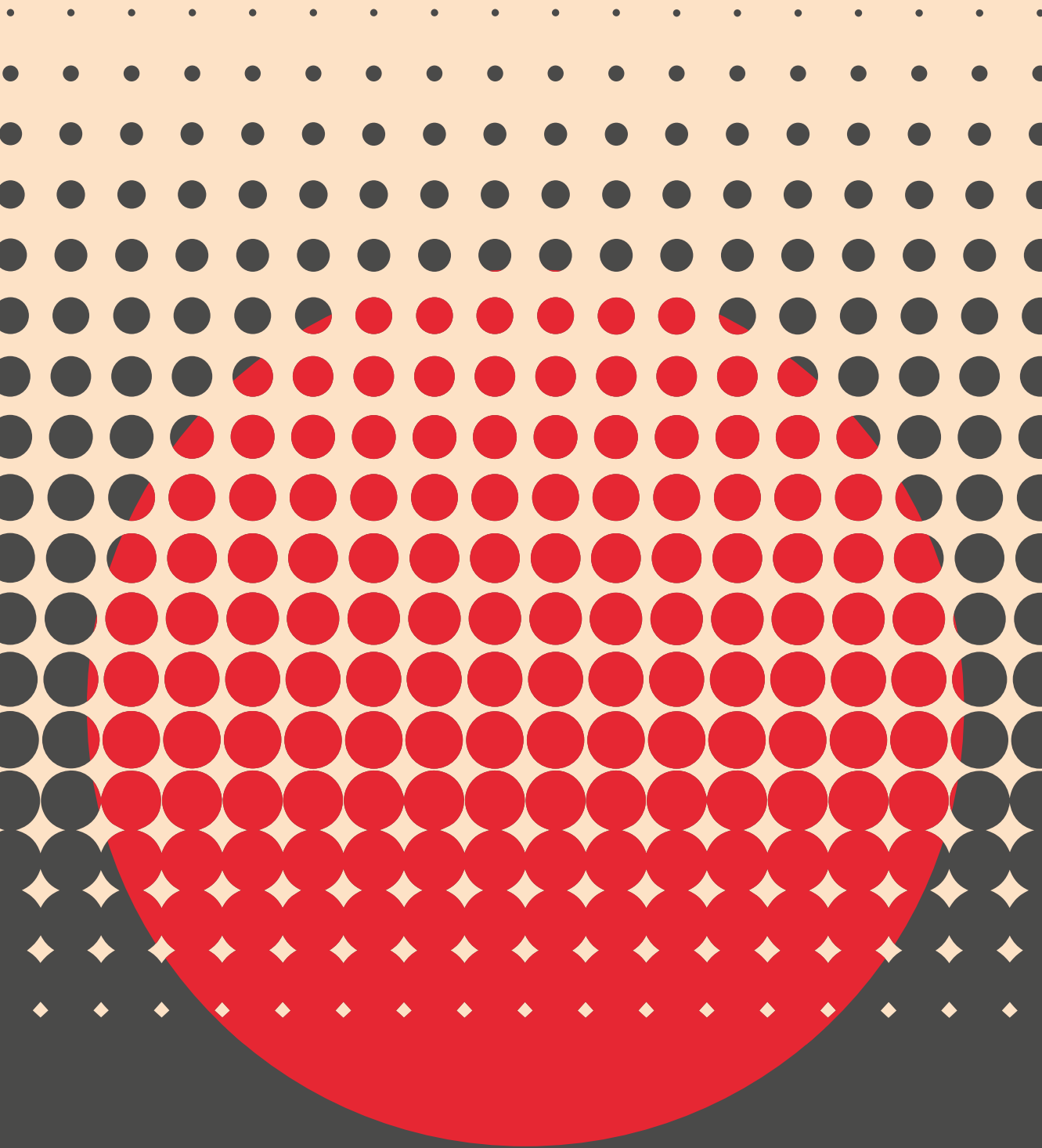
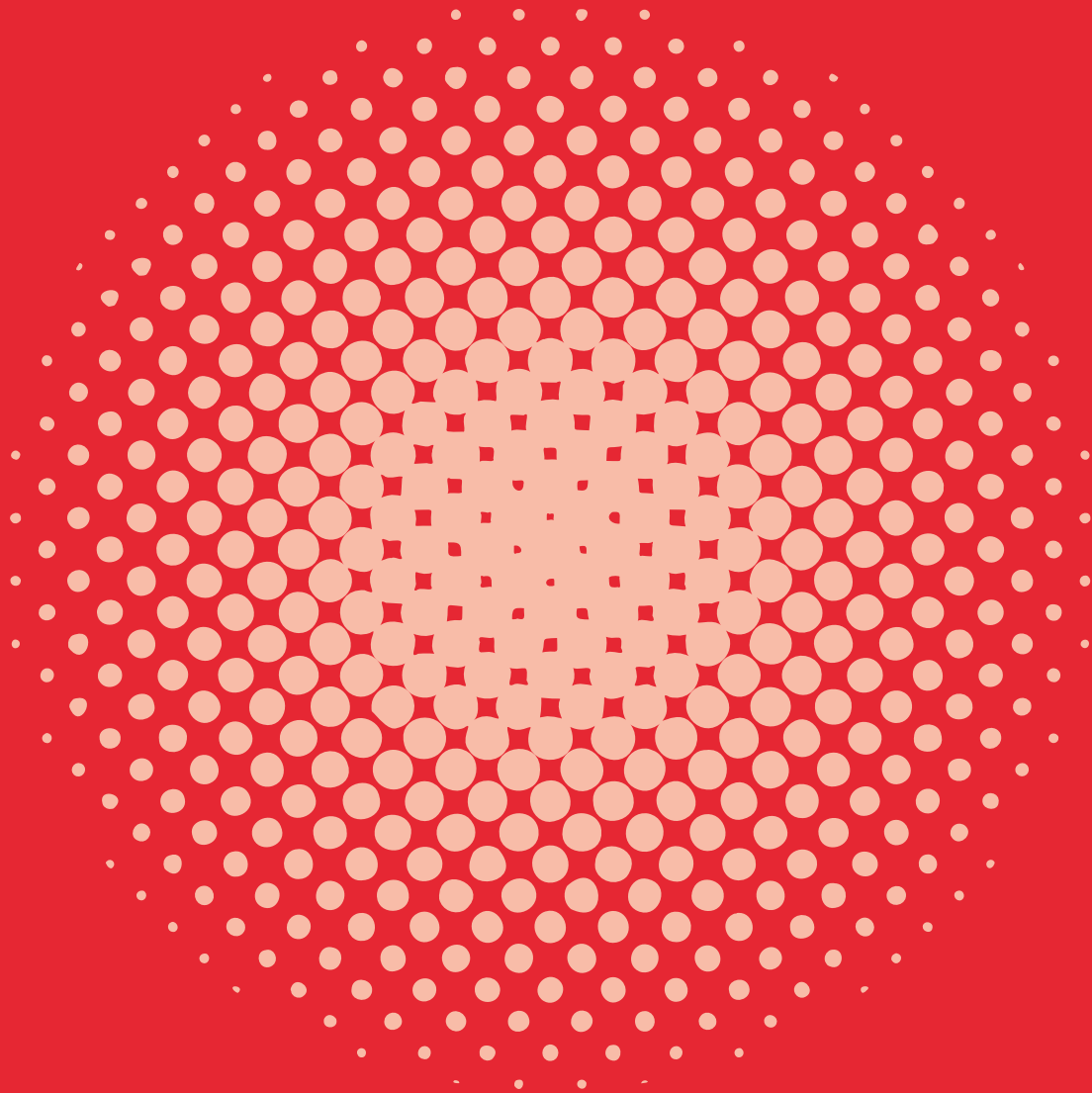


Annual and Sustainability Report
2023





Dear reader,

We can look back on 2023 in one of two ways: focusing on the undeniable economic challenges or focusing on the opportunities we're starting to seize with our renewed approach. In this Annual and Sustainability Report, you'll get both angles.

Due to adverse market conditions, we ended the year with financial results that fell short of our expectations. We won't try to sugarcoat the facts. What we will do, however, is help you to look beyond the here and now. Because by shifting our focus towards value-adding solutions, tailored experiences, and improved sustainability, there's also a story of opportunities to be told. A story we'd like to share with you.

Before we get into the specifics, a heartfelt thanks to our 4.708 employees. Your dedication and can-do attitude have once again proven to be the lifeblood of our Group.

Let's keep on shaping sustainable living, together.

Board of Directors

Nice to meet you **06**

Our purpose, mission & vision	08
B.I.G. at a glance	10

2023, a year of sharpened focus **12**

Our Group	16
Our business units	20
23 success stories of 2023	34

Creating the future **40**

The long game: B.I.G. goals	42
The short game: 4 Must Win Battles	44
Our strategy in practice	46

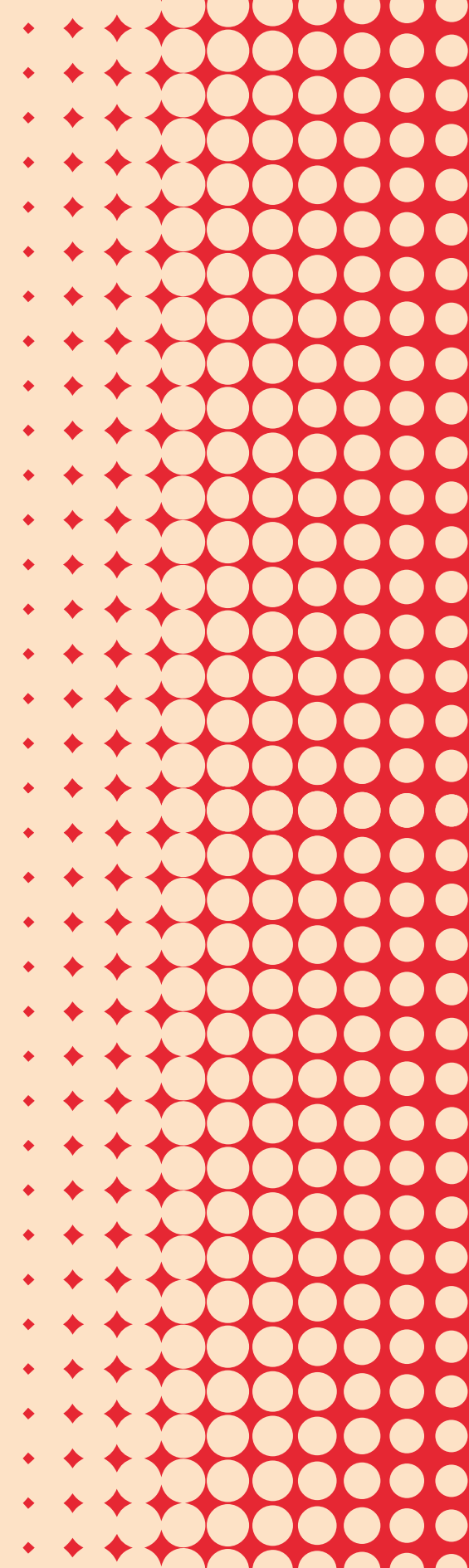
Governance **54**

Corporate governance	56
Sustainability governance	68

Sustainability report **70**

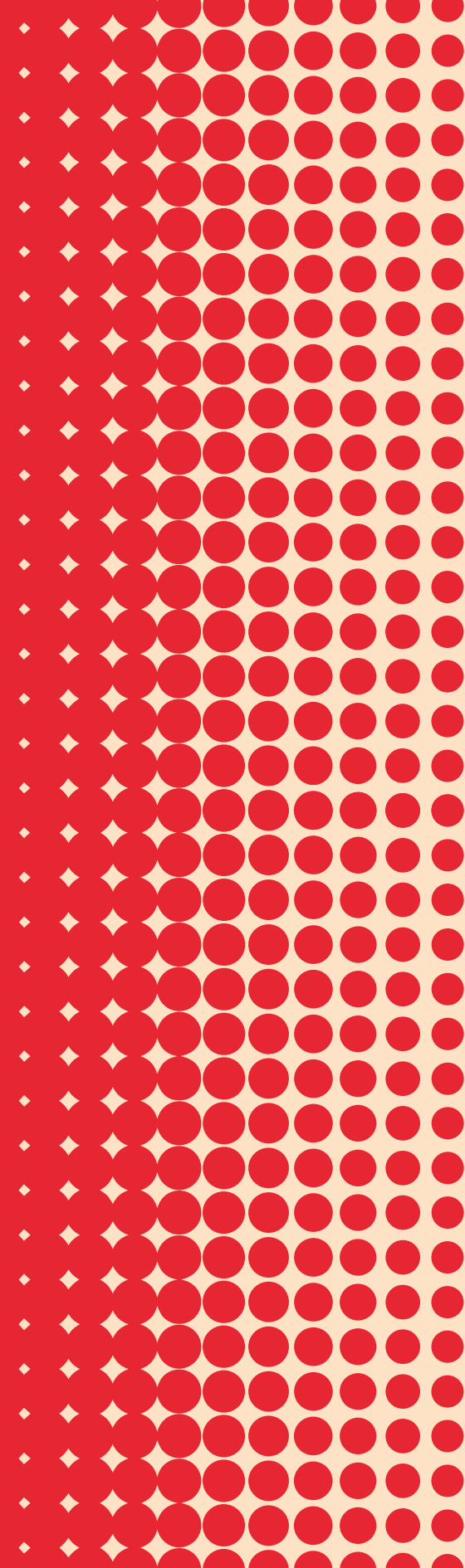
From materiality to roadmap	73
Route 2030 at a glance	76
Route 1	81
Route 2	90
Route 3	111
Route 4	120
Route 5	132
Appendix	152

Financial report **160**



Nice to meet you

Our purpose, mission & vision
B.I.G. at a glance



Our purpose, mission and vision

Purpose

Shaping sustainable living, together

People's living choices heavily impact the world around us and we want to make sure they have enough sustainable options to choose from. Even more, we want to make the sustainable choice the easy choice. This purpose helps us to maintain focus going forward and is the glue to unify our international teams.

Mission

As a global family business, Beaulieu International Group develops and co-creates – in an innovative, entrepreneurial and sustainable way – flooring and material solutions to enhance the quality of living and working for every generation.

Vision for 2030

To set the example in our industry by reducing our environmental footprint to zero, taking good care of our people and those around us, and doing business in a transparent, ethical way with like-minded parties.



B.I.G. at a glance

A global and versatile industrial group

B.I.G.

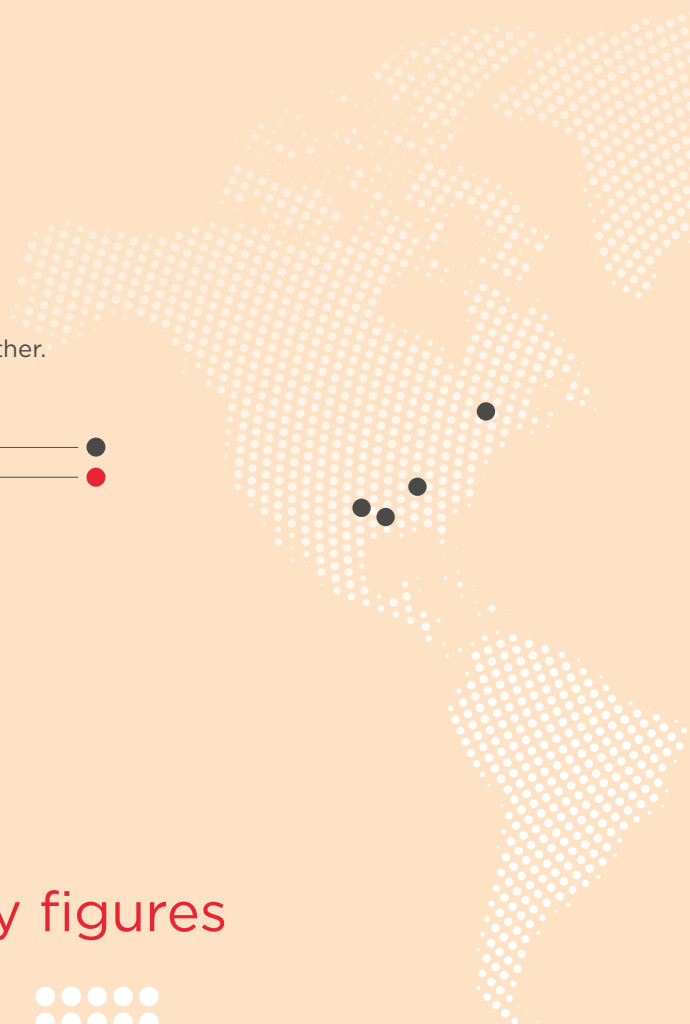
... was **founded in 1959** and remains 100% family-owned.

... employs over **4.700 employees** in 19 countries.

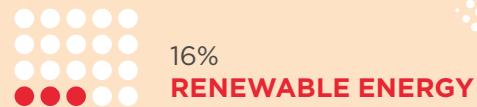
... serves **18.500 unique customers** in all corners of the world.

... consists of **3 business units** shaping sustainable living, together.

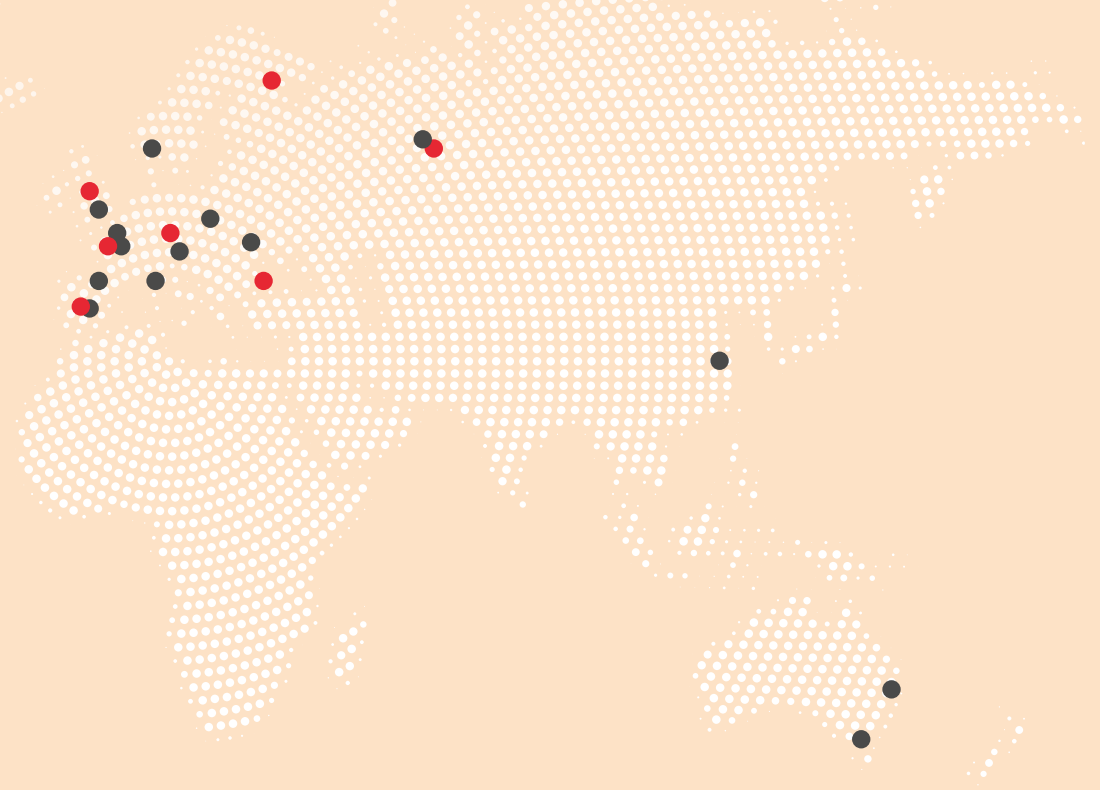
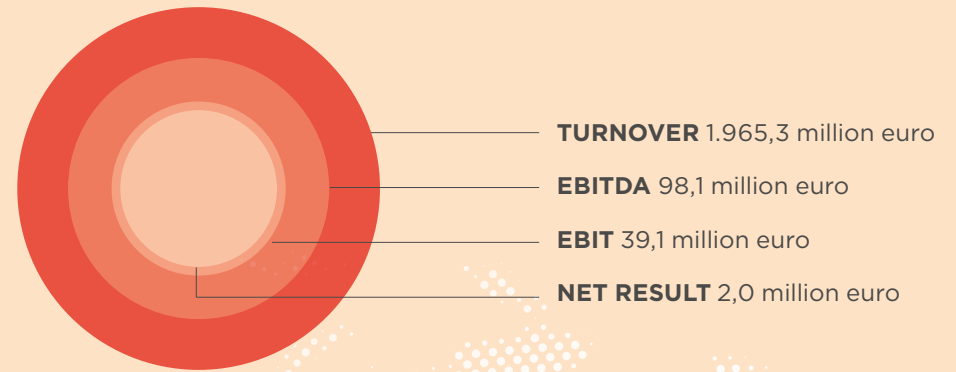
... is always nearby with over **27 production plants** & **20 commercial offices**.



Key sustainability figures

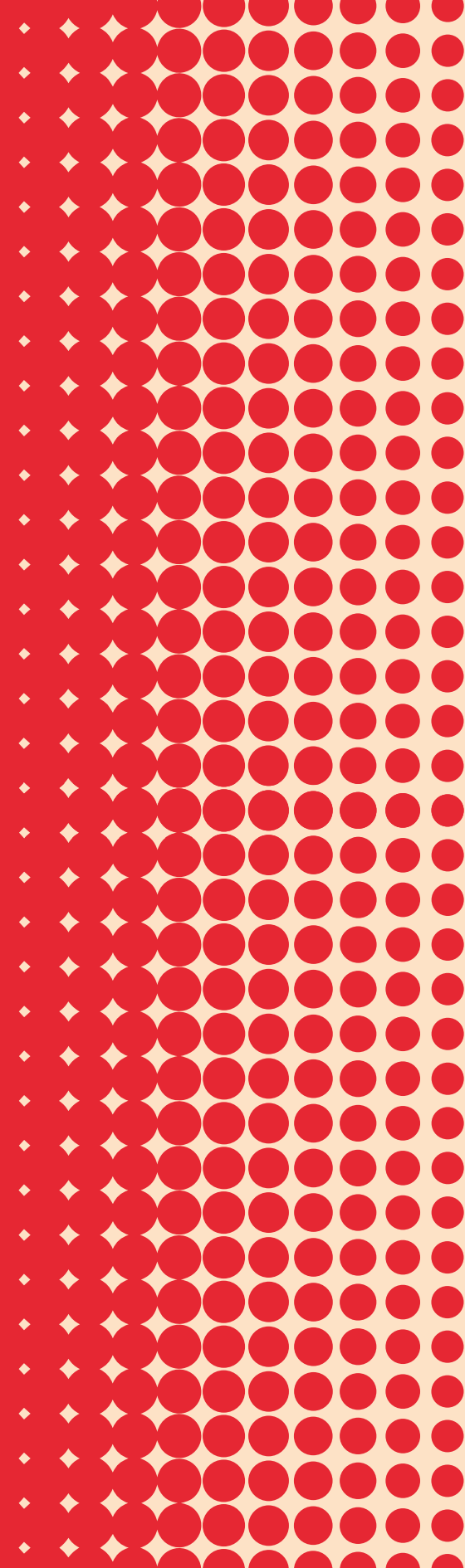


Key financial figures



2023, a year of sharpened focus

Our Group
Our Business Units
23 success stories of 2023

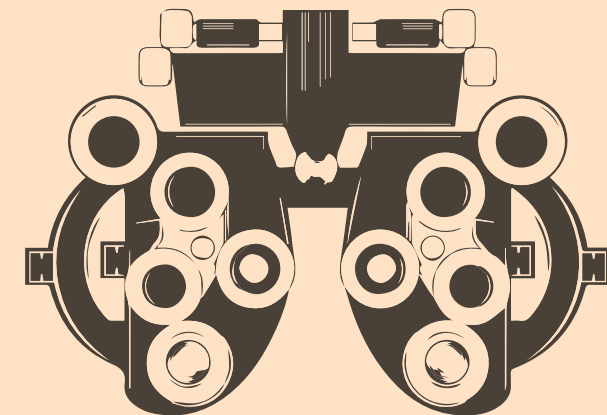


F O C U S O N T H E O P P O R T U N I T I E S N O T T H E C H A L L E N G E S A N D D O N ' T B E A F R A I D T O J U M P

Focus

Strong headwinds in 2023 forced us to maintain an agile course. More than ever, we realized that strategy is choice. It's about putting the spotlights on what matters, and letting go of what doesn't. It's about looking for sustainable growth markets, in which we can be leaders and deliver unique services and experiences. And maybe even more important, it's about investing in our people to bring our purpose to life. If we continue to do that and pursue real impact, we'll soon see tailwinds again.

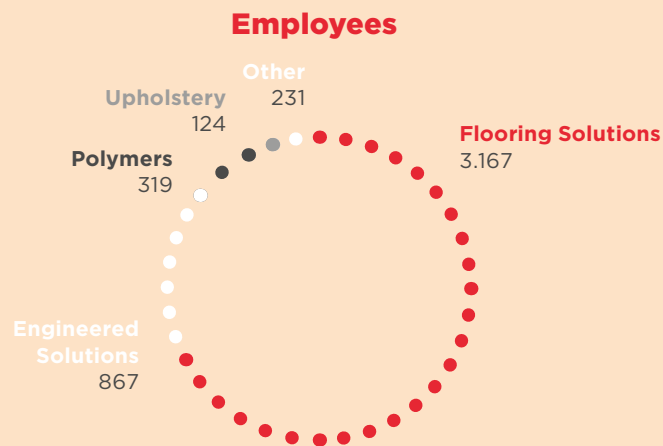
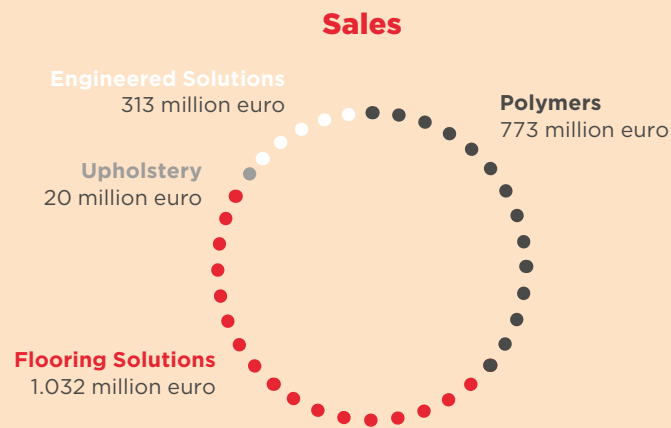
In this report, we immerse you in how we've sharpened our focus to shape sustainable living, together.



Our Group

With 3 complementary business units operating across the globe, a clear focus is essential to maximize impact and synergy. In 2023, faced by a variety of challenges, we further sharpened our focus, increasing our resilience and creating a solid base for the future. In this chapter, we share some of our current priorities.

Choose. Focus. Make progress. And then tackle a new direction.



Focus on our people

Talent was, is, and will always be a top priority

“Yes, 2023 was a very difficult year. Yes, 2024 will probably be equally challenging. Among the easiest items to cut from the budget are learning and development, well-being, internal communication, career planning and other people-related domains. The rationale is understandable: rarely will any organization see immediate negative consequences. But in the long run, it always fires back. There are no two ways about it. So, we put our talent first, no matter the market conditions.

Whether it’s about providing ample training opportunities, actively guiding people, matching internal career opportunities or international programs for transparent and fair compensation, we put our money where our mouth is. And the encouraging Employee Engagement Score shows that we made the right choices. More to come in 2024.”

Pieter Lelieur
Chief HR Officer



Focus on new business models

B.I.G.'s first corporate ventures spread their wings

“Since we decided to move on from being a high-volume product manufacturer to being a value-adding solutions provider, we’ve seen great propositions emerge across the entire Group. Some of those even led to the foundation of new B.I.G. start-ups, which get the freedom to chart their own path.”

Magnifield is a prime example. Originating from our expertise in Technical Textiles, this start-up revolutionizes the renewable energy sector with ground covers that boost the performance of bifacial solar panels. Indeed, by increasing the albedo value, Magnifield offers up to 9,4% extra yield. But the ground cover itself is just one part of the package. The offered solution also involves installation, maintenance, end-of-life removal, and recycling. This way, customers get complete peace of mind.”

Danny Van D’huynslager

Chief Strategy & Transformation Officer



Focus on ecosystems and communities

First B.I.G. Sustainability Forum tastes like more

“B.I.G.’s role in society? To shape sustainable living, together. And we didn’t just add together for the sake of it. Quite the contrary, our purpose unites our employees in all corners of the world, while the idea of togetherness also goes beyond our company walls. For example, we want to strengthen the ties with our suppliers, customers and other stakeholders, and work towards the same goals.”

It’s in this light that we hosted our first Sustainability Forum on 29 November. In Antwerp, we exchanged best practices and experiences with dozens of business partners.

How do we build a futurefit organization and foster a true sustainability culture? Which circular business models emerge? What exactly is a diverse and inclusive team, and how can we become one? How do we raise awareness throughout the value chain?

Through keynotes, panel discussions, round-table talks and networking events, we tackled these and other questions. What an inspiring day! We’re already thinking about the next edition.”

Clara Carelli

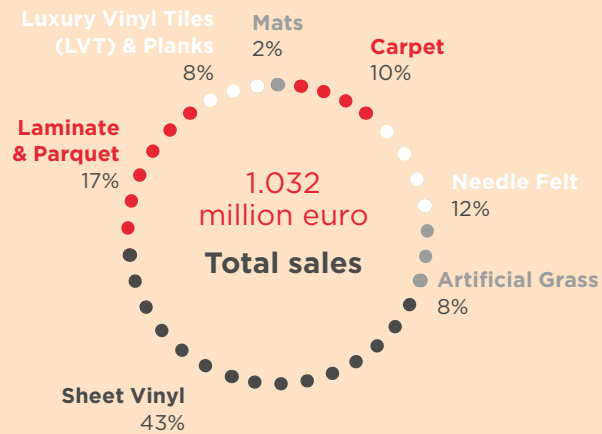
Group Sustainability Director



Our Business Units

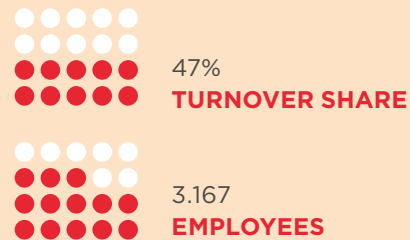
Flooring Solutions

**Varied offering:
7 product ranges**



**Local proximity:
10 countries**

- Australia
- Belgium
- Canada
- France
- Norway
- Poland
- Russia
- Slovenia
- Spain
- US



A challenging year, and yet ...

There's no need to sugarcoat it: the business unit had a challenging year. While 2022 was still marked by a prosperous first half of the year, 2023 was the first full year of headwinds. Mainly our hard flooring solutions were affected. For example, our Luxury Vinyl Tiles, Mats, and High-Pressure Floors faced increasing competition from low-cost imports.

And yet, we've also made good progress in different areas. We invested in digital printing for our successful Cushion Vinyl floors (see page 49), we found a way to create LVT planks that consist of underlayers entirely made from recycle (see page 51), we developed infill-free and latex-free Artificial Grass fit for recycling, we strengthened our global distribution network, and more. When the winds change, we'll be stronger than ever.

Sharpening our focus: a snapshot

Focus on upcoming markets

Act Sports and Arenal team up for padel boom

"Padel, the world's fastest growing racket sport, is already popular in Spain, Portugal, and Sweden. But other countries are following fast. In Belgium and the Netherlands, for example, multiple padel courts open every day. It's in this context that Arenal, the leading chain of padel clubs in the Benelux area, and Act Sports, B.I.G.'s specialist brand for sports turf, decided to team up. The goal: capturing the hearts of padel enthusiasts with exceptionally smooth, consistent, and safe playing surfaces. Even more, Arenal players will have the privilege of testing our new indoor and outdoor turf technology first. And when a new surface is due, we'll collect the discarded sports turf for recycling."

Friso Van den Berg
Commercial Director



Focus on prosperous regions

Signature Floors thrilled to join B.I.G. family

"To outsiders, we may seem unlikely partners. B.I.G. is primarily a manufacturer, while we operate as distributors and place a stronger emphasis on commercial applications. But it's this complementarity, as well as our shared pursuit of excellence, that make for a perfect match. Together, we'll serve the growing Australian and New Zealand market with a high-quality range of soft and hard floors that breathe sustainability. Truth be told, having spent 18 years in a small business that evolved into a medium-sized enterprise, the prospect of leveraging the global resources within B.I.G. is truly exciting."

Richard Braic
General Manager



Focus on unique experiences

Brussels Airport gets all Christmassy with unique LVT floor

“As the year drew to a close, travelers at Brussels Airport were enchanted by dozens of Christmas trees, thousands of lights, and even more colorful decorations – creating a magical end-of-year atmosphere. The finishing touch? All 850.000 passengers during the Christmas holidays walked over custom-made LVT floors by BerryAlloc. These floors weren’t just eye candy, they also breathed sustainability as the PVC in their coreboard was entirely based on recycled post-industrial as well as post-consumer material. Something no-one had ever done before in the LVT business! After the project, the floors were fully recycled into raw materials, ready to be used in new flooring solutions.”

Lieselot De Smet
R&D Manager



Focus on closed loops

Rewind®: impressive growth based on unique concept

“We love live events. They are an opportunity to celebrate creative people, to share great ideas, to promote innovation, to network with like-minded people ... And event carpets? They tie it all together in colorful style. However, we also love our planet. That’s why we created Rewind®: event carpet that’s sustainably produced and designed for recycling.”

To make sure discarded carpet actually gets recycled, we select our partners based on their commitment to recycling and actively support them to complete the steps needed to give the carpet a second chance. For

example, by defining recycling acceptance criteria and selecting the right local recyclers. So far, this approach has been a great success: over 25% of Rewind® installed in 2023 was upcycled into high-quality applications, such as furniture.

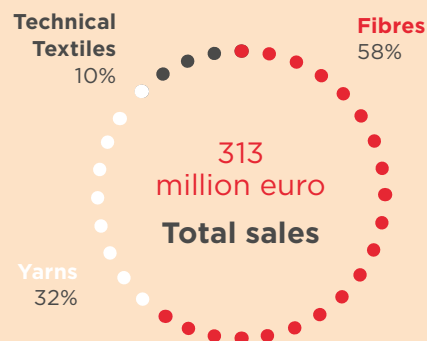
As for the future, things look bright. We’re building an extra finishing line and plan to conquer new markets. Schools, hotels, offices, stores ... they’ll all be able to enjoy the world’s most sustainable carpet going forward.”

Bénédicte Lobel
Business Development Manager



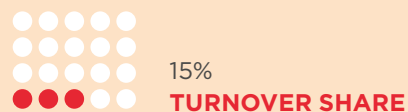
Engineered Solutions

**Varied offering:
3 product ranges**



Based in Europe & China

- Belgium
- China
- France
- Italy



A challenging year, and yet ...

Geopolitical instability, high inflation, low consumer confidence, reduced building activity, steep energy prices ... In many ways, 2023 felt like a perfect storm. Inevitably, these elements are reflected in the business unit's financial performance. Although 2024 doesn't appear to be bringing an upswing soon, we're sticking to our long-term strategy.

And yet, we have plenty to be proud of. We launched a digital platform for sustainable Yarns (see page 50), we leveraged our expertise in Technical Textiles to boost the renewable energy sector (see page 120), we succeeded in safeguarding our profitability in Fibres, and more. In 2024, we'll continue to plant the seeds for future successes.

Sharpening our focus: a snapshot

Focus on full-service solutions

B.I.G. Yarns to complete automotive offering with polyester yarns

"While our nylon polyacrylamide 6 yarns remain the key focus within our support for high-end and luxurious automotive interiors, we're working hard to offer customers additional options for bulked continuous filament carpets. That's why we're glad to announce that, following lots of hard work in 2023, we're ready to launch our new polyester yarns. These allow automotive OEMs and Tier 1 vendors to develop mono-material carpets, which have the major advantage of being 100% recyclable.

Together with polypropylene yarns, we'll be offering all top choices for raw materials in automotive carpets.

Being a one-stop shop makes us the ideal partner to tap into automotive trends: from vehicle customization to enhanced cleanliness. And with electric vehicles on the rise, interiors will become even more important in the years to come."

Glenn Hyzak
Global Sales Director



Focus on new customer needs

RECOVER sets new benchmark for nursery groundcovers

“Beaulieu Technical Textiles rethought its horticultural groundcovers to address nurseries’ unmet needs. More concretely, we leveraged our craftsmanship in weaving technical fabrics to create RECOVER: a long-lasting, strong solution for weed control. Prolonged exposure to UV light, temperature fluctuations, friction from vehicles ... RECOVER passes every test with flying colors. Remarkable, especially if you know that these recyclable groundcovers contain 30% recycled content from post-industrial waste, resulting in a 35% CO₂ reduction. In short, there are no comparable products for nurseries that combine the high quality standard of RECOVER with as much recycled content.”

Maarten Balcaen
Sales Manager



Focus on higher-value segments

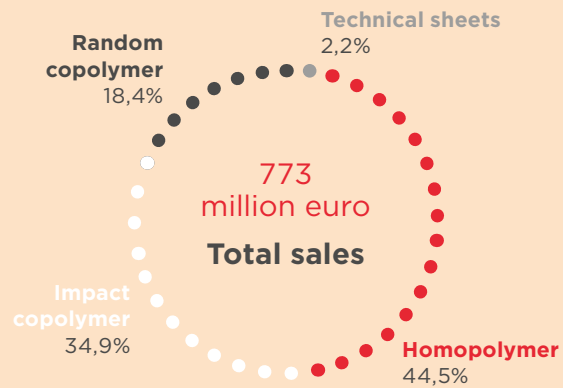
Fibres that build futures

“Propelled by strong operational excellence, Beaulieu Fibres International successfully rose to the challenges that 2023 presented. However, we realize that some of these challenges are here to stay. For example, developments in Asia and the Middle East are ushering in an era of overcapacity, worsening the price bid in the global market. Therefore, we’ll prioritize our core markets going forward: geotextiles, flooring and hygiene special fibres. On top of that, we’ll increase our activity in higher-value segments, including automotive composites, filtration and new technical applications. We’re positive that our continued focus on sustainable solutions, product leadership and a premium service will allow us to maintain a leading position in offering Fibres that build futures.”

Maria Teresa Tomaselli
General Manager

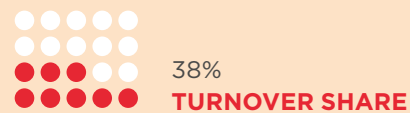
Polymers

**A specialized offering:
4 product ranges**



**Active on both sides
of the Atlantic**

- US
- France



A challenging year, and yet ...

The global polymers market has experienced great pressure in 2023 and competition is fierce. So, the teams in our Polymers business have to pull out all the stops to maintain profitability and to show customers that we're the right partner to shape sustainable living, together.

And yet, we don't divert from the plan. To set ourselves apart from the competition, we keep on investing in innovation, sustainable solutions, and excellent service.

Sharpening our focus: a snapshot

Focus on tailored product offerings

Polychim Industrie paves the way for sustainable food packaging

"Adequate food packaging is vital to ensure food quality and safety, but it also presents significant challenges. Packaging accounts for about 5% of the total environmental impact of food production and consumption, as it generates GHG emissions, and creates waste and pollution. This is mainly due to the use of non-renewable resources.

Polychim Industrie wants to provide the global food industry with solutions that can minimize the negative and maximize the positive impacts of food packaging on the environment and society. With a dedicated product

offering, compliant with EFSA requirements for food applications, we are helping brand owners to reduce the amount of plastic in their packaging, without compromising on food quality, safety, and product appeal. Furthermore, we are working hard to support our customers to meet upcoming regulations on recycled content with low-carbon and circular solutions that reduce their Scope 3 GHG emissions, as well as their reliance on virgin materials."

Hery Randria
General Manager



Focus on proven strategies

Pinnacle Polymers weathers storm by harnessing inner strength

“From lower demand to lower margins, the polymers industry is under heavy pressure. How to weather the storm? Well, by building on your USPs. Pinnacle Polymers, for example, is a small business in a huge market. Contrary to our competitors, we don’t have to be everything to everyone. Our strength lies in our agile and customer-centric mindset. With it, we’ve built a very loyal customer base. They know exactly with which requests to come knocking on our door. This also explains why we’ve hit all our financial targets for 2023. The plan is to keep up that strategy and add to it. To illustrate, we’re developing a circular product portfolio and we’ll strengthen our offering in specific market segments, including containers, rigid packaging, and medical supplies.”

Deneice Bercegeay
General Manager



Focus on continuous improvement

Distriplast now offers solutions with 50% rPP in all key markets

“In the construction industry, Distriplast has been pioneering for years with sustainable solutions. For example, our black corrugated sheets for walls, floor covers, and concrete slab casing contain up to 70% of rPP. Now, we’re also stepping up our efforts in other markets: signs and displays, and protection and packaging. To illustrate, in 2023, we upgraded our Phoenix sheets to Phoenix-50 sheets, reaching 50% rPP. This means that we offer solutions with at least 50% rPP in all our main markets.

These developments also bring us a bit closer to achieving Distriplast’s sustainability goals for 2024: 20% external rPP and 30% reincorporation rate. By continuing to develop new recipes for our solutions, we’ll hit those targets and further lower our carbon footprint.”

Vincent Boggio
General Manager



Tessutica

Focus on co-innovation

Tessutica launches 100% biodegradable upholstery fabric

“Tessutica has been taking great strides in sustainability. We were the first to use recycled yarns in upholstery fabrics, we’ve been GRS certified for years, we’re a proud SEAQUAL licensee, and 85% of our current offering is recyclable. The next step was to look at sustainable end-of-life solutions. A topic that’s particularly hot due to upcoming EU legislation aimed at putting a stop to downcycling. In short, it will no longer be possible to recycle PET bottles into yarns. PET bottles must remain PET bottles in a second life, and yarns must remain yarns.

To bypass this cradle-to-cradle dilemma, we joined forces with our supplier OceanSafe and one of our customers. The result of this unique trinity: polyester that’s 100% biodegradable. If you place the fabric in a saline solution, the anaerobic bacterial process ensures it’s completely decomposed after 99 days.

This ground-breaking innovation obviates the need to invest in yarn-to-yarn recycling and is as sustainable as it gets. In 2024, we’ll be ready to go to market.”

Karl Henderson
General Manager

Sharpening our focus: a snapshot



23 success stories of 2023

1

1 February 2023
Futureproof procurement: why, what, how?

Dieter De Jans, Global Category Manager Indirect Spend, gave a guest lecture on futureproof procurement at Ghent University. He talked about the set-up of procurement structures, as well as how B.I.G. benefits from both local and central procurement.



3

20 March 2023
Chasing the American dream

Beaflor USA welcomed management students from the VIVES University of Applied Sciences on their American tour. The goal: to see what it takes for a Belgium-based company to make it in the USA.



5

1 April 2023
10th edition of our Innovation Days

With collaboration as a central theme, we highlighted again how innovation is a common responsibility at B.I.G. Case studies, external speakers, speed dates ... it was all part of this festive edition. On to the next 10 years!



7 March 2023
Leadership: focus, focus, focus

Our first Global Leadership Team meeting of 2023 was all about the importance of focus in challenging times. Say 'yes' to what's vital for B.I.G. and 'no' to what's not or can wait. More about B.I.G.'s must-win battles on page 44.

2

1 April 2023
BerryAlloc improves sustainability rating

Despite the more severe scoring methodology within the EcoVadis Sustainability Assessment, we not only renewed our silver medal, but also improved our overall score by 3 points. For environment, we even went up 10 points – enough for a gold score!

4

6

28 April 2023
8.5/10 for Safety

After our creative campaign 'Safety is not a game, leave the joker at home', we launched a quiz on people's understanding of the Last-Minute Risk Analysis (LMRA) to avoid unsafe work. What a hit: 1 in 3 employees participated and got an average score of 8,5/10!



1 May 2023
When 4 eyes are better than 2

To help people with bad eyesight, B.I.G. employees from different sites collected 140 discarded glasses. They were given a refit and now put smiles on the faces of people who do better with 4 eyes than with 2.

7

8

22 May 2023
Flooring showrooms open to the world

During the Flanders Flooring Days, clients from all over the world visited the showrooms of BerryAlloc, B.I.G. Floorcoverings Beauflor, and Beaulieu Flooring Solutions Europe. There, they saw our latest collections and discovered how B.I.G. embraces sustainability in all our activities.



1 June 2023
New life for PVC and PET

In collaboration with our partner Sioen, we are examining how we can recycle complex PVC and PET waste, such as the polyester backing of our Cushion Vinyl products. We also invited academic, industry, recycling, and other experts for a workshop. Together, we can.

9



10

6 June 2023
How to fully engage employees?

That was the central question of our 2-day Plant Manager Conference. From defining clearer goals, all the way to revealing the hidden talents of employees, we're planting the seeds for future success.



11 June 2023
KM Challenge: from Canada to Australia, and back

Running, cycling, rowing, swimming ... After 4 weeks, our employees had clocked up 75.371 kilometers (!). Special shout-out to Rene Brglz, John Fenton, Luc Marchand and Kathleen D'Haene for their remarkable contributions.

11

12

1 July 2023
Students get a taste of the B.I.G. life

Our doors are always open to young talent. For example, Caitlin Vandebuerie, an Industrial Sciences student, earned her university's Thesis Award in Polymer Processing for her project at B.I.G. The project is also useful to further implement recycled polypropylene within our Group.



14 July 2023
Build those innovation muscles

At the first Innovation Fair for Flooring Solutions, 30 transformative ideas were put on the table by a diverse group of colleagues. Up next: translating the most viable ideas to business solutions.

13

14

19 July 2023
Brightening up a residential care center

We donated BerryAlloc Laminate to a residential care center in Kortrijk, Belgium. It's fair to say that the residents are over the moon with their new interior.



15

1 August 2023
Bring on the awards

Beaulieu of Australia won National Soft Flooring Supplier of the Year at the 2023 Flooring Xtra Conference, while Matt Butler was celebrated as National Representative of the Year. Well done!



1 September 2023
Litter? No thanks

We want our home away from home to be neat and tidy, so dozens of B.I.G. employees joined forces to clear away litter near their site on World Cleanup Day.

16

17

1 September 2023
Pimp my office

Juteks Slovenia employees got to choose their own flooring designs for their refurbished offices. Some now walk on the moon, others have their feet in a pond.



1 September 2023
Ideal Fibres & Fabrics Comines turns 30

Since 1993, our colleagues at Ideal Fibres & Fabrics in Comines have delighted a wide range of customers with Yarns boasting innovative designs and colors. Cheers to that!

18

19

1 October 2023
Keep calm and play padel

Together with Arenal, we organized start-to-padel courses for 192 Belgian employees. And at our very first Act Sports Open, as many as 60 teams competed for B.I.G. glory. Team Beauflor Bandeja's won the grand finale on 26 October. Fun fact: all Belgian sites were represented in these events.



20

1 October 2023
Bottle caps for science

Pinnacle Polymers collected plastic bottle caps to support the science program at a local elementary school. And to top it off, they even threw the kids a pizza party.



22

1 December 2023
And the Golden Ticket goes to ...

21 employees at 21 different B.I.G. sites. With the Golden Ticket hidden in their copy of our internal ONE Magazine, each winning employee could donate 500 euro to a charity of their choice. All 21 heart-warming stories were shared on Spencer, our digital comms platform.



1 November 2023
One team, one culture

Bowling nights, wine tastings, nature hikes, trips to a theme park, karaoke contests, cooking sessions ... B.I.G. employees know how to let their hair down at team events. To illustrate, take a look at Beaulieu Canada's delicious team barbecue.

21

23

31 December 2023
B.I.G. Experience Center almost open for business

From the floor in your bedroom or the mats in your car, to the agrotextile used to grow the vegetables you eat or your baby's diapers, ... B.I.G. is always by your side. In 2024, our brand-new experience center will show the world how we're shaping sustainable living, together.



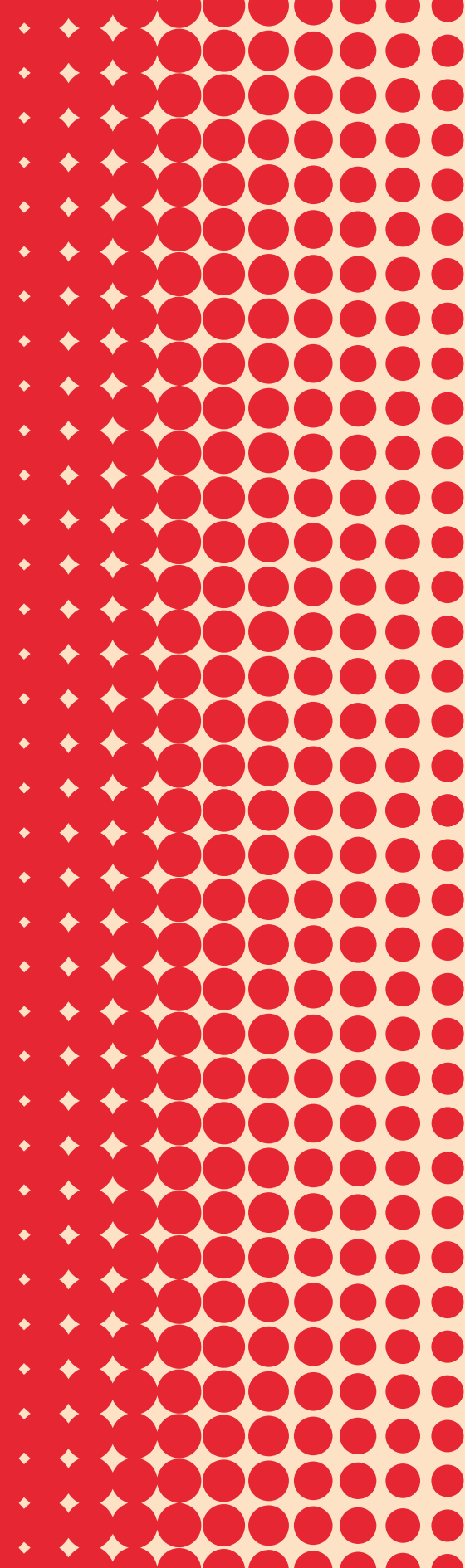
Creating the future

Our Group

The long game: B.I.G. goals

The short game: 4 Must Win Battles

Our strategy in practice



The long game: B.I.G. goals

You can only define a long-term strategy if you know where to go and what impact you want to make. In short, it all starts by determining a North Star for sustainable growth and success. And we have not one but two.

Goal statement for the head

As a global family business, B.I.G. develops and co-creates – in an innovative, entrepreneurial and sustainable way – flooring and materials solutions to enhance living and working for every generation.

Goal statement for the heart

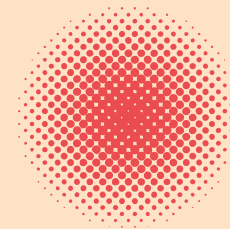
Together, we strive for ONE B.I.G., with a focus on people and planet. By working together, communicating openly, acting with integrity, and taking responsibility, we take on all challenges!

It's important that we keep these goals in mind. Even more so in challenging times, because having a clear destination creates a shared vision, enables effective action, and helps to build a resilient business. Moreover, it allows us to set up ecosystems with like-minded parties. Together, we can create more value.

To achieve our B.I.G. goals, we've worked out long-term core strategies that are centered around four drivers: sustainability, digitalization, innovation, and people. These are the buttons we'll be pushing over and over again to provide our customers with top quality and peace of mind.

Our long-term core strategies

- ✓ Strengthening our current portfolio by becoming a key innovation and development partner with focus on value-added systems and solutions.
- ✓ Creating value for future generations by investing in attractive growth markets, leveraging our production expertise with deep commercial acumen, connecting market and internal strengths.
- ✓ As industry leader taking up our corporate responsibility for a safe and sustainable future.



“In challenging times, chasing short-term results may seem like a great idea, but all you end up becoming is a hamster in a wheel – running and running with no real destination. So, we stuck to the plan and even doubled down on it by clearly outlining the directions for our business units. Now, they have their roadmaps too, all linked by our common purpose.”

Pol Deturck
CEO

The short game: 4 Must Win Battles

Even though we navigate towards the same horizon, if fierce winds sweep through our core markets, we need to be able to adjust course in an agile way. In other words, next to having a North Star, it's also important to get things done in the short term. And picking the right things is half the work.

How do we make sure we go for the right things?

In 2023, for the first time, we defined four Must Win Battles with a close link to our long-term strategy and a high level of uniformity. This framework visualizes our priorities and helps us to focus on what matters most.

#1 Fit for Future

Getting ready to tackle future challenges and seize opportunities.

#2 Build Leadership Positions

Becoming a market leader and solutions expert in sustainable growth markets.

#3 Design for Circularity

Preparing B.I.G. for zero environmental footprint in 2030.

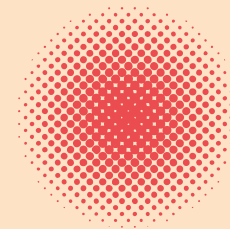
#4 Employee Engagement

Ensuring people are healthy, informed, included, and motivated.

These B.I.G. Must Win Battles apply to everyone within our Group. On top of that, each division and department defined its own Must Win Projects to establish where the focus would be in 2023 and how they could contribute to overall success. At the end of the year, we did the same for 2024.

Unfortunately, a growth strategy also means that we must sometimes conclude that certain objectives are no longer a perfect match for our Group. In that case, we need to let go in order to give the company more oxygen. We can't fight every battle.

With our sharpened focus, we look forward to continuing our efforts in creating solutions for technologically advanced, smart and sustainable materials and flooring solutions.



“We had a finger in too many pies. So, we forced ourselves to make bold but smart decisions. This exercise led to four must-win battles that will mark our growth story in the short term.”

Danny Van D'huynslager
Chief Strategy & Transformation Officer

Our strategy in practice

In 2023, we linked 34 Must Win Projects to our 4 Must Win Battles, including projects that originate from our divisions but have a significant impact on our Group. This mix of projects is the most concrete implementation of our business strategy, and they all contribute to our purpose of shaping sustainable living, together.

To give you a taste of how this approach impacted our Group in 2023, we zoom in on 2 Must Win Projects for each Must Win Battle.

#1 Fit for future ... in practice

Pinnacle Polymers set to upgrade off-spec products

To improve the quality of the polypropylene products that are produced at Pinnacle Polymers, the facility is installing a new blending silo, which will be completed in the first half year of 2024.

This silo will be able to take off-spec products – generated when switching from one on-spec product to another – and blend them into a more consistent, higher-quality batch of polypropylene. Simply put, variations in melt index, particle size and color variation are reduced. When the blending operation is complete Pinnacle Polymers determines the physical properties of the new, blended products and sell these as upgraded transition products.

With this approach, we're bypassing resellers who would normally upgrade the off-spec products themselves. By keeping the value extraction in-house and selling directly to end processors, we're opening up new opportunities for Pinnacle Polymers.

Winning the battle because ... the new blending silo is extending the facility's product portfolio. This will enhance Pinnacle Polymer's success formula, making it even more appealing to its loyal customer base.

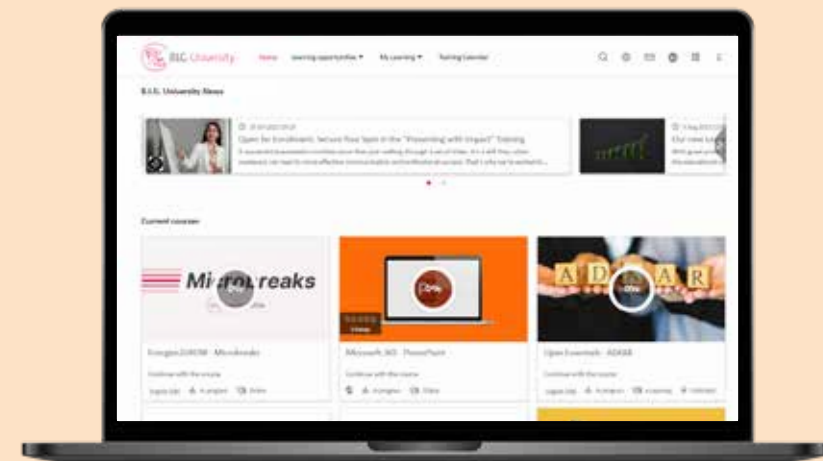


B.I.G. University goes fully digital with LMS

Since 2021, when we first launched our B.I.G. University, many employees have followed training courses in one of our Academies, on subjects from Sales to Leadership. Others have indulged in e-books, podcasts, or other resources. In 2023, we took another step forward: we started rolling out a learning management system (LMS) to streamline the whole process. This system will help us to create, manage, organize, and deliver both a global B.I.G. catalogue and local catalogues, which contain our own as well as third-party content.

The result: employees can easily choose from a broad mix of in-class, online, and blended courses. All in their language of preference and related to the topic of their choice. Our LMS makes it easy for everyone to find what they need, when they need it.

Winning the battle because ... this intuitive one-stop shop for training courses allows our employees to take control of their careers. They decide which talents to develop and how to contribute to our goals. Basically, we help each other to be fit for future.



#2 Building leadership positions ... in practice

Unique training concept pays off

In Boosting Internal Growth, a unique training program in collaboration with Vlerick Business School (Belgium), 100 selected B.I.G. employees discover their talents in a range of areas, from innovation to sustainability. This should prepare them for B.I.G.'s strategic projects. And we're confident they'll be up for the task. To illustrate, our internal start-ups Magnifield and Beaulieu Creative are direct outcomes of the program. That's all the proof we need.

By the end of 2023, 75 colleagues had completed the one-year program. The remaining 25 will do so at the beginning of 2024. More and more employees will get empowered to leave their mark.

Winning the battle because ...

Boosting Internal Growth allows us to bring in outside expertise on strategy, trend analysis, and much more. At the same time, we're fulfilling the true potential of our own internal network by taking on projects with cross-functional teams.



Digitally printed Cushion Vinyl floors: best value for money

To better meet our clients' design needs and to speed up delivery times, we're investing in digital printing for our Cushion Vinyl floors. Print-on-demand, for example, allows residential clients to quickly tap into trends. But it's also interesting for the contract market. Every movie theater, theme park, hospital, school, or other venue will be able to contact us for the design of their dreams. And since we consume less energy and water to do so, we also win on sustainability. Even more, the end goal is to digitally print Cushion Vinyl floors that are entirely made of recycled content.

The pilot project in Slovenia has been initiated and we plan to have our full-scale commercial printers ready for action in 2026.

Winning the battle because ...

no-one else is able to digitally print Cushion Vinyl floors with a width of 4 meters. This will allow us to increase our market share in existing segments and to become a household name in new segments.



#3 Design for circularity ... in practice

Reimagining the future, one yarn at a time

Years ago, we started the sustainable yarns movement. The bottom line: we want to inspire, guide, and empower professionals to include a new generation of Yarns in their designs. How so? A newborn digital platform – www.sustainableyarns.com – raises awareness and helps visitors in finding the perfect match for their commercial or automotive project. It also shows how Yarns can contribute to making the world a better place. Last but not least, we answer the industry's call for more circularity and a lower carbon footprint with 3 distinct technical solutions:

- EqoBalance: recyclable PA6 yarns based on biomass, with a 70% CO₂ reduction.
- EqoCycle: recyclable PA6 yarns made with 75% recycled content, reducing CO₂ footprint by 37%.
- EqoYarn: low-impact PA6 yarns, resulting in a CO₂ reduction of up to 46%.

Winning the battle because ... with this movement, we aptly cater to the needs of automotive and contract customers, while helping them to achieve their sustainability goals. At the same time, B.I.G. Yarns completely aligns with our Group's purpose.



Partnering up for circular flooring solutions

The CISUFLO initiative – short for Circular Sustainable Flooring – is all about exploring ways to minimize the environmental impact of the European flooring sector. That's right up our alley, so we enthusiastically joined in, alongside various industry partners, associations, and research institutions. Three flooring types are under scrutiny: wood, textile, and PVC. B.I.G. is in the lead for PVC flooring. This means that we'll draft design and traceability instructions, and conduct pilot tests with recycled content.

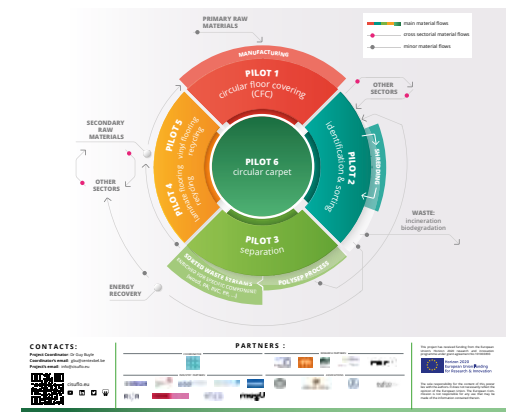
The insights gained from collaborations like CISUFLO, combined with our own expertise, lead to innovative solutions. For example, we found a way to create LVT planks comprising underlayers entirely made from recycle. This all fits our ambition to minimize PVC usage or ensuring that, when utilized, it can be given a second life.

Winning the battle because ... cooperation beats competition when it comes to circularity. Sharing resources, knowledge and best practices will ease the transition. As the old saying goes: if you want to go fast, go alone; if you want to go far, go together.



THE PROBLEM: THE FLOORING SECTOR IN THE EU WANTS TO DEVELOP TOWARDS A MORE SUSTAINABLE CIRCULAR ECONOMY FOR ITS PRODUCTS.

THE SOLUTION: CISUFLO AIMS TO CHANGE THE STATUS QUO BY DELIVERING NEW CIRCULAR PRODUCTS AND BY IMPROVING MATERIAL RECOVERY IN THE EU FLOORING SECTOR, TAKING INTO ACCOUNT BOTH TECHNICAL FEASIBILITY AND SOCIO-ECONOMIC FACTORS.



CONTACTS: Project Coordinator: Dr. Inge Van den Brink, Department of Industrial Design, TU/e University of Technology, Eindhoven, The Netherlands. ingevan@tue.nl

PARTNERS:

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 101019798.

#4 Employee engagement ... in practice

Empowering safety: the B.I.G. Safety Leadership program

A safety culture implies that all employees, from operators to plant managers, are actively involved in identifying, assessing, and reducing safety risks. That's why we launched Safety Improvement Teams and Safety Steering Committees in 2023. The idea: each operational department at each B.I.G. site sets up a team that includes people in different roles and shifts. They map and prioritize safety risks, and suggest actions to tackle them: from technical improvements and new protective equipment, all the way to safer working methods. Subsequently, all suggestions are agreed upon through an interactive dialogue with the site's Safety Steering Committee, that oversees and facilitates their implementation.

In short, we want our employees to feel comfortable raising and discussing safety concerns. They typically know best which potential hazards are associated with their jobs and can offer a different perspective, leading to improvements and safer behavior on the shopfloor.

Winning the battle because ... employee involvement in bottom-up safety programs fosters a sense of ownership and commitment to workplace safety. In turn, a safer working environment results in happier, healthier, and more motivated employees.



Openly communicating the ins and outs of B.I.G.

With our project All Voices Count, we raise employee engagement through efficient communication. In essence, we want everyone to know exactly what B.I.G. is aiming for, how we're going to get there, where we are today, and in which way they can contribute. The goal is to optimize access to this information for all employees - wherever they are, whichever department they work in. By doing so, we not only ensure we're all accelerating in the right direction, we also provide clarity in challenging times.

To regularly inform employees, we use various channels. These include Virtual Global Team Meetings, Local Townhall Meetings, our internal communication app (Spencer for B.I.G.), teamboards on the shopfloor, and the annual ONE Magazine.

Winning the battle because ... well-informed employees who feel connected with their peers as well as leadership will actively contribute to strategy execution. Moreover, they'll feel proud to work for B.I.G., resulting in higher employee satisfaction and motivation.

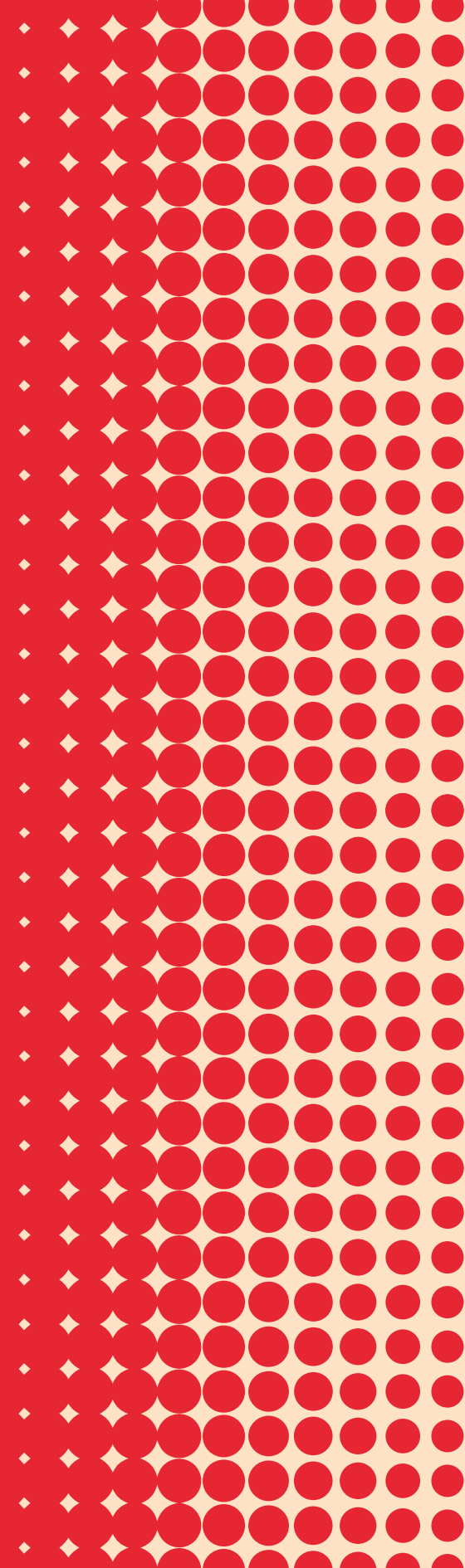


Governance

Corporate governance

- Corporate Governance Statement
- Board of Directors
- Audit Committee
- Remuneration and Nomination Committee
- Executive Committee
- Real Estate Committee
- Statement of Business Ethics
- External Audit & Control

Sustainability governance



Corporate governance

Corporate governance statement

The Board of Directors provides a strong governance framework for the Group, recognizing that good corporate governance is an essential component to support management in their delivery of B.I.G.'s strategic objectives. Moreover, a solid governance framework is the starting point to operate a sustainable business for the benefit of all internal and external stakeholders.

It's important to note that the process of identifying, developing, and maintaining excellent standards of corporate governance is a continuous and dynamic process. This allows for changes in the Group and its business, the composition of the Board of Directors, and other developments to be reflected appropriately.

B.I.G. is committed to the principles of good corporate governance and employs a sound approach to managing and steering the Group in line with the best interests of our internal and external stakeholders.

Therefore, the Board of Directors has adopted a Corporate Governance Charter, inspired by the Belgian Corporate Governance Code for non-listed companies. Our Corporate Governance Charter is aimed at supporting the management, direction, and control of our Group in a transparent and appropriate manner. More concretely, it sets out the responsibilities of the Board of Directors, the RemCo, the Audit Committee, the Real Estate Committee, the shareholders meeting, and the Executive Committee in depth.

Our management structure and processes are designed to optimize the performance of the Group, while reducing the potential risks and impact on our activities. The operational management of B.I.G. has been delegated by the Board of Directors to the Executive Committee.

Board of Directors

Our Board of Directors sets the overall Group strategy, decides on major investments, and monitors all corporate activities for the Group. Other duties include:

- providing direction for the Group (vision, mission, and goals)
- establishing a policy-based governance system
- controlling the execution of the Group strategy by management
- being a sounding board for management during the execution of the strategy

Towards more balance

In 2019, B.I.G. appointed 4 external directors, all with substantial experience in business operations. They supplement the 4 family representatives in defining the course for our Group during regular meetings. At least once a year, they organize a dedicated session to reflect on the Group's strategy.

Bart Deconinck, Chairman of the Board of Directors, and Peter Vandekerckhove, Director, have left the B.I.G. Board of Directors at the end of January 2024.

We would like to expressly thank Bart Deconinck and Peter Vandekerckhove for their great commitment and many valuable contributions during the past 5 years as independent Directors.

Per 1 February 2024, the Board of Directors has changed: it now consists of 4 family representatives and 3 external Directors.

The task of the 7 Directors is clear: to pinpoint a vision to empower the business and install adequate control mechanisms.

Composition of the Board of Directors (February 2024)



Dominiek De Clerck

Chairman and family representative

Dominiek De Clerck is the youngest son of founder Roger De Clerck. After his secondary studies, he went to work for New Venture Carpets in the UK, first for 6 months on the shopfloor and then in the sales department. Dominiek De Clerck has a Master degree in Applied Economic Sciences from the University of Louvain. After completing his studies, he went to work at Beaulieu Wielsbeke. After the merger in 2005, he focused on developing the investment bank CKV in Waregem. Dominiek De Clerck joined the Board of Directors in 2024 and assumes the role of Chairman.



Luc De Clerck

Family representative

Luc De Clerck started his career in 1976 in France after his studies and is the former head of the Berry Floor Group. He has been a B.I.G. Board member since 2005.



Caroline De Clerck

Family representative

Caroline De Clerck holds a Master's degree in Commercial Sciences and has been active in Ideal Group since 2010. She worked in Germany for the automotive division of Ideal Group and later became its director. In 2021, Caroline De Clerck became a Board member at B.I.G. In September 2022, she joined the Remuneration and Nomination Committee.



Dirk Dees

Dirk Dees has a Master degree in Applied Economic Sciences from Ghent University. He kicked off his career in auditing, and continued his professional path in the ITC and food industry. Dirk has 30 years of experience in the flooring sector as CEO of Belgotex Group. He retired at the end of 2021, but remained active as a non-executive Director at Belgotex Group. From 2005 to 2010, Dirk was the co-CEO of Beaulieu International Group. In September 2022, he joined the Board of Directors.



Johan Lambrecht

Johan Lambrecht is a doctor in Economics and professor at the KU Leuven. Furthermore, he is director of the Studiecentrum voor Ondernemerschap (SVO) at Odisee Brussels and has written over 300 publications in Belgium and abroad (books, articles in scientific and popular magazines, papers, etc.).



Jan Vander Stichele

Jan Vander Stichele, a Master of Science in Electromechanical Engineering, has international experience in operational excellence, innovation, strategic management, and sustainability. He is a board member in different companies, ranging from stock-listed companies and federations (Fost Plus) to smaller businesses.



Barbara De Saedeleer

Barbara De Saedeleer is a Master in Business and Financial Sciences and holds a Degree in Marketing. Her career started in Corporate Banking with Paribas Bank Belgium, after which she became Regional Director Corporate Banking for East Flanders. In 2004, she joined Omega Pharma as Group Treasury Manager. She was appointed CFO of Omega Pharma and Member of the Executive Committee from 2007 until 2016. In 2017, she became Chief Investments and Operations Officer at Ghelamco until March 2021. Since 2021, she has worked as a strategic and financial advisor at executive level in fast-growing companies. She joined the B.I.G. Audit Committee in 2017 and the Remuneration and Nomination Committee in September 2022. Today, she chairs the Audit Committee.

Audit Committee

Following the Audit Committee charter, the Audit Committee assists the Board of Directors in fulfilling its monitoring responsibilities relating to risk and control matters. The Audit Committee has been assigned the following tasks:

- Monitoring the quality and integrity of the financial reporting process and statements and overseeing the statutory audit of the annual and consolidated accounts, in addition to monitoring the qualifications and independence of the external auditor.

The Audit Committee therefore meets on a regular basis with the CFO as well as with the statutory auditor, KPMG, to review and assess the conclusions and observations of the Group's statutory audit.

- Ensuring the company's compliance with legal and regulatory requirements.

Annually, the Audit Committee receives an evaluation report on the compliance maturity within the company.

- Following up on internal audit's activities and reporting.

The internal audit plan proposed is annually approved. The internal audit function provides reports on the internal audit engagements performed, the status of the implementation of recommendations and additional activities performed.

- Overseeing the company's process and systems on internal controls and risk management.

The Audit Committee also invites management regularly to its Audit Committee meetings in order to monitor and be updated on the organization and the impact on risk and controls within their processes and scope.

The Audit Committee held 5 meetings in 2023.

Composition of the Audit Committee

(February 2024)

Until January 2024, Bart Deconinck was a member of the Audit Committee. In February, the composition changed.



Barbara De Saedeleer,
Chair of the Committee



Johan Lambrecht

Remuneration and Nomination Committee

The Remuneration and Nomination Committee prepares the decisions, submits proposals, and provides advice and recommendations to the Board of Directors in all remuneration matters for all top-level professionals within the Group. The Remuneration and Nomination Committee meets at least 4 times a year and whenever the performance of its duties requires.

The 8 responsibilities of the Remuneration and Nomination Committee:

- | | | | |
|-----------|--|-----------|--|
| #1 | Developing a transparent, fair, and equilibrated remuneration policy for B.I.G. top-level professionals, that allows B.I.G. to attract, retain, and motivate people with the right expertise and experience. | #5 | Advising the CEO both on the operations and performance of all executive managers. The CEO, however, isn't present during his/her own evaluation. |
| #2 | Establishing comparable remuneration packages per level to facilitate possible rotation of top-level professionals within B.I.G. | #6 | Nominating, for approval by the Board of Directors, candidates to fill vacancies if and when they arise. |
| #3 | Optimizing the external costs of the remuneration of top-level professionals, in particular by pooling certain employee benefits, insurances, etc. | #7 | Performing a thorough analysis of the aspects related to succession planning. |
| #4 | Supporting and reinforcing the company's long-term strategic goals in view of the companies' overall economic situation. | #8 | Assisting the Board of Directors in the appointment of the members of executive management upon recommendation by the CEO, unless otherwise decided by the Board of Directors. |

Composition of the Remuneration and Nomination Committee (January 2024)

The chairman of the Committee, who is appointed by the members, presides over the Committee. At least one member of the Remuneration and Nomination Committee is also a member of the Board of Directors.



Jan Vander Stichele



Caroline De Clerck



Annie Coppens



Barbara De Saedeleer

Executive Committee

The Executive Committee is responsible for the day-to-day management of our Group and for implementing and achieving the Group strategy and policies. Its members include the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief HR Officer (CHRO), the Vice Presidents of our Business Units, and the Chief Transformation Officer (CTO).

Composition of the Executive Committee (January 2024)



Pol Deturck
Chief Executive Officer



Danny Van D'huynslager
Chief Strategy & Transformation Officer



Pieter-Jan Sonck
Chief Financial Officer



Wim Coppens
Vice President Flooring Solutions



Pieter Lelieur
Chief HR Officer



Bo Oxfeldt
Vice President Polymers and Engineered Solutions

Real Estate Committee

The Real Estate Committee was created in 2023 to ensure a separate approach to non-operational real estate within our Group. The horizon for this real estate portfolio is clearly defined, namely to grow into an additional business unit within B.I.G.

The Real Estate Committee sets the real estate strategy, advises on investments for (existing & new) development projects, and monitors the progress of the following activities under the direction of the Real Estate Development Director:

- divestment of all non-operational sites to a dedicated real estate company
- actively develop brownfield sites into new real estate for sale/lease
- optimizing urban planning for sites with little or no development potential
- increasing the rental portfolio to generate long-term debt-free rental profits
- professionalize the property management of leased properties establishing an approach to undevelopable agricultural land.

The Real Estate Committee has its own governance and delegation of authority. The members meet every 3 months (supplemented by about 6 informal consultations) and is represented by the 4 family shareholders and a real estate professional as chairman. A Real Estate Development Director was appointed to implement these activities.

Composition of the Real Estate Committee

(January 2024)



Dirk Deroose
Chairman



Luc De Clerck



Caroline De Clerck



Dirk Dees



Jan Vander Stichele

Statement of Business Ethics

B.I.G. is committed to conducting its business in accordance with all applicable laws, rules and regulations, and the highest ethical standards. This strong commitment is embodied in our Code of Business Conduct and Ethics and our Anti-Bribery Compliance Policy.

Both policies apply to all employees, directors, officers, and internal consultants working for entities in which Beaulieu International Group NV has a controlling shareholding - either directly or indirectly. Moreover, all third parties working on behalf of our Group, such as agents, distributors and other representatives, are vetted pursuant to the provisions of these policies.

All B.I.G. policies and procedures are accessible by all employees on B.I.G.'s intranet portal. Also, during the on-boarding process, relevant policies and procedures are explained to new employees. B.I.G. is committed to acting with integrity, and in compliance with all applicable national and international anticorruption and anti-bribery laws, including all relevant provisions of the Belgian Criminal Code, and as applicable, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and any other applicable anti-bribery laws in place in the countries in which B.I.G. operates.

External audit and control

The purpose of the Group's Code of Business Conduct and Ethics is to help employees in making ethical and legal decisions when conducting B.I.G.'s business and performing their day-to-day duties. To this end, a web-based training, including a test, was organized for all our white-collar employees.

The Board of Directors is responsible for administering the policies, although it has delegated the day-to-day responsibility to the Group Legal Director. In addition, senior leadership confirms on a yearly basis that the business has been conducted with respect to our policies.

Business Partners - Code of Conduct for Suppliers

We seek to only do business with third parties who share our values and commitment to responsible business conduct. Our continued success depends upon this commitment. After all, business partners can have a direct impact on our reputation through their behavior. We expect our customers and other business partners to act with integrity and fairness and observe applicable laws.

Therefore, suppliers are expected to comply with the Supplier Code of Conduct.

This document outlines the standards and key principles on ethical and social behavior, governance, health and safety, and environment with which we expect our suppliers to comply. What's more, we expect our suppliers to demand similarly high standards from their own partners.

Conflicts of interest

Directors and members of the Executive Committee will cherish their independence of judgment at all times and will always act in the best interest of B.I.G. They will also, as much as possible, ensure that they have no conflict of interests.

If a director or a member of the Executive Committee has a direct or indirect conflicting pecuniary interest, the relevant director or member of the Executive Committee will respectively inform the Chairman of the Board of Directors or the CEO of the Executive Committee. He or she will also abstain from participating in discussions of the Board of Directors or the Executive Committee and in the voting process.

As disclosed in the statutory accounts, the Board of Directors applies the procedure defined by article 7:96 of the Belgian Code of Companies and Associations.

In 2020, KPMG was nominated as the statutory auditor for B.I.G. and its subsidiaries as well as for the Group's consolidated accounts. KPMG has issued an unqualified audit opinion on the statutory and consolidated financial statements of B.I.G. NV as of and for the year ended December 31, 2023.



Sustainability governance

Group Sustainability Director

Our Group Sustainability Director drives our Route 2030 plan, enabling and overseeing its implementation and the creation of shared value for our Group and all our stakeholders. Other responsibilities include setting up internal and external collaborations, monitoring and disclosing progress, generating awareness, developing policies, and coordinating various sustainability-oriented teams and projects.

Sustainability Acceleration Team

Consisting of 4 senior leadership members, the Sustainability Acceleration Team ensures our top-level managers, working together with the Sustainability Director, fully understand and endorse Route 2030.

Corporate Sustainability Team

This team defines our global strategy, decides on methodologies, and supports all sustainability efforts at group level to create shared value. They collect and manage data, while they're also in charge of reporting.

Sustainability Network Members

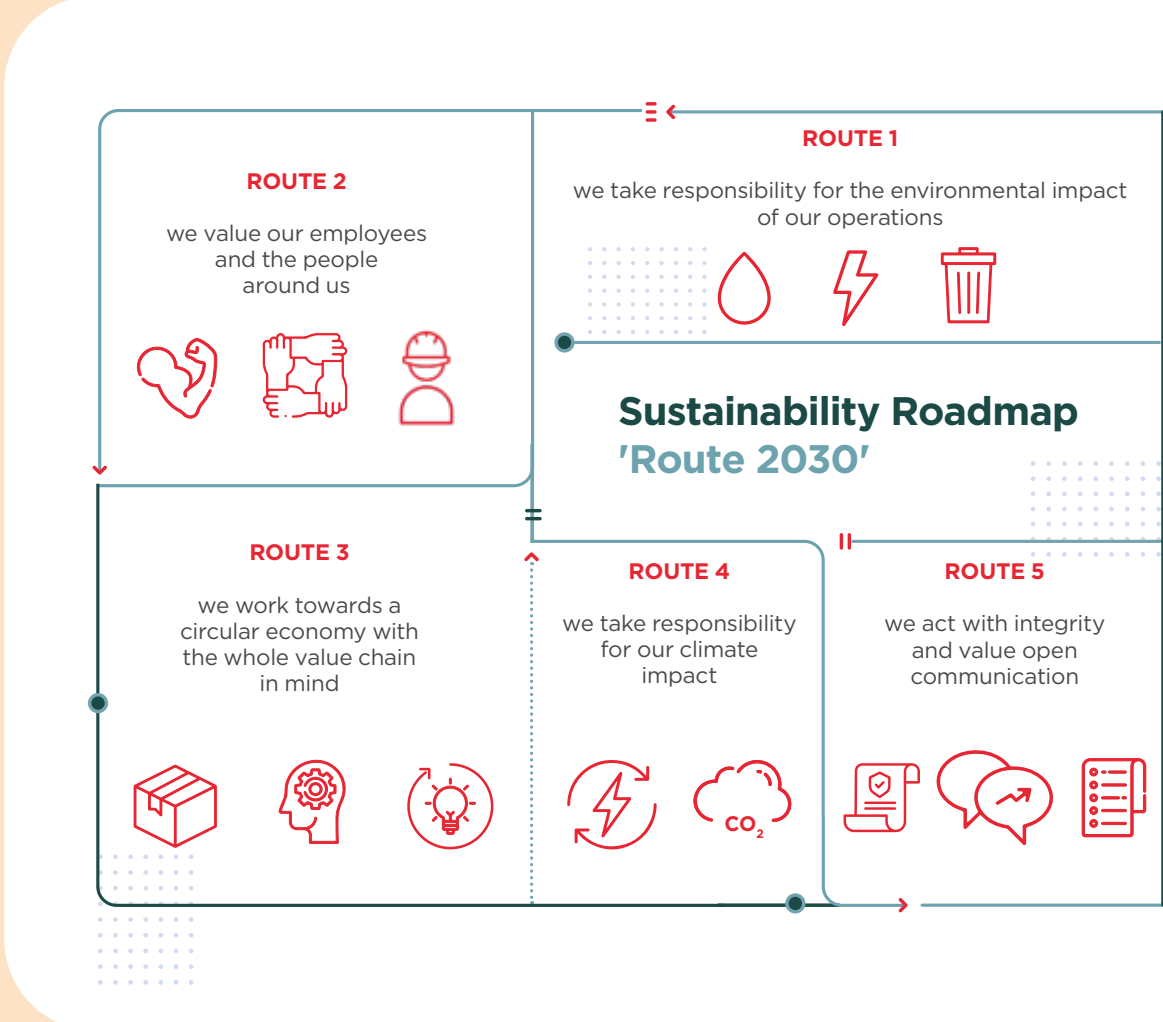
These people drive sustainability in their respective divisions and/or business unit. This means, among other things, that they oversee ongoing actions, unite the right people, and set intermediate targets. They also act as a single point of contact within their divisions and at group level.

Centers of Excellence

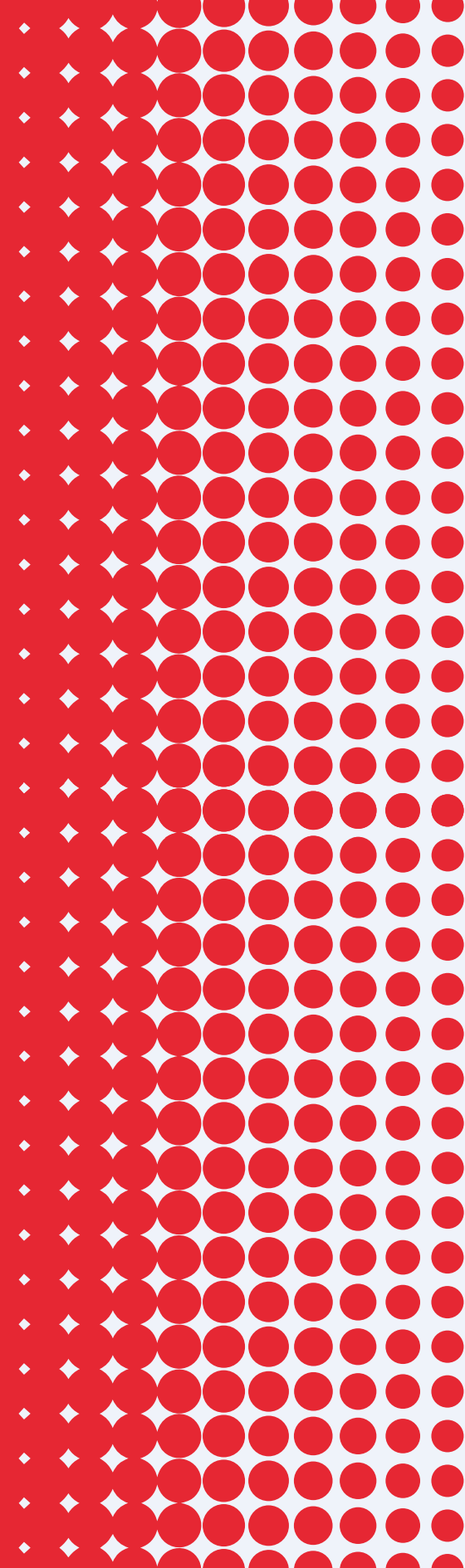
Cross-divisional, cross-functional teams of 6 to 8 experts who ensure general progress on specific sustainability topics. The groups we put in place so far reflect our current priorities:

- ✓ Circular Polypropylene
- ✓ Sustainable Vinyl
- ✓ Water
- ✓ Packaging
- ✓ Communities

Our sustainability team is rather small, but then again, it isn't. In our vision, there are over 4.700 people working on sustainability at B.I.G.



Sustainability report



From materiality assessment to roadmap

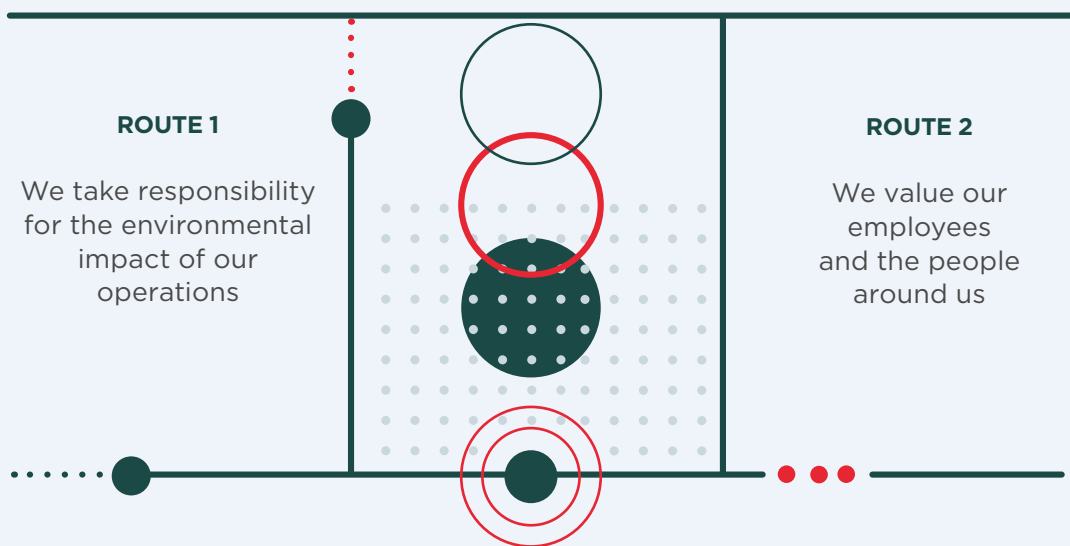
Before we dive into Route 2030, our sustainability strategy, a word on how we got there. After all, **strategy is choice**.

We want to focus our efforts on those ESG domains that are most relevant to our Group, its stakeholders, the environment, and society at large. Only one way to go about it, according to the European Corporate Sustainability Reporting Directive (CSRD): **a double materiality assessment (DMA)**.

This assessment creates transparency, contributes to better decision making, and ensures an effective allocation of resources. Moreover, it objectively determines which ESG topics should be prioritised in our pursuit of a sustainable future.

Methodology

At the beginning of 2023, we performed our first DMA exercise. Starting from all relevant ESG matters proposed by the CSRD, we made a first selection of 28 potential material topics. We then assessed the financial impact of these topics, with financial ESG ratings in mind. An analysis of our peers and value chain was performed, as well as an internal consultation of stakeholders, consisting of interviews and a survey with 132 participants. As to the topics' impact materiality, we based our assessment on internal data and an external stakeholder analysis (i.e. sector organizations and federations). In February 2024, our materiality matrix was reviewed and aligned to the latest ESRS standards and wordings.



Route 2030

Destination: zero environmental footprint



B.I.G. Double Materiality Matrix*

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Impact Materiality</p> <p>Very high</p> <p>High</p> <p>Medium</p> <p>Low</p>		<ul style="list-style-type: none"> • Route 5 - Product transparency (information impacts) 	<ul style="list-style-type: none"> • Route 1 - Air pollution • Route 1 - Substances of concern and very high concern 	<ul style="list-style-type: none"> • Route 4 - Climate mitigation • Route 1 - Energy • Route 3 - Circular materials, products and business models • Route 1 - Waste
	<ul style="list-style-type: none"> • Route 5 - Protection of whistle-blowers • Route 2 - Assurance of human rights of employees 	<ul style="list-style-type: none"> • Route 1 - Water pollution • Route 1 - Microplastics • Route 5 - Management of working conditions in the value chain • Route 5 - Assurance of human rights in the value chain 	<ul style="list-style-type: none"> • Route 5 - Corruption and bribery • Route 2 - Occupational health & safety • Route 2 - Employee training and skills development • Route 2 - Employee diversity, equity & inclusion • Route 5 - Product safety 	
	<ul style="list-style-type: none"> • Biodiversity loss 	<ul style="list-style-type: none"> • Water consumption • Soil pollution • Diversity, equity & inclusion in the value chain • Community development: economic security • Political engagement 	<ul style="list-style-type: none"> • Route 2 - Employee working conditions • Route 5 - Corporate culture 	
		<ul style="list-style-type: none"> • Community development: social & cultural rights • Affordability of products 	<ul style="list-style-type: none"> • Route 4 - Climate adaptation 	
	Low	Medium	High	Very high
	Financial Materiality		Financial Materiality	

*Check the Appendix for more info on the ESG subtopics in this double materiality matrix and how they relate to the CSRD subtopics. In the Appendix, we also list all impacts, risks and opportunities by Route.

Route 2030 at a glance

Environment

B.I.G. Topic	2030 Target(s)	KPI(s)	2023 Result	Progress
Environmental Impact (Route 1,3 & 4)	Zero Environmental Impact	Environmental Sustainability Score (see page 78)	93%	On track
Circularity (Route 3)	>50% of Renewable and Recycled Raw Materials in B.I.G. Solutions 100% Recyclable Flooring Solutions	Fossil Free Index Portfolio Alignment with Recyclability Guidelines A, B & C (in %) (see page 114)	7% of Renewable or Recycled Content Guidelines developed - % alignment to be assessed in 2024.	Renewable or Recycled Content - Lagging Alignment with Recyclability Guidelines A, B & C - On track
GHG Emissions (Route 4)	Scope 1&2 = Net Zero Scope 3 = 42% Reduction (compared to 2021)	Annual Carbon Footprint (see page 126)	Scope 1&2 : 177 k ton CO ₂ e Scope 3: 2,2 M ton CO ₂ e	Scope 1&2 -16% vs 2021 On track Scope 3: -16% vs 2021 Lagging
Renewable Energy (Route 4)	100% Renewable energy	% of Renewable Energy	16% Renewable Energy	On track

Social

Own Workforce (Route 2)	To Become an Exemplary Talent-First Organization in Industry	Engagement Score (see page 100)	74%	+1% from 2022 - On track
Safety (Route 2)	SHE Ambition 2025 as Intermediate Goal (see page 98)	Safety Score (see page 95)	148%	On track

Governance

Responsible Business Conduct (Route 5)	100% of suppliers are fully or partially aligned with B.I.G. Sustainability Ambitions	Average Supplier Sustainability Score (see page 140)	45	+3 points from 2022 - On track
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Our Environmental Sustainability Score

Why?

A data-based way to measure our progress on environmental impact.

How?

We created a set of leading and lagging environmental KPIs. Each division reports on all of them. The score itself, however, is based on annual priorities. The math is simple: each division includes our leading KPIs, and then adds 2 lagging KPIs. That means every division commits to improving 4 key areas, which have an equal weight.

Every division keeps track of its own score (between 0 and 100), and together they determine our overall Environmental Sustainability Score.

Important: if a KPI shows no improvement compared to the previous year, the score for that KPI is 0.

Result?

In 2023, we ended the year with an Environmental Sustainability Score of 93%. Although not yet 100%, this score reflects a significant improvement compared to 2022.



Leading KPIs

- ✓ **#1 The impact of sustainability projects:** with a custom-made tool, we measure the impact of projects by evaluating their potential contribution to our zero environmental footprint targets.
- ✓ **#2 Sustainability awareness and expertise:** this is measured by the number of hours employees spend on awareness sessions as well as internal or external training courses, normalised by the number of hours worked.

Lagging KPIs

- ✓ **#3 The share of green energy in our operations:** the exact formula is (renewable energy produced + renewable energy bought) / total energy consumed.
- ✓ **#4 Energy consumption per unit:** for this second energy-related KPI, we calculate the total amount of consumed energy and divide it by the total number of units produced on a specific site.
- ✓ **#5 Greenhouse gas emissions per unit (in CO₂e):** the measurements in 2022 included Scope 1 and 2 emissions. As we learned more, and successfully estimated all our GHG emissions in 2022, divisions that focus on this KPI can also add their Scope 3 emissions from 2023 onwards.
- ✓ **#6 The share of waste (in %) that is recycled or reused:** with waste, we mean all materials leaving our sites that are not going to an end customer, excluding waste water and process emissions.
- ✓ **#7 Water consumption:** this KPI is aimed at both reducing our total water consumption and increasing the relative amount of recycled, reused, or storm water.
- ✓ **#8 The share of recycled or renewable content in our products:** through our Fossil Free Index, we measure the amount of non-virgin or non-fossil raw materials we use from open and closed loops, as well as our contribution to a more circular economy.

Route 1

We take responsibility for the environmental impact of our operations

Our operations are the first focus in Route 2030. Since we shape sustainable living for thousands of customers in various industries, with solutions ranging from polymers to premium flooring solutions, we inevitably have a direct impact on the environment. We're putting our own house in order before anything else - something we do in alignment with several UN Sustainable Development Goals.



Energy consumption and efficiency



Why does it matter?

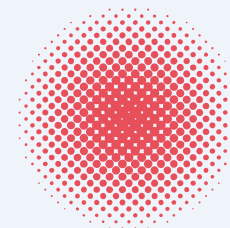
The less energy we use as a society, the less carbon we emit. In other words, reducing energy consumption is unquestionably **one of the most effective ways to fight global warming**. As a large industrial group, we want to maximize our sites' energy efficiency, and inspire other companies to do the same. If we all take action, we'll not only reduce the environmental impact that comes with generating massive amounts of energy, but we'll also safeguard access to energy in general.

What are we aiming for?

By 2030, we aim to **lower our global energy consumption by 20%**, compared to 2021.

This goal is something we wish to achieve by:

- proactively replacing old machines and equipment with energy-efficient ones
- continuously reviewing our most energy-intensive production processes
- creating a culture of energy awareness
- focusing on data to draw up evidence-based energy policies and guidelines
- leveraging international standards, such as ISO 50001
- developing and/or implementing new techniques and technological tools
- improving the energy efficiency of our buildings and facilities



“Our global energy teams and production sites actively work together to implement energy efficiency initiatives that bring us closer to our Route 2030 goals. The power of collaboration can't be stressed enough if we want to accelerate towards a greener future.”

Peter Decroos

Energy and Infrastructure Project Manager

Where do we stand?

Energy consumption in 2021: 863 GWh (baseline)
Energy consumption in 2023: 717 GWh

(Check the Appendix for more figures)

The figures show **a reduction in energy consumption of about 17%**, compared to 2021.

When comparing to 2022, we reduced consumption by approximately 3%. The reason: in 2022, our Polymers plants were shut down for maintenance during several months, which is why we produced significantly less.

Overall, our 2021-2023 progress is accounted for by improvements related to energy efficiency, and by reduced activity in some divisions. In 2024, we will continue to sharpen our focus to reach our ambitious targets.



20 B.I.G. sites actively targeted energy use in 2023

In 2023, 20 B.I.G. sites specifically chose to work on lowering their energy consumption, from B.I.G. Yarns in China to Beaulieu Fibres International in Belgium and Italy. Half of them succeeded in reaching the ambitious targets they had set forth. Others just fell short, but made significant progress nonetheless. This proves that our energy use is very much top of mind and that our Route 2030 goal is achievable.

A selection of initiatives from 2023:

- ✓ **Energy deep dives:** for our BerryAlloc team in Belgium and Beaulieu Fibres International team in Italy, these studies gave insights into possible ways to reduce energy consumption, such as improving cooling or dust exhaust systems. We are now implementing these actions step by step.
- ✓ **Tackling hotspots thanks to the use of energy meters:** at Beaulieu Flooring Solutions Europe, we succeeded in reducing the gas consumption of a gas-heated oven with 14% per square meter produced in 2023. Now, we'll also optimize other production lines in the same way.
- ✓ **Implementing small changes to improve efficiency:** in Juteks Slovenia and Juteks Russia, we adjusted the temperature of ovens to lower their energy consumption, without compromising the quality of the product.
- ✓ **Scaling to actual energy requirements:** Beaulieu Canada switched the oversized gas boiler with a smaller electric one that better fits the needs of the plant. Two gas compact gas boilers serve as back-up. During extra cold days, the plant can rely on the gas boilers as well, which also take pressure off the grid for Hydro Quebec.

Water stewardship



Why does it matter?

Water is vital for all life on the planet. Yet, today, the once-so-abundant resource is running dry, with more and more regions facing water stress. The issues concerning **water scarcity and water pollution should alarm us all.**

The main culprits? Next to agriculture and the energy sector, the bulk of the world's water is used by industrial organizations. B.I.G. is no exception: water is an irreplaceable resource in some of our operations.

In 2023, we performed a water stress assessment using the SDG 6 indicator that defines the level of water stress according to 'fresh water withdrawal as a proportion of available fresh water resources'. The result: **7 of our 13 B.I.G. production locations are medium or high water stress areas.**

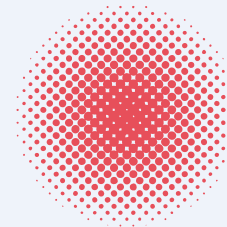


What are we aiming for?

We're well aware of the effect our water footprint has on the environments and communities we operate in. Specific targets, at plant and organizational level, have been defined by our **Center of Excellence for Water** at the beginning of 2024. We commit to:

- sourcing water responsibly and putting water stewardship top of every site's agenda
- reducing our consumption of ground water and municipal water across the Group by 20%, compared to 2022
- reducing our consumption of surface water and discharging it back into nature at least as clean as it first was, to minimize our impact

We will continue to explore new technologies to push our ambitions to the next level.



"In 2023, we put a lot of effort into understanding our Group's water consumption: how much water we use, in which operations, and where it comes from. There's no point in defining targets if this isn't crystal clear. Now it is, so we're working on action plans for all sites."

Matteo Agostini

Chair of the Center of Excellence for Water

Where do we stand?

Water consumption in 2023: 17 Mm³ of water (up 0,2 Mm³ compared to 2022), mostly groundwater and fresh water. Check the Appendix for more figures.

Global water consumption increased in 2023. The main reason is that our Polymers site in the USA was operational during the entire year, while in 2022 operations were temporarily put on hold to allow for large-scale maintenance. And since Pinnacle Polymers uses surface water for cooling, this makes a big difference.

Changes in operations can also account for a decrease in water consumption. For example, B.I.G.'s consumption of municipal water dropped by 10%. Here, the prime reason is that Ideal Floorcoverings Wielsbeke is no longer part of the figures.

Beside these 'yes but, no but' conclusions, we **also made clear progress on water stewardship in 2023:**

- **Our global ground water consumption decreased by 25%.** This was partially due to reduced activity. On the other hand, part of the progress can also be linked to the sustained efforts by the teams at Beaulieu Fibres International in Italy and Beaulieu Flooring Solutions Europe in Belgium to reduce their consumption of ground water. At our Italian site, water consumption was reduced by 25% (compared to 2021).
- **Our global storm water consumption increased by 60%.** Storm water still represents a small part of our total water consumption, but every step counts.
- **Many sites made water stewardship a top priority.** Special recognition goes to our Needle Felt team at Beaulieu Flooring Solutions Europe and to Polychim Industrie's successful project to start replacing fresh water with rain water. We also want to highlight Tessutica's achievement of using 100% rain and recycled water in 2023.

On the radar: internal water pricing

"Building on the more familiar concept of carbon pricing (see page 129), we're looking into the viability and added value of internal water pricing. This approach factors in the social, environmental, and economic risks and benefits of water management policies. The 'price' is then used to inform business decisions about water consumption, water recycling, water discharging, etc. In other words, internal water pricing can help to build the incentivization and backing needed for investment in high-impact projects. In 2024, we'll further explore how we could implement this strategy in our Group."

Clara Carelli
Group Sustainability Director



Waste management

Why does it matter?



Every year, the global population dumps over 2 billion tons of waste on the planet, according to the World Bank. While this is an issue that people are aware of, **waste build-up continues to increase at an alarming rate**. It will take a collective and global effort to flatten the curve.

Industrial groups are ideally placed to set the example. For their waste management to be truly effective, they should **focus on different areas**. Waste prevention, waste collection, transportation, recycling, and waste disposal are all part of the equation. We've embraced that broad challenge as part of Route 2030.

What are we aiming for?

By 2030, our ambition is to become **100% 'landfill-free' and 'incineration-free' for manufacturing waste**. That means that we'll fully valorize the output of our operations, either to be used in our own operations again, or by another party.

As for non-manufacturing waste, such as ICT waste, packaging, and other types of waste, we aim to be 100% landfill-free. There'll always be a small share of domestic-type waste that may have to be incinerated, so aiming for 100% incineration-free on all fronts is not feasible.



Where do we stand?

At Group level, **we valorize ~67% of our waste (up 8% compared to 2022)**. Check the Appendix for more figures.

Looking at our different sites, 18 of them are already at zero waste to landfill, and in 9 of these sites (3 more than in 2022), the share of waste that's being recycled is above 90%.

In some regions, however, waste valorization remains much more challenging due to a lack of adequate logistics, for instance. That means various sites have to pull out all the stops to reduce and valorize waste. Think about Pinnacle Polymers in the USA, Beaulieu of Australia, Beaulieu Polska and Juteks Russia. In 2023, these sites showed that with perseverance and the right focus, significant progress can be made.

To illustrate, the team at Beaulieu of Australia reached its self-imposed target with flying colors. There, we went from less than 5% waste valorization in 2022 to over 35% in 2023, while also reducing our total waste by more than 50%. Well done!

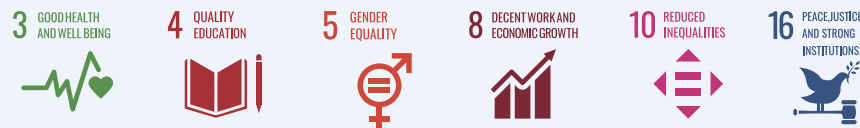
World Cleanup Day: many hands make light work



Route 2

We value our employees and the people around us

Route 2 is all about having the right people in the right place at the right time. All within the right environment to guarantee a happy, healthy, and committed workforce. That's when the magic happens. This people-centric focus and our family values are something we like to extend to the communities surrounding our facilities as well. Just like our other Routes, we align with several SDGs.



Safety



Why does it matter?

Simply because **you cannot compromise on safety**. No employee should ever get hurt or experience health issues because of a job. In other words, we pull out all the stops to ensure everyone goes home safe and sound at the end of the working day.

Moreover, **a safe workplace is a prosperous workplace**. When safety is a priority and there's a culture of well-being within the workplace, team members thrive; they deliver a higher quality of work and increase effectiveness.

What are we aiming for?

Our **plan for 2025** in a nutshell:

A safe and healthy workplace, with limited environmental impact and aware and engaged colleagues who look out for each other's safety.

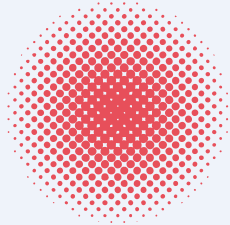
Leadership: establish a culture of leadership that prioritizes self-awareness of each employee to recognize Safety, Health and Environment (SHE) as their responsibility and act upon it.

Tools: develop and implement user-friendly tools and systems that make our SHE performance visible, help us to stay self-aware and keep progressing. This includes a set of leading and lagging KPIs, as well as SHE software to follow up on events and actions.

Additionally, all production sites will have a management system in place in accordance with the international standards ISO 14001 (environmental management) and ISO 45001 (occupational health and safety management).

Standards: determine global SHE standards for tools and equipment, which are implemented in a structured way across our sites.

Impact: create a safer and healthier working environment, while we also reduce the ecological impact of our activities and products.



“We’ve made good progress since defining our global SHE ambitions in 2021. We see a shift towards a more mature safety culture. In the next couple of years, we want to keep up momentum and further improve through the SHE Leadership journey. By actively empowering all employees on our sites to identify, assess, and reduce safety risks, we’re expecting plenty of small steps that will result in a giant leap.”

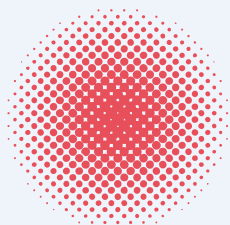
Sybil Saelens
Corporate SHE Director

Where do we stand?

Leadership

✔ **Safety engagement on shopfloor** – In 2023, we started organizing voluntary Safety Improvement Teams composed of people in different roles and shifts. The goal is to have one such team for each operational department at each B.I.G. site. The team’s task: mapping and prioritizing safety risks for their area, as well as suggesting actions to manage them. In combination with a local Safety Steering Committee which oversees the process at site level, the improvement actions are agreed upon and implemented. By the end of 2023, we had 9 Safety Improvement Teams up and running across 3 B.I.G. sites. In 2024, we’ll accelerate the roll-out of this SHE Leadership program.

- ✔ **Safety at the top of every agenda** – From our Executive Committee and Global Leadership Team meetings, to the countless local meetings that were held at our sites in 2023, to the teamboard meetings at department level: safety was always a key topic.
- ✔ **Monthly check-ins by leaders** – To encourage safe working practices, all leaders within B.I.G. – from plant manager to first-line supervisors – conduct at least one Safety Walk and Talk a month. These constructive sessions are now well-embedded in our sites and have already brought many safety improvements to our attention.



“Various projects, such as SHE leadership, lead to noticeable changes in the safety behavior and awareness of our employees. The key formula: a combination of shopfloor engagement and empowerment on the one hand, and leading by example and boots on the ground on the other hand. The input of our employees on safety issues and their proposal for improvements are crucial here. Step by step, we see growing ownership as employees realize ‘safety’ is a daily task for everyone within the organization. This is our path to build a sustainable safety culture.”

Kim Manssens
HR Manager



Tools

✔ **SHE software** – Proven software for event and action management was rolled out at all B.I.G. sites and got finetuned to meet our needs and wishes. Training courses were organized on how to use the platform to record incidents, near misses and observations, as well as follow-up sessions to assure everything was correctly understood. In 2024, we aim for increased use of the platform, driven by a new KPI.

An incident reporting and investigation standard was drafted. For every incident with lost time, a one-pager with lessons learnt is shared. More severe incidents are shared directly in teams meetings with all site managers and SHE managers.

KPIs

Housekeeping

Why? Order and cleanliness are essential to create a safe working environment.
How? Score after monthly tour in all areas of the site.
Result? An average score of about 80%. That's well above our 70% target, but there's still room for improvement.

Safety Walks and Talks

Why? To show leadership commitment, listen to concerns, and involve employees.
How? All leaders within B.I.G. conduct at least one Safety Walk and Talk a month.
Result? We surpassed our target of 100%, but we want to further improve on the quality of the talks for all leaders.



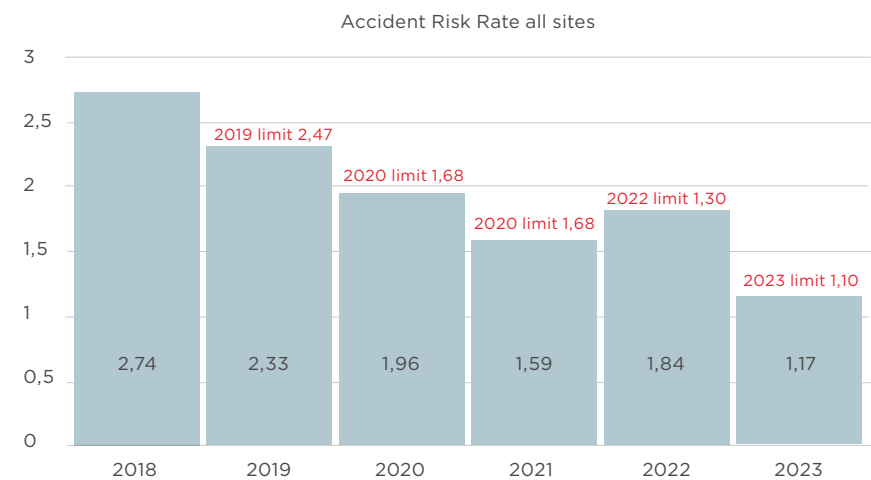
B.I.G.safety

Be the lifeguard of your workplace.

Act first and report in Enablon

Accident Risk Rate

Why? Aiming for zero accidents, we want to keep track of the accidents we had, as well as the lost days, and thus detect high-risk sectors.
How? Quantifying the risks faced by employees of having an accident.
Result? With a 1,17 Accident Risk Rate, we reached a historic low, but we are still not close enough to our goal of zero accidents.



Good to know: The Accident Frequency Rate is also evolving positively from 19,5 (end 2017) to 6,16 (end 2023), meaning we have reduced our total accident amount by over 60% during that time.

Safety Score

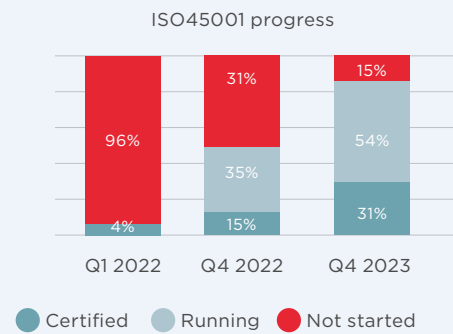
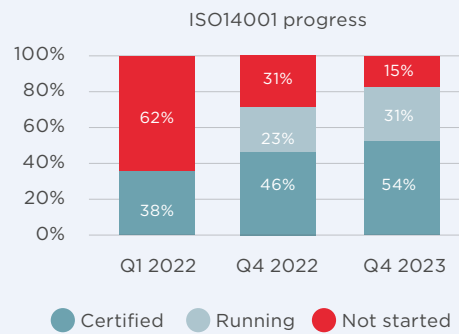
Why? To keep track of our Group's safety performance.
How? Each B.I.G. site reports on the 3 common KPIs (Housekeeping, Safety Walks and Talks, and Accident Risk Rate), plus 2 plant-specific leading safety KPIs. These 5 KPIs together result in an overall Safety Score
Result? In 2023, our sites showed continued high performance and our Safety Score improved.

✔ **SHE management systems** – We aim to have ISO 14001 and ISO 45001 management systems in place at all production sites by 2025.

2023 marked another positive evolution:

ISO 14001: 54% of B.I.G. production sites are certified and another 31% are working towards conformity.

ISO 45001: 31% of B.I.G. production sites are certified and another 54% are working towards conformity.



Standards

✔ **Minimum requirements for safety-critical activities** – We kept on working with 1 golden rule and 7 life-saving rules, and further clarified these rules for our employees.

Safety is not a game, leave the joker at home

On 28 April 2023, also known as Global Safety Day, we launched a campaign to dive deeper into our golden rule. The eyecatcher: a pocket-sized card with all the questions needed to perform a Last-Minute Risk Analysis (LMRA). This short assessment serves to identify and exclude all potential safety, health, and environmental hazards before starting work.

Together with the card, a deck of cards was given to all employees with the quote ‘Safety is not a game, leave the joker at home’. As part of the campaign, and to find out if everyone had understood the checklist, we also launched a quiz. And yes: 1 in 3 employees participated and got an average score of 8,5/10.



✔ **Launch of our Log-out, Tag-Out, Try-Out standard (LOTOTO)** – This standard aims at preventing contact with potentially dangerous energy while working on equipment and installations. In 2023, the standard was published and explained to SHE managers of all sites. All sites performed a gap analysis to pinpoint the actions needed to ensure all B.I.G. sites comply with the standard by the end of 2024.

Impact

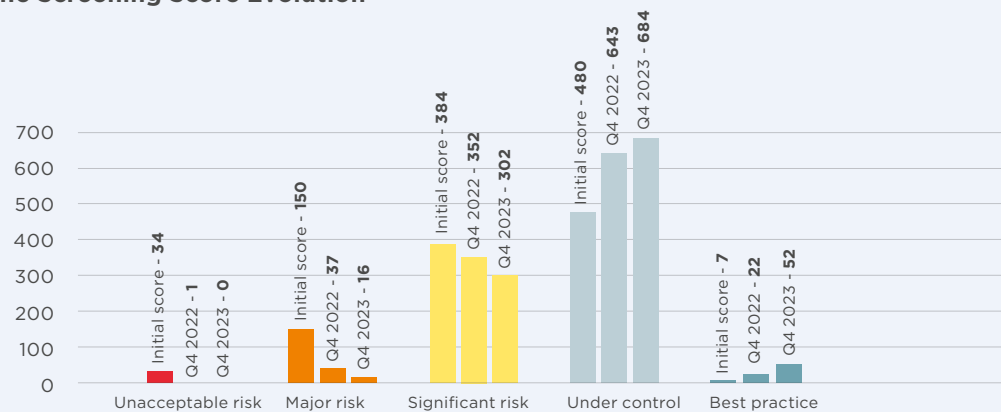
The combined efforts in the 3 safety pillars SHE Leadership, Tools, and Standards culminate in our 4th pillar: Impact. This impact can take many forms, sometimes easily quantifiable, sometimes more qualitative in nature.

- ✔ **Elimination of major safety risks** - B.I.G. organized a company-wide SHE screening in 2020, giving an overview of all SHE risks in our operational sites. These risks were categorized in:
 - Red or unacceptable risks
 - Orange or major risks
 - Yellow or significant risks
 - Light blue or under control
 - Blue or best practice

- ✔ **On the right track** - A survey among plant managers, SHE managers, general managers, and members of the Executive Committee shows that our SHE efforts bear fruit. The general consensus is that B.I.G. is on the right track: safety has improved and our SHE ambitions are widely known and supported.

Our first focus: eliminating the highest risks. The more specific goal was to eliminate all red and orange risks by the end of 2023. Although we did not fully succeed, we managed to eliminate all our red risks over 90% of the orange risks.

She Screening Score Evolution



Our workforce

Why does it matter?



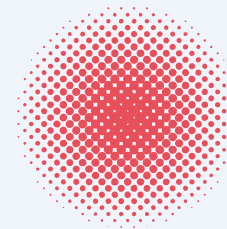
People are our most valuable asset in our organization. They bring creativity, passion, and diversity to the table, turn ideas into solutions, create an inclusive company culture, inject expertise into our divisions, and so much more.

So, we make it our mission to surround every single employee with the support and care they deserve. This talent-first approach, inspired by our Group's strong family values, adds to our resilience. Employees stay longer with us, become B.I.G. ambassadors, increase profitability, create a warm culture, etc.

What are we aiming for?

We want to be an exemplary **talent-first organization** in our industry. Something we wish to achieve by:

- fostering a culture of transparency, open interpersonal communication, recognition, and togetherness
- providing various opportunities for our people to do what they love most and do best
- creating an environment that allows for healthy minds in healthy bodies
- building a diverse workforce, where everyone feels included



“Although 2023 was a very challenging year, we kept on investing in our people. The fact that our engagement score increased means that our employees appreciate this sustained talent-first approach. When the momentum picks up again, we’ll be stronger than ever before.”

Pieter Lelieur
Chief HR Officer

Where do we stand?

Fostering a culture of transparency, open communication, recognition, and togetherness

The feeling of togetherness is something that has to grow bottom-up. So, we support all **initiatives that bring our employees closer together**, either in the working environment or elsewhere. Telling examples are the Family Day of our European B.I.G. Yarns team, Tessutica Romania's visit to a vineyard, the nature hike by our colleagues from the Beaulieu China Sales Office, and the cooking night at Juteks Slovenia.

A major initiative related to transparency and open communication is our **Global Engagement Survey**. This survey gives employees the chance to be open about their concerns and wishes, as they can provide feedback freely. The results allow us to roll out global and local initiatives to maintain what already works well and to develop points our employees identify as areas of opportunity.

Global Engagement Score reflects sustained investments in people

"The best way to check how your employees are feeling about working in your organization? Ask them. That's why we launched our first Global Engagement Survey in 2022. The results showed that we were in line with the industry benchmark. In 2023, we did even better: 78% (+2%) of our employees shared their insights, and our engagement score went up to 74% (+1%). Maybe even more important, we identified topics to further increase our score in 2024. For example, interpersonal communication went up 3 points, but is still an area of opportunity. Other areas of opportunity are recognition and inclusive leadership."

Vanessa Dutrieue
Talent Development Director

Providing ample opportunities for our people to do what they love most and do best

Getting a good mix of people on board only makes sense if you also **allow them to become the best versions of themselves**. This is something we do, among other things, by focusing on:

- dedicated programs to boost internal growth (see page 48)
- a wide mix of learning and development opportunities in our B.I.G. University (see page 47)
- maximum involvement of employees in cross-functional projects
- continuous follow-up of every employee
- talent pools based on employees' expertise, experience, and interests

Whether employees want to build on their talents, develop additional ones, or take an entirely new direction at work, we've got their backs. We believe that finding the **perfect professional** match for each employee is key to employee retention.

Internal mobility



21%

of employees moved on to a new role within B.I.G. in 2023



Shaping a new you

“Together with 5 other colleagues from Beaulieu Canada, I stepped out of my comfort zone and signed up for a training course on coaching. These lessons took place both online and offline, and were a great help in acquiring specific communication and coaching skills. For example, a major focus was coaching during organizational changes, which normally have a significant impact on people’s daily work lives. Now, we can guide our colleagues when the time calls for it.”

Chokri Ben Mohamed
Coating Process & Environment



“I followed two language courses to improve my English, because I increasingly work with international clients and colleagues. And what a great idea that was. Now, I’m more confident than ever to take part in meetings or give presentations.”

Indy Rochel
Technical Support Manager

“I started at Polychim Industrie in 2018 as an administrative assistant. A few years later, an HR colleague and my general manager suggested a career switch that would allow me to make better use of my talents. Today, I attract new clients and make sure our current clients stay happy. A nice new challenge! And that’s exactly what I wanted.”

Nadia Boughedada
Inside Sales Specialist

Creating an environment that allows for healthy minds in healthy bodies

Our **global wellbeing program Energize2GROW** has reached cruising speed and is centered around 4 pillars:

- ✓ On the go: staying fit
- ✓ Go slow: reducing unhealthy habits
- ✓ Glow: healthy eating
- ✓ Flow: mental health and resilience

Examples from 2023 include a global km challenge, a padel initiation and tournament (Belgium), healthy Thursdays (Belgium) and healthy Wednesdays (US).

TOGETHER AROUND THE B.I.G. WORLD

LET’S COVER 60.000 KM TOGETHER IN 4 WEEKS!

From Canada to Australia
and back.

**Our challenge starts 15/05 and ends
11/06!**

Are you ready?

Join us by:

- scanning this QR code
- registering with the code Energize2GROW or with the same account as last time








Building a diverse workforce, where everyone feels included

We firmly believe that a diverse workforce, including people with different socio-economic backgrounds, religious preferences, life experiences, types of neurodiversity, etc., provides us with **the balance of voices that we need to bring our purpose to life**. In other words, diversity is key to creating shared value for our society.

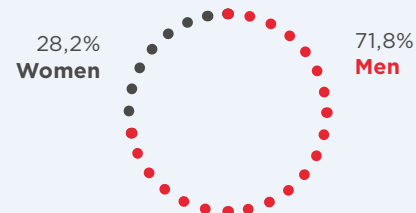
Because it's that important, we have **a clear ambition**: we want to create a diverse culture in which every single employee feels that their presence, ideas, and contributions are truly valued and taken seriously.

That ambition sounds simple enough, but cultural change takes time and we're not yet where we'd like to be. So, we created a **Diversity, Equity and Inclusion (DE&I) working group** in 2023. Their first task is to thoroughly assess our current position in terms of results, policies, and actions, and determine a destination, which should then culminate in an **ambitious DE&I agenda**. We even made this exercise a Must Win Project for 2024 (more on Must Win Projects on p.45). In the meantime, we'll also launch a number of initiatives to **raise awareness on DE&I**.

B.I.G. nationalities:



B.I.G. gender balance:



DE&I panel on B.I.G. Sustainability Forum

“During our Sustainability Forum in November 2023, we organized a panel discussion on diversity, equity, and inclusion. The goal was to learn from academic experts and other groups that may be more advanced. We also put this topic on the table to show that it's a priority for B.I.G. and society as a whole, similar to fighting climate change or the transition to more circular economic models. After all, sustainability has many faces.”

Ildiko Czvek
Commercial Excellence Specialist



Local communities

Why does it matter?



Local communities are essential to our success. It's where many of our employees live and where our customers and suppliers come from. It's only by being a good neighbor that we get a **social license to operate**.

There's also an environmental angle: our sites are often significant energy consumers, they come with increased mobility, they leave a water footprint, and so on. In other words, there's a lot of taking. And we believe there should be plenty of giving back as well.

Embedding B.I.G. within the fabric of local communities is not only a **path to sustainable success** but also a **catalyst for community vitality**.

What are we aiming for?

We want to be a responsible, well-respected, and unifying member of the communities we operate in by focusing on 3 areas:

- **Environment**

We aim to support local and global environmental initiatives that give back to nature by fighting climate change, deforestation, pollution, etc.

- **Education**

We aim to create value within our communities by sharing expertise and supporting education - in particular, but not exclusively, for disadvantaged community members.

- **Local communities**

We aim to enhance the quality of life around our sites by donating materials, investing in projects, volunteering, and setting up collaborations.

Where do we stand?

Giving back to communities is very much a **grassroots endeavor** in our organization. Many B.I.G. sites manage own environmental, educational, and social programs, mainly driven by what our employees find important. After all, they're part of the local community as well, so they know best what's needed and how to connect with different local stakeholders.

To complement our sites' bottom-up initiatives and ensure focus, our cross-divisional **Center of Excellence (CoE) for Communities** allocates a yearly budget for initiatives in our 3 focus areas. Each focus area has a subcommittee that prepares and submits proposals with clear information on scope, budget, resources, and timing. The CoE then assesses whether the proposed initiatives meet the predefined criteria and decides with which initiatives to move forward.

In 2023, the CoE set up a governance structure and agreed on **detailed guidelines** for community projects. These include restrictions (e.g. no commercial and political organizations), as well as acceptance criteria on effectiveness, transparency, relevance, accountability, and other topics.

#1 Environment

Reforestation to combat climate change

“Reforestation is crucial for our very survival: if managed wisely and respectfully, forests can lead to a more sustainable future thanks to their natural carbon storage function. So, we support projects that preserve and expand local ecosystems.

For example, in 2023, we tied a reforestation project to our Employee Engagement Survey. The concept: for each of the 3.476 completed surveys we got back, we planted a tree in the Peruvian rainforest via Go Forest. And with regards to the speakers at our Sustainability Forum (see page 19), we suggested to contribute to B.I.G.’s forest instead of collecting a fee.

To be clear: while we strongly support reforestation projects, these efforts are only an add-on to our B.I.G. ambitions on the reduction of greenhouse gas emissions (see: Route 4, page 125).”

Sara Geris
Corporate Communications Director



#2 Education

Education as a passport to the future

“Education is one of the most powerful tools we have to change the world. No wonder the United Nations have a Sustainable Development Goal dedicated to it: SDG 4 is about ensuring inclusive and equitable quality education, as well as promoting lifelong learning opportunities for all. Our B.I.G. University fits the bill perfectly, but we also focus our efforts on local communities. To illustrate, we give guest lectures at universities, assist students with their Bachelor’s or Master’s thesis, open our doors to local schools, immerse (underprivileged) youngsters into the B.I.G. world of opportunities, and much more.”

To illustrate, in 2023, we contributed to Go2Learn, a Belgian non-profit organization that provides inclusive training courses centered around future skills, personal engagement, and business development.”

Kristin Gansbeke
HR Director Flooring Solutions



#3 Local communities

Golden tickets for close-to-my-heart charities

“In our internal ONE Magazine, we randomly added golden tickets to 21 copies and made sure that these special copies were evenly distributed. Long story short, one employee from each site got a golden ticket in his or her magazine. This ticket had a value of 500 euros, which could be donated to a charity of choice.”

Jonas Verhoest
Content Specialist



“My golden ticket goes to a day care center in Nowe Gołuszowice that focuses on kids with disability issues.”

Grzegorz Pawlak
Operator



“Various people in my direct environment have benefited from the services of the American Cancer Society, which made it an obvious choice.”

Karen Wheeler
Finance Expert



“My 500 euros go to Beyond Blue, an organization that offers free mental healthcare for people who suffer from anxiety or depression.”

Ash Rigoni
Operator

Route 3

We work towards a circular economy with the whole value chain in mind

From reducing the pressure on our environment and securing the supply of raw materials to increasing competitiveness and stimulating innovation, the benefits of a circular economy are plentiful. That’s why we try to source materials responsibly, design circular products, and use sustainable packaging to break through the take-make-waste model in alignment with the SDGs below.



Circular solutions



Why does it matter?

Climate change and resource scarcity, amplified by traditional linear production models, are forcing us to rethink our economy. A paradigm shift is long overdue.

Any viable solution will have to focus on **keeping materials at their highest value for as long as possible, throughout multiple lifecycles**. Doing this right will minimize the use of precious resources, the creation of waste, and the emissions of greenhouse gases – thus fostering environmental sustainability. Moreover, embracing a circular economy stimulates innovation, boosts economic growth, and creates jobs.

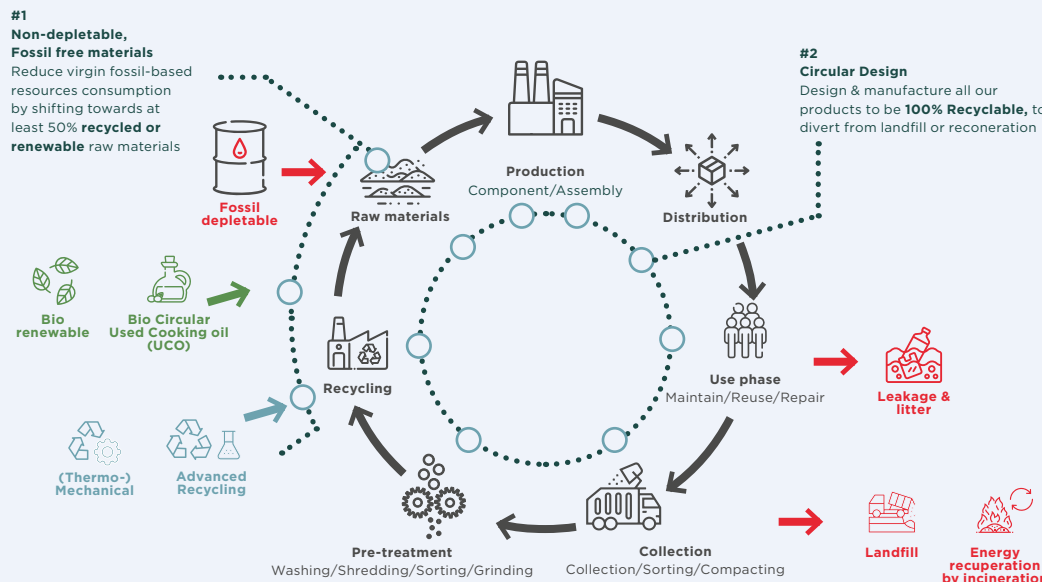
As a leading industrial company, we want to facilitate this crucial transition.

What are we aiming for?

Our 2 key circularity goals:

- by 2030, we'll drastically reduce our consumption of fossil-based, depletable resources, by **using at least 50% recycled or renewable raw materials in our production**
- by 2030, we only want to offer **100% recyclable flooring solutions***

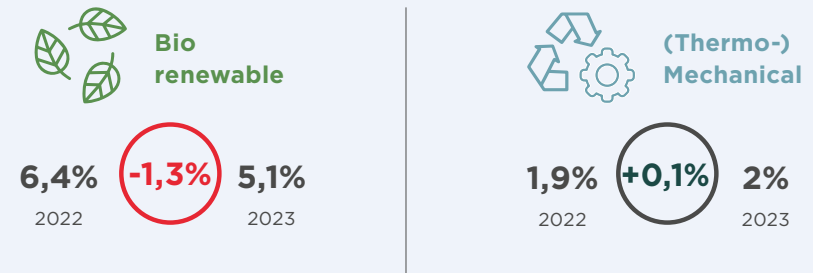
* according to ISO 14021, in which recycling is defined as the processing of waste materials for the original purpose or for other purposes, excluding energy recovery, with commercially available technology at scale.



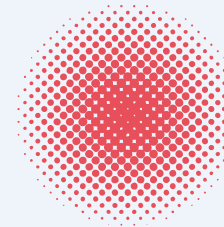
Where do we stand?

To keep track of our first circularity goal, we monitor the origin of consumed materials. Our ambition is to shift from fossil-based, depletable resources towards renewable and recycled materials.

Our progress between 2022 and 2023:



The slight drop in renewable raw materials is due to a decrease in our wooden flooring activity. As to our use of recycled materials, we've recorded a small increase. This means we are moving in the right direction, but should also step up our efforts, which we plan to do in the coming years.

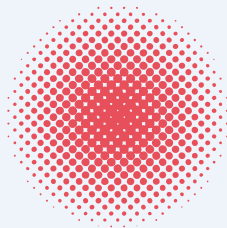
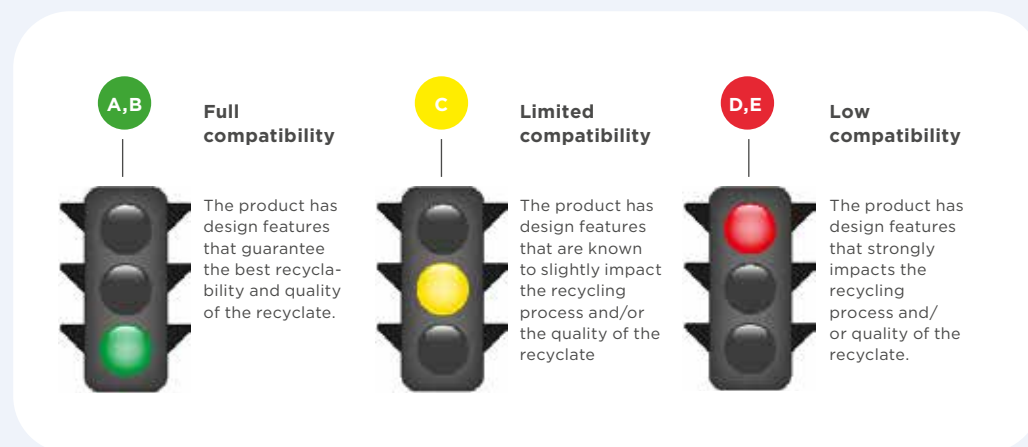


“The first steps have been taken. Now, it's time to accelerate our circular solutions. The many innovation and development projects that have been set up should bear fruit in the coming years. As one B.I.G. and together with our partners, we'll realize our 2030 ambitions.”

Pieter Vanoosthuysen
Group Circular Economy Manager

To keep track of our second circularity goal, we've worked on **B.I.G. Recyclability Guidelines for all our product categories** in 2023.

Inspired by the traffic-light system of the RecyClass Recyclability Methodology, we consulted both internal product experts and external recycling specialists to finetune the categorization system to our products. This fruitful collaboration resulted in a system in which green equals optimum recycling potential (classes A & B), orange refers to limited recycling potential (class C), and red classifies features that negatively impact the recycling process and/or the quality of reyclate (classes D & E).



“Our B.I.G. Recyclability Guidelines tell us exactly where we are on our journey towards 100% recyclable solutions. Maybe even more important, they indicate what can be done to improve, as well as which materials, substances, or combinations to avoid.”

Femke Faelens
Group Sustainability Manager

Circularity: from theoretical concept to industrial reality

Throughout this Annual & Sustainability Report, numerous circularity initiatives highlight the transformation that our Group is pursuing to achieve its ambitious goals.

One part of the transformation is the rise of recycled and renewable materials in our solutions:

- our durable RECOVER groundcover with 30% recycled content (page 26)
- our range of corrugated sheets with 50% recycled polypropylene (page 31)
- our portfolio of sustainable polyamide Yarns with up to 75% recycled content (page 50)
- our new LVT flooring with 100% recycled PVC (page 51)

Next to this, by focusing on design for recyclability and setting up take-back schemes, we've managed to divert precious materials away from landfill or incineration:

- our take-back scheme Relive for Cushion Vinyl.
- the collected and recycled volume of our event carpet Rewind (page 23) doubled in 2023, compared to 2022.

Building further on the fundamentals set, we're continuously evolving and improving circularity throughout all aspects of our businesses with a variety of other examples, some of which are mentioned hereafter.

Increasing the use of recycled and renewable content

Green Steps: a diverse program for sustainable vinyl

“With a large team of people across different disciplines, we’re setting up various initiatives to boost the sustainability performance of vinyl. These Green Steps include:

- ✔ **Relive:** a program to collect, sort, and and recycle installation offcuts of PVC floorings in the French contract market. The goal of this made-to-measure service is to show that offcuts can relive in other applications instead of being treated as waste.
- ✔ **CISUFLO (also on page 51):** a consortium that explores ways to minimize the environmental impact of the European flooring sector. B.I.G. is in the lead for PVC flooring, meaning we’ll draft design and traceability instructions, and conduct pilot tests with recycled content.
- ✔ **DISSOLV:** a research project to increase the amount of recyclate in vinyl applications by replacing some of its components, such as PVC, polyester, fillers, and plasticizers, with recycled alternatives. We do this together with partners from the textile and chemical industry, as well as with research institutes.
- ✔ **Flex-ID:** a 12-month collaboration different partners across different industries to develop digital product passports for plasticized PVC products, such as tarpaulins, cushion vinyl, and roofing. Today, there’s an urgent need for accurate materials and product traceability.

We’re also working on many other circularity projects: from making products fully recyclable, to making sure they actually get recycled appropriately when the time comes. We look forward to turning all these projects into tangible results.”

Lara Misseeuw
Innovation Project Manager

Wrapping up a sustainable future

“To combat the rapidly increasing amount of plastic packaging waste, the EU is, among others, moving towards mandatory targets for recycled content in new packaging materials – a trend we fully embrace. We’ve even set the bar higher for ourselves.”

B.I.G. target for 2030

= 50% recycled content, with at least 40% from post-consumer waste

“Data are obviously essential in this journey. This allows us to get insights into the different types and volumes of plastic packaging we currently purchase, as well as how much recycled content they contain. It’s great to see the commitment and support from all our divisions across the globe towards more sustainable packaging. The result: our overall recycled content stands at 34% for 2023, with 13% from post-industrial waste and 21% from post-consumer waste. In short, we’re making significant progress and it’s encouraging to see that our ambitious goals resonate with customer demands for recycled content solutions. We’ve taken the right step forward!”

Dieter De Jans
Global Category Manager

Redesign for end-of-life circularity and keeping solutions at their highest value throughout multiple lifecycles

Weaving sustainability from yarn to yard

“Our landscape and sports turf is often seen as something artificial replacing something natural. And to be clear, that’s what it is. But there are also several benefits, such as the reduction of chemical products entering our environment, and the significant amount of water saved. Moreover, we’re also committed to making the product itself more sustainable by focusing on three aspects: switching to recycled raw materials, changing the backing of the turf mats, and natural infill product.

The initial focus is on creating solutions with yarns made from recycled content, moving away from virgin materials. Once the mats are tufted with sustainable yarns, the assembly needs to be joined together with a backing. We’re actively working out solutions to stop using latex in these backings. For now, we’ve already introduced backings made from the same component family as the other elements of the turf, significantly simplifying the recycling process. This fits our goal of providing 100% recyclable turf for the landscape and residential markets in 2025. Last but not least, we focus on infill materials. For example, to prevent the release of microplastics in the environment, we’re exploring alternatives to rubber infill, such as olive pits or cork. And there’s even consideration of infill-free alternatives. To be continued!”

Nuria Villena Lerin
R&D Manager

Reusable straps boost safety and environmental performance

“In a world where recycling is already well-embedded, the aspect of reuse remains largely overlooked. That’s a shame, because by reusing materials and solutions, we limit the environmental impact associated with producing new raw materials or even recycling end-of-life materials.

In a move towards more sustainable operations, BerryAlloc in Wielsbeke, Belgium, took swift action. The team decided to get rid of single-use plastic straps that occasionally snapped when stacked pallets were handled. For transportation purposes, the site now uses sturdier, reusable straps. This transformation is not only much safer and better for the environment, it also reduces waste and CO₂ emissions. A nice and quick win that we couldn’t pass up on!

Mind you, the transition from single-use plastic straps to reusable ones is not merely a change in materials; it’s a shift in mindset, a commitment to responsible production practices, and a testament to B.I.G.’s dedication to protecting the environment and its employees.”

Bruno D’Argent
Product Sustainability Specialist

Route 4

We take responsibility for our climate impact

To take full responsibility for impact on climate, we are fundamentally transforming the way we generate energy for our facilities as well as the way we design, produce and distribute our goods. Next to the efforts mentioned in Routes 1 and 3, a focus on renewable energy, low-carbon production and eco-design, collaborating across the value chain, and sustainable mobility should lower our GHG emissions. This approach is in line with the ambition of SDG 13, while it also contributes to SDGs 7 and 9.



Renewable Energy



Why does it matter?

A large chunk of the greenhouse gases that blanket the Earth and trap the sun's heat are generated by burning fossil fuels to produce electricity and heat. That means **energy is at the heart of the climate challenge**. And, consequently, it is also key to the solution.

We urgently need to **transition to alternative sources of energy that are clean, accessible, affordable, sustainable and reliable**.

The good news: renewable energy sources are available in abundance, provided by the sun, wind, water, and heat from the Earth, but also offer plenty of other benefits. They emit little to no greenhouse gases or pollutants, while they make perfect **economic sense**.

What are we aiming for?

By 2030, all B.I.G. sites will use **100% renewable energy** in their operations.

Where are we today?

By the end of 2023, the total share of renewable energy for electricity and heat at B.I.G. sites was **about 16%, up 4% from 2022**.

For electricity, we've continued to make good progress, with a sustained focus on **solar and wind energy** to provide for our own energy, as well as **green energy contracts** with external providers. To illustrate, B.I.G. Yarns China reached an important milestone by entirely switching to green energy.

So far, 23% (up almost 9% from 2022) of our total electricity use stems from renewable energy sources. For thermal energy, viable solutions are less straightforward, but we're assessing all our options, ready to take action when all the pieces of the puzzle are in place.

We're also taking **an active role in the transition to renewable energy with our solutions**. Some of them help reduce energy consumption, while others boost the generation of clean energy for all (e.g. Magnifield).

Solar and wind energy power B.I.G.'s future

B.I.G. sites in Poland and Spain go solar

“Up until 2023, we had installed 23.790 solar panels at 6 sites in Belgium and France. Last year, we added another 1.545 solar panels at our Doménech Hermanos site in Spain and at Beaulieu Polska. This brings our total up to 25.335 solar panels, amounting to 7885 MWh – the equivalent of the energy used by more than 2.300 families each year. From Artificial Grass to Laminate and Technical Textiles, we’re producing a growing number of our solutions with green energy.”

Wind turbines get green light

“In our previous sustainability report, we had already announced the approval of 2 wind turbines at our site in Kruisem, Belgium. These will generate 8 MW, which accounts for about 15% to 20% of the site’s energy needs. In 2023, we dealt with the last legal and administrative issues and now we’re good to go. Preparations start in March 2024 and we’re hoping to be operational by May 2025. This will help us to further reduce B.I.G.’s carbon footprint and lower our energy bills.”

Maxime Vuylsteke
Group Energy Procurement Manager



Magnifield ups performance of bifacial solar farms

“We’re not only moving towards green energy ourselves, we also create solutions that contribute to clean energy for all. A telling example: our reflective ground covers by Magnifield, which support the energy transition by increasing the yield of fields with bifacial solar panels, and by making performance predictions more accurate.

Commitments for several pilot projects in the US, Japan, and Europe have already shown the enormous potential. But before you start thinking about buying the ground covers: they’re not for sale. Instead, for a monthly lease fee, Magnifield installs, maintains, removes, and replaces the unique ground cover to give customers full peace of mind. And this innovative service model resonates well with customers.

In short, we keep full ownership of the water-permeable ground covers, also at their end of life. This way, we ensure the covers get recycled into high-quality PP granulate by the right local recyclers. Ready to be used in other applications and maybe even new ground covers to completely close the loop.”

Francis Denoo
Global Sales Manager Geotextiles



100 EV charging points installed (and counting)

“We’re on our way to a 100% electrical company car fleet by 2026. That implies offering ample charging solutions to our employees who make the switch to electric driving. Something we heavily focused on in 2023: we proudly installed our 100th charging point in France and Belgium. The result is that we now have charging infrastructure at 10 B.I.G. sites, with plans to install another 142 charging points shortly. Obviously, our goal is to power our employees’ vehicles with the green energy that we produce on our sites. Good to know: we also install plenty of charging points at people’s homes.”

Kathleen D’Haene
Fleet Manager



Greenhouse gas emissions



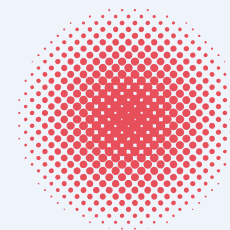
Why does it matter?

Global greenhouse gas emissions peaked in **2023 – the hottest year in history**. The good news: efforts to step up renewable energy and step back from fossil fuels show signs of promise. In 2024 or 2025, the world’s carbon emissions could start to fall for first time. We’re determined to contribute to this historic milestone and **help restoring nature’s carbon balance**.

What are we aiming for?

We want to bring our **greenhouse gas emissions balance (Scopes 1, 2 and 3) to zero by 2030**.

This means cutting greenhouse gas emissions from our own operations (Scope 1 & 2) to as close to zero as possible. However, a considerable part of our impact also comes from what happens beyond our own gates. **When looking at the complete value chain (Scope 3), we aim to reduce our emissions by 42% (in absolute values), compared to our base year 2021**, while also compensating for residual emissions that cannot be abated – thus bringing the overall balance to zero.



“Climate science is clear: to avoid the most catastrophic impacts of climate change, global warming must not exceed 1.5°C above pre-industrial temperatures. So, after submitting a commitment letter to the Science Based Target initiative (SBTi) at the start of 2023, we hope to have everything validated in 2024.”

Jelena Mnacakanjan
Sustainability Data Manager

Where do we stand?

Our Group's total carbon footprint for 2023

Total = 2,4 Mton CO₂e (+/- 10%)

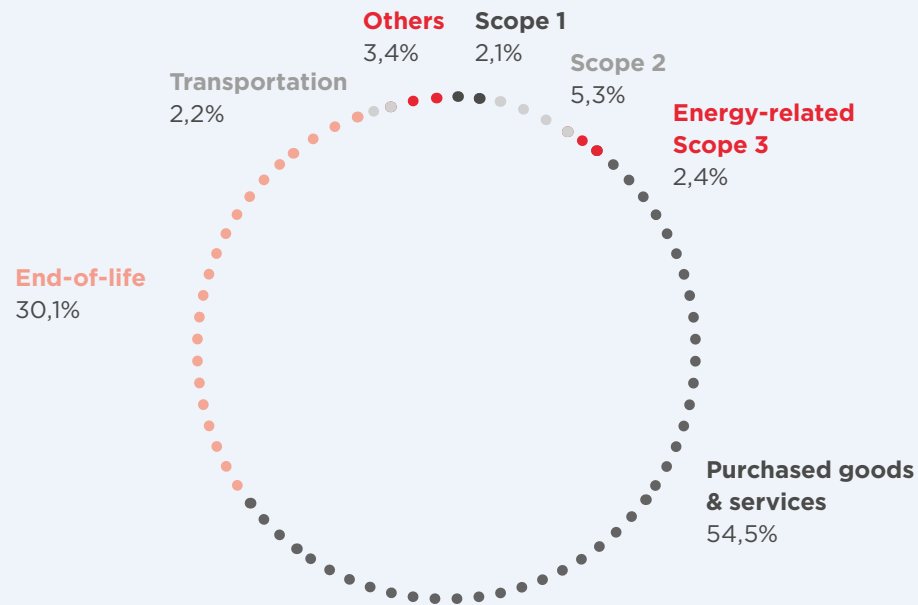
This equals the GHG emissions of a city with almost 250.000 inhabitants.

The split between Scope 1 & 2 and Scope 3 emission:

Scope 1&2 = 177 kt CO₂e

Scope 3 = 2,2 Mton CO₂e

These figures do not include our Signature division, nor sites that have been divested prior to 2023.



Important!

In this calculation, we didn't include the impact from the 'Use phase' and 'End-of-life phase' for our Polymers (except for Distriplast) and Engineered Solutions. Since our Polymers (except for Distriplast) and Engineered Solutions are used in wide variety of applications, we lack the visibility to make reasonable estimates.

For our Flooring Solutions and Distriplast, we included an estimate of the GHG emissions related to the 'End-of-life phase'. Also, we attempted to estimate the impact of the 'Use phase', considering, for instance, installation and cleaning. But our calculations led to numbers lower than 20 kt of CO₂e, so we did not include them.

In 2023, we also reviewed our 2021 GHG footprint. An improvement in data quality, by using more specific emission factors or better accounting for impact of end-of-life of products sold within our distribution activities, led to an increase of about 4%.

Our new estimates, with all detailed GHG emissions categories, are reported in the Appendix.



Progress between 2021 and 2023

Our global carbon footprint decreased by -4% compared to 2022, and by almost 16% vs 2021.

This reduction was caused by a decrease in activity (~ -10%) but also by positive actions which contribute to a decrease of our global footprint of more than 5% vs 2021. Some of our divisions were particularly active on this front in 2023 and showed that we are moving in the right direction.

By focusing on eco-design, we reduced the footprint of our Yarns by about 6% (average), and the impact of our Needle Felt carpet at the end of its service by more than 10% for every square meter sold. Our Distriplast division, in turn, reduced the average footprint of our corrugated sheets by about 5%.

The plan is to continue in this direction and to ramp up efforts with high-impact projects in all divisions.

Looking at the future

To build on this progress, we formulated carbon-reduction roadmaps for all B.I.G. divisions and production sites. By the end of 2023, over 70% of our divisions already had a concrete plan to reach our 2030 goals, including well-defined intermediate milestones.

This exercise will be completed early 2024. After the first quarter, we'll have **roadmaps to address more than 95% of our Group's impact**.

Will these roadmaps be sufficient? Our abatement curves indicate that our business units Engineered Solutions and Flooring Solutions will get very close to our global GHG footprint reduction targets. For our sites within the business unit Polymers, the picture is less clear due to technical and market challenges. So, we'll intensify our efforts to ensure we find solutions to reach our global ambitions.

Driving positive change with internal carbon pricing

“One of the tools that will be key to success: internal carbon pricing. In 2023, we took the decision to attach a monetary value to every ton of CO₂ emitted, namely 150 euro. In 2024, we will start fully implementing this, factoring it into critical decisions in a harmonized way. The goal is to encourage low-carbon investments and deprioritize high-emission projects, based on transparent and objective arguments. With a budget tied to emissions, we also want to improve operational efficiency, foster innovation, and advocate for sustainable solutions. This practice will drive positive change in our Group and we're eager to see the first results.”

Michiel Leys

Large Capital Projects Manager

Towards a greener portfolio

As a value-adding solutions provider, we always keep the environmental impact in mind when adding new solutions to our portfolio or rethinking existing ones. This is how we've been lowering our GHG emissions.

LCAs, EPDs, and carbon footprint simulators

In 2023, we further developed our expertise in LifeCycle Assessments (LCAs) and trained a larger team of experts to carry out these studies and interpret the outcomes. We also improved the way we share our LCAs with the outside world, mainly by using standardized templates including clear-cut information on methodology. This supports our ongoing efforts to be fully transparent about our findings and allows all users to easily understand and compare the impact of different products.

Route 5

We act with integrity and value open communication

In our quest for zero environmental footprint, we want to protect the interests of our employees and other stakeholders, such as customers, suppliers, and local communities. Ethical business conduct, such as supply chain due diligence, and complete transparency through solid communication plans are the yin and the yang of that resolution. Also in this Route, we align with several SDGs.



Responsible business conduct

Why does it matter?

As a large industrial Group, we operate in multiple countries and in diverse cultural, legal, and regulatory environments. That puts responsible and ethical business conduct across the whole value chain right on top of our agenda. From human rights to legal compliance, we see **due diligence as essential** to avoid adverse impacts on people, the environment, society, and our own business.

Responsible business conduct is also an internal priority. We should set the example within our facilities.

What are we aiming for?

B.I.G. embraces, supports, and enacts the 10 Principles of the UN Global Compact, a set of core values for human rights, labor standards, the environment, and anti-corruption.

By incorporating these principles into our strategy, policies, and procedures, and establishing a culture of integrity, B.I.G. aims to uphold its basic responsibilities to people and planet, while setting the stage for long-term success.

UN Global Compact: 10 principles

Human rights

- Principle 1** | support and respect the protection of internationally proclaimed human rights; and
- Principle 2** | make sure that they are not complicit in human rights abuses.

Labor

- Principle 3** | uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4** | eliminate all forms of forced and compulsory labor;
- Principle 5** | the effective abolition of child labor; and
- Principle 6** | eliminate discrimination in respect of employment and occupation.

Environment

- Principle 7** | support a precautionary approach to environmental challenges;
- Principle 8** | undertake initiatives to promote greater environmental responsibility; and
- Principle 9** | encourage the development and diffusion of environmentally friendly technologies.

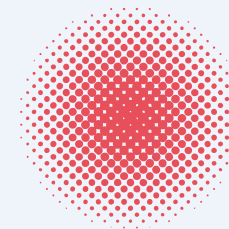
Anti-Corruption

- Principle 10** | work against corruption in all its forms, including extortion and bribery.

Where do we stand?

To ensure we run a flawless track record on the human rights principles, we appointed a Human Rights Officer for our Group in 2023. Clara Carelli, Group Sustainability Director, will add this to her role. Together with the management team, she assesses, manages, and prevents human rights related risks within the organization and across the value chain. Other responsibilities include:

- raising awareness
- setting up human rights related trainings
- overseeing stakeholder management
- monitoring actions and reporting on them



“Businesses have a significant impact on the way we live our life and enjoy our human rights, whether it’s as an employee, a customer or simply by living alongside companies that share our community. B.I.G. is well-aware of that impact and is determined to deliver a positive contribution.”

Lieven Flamée
QHSE Director

To determine the most salient risks related to human rights, we performed a Group assessment, including all our activities and entities. This then formed the basis to make decisions on responsibilities, actions, tools, and metrics to better mitigate these risks.

Salient human rights risks

Own Workforce

- ✔ The right to safe and healthy working conditions
- ✔ The right to equal treatment and opportunities for all
- ✔ The right to training and development

Value Chain

- ✔ The right to safe and healthy working conditions
- ✔ The right to fair working conditions (e.g. adequate wages, freedom of association, etc.)
- ✔ Diversity and equal opportunities in the value chain
- ✔ Child labor and forced labor

Mitigating human right risks for our own workforce

The right to safe and healthy working conditions is addressed in our SHE strategy, while the right to training and development is a core element in our HR strategy (see Route 2 for more info on both strategies).

The right to equal treatment and opportunities for all is also covered in Route 2, but we empowered our employees with an additional tool to speak up in 2023, allowing them to signal inequities and other issues.

In conclusion, **all salient human right risks for our own workforce are managed**. In 2024, with a stronger focus on Diversity, Equity and Inclusion, we'll be able to even do better in measuring and preventing any potential risks in this area.

Speak Up platform helps build a transparent culture

“Our employees are our eyes and ears. So, we want to encourage them to make good faith reports of harassment, corruption, breaches to law, and other improper business conduct – and protect them when they do. To that end, we launched both a whistle-blowing policy and the Speak Up platform for our entire Group in 2023. This Speak Up platform is available in all B.I.G. local languages and can be accessed by employees as well as third parties, such as applicants, consultants, and suppliers. Links to the platform are available on our websites and in our codes of conduct for employees and suppliers.

When a report is made on the platform, investigation is done by Internal Audit, Legal, or HR depending on the nature of the report. The person speaking up – who can opt to stay anonymous – then receives acknowledgment of receipt of the report within 7 days, as required by law. Specific feedback follows within 3 months after receipt of the report.”

Els Hostyn
Group Internal Audit and Risk Director

Mitigating human right risks in our value chain

To build a value chain that's aligned with us on key sustainability principles, such as safeguarding all human rights, we have a **multifaceted approach**, including these actions and tools:

- a renewed third-party risk management assessment process
- ongoing sanctions screenings
- our Anti-Bribery and Anti-Corruption Policy
- our Responsible Business Statement
- our Code of Conduct
- a series of audits

The results of these combined efforts are reflected in our improved sustainability ratings, such as the sustainability score for our suppliers and EcoVadis for our own business. To illustrate, 3 sites from Beaulieu Fibres International, 1 site from BerryAlloc, and 1 site from B.I.G. Yarns received a Silver Medal from EcoVadis in 2023.

Our Group receives first Medal from EcoVadis



For the first time, EcoVadis also rated our Group as a whole. The result: a Bronze Medal. Among our strengths are our strong policies, sustainable procurement, and our third-party risk management. Now, we'll work on the identified points of improvement (e.g. track all sustainability actions in one channel) and try to do better in 2024.

Selecting the right suppliers to work with

"In our effort to build a network of fully aligned business partners, a lot of attention goes to screening suppliers and customers before we do business with them. For example, we screen them against sanction lists to know who is engaged in or suspected of illegal activities. Only by avoiding those business partners can we truly live up to our ambition of running an ethical, transparent, and responsible company. A software tool helps us with this sanctions screening. It automatically and continuously provides intel, based on several international databases and lists.

In 2023, we also started implementing our new third-party risk management (TPRM) methodology. This allows us to evaluate third parties on anti-bribery and corruption, environmental performance, and human rights. Again, a tool with handy dashboards provides us with valuable insights into our supplier base."

Darie Robbrecht
Group Legal Director

Sustainability scores for strategic suppliers are up 5%

“Besides assessing our suppliers within our TPRM framework and tool, we also look more in depth at suppliers’ alignment with our sustainability ambitions. A straightforward scoring system helps us to do so:

- ✔ Definition and implementation of a sustainability strategy (up to 5 points)
- ✔ Commitment on GHG emissions reduction (40 points)
- ✔ Efforts (or plans) on circularity (25 points)
- ✔ Responsible business practice, ratings, and governance (30 points)

In 2022, we carried out a first sustainability assessment of our key suppliers, accounting for 80% of our total spend. And in 2023, we repeated this exercise. The result: the weighted average score has improved by approximately 5%. That’s nice, but we can do more. We’ll open the dialogue with SMEs, which in general tend to score less. And we’ll also directly reach out to suppliers with are insufficiently aligned with us at the moment. We’re sure that together we can make good progress.”

Wout Miechielsens
Group Procurement Director

We have plenty of other initiatives in the pipeline. For example, we’ll implement an internal audit system that formally includes sustainability risks, as well as external audits on our human rights risk management system. Also initiated: a supportive network for women within B.I.G. and plans to encourage hiring more people from minority groups.

In short, we’re accelerating on human rights and expect our partners to uphold the same standards.

Communication



Why does it matter?

Open and engaging communication is one of the key paths within our sustainability roadmap.

On the one hand, because we’re a Group that employs over 4.700 employees in 19 countries, spread over dozens of sites. Some of those sites have been with B.I.G. for decades, while others have recently joined the family.

On the other hand, because our external network has rapidly grown over the years. As stated in our vision on sustainability, we can’t achieve zero environmental footprint on our own. So, it’s not only about getting the B.I.G. family on board, but also about getting everyone within our network to do the same.

What are we aiming for?

To be completely **aligned with each other on one sustainability agenda**. Our team in Australia should know what our French facilities are up to, and so on. This form of transparency generates trust and boosts motivation. And although we cherish the uniqueness of each employee, strong internal communication also creates **a shared identity, a sense of belonging, and – ultimately – a common purpose**.

Towards the outside world, we value open communication just as much. **Transparency on ESG performance**, including both strengths and flaws, is the only way to provide our stakeholders with accurate information that informs their decisions, which should, in turn, create a more sustainable world.

To further speed up the transition, we’ll continue to take part in and orchestrate **business ecosystems** with knowledge and research institutions, competitors, public organizations, and others in and beyond our value chain. These ecosystems bring a great deal of value and capability to address sustainability challenges, such as climate change and the need for a circular economy. It’s only by building strategic alliances that we can **drive transformative change**.

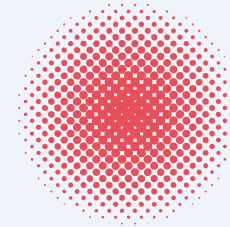
Where do we stand?

Constantly evaluating your own effectiveness remains one of the most important things if you wish to communicate openly and transparently. What works well, what doesn't? And above all, what should we do to achieve even better results? Every year, we turn these insights into tangible initiatives.

Central to the communications approach in 2023 was **All Voices Count**. This global program has two objectives. One objective is to inform all our employees – wherever they are – about the company and its direction. A second objective is to give everyone the opportunity to ask questions about issues that concern them, and to share opinions.

All Voices Count includes many elements, to reach as many people as possible in their own language:

- **Global Team Meetings:** a bi-annual online update on strategy, chaired by members of the Executive Committee and including an extensive Q&A session.
- **Local Townhalls:** each site reflects on B.I.G.'s strategic review and its effect on the site's own operations. This update is delivered live by the site's general management and is attended by all employees.
- **ONE Magazine:** an easily digestible internal magazine with employee stories from across the globe. ONE Magazine underlines the cultural connection within B.I.G. and showcases initiatives and achievements we can all be proud of.
- **Team boards:** in our production plants, we now have daily check-in meetings between operators, department heads, maintenance workers, quality managers, and shift leaders. They discuss the progress and status of the site, from efficiency to safety and collaboration. Decisions and actions are recorded on a physical or digital team board.



“Thanks to the team board meetings, we are much more involved in the day-to-day running of our production and understand decisions more clearly. More than that, we get a daily opportunity to ask questions, say what we need, and pass on concerns.”

Hacène Hamlaoui
Needle Felt Operator

These initiatives are **complemented by our regular communication channels**, such as our communication app Spencer, our bi-weekly newsletters, and global promotional campaigns around safety, wellbeing, sustainability, innovation ... which we roll out via TV screens and offline promotion materials, such as posters or leaflets.

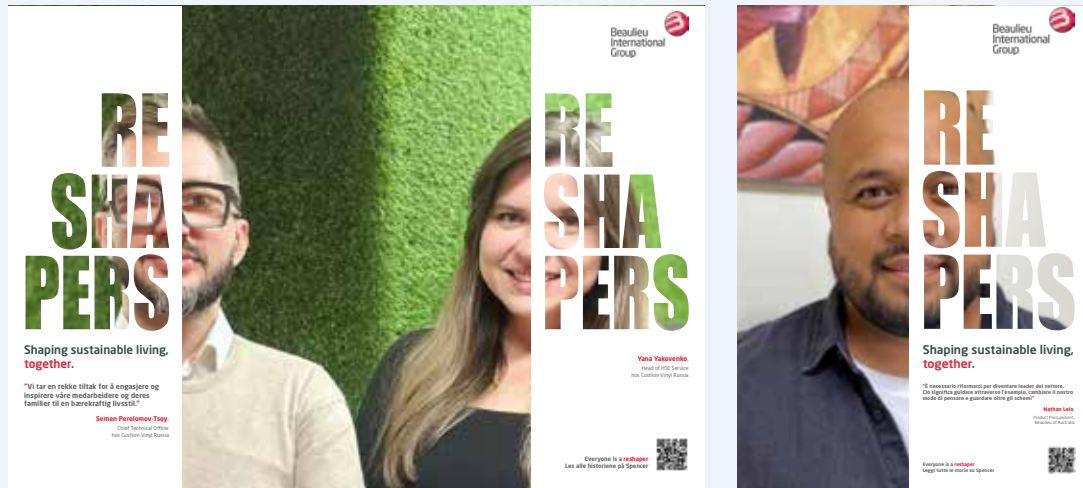


As for our external communication, we aim to **inspire others within our network**, so that they can take action themselves or join us in our efforts.

Everyone is a RESHAPER at B.I.G.

“Reshaping the future isn’t the sole prerogative of our sustainability and innovation teams. Quite the contrary, we can all contribute to our purpose – regardless of our role. To inspire people to adopt this mindset, we launched the campaign ‘Everyone is a RESHAPER’. We kicked things off with a global virtual session on 28 November. First, Clara Carelli (Sustainability Director), Pol Deturck (CEO), and Caroline De Clerck (Board of Directors) gave insights into our sustainability journey. Then, employees from all over the world showed how they’re reshaping the future in their daily jobs. The extensive versions of these stories were spread worldwide in 18 videos and posters – all in our 12 local languages. The bottom line: lots of small steps mean a giant leap.”

Dorine Degryse
Sustainability Coordinator



Fan of You: employer brand with a cartoonish twist

“Nothing happens without you: that’s basically what we want to say to each of our employees. They make B.I.G. into the purposeful business it is today. And to show our appreciation, we actively invest in an inclusive workplace, as well as people’s careers, health and well-being, and much more. It’s our way of letting each employee know that we’re a fan of them. Even more, we also want our future colleagues to feel this warm vibe. With the cartoonish campaign ‘Fan of You’, we decorated bus stops, advertised on billboards, brightened up social media, and gave color to job events.”

Samuel De Potter
Talent Acquisition Director



Partners and memberships

When we defined our purpose ‘Shaping sustainable living, together’, we didn’t just add together for the sake of it. Quite the contrary, we fully realize that true impact depends on both internal and external collaborations. So, we continuously scan the market for complementary partners and valuable memberships. With success: we’ve been working together with numerous business partners, universities, research institutions, public authorities, and other organizations.

Universities and knowledge institutes



The top 2 Belgian universities assist B.I.G. with several projects, while the Norwegian University of Science and Technology (NTNU) is a valued partner of Alloc in finding sustainable solutions.



Flanders’ innovation clusters like Catalisti (chemical and plastics industry) and VIL (logistics industry) actively promote collaboration between forward-looking businesses, and B.I.G. is a proud member.



Centexbel, the Belgian textile research and testing center of which B.I.G. is a board member, shares its textile expertise in various innovation projects. With research centers CETEC (Spain) and VTT (Finland), we work on projects related to biobased plastics.



VITO is an independent Flemish research organization in the area of cleantech and sustainable development. It’s goal? To accelerate the transition to a sustainable world. And that’s a perfect match with our own goals.



This center is a vibrant ecosystem of sustainability managers and directors, representing companies on a mission to accelerate their sustainability approach. Members also get full access to all research on ESG topics.



Joint ideation and innovation with INSEAD help us to identify new business opportunities.

Business partners



To organize for sustainability excellence, we team up with Climact and Möbius. They support us in addressing sustainability challenges and seizing opportunities.



Various renowned companies within the data science and digitalization sector provide input on how to optimize our manufacturing processes, supply chains, and maintenance systems with Industry 4.0 solutions.



For many years, we have been working with specialized waste management companies.



Innovation experts Creax and Start It X offer both intelligence and creativity to accelerate our innovation processes.



The multidisciplinary services Verhaert offers for industrial design and modeling accelerate our product innovation strategy.



We partner up with the labs of the Agfa Gevaert Group to perform chemical analysis, define the look and feel of our products, and experiment with physical characteristics.



As one of the global market leaders in coated technical textiles and technical apparel, Sioen has high sustainability ambitions that resonate with our own.



Inovyn is a global player in PVC. We have a common ambition on how to make the world more sustainable.



OceanSafe is a textile technology company for circular, biodegradable, and toxin-free circular textiles. NOOSA, in turn, offers 100% recyclable textile fibers to close loops. With these partners, we focus on recycled yarns and advanced recycling.



Freudenberg Filtration Technologies provides superior filtration solutions to improve the quality of life - a goal that we embrace as well.



With chemicals solutions for the textile and plastics industry, Vertexco and B.I.G. co-develop next-gen materials for soft flooring and vinyl applications.



This network organization wants to turn Friesland into Europe's most circular region. With Act Sports, we contribute to that objective.

Sectoral organizations



We are an active member of VinylPlus, the European PVC industry's commitment to sustainable development, which aims to improve the sustainability performance of PVC.



By joining the UK Contract Flooring Association, we have access to a wealth of resources. It's the depth and breadth of information that makes CFA so much more than a trade organization.



ERFMI, the European Resilient Flooring manufacturer Institute, groups all resilient flooring manufacturers and takes on a commitment to transparency and sustainability of product performance.



As a member of the European Man-Made Fibres Association, we benefit from the expertise and advocacy services on a number of issues: trade, environment, energy, and technology. Together, we also ensure a level playing field and gather statistics and other data.



The European Floor Coverings Association ensures the maintenance of high standards from a social, environmental, economic, ethical, and technical point of view.



EDANA, the leading global association and voice of the non-wovens and related industries, offers a wide range of services that help B.I.G. to achieve its goals.



EuPC is the professional representative body of plastics converters in Europe, whose activity embraces all sectors of the plastics-converting industry, including recycling.



The European Association of Geosynthetic product Manufacturers (EAGM) promotes the knowledge and usage of European synthetic products and underlines their sustainability benefits.



Polyvia is the French union of polymer processors, serving a strong, ambitious, and innovative profession. They use innovation, along with social relations and skills to build a sustainable sector based on the circular economy.



Together with essenscia, the Belgian Federation for Chemistry and Life Sciences Industries, we develop and promote innovative as well as sustainable solutions.



As a partner in the European Plastics Recycling Branch (EPRB) of the confederation representing the interests of the European recycling industries at EU level - also known as EuRIC - we promote the recycling of different types of plastics.

Standardization bodies



We take part in multiple workgroups for standardization committees. These address product categories such as resilient, textile and laminate floor coverings (CEN/TC 134 & ISO/TC 219), geotextiles (CEN/TC 189 & ISO/TC 221), textile and textile products (ISO/TC 38), man-made fibres (ISO/TC 38/SC 23), parquet & wood flooring (ISO/TC 218), chemical recycling of organic materials (ISO/TC 47) as well as processes, including the circular economy and sustainability for textile and plastic products (CEN/TC 350) Sustainability of construction works (CEN/TC 249) (Centexbel). This way, we co-create standards in our key markets and are always up to date on the latest developments.

Sustainability report 2023 - Appendix

Route 1 & 4

Energy

Energy consumption and mix	2022	2023
(1) Fuel consumption from coal and coal products (GWh)	not used	not used
(2) Fuel consumption from crude oil and petroleum products (GWh)	not used	not used
(3) Fuel consumption from natural gas (GWh)	217,095	197,216
(4) Fuel consumption from other non-renewable sources (GWh)	not used	not used
(5) Consumption from nuclear products (GWh)	not used	not used
(6) Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources (GWh)	434,166	407,761
(7) Total non-renewable energy consumption (GWh) (calculated as the sum of lines 1 to 6)	651,261	604,977
Share of non-renewable sources in total energy consumption (%)	88%	84%
(8) Fuel consumption for renewable sources (including biomass, biogas, nonfossil fuel waste, renewable hydrogen, etc.) (GWh)	15,857	15,150
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (GWh)	64,220	88,739
(10) The consumption of self-generated non-fuel renewable energy (GWh)	7,170	7,885
(11) Total renewable energy consumption (GWh) (calculated as the sum of lines 8 to 10)	87,247	111,774
Share of renewable sources in total energy consumption (%)	12%	16%
Total energy consumption (GWh) (calculated as the sum of lines 7 and 11)*	738,508	716,751

Notes

* 2023 Figures include all B.I.G. production sites operating during the year; in 2022 consumption of sites which are no longer part of the group has been removed

**in 2022 our 2 polymer plants (Pinnacle and Polychim) have been partially shutdown for preventive maintenance

*** in 2023 the amount of renewable electricity (purchased or produced on our sites) amounted to 22,8% of total electricity consumed

Route 1

Waste

Waste (ton)	2022	2023
Non-hazardous waste		
Non-hazardous waste recycled	19.002	19.748
Landfill with non-hazardous Waste	4.828	3.093
Incineration with energy recovery of non-hazardous Waste	14.282	8.245
Incineration without energy recovery of non-hazardous Waste	38	74
Reuse of non-hazardous Waste	9.017	2.806
Other non-hazardous waste	259	277
Hazardous waste		
Hazardous waste recycled	287	1.894
Landfill with hazardous Waste	22,04**	12
Incineration with energy recovery of hazardous Waste	63	49
Incineration without energy recovery of hazardous Waste	118	136
Reuse of hazardous Waste	163	0
Other hazardous Waste	223	109
Total waste	48.280	36.442
Total valorised waste*	28.468	24.448
% of valorised waste	59%	67%

Notes

2023 Figures include all B.I.G. production sites except for ActGlobal, 2022 figures include our Tuft entity in Belgium, which was no longer operating in 2023

*Valorised waste is going to be either reused or recycled

**In 2022, landfill with hazardous waste was entered as 3022.04 tons. It was reassessed as digits were entered incorrectly and thus we have restated the numbers with a new value.

Route 1

Water

Water (m ³)	2022	2023
Total water consumption	1.553.501	1.797.591
Municipal water	254.772	226.065
Groundwater	748.447	646.053
Stormwater	2.610	4.261
Freshwater Surface water*	546.197	919.736
Recycled or reused water	1.474	1.476
Wastewater discharged in Surface water	59.377	8.121
Wastewater discharged in Groundwater	401	796
Wastewater discharged in Seawater	793	517
Wastewater discharged in Public Sewer, followed by public treatment	58.834	48.089
Wastewater discharged in Public Sewer, not followed by public treatment	-	8.314
Wastewater collected by sister company**	226.308	248.986

Notes

2023 Figures include all B.I.G. production sites except for ActGlobal, 2022 figures include our Tuft entity in Belgium, which was no longer operating in 2023

*The considerably lower amount of Freshwater reported in 2022 is due to the partial shutdown for preventive maintenance of our Pinnacle polymer plant

**In 2022, wastewater collected by sister company was previously reported incorrectly as 938.96 m³

Route 2

Our workforce

Headcount* by country	
Country	Head count 2023
New Zealand	9
Kazakhstan	28
Norway	182
United Kingdom	7
Spain	117
Germany	16
United States	368
Slovenia	139
China	115
Romania	102
Italy	91
Russian Federation	720
France	462
Poland	17
Belgium	1.763
Sweden	6
Australia	176
Ukrain	20
Canada	370
Total	4.708

* All headcount figures in this Appendix are defined as the number of physical people in all B.I.G. entities. These figures include employees on long-term leave, but exclude contingent workers.

Headcount by age***

Age	Headcount 2023
Under 30 years old	620
30-50 years old	2.598
Over 50 years old	1.649
Total	4.867

Headcount by gender***

Gender	Head count by gender 2023
Male	3.501
Female	1.366
Total Employees	4.867

Headcount by contract type and gender***

Regular**				Temporary***				Total			
Blue Collar		White Collar		Blue Collar		White Collar		Blue Collar		White Collar	
M	F	M	F	M	F	M	F	M	F	M	F
2.233	369	1.141	965	38	4	89	28	2.271	373	1.230	993

** Regular employees are defined as having permanent and fixed term contract, including employees on long-term leave.

*** Temporary employees are defined as contingent workers (interim, contractor, consultant, student, internship).

Headcount by contract type, gender and region***

	Permanent		Temporary		Total	
	Men	Women	Men	Women	Men	Women
Asia Pacific	192	108	1	2	193	110
Europe, Africa and Middle East	2.710	960	124	29	2.834	989
SAMEA			0	0	0	0
North America	472	266	2	1	474	267
Total	3.374	1.334	127	32	3.501	1.366

Board of Directors: gender balance

Female	2
Male	5
Total	7

Global Leadership Team****: gender balance

Female	Male	Total
13	50	63

**** The Global Leadership Team consists of all members of the Executive Committee, the General Managers of our business divisions, the Sales Directors and all Functional Directors.

Route 4

GHG emissions

	2021 (base year)	2022*	2023	% N / N-1	% N / 2021
Scope 1 GHG emissions					
Gross Scope 1 GHG emissions (tCO ₂ e)	59.637	53.616	50.888	95%	85%
Scope 2 GHG emissions					
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	136.745	114.622	115.819	101%	85%
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	151.944	127.171	126.566	100%	83%
Significant scope 3 GHG emissions*					
Total Gross indirect (Scope 3) GHG emissions (tCO₂e) market based	2.617.425	2.290.619	2.203.000	96%	84%
3.1 Purchased goods and services	1.559.804	1.322.866	1.291.389	98%	83%
3.2 Capital goods	26.504	33.229	34.834		
3.3 Fuel and energy-related activities location based	65.228	52.489	56.734		
3.3 Fuel and energy-related activities market based	66.182	53.347	57.667		
3.4 Upstream transportation and distribution	55.386	65.727	51.043		
3.5 Waste generated in operations	61.225	51.284	36.900		
3.6 Business travels	1.481	2.913	3.098		
3.7 Employee commuting	7.692	5.330	7.135		
3.8 Upstream leased assets	73	73	73		
3.9 Downstream transportation and distribution	410	1.452	1.155		
3.10 Processing of sold products	not included	not included	not included		
3.11 Use of sold products**	not included	not included	not included		
3.12 End-of-life treatment of sold products***	835.008	750.738	716.047		
3.13 Downstream leased assets	3.732	3.732	3.732		
3.14 Franchises	n/a	n/a	n/a		
3.15 Financial investments	n/a	n/a	n/a		
Total GHG emissions (location-based) (tCO₂e)	2.812.853	2.457.998	2.369.706	96%	84%
Total GHG emissions (market-based) (tCO₂e)	2.829.006	2.471.406	2.380.453	96%	84%

Notes

2023 Figures include all B.I.G. entities except Signature; in 2021 and 2022 footprint for Tuft Belgium has been removed; Act Global was also not included in 2021 and 2022, but is included in 2023

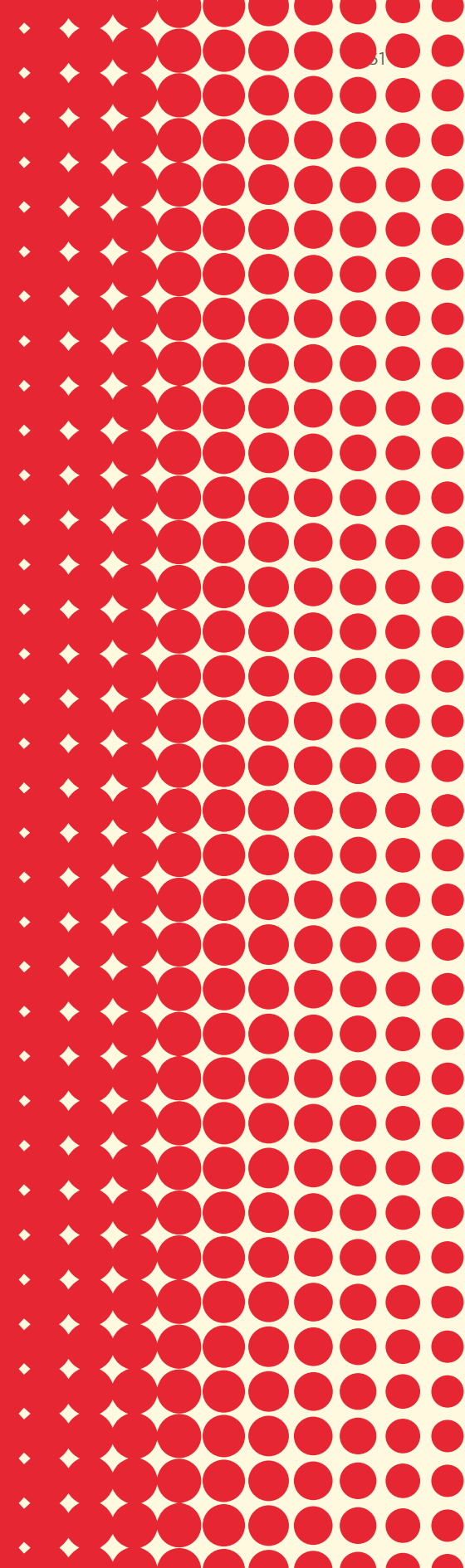
Some of the emission factors, including those used for electricity, have been kept constant over the 3 years period, without accounting for minor modifications which may result from differences in the energy profile or average costs when financial values have been used;

*in 2022 our 2 polymer plants (Pinnacle and Polychim) have been partially shutdown for preventive maintenance: the reduced activity led to a considerably lower footprint

**Emissions related to use of sold products have not been included. From our estimates this category of emissions for our flooring products may account for less than 1% of our global footprint

***Emissions related to end-of-life treatment of sold products have been included for all our flooring divisions, our distribution activities and Distriplast

Financial report



Contents

1. Financial review

1.1. Key Figures 2023	164
1.2. Financial Highlights	166
1.3. Outlook	171
1.4. Consolidated income statement	172
1.5. Consolidated balance sheet	175
1.6. Consolidated cash flow	176

2. Notes to the selected financial information

2.1. General	177
2.2. Basis of Accounting	177
2.3. Functional and presentation currency	177
2.4. Use of judgements and estimates	178
2.5. Significant Accounting Policies	178
2.5.1. Foreign currencies	178
2.5.2. Goodwill	179
2.5.3. Intangible fixed assets	179
2.5.4. Tangible fixed assets	179
2.5.5. Inventories	180
2.5.6. Trade receivables	180
2.5.7. Amounts payable within one year	181
2.5.8. Deferred income/charges & accrued income/charges	181
2.5.9. Deferred taxes	181
2.5.10. Provisions for liabilities and charges	181
2.5.11. Revenue recognition	182
2.5.12. Non-recurring income & expenses	182
2.5.13. Non-controlling interest	182
2.6. Turnover By Segment	183

2.7. Balance Sheet Items	184
2.7.1. Goodwill & Intangibles	184
2.7.2. Tangible Assets	186
2.7.3. Trade & Other Receivables	188
2.7.4. Statement Changes in Equity	189
2.7.5. Provision for Liabilities and Charges	190
2.7.6. Financial debt	190
2.7.7. Trade and Other Payables	191
2.7.8. Non-Recurring income and expenses	192
2.7.9. Deferred and Income Tax	193

2.8. Risks, uncertainties and contingencies	194
2.8.1. Exchange rate risk (currency risk)	194
2.8.2. Interest rate risk	195
2.8.3. Liquidity risk	195
2.8.4. Credit risk	195
2.8.5. Commodity risk	196
2.9. Financial Instruments	196

3. Commitments

3.1. Key differences between BEGAAP and IFRS	197
3.2. Auditor's Report - KPMG	198
3.3. List of entities	199

1. Financial review

1.1. Key Figures 2023

Our 2023 performance was challenging, reflecting the full-year impact of the economic adverse trends that began in mid-2022. Low global GDP growth has impacted most of our key markets putting significant pressure on market demand and margins. Raw material and energy prices have gradually declined, which has improved our margin, but only partially offset the loss of volume. On top we still faced a delayed impact of the 2022 inflation on several elements within our cost base. Rising interest rates also had a significant negative effect on consumer confidence and put pressure on housing markets (mainly in Europe) which affected the performance of our Flooring and Engineered Solutions business. In addition, chemical markets entered a downward spiral, affecting our Polymer business after several years of exceptional performance. This resulted in consolidated annual sales of 2,0 billion euro and an EBITDA performance of 98,1 million euro for 2023, significantly lower compared to last year.

As a result we adapted to this new market context by implementing cost reductions and strictly managing our inventories and investments. We managed to reduce our working capital by 45,6 million euro mainly driven by reducing our inventories. This resulted in a cash flow from operating activities of 118,0 million euro.

We also intensified our efforts to enhance our positions in our attractive market segments by prioritizing long-term investments in innovation and sustainability. We increased our capex expenditures to 80,7 million euro restoring them to pre-covid levels, with a clear focus on cost optimization and targeted long-term investments. After cash outflows related to M&A, divestments and dividends, we concluded the year with a net financial debt of 3,0 million euro, reaffirming a solid financial position following a challenging year.

As we look to 2024, we have little visibility as to when the markets will begin to recover. We are hopeful that our markets have already bottomed out in 2023, and we expect to deliver stronger performance in 2024 following the actions we have already taken. We remain focused on controlling our costs and proactive in matching our production capacity to current demand, but we also continue to invest for the long term so that we are ready when market conditions improve.

Pieter-Jan Sonck
Chief Financial Officer

Consolidated key figures

In million EUR	2023	2022	2021
Income Statement			
Turnover	1.965,3	2.430,5	2.511,1
Operating profit before non-recurring items	51,5	195,6	400,5
EBITDA	98,1	249,7	450,8
EBIT	39,1	179,8	378,4
Net result	2,0	120,1	274,5
Balance Sheet			
Equity	730,3	895,0	781,5
Net cash position	-3,0	105,8	22,2
Total assets	1.258,3	1.280,0	1.414,2
Capital expenditure	80,7	73,2	56,2
Working capital	349,6	395,2	373,8
Capital employed	796,1	842,4	805,8
Ratios			
EBITDA on sales	5,0%	10,3%	18,0%
Solvency - Equity ratio	58,0%	69,9%	55,3%
ROCE	4,9%	21,3%	47,0%

Definitions (non-BEGAAP measures):

- EBIT= Profit before tax + interests + income from financial assets + non-recurring result
- EBITDA = EBIT + depreciations + write downs on stock/trade receivables + changes in provisions
- Net financial position = cash and cash equivalents - financial debts
- Working capital = inventories + trade receivables + other receivables (long and short term) + deferrals - trade payables - employee benefit obligations & tax payables - other current liabilities - accruals - advance payments
- Capital Employed (CE) = Working capital + non-current assets
- Solvency - Equity ratio = Equity / Total Liabilities

ROCE = EBIT / Capital Employed (CE) at balance sheet date end of year

1.2. Financial Highlights

Income statement

Our **consolidated sales** for 2023 amount to 2,0 billion euro. This is 465,2 million euro lower than last year and represents a decrease of 19,1%. Sales decline was largest in Polymers division and is mainly due to lower raw material prices compared to last year and this is automatically reflected in our sales prices. For Flooring and Engineered solutions, lower demand is the main cause of the sales decline due to the low cycle in the construction market. This is a result from the ongoing unfavorable and uncertain macro-economic and geopolitical situation. In addition, there is an unfavorable FX translation effect of 102,0 million euro on our sales due to the weakening of our main foreign currencies (USD, NOK, CAD and RUB).

Group operating result before non-recurring items was 51,5 million euro compared to 195,6 million euro last year. Operational margins came under pressure from several factors, the most important being margin erosion in our Polymers business due to the downturn in chemical markets. In Flooring and Engineered solutions, lower volumes led to lower production efficiency and under-absorption of our fixed costs, which impacted profitability. This was partially offset by raw material and energy prices falling during the year while we managed to keep our sales prices at the same level. In 2023 we effectively managed lower volumes and took action to improve our cost structure. Consequently, we achieved an operating profit margin of 2,6% on turnover.

Operational costs, all business segments, were 14,4% lower or 321,0 million euro lower than last year.

- Purchasing costs fell by 293,2 million euro. Relative to sales, they remained unchanged, demonstrating our ability to withstand price erosion.
- Services & other goods expenses decreased by 26,2 million euro, relative to sales, this represents an increase of 2,7%, due to the general inflation of energy, transportation, insurance and other costs following the volatile macroeconomic and geopolitical environment.
- Remuneration expenses decreased by 2,6 million euro. As a percentage of sales they increased by 2,6%, which is lower than the average inflation in the European industry for salaries.
- Depreciation on our (in)tangible fixed assets decreased by 4,4 million euro in 2023.
- Other operating income decreased by 14,0 million euro because 2022 included the insurance compensation for Hurricane Ida in the U.S. in 2021.

The **non-recurring result** had a net impact of -7,8 million euro.

Operational non-recurring cost amounted to 22,9 million euro and mainly included impairment costs on (in)tangible fixed assets (19,2 million euro) and costs for M&A, divestments and restructurings (3,5 million euro).

Financial non-recurring income amounted to 15,1 million euro and mainly included gains on sales of financial assets for 11,4 million euro and positive exchange results of 3,9 million euro on the Rubble.

Interest and other debt related expenses amounted to 7,1 million euro, an increase of 2,0 million euro, mainly due to higher interest rates and lower cash position during the year compared to 2022.

Income taxes are 25,7 million euro, 32,0 million euro lower than last year and entirely attributable to the lower operational result.

Net result of the year 2023 is 2,0 million euro, down 118,1 million euro compared to 2022.

Consolidated Balance sheet

The total balance sheet at December 31, 2023, amounted to 1.258,3 million euro compared to 1.280,0 million euro at the end of 2022.

Tangible and intangible fixed assets (including goodwill) amounted to 445,8 million euro at the end of 2023 compared to 429,3 million euro at the end of 2022. All Group companies together invested 80,7 million euro in (in)tangible fixed assets in 2023.

Financial fixed assets amounted to 0,7 million euro at the end of 2023 compared to 18,0 million euro at the end of 2022. The decrease is related to the sale of our equity interest of 27,78% in Ter Lembeek International NV.

Total **working capital** decreased from 395,2 million euro at the end of 2022 to 349,6 million euro this year. The improvement in absolute terms amounts to 45,6 million euro and is mainly due to lower inventory levels (21,5 million euro) and improved payment terms from our suppliers (27,9 million euro). In relative terms, our total working capital increased from 16,3% of sales at the end of 2022 to 17,8% at the end of 2023. This relative increase is mainly due to the lagging effect of adjusting our inventory levels to lower activity levels.

The contribution of **Russian subsidiaries** to the total balance sheet amounts to 131,5 million euro. In light of the ongoing conflict between Ukraine and Russia, an impairment test was conducted at the end of the year. Based on the outcome of this assessment, we have determined that there is currently no need to record additional impairments.

Our net financial position at year-end shifted from a 105,8 million euro net cash position at the end of 2022 to a net debt position of 3 million euro at the end of 2023. Of this, 28,5 million euro were cash held by our Russian subsidiaries, subject to distribution limitation and restrictions imposed by local legislation. Nonetheless, our financial position remains robust, with ample liquidity headroom.

Our **shareholders' equity** evolved from 895,0 million euro at the end of 2022 to 730,3 million euro at the end of 2023. The decrease of 164,7 million euro is due to our net result of -0,6 million euro (Group share), a dividend payment of 100,4 million euro, the repurchase of own shares for 27,9 million euro and a negative foreign exchange adjustment amounting to 35,7 million euro. This results in a solvency ratio of 69,9% in 2022 to 58,0% in 2023, which still shows a strong balance sheet position.

Consolidated Cash Flow

In 2023, we generated a cash flow from operations of 118,0 million euro driven by a 98,1 million euro EBITDA and a cash release from working capital of 45,2 million euro. This again demonstrates our strong focus on our cash management and liquidity preservation. After our capex spending of 80,7 million euro and the impact of scope changes (M&A and restructurings), we report a break-even consolidated free cash flow.

In 2023, we have paid a dividend of 101,6 million euro. At 161,6 million euro, our cash balance remained the same as last year, but our short-term financial debt increased by 113,4 million euro.

Segment information

Polymers

Until mid-2022 our Polypropylene business enjoyed historically high margins. However, starting in the second half of 2022 and continuing through the full year 2023, EBITDA declined, hopefully reaching the bottom of the cycle in the fourth quarter of 2023. Sales also decreased significantly by 26%, primarily driven by declining raw material prices that also pushed down the sales prices significantly.

- In North America, the increase in new industry capacity in 2023 and the lack of balanced demand growth caused a profitability trend toward historical averages. Average operating rates for North American PP Producers remain around the mid-70% range with our operating rate tracking at a higher level.
- Market demand in Europe was weak, leading to lower volumes and margins. Our more specialized product offerings continued to perform well.
- Falling raw material prices triggered inventory revaluation losses in our results.

Engineered Solutions

EBITDA significantly lower in an ongoing turbulent macroeconomic environment.

- Demand was low in all segments, -5,3% in terms of volumes compared to the previous year. Demand remained stable in certain key segments, while others experienced a very challenging environment.
- Margin was under significant pressure due to several components:
 - 1) lower sales volumes led to unabsorbed costs in our manufacturing,
 - 2) continued cost inflation, especially for energy and labour in Europe
 - 3) in selected segments we faced aggressive price competition.
- The results were supported by our operational excellence and cost contingency measures.
- The entire industry was characterized by low sales volumes and overcapacity. Cost pressure (mainly energy) is decreasing in 2024 compared to the previous year, compensating for subdued volumes in Europe.

Flooring Solutions

Our flooring solutions profitability was significantly impacted by (1) lower volumes as consumers remained cautious about renovating their homes in times of high inflation and higher interest rates and (2) pressure on sales prices due to more favorable raw material and energy prices.

- The topline decline is mainly driven by lower sales in hard flooring and low demand for cushion vinyl in the US. Overall annual volumes -8% for flooring solutions.
- Increased competition from Asia and the Middle East puts pressure on volumes.
- Through innovation, design, product differentiation (with a focus on sustainability), we are concentrating on strengthening our positions in more attractive segments and improving our sales mix and profitability.
- Focus on sustainability is driving significant growth in specific segments (e.g. the event segment with Rewind (latex-free carpet)).
- Macroeconomic situation in Russia due to the Russian/Ukrainian conflict remains challenging, especially for raw material supply. Retail demand remained robust.
- Implementing cost reductions to align our cost base to lower demand and restore our profitability.

1.3. Outlook

Heading into 2024, we anticipate that the uncertain and challenging global economic environment to persist, thereby impacting financial performance. We expect margins to remain under pressure in the first half of 2024 due to subdued demand. It is imperative that we maintain our focus on cash, plan our business cautiously and remain agile and responsive to the some macroeconomic developments:

- Overall evolution of the global economy in chemicals and (European) construction market
- Market conditions in the key segments in which we operate (polypropylene market but also PVC, latex, ...)
- Impact of global trends related to circularity and sustainability
- Positioning of the Euro against our main trading currencies.

The conflict in Ukraine will still have an impact on the Company's operational and financial performance, but future developments are unpredictable. The Company will continue to analyze the possible consequences and, if necessary, adjust its operational activities.

We took many actions in 2023 and we are optimistic that they will lead to better performance in 2024. We know that future developments are unpredictable and that the evolution of the global economy remains volatile. We will continue to analyze the possible consequences and align our activities. The financial strength of the Group and the access to credit facilities will further help us to pursue our future ambitions.

1.4. Consolidated income statement

Note for the reader: The official BEGAAP income statement has been presented to bring it more in line with the Group's internal management reporting by clustering items of income and expenses by its nature.

As a result, all non-recurring income and expenses (both operating and financial) are presented under a separate heading. In addition, operating income line item 'changes in inventories of finished goods and work in progress' (-4,9 million euro) has been presented under 'Raw materials, consumables, trade goods, finished goods and work in progress'; operating income line items 'fixed assets - own construction' (7,1 million euro) has been presented under 'other operating income'.

In thousand EUR	2023	2022
Turnover	1.965.292	2.430.477
Raw materials, consumables and trade goods	-1.199.235	-1.465.766
Changes in inventory	-21.532	-48.162
Services and other goods	-382.648	-408.884
Remuneration, social sec. costs and pensions	-281.413	-283.997
Depreciations	-59.782	-64.227
Write downs stock and trade debtors	3.839	-878
Provisions for liabilities and charges	13	-804
Other operating income	36.849	50.811
Other operating expenses	-9.926	-12.932
Operating profit before non-recurring items	51.457	195.638
Interest and other debt expenses	-7.135	-5.122
Income from financial assets	3.488	1.521
Depreciation goodwill	-3.056	-4.025
Other financial income	24.065	32.123
Other financial expense	-33.342	-43.923
Financial result before non-recurring items	-15.979	-19.425
Non-recurring operating income and expense	-22.917	-44.574
Non-recurring financial income and expense	15.091	46.192
Non-recurring results	-7.826	1.619
Profit before taxes	27.652	177.832
Income taxes (current and deferred)	-25.669	-57.731
Result for the period	1.983	120.100
Result for the period: attributable to	1.983	120.100
Share of the group	-620	112.823
Share of non-controlling interest	2.603	7.277

1.5. Consolidated balance sheet

Additional information with regards to non-BEGAAP measures (EBIT and EBITDA):

In thousand EUR	2023	2022
Profit before taxes	27.652	177.832
+ Interest and other debt expenses	7.135	5.122
+ Income from financial assets	-3.488	-1.521
+ Non-recurring operating income and expenses	22.917	44.574
+ Non-recurring financial income and expenses	-15.091	-46.192
EBIT	39.124	179.814
+ Depreciations	59.782	64.227
+ Depreciation goodwill	3.056	4.025
+ Write downs stock and trade debtors	-3.839	878
+ Provisions for liabilities and charges	-13	804
EBITDA	98.110	249.749

In thousand EUR	2023	2022
Goodwill and intangible fixed assets	46.776	22.271
Tangible fixed assets	399.002	407.001
Financial fixed assets	789	18.003
Total fixed assets	446.566	447.274
Inventories	339.599	361.083
Trade receivables	269.426	260.865
Other receivables	20.617	29.414
Cash and cash equivalents	161.634	161.987
Deferred expenses and accrued income	20.440	19.419
Total current assets	811.715	832.769
TOTAL ASSETS	1.258.281	1.280.044

In thousand EUR	2023	2022
Share capital	227.002	227.002
Retained earnings and reserves	557.141	686.234
Translation differences	-53.852	-18.188
Total equity	730.291	895.048
Non-controlling interest	9.786	8.854
Provisions for liabilities	37.701	29.276
Deferred taxes	14.956	14.672
Total provisions and deferred taxes	52.656	43.948
Financial debts	10.622	11.679
Other non-current liabilities	425	425
Total non-current liabilities	11.048	12.104
Financial debts	153.979	44.462
Trade payables	223.637	195.779
Employee benefit obligations and tax payables	52.474	58.043
Other current liabilities	3.600	3.251
Accrued charges and deferred income	20.811	18.554
Total current liabilities	454.500	320.089
TOTAL LIABILITIES	1.258.281	1.280.044

1.6. Consolidated cash flow

In thousand EUR	2023	2022
Net result	1.983	120.100
Non-cash movements	70.796	61.719
Increase(-) / decrease (+) in working capital	45.220	-15.931
Cash flow from operating activities	117.999	165.888
Additions of (in)tangible fixed assets (-)	-80.656	-73.191
Disposals of (in)tangible fixed assets (+)	1.510	8.747
Scope change (acquisitions, divestments and other investments)	-38.938	6.980
Cash flow from investing/divesting activities	-118.085	-57.465
Consolidated free cash flow	-86	108.423
Dividends received / paid (+/-)	-101.611	-13.091
Net debt movements	113.376	-126.463
Cash flow from financing activities	11.765	-139.554
Net change in cash and cash equivalents	11.679	-31.130
Cash and cash equivalents at the beginning of the year	161.987	202.913
Conversion difference on net cash	-12.033	-9.795
Cash and cash equivalents at the end of the year	161.634	161.987

2. Notes to the selected financial information

2.1. General

Beaulieu International Group NV (the “Company” or “Group”) is a company headquartered in Belgium. The Company has its registered office at Kalkhovevestraat 16, 8790 Waregem with registration number 0442.824.497.

The total consolidated equity of the Company is 730,3 million euro in 2023 compared to 895,0 million euro in 2022. This includes a share capital of 227,0 million euro, represented by 758.548 capital shares. The consolidated financial statements for the period beginning on January 1st, 2023, and ending on December 31st, 2023, from which the selected financial information has been derived, are subject to approval by the Shareholders meeting of the Company on May 28, 2024.

2.2. Basis of Accounting

The consolidated financial statements have been prepared in accordance with BEGAAP, the Belgian Generally Accepted Accounting Principles. According to BEGAAP, the historical cost principle is applied as measurement basis and the accounting policies have been applied consistently from year to year.

2.3. Functional and presentation currency

The consolidated financial statements are presented in euros, which is the Company’s functional currency. All amounts have been rounded to the nearest thousand euro, unless otherwise indicated.

According to BEGAAP, the historical cost principle is applied as measurement basis and the accounting policies have been applied consistently from year to year.

2.4. Use of judgements and estimates

In preparing the consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

2.5. Significant Accounting Policies

2.5.1. Foreign currencies

Foreign currency translation

Each entity of the Group reports in its individual functional currency, i.e., the currency of the economic environment in which the entity operates. Therefore, the financial statements of foreign subsidiaries, with a financial currency different from euro (USD, AUD, CAD, RUB, NOK, etc.), need to be converted in EUR, as follows:

- Assets and liabilities, except for shareholders' equity, are translated at the official closing rate at the end of the period;
- Income and expenses are converted at an average rate for the year;
- Shareholders' equity items are carried at their historical rates.

Translation gains and losses resulting from the difference between the average rates and the closing rates at the end of the year/period are incorporated in the shareholders' equity under the heading "translation differences".

Foreign currency transactions

Foreign currency transactions (amounts receivable and payable in foreign currencies) are recognized in the functional currency of each entity at a certain exchange rate during a certain period (i.e., different from the functional currency of the company). The exchange rate is applicable at the transaction date, meaning the date when the actual transaction is recognized.

Gains and losses as a consequence from the settlement of foreign currency transactions and from the translation of monetary assets (see foreign currency translation) are reported in the income statement as a financial result. Foreign currency gain and losses on intra-group dividends are recognized through the income statement, in the non-recurring financial result.

2.5.2. Goodwill

The definition of goodwill entails the positive difference between the purchase price of a new participating interest and the net book value of the net assets obtained upon the acquisition. The positive consolidation differences are amortized on a straight-line basis over a period of 5 or 10 years. Positive consolidation differences are subject to impairment reviews, in alignment with macroeconomic, geopolitical evolutions or based on technological developments.

2.5.3. Intangible fixed assets

Intangible fixed assets comprise development costs; concessions, patents, software and licenses, know-how, trademarks and other similar rights; advance payments in respect of intangible fixed assets. The intangible assets are measured at acquisition cost. Intangible assets are amortized over their useful estimated economic life. Depreciation charges are calculated on a straight-line basis. Annual depreciation rates for intangible assets are as follows:

- Development costs of R&D projects: 20%
- Software: 20%
- Patents, licenses, trademarks and other similar rights: useful life of the asset

An impairment loss will be recorded if the carrying amount of the intangible asset surpasses its recoverable amount.

2.5.4. Tangible fixed assets

The tangible fixed assets are carried at a cost less than any accumulated depreciation. Costs include all direct costs and costs incurred to bring the asset to its working conditions. On the other hand, borrowing costs (i.e., interest) are not included in the acquisition cost of the tangible fixed assets.

Tangible assets with a limited useful life are reduced to their estimated residual value by the systematic allocation of depreciation over the asset's useful life. The depreciation percentages are calculated on a straight-line basis. The Group has determined appropriate annual depreciation rules per type of asset. Annual depreciation rates for tangible fixed assets:

- Land: 0%
- Buildings: 5%
- Plant, machinery and equipment: 10%-20%
- Rail cars: 4%
- Vehicles and furniture: 10%-20%
- Hardware: 33,33%
- Assets under construction & advance payments 0%

An impairment loss will be recorded if the carrying amount of the intangible asset surpasses its recoverable amount.

2.5.5. Inventories

Inventories are measured at the lower of cost and net realizable value ("LOCOM") at balance sheet date. In determining the cost, the FIFO principle is used (First-In, First-Out). For manufactured inventories, cost means the full cost including direct and indirect production costs.

The net realizable value is equal to the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.5.6. Trade receivables

Trade receivables are measured at amortized cost, less the appropriate impairments for the unrecoverable amounts. At each reporting date, the Group assesses whether there exist receivables that need to be impaired. A trade receivable is impaired if it is possible that the entity will not, or will only partially, collect the amounts due.

2.5.7. Amounts payable within one year

The amount payables are recorded at amortized cost.

2.5.8. Deferred income/charges & accrued income/charges

Accruals and deferrals are used to assign income and charges to a correct period, i.e., the period where the accrual and deferral refers to. For instance, it comprises prepaid/accrued interests, rent, insurance premiums, commercial entrance fees, fair fees, etc.

2.5.9. Deferred taxes

Deferred taxes are the amount of income tax recoverable or payable in future periods. Furthermore, the Group does not recognize deferred tax assets in accordance with the prudence principle from BEGAAP.

2.5.10. Provisions for liabilities and charges

Provisions are recognized if the following three conditions are met:

- It has a current legal or constructive obligation as a result of a past event;
- It is possible that an outflow of resources will be required to settle the obligation;
- A reliable estimate can be made of the amount that potentially has to be paid.

2.5.11. Revenue recognition

Revenue represents the net amounts invoiced to external customers for goods and services, excluding value added and sales taxes, and after deducting any volume discounts and rebates.

In case the customer has a right of return (e.g., buy back obligation in case of inadequate sales to end customer) adequate provisions for the estimated (future) costs involved should be accounted for (e.g. based on historical data).

2.5.12. Non-recurring income & expenses

Income and expenses that are not related to the ordinary course of operations or business are classified as non-recurring income and expenses in the consolidated income statement. Income and expenses to which this classification applies are (non-exhaustive):

- Operating revenues, expenses and provisions related to restructuring activities and material reorganization events;
- Impairments on exceptional write downs on (in)tangible assets and goodwill;
- Income from the sale of land or business divisions;
- Revenues or charges (penalties) due to important (inter)national legal issues;
- Costs of advisory fees in relation to acquisitions or divestments.

2.5.13. Non-controlling interest

Non-controlling interests are the shares of minority or non-controlling shareholders in the equity of subsidiaries, which are not fully owned by the Company.

2.6. Turnover By Segment

In thousand EUR	Consolidated third party sales	Consolidated sales
Polymers	689.981	767.241
Engineered Solutions	279.231	316.902
Flooring Solutions	972.361	973.069
Other	23.719	19.538
Intersegment	-	-111.458
CONSOLIDATED	1.965.292	1.965.292
TURNOVER 2023		

In thousand EUR	Consolidated third party sales	Consolidated sales
Polymers	925.594	1.046.028
Engineered Solutions	365.542	421.803
Flooring Solutions	1.113.826	1.113.808
Other	25.515	20.474
Intersegment	-	-171.636
CONSOLIDATED	2.430.477	2.430.477
TURNOVER 2022		

2.7. Balance Sheet Items

2.7.1. Goodwill & Intangibles

In thousand EUR	R&D	Concessions, patents and similar rights	Goodwill	Assets under construction	Consolidation Goodwill	Other	Total intangible fixed assets
Acquisition value							
Balance on 1 January 2022	19.039	88.855	1.528	0	107.303	4	216.729
Additions	910	4.082					4.992
Disposals and retirements (-)		741					741
Transfer to other asset categories		940					940
Effect of foreign currency exchange differences (+/-)		1.316	-3				1.313
Other movements			182		4.970		5.151
Balance on 31 December 2022	19.949	94.452	1.707	0	112.273	4	228.385
Additions	1.910	8.499					10.409
Disposals and retirements (-)		461	1.248				1.709
Transfer to other asset categories		3.393					3.393
Effect of foreign currency exchange differences (+/-)		-1.232	-3				-1.235
Other movements		11.959	-176		10.394		22.178
Balance on 31 December 2023	21.859	116.611	280	0	122.667	4	261.422
Accumulated depreciation and impairment losses							
Balance on 1 January 2022	16.888	76.447	1.390	0	94.110	4	188.839
Depreciations recorded	1.130	5.191	237		4.025		10.583
Disposals and retirements (-)		741					741
Transfer to other asset categories							0
Effect of foreign currency exchange differences (+/-)		1.194	-3				1.191
Other movements					6.243		6.243
Balance on 31 December 2022	18.018	82.091	1.624	0	104.378	4	206.115
Depreciations recorded	1.147	6.754	52		3.056		11.008
Disposals and retirements (-)		460	1.248				1.708
Transfer to other asset categories							0
Effect of foreign currency exchange differences (+/-)		-1.183	-2				-1.185
Other movements		591	-176		1		416
Balance on 31 December 2023	19.165	87.793	250	0	107.435	4	214.646
Carrying amount							
Balance on 31 December 2022	1.930	12.361	83	0	7.895	0	22.271
Balance on 31 December 2023	2.694	28.819	30	0	15.233	0	46.776

In 2023, the carrying amount of intangible fixed assets increased by 24,5 million euro to 46,8 million euro. The increase is mainly related to the assets acquired and the consolidation goodwill linked to a share deal acquisition.

2.7.2. Tangible Assets

In thousand EUR	Land & buildings	Plant machinery & equipment	Furniture & vehicles	Leasing, oth. similar rights	Oth. tangible assets	Assets under construction	Total tangible fixed assets
Acquisition value							
Balance on 1 January 2022	389.055	1.208.752	70.243	161	6.887	25.275	1.700.373
Additions	3.343	18.181	3.101		103	43.505	68.233
Disposals and retirements (-)	12.791	74.077	4.769	109	58	740	92.544
Transfer to other asset categories	4.374	27.619	1.169		-4	-34.098	-940
Effect of foreign currency exchange differences (+/-)	4.921	13.135	1.453	-3	-1	645	20.150
Other movements		2.567		434			3.001
Balance on 31 December 2022	388.902	1.196.176	71.198	482	6.927	34.587	1.698.273
Additions	6.439	16.113	3.447	6	30	44.336	70.371
Disposals and retirements (-)	1.929	68.886	5.564	16		1	76.395
Transfer to other asset categories	1.935	14.725	773	-6	697	-21.531	-3.408
Effect of foreign currency exchange differences (+/-)	-8.016	-20.806	-2.400	-13	8	-1.344	-32.571
Other movements	570	2.187	1.435				4.191
Balance on 31 December 2023	387.902	1.139.508	68.889	454	7.662	56.046	1.660.462
Accumulated depreciation and impairment losses							
Balance on 1 January 2022	235.294	1.005.332	54.000	151	3.301	2	1.298.080
Depreciations recorded	9.525	46.247	4.348	127	530		60.777
Disposals and retirements (-)	4.948	74.033	4.072	226	28		83.307
Transfer to other asset categories							0
Effect of foreign currency exchange differences (+/-)	1.515	13.119	1.087	3	-1		15.723
Other movements							0,000
Balance on 31 December 2022	241.385	990.664	55.362	56	3.803	2	1.291.272
Depreciations recorded	10.660	39.177	3.634	37	662	8.437	62.607
Disposals and retirements (-)	1.670	66.551	5.443	16			73.679
Transfer to other asset categories		-380	-9	375			-14
Effect of foreign currency exchange differences (+/-)	-3.561	-15.594	-1.415	-7	4	-120	-20.693
Other movements	185	948	834				1.968
Balance on 31 December 2023	246.999	948.264	52.963	445	4.469	8.319	1.261.460
Balance on 31 December 2022	147.517	205.512	15.836	427	3.125	34.584	407.001
Balance on 31 December 2023	140.902	191.244	15.926	9	3.193	47.727	399.002

In 2023, the tangible fixed assets carrying amount decreased by 8,0 million euro to 399,0 million euro, mainly due to an unfavorable impact of the currency translation effect. The increase of the assets under construction, as a result of the strategic investments, balances with the decrease in carrying amount of the plant, machinery & equipment.

2.7.3. Trade & Other Receivables

In thousand EUR	2023	2022
Trade receivables	254.410	241.832
Bills receivable	1.954	993
Income receivable	4.866	4.906
Advance payments	8.542	13.510
Write down / Advance payments (-)	-233	-278
Doubtful receivables	9.660	16.654
Write down / Doubtful receivables (-)	-9.773	-16.753
Total trade receivables	269.426	260.865
Other amounts receivable more than 1 year	450	451
Other amounts receivable within 1 year	20.166	28.963
Total other amounts receivable	20.617	29.414
Total	290.042	290.279

The carrying amount of our trade & other receivables is in line with last year. No major evolutions.

2.7.4. Statement Changes in Equity

In thousand EUR	Capital	Reserves	Translation differences	Total equity
Balance on 1 January 2022	227.002	575.766	-21.260	781.508
Profit of the period		112.823		112.823
Change in translation differences			3.072	3.072
Dividends		-2.836		-2.836
Changes in consolidation scope				0
Other movements		481		481
Balance on 31 December 2022	227.002	686.234	-18.188	895.048
Profit of the period		-620		-620
Change in translation differences			-35.664	-35.664
Dividends		-100.430		-100.430
Changes in consolidation scope		-27.896		-27.896
Other movements		-147		-147
Balance on 31 January 2023	227.002	557.141	-53.852	730.291

In 2023, the total equity decreased by 164,7 million euro or 18,4% to an amount of 730,3 million euro. Main impacts are attributed to net result of -0,6 million euro (share of the Group), a dividend distribution for 100,4 million euro, a buy back of the companies own shares for 27,9 million euro and an unfavorable impact on currency translation differences of -35,7 million euro.

2.7.5. Provision for Liabilities and Charges

In thousand EUR	2023	2022
Pensions and similar obligations	5.048	4.565
Taxes	4.446	6.696
Major repairs and maintenance	1.009	774
Environmental liabilities	1.272	1.272
Other liabilities and charges	25.925	15.968
Provisions for liabilities	37.701	29.276

The overall provisions increased by 8,4 million euro in 2023. An addition of 9,9 million euro in the category “Other liabilities and charges” are attributed to restructuring activities.

2.7.6. Financial debt

In thousand EUR	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Leasing and similar obligations		76		76
Credit institutions	44.462	11.576		56.038
Other loans		27		27
Balance on 31 December 2022	44.462	11.679	0	56.141
Leasing and similar obligations				0
Credit institutions	153.979	10.622		164.601
Other loans				0
Balance on 31 December 2023	153.979	10.622	0	164.601

The total financial debt increased by 108,5 million euro in 2023 compared to 2022, driven by the withdrawal on short-term credit lines.

2.7.7. Trade and Other Payables

In thousand EUR	2023	2022
Trade payables	223.637	195.779
Trade payables	223.637	195.779
Remuneration and social security costs	44.500	47.304
Taxes & VAT payable	7.973	10.739
Employee benefit obligations and tax payables	52.474	58.043
Other non-current liabilities	425	425
Other current liabilities	3.600	3.251
Other liabilities	4.025	3.676
Total	280.135	257.498

In 2023, the total trade and other payables increased by 22,6 million euro to the total level of 280,1 million euro. The main drivers are trade payables (increase of 27,8 million euro), taxes & VAT payables (decrease of 2,8 million euro) and remuneration and social security costs (decrease of 2,8 million euro).

2.7.8. Non-Recurring income and expenses

In thousand EUR	2023	2022
Non-recurring operating income	43.124	11.983
Reversal of depreciation and impairments of (in)tangible fixed assets	8.535	591
Reversal of provisions for extraordinary liabilities and charges	2.810	-
Gains on disposal of intangible and tangible fixed assets	10.590	6.540
Other non-recurring operating income	21.189	4.853
Non-recurring operational charges	66.040	56.557
Depreciation and amortisation of (in)tangible fixed assets	20.997	6.351
Provisions for extraordinary liabilities and charges (additions)	-3.175	12.252
Losses on realisation of intangible and tangible fixed assets	2	3.166
Other non recurring operational charges	48.216	34.787
Non-recurring financial income	16.082	50.541
Gains on disposal of financial fixed assets	11.819	15.800
Other non-recurring financial income	4.263	34.741
Non-recurring financial charges	991	4.348
Gains on disposal of financial fixed assets	-	-
Other non-recurring financial income	991	4.348
Total	-7.826	1.619

The non-recurring result had a net impact of -7,8 million euro. The operational non-recurring costs mainly include impairment cost on (in)tangible fixed assets and costs for M&A, divestments and restructuring. The financial non-recurring profit is driven by positive exchange results on the Rubble and the gain on sales of financial fixed assets.

2.7.9. Deferred and Income tax

In thousand EUR	2023	2022
Deferred taxes	3.056	4.441
Income taxes	-28.725	-62.173
Income taxes	-29.264	-63.134
Adjustments of income taxes and WB of tax provisions	539	961
Total	-25.669	-57.731

Our tax cost decreased by 32,1 million euro in 2023, reflecting the lower operational result.

2.8. Risks, uncertainties and contingencies

Like any other company, the Group is exposed to market operational and financial risks that affect its assets and liabilities. The main market risks that the Group faces relate to variations in exchange rates (currency risk), interest rates, the accessibility of funds to operate (liquidity risk), the risk of default (credit risk) by third parties and variations in commodity prices (commodity risk). These risks are mitigated by business controls, organizational structure, management methods, and internal control systems of the Group. The Group mainly hedges the risks that affect the Group's cash flow.

2.8.1. Exchange rate risk (currency risk)

Due to international operations that the different affiliates carry out, the Group is subject to exchange rate risk. It is exposed to both translational and transactional foreign exchange risk.

A translational currency risk arises when the financials of the foreign subsidiaries are converted into the Group's presentation currency, the Euro. The main currencies are US Dollar, Canadian Dollar, Australian Dollar, Russian Ruble and Norwegian Crown. Since there is no impact on the cash flows, the Group normally does not hedge against such risk.

The Group is further exposed to transactional currency exposure resulting from its investing (acquisitions, dividend payments), financing (financial liabilities in foreign currency) and operating activities (commercial activities with sales and purchases in foreign currencies):

- Currency risk resulting from investing activities is hedged if material exposure arises.
- It is the Group's policy that each entity needs to be financed in its functional currency. Any currency risk resulting from financing activities should therefore be fully hedged if the market situation allows.

For the currency risk resulting from commercial activities, the Group has a hedging policy in place whereby following principles apply: firm commitments (transactions recorded on the balance sheet) need to be fully hedged, highly probable forecasted exposure (based on sales or purchase orders) needs to be hedged between 75 and 80%.

2.8.2. Interest rate risk

Interest rate risk arises from the fluctuation of short-term and long-term interest rates which may impact the future cashflows of the Group. Given the current debt situation of the Group, the main interest rate risk on debt relates to the Chinese Renminbi denominated debt which is short term and at floating interest. The US Dollar debt is a combination of short term and long term debt, whereby of which the long-term portion (64% of the total USD denominated debt) is at fixed rate.

2.8.3. Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its short-term financial obligations as they come due. The Group is monitoring these obligations on an ongoing basis. To ensure liquidity and financial flexibility at all times, the Group has several uncommitted short-term credit lines at its disposal in the major currencies (Euro, Russian Ruble, Chinese Renminbi). These facilities are generally of the mixed type and may be used for advances, overdrafts, discounting. The Group has also a committed syndicated credit facility at its disposal of 200 million euro (maturity May 2026) and a 20 million euro Commercial Paper program. At year-end 2023, the outstanding amount on the syndicated credit facility was 110 million euro.

2.8.4. Credit risk

The Group is exposed to credit risk from its operating activities. The Company's bad debt exposure depends on the solvability of its clients, which is consequently dependent on the economic environment in which its customers operate. More than 90% of our outstanding receivables are covered by our external credit insurance agreements. In case the customer is not (sufficiently) insured, the Group uses a credit policy which considers the risk profiles of the customers in terms of the market segment to which they belong. Based on different characteristics (e.g., product sector, geographical area), a credit risk analysis is made of the different customers. An assessment is made regarding the coverage of the existing risk, which is being monitored on an ongoing basis. We believe the risk of non-recoverability to be small in view of the reputation and solvency of our clients, the diversification of our client portfolio, and the constant monitoring of our outstanding receivables.

2.8.5. Commodity risk

Commodity risk is the risk that future income fluctuates due to changes in the prices of commodities. The Group's main commodity risks are linked to the price evolution. When possible, the commodity risk is mitigated through contractual agreements with suppliers. For Polymers, the Group is exposed to price fluctuations in the spread between propylene and polypropylene. To a lesser extent, the spread risk is also present in Engineered Solutions.

2.9. Financial Instruments

The Group only enters into financial derivatives when there is an underlying transaction or a forecasted exposure. Speculative positions are not allowed. As the financial instrument is initially valued at historical cost, a periodic revaluation is performed to reflect their current market price. In line with the prudence principle, any remaining unrealized loss is taken into the result, unrealized gains are kept on the balance sheet. Following table summarizes the situation end 2023:

Instrument	Notional volume	MtoM
FX Forward	54,8 mio EUR	-0,3 mio EUR
FX Swap	90,0 mio EUR	-1,9 mio EUR
Commodity swaps	18.129 MT	0,0 mio EUR

3. Commitments

In our polymers segment, we have significant purchase agreements for our raw materials: Polychim Industrie has an agreement for the annual purchase of minimum 130 thousand tons of propylene until the end of 2024. Pinnacle Polymers has an agreement for the annual purchase of a minimum of 397 thousand tons of propylene until the end of 2029. We have also entered into operating leases to finance certain buildings, fleet, rail cars etc. which are recorded off-balance sheet.

3.1. Key differences between BEGAAP and IFRS

Financial statements prepared under the Belgian accounting framework have a mandatory predefined tabular presentation format, which comprises a balance sheet, income statement, and a limited number of disclosure notes. Under BEGAAP, the consolidated financial statements do not include a cash flow statement. On the other hand, IFRS requires a complete set of financial statements, i.e., balance sheet, statement of profit or loss and other comprehensive income, statement of changes in equity, cash flow statement and more extensive disclosure notes than the notes under BEGAAP. Furthermore, the classification of certain items within the balance sheet or income statement can vary between BEGAAP and IFRS. For instance, under BEGAAP expenses are always presented by nature whereas under IFRS these could be classified by function.

Leases (from the perspective of the lessee)

Under BEGAAP, leases are required to be classified as either finance lease (on-balance) or operating leases (off-balance). A finance lease is deemed to exist when the sum of the minimum lease payments is equal to or greater than the lessor's investment in the leased asset, including related interest and other transaction costs.

IFRS does not make a distinction between finance and operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to finance lease accounting under BEGAAP.

Deferred taxes

Under IFRS, deferred tax assets are recognized but only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unused tax losses and credits can be utilized. Under BEGAAP the Company only recognizes deferred tax assets to the extent of the deferred tax liabilities.

3.2. Auditor's Report – KPMG

Beaulieu International Group NV has prepared its consolidated financial statements in compliance with the accounting principles applicable in Belgium (“BEGAAP”). The financial information contained within this annual report has been derived from the audited consolidated financial statements of Beaulieu International Group NV for the fiscal year ending 31 December 2023 and supplemented with selected relevant financial information. The statutory auditor is KPMG Bedrijfsrevisoren - Réviseurs d’Entreprises, represented by Filip De Bock and Tim Vermeiren, has issued an unqualified audit opinion on the consolidated financial statements. The audited consolidated financial statements will be filed within one month after the shareholders meeting on May 28, 2024, and will be available on the website of the National Bank (www.balanscentrale.be).

3.3. List of entities

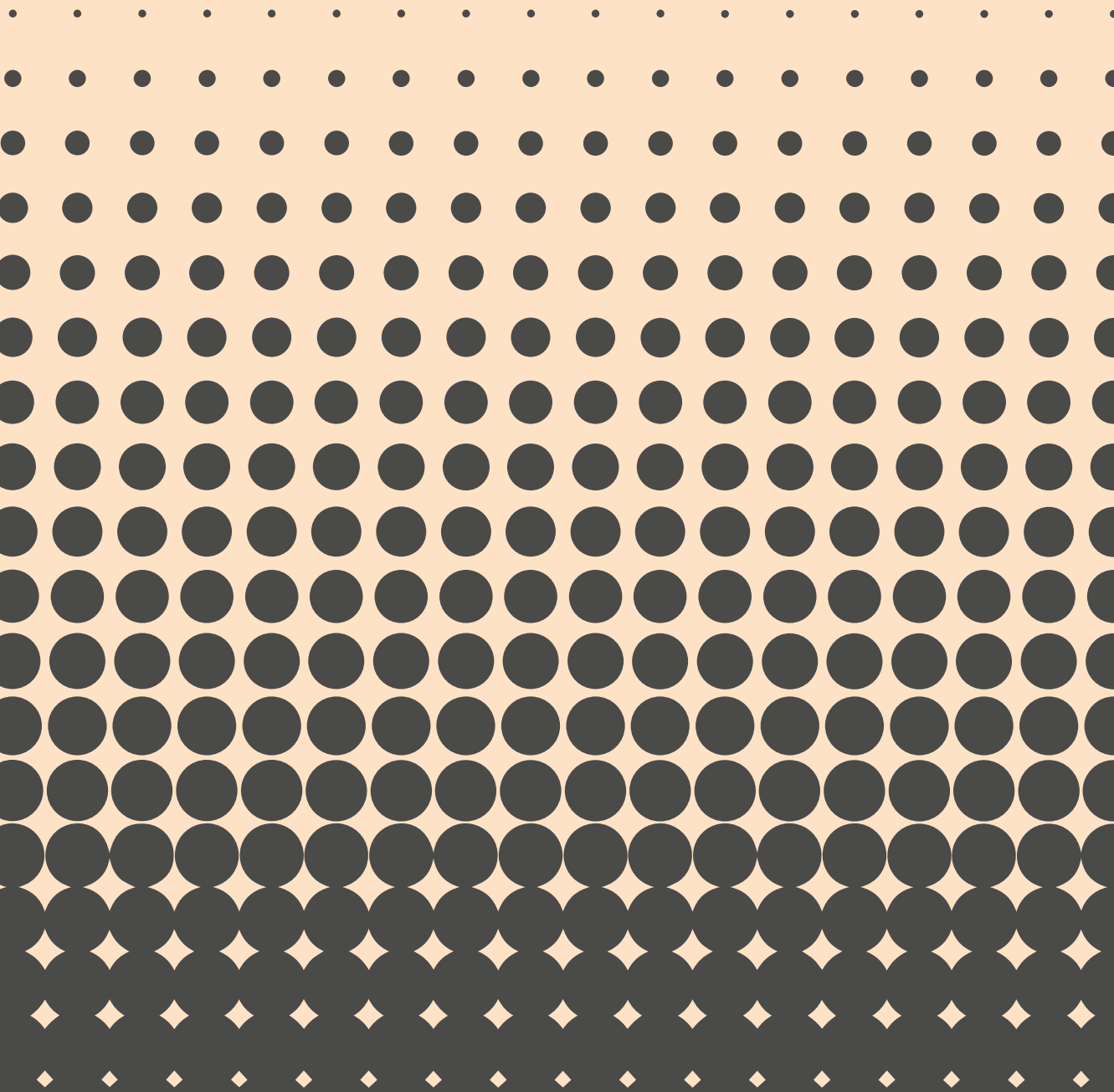
Beaulieu International Group entity	Country of incorporation	% of ownership in 2023	% of ownership in 2022	Consolidation method
B.I.G. Finance Australia PTY LTD	Australia	100%	100%	I
B.I.G. Invest Australia PTY LTD	Australia	100%	100%	I
Beaulieu of Australia	Australia	100%	100%	I
New Signature Enterprises PTY LTD	Australia	100%	0,00%	I
Signature Floorcoverings PTY LTD	Australia	100%	0,00%	I
Sterling Mill	Australia	100%	100%	I
B.I.G. Coördination Center NV	Belgium	100%	100%	I
B.I.G. Floorcoverings NV	Belgium	100%	100%	I
Beaulieu Fabrics NV	Belgium	100%	100%	I
Beaulieu Fibres International NV	Belgium	100%	100%	I
Beaulieu ICT NV	Belgium	100%	100%	I
Magnifield Europe NV	Belgium	100%	100%	I
Beaulieu Technical Textiles NV	Belgium	100%	100%	I
Bercollease NV	Belgium	100%	100%	I
Berry Finance NV	Belgium	100%	100%	I
BerryAlloc NV	Belgium	100%	100%	I
BFS Europe NV	Belgium	100%	100%	I
Burchtdam NV	Belgium	100%	100%	I
Goed Ter Lembeek NV	Belgium	100%	100%	I
Ideal Fibres & Fabrics Wielsbeke NV	Belgium	100%	100%	I
Ideal Floorcoverings Wielsbeke NV	Belgium	100%	100%	I
Interdeko NV	Belgium	100%	100%	I
Oostimmo NV	Belgium	100%	100%	I
Ter Lembeek International NV	Belgium	0,00%	27,78%	A
Tessutica NV	Belgium	100%	100%	I
Beaulieu Canada LTD	Canada	100%	100%	I
Beaulieu Fibres & Yarns Weihai Co	China	100%	100%	I
Beaulieu Management Consulting (Shanghai) Co	China	100%	100%	I
Beaulieu Rihzao Floorcoverings Ltd	China	100%	100%	I
Beaulieu Technical Textiles Weihai Ltd. Co	China	100%	100%	I

Beaulieu International Group entity	Country of incorporation	% of ownership in 2023	% of ownership in 2022	Consolidation method
Shanghai Baoliyou Trading CO LTD	China	100%	100%	I
B.I.G. Floorcoverings France SAS	France	100%	100%	I
Beaulieu Finance France SAS	France	100%	100%	I
Berry Tuft SAS	France	100%	100%	I
Berry Wood SAS	France	100%	100%	I
Distriplast Flandre SAS	France	99,46%	99,46%	I
Ideal Fibres & Fabrics Comines SAS	France	99,48%	99,48%	I
Polychim Industrie SAS	France	99,00%	99,00%	I
Polychim SAS	France	99,00%	99,00%	I
B.I.G. Floorcoverings GMBH	Germany	100%	100%	I
Beaulieu Investment Asia Co Limited	Hong-Kong	100%	100%	I
Tiane Holding LTD	Hong-Kong	100%	100%	I
Beaulieu Fibres International Terni SRL	Italy	100%	100%	I
Beaulieu Immobiliare Italia SRL	Italy	100%	100%	I
B.I.G. Flooring Kazakhstan LLP	Kazakhstan	100%	100%	I
Alloc A.S.	Norway	100%	100%	I
Fiboveien 26 AS	Norway	100%	100%	I
Beaulieu Polska	Poland	100%	100%	I
Tessutica Romania	Romania	100%	100%	I
BIG Russia LLC	Russia	100%	100%	A
OOO Juteks Russia	Russia	100%	100%	I
Opus TD OOO	Russia	100%	100%	I
Juteks d.o.o. Slovenia	Slovenia	100%	100%	I
Berry Iberica SA	Spain	100%	100%	I
Doménech Hermanos	Spain	100%	100%	I
BerryAlloc AB	Sweden	100%	100%	I
Beaulieu Turkey Flooring Trading	Turkey	100%	100%	A
B.I.G. Floorcoverings UK Ltd.	UK	100%	100%	I

Beaulieu International Group entity	Country of incorporation	% of ownership in 2023	% of ownership in 2022	Consolidation method
B.I.G. Flooring Ukraine	Ukraine	100%	100%	I
Beauflor USA LLC	USA	100%	100%	I
BIG USA Inc	USA	100%	100%	I
BIG USA Real Estate LLC	USA	100%	100%	I
Pinnacle Polymers LLC	USA	95,79%	95,79%	I
Polychim USA Inc	USA	99,00%	99,00%	I
B.I.G. Act Global LLC	USA	100%	100%	I
Act Global Americas INC	USA	100%	100%	I
Act Global USA INC	USA	0,00%	100%	I
Xtreme Turf INC	USA	100%	100%	I
Signature Floorcoverings PTY Limited	New Zealand	100%	0,00%	I



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