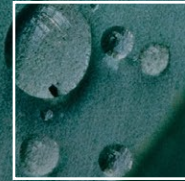




STRATEGIC FRAMEWORK FOR SUSTAINABILITY



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STRATEGIC FRAMEWORK FOR SUSTAINABILITY

Sustainability sits at the heart of everything we do at Thermo Electric Instrumentation. As a responsible business, we recognise the importance of embedding sustainable practices across our operations and value chain. In 2023, we took stock of our sustainability strategy to ensure it fully aligns with our corporate values, our parent company's goals, and the priorities of all our stakeholders. This review enabled us to refresh our strategic framework to have an even greater positive impact on people, the planet, and society. We are committed to pushing boundaries and demonstrating environmental and social leadership in our industry as we deliver long-term, sustainable value creation.



PEOPLE

Alignment to Sustainable Development Goals (SDGs)

Our commitment to people is seamlessly integrated into our contribution to the United Nations' Sustainable Development Goals (SDGs). The particular goals where our efforts towards human resource development and management are the most aligned include:



SDG 3 GOOD HEALTH AND WELL-BEING



SDG 4 QUALITY EDUCATION



SDG 5 GENDER EQUALITY



SDG 8 DECENT WORK AND ECONOMIC GROWTH

Empowering Our People to Drive Sustainable Growth

We understand the vital role our employees play in driving our success. In alignment with global standards, we're committed to focusing on health, well-being, quality education, gender equality, and decent work conditions.

Ensuring the well-being and health of our workforce is of paramount importance. By fostering an environment that prioritises both mental and physical health, we not only enhance productivity but also create a harmonious workspace where every individual feels valued and taken care of.

Promoting lifelong learning and professional development ensures our team remains at the forefront of industry advancements. Continuous education equips our workforce with the necessary tools to innovate, adapt, and excel in their roles, ensuring that Thermo Electric Instrumentation remains a market leader.

Gender equality is not just a societal imperative but a business one. By ensuring equal opportunities and fair treatment for all, regardless of gender, we cultivate a diverse and inclusive workplace that breeds creativity and enhances problem-solving.

Lastly, we're dedicated to providing a work environment where our employees feel secure, valued, and heard. Decent work conditions translate into motivated employees, which in turn leads to superior products and services, reinforcing our commitment to excellence.



KEY PERFORMANCE INDICATORS

FOR ACHIEVING OUR PEOPLE GOALS

HEALTH AND WELL-BEING

 KPI	TARGET 90%
Percentage of employees participating in company-sponsored health and well-being programmes.	Attain a 90% participation rate in health and well-being programmes by 2025.
 KPI	TARGET 5+
Number of mental health support initiatives available to employees.	Maintain at least five distinct mental health initiatives by 2025.
 KPI	TARGET 20%
Absenteeism rate due to health issues.	Reduce absenteeism by 20% compared to 2022 levels by 2025.

LIFELONG LEARNING AND PROFESSIONAL DEVELOPMENT

 KPI	TARGET 92%
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Percentage of employees participating in at least one professional development programme annually.


Achieve 92% participation in annual professional development by 2025.

 KPI	TARGET 20H
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Average hours of training provided to employees per year.

Provide an average of 20 hours of training per employee by 2025.

GENDER EQUALITY IN THE WORKPLACE

 KPI	TARGET 70:30
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Gender representation ratio in leadership roles.

Achieve a 70:30 gender ratio in leadership roles by 2025.

 KPI	TARGET <3%
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Gender pay gap percentage.


Maintain the gender pay gap less than 3% by 2025.


 KPI	TARGET 100%
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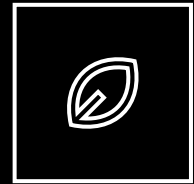
Percentage of departments implementing gender sensitivity training.

Ensure 100% of departments undergo gender sensitivity training by 2025.

DECENT WORK CONDITIONS

 KPI	TARGET 92%
Employee retention rate.	Achieve an employee retention rate of 92% or higher by 2025.

 KPI	TARGET 100%
Percentage of employees receiving at least the living wage.	Maintain 100% of employees are compensated at or above the living wage.



ENVIRONMENT

Aligning Environmental Efforts with the SDGs

Our environmental endeavours are intrinsically tied to the United Nations' Sustainable Development Goals (SDGs). By aligning our initiatives with these globally recognised goals, we contribute to a larger, collective vision of a sustainable future. Here are the SDGs that particularly resonate with our environmental commitments:



SDG 7

AFFORDABLE AND CLEAN ENERGY



SDG 12

RESPONSIBLE CONSUMPTION AND PRODUCTION



SDG 13

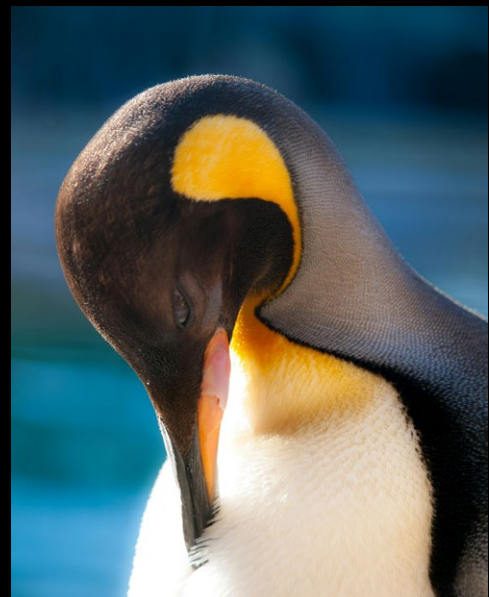
CLIMATE ACTION

The environment isn't merely a backdrop to our operations; it's an integral stakeholder in our business strategy. As part of our dedication to sustainability and ethical operations, we've anchored our objectives in line with some of the most pressing environmental challenges of our times.

Reliable and sustainable energy is pivotal to meet the needs of today without compromising the future. We're dedicated to advancing efficient energy practices, potentially integrating renewable energy sources into our operations.

In an age of rapid consumption, we believe that responsible consumption and production patterns are the cornerstones of sustainable growth. Our commitment stretches from resource sourcing to waste management, ensuring a reduced environmental footprint.

Confronting climate change is not a choice but a responsibility. By adopting sustainable practices, reducing our carbon footprint, and continuously monitoring our environmental impact, we aim to be part of the solution in the global fight against climate change.



KEY PERFORMANCE INDICATORS

FOR ACHIEVING OUR ENVIRONMENTAL GOALS

AFFORDABLE AND CLEAN ENERGY



KPI

Percentage reduction in energy consumption from non-renewable sources.

TARGET
20%

Reduce gas consumption by 20% by 2025.






KPI

Percentage of electricity sourced from renewable resources.




TARGET
100%

Maintain 100% electricity procurement from renewable sources.

RESPONSIBLE CONSUMPTION AND PRODUCTION

 <p>KPI</p>	<p>TARGET 10%</p>
<p>Reduction in waste generated from operations.</p>	<p>Reduce operational waste by 10% by 2025.</p>
 <p>KPI</p>	<p>TARGET 80%</p>
<p>Percentage of materials sourced sustainably.</p>	<p>Ensure 80% of materials used in production are sustainably sourced by 2025.</p>
 <p>KPI</p>	<p>TARGET 70%</p>
<p>Amount of products recycled or repurposed post-use.</p>	<p>Increase recycling or repurposing rate of products post-use to 70% by 2025.</p>

CLIMATE ACTION

 <p>KPI</p>	<p>TARGET 25%</p>
<p>Reduction in overall carbon emissions.</p>	<p>Achieve a 25% reduction in total carbon emissions compared to 2022 levels by 2025.</p>
 <p>KPI</p>	<p>TARGET 15%</p>
<p>Investment in climate-friendly technologies or practices.</p>	<p>Allocate at least 15% of the annual R&D budget to climate-friendly innovations by 2025.</p>
 <p>KPI</p>	<p>TARGET 5</p>
<p>Number of initiatives or partnerships aimed at promoting environmental awareness and action.</p>	<p>Engage in at least five major environmental initiatives or partnerships by 2025.</p>



PRODUCTS AND CUSTOMERS

Aligning Products & Customers Efforts with the SDGs

The Sustainable Development Goals underscore the global commitment to a more sustainable, inclusive, and prosperous future. In line with this, the ways in which we approach our products and customers are distinctly aligned with SDGs 8 and 9.



SDG 8

DECENT WORK AND ECONOMIC GROWTH

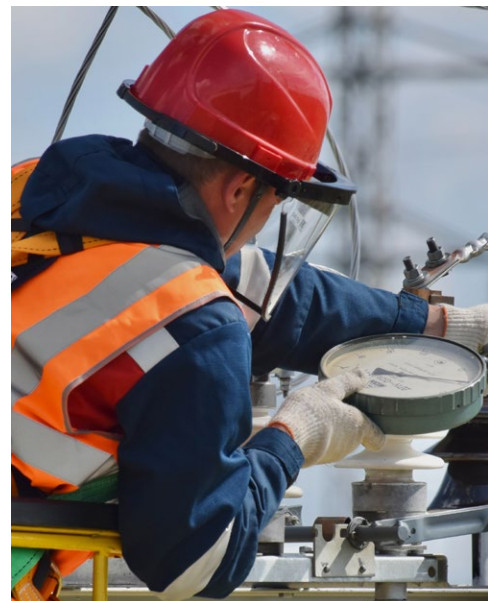


SDG 9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Our products serve as more than just temperature measuring devices; they are integral components in the sustainability journey of countless organisations. As specialists in designing, engineering, and manufacturing industrial temperature sensing equipment, our vision envelops both utility and sustainability.

Each Thermo Electric Instrumentation product is meticulously designed to offer unparalleled accuracy and reliability, empowering our customers to enhance the precision of their process plant operations. This precision is not just a metric of quality but an integral element that elevates operational efficiency and sustainability. Each device we engineer contributes to reducing energy consumption, minimising waste, and optimising resource use, aligning our customers' operational objectives with their sustainability goals.



KEY PERFORMANCE INDICATORS

FOR ACHIEVING OUR PRODUCTS AND CUSTOMERS GOALS

DECENT WORK AND ECONOMIC GROWTH (RELATED TO PRODUCTS AND CUSTOMERS)



KPI

**TARGET
6 %**

Year-on-year growth rate in product sales.

Achieve a consistent 6% YoY growth in product sales by 2025.



KPI

**TARGET
>GOOD**

Customer feedback score on product quality and reliability.

Maintain an average score of "good" or higher on product quality by 2025.



KPI

**TARGET
95%**

Percentage of products manufactured adhering to sustainable and ethical practices.

Ensure 95% of products are made following sustainable and ethical guidelines by 2025.

INDUSTRY, INNOVATION, AND INFRASTRUCTURE



KPI

Annual investment in research and development for product innovation.

TARGET

10%

Allocate at least 10% of the annual budget to R&D initiatives aimed at product enhancement and sustainability by 2025.



KPI

Reduction in resource-intensive manufacturing processes through innovation.

TARGET

25%

Achieve a 25% reduction in resource use per product unit, compared to 2022 levels, by 2025.



KPI

Correlation of temperature sensing accuracy and reliability to the enhancement of end users' operational efficiency.

TARGET

80%

Demonstrate that a 10% improvement in temperature sensing accuracy correlates to a 5% increase in operational efficiency for 80% of end users by 2025.

Our products' contribution to the global sustainability narrative is marked and significant. Through innovative engineering and strategic alignments, Thermo Electric Instrumentation is not only committed to its growth but is a dedicated partner in our customers' journey towards achieving stringent sustainability benchmarks. We stand at the intersection of quality and sustainability, driving value for all stakeholders.

Our commitment to these KPIs underpins our drive to ensure our products and services not only meet customer expectations but also contribute positively to the environment and society at large. By focusing on these metrics, we are advancing our position as responsible stewards in the market, dedicated to innovation, customer satisfaction, and sustainable growth.



SUSTAINABILITY GOVERNANCE

Building a Strong Sustainability Governance Foundation

In our commitment to a sustainable future, Thermo Electric Instrumentation believes that strong governance is the bedrock on which sustainable practices are built. Drawing inspiration from the broader framework of our parent company, Indutrade, we are focused on setting clear policies, training, and meticulous data tracking across our business.

As we refine our sustainability governance, two UN Sustainable Development Goals are particularly relevant:



SDG 16

PEACE, JUSTICE AND STRONG INSTITUTIONS

Peace, Justice and Strong Institutions: We are committed to ethical business practices, integrity, transparency and compliance. Our Code of Conduct and policies foster a culture of responsibility at all levels.

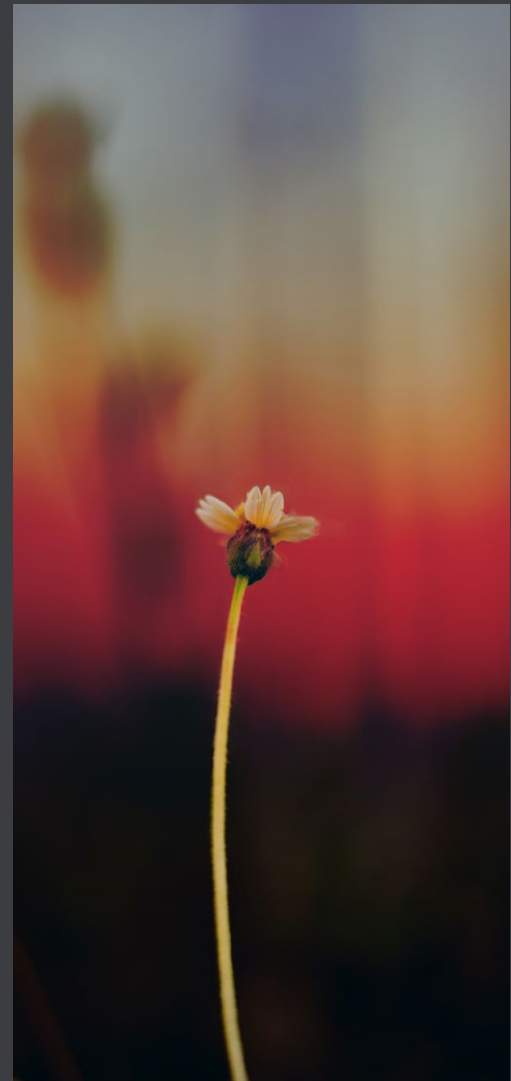


SDG 17

PARTNERSHIPS FOR THE GOALS

Achieving our ambitious sustainability targets requires collaboration with stakeholders across our value chain. We actively seek out partnerships that allow us to scale our positive impacts. Engaging with industry peers, experts and communities creates opportunities for shared learning and progress.

Key elements punctuating our governance approach include rigorous management, tailored strategies for our diverse entities. Alongside, our whistleblower policy, anti-corruption measures, and supplier code bolster our stance, ensuring a networked approach to sustainability.



KEY PERFORMANCE INDICATORS

FOR ACHIEVING OUR SUSTAINABILITY GOVERNANCE GOALS

STRENGTHENING SUPPLIER SUSTAINABILITY AND HUMAN RIGHTS



KPI

TARGET 100%

Percentage of primary suppliers followed up on sustainability with an emphasis on human rights.

Achieve a comprehensive follow-up process with our primary suppliers on sustainability, emphasising human rights. 2025 Goal: 100%

EXPANDING THE REACH OF OUR CODE OF CONDUCT



KPI

TARGET 100%

Percentage of third-party associates, including suppliers and partners, operating under our Code of Conduct.

Ensure that all third-party associates, including suppliers and partners, operate under the guidance of our Code of Conduct. 2025 Goal: 100%

With a robust sustainability governance structure, Thermo Electric Instrumentation is poised to spearhead ethical, responsible, and sustainable growth in every area of our operations.

SUMMARY

At Thermo Electric Instrumentation, sustainability is integral to everything we do. Our refreshed strategic framework aligns our sustainability efforts with our corporate values, our parent company's goals, and the priorities of all stakeholders. We are committed to demonstrating environmental and social leadership in our industry.

Our sustainability strategy focuses on four key pillars - People, Environment, Products & Customers, and Governance. Each pillar contains specific objectives mapped to relevant UN Sustainable Development Goals. We have established key performance indicators and targets to track our progress across all areas.

Empowering our people is crucial to driving sustainable growth. We aim to foster health, wellbeing, lifelong learning, gender equality and decent work conditions. On the environmental front, we are working to increase energy efficiency, responsible consumption, and urgent climate action. Our products are designed to enable customers' sustainability, boosted by our investments in innovation. Robust governance policies and ethical partnerships provide the foundation to deliver on our ambitious sustainability commitments.

By pushing boundaries and collaborating with stakeholders across our value chain, Thermo Electric Instrumentation will continue to advance our sustainability performance. We are dedicated to creating long-term value for our people, planet and society.



Thermo Electric Instrumentation BV is in no way affiliated with Thermo Electric Co. Inc., a U.S. company, or Thermo Electric Company Ltd., a UK company.

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