

## STATEMENT OF THE EXECUTIVE BOARD

We are pleased to present Kendrion's sixth 2016 CSR Review. For Kendrion, Corporate Social Responsibility (CSR) is part of all aspects of our business practice and this is reflected in the way we have integrated the CSR initiatives into our Annual Report.

We want to contribute, within the scope of our possibilities, to a sustainable society. This means we focus continually on our use of materials, our products (for instance in terms of emissions, energy savings and safety) and the way in which we treat our employees. Global trends such as climate change, scarcity of resources, renewable energy and population growth also present Kendrion with commercial opportunities and can create value for our stakeholders.

We are pleased to report that the vast majority of our 2016 CSR targets were achieved. The highlights of the past year, the second year of the new CSR strategy 2015 - 2017 'Taking Responsibility', were:

- Further development and sale of products that help our customers to address the sustainability megatrends;
- Substantial investments that should lead to further reductions in energy consumption and CO<sub>2</sub> emissions;
- Initiatives we took jointly with our supply chain partners;
- Successful efforts to maintain a healthy and safe working environment for our employees.

We are continuing our efforts to achieve new, challenging but realistic targets for the coming years, driven by our employees across our business units, including the members of our CSR Board. The CSR Review included in the Annual Report is intended to provide you with a balanced update both on these efforts, targets and results and the challenges we are facing.

For the years after 2017 we will develop a new long-term CSR strategy in consultation with relevant stakeholders and management. We will also devote further attention to how Kendrion can contribute to the objectives of the Paris Agreement on Climate Change and the UN Sustainable Development Goals.

Our CSR Review has been compiled in accordance with the guidelines of the Global Reporting Initiative GRI G4 'core level'. Our external auditor has reviewed a number of our KPIs.

We are keenly aware the effort to make our internal processes and supply chain more sustainable will never finish: we will always aspire to do better. Wherever possible, Kendrion will work with its stakeholders and partners in the chain. We have regular contact with our customers, suppliers, investors and staff with the intention of getting the best out of each other. We take our responsibility seriously.

We have observed that many of our customers are also working on sustainability developments and are formulating ambitious targets, in particular for reductions of emissions, energy conservation and safety. We are of the opinion that we are in an excellent position to supply our customers the high-grade products and services they need to achieve their targets.

We hope that the readers of the CSR Review will appreciate the efforts we are making not only to fulfil our corporate social responsibility, but to lead by example.

**Joep van Beurden, CEO**      **Frank Sonnemans, CFO**