

Do What Matters, Together.

Dekkers Annual Sustainability Report

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2022: Sustainability in Decision-Making Drives Innovation.



ROB DEKKERS

CEO

"..deeper discussions with clients on taking an active and collaborative approach to sustainability."

Sustainability became a central part of our daily business after a year of revitalizing amidst the end of strict COVID regulations, supply chain challenges, and new consumer demands. We started impactful partnerships and had deeper discussions with clients on taking an active and collaborative approach to sustainability.

The collaboration with GoodShipping really stands out as a direct contribution to emission reduction through sustainable biofuel. Also, within the R&D team, we shifted the focus to digital signage and sustainable projects to answer to the demands of our clients but also to anticipate the future of brand visibility products. Achieving the first fully recyclable variant of our signature product, the LEDNeon, is ample proof of what is already possible within sustainable product innovation and, of course, dedicated teamwork.

Today, we no longer only focus on what could get maximum brand visibility in a location. We additionally concentrate on designing and re-engineering products to minimize emissions while maximizing circularity and modularity.

It can be challenging, but with the expertise and knowledge of our in-house teams and clients and partners, we can create new products that not only build a brand but make sure we keep building a future for our planet.

The big boosters for our sustainability progress have definitely been the insights we get from external parties on our products and the immense knowledge pool we are creating internally from global sources. So today, we can advise our clients on diverse sustainable solutions and work together on a future where sustainable products are the starting point.

I invite readers to explore our latest innovations fueling sustainable development like the Digital Tap Lens, the modular design of the custom mini-fridge series (B.360) or the upcoming fully recyclable LEDNeon to see in real-life how far environmentally-conscious brand building can go. Let's get ready for another decisive year where value-chain partnerships and product insights will play a central role in the future of sustainable product innovation.

OUR 4 HIGH-IMPACT ACTION AREAS

The need for sustainable solutions has accelerated with urgency over the past years. Our "Do What Matters, Together" sustainability strategy focuses on the areas that promise to have the most significant positive impact on the environment, partners and colleagues. Within each action area, we formulated goals needed to achieve an impact and booked the first milestones in 2022.

1 NET-ZERO

We are committed to emission reduction targets through the Science Based Targets Initiative (scope 1&2) and a net-zero ambition that encompasses the entire value chain (scope 3).

2 CIRCULARITY

We strive to maximize circularity while minimizing emissions with a sustainable design approach. By gaining insights into the entire production process we are able to pinpoint crucial changes to made.

3 SOCIAL IMPACT

We believe in having a positive impact on livelihood at home and abroad. Through donations to trustworthy organizations and a beehive on the roof of our headquarters, we look for ways to improve habitats and lives globally.

4 SUSTAINABLE EMPLOYMENT

We prioritize employee well-being, quality performance and engagement. These have been the topics driving our new HR plan and employee growth model.



2022: Converting Impactful Insights to Action



**WILLEKE MUNRO -
VAN UDEN**

Sustainability Manager

"..next to reducing emissions of our business practices, we are examining the entire value chain to identify how we can collectively reduce emissions."

Our new sustainability strategy of "Doing What Matters, Together" really holds true in 2022, and we've made some big steps.

To start, by partnering with GoodShipping, we were able to switch 40t of CO₂ emitted in 2021 to sustainable biofuels. In this way, we contributed to emission reduction and the fossil-free shipping industry. In addition, 2022 was also the year that The Science-Based Targets Initiative officially reviewed and approved our target of reducing (scope 1 & 2) GHG emissions by 42% by 2030 (from a 2020 base year) and measuring and reducing scope 3 emissions.

This means that next to reducing emissions of our business practices; we are examining the entire value chain to identify how we can collectively reduce emissions to provide more sustainable products to clients. Diverse clients now have sustainability measures, while other clients ask for advice on introducing more sustainable products. On both fronts, Dekkers strives to take a proactive role and use our innovative mindset to tackle sustainability challenges.

But it all starts with gaining insight and this will continue into 2023. With the help of experts and partners, we were able to get valuable insights into how our headquarters contributes to emissions, how our products contribute to emissions and how our value chain partners could potentially contribute to emissions. But, we also gained insight into what we can do to become a sustainable employer for our teams. The first step to do this was creating our sustainable roadmap together with Nexio Projects.

These insights lead us to define our 4 focus areas: creating a net-zero world, circularity, social impact and sustainable employment.

Thanks to this approach, we've achieved our first milestones, like creating a fully recyclable concept variant of one of our most sold products: The LEDNeon illuminated sign. This would not have been possible without our collaboration with ClimatePartner, or the knowledge we've gained or, of course, the critical questions we get from clients. We're ready to make an even bigger positive impact in 2023 beyond the walls of our business.

1

NET-ZERO

Achievements 2022
& Plans for 2023



1

NET-ZERO



MEASURING PROGRESS

In 2022 we set our Science Based Targets which was officially reviewed and approved by the initiative. This shows our commitment to emit 42% less CO₂ in scope 1 and 2 in 2030 than in 2020. We will also measure and reduce our scope 3 emissions as we're aware that the impact of Dekkers extends beyond scopes 1 and 2, and beyond the impact around the HQ in Eindhoven.

Key Indicator

Activity / Projects

Data / Outcome

42% less CO₂ emissions in Scope 1&2* by 2030

Usage of climate-neutral Dutch wind energy, optimizing system settings such as air circulation, heating, etc., and we contribute to climate projects through Gold Standard Certificates for unavoidable emissions resulting from gas consumption (for example through our TreesForAll collaboration). We have gained insight into our own emission factors and are able to monitor them continuously.

- Science Based Targets officially approved.
- CO₂ emissions from scopes 1 and 2 reduced by 80% in 2022 compared to 2020 (see graph next page) exceeding our 2030 target.

Gain insight into Scope 3 - entire value chain from client request to product delivery

We started a partnership with ClimatePartner who help us with the analysis of emission composition of products. The first analysis was made for the most ordered signage type: the LEDNeon. This information is now used to improve our product design choices and help clients see where the wins are in emission reduction. Furthermore, we have invited all suppliers of Dekkers to take active part in making the value chain more sustainable.

- 40t of CO₂ from 2021 from product transport emissions switched to sustainable biofuel through our partnership with GoodShipping.
- First adaptations made to product proposal of LEDNeon based on insights from ClimatePartner.



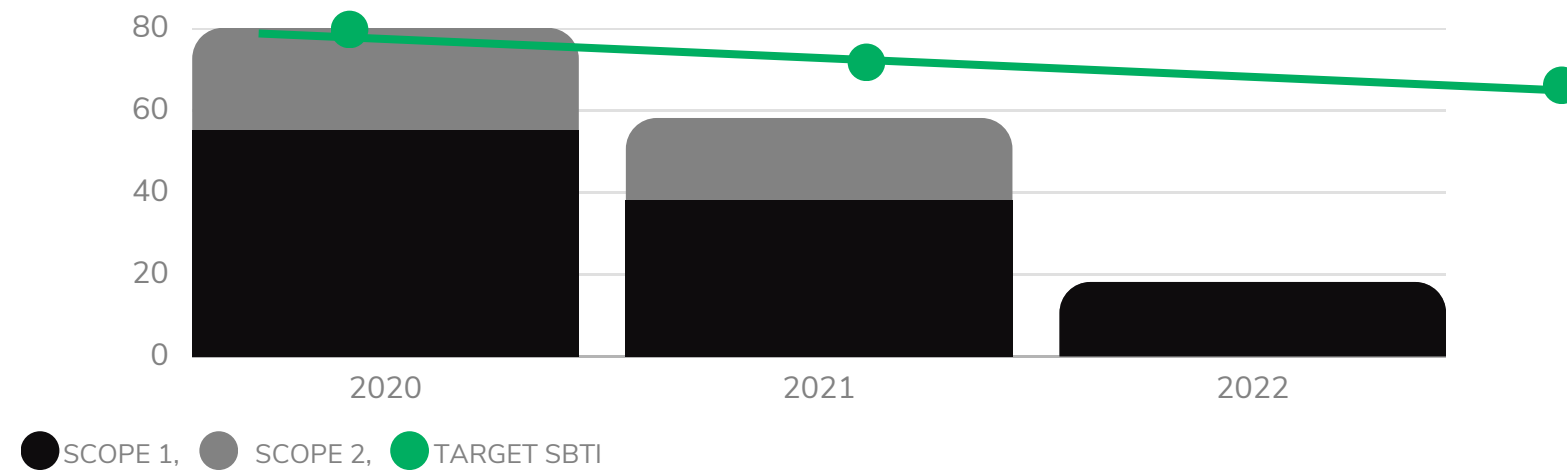
*Scope 1&2: the emissions of our daily business and office

1 NET-ZERO



CO2 REDUCTION

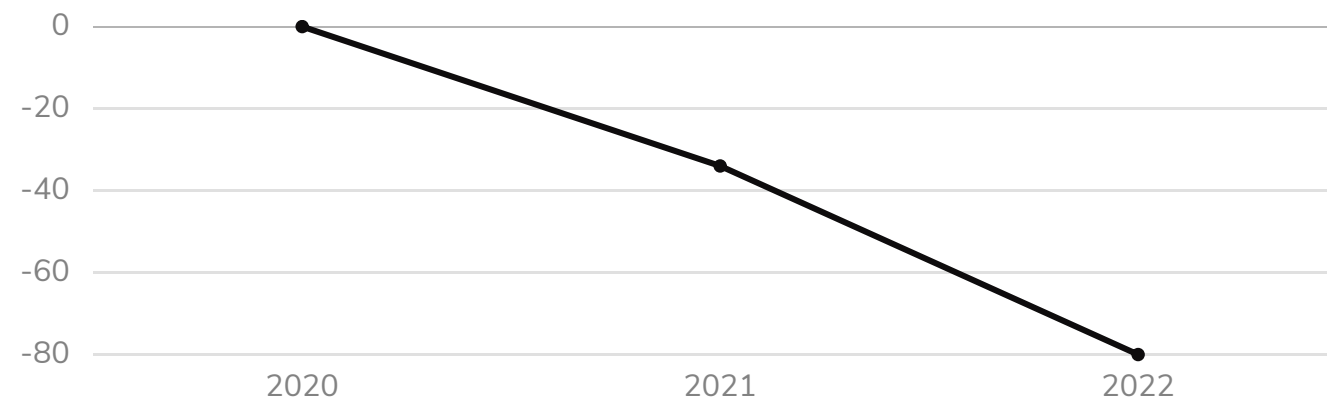
ABSOLUTE CO2e REDUCTION



The graph "Absolute CO2e Reduction" clearly shows that we made the choice for Dutch wind energy in September 2021 as the CO2 emissions from scopes 1 and 2 have dropped drastically. The green line reflects the planned reduction derived from the Science Based Targets.

The graph "Relative CO2e Reduction" shows that we've already reduced 80% in 2022 compared to 2020 which is much more than the target of 42% reduction in 2030 compared to 2020.

RELATIVE CO2e REDUCTION



Key Metrics*:

- 1020
Number of kg of paper and cardboard waste
- 2800
Number of kg residual waste
- 99289
Total number of kWh of energy consumed (NL wind)
- 30250
Total number of kWh of self-generated energy
- 7190
Total number of m3 gas consumption



*The self-generated power is not included in the purchased energy, it is added to this.



1

NET-ZERO



2023

PLANS AND COMMITMENTS FOR THE YEAR

2023 will have a significant focus on Scope 3. When suppliers map out scopes 1 and 2 (together they form our scope 3), and once they undergo an Ecovadis assessment, we have a complete picture of the sustainability situation in our supply chain. This analysis will form the basis of the improvement plans that must be drawn up during 2023. Here too, 2023 will be all about gaining insight into the current situation and spotting the high-impact areas of change.



- Scope 1, 2 additional action: we're currently investigating whether it is possible to achieve further reductions through heat pumps or the like. for the heating. The ultimate goal is to be completely gas-free at the HQ.
- In 2023 we'll launch a program so clients can gain insight into how great the environmental impact is of the products we have designed or developed. In this way, we can further reduce emissions at the places with the biggest impact.
- We'll create report cards - criteria and grade assessments for transparent reporting.
- Action points and KPIs will be recorded for each supplier (and in consultation with the suppliers).



MOHAMMED YILMAZ

**Head of Design
R&D Manager**

"In these exciting years ahead, we will keep innovating to help brands stay ahead through outstanding design."

2022: Sustainability Gets a Central Spot in Signage and Display Design

The year 2022 was eventful. The most significant changes to product design came from a growing need for sustainability. Clients from all industries seek sustainable solutions that contribute to their overall CSR plans.

At Dekkers, we got tangible insights into our signature product's emissions and energy consumption, the LEDNeon. It became clear that material choice has the most significant impact on emissions. This means we can manipulate the product to emit fewer emissions while keeping brand aesthetics in mind. This started our innovation project of making the LEDNeon fully recyclable - something we achieved with the team just stepping into 2023. The following steps will be feasibility and quality testing before it hits the market. But the fact that we achieved it is a huge milestone and shows what's possible.

Next to emissions, how we can extend a product's life and design it for circularity are two priorities we started to integrate in 2022 and will get extra attention in 2023.

Another big topic in 2022 which we expect to accelerate in 2023, is digital signage. Technological advances allow digital screens to integrate into the most diverse surfaces and sizes. Take, for example, our innovation, The Digital Tap Lens (DTL). Clients today are designing content (video, promotional messages) that can fit into this smaller animated surface for the bar. In addition, we can now connect the DTL to cloud solutions, which lets clients potentially change their brand message at hundreds of outlets with a few clicks! That is highly beneficial for the brand but also the environment as you avoid creating new products.

In the near future, we want to expand sustainable options and launch an internal sustainable material library where each designer can quickly access sustainable materials that would fit the client's brand design.

In these exciting years ahead, we will keep innovating to help brands stay ahead through outstanding design.

2

CIRCULARITY

Achievements 2022
& Plans for 2023





MEASURING PROGRESS

To contribute to a circular economy means re-engineering products' entire life cycle and re-designing products. 2022 brought us the insights where the most significant changes are needed, like in the choice of materials and the build-up of the product. Our focus points are: maximizing recyclable materials, designing with a modular approach, creating an end-of-life strategy and following a sustainable design mindset.

Key Indicator

Activity / Projects

Data / Outcome

Take first steps in contributing to more sustainable products based on client requests,

Define KPIs in 2023 after research phase is completed.

Product Lifecycle assessments showed us that the extraction and processing of our raw materials results in the most CO2 emissions. The LEDNeon now has a fully recycled concept to be further developed for market use in 2023. We are constantly making changes in products and innovating from a sustainable design mindset. Clients receive sustainable product solutions in proposals.

In collaboration with our partners and the 'CORE Changemakers' (TU/e student team), we evaluated our products and discussed possible alternative materials, production techniques, purchasing flows and solutions that could improve our circularity. We try to use local specialist knowledge to enable sustainable innovations. Additionally, we are researching product techniques to create more sustainable and recycled products at scale without impacting aesthetics.

- 100% recycled LEDNeon in concept phase
 - Recycled acrylic in LEDNeon and reduced depth (less transport volume)
 - Modular versions of LEDNeon in prototype
 - 100% of the products in sustainable packaging
 - PCF on the most sold product so that impact areas become visible.
 - Items fully modular (LEDNeon, B360 Fridge)
 - Exploration of Recycled TPE for bar mats.
-
- With our partners' insights, we're formulating specific KPIs that contribute to circularity and are comparing the environmental impact of various materials based on recyclability, availability, raw materials and difficulty of processing.

2

CIRCULARITY



2023

PLANS AND COMMITMENTS FOR THE YEAR

We are currently in the process of analyzing the data and compiling key research topics that can have a large impact on our circularity ambitions. 2023 will be the year to create KPIs internally and along the value chain while exploring more innovative ways to improve circularity for client solutions.

- Bring fully recycled LEDNeon to the market
- Build supply chain commitment
- Provide standard product carbon footprint assessments upon request
- Create sustainable design manual internally
- Explore possibilities for return logistics to ensure most efficient end of life strategy by the recycling of all individual components
- R&D protocol to facilitate sustainable development based on PCFs in most high-impact areas.



3

SOCIAL IMPACT

Achievements 2022
& Plans for 2023





MEASURING PROGRESS

Where our offices are located and where we do business, directly and indirectly, impacts people's livelihoods. As part of our "social impact" focus area, we evaluate how we can support initiatives and value chain partners to impact livelihood positively.

Key Indicator

Activity / Projects

Data / Outcome

Support initiatives yearly who have a positive societal impact.

Donation of business assets to a local foundation for underprivileged young adults. Donation to cancer foundation. Creation of the Code of Conduct to share our vision on fundamental subjects of equality, inclusiveness, compliance with local legislation, prohibition of forced (child) labour (and numerous other important topics with impact on society).

- All partners and suppliers in our network have signed the Code of Conduct.
- Donations received by foundations.

Have a positive impact on livelihood: home & abroad.

Investment in beehive with 40.000 bees on roof of headquarters in Eindhoven to contribute to biodiversity.

- Bees are active in a radius of 6 km around the headquarters, contributing to better regional biodiversity.

3

SOCIAL IMPACT



2023

PLANS AND COMMITMENTS FOR THE YEAR

In 2023 we will include an Ethical Code in our Code of Conduct. This can be used to influence suppliers to protect their employees (for example, against working after a certain time in the evenings, minimum amount of free time between working days, etc.). Additionally, we will continue to expand our positive societal-impact ambitions through foundations and initiatives.

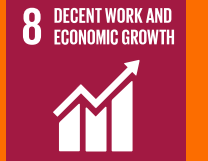
- Ensure 100% of all employees in the supply chain earn a living wage.
- Implement a due diligence protocol Dekkers
- Support local initiatives against poverty
- Contribute to initiatives to increase positive impact around locally (headquarters).



4

SUSTAINABLE EMPLOYMENT

Achievements 2022
& Plans for 2023





MEASURING PROGRESS

Sustainable employment received a lot of attention internally in 2022 in preparation for 2023. We formulated a clear picture of what we want to achieve, which subjects deserve attention and how we can achieve this. The starting points is a now an agreed upon strategic HR plan.

Key Indicator

Activity / Projects

Data / Outcome

Tracking key indicators of a healthy company.

Dekkers is on the road to becoming a sustainable employer where sustainable growth, learning development, well-being, shared goals and, thus, the employee's sustainable employment becomes possible. There are additionally numerous key indicators we track to make sure the basic stability, safety, equality and well-being are represented in numeric form. For 2022, you can view them in the Data/Outcome model. ,

- 18
Number of employees employed on 1 January 2022
- 9
Number of colleagues entering during 2022
- 3
Number of employees leaving in 2022
- 7
Number of female employees on December 31, 2022
- 20
Number of male employees on December 31, 2022
- 9
Number of different backgrounds/countries of birth
- 1.4%
Absenteeism rate 2022
- 0
Number of whistleblowing procedure reports

Creating a healthy work environment.

Creating a green and healthy environment in the office with ergonomic desks/chairs and lots of light. Creating places to relax and recharge: pool table, bar, garden. Promoting teamwork, midseason BBQ, workshops, fairs, karting, Christmas celebration, Barcelona team trip. Large focus on promoting learning opportunities and motivation.

HR Vision formulation and preparation for the launch of the Growth Cycle Employee development plan in 2023

4

SUSTAINABLE EMPLOYMENT

8

DECENT WORK AND
ECONOMIC GROWTH



5

GENDER
EQUALITY



3

GOOD HEALTH
AND WELL-BEING



2023

PLANS AND COMMITMENTS FOR THE YEAR

The goal for 2023 is to roll out the HR Growth cycle in which all employees are encouraged to work on growth and development. This cycle also focuses on everyone's personal well-being, ambitions, work/life balance and potential career. In addition, the employee vitality program and a more formal process of Recruitment and Selection is underway. In this way, uniformity and inclusiveness can be guaranteed in procedures.

- Implement Growth Cycle & Treams system
- Draw up Vitality Plan
- Improve recruitment process
- Create a professional and formal HR department with activities fit for a growing organization.

Thank you to all our clients, partners and stakeholders for achieving these milestones in 2022. We believe that together in the entire value chain, we can make a difference.



Do What Matters, Together.

