

# **Sustainable Development Report**

2022

**Working together  
towards a better world**





## Message from the CEO-pharmacist



### **“It all started nearly 40 years ago.**

On 1 January 1985, I entered the family firm with a dream in mind: to make something more of the small artisanal laboratory producing Tisanes Ardenaises that was located right next door to the Tilman pharmacy in Bomal, near Durbuy.

There were 5 of us on the team at the time, and we didn't have a single machine.

I wanted Tilman to become the number one Belgian specialist in herbal medicines.

### **I was lucky enough to be able to make my dream a reality.**

Today our team comprises 260 people, including our branches in France and Portugal.

Over the past 40 years, we have achieved an average growth rate of 13.5%. This growth has given us the resources we needed to professionalise our operations and make sure we meet pharmaceutical standards, all

while diversifying our product range.

### **Today, growth is more important than ever.**

It is growth that will allow us to invest in the environmental, energy and above all climate transition of tomorrow.

We want to be actively involved in the change the world needs. We want to be a key stakeholder in the transition, leading by example and providing inspiration.

This is our raison d'être, our core mission.

Our expertise and our excellence in the field help us to fulfil our mission: to leave behind us a planet that will be a habitable place for our children and grandchildren.

That is my dream today.”

*Jean-Noël Tilman*  
CEO of Tilman



About this report

Until 2019, it was standard practice for us to publish an environmental declaration every year in connection with our EMAS certification.

**This year marks a turning point at Tilman**, as we are now publishing our first ever CSR Report. With a view to continuously improving our sustainable development efforts, we have decided that from now on we will apply a methodology based on the sustainable development goals (SDGs) and our carbon footprint.

**The 17 SDGs** were adopted by the 193 countries of the United Nations as part of a global action plan aimed at creating a better and more sustainable future for all by 2030. These SDGs reflect the 3 dimensions of sustainable development : social, economic and environmental. It is crucial that they are considered as a whole, and not in isolation. We are taking numerous initiatives on our part in order to reach these goals.

**Our carbon footprint**, as well as the associated objectives, is based on the first carbon emissions calculations we carried out in 2019 as well as on the calculations for 2021 and 2022. We have not taken into account emissions from 2020 because we had no-one to measure them.



**Reporting period :**  
2022



**Scope of report :**  
Belgian sites of Tilman s.a.,  
located in Baillonville (ZI Sud and ZI Nord)



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SUSTAINABLE DEVELOPMENT GOALS





Message from the CEO	2
About this report	3
Contents	4
About Tilman	5
CSR at Tilman	11
<b>PLANET</b>	<b>12</b>
▪ Planet Committee	12
▪ Carbon footprint	13
▪ Objectives and action plan	15
▪ Energy consumption	17
▪ Sustainable extension plans	18
<b>PEOPLE</b>	<b>19</b>
▪ Health as a priority	19
▪ Employee well-being	20
▪ People Committee	21
▪ Professional development	22
Ambition	23



About Tilman

Who are we ?

# A pharmaceutical laboratory

## unlike any other

We could produce chemical drugs like most other pharmaceutical companies.

But we have opted to develop, produce and market medicines and other preparations that use plant-based active ingredients.

We want to offer pharmacists, doctors and patients effective and reliable herbal remedies that provide a credible alternative to traditional chemical drugs.



THE FAMILY DIMENSION

We want our company to stick to its family roots :

- Our employees' families take precedence over the company's needs
- Employees are free to express their opinion and make decisions ; they are given leave to make mistakes
- Trust is king at our company, which allows maximum autonomy and responsibility for every individual
- Relationships are simple and amicable
- The Tilman family intends to remain majority shareholder in the company (at least 80%)

Our 3 values

Trust

Trust breeds positive change in us : it brings out the best in everyone.

Respect

Respect for people, the environment, our promises, our customers and our suppliers.

Responsibility

The willingness to actively participate in the company's strategy with loyalty and solidarity.



OUR CULTURE

Flexibility

The ability to adapt quickly is a key competence for us.

Modesty

There is always room for improvement, and we are aware of that

Benevolence

We try to do good, so that everyone feels at home within the company.



GROWTH  
IN AID OF EXCELLENCE !

In the world of pharmaceuticals, quality is an absolute constraint, and the requirements get stricter every year. We constantly strive for excellence, both in order to meet regulations and to make ourselves stand out from the rest of the pharmaceuticals market.

This excellence comes at a price, a price that can only be paid through growth.

TWO AXES OF GROWTH

1. INNOVATION

Our R&D department formulates and develops our future products. Every year we launch new products on the market, each of which is more effective than the last.

2. INTERNATIONAL

International expansion is essential, as Belgium alone is too small a market to provide for permanent growth.



OUR PLANET *Our priority*

We believe that **the only way to achieve growth is to do so in harmony with nature**. That is why we want to take drastic measures to combat climate change by reducing our carbon emissions.

One of our targets for 2030 is to produce all of the electricity we use from renewable sources.

HAPPINESS *Our mission*

- We want to spread happiness :
- Among our employees, by creating a professional environment in which they can thrive
  - Among our customers and patients, by offering reliable products for their health and well-being
  - Among humankind as a whole, by acting responsibly towards people and the environment

*“ Our life has no purpose unless it contributes to improving the life of others. ”*

Jean-Noël Tilman, CEO-pharmacist



## About Tilman Business areas

Below you will find an overview of the **main business areas in our company** that are covered by our CSR action plan and whose involvement is crucial.



### Development

This department is responsible for developing uniquely formulated drugs and food supplements based on solid data that guarantees their efficacy and safety.



### Production

The majority of our products are manufactured in our factory measuring more than 5000 m<sup>2</sup> and meet strict requirements in terms of supply (standardised extracts) and quality control (*GMP* standards).



### Marketing

This team develops hard-hitting marketing campaigns both for healthcare professionals and patients. It also organises scientific training events and coordinates studies to be performed on our products in order to demonstrate their excellence.



### Logistics

Thanks to an effective and flexible operational team, located on a single site, we are able to respond quickly to requests and adapt easily to changes.

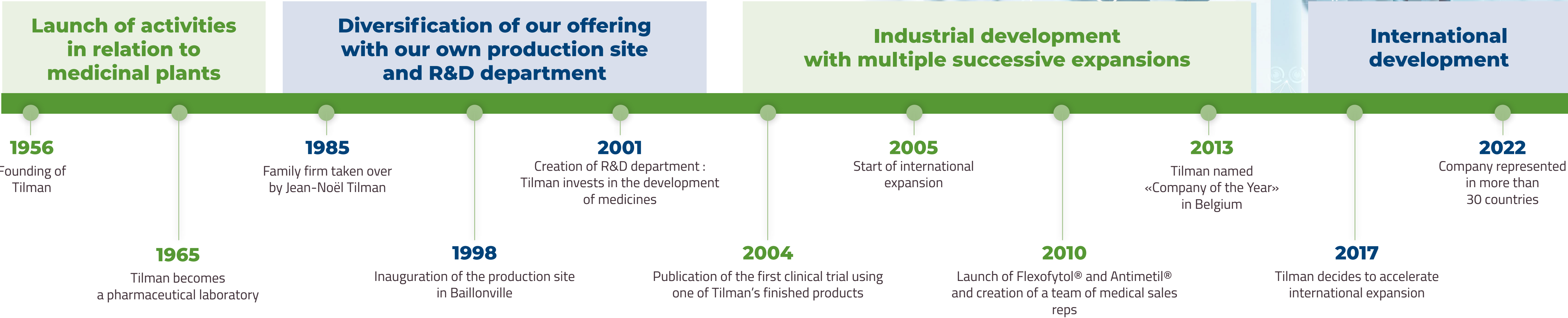


### Sales

With a total of 48 pharmaceutical and medical sales representatives, supported by an excellent customer service team, our sales force is one of the biggest in Belgium. It is responsible for the presence of around 80 of our products in pharmacies, products that are now prescribed by general practitioners and medical specialists.



MORE THAN 65 YEARS OF EXPERTISE



Turnover	0,4M €	1M €	3M €	5M €	7M €	9M €	15M €	18M €	34M €	49,6M €
No. of employees		6	38	42	49	59	73	94	150	200



GROWTH IN TURNOVER

OVER TIME



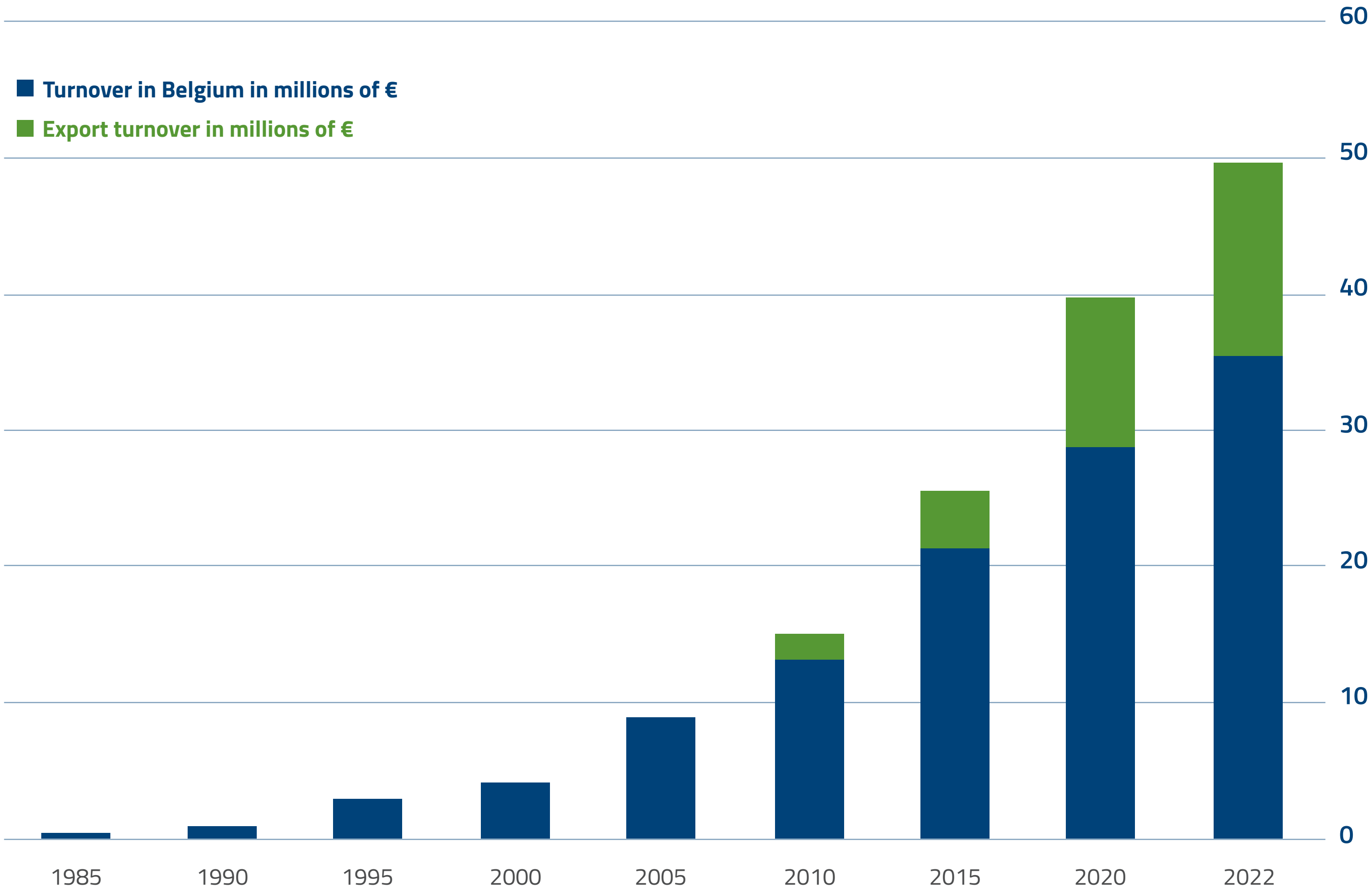
49,6 M€  
TURNOVER



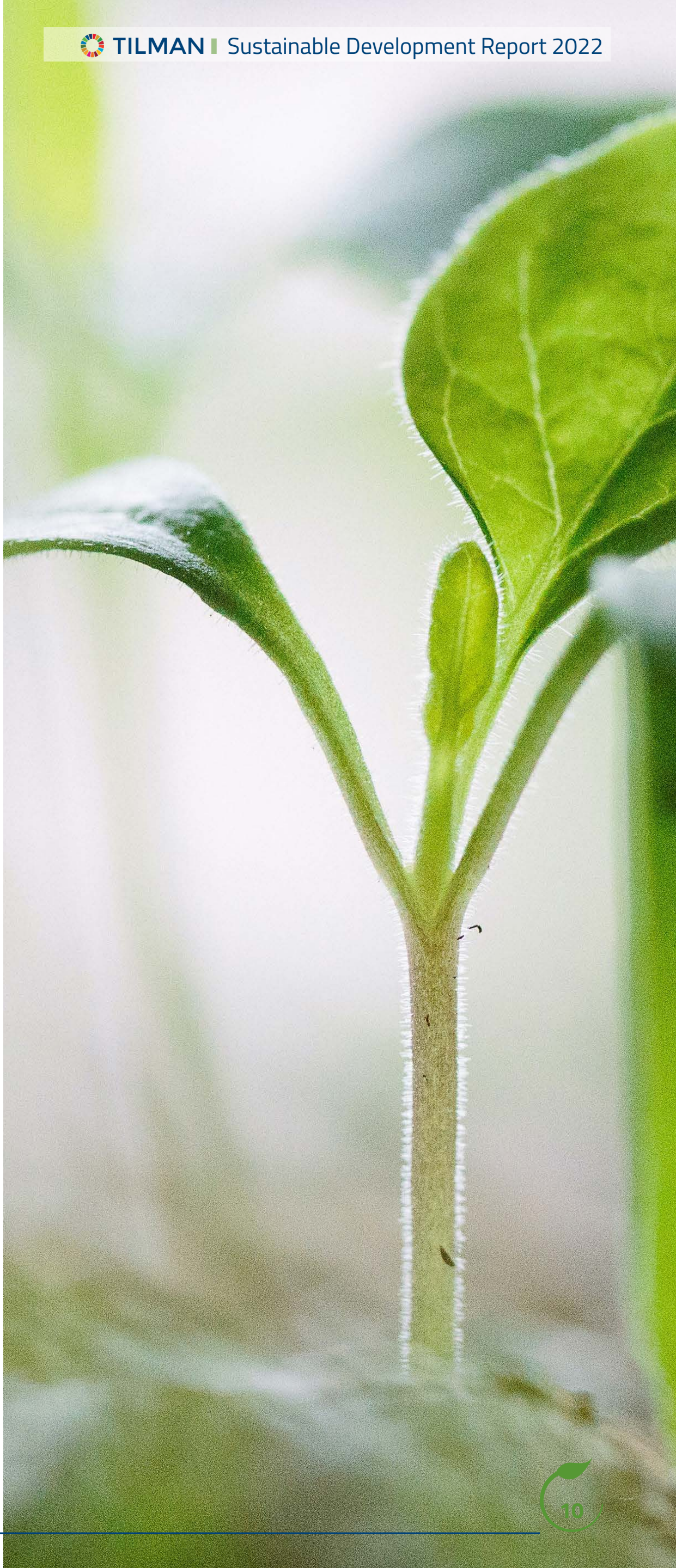
200  
EMPLOYEES



DOUBLE-DIGIT  
GROWTH  
over the past 30 years



**In just under 40 years,**  
Tilman has gone from 6 employees to 200, and from €0.4 M to €49.6 M in turnover !





In order to limit our global impact on society, we have identified the SDGs that we can work on at our level, and have classified them according to the categories *people* or *planet*.

# SUSTAINABLE DEVELOPMENT GOALS





## PLANET

### Planet Committee

The *Planet* committee has 7 active members from different departments who participate on a voluntary basis.

Its role is to draw the company and its employees' attention to environmental issues by organising initiatives such as :



#### Mobility week

Every year in September, we raise staff awareness via various activities such as tyre pressure checks, publication of information on less harmful modes of transport in order to reduce car usage, competitions to encourage car sharing, etc.



#### Be Wapp

Those who wish to do so can use their annual 'Citizen Day' to participate in litter picking around our sites.



#### DIY Workshops

We run workshops where people can learn to make natural, zero-waste cleaning products.



#### Environment Week

Workshops are organised every year on specific topics. In 2022, we focused on energy consumption due to the crisis we are currently experiencing.



We will soon be organising workshops on **The Climate Fresk** for all staff. This is a fun but effective tool that aims to explain the causes and consequences of climate change in just 3 hours.



13 CLIMATE ACTION





## PLANET

# Carbon footprint



### Interview with Camille Meyers, Carbon Officer at Tilman :

#### What exactly does the work of a carbon officer involve ?

*“Good question! I have to say, I had never heard of a post like this before joining Tilman.*

*The primary objective of the role is to evaluate the company's carbon footprint and put in place initiatives to reduce it. In addition, I am the contact person within the company for any questions related more or less closely to the environment: waste, packaging, energy, etc. I answer all these questions, whether they are asked in a professional capacity or not. I also help to raise awareness among colleagues with regard to climate change with the help of the Planet group and tools like the Climate Fresk.”*

#### What qualifications do you need for this type of role ?

*“I am trained as a civil engineer. This helps me with the more technical aspects of the job (carbon compatibility, energy optimisation, etc.), but any qualification that allows you to understand this methodology is sufficient.”*

#### How do you go about setting medium-term and long-term objectives ?

*“We quantify the effect that each action will have on our carbon footprint. We weigh that up against how difficult it would be to implement (pharmaceutical constraints, time, logistics, etc.) and how big a budget it would require.*

*Quantifying the company's objectives is a complicated task. We know what the target footprint is for individuals for 2050, but we don't have much information about companies. Despite that, we still want to take the necessary steps to achieve our ambitious objectives.”*

#### What are the priority objectives from the company's perspective ?

*“This is the order of priority for Tilman :*

1. *Reduce our carbon footprint*
2. *Neutralise our impact on biodiversity and restore it in the areas around our sites*
3. *Minimise environmental pollution*

*So the number one priority is our carbon footprint, which for us is the global problem that is currently having the biggest impact on human life.”*

#### What resources have been earmarked to achieve these objectives ?

*“A budget of €5 million has been made available between now and 2030 in order to finance this carbon transition. We are currently looking into how we can allocate this over the coming years.”*

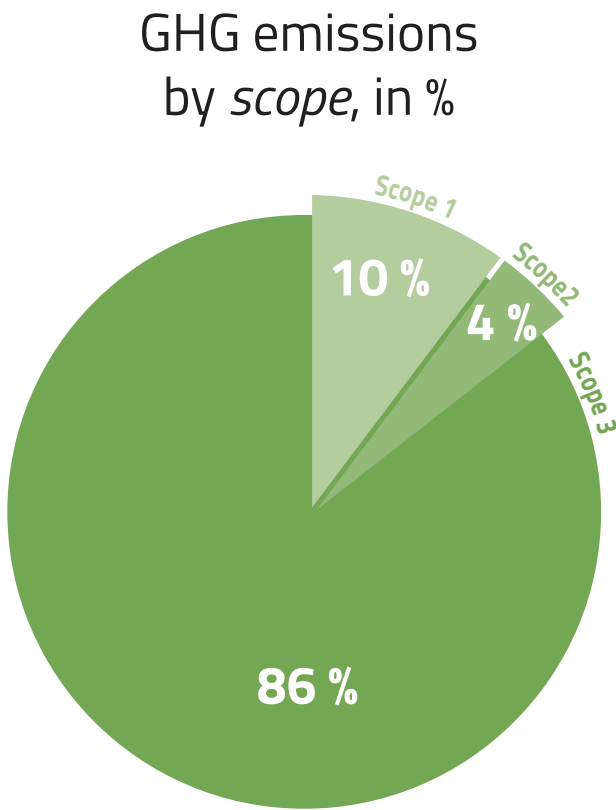


PLANET  
Carbon footprint

Thanks to the creation of this new role, we have been able to draw up carbon footprint calculations for 2021 and 2022. The calculation for 2019 will not be taken into account because a different working method was used, which means that the figures are not comparable.

RESULTS OF THE CARBON FOOTPRINT CALCULATIONS :

Emissions type	2021 emissions (tonnes of CO <sub>2</sub> e)	2022 emissions (tonnes of CO <sub>2</sub> e)	Change
Scope 1 ■ direct emissions (produced on the company's site)	449,3	473,0	+5 %
Scope 2 ■ indirect emissions (linked to energy usage)	160,9	181,1	+13 %
Scope 3 ■ all other indirect emissions	2 675,6	3 936,7	+47 %
Total	3 285,8	4 590,9	+40 %



We use the Bilan Carbone® method, which covers scope 1, 2 and 3 emissions.

There are a number of reasons why our emissions increased between these two years :

- Replenishment and transportation of raw materials and packaging, our stocks of which ran out at the end of 2021
- An increase in sales, which resulted in an increase in production and in transportation of our finished products to our (inter)national customers
- Recommencement of travel by our medical and pharmaceutical sales representatives, leading to increased use of our vehicle fleet (internal combustion and electric)
- Recommencement of air travel by our export representatives





# PLANET

## Objectives and action plan

Our initial objective was to achieve carbon neutrality, but we quickly realised that would be impossible. Instead, we decided to focus on reducing our carbon emissions as much as we can.

Although carbon neutrality is possible at global level if the planet were able to absorb all of the CO2 produced (as it was before the industrial revolution), at the level of a company it is unfortunately more of a utopian fantasy. However, what we can do is make every effort to reduce our emissions to the greatest extent possible whilst also maintaining a healthy economic performance.

Our action plan is initially aimed at cutting emissions as much as possible by 2027. Other objectives will be set once we have identified the best options for limiting global warming to 2°C by 2050\*.

Our action plan comprises numerous important measures :

### Decarbonisation of our vehicle fleet

Even though the reduction in the tax deduction percentage for internal combustion vehicles has not yet entered into force, we are already incentivising our staff to opt for electric vehicles by :

- Installing a charging point at their home, paid for by the company
- Offering vehicles with as large a range as possible
- Installing 9 charging points at our sites

**Thanks to these measures, more than half of all vehicles ordered are electric.**

We do not currently make it mandatory for staff to opt for electric cars as our company is located in a slightly remote area where very few charging points are available. In addition, not everyone is able to have a charging point installed at their home.





## CSR at Tilman

# PLANET

## Objectives and action plan

### Finding a solution for our packaging

As our products are all plant based, they are more sensitive to variations in temperature or humidity than traditional products. This means that they are currently packaged in non-recyclable PVC/aluminium blister packs in order to make sure they are properly preserved. We are aware of the problems this entails, and are currently looking for a recyclable solution that meets our specifications. Unfortunately we have not yet found an acceptable alternative, but we are not giving up just yet.

### Implementation of a CSR Charter for our entire value chain

In order to reduce emissions associated with our various supply chains, in 2023 we intend to establish a CSR Charter that reflects our values. This will form the basis for our relationships with suppliers and partners and will ensure that they are committed to joining us in taking action for the planet and their community.

Planned measures include **prohibiting the transportation of our products to other countries by plane.**

### Reduction in waste volume

We would like to more precisely identify the origin of the waste generated by the company, particularly so that we can encourage the suppliers in question to offer alternative solutions and thereby reduce the volume of waste produced.

We will also be **optimising the size of our packages** by limiting empty space as much as possible.





## PLANET

# Energy consumption

Although the energy consumed and produced at our sites only represents 6% of our total carbon emissions (scopes 1, 2 and 3 combined), it nonetheless represents 35% of our scope 1 and 2 emissions. The remaining 65% can be attributed to energy used for transport (fleet, freight, car). We will therefore be focusing on scope 1 and 2 emissions, as this is where we can have a real impact.

We have launched a number of projects aimed at reducing our energy consumption :

**An electricity usage dashboard** will soon be established for a number of purposes :

- To provide a real-time overview of the consumption of our machines and buildings
- To evaluate the effectiveness of the measures implemented
- To prevent certain machines from malfunctioning

**The cooling unit** which is used for air conditioning in our production areas will be replaced by a chiller that is less energy intensive and uses a less polluting refrigerant.

Two new **solar panel arrays** will be installed in 2023 : one will be on the R&D building, and the other will be on the technical hall and will be used to power the electric vehicle charging points.

These solar panels will supplement our existing array on our main building, resulting in a peak output of 287 kWp, equivalent to an annual generation capacity of around 250 kWh (14% of our annual consumption).

We will then have used all of our available roof space, so this year we plan to launch a feasibility study into creating an electricity generation facility on our currently undeveloped land.



## PLANET

### Sustainable extension plans



We have reviewed all of the actions taken up until 2022. We are also planning to build an extension to our existing factory by the end of 2024 in order to **increase the size of our storage and order preparation area**.

We are currently having to outsource certain logistics services as we do not have enough space.

To this end we have commissioned an engineering firm that specialises in **materials with a low environmental impact**.

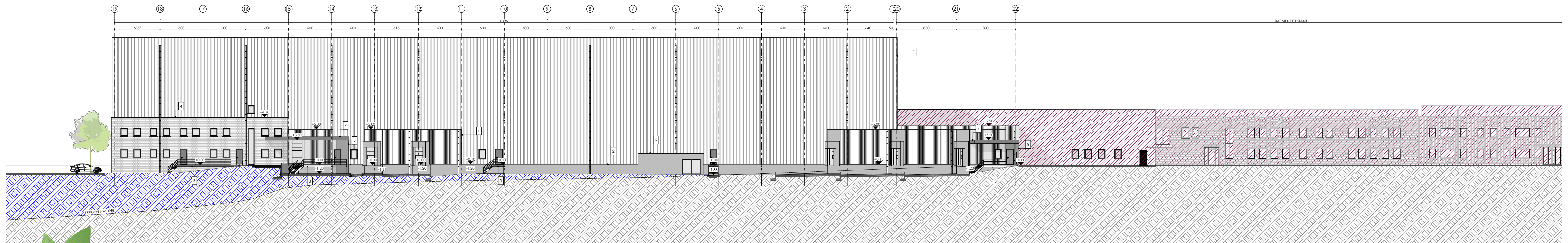
Traditional **insulation** materials will be replaced with wooden blocks filled with **"cellulose wadding"**, a locally manufactured insulation material.

The windows will be positioned so that they let in as **much natural light as possible**, both in order to improve employee comfort and to **reduce the thermal load** in our buildings.

**Rainwater** from the roof will be collected in cisterns with a total capacity of 400 m<sup>3</sup> for use in our sanitary facilities and for watering the plants around the building.

The roof will be covered in **solar panels** that will provide enough energy for the entirety of the new building and some of the existing building.

Finally, we intend to **preserve and even improve** the site's **natural biodiversity** with the help of a consultancy firm. More details on this topic will be published in the next report.





## CSR at Tilman

# PEOPLE HEALTH AS A PRIORITY

We take pride in developing and marketing natural healthcare products that are effective, innovative, safe, scientifically validated... and fairly priced !

### R&D and innovation

We want our products to be the best in their market. Our teams are constantly working to develop new products, and each one is created based on conclusive scientific data to make them even more effective.

### Registered medicinal products

In a competitive world where the majority of products are classified as food supplements or medical devices, we want to stand out by selling registered herbal medicines that offer an even greater guarantee of quality and durability.

### Conclusive medical evidence

We have proven the efficacy of our *best-selling* products in our clinical trials that we carry out on our own initiative in order to demonstrate their excellence.

**26 STUDIES PUBLISHED**   
in relation to muscle and joint, cardiovascular, gastrointestinal and neurological conditions.



## Organic infusions containing herbal medicines

In addition to their active properties, of which there is now ample evidence in scientific studies, plants offer the enormous benefit of being gentle on the body whilst boasting an excellent safety profile. As a result, herbal medicines may actually be preferable for their approved indications, either for prevention or treatment.



Herbal medicines



Herbal food supplements



Infusions and teas





## PEOPLE EMPLOYEE WELL-BEING

At Tilman, we prioritise the safety and well-being of our employees. We listen to what each individual needs and, where possible, we try and adapt to their personal circumstances.

### Flexibility

Where possible given the nature of their role, employees are permitted to work from home for up to 4 out of 5 days a week. This benefit was already available prior to the pandemic but has become more widespread since, much to the delight of our employees. However, most do not work from home on all 4 days as they prefer to see their colleagues in person.

We also offer those whose role allows it the possibility to manage their own working hours in line with their personal schedules.

Moreover, thanks to the mutual trust between us and our employees, we encourage them to work independently and give them leave to make mistakes.

### Well-being

Since we spend most of our time there, we believe that well-being in the workplace is essential. To this end we offer :

- Ergonomics training tailored to the different business areas
- Fresh fruit that is available in the cafeteria every day
- Annual *team building* for each department
- Active breaks (gentle exercise routine to improve well-being at work) for those who are interested
- The opportunity to become a member of the *Planet* and/or *People* committees
- *Citizen day* (one working day spent volunteering with a charitable organisation)
- Family celebration organised by the company where employees and their families come together for a meal and/or activity





## CSR at Tilman

# PEOPLE PEOPLE COMMITTEE

The *People* committee has 9 active members from different departments who also participate on a voluntary basis. The committee meets regularly in order to organise initiatives in support of causes they believe in.

### Fundraising

One of the things the *People* committee has at its disposal is a company-allocated budget for supporting organisations active in various fields (combating poverty, assistance for people with disabilities, support for migrants, youth movements, combating and preventing certain diseases, animal welfare, etc.)

To this end, the committee runs regular events such as :

- Receptions organised to raise awareness about and support associations whose work is close to employees' hearts
- Breakfast in support of Oxfam
- Financing of Christmas dinners served by the Restos du Coeur soup kitchen in Marche-en-Famenne

The *People* committee also runs regular fundraising campaigns such as *Pink Monday*, which involved a spaghetti dinner, a walk and the sale of pink ribbons. They also arranged an information session on breast cancer and self-examination.

**In 2022**, the committee raised € 8000 for the organisations our staff wanted to support.

### Donations

The *People* committee is also responsible for organising the collection of donations :

- Operation *Shoe-Box* : this initiative saw staff filling old shoe boxes with food or hygiene products that were then wrapped up as Christmas presents and given to the homeless
- Donation of Tilman products to oncology and chemotherapy units in a different local hospital each year
- Mobile blood drives at our premises several times a year

### Internal solidarity

Internal solidarity also forms part of the remit of the *People* committee, which has organised initiatives such as :

- A toy exchange for St. Nicholas and Christmas where staff can buy and resell gifts at a low cost
- Swap Shop : a room where staff can leave items they no longer need and take any they might use



“What I really enjoy is raising awareness about societal issues, helping other organisations, the teamwork, the win-win initiatives for organisations and staff. [...] The *People* group is also about looking out for the well-being of our colleagues. [...] If everyone is happy at work, that will surely have a positive impact on their life outside of the workplace. [...] We are lucky to work at a stable company, so it's important to help others (including our own colleagues) in our own way and with our own resources. [...] The group has changed a lot over the years. [...] I'm proud to work for a company that cares about humans and the environment and invests in ensuring that the traces it leaves are as neutral as possible. A company that also gives its employees the time to get involved in these activities alongside their day-to-day job.”

Alexandre Giar, IT, Member of the *People* Committee





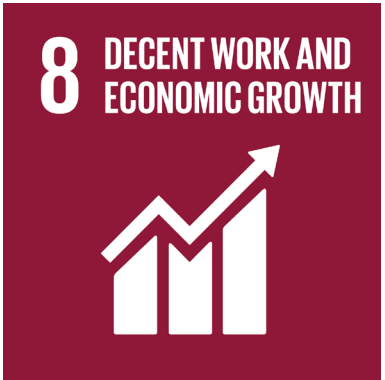
PEOPLE  
PROFESSIONAL DEVELOPMENT

At Tilman, we are not afraid of giving motivated and deserving employees the opportunity to discover new careers. This was the case for Thomas, who had been working as a production operator since 2016 (shift work from 6am to 2pm or from 2pm to 10pm) before becoming a quality assurance assistant at the end of 2022. Encouraged by a colleague and attracted by the benefits of the role (less gruelling office and working hours), Thomas decided to apply. The head of department liked his atypical profile, and also believed that his knowledge of production constraints would be a real asset. His greatest challenge: learning how to use new IT tools.



“ When I saw the job advert I didn't even consider applying because I didn't have any qualifications in this area. It was my colleague who told me to call up the head of the Quality Department, so I did, and he seemed enthusiastic. It's going well, everyone is really nice and is being very kind to me. It's a bit trickier on the IT front, but I'm starting to get to grips with the program I'm using. ”

Thomas Demeffe, QA





## Ambition

The objective of this CSR Report is to share information about past, present and upcoming initiatives, but it goes without saying that we do not intend to stop there. Although Tilman has always attached great importance to CSR, from now on we want to place it at the heart of every decision-making process in every department. We are convinced that if efforts are made at all levels and in close collaboration we will achieve even more significant outcomes.

The recruitment of our Carbon Officer will allow us to professionalise our activities in this area: establishing a rigorous methodology will allow us to develop a firm plan setting out ambitious yet realistic actions and measure the results of that plan using 2022 as a baseline.

Tilman is becoming a key economic player both in Belgium and abroad, and we believe it is our duty to set an example to our colleagues, partners, customers and peers.

It may seem a daunting task, but it is one that we can tackle successfully if we all work together.

If you would like more detailed information about this report, please contact our Carbon Officer by email :

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