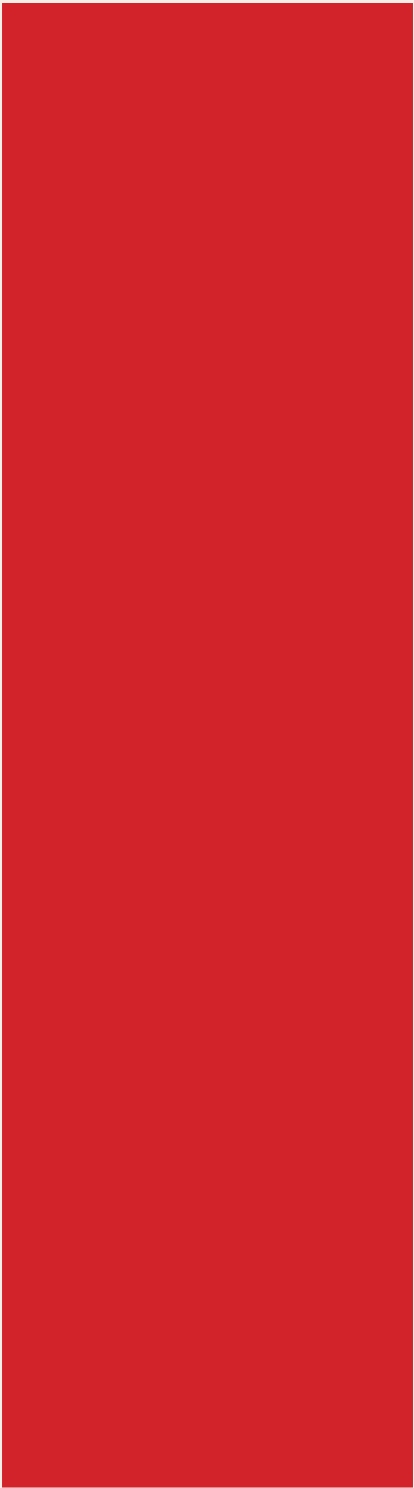


# SHAPING VALUE THAT LASTS

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**INTRO**  
NEW FACES  
REAL IMPACT





**“I was positively surprised by the technical expertise and the loyalty of the employees.”**

**SAM AKHAVAN**  
GENERAL MANAGER BEAULIEU CANADA

**WHY BEAULIEU?**

Beaulieu represents a rare combination: a strong market presence, deep manufacturing roots, and significant untapped potential.

**WHAT STRUCK YOU FIRST?**

The resilience and the culture of the teams. Despite industry pressure and operational complexity, there is pride in the product and commitment to customers.

**WHAT MAKES WORKING AT BEAULIEU EXCITING FOR YOU?**

It's not often that you get the chance to shape the next chapter of a well-established industrial player. I want to help build a high-performance culture.

**WHY BEAULIEU?**

The mix of an international company with a people-oriented culture really appealed to me.

**WHAT STRUCK YOU FIRST?**

How approachable everyone was. Even as an intern, I received real responsibilities. There's a lot of openness and willingness to help.

**WHAT MAKES WORKING AT BEAULIEU EXCITING FOR YOU?**

The ownership you get, even early in your career. I'm learning every day, and I feel I can grow here.



**“As an intern, it struck me how much ownership young people get. That motivated me to stay.”**

**LAURA DERUDDER**  
TALENT & SOURCING SPECIALIST



**“I left the world of chocolate for Beaulieu and haven’t regretted that for a second.”**

**BERT OLIESLAGERS**  
CHIEF OPERATING OFFICER

**WHY BEAULIEU?**

Beaulieu combines strong industrial roots with real transformation potential.

**WHAT STRUCK YOU FIRST?**

The depth of expertise, the smart people, and the solid processes.

**WHAT MAKES WORKING AT BEAULIEU EXCITING FOR YOU?**

The energy and expertise in the Excom is engaging. We are perfectly complementary, listen to each other, and make decisions fast. And with big international ambitions ahead, I feel I can truly make a difference here.

**WHY BEAULIEU?**

Beaulieu was recommended to me by a family member. I knew the company, but not the department or the process I work in today.

**WHAT STRUCK YOU FIRST?**

The number of opportunities to learn and the guidance you get from the start.

**WHAT MAKES WORKING AT BEAULIEU EXCITING FOR YOU?**

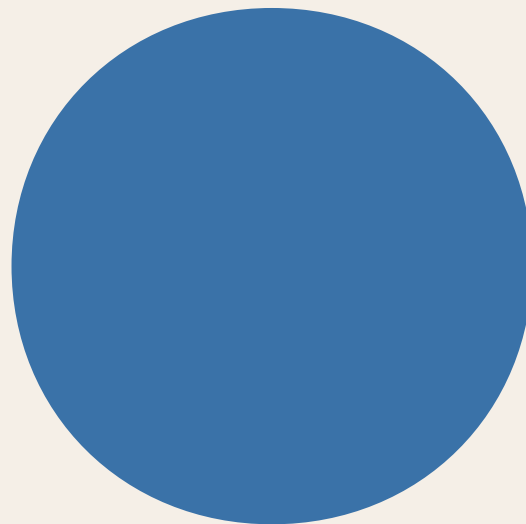
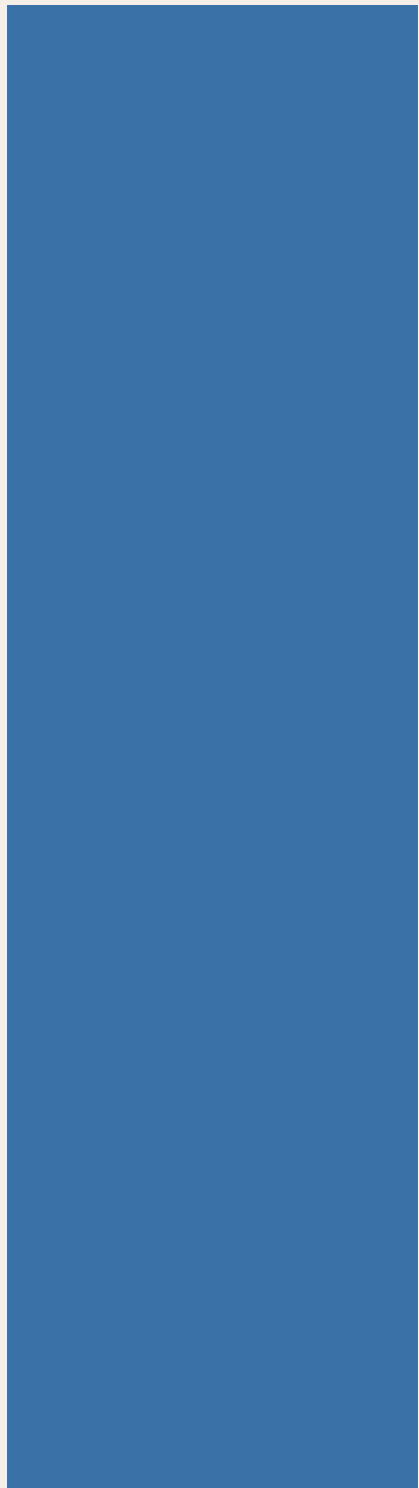
The chance to keep learning and grow into a higher-level role. That’s what motivates me every day.

**“Having a great trainer to support my development has really made a difference.”**

**DAYTON KAWAN**  
WARPING, BEAULIEU AUSTRALIA



# CORPORATE REPORT



# BEAULIEU AT A GLANCE

# We are a diversified, family- owned, industrial holding

Founded in 1959, Beaulieu is a global, family-owned, industrial holding that unites a diverse portfolio of businesses driven by a shared ambition: to shape value that lasts. Spanning chemicals, industrial applications, flooring, distribution, and real estate, our businesses provide products and services that deliver enduring benefits to our customers, industries, and the environments in which we operate.

# Driven by a strong purpose

## Purpose

### Shaping value that lasts

We exist to create meaningful value that stands the test of time. By combining family heritage and ambition, we strengthen industries, empower people, and contribute to a more sustainable future for generations to come.

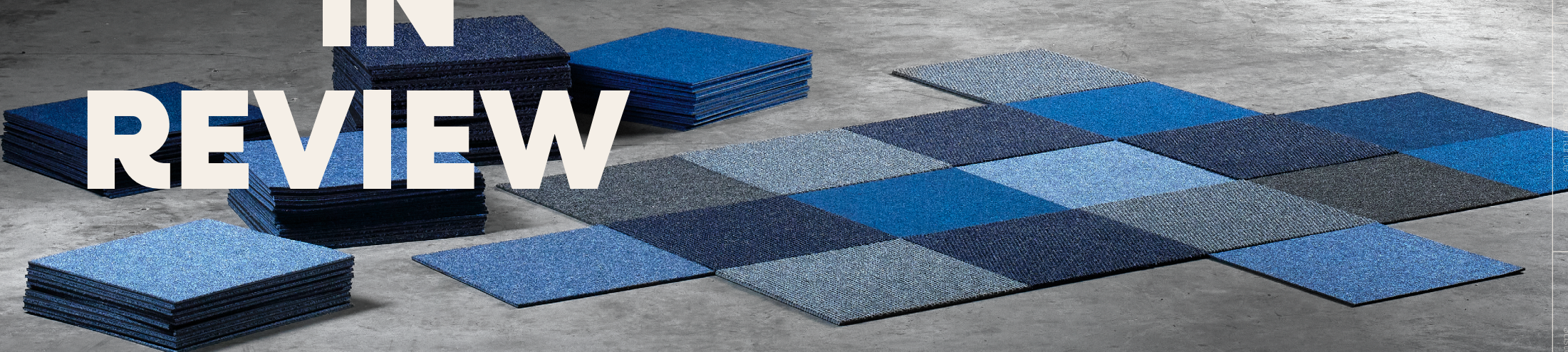
## Mission

### Building on heritage, growing for tomorrow

We manage a diversified portfolio of selected leading businesses in chemicals, industry, flooring, distribution, and real estate. Each business is empowered to grow through focus and entrepreneurship, while collaboration, trust, and accountability connect them as one group.

Through excellence in execution, we strengthen competitiveness and create sustainable growth across industries, while working to reduce the environmental impact of our activities through targeted, measurable improvements.

# 2025 IN REVIEW





# Message from the Chairman

2025 was a year of significant change for Beaulieu. We closed the year as an **industrial family investment holding**, with a clear sector focus and distinct accountability at divisional level. This structure will help us navigate volatile markets and allocate capital with discipline.

Much of this progress is driven by our **renewed leadership team**. Expectations were high when Jean-Baptiste De Ruyck stepped in as CEO at the end of 2024. In 2025, he was joined by Barend Van Hoorebeke and later Bert Olieslagers. Together with Pieter Lelieur, who consistently ensured stability during the past challenging years, they set **a clear new course** for the Group.

From day one, Jean-Baptiste was determined to **restore focus and performance**. We reassessed where Beaulieu can truly win and where we should no longer compete. Resources are now concentrated on building competitive, future-proof global platforms.

To support that choice, we simplified our organization. Today, Beaulieu operates through **focused platforms with clear ownership and accountability**. This structure helps us invest with discipline and focus on sustainable returns. At the same time, it gives us the flexibility to grow with ambition. The acquisition of US-based Congoleum Flooring at year-end was a first proof point.

The decisions made in 2025 required real **mindset shifts**. We embedded a stronger performance culture, with clearer KPIs, stricter capital discipline, and sharper accountability. Decision-making lines were clarified, reporting frameworks aligned, and divisional leadership is being strengthened where needed.

As we move forward, we assess every investment through that same **performance lens**, including our investments in innovation and sustainability. Both remain integral to our strategy, but they must be pragmatic and commercially sound.

“Our renewed Excom brings the experience, fresh competencies and perspectives to shape the direction we are taking. I am confident we have the right people around the table for what lies ahead.”

The financial results do not yet reflect the impact of the work done in 2025. But our **foundations are stronger**. Beaulieu is more focused and we’ve reinforced our culture of team: shareholders, Board and management are fully aligned behind the new strategic direction and we’re stepping up collaboration across the Group.

We know that the changes of the past year have asked a great deal from our people. Transformation brings uncertainty, and teams have to adapt quickly. I sincerely thank them for their resilience and loyalty.

Yet 2025 was also the year in which we **futureproofed Beaulieu** and positioned the Group for sustainable growth – a journey we now continue together.

**DOMINIEK DE CLERCK**  
CHAIRMAN OF THE BOARD OF DIRECTORS

# Key financial figures

Turnover

**1.788,4**

million euro

EBIT

**33,4**  
million euro

EBITDA

**99,2**  
million euro

Net result

**-11,2**  
million euro

# Key sustainability figures



Renewable energy

**18,6%**

CO<sub>2</sub> reduction

**-15%**

vs. 2021

Living wages

**100%**

Suppliers screened on ESG criteria

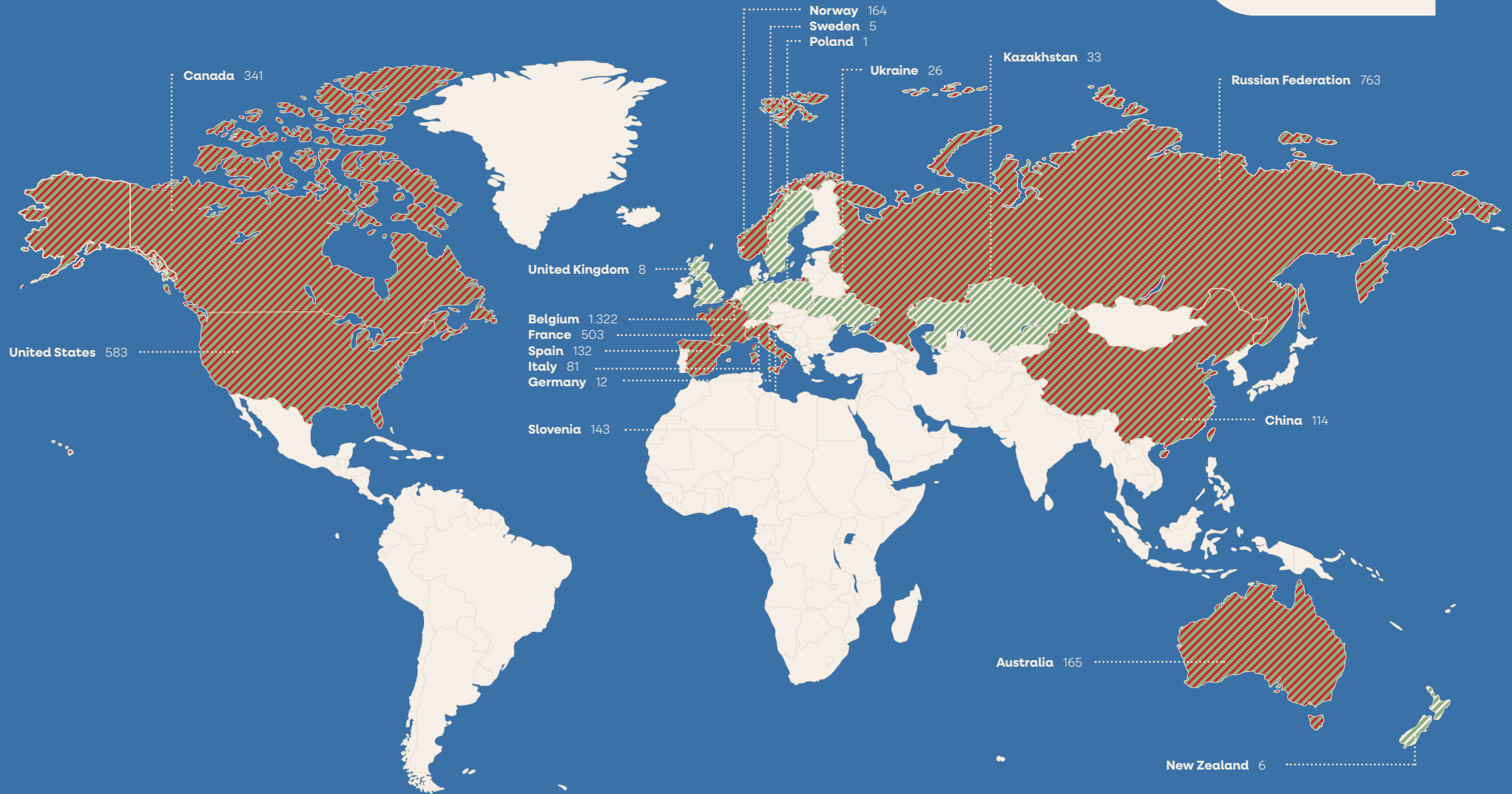
**94,2%**

(by spend)

# Where we operate

Beaulieu employs **4.402 employees** in **18 countries**.

- 20 production plants
- 32 commercial offices



# Our sectors

## Chemicals

We develop high-performance, low-carbon and circular **polypropylene solutions** for packaging, personal care, automotive, construction, and industrial applications.



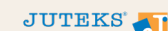
## Industry

We make **engineered fibres, yarns, needle felt and PP technical sheets** for high-performance applications in flooring, automotive, industrial, construction, hygiene and many more, with pilot lines for rapid prototyping.



## Flooring

We manufacture durable, design-led, and sustainable flooring solutions that transform spaces in residential, commercial, sports, and outdoor: **cushion vinyl, hard flooring, and artificial grass.**





### Distribution

Our Distribution businesses bring **flooring** solutions to **local markets** efficiently. Retail, professional, and DIY channels benefit from reliable supply and service tailored to regional needs.



### Real Estate

Beaulieu Real Estate **creates and manages industrial spaces**: brownfield reconversion, adaptive reuse, built-to-suit projects and long-term site management.





# OUR STRATEGY

## 2025: a new strategic direction

A corporate strategy is never static. It evolves with markets, anticipates shifts and continuously sharpens its focus. That is exactly what we did at Beaulieu in 2025.

The year marked a deliberate turning point. We made a clear choice to concentrate resources on **scalable and competitive platforms**, managed with clarity, accountability, and capital **discipline** – while preserving **entrepreneurship and ambition**.

The following pages explain how this strategy translates into action: a new operating model, sharper portfolio choices, international growth and a strong people agenda.

# A new operating model that matches our ambition

## Transforming from textile group to industrial family investment holding

### Why?

To support the revamped strategy, Beaulieu introduced a new operating model. Historically, we have always operated as a largely integrated textile group, with strong central coordination across businesses. While that one-size-fits-all approach supported growth for many decades, it no longer fits the diversity, scale and complexity of our businesses and markets.

**“I don’t believe in a one-size-fits-all approach. Each of our businesses has unique needs, in terms of strategy, capital allocation, raw materials, procurement, sourcing and pricing. Adopting a holding and investment mindset gives Beaulieu a much clearer framework to manage those differences.”**

**BAREND VAN HOOREBEKE**  
CFO

### How?

In 2025, we reviewed and reorganized our operating model. Beaulieu now operates as an industrial family-owned **investment holding**, building a portfolio of platforms rather than one large corporate company.

This portfolio is organized around five sectors: Chemicals, Industry, Flooring, Distribution and Real Estate. Each sector brings together divisions that share markets, capabilities and strategic priorities.

### AMBITION TO GROW IN EVERY SECTOR

Within our portfolio, we distinguish between two types of platforms.

- **Global growth platforms** focus on building or strengthening **leading market positions** through scale and diversification. In these platforms, we invest in organic growth and selective acquisitions to reinforce our competitive position and expand internationally.
- **Regional and specialized platforms** focus on maintaining their strong, profitable positions in **clearly defined markets and niches**. These businesses prioritize operational excellence, customer proximity, and disciplined performance.

Where relevant, we consider partnerships and alternative structures – joint ventures, investor participation, or other tailored financing solutions – to support further development and unlock value.

### A HOLDING MODEL WITH CLEAR DIVISIONAL ACCOUNTABILITY

Our holding structure ensures clarity, focus, and long-term value. By organizing our activities into distinct divisions, we gain **clear visibility** into the value drivers of each business and can help steer performance.

Each division leads and grows its own business. Clear expectations and ambitious targets define the direction and reinforce accountability.

At the same time, **group functions** act as enablers. They provide governance, expertise and coordination across the Group, supporting divisions where it matters most to strengthen their competitive position. In this way, we combine disciplined governance with entrepreneurial drive across the Group.

→ Dive deep into our sectors and divisions: [check beaulieu.com](https://www.beaulieu.com)

“Divisions now operate with greater autonomy and accountability, supported by strong excellence pillars. This is about shared ownership. Empowerment and accountability go hand in hand. We succeed together; we’re all in the same boat.”

**BERT OLIESLAGERS**

COO

# Focus in our portfolio strategy

## Concentrating resources where we can lead and grow

### Why?

Futureproofing a group requires focus on the areas where it can grow, differentiate, and stay relevant. That implies stepping away from activities that no longer fit and shifting resources to stronger opportunities.

### How?

In 2025, Beaulieu made deliberate portfolio choices to **simplify its footprint** and **strengthen its divisions**.

#### DISCIPLINED PORTFOLIO MANAGEMENT

Within a holding structure, each business must demonstrate a clear path toward structural profitability and strategic relevance. In 2025, we further sharpened our portfolio through divestments and discontinuations, carried out with a strong focus on continuity for people and businesses.

Several activities were **sold to new owners** to enable their continued investment. In these processes, we deliberately selected buyers who could safeguard business continuity and provide stability for management and employees. Under their new ownership structures, the divested businesses are well positioned to pursue growth with a clear industrial focus and dedicated support.

- **Beaulieu Technical Textiles (BTT)** transitioned to international private equity firm RCP on 1 May 2025. The existing management team remained in place, and all employees continued their careers within the company.
- **Tessutica** was acquired in November by GH Private Equity, part of H Capital Ventures Group. All 132 employees in Romania and Belgium remained on board under unchanged employment conditions.

At the same time, we **discontinued** two activities that no longer aligned with our strategic priorities and portfolio ambitions: Act Global's US artificial grass activities and the US hard flooring distribution activities.

This portfolio reshaping allows Beaulieu to redeploy financial, operational and managerial resources toward its core platforms, where we continue to strengthen market positions and create sustainable, structural value.



## OPERATIONAL OPTIMALIZATION

Portfolio reshaping went hand in hand with operational optimization. Processes were reviewed, overlaps reduced, and structures streamlined to improve efficiency and responsiveness.

A concrete example is the choice to **centralize** all the finishing activities within the **Needle Felt division** at the Kruisem site from end 2026. Consolidating these operations in one location will help us reduce complexity, improve capacity utilization, cut costs, and improve customer services.

# International expansion and growth

## Strengthening platforms through scale, capabilities and market access

### Why?

If Beaulieu wants to build leading global platforms, it must expand beyond its traditional footprint. Several of our core businesses have strong positions in Europe and North America. To shape value that lasts, however, we need broader geographic diversification, access to competitive supply chains, and exposure to structurally growing markets. International growth is therefore central to our ambition.

### How?

International growth follows two principles: we focus on regions with structural advantages, and we allocate capital in a disciplined way. We pursue growth through targeted acquisitions, selective partnerships or organic expansion, depending on what best supports scale and long-term competitiveness.

### TARGETED ACQUISITIONS AND PARTNERSHIPS

**Acquisitions** play a key role in accelerating our platform development. They provide complementary technologies, market access, production capacity, and broader distribution channels. In certain regional or specialized platforms, partnerships may offer an efficient route to accelerate growth or enable capability expansion.

In 2025 and early 2026, this approach led to two important transactions:

- The acquisition of US-based **Congoleum Flooring** in November 2025. As a well-established expert in resilient vinyl flooring, Congoleum brings recognized product expertise, additional manufacturing capacity, and a strong customer footprint. The transition enhances our presence in North America and positions our **cushion vinyl business** more firmly as a true global player.
- In early 2026, we acquired Austrian IFG Asota GmbH. A key player in the global synthetic staple fibres market, Asota adds expertise in polypropylene, polyamide, polyethylene and biopolymer fibres used in high-value segments. In this way, it reinforces our **European fibres** footprint.

### EXPLORING UNTAPPED MARKETS

As a global player, we want to strengthen our presence in **regions with structural advantages**.

Markets such as China and the Middle East offer access to competitive supply chains and raw materials. In regions like India and Latin America, Beaulieu is currently underrepresented, while there is clear growth potential. Proximity to these regions will boost our competitiveness.

Expansion will follow the same **disciplined approach** we apply for acquisitions: clear strategic rationale, sustainable economics and operational feasibility.

In early 2026, we took a first step by signing a Memorandum of Understanding with **Alujain Corporation** for a **potential strategic joint venture** in the Kingdom of Saudi Arabia, subject to regulatory approval. The partnership combines Alujain's regional polymer manufacturing platform with our global expertise in synthetic fibres and non-wovens. This collaboration will help us expand our operational footprint and strengthen supply chain resilience, while improving delivery reliability for customers worldwide.

“If we want to stay competitive, we must think beyond Europe and position ourselves where structural advantages exist.”

JEAN-BAPTISTE DE RUYCK  
CEO





# Strategic investments in our core

## Creating room for sustainable growth

### Why?

Long-term business success requires a solid core. To grow internationally and build our platforms, our organization must be competitive, efficient, and resilient. By sharpening and optimizing our core activities, we improve performance today and create room for future growth – financially, operationally and strategically.

### How?

Building a stronger core requires **disciplined investment** across several fronts. We strengthen industrial excellence, align innovation more closely with market needs, support growth through business development, and embed pragmatic sustainability to reinforce competitiveness, resilience and long-term value creation.

### STRENGTHENING INDUSTRIAL EXCELLENCE

Industrial excellence is essential to raise (cost) efficiencies, quality, as well as sustainability. In 2025, key initiatives included:

- A new 180-meter **thermoconsolidation line** in Kruisem optimizes the production of our Rewind® event carpet. By using heat to bind fibers together, the line eliminates the need for latex or water in the production process. The investment increases capacity and improves energy efficiency.
- The installation of **wind turbines**, also in Kruisem, combines long-term impact with economic relevance. It boosts energy resilience, supports cost stability, and reduces our environmental footprint.
- B.I.G. Yarns invested 25 million euro in its French production site. **The new machine park** enhances energy efficiency and enables faster, more adaptable production runs. In this way, it enables Beaulieu to meet the evolving needs of its European customers.

### INNOVATION THAT DRIVES VALUE

Innovation remains a cornerstone of Beaulieu’s strategy. Our approach, however, is evolving. We focus on innovation efforts where we can create the greatest **value for our customers** and where there is **clear market potential**.

That means that we validate ideas in the market before scaling them, and only initiatives with proven demand receive broader investment. A close link between innovation and business development ensures that new ideas translate into commercial return, growth, and competitive advantage.

In line with our operating model, **innovation is driven by the divisions**. Each division leads initiatives that fit its own markets and portfolio, with group-level support where it adds value.

## BUSINESS DEVELOPMENT AS A GROWTH ENGINE

In 2025, Beaulieu **formalized and strengthened its business development** capabilities to connect innovation more closely with market opportunities.

We identify platform opportunities, validate market potential, and ensure that new initiatives focus on adjacent segments, new customer groups, and capability extensions that can drive scale and margin.

## SUSTAINABILITY: AMBITIOUS AND PRAGMATIC

Shaping value that lasts means building a sustainable future for our business, our people, and the planet. Sustainability has long been part of how Beaulieu operates. It is embedded in our **environmental** responsibility, our commitment to **people and society**, and our approach to **governance** and ethical conduct.

That does not change: sustainability remains a strategic priority for Beaulieu. What is evolving is our focus. We concentrate on sustainability efforts that genuinely matter to our customers, our markets and our operations – efforts that support long-term value creation.

Ambitious and pragmatic are not opposites: we retain our **bold 2030 ESG targets**, but we pursue them with sharper commercial logic and clearer priorities.

At the same time, we ensure full alignment with evolving **regulatory expectations**. Our reporting now follows the CSRD framework. Internally, we structure our sustainability approach around clear ESG pillars: environment, people & society, and governance. This enhances transparency, comparability and accountability.

Just like innovation and business development, sustainability is **driven from within the divisions**, close to markets and customers. The central sustainability team provides guidance and expertise and ensures coherence.

**“It is better to achieve 80% of a very ambitious plan than 100% of a plan that is not worth pursuing.”**

**CLARA CARELLI**

GROUP SHE, SUSTAINABILITY & QUALITY DIRECTOR

### Dive deeper into sustainability at Beaulieu

Read the Sustainability Statements for more details on our sustainability strategy and our achievements in 2025.



# People and talent

## Empowering people through engagement and collaboration

### Why?

Behind every strategy, there are people. At Beaulieu, that has always been more than a phrase. It is how our company was built and how it has grown for decades. As we now sharpen our focus and evolve our organizational model, a people-centered culture is more important than ever.

### How?

The shift towards a holding model places accountability firmly in the divisions – closer to markets, to customers, and to the people doing the work. That asks for clear ownership and strong collaboration across all levels of the organization.





### REINFORCING LEADERSHIP AT GROUP LEVEL

In 2025, we **reshaped our Excom team**, welcoming Barend Van Hoorebeke as CFO and Bert Olieslagers as COO. Together, they bring complementary financial, operational and a great deal of international experience – and a shared commitment to growth and entrepreneurship.

We also **strengthened the Board of Directors**: Alain Bostoën and Erwin Van Osta were appointed Board members in August 2025.

With Board, Excom and shareholders fully aligned on our new strategic direction, Beaulieu enters 2026 ready to execute.

→ Check the Governance Report for more details on our Excom and Board members

### STRENGTHENING LEADERSHIP IN THE DIVISIONS

In our holding structure, divisions carry full ownership and accountability for performance. **Strong local leadership** is therefore more important than ever.

In 2025, we took time to understand the strengths and ambitions of our **divisional General Managers**. We mapped their capabilities and experience against the opportunities ahead, ensuring each leader is equipped for the next phase.

Support is practical and structured. Divisional leaders work with clear targets and transparent performance frameworks, backed by group-level expertise. The **Quarterly Business Reviews (QBRs)** introduced in 2025 create fixed moments to follow up on progress, share insights, and adjust priorities where needed.

When people have clear expectations and the right support, accountability becomes a source of confidence rather than pressure. That is the environment we are building.

## ACTING RESPONSIBLY DURING PORTFOLIO CHANGES

During 2025, we divested several activities to sharpen our focus and reduce complexity. These were not easy decisions – and we know they created uncertainty for the colleagues involved.

Wherever possible, we chose to **sell rather than discontinue** these businesses, ensuring that teams could continue their work under new ownership. Where transitions took place, we aimed to handle them with transparency and respect.

## WHAT OUR PEOPLE TOLD US

2025 was a demanding year – not just strategically, but personally for many colleagues across the Group. Uncertainty is difficult, and we do not underestimate that. Yet, despite everything, our engagement survey showed that **commitment and loyalty held firm**.

At the same time, colleagues were clear that they wanted more direction, visibility, and proximity from leadership. That is an honest signal from people who care about where Beaulieu is going.

In 2026, we will respond to this feedback concretely. We will bring back All Voices Count meetings to connect leadership and colleagues in open conversations. A revamped Beaulieu newsletter will inform and engage colleagues across divisions and sites. More importantly, we want to foster **real dialogue** and **reinforce trust** in the direction we are taking together.

## CREATING SPACE FOR PEOPLE TO GROW

Empowering ownership means creating space for people to grow. In recent years, restructuring, leadership changes and alignment absorbed much of our attention, leaving less space for large-scale learning initiatives.

But the foundation was never lost. Between 2020 and 2023, Beaulieu invested significantly in HR excellence, systems, and learning and development. Those **processes and pipelines remain in place**. Even in more demanding years, we make sure that talented people can take on broader responsibilities and grow within the Group.

As financial performance improves, so will our capacity **to invest** – in development, critical capabilities and in every Beaulieu employee. That is a promise we are working towards.



“We took the time to sharpen our direction. Now we can move forward together.”



**PIETER LELEUR**  
CHRO

#### PIETER LELEUR ON THE HUMAN SIDE OF TRANSFORMATION

“2025 was a year of responsibility: we made tough decisions to prepare Beaulieu for the future. Strategically, we took important steps. But from a people’s perspective, this period brought uncertainty and required resilience.

In every decision we made, we did our best to put people first and strengthen communication and connection. It’s encouraging to see that our engagement score remained stable, which reflects the loyalty and commitment of our people.

At the same time, colleagues clearly asked for more clarity on our strategy and greater proximity from leadership. That feedback is fair, and we take it seriously. In 2026, we will build on our earlier efforts. We will be more present and more transparent, and further strengthen dialogue across the Group.

When I look back on 2025, I keep returning to a line from a song: “Tout seul on va toujours plus vite. Mais ensemble on va beaucoup plus loin.”

It is a simple truth: alone, you move faster, but together you go further. That captures 2025 well. We took the time to sharpen our direction and realign leadership. Now we can move forward together, with a shared ambition to build a company where people are proud to be part of.”

→ Read more about our ‘People’ approach in the Sustainability Statements

# LOOKING AHEAD: FROM RESHAPING TO RESULTS

# Word from our CEO

Dear colleagues, customers, shareholders and partners,

My first full year as a CEO of Beaulieu was intense but rewarding. We reshaped parts of our portfolio, rebuilt our leadership team and made hard choices about where to focus. Along the way, we made important mind shifts. That transformation set the course. **Now it is time for execution.**

In 2026 and beyond, we will deliver. Our priorities are clear: disciplined capital allocation, operational excellence, and consistent performance for our customers.

We also **broaden our horizon**. Beaulieu is Belgian in its roots, but global in its ambition. To foster competitiveness and scale our platform, we will pursue targeted acquisitions and partnerships – in established markets as well as in untapped regions with clear long-term potential.

In China and the Middle East, for example, proximity to competitive raw materials and production capabilities can enhance our cost position. In Latin America and India, where we are still underrepresented, we see clear commercial opportunities.

Throughout all of this, our commitment to **innovation and sustainability** remains strong. But we're now approaching both with **greater pragmatism** and a clear focus on customer value and competitiveness.

There is still a long journey ahead. The work we started in 2025 requires persistence, but disciplined execution will translate into results.

Beaulieu is an entrepreneurial and warm company. Our **people** are loyal, and I know the year demanded resilience from every single one of them. What gives me confidence is what we built in the past year: solid foundations, a sharper mindset, and an organization that is ready to execute.

That is how we will **shape value that lasts**.

**JEAN-BAPTISTE DE RUYCK**  
CEO



# 2025 STORIES

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## HONORING OUR FOUNDER, ROGER DE CLERCK

In October 2025, we honored the memory of Roger De Clerck, whose vision still guides our company today. His belief in innovation, craftsmanship and perseverance laid the foundations of the family-owned industrial holding we are today. Ten years after his passing, we remember him as the driving force who shaped our culture and our ambition.

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## BEAULIEU REAL ESTATE BUILDS LOGISTICS HUB IN CHÂTEAURoux

Beaulieu Real Estate completed a five-year redevelopment project in Châteauroux, France. The former production site had stood largely unused since 2006. Through partial demolition, new loading docks, parking areas and a full roof renovation, we turned it into a modern logistics hub.

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## STUDIO BRUSSEL RIDES ON BEAUFLOr VINYL

Beauflor partnered with Studio Brussel, a leading Belgian public radio station, and production company Sculture to floor Bus Belgica, the station's iconic festival bus. With more than 20 stops across Belgium, the bus brought live radio and good vibes to every corner of the country – all on a Beauflor vinyl floor. This creative collaboration quite literally put our design on the road.



### ACT SPORTS AND BORUSSIA DORTMUND: A PERFECT MATCH

When Borussia Dortmund needed a new pitch, they chose #Juventa – Act Sports’ hybrid turf engineered for the intensity of top-tier football. Together with partner Hendriks Graszoden BV, we transformed the iconic Signal Iduna Park in just three days using our Lay-and-Play concept. The result: natural ball roll, superior grip and a 100% recyclable surface built to last.

Completing this project at one of Europe’s most legendary stadiums made us proud. It is an excellent showcase of quality, innovation and sustainability in action.

### INNOVATION DAYS: CHANGE THAT CREATES VALUE

At our 12th Innovation Days, 200 colleagues gathered around one clear theme: ‘Change that creates value’. The focus? Turn ideas into action and bring them faster to the market.

From Rewind® to Greensteps and advanced air filtration fibers: every project presented during the day proved how perseverance and strong partnerships unlock new growth. As CEO Jean-Baptiste De Ruyck concluded: “Beaulieu is a complex organization, but we are full of people ready to make an impact.”



### PINNACLE POLYMERS POPS THE TOP ON SUSTAINABILITY AND TECH

Through ‘Project Pop Top’, Pinnacle Polymers turns polypropylene waste like bottle caps, closures and yogurt cups into something bigger: a passion for recycling and an interest in tech among local school kids. Students collect the waste, learn how recycling works, fund STEM programs such as Robotics Clubs with the proceeds, and compete for the ultimate prize: a Pinnacle Pizza Party. Learning, fun and sustainability all in one simple idea.

### BEAUFLO USA GOES SOLAR

Our Beauflor plant in Cartersville, Georgia, is now generating its own solar power. Together with Cherry Street Energy, we installed the largest rooftop solar array in the Atlanta region. The system supplies around 10% of the site’s energy, avoids 920 metric tons of CO<sub>2</sub> annually and produces enough electricity to power 100 households.

Moreover, the system was designed with future expansion in mind, so this is just a first step toward more renewable energy at the Beauflor USA site.

### ECOVADIS: RAISING THE BAR ACROSS THE GROUP

In sustainability, words matter less than proof. In 2025, Beaulieu delivered both, as multiple divisions earned significantly improved ratings from EcoVadis, one of the world's most trusted independent benchmarks for environmental, social and ethical performance.

The progress was striking:

- **Beaulieu Yarns:** Gold (2024) → Platinum (2025)
- **Beaulieu Fibres:** Gold (2025) → Platinum (2025)
- **Beauflor EU:** Silver (2025) → Gold (2026)
- **BerryAlloc:** Silver (2025)
- **Group:** Bronze (2025) → Silver (2026)

For customers and partners, these ratings offer independent, globally recognized proof of how responsibly we operate.

### GLOVES ON, SLEEVES UP: BEAULIEU JOINS WORLD CLEAN UP DAY

During World Clean Up Day week, colleagues across our Belgian sites in Kruisem, Wielsbeke, Waregem and Menen took to the streets – gloves on and bags ready. In Menen, the BerryAlloc team went a step further, following a waste sorting training to turn a one-day action into lasting awareness. The clean-up ran smoothly across all sites and brought teams together around a shared commitment to care for their local communities.



### BERRYWOOD TURNS 30: THREE DECADES OF CRAFT, ONE UNFORGETTABLE CELEBRATION

In 2025, BerryAlloc's parquet factory in France celebrated 30 years of craftsmanship with a two-day event full of character. Customers and partners explored BerryWood's expertise through workshops and factory tours, followed by an outdoor dinner with wood games and brasero grills under the open sky. The second day was for employees and their families, with live rock music, burgers and another look behind the scenes.

The celebration reflected exactly what BerryWood stands for: craftsmanship, pride and strong connections.



### TERNI OPENS ITS DOORS: FAMILY DAY AT THE HEART OF OUR FIBRES DIVISION

Inspired by the success of Beaulieu Belgium's Family Day in 2023, our Fibres division in Terni, Italy, welcomed nearly 200 guests for an Italian family day in 2025. Employees and their families got a rare behind-the-scenes look at the production lines, interactive displays and the scale of what the Terni team builds every day. The atmosphere was warm and the smiles said it all.

Events like these remind us that behind every fibre, there are people who care deeply about our organization.



#### ACT SPORTS PADEL TOURNAMENT

As a supplier of premium padel turf, we enjoy bringing padel closer to our colleagues. Throughout the year, we organize free padel sessions at Arenal Waregem, giving everyone the chance to learn, play and connect. The season concludes with the annual Act Sports padel tournament, featuring three levels – Beginner, Challenger and Advanced – where every team plays at least three matches. In December, the grand finale crowned one winning team in each category. Winners went home with a golden medal and the title of ‘padel legend 2025’.



#### TWO WIND TURBINES INAUGURATED IN KRUISEM

Beaulieu and ENGIE officially inaugurated two wind turbines at our Kruisem site. Together, they generate around 23 million kWh per year – enough to power 6.600 households – and cover up to 40% of the electricity needs of our fibres and needle felt operations. The turbines add 8,4 MW of renewable capacity to our local energy mix.

The investment reduces CO<sub>2</sub> emissions by approximately 9.200 tons annually and brings us closer to our ambition of 100% renewable energy by 2030. ENGIE developed and financed the turbines and also opened the investment to local residents and employees through a crowdfunding initiative – making the energy transition a shared effort.

#### BEAULIEU AUSTRALIA: FLOORING THAT MAKES A DIFFERENCE WHEN IT MATTERS MOST

When devastating floods hit the Mid North Coast of Australia, Beaulieu Australia stepped in to help. In response to a call from Choices Flooring Forster, the team donated carpet to restore affected homes and farms. What started as a local request, quickly grew into a coordinated effort to bring practical support where it was needed.

#### PLANT MANAGER CONFERENCE: STRENGTHENING COLLABORATION

In mid-November 2025, our plant managers gathered at the Villa next to the Experience Center in Wielsbeke to align priorities, share operational insights and strengthen collaboration.

They focused on workplace safety and Zero Harm, operational excellence, material and energy efficiency, digital transformation and progress toward Net Zero. A hands-on workshop on material efficiency made the discussion concrete. Working with limited resources, participants had to build a durable structure using limited resources. The exercise showed how smart material use requires creativity, discipline, and teamwork.



### SUSTAINABILITY FORUM: TURNING AMBITIONS INTO ACTION

On 19 November, over 90 partners, industry peers and academics joined the third edition of the B.I.G. Sustainability Forum at our Experience Center in Wielsbeke. Under the theme ‘Sustainability Crossroads’, the day focused on one central question: how do we turn sustainability ambition into action?

Through keynotes, case studies and open discussions, participants explored how purpose and profit can reinforce each other, why collaboration unlocks new opportunities, and how transparency strengthens trust in the market.

### BEAULIEU FIBRES: DRIVING LOWER-IMPACT PLASTICS FOR AUTOMOTIVE

Plastics make up 12 to 15% of a vehicle's weight, so reducing its environmental impact makes a real difference. Beaulieu Fibres is doing exactly that, supplying lower-impact polypropylene fibres for automotive parts like door panels and underbody shields. Made from bio-circular or recycled materials, the fibres reduce emissions without compromising performance. And with cradle-to-gate CO<sub>2</sub> data now available for the full polypropylene fibre range, automotive customers get full transparency to make informed choices.

### REWIND® COLLECTIONS EARN PRODUCT CARBON FOOTPRINT CERTIFICATE

Rewind® Flat and Rewind® Dilour, our fully recyclable needle felt flooring collections, received the Product Carbon Footprint Certificate from TÜV SÜD, in line with ISO 14067 standards. The assessment covered greenhouse gas emissions across the full life cycle, from raw materials to end-of-life.

Earning the certificate recognizes our transparent approach and marks another concrete step in responsible manufacturing.



### WIELSBEKE UPGRADES ROOF, INCLUDING SOLAR PANELS

In Wielsbeke, we combined a full roof renovation with the installation of new solar panels. We replaced the old PVC membrane with a lighter, future-proof TPO layer, and sealed the skylights with insulated sandwich panels to improve energy efficiency. The upgrade brings more natural light into the production hall.

Since October 2025, 2.460 solar panels deliver up to 700 kW of green energy, covering part of the cushion vinyl site's electricity needs.



### FLANDERS FLOORING DAYS: FOUR DAYS OF ENDLESS INSPIRATION

In June 2025, Flanders Flooring Days brought the global flooring world to Kortrijk Xpo and our Experience Center in Wielsbeke. Visitors discovered the full breadth of our flooring portfolio, from laminate and vinyl to needle felt and high-pressure floors.

BerryAlloc impressed with its digital deluxe display, blending real samples and smart technology. Beauflor presented TRACES, made with 100% biocircular PVC, while Beaulieu Needle Felt launched the Rewind® calculator and a new Floor Visualizer. Once again, we showed how Beaulieu continues to raise the bar in flooring design and technology.

### BEAUFLOR BELGIUM: ADVANCING SAFETY TOGETHER

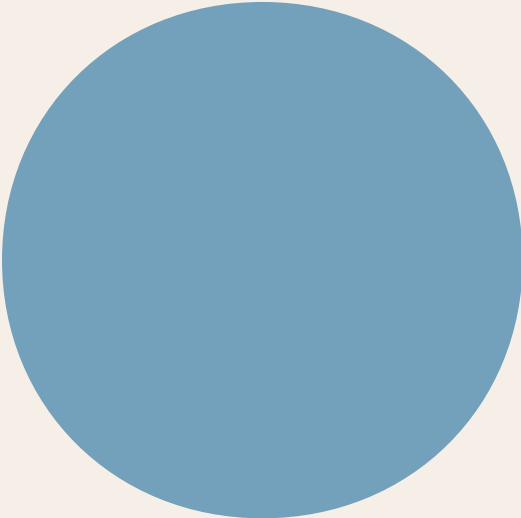
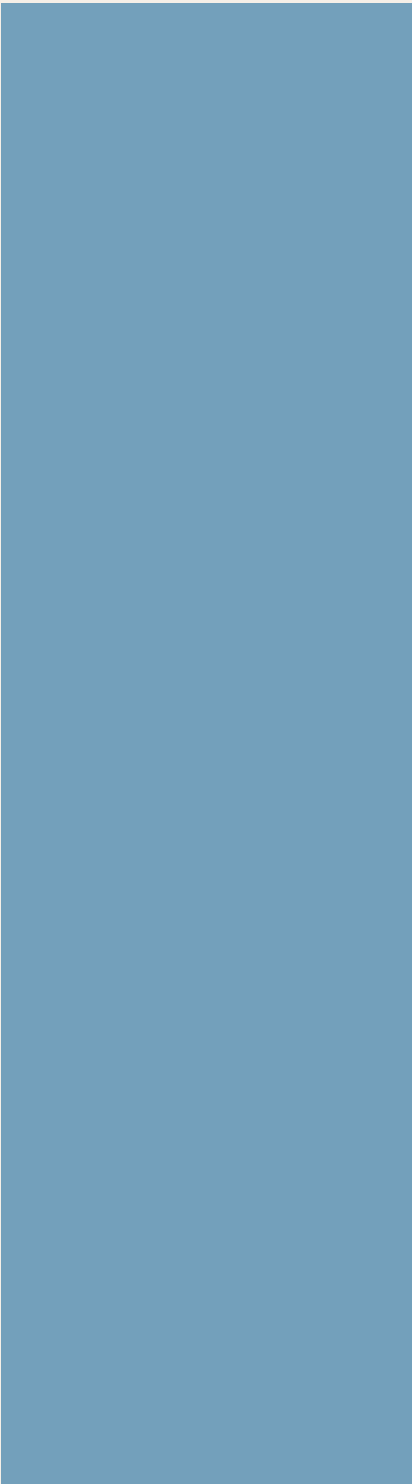
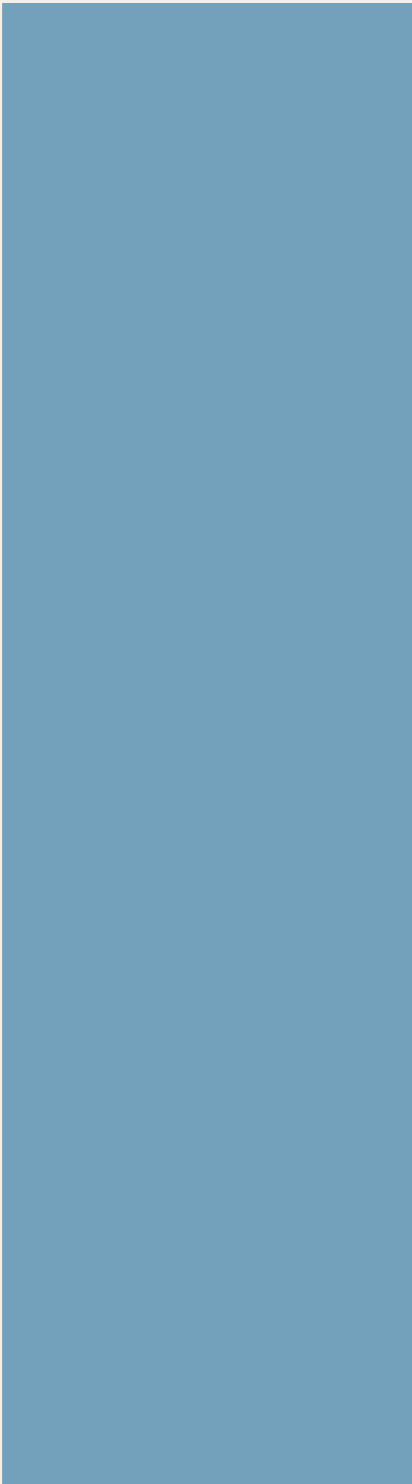
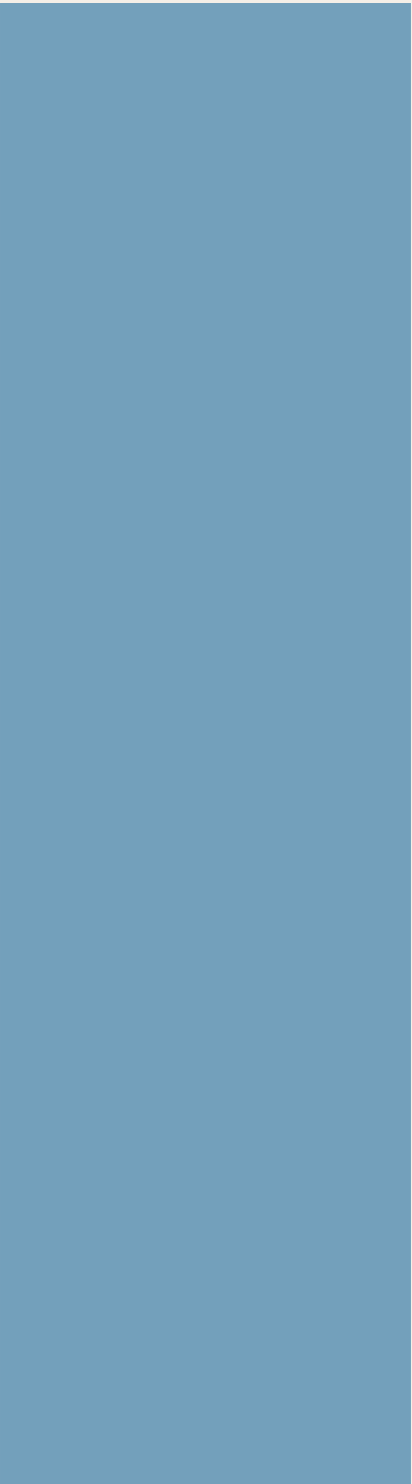
Since 2023, teams at our cushion vinyl site in Belgium have been collaborating closely to raise the bar on safety. Through our Safety Compass and SHE (Safety, Health, Environment) Leadership program, six priority areas were identified, including traffic flows, PPE, inspections and production risks. Four working groups, bringing together operations and shopfloor colleagues, turned these priorities into concrete actions and improvements.

Clear safety rules, supported by overview boards, toolbox meetings, safety days and interactive learning sessions, keep safety top of mind every day. Teams are more actively reporting near misses and minor incidents, which is a clear sign of growing safety culture.

The impact is clear: Lost Time Injuries (LTIs) dropped by more than 50% in the first year, and since April 2025, the site has recorded zero LTIs.

→ Read all about our SHE policy in our Sustainability Statements (p. 103).

# GOVERNANCE REPORT



# 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 Beaulieu'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 is 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.

Beaulieu 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. The Charter supports 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, Remuneration and Nomination Committee (RemCo), Audit Committee, Real Estate Committee (REC), shareholders meeting, and the Executive Committee (Excom) in depth.

Our management structure and processes are designed to optimize the performance of the Group, while reducing the possible risks and impact of our activities. The operational management of Beaulieu has been delegated by the Board of Directors to the CEO, supported by the Executive Committee.

## Board of Directors

Our Board of Directors approves 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 execution of the strategy.

### Safeguarding the balance

Beaulieu's Board of Directors is composed of four family representatives and three independent Directors. Each Board member and all shareholders support Beaulieu's transformation into a service- and solution-oriented company that aims to add value for every stakeholder through innovation, sustainability and entrepreneurship.

In August 2025, Alain Bostoën and Erwin Van Osta were appointed to Beaulieu's Board of Directors. They succeeded Barbara De Saedeleer and Johan Lambrecht, respectively, who stepped down from their positions as directors. We would like to thank Barbara and Johan for their many years of dedication and valuable contribution to the company's growth and development.

## Composition of the Board of Directors

(20 August 2025)



**Dominiek De Clerck**

Chairman and family representative

Dominiek De Clerck is the youngest son of founder Roger De Clerck. After his secondary education, 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's degree in Applied Economic Sciences from the University of Louvain. After completing his studies, he went to work at Beaulieu Wielsbeke. Following the merger in 2005, he focused on developing the bank b investment bank in Waregem. He 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 France in 1976 after his studies and is the former head of the Berry Floor Group. He has been a Beaulieu 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 in the automotive division of Ideal Group, and later took on the role of director. In 2021, she joined Beaulieu's Board of Directors. She has been a member of the Remuneration and Nomination Committee since September 2022, joined the Audit Committee in August 2025 and became Chair of the Real Estate Committee in September 2025.



**Dirk Dees**

Family representative

Dirk Dees has a Master's 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 Dees was the co-CEO of Beaulieu International Group. In September 2022, he joined the Board of Directors.



**Jan Vander Stichele**

Independent Director

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. Jan Vander Stichele also chairs the Remuneration Committee.



**Alain Bostoën**

Independent Director

Alain Bostoën is CEO and owner of the Ghent-based multinational Christeyns. Founded in 1946, Christeyns manufactures professional cleaning agents and hygiene products for various sectors, including the hospitality industry, car wash, and textile care. Alain Bostoën is also a member of the Audit Committee.



**Erwin van Osta**

Independent Director

Erwin van Osta is CEO and co-owner of Hubo, a rapidly growing Belgian retailer with more than 160 stores across the country. Hubo focuses on the DIY market with a high-quality selection of brand-name products. Erwin Van Osta 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 KPMG, the statutory auditor, to review and assess the conclusions and observations of the Group's statutory audit.
- Ensuring the company's compliance with legal and regulatory requirements.** The internal audit function periodically evaluates the systems established to ensure compliance with policies, plans, procedures, laws, and regulations that could have a significant impact on the organization.
- Following up on internal audit activities and reporting.** The internal audit function provides reports on their engagements, the status of the implementation of recommendations and any other activities performed. The plan the Internal Audit proposes is approved annually.
- Overseeing the company's process and systems on internal controls and risk management.** The Audit Committee regularly invites management to its meetings to monitor and receive updates on the organization and the impact on risk and controls within their processes and scopes.

The Audit Committee held four meetings in 2025.

### Composition of the Audit Committee (August 2025)

Until August 2025, Barbara De Saedeleer and Johan Lambrecht served as directors and members of the Audit Committee, with Barbara De Saedeleer acting as Chair.

In August 2025, they were succeeded by Alain Bostoën and Erwin Van Osta, with Erwin Van Osta assuming the role of Chair of the Committee.



**Erwin van Osta**  
Chair of the Committee



**Alain Bostoën**



**Caroline De Clerck**



**Rudi Deruytter**

## 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 Committee meets at least four times a year, plus whenever the performance of its duties requires.

The Remuneration and Nomination Committee has the following tasks:

- #1** Developing a transparent, fair, and equilibrated remuneration policy for Beaulieu top-level professionals that allows Beaulieu to attract, retain, and motivate people with the right expertise and experience.
- #2** Establishing comparable remuneration packages per level to facilitate possible rotation of top-level professionals within Beaulieu.
- #3** Optimizing the external costs of the remuneration of top-level professionals, in particular by pooling certain employee benefits, insurances, etc.

- #4** Supporting and reinforcing the company's long-term strategic goals in view of the companies' overall economic situation.

- #5** Advising the CEO on both the operations and performance of all executive managers. Note that the CEO is not present during his/her own evaluation.

- #6** Proposing candidates to the Board of Directors for approval.

- #7** Performing a thorough analysis of the aspects related to succession planning.

- #8** Assisting the Board of Directors in appointing the members of the Executive Committee upon recommendation by the CEO, unless otherwise decided by the Board of Directors.

### Composition of the Remuneration and Nomination Committee (August 2025)

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

We warmly thank Ann Coppens and Barbara De Saedeleer, who left the Committee in 2025, for their many years' dedicated advice.



**Jan Vander Stichele**  
Chair of the Committee



**Griet Vanneste**



**Caroline De Clerck**

## 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.

Several changes took place in the Executive Committee in 2025.

- **Bo Oxfeldt**, VP Polymers and Engineered Solutions decided to leave Beaulieu at the beginning of 2025. We want to thank Bo for his years of commitment and dedication to Beaulieu.
- In early June 2025, **Barend Van Hoorebeke** joined Beaulieu as Chief Financial Officer (CFO).
- In October 2025, **Bert Olieslagers** joined Beaulieu as new Chief Operating Officer (COO).
- **Wim Coppens**, VP Flooring decided to leave Beaulieu at the end of 2025. We thank Wim for his contribution, leadership and vision during his career.

Since 2026, the Beaulieu Executive Committee consists of the CEO, CFO, CHRO, and COO.

### Composition of the Executive Committee (January 2026)



**Jean-Baptiste De Ruyck**  
Chief Executive Officer



**Pieter Lelieur**  
Chief HR Officer



**Barend Van Hoorebeke**  
Chief Financial Officer



**Bert Olieslagers**  
Chief Operating Officer





## Real Estate Committee

The Real Estate Committee (REC) was created in 2023 to ensure a dedicated approach to non-operational real estate within our Group. The scope for this real estate portfolio is clearly defined: to grow into an additional business unit within Beaulieu.

The Committee defines the real estate strategy, makes investment decisions for both existing and new development projects, and oversees the progress of the following activities:

- Active **development of brownfield** sites into new real estate for sale or lease.
- Optimizing **urban planning** for sites with little or no development potential.
- Expanding the **rental portfolio** to generate long-term, recurring rental profits.
- **Professionalizing property management** for leased properties.
- Developing a strategic approach for **undevelopable agricultural land**.

Until August 2025, Luc De Clerck and Dirk Dees served as family shareholders, while Dirk Deroose chaired the Real Estate Committee. In August, Caroline De Clerck took over the chairmanship and Elke Krols joined the committee as financial advisor. We want to thank Luc De Clerck, Dirk Dees and Dirk Deroose for their valuable contributions.

Led by the Real Estate Development Director, the Real Estate Committee is now composed of two family shareholders and two external real estate professionals.

The members meet every three months. The CFO attends the meetings to ensure the follow-up of ongoing investments.

### Composition of the Real Estate Committee (August 2025)



**Caroline De Clerck**  
Family representative  
Chairman



**Dirk Deroose**  
Deroose Projects NV



**Maxime De Clerck**  
Family representative



**Elke Krols**  
Financial advisor



## Statement of Business Ethics

Beaulieu is committed to conducting operations in accordance with all applicable laws, rules and regulations, and the highest ethical standards. This means complying with national and international anti-corruption 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 anti-bribery laws in place in the countries in which Beaulieu operates.

This strong commitment is embodied in our **Code of Business Conduct and Ethics** and our **Anti-Bribery Compliance Policy**.

The purpose of the Group's Code of Business Conduct and Ethics is to help employees in making ethical and legal decisions when conducting business and performing their day-to-day duties. To ensure this dedication and commitment, new white-collar employees are expected to follow a web-based training, including a test, as part of their onboarding.

Employees can access our policies and procedures on our intranet portal and they are explained to new employees during the onboarding process.

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.

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 in accordance with our policies.

### BUSINESS PARTNERS - CODE OF CONDUCT FOR SUPPLIERS

Beaulieu seeks to only do business with third parties who share our values and commitment to responsible business conduct. We expect our suppliers and other business partners to act with integrity and fairness and observe applicable laws. After all, they have a direct impact on our reputation through their behavior – so our continued success depends upon their commitment.

Therefore, suppliers must adhere to the **Supplier Code of Conduct**, which sets clear standards for ethical and social behavior, governance, health and safety, and environmental responsibility. We also expect them to uphold these high standards across their own supply chains.

### CONFLICTS OF INTEREST

Directors and members of the Executive Committee will uphold their independent judgment at all times and act in Beaulieu's best interest. They will also strive to avoid conflicts of interests.

If a Director or a member of the Executive Committee has a direct or indirect conflict of interest, they must inform the Chairman of the Board of Directors or the CEO, respectively. They will also refrain from participating in discussions of the Board of Directors or the Executive Committee and from voting.

As stated in the statutory accounts, the Board of Directors follows the procedure outlined in Article 7:96 of the Belgian Code of Companies and Associations.

## External audit and control

In 2020, KPMG was nominated as the statutory auditor for Beaulieu 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 Beaulieu International Group NV as of and for the year ended 31 December 2025.



# Sustainability governance

In order to drive the sustainability strategy and objectives, Beaulieu established a **clear sustainability governance framework**, which is strengthened year after year. This framework ensures oversight of the material sustainability topics and accountability for executing our ambitious sustainability strategy.

The governance structure defines **clear roles and responsibilities** across different levels of the organization.

## BOARD OF DIRECTORS

The Board plays a key role in shaping Beaulieu's sustainability vision and approves our sustainability strategy as well as the related targets.

## AUDIT COMMITTEE

The Audit Committee, and ultimately the Board, oversees the sustainability program, monitoring performance on material topics, risks, and opportunities. It also approves the Double Materiality Assessment (DMA) and the non-financial performances disclosure.

## REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee aligns executive compensation with sustainability targets, ensuring that leadership incentives support our long-term sustainability goals.

## CORPORATE SUSTAINABILITY TEAM

The SHE, Sustainability and Quality Director leads Beaulieu's sustainability strategy and initiatives, ensuring continuous progress towards targets and actions. The role focuses on creating initiatives that enhance shared value for both the Group and its stakeholders.

Responsibilities include fostering internal and external collaborations, monitoring and reporting progress, raising awareness, developing policies, and coordinating sustainability-focused teams and projects.

Under the Director's leadership, the Corporate Sustainability Team defines the global sustainability strategy, establishes methodologies, and supports the divisions in driving sustainability efforts and creating shared value. The team members collect and manage data, while they are also in charge of reporting.

## CENTERS OF EXCELLENCE

Our Centers of Excellence are cross-divisional, cross-functional teams of experts dedicated to driving progress on specific sustainability topics. They work closely with our innovation department, which explores opportunities to enhance our products in terms of climate impact and circular economy.

The Centers of Excellence focus on projects aligned with our current material topics.

Topic	Projects led by
<b>E1 – Climate Change</b>	Sustainability Procurement Innovation Operations
<b>E2 – Pollution</b>	Regulatory Operations Safety, Health and Environment (SHE)
<b>E5 – Circular Economy</b>	Sustainability Innovation
<b>S1 – Own workforce (including safety)</b>	Human Resources Safety, Health and Environment (SHE)
<b>S2 – Workers in the value chain</b>	Procurement Human Rights Officer
<b>G1 – Business Conduct</b>	Group Legal Internal Audit

## SUSTAINABILITY NETWORK MEMBERS

Sustainability Network Members drive sustainability in their respective divisions and embed actions in their local strategy. This means, among other things, that they oversee ongoing actions, unite the right people, set intermediate targets, and embed these in the daily business.

They also act as a single point of contact within their divisions and at Group level.

## INTERNAL AUDIT

Internal Audit reviews if the sustainability processes are organized in line with the CSRD requirements and ensures internal controls over financial and non-financial information relating to sustainability data and reporting.

# SUSTAINABILITY STATEMENTS

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# General information

ESRS 2 – BP-1

## Basis for preparation of the Sustainability Statements

Beaulieu's Sustainability Statements have been prepared on a consolidated basis, covering the reporting period from 1 January to 31 December 2025.

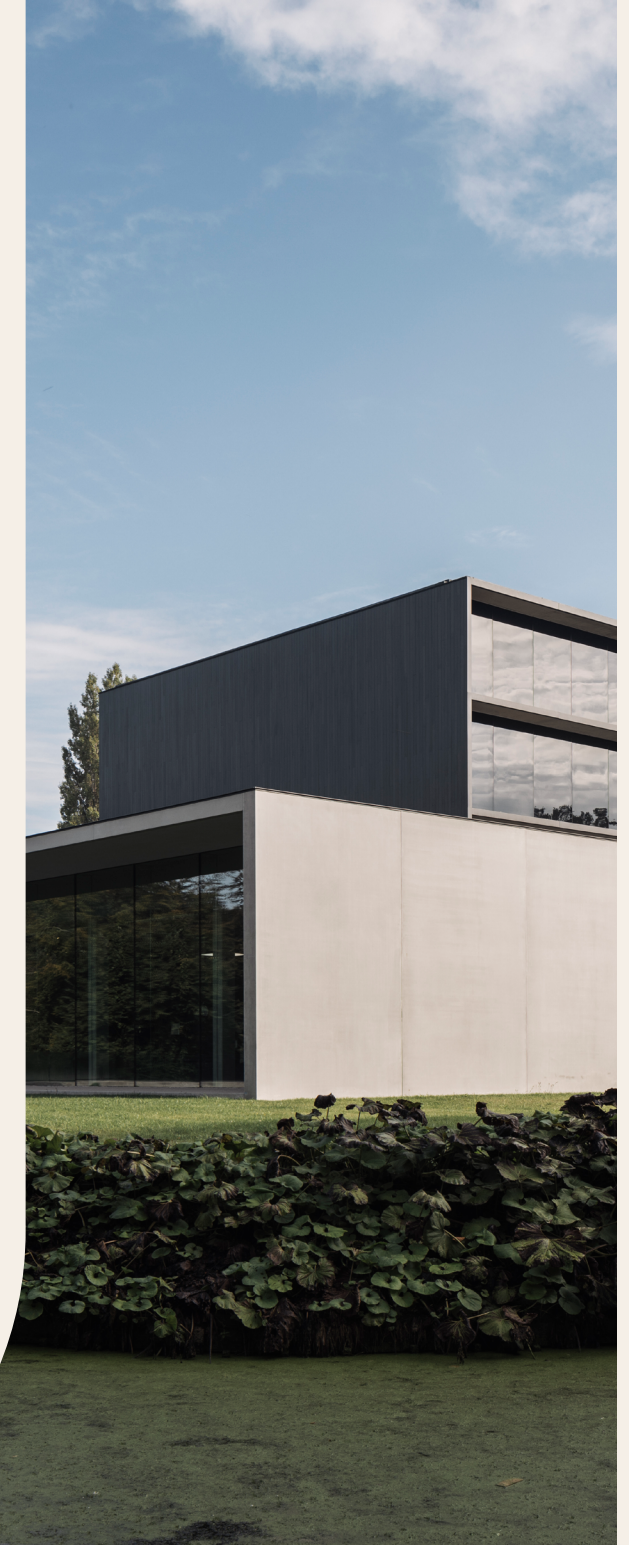
While Beaulieu is not yet required to comply with the Corporate Sustainability Reporting Directive (CSRD), we have voluntarily aligned the 2025 Sustainability Statements as closely as possible with the draft simplified European Sustainability Reporting Standards (ESRS) – based on the available disclosure requirements and implementation guidance.

The reporting boundary is aligned with the consolidation scope used in the Group's financial statements. The statements cover the Group's own operations as well as relevant upstream and downstream value chain activities where we identified material impacts, risks and opportunities (IROs). For metric disclosures such as water, waste, microplastics, energy, circularity and packaging, the following manufacturing entities are included, except if stated otherwise.

Pinnacle Polymers LCC
Polychim Industrie SA
Distriplast Flandre SAS
Beaulieu Fibres International NV
Beaulieu Fibres & Yarns Weihai Co
Beaulieu Fibres International Terni SRL
Ideal Fibres & Fabrics Comines SA
OOO Juteks Russia
B.I.G. Floorcoverings NV
Beauflor USA LCC
Juteks d.o.o Slovenia
BerryAlloc NV
BFS Europe NV
Alloc A.S.
Beaulieu Canada L.T.D.
Doménech Hermanos
Berry Wood SAS
Beaulieu of Australia

As explained in the **Corporate Report** (p. 6 - 36), Beaulieu acquired and divested several entities in 2025. In accordance with the transitional provisions under the ESRS, we excluded divested entities from the current reporting boundary and deferred the inclusion of recently acquired entities.

Where relevant, the Sustainability Statements include comparative information for the previous reporting period. Where methodologies, scope, or definitions have changed, we explain the impact of these changes in the relevant disclosures.



ESRS 2 – GOV

# Governance

## Roles and responsibilities

### GOV-1

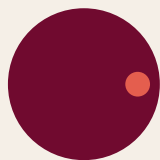
As a family-owned, privately held industrial group, Beaulieu focuses on **long-term value creation** for all stakeholders. Sustainability is treated as a fundamental component of our strategy, and we attach great importance to clear sustainability governance. It keeps us accountable and helps us make measurable progress across everything we do.

As ESG is embedded in our strategy, it is managed through our **existing governance framework**, which balances strategic oversight (Board of Directors) and operational execution (Executive Committee - Excom). Specific ESG topics, such as ESG-related remuneration and the control of CSRD reporting, are handled within the existing committees.

### Diversity Board of Directors

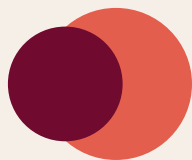
#### Gender

- Female: 1 (14%)
- Male: 6 (86%)



#### Family vs. independent

- Family representative: 4 (57%)
- Independent: 3 (43%)



At the **operational level**, the Corporate Sustainability Team leads the Group’s sustainability strategy and initiatives, ensuring continuous progress toward its targets. Cross-divisional Centers of Excellence drive progress on specific sustainability topics, while Sustainability Network Members embed actions in their local strategies. Internal Audit reviews whether sustainability processes are organized in line with the CSRD requirements and ensures internal controls over financial and non-financial information relating to sustainability data and reporting.

Read more on the composition, ESG experience and diversity of the Board, the Excom, and the relevant committees in the **Governance Report** (p. 37–46).

## How governance bodies steer sustainability

### GOV-2

Our governance bodies receive regular sustainability updates to ensure informed oversight and decision-making.

The **Board of Directors** reviews ESG-related risks and opportunities at least every year, as part of its strategic discussions and through the **Audit Committee**.

Key sustainability topics addressed in 2025 included:

- Supply chain due diligence and human rights compliance.
- Regulatory developments (CSRD, CSDDD).
- Progress on strategic sustainability objectives.

The **Executive Committee** receives structured ESG updates, including insights into:

- Environmental performance (quarterly Sustainability Score tracking progress against site-level targets).
- Social performance, including health & safety (monthly) and employee engagement (annually).
- Value chain due diligence, covering anti-bribery, human rights and environmental risks (at least annually).
- Progress toward sustainability targets (annually).

## Sustainability-related remuneration

### GOV-3

To ensure remuneration is aligned with Beaulieu’s long-term strategy, sustainability objectives are embedded in our remuneration framework.

A portion of variable pay for eligible employees is linked to ESG-related criteria, with a primary focus on health and safety performance. For selected employees, additional incentives are tied to due diligence and sustainable growth objectives.

The **Remuneration and Nomination Committee** oversees the alignment of executive compensation with sustainability targets.

## Sustainability due diligence, risk management, and internal control

GOV-4, GOV-5

Beaulieu conducts due diligence in line with **internationally recognized standards**, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as applicable regulations.

The **due diligence framework** includes:

- Identifying and assessing actual and potential adverse impacts.
- Integrating findings into internal processes.
- Taking preventive actions to address adverse impacts via a structured third-party risk management process.
- Monitoring the effectiveness of these efforts.
- Remediating where required.

**Due diligence applies to** own operations (including subsidiaries) and business partners on a risk-based basis. Supplier engagement and scoring mechanisms further reinforce transparency and responsible sourcing.

We established **internal controls** to ensure the reliability and integrity of sustainability reporting. Key controls include:

- Clearly defined ESG data ownership.
- Central coordination by the Corporate Sustainability Team.
- Oversight by Internal Audit.

→ Read more about due diligence and supplier engagement in the 'Business conduct' section: p. 109 - 113.



In 2025, we **further strengthened the reporting framework** by standardizing data collection, increasing automation, and implementing structured review and validation processes. Furthermore, we introduced additional controls to address data completeness, accuracy and estimation uncertainty.

ESRS 2 – SBM

## Strategy and business model

### Strategy, business model and value chain SBM-1

#### WHO WE ARE

Founded in 1959, Beaulieu is a global industrial holding that unites a diverse portfolio of businesses spanning **chemicals, industry, flooring, distribution, and real estate**. As a family-owned group, we focus on long-term value creation, shaping solutions that last, for our business, our people, and the planet.

### BEAULIEU BY THE NUMBERS



## BUSINESS MODEL

In 2025, Beaulieu reviewed and reorganized its operating model to better support its long-term ambitions. The Group now operates as an **industrial, family-owned investment holding**, building and managing a **portfolio of platforms** across its five sectors. Within that portfolio, we distinguish between two types of platforms.

- **Global growth platforms**  
focus on building or strengthening leading market positions through scale and diversification. Growth is driven by a combination of organic initiatives and selective acquisitions, with the aim of reinforcing competitive positioning and expanding internationally.
- **Regional and specialized platforms**  
focus on maintaining their strong, profitable positions in clearly defined markets and niches. These businesses prioritize operational excellence, customer proximity, and disciplined performance.

Within this structure, divisions operate with increased autonomy and accountability, supported by strong excellence pillars that foster performance, knowledge sharing and continuous improvement.

Where relevant, we consider partnerships and alternative structures – joint ventures, investor participation, or other tailored financing solutions – to support further development and unlock value.

We refer to the **Corporate Report** (p. 6 - 36) for more information about our business model.

**“Since 2025, divisions operate with greater autonomy and accountability, supported by strong excellence pillars. This is about shared ownership.”**

### BERT OLIESLAGERS

COO





## MARKET POSITION AND VALUE CHAIN

Beaulieu supplies materials and solutions to a wide range of **end markets**, including automotive, building and construction, residential and commercial interiors, packaging, and hygiene and wipes. Our portfolio is organized into **five sectors**: Chemicals, Industry, Flooring, Distribution, and Real Estate. Each sector brings together divisions with shared markets, capabilities, and strategic priorities.

Across our sectors, we mainly operate in a **business-to-business (B2B)** context, serving manufacturers, distributors, project developers and professional end users. In selected activities, particularly within Distribution, we also engage directly with end consumers (B2C), but these represent a more limited share of the portfolio. Revenue is largely driven by product sales, although service-related activities are gradually developing.

The overview on the next page describes our **value chain**, i.e. how value is created across our portfolio – from the sourcing of raw materials to the end-of-life of our products, covering both industrial transformation processes and downstream applications across multiple sectors.

- **Upstream:** We rely on a broad range of raw materials and inputs, including petrochemical-based feedstocks (polymers and additives) and wood-based materials. These are complemented by key intermediates such as fibres and yarns, as well as essential resources including energy and transport.
- **Own activities:** Our core activities consist of the conversion and manufacturing of materials into semi-finished and finished products, followed by global sales and distribution. In addition, we manage a real estate portfolio, primarily in Belgium and France.
- **Downstream:** We serve both businesses and, to a lesser extent, end consumers. Customers either use our products directly or further process them into final applications. The value chain therefore extends into product use phases across diverse industries, as well as the end-of-life stage, including reuse, recycling or disposal.

# Our activities

## Upstream

FEEDSTOCK



MANUFACTURING OF RAW MATERIALS

WORKERS IN THE VALUE CHAIN

MANUFACTURING SALES & DISTRIBUTION



OWN EMPLOYEES



## Downstream

CUSTOMERS B2B & B2C



CONVERSION, MANUFACTURING, DISTRIBUTION + USE

END-OF-LIFE



WORKERS IN THE VALUE CHAIN

## OUR SUSTAINABILITY STRATEGY

Sustainability is embedded in how Beaulieu operates and how we think about the future. After all, our purpose – shaping value that lasts – implies a commitment to build a sustainable future for our business, our people, and the planet.

Our sustainability strategy is built around three key pillars: Environment, People & Society and Governance.

We want to lead by example in each of these pillars – and have therefore set **ambitious targets**. Our overall aim is to reduce our environmental footprint to zero, while taking care of our people and the people around us, and doing business in a transparent, ethical way.

**“Sustainable business is a win-win: by doing what’s right for the planet, we can drive growth, innovation, and lasting positive change.”**

**JEAN-BAPTISTE DE RUYCK**  
CEO

### Environment

We take responsibility for the environmental impact of our operations and that of our partners

Beaulieu recognizes its environmental impact and takes responsibility by embedding sustainability across its operations and value chain. We continuously work to reduce our footprint by preserving resources, cutting emissions, and shifting towards circular, low-carbon solutions. Through responsible sourcing and smarter use of resources, we aim to create more value with less impact. Clear metrics help us set high standards for ourselves and our partners and follow up on our impact.

### People & Society

We value our employees and the people around us

As a family business, Beaulieu has always put people first and cherishes a strong culture of teams across sites, sectors and geographies. We create a safe, healthy and inclusive working environment where people can take ownership, grow, and make their mark. This people-centric mindset extends beyond our workforce to the communities around our facilities.

### Governance

We act with integrity and value open communication

Beaulieu operates across multiple countries and in diverse cultural, legal, and regulatory environments. Strong governance and transparent communication help us build trust and stay accountable. Responsible and ethical business conduct across our value chain is a clear priority. 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.

The overview below sets out the key topics, targets, KPIs and 2025 results, alongside the UN Sustainable Development Goals they contribute to.



ENVIRONMENT

**Topic:** Environmental impact  
**2030 target:** Zero environmental impact  
**KPI:** Environmental Sustainability Score  
**2025 result:** 99%  
**Status:** 🟢🟢

**Topic:** Circularity  
**2030 target:** 50% renewable, recycled or low-carbon materials in Beaulieu solutions  
**KPI:** Low-Impact Materials Index  
**2025 result:** 9,2%  
**Status:** 🟢🟢

**Topic:** GHG emissions  
**2030 targets:** Zero Scope 1 and Scope 2 emissions, -42% Scope 3 emissions vs. 2021  
**KPI:** Annual GHG Footprint  
**2025 result:** -32% Scope 1&2, -14% Scope 3  
**Status:** 🟢🟢

**Topic:** Renewable energy  
**2030 target:** 100% renewable energy  
**KPI:** % of renewable energy  
**2025 result:** 18,6%  
**Status:** 🟢🟢



PEOPLE & SOCIETY

**Topic:** Own workforce  
**2030 target:** To become a talent-first exemplary organization  
**KPI:** Engagement Score  
**2025 result:** 72/100  
**Status:** 🟢🟢

**Topic:** Safety  
**2030 target:** Zero harm  
**KPI:** Risk Rate  
**2025 result:** 1,36 (+12% vs. 2024)  
**Status:** 🟢🟢



GOVERNANCE

**Topic:** Responsible Business Conduct  
**2030 target:** All suppliers at least partially aligned with our sustainability goals (score >40)  
**KPI:** Average Supplier Sustainability Score  
**2025 result:** 45,3  
**Status:** 🟢🟢

## Interests and views of stakeholders

### SBM-2

Stakeholder engagement is central to how Beaulieu shapes its strategy and business model. By understanding the needs, expectations and concerns of those affected by or interested in our activities, we can better identify priorities, assess risks and opportunities, and make informed decisions.

Our **key affected stakeholders** are employees, suppliers, customers and local communities. In addition, financial institutions, regulators and competitors are users of our Sustainability Statements.

We actively **engage with these stakeholders** through a range of formal and informal channels, such as employee engagement surveys, customer interactions, supplier dialogues - as set out in the overview on the next page.

Given the diversity of our activities, stakeholder expectations and resulting priorities may differ across business platforms. As a result, engagement and follow-up are tailored to the specific context of each platform, leading to different focus areas and long-term plans.



Stakeholder group	How we engage with the stakeholders	Topics covered
<b>Internal stakeholders</b>		
Employees, including management and executives (A)	<ul style="list-style-type: none"> <li>• Engagement Survey</li> <li>• Workers councils – labor relation dialogues</li> <li>• Performance and evaluation process dialogue</li> <li>• Various newsletters</li> <li>• Intranet communication, the Spencer communication platform</li> <li>• The Beaulieu Newsletter</li> <li>• Training and professional development</li> <li>• Employee wellbeing program Energize2GROW</li> <li>• Global and local Townhall meetings</li> <li>• SpeakUp hotline</li> <li>• Enablon tool to report accidents</li> <li>• Multidisciplinary working groups such as SHE (Safety, Health &amp; Environment), sustainability, quality, Diversity, Equity and Inclusion (DE&amp;I) working group</li> <li>• Daily Opex boards meetings</li> <li>• Safety engagement on the shopfloor and Safety Walks &amp; Talks</li> <li>• Topical days such as Innovation days, Sustainability Forum, safety topics</li> <li>• Employment fairs (for future employees)</li> <li>• Summer and winter drinks</li> <li>• Management Meetings like Senior Leadership Meeting (SLT) and Global leadership Meeting (GLT)</li> </ul>	<ul style="list-style-type: none"> <li>• Company’s strategy, projects and financial performance</li> <li>• Employee satisfaction</li> <li>• Employee Health &amp; Safety and working conditions</li> <li>• Opex performance and improvement</li> </ul>
Labor union and employee representatives (A)	<ul style="list-style-type: none"> <li>• Annual meetings</li> </ul>	<ul style="list-style-type: none"> <li>• All topics necessary to report on in annual meetings</li> </ul>
Shareholders & Board of Directors (A)  <i>The company is family-owned. There are no external shareholders.</i>  <i>The Board of Directors is composed of representatives of the family as well as independent Board members (see corporate report for the composition of the Board).</i>	<ul style="list-style-type: none"> <li>• Quarterly Board meetings</li> <li>• Quarterly financial &amp; business reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Business performance</li> <li>• Business strategy</li> <li>• M&amp;A approval</li> <li>• Financial performance</li> <li>• Budget approval</li> <li>• Compliance</li> </ul>

A: affected stakeholder  
U: user of the Sustainability Statements

Stakeholder group	How we engage with the stakeholders	Topics covered
<b>External stakeholders</b>		
<p><b>Suppliers (A)</b></p> <p><i>As indicated in the value chain, we buy raw materials and other products/services from a range of different suppliers.</i></p>	<ul style="list-style-type: none"> <li>• Direct contact with suppliers</li> <li>• Raw material assessment center</li> <li>• Company website</li> <li>• Procurement process and contractual negotiations/contract management</li> <li>• Third-Party Risk Management (TPRM) framework and questionnaires</li> <li>• Supplier Code of Conduct</li> <li>• Beaulieu Sustainability Forum</li> <li>• Sustainability supplier webinar</li> <li>• Social media</li> <li>• R&amp;D projects</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality</li> <li>• Responsible sourcing</li> <li>• Sustainability</li> <li>• Circularity</li> <li>• Waste and take-back programs</li> <li>• Supplier performance review</li> <li>• Innovation</li> </ul>
<p><b>Customers (A)</b></p> <p><i>As indicated in the value chain, our products are sold to different types of customers.</i></p>	<ul style="list-style-type: none"> <li>• Flanders Flooring Days</li> <li>• Meetings &amp; events in the Experience Center</li> <li>• Beaulieu Sustainability Forum</li> <li>• Participation in trade fairs</li> <li>• Direct contact with customers</li> <li>• Response to questionnaires</li> <li>• Product information and brochures</li> <li>• Social media</li> <li>• Mailings and newsletters</li> <li>• Company website</li> <li>• Product certifications and external assessments such as EcoVadis, Cradle2Cradle</li> <li>• ISO certifications</li> <li>• Factory tours</li> </ul>	<ul style="list-style-type: none"> <li>• Product design and quality</li> <li>• Product life cycle management</li> <li>• Sustainability – broader topics</li> <li>• Greenhouse gas emissions</li> <li>• Innovation</li> </ul>
<p><b>Business partners (A) (U)</b></p> <p><i>Universities, industry organizations and associations, research centers, business networks, standardization bodies</i></p> <p><i>We work with business partners, universities and research centers on topics like innovations but also to follow up on the market, industry and product trends.</i></p>	<ul style="list-style-type: none"> <li>• Campus recruitment</li> <li>• Career site</li> <li>• Job fairs</li> <li>• Research and development projects</li> <li>• Scientific research networking</li> <li>• Active engagement in national and international industry/trade associations</li> <li>• Collaborative initiatives</li> <li>• Conferences and meetings</li> <li>• Social media</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Product design and development, innovation</li> <li>• Product, sector and regulatory evolutions</li> <li>• Sustainability strategy</li> <li>• Circularity</li> <li>• Market and product trends</li> <li>• Regulation</li> <li>• Norms and standards development</li> </ul>
<p><b>Financial institutions (U)</b></p> <p><i>Traditionally, companies work with financial institutions on treasury-related activities. They are as such not directly affected by our activities, but we are affected by their opinion of B.I.G.</i></p>	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Annual report</li> <li>• Annual bank presentation and direct contact</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Company strategy and performance</li> </ul>

A: affected stakeholder  
 U: user of the Sustainability Statements

ESRS 2 – IRO

# Double Materiality Assessment

In early 2023, Beaulieu performed its first Double Materiality Assessment (DMA), which was refined in 2024 to align with CSRD requirements. After review by the auditor and subsequent adjustments, the DMA was first published in the 2024 Annual Report.

As Beaulieu divested several entities in 2025, we reviewed the DMA to assess whether any updates were required. We concluded that no updates were needed: the identified material Impacts, Risks and Opportunities (IROs) remain relevant, and the changed footprint did not affect their scoring.

## Description of the DMA process

### IRO-1

#### 1. CONTEXT MAPPING

We mapped Beaulieu’s business model, strategy and key activities, as well as our value chain. We identified key stakeholder groups and defined how their perspectives would be integrated into the assessment of potential material topics. See the summary on p. 58 - 60.

To gather a wide range of insights, we engaged several internal and external stakeholder groups: employees, suppliers from different businesses, banks, and customers through existing engagement processes. Their input was further complemented by desk research, workshops and face-to-face interviews.

#### 2. IDENTIFYING IMPACTS, RISKS AND OPPORTUNITIES (IROs)

After the context mapping, we identified potential IROs and compiled a longlist of possibly relevant impacts, risks and opportunities, based on

- The topical standards of the ESRS.
- Desk research, including internal data (e.g. Net Promotor Score, sales data, ...) and external sources, such as industry and peer insights, stakeholder perspectives, etc.
- Internal stakeholder workshops.
- In-depth qualitative interviews with selected external stakeholders.
- Our previous DMA assessment (2023).

The longlist was reviewed internally and summarized into a shortlist for further assessment.

#### 3. ASSESSING THE IROs

We assessed each shortlisted IRO using internal expertise and external research. A structured assessment methodology was applied to determine impact materiality and financial materiality scores for each IRO, in line with CSRD requirements.

- **Impact materiality:** Scope, scale, and – for negative impacts – irremediability were rated based on five predefined levels.
  - **Financial materiality:** The potential financial effects were assessed based on the magnitude, also across five levels.
- In both cases, **likelihood was scored** on a scale ranging from 0,4 (rare) to 1 (almost certain or actual impact). The following formulas were applied, which resulted in a score out of 10:
- **Positive impacts:** (scale + scope) × likelihood
  - **Negative impacts:** (scale + scope + irremediability) × likelihood ÷ 1,5
  - **Opportunities:** magnitude × likelihood × 2
  - **Risks:** magnitude × likelihood × 2

We subsequently linked each individual IRO to its corresponding ESRS 1 Appendix A (former ESRS 1 AR 16) sustainability sub-topic. Topics with IROs exceeding the defined threshold were classified as material. We cross-checked the results with our earlier desk research and stakeholder interviews to ensure alignment with their views and then adapted where needed.

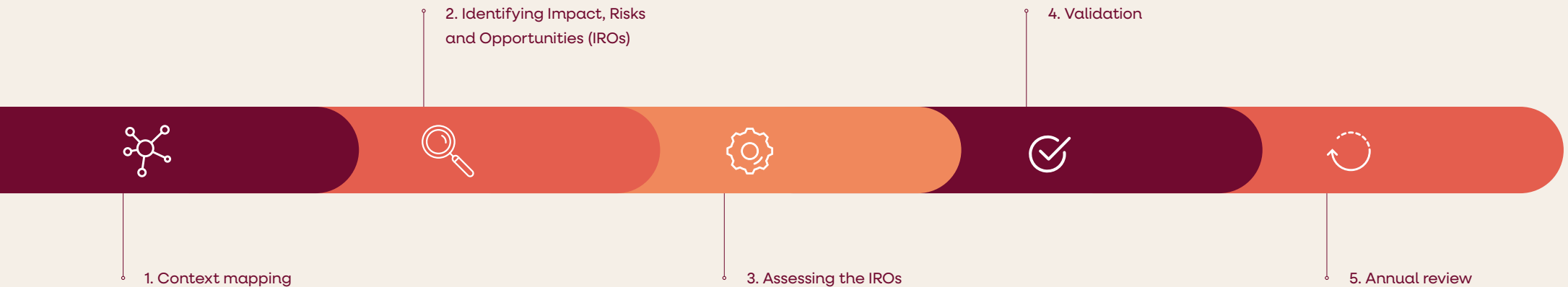
#### 4. VALIDATION

All material topics were plotted on a **double materiality matrix**. To ensure robustness, the Executive Committee and the Audit Committee validated both the DMA methodology and the resulting material IROs – including the draft matrix. The external auditor was involved throughout the process to verify compliance.

#### 5. ANNUAL REVIEW

Every year, we revisit the DMA to consider

- If changes to our business model, operational footprint or strategy affect the assessment.
- If IROs have become more or less relevant or new IROs need to be included.
- If scores need to be adapted.
- If updated scores impact material topics – in which case we ensure a new validation (step 4).



Impact materiality

**Material impacts, risks and opportunities (IROs) and disclosure requirements**

IRO-2

The DMA exercise led to a matrix of topics that are material to Beaulieu: topics where Beaulieu has a high actual or potential impact on society (impact materiality, y-axis) and topics that have or may cause high risks and opportunities for Beaulieu (financial materiality, x-axis).

Impact materiality	Critical				E1 Climate mitigation	
	Significant		E2 Microplastics		E5 Circular materials, products, services and business models E1 Energy	
	Important	G1 Corruption and bribery	S1 Working conditions and other work-related rights of own workforce S2 Other work-related rights in the value chain S2 Supplier relationship management	S1 Working conditions in the value chain G1 Corporate culture	E5 Waste	
	Moderate					
	Minimal					
		Minimal	Moderate	Important	Significant	Critical

Financial materiality

Below is an overview of the material IROs identified through the DMA and a list of disclosure requirements, including their cross-references in the Sustainability Statements.

**ESRS E1 CLIMATE CHANGE**

Sub(sub)topic	Type of IRO	Most important IROs	Time horizon	Most important value chain location
Climate change mitigation	Actual negative impact	GHG emissions related to end-of-life of our products	n/a	Downstream
Climate change mitigation	Risk	Risk of increased costs due to CO <sub>2</sub> taxes and other CO <sub>2</sub> related costs	LT	n/a
Energy	Actual negative impact	Emissions related to energy use	n/a	Upstream
Energy	Risk	Risk of increased energy costs	MT	n/a

Disclosure requirement	Description	Page
E1-1	Transition plan for climate change mitigation	76
E1-2	Identification of climate-related risks and scenario analysis	73
E1-3	Resilience in relation to climate change	73
E1-4	Policies related to climate change mitigation and adaptation	75
E1-5	Actions and resources in relation to climate change mitigation and adaptation	76
E1-6	Targets related to climate change	73
E1-7	Energy consumption and mix	77
E1-8	Gross scope 1, 2, 3 GHG emissions	79
E1-9	GHG removals and GHG mitigation projects financed through carbon credits	81
E1-10	Internal carbon pricing	81
E1-11	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	73

**ESRS E2 POLLUTION**

Sub(sub)topic	Type of IRO	Most important IROs	Time horizon	Most important value chain location
Microplastics	Actual negative impact	Microplastics pollution in the full value chain	n/a	Upstream, own activities

Disclosure requirement	Description	Page
E2-1	Policies related to pollution	83
E2-2	Actions and resources related to pollution	84
E2-3	Targets related to pollution	85
E2-4	Pollution of air, water and soil	84

**ESRS E5 CIRCULAR ECONOMY AND RESOURCE USE**

<b>Sub(sub)topic</b>	<b>Type of IRO</b>	<b>Most important IROs</b>	<b>Time horizon</b>	<b>Most important value chain location</b>
Resources inflows, including resource use	Actual negative impact	Raw material sourcing depletes resources	n/a	Upstream
Resources inflows, including resource use	Potential positive impact	Using circular and renewable resources	LT	Own activities
Resources inflows, including resource use	Risk	Availability of economical high-quality circular raw materials is limited	LT	n/a
Resources inflows, including resource use	Risk	Additional taxes and fees for non-circular products	MT	n/a
Resources inflows, including resource use	Risk	New processes or circular materials introduce risks related to SHE	MT	n/a
Resources inflows, including resource use	Opportunity	Opportunity to enhance collaboration and ecosystem development	MT	n/a
Resources inflows, including resource use	Opportunity	New business opportunities due to circular products, recycled materials and new business models	LT	n/a
Resources inflows, including resource use	Opportunity	Operational efficiency and related cost savings	MT	n/a
Resource outflows related to products and services	Actual negative impact	Products at end-of-life are non-recyclable	n/a	Downstream
Resource outflows related to products and services	Potential positive impact	Developing recyclable products and ensuring a zero-waste value chain	LT	Downstream
Resource outflows related to products and services	Risk	Additional taxes and fees for non-circular products	MT	n/a
Resource outflows related to products and services	Risk	Business loss due to consumer perception	LT	n/a
Resource outflows related to products and services	Opportunity	Opportunity to enhance collaboration and ecosystem development	MT	n/a
Resource outflows related to products and services	Opportunity	New business opportunities due to circular products, recycled materials and new business models	LT	n/a
Waste	Actual negative impact	Waste generation in the value chain	n/a	Upstream
Waste	Risk	Business loss due to consumer perception	LT	n/a

<b>Disclosure requirement</b>	<b>Description</b>	<b>Page</b>
E5-1	Policies related to resource use and circular economy	90
E5-2	Actions and resources related to resource use and circular economy	94
E5-3	Targets related to resource use and circular economy	94
E5-4	Resource inflows	95
E5-5	Resource outflows	95

## ESRS S1 OWN WORKFORCE

Sub(sub)topic	Type of IRO	Most important IROs	Time horizon	Most important value chain location
Working conditions of own workforce	Actual positive impact	Creation of fair working conditions and paying adequate wages for all employees	n/a	Own activities
Working conditions of own workforce	Actual positive impact	Safe & healthy working environment	n/a	Own activities
Working conditions of own workforce	Actual positive impact	Secure employment of employees	n/a	Own activities
Other work-related rights of own workforce	Actual positive impact	Creation of fair working conditions and paying adequate wages for all employees	n/a	Own activities

Disclosure requirement	Description	Page
S1-1	Policies related to own workforce	99
S1-2	Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy	100
S1-3	Actions and resources related to own workforce	100
S1-4	Targets related to own workforce	102
S1-5	Characteristics of the undertaking's employees	100
S1-6	Characteristics of non-employees in the undertaking's own workforce	100
S1-7	Collective bargaining coverage and social dialogue	102
S1-9	Adequate wages	102
S1-10	Social protection	102
S1-13	Health and safety metrics	103
S1-15	Remuneration metrics	102
S1-16	Incidents of discrimination and other human rights incidents	105

## ESRS S2 WORKERS IN THE VALUE CHAIN

Sub(sub)topic	Type of IRO	Most important IROs	Time horizon	Most important value chain location
Working conditions in the value chain	Actual positive impact	Promoting fair and adequate working conditions in the value chain, as well as ensuring compliance to human rights	n/a	Upstream
Working conditions in the value chain	Actual positive impact	Impact of own activities on secure employment in the full value chain	n/a	Upstream
Working conditions in the value chain	Opportunity	Improved trust between partners in the value chain when only working together with ethical and trusted partners, resulting in more innovation, more sharing, etc.	MT	n/a
Other work-related rights in the value chain	Actual positive impact	Promoting fair and adequate working conditions in the value chain, as well as ensuring compliance to human rights	n/a	Upstream

Disclosure requirement	Description	Page
S2-1	Policies related to workers in the value chain	106
S2-2	Engagement with workers in the value chain, existence of channels for workers in the value chain to raise concerns or needs and approaches to remedy	107
S2-3	Actions and resources related to workers in the value chain	107
S2-4	Targets related to workers in the value chain	108

ESRS G1 BUSINESS CONDUCT

Sub(sub)topic	Type of IRO	Most important IROs	Time horizon	Most important value chain location
Corporate culture	Actual positive impact	Corporate culture promotes ethical business practices and reduces impact of corruption & bribery and other human right risks	n/a	Upstream
Corporate culture	Risk	Risk to lose business to companies active in other regions with less social and environmental requirements and restrictions	LT	Downstream
Management of relationship with suppliers including payment practices	Actual positive impact	Collaboration and good relationships with suppliers to improve sustainability in the value chain	n/a	Upstream
Corruption and bribery	Actual positive impact	Corporate culture promotes ethical business practices and reduces impact of corruption & bribery and other human right risks	n/a	Upstream

Disclosure requirement	Description	Page
G1-1	Policies related to business conduct	109
G1-2	Actions related to business conduct	109
G1-3	Targets related to business conduct	111
G1-4	Metrics related to corruption or bribery	111
G1-6	Metrics related to payment practices	112

Beyond the material topics identified in our DMA, we choose to voluntarily disclose information on the following topics, as we consider them important to our business:

- Water (E3) – p. 86
- Diversity of own workforce (S1-8) – p. 100



## Material IROs, business strategy, and financial effects

### SBM-3

Our material impacts, risks, and opportunities are closely aligned with the core themes of Beaulieu's strategy. The DMA is not a standalone exercise; it both shapes and is continuously informed by the way we run our business. The material topics identified through the DMA are therefore embedded in our strategic decisions, our operational priorities, and the way we engage with stakeholders across our value chain.

The scope of our material IROs and their interaction with Beaulieu's strategy and business model, as well as their financial effects, are described in the topical sections of these Sustainability Statements.

ESRS 2 – GDR-P

# Overview of policies

To manage our material impacts, risks and opportunities, we have embedded a set of group-wide policies and frameworks within our sustainability strategy. They span three areas: business integrity, sustainability, and HR. Unless stated otherwise, these policies apply to our own activities worldwide.

The content and objectives of our policies are described in the relevant sections of the Sustainability Statements. The table on the right provides an overview, with references to the relevant topical disclosures.

Policy	Scope	Accountability	Reference (page with definition, all references)
<b>Sustainability</b>			
Responsible Business Statement	Beaulieu and value chain	Excom and management teams	p. 75 (E1, E3, E5, S1, S2, G1)
Sustainable Procurement Policy	All procurement activities across divisions and regions	Group Procurement, reviewed annually	p. 75 (E1, E5, S2, G1)
Safe and Sustainable Products Policy	Group-wide and across the value chain	Group Sustainability & Compliance; Group SHE	p. 83 (E1, E2, E3, E5)
Supplier Due Diligence Procedure	All contractual arrangements for products and services across Beaulieu	Group Legal, Group Procurement, risk SMEs	p. 75 (E1, S2, G1)
Statement on Plastics and Microplastics	Group-wide and across the value chain	CEO and Group Sustainability Director	p. 83 (E2)
<b>Human Resources</b>			
Human Resources Statement	All employees globally, regardless of location, level or position	CHRO, reviewed annually	p. 99 (S1)
Policy of Family relationships in the Workplace	All employees and management across Beaulieu	CHRO	p. 99 (S1)
Learning and Development policy	All employees with a fixed contract; contingent workers where required	Corporate HR, prepared by Talent Director, approved by CHRO	p. 99 (S1)
<b>Business integrity</b>			
Code of Business Conduct and Ethics	All employees, directors, contractors and business partners globally	CEO and Board; implemented by Group Internal Audit, Legal and HR	p. 109 (S1, G1)
Supplier Code of Conduct	All upstream suppliers and business partners globally	Group Procurement	p. 109 (E1, S2, G1)
Anti-Bribery & Anti-Corruption Policy	All employees and independent workers; extended to third parties via due diligence	Board (approval), Group Internal Audit (oversight)	p. 109 (S2, G1)
Speak Up Whistleblowing Policy	Employees, suppliers, business partners and external stakeholders globally	Group Internal Audit	p. 99 (S1, S2, G1)
Payment Term Policy	All employees, all upstream suppliers and business partners globally	Group Procurement	p. 109 (S2, G1)

ESRS 2 – GDR-M

## General disclosure requirement for metrics

Preparing the Sustainability Statements requires the use of estimates and assumptions, particularly where complete primary data is not yet available across all operations or parts of the value chain. In such cases, we apply recognized methodologies and reasonable assumptions to calculate sustainability metrics.

Sustainability data is collected from internal systems, operational reporting and external sources, and is subject to ongoing improvement as data collection processes continue to develop. We keep strengthening our systems, processes, and controls to enhance the completeness and accuracy of sustainability information in future reporting periods.



# Environmental information

As a large industrial group, Beaulieu has a direct impact on the environment. We take responsibility by embedding sustainability across our daily operations and our value chain.

We continuously strive to minimize our operational footprint by preserving precious resources like energy and water, reducing waste, and cutting greenhouse gas emissions. At the same time, we redesign products and processes to use fewer virgin raw materials and increasingly shift towards low-carbon solutions and circular models.

Through responsible sourcing and smarter use of resources, we aim to create more value with less impact – value that lasts. Clear metrics help us to follow up on our impact and set high standards for ourselves and the partners we work with.

## METHODOLOGY

**Measuring our environmental impact: Environmental Sustainability Score**

To measure our progress on environmental impact, we use the Environmental Sustainability Score. Here is how we calculate it.

We created a set of leading (forward-looking) and lagging (retrospective) indicators aligned with our environmental priorities. Each division reports on all of them. The Score itself, however, is based on annual priorities. The math is simple: each division includes two leading KPIs and adds two lagging KPIs. That means every division commits to improving four key areas, which have equal weight. Every division keeps track of its own score, and together they determine our overall Environment Sustainability Score.

## LEADING KPIS

- #1 Impact of sustainability projects:** Using 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:** We track the number of hours employees spend on awareness sessions and internal or external training courses, normalized by the number of employees.

## LAGGING KPIS

- #3 Share of green energy in our operations:** Calculated as (renewable energy produced + renewable energy bought) / total energy consumption.
- #4 Energy consumption per unit:** Total energy consumption divided by the number of units in production.
- #5 Greenhouse gas emissions per unit (in CO<sub>2</sub>e):** This KPI first included Scope 1 and 2 emissions. From 2023 onwards, relevant divisions started including Scope 3 emissions where available.
- #6 Share of recycled or reused waste (in %):** Covers all materials leaving our sites that are not delivered to customers, excluding wastewater and gaseous emissions.
- #7 Water consumption:** Focuses on reducing total water consumption and increasing the share of recycled, reused, or storm water.
- #8 Share of recycled, renewable or low-carbon materials in products:** Measured through our Low Impact Materials Index, this KPI tracks the use of non-virgin or non-fossil raw materials from both open and closed loops, as well as our contribution to a more circular economy.

ESRS E1, ESRS 2 – SBM-3

# Climate change and energy

Type of IRO	Most important IROs
Actual negative impact	GHG emissions related to end-of-life of our products
Risk	Risk of increased costs due to CO <sub>2</sub> taxes and other CO <sub>2</sub> -related costs
Actual negative impact	Emissions related to energy use
Risk	Risk of increased energy costs

As a large industrial group, Beaulieu is reliant on energy-intensive manufacturing processes. Climate-related risks, including rising energy costs, regulatory pressure, and carbon pricing, have direct financial implications for our business, while the proactive reduction of our emissions strengthens our long-term competitiveness. Climate change is one of our most significant material topics, and we take action to reduce our greenhouse gas emissions (GHG).

### Our approach: targets

E1-6

- By 2030, we aim to **reduce our global energy consumption by 20%**, compared to 2021.
- By 2030, all Beaulieu sites will use **100% renewable energy** in their operations.
- We want to bring our **greenhouse gas emissions balance to zero by 2030**, by bringing the emissions from our own operations (Scope 1 & Scope 2) to zero and reducing our Scope 3 emissions by at least 42% versus 2021, while compensating for residual emissions that cannot be abated.

Our climate transition plan contributes to the objectives of the **Paris Agreement** and supports the **European Union’s ambition to achieve climate neutrality by 2050**. Our targets have been validated as science-based by the Science Based Targets initiative (SBTi), in line with a 1,5°C trajectory.

Progress against the transition plan is monitored annually through sustainability performance indicators and reported to the **Board of Directors**.

### Climate-related risks and opportunities, climate resilience

E1-2, E1-3, E1-11

Climate change presents both risks and opportunities for Beaulieu across its operations and value chain.

**Transition risks** primarily relate to regulatory developments, market shifts, and the decarbonization of energy and materials. The main transition risk drivers include:

- Rising carbon prices or other taxes and fees, for example for non-circular products (identified as material risk in E1, E5).
- Increasing regulatory requirements related to emissions and product sustainability (identified as material risk in G1).
- Rising energy costs (identified as material risk in E1).
- Changing customer expectations and market demand for low-carbon and circular products (identified as material risk in E5).

**Physical climate risks** include the potential impact of extreme weather events, water stress and supply chain disruptions, which all affect production sites, logistics networks and suppliers. None of these physical risks were identified as material in our DMA.

At the same time, the transition to a low-carbon and circular economy **creates opportunities** for Beaulieu:

- Development of circular and low-carbon product solutions and the potential to build partnership ecosystems (identified as material opportunity in E5).
- Increased demand for recycled materials.
- Improvements in energy efficiency and operational performance (identified as material opportunity in E5).

These risks and opportunities are integrated into the Group's **enterprise risk management and strategic planning processes**. Beaulieu assesses the resilience of its strategy under a range of climate-related scenarios, considering both transition and physical risks across short-, medium- and long-term time horizons. These factors are analyzed and integrated into strategic planning and capital allocation discussions.

To boost strategic resilience, we ensure:

- A diversified manufacturing footprint across geographies.
- Long-term renewable energy sourcing and energy efficiency programs.
- Active supplier engagement and risk monitoring.
- Innovation and increased adoption of low-carbon, recycled and renewable raw materials.
- Capital investment screening incorporating climate-related considerations.

Based on our current assessment, we consider our strategy reasonably resilient under plausible transition scenarios. We keep strengthening monitoring, data quality, and our ability to adapt as climate-related risks evolve.

**POLICIES**  
E1-4

<b>Policy</b>	<b>Scope</b>	<b>Accountability</b>
Responsible Business Statement	Beaulieu and value chain	Excom and management teams
Sustainable Procurement Policy	All procurement activities across divisions and regions	Group Procurement, reviewed annually
Supplier Code of Conduct	All upstream suppliers and business partners globally	Group Procurement
Supplier Due Diligence Procedure	All contractual arrangements for products and services across Beaulieu	Group Legal, Group Procurement, risk SMEs
Safe and Sustainable Products Policy	Group-wide and across the value chain	Group Sustainability & Compliance; Group SHE

Climate-related topics are governed through group-wide policies and sustainability frameworks embedded within our sustainability strategy. Of specific relevance are:

- **The Responsible Business Statement** describes Beaulieu’s overarching sustainability statement. It sets out how the Group manages material sustainability matters by embedding its sustainability commitments, while covering human rights, SHE (Safety, Health, Environment), quality and legal compliance. It applies across Beaulieu and its value chain, with particular attention to upstream supply-chain human-rights risks addressed through Third-party Risk Management (TPRM) and supplier expectations.

The statement commits to UN SDGs, UN Global Compact, UN Guiding Principles, the International Bill of Human Rights and the ILO Declaration, and encourages employees and partners to speak up via the whistleblowing process.

→ Read the ‘Social’ (p. 98 - 108) and ‘Business Conduct’ information (p. 109 - 113) for more details.

- Our **Sustainable Procurement Policy** focuses on fostering a sustainable supply chain. We aim to reduce environmental impact and ensure ethical sourcing. We prioritize sustainable materials, efficient use of energy, water and resources, and prevent pollution. In addition, we require suppliers to respect human rights, avoid child and forced labor, discrimination, bribery, and corruption, and comply with the law. The Policy aligns with the Responsible Business Statement and the Supplier Code of Conduct. It applies to all procurement activities by Beaulieu employees and contractors across divisions and regions

Governance is ensured through mandatory adherence to the Supplier Code and Risk-based Third-party Due Diligence assessing anti-bribery, human rights and environmental risks – with a commitment to assess 100% of medium- and high-risk suppliers, plus perform sustainability scoring and implement improvement action plans.

Monitoring includes periodic supplier assessments, Speak Up whistleblowing channels for employees and third parties, and training. The Procurement department implements and monitors compliance, and Group Procurement reviews the policy annually with stakeholder dialogue and feedback.

- The **Supplier Code of Conduct** sets our environmental expectations towards suppliers. It requires suppliers to comply with applicable environmental laws, use resources efficiently, reduce emissions and waste, and favor green energy, recycling and circular models – while minimizing impacts on biodiversity, climate and water.
- The **Supplier Due Diligence Procedure** provides the enforcement mechanisms, assessing environmental, human rights and anti-bribery risks across our supply base.
- Our **Safe and Sustainable Products Policy** provides the framework for all Beaulieu divisions to design and deliver products that are safe, and compliant with applicable regulations, and to reduce their environmental impact throughout the entire product lifecycle. See the ‘Business Conduct’ section for more details (p. 109 - 113).

**ACTIONS**

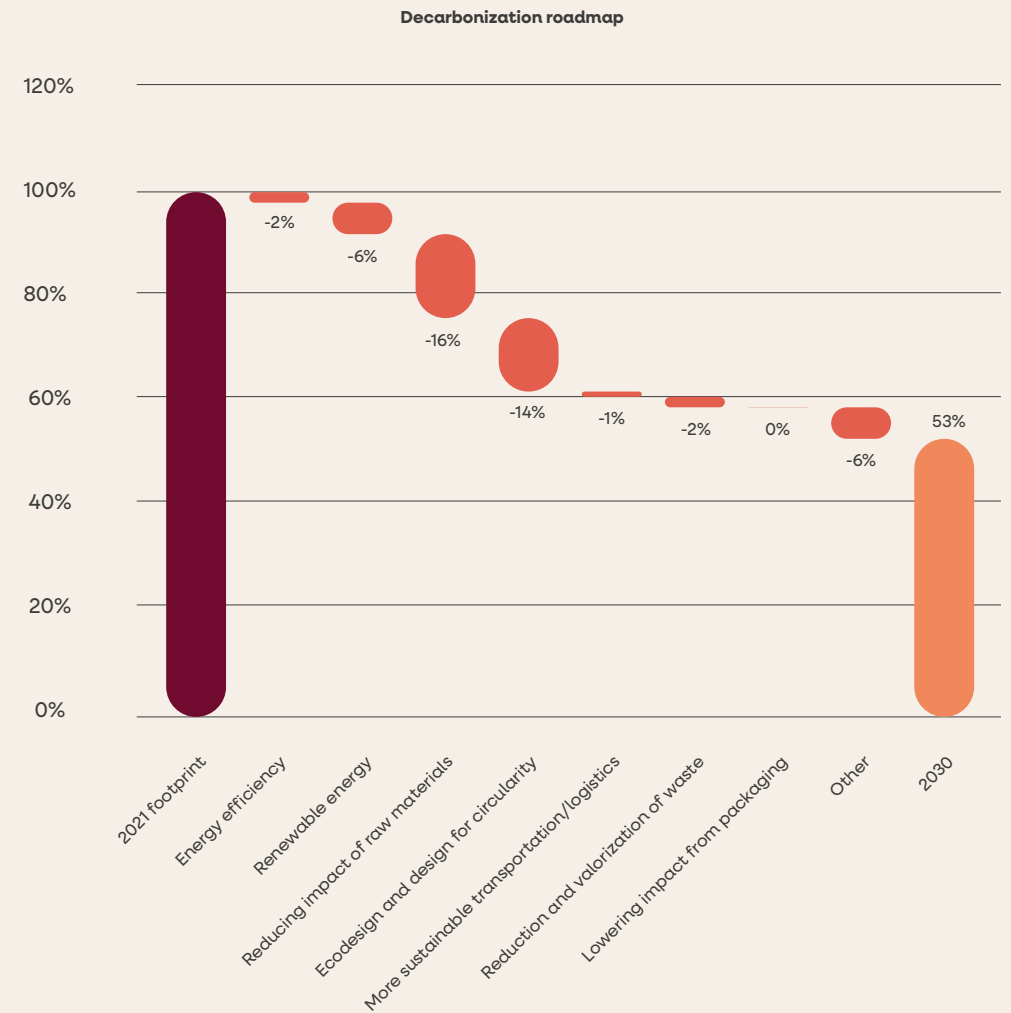
E1-1, E1-5

Key initiatives to support our climate transition strategy include:

- Process optimization and energy-efficiency improvements in production.
- Installation of on-site renewable energy systems where feasible.
- Procurement of renewable energy through long-term sourcing agreements.
- Increased use of recycled, renewable and lower-carbon raw materials.
- Collaboration with suppliers to improve sustainability performance in the value chain.
- Embedding Ecodesign and Design for Circularity.
- Reduction and valorization of waste.
- Lower the environmental impact of logistics and packaging.

Together, these initiatives are expected to progressively reduce our greenhouse gas emissions.

The decarbonization roadmap shows the projected impact of our actions on the emissions pathway.



## Energy

E1-7

By the end of 2025, total energy consumption had decreased by around 14% compared to 2021 and by more than 3% versus 2024.

Beaulieu sites sourced over 18% of their electricity and heat from renewable energy, marking a 6% increase compared to 2024. When considering electricity alone, the share of renewable energy amounted to 28%. Overall, more than 40% of the energy consumed had a low carbon footprint, as it was derived from renewable or nuclear sources, or recovered from waste heat.



**In 2025, we accelerated our transition to renewable and decarbonized energy** through targeted on-site investments:

- Solar installations in Cartersville (U.S.) and Wielsbeke (BE) and new wind turbines in Krusem (BE) significantly increased renewable capacity, covering a substantial share of local energy needs.
- At our cushion vinyl site in Wielsbeke, the heating of the ovens was switched to green steam generated from bio-waste in 2024. The effects of this change became fully visible in 2025.
- Also in Wielsbeke, we decommissioned an old gas afterburner and replaced it by a smarter air-cleaning filter. As a result, we no longer burn our exhaust gasses but recover valuable resources from it and clean the remaining air in a biobed.
- In addition, Pinnacle (U.S.) sourced steam produced from recovered waste heat. While this steam is non-renewable, its overall environmental impact is significantly lower than conventional fossil sources. Since Pinnacle is an energy-intensive production site, this represents more than 4% of our total energy consumption.

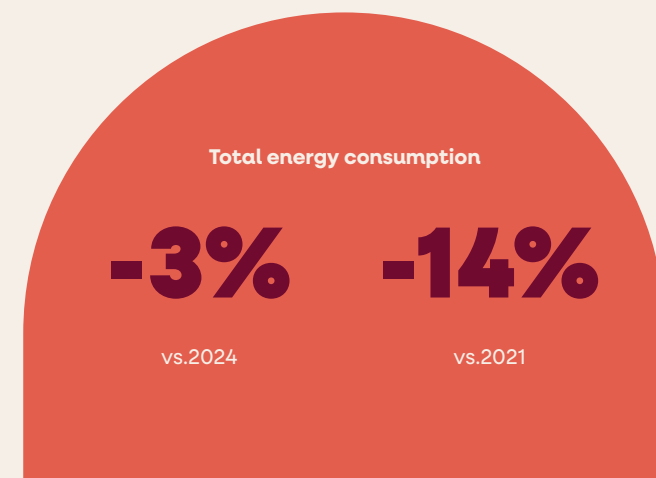
Together, these initiatives reduce greenhouse gas emissions and strengthen our progress towards a low-carbon energy mix.

→ Read our Corporate Report (p. 6 - 36) for more details.

Energy consumption and mix	2021	2024	2025
<b>TOTAL ENERGY CONSUMPTION [MWh]</b>	<b>838.571</b>	<b>745.479</b>	<b>722.154</b>
Fuel consumption from coal and coal products [MWh]	-	-	-
Fuel consumption from crude oil and petroleum products [MWh]	2.778	3.042*	3.306
Fuel consumption from natural gas [MWh]	220.241	190.661	164.536
Fuel consumption from other fossil sources, including energy recovered from waste heat [MWh]	2.110	2.110	31.070
Consumption of purchased or acquired electricity, heat, steam, cooling and compressed air from fossil sources [MWh]	315.278	278.549	248.093
<b>Total fossil energy consumption [MWh]</b>	<b>540.407</b>	<b>474.362</b>	<b>447.005</b>
<b>Total nuclear energy consumption [MWh]</b>	<b>240.560</b>	<b>178.915</b>	<b>141.015</b>
Fuel consumption from renewable sources, including biomass (incl. industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) [MWh]	24.300	23.730	22.337
Consumption of purchased or acquired electricity, heat, steam, cooling and compressed air from renewable sources [MWh]	30.428	64.360	91.138
Consumption of self-generated non-fuel renewable energy [MWh]	2.876	4.112	20.659
<b>Total renewable energy consumption [MWh]</b>	<b>57.604</b>	<b>92.202</b>	<b>134.134</b>
<b>Share of fossil sources in total energy consumption [%]</b>	<b>64,4</b>	<b>63,6</b>	<b>61,9</b>
<b>Share of nuclear sources in total energy consumption [%]**</b>	<b>28,7</b>	<b>24,0</b>	<b>19,5</b>
<b>Share of renewable sources in total energy consumption [%]</b>	<b>6,9</b>	<b>12,4</b>	<b>18,6</b>

**Notes:**

- \* The amount of fuel consumption from crude oil and from other sources, as well as the % of energy from nuclear sources, was estimated for 2024 to allow a better comparison.
- \*\* In 2025 we improved our energy management system and data collection, and we are now able to report the % of energy derived from nuclear sources. This was also recalculated for 2021, but for 2024, only an estimate is available.

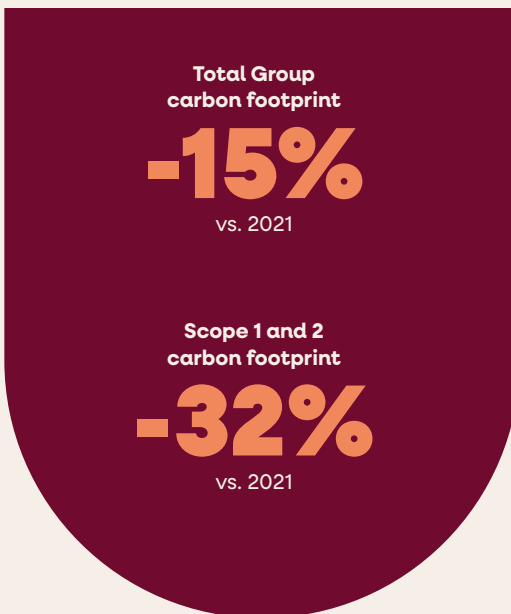


## Gross Scope 1, 2, 3 GHG emissions

E1-8

In 2025 we recalculated our baseline to ensure full comparability, incorporating entities acquired prior to 2025, and excluding those that have since been divested. Based on this updated scope, our results show a reduction of approximately 15% in **total Group carbon footprint** compared to 2021: from ~2,8 to ~2,4 Mton CO<sub>2</sub>e – a 4% decrease versus 2024.

We achieved significant progress in **Scope 1 and Scope 2 emissions**. By improving efficiency and transitioning toward renewable and decarbonized energy sources, our combined Scope 1 and 2 footprint dropped by more than 30% compared to 2021.



We also made considerable advances in reducing Scope 3 emissions, thanks to our expanded **sustainable product portfolio**. Key highlights include:

- We scaled up the use of lower-impact raw materials **across our polymers, yarns and fibres portfolios**. By offering solutions based on **recycled, renewable or low-carbon raw materials**, we enable customers in sectors such as flooring, hygiene and industrial applications to reduce their embodied emissions without compromising on technical performances.
- Our **Distriplast range of corrugated solutions** made significant progress in circularity, with key applications now containing up to 70% recycled content. In parallel, we reached an important milestone by publishing the first Environmental Product Declaration (EPD) for our Building & Construction solutions, providing independently verified, transparent data on lifecycle environmental impacts.
- **Rewind®**, our **100% latex-free and 100% recyclable** Cradle to Cradle Certified® SILVER **event carpet**, continued to prove that circular design can ensure material recovery at scale. In 2025, its use across major exhibitions reduced both carbon footprint and waste for event organizers, showcasing a scalable circular model for the industry.
- The **Twilight by Beauflor** range of **residential vinyl flooring** made with 100% bio-attributed PVC gained further market traction in 2025, reflecting growing customer demand for lower-carbon flooring solutions. Building on this momentum, we continue expanding our vinyl flooring portfolio with products designed to reduce environmental impact across the product lifecycle.
- Our **landscape turf (Turfgrass)** is now based on a **mono-material construction** that simplifies end-of-life processing and enables more effective recycling. By reducing material complexity and improving recoverability, this innovation addresses a longstanding sector challenge – the difficulty of separating multi-material turf systems – and supports circular economy objectives.
- Across our **BerryAlloc** laminate, high-pressure flooring and parquet ranges, all **wood is sourced from responsibly managed forests**. In 2025, we stepped up efforts to raise awareness about the carbon storage benefits of wood-based products among customers and stakeholders: we highlighted their role in storing biogenic carbon over the product lifetime. At the same time, we kept working to enhance recyclability and support circular use models for wood-based materials to ensure that this stored carbon remains sequestered for as long as possible, avoiding its release at end-of-life.

→ Read more on the progress we made on our sustainable ranges on p. 94.

	2021 (base year)	2023	2024	2025	%N / N-1	% N / 2021
<b>Scope 1 GHG emissions</b>						
Gross Scope 1 GHG emissions (tCO <sub>2</sub> e)	56.862	44.207	44.811	35.578		
<b>Scope 2 GHG emissions</b>						
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> e)	131.349	121.515	124.045	114.314		
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> e)	144.550	131.846	110.436	100.848		
<b>Scope 1 + 2 (market-based) GHG emissions (tCO<sub>2</sub>e)</b>	<b>201.412</b>	<b>176.053</b>	<b>155.247</b>	<b>136.426</b>	<b>88%</b>	<b>67%</b>
<b>Significant scope 3 GHG emissions</b>						
<b>Total gross indirect (Scope 3) GHG emissions (market-based) (tCO<sub>2</sub>e)</b>	<b>2.585.050</b>	<b>2.233.239</b>	<b>2.318.156</b>	<b>2.230.299</b>	<b>96%</b>	<b>86%</b>
3.1 Purchased goods and services	1.496.058	1.300.516	1.364.714	1.325.727		
3.2 Capital goods	25.260	34.051	20.301	12.301		
3.3 Fuel and energy-related activities location-based	42.035	31.681	31.093	31.480		
3.3 Fuel and energy-related activities market-based	42.850	32.559	31.869	32.192		
3.4 Upstream transportation and distribution	74.331	67.862	67.936	66.090		
3.5 Waste generated in operations	58.124	34.894	30.627	31.592		
3.6 Business travels	1.485	3.092	4.722	4.314		
3.7 Employee commuting	6.967	6.533	5.019	4.886		
3.8 Upstream leased assets	n/a	n/a	n/a	n/a		
3.9 Downstream transportation and distribution	575	744	732	932		
3.10 Processing of sold products	-	-	-	-		
3.11 Use of sold products**	-	-	-	-		
3.12 End-of-life treatment of sold products***	875.667	749.254	788.513	749.784		
3.13 Downstream leased assets	3.732	3.732	3.723	2.482		
3.14 Franchises	-	-	-	-		
3.15 Financial investments	-	-	-	-		
<b>Total GHG emissions (location-based) (tCO<sub>2</sub>e)</b>	<b>2.772.445</b>	<b>2.398.083</b>	<b>2.486.237</b>	<b>2.379.479</b>	<b>96%</b>	<b>86%</b>
<b>Total GHG emissions (market-based) (tCO<sub>2</sub>e)</b>	<b>2.786.462</b>	<b>2.409.293</b>	<b>2.473.403</b>	<b>2.366.725</b>	<b>96%</b>	<b>85%</b>

1.2 For F-gases (category 1.2), following a pre-assessment of our methodology by our auditor, emissions were estimated based on the total amount of F-gases used across our sites for cooling applications. In the absence of exact measurements of potential leakages, a generic leakage rate of 7% of the total amount was applied, in line with GHG Protocol guidance for similar applications. This represents a conservative assumption.

2.1 In early 2025, we reviewed all emission factors used in our GHG inventory. Grid electricity emission factors for all countries where we operate were updated using energy providers' specific emission factors where available, or the 2024 International Energy Agency (IEA) factors otherwise. We also worked with our suppliers to improve data quality, and where specific emission factors became available, we restated all reporting years accordingly. This review led to minor differences between the data reported here and in previous reports.

3.4 Transport-related emissions (category 3.4) have been adjusted upward by 40% to reflect a well-to-wheel emissions boundary, covering the full transport fuel lifecycle. This approach follows the recommendation of the SBTi team upon validation of our baseline and targets.

3.6 In 2024 and 2025, tracking of business travel spending across the group improved (category 3.6), particularly through more detailed categorization. However, no adjustment was made for inflation, and the expenditure-based emission factor was not updated accordingly. As a result, reported emissions for this category may not fully reflect year-on-year changes in travel activity.

3.10–3.11 Emissions related to the use of sold products have not been included. Based on our estimates, this category accounts for less than 1% of our total GHG footprint for flooring products.

3.12 Emissions related to the end-of-life treatment of sold products have been included for all Flooring divisions, distribution activities and Distriplast. For the Chemicals, Yarns and Fibres divisions, however, it is not currently feasible to estimate full product life-cycle emissions due to the wide range of potential downstream applications. These emissions have therefore not been included.

As for all scopes, we review previously reported GHG emissions annually and restate them where improved data — particularly updated emission factors — becomes available.



## Offsetting and internal carbon pricing

E1-9, E1-10

Beaulieu does not use carbon credits to offset its emissions. No carbon removals have been claimed or accounted for in the Scope 1, 2 and 3 emissions figures on the previous page.

We do, however, invest in projects that create real impact beyond our own value chain. Since 2024, we have been supporting **Lignaverda**, an NGO that restores degraded land in Africa's drylands. With our help, Lignaverda regenerated a 25-hectare area in Senegal's Louga Region in 2025. The project, which is registered on the Verra Registry, applies the VM0047 methodology and the Community, Climate and Biodiversity (CCB) Standards. Beaulieu's contribution is expected to generate around 1.750–2.500 ton CO<sub>2</sub> in carbon removal credits over the project lifetime, based on the 2025 restoration area.

Separately, Beaulieu applies an internal shadow carbon price of €150 per ton of CO<sub>2</sub>. The shadow price does not currently constitute a direct internal charge but serves to raise awareness of future carbon cost exposure and promote climate-aligned decision-making.

ESRS E2, ESRS 2 – SBM-3

# Pollution

Type of IRO	Most important IROs
Actual negative impact	Microplastics pollution in the full value chain

While contamination of air, water and soil was not identified as material in our DMA, we maintain **strict environmental controls**. All production sites operate under environmental permits, monitor emissions in accordance with regulatory requirements, and have preventive measures in place. In 2025, no significant pollution incidents were recorded.

**Microplastics pollution**, however, is a material concern. As plastics are among the key raw materials in our operations, there are pollution risks across our entire value chain: upstream during the production, transport, and conversion of pellets, as well as downstream during the use phase and at end-of-life disposal. We are identifying and mitigating these risks at every stage, through responsible sourcing, process controls, and engagement with value chain partners.

More than protecting the environment, preventing pellet loss reinforces operational excellence – making it a clear win-win for every Beaulieu site.



## Our approach

### POLICIES E2-1

Policy	Scope	Accountability
Safe and Sustainable Products Policy	Group-wide and across the value chain	Group Sustainability & Compliance; Group SHE
Statement on Plastics and Microplastics	Group-wide and across the value chain	CEO and Group Sustainability Director

Pollution prevention is embedded in our **Safe & Sustainable Products Policy** and in the **Statement on Plastics and Microplastics**. It is also integrated into every **site's environmental management systems** and operational budgets.



- The **Safe and Sustainable Products Policy** ensures that our products are designed, produced, used and disposed of in a sustainable and safe way. Key areas of attention include minimizing substances of concern, ensuring low-VOC products and complying with regulations (REACH, TSCA, CEPA, China MEE Order 12, IChEMS). It applies group-wide and across the value chain.

- Our **Statement on Plastics and Microplastics** addresses material environmental impacts and risks linked to plastic leakage and microplastic pollution within its ambition for a circular economy and a 'zero footprint' future. It recognizes the societal benefits of plastics while stating that plastic has no place in the environment, food or drinking water, and commits to prevention measures across operations and the value chain.

Key actions include strict handling of plastic pellets and powders to prevent loss during production and transport, supported by participation in Operation Clean Sweep®, alongside a zero-waste philosophy targeting zero landfill and avoiding incineration.

While the impact of microplastic pollution spans across our whole value chain, we start by implementing best practices ourselves and ensuring we limit our own unintended pellet and microplastic release as much as possible through:

- Alignment with **Operation Clean Sweep®** principles
- Systematic identification and mitigation of pollution risks
- Compliance with EU regulatory requirements, including reporting to the European Chemicals Agency (ECHA)

**ACTIONS**

E2-2, E2-4

In 2025, we strengthened our approach to **preventing microplastic losses** across seven EU-based sites that handle and/or produce microplastics. Building on Operation Clean Sweep® principles, we applied Plastics Europe’s BowTie methodology to systematically identify leakage risks and assess mitigation measures.

Overview of plastics products vs. used and lost for 7 EU-based sites (scope does not cover full Beaulieu)

	<b>Amount</b>	<b>Unit</b>
Microplastics produced	160.906	tons
Microplastics used	134.208	tons
Microplastics lost	123	kg

The results show that microplastic losses represent less than 0,0001% of total microplastics produced. This confirms the success of our preventive measures, such as:

- Structured pellet handling and storage controls.
- Filtration and wastewater treatment systems where relevant.
- Housekeeping and process standards.
- Internal awareness and training programs.

**< 0,0001%**

Microplastic losses represent less than 0,0001% of total microplastics produced.

While not exact, estimating pellet losses in our own operations is feasible. Estimating the **amount of secondary microplastics** released during the use or end-of-life of our products, however, proves to be a lot more challenging. The main source of unintended secondary microplastic release is likely the wear of products such as artificial grass, textile floor coverings, and geotextiles, as well as losses at downstream end-users of our polymer divisions.

Harmonized standards to measure those secondary releases are not yet available. We are working together within several industry associations to estimate the potential microplastic loss during use and to integrate microplastic considerations into the design of our products.

METHODOLOGY

**Estimating pellet spills and losses: the Bowtie model**

The Bowtie model estimates pellet spills and losses by combining measured inputs (spill without barrier amounts, throughput measurements, sampling timeframes) with structural inputs (macro areas, critical points, preventive and mitigating barriers).

Key assumptions include use of worst-case spill values, simplified scoring for barrier performance, user-defined barrier configurations (series/parallel), and dependency on estimates where measurements are unavailable. Limitations arise from input uncertainty, the qualitative scoring system, and reliance on user interpretation of barrier efficiency and plant layout.

This model was developed by an expert working group within EUPC – European Plastic Convertors. The full methodology is available at [the EUPC website](#).

TARGETS

E2-3

As of the reporting date, no quantitative pollution reduction targets have been set. In 2026, we intend to expand the geographic scope of reporting beyond the EU and define measurable improvement targets once full-coverage data is available. As methods mature, we will also improve the precision and transparency of the reporting.

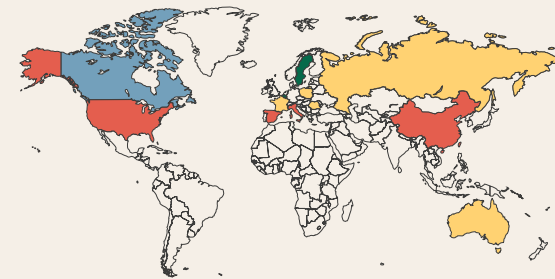
ESRS E3

# Water management and stewardship

As part of our DMA process, we conducted a water stress analysis in 2024 to assess potential risks and opportunities related to water use across our operations. In 2025, this analysis was reviewed and confirmed to remain relevant: no material water-related risks were identified.

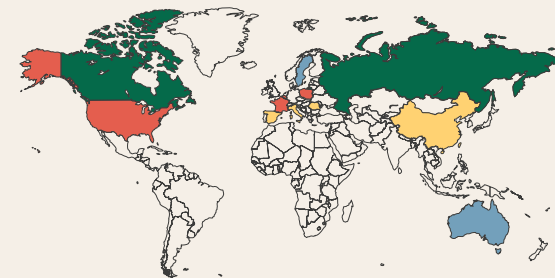
Although water was not identified as a material topic in our DMA, we recognize that it is of interest to certain stakeholders. In line with ESRS guidance on voluntary disclosures, we therefore report on our water-related policies, actions, and performance.

Location	Water quantity (as % of total consumption) in 2024	Water stress level
Australia	< 0,1%	No stress to medium
Belgium	6,3%	High
Canada	0,6%	Low
China	1,6%	Medium to high
France	2,2%	High
Italy	35,1%	Medium to high
Norway	4,6%	No stress to low
Russia	0,3%	Low to medium
Slovenia	0,6%	Medium to high
Spain	0,1%	Medium to high
USA	48,5%	High



Freshwater withdrawal as a proportion of available freshwater resources (%)

- 10,49 - 34,83
- 0,89 - 10,49
- 0,41 - 0,89
- 0 - 0,41
- Data not available
- Not applicable



Freshwater withdrawal as a proportion of available freshwater resources (%)

- 10,24 - 42,61
- 2,77 - 10,24
- 1,03 - 2,77
- 0,1 - 1,03
- Data not available
- Not applicable



## Our approach

### POLICIES

Policy	Scope	Accountability
Responsible Business Statement	Beaulieu and value chain	Excom and management teams
Safe and Sustainable Products Policy	Group-wide and across the value chain	Group Sustainability & Compliance; Group SHE

Water efficiency and stewardship are embedded in Beaulieu’s **Safe and Sustainable Products Policy**, and our overall **Responsible Business Statement** (p. 83 and p. 75 for full definitions). These policies guide our approach to minimizing water-related environmental impacts across all operations.

Internal teams responsible for environmental management ensure that water efficiency measures are implemented effectively on all our sites.

### TARGETS

Our targets, defined by the **Center of Excellence for Water** (see ‘Governance Report’, p. 46), remain unchanged from previous years:

- **Responsible sourcing of water** and placing water stewardship at the top of every site’s agenda.
- **Reduce consumption of groundwater and municipal water** across the Group by 20% compared to 2022.
- **Reduce surface water consumption** and ensure discharged water is cleaner than when extracted, minimizing impacts on ecosystems and communities.

We track water-related KPIs through our environmental management systems and the **Environmental Sustainability Score** (p. 72), with data collected and reviewed quarterly.

**ACTIONS**

In 2025, overall **water consumption decreased** compared to 2024 driven by a combination of targeted reduction initiatives and changes in production activity levels.

Several sites implemented **specific projects to reduce water consumption**, including Beauflor US and the BerryAlloc production site in Meaulne (FR).

At our Beauflor plant in Wielsbeke (BE), we replaced a water cooling tower with a more efficient ammonia-based system. Water intensity dropped from 0,507 liters per m<sup>2</sup> to 0,135 liters per m<sup>2</sup> of vinyl produced compared to 2024. Beyond long-term water savings, the project also improved overall efficiency and safety:

- The old cooling tower was decommissioned, reducing maintenance risks.
- The associated water softener, which required frequent flushing, was removed.
- Paint bucket washing was optimized through a timer system, saving 600 m<sup>3</sup> of water annually.



Water (m <sup>3</sup> )	2022**	2023	2024	2025
<b>TOTAL WATER CONSUMPTION*</b>	<b>1.465.724</b>	<b>1.741.656</b>	<b>1.994.126</b>	<b>1.691.258</b>
Municipal water	168.452	170.786	149.944	149.725
Groundwater	748.447	646.854	763.230	530.957
Stormwater	2.610	4.266	3.978	3.252
Freshwater surface water	546.197	919.736	717.376	631.427
Recycled or reused water	18	14	2.096	1.831
Other water sources	-	-	357.502	374.066
Wastewater discharged in surface water	324	8.121	-	-
Wastewater discharged in groundwater	-	652	-	-
Wastewater discharged in sea water	-	-	-	-
Wastewater discharged in public sewer, followed by public treatment	55.420	54.434	38.053	40.716
Wastewater discharged in public sewer, not followed by public treatment	-	-	-	-
Wastewater collected by sister company	225.912	248.529	273.552	293.089

\* To allow for comparison, sites that have been closed or divested have been removed from the baseline and from previous years' figures. See table p. 49 for all relevant sites.

\*\* 2022 figures show lower consumption due to maintenance shutdowns at several polymer sites.

ESRS E5, ESRS 2 – SBM-3

## Resource use and circular economy

Type of IRO	Most important IROs
Actual negative impact	Microplastics pollution in the full value chain
Potential positive impact	Using circular and renewable resources
Risk	Availability of economical high-quality circular raw materials is limited
Risk	Additional taxes and fees for non-circular products
Risk	New processes or circular materials introduce risks related to SHE
Opportunity	Opportunity to enhance collaboration and ecosystem development
Opportunity	New business opportunities due to circular products, recycled materials and new business models
Opportunity	Operational efficiency and related cost savings
Actual negative impact	Products at end-of-life are non-recyclable
Potential positive impact	Developing recyclable products and ensuring a zero-waste value chain
Risk	Additional taxes and fees for non-circular products
Risk	Business loss due to consumer perception
Opportunity	Opportunity to enhance collaboration and ecosystem development
Opportunity	New business opportunities due to circular products, recycled materials and new business models
Actual negative impact	Waste generation in the value chain
Risk	Business loss due to consumer perception

Global waste generation continues to rise at an unsustainable rate, and traditional linear production models are no longer viable in a resource-constrained world. As an industrial group, we have both the scale and the responsibility to help drive a different approach.

As natural resources become increasingly scarce, circular economy principles are key to avoiding depletion. Beaulieu has embraced circular economy principles as a strategic priority. They guide our product design, sourcing decisions and waste management. Our approach covers the full waste management chain: prevention, collection, transportation, recycling, and disposal.

By moving away from linear production models, we aim to keep materials at their highest value for as long as possible, across multiple lifecycles. In this way, we reduce resource use, waste, and greenhouse gas emissions, while reducing cost, promoting innovation, creating jobs and meeting the growing demand for sustainable solutions.



## Our approach

### POLICIES

E5-1

Policy	Scope	Accountability
Responsible Business Statement	Beaulieu and value chain	Excom and management teams
Safe and Sustainable Products Policy	Group-wide and across the value chain	Group Sustainability & Compliance; Group SHE
Sustainable Procurement Policy	All procurement activities across divisions and regions	Group Procurement, reviewed annually

Beaulieu’s approach to resource use and circular economy is governed by three interconnected policies, each addressing a different dimension of our commitment to circularity: our **Responsible Business Statement**, **Safe and Sustainable Products Policy** and **Sustainable Procurement Policy**.

To embed these policies in practice, we use several methods that help us integrate circular economy principles across our business.

- Tracking circularity-related lagging KPIs
- Assessing the recyclability of our portfolio: the Recyclability Score
- Conducting Lifecycle Assessments (LCAs)
- Advancing our sustainable portfolio

### METHODOLOGY

#### Tracking circularity-related lagging KPIs

Two of the eight KPIs in our Environmental Sustainability Score relate directly to circular resources, and are collected on a quarterly basis from all our manufacturing sites:

- **Share of recycled or reused waste (in %):** The share of recycling or reuse of materials leaving our sites that are not delivered to customers. This KPI helps us measure progress towards our landfill- and incineration-free target.
- **Share of recycled or renewable content in products:** Measured through our ‘Low-Impact Materials Index’ KPI, which helps us track the use of non-virgin or non-fossil raw materials from both open and closed loops.

METHODOLOGY

**Assessing the recyclability of our portfolio: the Recyclability Score**

To monitor our progress in expanding our range of recyclable flooring solutions, we assess the recyclability of our portfolio, using a methodology built by internal product experts and informed by external recycling specialists.

Inspired by the RecyClass Recyclability Methodology, we use a traffic-light system to rate how easily our products can be recycled. Green means optimum recycling potential (classes A & B), orange indicates limited recycling potential (class C), and red indicates the product has features that negatively impact the recycling process or reduce the quality of reyclate severely (class D). Class A, B and C products are considered recyclable under our targets.

Although we apply the system to all Beaulieu products and design for recyclability wherever possible, making flooring solutions recyclable remains a major challenge. Through innovation and eco-design, we constantly explore ways to further enhance recyclability across our range.

**A&B: Full compatibility**

The product has design features that guarantee the best recyclability and quality of the recycle.



**C: Limited compatibility**

The product has design features that are known to slightly impact the recycling process and/or the quality of the recycle.



**D: Low compatibility**

The product has design features that strongly impact the recycling process and/or quality of the recycle.





>70%

of portfolio covered by LCAs  
in 2025

#### METHODOLOGY

### Conducting Lifecycle Assessments (LCAs)

Since 2015, we have been using Lifecycle Assessments (LCAs) to communicate transparently and to identify hotspots and innovation opportunities.

At the end of 2025, we achieved more than 70% coverage of our product portfolio with life cycle assessments (LCA), validated by external parties. In this way, we strengthen transparency on product-level environmental impacts and support more data-driven sustainability improvements.

Beaulieu started performing in-house LCAs over a decade ago to give divisions deeper insight into **the environmental impact of their products** across their entire lifecycle.

Over the years, we have **continuously refined our approach**, expanding our expertise, and increasing the number of LCAs performed. Today, a dedicated team of experts carries out the majority of assessments internally, which is uncommon for a company of our size. Results are shared transparently and validated externally where required.

Beaulieu **performs footprint assessments and LCAs at four levels**, each offering more detail and control:

1. **Basic screening:** when designing a new product, R&D always completes a **questionnaire** to get a qualitative sense of the product's environmental impact.
2. **Footprint simulation:** an **Excel-based tool** helps R&D estimate a product's footprint and compare the impact of different materials, components, production methods, and end-of-life options.
3. **In-depth LCA:** in-house experts use LCA software for footprint calculations based on full and complete data collection. An internal review ensures confidence in the calculation.
4. **External validation:** LCA results are checked by independent, external verifiers.

## METHODOLOGY

**Advancing our sustainable portfolio**

Over the past few years, we started transitioning from a circular to a **fully sustainable portfolio model**. To ensure sustainable living, **100% of our portfolio** must meet a series of fundamental sustainability criteria across all three dimensions: environmental, social, and governance – in line with emerging regulations and frameworks on ‘Safe and Sustainable by Design’. Here’s how it works:

**Environmental**

- Products **free from hazardous chemicals**.
- Produced using **energy** that is at least **partially renewable or decarbonized**.
- Produced using effective **waste and water management** practices.
- Microplastics must be prevented via design and operations (OCS).
- Products should be **recyclable**, meeting at least **Level C** as defined in our guidelines.

**Social**

- All **materials and goods** must be **responsibly sourced** to ensure ethical and sustainable procurement.
- Robust **safety programs** should be implemented (specific criteria to be defined).

**Governance**

- Ethical business practices, including **Anti-Bribery and Anti-Corruption (ABAC) policies**, must be upheld by both producers and suppliers throughout the value chain.
- Full transparency and no greenwashing.

In addition, we aim to ensure that some of our products meet one or more advanced sustainability criteria within three specialized categories:

1. **Making materials matter:** We increasingly replace virgin materials with bio-circular, recycled, and low-carbon alternatives.
2. **Engineering for impact:** We engineer smart, resource-saving products that enhance wellbeing, are built to last, and are easy to repair or reuse.
3. **Closing the loop:** We aim to make everything fully recyclable, with take-back programs to close the loop.

All of the above policies and methodologies help us to follow up on our progress towards circularity and to design more circular products.

**ACTIONS**

E5-2

Beaulieu's list of sustainable and circular solutions grows year after year. In 2025, we further expanded the volumes and impact of our portfolio, which includes the following solutions:

**Products containing recycled or renewable content**

- **Twilight** cushion vinyl floors made from PVC from 100% bio-circular attributed sources.
- **Sustainable yarns:** EgoBalance and EgoCycle yarns include bio-attributed and recycled content, respectively. In addition, we offer low-impact EgoYarn carpet yarn that has a 46% lower carbon footprint than conventional yarns, thanks to our collaboration with polymer suppliers that invest big in process efficiency, green energy, heat optimization, and waste reduction.
- **Distriplast** PP corrugated sheets include some form of reground PP (rPP) or recycled content with specific formulations: from 30% rPP for packaging and protection and for floor protection and 50% rPP for signs and displays, to 70% rPP for construction beam formwork.
- Our **Nxtera circular polypropylene** portfolio, developed by both **Pinnacle Polymers** and **Polychim Industrie**, includes bio-attributed, chemical recycled and mechanical recycled or renewable materials to deliver high performance while reducing carbon footprint and fossil-based raw materials.
- **BerryAlloc hard flooring:** by choosing **100% responsibly sourced wood**, we ensure that forests are managed sustainably, which supports biodiversity and optimizes the trees' role as carbon sinks.

**Innovations with high recyclability**

- **Rewind®** 100% recyclable event carpet.
- **Turfgrass with Verdite monobacking** is designed to be recycled.

**Take-back schemes**

- **RELIVE** concept ensures the collection, sorting, and recycling of PVC flooring cutting waste. This initiative will be rolled out from France to other countries in the EU.
- **Circul8** encourages customers to return Signature Floors' carpet tiles after use to have them reused or recycled (Australia).

**TARGETS**

E5-3

These solutions fully support our circular targets:

For several years now, Beaulieu has been enriching its product portfolio with a **growing number of circular products**. Our two key circularity goals:

- By 2030, we will drastically reduce our consumption of fossil-based, depletable resources, by **using at least 50% recycled, renewable or low-carbon** materials in our production.
- By 2030, we only want to offer **100% recyclable flooring solutions**<sup>1</sup>.

In addition, we aim to become 100% **landfill-free and incineration-free** for manufacturing waste by 2030. That means that we will 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 will 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.

<sup>1</sup> According to ISO 14021 that defines recycling as the processing of waste materials for the original purpose or for other purposes, excluding energy recovery, with commercially available technology at scale.



### Resource inflows

E5-4

As explained in our value chain section (p. 55), Beaulieu relies on a broad range of raw materials and inputs, including petrochemical-based feedstocks (polymers such as PP, PVC and additives), wood-based materials (wood, paper, HDF, MDF, etc.), and mineral materials (e.g. calcium carbonate). These are complemented by key intermediates such as fibres and yarns. None of these raw materials are critical or strategic raw materials as defined by Regulation (EU) 2024/1252 of the European Parliament and of the Council.

About 1,8% of our input materials are from non-virgin origin (recycled, reused or reworked input streams) and 5% are renewable, while 2,1% are from low-carbon origin.

The share of non-virgin and renewable inputs has remained stable compared to 2024. While we continue to develop our circular and sustainable product ranges, these efforts are not yet reflected in our results.

In 2025, we introduced the tracking of low-carbon raw materials and will continue to monitor these going forward.

#### METHODOLOGY

##### Definition of low-carbon materials

A material qualifies as low carbon if its carbon footprint is at least 25% below the industry average, based on recognized benchmarks or third-party verified data. When no benchmark is available, the material must achieve a minimum 25% reduction in carbon footprint relative to the incumbent material it replaces.

	2023	2024	2025
Recycled	1,6%	1,8%	1,7%
Renewable	5,2%	4,5%	4,8%
Lower carbon footprint	-	-	2,6%
<b>Total</b>	<b>6,9%</b>	<b>6,3%</b>	<b>9,2%</b>

### Resource outflows

E5-5

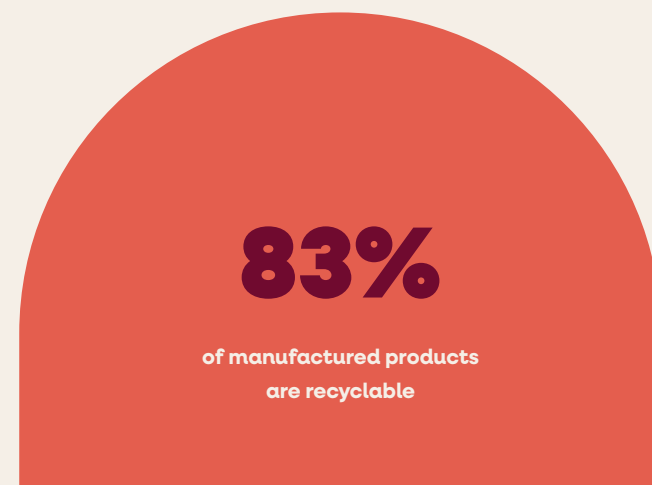
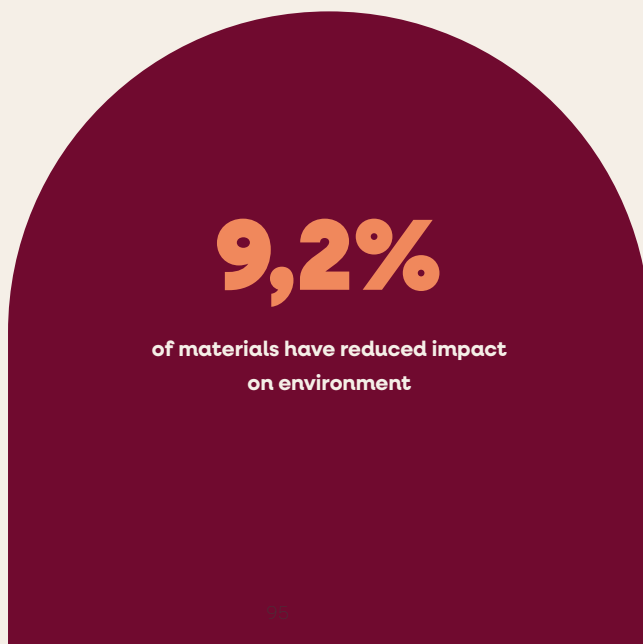
#### PRODUCTS

Most of our products are used in long-lasting applications, such as construction materials, floor coverings, automotive, etc. They are therefore designed to be durable and to last for an intended service lifetime of several years, and sometimes even decades.

Products used in applications with a shorter lifespan include staple fibres for hygiene applications, and needle felt for tradeshow applications. For these products, we aim to maximize recyclability.

In 2025, recyclability of our finished products went up from 45% in 2024 to 46%, mainly thanks to an increase in Rewind® and Turfgrass with Verdite monobacking volumes. When we include all the products we manufacture, recyclability is about 83%.

Do note that the number reported in the 2024 annual report included some divested entities.





## PACKAGING

In addition to circular products, circular packaging is also a key step towards a circular economy. By **redesigning our packaging** or purchasing packaging with a **higher amount of recycled content**, we reduce – plastic – waste and lower our environmental footprint.

In Europe, the EU is moving towards mandatory targets for recycled content in new packaging materials. Beaulieu fully embraces this trend and even sets the bar higher: by 2030, all packaging that we use must contain at least 50% recycled content, with minimal 40% from post-consumer waste (PCR).

	2023	2024	2025
% PIR	13%	15%	15%
% PCR	21%	22%	20%
% PIR + PCR	34%	37%	35%

In 2025, the percentage of recycled content in our packaging declined versus 2024 as several new suppliers do not offer recycled material options and we changed some packaging, which reduced the use of high-PCR materials. We recognize this as a step backward and are working to reintroduce and expand the percentage of recycled content going forward.

**WASTE**

Beaulieu’s main source of waste is production scrap, which is often plastic based. In many cases, this material can be valorized, preventing it from landing in landfills.

In the current scope, we recovered approximately 64% of our waste through reuse or recycling in 2025, which is below the 2024 result level. Recycled volumes increased, but reuse of production waste declined.



Waste (ton)	2022	2023	2024	2025
<b>TOTAL WASTE*</b>	<b>36.517</b>	<b>33.359</b>	<b>32.615</b>	<b>34.286</b>
<b>Non-hazardous waste</b>				
Non-hazardous waste recycled	15.639	16.794	17.997	19.581
Landfill with non-hazardous waste	4.096	2.881	3.438	3.479
Incineration with energy recovery of non-hazardous waste	13.703	8.652	7.965	8.854
Incineration without energy recovery of non-hazardous waste	38	75	42	218
Reuse of non-hazardous waste	2.093	2.710	2.369	1.423
Composting of non-hazardous waste	3	9	62	42
Other non-hazardous waste	252	187	6	2
<b>Hazardous waste</b>				
Hazardous waste recycled	236	1.858	449	439
Landfill with hazardous waste	22	12	64	25
Incineration with energy recovery of hazardous waste	59	45	125	182
Incineration without energy recovery of hazardous waste	108	116	48	37
Re-use of hazardous waste	163	0	40	3
Other hazardous waste	105	20	10	1,4
Amount of waste valorized	18.133	21.371	20.918	21.489
% of valorized waste	50%	64%	64%	63%

\* to allow for comparison, sites that have been closed or divested were removed from the baseline and from previous years.



# Social information

ESRS S1, ESRS 2 – SBM-3

## Own workforce

Type of IRO	Most important IROs
Actual positive impact	Creation of fair working conditions and paying adequate wages for all employees
Actual positive impact	Safe & healthy working environment
Actual positive impact	Secure employment of employees
Actual positive impact	Creation of fair working conditions and paying adequate wages for all employees

Our employees are at the heart of our business and critical to operational continuity and performance. Workforce-related risks – including safety incidents, talent retention, and employee engagement – carry both direct financial costs and longer-term implications for our organizational resilience.

Inspired by Beaulieu’s strong culture, we aim to be a **talent-first organization**, leading by example in fostering fair, safe, and empowering workplaces for everyone who works with us.

## Our approach: policies

S1-1

Policy	Scope	Accountability
Human Resources Statement	All employees globally, regardless of location, level or position	CHRO, reviewed annually
Policy on Family relationships in the Workplace	All employees and management across Beaulieu	CHRO
Learning and Development policy	All employees with a fixed contract; contingent workers where required	Corporate HR, prepared by Talent Director, approved by CHRO
Speak Up Whistle-blowing Policy	Employees, suppliers, business partners and external stakeholders globally	Group Internal Audit

In addition to the overarching Responsible Business Statement (p. 75), our workforce commitments are governed by several policies that establish the foundation for **fair, safe, and respectful working conditions** across all our operations. These policies address key areas such as equal opportunity and non-discrimination, health and safety, remuneration and social protection, and employee engagement and grievance mechanisms. Together, they set clear expectations for how we operate and how we hold ourselves accountable.

- Our **Human Resources Statement** sets group-wide guidelines to be a talent-first organization for all employees, regardless of location, level or position. It builds a culture of transparency, open communication, recognition and togetherness, enables people to grow and perform at their best, supports a healthy mind in a healthy body, and strengthens diversity and inclusion.

More specifically, we provide fair, competitive, and legally compliant pay determined by cost of living, market rates, qualifications, and role scope. Since 2025, all employees worldwide have been receiving remuneration above the local living wage. Additionally, we offer training and career development planning, promote wellbeing, work-life balance and flexible working where possible, and apply structured, non-discriminatory recruitment with internal and external vacancy posting and comprehensive onboarding. Progress is monitored through regular employee surveys, feedback sessions, and annual performance reviews.

- Our **Policy on Family Relationships in the Workplace** prevents conflicts of interest and perceived nepotism. Relatives are barred from recruiting, supervising, evaluating, promoting or terminating each other, and close collaboration or direct reporting lines between family members are discouraged. The policy applies to all employees and management across Beaulieu. Family is defined up to the third degree, including partners and adoptive/foster relations. The policy does not apply when relatives work in different departments or buildings.

Employees must disclose relationships immediately and may report via the CHRO or the Speak Up channel, with non-retaliation guaranteed. The CHRO implements and interprets the policy, may notify the Board, and can grant exemptions, as can the Board. Remedies include reassignment; non-compliance may lead to sanctions. The policy is published on the intranet with acknowledgement and periodic updates.

- Our **Learning and Development Policy** sets Group guidelines to strengthen human capital and business performance through lifelong learning, which is a shared responsibility between employees, line managers, HR, and executive management. The policy applies to all employees with a permanent contract. Where required – for example, for safety training – it can also cover contingent workers, subject to approval by the HR Manager and the worker’s agency.

Training is managed by Beaulieu University, which covers in-house learning, e-learning and external training. All employees have equal-opportunity access. Compliance with local legal training obligations, including health & safety requirements, is mandatory. Training requests and approvals follow an automated, cost-based workflow in the LMS. Participation is recorded, and post-training evaluation feedback is used to improve programs.

- Our **Speak Up (Whistleblowing) Policy** provides a confidential and accessible mechanism for employees to anonymously raise concerns about suspected misconduct, policy breaches, or violations of law. The mechanism is described in detail in the ‘Business Conduct’ statements (p. 110).

## Employee engagement

S1-2, S1-3

We foster employee engagement through a range of **global as well as local initiatives**. Line managers hold regular feedback sessions to support open dialogue, while workers’ representatives provide a collective voice on workplace matters. Open communications via the newsletter, CEO message or townhalls further contribute to a positive employee experience.

Our annual **Employee Engagement Survey** is a key tool for measuring how our people experience working at Beaulieu. Over the past few years, Beaulieu has been facing several challenges, which have affected our people. In spite of the impact, participation in the survey remained high at 77%, with an engagement score of **72**. While employees highlighted progress in workplace safety, team support, and project prioritization, they did ask for more communication. We use these insights to update action plans and define targeted initiatives, ensuring that our workforce continues to feel supported and empowered.

Where employees wish to **raise concerns**, they can do so via multiple channels: direct reporting to line managers, anonymous whistleblowing channels (Speak Up), regular employee surveys and feedback sessions, and engagement with workers’ representatives.

Other ways of engaging with our own workforce are listed under SBM-2, Interests and views of stakeholders (p. 58).

“Our engagement score remained stable, which reflects the loyalty and commitment of our people. At the same time, colleagues clearly asked for more clarity on our strategy and greater proximity from leadership. In 2026, we will strengthen dialogue across the Group.”

**PIETER LELIEUR**

CHRO

## Workforce composition, diversity, and inclusion

S1-3, S1-5, S1-6, S1-8

Our workforce is diverse across age, gender, function, and geography. As described in our Human Resources Statement, we actively promote an **inclusive workplace** where every employee feels supported, valued, and able to contribute.

While diversity is not identified as a material topic under our DMA, we actively promote this inclusive culture through mentorship, development programs, and initiatives that foster belonging and recognition.

In addition to employees, our workforce includes **contractors, consultants, and other non-employee workers** who contribute significantly to our operations. We ensure that they too are supported and protected, regardless of their employment status:

- Work-related rights and health and safety standards are consistently applied across all workforce categories.
- Non-employees receive adequate onboarding, training, and guidance.
- Our Code of Business Conduct and Ethics (p. 109) and grievance mechanisms are communicated and accessible to all.



## EMPLOYEES BY COUNTRY

Country	Number of employees
Belgium	1.322
Russian Federation	763
United States	583
France	503
Canada	341
Australia	165
Norway	164
Slovenia	143
Spain	132
China	114
Italy	81
Kazakhstan	33
Ukraine	26
Germany	12
United Kingdom	8
New Zealand	6
Sweden	5
Poland	1
<b>Total</b>	<b>4.402</b>

## EMPLOYEES BY TYPE OF EMPLOYMENT, ROLE 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
2.024	258	1.074	877	80	5	86	18	2.084	263	1.160	895

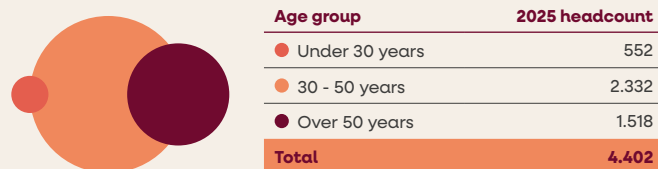
## EMPLOYEES BY REGION, TYPE OF EMPLOYMENT AND GENDER

	Regular*		Temporary**		Total	
	Men	Women	Men	Women	Men	Women
<b>Asia Pacific</b>	189	91	1	4	190	95
<b>Europe, Africa and Middle East</b>	2.221	793	161	18	2.382	811
<b>SAMEA</b>	0	0	0	0	0	0
<b>North America</b>	668	251	4	1	672	252
<b>Total 2025</b>	<b>3.078</b>	<b>1.135</b>	<b>166</b>	<b>23</b>	<b>3.244</b>	<b>1.158</b>

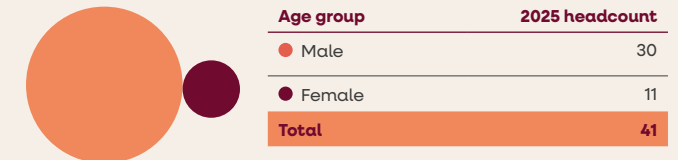
\* Regular = Employees with a direct employment contract, incl. both permanent and fixed-term contracts.

\*\* Temporary = People without a direct employment contract, including the interim workers, contractors, consultants, students, and interns). Both categories include individuals in long-term absence.

## EMPLOYEES BY AGE GROUP



## GENDER DIVERSITY GLOBAL LEADERSHIP TEAM



**Remuneration, fair wages, social protection, work-life balance, training and development**

S1-3, S1-4, S1-7, S1-9, S1-10, S1-12, S1-15

**Fair and adequate compensation** is a cornerstone of workforce wellbeing and motivation. We ensure that every Beaulieu employee receives a remuneration package that reflects contribution, meets local standards, and supports a decent standard of living.

Our wage policies are designed to align with local regulations, industry standards, and internal equity principles. Structured salary programs, using market benchmarks, guide our salary setting and review processes. Pay structures are reviewed regularly to maintain competitiveness and fairness – reflecting responsibilities, skills, and performance across all roles and regions.

In 2024, we introduced **living wages** as a Group-wide annual KPI, applicable to all employees regardless of location, level, or position. In 2025, we further strengthened this commitment by adhering to the **Fast Forward initiative from the United Nation Global Compact**. The goal: ensure that 100% of employees earn a living wage and that equal pay is provided for work of equal value.

We also consider **access to social protection** and work-life balance, and employee development as essential elements of a sustainable workforce. This includes flexible working arrangements, remote work options where possible, paid time off in line with legal requirements, and a range of training and career development programs.

To foster **employee development**, we offer a range of training programs and encourage employees to discuss their career goals with their managers and establish development plans. We encourage lifelong learning through:

- Dedicated programs to boost internal growth.
- A wide mix of learning and development opportunities in Beaulieu University.
- Maximum involvement of employees in cross-functional projects.
- Continuous follow-up of every employee.
- Talent pools based on employees' expertise, experience, and interests.

of Beaulieu employees received a **remuneration package above the applicable living wage benchmark** in the country where they work.

**100%**

As a large group, Beaulieu provides employees with ample opportunities to grow internally. In 2025, 8,2% of our people stepped into new positions within the Group.

Next to learning, we foster **employee wellbeing** through our global Energize2GROW program. From padel tournaments to cycling races, our Beaulieu teams stayed active and connected in 2025.

## Health, safety, and working conditions

S1-3, S1-4, S1-13

Safety, Health, and Environment (SHE) is a core priority at Beaulieu. Guided by the principle that all injuries and work-related illnesses are preventable, we aim to provide a safe, healthy, and environmentally responsible workplace for everyone – with zero accidents and zero work-related illnesses as our ultimate goal.

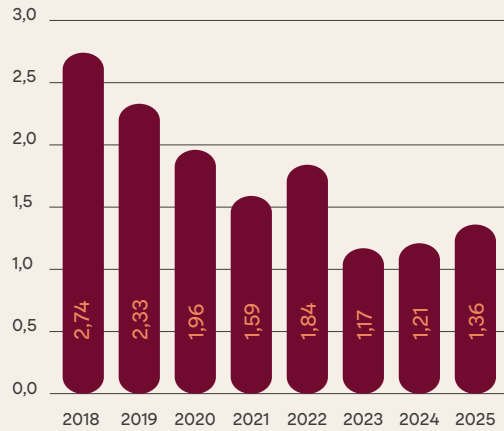
To achieve this, we focus on **three pillars**:

- Leadership accountability for SHE across all levels.
- Robust governance, tools, and systems to ensure compliance, transparency, and continuous improvement.
- Clear SHE standards for equipment, processes, and practices.

Over the past few years, we have made **significant progress towards safety**.

- In 2023, we started introducing Safety Improvement Teams across our sites: structured groups tasked with identifying and prioritizing shop floor risks and defining improvement plans. By 2025, this initiative had expanded to several more Beaulieu sites, with a clear focus on driving a lasting change in safety culture rather than short-term fixes.
- Alongside this, we encourage all employees to proactively report potential safety risks ('events') through our Enablon platform, targeting a Leading Events Ratio of at least 30%.
- The 'Safety Walk & Talk' practice, where managers and supervisors engage directly with employees on safety during regular workplace walkthroughs, remains a key driver for building awareness and ownership at every level. We target at least 100% of our leaders to perform a monthly Safety Walk & Talk. Most sites met or exceeded the targets for both in 2025, contributing to a combined safety score of 91%.





Overall, our safety performance in 2025 was mixed. On the positive side, the number of Lost-Time Incidents (LTIs) dropped slightly from 55 in 2024 to 51 in 2025, and the number of Days Lost remained stable. Our Safety Walks & Talks and Leading Events Ratios also continued to improve, reflecting growing engagement across the organization.

However, the Accident Risk rate, which captures both the frequency and severity of incidents, increased, representing a setback in our safety performance. This is a result we take seriously. In response, we are intensifying our efforts in 2026 through stronger, site-specific action plans and targeted support for locations with higher incident rates.

While we know we still have significant ground to cover, we keep believing that a structured, site-wide approach works to improve safety. Our cushion vinyl site in Belgium is a clear example. Since 2023, the site has been improving safety that involves all levels of the organization, from management to the shopfloor. Through initiatives like the Safety Compass and SHE Leadership program, six priority areas were identified, and four cross-functional working groups set up to develop practical improvements. Clear safety rules, overview boards, toolbox meetings and interactive safety days helped embed a shared safety culture. A key milestone was the significant increase in reporting minor incidents and near misses, which reflects a growing mindset of transparency and continuous improvement.

The results speak for themselves: Lost-Time Incidents dropped by over 50% in the first year, and since April 2025 the site has recorded no LTIs.

	2023	2024	2025
# Fatalities	-	-	-
# LTIs	29	55	51
# Days lost	821	1.620	1.617
Safety Walks & Talks Ratio	106%	102%	103%
Leading event Ratio	-	23%	25%

In 2025 we also launched our 'Safety on the Move' campaign to highlight the risks associated with on-site driving and traffic. Through targeted awareness actions, the campaign promoted safe behaviors between pedestrians and vehicle operators, contributing to our efforts to reduce incidents on all our sites.



METHODOLOGY

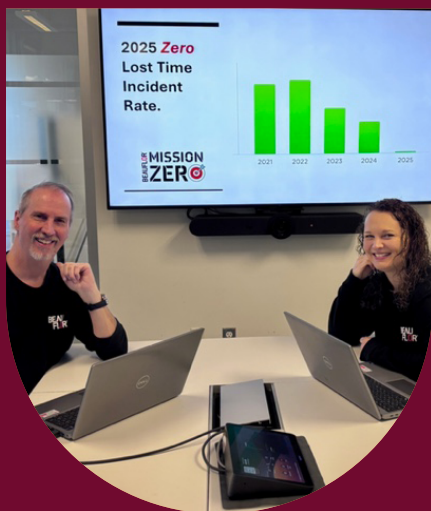
**Measuring workplace safety**

**Accident Risk Rate:** represents the risk of having a Lost-Time Incident. It is a combination of the number of accidents and the number of days lost due to these accidents in relation to the number of hours worked.

- **Frequency Rate (Fr):** number of LTIs per million hours worked.
- **Severity Rate (Sr):** number of days lost due to these accidents per 1.000 hours worked.
- **Accident Risk Rate (Rr):** square root of Frequency rate and Severity rate.

**Leading Events Ratio:** share of employees who actively contribute to identifying and addressing SHE issues (target 30%).

**Safety Walks and Talks Ratio:** share of leaders conducting monthly safety conversations on the shopfloor (target: 100%).



**Incidents of discrimination or other human rights concerns**

S1-3, S1-4, S1-16

Respect for human rights and equal treatment are fundamental within our organization. This means preventing and addressing any form of discrimination, harassment, or other workforce-related human rights concerns across all operations and ensuring that every person in our workplace is treated with fairness and dignity.

We maintain **formal policies and procedures** that define unacceptable behaviors and outline clear processes for reporting and handling incidents. Employees and other stakeholders can raise concerns through multiple reporting channels, including confidential and, where permitted, anonymous mechanisms such as the Speak Up Platform (p. 110). We enforce a strict non-retaliation policy: anyone who speaks up in good faith can do so without fear of adverse consequences.

All reported incidents are managed through a **structured approach:**

- **Timely and impartial investigation** of each case, in line with our internal policies and applicable legal requirements.
- **Confidential handling** to protect the privacy and rights of all individuals involved.
- **Appropriate corrective and disciplinary actions** where allegations are substantiated.
- **Remediation** may include support for affected individuals, and we use each case as an opportunity to strengthen internal controls, practices or awareness programs.

We monitor reported incidents and their outcomes to ensure transparency and accountability. Regular analysis of these cases helps us identify patterns, address root causes, and strengthen preventive measures, such as training, awareness programs, and policy updates – so that our approach continues to improve over time.

In 2025, there were no fines, penalties and compensation for damages for incidents of discrimination and other human rights incidents.



ESRS S2, ESRS 2 – SBM-3

## Workers in the value chain

Type of IRO	Most important IROs
Actual positive impact	Creation of fair working conditions and paying adequate wages for all employees
Actual positive impact	Safe & healthy working environment
Actual positive impact	Secure employment of employees
Actual positive impact	Creation of fair working conditions and paying adequate wages for all employees

Beaulieu recognizes that workers across its value chain may be exposed to social risks, particularly in areas such as raw material sourcing, subcontracted manufacturing, logistics, and other outsourced activities.

Responsible sourcing and supply chain due diligence are therefore essential to achieving our sustainability ambitions. Failures in this area expose us to reputational, legal, and operational risks that may affect our relationships with customers and partners.

That is why we uphold internationally recognized labor and human rights standards throughout our value chain, and actively engage with our value chain partners to raise standards, share expectations, and drive progress together.

### Our approach: policies

S2-1

Policy	Scope	Accountability
Responsible Business Statement	Beaulieu and value chain	Excom and management teams
Sustainable Procurement Policy	All procurement activities across divisions and regions	Group Procurement, reviewed annually
Supplier Code of Conduct	All upstream suppliers and business partners globally	Group Procurement
Anti-Bribery & Corruption Policy	All employees and independent workers; extended to third parties via due diligence	Board (approval), Group Internal Audit (oversight)
Speak Up Whistleblowing Policy	Employees, suppliers, business partners and external stakeholders globally	Group Internal Audit
Payment Term Policy	All employees, all upstream suppliers and business partners globally	Group Procurement
Supplier Due Diligence Procedure	All contractual arrangements for products and services across Beaulieu	Group Legal, Group Procurement, risk SMEs

Our approach to protecting workers in the value chain is anchored in three international frameworks:

- International Labor Organization (ILO) Core Conventions.
- United Nations Guiding Principles on Business and Human Rights.
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

These principles are embedded in the policies and standards we apply to suppliers and business partners, including the Responsible Business Statement (p. 75), Sustainable Procurement Policy, and the Supplier Code of Conduct. (see 'Business Conduct', p. 109 - 113 for details).

## Processes for engaging with value chain workers

S2-2, S2-3

**Before engaging suppliers**, we apply our Third-Party Risk Management (TPRM) framework to identify and address potential social, environmental, and governance risks. **At onboarding**, our requirements – including labor and human rights expectations – are communicated through contractual agreements. **Throughout the relationship**, we regularly assess suppliers’ sustainability maturity, assigning a Sustainability Score to key suppliers, and we engage with them through targeted sustainability initiatives. This ensures that expectations are clear from the outset of any business relationship.

→ The TPRM framework and other compliance-focused due diligence processes are described in detail in the ‘Business Conduct’ statements (p. 109 - 113).

**Where gaps or risks are identified**, such as concerns related to working conditions, labor rights, health and safety, or fair wages, we work closely with suppliers to implement corrective action plans, strengthen internal policies and management systems, and improve working conditions and labor practices. In parallel, we provide training, guidance, and sustainability workshops to both procurement teams and suppliers, promoting awareness of labor rights and responsible business conduct throughout the supply base.

## METHODOLOGY

### Measuring suppliers’ sustainability ambitions: Supplier Sustainability Score

Beyond compliance-focused due diligence, we assess the sustainability ambitions and progress of key suppliers through the Supplier Sustainability Score, which is reviewed annually by the procurement and sustainability teams.

The score assesses suppliers across four weighted dimensions: GHG performance (40 pts), circularity (25 pts), governance and ratings (30 pts) and strategy (5 pts), for a maximum score of 100 pts. Based on their total score, suppliers are classified into four tiers:

- Above 60 pts: Fully aligned with our sustainability goals
- 40–60 pts: Partially aligned, with concrete actions, defined targets and clear ambition on sustainability
- 20–40 pts: Early stage of the sustainability journey, with several areas requiring further commitment or improvement
- Below 20 pts: Insufficient efforts or sustainability journey not yet initiated

The Sustainability Score helps us prioritize engagement, track progress, and co-develop action plans with suppliers to address identified gaps.



## PROCESSES TO REMEDIATE NEGATIVE IMPACTS

Workers in the value chain can raise concerns related to labor conditions, human rights, or unethical conduct through our Speak Up Platform or through direct engagement with our supplier management channels. Reports can be submitted confidentially and, where permitted by law, anonymously. For details on the Speak Up mechanism, see the ‘Business Conduct’ statements (p. 109 - 113).

All reported concerns are reviewed and investigated according to our internal procedures. When issues affecting workers in the value chain are identified, we work with suppliers to develop corrective action plans and monitor remediation. Our approach follows a clear escalation path:

1. Collaboration on root causes.
2. Corrective action plans with defined timelines.
3. Monitoring progress and verifying remediation through follow-up assessments.
4. Escalation: in cases of severe or persistent non-compliance, we may suspend or terminate the business relationship.

### Targets

S2-4

- 100% of suppliers screened on ABAC, human rights, and environmental criteria (2025: 94,2%)
- Supplier Sustainability Score: all suppliers aligned or partially aligned (score of >40)

In 2025, we reinforced our sustainable procurement approach, focusing on partners that were not yet making significant sustainability progress. More than 15 dedicated conversations led to new initiatives and greater transparency. We also made significant internal progress: teams were prepared and trained to carry out on-site supplier audits. In 2026, these audits will be extended to higher-risk suppliers. That will further enhance oversight and drive continuous improvement across the value chain.

## 2025 RESULTS

**94,2%**

**of suppliers (by spend)** screened on ABAC, human rights, and environmental criteria (+6% vs. 2024)

**96%**

**of raw materials and goods suppliers** assessed for sustainability risks and performance (+3% vs. 2024)

**45,3**

**average weighted Supplier Sustainability Score:** on average, all suppliers are aligned or partially aligned with our sustainability goals (+2% vs. 2024 and +20% vs. 2021)

**>65%**

**of suppliers** made climate-related commitments (vs. < 30% in 2021)

# Business conduct information

ESRS G1, ESRS 2 – SBM-3

## Business conduct

Ethical business conduct is a material topic for Beaulieu. As a large industrial Group, we operate in multiple countries and in diverse cultural, legal, and regulatory environments. Non-compliance with legal and ethical standards poses significant financial and reputational risks, while strong governance frameworks build stakeholder trust and support long-term business stability and resilience.

That is why responsible and ethical business conduct across our entire value chain is embedded in our processes, culture, and the way we engage with partners.

### Our approach: policies

G1-1, G1-2

Policy	Scope	Accountability
Code of Business Conduct and Ethics	All employees, directors, contractors and business partners globally	CEO and Board; implemented by Group Internal Audit, Legal and HR
Supplier Code of Conduct	All upstream suppliers and business partners globally	Group Procurement
Anti-Bribery & Corruption Policy	All employees and independent workers; extended to third parties via due diligence	Board (approval), Group Internal Audit (oversight)
Speak Up Whistleblowing Policy	Employees, suppliers, business partners and external stakeholders globally	Group Internal Audit
Payment Term Policy	All employees, all upstream suppliers and business partners globally	Group Procurement
Supplier Due Diligence Procedure	All contractual arrangements for products and services across Beaulieu	Group Legal, Group Procurement, risk SMEs

Maintaining high ethical standards across our operations and value chain requires clear, consistently applied policies. Our policies cover bribery and corruption, conflicts of interest, fair competition, ethical sourcing, fair and transparent payment practices, responsible use of company assets, compliant travel expenditure, and integrity in dealings with suppliers, customers, and business partners.

Stakeholder interests are integrated into the design and application of these policies, through fair payment practices, transparent contract terms, and accessible grievance mechanisms for suppliers, customers, and external third parties.

- **Our Code of Business Conduct and Ethics** is the foundation of how we do business. It sets out our ethical expectations for all employees, directors, contractors, and business partners across global operations. The Code aims to prevent corruption, protect human rights, ensure fair working conditions, safeguard data and assets, promote healthy and safe workplaces, prevent conflicts of interest, and ensure compliance with trade, competition and anti-money laundering laws.

The Code reflects international standards, including the UN Global Compact, the International Bill of Human Rights, and the ILO Declaration. It is regularly updated and communicated to employees. Our broader ethical business conduct commitment is further anchored in the Responsible Business Statement, which aligns with the UN Global Compact Anti-Corruption Principle and the UN Convention against Corruption.

Accountability sits with the CEO and Board for waivers, with implementation by Group Internal Audit, Legal and HR. Business partners must adhere to aligned standards through the Supplier Code of Conduct and third-party risk assessments.

- The **Supplier Code of Conduct** sets mandatory expectations for all suppliers on legal compliance, ethical business conduct, anti-corruption, environmental responsibility, and respect for human rights. It covers human and social rights (no child or forced labor, non-discrimination, dignity and a harassment-free workplace, freedom of association, lawful hours and pay, and a protected complaint/whistleblowing mechanism), environmental standards, and governance requirements, and asks suppliers to cascade comparable standards to their own suppliers. The Code is complemented by due-diligence procedures and contractual requirements. Beaulieu may verify compliance through self-assessments and announced on-site audits and may terminate relationships for non-compliance.
- Our **Anti-Bribery & Anti-Corruption Policy** prohibits bribery and corruption in public and private sectors, bans facilitation payments, sets strict rules for gifts and hospitality, forbids political donations, and requires accurate, transparent books and records. The policy references Belgian law, the FCPA (Foreign Corrupt Practices Act) and the UK Bribery Act. It applies to all employees and independent workers of Beaulieu's entities worldwide and extends to third parties through due diligence and contractual commitments. The Board approves the policy, Legal prepares it, and Group Internal Audit oversees reporting, investigations and controls with management support. Employees receive the policy at onboarding and via the intranet and can report concerns through the Speak Up platform or to Group Internal Audit under explicit nonretaliation protections.
- The **Sustainable Procurement Policy** focuses on fostering a sustainable supply chain by prioritizing sustainable materials, resource efficiency and pollution prevention, as well as ensuring human rights and ethical conduct in procurement. It aligns with the Supplier Code of Conduct and applies to all procurement activities across divisions and regions (p. 75).



- The **Payment Term Policy** standardizes how payment terms are set and controlled to support efficient cash and liquidity management across all Beaulieu companies and suppliers, regardless of who negotiates. Standard payment terms are 60 days net for EU suppliers and 90 days end of month for non-EU suppliers, unless applicable law defines otherwise. Procurement is responsible for negotiating these standards and for documenting any exceptions via a deviation form. Any deviations require documented approval involving the CFO, Finance Directors, and, where relevant, GM/BU Finance (approval thresholds). Finance monitors compliance through exception reporting.
- Our **Speak Up (Whistleblowing) Policy** provides a confidential and accessible mechanism for reporting suspected misconduct, breaches of company policies, or violations of law. It is available globally to employees, suppliers, business partners and other external stakeholders who may be affected by Beaulieu's activities.

The policy ensures non-retaliation, confidentiality and secure reporting channels and supports early identification of integrity risks, including potential corruption or non-compliance in the value chain. Reports are acknowledged within seven days, with feedback provided within three months. The policy is reviewed periodically based on stakeholder feedback, legal changes and tool updates.

## Anti-bribery and anti-corruption

G1-2, G1-3, G1-4

Beaulieu's approach to business conduct is put into practice through two complementary workstreams: active anti-bribery and anti-corruption (ABAC) management and responsible supplier engagement. Our procedures for preventing, detecting, investigating and responding to corruption or bribery concerns operate across three levels, plus training:

### Prevention

- Our Code of Business Conduct and Ethics and the ABAC Policy apply to all employees, directors, officers, and internal consultants. Third parties (agents, distributors, representatives) are vetted under these policies.
- All suppliers must adhere to the Supplier Code of Conduct.
- The TPRM framework screens suppliers on ABAC, environmental, and human rights on an ongoing basis. Sanction screening is applied continuously.
- Day-to-day responsibility for anti-corruption compliance sits with the Group Legal Director, with the Board of Directors and senior leadership providing annual confirmations of compliance.

### Detection

- The Speak Up Platform is available to all employees and third parties for reporting concerns related to harassment, corruption, legal breaches, and other improper conduct.
- In 2025, internal teams were prepared and trained to carry out on-site audits for highest risk suppliers in 2026.

### Investigation and response

- Speak Up reports are investigated by Legal or HR, with acknowledgement within seven days and feedback within three months.
- Findings from TPRM and screenings inform supplier decisions and follow-up actions.
- Where sustainability or governance gaps are identified, we initiate engagement and corrective action plans, together with suppliers.

### Training

- All new white-collar employees complete web-based training with test covering the Code of Business Conduct and the ABAC Policy at onboarding.
- We aim to achieve 100% annual completion of mandatory anti-bribery and competition compliance training for all applicable employee groups.

While the policies and trainings apply to all employees, the functions most exposed to risk include all levels of management (Group, division and local), as well as procurement and sales roles.

In 2025, there were no convictions and sanctions for violation of anti-bribery and anti-corruption laws.

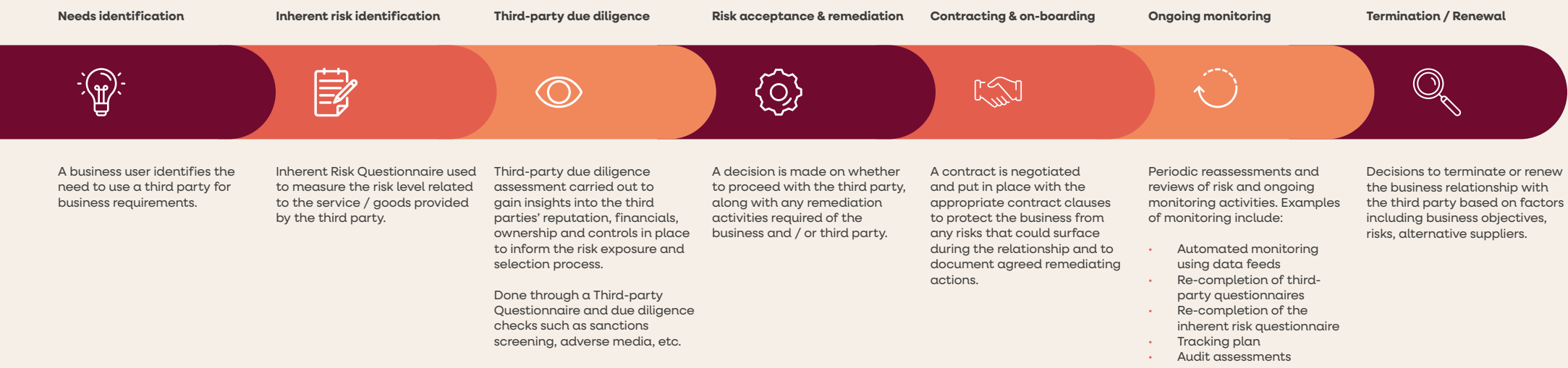
### Supplier engagement: due diligence and targeted engagement

G1-2, G1-3, G1-6

We **integrate ESG considerations into supplier selection** through our Third-Party Risk Management (TPRM) process, combined with mandatory acceptance of our Supplier Code of Conduct.

**Before onboarding**, every supplier is screened against global sanctions lists, with continuous daily rescreening thereafter. Any hits are reviewed and cleared by Group Legal before engagement can proceed.

The TPRM process follows seven steps – from (1) needs identification, (2) inherent risk assessment (IRQ), (3) risk-topic questionnaires (TPQ), (4) risk acceptance/remediation, (5) contracting/onboarding, (6) ongoing monitoring, and (7) termination/renewal. Beaulieu uses a dedicated tool to score and manage the workflow. Only after completion and documented approval can a supplier be created in master data and can contracting begin.



96%

of raw materials and good suppliers were scored (+3% vs. 2024)



To deepen our oversight, we trained procurement colleagues in 2025 to perform on-site assessments of high-risk suppliers. From 2026, whenever procurement teams visit at-risk suppliers, they will have the tools to assess ABAC, human rights and environmental criteria on site. In this way, we are adding a physical verification layer to our existing risk-based screening and questionnaire process.

In 2025, 96% of raw materials and goods suppliers were scored (+3% from 2024) and the average score went up to 45,3 (from 34 in 2021). More than 65% of suppliers now have climate commitments. Targeted engagement for 2025 focused on suppliers that did not yet demonstrate meaningful sustainability progress. More than 15 dedicated discussions led to new actions or improved transparency.

**Relationships with suppliers: fair payment practices**

G1-1, G1-2, G1-3, G1-6

Timely and fair payment is fundamental to building trust with our suppliers. Our **Payment Term Policy** sets group-wide standards for how payment terms are determined and controlled.

Standard payment terms are 60 days net for EU suppliers and 90 days end of month for non-suppliers, unless applicable law defines otherwise. Procurement is responsible for negotiating these standards and for documenting any exceptions via a deviation form. Any deviations require documented approval involving the CFO, Finance Directors, and, where relevant, GM/BU Finance (approval thresholds). Finance monitors compliance through exception reporting.

Our goal is full adherence to these standards. Currently, the vast majority of suppliers are paid within the standard payment terms, and there are no outstanding legal proceedings for late payments. We continue to monitor compliance to ensure fair payment practices are upheld across the Group.



# **FINANCIAL REPORT**

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# Financial review

## Key figures 2025

2025 was a year that demanded resilience, discipline and focus. In a business environment marked by subdued demand and geopolitical volatility, Beaulieu demonstrated financial discipline. While the results reflect the realities of the economic context, they also reveal the strength of our organization and the progress we have made toward a more robust, future-fit portfolio.

EBITDA reached 99,2 million euro in 2025, delivering a margin of 5,5%. This is slightly below last year's 5,8%, mainly due to the low cycle in our Chemicals activities. Non-recurring costs of 32,5 million euro, primarily related to restructuring and portfolio measures, brought our net result to -11,2 million euro. We closed 2025 with a net financial debt position of 9,5 million euro.

During the year, we further optimized the portfolio through targeted divestments, including the sale of Beaulieu Technical Textiles (BTT) and Tessutica, and the discontinuation of our U.S. Artificial Grass and U.S. Hard Flooring Distribution activities. We also invested in growth. The acquisition of Congoleum strengthens our position in the U.S. vinyl market, adding scale, technological capabilities, and new commercial opportunities to our Flooring activities.

Our Flooring and Industry sectors continued to benefit from the structural improvements of recent years: footprint optimization, cost enhancements, and investments in operational excellence. In Chemicals, market conditions remained particularly challenging, but our U.S. operations once again proved their resilience at the bottom of the cycle.

We look ahead with both realism and ambition. The economic and geopolitical environment in 2026 remains uncertain, yet we see clear opportunities: a gradual recovery in certain end markets, volume growth in Flooring, supported by Congoleum, and further optimization in procurement and cost structures. Our financial position remains solid, with ample liquidity and a strong focus on cash flow and working capital.

I am proud of the dedication and commitment of our teams worldwide. Thanks to their continued engagement, we remain well positioned to navigate challenging times and create sustainable long term value.



**BAREND VAN HOOREBEKE**  
CHIEF FINANCIAL OFFICER

## Consolidated key figures

In million EUR	2025	2024	2023
<b>Income statement</b>			
Turnover	1.788,4	1.988,1	1.965,3
Operating profit before non-recurring items	45,6	63,5	51,5
EBITDA	99,2	116,1	98,1
EBIT	33,4	51,1	39,1
Net result	-11,2	-11,1	2,0
<b>Balance sheet</b>			
Equity	684,0	708,9	730,3
Net cash position	-9,5	-1,8	-3,0
Total assets	1.160,6	1.215,4	1.258,3
Capital expenditure	56,3	78,3	80,7
Working capital	295,4	338,2	349,6
Capital employed	736,1	764,0	796,1
<b>Ratios</b>			
EBITDA on sales	5,5%	5,8%	5,0%
Solvency - Equity ratio	58,9%	58,3%	58,0%
ROCE	4,5%	6,7%	4,9%

### Definitions (non-GAAP 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
- **Operational costs** = purchase of goods + changes in inventory raw materials and finished goods + services & other + remuneration cost + depreciations + write-down on inventory and trade receivables + provisions + other operating income and costs + own produced fixed assets

# Financial highlights

## Consolidated income statement

**Consolidated sales** for 2025 amounted to 1,8 billion euro, a decrease of 200 million euro or 10% versus 2024. That decline was driven by a combination of slightly lower sales volume and the pass-through effects of lower raw material prices into selling prices across our Chemicals and Industry businesses.

**The Group operating result** before non-recurring items was 45,6 million euro, compared to 63,5 million euro in 2024. The year-on-year decline was fully attributable to the Chemicals business moving through the bottom of the cycle. Our Flooring business, on the other hand, improved its performance through disciplined margin management and the closure of unprofitable businesses. Consequently, we achieved an operating profit margin of 2,6% on turnover.

**Operational costs** amounted to 181,9 million euro across all business segments, a 9,4% decrease, due to:

- Purchasing costs decreased by 149,0 million euro. Relative to sales, they decreased from 62% to 61%, demonstrating our ability to withstand price erosion and reflecting lower raw material prices.
- Services & other goods expenses decreased by 30,7 million euro, mainly driven by optimized cost structures and easing energy prices in Europe compared to the high prices seen in 2024.
- Remuneration expenses decreased by 8,8 million euro, largely as a result of the divestments completed during the year.
- Depreciation on (in)tangible fixed assets increased by 2,5 million euro.

Non-recurring items had a net impact of -32,5 million euro, mainly due to non-recurring financial expenses that were driven by non-cash impacts of 2025 divestment and discontinuations. The non-recurring operational costs included restructuring costs, which were partially offset by gains on the sale of fixed assets. The discontinuation of finishing activities at the needle felt plant in Oostrozebeke (Belgium) accounted for the majority of the restructuring costs.

An impairment test review was conducted at the end of the year. Based on its outcome, we determined that there was no need for an additional non-cash write-down on our Russian operations.

**Interest and other debt-related expenses** amounted to 6,3 million euro, a decrease of 2,5 million euro. The interest income from current assets was 7,6 million euro, 2,1 million euro higher than in 2024.

**Income taxes** were 13,4 million euro, down 6,7 million euro against last year – mainly due to the lower operational result.

**The net result** for 2025 was -11,2 million euro, consistent with the result reported in 2024.

## Consolidated balance sheet

The **total balance sheet** stood at 1.160,6 million euro on 31 December 2025, compared to 1.215,4 million euro at the end of 2024.

**Tangible and intangible fixed assets** (including goodwill) amounted to 439,6 million euro at the end of 2025, up from 425,0 million euro a year earlier. Across the Group, investments in (in-)tangible fixed assets totaled 55,3 million euro.

Total **working capital** decreased from 338,2 million euro at the end of 2024 to 295,4 million euro in 2025, an improvement of 42,8 million euro (absolute terms). This was mainly driven by lower trade receivables (-36,3 million euro) and inventories (-28,4 million euro), partly offset by a decrease in trade payables (-26,7 million euro). In relative terms, total working capital decreased from 17,0% of sales at the end of 2024 to 16,5% at year-end 2025.

**Russian subsidiaries** contributed 144,7 million euro to the total balance sheet.

Our **net financial position** remains robust, with ample liquidity headroom, representing a net debt position of 9,5 million euro at year-end 2025. Of this, 58,3 million euro relates to cash held by our Russian subsidiaries, which is subject to distribution limitation and local regulatory restrictions.

**Shareholders' equity** decreased from 708,9 million euro to 684,0 million euro, a reduction of 24,9 million. This decline was mainly driven by the net result of -11,4 million euro (Group share), a dividend distribution of 10 million euro and a negative foreign translation difference of 3,1 million euro. This resulted in a solvency ratio of 58,9% in 2025, compared to 58,3% in 2024, reflecting a continued strong balance sheet position.

## Consolidated cash flow

In 2025, we improved our operating cash flow to 105,4 million euro, driven by an EBITDA of 99,2 million euro and a strong working capital release (42,8 million euro). This again reflects our continued focus on cash management and liquidity preservation.

After capital expenditure of 55,3 million euro, we reported a consolidated free cash flow of 57,8 million euro, before the impact of scope changes.

Our cash balance stood at 155,0 million euro, broadly in line with 2024 (162,9 million euro). Short-term financial debt rose by 14,9 million euro.

## Segment information

In 2025, Beaulieu operated against the backdrop of a cyclical downturn in Chemicals and overall demand softness. Nevertheless, we maintained resilience through financial discipline and focused portfolio management.

**Chemicals** volumes declined slightly, mainly due to weaker demand in the U.S. European volumes remained relatively stable, supported by resilient demand in core segments and stable intercompany offtake. Still, margins in Europe were compressed due to oversupply and increased competition from imports, while the structural feedstock advantage supported margin resilience of the U.S. business.

**Industry** experienced lower demand and headwinds from the pass-through effect of declining raw material prices. This was partly offset by sourcing improvements and cost structure optimization, which helped protect profitability.

**Flooring** significantly improved its financial performance, driven by strong results in cushion vinyl across key regions and the strategic discontinuation of non-profitable activities, notably U.S. Artificial Grass and the distribution of LVT and laminate products in the U.S.

**Distribution** delivered steady growth, supported by strong momentum in Canada - due to local production. In Oceania, market conditions remained challenging, while Ukraine outperformed expectations despite ongoing volatility.

# Outlook

Heading into 2026, we expect a gradually improving but still uncertain business environment. A modest recovery in the consumption of durable goods should support volume-led growth across our segments. The integration of recent acquisitions and strategic partnerships will further strengthen our global platforms and contribute to commercial momentum.

Industry volumes are expected to grow more cautiously, while Chemicals is likely to remain in a lower cycle. However, recent geopolitical developments may positively impact supply-demand dynamics, and the U.S. business is expected to benefit from higher propylene prices. Reduced import pressure also creates opportunities for local European producers.

In a context of continued market volatility and geopolitical tension, our priorities remain clear:

- Drive **topline growth through volume**, supported by strong commercial execution.
- Strengthen **margin resilience** through procurement optimization, cost discipline, and ongoing restructuring initiatives.
- Maintain a sharp **focus on cash**, with disciplined capex and sustained working capital management.
- **Advance our portfolio strategy**, scaling global platforms and accelerating growth in regional and specialized businesses.

Our solid financial position and ample liquidity provide the foundation to execute our strategy with confidence. With disciplined execution and the continued commitment of our teams, we are well positioned to navigate uncertainty and capture the opportunities that 2026 will bring.



# 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, the operating income line item 'changes in inventories of finished goods and work in progress' (-29,6 million euro) was presented under 'Raw materials, consumables, trade goods, finished goods and work in progress'; the operating income line items 'fixed assets - own construction' (7,4 million euro) was presented under 'other operating income'.

In thousand EUR	2025	2024
<b>Turnover</b>	<b>1.788.445</b>	<b>1.988.146</b>
Raw materials, consumables and trade goods	-1.062.603	-1.249.803
Changes in inventory	-25.628	12.598
Services and other goods	-335.294	-365.950
Remuneration, social sec. costs and pensions	-277.250	-286.057
Depreciations	-63.543	-61.022
Write downs stock and trade debtors	583	-1.321
Provisions for liabilities and charges	-521	-64
Other operating income	30.797	37.632
Other operating expenses	-9.350	-10.680
<b>Operating profit before non-recurring items</b>	<b>45.635</b>	<b>63.478</b>
Interest and other debt expenses	-6.327	-8.896
Income from financial assets	7.639	5.523
Depreciation goodwill	-2.309	-2.614
Other financial income	22.960	18.373
Other financial expense	-32.867	-28.161
<b>Financial result before non-recurring items</b>	<b>-10.903</b>	<b>-15.774</b>
Non-recurring operating income and expense	-9.617	-39.137
Non-recurring financial income and expense	-22.915	461
<b>Non-recurring results</b>	<b>-32.531</b>	<b>-38.676</b>
<b>Profit before taxes</b>	<b>2.200</b>	<b>9.028</b>
Income taxes (current and deferred)	-13.368	-20.101
<b>Result for the period</b>	<b>-11.167</b>	<b>-11.072</b>
<b>Result for the period: attributable to</b>	<b>-11.167</b>	<b>-11.072</b>
Share of the group	-11.436	-12.201
Share of non-controlling interest	269	924

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

In thousand EUR	2025	2024
<b>Profit before taxes</b>	<b>2.200</b>	<b>9.028</b>
+ Interest and other debt expenses	6.327	8.896
+ Income from financial assets	-7.639	-5.523
+ Non-recurring operating income and expenses	9.617	39.137
+ Non-recurring financial income and expenses	22.915	-461
<b>EBIT</b>	<b>33.420</b>	<b>51.077</b>
+ Depreciations	63.543	61.022
+ Depreciation goodwill	2.309	2.614
+ Write downs stock and trade debtors	-583	1.321
+ Provisions for liabilities and charges	521	64
<b>EBITDA</b>	<b>99.210</b>	<b>116.098</b>

## Consolidated balance sheet

In thousand EUR	2025	2024
Goodwill and intangible fixed assets	50.335	46.233
Tangible fixed assets	389.240	378.801
Financial fixed assets	1.065	725
<b>Total fixed assets</b>	<b>440.641</b>	<b>425.759</b>
Inventories	310.469	338.891
Trade receivables	221.279	257.603
Other receivables	14.307	10.549
Cash and cash equivalents	155.049	162.909
Deferred expenses and accrued income	18.808	19.692
<b>Total current assets</b>	<b>719.912</b>	<b>789.644</b>
<b>TOTAL ASSETS</b>	<b>1.160.553</b>	<b>1.215.403</b>

In thousand EUR	2025	2024
Share capital	227.002	227.002
Retained earnings and reserves	523.273	545.003
Translation differences	-66.245	-63.118
<b>Total equity</b>	<b>684.030</b>	<b>708.887</b>
<b>Non-controlling interest</b>	<b>918</b>	<b>1.183</b>
Provisions for liabilities	24.829	37.562
Deferred taxes	16.441	14.169
<b>Total provisions and deferred taxes</b>	<b>41.270</b>	<b>51.731</b>
Financial debts	222	624
Other non-current liabilities	289	404
<b>Total non-current liabilities</b>	<b>511</b>	<b>1.028</b>
Financial debts	164.376	164.068
Trade payables	190.678	217.351
Employee benefit obligations and tax payables	52.669	49.781
Other current liabilities	8.000	4.641
Accrued charges and deferred income	18.100	16.733
<b>Total current liabilities</b>	<b>433.824</b>	<b>452.573</b>
<b>TOTAL LIABILITIES</b>	<b>1.160.553</b>	<b>1.215.403</b>

## Consolidated cash flow

In thousand EUR	2025	2024
<b>Net result</b>	<b>-11.167</b>	<b>-11.277</b>
Non-cash movements	72.684	87.006
Increase (-) / decrease (+) in working capital	43.878	573
<b>Cash flow from operating activities</b>	<b>105.394</b>	<b>76.302</b>
Additions of (in)tangible fixed assets (-)	-55.346	-78.265
Disposals of (in)tangible fixed assets (+)	7.750	14.180
Scope change (acquisitions, divestments and other investments)	-57.768	-9.497
<b>Cash flow from investing/divesting activities</b>	<b>-105.364</b>	<b>-73.581</b>
<b>Consolidated free cash flow</b>	<b>30</b>	<b>2.721</b>
Dividends received (+) / paid (-)	-10.115	-1.391
Net debt movements	14.886	-3.724
<b>Cash flow from financing activities</b>	<b>4.771</b>	<b>-5.115</b>
<b>Net change in cash and cash equivalents</b>	<b>4.801</b>	<b>-2.394</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>162.909</b>	<b>161.634</b>
Conversion difference on net cash	-12.662	3.669
<b>Cash and cash equivalents at the end of the year</b>	<b>155.049</b>	<b>162.909</b>

# Notes to the selected financial information

## General

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

The Company’s total consolidated equity was 684,0 million euro in 2025, compared to 708,9 million euro in 2024. This includes a share capital of 227 million euro, represented by 758.548 capital shares. The consolidated financial statements for the period beginning on 1 January 2025 and ending on 31 December 2025, from which the selected financial information has been derived, are subject to approval by the shareholders meeting of the Company on 26 May 2026.

## 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.

## Functional and presentation currency

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

## 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.

# Significant accounting policies

## 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 to 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 Company's functional currency). 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.

## 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 five or ten years. Positive consolidation differences are subject to impairment reviews, in alignment with macroeconomic, geopolitical evolutions, or based on technological developments.

## Intangible fixed assets

Intangible fixed assets comprise development costs, concessions, patents, software and licenses, know-how, trademarks and other similar rights, and 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.

## 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: 3%-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.

## 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.

## 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 are receivables that need to be impaired. A trade receivable is impaired if there is a chance that the entity will not, or will only partially, collect the amounts due.

## Amounts payable within one year

The amount payables are recorded at amortized cost.

## 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 refer to. For instance, it comprises prepaid/accrued interests, rent, insurance premiums, commercial entrance fees, fair fees, etc.

## Deferred taxes

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

## Provisions for liabilities and charges

Provisions are recognized when the following three conditions are met:

- There is a current legal or constructive obligation because 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 to be paid.

## Revenue recognition

Revenue represents the net amounts invoiced to external customers for goods and services, excluding value added and sales taxes, 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 endcustomer), adequate provisions for the estimated (future) costs involved should be accounted for (e.g. based on historical data).

## 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. Examples include, but are not limited to:

- 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) arising from (inter)national legal disputes.
- Costs of advisory fees related to acquisitions or divestments.

## Non-controlling interests

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

## Turnover by segment

Turnover (in thousand EUR)	2025 Consolidated third-party sales	2025 Consolidated sales	2024 Consolidated third-party sales	2024 Consolidated sales
Chemicals	551.334	613.099	709.634	786.137
Industry	261.775	382.168	280.226	402.147
Flooring	736.090	649.133	717.757	615.895
Distribution	192.649	192.655	199.147	199.154
Other	46.597	43.673	81.383	92.656
Intersegment	0	-92.284	0	-107.843
<b>CONSOLIDATED</b>	<b>1.788.445</b>	<b>1.788.445</b>	<b>1.988.146</b>	<b>1.988.146</b>

# Balance sheet items

## Goodwill & intangibles

in thousand EUR	R&D	Concessions, patents and similar rights	Goodwill	Consolidation goodwill	Other	Total intangible fixed assets
<b>ACQUISITION VALUE</b>						
<b>Balance on 31 December 2023</b>	<b>21.859</b>	<b>116.611</b>	<b>280</b>	<b>122.667</b>	<b>4</b>	<b>261.422</b>
Additions	1.764	7.601				9.365
Disposals and retirements (-)		166				166
Transfer to other asset categories		1.389				1.389
Effect of foreign currency exchange differences (+/-)		1.311				1.312
Other movements		284		1.517		1.802
<b>Balance on 31 December 2024</b>	<b>23.623</b>	<b>127.031</b>	<b>280</b>	<b>124.185</b>	<b>4</b>	<b>275.123</b>
Additions	1.747	7.275				9.023
Disposals and retirements (-)	33	1.408				1.441
Transfer to other asset categories		520				520
Effect of foreign currency exchange differences (+/-)		-3.365				-3.365
Other movements	-100	2.965	-252	4.925		7.539
<b>Balance on 31 December 2025</b>	<b>25.237</b>	<b>133.018</b>	<b>29</b>	<b>129.110</b>	<b>4</b>	<b>287.398</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>						
<b>Balance on 31 December 2023</b>	<b>19.165</b>	<b>87.793</b>	<b>250</b>	<b>107.435</b>	<b>4</b>	<b>214.646</b>
Depreciations recorded	1.447	9.013		2.614		13.074
Disposals and retirements (-)		166				166
Transfer to other asset categories		-1				-1
Effect of foreign currency exchange differences (+/-)		1.339	-2			1.337
Other movements						0
<b>Balance on 31 December 2024</b>	<b>20.612</b>	<b>97.978</b>	<b>248</b>	<b>110.049</b>	<b>4</b>	<b>228.890</b>
Depreciations recorded	1.767	8.501		2.309		12.577
Disposals and retirements (-)		1.408				1.408
Transfer to other asset categories		-511				-511
Effect of foreign currency exchange differences (+/-)		-3.146	4			-3.142
Other movements	-100	-1.229	-252	2.236		656
<b>Balance on 31 December 2025</b>	<b>22.279</b>	<b>100.185</b>	<b>0</b>	<b>114.594</b>	<b>4</b>	<b>237.062</b>
<b>CARRYING AMOUNT</b>						
<b>Balance on 31 December 2024</b>	<b>3.011</b>	<b>29.054</b>	<b>33</b>	<b>14.136</b>	<b>0</b>	<b>46.233</b>
<b>Balance on 31 December 2025</b>	<b>2.958</b>	<b>32.833</b>	<b>29</b>	<b>14.516</b>	<b>0</b>	<b>50.335</b>

In 2025, the carrying amount of intangible fixed assets increased by 4,1 million euro to 50,3 million euro.

## Tangible assets

In thousand EUR	Land & buildings	Plant machinery & equipment	Furniture & vehicles	Leasing, other similar rights	Other tangible assets	Assets under construction	Total tangible fixed assets
<b>ACQUISITION VALUE</b>							
<b>Balance on 31 December 2023</b>	<b>387.902</b>	<b>1.139.508</b>	<b>68.889</b>	<b>454</b>	<b>7.662</b>	<b>56.046</b>	<b>1.660.462</b>
Additions	12.800	8.749	2.906		97	44.484	69.037
Disposals and retirements (-)	18.149	36.693	8.546		333	149	63.870
Transfer to other asset categories	13.537	-16.573	412	1	58.745	-57.510	-1.388
Effect of foreign currency exchange differences (+/-)	2.482	5.922	302	29	2	-1.336	7.399
Other movements	-158			2		-14	-171
<b>Balance on 31 December 2024</b>	<b>398.413</b>	<b>1.100.913</b>	<b>63.962</b>	<b>485</b>	<b>66.174</b>	<b>41.522</b>	<b>1.671.469</b>
Additions	7.136	10.293	1.888		127	26.741	46.186
Disposals and retirements (-)	12.143	27.402	3.355		6.138	1.968	51.005
Transfer to other asset categories	6.848	37.762	1.811		1.419	-55.698	-7.858
Effect of foreign currency exchange differences (+/-)	-9.163	-24.336	-1.759	-34	2	1.188	-34.103
Other movements	14.399	-48.751	-2.376	-351	-338	1.426	-35.991
<b>Balance on 31 December 2025</b>	<b>405.490</b>	<b>1.048.479</b>	<b>60.171</b>	<b>100</b>	<b>61.246</b>	<b>13.211</b>	<b>1.588.698</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>							
<b>Balance on 31 December 2023</b>	<b>246.999</b>	<b>948.264</b>	<b>52.963</b>	<b>445</b>	<b>4.469</b>	<b>8.319</b>	<b>1.261.460</b>
Depreciations recorded	17.415	50.459	3.790	4	7.730	2.286	81.684
Disposals and retirements (-)	13.877	34.415	8.297		319		56.908
Transfer to other asset categories	782	-39.126	-383	1	44.546	-5.820	-1
Effect of foreign currency exchange differences (+/-)	1.182	5.226	284	28	1	-286	6.435
Other movements				-2			-2
<b>Balance on 31 December 2024</b>	<b>252.502</b>	<b>930.407</b>	<b>48.357</b>	<b>474</b>	<b>56.427</b>	<b>4.499</b>	<b>1.292.668</b>
Depreciations recorded	11.008	38.686	3.915	4	900	30	54.543
Disposals and retirements (-)	9.847	26.292	3.148		6.081	1.782	47.151
Transfer to other asset categories	-338	-6.255	-163		-71		-6.827
Effect of foreign currency exchange differences (+/-)	-4.575	-19.952	-1.261	-33	1	383	-25.435
Other movements	-784	-64.748	-2.197	-345	-265		-68.340
<b>Balance on 31 December 2025</b>	<b>247.967</b>	<b>851.847</b>	<b>45.504</b>	<b>100</b>	<b>50.910</b>	<b>3.129</b>	<b>1.199.458</b>
<b>CARRYING AMOUNT</b>							
<b>Balance on 31 December 2024</b>	<b>145.910</b>	<b>170.506</b>	<b>15.605</b>	<b>11</b>	<b>9.747</b>	<b>37.023</b>	<b>378.801</b>
<b>Balance on 31 December 2025</b>	<b>157.523</b>	<b>196.632</b>	<b>14.668</b>	<b>0</b>	<b>10.335</b>	<b>10.082</b>	<b>389.240</b>

In 2025, the carrying amount of tangible fixed assets increased by 10,4 million euro to 389,2 million euro. Growth was recorded in land & buildings (11,6 million euro) and plant, machinery & equipment (26,1 million euro), mainly driven by the acquisition of Congoleum. The decrease in assets under construction reflects the completion and reclassification of several large strategic projects into their respective asset categories.

## Trade & other receivables

In thousand EUR	2025	2024
Trade receivables	208.451	242.726
Bills receivable	1.764	1.781
Income receivable	4.850	4.043
Advance payments	6.596	9.266
Write down / Advance payments (-)	-318	-247
Doubtful receivables	2.281	4.592
Write down / Doubtful receivables (-)	-2.345	-4.558
<b>Total trade receivables</b>	<b>221.279</b>	<b>257.603</b>
Other amounts receivable more than 1 year	149	229
Other amounts receivable within 1 year	14.158	10.320
<b>Total other amounts receivable</b>	<b>14.307</b>	<b>10.549</b>
<b>TOTAL</b>	<b>235.586</b>	<b>268.151</b>

The carrying amount of trade & other receivables decreased by 32,6 million euro, driven primarily by lower trade receivables (-34,3 million euro), partially offset by higher taxes receivable (+3,8 million euro).

## Statement changes in equity

In thousand EUR	Capital	Reserves	Translation differences	Total equity
<b>Balance on 31 January 2023</b>	<b>227.002</b>	<b>557.141</b>	<b>-53.852</b>	<b>730.291</b>
Profit of the period		-12.201		-12.201
Change in translation differences			-9.266	-9.266
Dividends				0
Changes in consolidation scope				0
Other movements		63		63
<b>Balance on 31 January 2024</b>	<b>227.002</b>	<b>545.003</b>	<b>-63.118</b>	<b>708.887</b>
Profit of the period		-11.436		-11.436
Change in translation differences			-3.127	-3.127
Dividends		-10.000		-10.000
Changes in consolidation scope				0
Other movements		-294		-294
<b>Balance on 31 January 2025</b>	<b>227.002</b>	<b>523.273</b>	<b>-66.245</b>	<b>684.030</b>

In 2025, total equity decreased by 24,9 million euro (3,51%) to 684 million euro, driven by the Group's net result of -11,4 million euro, a dividend distribution of 10,0 million euro, and an unfavorable currency translation impact of -3,1 million euro.

## Provision for liabilities and charges

In thousand EUR	2025	2024
Pensions and similar obligations	4.857	4.508
Taxes	2.966	3.689
Major repairs and maintenance	514	1.021
Environmental liabilities	1.272	1.272
Other liabilities and charges	15.219	27.071
<b>Provisions for liabilities</b>	<b>24.829</b>	<b>37.562</b>

The overall provisions decreased by 12,7 million euro in. The 11,8 million euro decrease in the 'Other liabilities and charges' category is attributable to executed restructuring charges.

## Financial debt

In thousand EUR	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Leasing and similar obligations				0
Credit institutions	164.068	624		164.692
Other loans				0
<b>Balance on 31 January 2024</b>	<b>164.068</b>	<b>624</b>	<b>0</b>	<b>164.692</b>
Leasing and similar obligations				0
Credit institutions	164.376	133		164.510
Other loans		89		89
<b>Balance on 31 January 2025</b>	<b>164.376</b>	<b>222</b>	<b>0</b>	<b>164.599</b>

The total financial debt decreased by 0,1 million euro in 2025.



## Trade and other payables

In thousand EUR	2025	2024
<b>Trade payables</b>	<b>190.678</b>	<b>217.351</b>
Remuneration and social security costs	44.654	42.723
Taxes & VAT payable	8.016	7.058
<b>Employee benefit obligations and tax payables</b>	<b>52.669</b>	<b>49.781</b>
Other non-current liabilities	289	404
Other current liabilities	8.000	4.641
<b>Other liabilities</b>	<b>8.289</b>	<b>5.046</b>
<b>TOTAL</b>	<b>251.636</b>	<b>272.177</b>

In 2025, the total trade and other payables decreased by 20,5 million euro to 251,6 million euro, driven by trade payables (- 26,7 million euro), remuneration and social security costs (+ 1,9 million euro), taxes & VAT payables (+ 1,0 million euro) and other current liabilities (+ 3,4 million euro).

## Non-recurring income and expenses

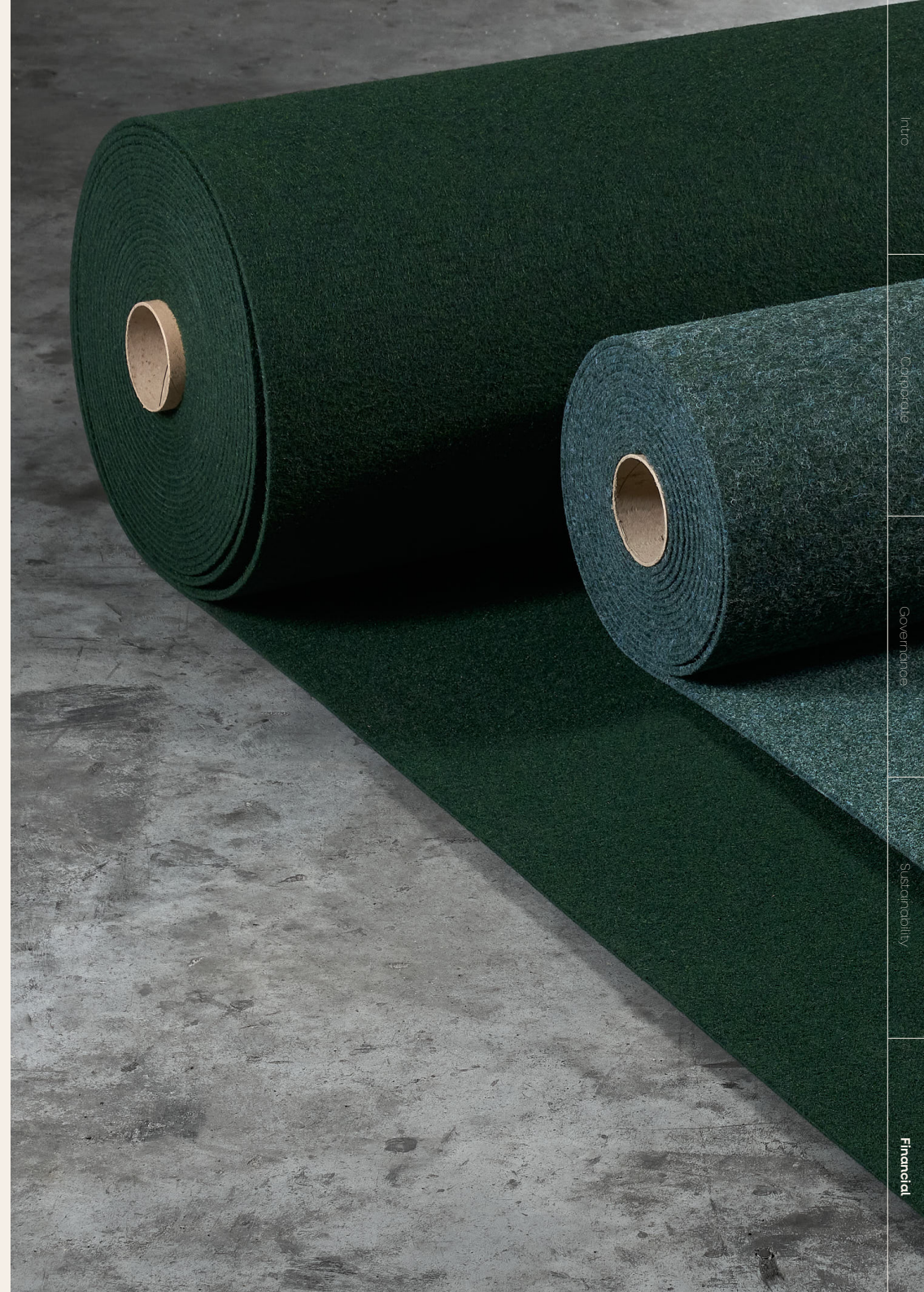
In thousand EUR	2025	2024
<b>Non-recurring operating income</b>	<b>4.650</b>	<b>15.377</b>
Reversal of depreciation and impairments of (in)tangible fixed assets	0	0
Reversal of provisions for extraordinary liabilities and charges	0	0
Gains on disposal of intangible and tangible fixed assets	3.593	8.441
Other non-recurring operating income	1.056	6.937
<b>Non-recurring operational charges</b>	<b>14.266</b>	<b>54.514</b>
Depreciation and amortisation of (in)tangible fixed assets	1.332	31.130
Provisions for extraordinary liabilities and charges (additions)	-13.318	-1.556
Losses on realisation of intangible and tangible fixed assets	132	720
Other non recurring operational charges	26.121	24.219
<b>Non-recurring financial income</b>	<b>617</b>	<b>816</b>
Gains on disposal of financial fixed assets	0	0
Other non-recurring financial income	617	816
<b>Non-recurring financial charges</b>	<b>23.532</b>	<b>355</b>
Loss on disposal of financial fixed assets	19.796	206
Other non-recurring financial charges	3.737	149
<b>TOTAL</b>	<b>-32.531</b>	<b>-38.676</b>

Non-recurring items had a net impact of -32,5 million euro. The non-recurring operational charges comprise mainly non-cash costs related to divestments and restructuring charges, partially offset by gain on the sale of fixed assets.

## Deferred and income tax

In thousand EUR	2025	2024
<b>Deferred taxes</b>	<b>-2.448</b>	<b>872</b>
<b>Income taxes</b>	<b>-10.919</b>	<b>-20.972</b>
Income taxes	-11.296	-21.139
Adjustments of income taxes and WB of tax pr	377	166
<b>TOTAL</b>	<b>-13.368</b>	<b>-20.101</b>

Tax cost decreased by 6,7 million euro in 2025.



# Risks, uncertainties and contingencies

Like any other company, Beaulieu is exposed to market operational and financial risks that affect its assets and liabilities. The main market risks 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. The Group mainly hedges the risks that affect its cash flow.

## Exchange rate risk (currency risk)

Through the international operations of its affiliates, the Group is exposed to both translational and transactional foreign exchange risks.

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 investments (acquisitions, dividend payments), financing (financial liabilities in foreign currency) and operating activities (commercial activities with sales and purchases in foreign currencies):

- The currency risk resulting from investing activities is hedged if material exposure arises.
- Beaulieu's policy requires that each entity is financed in its functional currency. Any currency risk arising from financing activities should therefore be fully hedged, where market conditions allow. For currency risk arising from commercial activities, the Group applies the following hedging principles: firm commitments (transactions recorded on the balance sheet) are fully hedged, highly probable forecasted exposure (based on sales or purchase orders) are hedged between 75 and 80%.

## Interest rate risk

Interest rate risk arises from the fluctuation of short- and long-term interest rates which may impact the Group's future cash flows. Given the Group's current debt situation, the main interest rate risk on debt relates to the euro, U.S dollar and Chinese renminbi denominated debt which is short term and at floating interest.

## Liquidity risk

Liquidity risk is the risk that the Group would be unable to meet its short-term financial obligations as they fall due. The Group monitors these obligations on an ongoing basis. To ensure liquidity and financial flexibility at all times, the Group maintains uncommitted short-term credit lines at its disposal in euro, U.S. dollar and 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. Since this facility matures at the end of May 2026, the renewal process was initiated in December 2025. Additionally, a 20 million euro Commercial Paper program is in place. At year-end 2025, the outstanding amount on the syndicated credit facility was 140 million euro.

## Financial instruments

### Credit risk

The Group is exposed to credit risk arising from its operating activities. The bad debt exposure depends on the solvability of its customers and is therefore dependent on the economic environment in which they operate. More than 90% of our outstanding receivables are covered by our external credit insurance agreements. In case customers are not (sufficiently) insured, the Group applies a credit policy that considers customers' risk profiles such as market segment, product sector, and geographical area. Based on these characteristics, a credit risk analysis is performed for individual customers. An assessment is made of the extent to which the risk is covered, and this is monitored on an ongoing basis. We believe the risk of non-recoverability to be limited, given the reputation and solvency of our clients, the diversification of our customer portfolio, and the constant monitoring of outstanding receivables.

### Commodity risk

Commodity risk is the risk that future income fluctuates due to changes in commodity prices. Where possible, this 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, this spread risk is also present in the Industry sector.

The Group only enters into financial derivatives where there is an underlying transaction or a forecasted exposure. Speculative positions are not allowed. As financial instruments are initially valued at historical cost, they are periodically revalued to reflect current market prices. In line with the prudence principle, any remaining unrealized losses are recognized in the result, while unrealized gains are recorded on the balance sheet.

The following table summarizes the situation at the end of 2025:

Instrument	Notional volume	MtoM
FX Forward	46,2 million EUR	-0,3 million EUR
FX Swap	79,7 million EUR	-0,2 million EUR
Commodity swaps	-	-

## Important post balance sheet events

Since the close of the financial year on 31 December 2025, significant post-balance sheet events have occurred.

On 11 February 2026, the acquisition of all shares of IFG Asota GmbH was finalized, making Beaulieu International Group NV the sole shareholder of IFG Asota GmbH, a company active in the global synthetic staple fibres market.

In addition, on 24 February 2026, Beaulieu International Group NV signed a memorandum of understanding with Alujain Corporation for the establishment of a strategic joint venture in Saudi Arabia.

Geopolitical tensions, including the conflict with Iran, have increased uncertainty in international energy and commodity markets in 2026.

## Commitments

In our Polymers segment, we have significant purchase agreements for raw materials. Polychim Industrie has an agreement for the annual purchase of a minimum of 150 thousand tons of propylene until the end of 2026. Pinnacle Polymers has an agreement for the annual purchase of a minimum of 397 thousand tons of propylene until the end of 2029. In addition, we have entered into operating leases to finance certain buildings, fleet, rail cars etc., which are recorded off-balance sheet.

## Key differences between BEGAAP and IFRS

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

## Auditor's Report – KPMG

Beaulieu International Group NV has prepared its consolidated financial statements in accordance with the accounting principles applicable in Belgium ("BEGAAP"). The financial information contained in this Annual Report has been derived from the audited consolidated financial statements of Beaulieu International Group NV for the fiscal year ending 31 December 2025 and supplemented with selected relevant financial information.

The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by 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 26 May 2026, and will be available on the website of the National Bank ([www.balanscentrale.be](http://www.balanscentrale.be)).



# List of entities

Beaulieu International Group entity	Country of Incorporation	% of ownership in 2025	% of ownership in 2024	Consolidation method
B.I.G. Finance Australia PTY LTD	Australia	100,00%	100,00%	I
B.I.G. Invest Australia PTY LTD	Australia	100,00%	100,00%	I
Beaulieu of Australia	Australia	100,00%	100,00%	I
Signature Floorcoverings PTY LTD	Australia	100,00%	100,00%	I
B.I.G. Floorcoverings NV	Belgium	100,00%	100,00%	I
B.I.G. Yarns Europe NV/SA	Belgium	100,00%	100,00%	I
Beaulieu Fabrics NV	Belgium	100,00%	100,00%	I
Beaulieu Fibres International NV	Belgium	100,00%	100,00%	I
Beaulieu ICT NV	Belgium	100,00%	100,00%	I
Magnifield Europe NV	Belgium	100,00%	100,00%	I
Beaulieu Technical Textiles NV	Belgium	0,00%	100,00%	I
Beaulieu Real Estate NV	Belgium	100,00%	100,00%	I
Beaulieu Residential NV	Belgium	100,00%	100,00%	I
BELOS NV	Belgium	100,00%	100,00%	I
Beroclease NV	Belgium	100,00%	100,00%	I
BerryAlloc NV	Belgium	100,00%	100,00%	I
BFS Europe NV	Belgium	100,00%	100,00%	I
Burchtdam NV	Belgium	100,00%	100,00%	I
Goed Ter Lembeek NV	Belgium	100,00%	100,00%	I
Interdeko NV	Belgium	100,00%	100,00%	I
Oostimmo NV	Belgium	100,00%	100,00%	I
Tessutica NV	Belgium	0,00%	100,00%	I
Beaulieu Canada LTD	Canada	100,00%	100,00%	I
Beaulieu Yarns (Weihai) Co Ltd.	China	100,00%	100,00%	I
Beaulieu Management Consulting (Shanghai) Co	China	100,00%	100,00%	I
Beaulieu Rihzao Floorcoverings Ltd	China	100,00%	100,00%	I
Beaulieu Technical Textiles Weihai Ltd. Co	China	0,00%	100,00%	I
B.I.G. Floorcoverings France SAS	France	100,00%	100,00%	I
B.I.G. Yarns France SA	France	100,00%	100,00%	I
Beaulieu Finance France SAS	France	100,00%	100,00%	I
BRE France SAS	France	100,00%	100,00%	I
Berry Wood SAS	France	100,00%	100,00%	I
Distriplast Flandre SAS	France	100,00%	100,00%	I
Polychim Industrie SA	France	100,00%	100,00%	I
Polychim SAS	France	100,00%	100,00%	I
B.I.G. Floorcoverings GMBH	Germany	100,00%	100,00%	I
Beaulieu Investment Asia Co Limited	Hong-Kong	100,00%	100,00%	I
Tiane Holding LTD	Hong-Kong	0,00%	100,00%	I
Beaulieu Fibres International Terni SRL	Italy	100,00%	100,00%	I

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# List of entities

Beaulieu International Group entity	Country of Incorporation	% of ownership in 2025	% of ownership in 2024	Consolidation method
Beaulieu Immobiliare Italia SRL	Italy	100,00%	100,00%	I
Beaulieu Japan K.K.	Japan	100,00%	100,00%	A
B.I.G. Flooring Kazakhstan LLP	Kazakhstan	100,00%	100,00%	I
Signature Floorcoverings PTY Limited	New Zealand	100,00%	100,00%	I
Alloc A.S.	Norway	100,00%	100,00%	I
Fibovelen 26 AS	Norway	100,00%	100,00%	I
Beaulieu Polska	Poland	100,00%	100,00%	I
Tessutica Romania	Romania	0,00%	100,00%	I
BIG Russia LLC	Russia	100,00%	100,00%	A
OOO Juteks Russia	Russia	100,00%	100,00%	I
Opus TD OOO	Russia	100,00%	100,00%	I
Juteks d.o.o. Slovenia	Slovenia	100,00%	100,00%	I
Berry Iberica SA	Spain	100,00%	100,00%	I
Doménech Hermanos	Spain	100,00%	100,00%	I
BerryAlloc AB	Sweden	100,00%	100,00%	I
B.I.G. Floorcoverings UK Ltd.	UK	100,00%	100,00%	I
B.I.G. Flooring Ukraine	Ukraine	100,00%	100,00%	I
Act Global Americas INC	USA	100,00%	100,00%	I
Beauflor USA LLC	USA	100,00%	100,00%	I
B.I.G. Act Global LLC	USA	100,00%	100,00%	I
B.I.G. Congol LLC	USA	100,00%	0,00%	I
BIG USA Inc	USA	100,00%	100,00%	I
BIG USA Real Estate LLC	USA	100,00%	100,00%	I
Cedarhurst RE LLC	USA	100,00%	0,00%	I
Marcus Hook RE LLC	USA	100,00%	0,00%	I
New Congol LLC	USA	100,00%	0,00%	I
Pinnacle Polymers LLC	USA	96,76%	96,76%	I
Polychim USA Inc	USA	100,00%	100,00%	I
Xtreme Turf INC	USA	100,00%	100,00%	I

I = Integral consolidation

A = At acquisition value included under financial participations - not significant

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