses of customer data in 2023.

Behn Meyer's IT security guidelines emphasise employee responsibility when handling company data and confidential information, urging precautions to protect privacy. The IT team ensures the confidentiality of customer information, and there were no breaches in this regard for year 2023. 17% of our locations have implemented a formal information security management system. Regular awareness training courses are conducted to deepen employees' understanding of information security issues. Control process audits are implemented to prevent breaches and assess the effectiveness of information security control systems. Non-compliance with IT security guidelines must be reported to the relevant department head for appropriate action and any reported or detected non-compliance is treated seriously, potentially leading to disciplinary measures, including termination of employment.

To further secure third-party data, additional internal controls limit access by unauthorised employees and third parties, both physically and digitally. The implementation of a formalised records retention schedule specifies the duration for retaining each type of third-party data. Importantly, there were zero information security incidents in 2023.

Sustainable Supply Chain

Responsible Products and Innovation

Sustainable Materials and Logistics

Sustainable Supply Chain Management



Contribution to the UNSDGs



Responsible Products and Innovation

Behn Meyer is committed to assisting diverse stakeholders in attaining elevated environmental, safety and quality benchmarks throughout the entire value chain. We consistently invest in innovation resources to deliver sustainable products. Each business team at Behn Meyer concentrates on ensuring product quality and performance by scrutinising the complete life cycle of a product. Taking precautionary measures at the design and procurement stages can have a positive impact on the entire value chain. Our goal is to curtail the impact on consumers and end-users through successfully delivered products. However, we understand that customers and stakeholders expect more than just a good product; they require a comprehensive support system to easily achieve their objectives.

In response to this expectation and to better support our customers, Behn Meyer has significantly expanded the scope of its responsibility. Simultaneously, product administration remains a crucial element of our sustainability framework. It now encompasses various solutions designed to empower downstream stakeholders in making informed and dependable decisions, spanning from product selection to process optimisation.

Sustainable Consumption in Value Chain

Behn Meyer's cohesive business approach relies on the commitment and proficiency of various divisions working towards a shared objective: identifying and mitigating environmental, health and safety risks throughout the entire lifecycle of a product. We note that the indirect consequences of a product can rival or exceed those stemming from the company's internal operations. Hence, Behn Meyer's strategy emphasises incorporating sustainability into the initial phases of design and sourcing. By doing so, our customers are more likely

to discover products and services that align with their values, benefiting the environment, communities and workers.

We advocate for the sustainable consumption of Behn Meyer's products and services within our customer base. Thus, we organise technical updates and sessions for sharing sustainable knowledge with our partners to enhance sustainable consumption throughout the value chain on a regular basis.



Feeding the Future Technical Workshop in Ho Chi Minh City, Vietnam (September 2023)



Trends and Developments of Plant Based Food Seminar in Bogor, Indonesia (May 2023)



Behn Meyer's Exceptional Reliability Recognised by Chevron Oronite (March 2023)



Biosecurity and Coccidiosis Management Seminar in Nilai, Malaysia (March 2023)



Product and Marketing Compliance

Throughout the year 2023, Behn Meyer received no fines, penalties or warnings related to health and safety violations associated with its products and services. There were no breaches of local regulations and laws governing the use of Behn Meyer's products and services. Concerning product and service information, as well as labelling for 2023, Behn Meyer incurred no fines or penalties. Additionally, there were no instances of non-compliance with regulations or voluntary codes pertaining to product and service information and labelling. The company adheres to all relevant regulatory and voluntary codes in its marketing communication practices and, in 2023, faced no fines, penalties or warnings related to recruitment, promotion or sponsorship activities.

Behn Meyer manages its chemicals within the industry responsibly. Its chemical groups, including Behn Meyer Chemicals Thailand and Performance Additives, actively participate in the Responsible Care® programme.

Customer Health and Safety

The most effective approach to mitigate the impact of a product's lifecycle is to ensure correctness from the outset. We strive to provide customers, who ultimately are our end users, with safer products. Behn Meyer systematically assesses all products and services for potential health and safety implications, actively seeking areas for improvement. In adherence to regulations, **Product Safety Data Sheets (SDS)** are readily available to our customers and there have been no substantiated violations in this regard. No customer health and safety incidents and no product recalls related to end-of-life procedures occurred.

A significant percentage (78.6%) of Behn Meyer's customers are aware of the designated channels for expressing grievances related to our products or services. For chemical emergencies, we have appointed 'CHEMTREC,' offering a 24-hour call hotline, with the number prominently displayed on all our branded SDS. In our Vietnam Animal Nutrition division, the engineering team operates 24/7 to ensure the smooth functioning and maintenance of systems. Rigorous inspections are conducted and meticulously documented to guarantee the stability and accuracy of the spray system. The team is always available to respond promptly to customer requests or enquiries.

Customer feedback is highly valued and we conduct an annual customer/supplier survey covering sustainability, products and services and health and safety, allowing stakeholders to freely express their opinions. In 2023, the satisfaction evaluation of Behn Meyer's products and services given by customers reached 90.0%, underscoring the company's commitment to service quality. As sustainability initiatives permeate our supply chain, 64.6% of our customers are aware of Behn Meyer's sustainability strategy and 62.0% are acquainted with the company's long-term sustainability goals and commitment. We continue to collaborate with our customers in the pursuit of sustainable product development.

Reliable Services and Market Engagement

Behn Meyer takes pride in maintaining its standing as one of the leading players in the chemical distribution (sales) market for the Asia Pacific region in 2022, as highlighted in a special report featured in the May 2023 issue of ICIS Chemical Business Magazine. The rankings reveal that Behn Meyer secured the 12th position in Asia-Pacific based on sales figures, achieving a total sales value of 799.6 million USD. On a global scale, the Behn Meyer Group earned the 33rd position with a total sales figure of 886.8 million USD. Behn Meyer's rankings in Europe and North America stood at 105th and 140th, respectively.

In addition to its notable market standing, Behn Meyer continues to excel in market engagement and customer services. The company's success is attributed not only to its impressive sales figures but also to its strong connections with customers and stakeholders. Behn Meyer's customer-centric approach includes personalised services, prompt responsiveness and tailored solutions to meet the unique needs of its diverse clientele.

The company actively engages with the market through strategic initiatives that go beyond sales figures. By understanding and adapting to evolving market dynamics, Behn Meyer ensures a proactive and collaborative approach with its customers. This commitment to market engagement extends to fostering long-term relationships, gaining valuable insights and staying attuned to industry trends.

Behn Meyer's exceptional customer service and proactive market engagement spotlights its position as a comprehensive and reliable partner in the chemical distribution landscape. As the company continues to navigate the dynamic market environment, its focus on delivering value-added services and building enduring customer relationships remains integral to its success.



Animal Nutrition Team at Livestock Malaysia (December 2023)



Personal Care at In-cosmetic Asia in Bangkok, Thailand (November 2023)



AgriCare's Durian Seminar in Java, Indonesia (November 2023)



Asia Pacific Coatings Show in Bangkok, Thailand (September 2023)



Livestock Seminar in Tangerang-Banten, Indonesia (September 2023)



Malaysian Pepper Board in Advancing Pepper Industry (July 2023)



New Model Farm Training Centre in Batu Pahat, Malaysia (May 2023)



AgriCare Road Show in Malaysia (February-March 2023)



Collaboration with Halu Oleo University, Indonesia (February 2023)

Sustainable Materials and Logistics



Resources

Behn Meyer acquires almost 631 tonnes of raw materials and semi-finished products essential for the manufacturing of finished goods. Acknowledging the non-renewable nature of these raw and associated materials, Behn Meyer is actively exploring innovative approaches to enhance material efficiency. This involves implementing real-time communication between the production and procurement teams to minimise wastages in inventory. Additionally, the company is committed to sustainable procurement practices to ensure responsible sourcing and utilisation of resources in its production processes.

Circular Economy Approach

Behn Meyer promotes a circular economy approach in its manufacturing operations. Behn Meyer Chemicals has a returnable packaging programme for local customers, for example, local customers can return their packaging drums to Behn Meyer Chemical plants and the packaging will be reused until the end of the life cycle.

Streamlining Transportation Operations

Ensuring the safety of transportation is vital when dealing with chemicals, as mishandling of cargo can lead to spillage, posing risks to human health, safety and the environment. Behn Meyer implements multiple precautionary measures to mitigate these risks and ensure the safe and intact arrival of its products. This includes the careful selection of experienced and licensed transportation contractors, the use of appropriate packaging to contain and protect products during transit and the application of suitable warning labels in adherence to the United Nations Globally Harmonised System of Classification and Labelling of Chemicals (GHS).

To enhance logistic efficiency and downsize costs, our company has implemented a range of transportation optimisation strategies. One key initiative is the emphasis on shipping consolidation, streamlining the transportation process to enhance efficiency and scale down overall shipping expenses. Additionally, our focus on warehousing services plays a pivotal role in logistics cost reduction. By implementing advanced technologies such as automatic container loading systems, we enhance loading efficiency and significantly reduce labour costs.

Through preventive maintenance practices, we ensure the reliability and longevity of our transportation assets, reducing the risk of unexpected breakdowns and associated expenses. To optimise storage space, Intracare is investing in a smart racking system, while Behn Meyer Thailand is planning to adopt mobile racking solutions. By increasing storage density, we will be able to make use of the available warehouse space effectively.

Our transportation optimisation process is both a cost-cutting measure and a strategic investment in the overall efficiency and sustainability of our supply chain. Through these steps, we strive to create a seamless and cost-effective logistic system that aligns with our dedication to operational excellence and customer satisfaction. Overall, Behn Meyer places a high priority on reducing any hazards related to the transportation of chemicals, ensuring compliance with regulations and industry standards and ensuring the health and safety of its customers, employees and the environment.

To further amplify its sustainability efforts, Behn Meyer strategically locates its distribution centres and local warehouses in close proximity to clusters of producers. This deliberate placement serves to limit the need for numerous partial truckload trips, thereby reducing transportation-related emissions. The strategic positioning not only contributes to the efficiency of distribution networks but also aligns with Behn Meyer's broader circular economy goals by using resources optimally and minimising environmental impact throughout the supply chain.

Sustainable Supply Chain Management



Behn Meyer has consistently adhered to the principles of sustainable procurement, developing comprehensive systems for supplier and procurement management that enable us to assess each supplier both qualitatively and quantitatively. Throughout every step of our supply chain management processes, we value responsiveness, equity, fairness and efficiency, subject to scrutiny from suppliers and customers to safeguard the interests of all stakeholders. Our efforts are directed towards building a sustainable supply chain, ensuring that our collaborations are devoid of environmental or governance risks.

As a forward-thinking business that continually seeks growth and actively engages with stakeholders, Behn Meyer has positioned itself unequivocally to achieve the objective of fostering a sustainable society. It is imperative that our collaborative business partners share the same sustainability goals and adhere to the corresponding requirements, mitigating substantial risks and contributing to the expansion of the Group's influence as a unified and sustainable organisation.

At present, Behn Meyer has established comprehensive guidelines for supply chain management, integrating ESG standards into relevant, sustainable procurement processes, including Supplier Sustainability Performance Assessment, Supplier CSR Risk Assessment and Audit and Corrective Action. During year 2023, four suppliers were terminated due to significant actual or potential negative environmental or social impact, and six audited/assessed suppliers engaged in corrective actions or capacity building. Behn Meyer is actively guiding our partners and suppliers towards operating with zero harmful emissions to the environment while concurrently enhancing their positive social impact globally.

Supplier Sustainability Performance Assessment



We request selected suppliers to perform an annual sustainability assessment, ensuring compliance with legal and industry-specific standards in labour, health, safety and the environment. This involves completing an assessment questionnaire provided by Behn Meyer, covering the three sustainability pillars: Environment, Social and Governance. The questionnaire addresses various aspects, including labour standards, health and safety, environmental practices and business conduct. Behn Meyer endorses the rating system or evaluates suppliers' sustainability performance, an integral part of our supplier selection process. In 2023, 67.6% of targeted suppliers successfully completed the sustainability assessment and those demonstrating excellence in environmental and social aspects received unique incentives such as supplier awards, participation in the preferred supplier programme and access to Requests for Proposals (RFPs).

Our assessment of Scope 3 emissions in the supply chain involves understanding the current emissions profile and collaborating with suppliers on emission calculation and reduction initiatives. In 2023 supplier survey, 23.4% of our suppliers adopted GHG emission calculation practices. The establishment of reduction targets is deemed essential for effective GHG operational management. A noteworthy 35.1% of our suppliers have set or are willing to set the GHG emission reduction targets, while 11.8% of surveyed suppliers have already conducted a Life Cycle Assessment (LCA) or provided an environmental product declaration to determine the carbon footprint of materials supplied to Behn Meyer.

Supplier CSR Risk Assessment and Mitigation

Our comprehensive approach to supplier sustainability includes a rigorous Supplier CSR Risk Assessment. We meticulously review responses to the sustainability performance assessment questionnaire, utilising a robust framework to categorise selected suppliers into high, medium or low-risk classifications. This assessment is a dynamic process, assessing not only current responses but also considering historical data, such as results from previous audits reported to Behn Meyer.

The risk classification goes beyond the immediate questionnaire responses; it considers the inherent risks associated with the supplier's specific location and the nature of their business activities. For instance, suppliers operating in regions with heightened environmental concerns or engaging in industries prone to social compliance challenges may receive additional scrutiny.

Once categorised, suppliers identified as high risk undergo targeted risk mitigation strategies. This may involve more frequent audits, closer monitoring of compliance measures and collaborative efforts to address and rectify any identified issues. Our commitment to responsible and sustainable sourcing extends beyond initial assessments, ensuring ongoing diligence and responsiveness to evolving risk factors in our supply chain. This proactive approach aligns with our broader commitment to ethical business practices and reinforces the resilience and sustainability of our supplier network.

Audit & Corrective Action

For high-risk suppliers identified through our comprehensive risk assessment, an independent external audit is mandatory. Behn Meyer selects internationally recognised auditing firms to conduct these audits, ensuring they were completed within the last 1-2 years, depending on the risk and nature of previous violations. External accountants schedule onsite visits to the facilities of selected suppliers, evaluating their adherence to minimum labour, health, safety and environmental standards.

In the event of non-conformities identified during an audit, suppliers are required to outline corrective actions and establish timetables for their implementation. Auditors subsequently seek confirmation that these corrective measures have been executed to achieve compliance. Depending on the nature of the issues found, auditors may conduct follow-up onsite visits for further verification.

We expect our suppliers to comply with local regulations and adhere to Behn Meyer's stringent requirements. In cases of non-compliance, suppliers are urged to investigate the root cause and propose applicable corrective actions. To enhance our monitoring capabilities, we are exploring second-tier audits utilising a supplier performance monitoring solution. This involves leveraging technology to facilitate anonymous worker feedback, obtained through surveys delivered via text messages, phone calls and proprietary applications. This proactive approach ensures ongoing scrutiny and validation of our suppliers' practices, reinforcing our commitment to ethical and sustainable sourcing.

About This Report

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Methodology

Behn Meyer Group's Annual Sustainability Performance Report offers a comprehensive overview of our sustainability commitments and performance, addressing key considerations for both our stakeholders and the prosperity of our business. This report outlines Behn Meyer's vision and elucidates strategies aimed at fostering sustainability in our business operations. As we embark on a new phase towards a net-zero future, the report places a significant focus on our progress towards achieving the goals set for 2025, with our 2040 aspirations serving as a guiding beacon towards a new horizon.

This report from Behn Meyer serves the purpose of reaching a wide range of stakeholders and providing an open and transparent account of the strides made to promote sustainable practices across the value chain. Behn Meyer recognises the centrality of its sustainability strategy to long-term success and values the perspectives of both internal and external stakeholders as invaluable assets in its journey of continuous improvement. We invite you to share your enquiries, comments and proposals with us by reaching out to sustainability@behnmeier.com.sg. Your engagement is crucial to our ongoing commitment to sustainability and achievement of our sustainability goals.

Scope of The Report

This report encompasses Behn Meyer's global activities throughout the year from January 2023 to December 2023, presenting performance statistics for all production facilities, warehouses, offices and laboratories. Behn Meyer follows an annual reporting cycle.

Data and External Assurance

Behn Meyer systematically collects and analyses data from all its operations using a standardised approach. A centralised data management system is employed to gather and evaluate sustainability performance data from all business entities. The information submitted to this system undergoes a rigorous two-step verification process to uphold the integrity of the final report's data. This procedure ensures the accuracy of year-on-year performance results and contributes to maintaining data integrity. Any relevant methods and assumptions applied are outlined within the report. Importantly, this report has undergone a review by the Board of Directors of Behn Meyer Group.

Reporting Framework

This report has been crafted in accordance with the **Global Reporting Initiative (GRI)**. The GRI Standards furnish the principles and disclosures necessary for organisations to report on their economic, environmental and social performance and impacts. Behn Meyer upholds the GRI's principles in determining report content and quality, aligning with the GRI Standards. For a comprehensive understanding of the company's approach in this context, readers are encouraged to consult the full GRI Standards Index located at the end of this report.

This document additionally serves as Behn Meyer's UN Global Compact Communication of Progress for 2023. The contents of the report offer insights into the progress made in implementing the Ten Principles of the UN Global Compact and advancing the **Sustainable Development Goals (SDGs)**.



GRI Content Index

Behn Meyer has reported in accordance with the GRI Standards from January 1, 2023, to December 31, 2023. This Content Index functions as a navigational tool for GRI Standard disclosures. The management of Behn Meyer assumes responsibility for the completeness, accuracy and validity of the ESG disclosures referenced or included in the GRI Content Index as of December 31, 2023. The management is also accountable for collecting, quantifying and presenting the information incorporated in the 2023 Environmental, Social and Governance (ESG) Report. The criteria selection plays a crucial role in establishing an objective basis for measuring and reporting on ESG disclosures.

| | | |
|----------------------------|---|-----------------|
| Statement of Use | Behn Meyer has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023. | |
| GRI 1 Used | GRI 1: Foundation 2021 | |
| GRI Standard | Disclosure | Page (s) |
| General Disclosures | 2-1 Organisational details | 8 - 9 |
| | 2-2 Entities included in the organisation's sustainability reporting | 9 |
| | 2-3 Reporting period, frequency and contact point | 74 |
| | 2-4 Restatements of information | 35 |
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| | 2-12 Role of the highest governance body in overseeing the management of impacts | 10 - 12 |
| | 2-13 Delegation of responsibility for managing impacts | 10 - 12 |
| | 2-14 Role of the highest governance body in sustainability reporting | 12 |
| | 2-15 Conflicts of interest | 60 - 61 |
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GRI 2:
General Disclosures 2021

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| Material Topics | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 27 |
| | 3-2 List of material topics | 30 - 31 |
| Market Presence | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 29 - 31 |
| GRI 202: Market Presence 2016 | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | 55 |
| | 202-2 Proportion of senior management hired from the local community | 55 |
| Indirect Economic Impacts | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 55 |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and services supported | 55 - 56 |
| | 203-2 Significant indirect economic impacts | 55 - 56 |
| Procurement Practices | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 55 |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | 55 |
| Anti-Corruption | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 62 |
| | 205-1 Operations assessed for risks related to corruption | 62 |
| GRI 205: Anti-Corruption 2016 | 205-2 Communication and training about anti-corruption policies and procedures | 62 |
| | 205-3 Confirmed incidents of corruption and actions taken | 62 |
| Anti-Competitive Behavior | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 62 |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 62 |
| Materials | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 69 |
| | 301-1 Materials used by weight or volume | 69 |
| GRI 301: Materials 2016 | 301-2 Recycled input materials used | 69 |
| | 301-3 Reclaimed products and their packaging materials | 69 |
| Energy | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 38 |
| | 302-1 Energy consumption within the organization | 38 |
| | 302-2 Energy consumption outside of the organization | 38 |
| GRI 302: Energy 2016 | 302-3 Energy intensity | 38 |
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| Water and Effluents | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 39 |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | 39 |
| | 303-2 Management of water discharge-related impacts | 39 |
| | 303-3 Water withdrawal | 39 |
| | 303-4 Water discharge | 39 |
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| Emissions | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 36 |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 36 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 36 |
| | 305-3 Other indirect (Scope 3) GHG emissions | 36 |
| | 305-4 GHG emissions intensity | 36 |
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| | 305-6 Emissions of ozone-depleting substances (ODS) | 42 |
| | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 42 |
| Waste | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 41 |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | 41 |
| | 306-2 Management of significant waste-related impacts | 41 |
| | 306-3 Waste generated | 41 |
| | 306-4 Waste diverted from disposal | 41 |
| | 306-5 Waste directed to disposal | 41 |
| Supplier Environmental Assessment | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 70 |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | 72 |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | 72 |
| Employment | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 44 |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 44 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 45 |
| | 401-3 Parental leave | 51 |

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| GRI 402: Labour/Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | 45 |
| Occupational Health and Safety | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 50 |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | 50 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | 50 |
| | 403-3 Occupational health services | 50 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 50 |
| | 403-5 Worker training on occupational health and safety | 50 |
| | 403-6 Promotion of worker health | 50 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 50 |
| | 403-8 Workers covered by an occupational health and safety management system | 50 |
| | 403-9 Work-related injuries | 50 |
| | 403-10 Work-related ill health | 50 |
| Training and Education | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 49 |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 49 |
| | 404-2 Programme for upgrading employee skills and transition assistance programme | 49 |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 49 |
| Diversity and Equal Opportunity | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 51 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 51 |
| | 405-2 Ratio of basic salary and remuneration of women to men | 48 |
| Non-Discrimination | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 52 |
| GRI 406: Non-Discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | 52 |
| Freedom of Association and Collective Bargaining | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 58 |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 58 |

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| Child Labour | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 53 |
| GRI 408: Child Labour 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labour | 53 |
| Forced or Compulsory Labour | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 53 |
| GRI 409: Forced or Compulsory Labour 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour | 53 |
| Local Communities | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 54 |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programme | 54 - 55 |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | 54 - 55 |
| Supplier Social Assessment | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 70 |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | 71 |
| | 414-2 Negative social impacts in the supply chain and actions taken | 71 |
| Customer Health and Safety | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 67 |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | 67 |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 67 |
| Marketing and Labeling | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 67 |
| | 417-1 Requirements for product and service information and labeling | 67 |
| GRI 417: Marketing and Labeling 2016 | 417-2 Incidents of non-compliance concerning product and service information and labeling | 67 |
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| Customer Privacy | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 64 |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 64 |

SDG Index

Behn Meyer recognises the pivotal role that businesses play in advancing the SDGs. Leveraging Behn Meyer's Sustainability Four Pillars (Ethics, Environment, Labour & Human Rights, Sustainable Procurement) as a foundation, we have assessed how our sustainability initiatives align with the UN Sustainable Development Goals. As a global corporation, we acknowledge our capacity to make both direct and indirect contributions to all the goals, striving to have a meaningful impact wherever Behn Meyer can play a role.

Behn Meyer's Support towards Achieving the Sustainable Development Goals (SDGs)



SUSTAINABLE DEVELOPMENT GOALS

| | | | | | |
|---|--|---|---|---|---|
| 1 NO POVERTY  | End Poverty in All Its Forms Everywhere SDG Target: 1.1 & 1.5 Page(s): 47 - 48, 55 - 57 | 6 CLEAN WATER AND SANITATION  | Ensure Access to Water and Sanitation for All SDG Target: 6.3 & 6.4 Page(s): 39 - 40 | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | Ensure Sustainable Consumption and Production Patterns SDG Target: 12.2, 12.4, 12.5, 12.6, 12.7 & 12.8 Page(s): 63, 66 - 67 |
| 2 ZERO HUNGER  | End Hunger, Achieve Food Security and Improved Nutrition and Promote Sustainable Agriculture SDG Target: 2.1 & 2.4 Page(s): 14 - 16 | 7 AFFORDABLE AND CLEAN ENERGY  | Ensure Access to Affordable, Reliable, Sustainable and Modern Energy for All SDG Target: 7.2 & 7.3 Page(s): 38 | 13 CLIMATE ACTION  | Take Urgent Action to Combat Climate Change and Its Impacts SDG Target: 13.2 & 13.3 Page(s): 36 - 37 |
| 3 GOOD HEALTH AND WELL-BEING  | Ensure Healthy Lives and Promote Wellbeing for All at All Ages SDG Target: 3.8 & 3.9 Page(s): 39 - 40, 50 | 8 DECENT WORK AND ECONOMIC GROWTH  | Promote Inclusive and Sustainable Economic Growth, Employment and Decent Work for All SDG Target: 8.2, 8.5, 8.7 & 8.8 Page(s): 45 - 54 | 15 LIFE ON LAND  | Sustainably Manage Forests, Combat Desertification, Halt and Reverse Land Degradation, Halt Biodiversity Loss SDG Target: 15.6 Page(s): 42, 57 |
| 4 QUALITY EDUCATION  | Ensure Inclusive and Quality Education for All and Promote Lifelong Learning SDG Target: 4.1, 4.4 & 4.7 Page(s): 48, 54 - 56 | 10 REDUCED INEQUALITIES  | Reduce Inequality Within and Among Countries SDG Target: 10.3 Page(s): 51 - 54 | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS  | Promote Just, Peaceful and Inclusive Societies SDG Target: 16.5 & 16.7 Page(s): 58, 60 - 62 |
| 5 GENDER EQUALITY  | Achieve Gender Equality and Empower All Women and Girls SDG Target: 5.1 & 5.5 Page(s): 51 - 52 | 11 SUSTAINABLE CITIES AND COMMUNITIES  | Make Cities Inclusive, Safe, Resilient and Sustainable SDG Target: 11.6 Page(s): 41 - 42 | 17 PARTNERSHIPS FOR THE GOALS  | Revitalise the Global Partnership for Sustainable Development SDG Target: 17.7, 17.14, 17.15, 17.16 & 17.17 Page(s): 28, 55 - 57, 67 |

UNGC Index

The United Nations Global Compact (UNGC) is a voluntary initiative that calls upon companies committed to responsible leadership to collaborate in creating global frameworks for sustainable growth. The UNGC outlines ten universally accepted principles covering **corporate social responsibility (CSR)** in the realms of human rights, labour, environment and anti-corruption. As a signatory member, Behn Meyer is dedicated to integrating these principles into our business practices. This commitment is transparently disclosed through this report, serving as our formal **Communication on Progress (COP)**.

| Human Rights | | Page (s) |
|-----------------|---|----------|
| Principle 1 | Businesses should support and respect the protection of internationally proclaimed human rights | 53 |
| Principle 2 | Make sure that they are not complicit in human rights abuses | 53 |
| Labour | | Page (s) |
| Principle 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining | 58 |
| Principle 4 | The elimination of all forms of forced and compulsory labour | 53 |
| Principle 5 | The effective abolition of child labour | 53 |
| Principle 6 | The elimination of discrimination in respect of employment and occupation | 52 |
| Environment | | Page (s) |
| Principle 7 | Businesses should support a precautionary approach to environmental challenges | 35 |
| Principle 8 | Undertake initiatives to promote greater environmental responsibility | 35 - 42 |
| Principle 9 | Encourage the development and diffusion of environmentally friendly technologies | 38, 66 |
| Anti-Corruption | | Page (s) |
| Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery | 62 |



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