

**Corporate
Social
Responsibility (CSR)**
Annual Report 2021

ATAG⁺
BENELUX



ATAG

Pelgrim

央央ETNA[®]

Hisense

ASKO

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CSR ANNUAL REPORT 2021

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Foreword

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Pursuing a sustainable policy is a spearhead at ATAG Benelux, and initiatives are continuously being developed to progress in this area. Input from our stakeholders, such as customers (B2B), users (B2C), suppliers, policy makers and influencers, and employees, is important to this, as is our environment. The key question is how we can concretely contribute to an effective approach to such social issues as climate concerns, the development of a circular economy, the decreasing biodiversity, and being a good employer?

In 2021, we worked hard to obtain certification for level 3 of the CSR Performance Ladder. The CSR Performance Ladder is a practical application of People, Planet and Prosperity and supports the 17 Sustainable Development Goals (SDGs) of the United Nations.

This certification indicates that ATAG Benelux has a verified CSR management system that manages the development and maintenance of CSR policy on CSR

indicators, taking into account the input of stakeholders on CSR themes (7 core themes and 31 themes).

For People, Planet and Prosperity, certain targets are set, which are made transparent in the CSR dashboard. By continuously developing initiatives, ATAG Benelux aims to achieve these objectives annually.

Jeroen van Benthem

– CEO ATAG BENELUX

About ATAG Benelux



ATAG Benelux is a leading Dutch supplier of white goods (household appliances) and brown goods (visual electronics) with the brands ATAG, Pelgrim, ETNA, Hisense and ASKO. White and brown goods are sold through kitchen and electrical specialist shops, electrical chains, online retailers, and through the kitchen industry. In 2021 there were more than 500 employees working at the site in Duiven and 45 in Denderhoutem (Belgium).

Since 2018, ATAG Benelux has been part of Hisense Group, a multinational company with annual sales of over EUR 25 billion (2021), more than 80,000 employees, and which is represented in more than 130 countries. Hisense Group has 15 R&D centres worldwide, one of which is the R&D centre at ATAG Benelux in Duiven.

Through this R&D centre, the knowledge and experience that ATAG Benelux has acquired in both cooking appliances and how the kitchen retail market operates in the Benelux can be shared and deployed worldwide.



- 1856
ETNA founded
in Breda, Netherlands
 - 1948
ATAG founded
in Ulf, Netherlands
 - 1982
Pelgrim and
ATAG merge
 - 2008
ATAG Benelux becomes
part of Gorenje Group
 - 2016
ETNA anniversary
100 years
 - 2018
ATAG Benelux becomes
part of Hisense
 - 2020
PELGRIM
100 years anniversary
- 1920
PELGRIM founded
in Gaanderen, Netherlands
 - 1977
ATAG Belgium, founded
in Aalst, Belgium
 - 2000
ETNA takes over
ATAG and PELGRIM
 - 2014
ATAG Benelux appointed
as competence center
hobs & hoods for
Gorenje Group
(premium products)
 - 2017
ASKO added to
brand portfolio
 - 2019
Brand Hisense has been
added to brand portfolio
of ATAG Benelux

Hisense

ATAG Benelux

Our vision

Offering the best products and services to create exciting cooking experiences.

Our mission

To be the leading and most successful provider of 'exciting and best-in-class cooking products and services' in the Benelux.

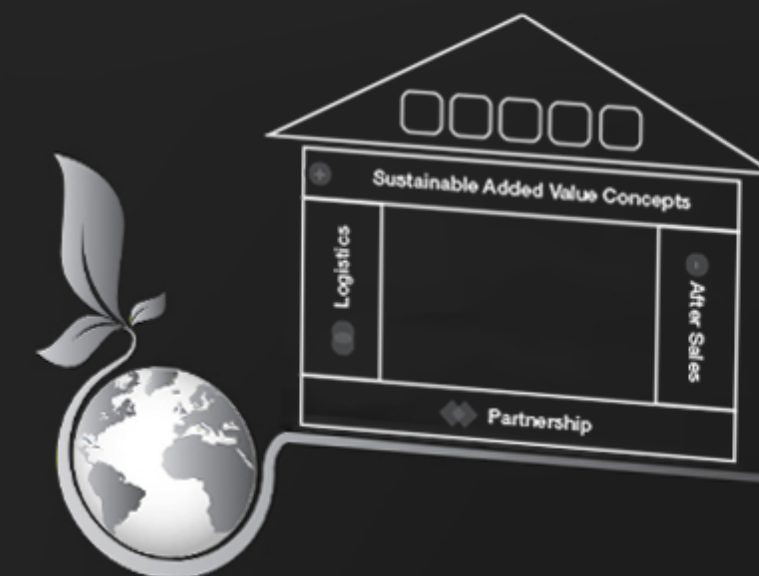
Our values

- Responsibility
- Innovation
- Entrepreneurship
- Sustainability

Our culture

-  Open-minded
-  Efficiency
-  Respect
-  Team spirit
-  Goal-Oriented
-  Engaged

ATAG Pelgrim ETNA Hisense ASKO



-  3 leading Dutch brands
-  Consumer loyalty
-  2 global brands
-  Excellente Supply Chain
-  Productleader in cooking
-  In-house After Sales
-  Own R&D department
-  Best warranty
-  Unique concepts
-  Partnership with B2B customers
-  Operational excellence
-  CSR Performance Ladder



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MVO dashboard

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SUSTAINABLE DEVELOPMENT GOALS (SDGS)

In 2021, the stakeholder survey revealed that the previously selected 4 SDGs for ATAG Benelux were not complete enough. Thus, a 5th objective was added, namely SDG 12: responsible consumption and production.

We are working on SDG3 and SDG17 through various People and Prosperity project initiatives, and Planet project initiatives contribute significantly to SDG7, SDG11, SDG12 and, again, to SDG17.

The **5 objectives** on which we currently focus are:

3 GOOD HEALTH
AND WELL BEING



7 AFFORDABLE AND
CLEAN ENERGY



11 SUSTAINABLE CITIES
AND COMMUNITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



17 PARTNERSHIPS
FOR THE GOALS



MVO dashboard

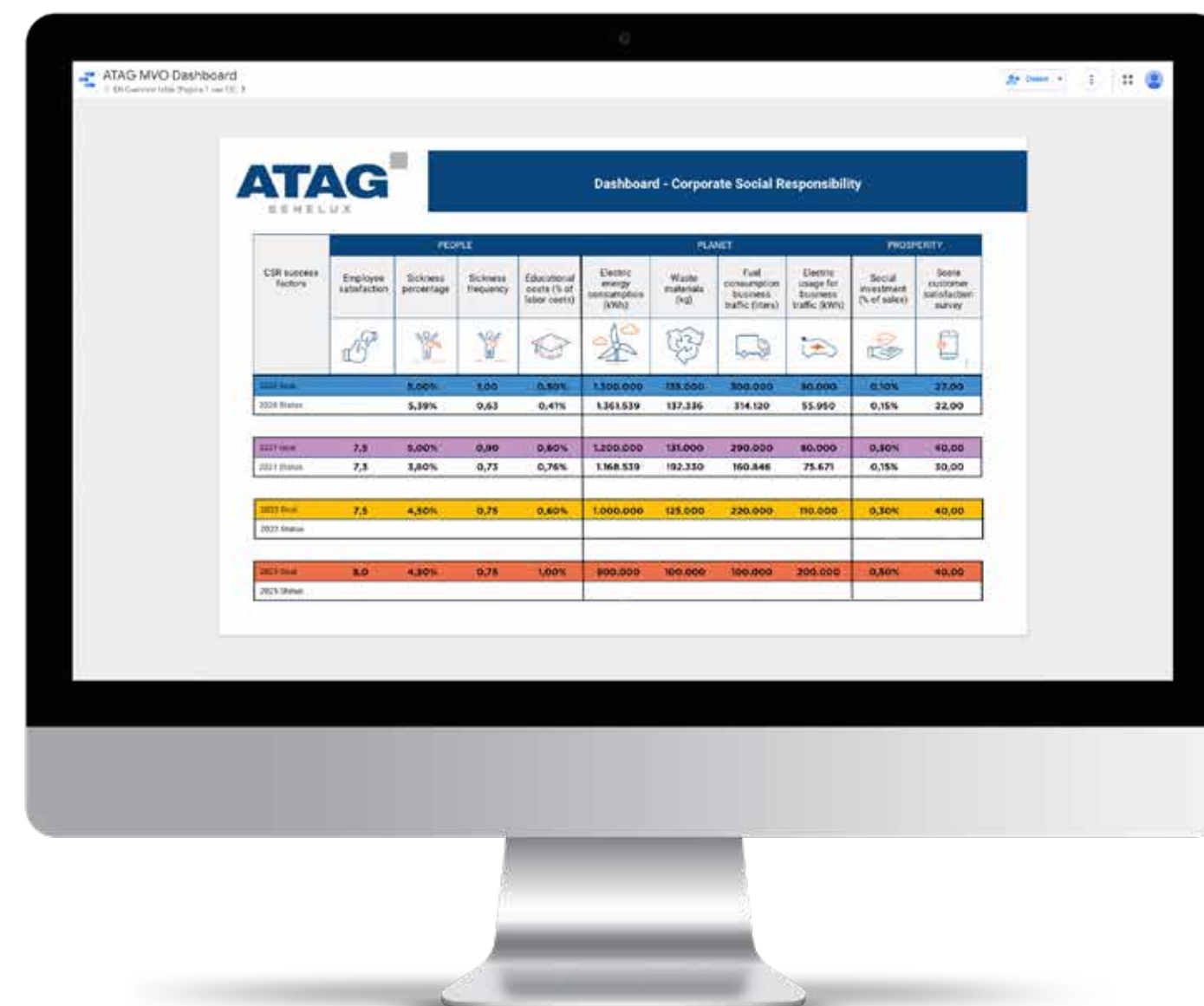
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MVO DASHBOARD

The 3 P's (People, Planet and Prosperity) are broken down into sub-objectives, which can be viewed in the CSR dashboard. This dashboard always shows the current figure and the target for that year. It also shows at a glance what the objectives for the coming years are.



The **sub-objectives** are:

PEOPLE

- Employee satisfaction survey score
- Sickness absence (as %)
- Frequency of sickness absence
- Training costs incurred as % of total labour costs)

PLANET

- Electric energy consumption (kWh)
- Residual waste (in kg)
- Fuel consumption commercial transport (in litres)
- Electric consumption commercial transport (kWh)

PROSPERITY

- Social investments (as % of turnover)
- Customer satisfaction survey score (after-sales service) (NPS)

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People

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During the first half of 2021 COVID again placed great demands on office staff, their collegiality, and ability to still work as a team via the #Teams screen. Work and home could no longer be separated and a chat with a colleague over a coffee or lunch was still not possible during this period. By mid-2021, office staff gradually returned to the Denderhoutem and Duiven offices, in line with the guidelines of the government's reopening plan. As in 2020, Field Service and Logistics staff continued to be committed to providing maximum customer support. However the workload remains high despite additional staff.

BACK TO OFFICE

In Denderhoutem, there is no need to make adjustments to the offices in the context of the situation after COVID19, because this property is relatively new (completed at the end of 2019). In Duiven, flexible workplaces have been created for office staff that are shared with other departments shared. Depending on the department more work is done from home than in the period before COVID19. There has been invested in new furniture (sit-stand desks), contributing to better physical health of employees. Alternating between sitting and standing reduces physical complaints and loss of concentration.

People



COLLEGIALITY AND TEAM SPIRIT

After the successful Walk2Velenje in 2020, during which teams walked the distance from Duiven to Velenje, a follow-up project was introduced, Ride2Qingdao. Virtual cycling from Duiven to Qingdao and back again, covering a distance of 9,500 km.

80 employees participated. The objective was to plant 10 trees for every 9,500 km cycled together. The total distance cycled was 117,267 km, which ultimately resulted in 240 trees being planted via Plan Boom powered by Nature and Environment Federations. In December 2021 a new challenge was launched, Walk2Lidköping. The distance from Duiven to Lidköping, 1,034 km, a walk in teams of five colleagues over a period of 10 weeks. The charity linked to this will be announced in 2022.

The ATAG Benelux staff association, the PeeVee, was also finally allowed to organise an event again in 2021. A large number of colleagues took part in the outdoor event; Pitch & Putt, Fungolf and/or Footgolf.

MOOD INDICATOR

The redeveloped Mood Indicator has been live since January 2021. Throughout the year, this tool provides insight into employee satisfaction on various topics. The overall employee satisfaction score in 2021 was 7.3.

VACANCIES

The large number of vacancies (due partly to expansion) posed a major challenge for the HRM department over the past year. Recruiting qualified staff, especially for the more technical positions, is proving difficult. If you know someone who is looking for a technical or IT position, please contact our HRM department.

People



SICKNESS ABSENCE/ ABSENCE RATE

The downward trend in sickness absence that had started in 2020 continued in 2021. The absence rate was 3.8%. This was partly due to working from home. The absence rate was also lower than usual over 2021: 0.73.

TRAINING

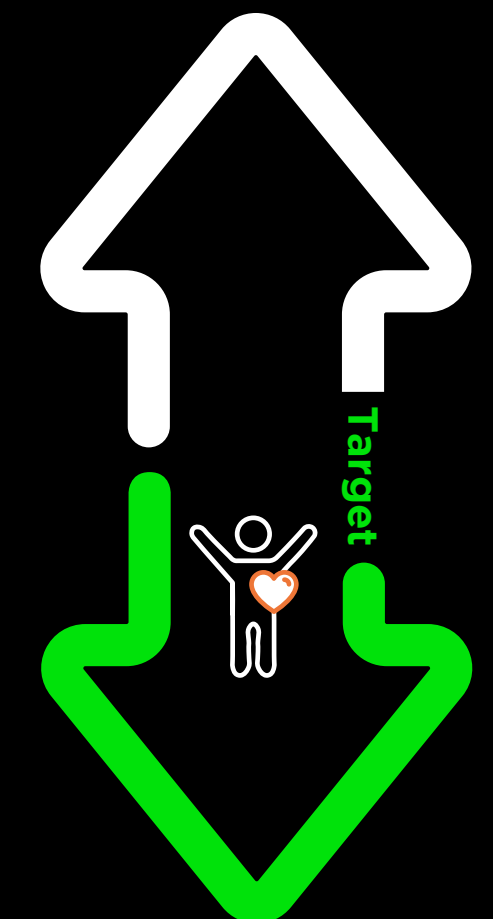
A number of courses and training programmes were finally resumed in 2021. The objective of starting the ATAG Academy, a training tool to encourage and facilitate employee development, has unfortunately been postponed until 2022. This was due to the strong preference to provide live training courses and workshops. The launch of the ATAG Talent Programme has also been postponed until 2022. This programme offers employees the opportunity to gain knowledge and experience of a strategic project and to increase (soft) skills over a period of 8 months.

Absence rate (in %)

Sickness absence 2021	3,8%
Target 2021	5,0%

Target 2022

4,5%



Target 2025

4,5%

People



RELATIONSHIP WITH SUPPLIERS

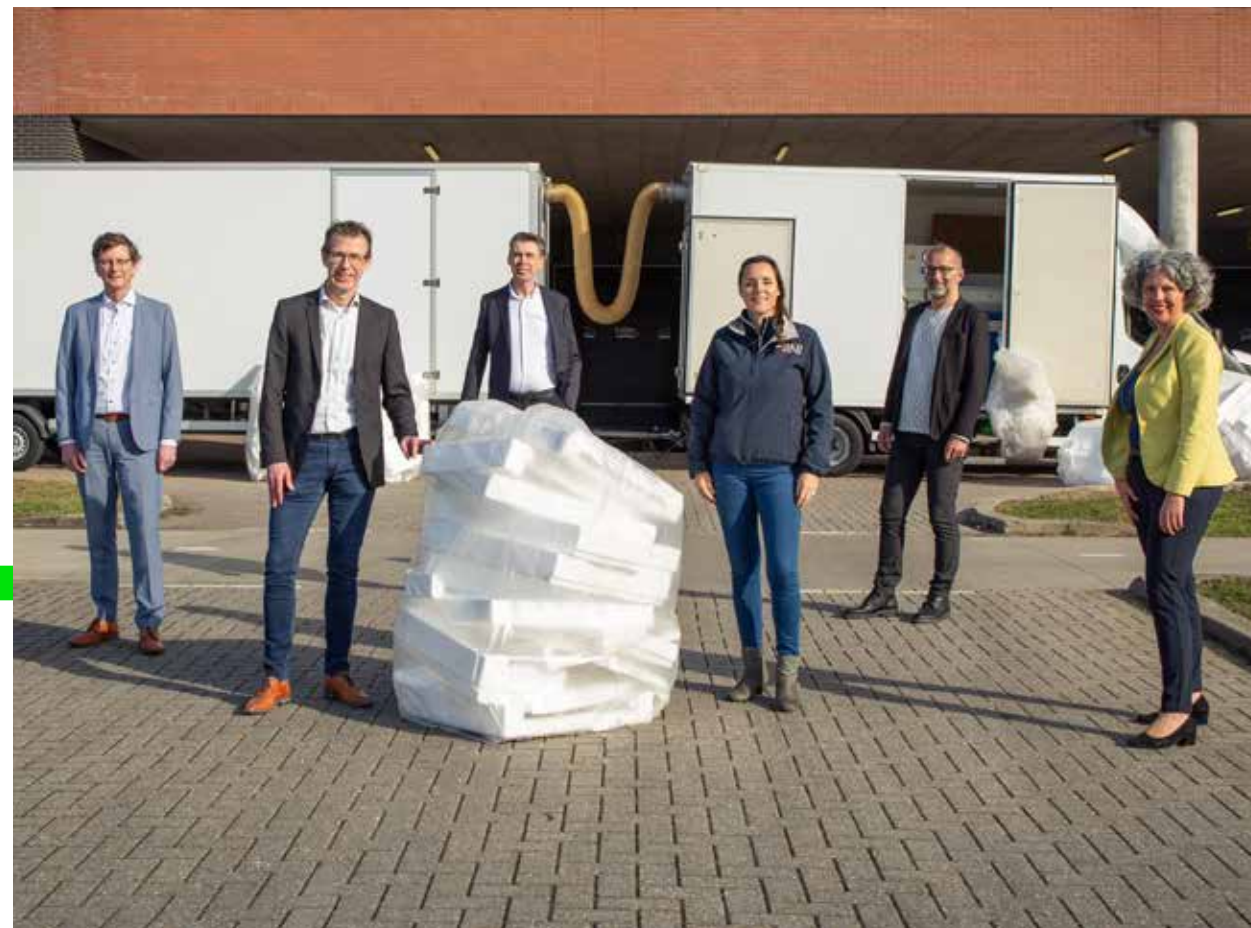
ATAG Benelux expects its suppliers to comply with the Universal Declaration of Human Rights of the United Nations, as well as the International Terms and Conditions of Employment formulated by the International Labour Organisation (ILO). This is laid down in the contracts with suppliers, which include a Code of Conduct. The supplier assessment also includes a specific CSR topic; how important does the supplier consider CSR and how it can contribute to the CSR policy of ATAG Benelux.



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Planet

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RECYCLING EPS

(STYROFOAM)

In a sustainability pilot - in cooperation with Groene Allianties de Liemers, the Municipality of Duiven, GoClean de Liemers, Wageningen University & Research and EPS Netherlands - ATAG Benelux demonstrated how EPS can be reused. For many companies, this material forms a large part of the waste stream. Recycling is a very effective way of reducing the carbon footprint; a great example of an initiative, as an industrial estate, to collectively reduce the carbon footprint.

WWF

In 2021, ATAG Benelux joined as a business supporter of the WWF where we co-fund the conservation of the Atlantic rainforest.

PRINTERS

In 2021, the printer contract in Duiven expired. This was a good opportunity to introduce new, more energy-efficient printers and to reduce the number of printers at the same time.

ECODESIGN

Ecodesign concerns the design of systems within ATAG Benelux to meet the requirements set by European directives; produce products in such a way that the full life cycle of a product is taken into account.

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ELECTRIC DRIVING

Since 2019, there have been 42 electric charging points at our premises in Duiven. A next step was to change the existing company cars for electric ones and to encourage employees with a company car to drive electric. By 2021, nearly 30 of the approximately 80 NL company cars (excluding service buses) were electric/energy+.

Meanwhile, research was initiated into a sustainability measure for some of the NL service buses in 2022. At the end of 2021, 30 electric buses were ordered which were to be delivered late Q1 early Q2-2022.

LIGHTING

In 2021, the lighting in the offices and warehouses at Impact 83 in Duiven was upgraded to LED. The offices and warehouses at Impact 54 in Duiven will be replaced in 2022. On completion of the new premises in Denderhoutem (late 2019), the warehouse, offices and showroom already had LED lighting.

PREVENTIVE MAINTENANCE

To extend the life cycle of a product, a pilot has been launched, together with a customer, to carry out preventive maintenance on household appliances in several homes owned by the customer. This pilot has a twofold objective: extending the life cycle of a product as well as improving the customer satisfaction of residents. This pilot will be carried out in 2022 and 2023.

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ENERGY TRANSITION

For some time now, ATAG Benelux has been engaged in the development of new energy ECO systems, in collaboration with The Hague University of Applied Sciences. This is an ongoing project with various partners, which in turn is being applied to develop kitchen appliances that use DC voltage.

CONNECTIVITY

ATAG Benelux is engaged in the development of smart appliances with connectivity features. Besides being more user-friendly than the current generation of appliances, they also help the user to use food more efficiently (i.e. to avoid food waste). In addition, the system advises the user on e.g. the correct temperature setting of a refrigerator to avoid unnecessary energy consumption or incorrect cooling (health aspect).

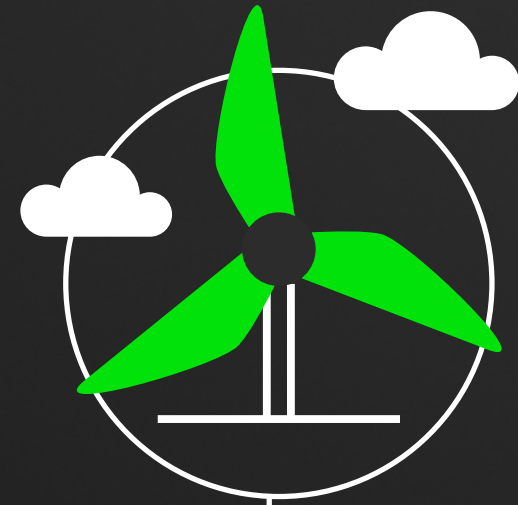
SOLAR PANELS

After careful investigation in 2021, it was decided to install solar panels on the property in Duiven, Impact 83 by which ATAG Benelux can fully meet its own energy needs. The implementation hereof will take place in 2022.

Planet



Electric energy consumption (kWh)



2021:
1.168.539 (kWh)
Target 2021:
1.200.000 (kWh)
Target 2022:
1.000.000 (kWh)
Target 2025:
900.000 (kWh)

Residual waste



2021:
192.330 (kg)
Target 2021:
131.000 (kg)
Target 2022:
125.000 (kg)
Target 2025:
100.000 (kg)

Fuel consumption commercial transport



2021:
160.846 liters
Target 2021:
290.000 liters
Target 2022:
220.000 liters
Target 2025:
100.000 liters

Electric consumption commercial transport



2021:
75.671 (kWh)
Target 2021:
80.000 (kWh)
Target 2022:
110.000 (kWh)
Target 2025:
200.000 (kWh)

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Prosperity

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 **Binnenklimaat**
NEDERLAND

Partner van

**gezond
binnen**

gezondbinnen.nl

MEMBERSHIP 'BINNENKLIMAAT NEDERLAND'

In 2021, ATAG Benelux became a member of 'Binnenklimaat Nederland', the Dutch industry association for indoor climate. This organisation puts the importance of a healthy indoor climate first and lobbies to demonstrate the need for good ventilation. People do not see an unhealthy indoor climate as a problem, because unhealthy air is invisible. They may sleep badly or have headaches, but do not know the cause. ATAG Benelux does recognise this problem and, in collaboration with TNO, launched a study to investigate the influence of cooking on the indoor climate. Quite simply, good ventilation prevents the kitchen from smelling of the cooked meal for hours and ensures that combustion gases, particulates and moisture are effectively removed.

According to research institute TNO, a good extraction system is one that extracts at least 300 m³ per hour, capturing about 95% of the polluted air. This research revealed that ATAG Benelux offers a good solution for its brands ATAG and Pelgrim with particulate filters in extractor hoods with recirculation.

In this context, cooperation in the chain is very important, because the extractor hood with recirculation and particulate filters is part of a home's indoor climate system and motorless extractor hoods must be compatible with Heat Recovery Systems from other suppliers. By switching these central ventilation systems via the extractor hood, maximum capacity is always achieved via the control of the extractor hood during cooking. This results in more efficient extraction.

Prosperity



Social Investment



2021:
0,15%
Target 2021
0,30%
Target 2025:
0,50%

Customer satisfaction survey (service) score



2021:
30
Target 2021
40
Target 2022:
40
Target 2025:
40

Contact



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