



# Sustainability report



# About this report

## Name of the organisation

Arteco NV

## Location of registered office

Metropoolstraat 25, 2900 Schoten, Belgium

## Scope of the report

This sustainability report encompasses the full scope of Arteco NV, including all its divisions. It also includes the GHG (greenhouse gases) and safety monitoring of our main production plant in Schoten, which is financially controlled by TotalEnergies (TE).

## Reporting period

01/01/2022 – 31/12/2023

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# Foreword

By General Manager Alexandre Moireau

“I am pleased to present Artego’s sustainability report, which highlights our initiatives and achievements towards a more sustainable world. As a producer of innovative coolants, we recognize our impact and fully embrace our responsibility to advance Environmental, Social, and Governance (ESG) priorities.”

## Acceleration of sustainability efforts

“The past years, 2022–2023, were marked by significant challenges and opportunities in our global supply chain. Additionally, the rapid electrification of the automotive industry introduced new requirements for cooling solutions. These shifts were demanding, but also opened the door to new opportunities for business development and innovation.”

“At the same time, we accelerated in our sustainability efforts. We launched our first sustainability strategy, appointed a Sustainability Manager, and embedded ESG practices across our organisation. We also expanded our product range to meet customer needs and comply with evolving regulatory requirements for our raw materials and end-products. This product transition, was and is challenging but also unlocks potential to innovate and reduce environmental impact for both us and our customers.”

“To lower our impact even further, we are exploring smarter ways to use our resources and improve the end-of-life processing of our products. For example, at our production site in Schoten, we now

use treated local surface water instead of tap water to reduce our water consumption. We are also actively exploring circular solutions, such as collecting and recycling our end-of-life products.”

## Sustainable future

“The progress we have made highlights Artego’s strength and resilience. With our technical expertise, innovative mindset, dedicated team, and collaborative approach, we are well-positioned to develop new and improved cooling solutions and remain a leader in the field of heat transfer solutions.”

“Looking ahead, we are refining our sustainability strategy to focus on areas where we can make the greatest impact. Guided by science and data, we are setting clear interim targets on our climate journey. Our priorities include advancing technology, strengthening partnerships across our supply chain, and continuing to further embed sustainability at the heart of everything we do. With this approach, we are confident in our ability to overcome future challenges and seize new opportunities.”

“I invite you to explore this report, which showcases our commitment and initiatives toward a sustainable future. Together, we can drive meaningful change and contribute to creating a better world.”



# OUR ORGANISATION





## Let's talk coolants

Arteco develops, manufactures and markets engine coolants, heat transfer fluids, and corrosion inhibitors for a wide range of industries. Through our tagline, 'Engenious Coolants' - a creative combination of 'Engine' & 'Ingenious' - we highlight our commitment to **smart, innovative cooling solutions**. Driven by corporate social responsibility, we focus on delivering high-quality products and sustainable practices that create real value for our customers and partners.

Founded in 1998 as a joint venture between Chevron and TotalEnergies, Arteco benefits from the **combined expertise and support** of its parent companies. Over time, our operations have expanded beyond Europe to include the Asia-Pacific region, the Middle East and Africa, with offices now established in Belgium, China, India and Japan. In December 2016, Arteco became a stand-alone organisation, enabling us to streamline business processes, enhance flexibility and sharpen our technological focus to address evolving market needs.

Since our inception, Arteco has consistently grown, producing enough coolants annually to fill over 60 million vehicles. We collaborate closely with Original Equipment Manufacturers (OEMs) and other customers to meet strict standards for both **first fill and aftermarket applications**. Our team actively monitors industry trends to develop cooling solutions for a wide array of uses, ranging from internal combustion and electric vehicles to industrial installations and data centres.

Today, Arteco holds a third of the European market share and is quickly expanding in other regions. To support our rapid growth in the Asia-Pacific region and the Middle East, we started the construction of a new production facility in Nantong, China, in 2023. Our plant in Belgium, Schoten continues to support and supply the European markets and serves as a central hub for our global operations.





## Arteco in numbers



Turnover

**2022**

151 M€

**2023**

136 M€



Sales volumes

120,571 Ton

119,765 Ton



Total number of employees at Arteco NV

76

76



# Our locations



-  Blending partners
-  Arteco production plants



# Our mission, vision and values

## Our mission & vision

Our world is changing rapidly, with challenges such as climate change, new ways of mobility, electrification and digitalisation. As new solutions and technologies emerge, they bring new demands for cooling and heat transfer. Arteco's **mission** is to provide 'ingenious' solutions for efficient heat transfer, not only for automotive engines but for any application requiring indirect heat transfer with outstanding performance, corrosion protection and longevity

Our advanced heat-transfer fluids reduce excess heat across countless systems. From traditional and electric passenger cars to trucks, buses, data centres and charging infrastructure, Arteco provides tailored, high-quality cooling solutions for each unique need.

Guided by our commitment to progress, our dedicated team of experts embraces our ambitious **vision**:

*"We cool the systems of our ever-warming planet by providing 'ingenious' coolant technologies throughout the world."*

Our vision drives us forward as we work alongside our partners and customers to build a more resilient future.



## Our values

To achieve our vision, Arteco focuses on four core values.

- **"We strive to excel"** means we continuously improve our standards to deliver high-quality, sustainable results. Every day, we challenge ourselves to do better.
- **"We collaborate to accelerate"** implies that we achieve more together. By working together with respect and openness, we drive stronger outcomes and achieve faster, better results.
- **"We explore and learn"** means we constantly evolve as individuals and as an organisation. We embrace new ideas and learn from experience, ensuring we grow and thrive in the future.
- **"We go the extra mile for our customers"**: Customers are at the heart of our decisions. Exceptional service means anticipating customer needs, offering proactive solutions; and building long-lasting trusting relationships.

These values drive our actions and guide our success.



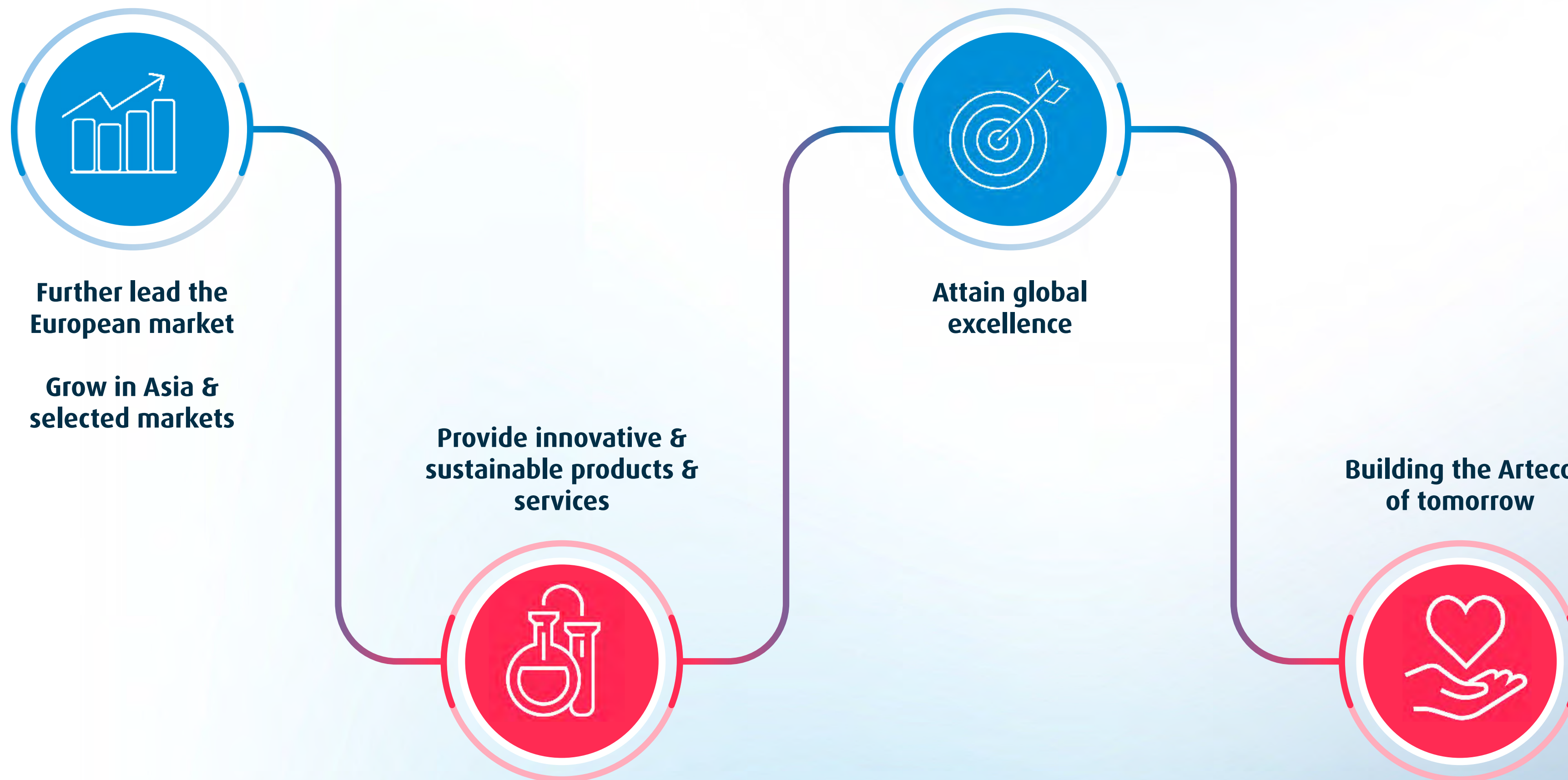
We cool the systems of our ever-warming planet by providing 'ingenious' coolant technologies throughout the world.



# Our objectives

To drive our growth and positive impact, Arteco has defined four key strategic goals:

1. Our first objective is to **strengthen our leadership in Europe while expanding in Asia and other key markets**. Building on our strong position in Europe, we aim to grow in high-potential regions like Asia-Pacific and the Middle East, where demand for advanced cooling solutions is increasing.
2. A second key goal is to provide **innovative and sustainable products and services**. Arteco is committed to creating solutions that are both high-performing and eco-friendly. By helping our customers meet strict environmental standards, we contribute to a more sustainable future.
3. At Arteco, we strive for **global excellence in everything we do**. This means continually improving quality, efficiency and reliability across our operations, from manufacturing to customer service, to ensure we deliver the best products worldwide.
4. Finally, we aim to **'build the Arteco of tomorrow'**. Our people play a vital role in the success of the company. This reflects a focus on long-term growth and adaptability, with an emphasis on caring for our people and investing in their skills and mindset and wellbeing.





## Our products and services

Arteco offers a comprehensive range of products designed to meet diverse cooling and performance needs across various industries.

- **Engine coolants:** we provide a variety of engine coolants tailored to meet different performance and composition requirements. These coolants are suitable for a wide range of engines, including internal combustion engines (ICE), gas engines and electrically powered drivetrains, ensuring reliable cooling performance across all vehicle types.
- **Corrosion inhibitor packages:** our highly concentrated additive packages serve as the base for blending coolants and heat transfer fluids. These corrosion inhibitor packages can also be used in other applications, such as boosting inhibitors in existing fluids, making them a versatile solution for diverse industrial needs.

- **Heat transfer fluids:** our heat transfer fluids, branded as *Zitrec*, are designed for controlled heating or cooling in a wide range of industrial applications and processes. These fluids are engineered to provide effective thermal management, making them suitable for industries requiring precise temperature control, such as industrial chemical processes, brewery processes, or cooling of data centres.
- **Hot test fluids:** we produce specialised hot test fluids for engines in the test phase. These fluids offer corrosion protection in both liquid and vapour phases, ensuring that engines are safeguarded during testing or transport.

We complement our product offerings with a range of additional services, including laboratory analysis, field sample testing and technical support. These services provide customers with valuable insights and assistance, helping them optimise performance and ensure fluid quality.





## Our customers

Arteco serves a diverse range of customers across the automotive and industrial sectors. We tailor our products and services to meet the needs of each segment.

**1. Original Equipment Manufacturers (OEMs):** Arteco supplies approximately half of its product volumes to OEMs, including car, truck, bus, construction and agricultural equipment manufacturers, as well as producers of data centre hardware. Our products are used for initial factory fills and are often supplied under private label agreements, ensuring customers receive high-quality, customised cooling solutions that meet their specific requirements.

**2. Aftermarket:** Arteco's products are also widely distributed in the aftermarket, reaching oil companies, blenders, fillers, chemical distributors and resellers. Many of these customers purchase Arteco's products under private labels, enabling them to provide trusted cooling and heat transfer solutions to end-users and service providers in the automotive and industrial sectors.

**3. Heat transfer fluid distributors:** Arteco works with specialised distributors who focus on heat transfer fluids. This distribution channel enables Arteco to deliver its industrial heat transfer products, such as the *Zitrec* brand, to any industry that require precise thermal management in controlled heating and cooling applications.





# Our value chain and stakeholders

Each area in our value chain – upstream, own operations and downstream – contributes to our mission of delivering high-quality coolants to our customers. At each stage, various stakeholders are involved.

## Upstream

Our upstream activities focus on sourcing critical raw materials and packaging materials essential for coolant development & production. These include:

- **Raw materials:** Heat transfer fluids are composed of three categories: base fluids, additives and demineralised water. As of 2024, we will produce our own demineralised water from surface water.
- **Packaging materials:** packaging solutions include small packs (ranging from 1-20 liters) and larger packs (60-1,000 liters) to meet diverse customer requirements.

To ensure the availability of high-quality materials, we employ a robust procurement process. Raw materials and packaging materials are purchased both locally and globally to ensure reliability and efficiency in the supply chain. Other supporting processes and services, such as transport and logistics, are integral to our operations. Transport of raw materials is organised both by Arteco and by its suppliers.

## Own operations

- **Development of state-of-the-art coolants:** research and development (R&D) play a crucial role in formulating innovative and sustainable coolant solutions, tailored to meet our customers' needs. Our commitment to innovation and excellence not only supports our competitive edge, but also aligns with our broader environmental and climate objectives.
- **Production:** our production facilities combine raw materials to manufacture high-performance coolants. Our manufacturing processes are designed to ensure both efficiency and environmental responsibility.
- **Sales and support:** our global teams provide tailored support and customer-focused solutions ensuring smooth supply chains and necessary technical assistance.

## Downstream

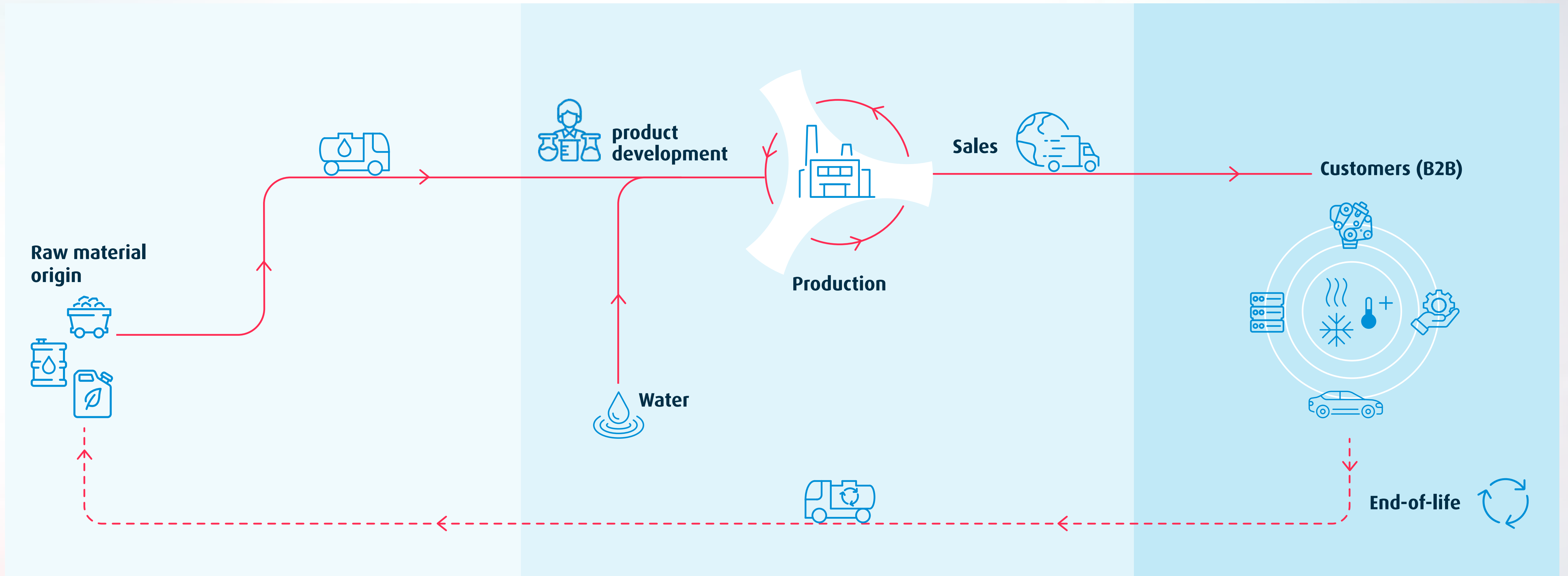
Our downstream activities focus on delivering high-quality cooling services to our customers. By aligning production and packaging processes with customer requirements, we ensure timely and efficient delivery. Strong customer relationships are maintained through consistent quality and performance, and responsiveness to their needs.

With our eyes on the future, we are preparing for a transition to a circular coolant model, beginning with a small-scale proof of concept to test, optimise and scale further.





## Our value chain



UPSTREAM

OWN OPERATIONS

DOWNSTREAM

- - - = Under investigation



## Our stakeholders

Our **value chain** is shaped by a network of external partners, including suppliers, customers, shareholders and investors, universities and research partners, federations, energy providers, regulatory authorities, subcontractors and financial institutions.

These **stakeholders** play a vital role in shaping our strategies and ensuring compliance with industry standards. For example, universities and research partners support innovation, while regulatory authorities ensure adherence to environmental and safety regulations. Suppliers ensure the availability, quality, and sustainability of raw materials, while customers drive demand and set quality expectations. In turn, we impact our stakeholders by fostering collaboration and setting benchmarks for excellence and sustainability in the industry.







## Management Team

The management team defines and drives the strategic direction of Arteco. With a focus on customer-centricity, sustainable growth, and a people-oriented organisation, the management team sets long-term goals, which are translated into daily operations. The team represents various business functions, ensuring company alignment, identifying opportunities, and mitigating risks.

Artego's forward-looking strategy, along with its yearly goals and objectives, is validated by the board, representing Total Energies and Chevron. The board provides adequate support, expertise, and guidance to the entire Arteco management team, who holds accountability for implementing and achieving these strategies. The Management Team frequently reports to the Board through committee meetings and monthly reporting, which allows us to track progress on key financial and non-financial metrics.

For the 2022-2023 period, the Management Team consisted of the following members:

- **Alexandre Moireau** – General manager
- **Dirk Dewaele** – Finance & IT manager
- **Véronique Tuteleers** – Operations manager
- **Johan Van Hover** – Business manager
- **Els Quintyn** – Innovation manager
- **Liesbet Baele** – HSEQ and Sustainable Development manager
- **Emelie D'Hondt** – HR manager
- **Serge Lievens** – Technology and R&D manager
- **Sofie Gevaert** – Product & marketing manager
- **Paul Golesworthy** – Regional manager APME (Asia-Pacific Middle-East)
- **Kristof Vermeire** – Plant manager at production plant Schoten (not on picture)



# ESG STRATEGY AND ROADMAP



# Double materiality assessment

In alignment with the Corporate Sustainability Reporting Directive (CSRD), Arteco established a structured process to develop a comprehensive double materiality analysis. This process was guided by the European Sustainability Reporting Standards (ESRS) and CSRD requirements, ensuring both compliance and alignment with industry expectations. It consisted of four steps:

## Step 1: Identifying key stakeholders

A critical component of the materiality assessment is engaging stakeholders across the entire value chain. To achieve this, we developed a clear and comprehensive understanding of **Arteco's value chain**. This foundation enabled us to identify key stakeholders and pinpoint the specific areas where our operations intersect with sustainability challenges.

Within each category, we identified stakeholders of strategic importance, including employees, suppliers, subcontractors, customers, shareholders, regulatory and public authorities, universities and research partners, and industry federations. These stakeholders were strategically selected based on our business model and insights into ESG priorities.

## Step 2: Listing impacts, risks & opportunities (IROs)

To create a comprehensive list of impacts, risks and opportunities (IROs), we gathered input from multiple perspectives:

- **Regulatory requirements:** we considered the complete set of topics outlined by the ESRS framework.
- **Benchmarking:** a benchmark analysis provided insights into industry standards and best practices.
- **Stakeholder viewpoints:** the views of stakeholders were gathered through interviews.

The identified impacts were analysed to establish their connections with associated risks and opportunities, forming a cohesive IRO framework.





**Step 3:**  
**Evaluating IROs and analysing results**

We evaluated the identified IROs using criteria established by the CSRD.

- **Impact materiality:** assessed based on the severity of the impact (scale, scope and remediability) and the likelihood of occurrence.
- **Risk and opportunity materiality:** evaluated based on the likelihood of occurrence and the potential financial impact.

We developed a rigorous **scoring system** leveraging a five-point Likert scale and the COSO framework. Separate scoring scales were used for impact materiality and financial materiality. For impact scoring, the maximum score from the three severity dimensions was considered.

To ensure a comprehensive evaluation, **stakeholders** were actively involved in the process. Most stakeholders provided their input through interviews, enabling a direct representation of their perspectives. For some stakeholders, a ‘proxy’ approach was used, where an Arteco employee represented their viewpoints during the evaluation.

A **materiality threshold** was established to focus on the most critical IROs and related topics without overlooking essential aspects. IROs scoring 16 or higher (out of 25) were deemed material.

**Step 4:**  
**Validating double materiality**

The final stage involved management validation of the results and threshold to ensure accuracy, integrity and relevance. This review process consolidated the 41 material sub-topics and their underlying IROs into 13 overarching material topics.

Each topic was aligned with the ESRS framework and categorised under E (Environmental), S (Social) or G (Governance) to streamline reporting. This structured approach ensures a transparent and user-friendly format for stakeholders.

**Next steps**

As Arteco continues its sustainability journey, our next steps will focus on taking **targeted actions for each material topic** and incorporating insights from the double materiality assessment into our overall sustainability strategy. By staying committed to transparency and continuous improvement, we aim to align our operations with sustainable practices and effectively tackle new sustainability challenges.

In the coming period, we will evaluate how the double materiality assessment can become an integral part of our overall risk management process. This integration will embed sustainability within our business operations, enabling continuous updates to ensure alignment with the latest developments.

**Our material topics**

Environment	Social	Governance
Climate	Health, safety and well-being	Corporate culture
Pollution	Inclusive workplace culture	Ethics
Water	Training and professional development	
Resource use and circular economy	Rights of own workforce	
Innovation	Workers in the value chain	
	Consumers and end-users	



# How we organise on ESG matters

Arteco's governance structure ensures the responsible management of environmental, social and governance (ESG) matters across the organisation. Our leadership teams receive regular updates on key sustainability impacts, risks and opportunities, ensuring these are effectively addressed throughout the reporting period.

2022 marked a pivotal year for Arteco's sustainability journey. While we had taken steps towards sustainability for years, these actions were often guided by an ad hoc approach under the direction of a sustainability council. To bring more structure to our efforts, we introduced the role of sustainability manager, enhanced the sustainability council, and, most importantly, launched a comprehensive sustainability strategy during a deep dive event in 2022.

In 2023, sustainability became more deeply woven into our culture through initiatives such as keynote sessions, workshops, a movie night, a circular business game, a climate fresh workshop and more.

Building on this momentum, we **will focus** in 2024 on improving our reporting processes and evaluating our sustainability strategy. This effort will lead to an updated ESG strategy and roadmap, setting a clearer course for our future.

## Governance and oversight

Our ESG efforts are monitored and guided by a range of governance, management and supervisory bodies:

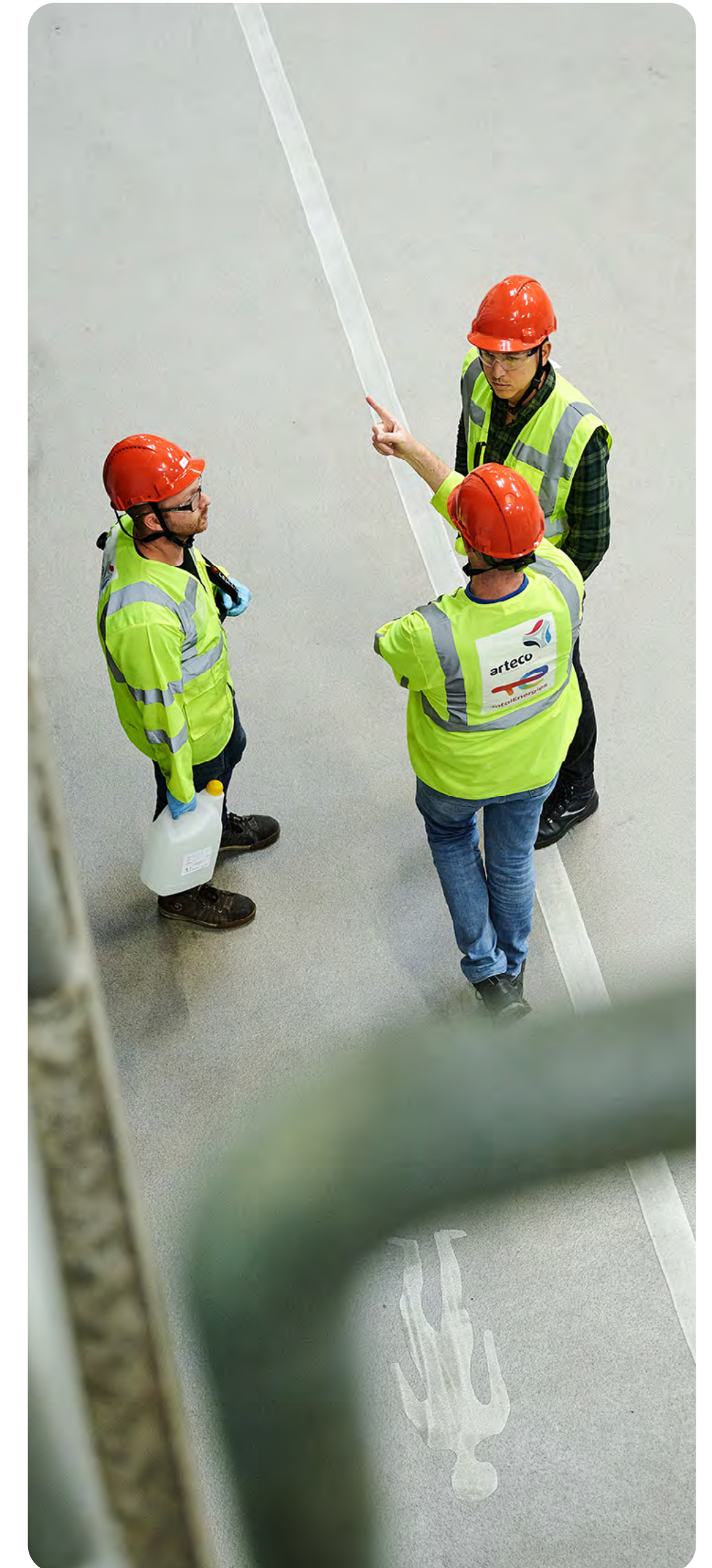
- The **Sustainability Council** meets every two months to review key sustainability matters and update the relevant committees.
- The **Compliance Committee** evaluates ESG-related issues on a quarterly basis. It ensures compliance and monitors progress towards sustainability goals.
- The **Management Team** receives two-monthly summaries from the Sustainability Council to track ESG progress and align sustainability initiatives with operational goals.
- The **Board of Directors (BoD)** is frequently updated on ESG matters. It provides strategic direction and ensures that sustainability issues remain a priority in corporate decision-making.

## Monitoring ESG metrics and effectiveness

Key financial and non-financial ESG KPIs are tracked monthly through a **scoreboard**, which is reviewed by the Management Team and relevant committees. The Compliance Committee evaluates on the effectiveness of ESG policies, actions and targets on a regular basis. Top management holds bi-annual information sessions to provide updates on progress towards ESG objectives, ensuring the entire organisation stays informed and engaged.

## Strategic decision-making

The Board of Directors and the Management Team oversee Arteco's strategy, major transactions and risk management processes. ESG impacts, risks and opportunities are carefully considered and incorporated into risk assessments, business continuity and contingency plans. This integrated approach enables Arteco to **make informed decisions**, balancing sustainability goals with business objectives.





# This is our sustainable strategy

Arteco aims to lead in sustainable cooling solutions. Through climate action, smart resource use and care for people and communities, we redefine what 'ingenious' coolants can do.

As global challenges drive the rise of new technologies, Arteco is ready to provide smart, effective cooling solutions. Our coolants, heat transfer fluids and corrosion inhibitors tackle heat management across diverse applications – from vehicle engines to industrial systems and cooling in data centres. Guided by corporate social responsibility, we deliver high-quality products that create real value for our customers and partners.





## Climate action

Climate change is one of the biggest challenges of our time, and Arteco is committed to taking action. We aim for net-zero emissions in our operations by 2030 and a net zero supply chain by 2050. To achieve this, we focus on **energy-efficient technologies, renewable energy** and **reducing carbon emissions** across our business activities, supply chain and logistics.

Our approach to climate mitigation and adaptation ensures that we will become resilient to future environmental changes. By innovating in cooling solutions and collaborating with partners, we help industries reduce their carbon footprint and move towards a more sustainable future.

## Smart use of resources

At Arteco, we acknowledge that the raw materials and resources we use in our coolants have a significant impact on the planet. That is why we focus on two areas where we can make the biggest difference: **sourcing raw materials responsibly** and ensuring our products are **easily recyclable** at the end of their life.

We are reducing our water consumption by replacing tap water with treated surface water. With a clear focus on making our business circular in the coming years, we are exploring new methods for coolant collection and recycling, integrating recycled materials into our products, and investigating new partnerships and various ways of serving our customers, starting already in 2023 with the use of recycled MPG. By collaborating with customers and suppliers, we are pioneering smart, sustainable solutions.

## Community & people care

For Arteco, sustainability means more than environmental responsibility – it is also about caring for people. Our commitment to **health, safety** and **well-being** is woven into our company culture. We aim to create a safe, inclusive environment where every employee feels valued and empowered.

Diversity is one of our greatest strengths, with team members from a wide range of backgrounds, ages and nationalities. By investing in training and development opportunities, we help our people thrive and reach their full potential.

Safety is our top priority, and we work hard to cultivate a strong safety culture. But our commitment goes beyond workplace safety – it extends to the overall well-being of our employees. Through our global Employee Assistance Programme, we support our team in navigating both personal and professional challenges. Flexible work arrangements further support a healthy work-life balance and encourage autonomy and fulfilment in every role.



Our core values drive our work. These values are deeply embedded in the Arteco company culture and guide every decision we make.

- “We strive to excel”
- “We collaborate to accelerate”
- “We explore and learn”
- “We go the extra mile for our customers”

By adhering to these principles, we are shaping a sustainable future – one where cooling solutions are efficient, effective and kind to this planet and its people.



# OUR ESG ACHIEVEMENTS IN 2022-2023

# 3





# Climate action



## Climate action

### Why is this important for Arteco?

Arteco is committed to addressing climate change by reducing our greenhouse gas emissions. Our emissions come from three key sources: raw material sourcing, transportation and packaging materials.

Since the majority of our carbon footprint comes from **sourcing raw materials**, we aim to use more recycled or biobased materials to replace them. These efforts reduce our supply chain emissions (Scope 3) and enhance the resilience of our value chain. The development of products that fit in the climate transition, such as cooling solutions for electric vehicles and data centres, is another step in our business transformation.

**Monitoring and transparent communication of greenhouse gas emissions** are central to our sustainability strategy. With stakeholders increasingly seeking information about our carbon reduction goals and performance, we track our progress and share targeted improvements. This approach enhances transparency and creates new opportunities with customers looking for low-carbon

and eco-friendly solutions. It also helps us attract and retain motivated employees who share our values.

Our advanced energy monitoring system helps us find ways to **lower our energy consumption** and cut our own CO<sub>2</sub> emissions (Scope 1 and 2). In recent years, we have already taken smaller steps to lower our energy use, such as installing solar panels, switching to LED lighting and sourcing renewable energy. Our new monitoring capabilities allow us to find additional opportunities for improvement. The largest share of our energy consumption comes from gas-powered boilers used to generate steam. We are researching alternatives, such as electric boilers, to address this challenge.



## Performance & projects 2022-2023

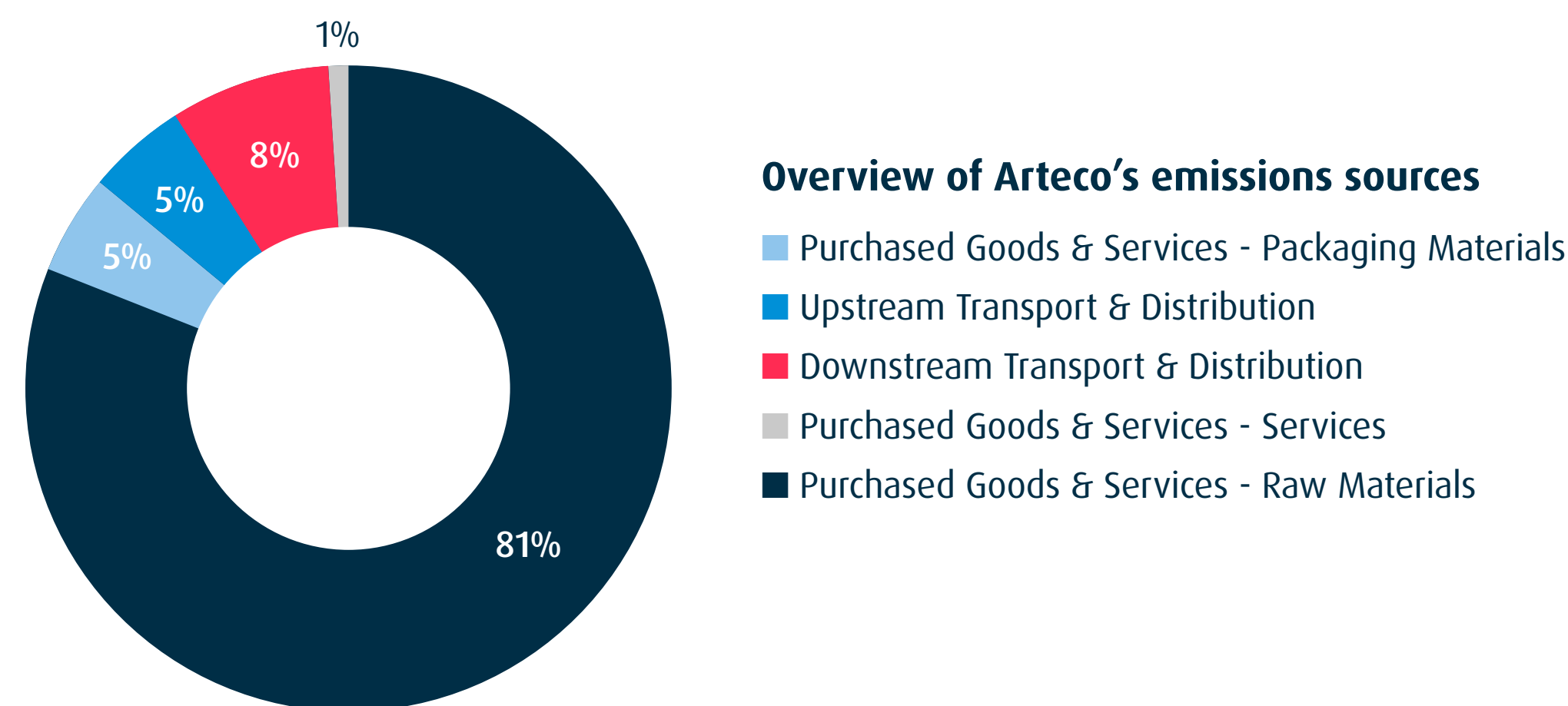
### Reducing our GHG footprint

In 2023, our GHG footprint amounted to 183,038 tCO<sub>2</sub>e. We enhanced our **monitoring tool** for greenhouse gas emissions, in line with the GHG Protocol. This improvement allows us to calculate our footprint more accurately than before and take targeted actions.

Our **Scope 1 and 2 emissions represent less than 1% of our total footprint**. Our largest energy source consists of two natural gas steam boilers located in our production facility in Schoten. We aim to electrify these, taking into account our evolving heat demands due to new product types. With a better understanding of our current and future energy needs, we will align installations and requirements to ensure the appropriate installation design and investment decisions. To further reduce our Scope 1 emissions, we optimised the use of air compressors, source our complete energy demand from renewable sources and provide a third of our energy demand through our own solar panels. We also implement smaller initiatives, such as reducing standby energy consumption and optimising lighting. Our **ISO 50001 certification** demonstrates our commitment to continually improving our energy performance.

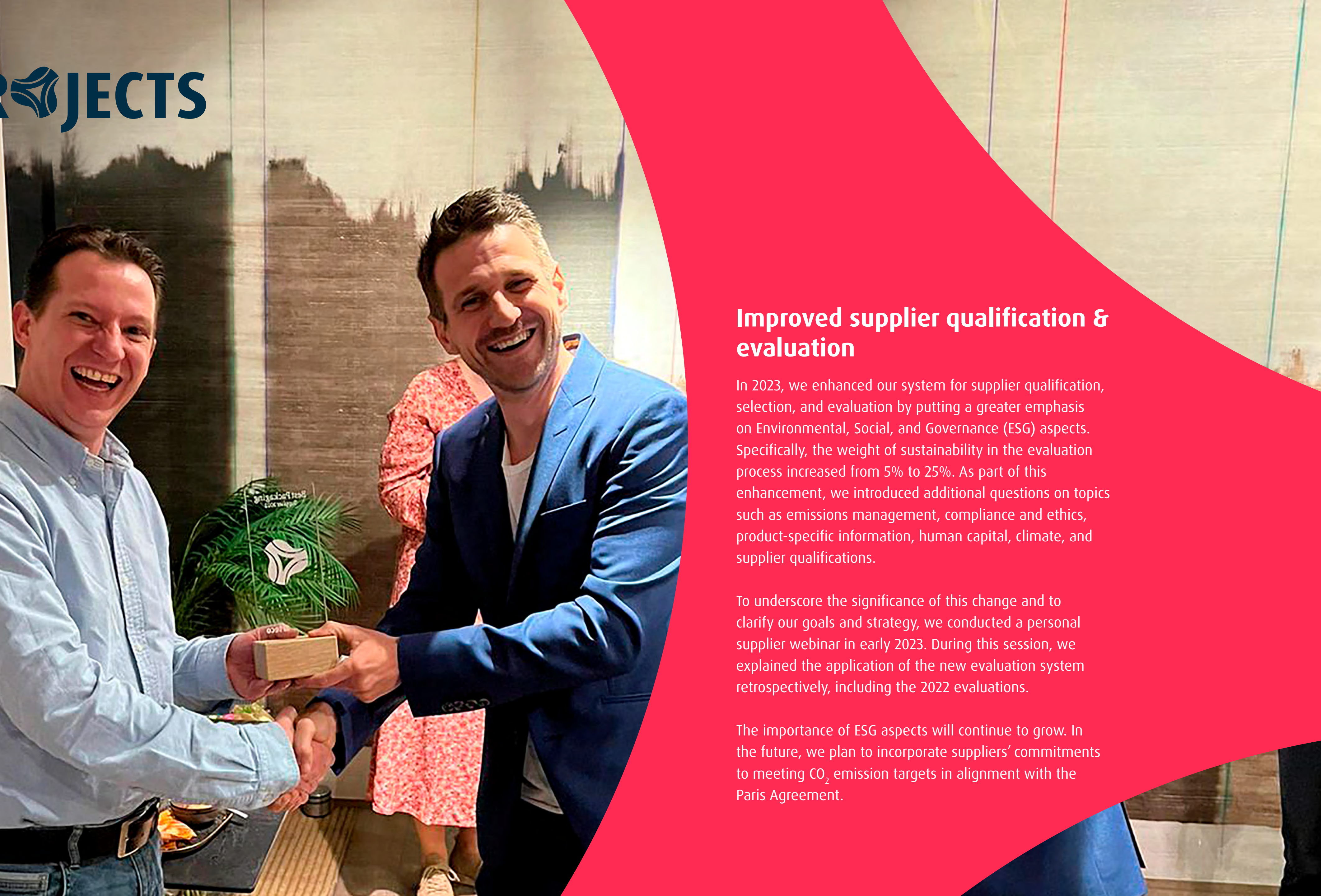
Since coolants consist mainly from fossil-based materials, the largest portion of our emissions falls under **Scope 3** (around 99.5% of our total footprint) and is linked to the purchase of raw materials such as mono ethylene glycol. We have initiated several efforts to reduce these emissions, in collaboration with our suppliers, and will continue to do so in the future. For example, we are implementing a Mass Balance approach to blend sustainable raw materials with traditional ones, and we are launching the CIRCLE project to develop a circular coolant recycling model (see the section below ‘Smart use of resources’ for more information on these initiatives). We are developing a Sustainable Packaging Roadmap, aimed at reducing packaging and using less raw materials. For example, we already use recycled material for the middle layer of some of our packaging. Throughout these efforts, safeguarding the high quality and safety requirements of our products will always be a major focus.

Scopes and categories	Metric tons CO <sub>2</sub> e
<b>Scope 1</b>	669
<b>Scope 2 (location-based method)</b>	200
<b>Upstream Scope 3 emissions</b>	
Category 1: Purchased goods and services	158,771
Category 2: Capital goods	312
Category 3: Fuel- and energy-related activities (not included in Scope 1 or 2)	164
Category 4: Upstream transportation and distribution	8,076
Category 5: Waste generated in operations	529
Category 6: Business travel	98
Category 7: Employee commuting	153
<b>Downstream Scope 3 emissions</b>	
Category 9: Downstream transportation and distribution	14,066
<b>TOTAL</b>	<b>183,038</b>



# OUR PROJECTS

*During the annual supplier evaluation, we recognize and reward our top supplier for their ongoing support and efforts towards improvement.*



## Improved supplier qualification & evaluation

In 2023, we enhanced our system for supplier qualification, selection, and evaluation by putting a greater emphasis on Environmental, Social, and Governance (ESG) aspects. Specifically, the weight of sustainability in the evaluation process increased from 5% to 25%. As part of this enhancement, we introduced additional questions on topics such as emissions management, compliance and ethics, product-specific information, human capital, climate, and supplier qualifications.

To underscore the significance of this change and to clarify our goals and strategy, we conducted a personal supplier webinar in early 2023. During this session, we explained the application of the new evaluation system retrospectively, including the 2022 evaluations.

The importance of ESG aspects will continue to grow. In the future, we plan to incorporate suppliers' commitments to meeting CO<sub>2</sub> emission targets in alignment with the Paris Agreement.



## What's next

### Net zero-roadmap

As communicated in our previous sustainability report, we remain committed to **achieving net zero** by 2050, encompassing Scope 1, 2 and 3 emissions. To reach this target, we will develop a net zero-roadmap with CO<sub>2</sub> reduction levers by the end of 2025. A key focus will be finding a low-carbon alternative for heat and steam production. Additionally, we will continue to prioritise smart resource use, circular initiatives and efficiency improvements, such as optimising the use of our compressed air systems. Also, engaging and collaborating with our suppliers and partners will play a key role to reduce our Scope 3 emissions.





## Smart use of resources

### Why is this important for Artego?

As a manufacturer of advanced cooling solutions, we rely heavily on basic commodities like water, our base fluids like mono ethylene glycol and plastic packaging. We are aware of the environmental **impact** associated with our resource use and waste generation, and we are dedicated to minimising our footprint. Through comprehensive Life Cycle Analyses (LCAs) of our products, we have identified two areas where we can make the greatest difference: the sourcing of raw materials and the end-of-life management of our products. We are always seeking innovative ways to improve in these areas.

Our global value chain presents several **dependencies and risks tied to resource use**. These include raw material shortages, rising supply chain and operational costs, potential water supply disruptions and increasing expenses for water and waste treatment. To address these challenges, we are embracing product circularity and advancing water management initiatives. Many of our efforts aim to mitigate risks, reduce our impact and to exploit **opportunities**, such as improving efficiency, reducing costs and aligning with customer and



By working on circularity in the value chain, we reduce our impact and meet customer and market expectations

**Els Quintyn**  
Innovation Manager at Artego NV

market expectations. Additionally, we are exploring sustainable alternatives to plastic packaging, and we are setting waste reduction targets to minimise waste, lower our carbon footprint and reduce our overall environmental impact.

One of the challenges we face is finding the right balance in **pricing**. While customers increasingly expect more sustainable products, there is often resistance to higher costs. It will be essential to determine the shared responsibility for the added value of sustainability. Over time, we anticipate that the supply of renewable and recycled raw materials will grow and recycling technologies will advance, resulting in lower costs. At Artego, we are committed to leading this transformation, making sustainable cooling solutions accessible to all.



## Performance & projects 2022-2023

### Mass Balance approach

The limited availability of **renewable and recycled raw materials** for large-scale production remains a significant challenge. To address this, Arteco started a project to adopt the innovative Mass Balance approach in 2022. This method allows us to blend high-quality, lower-footprint components, such as recycled or bio-based materials, with conventional raw materials. By gradually replacing fossil-based resources with renewable or recycled alternatives, we contribute to fossil resource savings, greenhouse gas (GHG) reduction and broader social and ecological benefits.

The Mass Balance approach is a practical solution that works with existing infrastructure, facilitating **quick adoption without major changes**. It ensures our products maintain the same high-quality standards and performance. By avoiding the need for separate systems for fossil and renewable materials, we enable the transition to sustainability, choosing an effective and efficient way to move towards greater circularity and a more sustainable future. Third-party audits by ISCC, the organisation for International Sustainability and Carbon Certification, guarantees transparency and credibility throughout the process. We therefore plan to obtain the ISCC Plus certificate in the course of 2024.

### Our first Life Cycle Assments (LCA) project

In 2023 we conducted our first LCAs on a selection of our products, in collaboration with an external consultant. Based on multiple discussions and exchanges we decided to opt for the Product Environmental Footprint (PEF) methodology and the Product Category Rule (PCR) for heat transfer fluids. Due to a lack of data, a worst-case scenario was applied, assuming the end-of-life phase of our fluids.

The results of these LCA studies highlighted **key areas for improvement**: raw material sourcing and the end-of-life phase.

### Defining the 'most sustainable coolant'

In 2022-2023, we launched a strategic project to define what the 'most sustainable coolant' means for Arteco. This includes identifying actionable steps to achieve this vision, while keeping the process both **ambitious and practical**. We are drawing inspiration from other industries, brainstorming ideas and developing a detailed roadmap towards a clear long-term strategy.



As a company we want to work simultaneously on short term impact (cfr. Mass balance project enabling a switch to biobased or recycled components on the short term) and long term impact (cfr. The most sustainable coolant). Every drop counts!

**Cilia De Wilde**  
Sustainability manager



Our total water consumption (Ghent and production plant Schoten)

**2022**

27,324 m<sup>3</sup>

**2023**

27,675 m<sup>3</sup>



# OUR PROJECTS



**BOSAQ**  
The circular water company

## Smart use of raw materials

Arteco remains committed to innovation, striving to use raw materials more efficiently. To reduce our reliance on tap water, we are partnering with BOSAQ, a specialised water technology company, to develop methods for treating surface water. At our Schoten facility, treated local surface water now replaces tap water in our production processes. Additionally, we incorporate renewable and recycled basefluids into our formulations whenever possible. For packaging, we prioritise recycled materials like HDPE and PET to further reduce our impact.



## What's next

### End-of-life study

To increase our understanding of the lifecycle of our products we will continue our research efforts. In 2024, we will conduct a study to determine the exact **end-of-life destination of our coolants**. We will focus on countries with our highest sales volumes and within the European Union and Turkey to ensure the collection of high-quality data.

### CIRCLE project

Circularity is very important for Arteco, which has been confirmed by our first LCA projects: the main impact areas are raw material sourcing and end-of-life. In 2024 we will launch project 'CIRCLE', a multi-year initiative focused on developing and implementing a circular coolant model.

### Long-term strategy

In 2024, our **pursuit of the 'most sustainable coolant'** should culminate in the development of a clear long-term strategy. This plan outlines actions across various key areas, including resource efficiency, waste reduction, carbon footprint and health considerations. We are committed to embedding this integrated system thinking throughout our organisation in the years ahead.



# Community & people care

## Why is this important for Arteco?

We firmly believe that **people are the key to our success**. By prioritizing health, safety, well-being, and creating opportunities for personal development, we emphasise our commitment to caring for our employees. We embed attention to **health, safety and well-being** across all levels of our organisation, extending beyond traditional HR initiatives, fostering a workplace where people feel safe, happy, healthy, supported and accepted.

As **health & safety** are priorities for us, we are dedicated to cultivating a strong safety culture. Every incident is reported, and we encourage our employees to share suggestions for improving workplace safety. Our five-year safety plan is translated into annual action plans with tangible initiatives, such as training sessions on chemical handling and fire safety. We have implemented robust emergency procedures, developed an internal traffic management plan and strictly monitor work permits for high-risk tasks. Ergonomics and personal protective equipment (PPE) are top of mind, ensuring that every Arteco team member can work comfortably and confidently.



As a player in the chemical industry, we prioritise health and safety to protect our people, our communities and the environment

**Liesbet Baele**  
HSEQSD Manager at Arteco NV

Our commitment goes beyond workplace safety and includes the overall **well-being** of our employees. In 2022, we expanded our Employee Assistance Programme to offer support to all our employees worldwide, helping them manage both personal and professional challenges. We offer flexible work arrangements, including up to three days of remote work per week. To foster **professional growth**, we provide a range of training and development opportunities. Our strong focus on talent management includes Development Conversations between leaders and team members, a Leadership



Development Programme, and our dedicated online training platform so that everyone has access to all the tools to learn and succeed.

Our integrated approach to care is also reflected in the **diversity and inclusivity** that define Arteco. Our workforce is a vibrant mix of people of different ages, backgrounds and nationalities, each contributing unique perspectives and strengths. This is also reflected in the numbers (cf. Gender distribution and Age ratio on page 37). While this diversity is a natural part of our identity, we continuously invest in raising awareness, addressing biases, and fostering a supportive, collaborative culture. We also prioritise the rights of people across our entire value chain, extending our social commitment beyond our own workforce.



We genuinely care about our people. Our human-centered approach is embedded at every level of the organization – a commitment we uphold every day

**Emelie D'Hondt** – HR manager





## Performance & projects 2022-2023

### Golden Safety Rules

To protect the workers at our production facility in Schoten, we have implemented 10 Golden Safety Rules. These rules are designed to ensure **zero incidents** and maintain **healthy working conditions**. While they complement our existing management systems and procedures, they do not replace them. The Golden Safety Rules apply to all individuals working at our facility, including temporary workers, interns and students, and are aimed at keeping everyone safe.

### World Safety Day

Every year, Arteco participates in World Safety Day. In 2022, our team globally participated in activities focused on **safety awareness** with workshops on well-being, safety practices, and emergency preparedness to strengthen Arteco's safety culture.

### Improving ergonomics

In 2023, we tackled occasional back pain among our plant operators by focusing on **ergonomics**. We raised awareness about proper posture, provided personalized advice, and invested in practical solutions like vacuum lifters. These measures improved our employees' health with lasting impact.

All of these efforts result in very low accident rates, year by year.

### Employee Engagement Survey

We believe in listening to our employees and empowering them to help shape their future. Every two years, Arteco organises an Employee Engagement Survey (EES) to gather valuable feedback from our employees. This survey helps us understand their levels of engagement, job satisfaction and overall well-being. The insights gained allow us to identify areas for improvement, particularly in health, safety and work-life balance. Based on the survey results, we implement targeted actions to enhance the work environment, address potential safety concerns, and promote a healthier, more supportive workplace.

### Enhancing sustainability awareness

Arteco engages in various initiatives to raise awareness about sustainability. Our efforts include **workshops, keynote events and team activities** like clean-up projects and movie nights. By highlighting sustainability in these activities, we aim to emphasise its crucial role in protecting the planet, society and human health.



Number of accidents

2022	2023
2	0

# OUR PROJECTS



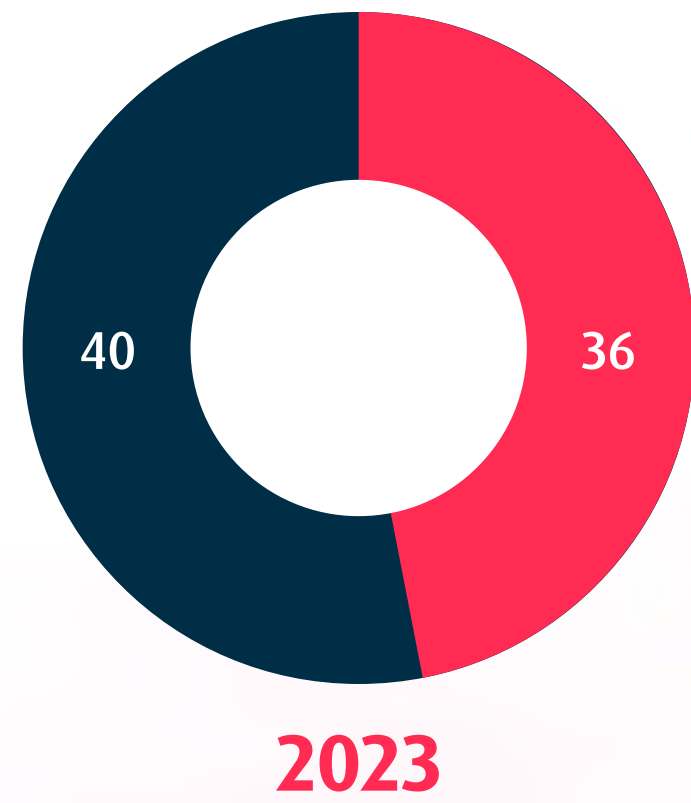
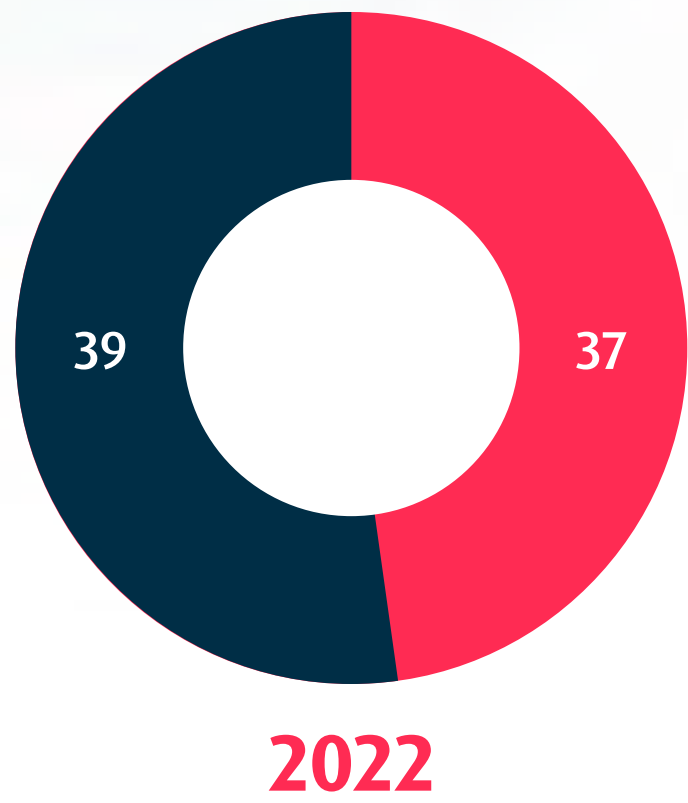
## Empowering Growth

In our fast-changing world, Arteco places a strong emphasis on talent management. We recognise that personal and professional growth go hand in hand. In 2022, we launched a Leadership Development Programme, designed to equip our leaders with the skills needed to support the personal and professional growth of their teams, to empower the people and to guide them through change. We also expanded our Employee Assistance Programme to offer support to all our employees worldwide, helping them manage both personal and professional challenges. In addition to the Development Conversations, we introduced a 'ninety day review' for new employees: after three months, we assess how they are adapting to their new work environment and training, and whether they feel at home with us.

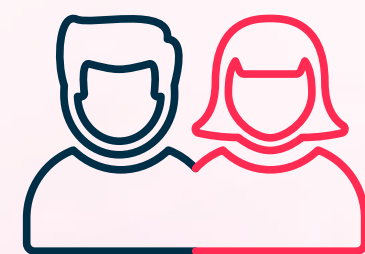
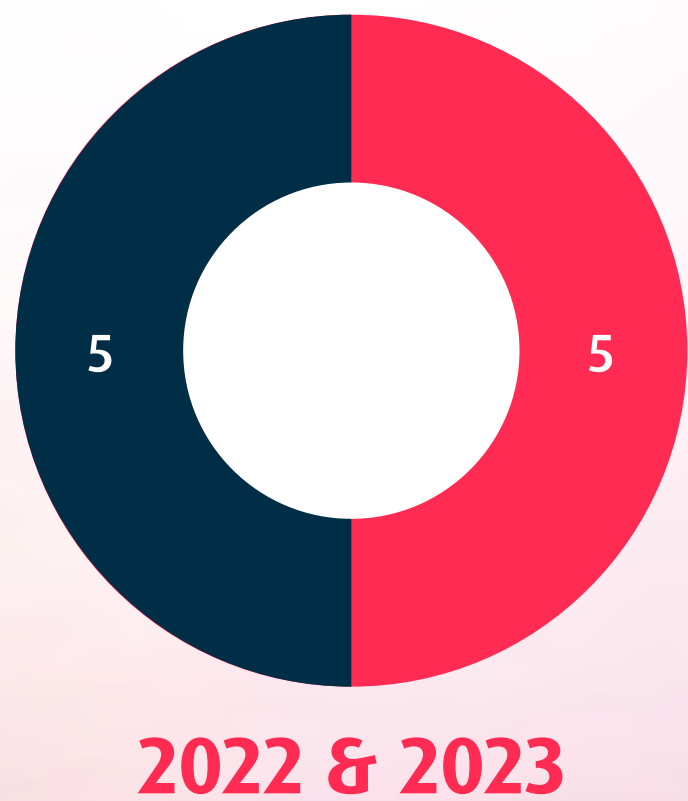


# Some key figures\*

Gender distribution

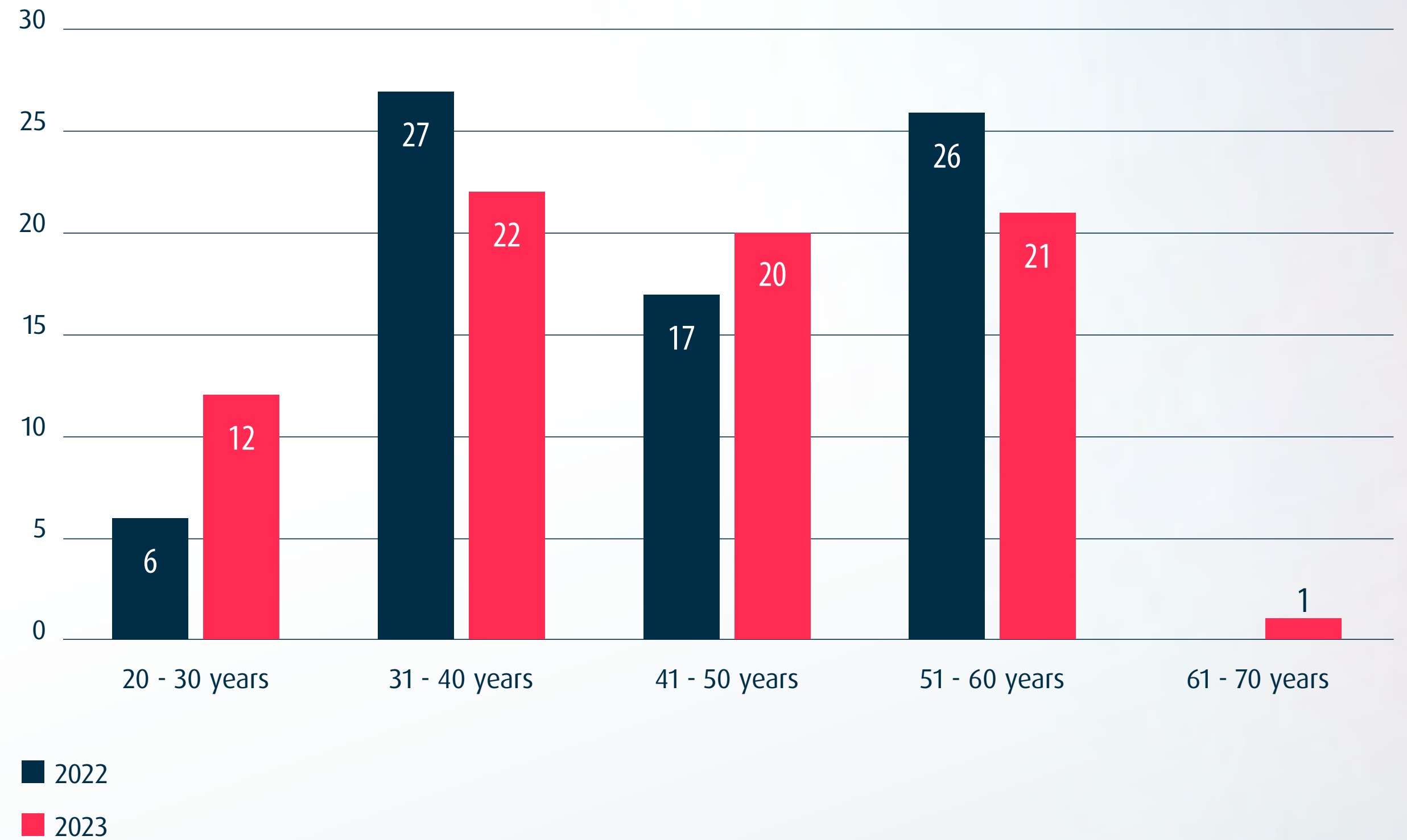


Gender distribution within management



■ Male  
■ Female

Age ratio



\* Based on the financial statements of Arteco NV



## What's next

In the coming years, we will remain deeply committed to ensuring the **health and safety** of everyone across the organisation. This includes a more detailed mapping of the flow of chemicals used in our processes, as part of our annual risk assessments. While stringent safety measures have long been in place for carcinogenic chemicals, we are now focusing on better understanding the impact of endocrine disruptors and how we can further protect our people. Additionally, we will review the availability and use of personal protective equipment (PPE) and provide training on managing noise exposure.

Beyond health and safety, we are intensifying our initiatives to promote **diversity** and foster **inclusive teamwork**. We are also developing action plans to enhance employee well-being for the coming years, using valuable feedback from our Employee Engagement Survey to guide us. Our priorities include preventing burnout, improving communication practices and expanding training and development opportunities. Our next Employee Engagement Survey is scheduled for 2025, and we look forward to listening to our people, as their voices are what help us grow and improve.



# OUR PEOPLE



## Guillaume Vanpeteghem

📁 Area Sales Manager

“Working in a international B2B environment gives me a broad perspective on the industry, cultures & society. At Artec, I get a large portion of freedom to fill in my role, which comes at the same time with a significant amount of responsibility. This is at the same time an exciting, as well as a rewarding setting to work within.”



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