RECTICELGROUP

Leading the way in future-smart insulation

2024 Annual Report

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The European Single Electronic Format (ESEF) is the official version of the Financial Statement (Chapter 7 of this report), as stipulated in Art. 4 of the Transparency Directive 2004/109/EG. Download the machine-readable iXBRL version of our 2024 Annual Report at https://www.recticel.com/investors/annual-half-year-reports.html

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Recticel Group: the home of future-smart insulation

Recticel is a leading group of insulation companies with headquarters in Belgium and operations in seven countries across Europe and the US. Our ambition is to accelerate the fight against climate change with smart insulation solutions that create sustainable value for our customers, stakeholders and society as a whole. We offer a comprehensive and innovative portfolio of thermal and thermo-acoustic solutions through different divisions, all of which are centres of excellence in their own specialities.

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Wim Dejonghe
Chairman

Jan Vergote
Chief Executive Officer

Letter from the Chairman and the Chief Executive Officer

Dear Reader,

Welcome to this 2024 Annual Report, in which we share our achievements, activities and ongoing efforts to operate as a valued partner for you and for society as a whole.

The exercise of preparing the Annual Report is a hugely important one for Recticel Group. As well as being a key resource for communicating essential data to our stakeholders, this document plays a crucial role in guiding internal decision-making and strategic planning. Every year, as we review our performance and assess upcoming risks and opportunities, we gain critical insights which we leverage to enhance value creation for you.

The 2024 Annual Report has been prepared in full compliance with all applicable legal and reporting standards, including ESRS and IFRS. However, it is always our intention to go beyond merely meeting legal requirements and provide meaningful information on our progress towards our strategic goals and long-term sustainability.

As the Chairman and CEO of Recticel, we assure you that, to the best of our knowledge, our 2024 sustainability and financial statements and the remuneration report accurately reflect Recticel's assets, position and performance.

The year in review

The overall picture of 2024 is a positive one for Recticel Group. In a period characterised by tough end markets, increased price competition and raw material deflation, we continued to steer a steady course. We outperformed market trends by maintaining our focus on operational excellence, product innovation and organic and external growth in our key operating countries. As a result, our insulation revenue grew by 15.3% (from EUR 529.4 million to a record-high EUR 610.2 million) and accelerated to 18.3% in the second half of the year. Organic growth followed a similar pattern, beating the cycle in our end markets.

In the Insulated Panels division, we continued to execute our growth strategy through the Trimo and Rex Panels & Profiles brands. We are investing in a major greenfield insulated panels production facility in the US, with start-up due in the third quarter of 2026. The division is also leveraging partnerships with North American industry experts to facilitate swift market introduction.

The Insulation Boards division has evolved strongly and is showcasing industry leadership with the construction of a next-generation recycling plant in Wevelgem, Belgium. This EUR 13 million investment will specialise in a closed loop chemical recycling of PU waste into materials for new board production. It will make a vital contribution to circularity in our sector and have a substantial impact on scope 3 emissions.

The US-based Acoustic Solutions division has maintained a unique position at the forefront of acoustics innovation. The Soundcoat activity's R&D specialists and engineers are focused on high growth applications, including aerospace, aviation and electric charging stations.

We began 2025 with solid order books and our Q1 results reflected a strong start. Our expectations for growth throughout the year are tempered by the particular characteristics of today's building market, which is operating at two speeds. The residential market (in which Recticel Insulation is active) is showing very strong performance while the industrial market (in which Trimo and Rex are more active) is slowing down considerably. While this slowdown will have a short-term impact on our Insulated Panels activity, we are ensuring that the division is fully prepared to seize the opportunities that will emerge from the market's recovery.

There is significant pent-up demand for energy-efficient solutions in the construction and renovation sectors, underpinned by new and evolving EU building regulations to enforce sustainability and circularity. We are in a strong position to unlock the benefits of this demand through product innovation and operational excellence. Applying a precisely targeted pricing strategy and preserving solid relations throughout our supply chain, we remain a reliable partner for our customers.

Fighting climate change

Environmental and societal challenges relating to climate change have accelerated over the last year. Recticel is more determined than ever to be part of the solution. In 2024 we dedicated considerable attention to identifying our most important sustainability drivers and engaging with our stakeholders to ensure a full understanding of material impacts. We continued to invest heavily in R&D, exploring new possibilities for smart, eco-friendly solutions. Our efforts have resulted in several new product lines and systems developed for higher insulating performance along with a reduced carbon footprint.

As well as working towards a full transition to renewable energy sources, we are collaborating with our suppliers to address emissions throughout the supply chain. Thanks to these ongoing efforts, we achieved a 25.4% reduction in scope 1+2 carbon intensity per m^3 over the reporting period and reduced our scope 3 carbon intensity per m^3 by 8.0%.

We are proud to report that our commitment to sustainability and our 2024 ESG performance have been reflected in higher scores from major ESG rating companies. These include CDP, widely regarded as the gold standard for environmental reporting, which recently ranked Recticel on its A List for Climate Change.

Remaining 'future-smart'

In 2025, Recticel remains committed to being the smartest rather than the biggest. By innovating skilfully and ensuring that every aspect of our business operates at peak efficiency, we will progress steadily towards our long-term objectives while retaining the agility necessary to adapt to a changing world.

While political, market and economic uncertainties persist, we are confident in our strong medium- and long-term organic growth potential. We intend to continue the execution of our strategic growth plan with a combination of M&A and organic growth, supported by a healthy balance sheet.

We would like to extend our gratitude to all Recticel's colleagues, business partners, shareholders and everyone who has played a part in our journey over the last year. We remain, as ever, dedicated to delivering enhanced value as we continue our journey together.

Wim Dejonghe
Chairman

Jan Vergote
Chief Executive Officer

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PART 1 | MANAGEMENT'S REVIEW

Highlights and performance indicators

1.1 Highlights of 2024 and early 2025

JAN

2024

Acquisition of Rex Panels & Profiles completed
Specialising in the production of PIR and mineral wool insulated panels for the construction industry, Rex Panels & Profiles complements the Trimo offering in our Insulated Panels portfolio.

FEB

2024

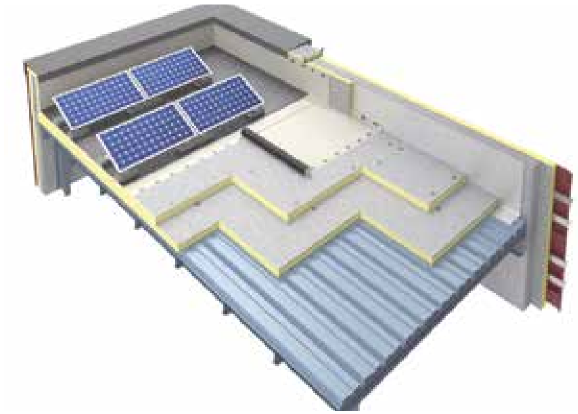
SBTi targets approved
The Science Based Targets initiative (SBTi) approves our greenhouse gas emission reduction targets for 2030 (near-term) and our long-term and net-zero targets for 2050.

MAR

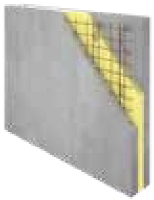
2024

Notch Wall System
A collaboration with Pininfarina leads to a stunning special edition of Trimo's QBISS insulated panels.

Perifem Innovation Award
Recticel Insulation and Sika France win a Perifem Innovation Award (energy category) for the Powerdeck+ Light Roof insulation system.



AUG



2024

Introduction of re-engineered IP PIR insulation boards
IP PIR is a thermal insulation board used in the construction of concrete sandwich panels for walls. It eliminates the aluminium facing, reducing the carbon footprint of cladding by up to 40% and lowering the risk of corrosion.

SEP

2024

Partnership with Lignaverda
Recticel enters into a three-year partnership with Lignaverda (www.lignaverda.org), a non-profit organisation committed to combatting desertification in Africa's semi-arid regions, addressing the critical challenges of climate change and landscape degradation.

NOV

2024

97% of PEFC certified paper in multilayer facings of insulation boards
The proportion of paper from PEFC-certified forests used in the paper layers of our polyurethane insulation boards reaches 97%. The figure further reduces our carbon footprint, promotes sustainable forestry practices and brings us closer to our target of 100% by the end of 2025.

JAN

2025

Launch of low-carbon Qbiss One Next and Trimoterm Next solutions
The new Qbiss One Next and Trimoterm Next insulated panels achieve a carbon footprint reduction of up to 69% compared to existing alternatives.

FEB

2025

Recticel joins CDP's A-list for climate change
The top rating from CDP recognises Recticel's leadership in environmental transparency and action.

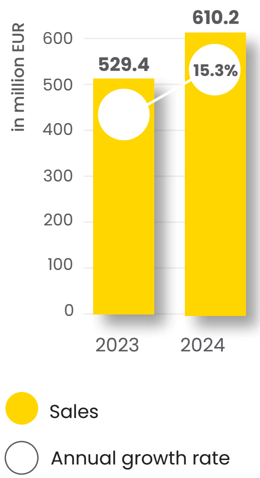
MAR

2025

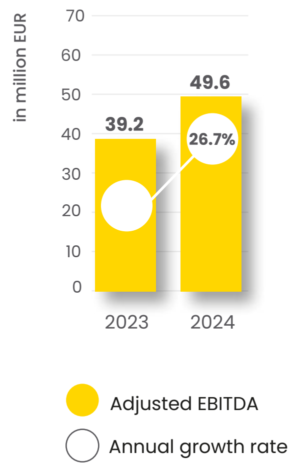
Recticel announces plans for next-generation recycling plant in Belgium
The advanced facility in Wevelgem (Belgium) will specialise in chemical recycling of PU waste into materials for new board production. It will reinforce the Insulation Boards division's leadership in circularity and will have a significant impact on scope 3 emissions.

1.2 2024 financial indicators

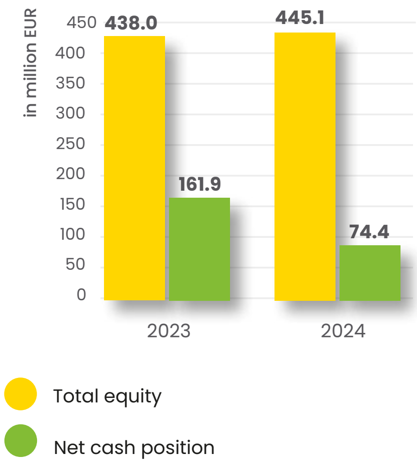
Sales



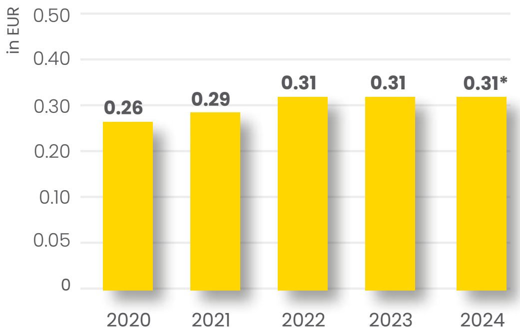
Adjusted EBITDA



Total equity versus net cash

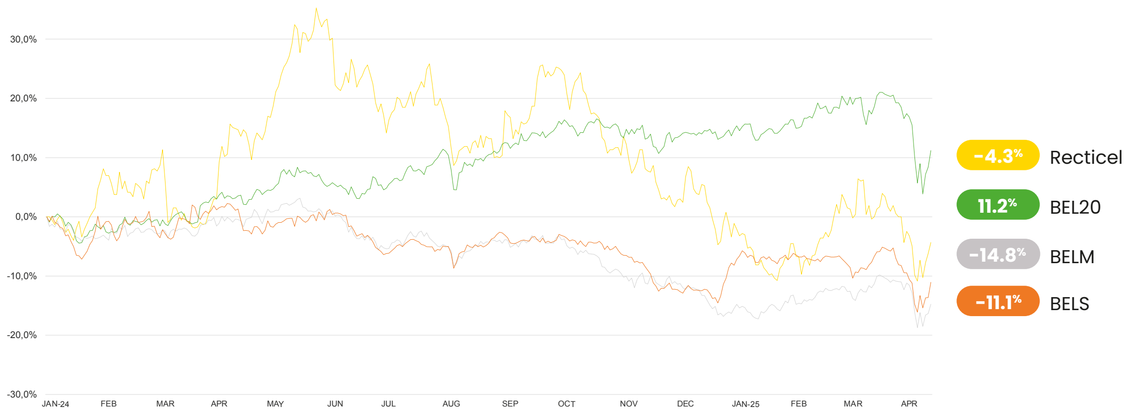


Gross dividend per share (5 years)



Subject to approval of the profit appropriation by the General Meeting of 27 May 2025, a dividend of EUR 0.31 gross will be paid per ordinary share, or EUR 0.217 net (-30% withholding tax). This dividend will be payable from 4 June 2025. KBC Bank acts as paying agent. Payments for the registered shares will take place via bank transfer to the shareholders' bank accounts

Recticel share price evolution versus BEL 20, BEL Mid, BEL Small (period 01.01.2024-14.04.2025)



RECT LISTED EURONEXT

(Euronext™: RECT.BE – Reuters: RECT.BR – Bloomberg: RECT.BB) is listed on the Euronext ™ stock exchange in Brussels and is part of the BEL Mid® index.
Index weighting: 2.32% on 31 December 2024

Consolidated Recticel Group results – Key figures

in million EUR

	2023	2024[1]	%
Sales	**529.4**	**610.2**	**15.3%**
Gross profit	90.1	104.5	16.0%
as % of sales	17.0%	17.1%	
Adjusted EBITDA	**39.2**	**49.6**	**26.7%**
as % of sales	7.4%	8.1%	
EBITDA	**36.1**	**42.6**	**17.8%**
as % of sales	6.8%	7.0%	
Adjusted operating profit (loss)	**15.9**	**18.9**	**19.0%**
as % of sales	3.0%	3.1%	
Operating profit (loss)	**12.6**	**11.5**	**-8.7%**
as % of sales	2.4%	1.9%	
Financial result	**(4.1)**	**3.4**	**N/A**
Income from other associates [2]	**(1.8)**	**0.0**	**N/A**
Impairment other associates	**(7.7)**	**0.0**	**N/A**
Income taxes	**(8.0)**	**1.5**	**N/A**
Result of the period of continuing operations [3]	**(9.0)**	**16.3**	**N/A**
Result of discontinued operations	**12.2**	**1.6**	**-86.7%**
Result of the period (share of the Group)	**3.3**	**18.1**	**447.8%**
Result of the period (share of the Group) - base (per share, in EUR)	0.06	0.32	446.1%

Consolidated Recticel Group results - Financial position

in million EUR

	31 DEC 2023	31 DEC 2024	%
Total equity	**438.0**	**445.1**	**-1.6%**
Net financial debt (incl. IFRS 16 - Leases)	(161.9)	(74.4)	N/A
Gearing ratio (Net financial debt / Total equity)	**N/A**	**N/A**	
Leverage ratio (Net financial debt / EBITDA)[3]	N/A	N/A	

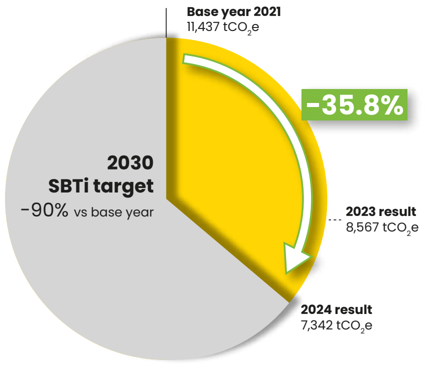
See also press release of 4 March 2025 for more information, available on www.recticel.com.

[1] Rex Panels & Profiles (Insulated Panels) is fully consolidated as of 10 January 2024.
[2] As announced in the press release of 14 June 2023, the Engineered Foams activities have been fully divested and accounted for as Discontinued Operations (IFRS5).
[3] Income from other associates = income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss); i.e. TEMDA2 (Ascorium, formerly Automotive Interiors)

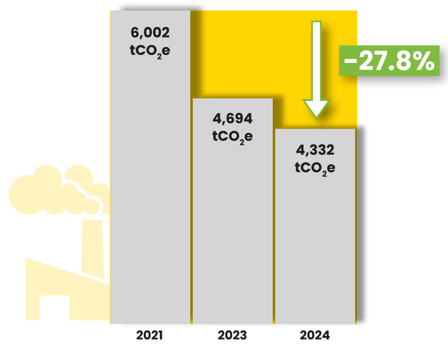
1.3 2024 environmental indicators

Despite challenging market conditions, Recticel gained substantial market share in 2024. Nevertheless, our total GHG emissions rose by only 5.5%. Notably, our scope 1+2 carbon intensity per m³ decreased by 25.4% compared to 2023, while our total carbon intensity per m³ declined by 8.1% over the same period, highlighting the success of our collaborative efforts with suppliers to reduce upstream emissions (see Chapter 5.2.7.5).

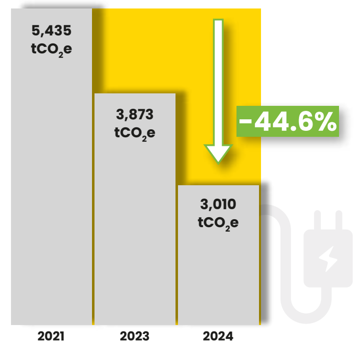
scope 1+2 GHG emissions (market based)



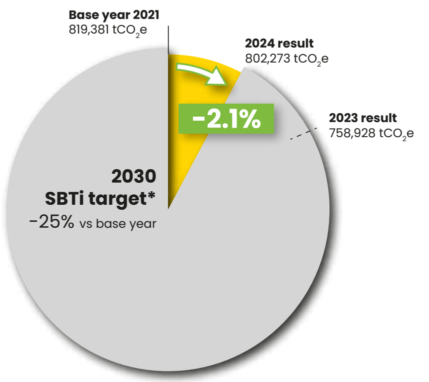
scope 1 GHG emissions



scope 2 GHG emissions (market based)

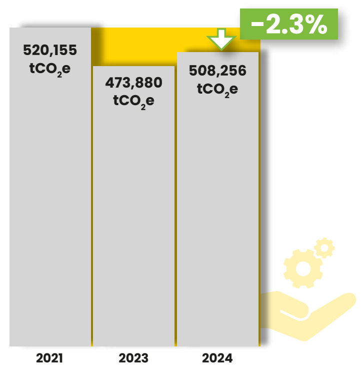


scope 3 GHG emissions*

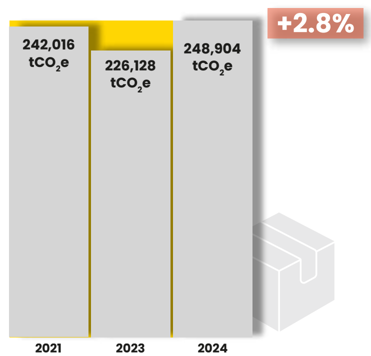


* Excl. Cat. 3.15, Investments

3.1 purchased goods & services

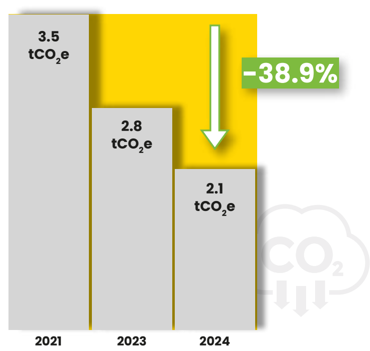


3.12 end-of-life treatment of sold products

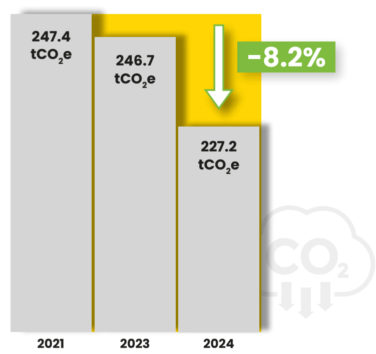


INTENSITY KPIs

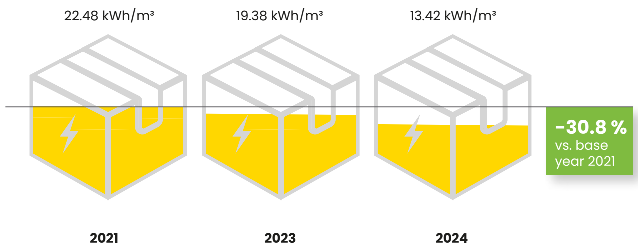
carbon intensity tCO_2e per m^3
scope 1+2



carbon intensity tCO_2e per m^3
scope 3

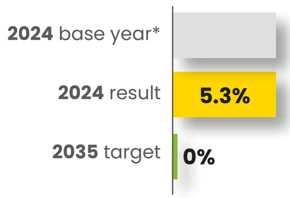


energy intensity per m^3

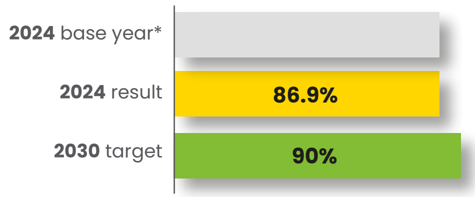


CIRCULAR ECONOMY AND RESOURCE USE TARGETS

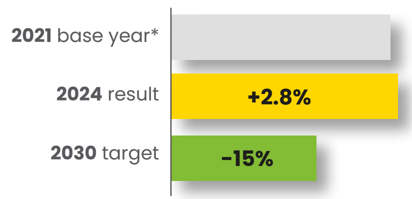
Waste reduction and recovery
Reduction of operational waste to landfill



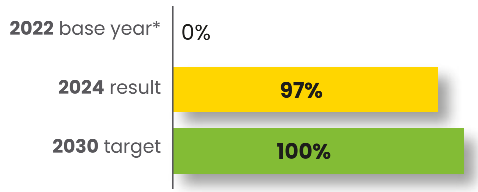
Waste reduction and recovery
Diversion of operational waste to recovery



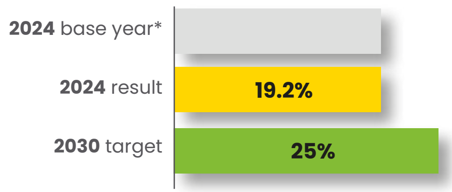
Reduction GHG emissions
Cat. 3.12, End-of-life treatment of sold products



PEFC certified paper in multilayer facings of insulation boards



Recycled content of mineral wool in insulated panels**



** base year: Recticel Group, including Rex*
*** unweighted average of supplier-reported pre-and post consumer content*

0.54%

4,332 tCO_2e

Scope 1

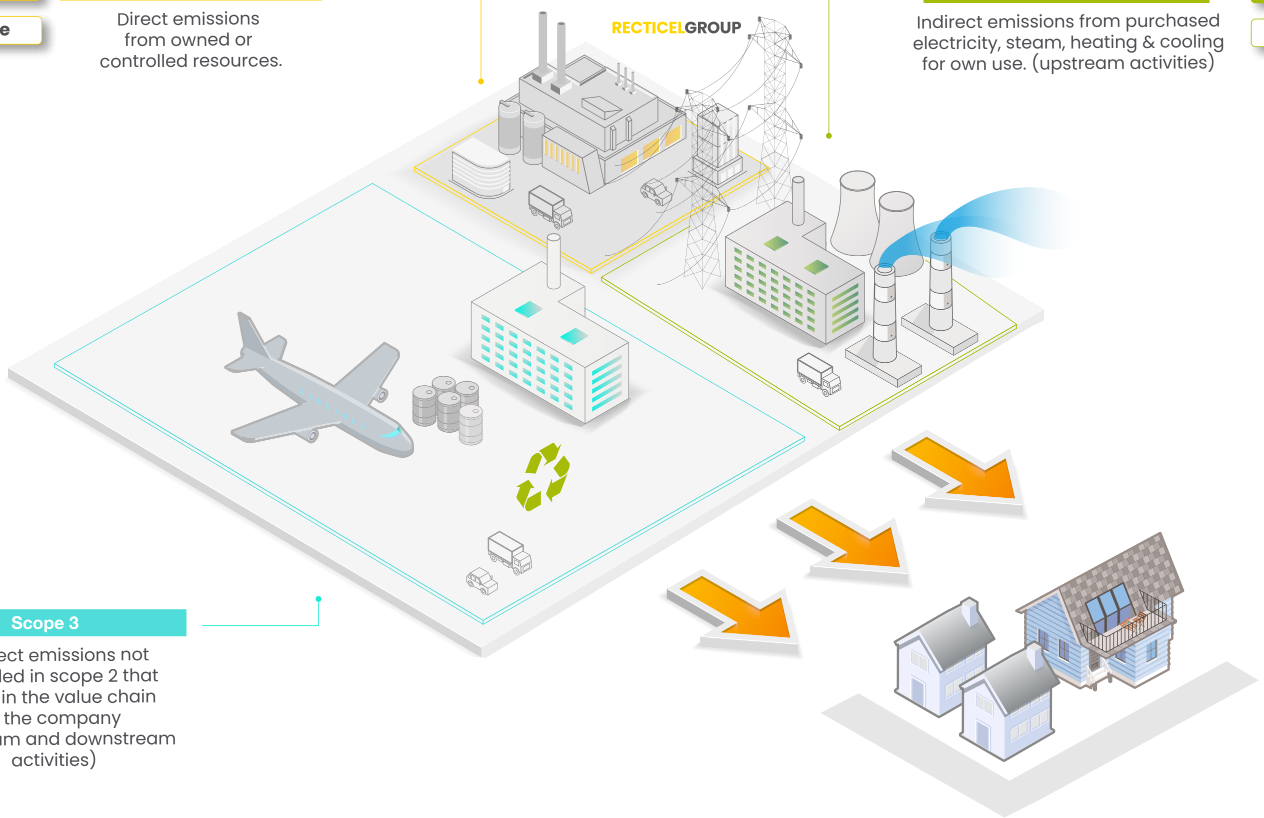
Direct emissions from owned or controlled resources.

Scope 2

Indirect emissions from purchased electricity, steam, heating & cooling for own use. (upstream activities)

0.37%

3,010 tCO_2e



99.09%

802,273 tCO_2e

Scope 3

Indirect emissions not included in scope 2 that occur in the value chain of the company (upstream and downstream activities)

excl. Cat. 3.15, Investments

Avoided emissions

Over the 50 years of use of our building insulation products sold in 2024, more than

21.5 million tCO_2e

will be avoided.

SBTi

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Overall Net-Zero target

- Recticel commits to reach net-zero greenhouse gas emissions across the value chain by 2050 from a 2021 base year.

Near-Term targets

- Recticel commits to reduce absolute scope 1+2 GHG emissions 90% by 2030 from a 2021 base year.
- Recticel also commits to reduce absolute scope 3 GHG emissions 25% within the same timeframe.

Recticel's commitment to sustainability and its 2024 performance is translated in higher ESG scores from major rating companies.

Climate CDP A List 2024

PART 1 | MANAGEMENT'S REVIEW

2 Leading the way in future-smart insulation

ESRS 2, SBM-1 | ESRS 2, SBM-2 | ESRS 2, SBM-3

2.1 Our identity and purpose

Recticel is a leading group of insulation companies headquartered in Belgium with operations spanning twelve facilities in seven countries. We provide innovative insulation products including high-performance insulation boards, advanced insulated panels and cutting-edge acoustic and thermo-acoustic solutions, all designed to meet the demands of a rapidly evolving world.

Belgian
insulation company

With a strong presence in Europe and USA

7
Countries

3
Divisions

Insulation Boards
Insulated Panels
Acoustic Solutions

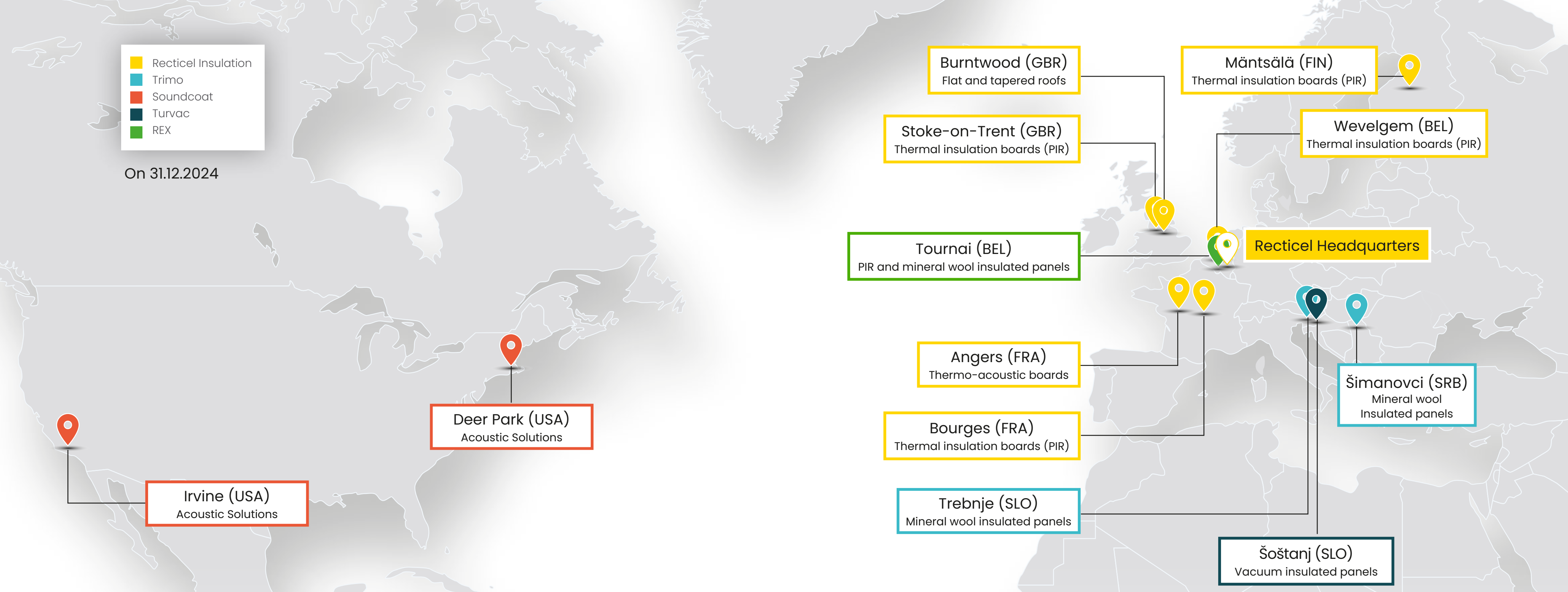
1,275
Employees[1]
headcount on 31.12.2024

610.2
Sales in million EUR
on 31.12.2024

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C
OUR ONLY FUTURE

[1] See Chapter 5.4.7 , S1-6 Characteristics of the own workforce, for split per geographical area



On 27 January 2025, Recticel announced the closure of its thermo-acoustic boards plant in Angers, France, by the end of H1 2025. See Recticel press release issued on 4 March 2025.

Our purpose

Recticel Group's overall purpose is future-smart insulation. While they specialise in diverse areas, the companies that make up our house of brands are unified by this purpose. It underpins their shared mission to develop smarter, more sustainable insulation solutions that create lasting value for our customers, stakeholders and society at large.

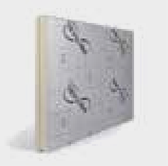
Future-smart insulation

- We fight climate change with **leading products** that **lower the carbon footprint of buildings.**
- We help architects and clients to **develop exciting spaces.**
- We contribute to well-being with **acoustic** and **thermo-acoustic solutions.**

Our activities are organised into three distinct divisions, each powered by expert-driven brands. Together, they address a wide spectrum of industry needs. We drive innovation in construction with lightweight and high-performing insulation materials, modular designs and architectural building skins that set new standards for efficiency and sustainability.

Insulation Boards

Energy-efficient polyurethane insulation boards and advanced vacuum-insulated panels essential for both buildings and cold-chain industries, from food to pharmaceuticals.



Thermal insulation

Thermo-acoustic insulation

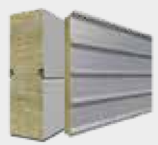
Vacuum insulation

FEEL GOOD INSIDE RECTICEL insulation

Turvac VACUUM INSULATION

Insulated Panels

Polyurethane and mineral wool solutions to meet high aesthetic standards, inspire architectural innovation and simplify prefabrication for cost efficiency.



Modular space solutions

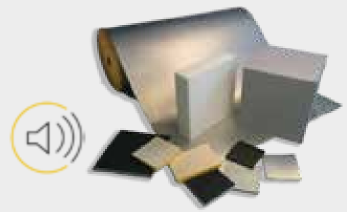
TRIMO

TRIMO MSS

REX PANELS & PROFILES

Acoustic Solutions

Customised noise-control solutions for superior sound management, designed to meet the unique requirements of manufacturers.



SOUNDCOAT

The fight against climate change is fundamental to our identity, purpose and way of working. Recticel has voluntarily committed to reducing its absolute scope 1+2 GHG emissions by 90% by 2030, using 2021 as the base year, and to cutting its absolute scope 3 emissions by 25% within the same period. The ultimate goal is to achieve net zero by 2050; our formal commitment to this target was validated by the SBTi in February 2024.

Since 2021, Recticel has reduced its scope 1+2 emissions by 35.8% and its scope 3 emissions by 2.1% (excl. Cat. 3.15, Investments).

We estimate that the building insulation products we sold in 2024 will prevent 21.5 million tCO_2e of emissions over their lifetime, or 26.5 times Recticel's total carbon footprint of 809,619 tCO_2e across scopes 1, 2, 3 (excl. Cat. 3.15).

We focus intensively on responsible sourcing of raw materials, sustainable and energy-efficient processes and enhanced circular efficiencies. By prioritising these, addressing both our direct activities and the extended value chain, we aim to be a leader in the global shift towards a circular, low-carbon economy.

To ensure peak performance in both our people and our products, Recticel cultivates a diverse, stimulating, and supportive workplace. We empower our teams of talented individuals to adapt and thrive, recognising their vital role in our success. Together, we take concrete actions to achieve tangible results, driving progress for communities and the planet.

2.2 The world in which we operate

2.2.1 Megatrends and market drivers

The European building market faced significant underperformance in 2024, driven by a mix of economic, geopolitical and structural factors.

Macroeconomic pressures and inflation
Geopolitical disruptions, persistent inflation and elevated interest rates strained disposable incomes and weakened consumer confidence. As a result, demand for new residential and commercial construction declined significantly. Developers across Europe remained cautious, delaying new projects amid economic uncertainty and reduced buyer purchasing power.

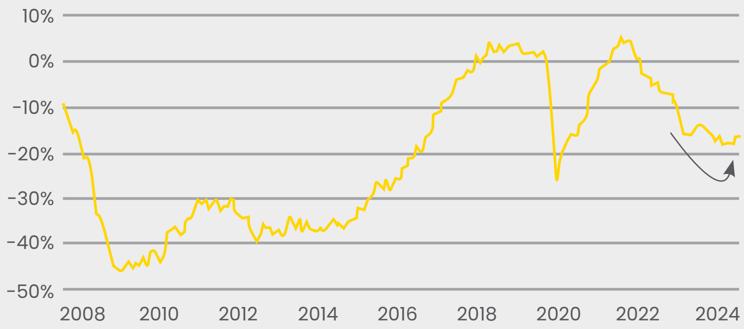
Housing market struggles
Major European economies faced difficulties due to weak sales. Rising mortgage rates, increasing construction costs and declining affordability further restricted market activity, preventing many potential buyers from entering.

Slowing demand for non-residential construction
Amid economic and geopolitical uncertainty, businesses have scaled back investments in new facilities, leading to a decline in non-residential building permits.

Renovation and retrofitting constraints
High interest rates, rising retrofit costs and shrinking household purchasing power have limited large-scale renovation and home improvement projects. However, the energy-efficient retrofitting sector has shown resilience, supported by government incentives and sustainability-driven investments aimed at decarbonising building stock. Sectors such as battery power plants and data centres stand out as key areas of growth, with substantial investments fuelling their expansion.

Outlook and future growth
While the broader construction market is expected to recover in 2025, growth rates will vary by segment and region. Residential construction is likely to lead the rebound, driven by long-term housing demand, whereas commercial construction may experience a more gradual recovery. The order books for EU contractors are slowly recovering.[2] Recovery in France and Belgium is slower than in other countries but a return to growth is expected by 2027.[3]

Order books in the EU construction sector *



** Seasonally adjusted; the latest data point December 2024*
Source: Eurostat, ING Research, 2025

Construction Forecast
Volume output construction sector, % YoY

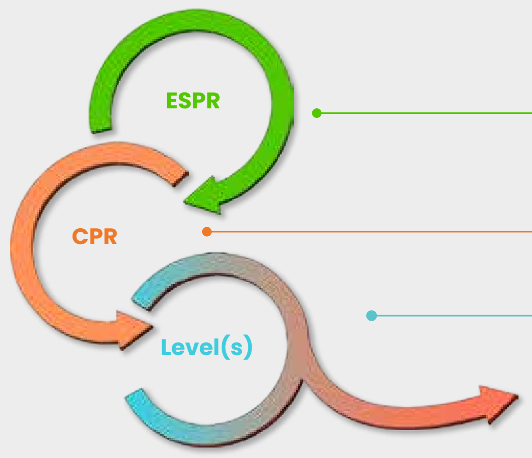
	2023	2024*	2025*	2026*
Austria	-0.1%	-1.5%	1.0%	1.5%
Belgium	0.4%	-1.0%	0.5%	1.0%
France	-0.5%	-3.5%	-1.0%	1.0%
Germany	-1.1%	-3/0%	0.0%	2.0%
Netherlands	1.5%	-3.0%	0.0%	2.5%
Poland	5.2%	-6.0%	1.0%	2.5%
Spain	4.5%	1.5%	2.5%	2.0%
European Union	**1.3%**	**-2.0%**	**0.5%**	**2.0%**

** Estimates and forecasts*
Source: Eurostat, ING Research, 2025

[2] Source: https://think.ing.com/articles/returning-but-low-growth-expected-in-the-european-construction-sector/
[3] Source: Interview with the CEO of Embuild (Belgian Construction Federation), ING Benelux Morning Notes, 14 February 2025.

2.2.2 New EU building regulations promoting sustainability and circularity

The EU has recently adopted several new and updated building regulations aimed at improving energy efficiency, reducing carbon emissions and fostering transparency in the construction and building sectors. These measures also compel stakeholders to design buildings with better lifecycle efficiency and greater support for material circularity.



Ecodesign for Sustainable Products Regulation
Setting performance and information requirements for products placed on the Single Market

Construction Products Regulation
Delivery of environmental information from construction products and implementation of requirements

Level(s) methodology
Sustainability assessment of buildings

- **EU Taxonomy**
  Sustainable activities
- **EPBD**
  Sustainable buildings
- **EED**
  Public procurement of buildings

European Commission

The revised **Energy Efficiency Directive (EED)** entered into force on 10 October 2023 with a new focus on public buildings. It mandates that 3% of the total floor area of public buildings be renovated annually to meet nearly zero-energy or zero-emission standards. The public sector is expected to lead by example in energy efficiency, with a new annual energy consumption reduction target of 1.9%.

The revised **Energy Performance of Buildings Directive (EPBD)** entered into force on 28 May 2024, setting stricter requirements to enhance energy efficiency. Under the directive, all new public buildings must be zero-emission by 1 January 2028, and all other new buildings by 1 January 2030. Zero-emission buildings must exhibit very high energy performance and have no on-site carbon emissions from fossil fuels. The revised EPBD refines the Energy Performance Certificate (EPC) to ensure reliability and comparability across member states. It also incorporates tools like the Smart Readiness Indicator (SRI) scheme (currently in the test phase) to rate the readiness of a building to use smart technologies to optimise energy efficiency, adapt to the needs of occupants and interact with energy grids.

The **Ecodesign for Sustainable Products Regulation (ESPR)** entered into force on 18 July 2024. Replacing the previous Ecodesign Directive, it introduced a broader framework to improve the sustainability of products, including construction materials, by requiring circular design principles. The ESPR sets requirements for durability, reusability, energy efficiency and recyclability throughout a product's lifecycle.

The revised **Construction Products Regulation (CPR)** entered into force on 7 January 2025, harmonising rules on the marketing of construction products across the EU. The updated legislation sets new standards in the areas of sustainability, safety, performance and digitalisation. Manufacturers are required to provide detailed environmental reporting, including impact indicators such as the Global Warming Potential (GWP).

2.2.3 The importance of insulation

Buildings contribute significantly to environmental challenges, accounting for approximately 50% of resource extraction and consumption while generating over 30% of the EU's annual waste. They are responsible for 40% of the EU's energy consumption and 36% of energy-related greenhouse gas emissions. Moreover, around 64% of the EU building stock exhibits poor energy performance.

85% of EU buildings were built before 2000

75% of these have poor energy performance

+/- 40% of energy consumed in the EU is used in buildings

36% of the EU's energy-related GHG emissions come from buildings

+/- 80% of energy used in EU homes is for heating, cooling and hot water

Source: https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en

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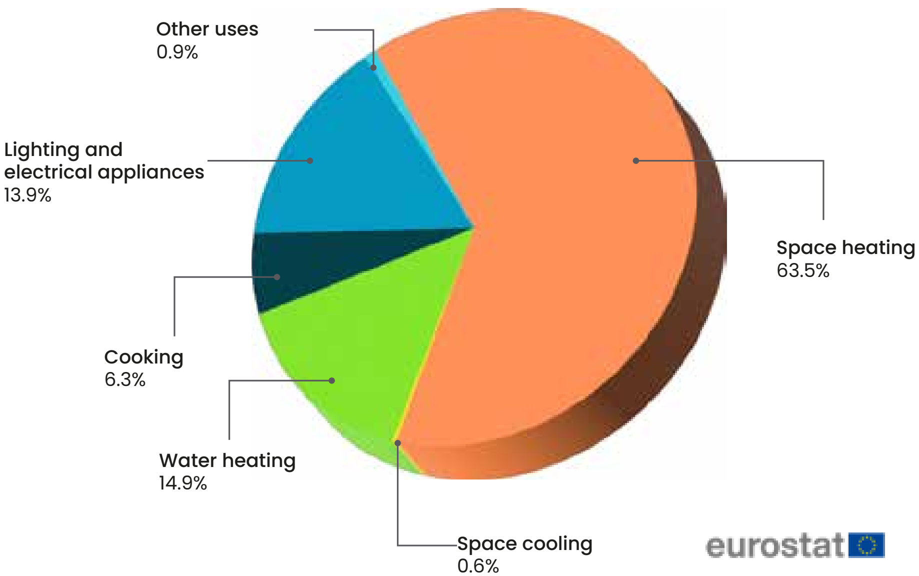
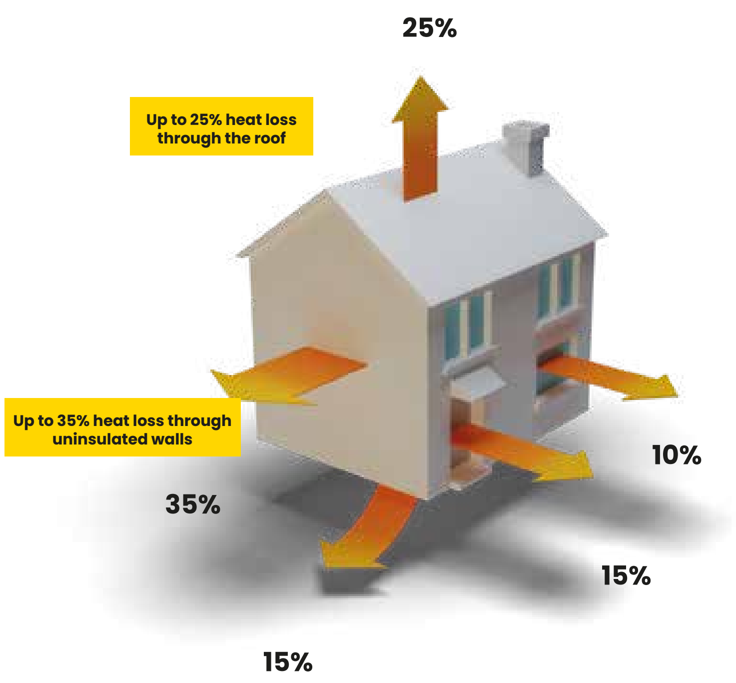
ENERGY CONSUMPTION IN EU HOUSEHOLDS (% SHARE, 2022)



Thermal insulation is a vital tool for transforming the energy efficiency of buildings and improving sustainability in the construction sector. The Energy Performance Certificate (EPC) provides a standardised measure of the energy consumption required for heating, cooling, ventilation and lighting per square metre of a building's floor space. Retrofitting thermal installation has been shown to significantly reduce EPC values.

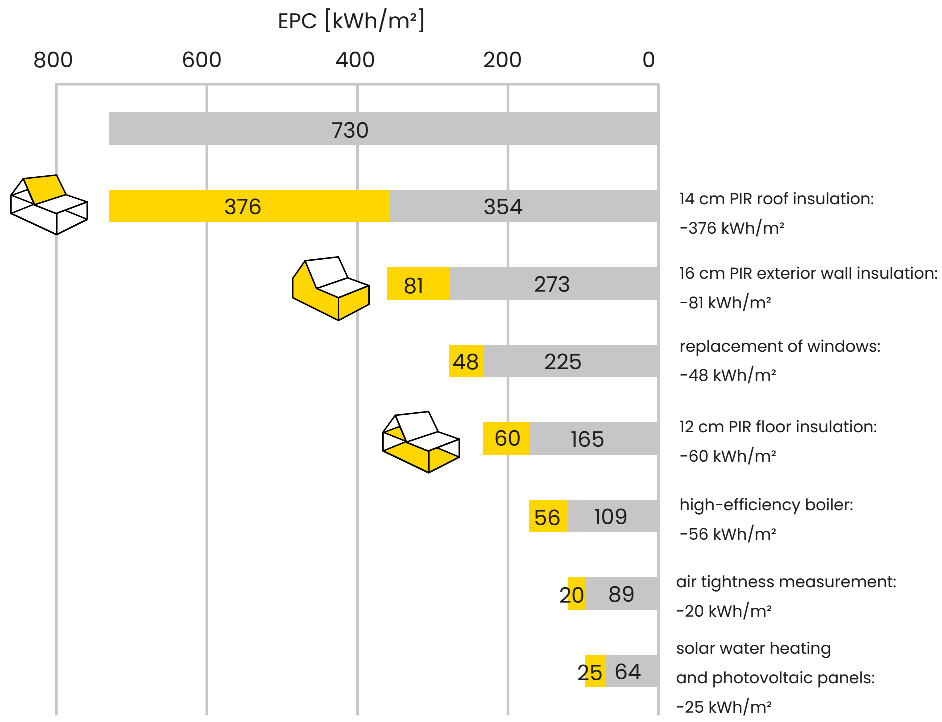
Source: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Energy_consumption_in_households

HEAT LOSS IN RESIDENTIAL BUILDINGS



FOR EXAMPLE

The original EPC value of a 460 m³ terraced family house constructed in 1956 was 730 kWh/m². Following renovation, this was reduced to 70 kWh/m². Recticel insulation boards played a vital role in this improvement, accounting for 78% of the EPC reduction and achieving energy savings of 517 kWh/m².



Energy score

- Initial: 730 kWh/m²
- After renovation: 70 kWh/m²
- Impact of Recticel insulation boards: -517 kWh/m²

2.3 Our business model and strategy

2.3.1 Our business model

Recticel Group specialises in future-smart insulation solutions that are tailored to meet diverse needs in a wide range of market segments. From residential homes and commercial buildings to industrial facilities and specialised applications, we have the expertise to design the right solution for each project, based on a full understanding of its unique requirements. We are committed to addressing the specific needs of our customers, focusing on energy efficiency, sustainability and superior performance to provide value-driven solutions that stand out in today's competitive markets.

RECTICEL GROUP BUSINESS MODEL

OUR PURPOSE

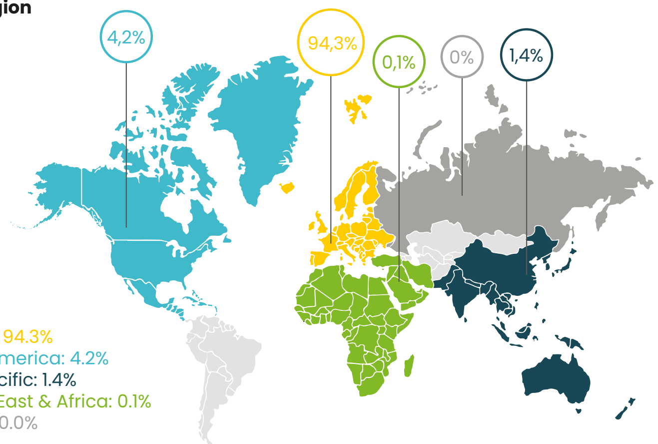
- We fight climate change with leading products that lower the carbon footprint of buildings.
- We help architects and clients to develop exciting spaces.
- We contribute to well-being with acoustic and thermo-acoustic solutions.

WHERE WE CREATE VALUE

	Renovation	New construction
Residential	15%	16%
Non Residential	21%	48%

- Sales in over 40 countries
- Primarily through B2B channels

Sales by region



- Europe: 94.3%
- North America: 4.2%
- Asia Pacific: 1.4%
- Middle East & Africa: 0.1%
- Russia: 0.0%

HOW WE CREATE VALUE

INSULATION BOARDS

Energy-efficient PIR boards and advanced vacuum-insulated panels essential for both buildings and cold-chain industries, from food to pharmaceuticals.

RECTICEL insulation
Turvac

INSULATED PANELS

PIR and mineral wool solutions that meet high aesthetic standards, inspire architectural innovation, and simplify pre-fabrication for cost efficiency.

TRIMO
TRIMO MSS
REX PANELS & PROFILES

ACOUSTIC SOLUTIONS

Customised noise-control solutions for superior sound management, designed to meet the unique requirements of manufacturers.

SOUNDCOAT

Our commitments

- Achieving long-term profitable growth
- Creating added value for our stakeholders
- Investments in circular insulation
- Focus on resource-efficient technologies
- SBTi net zero commitment

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

CDP A List 2024

MORNINGSTAR | SUSTAINALYTICS
ecovadis
S&P Global

2.3.2 Specialised divisions for a comprehensive portfolio

Recticel operates as a house of brands. Each member of our brand family is encouraged to innovate and grow based on its own areas of technical expertise and profound knowledge of needs and trends in its specific markets and applications. Our activities are distributed across three divisions: Insulation Boards, Insulated Panels and Acoustic Solutions.

2.3.2.1 Insulation Boards

1. Our offering
2. Addressable market
3. Value proposition
4. Value chain

RECTICEL insulation

Turvac VACUUM INSULATION

1. OUR OFFERING

Our Insulation Boards division provides advanced, high-performance insulation solutions to meet the growing demand for energy-efficiency and sustainability in buildings. The division's extensive portfolio includes optimised solutions for walls, roofs and floors, designed for diverse residential, commercial, and industrial applications. Each solution is engineered to deliver exceptional thermal performance, helping to reduce energy consumption, operational costs and environmental impact.

At the heart of our innovations, we integrate lightweight, durable materials with industry-leading insulation values, ensuring both ease of installation and long-lasting efficiency. Our products are all developed to meet or exceed the most stringent building regulations and energy standards, improving the comfort of buildings while significantly reducing their carbon footprint.

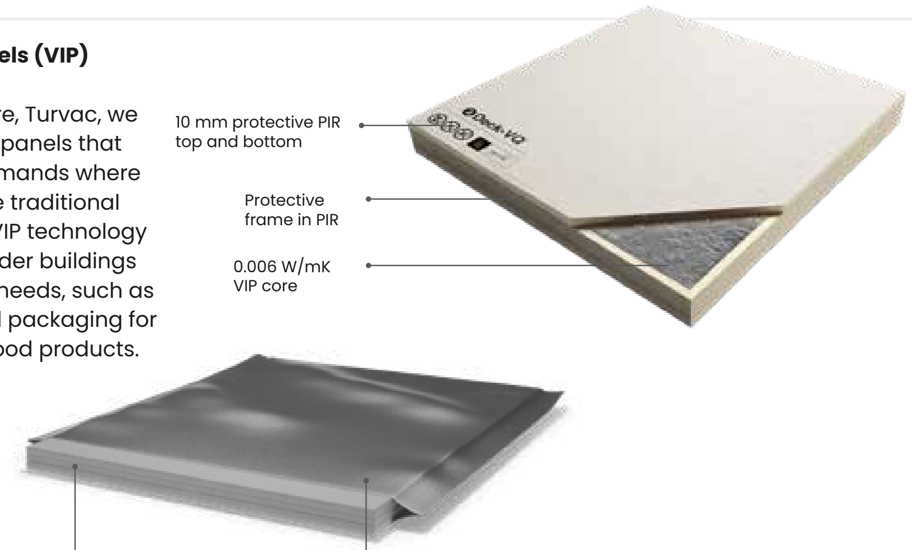
PORTFOLIO HIGHLIGHTS

Thermal insulation boards

Our high-performance thermal insulation boards are based on a polyisocyanurate (PIR) foam core laminated between two durable facing materials. Numerous facings are available, such as multi-layer foils, aluminium, bituminous, mineral-coated glass fleece, and gypsum plasterboard. The boards are engineered for multiple applications across the building envelope, including flat, tapered, and pitched roofs, cavity walls, floors, internal linings and external wall insulation systems.

Vacuum insulated panels (VIP)

Through our joint venture, Turvac, we offer vacuum insulated panels that meet high technical demands where space constraints make traditional insulation impractical. VIP technology is ideal for retrofitting older buildings and serves specialised needs, such as temperature-controlled packaging for pharmaceuticals and food products.



2. ADDRESSABLE MARKET

Thermal insulation boards

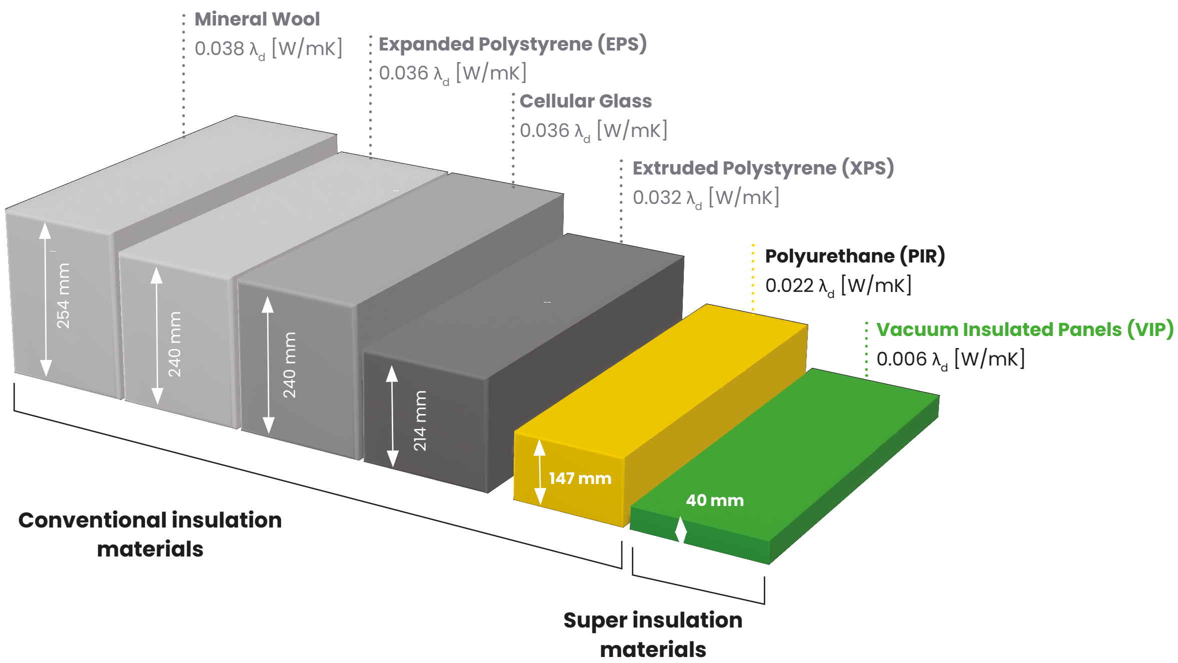
The market for Recticel's polyurethane insulation boards is growing in line with the European building insulation market in general. Key drivers include increased government initiatives to insulate as part of the journey towards net zero and a rise in the renovation of residential and commercial buildings.

Vacuum insulated panels

The market for vacuum insulated panels includes the building and construction industry, especially in renovation and retrofitting sectors. Due to their exceptionally high efficiency and space-saving characteristics, our VIPs address additional markets in the cold chain packaging and pharmaceutical industries.

3. VALUE PROPOSITION

Our insulation boards make a particular contribution to economic and environmental sustainability. As an insulating material, polyurethane (PIR) outperforms conventional materials such as mineral wool (glass wool/stone wool), XPS/EPS and cellular glass. Our insulation boards allow regulatory compliance to be achieved with thinner walls and roofs.



- The lambda value (λ-value) is an indication of a product's thermal conductivity in W/mK. The lower the thermal conductivity, the higher the insulating performance and the greater the savings in heating/cooling costs for the building.
- λ_d, the declared lambda value, represents the thermal conductivity of a material as tested in a lab with constant conditions of temperature and humidity, and includes the aging of the material.
- The graph here above is based on a building shell element of U=0.15 W/m²K or thermal resistance value R=6.65 m²K/W (R=1/U).

BENEFITS OF POLYURETHANE (PIR) INSULATION BOARDS

- **Superior energy efficiency**
- **Reduced thickness**
- **Low weight**
- **Cleaner indoor air**
- **Walkability without deformation**

Our **vacuum insulated panels** (delivered through the Turvac joint venture) add significant value by enabling insulation in situations where it would otherwise be extremely difficult or even impossible. This is due to their ability to provide the most efficient performance with the thinnest layer. Vacuum insulated panels can be used to meet strict insulation requirements in constrained spaces. Their applications include:

- Retrofitting existing buildings where available space for insulation is limited;
- Temperature-controlled packaging used for transport of ultra-low temperature (ULT) vaccines and other temperature-sensitive drugs;
- International trade in perishable products and food supplies.

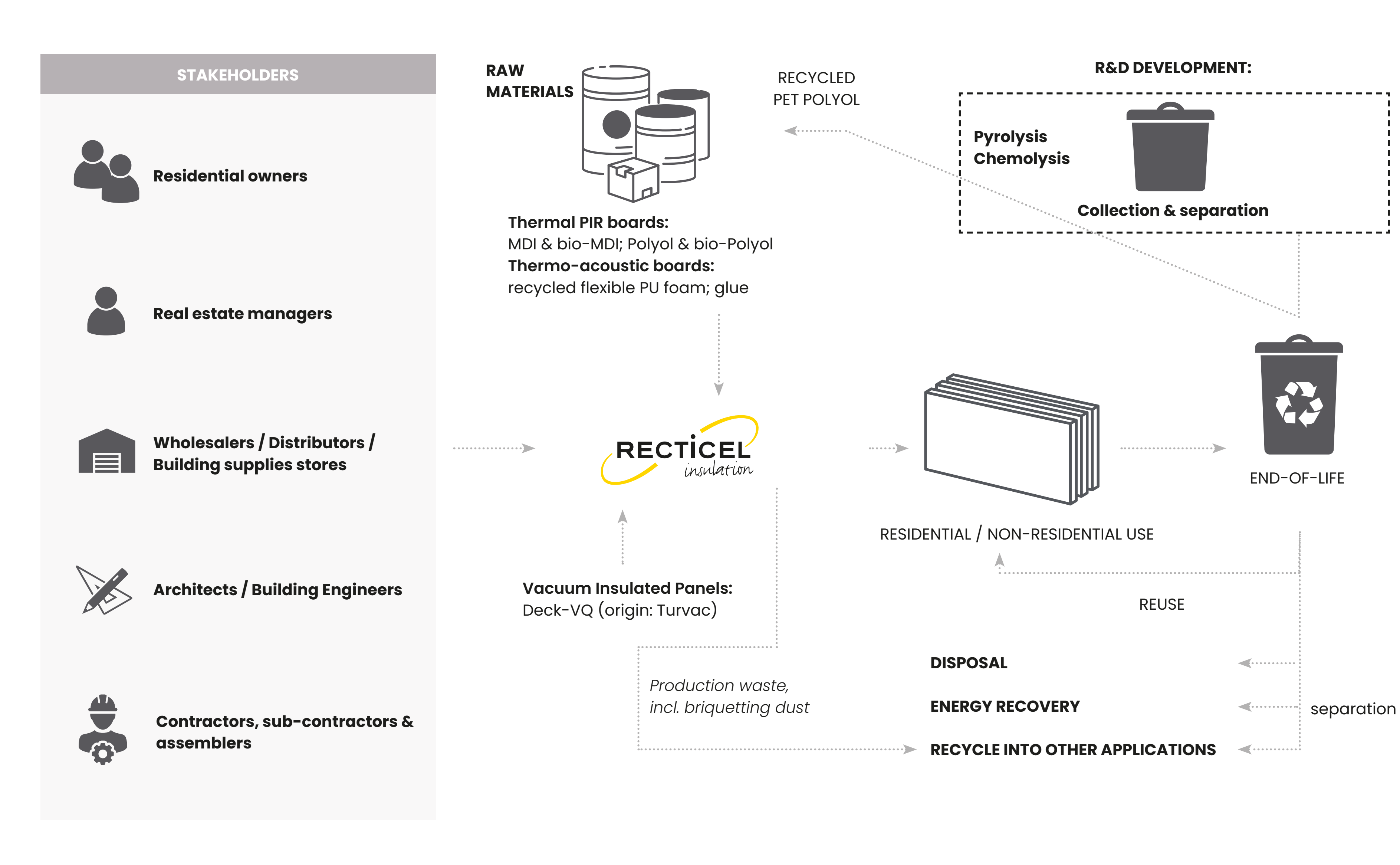
BENEFITS OF VACUUM INSULATED PANELS

Environmentally friendly

Reduced thickness

Long lifetime

4. INSULATION BOARDS VALUE CHAIN



2.3.2.2 Insulated Panels

1. OUR OFFERING

Thermal insulated panels
Our Insulated Panels division specialises in premium-quality products tailored to meet a wide spectrum of modern construction requirements. They are designed to provide outstanding thermal performance, durability and versatility, making them suitable for various applications in commercial, industrial and residential buildings.

Engineered for superior energy efficiency, our insulated panels minimise heat loss and enhance overall building energy performance, resulting in reduced operational costs and a smaller carbon footprint. Available in a range of materials, thicknesses and finishes, they can be customised to align with any architectural vision or aesthetic goal while compying with industry standards and regulations.

PORTFOLIO HIGHLIGHTS

Trimoterm

Environmentally friendly mineral wool insulated panels ideal for façades, walls and roofs, providing superior fire resistance, sound reduction and thermal insulation.

TRIMOTERM

Trimoterm SNV (roof)

Trimoterm Sound

Trimoterm FTV (walls, façade)

Trimoterm FTV HL (walls, façade)

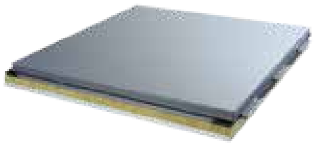
ARTME

A high-tech façade treatment enabling limitless shapes, patterns and visual effects while preserving the integrity of the original materials.

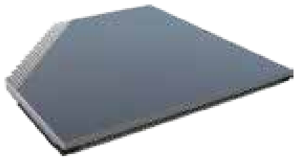
QBISS One & QBISS Screen

Prefabricated modular metal wall systems combining durability, flatness, design versatility and a wide array of colour options with enhanced ROI.

QBISS ONE



QBISS SCREEN



QBISS Notch

A collaboration with Pininfarina featuring customisable wall systems that integrate vertical panel modules and a unique graphic design approach, elevating architectural aesthetics.

Rex SDW

A collection of insulated panels with a polyurethane (PIR) or mineral wool core. Designed for roof and (partition) wall applications, they offer a lightweight solution with excellent insulation and reaction to fire properties.

Modular Space Solutions

Trimo MSS offers modular units comprising floor, column and ceiling structural elements, tailored for various applications such as commercial, hospitality, education, and industrial facilities. These modular solutions feature walls constructed with Trimoterm insulated panels. Backed by over 30 years of expertise, Trimo MSS has delivered 100,000 units globally, providing versatile and sustainable solutions with an outstanding price-to-performance ratio. Available in various dimensions, the units boast certified fire resistance and proven energy efficiency. They can be shipped flat-packed or fully assembled, ensuring ease of installation. Designed for long-term use across multiple projects, Trimo MSS units are almost completely recyclable and environmentally friendly.

TRI MO MSS

2. ADDRESSABLE MARKET

The market for insulated panels is split between polyurethane and mineral wool cored products, accounting for 84% and 16% of the market share respectively.

Our brand and product portfolio addresses the main megatrends driving growth in this segment:

- Sustainability
- Fire safety
- Energy efficiency
- Prefabrication

Furthermore, Recticel Group has demonstrated resilience to changes in market behaviour with a proven ability to adapt quickly to evolving demands.

3. VALUE PROPOSITION

Insulated panels offer a unique set of benefits in construction. Their structural and physical properties allow great design freedom, while their advanced technical qualities provide a high-quality, total envelope solution. They are a particularly good match for prefabrication requirements, enabling regulatory compliance in a fast, cost-efficient and scalable manner.

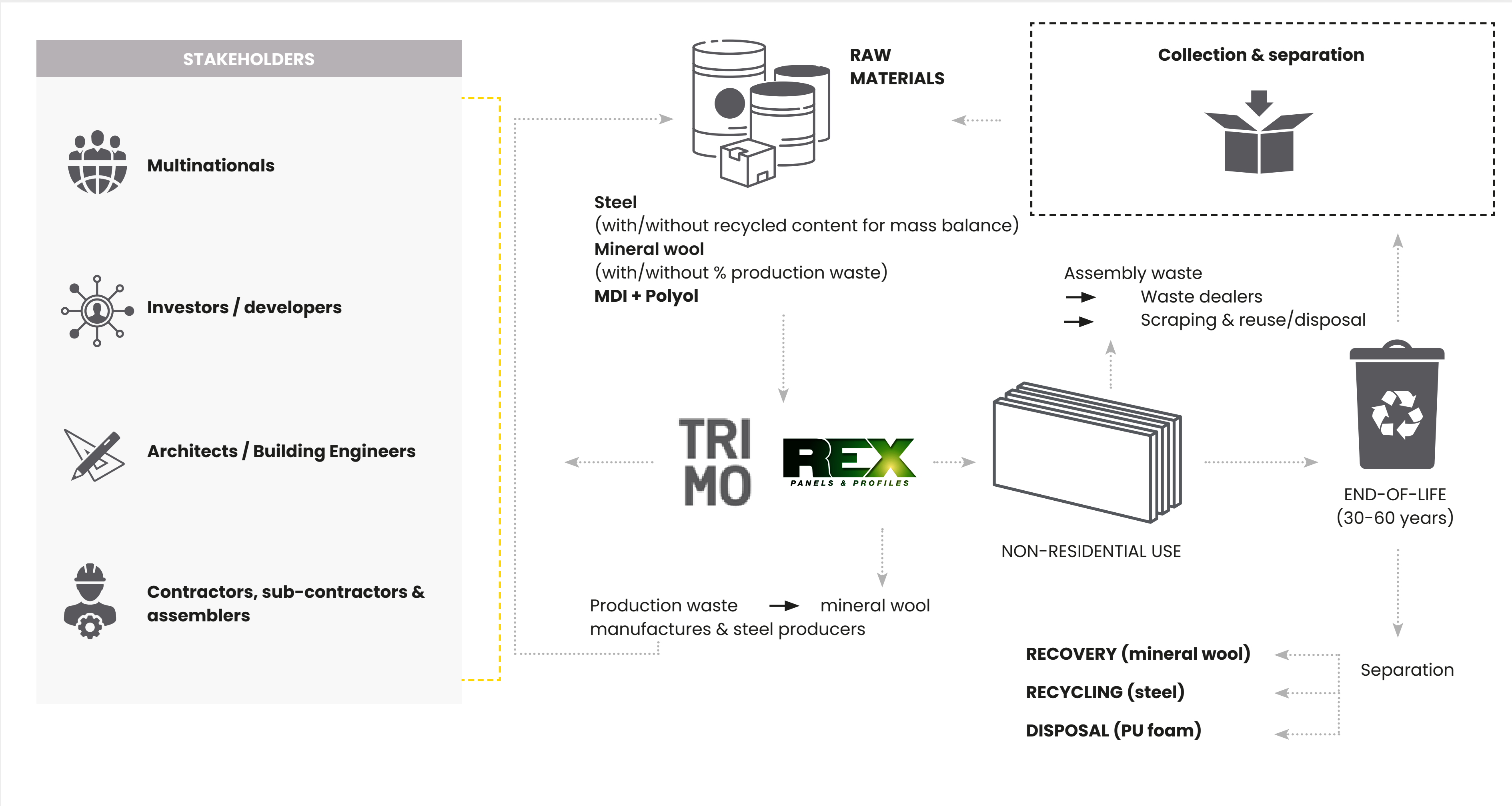
Key features of the Recticel Insulated Panels portfolio

- Self-supporting (up to 10m single span)
- Single factory-manufactured unit
- Mineral wool or polyurethane core insulation
- Water & air tightness
- Extreme thermal values
- Moisture resistant
- 99% recyclable (MW)

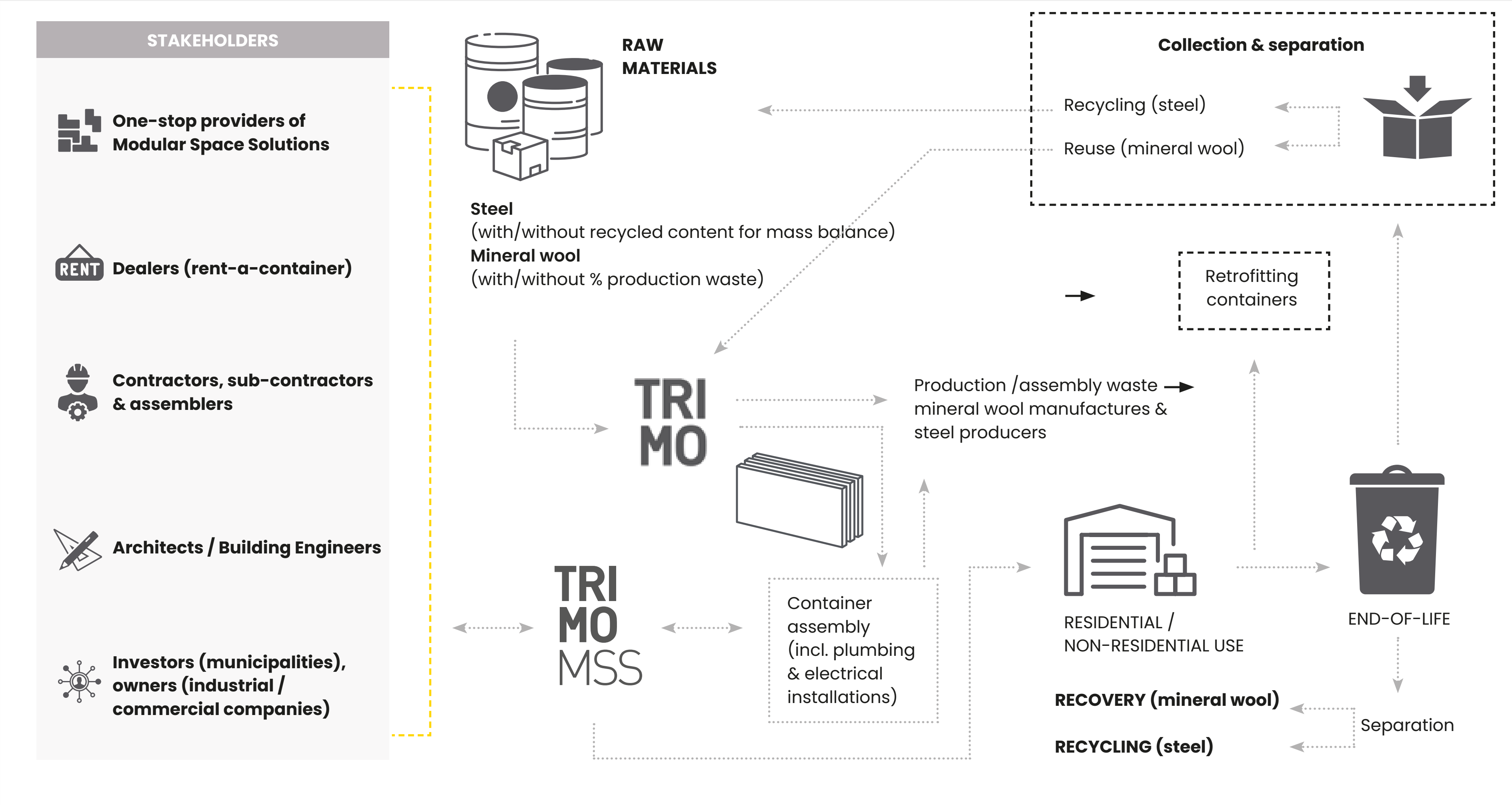
BENEFITS OF MINERAL WOOL AND PIR INSULATED PANELS

- **Single factory-manufactured unit**
- **A sustainable choice**
- **Safety and performance**
- **Design flexibility**
- **Lightweight factory system**
- **Low life cycle costs**
- **First-class service**

4. TRIMO & REX VALUE CHAIN



5. TRIMO MSS VALUE CHAIN



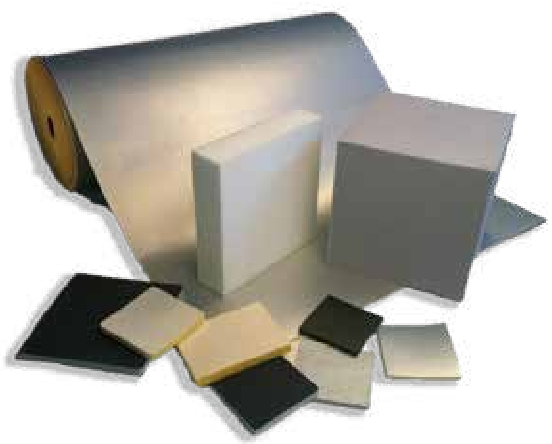
2.3.2.3 Acoustic Solutions

SOUNDCOAT

1. OUR OFFERING

Soundcoat provides customised acoustic insulation solutions for equipment used in various sectors. For over six decades, it has been building sound relationships with manufacturers and developing pioneering noise solutions, propelled by a spirit of innovation that enables it to tackle market challenges head-on.

Soundcoat's highly specialised engineering services are at the forefront of acoustics innovation. Led by an experienced team of acoustical engineers, the division incorporates industry-leading best practices, advanced computer simulation and predictive analysis, and proprietary Soundcoat techniques.



PORTFOLIO HIGHLIGHTS

Services

- **Soundcoat 360 Solution™**
  A proprietary acoustic engineering solution that leverages a host of products, services and expertise to expedite products to market and minimise design costs for industrial spaces and OEM applications.
- **Advanced lab services & testing**
  Soundcoat's R&D lab is a fully equipped product and materials testing lab with advanced simulation and analysis tools, proprietary characterisation processes and material & prototype development capabilities. It also provides mechanical and physical testing to measure or verify acoustics and physical properties through a suite of industry-standard and highly specialised tests.

Products

- **Absorption**
  Materials designed to diminish reverberant airborne noise by converting acoustic energy into thermal energy.
- **Barrier**
  Solutions engineered to offer high sound transmission loss for various low frequency applications.
- **Damping**
  Products crafted to mitigate vibrations from impact sources, panel resonance and radiated sound from structures.
- **Gasketing**
  Primarily utilised between metal or structural components, products to regulate contamination, airflow, noise, vibration, RF-EMI, ESD and thermal loss.
- **Thermal**
  Solutions utilising porous and fibre-blended materials suitable for high temperature environments and aerospace applications.

2. ADDRESSABLE MARKET

Noise control is a key differentiator in equipment manufacturing, influencing product quality and playing a vital role in a brand's reputation. Soundcoat enhances the value of its noise control solutions by treating each project as a collaborative partnership. Our engineers work closely with manufacturers, offering specialised expertise and practical knowledge throughout the design, manufacturing, testing, implementation and operational phases.

Soundcoat serves the following markets:

Aerospace & aviation

Heavy duty & transport vehicles

Industrial equipment

Electronic equipment & energy infrastructure

Building & commercial construction

Medical equipment

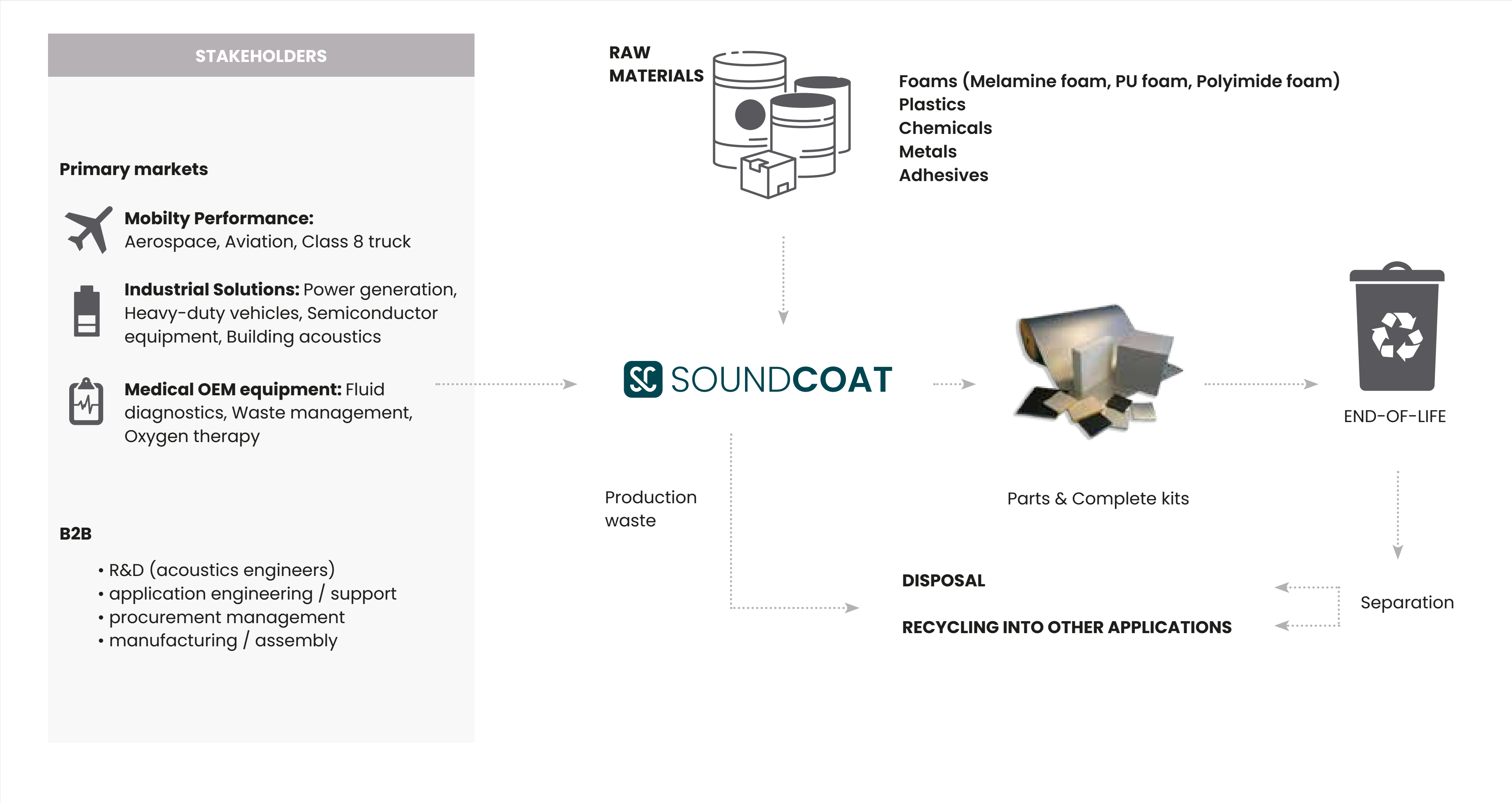
3. VALUE PROPOSITION

Soundcoat's suite of acoustic solutions includes an advanced acoustics and materials testing laboratory equipped with cutting-edge analysis and computer modelling tools. Its two manufacturing facilities operate under a stringent internal quality control system, ensuring consistently high standards. It leverages its robust in-house capabilities to provide a diverse range of acoustic solutions, including laminated composites with films, acoustic fabrics or embossed facings; custom-shaped materials with or without adhesive backing; and products available in sheets, rolls or kits.

BENEFITS OF SOUNDCOAT ACOUSTIC SOLUTIONS

- **Noise reduction**
- **Protection of equipment**
- **Improved comfort**
- **Enhanced product performance**
- **Compliance with regulations**

4. VALUE CHAIN



2.3.3 Our strategy

2.3.3.1 How we create value

The Recticel Group strategy prioritises sustainable growth in the insulation market by combining robust market presence with dedication to reducing environmental impact. Recognising that environmental responsibility is both a licence to operate and an essential part of value creation, we embrace the use of low-carbon resources and consistently push boundaries to enhance energy efficiency.

Our value creation model is aligned with the European Green Deal, the European Commission's initiative to make Europe the first climate-neutral continent by 2050.

The EU Green Deal includes measures to enhance building energy efficiency through the EU Renovation Wave Strategy, which aims to double the annual renovation rate by 2030 and retrofit at least 25 million buildings.

To address the complexity of global challenges, including regulatory shifts, we have embedded sustainability in every facet of our operations and relationships. Our efforts are concentrated in three main areas, with actions to drive measurable progress in each of them.

Products and services

- Developing products with lower carbon footprints and enhanced resource efficiency, which are increasingly in demand among environmentally conscious customers.
- Designing materials for reuse, recyclability and extended lifecycles, thereby minimising waste across their lifespan.

Customer categories

- Introducing low-carbon alternatives to traditional products in key customer segments.
- Delivering resource-efficient solutions that help our customers to meet their own environmental goals.

Stakeholder relationships

- Collaborating with suppliers to source sustainable materials.
- Engaging in social responsibility initiatives.
- Aligning with investors on transparent sustainability metrics and goals.

Sustainability-aligned solutions now make up a substantial and growing portion of our portfolio. By strategically focusing on markets and customers who share our priorities, we can integrate evolving environmental and social standards in every stage of our value chain, addressing challenges like climate change and resource scarcity.

More information can be found in Chapter 5.2, Environmental | E1 Climate change, and Chapter 5.3, Environmental | E5 Resource use and circular economy.

2.3.3.2 Integrating SDGs in our strategy

Recticel's activities are aligned with the United Nations Sustainable Development Goals (UN SDGs). We have selected seven SDGs as strategic priorities relevant to our core values and business objectives. These globally recognised goals provide a framework for addressing critical challenges in areas such as environmental protection, social equity and economic development.

SDG 7: Promote energy-efficient solutions for sustainable building practices
SDG 8: Drive sustainable and economic growth through dignified work
SDG 9: Foster innovation to enhance resilient infrastructure
SDG 11: Develop products that improve urban energy efficiency
SDG 12: Advance circular economy practices through product innovation
SDG 13: Commit to ambitious greenhouse gas (GHG) reduction targets and climate-aligned practices
SDG 17: Collaborate with stakeholders to amplify positive environmental and social impacts

By embedding these SDGs in our strategy, we drive innovation, empower our workforce and address pressing global challenges including climate change, resource scarcity and access to energy-efficient housing. Our mission is to maximise the transformative potential of future-smart insulation systems to meet societal needs, improve building energy efficiency and promote sustainability within the construction sector.

2.3.3.3 Leveraging impacts, risks and opportunities

Central to the European Sustainability Reporting Standards (ESRS) standards is the identification of material impacts, risks and opportunities (IRO) which can be leveraged to drive our strategy and foster business growth.

In 2024, Recticel conducted its first full double materiality assessment (DMA), a systematic evaluation integrating the principles of financial materiality (how environmental and social risks impact the organisation) and impact materiality (the organisation's influence on the environment and society).

The evaluation process included engaging with stakeholders and analysing data from internal and external sources. Impacts were assessed based on their scale, scope and irreversibility, while risks were evaluated in terms of likelihood and potential financial implications.

Our evaluation encompassed every ESG dimension in the following areas:

- **Environmental:** Climate change (E1), Pollution (E2), Water and marine resources (E3), Biodiversity and ecosystems (E4), Resource use and circular economy (E5)
- **Social:** Own workforce (S1), Workers in the value chain (S2), Affected communities (S3), Consumers and end-users (S4)
- **Governance:** Business conduct (G1)

This assessment led to the identification of our material issues, opportunities and risks:

Environmental	Social	Governance
Climate change (E1) Climate change was identified as a material issue due to the positive impact of our products in terms of energy savings and avoided emissions during building lifecycles. • Opportunities: Transition to renewable energy; adoption of energy-efficient technologies; innovation in low-carbon solutions. • Risks: Carbon pricing policies; increased regulatory scrutiny; reputational impacts.	**Own workforce (S1)** The satisfaction, engagement, health & safety, fair compensation and development of our own workforce are central to our success and long-term sustainability. • Opportunities: Building a culture of innovation; fostering employee loyalty; attracting top talent through strong employer branding. • Risks: Potential challenges related to talent retention, skills gaps and evolving workplace dynamics.	**Business conduct (G1)** Upholding ethical business conduct is part of our core values. This dimension includes compliance with regulations, anti-corruption measures, transparency in governance and robust supply chain oversight. • Opportunities: Strengthening corporate reputation; building resilient supply chains; enhancing investor confidence. • Risks: Exposure to legal penalties; reputational damage; operational disruptions due to unethical practices.
Resource use and circular economy (E5) Resource use and circular economy emerged as material due to our focus on resource management and the regulatory push for reusable, circular product designs. • Opportunities: Cost savings through resource efficiency and innovation in circular design. • Risks: Compliance challenges with evolving regulations; adapting to shifting customer preferences for sustainable products.		

The other dimensions reviewed during the assessment were deemed non-material at this time. While they remain important, their direct impact and risk relevance to our operations and our entire value chain are currently limited, based on operational factors and stakeholder feedback. Materiality is a dynamic process, and we are committed to revisiting and updating these findings as environmental and business contexts evolve. The identified material topics will be addressed through focused strategies and transparent reporting.

Detailed information on the double materiality approach can be found in Chapter 4.2, Unlocking the power of Double Materiality. For a full description of our IRO identification process, findings and interaction with our strategy and business model, see Chapter 4.3, Navigating the landscape of impacts, risks and opportunities.

2.3.3.4 The ESG plans steering our progress

Recticel has two ESG plans in place to guide our strategy and optimise our performance for sustainable growth.

OUR RACE TO NET ZERO EMISSIONS

Our **Race to Net Zero** is a dedicated Climate Action Plan aimed at combating global warming. This plan outlines specific targets and measurable KPIs to minimise our carbon footprint, achieve net zero emissions and amplify the positive impact of our activities. Our approach emphasises responsible sourcing of raw materials, sustainable, energy-efficient processes and eco-conscious design, and reflects our ambition to lead the global shift toward a circular, low-carbon economy.

OUR RACE TO MAX POSITIVE PERFORMANCE

Our **Race to Maximum Positive Performance** is our People and Solutions Plan, driven by our belief that building a better society requires collective action and the sharing of knowledge, expertise, and technology. This conviction compels us to uphold the highest standards in human rights, labour practices, environmental stewardship and anti-corruption efforts. As an employer, we foster an inspiring, rewarding and safe workplace. We continuously improve the sustainability and energy efficiency of our solutions to elevate living standards for current and future generations.

2.3.4 Resilience of our business model and strategy

We reviewed our strategy and business model to address sustainability challenges and seize opportunities that drive long-term value creation.

The evaluation encompassed the entire Recticel Group, excluding Rex Panels & Profiles, which was acquired after the ESG materiality assessment. Notably, Rex operates within the Insulated Panels Division, alongside Trimo, which engages in similar activities. The assessment covered the entire value chain.

The review considered short-term (1-5 years), medium-term (5-10 years), and long-term (up to 25 years) horizons, focusing on the adaptability of our business model to economic, environmental and social shifts while capitalising on emerging opportunities.

Core aspects included:

- Identifying major sustainability drivers such as climate change, resource efficiency and socio-economic developments.
- Engaging stakeholders to ensure a comprehensive understanding of material impacts.
- Analysing critical metrics, including carbon intensity, financial stress indicators and market share projections.

The findings of the review underscore our business resilience, which we demonstrate by:

- Mitigating climate risks through investments in resource-efficient technologies and collaboration with suppliers to minimise the impact of purchased goods.
- Proactively adapting to regulatory changes through compliance initiatives and stakeholder engagement.
- Expanding sustainable product offerings to meet evolving consumer preferences and societal trends.

Our analysis is rooted in the 1.5°C global warming scenario, a prerequisite for validating our SBTi net-zero commitment.

As part of our continuous improvement journey, Recticel will conduct an in-depth climate risk assessment in 2025, including a climate scenario analysis, to identify and implement necessary climate mitigation solutions across the Group.

By adopting the 1.5°C scenario, we establish a robust and realistic framework for assessing the financial resilience and adaptability of our business strategy.

For further information, refer to Chapter 5.2.2, E1-1 Transition plan for climate change mitigation, and Chapter 4.3.2, Material IROs and their interaction with strategy and business model.

2.3.5 ESG ratings and transparency

Building on our long-standing commitment to excellence in both financial and non-financial metrics, we continue to advance our ESG performance as a central element of our business strategy.

Maintaining clear, measurable goals and transparently reporting our progress are crucial for earning and retaining the trust of shareholders, who increasingly recognise the importance of sustainable and responsible business practices. Active engagement with ESG rating companies enables us to assess our impact, enhance our accountability and continuously identify opportunities for meaningful improvement.

1. CDP ENVIRONMENTAL DATA DISCLOSURE AND ASSESSMENT

As part of our commitment to transparency and climate accountability, Recticel reports climate data with CDP, recognised as the gold standard for environmental reporting and home to the largest, most comprehensive dataset on corporate climate action.

2024 | CDP Climate Change rating

After three years of consistent and transparent reporting, Recticel achieved the highest possible rating in Climate Change, an 'A' score. This milestone marks an advance through two levels within a single year and is particularly noteworthy in the context of CDP's recent expansion of its questionnaire to fully align with the rigorous standards of the CSRD framework.

In 2024, CDP scored more than 22,700 companies worldwide on their transparency and action as they work to integrate earth-positive decisions into their business models. Only 428 A scores for Climate Change were granted.

2024 | CDP Supplier Engagement Rate (SER)

The CDP's Supplier Engagement Rate (SER) evaluates how effectively companies are working with their suppliers to address climate change challenges. As purchasing organisations hold substantial influence, engaging suppliers on climate initiatives can drive meaningful environmental change throughout the supply chain. By promoting SER scores, CDP encourages deeper supplier engagement to amplify global efforts to reduce emissions.

In 2023, Recticel earned an A-. At the time of publication of this 2024 Annual Report, the 2024 SER score was not yet published.

2. ESG RESEARCH AND RATING PROVIDERS

Our ESG performance is assessed by multiple leading rating providers. Morningstar Sustainalytics and S&P Global evaluate our exposure to ESG impacts, risks and opportunities, providing insights into how effectively we manage these critical areas, relative to peers within the same industry classification. EcoVadis, assesses the integration of sustainability within our business operations and management systems, focusing on key areas such as environmental practices, labour and human rights, ethics and sustainable procurement.

It is important to recognise that each rating provider applies a distinct methodology, incorporating specific evaluation criteria and scoring systems tailored to their approach. As a result, direct comparisons between ratings from different providers are not feasible. To gain a comprehensive understanding of these methodologies, we encourage stakeholders to review the detailed information available on the respective providers' websites.

MORNINGSTAR | SUSTAINALYTICS

ESG Risk Rating

18.4 Low Risk

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

Ranking

Industry Group (1st = lowest risk)

Building Products — **12** out of 146

Universe

Global Universe — **3279** out of 15093

29 March 2025

ecovadis

Overall score

↗ 62/100

Percentile

73rd

BRONZE | Top 35%
ecovadis
Sustainability Rating
JAN 2025

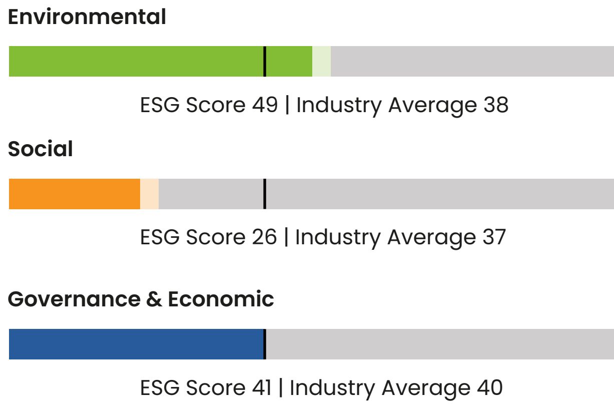
S&P Global

S&P Global ESG Score

39/100

Data Availability: Medium

Last updated: December 27, 2024



2.3.6 Interests and views of stakeholders

Clear and effective communication with stakeholders is essential to build trust, strengthen relationships, manage risks and align with our strategic objectives. Engaged and well-informed stakeholders are more likely to actively contribute, thereby enhancing customer loyalty, investor confidence and employee motivation. Any change in strategy or activities that might have a material impact on the relationship with our stakeholders will be duly communicated.

Our key stakeholders include shareholders, investors, customers, employees and suppliers. We also recognise the broader impact of our products and activities on workers throughout the value chain, as detailed in Chapter 3.4, GOV-4 Statement of due diligence in the value chain.

The primary objectives of stakeholder engagement are to understand their priorities, address concerns, foster collaboration and align with our sustainability goals. Insights gathered from these interactions are systematically reviewed with the Board of Directors and the Management Committee, as outlined in Chapter 3.2, GOV-2.

Throughout 2024, we engaged consistently with our key stakeholders through various communication channels to support our business goals.

Material Stakeholders	Topics addressed	How we engage	Purpose and outcome
Shareholders, investors and analysts	• Timely disclosure of information such as operating results, management policies, plans and events • Building trust-based relationships • Shareholder returns	• Corporate website, press releases • Annual and half-year reports • Annual General Meeting (AGM) • Disclosing information to rating organisations • Analyst meetings • Roadshows, contacts (individual, group) • Contacts with reference shareholders • Survey to assess Double Materiality	• Confidence in accuracy and credibility of disclosed information • Better ESG ratings • Higher reputation • Compliancy with regulations
Customers	• Providing safe, secure and quality products • Building trust-based relationships • Improving customer satisfaction through products, service and support • Fair and equitable transactions	• Quality Assurance Certificates • Environmental Product Declarations • Interactions, training sessions, lectures • Calculation tools • Survey to assess Double Materiality	• Anticipating customer's expectations with smart and sustainable insulation products • Increased trust and loyalty
Employees	• Providing a safe and rewarding workplace • Enhancing systems and education to maximise their capabilities • Open communication with employees and their representatives	• Intranet communication • CEO 'Team Talk' • Town hall and team meetings • Employee Performance Management Discussion (EPMD) • Training programmes • Social dialogue (local and European Works Council) • Survey to assess Double Materiality	• Higher levels of employee engagement • Improved safety performance • Increased operational efficiency
Suppliers	• Optimising carbon footprint • Resource efficiency and circular economy • Optimising upstream transport and distribution • Supply chain human rights due diligence • Partnership for innovation	• Day-to-day contact • Visits, meetings, audits, fairs • Joint development projects • Survey to assess Double Materiality	• Improved operational efficiency • Trustful partnerships • More sustainable products • Lower embodied carbon

Through our due diligence and materiality assessment processes, we actively analyse stakeholder interests and perspectives in relation to our strategy and business model. By integrating these priorities into our strategic planning, we ensure alignment with both stakeholder expectations and organisational goals, fostering continuous value creation.

PART 1 | MANAGEMENT'S REVIEW

3 Corporate governance

ESRS IRO-1
ESRS 2, GOV-1 - GOV-5

3.1 GOV-1 I The role of the administrative, management and supervisory bodies

3.1.1 Role of the Board of Directors of Recticel

Recticel's Board of Directors is entrusted with overseeing the Company's overall management, emphasising sustainable growth, financial stability and long-term success. The Board plays a key role in integrating sustainability into the corporate strategy and decision-making processes. It provides strategic direction, ensures sound financial stewardship, upholds strong corporate governance and assesses and mitigates business risks.

The Board places a strong emphasis on the interests of all key stakeholders, such as customers, shareholders, employees and society, acknowledging their critical role in Recticel's long-term sustainability. It sets ethical standards and business best practices (ESRS G1, Business conduct), ensures adherence to legal and regulatory obligations and oversees the material topics targets and progress, including the Company's transition plan to reach net zero by 2050 (ESRS E1, Climate change).

The Board, supported by its Audit & Sustainability Committee, assesses the ESG strategy to maintain high sustainability standards, ensuring the adoption of robust practices and reporting frameworks that align with evolving expectations.

Further details on the roles and responsibilities of the Board of Directors and the Audit & Sustainability Committee, particularly in overseeing material impacts, risks and opportunities (IROs), can be found in Chapter 3.2, GOV-2.

3.1.2 Composition of the Board of Directors

The Board of Directors consists of seven members: one Executive Director, five Independent Directors, and one Non-executive Director representing the reference shareholder. As of 28 May 2024, Wim Dejonghe holds the position of Chairman of the Board. The Board does not include employee representatives, and Independent Directors account for 71% of its members.

In accordance with Article 7:86 of the Belgian Companies' and Associations Code, which mandates that at least one third of the Board members must be of a different gender than the other members, the Board is proactively pursuing initiatives to improve female representation. As of 31 December 2024, two of the seven Board members are women, representing 29% of the Board.

The selection process for Board members is detailed in Recticel's Corporate Governance Charter (Corporate Governance | Recticel),[1] which emphasises the importance of diversity across all dimensions, including gender, background, professional experience, competencies and education.

The members of the Audit and Sustainability Committee collectively possess a strong understanding of business conduct and sustainability, supported by prior professional experience in overseeing sustainability objectives. They are updated and informed on relevant legislation, regulations and IROs on an ongoing basis by the Group Sustainability Director to ensure that they have the necessary insights to do so effectively. (For more information on the role of the Group Sustainability Director, see Chapter 3.2.)

Additionally, the Board has access to external experts to ensure comprehensive insights and informed decision-making on sustainability matters.

[1] *https://www.recticel.com/index.php/investors/corporate-governance.html*

Composition of the Board of Directors on 31/12/2024

Wim Dejonghe
Belgian
*Independent Director**

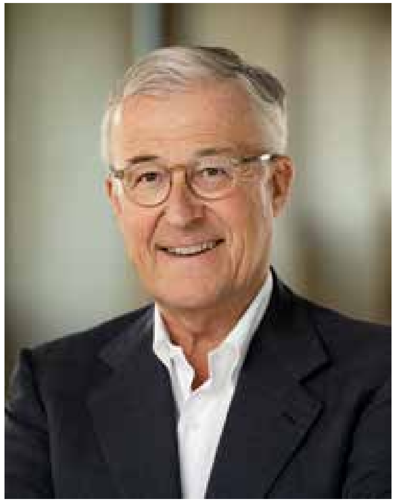
Born: 1961
Recticel mandates: Chairman Board of Directors, Chairman Remuneration & Nomination Committee, Member Audit & Sustainabilty Committee
Start of mandate: 2024
End of mandate: 2027
Education: Degree in Law, University of Leuven
Primary functions outside Recticel: Partner A&O Shearman

** Director from 28/05/2024 and Chairman from 04/06/2024, in his capacity as permanent representative of D.A.S.T BV*

Jan Vergote
Belgian
*Executive Director**

Born: 1962
Recticel mandates: Member Board of Directors
Start of mandate: 2024
End of mandate: 2027
Education: Germanic Philology, University of Ghent; Vlerick Business School Ghent; General Management INSEAD
Primary functions outside Recticel: Director PIA International & PIA Belgium, Director Baobab

** Director from 28/05/2024 and Managing Director from 04/06/2024, in his capacity as permanent representative of CORAL & WALLACE BV*



Filip Balcaen
Belgian
*Non-executive Director**

Born: 1960
Recticel mandates: Member Board of Directors and Remuneration & Nomination Committee
Start of mandate: 2022
End of mandate: 2025
Education: TEW (Economics), Antwerp
Primary functions outside Recticel: Executive Chairman Baltisse, Director House of Talents, Chairman Polflam, Chairman Baobab, Director Pentahold

** In his capacity as permanent representative of BALTISSE NV*

Frank Coenen
Belgian
*Non-executive Director**

Born: 1959
Recticel mandates: Member Board of Directors and Remuneration & Nomination Committee
Start of mandate: 2024
End of mandate: 2027
Education: Master of Science, Chemical Engineering, University of Ghent; Postgraduate Management, University of Leuven
Primary functions outside Recticel: Partner Syntagma Capital

** From 28/05/2024, in his capacity as permanent representative of IRIDI BV*

Ingrid Merckx
Belgian
*Independent Director**

Born: 1966
Recticel mandates: Member Board of Directors and Audit & Sustainability Committee
Start of mandate: 2012
End of mandate: 2025
Education: Master in Civil Engineering, University of Leuven
Primary functions outside Recticel: Independent Consultant for Imrada and Rodina

** In her capacity as permanent representative of IMRADA BV*

Luc Missorten
Belgian
*Independent Director**

Born: 1955
Recticel mandates: Member Board of Directors and Remuneration & Nomination Committee, Chairman Audit & Sustainability Committee
Start of mandate: 2015
End of mandate: 2027
Education: Degree in Law, University of Leuven
Primary functions outside Recticel: Member Board of Directors and Chairman Audit Committee GIMV, Managing Director of Lubis

** In his capacity as permanent representative of LUBIS BV*

Elisa Vlerick
Belgian
*Independent Director**

Born: 1986
Recticel mandates: Member Board of Directors and Audit & Sustainability Committee
Start of mandate: 2019
End of mandate: 2025
Education: BA (Hons) History in UK ; MA Law, University of Leuven ; Master in BA in Switzerland, MA Corporate Law, University of Leuven
Primary functions outside Recticel: Partner 9.5 Ventures VC fund, Director Vlerick Group

** In her capacity as permanent representative of MOROXCO BV*

3.1.3 Statutory appointments

As proposed by the Board of Directors and based upon the recommendations made by the Remuneration & Nomination Committee, the following was decided during the Ordinary General Meeting of 28 May 2024.

- Appointment of the mandate of D.A.S.T NV, permanently represented by Mr. Wim Dejonghe, as Non-executive and Independent Director for a term of three years ending after the Ordinary General Meeting of 2027.
- Appointment of the mandate of Coral & Wallace BV, permanently represented by Mr. Jan Vergote, as Director for a term of three years ending after the Ordinary General Meeting of 2027.
- Appointment of the mandate of IRIDI BV, permanently represented by Mr. Frank Coenen, as Non-executive and Independent Director for a term of three years ending after the Ordinary General Meeting of 2027.
- Renewal of the mandate of Lubis BV, permanently represented by Mr. Luc Missorten, as Non-executive and Independent Director for a term of three years ending after the Ordinary General Meeting of 2027.
- Acceptance of the resignation of Thijs Johnny BV, permanently represented by Mr. Johnny Thijs, effective 28 May 2024.
- Acceptance of the resignation of Olivier Chapelle BV, permanently represented by Mr. Olivier Chapelle, effective 31 August 2023.
- Acceptance of the resignation of Carpe Valorem BV, permanently represented by Mr. Kurt Pierloot, effective 28 May 2024.

On the Ordinary General Meeting on 27 May 2025, upon advice of the Board of Directors, a number of new mandates will be proposed for voting. For more information, please consult our corporate website (www.recticel.com).

3.1.4 Functioning of the Board of Directors

The Board of Directors convened a total of eight times in 2024. One meeting focused primarily on the 2024 budget, while two meetings handled the preparation of the annual accounts as of 31 December 2023 and the mid-year accounts as of 30 June 2024.

Each meeting included a review of the performance of individual divisions, discussions on significant acquisition and/or divestment matters and review of sustainability matters (which is a recurring item since August 2024).

Other topics, such as human resources, external communications, legal issues, litigations and delegations of authority, were addressed as required. Dirk Verbruggen, representing Roffoelkin BV, acted as Secretary of the Board of Directors. The written decision procedure was not applied in 2024.

The table below outlines the individual attendance rates for the Board of Directors meetings in 2024.

Name	ATTENDANCE RATE IN 2024
Wim Dejonghe [1]	5/5
Jan Vergote [2]	5/5
Filip Balcaen [3]	8/8
Frank Coenen [4]	5/5
Ingrid Merckx [5]	7/8
Luc Missorten [6]	7/8
Elisa Vlerick [7]	8/8
Kurt Pierloot [8]	3/3
Johnny Thijs [9]	3/3

[1] Director from 28/05/2024 and Chairman from 04/06/20/24, in his capacity as permanent representative of D.A.S.T. BV
[2] Director from 28/05/2024 and Managing Director from 04/06/2024, in his capacity as permanent representative of CORAL & WALLACE BV
[3] In his capacity as permanent representative of BALTISSE NV
[4] Director from 28/05/2024, in his capacity as permanent representative of IRIDI BV
[5] In her capacity as permanent representative of IMRADA BV
[6] In his capacity as permanent representative of LUBIS BV
[7] In her capacity as permanent representative of MOROXCO BV
[8] Until 28/05/2024, in his capacity as permanent respresentative of CARPE VALOREM BV
[9] Until 28/05/2024, in his capacity as permanent respresentative of JOHNNY THIJS BV

The Board of Directors periodically conducts a self-assessment of its performance, including an evaluation of its interactions with members of the Management Committee. The process begins with a questionnaire that is distributed to and completed by each Director. The results are then reviewed and discussed in a subsequent Board meeting for further analysis. The most recent formal assessment took place in 2021, with the results and recommendations being presented to the Board in February 2022 and implemented accordingly. Individual assessments of the Directors are carried out by the Remuneration & Nomination Committee.

3.1.5 Composition of the Executive Management

The Board of Directors has entrusted the day-to-day management of the Company to its Chief Executive Officer (CEO), Jan Vergote, representing Coral & Wallace BV. The CEO is supported by the Management Committee, composed of the following members:

Name	FUNCTION
Jan Vergote [1]	Chief Executive Officer
Betty Bogaert	Chief Information and Digitalisation Officer
Stefaan Debusschere [2]	Chief Executive Officer Insulation Boards
Rob Nijskens	Chief Human Resources Officer
Bart Van den Eede [3]	Chief Financial Officer
Stijn Vermeulen [4]	Chief Operations Officer
Božo Černila [5]	
Dirk Verbruggen [6]	

[1] In his capacity as permanent representative of CORAL & WALLACE BV
[2] From 01/03/2025, in his capacity as permanent representative of AVENTUS BV
[3] From 08/07/2024, in his capacity as permanent representative of PENDRON BV
[4] From 25/11/2024, in his capacity as permanent representative of DEVE CONSULTING BV
[5] Until 29/11/2024 General Manager Insulated Panels
[6] Until 08/07/2024 Chief Financial & Legal Officer, in his capacity as permanent representative of ROFFOELKIN BV

The CEO holds overall responsibility for Recticel's strategy, financial and sustainability goals, reporting, target setting and issue management. Working closely with the Management Committee, the CEO oversees and coordinates the Company's ESG roadmap, ensuring efficient implementation and reporting to meet the targets linked to key material topics.

The Executive Management has access to dedicated sustainability expertise and skills through structured internal resources and external collaborations. This includes specialised teams within the organisation focused on environmental, social, and governance (ESG) matters, as well as engagement with external consultants, industry networks, and sustainability experts. These resources ensure informed decision-making and alignment with best practices in sustainability.

Composition of the Management Committee (on 31/12/2024)

Jan Vergote
Chief Executive Officer

Betty Bogaert
Chief Information & Digitalisation Officer

Rob Nijskens
Chief Human Resources Officer

Bart Van den Eede
Chief Financial Officer

Stijn Vermeulen
Chief Operations Officer

3.1.6 Committees set up by the Board of Directors

3.1.6.1 Audit & Sustainability Committee

The Audit & Sustainability Committee oversees the financial and non-financial reporting process, monitors the effectiveness of the Company's internal control and risk management systems, supervises the internal audit, statutory oversight of the annual and consolidated accounts, and the Sustainability Statement, and ensures the Auditor's independence.

Currently, no dedicated controls or procedures are in place specifically for the management of impacts, risks and opportunities (IROs). However, the Audit & Sustainability Committee regularly reviews IROs as part of its broader oversight responsibilities. The Committee monitors the effectiveness of the Company's internal control and risk management systems, including sustainability aspects, and advises the Board on ESG-related topics. In addition, discussions surrounding IROs take place between the CEO, the Management Committee and the Sustainability Director, ensuring that these critical issues are addressed and incorporated into the Company's ongoing strategies and operations.

The Committee's responsibilities are outlined in the Corporate Governance Charter (Corporate Governance | Recticel),[2] which provides a detailed description of its tasks.

The Audit & Sustainability Committee held four meetings in 2024. Two of these sessions focused primarily on reviewing the audit of the annual accounts as of 31 December 2023, and the interim accounts as of 30 June 2024. In addition, all meetings addressed important topics such as the Internal Audit program, risk management, compliance, taxation, IFRS-related accounting issues, and sustainability topics. At least two of these meetings included direct discussions with the Statutory Auditor and the Head of Internal Audit.

In 2024, the Audit & Sustainability Committee examined the Double Materiality Assessment and the IROs, as well as the progress on alignment with the CSRD. These discussions were held in the presence of the Statutory Auditor and the Recticel Group Sustainability Director.

Going forward, the sustainability agenda will cover topics including, but not limited to, upcoming legislation, impacts, risks and opportunities (IROs), progress on CSRD reporting requirements, advancements towards material targets, and sustainability initiatives aimed at reducing scopes 1, 2, 3 emissions.

[2] *Available at https://www.recticel.com/index.php/investors/corporate-governance.html*

The Audit & Sustainability Committee is composed of four members, all of whom are Non-executive and Independent Directors. Dirk Verbruggen, representing Roffoelkin BV, acted as the Secretary of the Audit & Sustainability Committee.

The Committee's composition complies with the provisions of the Belgian Companies and Associations Code, as well as the Corporate Governance Code 2020. In line with Article 7:100 of the Belgian Companies and Associations Code, Recticel confirms that the Chairman of the Audit & Sustainability Committee, Luc Missorten, possesses the requisite expertise in accounting and auditing.

The table below outlines the individual attendance rates for the Audit & Sustainability meetings in 2024.

Name	FUNCTION	ATTENDANCE RATE IN 2024
Luc Missorten [1]	Chairman	4/4
Wim Dejonghe [2]	Member	2/2
Ingrid Merckx [3]	Member	4/4
Elisa VLERICK [4]	Member	4/4
Johnny Thijs [5]	Member	2/2

[1] *In his capacity as permanent representative of LUBIS BV*
[2] *From 28/5/2024, in his capacity as permanent representative of D.A.S.T. BV*
[3] *In her capacity as permanent representative of IMRADA BV*
[4] *In her capacity as permanent representative of MOROXCO BV*
[5] *Until 28/05/2024, in his capacity as permanent representative of JOHNNY THYS BV*

3.1.6.2 Remuneration & Nomination Committee

The Remuneration & Nomination Committee advises the Board of Directors on the remuneration policy and determines individual compensation for Directors and Management Committee members. It prepares the remuneration report and presents it at the Ordinary General Meeting. The Committee also makes recommendations on the evaluation and reappointment of Directors and oversees the selection and onboarding of new Directors. Its roles and responsibilities are detailed in Recticel's Corporate Governance Charter (Corporate Governance | Recticel)[3].

The Remuneration & Nomination Committee met four times throughout 2024. These meetings dealt with the fixed and variable remuneration of the executive management and with the election and re-election of Directors. The CEO was present at the discussion about the remuneration of the other members of the executive management.

The Remuneration & Nomination Committee is composed of four members, all of whom are Non-executive Directors, with three serving as Independent Directors. Dirk Verbruggen, representing Roffoelkin BV, acted as the Secretary of the Remuneration & Nomination Committee.

The Committee's composition complies with the provisions of the Belgian Companies and Associations Code, as well as the Corporate Governance Code 2020. In line with Article 7:100 of the Belgian Companies and Associations Code, Recticel confirms that the Remuneration & Nomination Committee has the required expertise in remuneration policy matters.

The table outlines the individual attendance rates for the Remuneration & Nomination Committee meetings in 2024.

Name	FUNCTION	ATTENDANCE RATE IN 2024
Wim Dejonghe [1]	Chairman	3/3
Filip Balcaen [2]	Member	4/4
Frank Coenen [3]	Member	3/3
Luc Missorten [4]	Member	4/4
Johnny Thijs [5]	Chairman	2/2
Kurt Pierloot [6]	Member	1/1

[1] *From 28/05/2024 in his capacity as permanent representative of D.A.S.T BV*
[2] *In his capacity as permanent representative of BALTISSE NV*
[3] *From 28/05/2024 in his capacity as permanent representative of IRIDI BV*
[4] *In his capacity as permanent representative of LUBIS BV*
[5] *Until 28/05/2024 in his capacity as permanent representative of JOHNNY THIJS BV*
[6] *Until 28/05/2024, in his capacity as permanent representative of CARPE VALOREM BV*

The Remuneration & Nomination Committee conducts an informal self-assessment of its functioning during one of its meetings and reserves the necessary time to discuss and analyse the same. A formal assessment by an external partner was performed in 2021 and the results and recommendations were discussed and implemented in early 2022.

[3] *Available at https://www.recticel.com/index.php/investors/corporate-governance.html*

3.2 GOV-2 I Information provided to and sustainability matters addressed by the Recticel Group administrative, management and supervisory bodies

The **Board of Directors**, supported by the Audit & Sustainability Committee, ensures that sustainability is integral to the corporate strategy. Since August 2024, sustainability has been a standing agenda item at every Board meeting. These discussions encompass progress toward the Science Based Targets initiative (SBTi) goals and other targets set for the material topics, approval of the Annual Report's Sustainability Statement, and a comprehensive review of the Company's aggregated exposure to ESG material impacts, risks, opportunities (IROs), and policies.

When overseeing the Company's strategy, major transactions, and risk management processes, the Board carefully assesses the broader implications of material impacts, risks, and opportunities. This includes evaluating potential trade-offs to balance short-term business priorities with long-term sustainability goals. By considering these factors, the Board ensures that decision-making aligns with the Company's commitment to responsible growth, resilience, and value creation for all stakeholders.

The Chairman of the **Audit & Sustainability Committee** is responsible for overseeing the sustainability targets and related impacts, risks, and opportunities, and regularly updates the Board on progress, including the potential effects of upcoming legislation such as the Corporate Sustainability Due Diligence Directive (CSDDD). He works closely with the Chief Executive Officer (CEO).

The **Chief Executive Officer** is responsible for the Company's sustainability ambitions, strategy, reporting, and issue management. The targets for the material topics are set together with the Management Committee. The CEO reviews the ESG strategy with the Audit & Sustainability Committee and the Board, ensuring the implementation of appropriate sustainability standards and reporting frameworks.

Additionally, he oversees progress against the SBTi-approved near-term and long-term targets as well as the targets for all material topics, and engages monthly with the Group Sustainability Director to review the coordination of the Company's sustainability roadmap and reporting.

The role of the **Group Sustainability Director** is to advance Recticel's sustainability agenda. Its key responsibilities include:

- Ensuring compliance with environmental regulations and standards while driving efforts to reduce the Company's carbon footprint and optimise sustainable resource use through targeted sustainability programmes.
- Managing sustainability disclosures aligned with current frameworks like CSRD/ESRS, effectively communicating progress and goals through various channels.
- Tracking upcoming legislation, directives and regulations relevant to Recticel's business operations, such as the Construction Products Regulations.
- Managing the preparation and submission of the Sustainability Statement, supervising the disclosure of environmental data to CDP, and ensuring accurate and standards-aligned ESG reporting to EcoVadis, Morningstar Sustainalytics, and S&P Global (see also Chapter 2.3.5).
- Proposing Group-level sustainability goals and KPIs to the Management Committee, enabling clear measurement of achievements and ongoing improvements.
- Providing regular updates and information sessions to the Audit & Sustainability Committee and the Board of Directors on material impacts, risks and opportunities, ensuring they have the insights needed to exercise effective oversight of sustainability objectives.

3.3 GOV-3 I Integration of sustainability-related performance in incentive schemes

Our involvement with the Science Based Targets initiative (SBTi) highlights our commitment to environmental stewardship and corporate responsibility. Among our near-term science based objectives is the ambitious goal of reducing absolute scope 1+2 GHG emissions by 90% by 2030, from a 2021 base year. Setting an ESG-related monetary incentive for the management of environmental issues enables us to achieve this target progressively.

For the performance year 2024, collective objectives for the CEO and Group Function Heads (Chief Financial Officer, Chief Human Resources Officer, Chief Information & Digitalisation Officer) are set at the Group level. For Division Managers, objectives are determined at the division level.

In 2024, 10% of the variable remuneration was linked to sustainability objectives. Specifically, the ESG-related incentive was tied to achieving a 10% reduction in greenhouse gas (GHG) emissions compared to 2023, measured by the carbon intensity of the production process (scope 1+2). To minimise the impact of price fluctuations, this target was based on sales volume rather than revenue. The payout scale ranged from 0% for reductions below 5% to a maximum of 125% for achieving a 15% reduction. As detailed in Chapter 5.2.7, the carbon intensity (scope 1+2) based on sales volume decreased by 25.4% in 2024 compared to 2023.

More information can be found in Chapter 6, Remuneration report.

3.4 GOV-4 | Statement on due diligence in the value chain

3.4.1 Our procurement vision

At Recticel, we are committed to fulfilling our ethical, social, and environmental responsibilities across all levels of our operations and partnerships. Responsible sourcing plays a key role in our sustainability strategy, guiding us to work with suppliers who prioritise environmental stewardship and uphold strong social standards.

Our suppliers play a pivotal role in realising our sustainability aspirations. We are committed to fostering sustainable partnerships, rooted in the belief that the transition to a low-carbon society and circular economy can only be achieved through collaborative efforts. By striving to build a resilient and sustainable value chain, we aim to align with our strategic objectives while generating positive societal and environmental impacts.

Our collaboration with suppliers focuses on:
- Reducing carbon emissions
- Sourcing eco-friendly materials
- Upholding fair labour practices

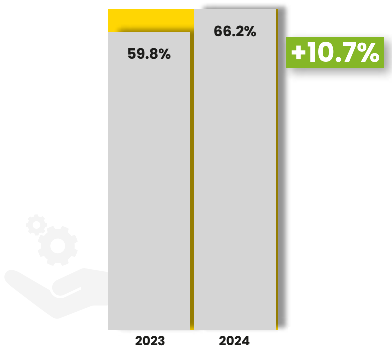
When selecting new suppliers or evaluating existing partnerships, we prioritise discussions about their capabilities in resource efficiency, use of renewable materials, and their supplier engagement strategies to help realise our Science Based Targets initiative (SBTi) ambitions. These discussions are designed to align supplier innovations with our carbon footprint reduction goals, reinforcing a sustainable and responsible value chain.

We have made significant progress in collecting environmental data from our suppliers, including the close monitoring of their scopes 1, 2, 3 emissions. Each year, we request key Tier 1 suppliers to provide product-specific emissions data rather than relying on industry averages. Since 63% of Recticel's carbon footprint is linked to purchased goods and services, collaboration with our suppliers is vital to reducing our climate impact and achieving our SBTi goals.

Recticel has established a Group Code of Conduct and corresponding policies and procedures for business conduct based on the United Nations Universal Declaration of Human Rights and the fundamental conventions of the International Labour Organization (ILO). No cases have been brought to the attention of the Compliance Committee, that Recticel is in breach of law in the reporting year in the area of human rights, corruption, fair competition or taxation. Recticel had no involvement with the OECD National Contact Point or the Business and Human Rights Resource Centre during this period.

If an adverse impact is identified on a supplier's side, Recticel will issue a non-compliance report and engage with the supplier to develop a detailed action plan and establish a timeline to ensure compliance.

scope 3.1 purchased goods and services
% primary data GHG emissions
(see Chapter 5.2.7)



3.4.2 Our supply chain human rights due diligence procedure

The Recticel Supplier Sustainability Requirements (RSSR) serve as the foundation of our business relationships with suppliers and is thus an integral part of our contracts for the supplies and services we procure.

The RSSR sets out the requirements for ensuring that working conditions in the supply chain are safe, that workers are treated with respect and dignity and that business operations are environmentally responsible and conducted ethically.

We expect our business partners to uphold the principles outlined in this RSSR, disseminate them to their own vendors, subcontractors, and business associates, and implement reasonable measures to ensure compliance with these principles among these stakeholders. If signing the RSSR is not feasible, we request proof that their practices meet the standards outlined in our Code of Conduct and the RSSR.

The RSSR forms an integral part of Recticel's General Terms and Conditions and are available on our corporate website. Where the contractual relationship with our suppliers is not governed by Recticel's General Terms and Conditions, we require the suppliers to provide us either with a signed version of the RSSR or with proof that they respect principles equivalent to those set out in our Code of Conduct and RSSR. Following the introduction of the new Code of Conduct, the RSSR will be updated in 2025.

Suppliers will then be expected to adhere to:

- The Universal Declaration of Human Rights and its two complementary pacts (the International Covenant on Economic, Social, and Cultural Rights and the International Covenant on Civil and Political Rights).
- The ten principles of the United Nations Global Compact.
- The Fundamental Conventions of the International Labor Organisation (ILO), including the ILO Declaration on Fundamental Principles and Rights at Work.

Our human rights impact procedure is designed to identify, assess, and address potential issues within the supply chain. This process includes:

- Requiring suppliers to sign the Recticel Supplier Sustainability Requirements (RSSR) and submit their Code of Conduct or equivalent policies.
- Distributing self-assessment questionnaires to suppliers.
- Evaluating the need for corrective actions to mitigate negative impacts on people within the supply chain.

This process is reviewed annually, and no human rights issues were identified in 2024.

Looking forward, we are enhancing our due diligence efforts across the entire value chain, both upstream and downstream, to strengthen long-term business resilience. Elevating our sustainability practices will also ensure compliance with the Corporate Sustainability Due Diligence Directive (CSDDD) beginning in 2029.

The CSDDD directive prioritises the protection of human rights and the environment by requiring comprehensive due diligence reporting to ensure alignment with global standards.

The CSDDD focuses on several key areas:

- Identifying, evaluating, and addressing human rights and environmental due diligence (HREDD) issues across the value chain.
- Embedding due diligence processes into policies, risk management frameworks, and operations, with particular attention to the severity and likelihood of potential risks.
- Creating a science based climate transition plan aligned with the Paris Agreement's goal of limiting global warming to 1.5°C.

3.4.3 Product stewardship

Product stewardship was identified as a material topic and is linked to Chapter 5.5, Governance | G1 Business conduct. Related IRO information can be found in Chapter 4.3.

Product stewardship is central to our approach in sourcing, handling, and managing raw materials such as chemicals, non-chemicals, steel, and mineral wool. By prioritising sustainability, safety, and regulatory compliance, we ensure that the materials we use contribute to a safer workplace, a healthier environment, and a more circular economy. Our commitment to responsible sourcing, waste reduction, and recycling highlights our dedication to minimising our environmental impact and promoting long-term sustainability.

We are dedicated to conducting our business in a manner that prioritises the health and safety of our employees, contractors, upstream transport operators, downstream building material delivery drivers, and the general public. This commitment, grounded in our Core Values of respect and integrity, is reflected by our unwavering focus on safety.

For the Tier 1 materials we purchase – chemicals, non-chemicals, steel, and mineral wool – we take a comprehensive approach to sourcing, handling, and disposal. This ensures that sustainability and safety are integral to our operations, achieved through close collaboration among procurement, logistics, and operational teams.

We also engage with industry groups, conduct thorough desk research, and utilise market intelligence to gain deeper insights into products, organisations, and supply chain dynamics beyond Tier 1 suppliers, offering a clearer perspective on upstream tiers.

3.4.3.1 Material impacts, risks and opportunities

Recticel's activities inherently expose it to various environmental risks due to the use of potentially hazardous materials, such as chemicals, in its development and manufacturing processes. While pollution cannot be entirely ruled out, the Company mitigates these risks through stringent industrial policies designed to prevent environmental harm. Detailed crisis management plans outlining response mechanisms and mitigation strategies have been disseminated across the organisation.

The handling of hazardous materials may potentially pose health risks to employees and visitors, particularly in cases of non-compliance with Recticel's safety protocols. Moreover, evolving environmental regulations may impose significant business challenges, potentially leading to higher compliance costs or operational adjustments. Failure to adhere to such regulations could result in legal liabilities or damage to the Company's operations.

Chemicals

- **Supplier certification**
  All our chemical suppliers have signed the Recticel Supplier Sustainability Requirements (RSSR) or provided equivalent documentation confirming their compliance with environmental, health and safety (EHS) standards. They adhere to both local and international regulations, including REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals). Additionally, our suppliers are responsible for ensuring that their upstream transport operators comply with all legal requirements for the safe transport and handling of their goods.

- **Safe handling and storage**
  Safety data sheets (SDS), proper labelling, and employee training are used to guarantee safe transportation, storage, and handling of chemicals. This is especially critical to preventing spills, leaks, or exposure to hazardous materials. In our manufacturing processes, we enforce strict safety policies and procedures.

  All chemical products used in production are subject to rigorous approval processes overseen by local HS&E managers. Additionally, chemicals are stored safely and undergo regular inspections, with Safety Data Sheets (SDS) always available for reference. To further reinforce safety, we perform root cause analyses of critical operations, implementing corrective and preventive actions as necessary. Our plants comply with strict safety regulations, and most sites are ISO 14001-certified. Emphasis is placed on training employees and contractors who handle chemicals, ensuring they are educated on safe handling practices, the use of personal protective equipment, and emergency procedures.

- **End-of-life management**
  Whilst continuously working on the reduction of hazardous waste. we only involve certified waste management services, so they are disposed of according to environmental regulations, preventing contamination of natural ecosystems.

Non-Chemicals

- **Sustainable sourcing**
  We are evaluating the potential of recyclable and renewable materials (e.g. silica, packaging material, paper, aluminium, cardboard, etc.) to reduce the strain on natural resources and promote a circular economy.

- **Waste reduction**
  Non-chemical waste can significantly impact landfills. To address this, we implement strategies to reduce, reuse, and recycle materials wherever possible, while also encouraging suppliers to use environmentally friendly packaging.

Steel

- **Sustainable sourcing**
  We work with suppliers that employ energy-efficient steel production processes, which use recycled steel and have a lower environmental impact compared to traditional production methods.

- **Recycling and circular economy**
  Steel is highly recyclable, making it a key material in our circular economy efforts. We ensure that steel scrap from our operations is recycled, and that recycled steel is incorporated into new products where possible.

- **Durability**
  Steel's longevity makes it an environmentally sound choice, as products made from high-quality steel typically require fewer replacements, which reduces the overall demand for raw materials and energy.

- **End-of-life management**
  Once a steel product reaches the end of its lifecycle, it can be recycled without loss of quality. We partner with certified recyclers to ensure that our steel waste is responsibly processed and reintroduced into production cycles.

Mineral Wool

- **Sustainable sourcing**
  We source mineral wool from suppliers that use eco-friendly processes and include recycled materials to support a circular production model.

- **Health and safety**
  We source mineral wool products that meet safety certifications such as the EUCEB (European certification board for mineral wool products).

- **Waste reduction and recycling**
  We aim to minimise mineral wool waste by optimising material use in construction and manufacturing. Additionally, we support efforts to recycle mineral wool.

3.4.4 Mapping of due diligence process in the Sustainability Statement

The key aspects and stages of due diligence correspond to various cross-cutting and specific Disclosure Requirements under the ESRS.
The mapping below illustrates how and where these aspects and steps of the due diligence process are incorporated into this Sustainability Statement.

Due diligence element	DISCLOSURE REQUIREMENT	CHAPTER	Description	PAGE	People	Environment
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3	3.2	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	56	X	X
		3.3	GOV-3 Integration of sustainability-related performance in incentive schemes	57	X	X
		2	Leading the way in future-smart insulation	17	X	X
		4.3	Navigating the landscape of impacts, risks and opportunities	80	X	X
		5	ESG information	92	X	X
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1	3.2	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies 3.02%	56	X	X
		2	Leading the way in future-smart insulation	17	X	X
		2.3	Our business model and strategy	25		X
		4.2	Unlocking the power of Double Materiality	74	X	X
		4.3	Navigating the landscape of impacts, risks and opportunities	80	X	X
		5	ESG information	92	X	X
	ESRS 2 MDR-P Topical ESRS	3	Corporate governance	47	X	
		5.2.3	E1-2 Policies related to climate change mitigation	104		X
		5.3.2	E5-1 Policies related to resource use and circular economy	122		X
		5.4.2	S1-1 Policies related to our own workforce	135	X	
		5.5.2	G1-1 Business conduct policies and corporate culture	148	X	X
		5.5.4	G1-2 Management of relationships with suppliers and its impacts on our supply chain	152	X	X
		5.5.5	G1-3 Prevention and detection of corruption and bribery	153	X	
		5.5.7	G1-5 Political influence and lobbying activities	155	X	X
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1	4.2	Unlocking the power of Double Materiality	74	X	X
		4.3	Navigating the landscape of impacts, risks and opportunities	80	X	X
		5	ESG information	92	X	X
	ESRS 2 SBM-3	3	Corporate governance	47	X	
		2	Leading the way in future-smart insulation	17	X	X
		4.3	Navigating the landscape of impacts, risks and opportunities	80	X	X
		5	ESG information	92	X	X

Due diligence element	DISCLOSURE REQUIREMENT	CHAPTER	Description	PAGE	People	Environment
c) Identifying and assessing adverse impacts	Topical ESRS	5.2.2	E1-1 Transition plan for climate change mitigation	103		X
		5.2.5	E1-4 Targets related to climate change mitigation and adaptation	107	X	X
		5.2.7	E1-6 Gross scopes 1, 2, 3 and total GHG emissions	112		X
d) Taking action to address those adverse impact	ESRS 2 MDR-A Topical ESRS	5.2.4	E1-3 Actions and resources in relation to climate change policies	105		X
		5.3.3	E5-2 Actions and resources related to resource use and circular economy	124		X
		5.2.2	E1-1 Transition plan for climate change mitigation	103		X
		5.4.5	S1-4 Taking action on material impacts on own workforce	139	X	
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M ESRS 2 MDR-T Topical ESRS	5.2.5	E1-4 Targets related to climate change mitigation	107	X	X
		5.3.4	E5-3 Targets related to resource use and circular economy	126		X
		5.4.6	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	141	X	
		5.2.6	E1-5 Energy consumption, mix and intensity	109		X
		5.2.7	E1-6 Gross scopes 1, 2, 3 and total GHG emissions	112		X
		5.2.8	Avoided emissions	118		X
		5.3.5	E5-4 Resource inflows	127		X
		5.3.6	E5-5 Resource outflows	129		X
		5.4.7	S1-6 Characteristics of the undertaking's employees	142	X	
		5.4.12	S1-13 Training and skills development metrics	144	X	
		5.4.13	S1-14 Health and safety metrics	145	X	
		5.4.14	S1-15 Work-life balance	146	X	
		5.4.15	S1-17 Incidents, complaints and severe human rights impacts	146	X	
		5.5.2	G1-1 Business conduct policies and corporate culture	148	X	
		5.5.6	G1-4 Incidents of corruption or bribery	155	X	
		5.5.8	G1-6 Payment practices	156	X	

3.5 GOV-5 | Risk management and internal controls over sustainability reporting

3.5.1 Risk management and governance

The competitive environment in which Recticel operates requires us to accept risks, such as investment risks, whereas business results are delivered when seizing opportunities. Risks that affect Recticel's ability to achieve business objectives are typically identified at various points in the business cycle. For certain risks, such as those relating to health & safety and business conduct, Recticel demonstrates zero tolerance.

To address risks and uncertainties effectively, we utilise a structured risk management framework that enables proactive identification and management of both risks and opportunities.

The Recticel risk assessment incorporates a group-wide top-down and bottom-up risk evaluation to determine the likelihood of occurrence and potential impact of risks on Recticel at inherent and residual level, leading to a risk register. Recticel assesses risks, including climate-related risks, along five dimensions – financial, reputational, legal/regulatory, capacity to meet stakeholder expectations and ability to meet strategic goals – and evaluates them with regard to their potential impact and likelihood. Climate-related risks are split into transition risks and physical risks.

Financial risk management

For a summary of the financial risks, see Chapter 7.2.5.18 of the Financial Statement.

Sustainability risk management

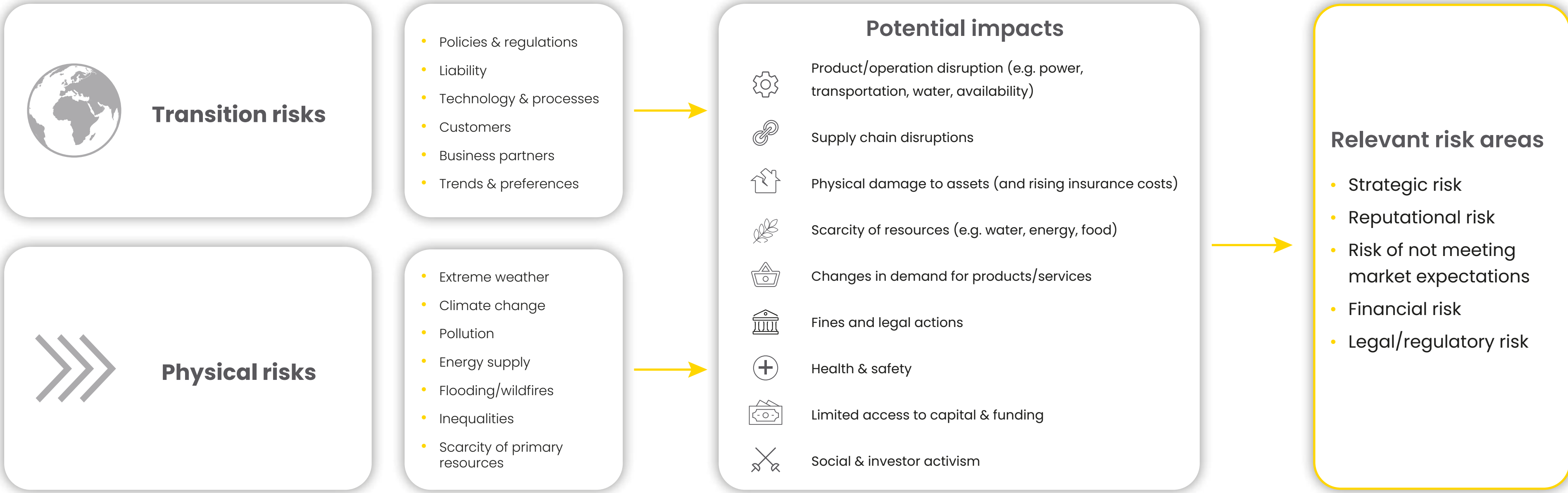
Transition risks

These are risks connected to the ongoing shift towards a more sustainable, net zero emissions economy and the accomplishment of the Sustainable Development Goals. This shift is closely related to stronger regulations, technical progress and changes in consumer preferences and stakeholder expectations. All these factors may challenge or disrupt existing business models, value chains, operations, overall compliance and our profitability.

Physical risks

These are risks arising from the direct physical impacts of climate change, such as extreme weather events. They can be acute (short-term, extreme events like hurricanes, floods, wildfires and heatwaves) or chronic (long-term impacts like rising sea levels, changing rainfall patterns, and increasing global temperatures).

During 2025, Recticel will conduct a more in-depth climate risk scenario analysis evaluating physical risks, such as extreme weather events that may disrupt production and supply chains.



For more insights into our IRO identification and assessment, refer to Chapter 4.3.

Recticel's Board of Directors, supported by the Audit & Sustainability Committee, holds ultimate responsibility for overseeing adequate risk management. This includes identifying and assessing risks, implementing effective control measures, and maintaining visibility over Recticel's overall risk exposure while balancing it against the Company's risk appetite. The Internal Audit department provides independent and objective assurance to enhance operations through the continuous evaluation of risk management, control and governance processes.

Our risk management strategy aims to minimise exposure to potential risks while allowing for strategic trade-offs in pursuit of the Company's long-term and short-term goals.

3.5.2 Internal controls over sustainable reporting

A critical challenge for the Board of Directors and Executive Management is to define the level of uncertainty they are prepared to accept while striving for value creation. Optimal value is achieved when growth and returns are effectively balanced with associated risks.

Recticel's internal control and risk management framework is founded on the COSO model (Committee of Sponsoring Organizations of the Treadway Commission) and complies with the Belgian Corporate Governance Code 2020. This framework is tailored to suit Recticel's specific size and operational needs.

Currently, there is no specific internal control mechanism solely focused on managing ESG impacts, risks and opportunities. However, these factors are actively monitored and managed through broader operational and strategic frameworks, ensuring they are effectively integrated into our overall decision-making processes.

The Group Code of Conduct, which applies to all Recticel directors, managers and employees, underpins this framework. Available on our corporate website, this Code of Conduct covers critical areas including ethics, safety, health, environmental responsibility, quality, conflicts of interest and anti-trust compliance.

Financial reporting and controls are governed by the Company's Accounting Manual, Accounting Methodology and Cost Accounting Methodology, which clearly define decision-making authority and responsibilities. We are automating our reporting of ESG datapoints in a platform directly connected with our financial reporting and governed by the Company's financial team. Safeguards are implemented wherever required to protect data security and confidentiality of financial and non-financial information.

In the event of breaches of internal policies or external regulations, Recticel has established and updated its Whistleblowing Policy. This policy offers a clear mechanism for reporting any behaviour that may violate the Code of Conduct, corporate policies or legal requirements. This policy is also available on the corporate website.

3.6 Applicable reference code and rules

3.6.1 Applicable reference code

Recticel provides its Corporate Governance Charter on its corporate website[4], in compliance with the Belgian Corporate Governance Code 2020, which can be downloaded from Corporate Governance Committee.[5] The Charter outlines the governance structure and the Company's governance policy, including the roles and responsibilities of the Board of Directors.

Recticel affirms its decision to adopt a monistic (one-tier) governance structure as defined by the Belgian Companies and Associations Code. Under this structure, the Board of Directors is empowered to take all actions deemed necessary or beneficial to fulfil the Company's objectives, except for those that are legally reserved for the General Meeting. This authority has not been further restricted in the Company's articles of association.

3.6.2 Transactions and other contractual ties between the Company and members of the Board of Directors or members of the Management Committee

Chapter VII.1 of the Recticel Corporate Governance Charter describes the Company's policy on related party transactions that are not governed by the legal conflict of interest scheme. During 2024, one conflict of interest arose between a Director and the Company as referred to in Article 7:96 of the Belgian Companies and Associations' Code. The procedure of Article 7:97 was not applied in 2024. Reference is made here to the statutory annual report, which contains an extract of the minutes of the concerned board meeting in this regard.

[4] *https://www.recticel.com/index.php/investors/corporate-governance.html*
[5] *https://corporategovernancecommittee.be/en/*

3.6.3 Insider trading and market manipulation

The Company policy regarding the prevention of insider trading and market manipulation is further explained in Chapter VII.2 of the Recticel Corporate Governance Charter and in the Dealing Code. These measures include the implementation of restrictions on the execution of transactions ('closed periods') applicable since 2006.

Bart Van den Eede, Chief Financial Officer and representing Pendron BV, was appointed Chairman of the Compliance Committee and is responsible for monitoring the observance of these regulations.

3.6.4 Relationships with the reference shareholders

Below is an overview of the shareholders who, in accordance with legal requirements, have submitted a notification to the Company and the FSMA.

Name	DATE OF NOTIFICATION	NUMBER OF SHARES	PERCENTAGE OF SHARES AT THE MOMENT OF NOTIFICATION [1]	PERCENTAGE OF SHARES AT BALANCE SHEET DATE	PERCENTAGE OF VOTING RIGHTS ATTACHED TO SHARES AT BALANCE SHEET DATE [2]
Own shares	13/05/2015	326,800	0.61%	0.58%	0.00%
Spring Holdco BV	12/05/2022	15,262,301	27.20%	26.96%	27.12%
Spring Holdco BV		600,748 [3]		1.06%	1.07%
Spring Holdco BV		540,083 [4]		0.95%	0.96%
Total Spring Holdco BV		**16,403,132**		**28.98%**	**29.15%**
Janus Henderson Group Plc	22/05/2023	1,698,929	3.02%	3.00%	3.02%
Janus Henderson Group Plc	23/01/2024	1,126,271	2.00%	1.99%	2.00%
Total Janus Henderson Group Plc		**2,825,200**		**4.99%**	**5.02%**
Degroof Petercam Asset Management	02/05/2024	**1,699,862**	3.02%	**3.00%**	**3.02%**
Public	Not applicable	35,350,926		62.45%	62.81%
Total (excluding own shares)		56,279,120			100.00%
Total (including own shares)		**56,605,920**		**100.00%**	

[1] The percentage of shares is calculated based upon the number of existing shares at the moment of the notification.
[2] The percentage of voting rights is calculated based upon the 56,105,920 existing shares per 12/05/2022 based upon the information the Company has received from its shareholders per 12/05/2022, which can be different from the actual situation. The calculation has been adjusted to take into account the suspension of the voting rights of the 326,800 own shares held by the Company as foreseen by the law.
[3] Number of shares acquired by Spring Holdco BV on 19/10/2022, 12/12/2022 and 16/12/2022.
[4] Number of shares acquired by Spring Holdco BV in September and November 2024.

The Company has not entered into a relationship agreement with its primary shareholder, Baltisse NV, in line with principle 8.7 of the Corporate Governance Code 2020, as the main shareholder's interests are adequately represented through its participation on the Board of Directors.

Details regarding the Company's capital structure, including the number of shares and warrants/ subscription rights, are available on the Recticel corporate website (Share information | Recticel).[6]

Amendments to Recticel's Articles of Association require compliance with the special majorities mandated by law and article 37 of the Articles of Association.

The Board of Directors submits its proposals regarding the appointment or re-election of directors to the general meeting of the shareholders. The Remuneration and Nomination Committee recommends one or several candidates to the Board, taking into account the needs of the Company and following the appointment procedure and the selection criteria drawn up by the Board for that purpose. The composition of the Board is determined based on the necessary diversity and complementary skills, experience and knowledge.

The general meeting of the shareholders appoints the directors of their choice with a simple majority of the votes cast. Directors can likewise be dismissed "ad nutum" by the general meeting with a majority of the votes cast, before the normal expiry of their term of office.

If a position of director becomes vacant as a result of resignation, incapacity or death, the Board may provisionally fill the vacancy, upon recommendation from the Remuneration and Nomination Committee.

There are no legal or statutory limitations on transfer of securities. There are no securities with special control rights. There are no legal or statutory restrictions on the exercise of voting rights, for as far as the shareholder is legally represented at the Ordinary General Meeting, and his/her voting rights have not been suspended for any reason.

There are no agreements between the Company and its directors or employees that would provide for compensations after a public takeover bid, the directors resigning or departing without any valid reason, or the employment of the employees being terminated.

The following agreement, whereby the Company is party, contain the clauses that take effect, undergo changes or end, in the event of a change of control over Recticel NV:

The Recticel Stock Option Plans of April 2014, June 2015, April 2016, June 2017, April 2018, June 2019, March 2021, May 2022, June 2023 and June 2024 (warrant plans April 2014, June 2015, April 2016, June 2017, April 2018, June 2019, March 2021, May 2022, June 2023 and June 2024) issued by the Board of Directors Administration contain a clause 6.2./5.2 which gives the beneficiaries the right to exercise their warrants, if applicable under the conditions determined by the Board of Directors, immediately in the event of a change of control (that is, in the event of a transfer, in one or more transactions, of more than fifty percent (50%) of the voting rights) or in the case of the launch of a public share purchase offer.

These clauses were specifically approved by the Recticel General Shareholders Meeting or will be submitted for approval at the General Meeting on 27 May 2025.

In line with article 7:151 of the Belgian Companies and Associations Code, such a clause requires the approval of the General Shareholder meeting.

The Board of Directors is not aware of shareholder agreements that give rise to restrictions on the transfer of securities and/or the exercise of voting rights.

By decision of the extraordinary general meeting of the shareholders of 25 May 2021, an authorised capital was created equal to 5% of the issued capital with a validity of five years, allowing the Board of Directors to issue a maximum of 2,791,971 new Recticel shares to be used only in the framework of the subscription rights plans for the leading executives and personnel of Recticel. The Board has used this authorisation twice in the framework of the Recticel stock option plan: 475,000 subscription rights were issued in 2021; 320,000 subscription rights were issued in 2022; 350,000 subscription rights were issued in 2023; and 492,500 subscription rights were issued in 2024. The renewal of this authorisation will be put to the vote of the shareholders at the Extraordinary General Meeting of 27 May 2025.

The Board of Directors is authorised to acquire own shares of the Company as long as the fractional value of the Company's shares held in portfolio does not exceed 20% of its issued capital, at a unit price that may not be less than 20% below the average of the last twenty closing prices on Euronext Brussels prior to the date of acquisition, and not higher than the same average plus 20%. This purchase and sale authorisation is valid until 9 July 2025. The renewal of this authorisation will be put to the vote of the shareholders at the Extraordinary General Meeting of 27 May 2025.

[6] *https://www.recticel.com/investors/share-information.html*

3.7 External audit

The external audit of Recticel NV company and consolidated annual accounts has been entrusted by the Annual General Meeting of 2021, renewed by the Annual General Meeting of 28 May 2024, to the limited liability cooperative company PWC Bedrijfsrevisoren, with registered office at Culliganlaan 5, B-1831 Diegem, Belgium, represented by Wouter Coppens BV, itself represented by Wouter Coppens, bedrijfsrevisor, in order to exercise control over the financial years ended 31 December 2024, 2025 and 2026.

The Auditor conducts its audits in accordance with the International Standards on Auditing (ISA) and delivers a report, which confirms whether the Company's annual accounts and the consolidated financial statements of the Company reflect a true and fair view of the assets, financial condition and results of the company. The Audit & Sustainability Committee investigates and discusses these semi-annual reports in the presence of the Auditor, and afterwards also with the Board of Directors.

In addition to its review of the Financial Statement, the Auditor evaluates whether the structure, data and presentation of the Sustainability Statement are in accordance with the ESRS standards, the framework of the CSRD and the requirements of EU Taxonomy reporting.

The remuneration of PWC (in its capacity as Auditor) for the audit of the Recticel NV annual and consolidated annual accounts intended in article 3:65 of the Belgian Companies and Associations Code amounted to EUR 634.5K for 2024 including CSRD reporting.

The global amount of the remuneration for additional services of the Statutory Auditor and parties related to the Statutory Auditor amounts to EUR 183.3K at the level of the Company.

The annual fees of the Statutory Auditor amount to EUR 394.6K including CSRD reporting and excluding IBR contribution, travel and accommodation expenses abroad and VAT.

The Auditor's reports can be found in Chapter 8.1.

3.8 Shareholder's diary

First quarter trading update 2025	29.04.2025 (07:00 AM CET)
Annual General Meeting	27.05.2025 (10:00 AM CET)
First half year results 2025	29.08.2025 (07:00 AM CET)
Third quarter trading update 2025	30.10.2025 (07:00 AM CET)

4

PART 2 | SUSTAINABILITY STATEMENT

General insights, DMA and IRO

ESRS 2, IRO-1
ESRS 2, IRO-2

4.1 General information

Basis of preparation

For the reporting year ended 31 December 2024, Recticel reports its sustainability information for the first time in accordance with article 3:32/2 of the Companies' and Associations' Code, including compliance with the applicable European Sustainability Reporting Standards ("ESRS"). This includes:

- Compliance of the process carried out by the Company to identify the information reported in the Sustainability Statement (the "Process") in accordance with the description set out in note ESRS 2 IRO-1; and
- Compliance of the disclosures in Chapter 8.2 of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

The contents of the Sustainability Statement were subject to a limited assurance report in accordance with ISAE 3000 (Revised). The Independent Auditor's Report on a Limited Assurance Engagement can be found in Chapter 8.1.

The Sustainability and Financial Reports, as well as the Remuneration Report, were authorised for issue by the Board of Directors on 29 April 2025.

Consolidated basis and scope

The Sustainability Statement was prepared on a consolidated basis and covers the same reporting scope as the financial statement. All statements on strategies, policies, actions, metrics and targets refer to the consolidated group and, where not shown separately, also to the Company.

The report covers the consolidated group's entire value chain in all geographies where it operates. Where material, we provide information on upstream and downstream activities in accordance with ESRS 1.

Please also note that certain information under ESRS 2 (e.g. Disclosure Requirement SBM-1 – Strategy, business model and value chain) can be found in section 2.3.

Consolidation of all quantitative ESG data is in accordance with the same principles applied in the consolidated financial statements, covering the parent company Recticel NV/SA and its subsidiaries where it has operational control.

All subsidiary undertakings of the Recticel Group are included in the consolidation and are exempted from individual or consolidated sustainability reporting.

Due to the acquisition of Rex Panels & Profiles on 8 January 2024 with 3 operations in Belgium, we restated our SBTi base year (2021) and prior year 2023 data in Chapter 5.2.6 (E1-5 Energy consumption, mix and intensity) and in Chapter 5.2.7 (E1-6 Gross scopes 1, 2, 3 and total GHG emissions).

For information relating to ESRS 2 DR15 (Disclose that the entity includes in its Sustainability Statement information stemming from other legislation which requires the entity to disclose sustainability information or from generally accepted sustainability reporting standards and frameworks), refer to Chapter 8.3.

The use of phase-in provisions

In this Sustainability Statement Recticel uses the option to omit the following in accordance with Appendix C of ESRS 1:

- E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
- E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities
- S1-7 Characteristics of non-employee workers in the undertaking's own workforce
- S1-13 Training and skills development metrics
- S1-14 Health and safety (non-employees)
- S1-15 Work-life balance

References to other parts of the Annual Report

Where information has been published in other parts of the Annual Report, Recticel has made use of the incorporation by reference concept, and cross references have been inserted where relevant. (See Chapter 8.2 for a consolidated overview of cross references)

Estimations, uncertainties and exclusions

The Sustainability Statement covers Recticel's own operations as well as its upstream and downstream value chain. In case estimations have been used or in case there are outcome uncertainties related to the metrics disclosed in the statement, this is disclosed along with the respective metrics within each topical chapter.

The data and assumptions used in preparing the Sustainability Statement are consistent to the extent possible with the corresponding financial data and assumptions used in the undertaking's financial statements. For scope 3 GHG emissions, while we made very good progress in obtaining more precise supplier-specific data and emission factors in 2024 and continue to enhance our efforts, achieving full coverage across all scope 3 categories remains challenging. In such cases, we rely on broader activity data or sector-average emission factors and proxies, extrapolating where necessary to address data gaps. The assumptions and sources used are detailed in Chapter 5.2.7.2.

Estimations, uncertainties and exclusions are outlined in Chapters 5.2.7.1 and 5.2.7.2.

Presenting comparative information

Where metrics have been reported previously, comparative information is presented. The comparative information in the Sustainability Statement and thereto related disclosures are presented on a voluntary basis and have not been subject to reasonable or limited assurance procedures, unless stated otherwise in the relevant sections of the Sustainability Statement. For newly introduced metrics, Recticel makes use of the transitional provisions for the first year in accordance with ESRS 1.

Material errors in prior period

Recticel identified material errors in the sustainability information reported in the Annual Report for the year ended 31 December 2023 and corrections were made to the proportion of turnover, CapEx and OpEx from products or services associated with Taxonomy-aligned economic activities (Chapter 5.1.1, EU Taxonomy).

Forward-looking information

This report includes forward-looking statements in accordance with the European Sustainability Reporting Standards (ESRS). These statements represent management's current views, expectations and assumptions about future developments, corporate strategies, sustainability initiatives and potential business impacts.

Such forward-looking information may cover climate goals, emission reduction targets, renewable energy integration, circular economy efforts and other ESG commitments. However, these projections are subject to uncertainty, as actual results may vary due to evolving regulations, market dynamics, technological progress and other external influences beyond the Company's control.

Although our assumptions are based on the best available data, we cannot guarantee that projected events or outcomes will materialise as anticipated. Recticel assumes no obligation to update or revise these forward-looking statements unless required by applicable laws or regulations.

Validation of metrics

Unless otherwise mentioned, the metrics reported in the Sustainability Statement of the 2024 Annual Report have not been validated by an external body other than the limited assurance provider (see Annex 8.1 for their audit report).

Excluded items

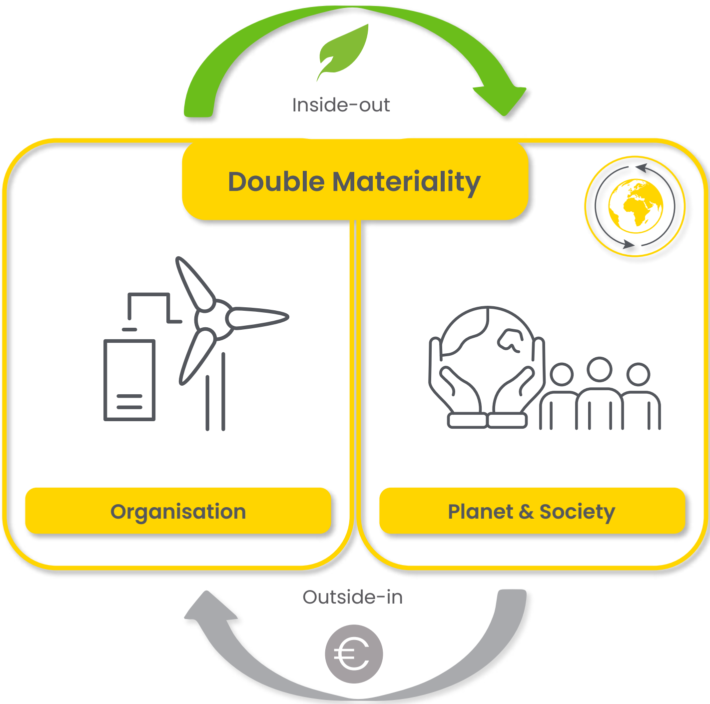
In accordance with ESRS 2, Appendix B, the following non-material data points in cross-cutting topical standards, originating from other EU legislation, are excluded from reporting:

ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil (paragraph 28)
ESRS E3-1	Water and marine resources (paragraph 9)
ESRS E3-1	Dedicated policy (paragraph 13)
ESRS E3-1	Sustainable oceans and seas (paragraph 14)
ESRS E3-4	Total water recycled and reused (paragraph 28(c))
ESRS E3-4	Total water consumption (m^3) per net revenue on own operations (paragraph 29)
ESRS IRO 1 – E4	paragraph 16(a)i, 16(b), 16(c)
ESRS E4-2	Sustainable land/agriculture practices or policies (paragraph 24(b))
ESRS E4-2	Sustainable oceans/seas practices or policies (paragraph 24(c))
ESRS E4-2	Policies to address deforestation (paragraph 24(d))
ESRS S2-1	Human rights policy commitments (paragraph 17)
ESRS S2-1	Policies related to value chain workers (paragraph 18)
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECS guidelines (paragraph 19)
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8 (paragraph 19)
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain (paragraph 36)
ESRS S3-1	Non-respect of UNGPs on Business and Human Rights, ILO principles and/or OECD guidelines (paragraph 17)
ESRS S3-4	Human rights issues and incidents (paragraph 36)
ESRS S4-1	Policies related to consumers and end-users (paragraph 16)
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights, ILO principles and/or OECD guidelines (paragraph 17)
ESRS S4-4	Human rights issues and incidents (paragraph 35)

4.2 Unlocking the power of double materiality

4.2.1 Understanding double materiality

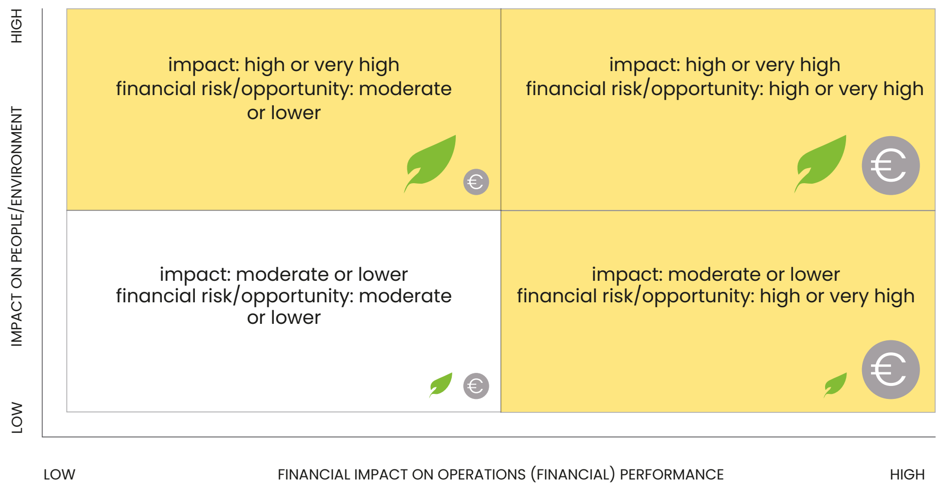
At the core of the European Sustainability Reporting Standards (ESRS) standards is the identification of material topics. This process ensures that our efforts are concentrated on addressing the most significant economic, environmental and social impacts of our operations. Recticel conducted a full Double Materiality Assessment (DMA) for the first time during 2024, ensuring that its sustainability efforts are both transparent and strategically aligned with its long-term goals.



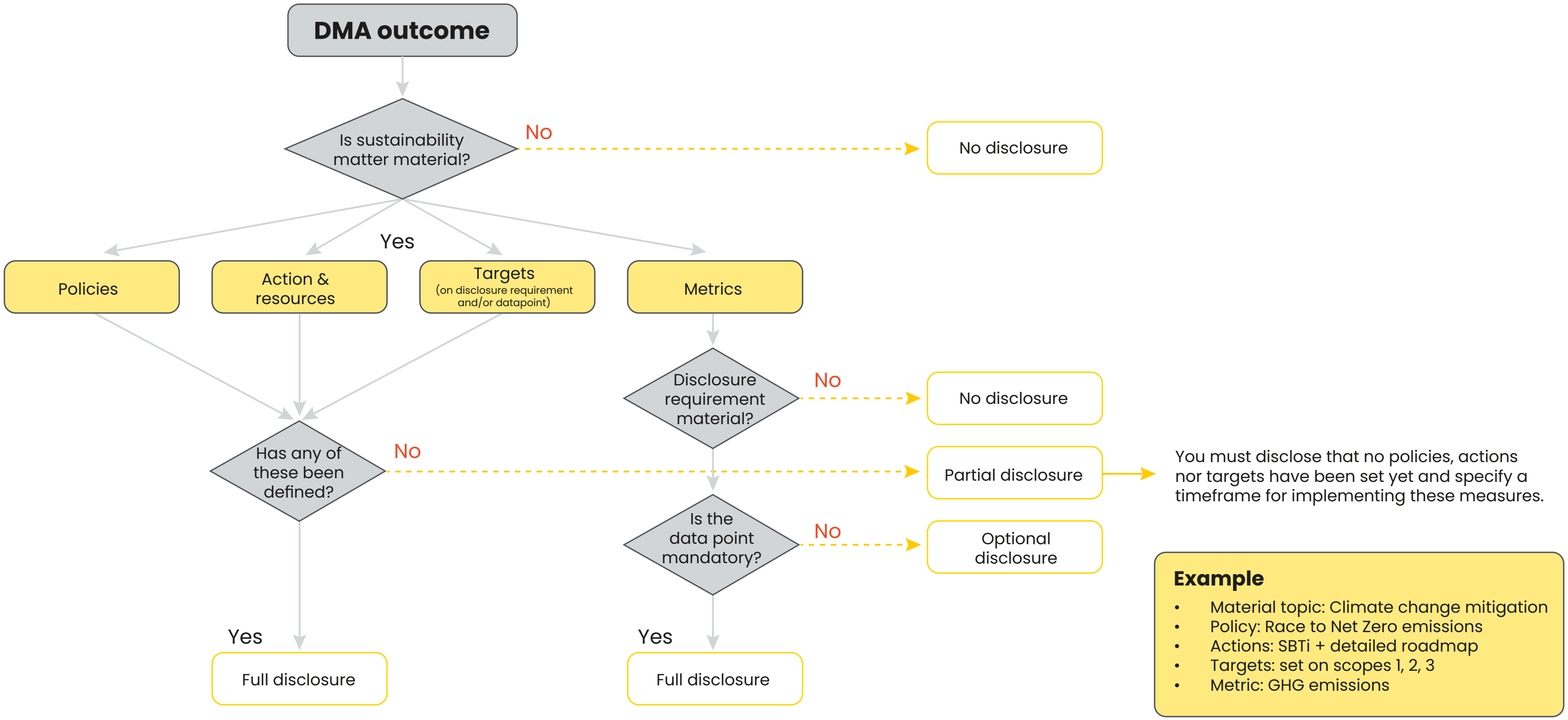
The Double Materiality Assessment encompasses two dimensions:

- **Impact materiality (the inside-out perspective)**, which evaluates how Recticel's activities and those within its value chain affect the environment and/or people.
- **Financial materiality (the outside-in perspective)**, which examines how sustainability issues influence the Company's financial health, reputation and performance, as well as Recticel's downstream and upstream activities, considering all our activities and geographies.

If the outcome of either of these two dimensions is significant, it will fall within the yellow area of the figure below. In such cases, the CSRD mandates the organisation to report on the sustainability issue and include its policies, actions, targets and KPIs in the Sustainability Statement.



The DMA ultimately determines which sustainability topics will be reported in the Sustainability Statement and how they will be presented.



Example

- Material topic: Climate change mitigation
- Policy: Race to Net Zero emissions
- Actions: SBTi + detailed roadmap
- Targets: set on scopes 1, 2, 3
- Metric: GHG emissions

Our DMA process covered the entire Recticel Group, the whole value chain and all geographies. In the upstream value chain assessment, we focused on Tier 1 direct suppliers and key raw material suppliers. In the downstream value chain assessment, we considered the relevant stakeholders for each division.

Recticel recognises that its operations and business relationships are influenced by a variety of factors, including specific activities, geographical regions and sector dynamics, which may elevate the risk of adverse impacts.

In particular, we monitor activities in extended risk areas such as regions with political instability, supply chains involving raw materials with high environmental or social risks, and partnerships with entities that may not align with Recticel's sustainability values.

Recticel aims to mitigate potential adverse impacts through risk management strategies and by ensuring that business practices align with our commitment to responsible corporate behaviour.

4.2.2 Our DMA process

The process for identifying the IROs material to the Recticel Group, its activities, value chain and business relationships is structured in five key steps. This approach incorporates internal assessments, stakeholder feedback and ongoing monitoring to support continuous improvement.

1 Establish sustainability governance structure

Actions

Internal capacity building

Sustainability task force

OUTCOME

Sustainability governance framework

2 Define context and relevant ESG risks and opportunities

Actions

Long list of sustainability topics

Evaluation of relevance and criticality with internal stakeholders

Selection of short list

OUTCOME

Short list of relevant ESG topics

3 Perform stakeholder assessment

Actions

Identify relevant stakeholders

Assess importance of topics to stakeholders

OUTCOME

Importance of ESG topics to stakeholders

4 Determine impact and financial materiality

Actions

Evaluation of actual and potential impacts (scale, scope, irremediability and likelihood)

Evaluation of financial materiality (size and likelihood)

OUTCOME

Impact on planet and society

Financial impact of ESG topics

5 Define material sustainability topics

Actions

Define the threshold

Identify material sustainability topics

OUTCOME

Material topics on which to report and build sustainability strategy

Between July and October 2023, we held ESG and Enterprise Risk Management (ERM) workshops to identify and prioritise sustainability topics. The materiality of each topic was evaluated based on its relevance, associated risks and opportunities, criticality and the urgency for action.

CLIMATE CHANGE (ESRS E1)	POLLUTION (ESRS E2)	RESOURCE USE AND CIRCULAR ECONOMY (ESRS E5)	OWN WORKFORCE (ESRS S1)	WORKERS IN THE VALUE CHAIN (ESRS S2)	BUSINESS CONDUCT (ESRS G1)	ENTITY SPECIFIC MATTERS
Climate change mitigation Energy efficiency and renewable energy	Use of chemicals and substances of concern	Product design and circularity Renewable resources Sustainable packaging Use of recycled materials and EOL value Resource efficiency and waste reduction	Working conditions and labour rights Occupational health & safety Workers with disabilities Diversity, equality, and inclusion Training and development	Working conditions, health and safety in the supply chain	Governance and transparency (corporate culture) Ethics and integrity (business conduct) Management of relationships with suppliers Corruption and bribery	Product performance Product stewardship Product and process innovation Job satisfaction & well-being

In 2024, we consulted internal and external stakeholders to evaluate the impact and financial materiality of key sustainability topics. To ensure all affected stakeholders were considered, we conducted a comprehensive analysis of stakeholder groups across our divisions' value chains, using diverse engagement methods, as outlined below.

STAKEHOLDER	DOUBLE MATERIALITY ASSESSMENT
Shareholders, investors, analysts	• Analyst meetings • Roadshows (financial, ESG) • Contacts with reference shareholders
Customers	• Desk research • Survey / Interview
Employees	• ERM + ESG Workshops • European Works Council (EWC) • Impact and financial materiality scoring
Suppliers	• Survey / Interview

Internally, we engaged subject-matter experts with deep knowledge and insight into each ESRS standard and organised DMA workshops with them. These experts comprised a diverse group of employees involved in sustainability impacts and risks at both the corporate and divisions levels.

For customer and supplier selection, we ensured representation from each subsidiary based on the value chains outlined in Chapter 2.3 and engaged with their sustainability experts.

As part of this initiative, 28 representatives from selected customers and suppliers participated in an online survey. They assessed:

- The relevance of the identified sustainability topics to their organisation or value chain.
- The Recticel Group's impact on these topics through its activities, value chain or business relationships.

To support informed decision-making on material risks and opportunities, detailed definitions of impacts, risks and opportunities (IRO) were provided for each sustainability issue. The list of IROs was composed by gathering information from the following sources:

- Sustainability / ESG reports from peers
- Sustainability information published on the websites of similar businesses
- Sector-specific topics (a.o. SASB, EcoVadis)
- Other sources (a.o. WEF Global Risk Report, web-based research)
- The Recticel risk assessment, conducted alongside the ESG assessment mentioned above

To enhance the credibility of the materiality assessment, additional desk research was conducted. This research informed the scoring of various dimensions, establishing thresholds for impact materiality and ensuring a robust and objective evaluation process.

4.2.3 Defining impact and financial materiality

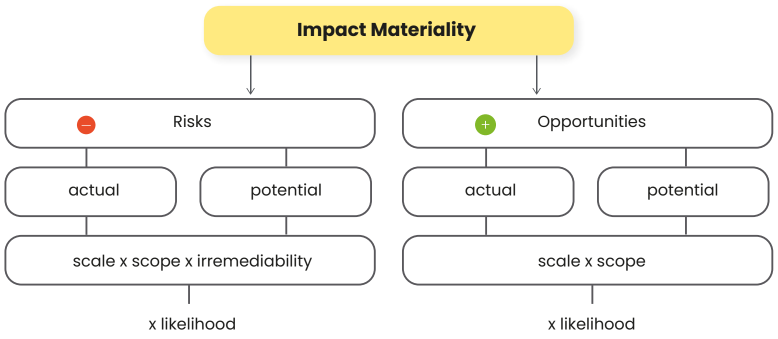
4.2.3.1 Impact materiality

Following the external consultation, 25 internal subject matter experts from diverse functions and divisions across the Recticel Group were tasked with evaluating the Group's environmental and societal impacts. These experts were selected for their profound knowledge of sustainability initiatives, their expertise in assessing environmental and social dimensions, and their strategic insight into the Group's business activities, processes and overall alignment with long-term goals.

Participants were asked to assess sustainability impacts using the following criteria:

- **Positive & Negative:** Do they perceive the impact of our activities, value chain or business relationships on people or the environment as positive or negative?
- **Scale:** How significant is the harm caused by a negative impact? Conversely, how substantial could the benefits of a positive impact be?
- **Scope:** What is the geographical extent of the impact, and how many individuals might be affected?
- **Likelihood:** Is the impact already occurring (actual), or is it a potential future event? How likely is it to happen?
- **Irremediability** (for negative impacts only): Can the negative impact be mitigated? Is it possible to restore the environment or individuals to their original state?

When assigning their scores, they prioritised the most severe impacts, focusing primarily on negative ones. Impact materiality was calculated by averaging the values for scale, scope and irremediability, and then multiplying the result by the likelihood score.

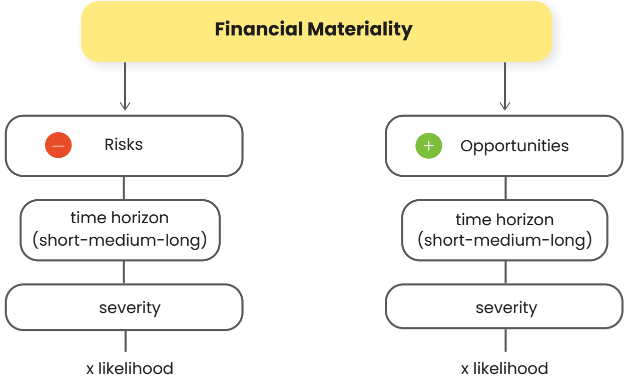


4.2.3.2 Financial materiality

Members of the Recticel Finance teams (Group and subsidiaries) and the Management Committee evaluated the risks and opportunities facing the Recticel Group. Drawing on their deep understanding of the Company's financial performance, they assessed both the severity and likelihood of each risk and opportunity.

The goal was to identify the most significant factors affecting the Group. Participants scored sustainability risks and opportunities based on the following criteria:

- **Risk & Opportunity:** Is the topic perceived primarily as a risk or an opportunity?
- **Time horizon:** When is the impact expected to occur?
- **Severity:** How significant is the potential financial impact, or how does it affect our operations, reputation or market position? This assessment considered the inherent risk/opportunity without accounting for mitigating measures.
- **Likelihood:** How probable is the risk or opportunity, factoring in existing mitigating measures?

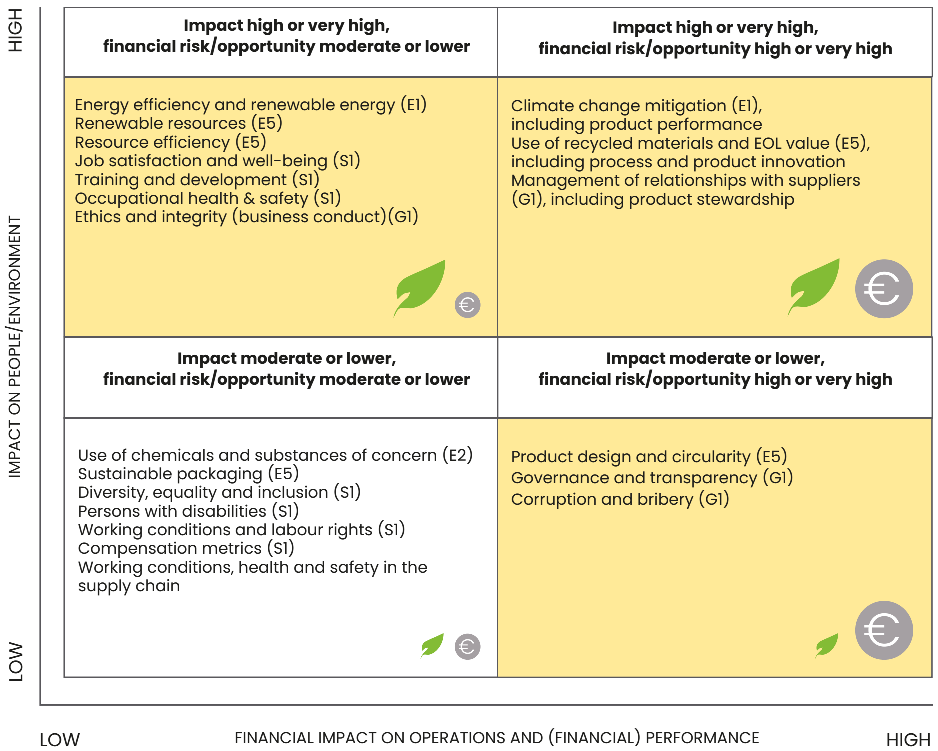


The financial materiality was calculated by multiplying the severity by the likelihood.

For the severity assessment, we considered key metrics such as EBITDA, direct operational costs, market share and revenue, with specific thresholds defined for each. The likelihood was evaluated on a scale of low, medium and high.

4.2.4 Final outcome material ESG topics

Feedback from both external stakeholder engagement and internal evaluations of impact and financial materiality was consolidated and analysed to identify the most significant sustainability subtopics.



Of the twenty sustainability subtopics initially deemed relevant (see Chapter 4.2.2), thirteen were identified as material (yellow area). Among these, three subtopics stood out as especially significant, demonstrating both high impact materiality and high financial materiality, highlighting their crucial importance to Recticel's strategy and goals.

- **ESRS E1-1:** Climate change mitigation poses both transitional and physical risks to our operations. Shifting regulations, evolving market conditions and extreme weather events can disrupt business continuity. By adopting low-carbon technologies, renewable energy solutions and energy-efficient practices, we can mitigate these risks and reduce our environmental footprint.
- **ESRS E5-5**: Raw material scarcity and environmental impact present significant challenges. By emphasising recycling, reuse and sustainable resource management, we can not only mitigate risks but also unlock opportunities to develop innovative business models.
- **ESRS G1-2**: Suppliers play a pivotal role in achieving our strategic business goals by offering products with a lower environmental footprint and enhanced product stewardship.

The following subtopics and disclosure requirements were assessed as not material:

- **ESRS E2:** Pollution
- **ESRS E5:** Sustainable packaging
- **ESRS S1:** Diversity metrics; Persons with disabilities; Compensation metrics; Working conditions and labour rights
- **ESRS S2:** Workers in the value chain

To ensure that all key aspects of sustainability are comprehensively reported, the IROs linked to the entity specific material matters have been allocated to the topics of the ESRS, given their proximity with the topical standards.

- **Product performance**, under ESRS E1-1 (Transition plan for climate change mitigation)
- **Product and process innovation**, under ESRS E5-2 (Actions and resources related to resource use and circular economy)
- **Job satisfaction and well-being**, under ESRS S1-4 (Taking action on material impacts on own workforce)
- **Product stewardship**, under ESRS GOV-4 (Statement of Due Diligence) with reference to ESRS G1-2 (Management of relationships with suppliers and its impacts on its supply chain)

4.3 Navigating the landscape of impacts, risks and opportunities (IRO)

4.3.1 IRO process description

By offering products that fulfil societal and ecological needs, Recticel will benefit from better access to financing, improved customer satisfaction, loyalty and better employee relations. Recticel employs a comprehensive and systematic approach to identify, evaluate, prioritise and monitor risks and opportunities with potential financial implications. This process includes the following key steps:

- **Identifying impacts and dependencies:** We continuously monitor both external and internal environments for emerging risks and opportunities, including market trends, regulatory changes, stakeholder expectations and environmental and social shifts. Additionally, we evaluate operational vulnerabilities, areas for improvement and dependencies on specific resources and suppliers, as well as the quality of virgin and recycled materials.
- **Assessment:** We evaluate identified risks and opportunities by assessing their potential impact and likelihood, considering financial implications, immediate and long-term effects, operational disruptions, reputational risks and market positioning. Opportunities are specifically evaluated for their potential to drive growth, profitability and competitiveness. In this process, we also recognise the critical dependencies on key resources, such as the quality and availability of both virgin and recycled materials, as well as the reliability of our supply chain. These dependencies are essential for achieving our operational and sustainability objectives.
- **Prioritisation:** We prioritise risks and opportunities based on their potential financial impact, urgency and alignment with strategic objectives. Risks with high financial impact or impacting short or long-term viability, along with opportunities offering substantial financial and sustainability benefits, are given top priority. ESG risks, opportunities and financial impacts are integrated into the Enterprise Risk Management (ERM) programme, which is reviewed by the Management Committee and the Audit & Sustainability Committee to determine priorities.
- **Monitoring:** We conduct regular reviews of the financial and operational impacts of risks and opportunities, as well as market conditions. Ongoing reporting and risk assessments ensure timely responses to changes.

E1 – Climate Change mitigation

Recticel is committed to monitoring and reducing scopes 1, 2, 3 emissions across all operations to achieve our Science Based Targets initiative (SBTi) commitments. We employ Life Cycle Assessments (LCA) and greenhouse gas (GHG) accounting tools to track emissions, ensuring alignment with international climate standards. In 2025, we will conduct a more in-depth climate risk scenario analysis, evaluating physical risks, such as extreme weather events that may disrupt production and supply chains.

At the same time, we recognise opportunities in investing in energy-efficient production processes, expanding the use of renewable energy and developing highly efficient insulation products with a low embodied carbon footprint.

Recticel is classified under the EU NACE economic activity codes C 20.59 and C 22.21, which belong to the list of high climate impact sectors as defined in the EU Commission Delegated Regulation (EU) 2022/1288. High climate impact sectors are those that contribute significantly to greenhouse gas (GHG) emissions and environmental effects, making them key players in the transition to a low-carbon economy.

While Recticel is classified as a high climate impact sector, its operating activities are not energy intensive. On the other hand, its specialised range of building insulation materials provide a positive impact on climate change mitigation.

E2 – Pollution

While E2 Pollution is not classified as a material topic for our organisation, we remain focused on reducing air and noise pollution in our production operations and material transport. Regulatory changes aimed at lowering transport emissions may introduce stricter compliance requirements to minimise environmental and health impacts and satisfy societal expectations. There are opportunities to mitigate pollution through investments in cleaner vehicle technologies and the promotion of eco-driving practices.

E3 – Water and marine resources

As our manufacturing processes require very limited use of water, our water consumption is primarily for personal uses such as drinking, eating, sanitation and showering. As a result, our direct impact on water resources is minimal. However, indirect factors, including supply chain activities and operational logistics, may have localised effects on water quality and marine ecosystems.

E4 – Biodiversity and ecosystems

While part of our production process involves the use of chemicals to manufacture polyurethane insulation, the final insulation itself is inert and does not impact biodiversity or ecosystems. However, the handling, storage and transportation of raw materials require responsible management to prevent potential environmental contamination. Although our direct impact is minimal, we ensure that all chemicals are managed in accordance with environmental, health and safety (EHS) regulations and industry best practices. Our commitment to responsible operations is further reinforced by adherence to ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety) certifications.

E5 – Resource use and circular economy

Resource efficiency and circularity are central to Recticel's sustainability strategy. We actively identify risks related to raw material scarcity, price volatility and increasing regulatory pressures to minimise waste. Environmental risks, such as waste generation, non-recyclable materials and end-of-life product disposal, are carefully managed. However, significant opportunities exist in enhancing recycling processes for production waste, implementing waste reduction strategies, fostering value-chain partnerships to explore innovative end-of-life waste solutions, and transitioning to manufacturing powered entirely by renewable energy.

Recticel's procurement, sustainability and product development teams collaborate to embed circular economy principles into product design and manufacturing. Through material flow analysis, we assess resource efficiency and engage with suppliers, recyclers and industry stakeholders to drive innovation in bio-based and recycled polyols and increase the amount of recycled content in base materials, reinforcing our commitment to sustainable materials.

S1 – Own workforce

At Recticel, our employees are fundamental to our long-term success. We prioritise health and safety, employee well-being, talent development and engagement. We proactively assess risks associated with occupational hazards and evolving labour regulations while recognising opportunities in fostering employee engagement and skills development.

To uphold high labour standards, Recticel benchmarks its policies against industry best practices and legal frameworks, ensuring ethical employment practices and a supportive workplace culture that nurtures professional growth and well-being.

G1 – Business Conduct

Recticel operates across multiple regions, with production facilities and business activities spanning Europe and other global markets. The geographical footprint of its operations influences its environmental impact, particularly in terms of energy consumption, transportation emissions and regulatory compliance across different jurisdictions.

Governance and ethical business conduct are foundational to Recticel's corporate strategy. Key risks in this domain include corruption, bribery, competition law breaches and non-compliance with existing and evolving regulatory frameworks. Failure to address these risks could lead to legal consequences, reputational damage and financial penalties.

To mitigate these risks, Recticel's legal, compliance and governance teams oversee ethics and integrity policies. We have implemented whistleblowing mechanisms, anti-corruption training programmes and internal compliance audits to ensure strict adherence to Recticel's Code of Conduct. By maintaining the highest ethical standards, we reinforce our commitment to responsible business practices and sustainable growth.

4.3.2 Material IROs and their interaction with strategy and business model

Recticel conducted a comprehensive assessment of the impacts associated with its key material topics, evaluating their effects on people and the environment. This analysis resulted in a clearly defined list of positive and negative impacts across the entire value chain, from sourcing and manufacturing to product disposal.

The table below presents these impacts while illustrating the interconnections between Recticel's key material topics and the risks and opportunities identified through the ERM exercise. Additionally, it highlights the alignment with the UN Sustainable Development Goals (UN SDGs) (see Chapter 2.3.6) and demonstrates how the IROs interact with our strategy and business model.

Chapter 8.2 offers an overview of the ESRS disclosure requirements addressed by Recticel in Part 1 (Management's Review) and Part 2 (Sustainability Statement) of this Annual Report.

ESRS STANDARD	MATERIAL TOPIC	IMPACT	CLASSIFICATION	TIME HORIZON	OCCURENCE IN VALUE CHAIN	UN SDG	RISK	OPPORTUNITY	INTERACTION WITH STRATEGY AND BUSINESS MODEL
E1	Climate change mitigation	Transitional and physical impact Mitigation long-term effects of climate change	Negative impact Risk Opportunity	Short/ Medium	DO DS	SDG 13 SDG 11	R1 | Non-compliance with legislations R2 | Changes to regulations of existing products and services R3 | Transition to increasing recycled content R4 | Changing customer behaviour R5 | Natural disasters R6 | Carbon pricing mechanisms	O1 | Development of new products and services through R&D and innovation O2 | Ability to diversify business activities O3 | Use of public sector incentives	Recticel's smart insulation plays a strategic role in enhancing energy efficiency and reducing emissions throughout building lifecycles. This supports our business model by aligning with voluntary near-term (2030) and long-term (2050) SBTi net-zero commitments, ensuring regulatory compliance and strengthening our market position in sustainable construction solutions.
	Energy efficiency and renewable energy	Transitioning to renewable energy Building sustainable and equitable future	Positive impact	Short/ Medium	DO US	SDG 7			
E5	Use of recyled materials and EOL value, including process and product innovation	Resource conservation Waste reduction Supporting circular economy Lower carbon emissions	Positive impact Risk Opportunity	Medium	DO EOL	SDG 9 SDG 12	R1 | Non-compliance with legislations R2 | Changes to regulation of existing products and services R3 | Transition to increasing recycled content R4 | Changing customer behaviour	O1 | Development of new products and services through R&D and innovation O2 | Ability to diversify business activities O3 | Use of public sector incentives	The integration of resource use and circularity into Recticel's strategy and business model drives long-term value by optimising material efficiency, reducing waste and fostering sustainable innovation. This approach not only ensures compliance with evolving EU building regulations but also strengthens our competitive advantage by promoting reusable, circular product designs.
	Renewable resources	Environmental protection Resource conservation	Positive impact	Medium	DO EOL	SDG 12			
	Resource efficiency	Optimised use of raw materials and energy Waste reduction Efficiency improvement	Positive impact	Short/ Medium	DO EOL	SDG 12			
	Product design and circularity	Reduced environmental harm Economic opportunities Implementation sustainable practices	Risk Opportunity	Medium	DO US EOL	SDG 9 SDG 12	R1 | Non-compliance with legislations R2 | Changes to regulation of existing products and services R3 | Transition to increasing recycled content R4 | Changing customer behaviour	O1 | Development of new products and services through R&D and innovation O2 | Ability to diversify business activities O3 | Use of public sector incentives	

ESRS STANDARD	MATERIAL TOPIC	IMPACT	CLASSIFICATION	TIME HORIZON	OCCURENCE IN VALUE CHAIN	UN SDG	RISK	OPPORTUNITY	INTERACTION WITH STRATEGY AND BUSINESS MODEL
S1	Job satisfaction and well-being	Positive impact on motivation, productivity and retention Organisational impact on success	Positive impact	Short/ Medium	DO	SDG 8			The satisfaction, engagement, health and safety, fair compensation and development of our workforce are fundamental to Recticel's strategy. By fostering a motivated and skilled workforce, we enhance productivity, innovation, and long-term business success, ensuring sustainable growth.
	Training and development	Growth through continuous learning Performance improvement with new skills Success in achieving goals	Positive impact	Short/ Medium	DO	SDG 8			
	Occupational health & safety	Reduced workplace accidents and Injuries Increased productivity Improved employee morale Positive business reputation	Positive impact	Short/ Medium	DO	SDG 8			
G1	Relationships with suppliers, including product stewardship	Minimised environmental and human harm Sustainable growth	Positive impact Risk Opportunity	Short/ Medium	US DO DS EOL	SDG 13 SDG 17	R1 | Non-compliance with legislations R2 | Changes to regulation of existing products and services R3 | Transition to increasing recycled content R6 | Carbon pricing mechanisms R7 | Misconduct R9 | Sourcing concentration	O1 | Development of new products and services through R&D and innovation	Recticel strategically partners with suppliers who share our values, champion sustainable innovation and embrace best practices. These collaborations reinforce our business model by enhancing supply chain resilience, securing responsible sourcing and driving competitive advantage through meaningful social and environmental benefits.
	Ethics and integrity (business conduct)	Undermined trust Damaged reputation Disrupted operations Decreased employee morale	Negative impact	Short/ Medium/ Long	DO	SDG 8			Upholding ethical business conduct is embedded in Recticel's strategy and core values. By ensuring compliance with regulations, enforcing anti-corruption measures and promoting transparent governance, we strengthen stakeholder trust, mitigate risks and safeguard the long-term sustainability of our business.
	Governance and transparency (corporate culture)	Unethical decision-making Regulatory non-compliance Financial mismanagement	Risk	Short/ Medium/ Long	DO	SDG 8	R7 | Misconduct R8 | Ineffective CIA		
	Corruption and bribery	Disrupted fairness, equality, justice Hindered progress toward equitable development	Risk	Short/ Medium/ Long	DO	SDG 8	R7 | Misconduct		

SDG 7: Affordable and clean energy
SDG 8: Decent work and economic growth
SDG 9: Industry, innovation and infrastructure
SDG 11: Sustainable cities and communities
SDG 12: Responsible consumption and production
SDG 13: Climate action
SDG 17: Partnerships for the goals

DO: Direct operations
DS: Downstream
US: Upstream
EOL: End-of-life management

4.3.2.1 Spotlight on material risks

The following tables present an overview of the identified ESG risks, including a description of each risk and primary response, time horizon, likelihood and magnitude, and where the risk occurs within the value chain. The anticipated financial impacts of material physical and transition climate-related risks (E1-9), as well as those related to resource use and the circular economy (E5-6), are not included in this report. In accordance with ESRS 1 Appendix C, and as permitted during the first year of CSRD reporting, we will disclose these in our 2025 Annual Report, in line with ESRS 2 SBM-3 §48(e).

In addition, we indicate the risk category relevant to Recticel's activities and operations (strategy & compliance, operations, support, external) and the material topic. For climate-related risks, we further identify whether they are a physical or a transition risk.

Climate-related physical risk	Risks that arise from the direct physical impacts of climate change, typically divided into acute and chronic risks. **Acute risks:** sudden and severe events, often caused by extreme weather **Chronic risks:** longer-term, gradual changes in climate patterns over time
Climate-related transition risk	Risks associated with changes in policy, market, reputation, technology or liability.

Unlike substantive risk, such as price competition, macroeconomic fluctuations or geopolitical factors, the ESG impacts, risks and opportunities (IROs) tend to evolve over longer timeframes, often exceeding traditional financial cycles. As a result, our ESG considerations are assessed across distinct time horizons:

	SUBSTANTIVE RISK	ESG IROs
Time horizon	Short-term: ≤ 6 months Medium-term: 6-12 months Long-term: 12-24 months	Short-term: 0-5 years Medium-term: 5-10 years Long-term: 10-25 years

These dual time frames are integrated into our Enterprise Risk Management (ERM) programme that covers substantive and ESG risks.

As Recticel Group reports environmental data to CDP (see Chapter 2.3.5), we use CDP's classification to evaluate the likelihood of each risk occurring within the expected time horizon. CDP's likelihood categories include: virtually certain, very likely, likely, more likely than not, about as likely as not, unlikely, very unlikely, exceptionally unlikely, and unknown.

R1 | Non-compliance with legislation

RISK DESCRIPTION

STRATEGY & COMPLIANCE
Climate-related transition risk

Material topic
- Climate change mitigation (E1), including product performance
- Use of recycled materials & EOL value (E5), including product and process innovation
- Product design & circularity (E5)
- Managing relationships with suppliers (G1), including product stewardship

Time horizon: short-term ESG
Likelihood: very unlikely
Magnitude: medium

Occurrence in value chain
Direct operations

Situation
- Recticel must comply with CSRD (2024) and CSDDD (2029), requiring a science based climate action plan.
- The SBTi commitment for 2030 and 2050 entails costs that could affect pricing, profitability and performance but also create opportunities.
- Monitoring and reporting on GHG reduction progress is crucial to meeting targets.

Task
- Assess business partners and materials for alignment with our strategic plan.
- Evaluate technology availability for carbon footprint reduction.
- Address risks tied to ambitious targets.

Action
- Collaborate with suppliers to reduce the embedded carbon footprint of raw materials.
- Develop innovative, low-carbon products.
- Increase recycled content in MW and steel.

Result
- Reduced emissions from raw materials.
- New products with lower embodied carbon and higher recycled content.
- Stronger supplier collaboration for a sustainable supply chain.
- Enhanced operational resilience and alignment with long-term sustainability goals.

PRIMARY RISK RESPONSE

Primary response cost
EUR 287 K *

** CSRD initial setup costs*

Strategic planning
- Update the roadmap for implementing SBTi targets to balance ambition with feasibility, considering the organisation's capacity for investment, technology adoption and operational changes.

Investment prioritisation
- Prioritise investments based on their potential impact on cost savings, product performance and alignment with SBTi commitments.

Continuous improvement
- Monitor and evaluate to track progress towards SBTi targets.
- Identify areas for improvement or adjustment.
- Foster a culture of sustainable innovation.

Cost calculation
- Systems and tools
- Policy and reporting frameworks
- Data collection and management
- Reporting and disclosure
- Monitoring and auditing

R2 | Changes to regulation of existing products and services

RISK DESCRIPTION

STRATEGY & COMPLIANCE
Climate-related transition risk
Circular economy-related risk

Material topic
- Climate change mitigation (E1), including product performance
- Product design & circularity (E5)
- Use of recycled materials & EOL value (E5), including product and process innovation
- Managing relationships with suppliers (G1), including product stewardship

Time horizon: medium-term ESG
Likelihood: very likely
Magnitude: medium

Occurrence in value chain
End-of-life management

Situation
- Recticel risks challenges if it fails to monitor and comply with standards and regulations, particularly regarding product end-of-life circularity.

Task
- Stay ahead of regulatory changes that impact strategic objectives by tracking laws, regulations and guidelines.

Action
- Establish robust compliance systems and update procedures to meet new regulations.
- Invest in sustainable product innovation and joint R&D on circularity.
- Build long-term partnerships with suppliers, universities and institutes.
- Develop collaborations for collecting and treating end-of-life materials.

Result
- Avoided non-compliance penalties.
- Maintained market position and minimised operational disruptions.
- Strengthened reputation through sustainability efforts.
- Launched innovative products with higher renewable content.

PRIMARY RISK RESPONSE

Primary response cost
Ongoing *

** Recticel's legal department will cover potential legislative action*

Regulatory monitoring
- Track legislative developments, policy changes and emerging regulatory trends relevant to Recticel.

Stakeholder engagement
- Participate in industry forums to share expertise and shape favourable regulatory frameworks.
- Collaborate with suppliers to lower embodied carbon and invest in sustainable product innovation, including joint R&D.

Risk assessment
- Perform regular risk assessments and scenario analyses to evaluate regulatory impacts on operations, finances and strategy.

Cost calculation
- Address legislative actions through the internal legal team, with support from external legal firms as needed.

R3 | Transition to increasing recycled content

RISK DESCRIPTION	
STRATEGY & COMPLIANCE **Circular economy-related risk** **Material topic** • Climate change mitigation (E1), including product performance • Product design & circularity (E5) • Use of recycled materials & EOL value (E5), including product and process innovation • Managing relationships with suppliers (G1), including product stewardship **Time horizon:** medium-term ESG **Likelihood:** likely **Magnitude:** medium **Occurrence in value chain** Direct operations Downstream	**Situation** • Product circularity focuses on maximising lifecycle through recycling and reuse. • Key risks include dependency on consistent-quality recycled content, integrating circular practices into manufacturing, high upfront costs, economic feasibility and competitive speed of adoption. **Task** • Adapt processes for recycling and remanufacturing technologies. • Ensure consistent product quality and market competitiveness. • Secure the economic viability of circular initiatives. **Action** • Monitor industry trends and technology advancements. • Build partnerships with reliable suppliers. • Invest in R&D, modern technologies and process optimisation. • Implement strict quality assurance protocols. • Perform cost-benefit analyses and track market dynamics. **Result** • Reduced material variability and production disruptions. • Seamless integration of circular practices. • Strengthened market position and competitiveness. • Enhanced economic sustainability of circular techniques.
PRIMARY RISK RESPONSE	
Primary response cost EUR 2 M * ** R&D efforts aimed at increasing the use of recycled materials and EOL*	**Supplier engagement** • Build strong partnerships with suppliers to ensure a stable supply of high-quality recycled materials and reduce variability risks. **Operations** • Develop and integrate recycling and remanufacturing technologies. • Refine processes to incorporate new technologies efficiently. • Implement robust quality controls and monitor product performance to maintain quality. **Cost management** • Secure funding or subsidies for circular initiatives. • Continuously evaluate the economic impact and optimise processes to reduce costs and improve profitability. **Cost calculation** • Focus R&D efforts on increasing recycled material usage.

R4 | Changing customer behaviour

RISK DESCRIPTION	
EXTERNAL RISK **Climate-related transition risk** **Circular economy-related risk** **Material topic** • Climate change mitigation (E1), including product performance • Use of recycled materials & EOL value (E5), including product and process innovation • Managing relationships with suppliers (G1), including product stewardship **Time horizon:** medium-term ESG **Likelihood:** likely **Magnitude:** medium **Occurrence in value chain** Downstream	**Situation** • Shifts in consumer preferences, including renewable content and recyclability, may impact product demand. Mineral wool insulated panels are 99% recyclable, while polyurethane insulation boards and panels are improving in this area. **Task** • Capitalise on opportunities to enhance climate performance, reduce environmental impact and drive sustainable growth. **Action** • Focus R&D on advanced insulation materials with superior performance and lower environmental impact (e.g., IMPACT© insulation boards with 25% bio-circular materials, reducing CO_2e emissions by 43%). • Partner with universities to explore innovative materials and technologies. • Use digital tools and automation to boost efficiency and reduce waste. • Leverage data analytics to optimise supply chain operations and minimise carbon footprint. • Conduct Life Cycle Assessments (LCA) for new products to ensure sustainability. • Obtain certifications like LEED or BREEAM to validate environmental performance. **Result** • Launch smart sustainable insulation materials. • Improved energy efficiency and sustainability. • Strengthened position as a leader in building materials.
PRIMARY RISK RESPONSE	
Primary response cost EUR 2 M * **Related to relevant ongoing R&D efforts*	**Market research** • Conduct in-depth studies to evaluate demand for new products, considering customer preferences, market trends, competition and regulations. **Supply chain** • Ensure agile production and supply chain operations to adapt quickly to market changes. • Adjust production levels to match demand forecasts and inventory needs. • Foster cross-functional collaboration. **Cost calculation** • Addressing this risk is primarily covered by ongoing R&D efforts, representing 1% of annual sales.

R5 | Natural disasters [1]

RISK DESCRIPTION	
EXTERNAL RISK **Climate-related physical risk** **Material topic** • Climate change mitigation (E1), including product performance **Time horizon:** short-term ESG **Likelihood:** more likely than not **Magnitude:** medium-low **Occurrence in value chain** Direct operations	**Situation** • Natural disasters (earthquakes, flooding, fires, hailstorms) can cause infrastructure damage, operational disruptions and risks to personnel. **Task** • Identify site-specific climate risks, assess vulnerabilities and develop strategies for preparedness, response and recovery. **Action** (following assessment by insurance company) • Assess buildings, operations and supply chains for disaster resilience. • Safeguard employee safety and IT systems. • Develop site-specific emergency response and business continuity plans. • Implement operational recovery strategies. **Result** • Improved disaster resilience, operational continuity and protection of personnel and assets with robust response and recovery protocols. Recent evaluations reveal no urgent vulnerabilities, but potential costs could arise from photovoltaic installations or roof reinforcements for hail exposure.
PRIMARY RISK RESPONSE	
Primary response cost, in addition to the active insurance fees EUR 120 K * ** Update business continuity plans (BCP) for each site; determine required investments in existing infrastructure*	**Building infrastructure** • Assess resilience of buildings and facilities to natural disasters (earthquakes, flooding, fires, storms). • Adress operational dependencies and employee safety impacts. **Data infrastructure** • Evaluate risks to IT systems and implement safeguards to protect data from loss or corruption. **Emergency plans** • Develop tailored disaster response plans, update business continuity plans (BCP) and ensure crisis readiness. **Cost calculation** • Estimated mitigation costs: EUR 10 K per site (e.g. flood measures) and EUR 20 K for earthquake-prone sites.

R6 | Carbon pricing mechanisms

RISK DESCRIPTION	
STRATEGY & COMPLIANCE **Climate-related transition risk** **Material topic** • Climate change mitigation (E1), including product performance • Managing relationships with suppliers (G1), including product stewardship **Time horizon:** short-term ESG **Likelihood:** very likely **Magnitude:** low **Occurrence in value chain** Direct operations	**Situation** • The EU Emissions Trading System (ETS) is expanding to include CO_2e emissions from buildings (ETS2). Free allowances will phase out by 2035, affecting EU supplier pricing. • From 2026, the Carbon Border Adjustment Mechanism (CBAM) will apply to non-EU metals, covering all sectors by 2030 and fully implemented by 2035. **Task** • Assess ETS2's impact on energy costs. • Evaluate carbon pricing's effect on supplier costs and potential pass-through to Recticel. • Analyse CBAM's impact on non-EU material costs and identify mitigation strategies. **Action** • Model energy cost increases (EUR 57-350/tCO_2e) and identify emission reduction opportunities. • Adjust procurement strategies to manage and mitigate cost increases. • Explore passing increased costs to customers. • Monitor CBAM's impact on steel costs. **Result** • Controlled budget and energy cost savings through efficiency improvements. • Minimised supplier cost impact with revised procurement strategies.
PRIMARY RISK RESPONSE	
Primary response cost EUR 5 K * ** Modelling costs on product prices and COGS*	**Modelling** • Estimate procurement and operating cost increases (EUR 57-350/tCO_2e). • Collaborate with suppliers to assess their carbon pricing responses. **Strategy** • Adjust procurement strategies to address cost increases and risks. • Track CBAM's effect on metal prices. **Cost calculation** • Compliance costs are minimal due to low direct carbon pricing impact on Recticel. • Procurement cost modelling is straightforward, leveraging existing ESG models and carbon price forecasts.

[1] *A detailed physical risk assessment will be conducted in 2025 including the use of climate scenario analysis.*

R7 | Misconduct

RISK DESCRIPTION

SUPPORT RISK

Material topic
- Governance and transparency (corporate culture) (G1)
- Managing relationships with suppliers (G1), including product stewardship
- Corruption and bribery (G1)

Primary financial effect
Decrease in shareholder value

Time horizon: short/medium/long-term
Likelihood: about as likely as not
Magnitude: medium-high

Occurrence in value chain
Direct operations

Situation
- Misconduct and fraud risk could threaten Recticel's operations, integrity and reputation, stemming from unethical behaviour and governance deficiencies.
- Corruption can damage trust, leading to lost sales, contract cancellations and partnership challenges.

Task & Action
- Foster a culture of ethics, integrity and accountability.
- Pursue proactive fraud detection and investigation.
- Internal management control

Result
- Ethical business conduct reinforces Recticel's values, builds stakeholder trust and strengthens its competitive position.

PRIMARY RISK RESPONSE

Primary response cost
Ongoing

- Cultivate a culture of ethics and accountability across all levels, with clear expectations and leadership by example.
- Establish protocols for proactive fraud detection, reporting and investigation, ensuring confidentiality, fairness and due process.
- Provide employee training and promote a speak-up culture, empowering staff to report concerns or seek ethical guidance without fear of retaliation.

R8 | Ineffective CIA

RISK DESCRIPTION

SUPPORT RISK

Material topic
- Governance and transparency (corporate culture) (G1)

Primary financial effect
Disruption in downstream value chain

Time horizon: short/medium/long-term
Likelihood: about as likely as not
Magnitude: medium-high

Occurrence in value chain
Direct operations

Situation
- The risk of inadequate management of confidentiality, integrity and availability (CIA) threats presents a substantial challenge to Recticel Group's cybersecurity stance.
- This risk could be heightened by several factors, including a rise in cybercrime, insufficient cybersecurity training, poor maintenance of IT systems, data leaks, limited resources, human errors, lack of awareness and complex data storage systems.
- These challenges threaten stakeholder trust and compromise the Company's operational effectiveness.

Task
- Develop and implement a comprehensive cybersecurity strategy that enhances the CIA of data and infrastructure.
- Raise awareness, provide training, strengthen technical defences and ensure robust incident response mechanisms.

Action
- Conduct a risk assessment.
- Implement comprehensive cybersecurity training.
- Strengthen IT infrastructure.
- Establish incident response protocols.

Result
- Implementing a comprehensive cybersecurity strategy results in a significant reduction in data breaches and improved stakeholder confidence in Recticel Group's ability to protect sensitive information.
- Enhanced training programmes, increased employee awareness and response capabilities, leading to a culture of security.

PRIMARY RISK RESPONSE

Primary response cost
Ongoing

Cybersecurity training
- Provide company-wide training to enhance awareness of cyber risks, best practices, and incident response, fostering a security-conscious culture where employees can quickly identify and report threats.

Robust IT infrastructure
- Implement strong maintenance protocols, including regular updates, patching, antivirus monitoring, and vulnerability assessments to minimise risks and ensure system resilience.

Strategic investments
- Allocate sufficient resources, budget, personnel, and technology to strengthen threat detection, incident response, and recovery capabilities.

R9 | Sourcing concentration

RISK DESCRIPTION	
OPERATIONAL RISK **Material topic** • Managing relationships with suppliers (G1), including product stewardship **Primary financial effect** Disruption in upstream value chain **Time horizon:** short/medium **Likelihood:** likely **Magnitude:** medium **Occurrence in value chain** Direct operations	**Situation** • Dependence on a limited number of suppliers for critical raw materials poses risks to Recticel's operations and production. **Task** • Mitigate supply chain vulnerabilities by diversifying suppliers and reducing exposure to disruptions and price volatility. **Action** • Identify potential partners across different regions. • Streamline the supplier qualification process. **Result** • Lower risk of supply disruptions and price instability. • Maintain competitive pricing and operational resilience.
PRIMARY RISK RESPONSE	
Primary response cost ongoing	**Supplier relationship management** • Foster collaboration and actively monitor existing suppliers. **Diversification of suppliers** • Qualify alternative suppliers to reduce dependency and build strategic partnerships. **Inventory management** • Maintain sufficient stock of critical materials to mitigate supply disruptions.

4.3.2.2 Spotlight on material opportunities

Material opportunities represent potential advantages or positive factors that can substantially drive Recticel's growth, profitability and competitive edge. These opportunities often emerge from market trends, innovation, regulatory shifts and environmental or social initiatives, providing avenues for value creation and long-term success.

The following tables present an overview of the identified ESG opportunities, including a description of each opportunity and primary response, time horizon, likelihood and magnitude, and where the opportunity occurs within the value chain. The anticipated financial impacts of material climate-related opportunities (E1-9), as well as those related to resource use and the circular economy (E5-6), are not included in this report. In accordance with ESRS 1 Appendix C, and as permitted during the first year of CSRD reporting, we will disclose these in our 2025 Annual Report, in line with ESRS 2 SBM-3 §48(e).

As Recticel Group reports environmental data to CDP (see Chapter 2.3.5), we use CDP's classification to evaluate the likelihood of each opportunity occurring within the expected time horizon. CDP's likelihood categories include: virtually certain, very likely, likely, more likely than not, about as likely as not, unlikely, very unlikely, exceptionally unlikely, and unknown

O1 | Development of new products and services through R&D and innovation

OPPORTUNITY DESCRIPTION	
CLIMATE RELATED **Circular economy-related** **Material topic** • Climate change mitigation (E1), including product performance • Use of recycled materials & EOL value, including product and process innovation • Managing relationships with suppliers (G1), including product stewardship **Primary financial effect** • Increased revenues resulting from increased demand for products and services **Time horizon:** short/medium/long-term **Likelihood:** likely **Magnitude:** high **Occurrence in value chain** Downstream	**Situation** • Recticel is dedicated to developing smart sustainable insulation materials and allocates approximately 1% of its annual revenue to research and development (R&D). **Task** • Identify and seize opportunities that enhance its climate-related performance, minimise environmental impact and foster growth. **Action** • Focus R&D team on creating advanced insulation materials with exceptional thermal performance and reduced environmental impact. • Collaborate with universities and research institutions to explore new materials and technologies. • Utilise data analytics to optimise supply chain operations and minimise the carbon footprint. • Conduct Life Cycle Assessments (LCA) for new products to ensure they meet sustainability standards. • Pursue certifications (e.g. LEED, BREEAM) to validate the environmental performance of products. **Result** • Introduction of new insulation materials with increased insulation performance, hereby significantly reducing energy consumption in buildings and contributing to lower greenhouse gas emissions. • An additional improvement in energy efficiency across manufacturing facilities. • Strengthened market position. • Leadership and credibility.
PRIMARY RESPONSE	
Primary response cost EUR 5 M * ** R&D budget 1%, including LCA, certification*	**Powerdeck+ Light Roof** • Renovation of steel deck flat roofs with insulation boards and photovoltaic panels, offering thinner boards with equal λ. **DECK-VQ®** • Vacuum-insulated panels offering exceptional efficiency for demanding applications with a low carbon footprint and space-saving benefits. **IMPACT® product line** • Eurowall Impact® and Eurothane Silver Impact® contain 25% bio-circular content, reducing carbon footprint by 43% while maintaining the same λ insulation performance. **Alu-free board** • A gas diffusion-tight, alu-free polyurethane (PIR) board for prefab buildings, reducing corrosion risk and carbon emissions by 40%. **BASE – insulated panel** • An insulated façade system with extreme load-bearing capacity, allowing for quick installation and up to 60% reduction in embodied carbon. **Qbiss One Next and Trimoterm Next** • Advanced insulated panels crafted from sustainable, low-carbon materials, achieving up to 68% and 69% reductions in CO_2e emissions compared to existing alternatives.

O2 | Ability to diversify business activities

OPPORTUNITY DESCRIPTION	
CLIMATE RELATED **Material topic** • Climate change mitigation (E1), including product performance • Use of recycled materials and EOL value (E5), including product and process innovation **Primary financial effect** • Increased revenues resulting from increased demand for products and services **Time horizon:** medium-term **Likelihood:** very likely **Magnitude:** medium-high **Occurrence in value chain** Downstream	**Situation** • Recticel is expanding its insulated panels in both domestic and international markets, aiming to broaden product reach. • Our high-end insulated panels meet aesthetic standards, enhance architectural potential, and improve prefabrication cost efficiency. • In 2024, Recticel's building insulation products will help avoid 21.5 million tons of CO_2e emissions, 26.5 times more than the emissions from their production (see also Chapter 5.2.8). **Task** • Analyse market trends. • Evaluate adoption potential in different regions. • Leverage construction projects focused on energy efficiency and sustainability. **Action** • Assess the competitive landscape. • Monitor sustainable construction projects. • Position panels for green building certification (e.g., LEED, BREEAM). • Innovate to stay ahead in insulation technology. • Partner with leading construction and tech companies. • Secure contracts with major international construction projects. **Result** • Successful international expansion and sales growth. • Enhanced reputation as smart insulation leader.
PRIMARY RESPONSE	
Primary response cost EUR 10 M – EUR 150 M * ** Acquisition of a sizeable company*	• Our insulated panels strategy targets a premium market position to differentiate, create value and expand internationally. • Focus on the USPs of our insulated panels: superior aesthetics, architectural flexibility, cost-efficient, resource-efficient prefabrication. • Evaluate greenfield investments aligned with the strategic plan for potential benefits. • Develop a growth plan for modular building systems that support sustainable construction, cost efficiency and rapid deployment.

O3 | Use of public sector incentives

OPPORTUNITY DESCRIPTION	
CLIMATE RELATED **Material topic** • Climate change mitigation (E1), including product performance • Use of recycled materials and EOL value (E5), including product and process innovation **Primary financial effect** • Increased revenues resulting from increased demand for products and services **Time horizon:** short-term **Likelihood:** very likely **Magnitude:** medium-high **Occurrence in value chain** Downstream	**Situation** • Recticel's value creation aligns with the European Green Deal, promoting energy efficiency in buildings, supported by the EPBD mandating energy improvements in construction and renovation (see also Chapter 2.2.2). **Task** • Enhance energy efficiency in building projects. • Ensure compliance with new GHG emission standards. • Explore opportunities in energy-efficient renovations and construction. **Action** • Advance insulation materials and renewable energy solutions. • Ensure GHG emission standard compliance. • Partner with technology firms to integrate innovative solutions. • Leverage the EU's goal to renovate 35 million buildings by 2030. **Result** • Recticel positioned as a leader in energy-efficient smart building solutions, attracting new customers and projects.
PRIMARY RESPONSE	
Primary response cost EUR 2 M * ** Production and organisational efficiency, capacity increase*	• Enhance circularity. • Design our products for easy EOL dismantling. • Integrate biobased materials into our products. • Analyse market trends to identify opportunities, especially in emerging regions. • Forge strategic partnerships and leverage robust distribution channels to access new markets.

O4 | Increased sales of existing products and services

OPPORTUNITY DESCRIPTION	
CLIMATE RELATED **Material topic** • Climate change mitigation (E1), including product performance • Use of recycled materials & EOL value (E5), including product and process innovation **Primary financial effect** Increased revenues resulting from increased demand for products and services **Time horizon:** short-term **Likelihood:** very likely **Magnitude:** medium-high **Occurrence in value chain** Downstream	**Situation** • The Recticel Group offers a wide array of thermal, acoustic and thermo-acoustic insulation solutions, organised into specialised divisions recognised as leaders in their respective fields. **Task** • Identify and capitalise on opportunities to enhance our climate-related performance, reduce GHG emissions and achieve the ambitious SBTi targets.. **Action** • Proactively respond to increasing decarbonisation demands throughout the value chain by prioritising products with lower embodied carbon. **Result** • Investor confidence by aligning our portfolio with EU Taxonomy objective of climate change mitigation. • Our building insulation products sold in 2024 are projected to prevent over 21.5 million tonnes of CO_2e emissions throughout their lifespan, which is 26.5 times greater than the total 2024 carbon footprint of the entire Recticel Group. • Progress towards SBTi validated near-term (2030) and long-term (2050) targets. • Strong position as smart insulation Company. • Fulfilment of the growing demand for low-carbon products.
PRIMARY RESPONSE	
Primary response cost ongoing* ** Aligned with our climate transition action plan*	**Product portfolio benefits** • Our insulation boards enable regulatory compliance with thinner walls and roofs, outperforming materials like mineral wool, XPS/EPS and cellular glass. • Vacuum-insulated panels offer superior efficiency with the thinnest layers, ideal for retrofitting buildings with limited space. • Metal-faced insulated panels (mineral wool, polyurethane) provide insulation and weather protection, directly fixed to the frame without requiring cavity space. **Product case studies** • Trimoterm panels are made-to-order to minimise waste, contain up to 52% recycled materials, and are designed for easy reuse, being up to 99% recyclable. • The 2023 IMPACT® range includes thermal insulation boards with 25% bio-circular content, reducing CO_2e emissions by 43% compared to standard boards.

5

PART 2 | SUSTAINABILITY STATEMENT

ESG Information

ESRS 2, SBM-3
ESRS 2, BP-2
ESRS 2, IRO-1 | ESRS 2, IRO-2

ESRS 2, MDR-P | ESRS 2, MDR-A | ESRS 2, MDR-M | ESRS 2, MDR-T

ESRS E1-1 - 12 | ESRS E5-1 - 6
ESRS S1-1 - 8, S1-10, S1-11, S1-14, S1-15, S1-17
ESRS G1-1 - 6

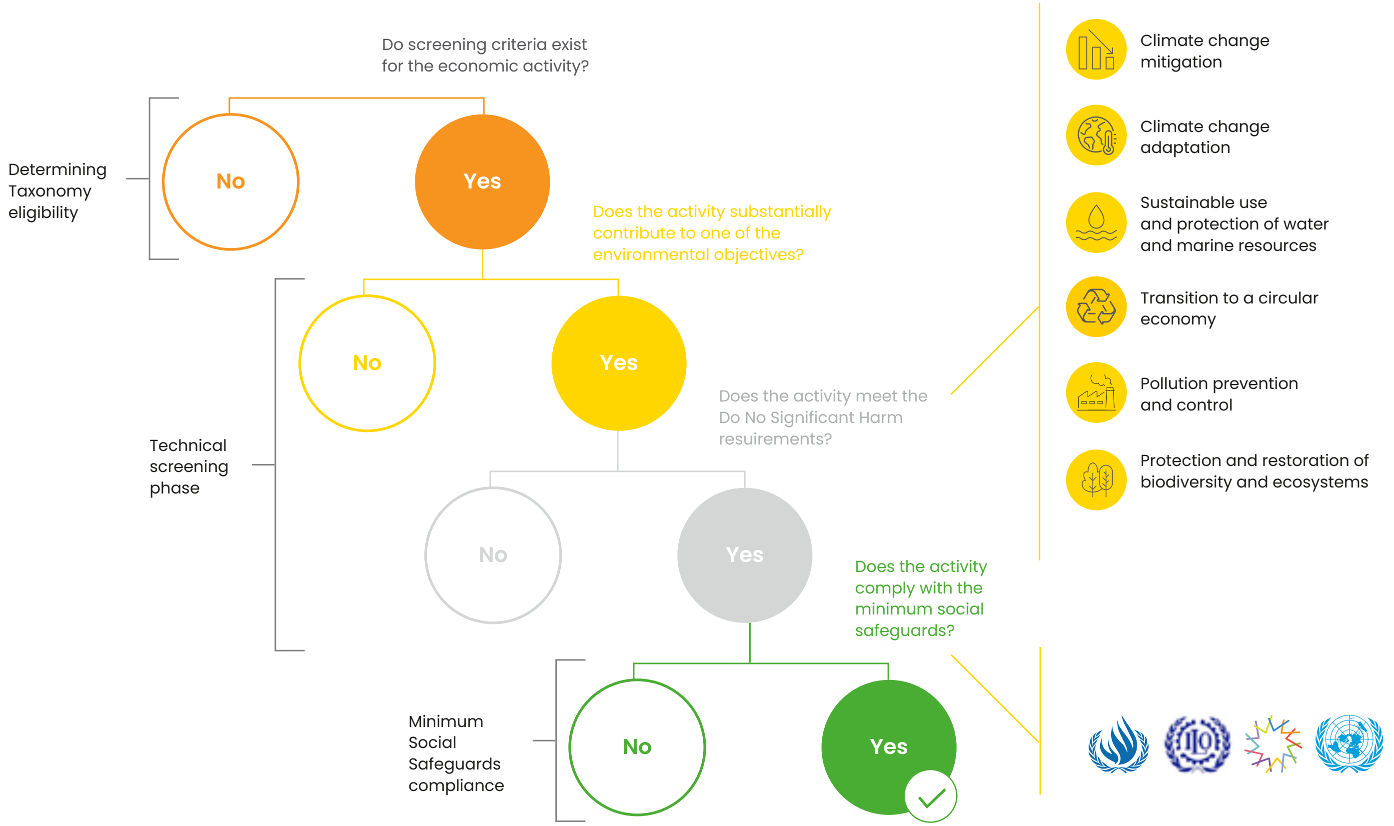
5.1 Environmental | EU Taxonomy

5.1.1 EU Taxonomy framework for defining eligible and aligned activities

In 2024, the EU Taxonomy continued to be a key tool in the EU's sustainability agenda, guiding financial markets toward investments that support climate goals, environmental resilience and social responsibility. The Taxonomy framework sets rigorous standards for defining environmentally sustainable activities, providing companies, investors and policymakers with metrics to direct capital toward sustainable projects and initiatives.

Our climate disclosure statement in accordance with the guidelines set forth by the European Securities and Markets Authority (ESMA) can be found in Chapter 7.2.1.5, Climate change.

Screening & assessment of economic activities



We have also identified purchased outputs and individual measures that correspond to eligible economic activities and thus result in taxonomy-eligible CapEx and OpEx to reflect the screening of CapEx and OpEx against Category C.

Determining Turnover, CapEx and OpEx KPIs

Turnover KPI
To determine the Turnover KPI, the denominator is the external sales revenue reported in accordance with the IFRS consolidated financial statements, as found in Chapter 7.1.1. The numerator represents the revenue according to IFRS 15 attributable to taxonomy-aligned economic activities. The eligible activities meeting the technical screening criteria are detailed in Chapter 5.1.2.3.

CapEx KPI
To determine the CapEx KPI, all additions to intangible assets and property, plant and equipment (excluding goodwill) are shown in the denominator and can be reconciled to the additions of tangible and intangible assets, new leases and business combinations as reported in the Financial Report [Chapters 7.2.5.1 & 7.2.5.3 (acquisitions and business combinations), and Chapter 7.2.5.4 (new leases)]. In the numerator, investments are included if they relate to assets or processes that are essential to carry out a taxonomy-eligible economic activity. In addition, further sustainable investments were identified that lead to a reduction in the Company's own greenhouse gas emissions. We have also identified purchased outputs and individual measures that correspond to eligible economic activities and thus result in Taxonomy-eligible CapEx.

OpEx KPI
To determine the OpEx KPI, the denominator contains the direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced, that are necessary to ensure the continued and effective functioning of such assets. The numerator contains those operating expenses that can be allocated directly or indirectly to taxonomy-aligned activities, as well as related to purchases of aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.

5.1.2 Changes compared to the EU Taxonomy disclosure covering 2023

Boundary: The 2024 data include the Rex subsidiary, which was acquired on 8 January 2024 with three operational buildings in Belgium. Rex is part of the Insulated Panels division.

Restatement: The 2023 and 2022 data have been restated following a review by the Belgian FSMA (Financial Services and Markets Authority), and now fully comply with the EU Taxonomy KPIs.

In its review, the FSMA raised concerns regarding the methodology used for calculating and reconciling CapEx and OpEx, both at nominator and denominator level. Additionally, the consolidated financial statements were not referenced, and the screening of investments made or operational costs incurred for CapEx and OpEx of Category C were not reported accurately. These errors were unintentional and stemmed from a misinterpretation of the applicable methodology.

WEIGHT	AR 2022		AR 2022 (RESTATED)		AR 2023		AR 2023 (RESTATED)	
A. TAXONOMY ELIGIBLE ACTIVITIES								
A.1. Environmentally sustainable activities (taxonomy-aligned)								
Turnover (sales)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
CapEx	0	0.0%	0	0.0%	0	0.0%	0	0.0%
OpEx	0	0.0%	0	0.0%	0	0.0%	0	0.0%
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)								
Turnover (sales)	509,085	90.7%	550,507	98.0%	470,892	88.9%	493,460	93.2%
CapEx	10,187	92.5%	98,134	80.6%	11,513	52.4%	12,439	54.1%
OpEx	143,124	82.8%	8,189	82.0%	42,424	8.2%	10,409	82.2%
B. TAXONOMY NON-ELIGIBLE ACTIVITIES								
Turnover (sales)	52,431	9.3%	11,009	2.0%	58,534	11.1%	35,966	6.8%
CapEx	829	7.5%	23,634	19.4%	10,457	47.6%	10,556	45.9%
OpEx	29,833	17.2%	1,803	18.0%	474,420	91.8%	2,249	17.8%
TOTAL (A.1 + A.2 + B)								
Turnover (sales)	561,516		561,516		529,426		529,426	
CapEx	11,016	100.0%	121,768	100.0%	21,970	100.0%	22,995	100.0%
OpEx	172,957		9,992		516,844		12,658	

5.1.3 2024 EU Taxonomy analysis

5.1.3.1 Analysis of eligibility and technical screening criteria

In June 2023, the European Commission adopted a Taxonomy Environmental Delegated Act, introducing a new set of EU Taxonomy criteria to assess economic activities that significantly contribute to one or more of the following environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Recticel Group conducted a comprehensive screening of all its economic activities, including those of its Rex subsidiary which was acquired on 8 January 2024. The assessment revealed that most of the Recticel's activities significantly contribute to climate change mitigation but do not substantially contribute to any of the other five objectives.

5.1.3.2 2024 Eligible activities within the climate change mitigation objective

The following economic activities of the Recticel Group qualify as substantial contributions to climate change mitigation:

- **Thermal insulation boards** (Recticel Insulation): These high-performance polyisocyanurate (PIR) foam boards are laminated between two facing materials, providing excellent insulation across the entire building envelope. They are suitable for a variety of applications, including flat, tapered, and pitched roofs, cavity walls, floors, internal linings and external wall insulation systems.
- **Metal-faced mineral wool and polyurethane insulated panels** (Trimo, Rex): These energy-efficient, single-component panels are factory-engineered and typically attached directly to the building's structural frame, providing both insulation and weatherproofing without the need for a cavity in the cladding.
- **Vacuum insulated panels for buildings** (Turvac): With ultra-low thermal conductivity and high thermal resistance, these panels deliver superior insulation compared to traditional materials.
- **Thermo-acoustic insulation boards** (Recticel Insulation): Designed for partition wall applications, these boards reduce sound transmission between rooms while providing strong thermal insulation. Made from recycled PU foams from end-of-life mattresses, they contribute to waste reduction and environmental sustainability.
- **Vacuum insulated panels for packaging** (Turvac): These panels offer highly efficient, space-saving insulation solutions for packaging applications.

The economic activities of Soundcoat in our Acoustic Solutions division and the non-building products of Turvac are not eligible for any of the six EU Taxonomy criteria.

5.1.3.3 2024 Eligible activities meeting the technical screening criteria

The table below outlines the EU Taxonomy eligible activities meeting the technical screening criteria for climate change mitigation. The vacuum insulated panels for packaging do not meet any of the technical screening criteria.

Environmental Objective	ECONOMIC ACTIVITY 2024	EU TAXONOMY CATEGORY OF ECONOMIC ACTIVITY	TECHNICAL SCREENING CRITERIA
Climate change mitigation	Insulation boards	Category 3.5 Manufacture of energy efficiency equipment for buildings	Insulating products with a lambda value lower than or equal to 0.06 W/mK.
	Insulated panels	Category 3.5 Manufacture of energy efficiency equipment for buildings	External wall systems with U-value lower than or equal to 0.5 W/m²K. Roofing systems with U-value lower than or equal to 0.3 W/m²K.
	Vacuum insulated panels for buildings	Category 3.5 Manufacture of energy efficiency equipment for buildings	Insulating products with a lambda value lower than or equal to 0.06 W/mK.
	Thermo-acoustic boards	Category 3.5 Manufacture of energy efficiency equipment for buildings	Insulating products with a lambda value lower than or equal to 0.06 W/mK.

Table 1: 2024 Turnover related to EU Taxonomy eligible activities meeting the technical criteria

Economic activity	% TURNOVER (SALES) ELIGIBLE FOR EU TAXONOMY ALIGNMENT
Manufacture of energy efficiency equipment for buildings	86.1%

Table 2: 2024 CapEx and OpEx related to EU Taxonomy eligible activities meeting the technical criteria

KPI	% CAPEX/OPEX ELIGIBLE FOR EU TAXONOMY ALIGNMENT
Related to capital expenditure (CapEx)	82.7%
Related to operational expenditure (OpEx)	79.0%

5.1.3.4 2024 Meeting the Do No Significant Harm (DNSH) objective

At the time of publication of the AR2024, an assessment for all Recticel sites was not fully completed covering the following aspects:

- **Climate change adaptation:**
  - Identify relevant physical climate risks
  - Assess the materiality of each identified risk
  - Identify and implement adaptation solutions to mitigate the material risks identified
- **Water:**
  - Identify water bodies that may be affected by the activity (e.g. water withdrawal, wastewater release, etc.)
  - Identify bodies of water potentially affected by the activity
  - Assess risks related to preserving water quality and avoiding water stress
  - Develop a water use and protection management plan to address the identified risks
- **Biodiversity:**
  - Screening locations in or near biodiversity-sensitive areas
  - Develop a biodiversity management plan to address the identified risks

It has to be noted that Recticel is using a very limited amount of water in its manufacturing processes.

The screening for the Rex subsidiary, acquired 8 January 2024, will be done in 2025.

5.1.3.5 2024 Compliance with Minimum Safeguards

Minimum Safeguards in the context of the EU Taxonomy refer to a set of social and governance criteria that must be met by economic activities that are considered environmentally sustainable. The inclusion of these safeguards in the EU Taxonomy is seen as an important step in ensuring that the transition to a sustainable economy is equitable and respects the rights of workers, communities and the environment.

Alignment with the following guidelines and principles is required:

- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights
- Fundamental Conventions of the International Labour Organisation (ILO)
- International Bill of Human Rights

We evaluated compliance with the EU Taxonomy regulation on Minimum Safeguards, focusing on human rights, labour rights and consumer rights across the value chain, as well as issues related to bribery and corruption, taxation and fair competition. To meet these safeguards, companies must implement robust due diligence processes and demonstrate the absence of specific negative impacts or incidents.

At Recticel, we initiated the necessary risk management and due diligence processes for our value chain. For further details on supply chain due diligence, please refer to Chapter 3.4, GOV-4.

Recticel has not been found in violation of human, labour or consumer rights or anti-corruption, tax or competition laws within the five years preceding this Annual Report. Additionally, Recticel has had no interactions with an OECD National Contact Point or the Business and Human Rights Resource Centre.

5.1.3.6 EU Taxonomy alignment outcome

86.1% of Recticel's activities meet the technical criteria for contributing to climate change mitigation. As there was no full alignment with respect to the DNSH criteria in 2024, 0% of our activity was Taxonomy-aligned in 2024.

Taxonomy-eligible turnover (sales) increased by 6.4% from 493,460 KEUR (restated 2023) to 525,172 KEUR, including the acquisition of Rex.

Taxonomy-eligible CapEx increased by 471.7% from 12,439 KEUR (restated 2023) to 71,114 KEUR, largely driven by the tangible and intangible business combinations of Rex.

Taxonomy-eligible OpEx decreased 3.2% from 10,409 KEUR (restated 2023) to 10,091 KEUR.

The primary drivers of change in the 2024 CapEx KPI stem from the acquisition of Rex Panels & Profiles, specifically its intangible and tangible assets (Chapters 7.2.5.1 and 7.2.5.3) and right-of-use assets (Chapter 7.2.5.4), which are classified according to Taxonomy-eligible and non-eligible economic activities. Additionally, CapEx related to equipment and vehicles under 'New leases' (Chapter 7.2.5.1) is reported as Taxonomy-eligible. Other eligible CapEx (Category C) includes investments in energy-efficient building upgrades (relighting), installation of electric vehicle charging stations in building-adjacent parking areas, installation of photovoltaic panels, and roof insulation for existing buildings.

For the OpEx KPI, the denominator comprises day-to-day costs directly incurred for research and development, building renovations, short-term lease and the repair and maintenance of property, plant, and equipment. No other direct expenditures related to the ongoing servicing of Recticel's assets were recorded. The OpEx numerator is determined using Taxonomy-eligible turnover (sales) as the allocation key. The changes are related to the acquisition of Rex Panels & Profiles.

5.1.4 2024 EU Taxonomy reporting tables

Proportion of turnover (sales) from products or services associated with taxonomy-aligned economic activities - disclosure covering year 2024

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Do No Significant Harm')(h)									
ECONOMIC ACTIVITIES (1)	CODE (A) (2)	TURNOVER (SALES) (3)	PROPORTION OF TURNOVER (SALES) (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)	CIRCULAR ECONOMY (15)	BIODIVERSITY (16)	MINIMUM SAFEGUARDS (17)	PROPORTION OF TAXONOMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) TURNOVER, YEAR 2023 (18)	CATEGORY ENABLING ACTIVITY (19)	CATEGORY TRANSITIONAL ACTIVITY (20)
		EUR X 1,000	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Turnover (sales) of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	N	0.0%		
Of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	N	0.0%	E	
Of which transitional		0	0.0%	0.0%						-	-	-	-	-	-	N	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (e) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	525,172	86.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								93.2%		
Turnover (sales) of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		525,172	86.1%	86.1%	0.0%	0.0%	0.0%	0.0%	0.0%								93.2%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover (sales) of taxonomy non-eligible activities		**85,024**	**13.9%**																
TOTAL (A.1 + A.2 + B)		**610,196**	**100.0%**																

Colomn (17)
N – Taxonomy-eligible but not taxonomy-aligned activity for the relevant environmental objective
Column (5)
EL – Taxonomy eligible activity for the relevant environmental objective
Column (6-10)
N/EL – Taxonomy non-eligible activity for the relevant environmental objective

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities - disclosure covering year 2024

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Do No Significant Harm')(h)									
ECONOMIC ACTIVITIES (1)	CODE (A) (2)	CAPEX (3)	PROPORTION OF CAPEX (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)	CIRCULAR ECONOMY (15)	BIODIVERSITY (16)	MINIMUM SAFEGUARDS (17)	PROPORTION OF TAXONOMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) CAPEX, YEAR 2023 (18)	CATEGORY ENABLING ACTIVITY (19)	CATEGORY TRANSITIONAL ACTIVITY (20)
		EUR X 1,000	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	N	0.0%		
Of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	N	0.0%	E	
Of which transitional		0	0.0%	0.0%						-	-	-	-	-	-	N	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (e) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	71,114	82.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								53.0%		
Electricity generation using solar photovoltaic technology	CCM 4.1	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings	CCM 7.4	52	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.6	16	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.8%		
Renovation of existing buildings	CCM 7.2	18	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
CapEx of taxonomy- eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		71,201	82.7%	82.7%	0.0%	0.0%	0.0%	0.0%	0.0%								54.1%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy non-eligible activities		**14,844**	**17.3%**																
TOTAL (A.1 + A.2 + B)		**86,046**	**100.0%**																

Colomn (17)
N – Taxonomy-eligible but not taxonomy-aligned activity for the relevant environmental objective
Column (5)
EL – Taxonomy eligible activity for the relevant environmental objective
Column (6-10)
N/EL – Taxonomy non-eligible activity for the relevant environmental objective

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities - disclosure covering year 2024

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Do No Significant Harm')(h)									
ECONOMIC ACTIVITIES (1)	CODE (A) (2)	OPEX (3)	PROPORTION OF OPEX (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)	CIRCULAR ECONOMY (15)	BIODIVERSITY (16)	MINIMUM SAFEGUARDS (17)	PROPORTION OF TAXONOMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) OPEX, YEAR 2023 (18)	CATEGORY ENABLING ACTIVITY (19)	CATEGORY TRANSITIONAL ACTIVITY (20)
		EUR X 1,000	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
OpEx of environmentally sustainable activities (A.1) (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	N	0.0%		
Of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	N	0.0%	E	
Of which transitional		0	0.0%	0.0%						-	-	-	-	-	-	N	0.0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (e) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Manufacture of energy efficiency equipment for buildings	CCM 3.5	10,091	79.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								82.2%		
OpEx of taxonomy- eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		10,091	79.0%	79.0%	0.0%	0.0%	0.0%	0.0%	0.0%								82.2%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy non-eligible activities		**2,678**	**21.0%**																
TOTAL (A.1 + A.2 + B)		**12,768**	**100.0%**																

Colomn (17)
N – Taxonomy-eligible but not taxonomy-aligned activity for the relevant environmental objective
Column (5)
EL – Taxonomy eligible activity for the relevant environmental objective
Column (6-10)
N/EL – Taxonomy non-eligible activity for the relevant environmental objective

[a] *The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.:*
- *Climate Change Mitigation: CCM*
- *Climate Change Adaptation: CCA*
- *Water and Marine Resources: WTR*
- *Circular Economy: CE*
- *Pollution Prevention and Control: PPC*
- *Biodiversity and ecosystems: BIO*

[b] *Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective*
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective

[c] *Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives.*

[d] *The same activity may align with only one or more environmental objectives for which it is eligible.*

[e] *The same activity may be eligible and not aligned with the relevant environmental objectives.*

[f] *EL - Taxonomy eligible activity for the relevant objective*
N/EL - Taxonomy non-eligible activity for the relevant objective

[g] *Activities shall be reported in Section A.2 of this template only if they are not aligning to any environmental objective for which they are eligible. Activities that align to at least one environmental objective shall be reported in Section A.1 of this template.*

[h] *For an activity to be reported in Section A.1 all DNSH criteria and minimum safeguards shall be met.*

NUCLEAR ENERGY RELATED ACTIVITIES		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
FOSSIL GAS RELATED ACTIVITIES		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

5.2 Environmental | E1 Climate change

The overview below follows the structure of ESRS E1. All sub-topics were considered material in the Double Materiality Assessment (DMA).

Additionally, Chapter 5.1 provides details on EU Taxonomy reporting, while Chapter 5.2.8 contains information on the avoided emissions of our building products sold in 2024. Recticel integrates sustainability-related performance targets in incentive schemes, as detailed in Chapter 3.3, GOV-3.

Note: Due to the acquisition of Rex Panels & Profiles on 8 January 2024 with three operational buildings in Belgium, we restated our SBTi base year (2021) and prior year 2023 data in Chapter 5.2.6 (E1-5 Energy consumption, mix and intensity) and in Chapter 5.2.7 (E1-6 Gross scopes 1, 2, 3 and total GHG emissions).

5.2.1 Material E1 IROs and their interaction with strategy and business model

Chapter 4.3, Navigating the landscape of risks and opportunities, provides a comprehensive examination of the material IROs associated with ESRS E1, including the IRO process description, and their interaction with the strategy and business model. Information on the results of the resilience analysis can be found in Chapter 2.3.4, Resilience of our business model and strategy.

5.2.2 E1-1 Transition plan for climate change mitigation

Since 2010, Recticel has undergone a significant transformation, evolving from restructuring and optimising its manufacturing footprint to repositioning itself as a leading insulation company. Today, we provide energy-efficient solutions that help to mitigate climate change. Through strategic divestments and acquisitions, we have strengthened our insulation business and positioned ourselves for continued growth.

As we have operations in seven countries, Recticel's electrification strategy is influenced by the readiness of regional electricity grids and access to low-carbon electricity. While some regions have clear electrification roadmaps, infrastructure development often lags, causing delays in grid connections.

In the UK, delays in connecting renewable energy projects to the grid have led Ofgem to approve a GBP 4 billion investment to accelerate infrastructure development. In Belgium, electrification is progressing rapidly in sectors like mobility and industry, but the pace remains uneven, leading to supply and demand imbalances. France faces similar challenges, with the rapid expansion of solar energy causing grid connection bottlenecks. The grid operator RTE estimates EUR 100 billion in investments by 2040 to modernise and expand France's electricity grid.

These regional disparities highlight the complexities of scaling electrification and transitioning to sustainable energy solutions across our operations. As a smart insulation group, we are dedicated to meeting our customers' needs and driving sustainable development in an industry propelled by the energy transition. Rooted in sustainable innovation, our solutions address key societal challenges, including climate change, resource depletion and the urgent need for clean, renewable energy.

Portfolio and EU Taxonomy eligibility

Our current portfolio addresses one of the most critical megatrends, reducing CO_2e emissions to protect the environment. This is reflected in our EU Taxonomy declaration (Chapter 5.1), which provides a standardised framework for classifying environmentally sustainable activities. 86.1% of our insulation boards, insulated panels and vacuum insulation panels meet the technical screening criteria for climate change mitigation (Cat. 3.15, Manufacture of energy efficiency equipment for buildings).

The Science Based Targets Initiative (SBTi)

Our commitment to environmental stewardship is exemplified by our involvement in the Science Based Targets initiative (SBTi), which approved our targets in February 2024. With net-zero emissions by 2050 as our ultimate goal, we have set two near-term targets for 2030 aligned with limiting global warming to 1.5°C, as per the Paris Agreement. Details on our targets, decarbonisation levers, action plans, and associated expenditures are outlined in Chapter 5.2.4, E1-3, and Chapter 5.2.5, E1-4.

Near-term action: Reducing scope 1 and scope 2 emissions

A key element of our near-term strategy is achieving a 90% reduction in absolute scope 1+2 GHG emissions by 2030, based on a 2021 baseline. To ensure accountability and measurable progress, we have integrated ESG-linked monetary incentives into the remuneration practices of white-collar employees (Hay Grade 14 and above) and officers. For more information on the alignment of compensation with sustainability goals, see Chapter 3.4, GOV-4.

Addressing locked-in emissions

We have identified potential locked-in GHG emissions in the carbon-intensive raw materials used for manufacturing insulation boards and insulated panels. By collaborating with our supply chain, we are driving innovation to reduce these emissions, strengthening resilience and contributing to a low-carbon economy. No locked-in emissions have been identified in our infrastructure or operations.

Alignment with EU Paris-aligned benchmarks

Recticel is aligned with the EU Paris-Aligned Benchmarks (PABs), which guide investment portfolios to meet the Paris Agreement's climate goals. This alignment underscores our commitment to achieving the highest climate responsibility standards while fostering sustainable growth and long-term value creation.

Governance and oversight
The Board of Directors, in collaboration with the Audit & Sustainability Committee, reviewed and approved the ESG strategy, including the climate change mitigation transition plan, to ensure alignment with high sustainability standards. For more information on governance, see Chapter 3.2, GOV-2.

Investments
In 2024, Recticel invested in upgrading its factories and optimizing production lines to enhance efficiency while reducing energy consumption and related GHG emissions. Additionally, we invested in R&D for a next-generation recycling plant in Wevelgem, Belgium. This EUR 13 million facility will specialize in the chemical recycling of PU waste into raw materials for new board production, making a significant contribution to circularity in our sector and substantially reducing scope 3 emissions.

5.2.3 E1-2 Policies related to climate change mitigation

Our sustainability strategy has shaped our portfolio and innovation priorities as we respond to key societal challenges. With our **Race to Net Zero** plan we address climate change mitigation within our operations, supply chain and business activities. The strategy is grounded in science based evidence, industry best practices and our commitment to continuous improvement.

OUR RACE TO NET ZERO EMISSIONS

Objectives

- **Fight climate change through decarbonisation and resource efficiency**
- **Deliver on our SBTi commitment**

Target activities

- Reduction of direct energy consumption & electrification
- Conversion process energy away from fossil fuels
- Increase owned energy
- Zero emission company vehicles
- Decrease in product carbon intensity from key suppliers
- Zero waste to landfill
- Recovery of EOL value
- Reduction of distribution inefficiencies

Recticel has established a comprehensive policy framework to guide its efforts in mitigating climate change, underlining our commitment to achieving ambitious greenhouse gas (GHG) reduction targets and transitioning to a sustainable future.

5.2.3.1 Scope and exclusions

The climate change mitigation policy applies across all business units, operations and supply chains globally. It encompasses the reduction of scopes 1, 2, 3 GHG emissions, the adoption of renewable energy and the implementation of sustainable product design principles, focusing on resource efficiency and recyclability. Exclusions are limited to activities where Recticel does not have operational control.

5.2.3.2 Accountability

The overall responsibility for our sustainability ambitions, strategy, reporting and issues management resides with the Chief Executive Officer (CEO). As such he is ultimately accountable for the policy implementation, ensuring alignment with Recticel's strategic priorities and overseeing progress against our climate-related targets. Refer to Chapter 3.2 (GOV-2) on the role and responsibility of the Audit & Sustainability Committee.

5.2.3.3 Alignment with third-party standards

The policy respects internationally recognised standards and frameworks, including:

- The Science Based Targets initiative (SBTi) for aligning GHG reduction targets with the Paris Agreement
- EU Taxonomy for sustainable activities
- Recommendations of the Task Force on Climate-related Financial Disclosures (see Chapter 8.3)
- ISO 14001 for environmental management systems
- Contribution to the UN Sustainable Development Goals (SDG) (see Chapter 8.3)

5.2.3.4 Stakeholder interests

The development and refinement of the climate change mitigation policy are informed by the interests and inputs of the following stakeholders:

- Investors: Emphasis on financial resilience and alignment with sustainability benchmarks
- Customers: Demand for low-carbon, energy-efficient products
- Employees: Engagement in sustainability goals, including incentives
- Regulators: Compliance with climate-related legislation and reporting standards
- Suppliers: Engagement in lowering the embedded carbon of purchased materials and in development of materials with bio-sourced content

5.2.3.5 Stakeholder communication and accessibility

The Recticel Group's climate change mitigation policy was thoroughly developed in 2024 and will be finalised and published on the corporate website in 2025. In the meantime, employees, suppliers, and other relevant stakeholders are actively engaged through targeted communication strategies and collaborative initiatives, ensuring effective implementation and shared accountability.

5.2.3.6 Impacts, risks and opportunities

Details about the climate change mitigation impacts, risks and opportunities (IRO) are provided in the overview table in Chapter 4.3.

5.2.4 E1-3 Actions and resources in relation to climate change policies

In 2024, we achieved a 24.2% reduction in scope 1+2 carbon intensity per m^3 and a 2.1% reduction in scope 3 GHG intensity per m^3 (excl. Cat. 3.15, Investments) compared to 2021. These results reinforce our confidence in meeting our SBTi near-term commitment to reduce scope 1+2 emissions by 90% and scope 3 emissions by 25% by 2030.

Our SBTi emissions reduction plan is aligned with a rate of decarbonisation consistent with keeping global temperature increase to 1.5°C compared to pre-industrial temperatures. Details of the progress made against targets can be found in Chapter 5.2.7, E1-6 Gross scopes 1, 2, 3 and total GHG emissions.

Recticel's R&D developments as well as all other CapEx and OpEx expenses related to category CCM 3.5 (manufacture of energy efficiency equipment for buildings) are assessed in the context of the approved SBTi objectives (Chapter 5.2.5, E1-4), reported in the EU Taxonomy tables under Chapter 5.1.3.

As we invest to achieve our near-term and net-zero SBTi targets, we carefully evaluate the useful life of replaced assets and adjust our estimates accordingly. These considerations are reflected in our financial statements and, at this stage, our climate change initiatives have not materially impacted our financial reporting judgments.

The following is a summary of actions undertaken in 2024 as part of our GHG emission reduction roadmap. These initiatives, aligned with both our near- and long-term SBTi targets (see Chapter 5.2.5), will continue in the years ahead.

Energy efficiency initiatives

Recticel operates with relatively low energy intensity, as evidenced by our modest scope 1 and scope 2 GHG emissions. We have further reduced energy consumption by replacing equipment and enhancing operational efficiency. We have increased electrification of our car fleet and almost all forklifts are now electrical. As a result, in 2024, our scope 1 emissions decreased by 28% since 2021.

Supply chain collaboration

We are working collaboratively with our suppliers to address emissions throughout our supply chain, promote sustainability and achieve positive environmental outcomes. We have incorporated a sustainability scorecard into our procurement policy and engage extensively with suppliers to achieve our targets. This has led to a reduction in scope 3.1 emissions compared to base year 2021, while increasing output.

Renewable energy transition

As part of our transition to renewable energy, we are exploring additional solar panel installations at our production sites and leveraging Power Purchase Agreements (PPAs). We have also increased our procurement of green electricity from external sources. Additionally, a project is underway to electrify our operations.

Innovation

Recticel is dedicated to developing smart, sustainable insulation materials and allocates approximately 1% of its annual revenue to innovative solutions and technologies that support climate change mitigation and circularity. This includes partnerships with research and development institutes to explore bio-based raw materials and recycling solutions for end-of-life construction materials.

New product introduction

By focusing on creating advanced insulation materials with exceptional thermal performance and reduced environmental impact, Recticel introduced several new systems and innovative products in the 2023-2024 period.

- **Powerdeck+ Light Roof**
  The light roof system allows renovation of steel deck flat roofs with polyurethane insulation boards and installation of photovoltaic panels without reinforcing the existing roof construction. In a joint offering with SIKA France, this new system outperforms alternative insulation with mineral wool, allowing thinner panels for equal λ insulation value. It is suitable for lighter structural steel and provides a much lower carbon footprint versus alternatives.

- **Deck-VQ**
  Deck-VQ vacuum insulated panels offer the ultimate efficiency for demanding applications. Vacuum insulated panels offer exceptionally high insulation efficiency and space-saving characteristics and have a very low carbon footprint.

- **Impact product line**
  With Eurowall Impact and Eurothane Silver Impact insulation boards, we offer a product line containing 25% bio-circular content, reducing their carbon footprint by 43% while maintaining the same λ insulation performance.

- **Alu-free board**
  Our new gas diffusion tight alu-free polyurethane (PIR) board for prefab buildings reduces the risk of corrosion and significantly enhances durability in construction projects, with up to 40% reduction in carbon emissions of the facings.

- **BASE – insulated panel**
  BASE, a backing wall insulated façade system solution, is a canvas for architects to design architecture with unlimited choice of final claddings. It is a façade system with an extreme load-bearing capacity of up to 60 kg/m^2 ensuring quick installation with fewer workers whilst reducing the embodied carbon of the building envelope by up to 60%.

- **Qbiss One Next & Trimoterm Next**
  As the demand for greener building solutions grows, Qbiss One Next and Trimoterm Next insulated panels lead the way toward a zero-carbon future. These advanced insulated panels crafted from sustainable, low-carbon materials, achieve up to 68% and 69% reductions in CO_2e emissions compared to existing alternatives.

5.2.5 E1-4 Targets related to climate change mitigation

The SBTi, a collaboration between CDP, the UN Global Compact, WRI, and WWF, provides a science based framework for companies to reduce greenhouse gas emissions consistent with the latest climate change scenarios and corresponding carbon budgets.

In October 2022, Recticel submitted two near-term targets and a long-term net-zero target to the Science Based Targets initiative (SBTi) for validation. These were approved on 14 February 2024.

5.2.5.1 Relationship with policy objectives

Our targets are directly aligned with Recticel's climate change mitigation policy, which aims to reduce our carbon footprint, enhance energy efficiency and contribute to a low-carbon economy. These objectives are embedded in our strategic roadmap and reflect our dedication to environmental stewardship and sustainable growth.

Recticel chose operational control as the consolidation approach and all divisions have been accounted for in the inventory boundary. All science based targets have been assessed against the absolute contraction approach.

All targets are grounded in conclusive scientific evidence, as defined by the SBTi. They are designed to meet or exceed the decarbonisation pathways outlined in the latest Intergovernmental Panel on Climate Change (IPCC) reports, ensuring alignment with a 1.5°C global warming scenario, compared to pre-industrial temperatures.

5.2.5.2 Scope of target

- Near-term targets (2030)
  - Recticel commits to reduce absolute scope 1+2 GHG emissions by 90%, by 2030 from a 2021 base year.
  - Recticel also commits to reduce absolute scope 3 GHG emissions by 25% within the same timeframe.

- Long-term target (2050)
  - Recticel commits to maintain at least 90% absolute scope 1+2 GHG emissions reductions from 2030 through 2050 from a 2021 base year.

For details on how Recticel addresses the remaining 10% of residual emissions, refer to Chapter 5.2.9, E1-7.

- Baseline value
  - To ensure that the baseline value against which we measure progress towards our targets is representative, the scope of activities covered and external influencing factors need to be considered, such as temperature anomalies that may affect energy consumption and related GHG emissions. As Recticel made a voluntary commitment to achieving net zero under the Science Based Targets initiative (SBTi), our baseline year has been defined in accordance with SBTi requirements to align with the goal of reaching net zero by 2050. This ensures consistency with global best practices and maintains the integrity of our emissions reduction pathway.
  - Our targets are based on a 2021 baseline established by SBTi, reflecting the timing of our commitment and our net-zero target, aligned with a 1.5°C global warming scenario.
  - The baseline data have been adjusted to account for the acquisition of Rex in 2024.

- Absolute 2021 emissions values:
  - scope 1: 6,002 tCO_2e (restated)
  - scope 2: 5,435 tCO_2e (market-based, restated)
  - scope 3: 819,381 tCO_2e (restated, excl. Cat. 3.15, Investments)

5.2.5.3 Methodologies and significant assumptions

- The targets were developed in accordance with the Science Based Targets initiative (SBTi) criteria, validated against their Target Validation Protocol (version 5.1) and approved on 14 February 2024.
- Scopes 1 and 2 reduction pathways align with sector-specific decarbonisation curves for manufacturing industries.
- Scope 3 reduction relies on lifecycle analysis (LCA) of our products and collaboration with suppliers to innovate and decarbonise the supply chain.
- Key assumptions include the availability of renewable energy, advancements in material technology, and supportive regulatory frameworks.

5.2.5.4 Stakeholder involvement in target setting

The SBTi target was defined by the Chief Executive Officer in 2022 and validated by the Board of Directors.

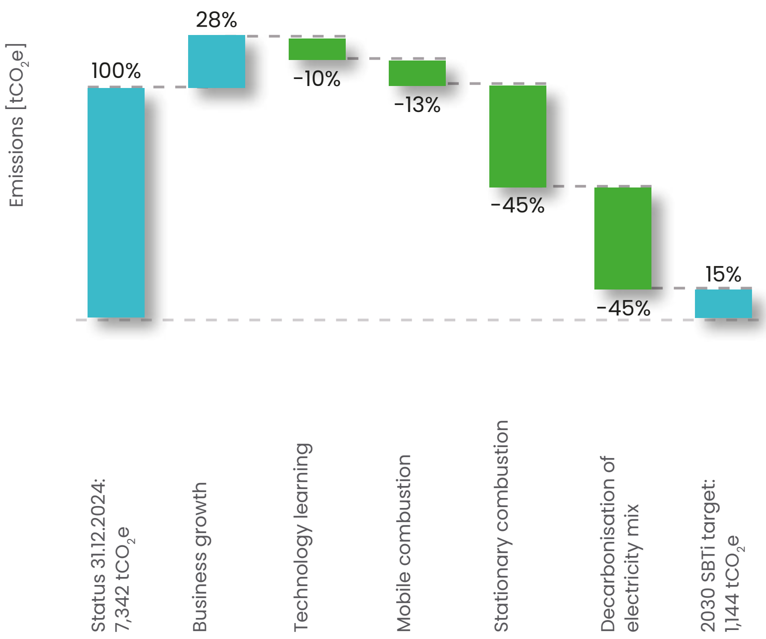
5.2.5.5 Emission reduction roadmap

As part of the SBTi approval process, we developed a detailed roadmap to model emission reductions across scopes 1, 2, 3. Built from the ground up at the site level, this roadmap includes interim projections of estimated emissions leading up to our 2030 target year and accounts for the anticipated growth of the Recticel Group. Notably, the roadmap exclusively aligns with the 1.5°C climate scenario, with no alternative scenarios considered during its preparation.

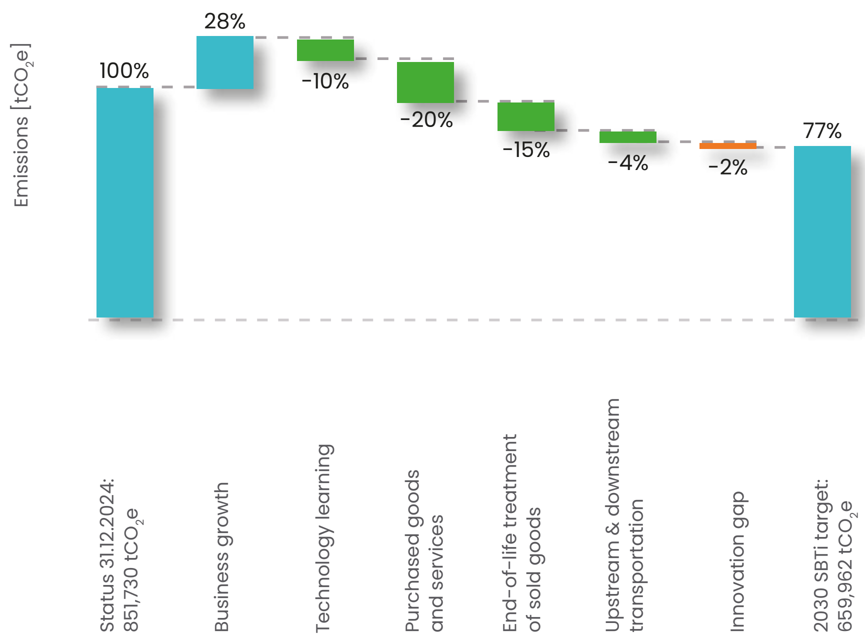
The key pillars of the roadmap are:

- Focusing on efficiency measures through continuous improvement
- Electrifying the production process
- Transitioning from fossil fuels to renewable energy
- Focusing on procurement of more sustainable materials
- Redesigning products so that the end-of-life (EOL) impact is reduced and recyclability is increased
- Fostering supplier engagement towards more carbon-efficient materials and services

scope 1+2 reduction plan (near-term target)



scope 3 reduction plan (near-term target)



5.2.6 E1-5 Energy consumption, mix and intensity

5.2.6.1 Total energy consumption

We consider non-renewable electricity as all electricity for which no electricity attribute certificates (e.g. certificate of origin) for renewable electricity are purchased.

Renewable electricity is purchased electricity combined with electricity attribute certificates, or self-produced renewable electricity (e.g. with photovoltaic panels). Renewable electricity does not count for any emissions in scope 1 and scope 2 in the market-based method. When relevant, we account for scope 3 emissions related to the production, transport and grid losses of such renewable electricity.

Energy consumption (MWh)	2021 (RESTATED) SBTI BASE YEAR	2023 (RESTATED)	2024	Δ % 2024-2023	Δ % 2024-2021
Total energy consumption scope 1 (energy) + scope 2	74,465	59,599	47,398	-20.5%	-36.3%
Purchased electricity from renewable sources (green certificates)	0	0	6,500	6,500%	6,500%
Purchased electricity from renewable & non-renewable sources	73,464	56,974	44,693	-21.6%	-39.2%
Renewable energy consumption on-site (photovoltaic)	1,001	2,625	2,705	3.1%	170.3%
Renewable energy production on-site (photovoltaic) *	1,071	4,239	4,423	+4.3%	+313.0%

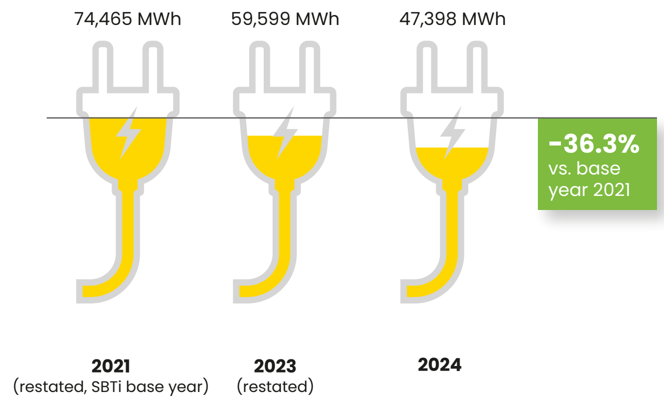
** Rex figure is extrapolated based on the total consumed energy of self-generated non-fuel renewable energy (MWh) and the renewable energy production on-site (photovoltaic) by Recticel Insulation and Trimo*

5.2.6.2 Purchased energy according to type of instrument

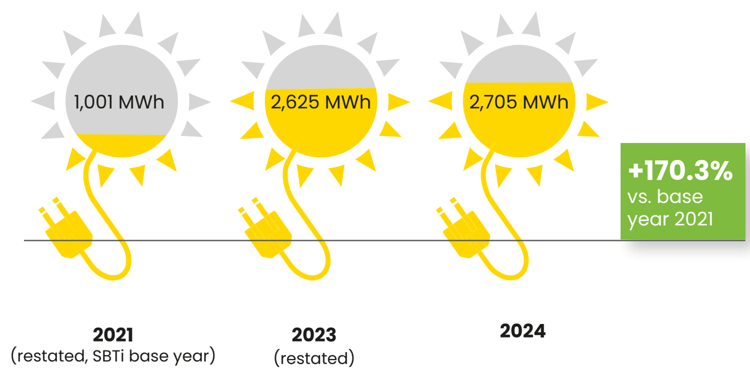
Purchased energy (type of instrument)	2021 (RESTATED) SBTI BASE YEAR	2023 (RESTATED)	2024	Δ % 2024-2023	Δ % 2024-2021
With no attribute	100.0%	100.0%	85.5%	-14.5%	-14.5%
With bundled attribute (ie PPA)	0.0%	0.0%	0.0%		
With unbundled attribute (ie standalone energy certificate)	0.0%	0.0%	14.5%		

For comparability, the 2023 data and the 2021 SBTi base year information have been restated to reflect the 2024 M&A activity. The acquisition related to the restatement represents 12.3% of the total carbon footprint and 7.1% of the total energy consumption in 2023. For more information, see Chapter 4.1.

Energy consumption



Photovoltaic energy consumption



5.2.6.3 Energy mix and consumption

Energy mix (MWh)	2021 (RESTATED) SBTI BASE YEAR		2023 (RESTATED)		2024		Δ % 2024-2023	Δ % 2024-2021
(1) Fuel consumption from coal and coal products	0	0.0%	0	0.0%	0	0.0%	0.0%	0.0%
(2) Fuel consumption from crude oil and petroleum products	913	1.2%	993	1.7%	871	1.8%	-12.3%	-4.6%
(3a) Fuel consumption from natural gas	16,620	22.3%	11,265	18.9%	10,351	21.8%	-8.1%	-37.7%
(3b) Fuel consumption from LPG	7,239	9.7%	5,153	8.6%	4,955	10.5%	-3.8%	-31.6%
(4) Fuel consumption from other fossil fuels	3,277	4.4%	4,894	8.2%	2,851	6.0%	-41.7%	-13.0%
(5a) Consumption of purchased heat (location-based)	1,123	1.5%	1,105	1.9%	1,060	2.2%	-4.1%	-5.6%
(5b) Consumption of non-renewable (grey) electricity (market-based)	31,340	42.1%	23,626	39.6%	18,080	38.1%	-23.5%	-42.3%
Of which consumption from nuclear sources	12,953		9,938		6,901		-30.6%	-46.7%
(6) Total fossil fuel/grey energy consumption	**73,465**		**56,947**		**38,168**			
Share of fossil fuel/grey sources in total energy consumption	**98.7%**		**95.6%**		**80.5%**			
Share of consumption from nuclear sources in total energy consumption	**17.4%**		**16.7%**		**14.6%**			
(7) Fuel consumption from renewable sources, including biomass	0	0.0%	0	0.0%	0	0.0%	0.0%	0.0%
(8) Consumption of purchased or acquired electricity from renewable sources (market-based)	0	0.0%	0	0.0%	6,525	13.8%	0.0%	0.0%
(9) Consumption of purchased heat from renewable sources (market-based)	0	0.0%	0	0.0%	0	0.0%	0.0%	0.0%
(10) Consumption of self-generated non-fuel renewable energy	1,001	1.3%	2,625	4.4%	2,705	5.7%	3.0%	170.3%
(11) Total renewable energy consumption	**1,001**		**2,625**		**9,230**			
Share of renewable sources in total energy consumption	**1.3%**		**4.4%**		**19,5%**			
Total energy consumption	**74,465**	**82.6%**	**59,599**	**83.3%**	**47,398**	**100%**	**-20.5%**	**-36.3%**

Energy mix (tCO_2e)	2021 (RESTATED) SBTI BASE YEAR		2023 (RESTATED)		2024		Δ % 2024-2023	Δ % 2024-2021
(1) Fuel consumption from coal and coal products	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
(2) Fuel consumption from crude oil and petroleum products	224.4	38.9%	244.1	44.0%	213.8	40.6%	-12.4%	-4.7%
(3a) Fuel consumption from natural gas	31.7	5.5%	13.1	2.4%	13.5	2.6%	3.1%	-57.4%
(3b) Fuel consumption from LPG	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
(4) Fuel consumption from other fossil fuels	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
(5a) Consumption of purchased heat (market-based)	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
(5b) Consumption of non-renewable electricity (market-based)	320.1	55.6%	297.8	53.7%	299.0	56.8%	0.4%	-6.6%
(6) Total fossil fuel/grey energy consumption	**576.2**	**100.0%**	**555.0**	**100.0%**	**526.3**	**100.0%**	**-5.2%**	**-8.7%**

5.2.6.4 Energy intensity

Energy intensity is calculated as the amount of energy consumed per unit of output or activity. Reducing energy use while maintaining the same level of production lowers this intensity.

Recticel operates in a high climate impact sector (see Chapter 4.3.1) and, therefore, reports energy intensity indicators based on net revenue (sales). Additionally, we disclose energy intensity relative to realised sales volume. Using sales volume as a basis eliminates price-driven volatility in the indicator, which is unrelated to climate impact. SBTi recognises this approach as the most robust method for addressing climate considerations.

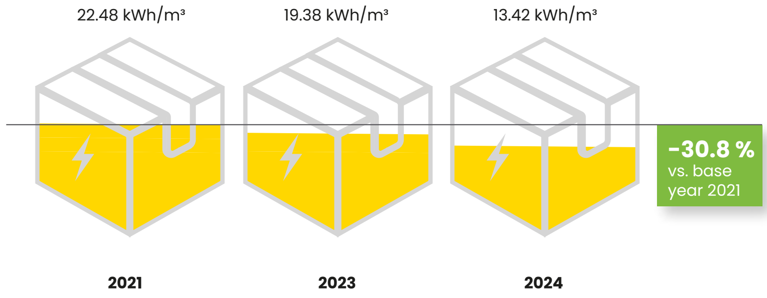
Energy intensity 1, per sales volume [KWh/ m³]	2021 (RESTATED)	2023 (RESTATED)	2024	Δ % 2024-2023	Δ % 2024-2021
Total energy consumption from activities in high climate impact sectors per sales volume from activities in high climate impact sectors[1]	22.48	19.38	13.42	-30.8%	-40.3%
	Recticel Group (incl. Rex)				

Energy intensity 2, per net revenue [KWh/EUR]	2023	2024	Δ % 2024-2023
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors[1]	0.087	0.078	-10.9%
	Recticel Group (excl. Rex)	Recticel Group (incl. Rex)	

in thousand EUR

	2023	2024
Net revenue from activities in high climate impact sectors used to calculate energy intensity[1]	529,426	610,196
Net revenue (others)	0	0
Total net revenue (Sales, Chapter 7.1.1)	529,426	610,196

Energy intensity per m³



[1] *EU Regulation 2019/2089, also known as the EU Low Carbon Benchmarks Regulation (EU BMR), defines high climate impact sectors as those that are key to the low-carbon transition. The EU BMR defined 9 (of a total of 21) NACE sections, amongst them manufacturing and construction*

5.2.7 E1-6 Gross scopes 1, 2, 3 and total GHG emissions

The carbon footprint of an activity or organisation represents the total greenhouse gas emissions produced over a defined period, measured in metric tonnes of carbon dioxide equivalent (tCO_2e). This footprint is calculated by multiplying activity data by the corresponding emission factors. Recticel adheres to the globally recognised Greenhouse Gas Protocol (GHG) Protocol, which provides comprehensive standards for measuring and managing emissions. Direct emissions (scope 1) originate from sources owned or controlled by the reporting entity. In contrast, indirect emissions (scope 2, scope 3) are associated with the entity's activities but occur at sources owned or operated by third parties.

5.2.7.1 Measuring our carbon footprint

Methodology

All our emissions are calculated according to the GHG Protocol methodology for the full scope of our insulation activities for the years 2021, 2022, 2023 and 2024. Following the acquisition of Rex, the data for 2021 and 2023 have been restated.

Sources of emission factors: internationally recognised emission factor databases (ecoinvent, Bilan Carbone, ADEME, IEA, BEIS, Higg, DEFRA), EPD from suppliers, sector and product specific LCA reports, and national electricity emission factors from IEA reports.

Reporting

Technical

- All greenhouse gases, such as carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and refrigerants (HFC, PFC and CFC) are converted into CO_2 equivalents using Intergovernmental Panel on Climate Change (IPCC) 100-year global warming potential (GWP) coefficients.

Boundaries

- Operational control (scopes 1, 2, 3 all categories): All Recticel Group manufacturing sites during 2024, all offices, warehouses and the Recticel headquarters in Brussels (Belgium). This covers the subsidiaries Recticel Insulation, Trimo (acquired April 2022), Turvac (74% joint venture), Rex (acquired January 2024) and Soundcoat, which are all considered at 100% since reporting year 2021, which is also the base year for our SBTi commitments.
- Non-operational control (scope 3, Cat. 3.15): TEMDA2 GmbH (Ascorium)[2]

Reference year

For targets and performance evaluation, Recticel uses 2021 as the base year (see also Chapter 3.3).

Emissions calculations

The 2024 CO_2e emissions were calculated using an internally developed ESG digital platform, following the guidelines established by CO2logic, a South Pole company (www.co2logic.com), which also conducted sanity checks to verify the accuracy of the results. The emissions data for Rex (2021 to 2024) were calculated separately by CO2logic, and subsequently integrated in the ESG digital platform.

For comparability, the 2023 data and the 2021 SBTi base year information have been restated to reflect the 2024 M&A activity. The acquisition related to the restatement represents 12.3% of the total carbon footprint and 7.1% of the total energy consumption in 2023. For more information, see Chapter 4.1.

[2] Recticel Automotive Interiors was acquired by ADMETOS GmbH in April 2020 and transferred to TEMDA2 GmbH, a joint venture with ADMETOS holding 51% and Recticel 49%. A reciprocal call/put option allows ADMETOS to acquire or Recticel to sell its 49% stake as from March 2024.
The Cat. 3.15 data for 2024 provided by TEMDA2 are an estimate based on 2023 data, realised sales and purchased quantities.

5.2.7.2 Data treatment & assumptions

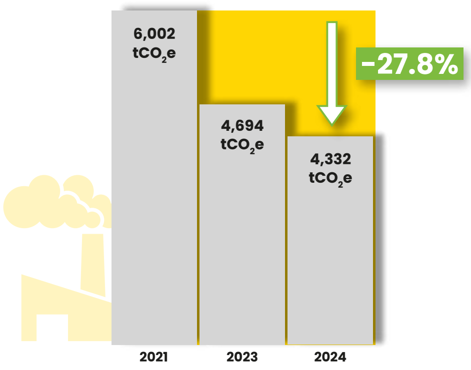
scope	SOURCE OF EMISSIONS 2024		DATA TREATMENT & ASSUMPTIONS	REASON FOR DATABASE CHOICE
1 & 2	Infrastructure fuels		No further data treatment needed.	Bilan Carbone database provides widely acceptable emission factors for scope 1 emissions.
	Infrastructure electricity		No further data treatment needed.	IEA provides the most appropriate emission factors on a country level. For the USA eGrid provides more geographically granular emissoin factors.
	Company vehicles		Limited data processing required.	Bilan Carbone database provides widely acceptable emission factors for scope 1 emissions.
	Refrigerants		If available, direct losses data was used which was available from maintenance reports. If not available, an assumption of 10% losses was assumed as prescribed by the Bilan Carbone® methodology.	Bilan Carbone database provides widely acceptable emission factors for scope 1 emissions.
3	Purchased goods & services	Cat. 1	Generally data was treated using the following approach: 1) When mass data available, mass based emission factors were used. 2) For the remaining data, spend based data were used to account for the emissions.	Supplier specific emission factors are prioritized as they provide the most specific emission factor quality. This was followed by EcoInvent emision factors as this is a detailed database with detailed information for very specific types of materials and activities.
	Capital Goods	Cat. 2	No data treatment required.	Bilan Carbone database provides readily available, cost-free spend based emission factors.
	Fuel and energy related activities (not included in Scope 1 and 2)	Cat. 3	See treatment and assumptions scope 1+2: each data point has a scope 1, scope 2 and a scope 3 emission factor assigned to it.	See scope 1+2.
	Upstream & dowstream transportation of goods	Cat. 4 Cat. 9	Generally two ways of data treatment for both incoming & outgoing transport: 1) Dedicated transport (= full truckload): Total distances of (assumed) full trucks were calculated by CO2logic using an automised tool. Data gaps were extrapolated (average distance assumed). 2) Shared transport (for truck and other transport modes): Distances were calculated using the same tool and gaps were extrapolated similarly. This allowed for calculating data in tonne.km. When data was available in m³, these were converted based on average kg/m³ data per site. Specific assumptions for Soundcoat can be found in data files. For downstream transportation no distances were known and the Product Environmental Footprint Category Rules Guidance was used to estimate distances.	EcoInvent emision factors were used when detailed info on the type of transport mode was available, if not more generic Bilan Carbone factors were used.
	Waste generated in operations	Cat. 5	Waste data was directly available in mass units and was mapped according to different emission factor categories.	BEIS was preferred over Bilan Carbone as the Bilan Carbone emission factor calculation methodology is not alligned with the GHG Protocol.
	Business travel (air, ground, accomodation)	Cat. 6	CO_2e reports from travel agencies were directly used when available; distances were calculated using a flight calculator tool when departure & arrival location were available. When no distance data was available, spend based emission factors were used.	Bilan Carbone database provides widely acceptable emission factors for transportation emissions.
	Employee commuting	Cat. 7	Total distances per transport mode were calculated. For some sites, assumptions had to be made on average distance & average transport mode.	Bilan Carbone database provides widely acceptable emission factors for transportation emissions.
	Upstream & downstream leased assets	Cat. 8 Cat. 13	Office data could be directly used to assess the footprint. For warehouses an average energy consumption/m² was applied.	See scope 1+2: the upstream leased assets use the scope 1+2 emission factors for energy.
	Processing of sold products	Cat. 10	not applicable	
	Use of sold products	Cat. 11	not applicable	
	End-of-life treatment of sold products	Cat. 12	For each activity specific EPDs or industry average EPDs were applied. When required data in m³ was converted to kg. For Soundcoat assumptions were made on waste treatment per reported product type.	EPDs are business specific. When this is not available BEIS was used for the same reason as stated for category 3.5.
	Franchises	Cat. 14	not applicable	
	Investments	Cat. 15	Turnover data was used to which Recticel Group's shares % was applied.	Spend-based emission factors were used because of low materiality.

- **66%** of GHG scope 3.1, Purchased goods and services, have been calculated using primary GHG emission data obtained from suppliers, up by 10.7% compared to 2023.
- For the Rex subsidiary, the following categories were estimated using available data from the Recticel Insulation subsidiary: 3.2, 3.4, 3.5, 3.6, 3.7.

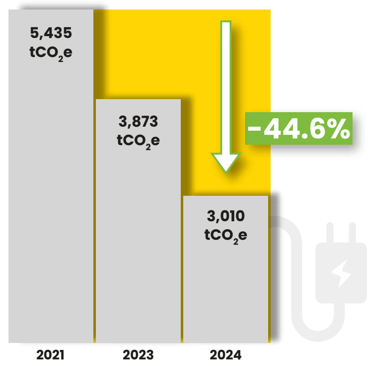
5.2.7.3 GHG emissions – scopes 1, 2, 3

Recticel Group GHG emissions

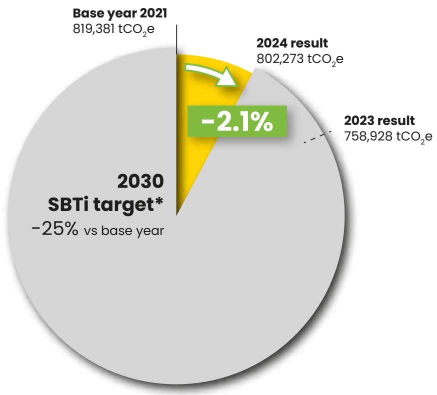
scope 1 GHG emissions



scope 2 GHG emissions (market based)

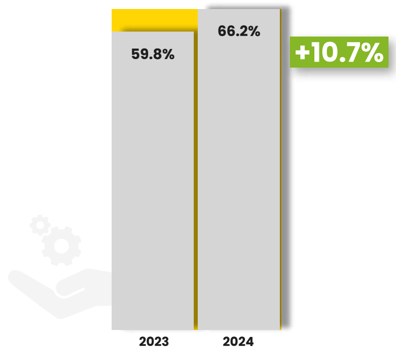


scope 3 GHG emissions*

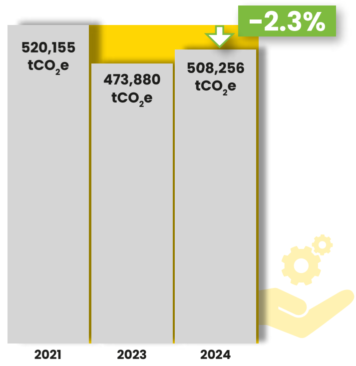


* Excl. Cat. 3.15, Investments

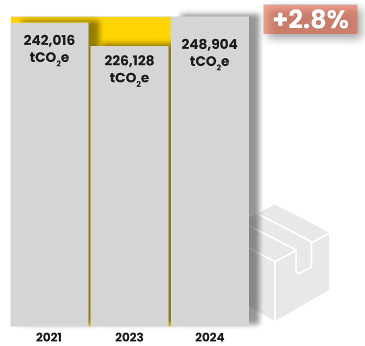
3.1 purchased goods and services % primary data GHG emissions



3.1 purchased goods and services GHG emissions evolution



3.12 end-of-life treatment of sold products GHG emissions evolution

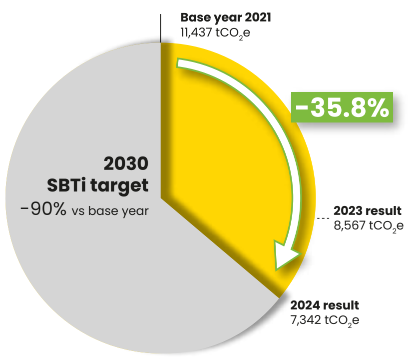


GHG Indicators (tCO_2e)	RETROSPECTIVE				MILESTONES AND TARGET YEARS		
	BASE YEAR	COMPARATIVE	N	%N/N-1			%N/BASE YEAR
	2021 (RESTATED) SBTI BASE YEAR	2023 (RESTATED)	2024	Δ % 2024-2023	TARGET 2030	TARGET 2050	Δ % 2024-2021
scope 1+2 (market based)	11,437	8,567	7,342	-14.3%	1,144	1,144	-35.8%
scope 1+2 (location based)	11,501	8,964	8,649	-5.8%			-26.6%
scope 3 (excluding investments)	819,381	758,928	802,273	5.7%			-2.1%
scope 3 (including investments)	879,949	816,805	851,730	4.3%	659.962	87.995	-3.2%
scope 1+2+3 (market based, excluding investments)	830,818	767,495	809,615	5.5%			-2.6%
scope 1+2+3 (location based, excluding investments)	830,882	767,892	810,715	5.6%			-2.4%
scope 1+2+3 (market based, including investments)	891,386	825,372	859,072	4.1%	661.105	89.139	-3.6%
scope 1+2+3 (location based, including investments)	891,450	825,769	860,172	4.2%			-3.5%
scope 1 GHG emissions	**6,002**	**4,694**	**4,332**	**-7.7%**			**-27.8%**
Company vehicles	968	1,181	920	-22.1%			-5.0%
Energy (natural gas, LPG, other fossil fuels) (see 5.1.5.4)	4,899	3,505	3,275	-6.6%			-33.1%
Refrigerant losses	135	8	137	1,612.5%			1.3%
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%				
scope 2 GHG emissions (market-based)	**5,435**	**3,873**	**3,010**	**-22.3%**			**-44.6%**
Gross location-based scope 2 GHG emissions	5,499	4,270	4,110	-3.7%			-25.3%
Gross market-based scope 2 GHG emissions	5,435	3,873	3,010	-22.3%			-44.6%
Variance (= impact of renewable energy)	64	397	1,101	177.3%			
Biogenic scope 2 GHG emissions [3]	0	0	0				

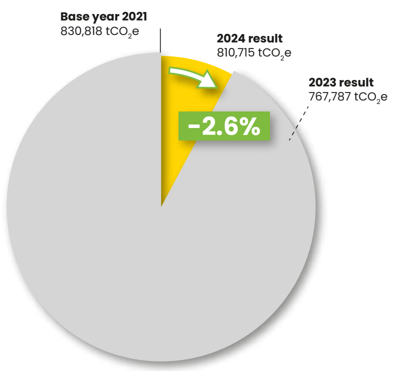
[3] Biogenic emissions of CO2 carbon from the combustion or biodegradation of biomass as biofuel (wood, paper, grass trimmings, and other biofuels) – to be reported separately from scope 2.

GHG Indicators (tCO_2e)		RETROSPECTIVE				MILESTONES AND TARGET YEARS		
		BASE YEAR	COMPARATIVE	N	%N/N-1			%N/BASE YEAR
		2021 (RESTATED) SBTI BASE YEAR	2023 (RESTATED)	2024	Δ % 2024-2023	TARGET 2030	TARGET 2050	Δ % 2024-2021
scope 3 GHG emissions (excl. Cat. 3.15 Investments)		**819,381**	**758,928**	**802,273**	**5.7%**			**-2.1%**
3.1 Purchased goods and services	upstream	520,155	473,880	508,256	7.3%			-2.3%
3.2 Capital goods	upstream	1,410	2,334	2,963	26.9%			110.1%
3.3 Fuel and energy related activities (not included in scopes 1 and 2)	upstream	2,565	1,914	2,044	6.8%			-20.3%
3.4 Upstream transportation and distribution	upstream	44,211	44,320	29,381	-33.7%			-33.5%
3.5 Waste generated in operations	upstream	1,364	1,022	993	-2.8%			-27.2%
3.6 Business travel (air, ground, accommodation)	upstream	55	216	241	11.6%			338.2%
3.7 Employee commuting	upstream	1,310	1,351	1,064	-21.2%			-18.8%
3.8 Upstream leased assets	upstream	65	474	482	1.7%			641.5%
3.9 Downstream transportation and distribution	downstream	6,230	7,289	7,945	9.0%			27.5%
3.10 Processing of sold products	downstream		not applicable					
3.11 Use of sold products	downstream		not applicable					
3.12 End-of-life treatment of sold products	downstream	242,016	226,128	248,904	10.1%			2.8%
3.13 Downstream leased assets	downstream	0	0	0	0%			NA
3.14 Franchises	downstream		not applicable					
scope 3 GHG emissions (incl. Cat. 3.15 Investments)		**879,949**	**816,805**	**851,730**	**4.3%**			**-3.2%**
3.15 Investments	downstream	60,568	57,982	49,272				-18.7%

scope 1+2 GHG emissions



scope 1+2+3 GHG emissions*



* *Excl. Cat 3.15, Investments*

5.2.7.4 Regulated Emission Trading Schemes (ETS)

The UK Emissions Trading Scheme (UK ETS) and the EU Emissions Trading System (EU ETS1) are mainly focused on industries with high CO_2 emissions, like the power sector. These schemes operate on a "Cap and Trade" model, which establishes a cap on total greenhouse gas emissions within scope 1. If emissions surpass this cap, companies must buy additional allowances.

None of the Recticel Group's operations fall under the scope of the UK ETS or EU ETS1, as they do not exceed the threshold values.

The EU Emissions Trading System (EU ETS2), targeting buildings and road transport, is set to become operational in 2027.

5.2.7.5 GHG emissions intensity

Emission intensity or carbon intensity is the emission of pollutants relative to the intensity of the production process (scope 1+2) or the entire value chain (scope 1+2+3).

We report the carbon intensity indicators, both market-based and location-based, relative to net revenue (carbon intensity 2), as required under E1-6. Additionally, we voluntarily disclose these indicators relative to sales volume (carbon intensity 1), which removes price-induced volatility unrelated to climate impact. This approach is regarded by SBTi as the most robust in addressing climate contributions. The 25% scope 1+2 reduction in CO_2e per m³ of insulation product sold in 2024 compared to 2023 is a result of implementing an efficiency programme focused on more cost- and energy-efficient manufacturing processes, alongside the acquisition of green energy through photovoltaic panels and the purchase of electricity with green certificates.

Carbon intensity 1, per sales volume	2021 (RESTATED)	2023 (RESTATED)	2024	Δ % 2024-2023	Δ % 2024-2021
market based					
Carbon intensity 1 - scope 1+2 [kg CO_2e/m³]	3.5	2.8	2.1	-25.4%	-39.8%
Carbon intensity 1 - scope 1+2+3* [kg CO_2e/m³]	250.8	249.5	229.2	-8.1%	-8.6%
location based					
Carbon intensity 1 - scope 1+2 [kg CO_2e/m³]	3.5	2.9	2.4	-18.0%	-31.2%
Carbon intensity 1 - scope 1+2+3* [kg CO_2e/m³]	250.9	249.7	229.5	-8.1%	-8.5%
* *excl. Cat 3.15, Investments*	Recticel Group (incl. Rex)				

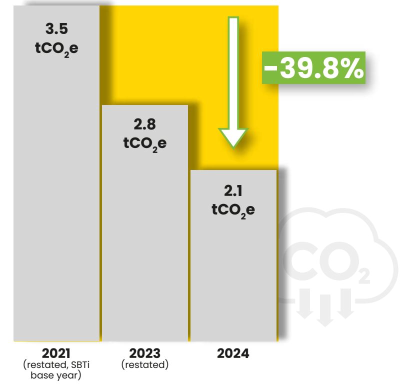
Carbon intensity 2, per net revenue	2023	2024	Δ % 2024-2023
market based			
Carbon intensity 2 - scope 1+2 [kg CO_2e/EUR]	15.1	12.0	-20.5%
Carbon intensity 2 - scope 1+2+3* [kg CO_2e/EUR]	1,272.3	1,326.8	4.3%
location based			
Carbon intensity 2 - scope 1+2 [kg CO_2e/EUR]	15.8	13.8	-12.3%
Carbon intensity 2 - scope 1+2+3* [kg CO_2e/EUR]	1,272.9	1,328.6	4.4%
* *excl. Cat 3.15, Investments*	Recticel Group (excl. Rex)	Recticel Group (incl. Rex)	

in thousand EUR

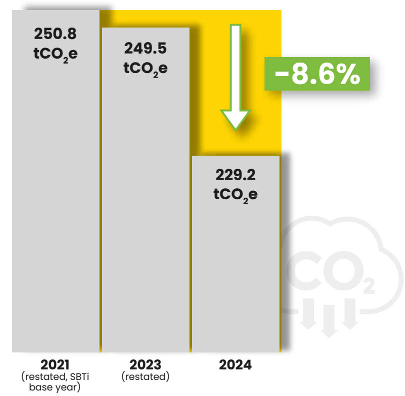
	2023	2024
Net revenue from activities in high climate impact sectors used to calculate energy intensity *	529,426	610,196
Net revenue (others)	0	0
Total net revenue (Sales, Chapter 7.1.1)	529,426	610,196
	Recticel Group (excl. Rex)	Recticel Group (incl. Rex)

* *EU Regulation 2019/2089, also known as the EU Low Carbon Benchmarks Regulation (EU BMR), defines high climate impact sectors as those that are key to the low-carbon transition. The EU BMR defined 9 (of a total of 21) NACE sections, amongst them manufacturing and construction.*

carbon intensity tCO_2e per m³ scope 1+2 (market based)



carbon intensity tCO_2e per m³ scope 1+2+3 (market based)



5.2.8 Avoided emissions

Avoided emissions refer to reductions in greenhouse gas emissions that occur outside a product's life cycle or value chain but are a direct result of its use. Currently, there is no international standard or consistent terminology to define or describe avoided emissions.

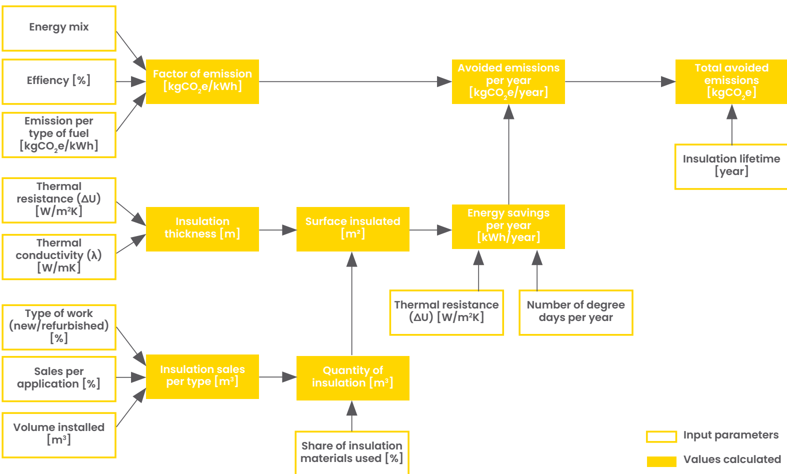
In 2019, the World Resources Institute (WRI) published a detailed working paper and neutral framework to help estimate and report the comparative emission impacts of products. This guidance is available on the GHG Protocol website (www.ghgprotocol.org).

Following the WRI recommendations, Recticel calculated its avoided emissions using the attributional Life Cycle Assessment (LCA) approach. This well-established method assesses the environmental impacts of a product or service throughout its entire life cycle, from raw material extraction to end-of-life disposal.

To calculate avoided emissions for all products sold in 2024, we applied the framework detailed below and engaged our consultant, CO2logic, to validate the methodology and perform the calculations.

For a fair comparison with other companies reporting avoided emissions, it is important to highlight that the full scope of our insulation activities was included, along with all associated greenhouse gas (GHG) emissions (scopes 1, 2, 3), as recommended by the WRI. This approach considers more than just emissions from our own operations.

We encourage the building materials industry to adopt this methodology and use the attributional LCA approach to ensure consistency and transparency.



The table below summarizes the 2024 parameters made for the calculation of the avoided emissions.

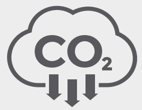
Lifespan insulation boards	Years	50
Lifespan insulated panels	Years	50
Heat conductivity of products	W/mK	0.022 to 0.035
U-value reference wall	W/m²K	1.6
Insulation thickness boards	m	0.11
Insulation thickness panels	m	0.13 - 0.25
Heat generation efficiency	%	88
Fuels emission factor	$kgCO_2e/kWh$	0.232 to 0.278
Heat demand difference	kWh/yr	54.8

Assumptions
Our calculation considered only natural gas as the energy source. We also assumed that insulation would be installed in cases where none previously existed.

avoided emissions

26.5

times



Over a 50 years use of the building insulation products sold in 2024, more than
21.5 million tons
of CO_2e emissions will be avoided

Estimated avoided emissions from all Recticel Group building insulation products over 50 years usage (insulation boards, insulated panels) (tCO_2e)	21,534,602
Recticel Group carbon footprint (scope 1+2+3*) (tCO_2e)	809,739
Multiple	26.5

* *Excl. Cat. 3.15, Investments*

5.2.9 E1-7 GHG removals and mitigation projects financed through carbon credits

Transparent communication about carbon credits alongside emission reductions is essential for validating GHG neutrality claims and aligning with global climate goals.

5.2.9.1 Residual emissions and SBTi

The Science Based Targets initiative (SBTi) framework mandates that claims of carbon neutrality (net zero) be supported by clear, measurable targets for emission reductions across scopes 1, 2, 3. This approach prioritises a systematic reduction of at least 90% of emissions as the primary strategy, with offsets playing only a supplementary role.

As part of Recticel's net-zero commitment to the SBTi, the Company is required to reduce its greenhouse gas (GHG) emissions across all relevant scopes 1, 2, 3 by a minimum of 90% by 2050. Any residual emissions, accounting for up to 10%, have to be managed through high-quality carbon offset mechanisms. These mechanisms include initiatives like carbon capture and storage (CCS), designed to compensate for emissions that are currently unavoidable.

5.2.9.2 Carbon credit-funded projects

Projects funded through carbon credits aim to either remove greenhouse gases (GHGs) from the atmosphere or prevent their release. These initiatives generate carbon credits, often referred to as Emission Reduction Units (ERUs) or Certified Emission Reductions (CERs), which represent quantifiable reductions or removals of GHG emissions.

Carbon credits are not intended to replace direct emission reduction efforts and cannot be deducted from reported GHG emissions. Instead, they are designed to address emissions that remain unavoidable due to technical or economic constraints.

Examples of carbon credit options:

- Forest restoration: Planting trees (afforestation) or re-establishing forests on degraded or deforested land (reforestation).
- Renewable energy development: Expanding wind, solar, hydroelectric and biomass energy to replace fossil fuel use.
- Methane capture: Capturing methane from landfills, wastewater treatment plants and livestock to convert it into renewable energy or destroy it through controlled combustion.
- Carbon capture and storage (CCS): Capturing CO_2 emissions from industrial facilities or power plants for long-term underground storage or use in enhanced oil recovery operations.

lignaverda® driven by ENTREPRENEURS WITHOUT FRONTIERS

United Nations Convention to Combat Desertification

5.2.9.3 Recticel support for reforestation

In 2024, Recticel Group entered into a three-year partnership with Lignaverda (www.lignaverda.org), an international non-governmental organisation (NGO) founded in 2008 and certified by the United Nations Convention to Combat Desertification (UNCCD). Lignaverda's mission is to combat desertification in Africa's semi-arid regions, addressing the critical challenges of climate change and landscape degradation.

With over a decade of expertise, Lignaverda focuses on participatory landscape restoration through reforestation. By engaging closely with local communities, the organisation ensures the long-term sustainability of newly established forests. Its initiatives emphasise empowering vulnerable populations, particularly in areas with limited access to resources and income, delivering environmental and socioeconomic benefits. Through sustainable land management practices, Lignaverda enhances ecological resilience while creating local jobs and fostering sustainable income opportunities.

As part of this partnership, Recticel supports reforestation projects in Namibia and Senegal. This commitment aims not only to reduce carbon emissions but also to restore ecosystems, improve soil health and enhance water retention, contributing to greater environmental stability in regions particularly vulnerable to climate change.

5.2.9.4 Carbon removal credits

As the partnership's activities commenced in Q3 2024, the impact of the achieved greenhouse gas (GHG) removals will only materialise during 2025. Recticel will report on the GHG removals achieved outside its value chain in the 2025 Annual Report.

5.2.10 E1-8 Internal carbon pricing

Internal carbon pricing serves as a mechanism for integrating environmental considerations into business decisions, promoting emissions reductions and advancing sustainability goals within organisations. During 2024, Recticel did not determine an appropriate carbon price based on factors such as the social cost of carbon, regulatory requirements and its own sustainability targets.

5.2.11 E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The anticipated financial effects from material physical and transition risks are not included in the 2024 Sustainability Statement as phasing in is allowed till 2025.

5.3 Environmental | E5 Resource use and circular economy

The overview below follows the structure of ESRS E5. All sub-topics were considered material in the Double Materiality Assessment (DMA).

Chapter 5.3.6, E5-5 Resource outflows, explains how we transform production waste into circular economic activities. It also emphasises the importance of product and process innovation as a material aspect for Recticel.

5.3.1 Material E5 IROs and their interaction with strategy and business model

Chapter 4.3, Navigating the landscape of impacts, risks and opportunities, provides a comprehensive examination of the material IROs associated with ESRS E5, including the IRO process description, and their interaction with the strategy and business model. Information on the results of the resilience analysis can be found in Chapter 2.3.4, Resilience of our business model and strategy.

5.3.2 E5-1 Policies related to resource use and circular economy

Recticel integrates sustainability and innovation as core pillars of its business and ESG strategies.

Our policies on resource use and the circular economy play a key role in tackling global challenges such as resource scarcity and waste management. In particular, we prioritise the development of high-performance insulation solutions that improve energy efficiency and make a significant impact in reducing greenhouse gas (GHG) emissions, supporting our commitment to achieving SBTi net zero targets.

Recticel enhances resource efficiency by integrating recycled and recyclable materials into its production processes while minimising the use of primary raw materials in its products. Additionally, we design products for easy disassembly at the end of their lifecycle, including initiatives to repurpose production waste into reusable materials. Moreover, we actively participate in Extended Producer Responsibility (EPR) programmes to collect and recycle production waste, promoting a closed-loop approach to materials management.

5.3.2.1 Scope and exclusions

The policy on resource use and circular economy applies to all Recticel divisions, operations and global supply chains. It encompasses initiatives aimed at improving material efficiency, reducing waste, enhancing recyclability and fostering closed-loop systems across our product lifecycle. This policy also promotes partnerships with stakeholders to innovate in material recovery and reuse. Exclusions apply only to operations or activities where Recticel does not have direct control or influence.

5.3.2.2 Accountability

The Group Chief Operating Officer (COO) assumes accountability for implementing this policy and ensuring alignment with Recticel's strategic priorities. The COO works closely with cross-functional teams to oversee progress in material efficiency, waste reduction and circular economy initiatives. Adequate status reviews and reporting mechanisms ensure continuous monitoring and improvement.

5.3.2.3 Alignment with third-party standards

Recticel's resource use and circular economy policy aligns with globally recognised standards and frameworks to ensure consistency and credibility, including:

- Ellen MacArthur Foundation's circular economy principles
- ISO 14001 for effective resource management practices
- EU Taxonomy for sustainable activities

5.3.2.4 Stakeholder interests

The policy reflects insights and expectations from key stakeholders:

- Investors: Increasing emphasis on resilience through resource efficiency and sustainability-driven growth.
- Customers: Growing demand for sustainable, recyclable and eco-friendly products.
- Employees: Engagement and participation in resource-efficient practices.
- Regulators: Compliance with circular economy directives and waste reduction regulations.
- Suppliers: Collaboration to develop innovative materials and integrate resource recovery practices.

5.3.2.5 Stakeholder communication and accessibility

The Recticel Group's policy on resource use and circular economy was thoroughly developed in 2024 and will be finalised and published on the corporate website in 2025. In the meantime, employees, suppliers, and other relevant stakeholders are actively engaged through targeted communication strategies and collaborative initiatives, ensuring effective implementation and shared accountability.

5.3.2.6 Integration with innovation strategy

Resource use and circular economy goals are embedded in Recticel's innovation strategy, driving the development of sustainable products and technologies. Key focus areas include:

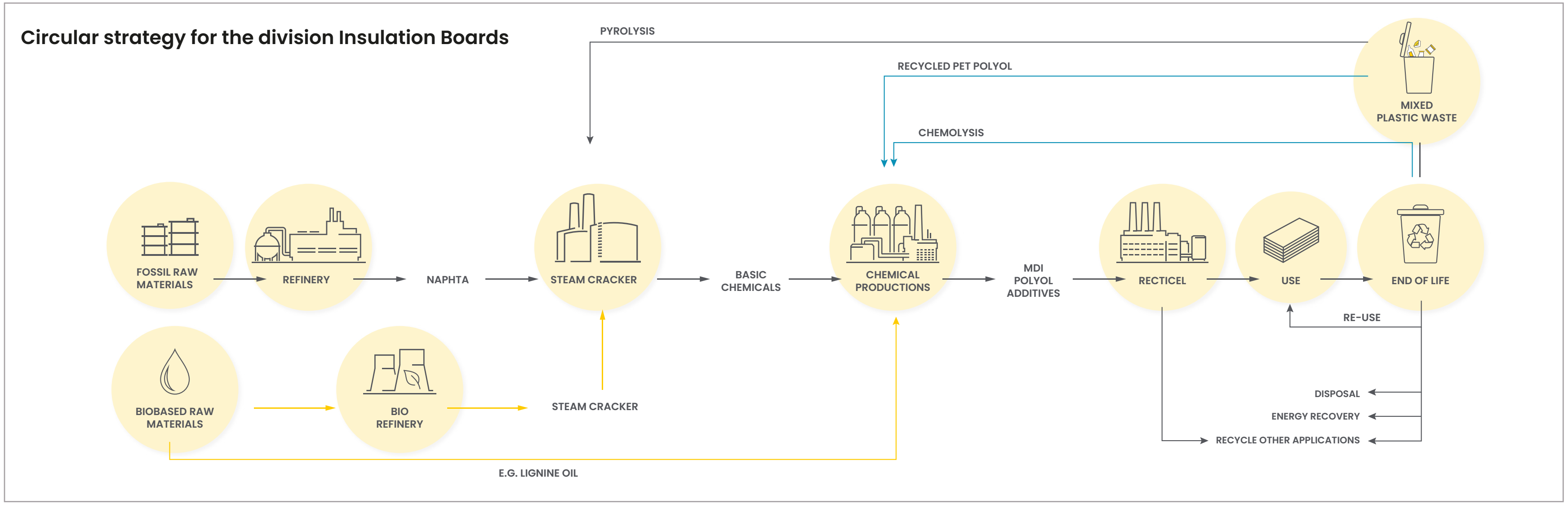
- Material substitution to enhance recyclability and reduce environmental impact.
- Product design innovations to enable end-of-life recovery and reuse.
- Expansion of partnerships to scale circular solutions across industries.

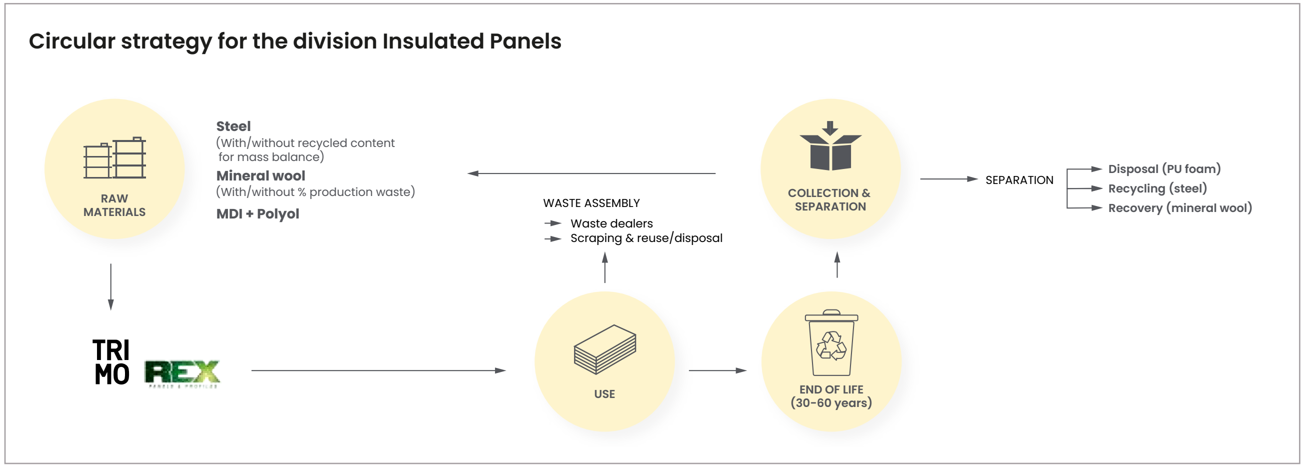
5.3.2.7 Impacts, risks and opportunities

The overview table in Chapter 4.3 outlines the environmental and economic impacts, risks and opportunities (IROs) linked to resource use and circular economy practices. This serves as a comprehensive reference for stakeholders to assess our progress and commitment in this area.

5.3.3 E5-2 Actions and resources related to resource use and circular economy

Recticel accelerates its transition to a sustainable, circular economy model with initiatives designed to reduce environmental impacts, maximise material efficiency and foster collaboration across the value chain. For example, Recticel Insulation is integrating bio-circular raw materials and recently announced an investment of 13 million euro in a closed loop polyurethane recycling plant. In the Insulated Panels division, Trimo utilises mineral wool and steel with a high percentage of recycled production waste and EOL waste.

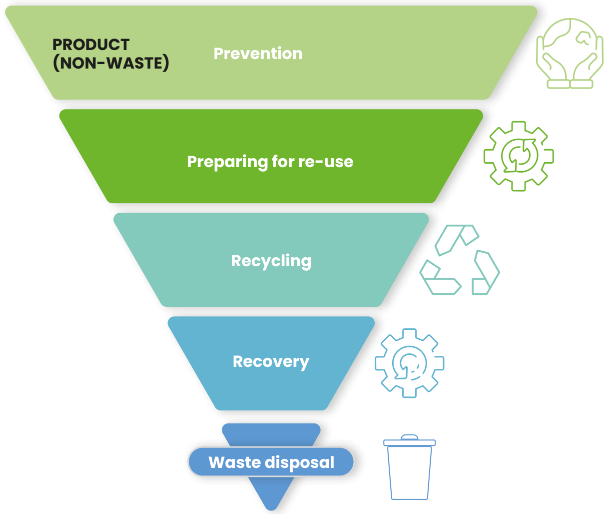




5.3.3.1 Key actions

To enhance resource efficiency and uphold circular economy principles, Recticel has implemented key initiatives across all its subsidiaries and regions in recent years. These efforts will continue over the next five years as part of its transition plan to meet the SBTi near-term target by 2030. Spanning the entire value chain, both upstream and downstream, as well as the Company's own operations, these initiatives align with all levels of the waste hierarchy. The targets outlined in Chapter 5.4.4 are designed to be specific, measurable, achievable, relevant, and time-bound (SMART).

WASTE HIERARCHY



Material efficiency

- Developing and expanding infrastructure to reduce, recover and reuse production waste and building installation waste.
- Implementing a consumption reduction programme of primary raw materials.

Eco-design and lifecycle management

- Incorporating recyclability, durability and resource efficiency into product design.
- Exploring strategies for recycling components at the end of a product's lifecycle, typically spanning 50–60 years.

Waste reduction programmes

- Setting a target to achieve zero operational waste-to-landfill by 2030, focusing on waste reduction, enhanced recycling and conversion of production waste into alternative applications.
- Setting a target of 90% by 2030 for operational waste-to-recovery.
- Partnering with suppliers to reduce packaging waste.
- Opting for packaging materials with higher recycled content while maintaining technical performance.
- Encouraging employee-led initiatives to reduce waste in daily operations.

Collaboration and innovation

- Collaborating with suppliers and customers to develop innovative materials and solutions that support circularity across the supply chain.
- Advancing technologies that improve recyclability and resource recovery (see insert on joint research project).
- Investing in pilot programmes to test and implement new approaches to material recovery from end-of-life products.
- Engaging with industry groups to advocate for and share best practices in circular economy initiatives.

Renewable and recycled materials

- Reducing reliance on finite resources by replacing virgin materials with renewable or recycled alternatives.
- Incorporating bio-based materials in our primary materials.
- Prioritising materials with high recycled content and demonstrated sustainability performance.
- Introducing next-generation chemical recycling of PU waste and investing in a closed-loop recycling plant.

Selective splitting of rigid PIR foams

In a joint research programme led by Recticel and KU Leuven (B), and supported by VLAIO, the aim is to develop innovative chemical recycling methods for polyisocyanurate (PIR) foams. The project focuses on creating a selective depolymerization process for rigid polyurethane waste, enabling the production of reusable materials such as polyols and high-purity anilines for insulation board manufacturing. Unlike traditional recycling methods like glycolysis, which only recover polyol and still rely on virgin, fossil-based MDI, this approach seeks full circularity by selectively breaking isocyanurate and urethane bonds, driving sustainable polyurethane foam production.

* subsidised by VLAIO, project HBC 2024.0232

5.3.4 E5-3 Targets related to resource use and circular economy

By embedding circular economy practices into our business model, we aim to drive innovation, reduce environmental impact and create long-term value for all stakeholders. We have established voluntary, measurable and time-bound targets to reduce material consumption and waste, enhance resource recovery and design products for recyclability. The Management Committee has defined these targets to ensure strategic alignment and accountability. They also support the reduction of scope 3 GHG emissions, with progress detailed in Chapter 5.2.7.

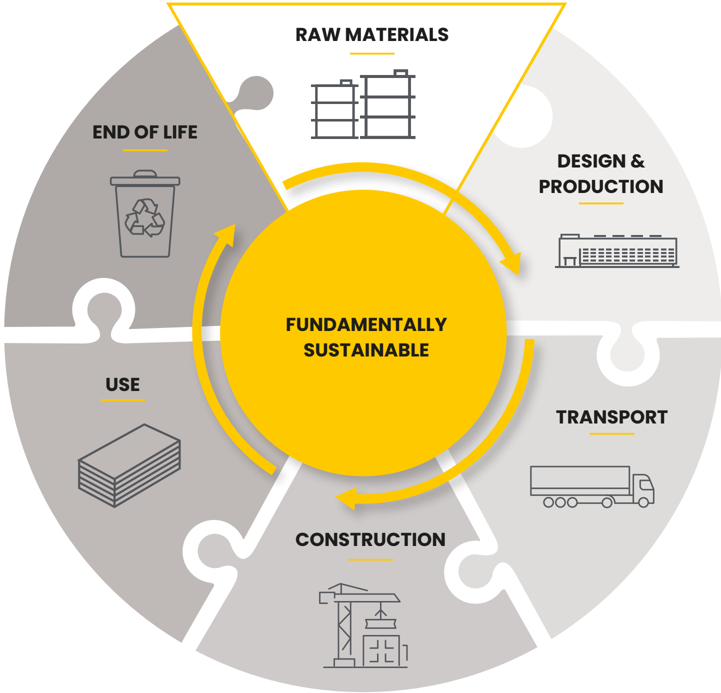
5.3.4.1 Resource use targets

	APPLICATION	TARGET	BASE YEAR	PROGRESS	ACTIONS
PEFC certified paper in multilayer facings of insulation boards	Production phase	100% PEFC certified paper in our multilayer facings for insulation boards by end 2025	2022 (0%)	5 out of 5 PIR boards production sites certified; 97% conversion to PEFC certified paper on 31.12.2024.	Transitioning, testing, approving
Recycled content in mineral wool	Production phase	25% of unweighted average of supplier-reported pre-and post consumer content	2024 (19.2%)	19.2% in 2024	Increase supplier engagement, especially to those integrating a limited recycled content in their products

5.3.4.2 Circular economy targets

	APPLICATION	TARGET	BASE YEAR	PROGRESS	ACTIONS
Waste reduction and recovery Reduction of operational waste to landfill	Production phase (all waste streams)	Achieve zero operational waste to landfill by 2035	2024 (5.3%)	5.3% operational waste to landfill in 2024	Increasing waste segregation at source, improving recycling rates, adopting closed-loop systems
Waste reduction and recovery Diversion of operational waste to recovering	Production phase (all waste streams)	Achieve 90% waste diverted to recovery by 2030	2024 (86.9%)	86.9% in 2024	
Reduction GHG emissions Cat. 3.12, End-of-Life treatment of sold products	Production and end-of-life phase	Achieve 15% reduction of scope 3.12 by 2030, compared with the restated base year 2021 (242,016 t CO_2e)	2021	+2.8% (248,904 tCO_2e)	Sourcing more recycled materials, collaborating with suppliers, integrating eco-design principles in our products, developing EOL recycling options

5.3.5 E5-4 Resource inflows



5.3.5.1 Description of resource inflows

The main resource inflows used in the manufacturing processes include the following:

MDI and Polyol
These primary raw materials are used in the production of rigid polyurethane foams. MDI (Methylene Diphenyl Diisocyanate) serves as the isocyanate component, while polyols act as the reactive counterpart, forming the foam structure, in combination with additives. The inflow is closely monitored to optimise efficiency and minimise waste.

Mineral wool
Mineral wool is utilised as an insulation material for the manufacturing of insulated panels.

Steel
Steel, supplied in coils, is used in the manufacturing of insulated panels. Measures are in place to source steel with recycled content, reducing reliance on virgin materials.

Packaging
Packaging materials, such as PE foils, are used for the safe transportation and storage of products. Recticel prioritises sourcing recyclable and reusable packaging materials and minimises unnecessary packaging wherever possible.

There are no rare earth elements (REE) involved in our manufacturing processes. As our manufacturing processes require very limited use of water, our water consumption is primarily for personal uses, such as eating, drinking, showering and sanitation. Furthermore, Recticel is not a high energy consuming company, as demonstrated by its low scope 1 and scope 2 CO_2e.

5.3.5.2 Materiality data

Total weight of products, technical and biological materials used in 2024

Year: 2024	WEIGHT (T)
Total weight of products, technical and biological materials used	268,744.6

Sustainably sourced biological materials utilised in the manufacturing of insulation boards

Year: 2024	CERTIFICATION SCHEME	PERCENTAGE
MDI (mass balance) – see Chapter 5.3.6	ISCC	0%*
Paper for multilayer facing for insulation boards – see Chapter 5.3.6	PEFC	97%
% Sustainably sourced biological materials (and biofuels used for non-energy purposes)	-	1.9%

** Recticel is actively promoting its new Impact® range of insulation boards, which offer a 25% reduction in CO_2e. However, the greenhouse gas reduction achieved through the mass balance approach has not yet been recognised by the EU as valid for inclusion in product Environmental Product Declarations (EPDs). As a result, downstream stakeholders (architects, contractors, engineers) cannot yet account for this reduction in their sustainability assessments. We anticipate greater market adoption once official approval is granted.*

ISCC Plus, developed by the International Sustainability & Carbon Certification, is a certification system aimed at promoting sustainability and reducing CO_2 emissions in the supply chains of various sectors, such as agriculture, food, biomass and bioenergy. It includes criteria relating to social, ecological and economic aspects, as well as the reduction of greenhouse gas emissions. Companies that are ISCC Plus certified, including Recticel, have demonstrated that they meet strict sustainability standards and handle renewable raw materials and CO_2 emissions responsibly.

PEFC, the Programme for the Endorsement of Forest Certification, is a leading global alliance of national forest certification systems, promoting sustainable forest management that is environmentally friendly, socially beneficial and economically viable, through independent third-party certification.

Secondary components and materials

Year: 2024	WEIGHT (T)	PERCENTAGE
Secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture our products (including packaging) *	14,060.3	5.2%

** Based on unweighted average of supplier-reported pre-and post-consumer content of mineral wool in our insulated panels and in our eco-packaging.*

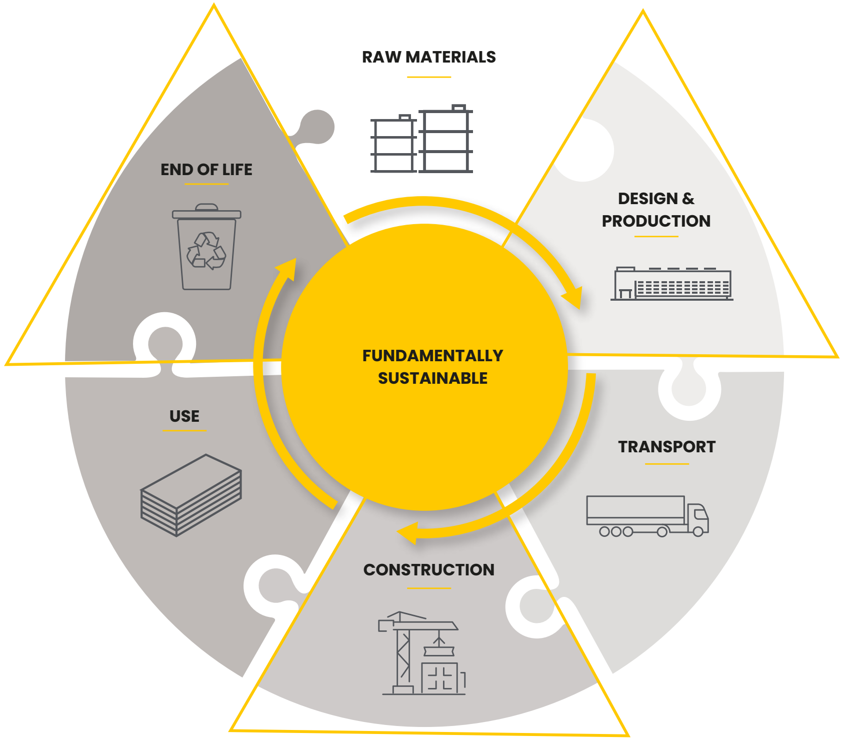
5.3.5.3 Contextual information on data methodologies and circular design criteria

All data are sourced from direct weighing systems for production offcuts, scrap materials and packaging waste. The collected data is classified into predefined categories such as polyurethane waste, mineral wool waste, steel waste, chemicals, plastic packaging, and others.

To determine and classify products designed along circular principles, Recticel applies the following criteria:

- **Material recyclability:** Products are assessed based on the recyclability of their primary components, such as polyurethane foam and steel.
- **Resource efficiency:** The use of renewable or secondary (recycled) raw materials in product manufacturing is a key consideration.
- **Product longevity:** Designs that extend the lifespan of products or materials through durability and reuse potential are prioritised.
- **End-of-life recovery:** Products designed to facilitate easy disassembly and material recovery at the end of their lifecycle are classified as circular.

5.3.6 E5-5 Resource outflows



5.3.6.1 Products and materials

Durability

Insulation Boards
Recticel's thermal insulation boards are designed for a wide range of residential and non-residential applications. They provide highly effective insulation across the entire building envelope, including flat, tapered and pitched roofs, cavity walls, floors, internal linings and external wall insulation systems. These boards are valued for their excellent thermal performance, lightweight nature and durability.

Under normal construction conditions, they can last up to 60 years without significant degradation, although their lifespan depends on environmental factors and installation methods.

Key factors affecting durability:

- Moisture resistance: The closed-cell polyurethane structure minimises water absorption and any moisture-related deterioration.
- UV stability: Prolonged exposure to direct sunlight can cause surface degradation; protective coatings or facings are recommended for exposed applications.
- Mechanical resistance: A high strength-to-weight ratio ensures robustness under structural loads.
- Chemical resistance: Generally resistant to most chemicals but may degrade when exposed to strong solvents.

When properly installed and maintained, these boards have an industry-average lifespan of 50 years.

Insulated Panels
Metal-faced insulated panels are a prime example of prefabricated building materials that enhance energy efficiency. They are widely used for façade, wall and roof cladding, as well as for partition walls in industrial and commercial buildings. These panels consist of an insulating core (polyurethane or mineral wool) sandwiched between metal sheet facings, offering high load-bearing capacity, standardised technical performance and quick installation. Lightweight, cost-efficient and customisable, they help meet stringent building regulations and construction cost challenges.

When properly installed and maintained, these panels have an industry-average lifespan of 50 years.

Key factors affecting durability:

- Moisture and airtightness: Highly resistant to moisture ingress, preventing mould growth and insulation degradation.
- Protective facings: Metal cladding shields the insulation core from UV exposure, mechanical damage and environmental factors.
- Fire resistance: Provides high to excellent resistance to extreme temperatures, ensuring structural integrity in fire conditions.

The repairability of panels and boards is not relevant.

Rate of recyclability of end-products

Chapter 2.3.2 outlines the value chain of our business activities, including recycling options, which are explored in greater detail in Chapter 5.3.3. Recticel's core business focuses on insulation boards and insulated panels, mainly composed of nearly 100% recyclable components, as shown in the table below. Similarly, our packaging is mainly composed of nearly 100% recyclable components, as outlined in the same table. However, while these products' recyclability is high, the end-of-life recycling rates remain modest due to varying national regulations and infrastructure.

Recticel is investing in a EUR 13 million chemical recycling facility for polyurethane waste to bridge this gap, an important step toward scaling circular solutions. More industry initiatives are underway, with several expected to launch over the next 5–10 years. The growing incorporation of post-consumer steel and mineral wool into our base products underscores the increasing relevance and practical value of recyclability. Packaging material recycling is already well-established in our industry and is a common practice in our operations.

END-PRODUCT	COMPONENTS	RATE OF RECYCLABILITY	REFERENCE
Insulation boards Insulated panels	Mineral wool	99%	Mineral wool manufacturers
	Steel	99%	World Steel Association
	Rigid Polyurethane Foam	99%	PU Europe, ISOPA
	Multilayers of insulation boards	0%	-
Packaging	Stretch foil (LLDPE)	99%	PlasticsEurope, RecyClass
	Cover foil (LDPE, HDPE)	99%	PlasticsEurope, RecyClass
	EPS (Expanded polystyrene)	99%	EPS Industry Alliance, PlasticsEurope

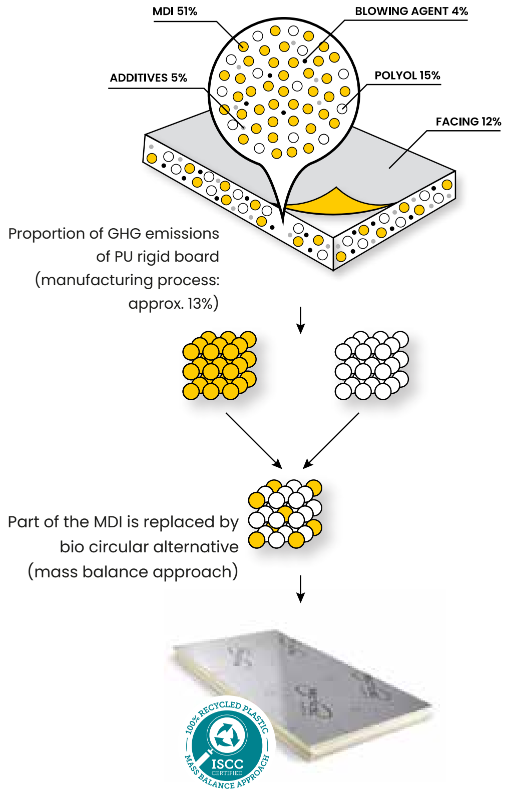
Portfolio examples

Replacing MDI with bio-circular materials

Recticel Insulation's **Impact** range introduces insulation boards linked to 25% certified bio-circular content, aligned with the stringent International Sustainability & Carbon Certification (ISCC). These boards incorporate raw materials derived from bio-waste, such as used vegetable oils (with no impact on biodiversity), reducing their carbon footprint by 43%* compared to standard boards, while maintaining exceptional thermal and technical performance.

Eurowall Impact (for cavity wall insulation) and Eurothane Silver Impact (for flat roofs) deliver robust thermal efficiency, energy savings and reduced greenhouse gas emissions. Designed for easy handling and optimal comfort, these boards meet the same high standards as existing solutions, with PEFC-certified multilayer wood-fibre facings for sustainability.

**Based on internal LCA calculations using the EN15804+A2 standard*



Switching to PEFC-certified paper for multilayer facings

We have made significant progress towards sustainability by sourcing the paper layers in the gastight multilayer facings of our polyurethane insulation boards from PEFC-certified forests, thereby reducing our carbon footprint and promoting sustainable forestry practices.

PEFC (Programme for the Endorsement of Forest Certification) is a globally recognised standard for sustainable forest management. By ensuring 100% PEFC certified paper in our multilayer facings, we contribute to responsible resource use and environmental stewardship.

RE-engineered IP PIR insulation boards

IP PIR is a thermal insulation board for use in concrete sandwich panels constructions for walls.

In 2024, Recticel introduced a new RE-engineered IP PIR insulation board that eliminates the aluminium facing, reducing the carbon footprint of the cladding by up to 40% and lowering the risk of corrosion. This innovation guarantees long-term performance with:

- Gas diffusion-tight behaviour, enhancing overall performance.
- Consistent long-term lambda values, ensuring reliable insulation efficiency.
- A lower carbon footprint in the final product.

Powerdeck+ Light Roof

Powerdeck+ Light Roof is specifically designed for renovating steel deck flat roofs with PIR insulation and integrating photovoltaic panels. It was created for the French market by Recticel Insulation in collaboration with the speciality chemicals company SIKA.

These thinner boards, offering the same λ value, maximise energy production on flat roofs while ensuring compliance with French regulations. The system is engineered to minimise both the carbon footprint and construction costs, delivering optimal performance and sustainability.

Mineral wool insulated panels with post-consumer recycled content

We already integrate up to 52% of recycled content into the manufacturing of our mineral wool insulated panels.

We are evaluating insulated panels made with post-consumer recycled mineral wool. This process involves collecting dismantled EOL panels and separating the steel and mineral wool components. The recycled mineral wool is then processed and incorporated into the production of new insulated panels, aiming to achieve 20% post-consumer recycled content.

Eco-design

To simplify disassembly and enable efficient recycling, we have integrated a liquid coating between the layers of our insulation boards. This design feature allows for easy separation of materials at the end of the product's lifecycle, ensuring they remain undamaged and uncontaminated.

BASE insulated panel

The BASE mineral wool insulated panel is a lightweight backing wall insulated façade system with high load-bearing capacity offering a sustainable alternative to concrete or brick walls, reducing embodied carbon and achieving up to 60% CO_2e savings for customers compared to conventional cladding systems. Additionally, final cladding can be applied during the building's operational phase.

Qbiss One Next

The new Qbiss One Next and Trimoterm Next insulated panels set a new benchmark in sustainable construction, achieving up to 69% reduction in CO_2e emissions compared to conventional alternatives. Engineered with sustainable, low-carbon materials, these next-generation panels are paving the way toward a zero-carbon future.

TRIMO QBISSONENEXT

Eco packaging

We are shifting from virgin packaging materials to materials with recycled content and lower CO_2e emissions, such as:

- 30% recycled stretch foil
- 30% recycled cover foil
- 50% recycled EPS

5.3.6.2 Waste management

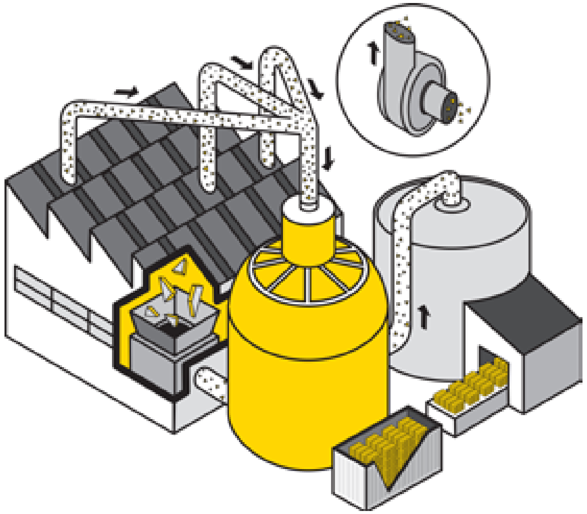
Recticel's waste is categorised into the following waste streams:

- Polyurethane: Includes production offcuts, scrap materials and defective insulation boards.
- Mineral wool: Primarily generated during the production of mineral wool-cored insulated panels.
- Steel: Comprises metal scraps from manufacturing processes.
- Chemicals: Encompasses process residues, expired chemicals and other hazardous substances.
- Packaging: Originates from material packaging, shipping materials and general packaging waste.
- Others: Includes miscellaneous waste types that do not fit into the above categories, such as non-hazardous general waste.

Current initiatives:

- Recycling polyurethane production waste for recovery of polyol suitable for the production of insulation boards.
- Collecting production dust from saw lines and repurposing it for road construction applications.
- Implementing improved sampling procedures in the quality control lab to minimise polyurethane waste.
- Returning steel and mineral wool production scraps to their respective manufacturers.
- Partnerships with local waste management companies for collection and recycling, as part of mandatory and voluntary EPR schemes (Extended Producer Responsibility).
- Return and recovery of transport and sales packaging in various countries through contractual agreements.

Recticel does not generate any radioactive waste in its operations. Additionally, radioactive waste is not included in the total amount of hazardous waste reported or managed by Recticel. The Company adheres to strict environmental and safety standards, ensuring that its waste management practices comply fully with all relevant regulations.



Polyurethane dust collection from saw lines and briquetting

Waste definitions

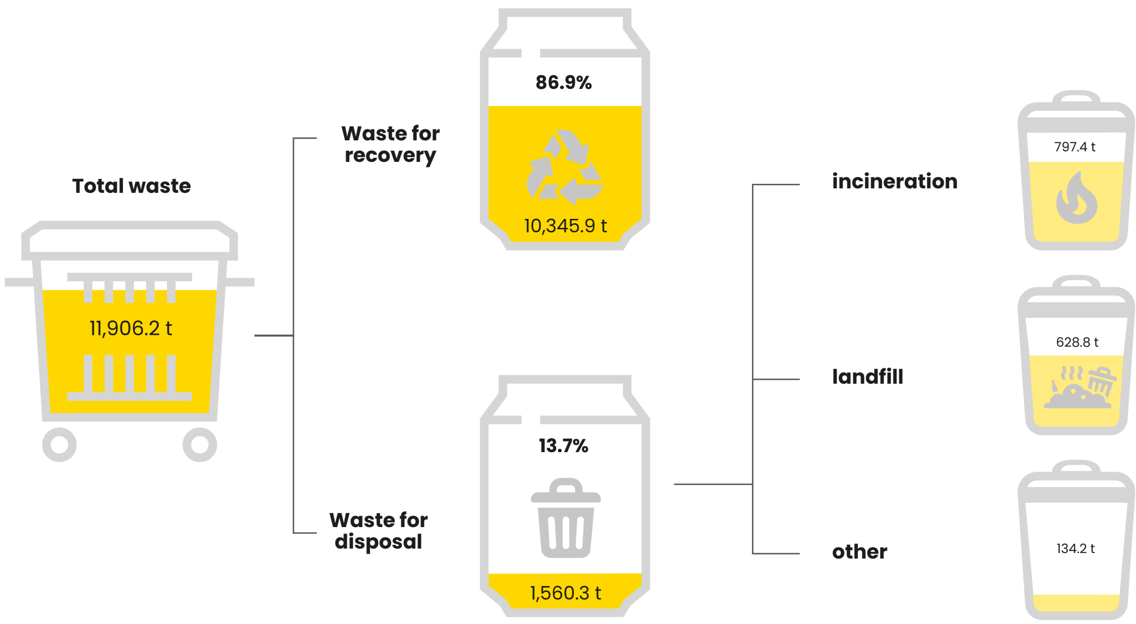
Waste data is primarily derived from gate weightings and invoices. Where direct measurements are unavailable, estimates are based on volume and best available knowledge.

- **Total waste:** The overall quantity of waste generated, including all disposal and recovery methods.
- **Reused waste:** Waste that is repurposed without significant processing to extend its lifecycle.
- **Recycled waste:** Waste that is processed into new materials or products, reducing raw material consumption.
- **Waste for recovery:** Waste that is reused, recycled or otherwise diverted from disposal.
- **Incinerated waste:** Waste disposed of through combustion, with or without energy recovery.

Waste generated in 2024 (in tonnes)

1. WASTE DIVERTED FROM DISPOSAL	
A. Hazardous waste	**3,428.1**
Preparation for reuse	-
Recycling	3,387.8
Other recovery operations	40.3
B. Non-hazardous waste	**6,917.8**
Preparation for reuse	69.6
Recycling	6,845.9
Other recovery operations	2.3
Total waste for recovery (A+B)	**10,345.9**
2. WASTE DIRECTED TO DISPOSAL	
A. Hazardous waste	215.2
Incineration	164.8
Landfill	0.1
Other disposal operations	50.3
B. Non-hazardous waste	**1,345.1**
Incineration	632.6
Landfill	628.7
Other disposal operations	83.9
Total waste for disposal (A+B)	**1,560.3**
Total amount of non-recycled waste	**1,632.2**
Total percentage of non-recycled waste	**13.7%**
Total percentage of waste for recovery	**86.9%**
Total percentage of waste for disposal	**13.1%**
Total percentage of waste to landfill	**5.3%**
Total amount of waste generated (1+2)	**11,906.2**

2024 operational waste



5.3.7 E5-6 Anticipated financial effects from material resource use and circular economy-related risks and opportunities

The anticipated financial effects from material resource use and circular economy-related risks and opportunities are not included in the 2024 Sustainability Statement, as a phased implementation is permitted.

5.4 Social | S1 Own workforce

The overview below follows the structure of ESRS S1. Following the Double Materiality Assessment (see Chapter 4.2), the following sub-topics were deemed not material and are therefore not reported upon:

- ESRS S1-9, Diversity metrics,
- ESRS S1-12, Persons with disabilities, and
- ESRS S1-16, Compensation metrics.

5.4.1 Material S1 IROs and their interaction with strategy and business model

A comprehensive examination of the material IROs associated with ESRS S1, including the IRO process description and their interaction with the strategy and business model, is provided in Chapter 4.3, Navigating the landscape of risks and opportunities. Information on the results of the resilience analysis can be found in Chapter 2.3.4, Resilience of our business model and strategy.

5.4.2 S1-1 Policies related to our own workforce

This section describes the policies adopted by Recticel to manage its material impacts on its workforce, as well as associated material risks and opportunities.

Once a policy is approved, it is implemented at the local level to ensure consistency, transparency, and effective execution across all operations. Each policy clearly defines its scope and applicability, providing clear guidance for implementation. The Management Committee holds the responsibility for validating all Recticel policies, ensuring they align with Recticel's strategic objectives and regulatory requirements.

OVERARCHING POLICIES		
• Code of Conduct • Whistleblowing Policy • Data Protection Policy • Privacy Notice to employees		
SPECIFIC POLICIES		
Material impact 1 Occupational health & safety	**Material impact 2** Job satisfaction & well-being	**Material impact 3** Training & skills development
• Group HS&E Policy	• Performance Review Policy	• HR Policy • Performance Review Policy • Training Policy

Overarching policies

Group Code of Conduct. Our Code of Conduct was updated extensively in 2024.

Recticel upholds the highest standards of human rights, labour rights, safety, health and environmental protection and anti-corruption, aligning with international frameworks and regulatory requirements.

We have implemented due diligence policies to ensure compliance with the International Labour Organization (ILO) Conventions 1 to 8 and the UN Guiding Principles on Business and Human Rights. Our policies support fair labour practices, prevent discrimination and foster ethical working conditions across our entire workforce and supply chain. We also maintain strict measures to prevent human trafficking, forced labour or compulsory labour and child labour. These measures include risk-based assessments, grievance mechanisms, supplier reviews and assessments.

We strive to create an inclusive workplace that values diversity. Recticel ensures fair and transparent recruitment and employment practices, providing equal opportunities regardless of age, disability, gender reassignment, marital or civil partnership status, pregnancy and maternity, race, religion or belief, sex, sexual orientation or work hours.

Chapter 5.5.2 provides a detailed description of the principles that shape our ethical and compliant business practices, including our core values, Code of Conduct, Whistleblowing Policy and Governance targets and metrics.

Compliance with the Group Code of Conduct policy is supported through awareness training, internal audit and the whistleblowing system. The Compliance Committee plays a key role in monitoring adherence to the policy.

Whistleblowing Policy. Our Whistleblowing Policy was updated extensively in 2024 and incorporates the latest European requirements.

The Recticel Whistleblowing Policy encourages a culture of transparency and accountability by facilitating the reporting of actual or suspected misconduct in the business conduct or work-related behaviour of Recticel or any of its shareholders, managers, employees, self-employed service providers or contractors. The Whistleblowing Policy helps to maintain integrity and ethical standards in the workplace.

More information on the Whistleblowing Policy can be found in Chapter 5.5.2.

Health, Safety & Environment (HS&E) Policy. Recticel conducts its business in a manner that prioritises the health and safety of its customers, employees, contractors and the general public. We uphold a culture of safety by ensuring that managers and employees are regularly informed and educated on health and safety regulations. We also allocate adequate resources to the identification, control and mitigation of health and safety risks associated with our operations, strictly adhering to all applicable laws and regulations in the countries where we operate.

The Recticel Group HS&E Policy, signed by the Chief Operations Officer (COO), defines strategic objectives to minimise all HS&E risks and environmental impacts inherent in the company's activities and products. The HS&E Policy extends beyond the basic obligation to comply with applicable health, safety and environmental regulations. It includes an accident prevention policy, ensuring that proactive measures are taken to prevent workplace incidents. Recticel monitors its health and safety performance through key performance indicators including Frequency 1 (Lost Time Accidents) and Frequency 2 (Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases) metrics. An overview of our 2024 performance in relation to these metrics can be found in Chapter 5.4.13.

In Recticel's operations, hazardous chemicals may be used for the production of insulation solutions. For example, rigid polyurethane foam is produced through an exothermic reaction between a polyol and an isocyanate. Adhesives are also used in the manufacturing process. Strict policies and procedures are in place to protect the health and safety of employees at all times. Before any new chemical product is introduced into production, it must be approved by the local HS&E manager. Additionally, all chemicals are stored safely and are subject to regular inspections. Safety Data Sheets (SDS) are readily available in the production areas for consultation at any time.

To ensure continuous improvement, Recticel conducts root cause analyses and implements corrective and preventive actions for critical operations. Our foaming sites adhere to stringent regulatory frameworks, including SEVESO and COMAH directives, and our plants operate within environmental management systems. In 2024, seven out of 12 operating sites held an ISO 14001 certification.

Beyond workplace safety, we are dedicated to upholding fundamental human rights within our workforce. Recticel explicitly prohibits human trafficking, forced or compulsory labour and child labour, in line with international labour standards. These commitments are embedded within our policies and operational procedures to ensure ethical business practices.

Recticel ensures that its HS&E Policy is accessible to all relevant stakeholders, including those potentially affected by its operations and those responsible for implementing the policy. The policy is communicated internally and externally to reinforce compliance and shared responsibility for health, safety, and environmental standards. It is also available on the Recticel corporate website.

The Company actively promotes safety awareness through initiatives like the global 'Simply Safe' programme, which stipulates Golden Safety Principles and Rules. The **'Stop. Think. Act!'** slogan underpinning the programme emphasises the importance of pausing to assess risks before undertaking tasks and stimulates habits that ensure a safer working environment.

An external legal HS&E audit is conducted every three years.

Data Protection Policy and Privacy Notice to employees. The Data Protection Policy establishes a minimum standard for processing personal data in any form by any Recticel company. It is an addition to all applicable national and international laws and regulations. It is based on the EU legislation.

The Privacy Notice to employees explains why and how Recticel collects information about its personnel, how Recticel protects such information and for how long Recticel retains it. Recticel keeps the data of its personnel as safe and secure as reasonably possible, protecting it against loss and unauthorised disclosure or access. Recticel handles personal data of its personnel in strict compliance with applicable data protection laws, in particular the General Data Protection Regulation 2016/679 of 27 April 2016 (GDPR).

Specific policies

HR Policy. The Group HR Policy explains how the Human Resources department contributes to the execution of the business strategy through 10 core functions, including Employee Development, Learning and Employee Well-being. It also explains the HR organisational structure, the different roles and their responsibilities, at local and Group level.

This HR Policy and the related procedures apply to Recticel NV/SA and its direct and/or indirect affiliates, excluding joint ventures.

Performance Review Policy. This policy is chiefly implemented through the Employee Performance Management Discussion (EPMD), whose objective is to define the principles, process and responsibilities to conduct effective annual performance management discussions with all white-collar employees across the Recticel Group. This procedure also describes how the performance of all white-collar employees is assessed, monitored and documented.

The EPMD procedure highlights Recticel's strong commitment to carrying out a regular feedback dialogue with its employees in a fair and consistent way that creates trust among employees and strengthens a culture of open and transparent discussion in the Company.

The EPMD procedure applies to Recticel NV/SA and its direct and/or indirect affiliates, excluding joint ventures, and is relevant for all white-collar employees. It is not applicable for blue-collar workers.

Employee Training Procedure (ETP). The objective of the ETP is to explain Recticel's approach to employee training. It describes how the need for employee training is identified, carried out, monitored and evaluated. It outlines the roles and responsibilities of each party (employee, manager, 'grandparent' and HR) and the process to identify, request, attend and assess training and development activities.

This Employee Training Procedure and the related procedures apply to all white-collar employees of Recticel NV/SA and its direct and/or indirect affiliates, excluding joint ventures.

5.4.3 S1-2 Process for engaging with workers and workers' representatives about impacts

This section describes the general processes whereby Recticel engages with its workforce and its representatives about actual and potential impacts on its workers. It explains how our own workforce's perspectives are taken into account in the Group's decision-making process in order to manage actual or potential impacts on employees.

Recticel actively promotes a positive employer image and ensures transparency in employment practices. Our approach includes:

- Fostering open dialogue with employees and their representatives on the Company's strategy and performance, business developments and workforce-related concerns.
- Implementing proactive measures to reduce the environmental and health impact of our operations.

Local management teams play a pivotal role in cultivating positive employee relations. They facilitate regular updates on Company objectives, ensuring that employees understand their roles in the pursuit of strategic goals. Employees are encouraged to share their expectations and feedback, contributing to a collaborative work environment.

As part of our engagement strategy, Recticel conducts an annual Employee Performance Management Discussion (EPMD) for white-collar employees. This process provides employees with an opportunity to reflect on their work experiences, including task management, workload and workplace relationships. Employees expressing concerns can propose solutions to their direct managers and, if necessary, escalate issues to their local HR representatives for further discussion and resolution.

Recticel actively engages with social partners throughout the year at both local country and European levels to ensure effective communication and consultation.

- Local level: In countries where a works council is mandated by law, regular meetings are held to discuss and consult on key workforce matters. Local HR management oversees the works council process, ensuring compliance with legal and organisational standards. In countries without a works council the same processes are implemented through the local management and HR team.
- European level: Recticel has established a European Works Council (EWC) that meets at least once annually, with additional restricted committee meetings convened as needed. The September 2024 EWC meeting focused on strategic topics, including Recticel's climate change mitigation efforts and the Double Materiality Assessment. The Chief Human Resources Officer is responsible for overseeing the EWC process, ensuring that employee voices are heard at the highest levels of corporate decision-making.

The Recticel Code of Conduct is applicable in all countries where we operate (see Chapter 5.4.2). It was prepared in consultation with the local Works Councils in Finland, France, Belgium and Slovenia, and discussed at the European Works Council. It describes our commitment to uphold and promote sustainable development practices across all of Recticel's operations and those of its subsidiaries, suppliers and contractors, including the respect of human rights of its own workforce. We engage directly with our workforce to understand and address potential and actual impacts.

5.4.4 S1-3 Process to remediate negative impacts and channels for own workers to raise concerns

This section explains the formal means and channels by which Recticel's workforce can make their concerns and needs known directly to Recticel.

At Recticel, we recognise our responsibility to identify, prevent and remediate any negative impacts on workers, communities and other stakeholders that may arise from our business activities. We make sure that all employees have access to transparent and effective internal and external channels to voice concerns and seek remediation, freely and safely, without fear of repercussions. We promote these channels via internal communication to ensure that employees are aware of their availability.

Recticel actively encourages employees to share feedback, voice concerns, and engage with the organisation through both formal and informal meetings with managers, the HR community, and other stakeholders. The frequent use of the Trusted Advisor where available and the HR representatives, highlights the effectiveness and credibility of these channels as trusted mechanisms for raising concerns.

Raising a concern or grievance
Recticel ensures that all employees, regardless of role or location, can freely raise concerns through multiple secure and accessible channels. These include: our Whistleblowing Policy (as described in Chapter 5.5.2); open-door policies with HR representatives and worker councils allowing employees to discuss concerns without fear of retaliation; and active solicitation of feedback through performance reviews, allowing concerns to be identified and addressed proactively.

Employees wishing to raise a concern or grievance are encouraged to address it first with their direct manager or HR representative. If a solution cannot be found that satisfies all parties, the concern can be escalated to the manager's manager ('grandparent principle') and/or the Country or Group HR organisation. In countries where a works council is in place, the employee can also choose to consult with their workers' representative. In addition, the employee may raise their concern using the procedure described in the Whistleblowing Policy.

Depending on local legislation, some countries have a confidential advisor in place to support and advise any employee experiencing a psychosocial problem at work (e.g. stress, bullying, trauma, alcohol or drug-related issues). This is the case in Belgium and Finland. The confidential advisor can also mediate if requested to do so by the employee. In other countries, the HR organisation is the point of contact for employees. If desired, employees can be referred to counselling organisations.

Remediation process for negative impacts
We have established a structured organisational framework to address any adverse impacts related to labour rights, workplace conditions or ethical concerns. Our remediation process includes:

- Early identification
- Internal assessments to identify potential or actual negative impacts on workers
- Ensuring compliance with labour rights, environmental, health and safety regulations

Information on incidents and complaints is provided in Chapter 5.4.15, S1-17.

Corrective and preventive actions
In the event of a negative impact being identified, a dedicated task force will investigate and propose corrective measures. Action plans are implemented with clear timelines, responsibilities and follow-up assessments.

Worker involvement and redress mechanisms
Any worker affected by a negative impact has access to fair and timely remediation through internal grievance procedures.

Retraining, reallocation or workplace adjustments are provided where necessary to restore the impacted individual's rights and well-being.

Commitment to continuous improvement
We continuously evaluate and enhance our remediation processes and reporting mechanisms to align with international labour standards and best practices. All reports and concerns are reviewed by senior management and outcomes are communicated transparently to relevant stakeholders.

5.4.5 S1-4 Taking action on material impacts on own workforce

This section describes the actions whereby Recticel
- prevents, mitigates and remediates HSE issues (material impact 1) and job dissatisfaction (material impact 2), and
- enhances the skills of its workforce (material impact 3).

During the reporting year, Recticel implemented various initiatives across all its operational activities and geographies aimed at delivering positive outcomes for its entire workforce. These included employee training and development programmes and enhanced health and safety measures.

Data use across Recticel respects employee privacy and adheres to GDPR and other applicable data protection regulations. Systems are in place to ensure that workforce data is used solely for legitimate business or HR purposes, and not in ways that could lead to discrimination, surveillance concerns or breaches of trust.

Future workforce-related actions and programmes with consistent oversight are planned to contribute to Recticel's long-term sustainability goals and targets. We will report on initiatives that have been rolled out in the 2025 Annual Report.

The Group Code of Conduct outlines the conditions under which business relationships may be terminated, specifically in cases of systematic non-compliance with human rights standards and when impacts cannot be mitigated through collaborative action plans.

General governance and oversight
The Audit & Sustainability Committee is the highest governing body responsible for overseeing material topics identified through the Double Materiality Assessment related to ESRS S1 – Own Workforce, including:

- Occupational health and safety
- Job satisfaction and well-being
- Training and skills development

To effectively manage these priorities, structured Health & Safety and HR organisations have been established, ensuring that all operating countries have dedicated representatives to oversee and implement key workforce policies.

Taking action to prevent, mitigate and remediate HSE issues
Recticel is committed to preventing, mitigating and remediating any negative impacts on its workforce through proactive governance, risk management, compliance and continuous improvement initiatives. The following measures were implemented to address material risks, ensure positive impacts and evaluate the effectiveness of these efforts.

<u>Health, safety and well-being</u>

Recticel has a set of measures in place to protect and promote employee health, safety and well-being. These include:

- Comprehensive health & safety programmes supported by regular training sessions and emergency preparedness drills to prevent workplace accidents and illnesses.
- Mental health resources, including confidential counselling services, to help address workplace-related challenges.
- Engaging employees during the transition to a greener, climate-neutral economy, through counselling, communication and involvement.

<u>Risk assessment and mitigation</u>

We conduct risk assessments to proactively identify workplace hazards and potential vulnerabilities. This process involves:

- Systematic hazard identification: using site-specific evaluations, employee feedback and industry best practices.
- Impact assessment: analysing risks related to physical safety, mental well-being and job stability in the context of business transformations.
- Action planning: developing and executing mitigation strategies, such as enhanced safety measures, upskilling programmes and ergonomic workplace improvements.

Taking action to prevent, mitigate and remediate job dissatisfaction
Recticel ensures full adherence to labour laws and international ethical standards to mitigate legal and reputational risks.

A Code of Conduct is enforced, with mandatory ethics training provided to all white-collar employees to promote integrity and workplace respect. Anti-discrimination policies are implemented to create an equitable work environment.

Fair and equitable wages are maintained through compliance with the applicable local legislation and collective bargaining agreements. Remuneration structures are established on the basis of gender-neutral job evaluation standards. Salaries are also regularly benchmarked internally and externally to ensure financial security and job satisfaction. Structured recognition and reward systems help us to retain top talent, driving motivation and long-term engagement. We also offer flexible work arrangements, including remote work options, making a positive contribution to work-life balance and job satisfaction.

Grievance mechanisms including whistleblowing channels and anonymous reporting systems enable employees to voice concerns confidentially and ensure timely resolution. For more information on reporting and remediation processes, see chapter 5.4.4.

In addition, during the annual performance review cycle (EPMD), white collar employees are invited to report on how they are doing in their daily work (contents, workload, relationships, etc.). Employees complete this section on a voluntary basis. Their answers are shared with their manager, their 'grandparent' and HR. If an employee is not satisfied with his/her situation at work, he/she may also ask to meet with his/her local HR representative.

Recticel promotes responsible business conduct by aligning its sales practices with ethical standards, avoiding unrealistic targets and incentive structures to ensure fairness, balanced workloads and integrity in all operations.

Taking action to enhance the skills of our workforce
Recticel has integrated learning and development into its corporate strategy. By ensuring a skilled, engaged and future-ready workforce, we strengthen our ability to innovate and sustain long-term business success.

We are committed to a culture of continuous learning that enhances job satisfaction, drives motivation and strengthens employee retention. Our goal is to provide every employee with the tools and opportunities they need to develop professionally and contribute meaningfully to our organisation.

During the annual Employee Performance Management Discussion (EPMD), white-collar employees are invited to evaluate their experience of their daily work in terms of content, workload, relationships, etc. This is an individual discussion between the manager and his/her employees. It is mandatory for all the Group's white-collar workers and takes place at the beginning of the reporting year. The EPMD is supported by a structured form hosted on the Group HR information system (HR4U, enabled by SAP SuccessFactors). As well as evaluating the employee's performance, the EPMD focuses on how the employee exhibits the core values and behaviours of the Group, the people management skills of the employee, his/her career aspirations and his/her past and future development needs. During this annual discussion with their manager, employees are encouraged to actively shape their own development journeys by selecting learning opportunities that align with their roles and aspirations. If an employee reports dissatisfaction with their situation at work, they can suggest possible solutions to their direct manager and can also request a meeting with their local HR representative.

A non-mandatory mid-year review is offered to discuss the progress made against the Personal Objectives that were set for the year.

During the EPMD, appropriate learning formats are also identified. Several options are available:

- External and internal training courses
- On-the-job coaching, mentoring and learning
- Seminars, conferences and networking opportunities
- E-learning modules and digital knowledge-sharing platforms
- Peer-to-peer learning and best practice exchanges
- TECUN – Recticel Technical University

TECUN is Recticel's dedicated e-learning platform launched to enhance employees' technical expertise. It facilitates on-demand learning, allowing employees to access materials at their own pace while also helping to measure success and promote continuous improvement. By expanding product and application knowledge across teams, TECUN supports cross-functional skills development in line with evolving industry needs.

TECUN
RECTICEL TECHNICAL UNIVERSITY

5.4.6 S1-5 Targets and managing material impacts, risks and opportunities

The section describes the time-bound and outcome-oriented targets of Recticel for each material impact on its workforce.

Recticel Group has set rigorous targets relating to various ESRS S1 topics for 2024 and subsequent years. All targets relating to S1 Own workforce are set by the Management Committee, considering the impact it has on our workforce and alignment with our core values. Engagement of our own workforce and workforce representatives in target setting is facilitated through information sharing and discussion with the European Works Council on an annual basis. The same procedure applies to engagement in tracking performance against targets and to identifying lessons or improvements as a result of the Company's performance.

Our process for managing material impacts, risks and opportunities is described in Chapter 4.3.

Health and Safety targets

Recticel is firmly committed to safeguarding the health and safety of its employees. Managers and employees receive regular training and instruction on health and safety matters. The Company also dedicates adequate resources to the identification, management and mitigation of risks in alignment with applicable laws and standards.

All direct Recticel employees are covered by our health & safety management system. We report on a series of health & safety KPIs, and the resulting metrics for our 2024 performance are provided in Chapter 5.4.13. Whilst our set target is less than two for Frequency 1 incidents,[4] our overarching ambition is to have zero accidents.

Job satisfaction and well-being targets

White-collar employees can report on their job satisfaction during the annual performance review cycle (EPMD). This helps in identifying areas of improvement and taking necessary actions to enhance employee well-being.

In 2024, the level of satisfaction measured among white-collar employees during the EPMD was 77%. The Group's ambition is to reach 85% in 2028.

	1. VERY UNSATISFIED	2. UNSATISFIED	3. SATISFIED	4. VERY SATISFIED	5. NO ANSWER	GRAND TOTAL	3+4/ GRAND TOTAL	REPORTING SCOPE
EPMD 2024 (base year)	2	21	254	178	103	558	77%	Recticel Group (excl. Turvac and Rex)
EPMD 2028 (target)							85%	Recticel Group

The level of satisfaction is measured on the basis of the answers provided by white-collar employees in the EPMD form during the annual performance review. This process takes places in the first quarter of each reporting year.

Training and skills development targets

Recticel will continue to ensure that its entire white-collar population is covered by the EPMD process. This implies that in 2025, the white-collar employees of the recently acquired Rex business will also be included, together with the white-collar employees of Turvac, a joint venture of Recticel.

To facilitate this, Recticel will specifically train and re-train line managers on running effective performance reviews, with a focus on skills gap identification. The KPI will be the proportion of people managers trained, with the aim to reach 100% by the end of 2027.

In addition, the members of the Recticel HR community will be re-trained to successfully perform training needs analyses.

	EPMD WHITE-COLLAR EMPLOYEES		RUNNING EFFECTIVE PERFORMANCE REVIEWS		SUCCESSFULLY PERFORMING TRAINING NEEDS ANALYSES	
	WHITE-COLLAR COVERAGE IN HR4U	REPORTING SCOPE	PROPORTION OF PEOPLE MANAGERS (RE)TRAINED	REPORTING SCOPE	PROPORTION OF HR COMMUNITY MEMBERS RE-TRAINED	REPORTING SCOPE
2024 (base year)	84%	Recticel Group	72%	Recticel Group	0%	Recticel Group
2027 (target)	100%	Recticel Group	100%	Recticel Group	100%	Recticel Group

[4] Frequency 1 = Number of Lost Time Accidents x 1,000,000 / number of hours performed.

5.4.7 S1-6 Characteristics of the undertaking's employees

Recticel Group is a Belgian insulation company with a strong presence in Europe and the US, and production sites in Belgium, France, Finland, France, Serbia, Slovenia, United Kingdom and the US. On 31 December 2024, Recticel employed 1,275 people.

On 31 December 2024, Recticel Group comprised the subsidiaries Recticel Insulation, Trimo, Rex, Soundcoat and Turvac (74% joint venture) as well as HQ and Shared Services.

The reported data refer to the end of the reporting period (31 December 2024).

Table 1. Number of employees (headcount by gender)

Male	932	73.1%
Female	343	26.9%
Total employees	1,275	100%

Table 2. Employee headcount per country

The table below shows the total number of employees by country. Countries with at least 50 employees, accounting for at least 10% of the total workforce, are highlighted in grey.

Country	HEADCOUNT
Slovenia	417
Belgium	326
United Kingdom	148
France	113
United States	93
Serbia	67
Finland	45
Poland	34
Netherlands	13
Czech Republic	5
Germany	5
Sweden	4
Slovakia	2
Hungary	2
North Macedonia	1
Grand Total	**1,275**

Table 3. Employee headcount by contract type, broken down by gender, on 31.12.2024

	FEMALE		MALE		TOTAL	
	2023	2024	2023	2024	2023	2024
Number of employees	378	343	893	932	1,271	1,275
Number of permanent employees	362	333	884	906	1,246	1,239
Number of temporary employees	16	10	9	26	25	36
Number of non-guaranteed hours employees	0	0	0	0	0	0

Scope 2023: Recticel Group (excl. Rex)
Scope 2024: Recticel Group (incl. Rex)

Table 4. Employee turnover rate during 2024

Total number of permanent employees (headcount) who have left the Company	184
12 Months average permanent headcount	1,248
Total rate of employee turnover	14.7%
Voluntary turnover	7.7%

The total employee headcount as of 31 December 2024 was 1,275, which differs from the information reported in the Financial Statement under Chapter 7.2.6.7, Staff. There, we report the average number of employees (1,261, full-time equivalent) on a consolidated basis, excluding joint ventures.

Accounting Policies – Employee data

- **Headcount** includes the total number of employees, regardless of their full-time or part-time status, and regardless of the permanent or temporary nature of their contract. The reported headcount is per 31/12/2024.
- **Average headcount** is a 12 month average of the permanent headcount of the Recticel Group.
- **Full-time equivalents (FTE)** represent the ratio of an employee's contractual hours to the standard full-time hours for the same role and country. FTE figures are disclosed in the financial statements (Chapter 7.2.6.7). The average FTE is calculated per legal entity as a monthly average over the year, based on end-of-month data. Both headcount and FTE figures include permanent and temporary employees on local payrolls, as well as inactive employees on sick leave or parental leave.
- **Gender data** is reported based on actual headcount, without estimations. All employee data is centrally managed in accordance with GDPR guidelines and encompasses the entire workforce. Permanent employees are defined as those with open-ended contracts, whereas temporary employees have fixed-term contracts, which may be extended.
- **Employee turnover** reflects the number of employees who exited Recticel during the reporting year. Total turnover is calculated as the total number of departures divided by the average (permanent) headcount for the year. Resignations are recorded from the month in which the employee resigned. All other departures are recorded from the month in which the employee officially leaves Recticel.
- **Total rate of employee turnover** corresponds to the total number of departures divided by the average (permanent) headcount for the year. It includes resignations, terminations, retirement and death in service.

5.4.8 S1-7 Characteristics of non-employees in the Recticel Group own workforce

The characteristics of non-employees in the Recticel Group own workforce are not included in the 2024 Sustainability Statement, as a phased implementation is permitted till 2025.

5.4.9 S1-8 Collective bargaining coverage and social dialogue

Recticel recognises the right of any employee to join or to refrain from joining a trade union. Recticel encourages communication with its employees and their representatives and complies with the laws and collective labour agreements of every country in which it operates. When the applicable law, the collective labour agreements and the Recticel Code of Conduct specify diverging standards, the most stringent regulation will be applied. Recticel supports the United Nations Universal Declaration of Human Rights and the conventions and recommendations of its International Labour Organization. Recticel does not track freedom of association metrics.

For more information about Recticel's social dialogue, see Chapter 5.4.3.

Collective bargaining coverage

- 65% of our total employees are covered by collective bargaining agreements.
- In the EEA, Recticel has several collective bargaining agreements in place.

Social dialogue

- Globally, 64% of our employees are covered by workers' representatives.
- An agreement exists with our employees for representation by a European Works Council.

Table 1. Countries with a collective bargaining agreement in place

	COLLECTIVE BARGAINING COVERAGE (HEADCOUNT)		SOCIAL DIALOGUE
Coverage rate	EMPLOYEES – EEA (FOR COUNTRIES WITH > 50 EMPLOYEES REPRESENTING >10% TOTAL EMPLOYEES)	EMPLOYEES – NON-EEA (ESTIMATES FOR REGIONS WITH > 50 EMPLOYEES REPRESENTING >10% TOTAL EMPLOYEES)	WORKPLACE REPRESENTATION (EEA ONLY) (FOR COUNTRIES WITH > 50 EMPLOYEES REPRESENTING >10% TOTAL EMPLOYEES)
0-19%	-	-	-
20-39%	-	-	-
40-59%	-	-	-
60-79%	Belgium	-	-
80-100%	Slovenia	-	Belgium, Slovenia

The table only includes countries with a collective bargaining agreement in place.

Recticel monitors collective bargaining coverage and social dialogue through internal reporting and ongoing engagement with employee representatives. This includes tracking the percentage of employees covered by collective agreements, the frequency and outcomes of social dialogue meetings, and the resolution of labour-related concerns. No assumptions behind each metric related to collective bargaining coverage and social dialogue were applied.

5.4.10 S1-10 Adequate wages

Recticel ensures that all employees receive fair and adequate wages in line with industry standards, local labour market conditions and applicable collective bargaining agreements. Compensation practices are regularly reviewed to maintain internal equity and external competitiveness.

While Recticel does not publicly disclose wage-related metrics, wage adequacy is continuously evaluated through structured benchmarking, compliance with collective labour agreements and adherence to local regulatory requirements. These processes help the Company to monitor performance and effectiveness in managing the material risks and impacts associated with employee compensation, while promoting equitable and competitive remuneration across all operations.

Recticel's remuneration practices are designed to attract, retain and motivate individuals who drive the successful execution of the Company's business strategy. These practices aim to promote high performance while ensuring that underperformance is not rewarded. Compensation is managed globally in accordance with Recticel's established standards, which are formalised in procedures such as the salary review and bonus procedures.

Recticel takes a holistic approach to remuneration, aligning its various components – including base pay, incentives, benefits and perquisites – to reinforce and reward desired behaviours. Regular benchmarking against local and international markets ensures that remuneration levels remain competitive and appropriate.

The Company complies with all applicable laws, including minimum wage requirements, as well as collective labour agreements in every country where it operates. In cases where applicable laws, collective agreements and the Recticel Code of Conduct provide differing standards, the most stringent regulation is applied.

Recticel upholds the principles of the United Nations Universal Declaration of Human Rights and adheres to the conventions and recommendations of the International Labour Organization.

5.4.11 S1-11 Social protection

All employees of the Recticel Group are covered by social protection against loss of income due to major life events, through public programmes or benefits offered by the Group. Major life events encompass sickness, unemployment, employment injury and acquired disability, parental leave and retirement.

Recticel recognises that extra-legal benefits play an important role in maintaining a healthy workforce, providing employees with a safety net and providing income at retirement.

Recticel complies with the laws and the collective labour agreements in all countries in which it operates. When the applicable law, the collective labour agreements and the Recticel Code of Conduct specify diverging standards, the most stringent regulation will be applied.

5.4.12 S1-13 Training and skills development metrics

The characteristics of training and skills development metrics in the Recticel Group are not included in the 2024 Sustainability Statement, as a phased implementation is permitted till 2025.

5.4.13 S1-14 Health and safety metrics

Recticel operates with a steadfast commitment to safeguarding the health and safety of its customers, employees, contractors and the general public. The Company ensures that managers and employees are regularly educated on health and safety regulations, and dedicates sufficient resources to the identification, management and mitigation of risks in alignment with applicable laws and standards.

The S1-14 Health & Safety results for non-employees are not included in the 2024 Sustainability Statement, as phased implementation is permitted until 2025. We have aligned our reporting for own workers with the CSRD disclosure requirements to ensure comparability in the coming years.

Table 1. Percentage own workers covered by Recticel's health and safety management system based on legal requirements and/or recognised standards or guidelines

2024
91.1%
Scope: Recticel Group (own workers)

Table 2. Number of fatalities as a result of work-related injuries and work-related ill health

2024
0
Scope: Recticel Group (own workers)

Table 3. Number and rate of recordable work-related accidents

	2024
Number	18
Rate	7
Scope: Recticel Group (own workers)	

Table 4. Number of cases of recordable work-related ill health

2024
0
Scope: Recticel Group (own workers)

Table 5. Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health

2024
493
Scope: Recticel Group (own workers)

Table 6. Recticel safety KPIs

When we introduced our sustainability strategy in 2015, safety was selected as a material topic, with the ambition of reducing the impacts of our activities and products. The Recticel Safety KPIs below clarify our targets and results.

Recticel continues to reinforce the message across all its sites that safety should never be compromised. Since the Frequency 1 KPI only accounts for lost-time accidents, we introduced an additional KPI which also considers incidents leading to modified work or requiring medical treatment.

Safety KPI data is collected on a monthly basis by the local HS&E organisation and shared with the local and Group management teams. The Annual Report data are consolidated on 31 December 2024.

KPI	2024	TARGET 2030	DEFINITION
Frequency 1 (Lost Time Accidents)	4.50	≤ 2	Definition: Number of Lost Time Accidents x 1,000,000 / number of hours performed
Frequency 2 (Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases)	7	≤ 5	Definition: Number of [Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases] x 1 million / number of hours performed
Scope: Recticel Group(own workers)			

Working hours calculation

The working hours of own workers (contractual employees) are calculated based on payroll data, and reflect the total actual hours worked as defined in the employee contract. Overtime is excluded from this calculation. A portion of the working hours data is estimated.

What is a Lost Time Accident?

It is a work-related accident resulting in at least one lost working day. The working day on which the accident occurred is counted as a lost working day. Fatalities and permanent disabilities are also counted as Lost Time Accidents (LTAs).

What is a Recordable Accident?

Recordable Accidents
= Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases

Restricted Work Case (RWC)

This is a work-related accident where the employee cannot perform his/her normal work the day/shift following the accident due to the injury or illness, but performs a lighter job temporarily, without resulting in lost working days.

Medical Treatment Case (MTC)

This is a work-related accident for which medical treatment is required but which does not result in lost working days or work restrictions.

5.4.14 S1-15 Work-life balance

The characteristics of work-life balance in the Recticel Group are not included in the 2024 Sustainability Statement, as a phased implementation is permitted till 2025.

5.4.15 S1-17 Incidents, complaints and severe human rights impacts

Recticel holds its managers and employees to the highest standards of integrity and ethics, emphasising respect for individuals and the environment alongside full compliance with all applicable national and international laws and regulations.

Discrimination on the basis of personal characteristics such as age, race, colour, religion, native language, gender, sexual orientation, mental or physical disability, political beliefs, origin or nationality is strictly prohibited.

Harassment in any form is not tolerated. Managers and employees are expected to conduct themselves appropriately at all times. Recticel does not accept any actions, behaviours or verbal or written communications, internal or external, that could be perceived as humiliating, intimidating, hostile or otherwise inappropriate toward colleagues, contractors, customers, suppliers, business partners or their representatives. Any such conduct will result in disciplinary measures as warranted.

No manager or employee is authorised to request or enforce actions that would breach compliance with applicable laws and regulations. This principle is absolute and allows no exceptions, regardless of competitive pressures, industry norms or other circumstances.

Each year, the Legal Department reports on cases submitted to the Compliance Committee, as well as on any serious human rights violations, including lawsuits, fines, penalties and compensations; or confirms that no such cases occurred during the reporting period. No assumptions are considered in the reporting period.

Table 1. Total number of work-related incidents and/or complaints within our own workforce

	2023	2024
Total number of incidents of discrimination, including harassment	1	2
Number of complaints filed through channels for own workforce, including grievance mechanisms, to raise concerns (excluding discrimination, harassment)	2	1
Total amount of material fines, penalties and compensation for damages as a result of the incidents and complaints described above	0	EUR 7,500
Reconciliation with the most relevant amount presented in the financial statement	0	0
	Recticel Group, excl. Turvac (74% joint venture) and Rex	Recticel Group

Table 2. Identified cases of severe human rights impacts and incidents (e.g. forced labour, human trafficking or child labour)

	2023	2024
Total number of severe human rights issues and incidents connected to the workforce	0	0
Number of severe human rights issues and incidents connected to workforce non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises.	0	0
Total amount of fines, penalties and compensation for damages for the incidents describe above	0	0
Reconciliation with the most relevant amount presented in the financial statement	0	0
	Recticel Group, excl. Turvac (74% joint venture) and Rex	Recticel Group

The Annual Report data are consolidated on 31 December 2024

5.5 Governance | G1 Business conduct

The overview below follows the structure of ESRS G1. All sub-topics were considered material in the Double Materiality Assessment (DMA).

The roles and expertise of the administrative, management and supervisory bodies related to business conduct are outlined in Chapter 3.1, GOV-1.

To illustrate how Recticel incorporates environmental, social and governance-related standards across its value chain, the material topic of product stewardship (see Chapter 5.5.4, G1-2) is addressed in Chapter 3.4, GOV-4 Statement of due diligence.

Target setting is in development and progress updates will be communicated in the 2025 Annual Report.

5.5.1 Material G1 IROs and their interaction with strategy and business model

Chapter 4.3 provides a comprehensive examination of the material impacts, risks and opportunities associated with ESRS G1.

5.5.2 G1-1 Business conduct policies and corporate culture

5.5.2.1 Core values

At Recticel, our values guide how we collaborate, do business and engage with one another, promoting growth for both the Company and its people. By living these values, we foster progress, stimulate a positive corporate culture and drive sustainable growth.

Our five core values are grounded in specific behaviours. They are not mere slogans or abstract ideas, but dynamic principles that must be shared, discussed, embraced and actively demonstrated by every member of our workforce.

Designed to inspire action and empower teams, the core values are consistently communicated throughout the Company and integrated into leadership messaging. They provide a guiding context for employee performance and play a crucial role in annual performance reviews.

Detailed information on the five core values can be found on our website (Purpose & values | Recticel).[5]

[5] https://www.recticel.com/who-we-are/discover-recticel/purpose-values.html

5.5.2.2 Code of Conduct

Recticel is built on respect, integrity, honesty, and fairness, valuing our employees and business partners. Our collective success relies on the actions of our people – managers, employees (including seconded workers, volunteers and interns) and contractors – who shape the trust and reputation of our organization. This impacts how customers perceive our products, how employees experience the workplace and how shareholders view their investments.

The Group Code of Conduct establishes the core principles that shape our ethical and compliant business practices. It reflects our commitments to employees, Company assets, business partners, environmental responsibility and regulatory adherence. Our reputation is one of our most valuable assets, and the Recticel Code of Conduct sets clear standards that all managers, employees and contractors are expected to follow, ensuring consistency across all business operations.

Our values and ethical standards

Our core values guide our actions in all aspects of our business. Respecting others means recognising and honouring their inherent dignity, individuality and worth, as the cornerstone of professional relationships and ethical behaviour. Integrity requires consistently upholding moral principles and core values in every action we take. Our commitment to honesty ensures that all our business operations are conducted ethically, in full compliance with national laws and regulations.

Employment policies and non-discrimination

Recticel's employment policies are grounded in fairness and objectivity. Employment decisions are based solely on relevant factors, including qualifications, merit, performance and dedication. Discrimination of any form is strictly prohibited, whether based on age, race, colour, religion, language, gender, sexual orientation, disability, political opinion, origin or nationality.

The Code of Conduct also safeguards the rights of Recticel's workforce and ensures compliance with applicable laws in every country where we operate. In instances where differences arise between local laws, collective agreements and the Recticel Code of Conduct, applicable laws will always take precedence.

Health and safety

Recticel is dedicated to safeguarding the health and safety of its customers, employees, contractors and the public. We provide continuous training and updates on health and safety regulations for both managers and employees. Adequate resources are allocated to identify, mitigate and manage health and safety risks, ensuring full compliance with all relevant laws and regulations.

Human rights

Recticel adheres to the principles outlined in the United Nations Universal Declaration of Human Rights and the conventions and recommendations of the International Labour Organization (ILO). This adherence to human rights standards is integrated across all levels of the Company.

Corruption and bribery prevention

Recticel is committed to preventing corruption and bribery in all forms. We ensure transparency and ethical behaviour in all business operations. The functions that are potentially at risk include procurement, sales, marketing and finance, where controls and preventive measures are being applied.

The Code of Conduct reinforces the importance of compliance with anti-bribery and corruption rules, ensuring employees understand their significance. As part of our broader compliance framework, mandatory training on bribery and corruption prevention is provided, both in the form of e-learning and face-to-face training.

For guidance on identifying and reporting unlawful conduct or violations of internal rules, both internal and external stakeholders can find guidelines in the Group Whistleblowing Policy.

Remedial measures

When an infringement of the rules forming part of our Group Code of Conduct is detected, we initiate a thorough investigation process. This includes assessing the reported issue, gathering relevant facts and evidence and conducting interviews with involved parties if necessary. Based on the findings, the Recticel Compliance Committee coordinates appropriate remedial actions to prevent, address and mitigate the impact of the infringement. The exact measures taken will depend on the gravity of the violation.

For cases involving business partners, remedial actions may include audits, re-evaluation or even termination of the contractual relationship. For cases involving employees, appropriate disciplinary measures may be imposed. In the most severe instances, we may pursue legal recourse and/or seek compensation for damages.

Accountability and governance

The CEO is ultimately responsible for the implementation and oversight of the Group Code of Conduct. The CEO's leadership ensures the consistent application of the Code across the organisation and accountability for ethical practices.

In addition, management at all levels is responsible for ensuring that those reporting to them understand and comply with the Group Code of Conduct and are given adequate and regular training on it.

Third-party standards and initiatives
Recticel adheres to several third-party standards and initiatives that complement our internal policies. These include the UN Global Compact, the UN Guiding Principles of Business and Human Rights, the International Bill of Human Rights, the International Labour Organization's conventions and recommendations, and the United Nations Convention against Corruption.

Compliance oversight
The Compliance Committee plays a critical role in overseeing compliance matters, including the investigation of allegations related to misconduct, corruption and bribery. The Compliance Committee ensures that all investigations are conducted with fairness, integrity and transparency. The Chief Financial Officer serves as the Committee's chairman and is responsible for reporting incidents, ongoing investigations, and their outcomes to the Board of Directors.

Communication and accessibility
The Recticel Group Code of Conduct is communicated in local languages to managers, employees and contractors at all levels. It is readily accessible through internal communication channels to ensure that everyone is aware of their responsibilities.

White-collar workers are required to complete e-learning modules on the Code of Conduct, as detailed in Chapter 5.4.2.4. Furthermore, the Code is provided in local languages and distributed by HR managers to both blue-collar and white-collar workers. Printed versions of the policy are displayed on notice boards, and further communication tools are used.

The Code is also publicly available for all stakeholders at Business ethics and integrity | Recticel.[6]

5.5.2.3 Whistleblowing Policy

In the event of an alleged violation of internal or external laws and regulations, Recticel has implemented a Group Whistleblowing Policy. This policy is fully aligned with the latest EU legal requirements and ensures that all stakeholders, whether managers, employees, contractors, business partners or external parties, have a clear and secure avenue to report any behaviour that may represent a breach of the Recticel Code of Conduct, corporate policies and procedures, contractual commitments or any applicable laws and regulations.

The policy establishes a clear process for addressing alleged misconduct involving managers, employees, contractors or any other individual who intentionally or negligently does not respect the rules. In accordance with a general duty of care, Recticel managers, employees and contractors are morally obliged to report any reasonable suspicion that someone might be engaged in any alleged misconduct.

Reporting channels
Concerns regarding misconduct can be raised through internal communication channels, either at group level or at local level. Multiple internal communication channels are available, including letter, email, phone and personal discussions. A dedicated confidential mailbox is available 24/7, ensuring strict access and confidentiality protocols. External communication channels are also available, as referred to in the Whistleblowing Policy.

Protection for whistleblowers and persons whose behaviour is reported
Recticel has put several measures in place to protect the rights of whistleblowers, as well as the persons whose behaviour is being reported. These measures include the obligation: to treat reports about misconduct in an objective and impartial manner; to investigate reports thoroughly and fairly within a reasonable time period; to respect the strictest confidentiality; to refrain from disclosing the identity of the whistleblower or other persons mentioned in the report; and to ensure GDPR-compliant treatment of personal data.

In addition, measures are taken to prevent retaliation. Whistleblowers, as well as anyone associated with them (such as family members or colleagues), must not face any negative or harmful consequences as a result of making disclosures under the whistleblowing procedures outlined in the Whistleblowing Policy, provided the disclosures are made in good faith. Any attempt to prevent or discourage someone from raising concerns in accordance with the Whistleblowing Policy is a serious violation and will not be tolerated. If such actions occur, appropriate measures will be taken to protect the whistleblower and investigate those responsible for the retaliation.

Finally, the rights of individuals who are the subject of a report must also be respected and safeguarded. In this regard, Recticel is committed to maintaining a fair balance between the rights and interests of all parties involved, including its own right to conduct a thorough investigation.

Commitment to ethical standards
Recticel is committed to maintaining the highest ethical standards and ensuring full legal compliance across all aspects of its business activities. Recticel Group expects its shareholders, managers, employees and contractors to honour their respective responsibilities under their mandates, employment or service agreements, acting with loyalty, cooperation and good faith. This includes a moral obligation to report any concerns about actual or suspected work-related misconduct that involves Recticel or its stakeholders.

Key accountability
As Chaiman of the Compliance Committee, the Chief Financial Officer (CFO) is the senior leader accountable for overseeing the implementation of the Whistleblowing Policy across the organisation.

[6] *https://www.recticel.com/who-we-are/discover-recticel/business-ethics-integrity.html*

Commitment to timely and independent investigation

Recticel is committed to investigating all reported misconduct without any undue delay, objectively and impartially, ensuring that each report is treated with the seriousness it deserves and investigated thoroughly in accordance with established procedures.

Communication and accessibility

The Whistleblowing Policy is communicated in local languages to all employees and managers. It is readily accessible through internal communication channels to blue-collar and white-collar workers, to ensure that everyone is aware of their responsibilities. Printed versions of the policy are displayed on notice boards. The Code is also publicly available for all stakeholders at Business ethics and integrity | Recticel.[7]

5.5.2.4 Targets and metrics

Recticel promotes compliance across the organisation through ongoing training initiatives for its white collar workforce. We provide mandatory e-learning modules and in-person trainings covering topics such as the Group Code of Conduct, EU competition law, EU data protection law and contract law.

For the governance programme, the 'completed' status is only achieved if the employee obtains a test result of minimum 80%. For the cybersecurity programme, a minimum score of 70% on the final test is required. The slight decrease in the Governance programme results in 2024 is due to the roll-out for Trimo. The completion data per user for the Governance and Cybersecurity programmes are shared by the external provider on a monthly basis to check for completeness. The Annual Report data are consolidated on 31 December 2024.

[7] *https://www.recticel.com/who-we-are/discover-recticel/business-ethics-integrity.html*

% employee participation in governance and cybersecurity e-learning, including e-learning, including legal, cybersecurity and safety

		2022	2023	2024
E-learning modules	TARGET	RESULT	RESULT	RESULT
Governance programme				
Data Protection	95% completion	96%	95%	89%
Code of Conduct		96%	94%	89%
Basics of Contract Law		96%	94%	89%
Cybersecurity programme				
DIGIWIZZ	95% completion	93%	95%	92%

Scope 2022: White-collar workforce Recticel Insulation
Scope 2023: White-collar workforce Recticel Group, excl. Trimo and Turvac (74% joint venture)
Scope 2024: White-collar workforce Recticel Group, excl. Rex and Turvac (74% joint venture)

Throughout the year, Recticel implemented various initiatives to strengthen employees' awareness, knowledge and preparedness in cybersecurity. These efforts are designed to foster a strong security culture and ensure compliance with mandatory training requirements.

Key activities included:

- Training: Employees participated in a mandatory cybersecurity programme covering critical topics such as threat identification, data protection and secure online practices. Completion was validated through a final assessment, requiring a minimum score of 70%.
- Phishing simulation campaigns: Regular, unannounced phishing simulations were conducted to evaluate the ability of our workforce to recognise and respond to phishing attempts. Those who failed received targeted guidance to enhance their awareness.
- Awareness campaigns: Periodic communications, including newsletters, infographics and video messages, were distributed to reinforce key cybersecurity principles and promote vigilance.
- Incident response drills: Selected employees took part in simulated cybersecurity incidents to practise response protocols and strengthen preparedness for potential security breaches.

5.5.3 Role and expertise of administrative, management and supervisory bodies

Administrative, management and supervisory bodies play distinct yet complementary roles in ensuring that a company adheres to high standards of business conduct. Each of these bodies contributes its unique expertise and oversight to promote ethical practices, operational effectiveness and long-term success.

The Board of Directors officially approves the Code of Conduct, while the Audit and Sustainability Committee oversees its compliance within the Group. The Management Committee is responsible for the company's daily operations and ensuring adherence to the guidelines and recommendations set by the Board of Directors.

Details on the administrative, management and supervisory bodies can be found in Chapter 3.1.

5.5.4 G1-2 Management of relationships with suppliers and impacts on our supply chain

5.5.4.1 Recticel's approach to relationships with its suppliers

Recticel takes a collaborative and responsible approach in managing its relationships with suppliers, acknowledging their essential role in the Company's overall success and sustainability. We assess and evaluate both operational and ESG risks within our supply chain that could impact our operations, the human rights of our stakeholders or our reputation. This strategy is built on the principles of transparency, ethical conduct and mutual value creation, ensuring that our supply chain not only aligns with our operational objectives but also addresses broader sustainability challenges.

We refer to Chapter 3.4, GOV-4 Statement of due diligence in the value chain, for an overview of the processes, measures and actions implemented by Recticel to identify, prevent, mitigate and address actual or potential risks within its value chain. These efforts encompass addressing risks related to human rights violations, environmental damage, corruption and other ethical or legal issues arising from Recticel's operations, suppliers and business partners.

5.5.4.2 Environmental and social procurement practices

We continually assess and adapt our supplier relationships and procurement strategies to stay ahead of emerging risks, regulatory changes and evolving sustainability expectations. By nurturing strong, collaborative partnerships, we aim to create a resilient, ethical and sustainable supply chain that not only supports long-term business growth but also contributes positively to society and the environment.

Recognising the vital role suppliers play in achieving our sustainability goals, we prioritise building mutually beneficial partnerships that drive the shift toward a low-carbon economy and circular practices. Our approach to supplier relationship management focuses on fostering sustainable innovation, shared values and the adoption of industry best practices. This strategy ensures a robust value chain that aligns with our strategic objectives, delivering measurable social and environmental impact.

Suppliers and contractors must meet the same social, environmental and governance standards as Recticel to ensure sustainable practices. In evaluating partners, we prioritise resource efficiency, renewable materials and supplier engagement to advance our 2050 net-zero goal. These discussions align with our Science Based Targets initiative (SBTi) commitments and drive innovations to reduce our carbon footprint.

To enhance transparency and accountability, we introduced the Recticel Supplier Sustainability Requirements (RSSR), integrating them into our General Terms and Conditions (see Chapter 3.4.2). This integration highlights our commitment to sustainability, fostering a culture of shared responsibility and accountability throughout our supplier network.

For more information on supply chain human rights due diligence, RSSR, and product stewardship, please refer to Chapter 3.4 (GOV-4).

5.5.4.3 Description of policies/practices to prevent late payment

Recticel's payment policies focus on transparency and consistency, aiming to create a reliable process for all parties in our supply chain ecosystem. Our invoice handling procedures are designed to pay suppliers within the agreed payment terms. Our payment policies are intended to build long-term relationships with suppliers while supporting operational efficiency and financial stability.

Senior level accountability

The Chief Financial Officer (CFO) and the Group accounting team oversee the implementation of Recticel's payment policies, ensuring the effective execution of payment procedures and related payment systems. The CFO ensures that these policies align with Recticel's broader corporate objectives, while also addressing the needs of suppliers and other business partners. The CFO and the Group accounting team are also responsible for monitoring and enhancing payment processes to maintain efficiency and timeliness.

Third-party standards and initiatives

Recticel respects and aligns its payment practices with the European Union Late Payments Directive.

Consideration of key stakeholders

Recticel's payment practices are designed with a comprehensive view of all stakeholders, considering the needs and concerns of internal teams, external suppliers – including small and medium-sized enterprises (SME) – and the broader business ecosystem. Payment terms are communicated and agreed upon up front to every new supplier.

5.5.5 G1-3 Prevention and detection of corruption and bribery

Recticel remains steadfast in its commitment to ethical practices, enforcing a strict zero-tolerance policy against all forms of corruption and bribery. By providing managers, employees and contractors with the necessary tools and knowledge to recognise, prevent and report unethical behaviour, Recticel cultivates a culture of vigilance and responsibility. With transparency and accountability at its core, Recticel upholds the highest standards of integrity, ensuring that trust and ethical excellence are embedded throughout the organisation.

5.5.5.1 Description of procedures in place to prevent, detect & address allegations or incidents of corruption/bribery

Recticel's approach to bribery and corruption is built on clear, actionable principles embedded within our Group Code of Conduct. Our policies are supported by compliance checks, strict prohibitions and proactive measures designed to uphold the highest standards of integrity across all business operations. This structured, multi-layered approach reinforces Recticel's commitment to ethical practices and robust governance, ensuring integrity is upheld in every aspect of our operations.

Core principles

- Bribery at Recticel is clearly defined as the offering, giving, promising or receiving of any financial or other advantage to influence or persuade an individual in a role that requires impartiality.
- Recticel strictly prohibits managers, employees and agents from offering, soliciting or accepting bribes under any circumstances. This prohibition extends beyond the organisation, requiring all business partners – including joint ventures, contractors, customers and suppliers – to commit to the same standard.
- Recticel enforces a zero-tolerance policy regarding bribes to government officials or employees of private organisations. This includes indirect payments made through intermediaries such as agents, consultants or facilitators suspected of transferring funds to officials.

Incident reporting and response
As further detailed in the Whistleblowing Policy, Recticel provides employees with the necessary channels to report alleged misconduct, including suspected bribery or corruption. Upon receiving a report, the Company initiates a thorough investigation, ensuring every incident is addressed transparently and consistently. Appropriate disciplinary actions are taken based on established protocols and in accordance with legal requirements.

Communication and accessibility
Recticel prioritises clear and comprehensive communication of its Code of Conduct and Whistleblowing Policy to employees, managers and relevant stakeholders. These documents are made easily accessible via internal communication platforms, ensuring everyone has a thorough understanding of their roles and responsibilities in upholding anti-bribery and corruption standards. The documents are also publicly available on the corporate website.

5.5.5.2 Investigating committee/body separate from the chain of management involved in the matter

Recticel is dedicated to upholding high ethical standards and ensuring full compliance with legal obligations in addressing allegations or incidents requiring investigation. These matters are handled with diligence, integrity and transparency by a dedicated Compliance Committee, which is composed as follows: the Chief Executive Officer, the Chief Human Resources Officer, the Chief Legal Officer and the Chief Audit Executive. While Recticel does not have a separate investigation committee outside its management structure, it strictly adheres to legal requirements and internal protocols to manage such situations effectively. If a potential conflict of interest arises involving a Compliance Committee member or a designated confidant, that individual will be excluded from the case team for that specific file.

Adherence to legal requirements
Recticel ensures strict adherence to all legal obligations when conducting investigations, aligning its procedures with corporate governance, ethical standards and transparency laws. In the event of an incident, the Company follows established legal processes and internal guidelines to resolve matters in full compliance with relevant regulations.

Compliance oversight
The Compliance Committee plays a key role in overseeing compliance matters, including investigations into misconduct, corruption and bribery. The Chief Financial Officer, as Committee Chairman, is responsible for reporting incidents, ongoing investigations and outcomes to the Board of Directors.

5.5.5.3 Nature, scope and depth of anti-corruption/anti-bribery training programmes

The following employee categories are considered to have a higher risk profile for exposure to corruption and bribery due to the nature of their roles and responsibilities:

Finance: Employees in finance are often entrusted with managing large sums of money, budgeting and overseeing financial transactions. This gives them access to sensitive financial data, which can make them susceptible to fraudulent activities, misappropriation of funds or facilitation of corrupt financial practices.

Sales & Marketing: Those in sales and marketing roles are frequently in direct contact with customers, suppliers and third-party intermediaries, often negotiating contracts, incentives and commissions. This interaction can create opportunities for improper financial gain, such as kickbacks or bribery, in exchange for favourable business decisions, discounts or preferential treatment.

Procurement: Employees involved in procurement are responsible for sourcing and purchasing goods and services. Given their role in supplier selection and contract negotiation, they may be at risk of corruption, particularly if they are influenced by external parties seeking to secure contracts through unethical means, such as offering bribes or kickbacks.

A compulsory Governance e-learning module covering ethical behaviours is offered to all white-collar workers. As Recticel will transition to a new training platform in 2025, a more advanced and specific e-training on anti-corruption and anti-bribery will gradually become mandatory for all employees in the aforementioned categories, for all directors and managers across the Company, as well as for the Board of Directors. This change reflects our commitment to ensuring that all key personnel are equipped with the knowledge to uphold our anti-corruption and anti-bribery standards. Hence, we do not report in 2024 on the percentage of functions-at-risk covered by training programs, but will do so in our 2025 Annual Report.

5.5.6 G1-4 Incidents of corruption or bribery

5.5.6.1 Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws

During the reporting period, two cases involving members of Recticel's value chain, in which the Company or its employees were directly involved, were reported to the Compliance Committee. Following a thorough investigation, one disciplinary action was deemed necessary and no fines were issued to Recticel for violations of anti-corruption or anti-bribery laws.

5.5.6.2 Any actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery

During the reporting period, the Company did not encounter any insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery.

5.5.7 G1-5 Political influence and lobbying activities

Recticel's approach to political influence and lobbying reflects its commitment to ethical conduct, transparency and responsible corporate citizenship. Focusing on its core business objectives, the Company upholds integrity and strong governance to create long-term value for stakeholders while maintaining high standards of corporate ethics and social responsibility.

Recticel does not seek to influence political processes or engage in aggressive lobbying. Instead, it remains focused on delivering innovative insulation products, guided by strong values of integrity and governance.

As a member of sector-specific trade organisations, Recticel may indirectly support policy-influencing activities, always transparently and within the organisation's framework. Such activities could focus on energy efficiency in buildings, energy standards, industrial decarbonisation, circular economy initiatives or sustainable materials.

Respecting political impartiality, Recticel complies fully with applicable laws and regulations, ensuring its actions align with ethical principles. While the Company may engage with policymakers via industry associations and regulatory bodies on matters directly related to its operations, these interactions are conducted transparently and in accordance with established protocols.

Recticel values transparency and shares key information on its corporate website, encouraging open dialogue and collaboration with stakeholders to positively impact public discussions, while safeguarding the interests of employees, shareholders and the broader community.

In 2024, Recticel made no financial or in-kind political contributions. The Chief Financial Officer, serving as Chairman of the Compliance Committee, ensures that no such contributions are made.

During the current reporting period, no members of the administrative, management or supervisory bodies had held a position in public administration, including regulatory bodies, in the two years prior to their appointment.

Recticel is not registered in the EU Transparency Register or any equivalent transparency register in an EU Member State.

5.5.8 G1-6 Payment practices

5.5.8.1 Average time to pay an invoice in number of days

The following information on payment practices in 2024 covers all Recticel Group legal entities, excluding Soundcoat, Rex and Turvac. These latter will be included in the 2025 Annual Report.

Although the scope is limited to the subsidiaries Recticel Insulation and Trimo, it is reasonable to expect that this KPI is consistent across the Recticel Group, given the similar systems and policies implemented throughout the organisation. There were no outstanding legal proceedings related to late payments on 31 December 2024.

Average days to pay	53.4
% invoices paid in time	49.4%

We recognise the vital role of small and medium-sized enterprises (SMEs) in our supply chain and remain attentive to ensuring their invoices are processed promptly, supporting their financial stability and growth. Moving forward, Recticel remains committed to optimising invoice processing efficiency and upholding the highest standards of financial transparency and operational excellence.

5.5.8.2 Description of standard payment terms in number of days by main category of suppliers & percentage of payments aligned

Recticel adheres to the payment terms outlined in Article 6 of its General Terms and Conditions for all suppliers. Key terms include:

- Invoices must include purchase order numbers, delivery quantities, and relevant shipment documentation.
- Invoices must be sent electronically to Recticel's designated address. Payments are made via wire transfer within sixty (60) days of the invoice date, provided that goods or services have been fully delivered.
- Recticel reserves the right to offset amounts owed to the seller against amounts owed by the seller, without prior notice.

PART 3 | REMUNERATION STATEMENT

6 Remuneration report

6.1 Introduction

6.1.1 2024 business results

Recticel is a Belgian insulation group with a strong presence in Europe and the USA. It offers smart insulation solutions that advance a carbon-free economy and improve the quality of life. Recticel's portfolio includes Insulation Boards, Insulated Panels and Acoustic Solutions. The Company expects to benefit from the substantial increasing demand for energy-efficient solutions in the construction sector.

In 2024, the construction market remained sluggish due to higher interest rates, high building material prices and stricter regulations, making new construction more expensive and causing project postponements.

Despite this adverse environment, Recticel reported strong revenue and profitability growth for 2024, clearly outperforming tough end markets. Turnover rose by 15% to EUR 610 million, a new record thanks to the acquisition of Rex in Belgium and to organic growth. Recticel recorded an overall volume growth of more than 10%, which offset the pressure on prices. There were many new product launches and certifications. Market shares increased in Insulation Boards and Insulated Panels with revenue growth in key areas such as Benelux, UK, France, Germany and the USA.

Recticel delivered on the promise of 'around EUR 50 million' of Adjusted EBITDA, and realised an increase of 26.7% compared to 2023. This large profit growth comes thanks to cost savings and substantial operational improvements in the plants.

Scope 1+2 carbon intensity per m³ decreased by 24.2%. Scope 3 carbon intensity per m³ declined by 7.9%, highlighting successful collaborations with suppliers to reduce upstream emissions. These milestones reaffirm Recticel's commitment to achieving its SBTi-approved net-zero targets.

6.1.2 2024 remuneration outcomes

The 2024 total remuneration levels reflect the positive business achievements in terms of profit, cash flow and CO_2 emission reductions, which drive the short-term variable remuneration. The value of the long-term incentive depends on the stock price, which reflects the challenging outlook in the construction industry.

Annual bonus awards

- The annual bonus awards depend for a large part on the achievement of pre-determined levels of Adjusted EBITDA and Free Cash Flow, as well as pre-defined CO_2 intensity objectives, in addition to the completion of personal objectives focusing on M&A, business growth and operational excellence.
- The level of Free Cash Flow delivered at Group level was above target and triggered a payout at maximum (125%).
- The level of Adjusted EBITDA reached by the Group delivered a payout of 53.7%, a remarkable achievement considering the difficult market circumstances, with a strong contribution from the Insulation Boards division.
- The Carbon Intensity target was overachieved by the Group with maximum payout (125%) as a result.

For further details see Chapter 6.4.3.1, Short-term incentive (one-year variable).

Stock options

- The 2020 stock option grant vested on 1 January 2024. Another grant was made in June 2024 at a strike price of EUR 12.92.

Management Committee membership

- The CEO of the Trimo Division, Božo Černila, is not a member of the Management Committee since 1 December 2024. A replacement is being sought.
- Bart Van den Eede was appointed Chief Financial Officer on 8 July 2024, replacing Dirk Verbruggen, and is a member of the Management Committee since that date. Dirk Verbruggen is not a member of the Management Committee since that date.
- On 29 October 2024, the Chief Operations Officer of the Insulation Boards division, Stijn Vermeulen, was appointed Group Chief Operations Officer, and is a member of the Management Committee since that date.

6.1.3 Shareholder engagement

The Annual General Meeting held on 28 May 2024 approved the 2023 remuneration report with 79% of shareholder votes. An adjustment to the short-term incentive payout was introduced in the remuneration policy; the policy was approved with 66% of the votes.

In establishing its remuneration policy and its future revisions, Recticel endeavours to take into account the votes and views of the shareholders. Recticel is committed to an open and transparent dialogue with its shareholders on remuneration as well as other governance matters.

In 2024, questions raised by our shareholders and their representatives were answered during the Annual General Meeting and also by mail. The proportion of women on the Board was one of the concerns of one of our investors. Recticel decided to appoint one additional female Board member in the course of 2025.

6.1.4 Looking ahead

To support Recticel's ongoing commitment to foster diversity and inclusion within the Company leadership, the Board decided to look for an additional female Board member. This will ensure that Recticel continues to comply with European regulations. It will also enrich its Board of Directors with diverse perspectives that will drive innovation and balanced decision-making. This appointment will benefit the company's governance and its overall performance.

There are no changes foreseen to the remuneration policy in 2025.

As in previous years, the Board of Directors will seek the authorisation from the General Assembly to derogate from the prescriptions of article 7:91 of the Belgian Companies and Associations Code whereby variable remuneration payments must be spread over a period of three years if certain thresholds are passed. This deviation will be requested for the CEO and the other members of the Management Committee, in line with the possibility offered by the legislation.

The long-term incentive Plan of the CEO and the other members of the Management Committee is delivered in the form of stock options. As in previous years, the Board of Directors will seek the authorisation from the General Assembly to issue warrants.

6.2 Our remuneration policy at a glance

The remuneration policy was reviewed and validated by the Remuneration & Nomination Committee on 28 February 2024 and approved by the Board of Directors on the same day. The policy was adopted during the General Meeting of Shareholders on 28 May 2024 and became effective as of 1 January 2024. It is available for consultation on the company website. The contents of the policy were established following the requirements of the Shareholder Rights Directive, the Belgian Companies and Associations Code and the Corporate Governance Code 2020.

6.2.1 Directors

Per policy terms, Directors receive a fixed fee/retainer and an attendance fee, whereas Committee members receive attendance fees.

in EUR

	BOARD		COMMITTEE	
Directors	CHAIRMAN	MEMBER	CHAIRMAN	MEMBER
Fixed fee	30,000	15,000	n/a	n/a
Attendance fee	5,000	2,500	5,000	2,500

In accordance with the policy, Non-executive Board members do not receive variable and/or equity-related remuneration as referred to under principle 7.6. of the Corporate Governance Code 2020. Recticel considers that the Corporate Governance Code's goals of promoting the achievement of strategic objectives in accordance with the company's risk appetite and behavioural norms and promoting sustainable value creation are better served by remunerating the Non-executive Directors entirely in cash to avoid any conflicts of interest and guarantee their complete financial independence.

Non-executive Board members are not entitled to receive benefits. Expenses incurred when travelling abroad will be arranged for by Recticel directly.

Executive Directors are remunerated in accordance with the remuneration policy for the members of the Management Committee and any Director fees paid to the Executive Directors are deducted from the remuneration received as a member of the Management Committee.

The level and structure of remuneration paid to the Directors is regularly assessed against "BEL Mid" market practice.

6.2.2 Management Committee

The level as well as the structure of the remuneration of the Management Committee members is reviewed annually by the Remuneration & Nomination Committee, which consequently presents a proposal to the Board of Directors for approval. When determining the remuneration levels for the members of the Management Committee, Recticel considers a Belgian frame of reference comprising companies similar in size (as compared on the basis of revenues) and exclusive of the financial sector. The objective is to establish target remuneration levels that, as a general rule, are at or around the median market level and this as far as the performance of the Company can afford it.

The total remuneration package of the Management Committee members consists of the following elements.

Base pay

The individual's role, experience, performance and market practice are considered when determining salary levels.

Any Director fees paid to the Executive Directors are deducted from the remuneration received as a member of the Management Committee.

Other benefits

The Management Committee members receive benefits in line with Recticel's remuneration policy, which states that benefits and perquisites are provided in line with competitive practices in the market where the Executive in question is based and mainly include hospitalisation, disability coverage and a company car. Members operating through a management company do not receive perquisites and benefits, though certain costs may be invoiced separately.

Short-term incentive (one-year variable)

The bonus is expressed as a percentage of the base remuneration. The payout depends on the achievement of pre-determined collective and personal objectives, as follows:

- For threshold performance: the bonus payout will be nil.
- For target performance: the bonus payout will be 100% of base pay for the CEO and 37.50% for the other Management Committee members.
- For maximum performance: the bonus payout will be 150% of base pay for the CEO. For the other Management Committee members, it is 62.50%.
- No deferral policy is applicable.

Long-term incentive (multi-year variable)
The Long Term Incentive plan is granted by means of stock options. Options granted in 2024 cannot be exercised before 1 January 2028, nor can they be exercised later than 16 June 2031.

Pension
Members of the Management Committee employed in Belgium before 2003 are included in the Recticel Defined Benefit Plan. Members hired externally since 2003 are included in the Recticel Defined Contribution Plan.

Dismissal period or severance pay
On termination of the employment of a member of the Management Committee by the Company, Recticel will apply a notice of 12 months, unless other applicable legal mandatory provisions require it to apply a higher number of months.

Contract
In 2024, the CEO and two other members of the Management Committee provided services through a management company. The other members are salaried employees.

Clawback
No clawback provisions are in place for the annual bonus plan, in deviation of principle 7.12 of the Corporate Governance Code 2020. Recticel considers that, based on general principles of law, the Company can recover payments (1) if they were undue or (2) in case of fraud. The Company does not wish to renegotiate existing agreements with Management Committee members to provide for additional clawback possibilities.

Shareholding guidelines
The members of the Management Committee are encouraged to build stock ownership in the company up to an amount equivalent to 50% of their annual gross base pay over a period of five years, preferably by keeping part of the stocks that they purchase under the existing stock option plan.

6.3 Remuneration of the Non-executive Directors

The following table sets out the total remuneration for each Non-executive Director in 2024.

in EUR

Name	FIXED FEE	ATTENDANCE FEE
D.A.S.T. BV, represented by Wim Dejonghe [1]	17,720.0	45,000.0
BALTISSE NV, represented by Filip Balcaen	15,000.0	30,000.0
IMRADA BV, represented by Ingrid Merckx	15,000.0	27,500.0
IRIDI BV, represented by Frank Coenen [1]	8,860.0	20,000.0
LUBIS BV, represented by Luc Missorten	15,000.0	47,500.0
MOROXCO BV, represented by Elisa Vlerick	15,000.0	30,000.0
THIJS JOHNNY BV, represented by Johnny Thijs [2]	12,280.0	25,000.0
CARPE VALOREM BV, represented by Kurt Pierloot [2]	6,140.0	10,000.0

[1] from 28/05/2024
[2] until 28/05/2024

6.4 Remuneration of the Management Committee members

6.4.1 Total remuneration

An overview of the total remuneration of the CEO and the other members of the Management Committee in 2024 can be found in the table below.

in EUR

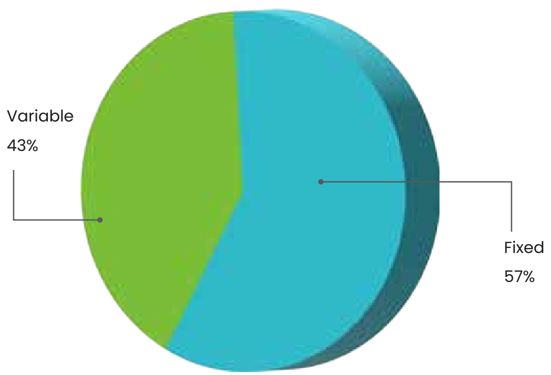
	FIXED REMUNERATION		VARIABLE REMUNERATION		EXTRAORDINARY ITEMS [c]	PENSION EXPENSE	TOTAL REMUNERATION (1+2+3+4)	PROPORTION OF FIXED AND VARIABLE REMUNERATION	
	BASE PAY	OTHER BENEFITS	ONE-YEAR VARIABLE [d]	MULTI-YEAR VARIABLE				FIXED	VARIABLE
Incumbent name	1		2		3	4	5	(1+4)/(5-3)	(2)/(5-3)
CORAL & WALLACE BV, represented by Jan Vergote (CEO) [(a)]	671,360	0	497,427	0	0	0	1,168,787	57%	43%
Other members of the Management Committee [(b)]	1,278,738	84,515	352,080	253,500	0	69,402	2,038,235	70%	30%

[a] Only the CEO receives fees as Executive Director. These are deducted from the base pay. Fees therefore are not presented in a separate column in the table above.
[b] The table includes the remuneration actually earned or paid to the other members of the Management Committee, i.e.

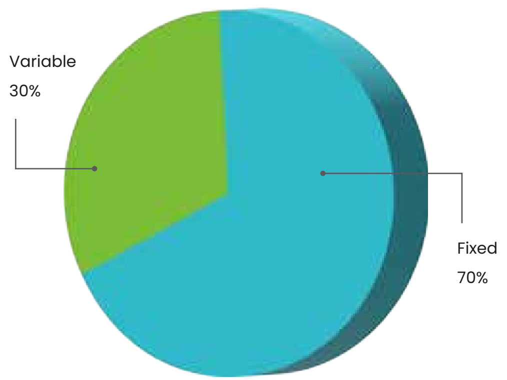
- *Dirk Verbruggen, Chief Finance & Legal Officer, until 5 July 2024,*
- *Božo Čermila, CEO Trimo, until 30 November 2024,*
- *Bart Van den Eede, Chief Finance Officer as of 8 July 2024,*
- *Stijn Vermeulen, Chief Operations Officer as of 29 October 2024,*
- *Rob Nijskens, Chief HR Officer, for the full year, and*
- *Betty Bogaert, Chief Information & Digitalisation Officer, for the full year.*

Proportion of fixed and variable remuneration

CEO



Other members of the Management Committee



6.4.2 Fixed remuneration

Base pay	+	Other Benefits
= Fixed Remuneration		

6.4.2.1 Base pay

The table below shows the base pay actually paid in 2024 to the CEO and the other members of the Management Committee and how it compares to 2023.

	2023	2024	2024 VS 2023
CORAL & WALLACE BV, represented by Jan Vergote (CEO) [a]	650,000	671,360	3%
Other members of the Management Committee	1,516,970	1,278,738	-16%

[a] *The base pay levels for CORAL & WALACE BV include the fees received as a member of the Board of Directors (EUR 21,360 in 2024).*

6.4.2.2 Other benefits

The amount mentioned in the column “Other benefits” in the total remuneration table in Chapter 6.4.1 relates to the following benefits: insurances (death, disability, medical), company car costs, mobile phone costs, and excludes pension (which is reported separately under “pension expenses”).

6.4.3 Variable remuneration

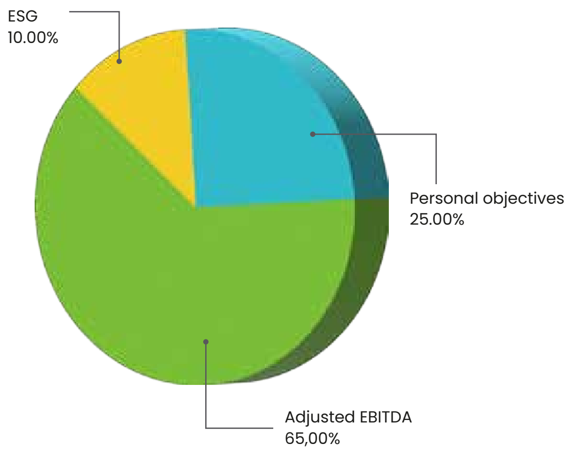
One-year variable	+	Multi-year variable
= Variable Remuneration		

6.4.3.1 Short-term incentive (one-year variable)

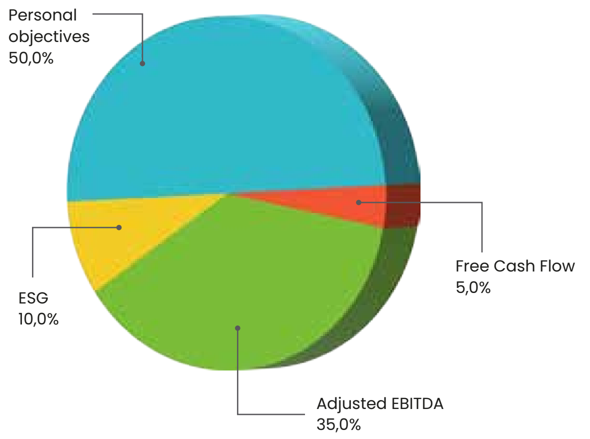
2024 Performance against targets

The short-term incentive depends on the achievement of pre-determined collective and personal objectives.

CEO



Other members of the Management Committee



For the **CEO**, for performance year 2024, the collective objectives are determined at the level of the Group and consist of Group Adjusted EBITDA (65% weight) and Group Carbon Intensity (10% weight). The payout progression foresees minimum, target and maximum achievement levels with corresponding payout levels determined along a straight line between each control point. As a general rule, achieving budget delivers 100% of the bonus payout opportunity. No payment was due if the level of Adjusted EBITDA achieved during 2024 was less than or equal to 90% of the budgeted level. The maximum payout (150%) was reached if the achieved level of Adjusted EBITDA was 115% of the budget. For the ESG objective, a year-on-year decrease of 10% of the Carbon Intensity delivered a payout of 100%. No payment was due if the decrease was 5% or less. The maximum payout (150%) could be reached if the decrease was at 15% or more. Personal objectives consist of a selection of three to five SMART targets (25% weight). The personal objectives focus mainly on M&A, business growth and operational excellence. The payout ranges from 0% to 150% depending on their achievement.

For the **other members of the Management Committee**, the collective objectives were Free Cash Flow (5% weight), Adjusted EBITDA (35% weight) and Carbon Intensity (10% weight). For the Group Function Heads (Chief Financial Officer, Chief Human Resources Officer, Chief Information & Digitalisation Officer), the collective objectives are determined at the level of the Group; for the division CEOs, they are determined at the level of their respective division (Insulation Boards or Insulated Panels). The payout progression foresees minimum, target and maximum achievement levels with corresponding payout levels determined along a straight line between each control point. As a general rule, achieving budget delivers 75% of the bonus payout opportunity. No payment was due if the level of Adjusted EBITDA achieved during 2024 was less than or equal to 90% of the budgeted level (80% for Free Cash Flow). The maximum payout (125%) was reached if the achieved level of Adjusted EBITDA was 115% of the budget (140% for Free Cash Flow). For the ESG objective, a year-on-year decrease of 10% of the Carbon Intensity delivered a payout of 75%. No payment was due if the decrease was 5% or less. The maximum payout of 125% could be reached if the decrease was at 15% or more. Personal objectives consist of a selection of three to five SMART targets (50% weight). The personal objectives focus mainly on M&A, business growth and operational excellence. The payout ranges from 0% to 125% depending on their achievement.

2024 payout progression

CEO

WEIGHT	ACHIEVEMENT LEVEL	MINIMUM	TARGET	MAXIMUM
65.00%	Adjusted EBITDA (% budget)	90.00%	100.00%	115.00%
10.00%	Carbon intensity (vs. previous year)	-5.00%	-10.00%	-15.00%
25.00%	Personal objectives	0.00%	100.00%	150.00%
WEIGHT	**CORRESPONDING PAYOUT (% BASE PAY)**	**MINIMUM**	**TARGET**	**MAXIMUM**
65.00%	Adjusted EBITDA	0.00%	65.00%	97.50%
10.00%	Carbon intensity (vs. previous year)	0.00%	10.00%	15.00%
25.00%	Personal objectives	0.00%	25.00%	37.50%
100.00%	**Total**	**0.00%**	**100.00%**	**150.00%**

Other members of the Management Committee

WEIGHT	ACHIEVEMENT LEVEL	MINIMUM	TARGET	MAXIMUM
5.00%	Free Cash Flow (% budget)	80.00%	100.00%	140.00%
35.00%	Adjusted EBITDA (% budget)	90.00%	100.00%	115.00%
10.00%	Carbon intensity (vs. previous year)	-5.00%	-10.00%	-15.00%
50.00%	Personal objectives	0.00%	75.00%	125.00%
WEIGHT	**CORRESPONDING PAYOUT (% BASE PAY)**	**MINIMUM**	**TARGET**	**MAXIMUM**
5.00%	Free Cash Flow	0.00%	1.88%	3.13%
35.00%	Adjusted EBITDA	0.00%	13.13%	21.88%
10.00%	Carbon intensity (vs. previous year)	0.00%	3.75%	6.25%
50.00%	Personal objectives	0.00%	18.75%	31.25%
100.00%	**Total**	**0.00%**	**37.50%**	**62.50%**

Article 7:91 of the Belgian Companies and Associations Code prescribes the need to spread variable remuneration payments over a three year period if certain thresholds are passed. The 25% threshold was passed in the cases of the CEO and all the other members of the Management Committee. Hence the Board of Directors proposed to the 2024 General Shareholder meeting to approve a deviation from the said rule in line with the possibility offered by the legislation. This proposal was approved during the 2024 General Shareholders' meeting.

Short-term incentive payout for the performance year 2024

The achievement of the performance targets was measured during the time period starting on 1 January 2024 and ending on 31 December 2024. As per our remuneration policy, the evaluation of the CEO's performance was done by the Remuneration & Nomination Committee on the basis of audited Company results before presenting a proposal to the Board of Directors. The evaluation of the other Management Committee members was done by the CEO on the basis of audited Company results, who then discussed this with the Remuneration & Nomination Committee before presenting a proposal to the Board of Directors.

Beneficiary	SHORT TERM INCENTIVE OBJECTIVES		WEIGHT	ACTUAL PAY OUT (% BASE SALARY)	ACTUAL AMOUNT (IN EUR)
CORAL & WALLACE BV, represented by Jan Vergote (CEO)	Collective Objective	Adjusted EBITDA (Group)	65.00%	37.34%	250,703
		Carbon intensity (Group)	10.00%	15.00%	100,704
	Personal Objectives		25.00%	21.75%	146,021
	Total		100.00%	74.09%	497,427
Other members of the Management Committee	Collective Objectives	Free Cash Flow (Group or Division depending on position)	5.00%	2.34%	24,966
		Adjusted EBITDA (Group or Division depending on position)	35.00%	6.97%	74,290
		Carbon intensity (Group or Division depending on position)	10.00%	6.11%	65,124
	Personal Objectives		50.00%	17.62%	187,700
	Total		100.00%	33.04%	352,080

6.4.3.2 Long-term incentive (multi-year variable)

Grant made in 2024

The theoretical value of the options at grant is calculated by applying the Black-Scholes formula, taking into account certain assumptions regarding dividend payment (dividend yield: 2.40%, interest rate: 2.935% and volatility: 38.3%). For the grant in June 2024, the value amounted to EUR 3.9760/warrant.

Incumbent name	NUMBER OF OPTIONS GRANTED	STRIKE PRICE OF THE OPTION (IN EUR)	TOTAL THEORETICAL VALUE AT GRANT (IN EUR)
Jan Vergote (Chief Executive Officer)	125,000	12.92	497,000
Betty Bogaert (Chief Information & Digitalisation Officer)	30,000	12.92	119,280
Božo Černila (CEO Insulated Panels)	30,000	12.92	119,280
Rob Nijskens (Chief Human Resources Officer)	30,000	12.92	119,280
Dirk Verbruggen (Chief Finance & Legal Officer)	30,000	12.92	119,280
Stijn Vermeulen (Chief Operations Officer)	15,000	12.92	59,640

2024 Vesting

The following stock options, relating to the April 2020 grant, vested on 1 January 2024.

Incumbent name	NUMBER OF OPTIONS VESTED	STRIKE PRICE OF THE OPTION (IN EUR)	SHARE PRICE AT VESTING (IN EUR)	VALUE AT VESTING (IN EUR)
Betty Bogaert (Chief Information & Digitalisation Officer)	30,000	6.70	10.60	117,000
Rob Nijskens (Chief Human Resources Officer)	5,000	6.70	10.60	19,500
Dirk Verbruggen (Chief Finance & Legal Officer)	30,000	6.70	10.60	117,000

6.4.4 Extraordinary items

There are no extraordinary items to report.

6.4.5 Pension expenses

in EUR

Incumbent name	PENSION EXPENSES
CORAL & WALLACE BV, represented by Jan Vergote (CEO)	Included in fee
Other members of the Management Committee	69,402

For salaried members of the Management Committee, Recticel reports

- the actual contributions paid into the plan for beneficiaries of the Defined Contribution plan,
- the service cost for beneficiaries of the Defined Benefit plan, as the plan is a collective plan.

6.4.6 Additional disclosure

Recticel did not apply any clawback provisions during the year under review.

The level of shareholdership of the Non-executive Directors on 31 December 2024 is displayed in the table below.

Level of shareholdership of the Non-executive Directors other than CEO

Director	NUMBER OF SHARES
Wim Dejonghe	20,000
Filip Balcaen	0
Spring Holdco BV (Group Baltisse)	16,403,132
Frank Coenen	0
Elisa Vlerick	0
Luc Missorten	0
Elisa Vlerick	6,000

The following table shows the level of shareholdership of the CEO and the other members of the Management Committee on 31 December 2024. It shows that the actual level of shareholdership was above the policy requirement for the CEO on that date. Three out of the other four members of the Management Committee were not yet meeting the policy requirement.

Level of shareholdership of the Management Committee members

Shareholdership	NUMBER OF SHARES HELD ON 31 DECEMBER 2024	VALUE OF THE STOCK ON 31 DECEMBER 2024 (IN EUR)	TOTAL VALUE OF SHARES HELD (IN EUR)	ACTUAL LEVEL OF SHAREHOLDERSHIP (% BASE PAY)	TARGET LEVEL OF SHAREHOLDERSHIP (% BASE PAY)
CEO	120,000	10.48	1,257,600	187%	50%
Other members of the Management Committee	77,165	10.48	808,689	75% on average	50%

The fulfilment of the shareholding guideline by the CEO and each other member of the Management Committee is determined by comparing the value of the number of shares held on 31 December 2024 to 50% of their annual base pay on 31 December 2024. The value of the shares held is obtained by multiplying the number of shares held on 31 December 2024 by the closing price of the stock on that date (EUR 10.48).

6.5 Share-based remuneration

The table below details the opening and closing balance, as well as movements during the year in terms of share-based remuneration for each of the Management Committee members. In line with the information presented in previous tables, shares have been valued at fair value at grant and at market value at vesting.

Incumbent name	MAIN CONDITIONS OF THE SHARE OPTION PLANS					INFORMATION REGARDING THE REPORTED FINANCIAL YEAR							
						OPENING BALANCE	DURING THE YEAR					CLOSING BALANCE	
	SPECIFICATION OF THE PLAN	AWARD DATE	VESTING DATE	EXERCISE PERIOD	STRIKE PRICE OF THE OPTION (IN EUR)	SHARE OPTIONS OUTSTANDING AT THE BEGINNING OF THE YEAR	SHARE OPTIONS AWARDED		SHARE OPTIONS VESTED		SHARE OPTIONS EXERCISED	SHARE OPTIONS AWARDED AND UNVESTED	SHARE OPTIONS VESTED BUT UNEXERCISED
							NUMBER	VALUE	NUMBER	VALUE			
Jan Vergote (Chief Executive Officer)	2024 grant	6/17/2024	1/1/2028	01/01/2028 – 16/06/2031	12.92	0	125,000	497,000				125,000	0
											Total	**125,000**	**-**
Betty Bogaert (Chief Information & Digitalisation Officer)	2016 grant	4/29/2016	1/1/2020	01/01/2020 – 28/04/2025	5.73	215,000					15,000	0	0
	2017 grant	6/30/2017	1/1/2021	01/01/2021 – 29/06/2024	7.00						25,000	0	0
	2018 grant	4/25/2018	1/1/2022	01/01/2022 – 24/04/2025	10.21						25,000	0	0
	2019 grant	6/28/2019	1/1/2023	01/01/2023 – 27/06/2026	7.90							0	30,000
	2020 grant	3/3/2020	1/1/2024	01/01/2024 – 02/03/2027	6.70				30,000	117,000		0	30,000
	2021 grant	5/12/2021	1/1/2025	01/01/2025 – 11/05/2028	12.44							30,000	0
	2022 grant	5/13/2022	1/1/2026	01/01/2026 – 12/05/2029	17.74							30,000	0
	2023 grant	30/06/2023	1/1/2027	01/01/2027 – 29/06/2030	10.80							30,000	0
	2024 grant	6/17/2024	1/1/2028	01/01/2028 – 16/06/2031	12.92		30,000	119,280				30,000	0
											Total	**120,000**	**60,000**
Božo Černila (CEO Insulated Panels)	2022 grant	5/13/2022	1/1/2026	01/01/2026 – 12/05/2029	17.74	60,000						30,000	0
	2023 grant	30/06/2023	1/1/2027	01/01/2027 – 29/06/2030	10.80							30,000	0
	2024 grant	6/17/2024	1/1/2028	01/01/2028 – 16/06/2031	12.92		30,000	119,280				30,000	0
											Total	**90,000**	**0**
Rob Nijskens (Chief Human Resources Officer)	2019 grant	4/29/2016	1/1/2023	01/01/2023 – 27/06/2026	7.90	100,000						0	5,000
	2020 grant	6/30/2017	1/1/2024	01/01/2024 – 02/03/2027	6.70				5,000	19,500		0	5,000
	2021 grant	4/25/2018	1/1/2025	01/01/2025 – 11/05/2028	12.44							30,000	0
	2022 grant	6/28/2019	1/1/2026	01/01/2026 – 12/05/2029	17.74							30,000	0
	2023 grant	30/06/2023	1/1/2027	01/01/2027 – 29/06/2030	10.80							30,000	0
	2024 grant	6/17/2024	1/1/2028	01/01/2028 – 16/06/2031	12.92		30,000	119,280				30,000	0
											Total	**120,000**	**10,000**

Incumbent name	MAIN CONDITIONS OF THE SHARE OPTION PLANS					INFORMATION REGARDING THE REPORTED FINANCIAL YEAR							
						OPENING BALANCE	DURING THE YEAR					CLOSING BALANCE	
	SPECIFICATION OF THE PLAN	AWARD DATE	VESTING DATE	EXERCISE PERIOD	STRIKE PRICE OF THE OPTION (IN EUR)	SHARE OPTIONS OUTSTANDING AT THE BEGINNING OF THE YEAR	SHARE OPTIONS AWARDED		SHARE OPTIONS VESTED		SHARE OPTIONS EXERCISED	SHARE OPTIONS AWARDED AND UNVESTED	SHARE OPTIONS VESTED BUT UNEXERCISED
							NUMBER	VALUE	NUMBER	VALUE			
Stijn Vermeulen (Chief Operations Officer)	2024 grant	6/17/2024	1/1/2028	01/01/2028 – 16/06/2031	12.92	0	15,000	59,640				15,000	0
											Total	**15,000**	**0**
Dirk Verbruggen (Chief Financial & Legal Officer)	2016 grant	4/29/2016	1/1/2020	01/01/2020 – 28/04/2025	5.73	215,000					15,000	0	0
	2017 grant	6/30/2017	1/1/2021	01/01/2021 – 29/06/2024	7.00						25,000	0	0
	2018 grant	4/25/2018	1/1/2022	01/01/2022 – 24/04/2025	10.21						25,000	0	0
	2019 grant	6/28/2019	1/1/2023	01/01/2023 – 27/06/2026	7.90							0	30,000
	2020 grant	3/3/2020	1/1/2024	01/01/2024 – 02/03/2027	6.70				30,000	117,000		0	30,000
	2021 grant	5/12/2021	1/1/2025	01/01/2025 – 11/05/2028	12.44							30,000	0
	2022 grant	5/13/2022	1/1/2026	01/01/2026 – 12/05/2029	17.74							30,000	0
	2023 grant	30/06/2023	1/1/2027	01/01/2027 – 29/06/2030	10.80							30,000	0
	2024 grant	6/17/2024	1/1/2028	01/01/2028 – 16/06/2031	12.92		30,000	119,280				30,000	0
											Total	**120,000**	**60,000**

6.6 Termination indemnities

No termination indemnities were paid in the course of 2024.

6.7 Derogations

There are no derogations to report for the year 2024.

6.8 Annual change in remuneration and pay ratio

6.8.1 Annual change in remuneration of Directors versus the wider workforce & company performance

The following table displays the variation of the remuneration of the CEO and the other members of the Management Committee between 31 December 2020 and 31 December 2024 against the evolution of key financial metrics.

Annual change in remuneration

	2020	2021	2022	2023	2024	2021 VS. 2020	2022 VS. 2021	2023 VS. 2022	2024 VS. 2023
Total remuneration of the CEO (in EUR) [a]	1,216,383	1,507,415	1,633,933	1,317,559		124%	108%	81%	-
Total remuneration of the CEO (in EUR) [b]	-	-	-	437,445	1,168,787	-	-	-	267%
Average total remuneration of the other members of the Management Committee (in EUR)	473,056	589,632	642,020	592,505	513,776	125%	109%	92%	87%
Average total remuneration of the other employees (in EUR) [c]	57,653	59,876	54,667	54,407	76,181	104%	91%	100%	140%
Net Cash Flow before dividends (in million EUR)	197.1	54.9	-	-	-	28%	-	-	-
Free Cash Flow (in million EUR)	-	-	50.7	12.3	6.7	-	-	24%	55%
Adjusted EBITDA (in million EUR)	58.8	118.6	62.2	39.2	49.6	202%	52%	63%	127%
Net Profit (share of the Group) (in million EUR)	63.1	53.5	63.2	3.3	18.1	85%	118%	5%	548%
Sustainability KPIs									See Chapter 5

[a,b] For the performance year 2023, the total remuneration of the CEO consists of the remuneration earned in 2023 by Olivier Chapelle until 31 August 2023 and by the newly appointed CEO, Jan Vergote, as of 1 September 2023..
[c] The average total remuneration of the other employees corresponds to the average remuneration of employees in Belgium and is determined on the basis of the 2024 social statement ("sociale balans"/ "bilan social") of Recticel NV/SA.

6.8.2 Pay ratio

The pay ratio compares the highest remuneration of the Management Committee (that is the remuneration of the CEO, expressed on an annual basis) with the lowest remuneration at Recticel NV/SA in Belgium. On 31 December 2024, the highest remuneration was 20 times the lowest remuneration; this is a pay ratio of 20:1.

PART 4 | FINANCIAL STATEMENT

7 Financial report

7.1 Consolidated financial statements

The consolidated financial statements were authorised for issue by the Board of Directors on on 29 April 2025. They have been prepared in accordance with IFRS accounting policies, details of which are given below.

7.1.1 Consolidated income statement

in thousand EUR

	NOTES*	2023	2024 [1]
Sales	**7.2.3**	**529,426**	**610,196**
Cost of sales		(439,336)	(505,647)
Gross profit	**7.2.4.1**	**90,090**	**104,549**
General and administrative expenses	7.2.4.2	(35,634)	(43,306)
Sales and marketing expenses	7.2.4.2	(30,355)	(30,367)
Research and development expenses	7.2.4.2	(4,572)	(4,894)
Impairment of goodwill, intangible and tangible assets	7.2.1.4	(293)	(394)
Other operating revenues	7.2.4.3	4,727	6,366
Other operating expenses	7.2.4.3	(11,380)	(20,465)
Income from associates	7.2.5.7	0	(0) [3]
Operating profit (loss)	**7.2.4.4**	**12,582**	**11,489**
Interest income		3,959	3,980
Interest expenses		(7,872)	(1,580)
Other financial income		2,922	3,338
Other financial expenses		(3,074)	(2,359)
Financial result	**7.2.4.5**	**(4,065)**	**3,380**
Income from other associates		(1,772)	0 [3]
Impairment other associates		(7,748)	0
Change in fair value of option structures		0	0
Result of the period before taxes		**(1,002)**	**14,868**
Income taxes	7.2.4.7	(7,986)	1,476
Result of the period after taxes - continuing operations		**(8,989)**	**16,345**
Result of discontinued operations	7.2.4.7	12,154	1,613 [2]
Result of the period after taxes - continuing and discontinued operations		**3,165**	**17,957**
of which share of the Group		3,310	18,132
of which non-controlling interests		(145)	(174)

** The accompanying notes are an integral part of this income statement*

[1] Rex Panels & Profiles SA is fully consolidated as of 10 January 2024.
[2] As announced in the press release of 14 June 2023, the Recticel Engineered Foams activities have been fully divested and accounted for as Discontinued Operations (IFRS 5).
[3] Income from other associates: income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss); i.e. TEMDA2 (Ascorium, formerly Automotive Interiors).

7.1.2 Earnings per share

	NOTES*	2023	2024
Number of shares outstanding (including treasury shares)		56,230,920	56,605,920
Weighted average number of shares outstanding (before dilution effect)		55,897,911	56,067,538
Weighted average number of shares outstanding (after dilution effect)		56,511,223	56,475,310

in EUR

	NOTES*	2023	2024
Earnings per share			
Earnings per share - continuing operations		(0.16)	0.29
Earnings per shares - discontinued operations		0.22	0.03
Earnings per share of continuing and discontinued operations		**0.06**	**0.32**
Earnings per share from continuing operations			
Earnings per share from continuing operations - Basic	7.2.4.9	(0.16)	0.29
Earnings per share from continuing operations - Diluted	7.2.4.10	(0.16)	0.29
Earnings per share from discontinued operations			
Earnings per share from discontinued operations - Basic	7.2.4.9	0.22	0.03
Earnings per share from discontinued operations - Diluted	7.2.4.10	0.22	0.03
Net book value		**7.79**	**7.86**

The basic earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period.

The diluted earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period, adjusted for dilutive subscription rights.

7.1.3 Consolidated statement of comprehensive income

in thousand EUR

	NOTES*	2023	2024
Result for the period after taxes		**3,165**	**17,957**
Other comprehensive income			
Actuarial gains (losses) on employee benefits recognised in equity		(1,030)	839
Deferred taxes on actuarial gains (losses) on employee benefits		174	(492)
Currency translation differences that will not subsequently be recycled to profit and loss		(97)	(7)
Share in other comprehensive income in joint ventures & associates that will not subsequently be recycled to profit and loss	7.2.5.6	0	0
Items that will not subsequently be recycled to profit and loss		**(954)**	**339**
Hedging reserves		0	0
Currency translation differences that subsequently may be recycled to profit and loss		(1,793)	2,034
Foreign currency translation reserve difference recycled in the income statement		7,423	0
Deferred taxes on retained earnings		86	0
Share in other comprehensive income in joint ventures & associates that subsequently may be recycled to profit and loss	7.2.5.6	0	0
Items that subsequently may be recycled to profit and loss		**5,716**	**2,034**
Other comprehensive income net of tax		**4,762**	**2,374**
Total comprehensive income for the period		**7,927**	**20,331**
Total comprehensive income for the period		**7,927**	**20,331**
Total comprehensive income for the period attributable to the owners of the parent		8,072	20,505
Total comprehensive income for the period attributable to non-controlling interests		(145)	(174)
Total comprehensive income for the period attributable to the owners of the parent		**8,072**	**20,505**
Total comprehensive income for the period attributable to the owners of the parent - Continuing operations		(9,930)	18,892
Total comprehensive income for the period attributable to the owners of the parent - Discontinued operations		18,002	1,613

** The accompanying notes are an integral part of this statement of comprehensive income.*

7.1.4 Consolidated statement of financial position

in thousand EUR

	NOTES*	31 DEC 2023	31 DEC 2024
Intangible assets	7.2.5.1	70,094	76,549
Goodwill	7.2.5.2	62,409	76,467
Property, plant & equipment	7.2.5.3	120,687	160,763
Right-of-use assets	7.2.5.4	27,771	39,903
Non-current receivables	7.2.5.7	17,534	13,795
Deferred tax assets	7.2.4.6	21,551	27,396
Non-current assets		**320,046**	**394,872**
Inventories	7.2.5.8	43,692	55,075
Trade receivables	7.2.5.10	78,135	101,925
Deferred receivable for share investments/divestment		12,922	864
Other receivables and other financial assets	7.2.5.10	10,027	12,119
Income tax receivables		3,739	4,098
Cash and cash equivalents	7.2.5.11	191,393	132,717
Assets classified as held for sale	7.2.4.7	0	0
Current assets		**339,907**	**306,799**
TOTAL ASSETS		**659,954**	**701,670**
Capital	7.2.5.13	140,577	141,515
Share premium		133,729	135,696
Share capital		**274,307**	**277,211**
Treasury shares		(1,450)	(1,450)
Other reserves		(2,106)	(1,338)
Retained earnings		160,974	162,491
Hedging and translation reserves		4,556	6,689
Elements of comprehensive income of discontinued operations			
Equity (share of the Group)		**436,281**	**443,602**
Equity attributable to non-controlling interests		1,706	1,531
Total equity		**437,987**	**445,133**

in thousand EUR

	NOTES*	31 DEC 2023	31 DEC 2024
Employee benefit liabilities	7.2.5.14	12,412	10,996
Provisions	7.2.5.15	31,148	28,479
Deferred tax liabilities	7.2.4.6	23,088	25,377
Financial liabilities	7.2.5.16	23,082	46,218
Other amounts payable		982	972
Non-current liabilities		**90,711**	**112,044**
Provisions	7.2.5.15	0	1,252
Financial liabilities	7.2.5.16	6,415	12,116
Trade payables	7.2.5.17	70,068	87,844
Current contract liabilities	7.2.5.9	8,037	9,577
Income tax payables		1,781	1,522
Deferred payables for share investments		0	0
Other amounts payable	7.2.5.17	44,955	32,181
Liabilities directly associated with assets classified as held for sale	7.2.4.7	0	0
Current liabilities		**131,256**	**144,493**
TOTAL EQUITY AND LIABILITIES		**659,954**	**701,670**

** The accompanying notes are an integral part of this statement of financial position.*
See also note 7.2.4.7, Discontinued operations.

7.1.5 Consolidated cash flow statement

in thousand EUR

		NOTES*	2023	2024
Operating profit (loss)		**7.2.4.4**	**12,582**	**11,489**
Amortisation of intangible assets		7.2.5.1	7,596	9,727
Depreciation of tangible assets		7.2.5.3	15,652	20,952
(Reversal) Impairment losses on tangible assets		7.2.5.3	293	394
(Write-backs)/Write-offs on assets			1,451	(34)
Changes in provisions			(3,121)	(3,632)
Gain/(Loss) on disposal intangible and tangible assets			(18)	(260)
Other non-cash elements			1,146	1,343
GROSS OPERATING CASH FLOW BEFORE WORKING CAPITAL MOVEMENTS			**35,581**	**39,980**
Changes in inventories			12,060	(311)
Changes in trade and other receivables			(7,194)	(14,813)
Changes in trade and other payables			3,884	1,599
Changes in working capital			**8,750**	**(13,525)**
Income taxes paid			(8,326)	(4,354)
Cash flow from operating activities (discontinued operations)			10,887	0
NET CASH FLOW FROM OPERATING ACTIVITIES	**(a)**		**46,892**	**22,102**
Interests received			413	285
Dividends received				20
Disposal of Bedding			12,000	13,292
Disposal of Engineered Foams			428,202	(9,399)
Disposal of Orsafoam			2,383	2,383
Acquisition Trimo, net of cash acquired			312	0
Acquisition Rex, net of cash acquired			0	(33,777)
Increase of loans and receivables			(1,244)	(94)
Decrease of loans and receivables			257	154
Investments in intangible assets		7.2.5.1	(2,742)	(3,362)
Investments in property, plant and equipment**		7.2.5.3	(18,511)	(25,143)
Disposals of intangible assets		7.2.5.1	568	0
Disposals of property, plant and equipment		7.2.5.3	1,184	559
Cash flow from divestment (investment) activities (discontinued operations)			(4,141)	0
NET CASH FLOW FROM DIVESTMENT (INVESTMENT) ACTIVITIES	**(b)**		**418,680**	**(55,082)**

in thousand EUR

		NOTES*	2023	2024
Interests paid on financial debt	(c)		(6,402)	(1,304)
Interests paid on lease debt	(c)		(107)	(300)
Interests received			3,987	3,556
Dividends paid			(17,425)	(17,344)
Increase/(Decrease) of capital			189	2,904
Increase of financial debt			7,996	8,681
Decrease of financial debt			(315,042)	(17,658)
Decrease of lease debt**	(d)		(5,822)	(5,009)
Cash flow from financing activities (discontinued operations)			(6,645)	0
NET CASH FLOW FROM FINANCING ACTIVITIES	**(e)**		**(339,272)**	**(26,475)**
Effect of exchange rate changes	(f)		51	780
Effect of exchange rate changes (discontinued operations)	(f)		(172)	0
CHANGES IN CASH AND CASH EQUIVALENTS	**(a)+(b)+(e)+(f)**		**126,179**	**(58,675)**
NET FREE CASH FLOW	**(a)+(b)+(c)+(d)**		**453,241**	**(39,594)**
Net cash position opening balance (continuing operations)			39,782	191,393
Net cash position opening balance (discontinued operations)			25,431	0
Net cash position opening balance	**(g)**		**65,213**	**191,393**
Net cash position closing balance (continuing operations)			191,393	132,717
Net cash position closing balance (discontinued operations)				
Net cash position closing balance	**(h)**		191,393	**132,717**
CHANGES IN CASH AND CASH EQUIVALENTS	**(h) - (g)**		**126,179**	**(58,675)**

** The accompanying notes are an integral part of this cash flow statement.*
*** Compared to the press release of 4 March 2025, the lease payments have been reclassified from Investments in property, plant and equipment to the Decrease of lease debt.*

Changes in financial liabilities

For the year ending 31 December 2024

in thousand EUR

	31 DEC 2023	CASH FLOWS IN 2024	NON-CASH CHANGES										
			NEW LEASES	REASSESSMENT IFRS 16	INTERESTS ACCRUED	FAIR VALUE OF HEDGING INSTRUMENTS	ACTUALIS-ATION	AMORTISATION	TRANSFER	EXCHANGE RATE DIFFERENCES	TRANSFER TO HELD FOR SALE	CHANGE IN SCOPE	31 DEC 2024
Long term borrowings	**10,001**	2,733	0	0	0	0	0	77	(6,942)	0	0	18,473	**24,342**
Short term borrowings	**811**	(11,650)	0	0	(0)	0	0	0	7,137	(0)	0	7,363	**3,661**
Lease liabilities	**18,326**	(9,347)	9,711	2,692	467	0	40	0	(54)	416	0	7,777	**30,029**
Accrued interest liabilities	**358**	(1,413)	0	0	1,589	0	0	0	(68)	(162)	0	0	**303**
Total liabilities from financing activities	**29,497**	**(19,676)**	**9,711**	**2,692**	**2,055**	**0**	**40**	**77**	**73**	**254**	**0**	**33,613**	**58,335**

See also note 7.2.4.8, Business combinations, note 7.2.5.16, Financial liabilities and note 7.2.5.4, Right-of-use assets.

For the year ending 31 December 2023

in thousand EUR

	31 DEC 2022	CASH FLOWS IN 2023	NON-CASH CHANGES										
			NEW LEASES	REASSESSMENT IFRS 16	INTERESTS ACCRUED	FAIR VALUE OF HEDGING INSTRUMENTS	ACTUALISATION	AMORTISATION	TRANSFER	EXCHANGE RATE DIFFERENCES	TRANSFER TO HELD FOR SALE	CHANGE IN SCOPE	31 DEC 2023
Long term borrowings	**181,631**	(172,792)	0	0	0	0	0	1,108	54	0	(0)	0	**10,001**
Short term borrowings	**88,945**	(89,896)	0	0	1,575	0	0	0	(0)	187	0	0	**811**
Lease liabilities	**18,976**	(6,789)	1,047	4,823	385	0	4	0	21	(140)	(0)	0	**18,326**
Accrued interest liabilities	**1,035**	(6,736)	0	0	6,359	7	0	0	(69)	(238)	0	0	**358**
Total liabilities from financing activities	**290,587**	**(276,213)**	**1,047**	**4,823**	**8,319**	**7**	**4**	**1,108**	**6**	**(191)**	**0**	**0**	**29,497**

See also note 7.2.5.16 – Financial liabilities and note 7.2.5.4 – Right-of-use assets.

7.1.6 Statement of changes in shareholders' equity

For the year ending 31 December 2024

in thousand EUR

2024	CAPITAL	SHARE PREMIUM	TREASURY SHARES	OTHER RESERVES	RETAINED EARNINGS	TRANSLATION DIFFERENCES AND HEDGING RESERVES	CONTINUING OPERATIONS	DISCONTINUED OPERATIONS	TOTAL SHAREHOLDERS' EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Equity at the beginning of the period	**140,577**	**133,729**	**(1,450)**	**(2,106)**	**160,974**	**4,556**	**436,281**	**0**	**436,281**	**1,706**	**437,987**
Dividends	0	0	0	0	(17,411)	0	(17,411)	0	(17,411)	0	(17,411)
Capital movements [1]	938	1,967	0	428	895	0	4,227	0	4,227	0	4,227
Shareholders' movements	**938**	**1,967**	**0**	**428**	**(16,516)**	**0**	**(13,184)**	**0**	**(13,184)**	**0**	**(13,184)**
Profit (loss) of the period				**0**	**16,519**	**0**	**16,519**	**1,613**	**18,132**	**(174)**	**17,957**
Other comprehensive income	0	0	0	339	0	2,034	2,374	0	2,374	0	2,374
Total comprehensive income	**0**	**0**	**0**	**339**	**16,519**	**2,034**	**18,892**	**1,613**	**20,505**	**(174)**	**20,331**
Changes in scope	0	0	0	0	1,514	99	1,613	**(1,613)**	(0)	0	(0)
Equity at the end of the period	**141,515**	**135,696**	**(1,450)**	**(1,338)**	**162,491**	**6,689**	**443,602**	**0**	**443,602**	**1,531**	**445,133**

[1] Note 7.2.5.13, Share capital
The item "Changes in scope" of discontinued operations relates to the divestment of the Recticel Engineered Foams activities.

For the year ending 31 December 2023

in thousand EUR

2023	CAPITAL	SHARE PREMIUM	TREASURY SHARES	OTHER RESERVES	RETAINED EARNINGS	TRANSLATION DIFFERENCES AND HEDGING RESERVES	CONTINUING OPERATIONS	DISCONTINUED OPERATIONS	TOTAL SHAREHOLDERS' EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Equity at the beginning of the period	**140,521**	**133,596**	**(1,450)**	**1,563**	**124,233**	**4,559**	**403,022**	**41,283**	**444,305**	**1,850**	**446,155**
Restatement IFRS 16	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Dividends	0	0	0	0	(17,431)	0	(17,431)	0	(17,431)	0	(17,431)
Stock options (IFRS 2)	0	0	0	1,146	0	0	1,146	0	1,146	0	1,146
Capital movements [1]	56	133	0	0	0	0	189	0	189	0	189
Shareholders' movements	**56**	**133**	**0**	**1,146**	**(17,431)**	**0**	**(16,096)**	**0**	**(16,096)**	**0**	**(16,096)**
Profit (loss) of the period	**0**	**0**	**0**	**0**	**(8,844)**	**0**	**(8,844)**	**12,154**	**3,310**	**(145)**	**3,165**
Other comprehensive income	0	0	0	(1,507)	425	(3)	(1,085)	5,847	4,762	0	4,762
Total comprehensive income	**0**	**0**	**0**	**(1,507)**	**(8,419)**	**(3)**	**(9,929)**	**18,002**	**8,072**	**(145)**	**7,927**
Changes in scope	0	0	0	(3,307)	62,592	0	59,285	(59,285)	(0)	0	(0)
Equity at the end of the period	**140,577**	**133,729**	**(1,450)**	**(2,106)**	**160,974**	**4,556**	**436,281**	**(0)**	**436,281**	**1,706**	**437,987**

[1] *Note 7.2.5.13, Share capital.*

Other reserves, retained earnings, translation differences and hedging reserves have been restated due to the transfer of Soundcoat from discontinued to continuing operations.
The item "Changes in scope" of discontinued operations relates to the divestment of the Recticel Engineered Foams activities.

7.2 Notes to the consolidated financial statements for the year ending 31 December 2024

7.2.1 Summary of significant accounting policies

7.2.1.1 Statement of compliance - basis of preparation

Recticel NV/SA (the "Company") is a public limited liability company incorporated in Belgium and listed on Euronext Brussels. The Company's consolidated financial statements include the financial statements of the Company, its subsidiaries, interests in jointly controlled entities (joint ventures) and in associates, both accounted for under the equity method (together referred to as "the Group").

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union.

The accounting standards applied in the consolidated financial statements for the year ended 31 December 2024 are consistent with those used to prepare the consolidated financial statements for the year ended 31 December 2023.

7.2.1.2 Changes in accounting policies and disclosures

The following **new standards and amendments** to standards **are mandatory** for the first time for the financial year beginning 1 January 2024 and have **been endorsed by the European Union:**

- **Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as current or non-current' (effective 01/01/2024)**, affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:
  - Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability.
  - Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
  - Clarify how conditions with which an entity must comply within 12 months after the reporting period, such as covenants, affect the corresponding liability's classification.

- **Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures': Supplier Finance Arrangements.** The amendments describe the characteristics for which reporters will have to provide additional disclosures regarding the impact of supplier finance arrangements on liabilities, cash flows and exposure to liquidity risk.

- **Amendments to IFRS 16 'Leases': Lease Liability in a Sale and Leaseback (effective 1 January 2024).** The amendments explain how an entity accounts for a sale and leaseback after the date of the transaction, specifically where some or all the lease payments are variable lease payments that do not depend on an index or rate. They state that, in subsequently measuring the lease liability, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains. Any gains and losses relating to the full or partial termination of a lease continue to be recognised when they occur as these relate to the right of use terminated and not the right of use retained.

There are no new standards and amendments that have been issued that are mandatory for the first time for the financial year beginning 1 January 2024 but have not been endorsed by the European Union.

The following **amendments** have been issued but are **not mandatory** for the first time for the financial year beginning 1 January 2024 and have **been endorsed by the European Union:**

- **Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability' (effective 1 January 2025).** IAS 21 previously did not cover how to determine exchange rates if there is long-term lack of exchangeability and the spot rate to be applied by the company is not observable. The narrow scope amendments add specific requirements on:
  - Determining when a currency is exchangeable into another and when it is not;
  - Determining the exchange rate to apply if a currency is not exchangeable;
  - Additional disclosures to provide when a currency is not exchangeable.

7.2.1.3 General principles

Currency of accounts

The financial statements are presented in thousand euro (EUR) (unless specified otherwise), which is the currency of the primary economic environment in which the Group operates. The financial statements of foreign operations are translated in accordance with the policies set out below under 'Foreign currencies'.

Foreign currencies

Foreign currency transactions - Transactions in currencies other than EUR are accounted for at the exchange rates prevailing at the date of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at closing rate. Non-monetary assets and liabilities carried at fair value and denominated in foreign currencies are translated at the exchange rates prevailing at the date the fair value was determined. Gains and losses resulting from such translations are recognised in the financial result of the income statement.

Translation from functional currency to the presentation currency - For purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at closing rate. Income and expenses are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Resulting exchange differences are recognised in other comprehensive income and accumulated in equity (attributable to non-controlling interests as appropriate). On disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), exchange differences accumulated in equity are recognised in the income statement.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributable to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities (joint ventures) that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Consolidation principles

Consolidated financial statements include subsidiaries and interests in jointly controlled entities (joint ventures) and associates accounted for under the equity method.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group transactions, balances, income and expenses are eliminated in consolidation.

- *Subsidiaries*
  Subsidiaries are entities that are controlled directly or indirectly. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Consolidation of subsidiaries starts from the date Recticel controls the entity until the date such control ceases.

  Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

However, when the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

- *Joint Ventures and Associates*
The results and assets and liabilities of joint ventures and associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in a joint venture and an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the venture and the associate. When the Group's share of losses of a venture and an associate exceeds the Group's interest in that joint venture and associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture and associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture and associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of a joint venture and an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture and an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of fair value and fair value less costs to sell) with its carrying amount.
Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of a joint venture and an associate that results in the Group losing significant influence over that joint venture and associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IFRS 9. The difference between the previous carrying amount of the joint venture and associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the joint venture and associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture and associate on the same basis as would be required if that joint venture and associate had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture and associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that joint venture and associate.

Investments accounted for using the equity method are currently only consisting of associates. In the income statement, the results from associates are split between 'Associates' and 'Other associates'. As such, 'Associates' are considered as being part of the Group's core business and are integrated in Operating profit (loss) whereas 'Other associates' are not considered as being part of the Group's core business and are not integrated in Operating profit (loss); i.e. TEMDA2 (Automotive Interiors).

- *Discontinued operations*
A discontinued operation is a component of the group that either has been disposed of or is classified as held for sale and represents a business line for which there is a plan to dispose of. Recticel classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use if all of the conditions of IFRS 5 are met. A disposal group is defined as a group of assets to be disposed of and liabilities directly associated with those assets that will be transferred. Immediately before classification as held for sale, the Company measures the carrying amount of the asset (or all the assets and liabilities in the disposal group) in accordance with applicable IFRS. On initial classification as held for sale, non-current assets and disposal groups are recongnised at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are included in profit or loss. The same applies to gains and losses on subsequent re-measurement. Non-current assets classified as held for sale are no longer depreciated or amortised.

- *Business combinations*
  Acquisitions of businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

  When Recticel acquires an entity or business, the identifiable assets and liabilities of the acquiree are recognised at their fair value at acquisition date, with the following exceptions:

  - Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.
  - Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with IFRS 2 Share-based Payment at the acquisition date.
  - Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

  Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Where such a difference is negative, the excess is, after a reassessment of the values, recognised as income immediately as a bargain purchase gain.

  Non-controlling interests (minority shareholders) that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

  If Recticel increases its interest in an entity or business over which it did not yet exercise control (in principle increasing its interest up to and including 50% to 51% or more) (a business combination achieved in stages), the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss.

  If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (maximum one year after acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

After initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

Goodwill is reviewed for impairment at least annually. Any impairment loss is recognised immediately in the income statement and is not subsequently reversed.

On disposal of a subsidiary, associate or jointly controlled entity, the related goodwill is included in the determination of the profit or loss on disposal.

Property, plant and equipment

An item of property, plant and equipment is recognised if it is probable that associated future economic benefits will flow to the Group and if its cost can be measured reliably. After initial recognition, all items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, except for land which is not depreciated. Cost includes all direct costs and all expenditure incurred to bring the asset to its working condition and location for its intended use.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent expenditure related to an item of property, plant and equipment is expensed as incurred.

Depreciation is provided over the estimated useful lives of the various classes of property, plant and equipment using the straight-line method. Depreciation starts when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Project-related assets are depreciated over the production period of the project. In case of reallocation of fully depreciated assets, the latter might require a reconditioning. These reconditioning costs are amortised over the term of the new project, without additional revaluation or reversal of any impairments.

The estimated useful lives of the most significant items of property, plant and equipment are within the following ranges:

Land improvements		25 years
Offices		25 to 40 years
Industrial buildings		25 years
Plants		10 to 15 years
Machinery		
	Heavy	11 to 15 years
	Medium	8 to 10 years
	Light	5 to 7 years
Pre-operating costs		4 years
Equipment		5 to 10 years
Furniture		5 to 10 years
Hardware		3 to 10 years
Vehicle fleet		
	Cars	4 years
	Trucks	7 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Leases

The Group has several leases for properties, machinery and equipment and cars and the rental contracts are typically closed for a fixed period. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and corresponding liability at the date of commencement of the lease, i.e. when the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis if the lease does not include a purchase option.

If a purchase option is available and the Group judges that it is reasonably certain to be exercised, the right-of-use asset is depreciated over its useful life.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate; and
- purchase option, if any - if the lessee is reasonably certain to exercise that option.

The lease payments are discounted using the Group's incremental borrowing rate (note 7.2.5.4, Right-of-use assets).

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs (except for the leases already existing at transition date); and
- dismantling costs.

Right-of-use assets are presented separately and lease liabilities as part of financial liabilities in the statement of financial position. All lease payments that are due within 12 months are classified as current liabilities. All lease payments that are due at least 12 months after the reporting date are classified as non-current liabilities.

Lease payments related to short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise mainly IT-equipment (laptops, tablets, mobile phones, PCs) and small items of office equipment and furniture.

Some leases contain variable lease payments. Payments that vary due to the use of the underlying asset are variable lease payments (e.g. lease of property based on the number of square metres used). These variable lease payments are recognised as expense as incurred.

There are no material lease agreements whereby the Group is lessor; except for one building rented to the Eurofoam group.

Impairment of tangible and intangible assets

Except for goodwill and intangible assets with an indefinite useful life which are tested for impairment at least annually, other tangible and intangible fixed assets are reviewed for impairment when there is an indication that their carrying amount will not be recoverable through use or sale. If an asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell or value-in-use and the carrying amount. In assessing the fair value or value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in previous years. However, impairment losses on goodwill are never reversed.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Financial assets

Financial assets are recognised or derecognised on the trade date which is the date the Group undertakes to purchase or sell the asset. Financial assets are initially measured at fair value, except for trade receivables. Trade receivables are measures at their transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets are added to the fair value of the financial assets on initial recognition, except for financial assets at fair value through profit or loss, where the transaction costs are recognised immediately in profit or loss.

After initial recognition, financial assets are measured at either amortised cost or fair value, based on the classification of the financial assets.

- *Classification of financial assets*
  The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

  Debt instruments (such as loans, trade and other receivables, cash and cash equivalents) are subsequently measured at amortised cost using the effective interest method, less any impairment if they are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and margin points paid or received) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

  Financial investments (equity investments) are normally measured in the consolidated statement of financial position at fair value through profit or loss. However, the Company can make an irrevocable election at initial recognition to measure the investment at fair value through other comprehensive income ("FVTOCI"), with dividend income recognised in profit or loss. Equity investments in non-listed companies are designated as financial assets at FVTOCI.

- *Impairment of financial assets*
  IFRS 9 requires a forward-looking expected credit loss ("ECL") approach to assess impairments of financial assets. As such, the Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

  IFRS 9 provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables without a significant financing component (short-term trade receivables). These credit losses are the expected credit losses that result from all possible default events over the expected life of those trade receivables, using a provision matrix that considers historical information on defaults adjusted for forward-looking information.

  For long-term loans to related parties the general impairment assessment model is applied. IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12 months expected credit loss.

  Management has concluded that it would require undue cost and effort to determine the credit risk of each loan on their respective dates of initial recognition. Accordingly, the Group recognises lifetime expected credit losses for these loans until they are derecognised.

  IFRS 9 applies the same measurement approach to loan commitments and financial guarantee contracts (other than measured at fair value through profit or loss).

- *Derecognition of financial assets*
  The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

  On the entire derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, is recognised in profit or loss.

  On the partial derecognition of a financial asset other than its entirety (i.e. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

  The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

Financial liabilities and equity instruments

An instrument is classified as a financial liability or as an equity instrument according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.

Financial liabilities

Financial liabilities (including interest-bearing borrowings and trade payables) are initially measured at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. Subsequently, they are measured at amortised cost, except for derivative instruments.

- *Interest-bearing borrowings and payables*
  Interest-bearing borrowings are recorded at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value (including premiums payable on settlement or redemption) is recognised in the income statement over the period of the borrowing.

  Trade payables which are not interest-bearing are stated at cost, being the fair value of the consideration to be paid.

- *Derivative financial instruments*
  Derivative instruments with a negative fair value are classified at fair value through profit and loss ("FVTPL"), unless they are designated and effective as hedges.

Employee benefit liabilities

- *Post-employment benefits*
  In accordance with the laws and practices of each country, the affiliated companies of the Group operate defined benefit and defined contribution retirement benefit plans. It is Group policy to operate defined contribution plans for newly hired employees where this is possible and appropriate.

  Contributions payable to defined contribution plans are recognised as an expense in the period in which the related employees' service is rendered.

  For defined benefit plans, the amount recognised in the statement of financial position is the present value of the defined benefit obligation less the fair value of any plan assets.

  If the amount to be recognised in the statement of financial position is an asset, the asset recognised is restricted to the asset ceiling, which is defined as the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

  For funded plans subject to a minimum funding requirement, where contributions payable to cover an existing shortfall on the minimum funding basis in respect of service already received are not available as a refund or reduction in future contributions after they are paid into the plan, an additional liability is recognised, where necessary, in accordance with IFRIC 14.

  In the income statement, current and past service costs (including curtailments), settlement costs and administration expenses are charged in "other operating revenues & expenses", while the net interest cost is booked in "other financial income & expenses".

  The present value of the defined benefit obligation and the related current and past service costs are calculated by qualified actuaries using the projected unit credit method. The discount rate is based on the prevailing yields of high-quality corporate bonds with a currency and term consistent with the currency and term of the benefit obligations. For currencies for which there is no deep market in such bonds, government bonds are taken into account. No provision for death in service is included in the defined-benefit obligations as it is fully insured, and the Group has no intention not to continue this insurance policy.

  As there is no market price available for group insurance contracts, the fair value of such contracts is estimated by discounting the expected future cash flows (i.e. the amounts guaranteed by the insurer) using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets. The risk associated with these assets is based on the market situation at the reporting date.

  Remeasurements include:
  - actuarial gains and losses resulting from differences between previous actuarial assumptions and actual experience, and from changes in actuarial assumptions;
  - the return on plan assets; and
  - any changes in the effect of the asset ceiling or additional liability recognised under IFRIC 14, excluding amounts included in net interest.

  Such remeasurements are recognised in other comprehensive income. Past service costs, arising from plan amendments, are recognised immediately as an expense.

  Defined contribution pension plans in Belgium are 'hybrid' pension plans that qualify as defined benefit plans for IFRS purposes, because they are by law subject to minimum guaranteed rates of return and have to guarantee minimum annuity conversion rates. There is therefore a risk that the Company may have to pay additional contributions related to past service. Any such additional contributions will depend on the actual investment returns and the future evolution of the minimum guarantees.

- *Termination benefits*
  A liability and expense for termination benefits is recognised at the earlier of (a) the date when the offer of those benefits can no longer be withdrawn, and (b) the date when costs are recognised for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of the Black-Scholes model. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in note 7.2.6.2, Share-based payments.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that eventually will be vested.

The above policy is applied to all equity-settled share-based payments that were granted after 7 November 2002 and that vested after 01 January 2005. No amount has been recognised in the financial statements in respect of the other equity-settled shared-based payments.

Provisions

- *General*
  Provisions are recognised when (i) the Group has a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that the Group will be required to settle the obligation, and (iii) a reliable estimate can be made of the amount of the obligation.

  The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount is the present value of expenditures required to settle the obligation. Impacts of changes in discount rates are generally recognised in the financial result.

  When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received if the Group settles the obligation.

- *Onerous contracts*
  An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. Present obligations arising from onerous contracts are recognised and measured as provisions.

- *Restructurings*
  A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has, by starting to implement the plan or announcing its main features to those affected by it, raised a valid expectation with those affected that it will carry out the restructuring. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

- *Environmental liabilities*
  Recticel analyses all its environmental risks and the corresponding provisions twice a year. The Group measures these provisions to the best of its knowledge of applicable regulations, the nature and extent of pollution, clean-up techniques and other available information.

Revenue recognition

IFRS 15 establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer. Applying IFRS 15, an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Customers obtain control of products when the goods are delivered to and have been accepted at their premises. Invoices are generated and revenue is recognised at that point in time.

To recognise revenue, IFRS 15 applies a "five steps" model:

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to each performance obligation.
- Recognise revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service).

- *Transaction price*
  The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer.

  The most common types of variable consideration that can be identified are:
  - Volume discounts
  - Year-end rebates
  - Adjustments to cope with changes in raw material prices on a prospective basis.

  It is not unusual to agree on yearly supply agreements with the customer which fix the selling prices of the goods for the relevant year. These agreements do not include any commitments to volumes made by the customer. The amount of revenue recognised is adjusted for expected rebates and discounts. A contract liability is being recognised upon selling the goods to the customer and released when the credit note is issued.

  If a credit note is issued to the customer to compensate for quality claims, this shall be recognised as a reduction of the revenues.

The most common types of considerations paid to the customer relate to:

- Participation in flyers
- Participation in advertising campaigns
- Promotional in-store activities

The considerations paid to participate in the customer's flyers shall be deducted from revenue as the services provided by the customer to the Group can generally not be considered as being distinct.

Interest income & expenses

Interest income/expenses are accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts/outflows throughout the expected life of the financial asset/liability to that asset/liability's net carrying amount.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants relating to staff training costs are recognised as income over the periods required to match them with the related costs and are deducted from the related expense.

Government grants relating to property, plant & equipment are treated by deducting the received grants from the carrying amount of the related assets. These grants are recognised as income over the useful life of the depreciable assets.

Income taxes

The tax expense represents the sum of the current tax expense and deferred tax expense.

The current tax expense is based on the taxable profit for the year. The taxable profit differs from the result of the period before taxes as reported in the income statement because it excludes items of income or expenditure that are taxable or deductible in other years and items that will never become taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and when it is probable that the temporary difference will not reverse in the foreseeable future. No deferred tax liabilities have been recognised on undistributed retained earnings of subsidiaries, associates and joint ventures, as the impact is not material.

The carrying amount of deferred tax assets is reviewed at least at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, or indirectly via other comprehensive income, in which case the deferred tax is also dealt with in equity.

7.2.1.4 Major sources of estimation uncertainty and key judgments

No key judgements were made in the preparation of the financials and there were no major sources of estimation uncertainty. All other items noted below are related to normal judgements and estimates.

Drawing up the annual accounts in accordance with IFRS requires management to make the necessary judgments, estimates and assumptions. The management bases its estimates and assumptions on past experience and other reasonable assessment criteria. These are reviewed periodically, and the effects of such reviews are taken into account in the annual accounts of the period concerned. Future events which may have a financial impact on the Group are also included in this.

The estimated results of such possible future events may consequently diverge from the actual impact on results. Judgments and estimates were made, inter alia, regarding:

- impairments of goodwill, intangible assets, property, plant and equipment and right-of-use assets;
- determination of loss allowances for expected credit losses;
- determination of write-downs on inventories;
- determination of provisions for restructurings;
- determination of provisions for onerous contracts;
- determination of provisions for contingent liabilities, litigations and other exposures;
- determination of provisions for indemnities related to divestments;
- valuation of post-employment defined benefit obligations, other long-term employee benefits and termination benefits;
- the recoverability of deferred tax assets; and
- the assessment of the lease term is used as judgement within IFRS 16.

It is not excluded that future revisions of such estimates and judgments could trigger an adjustment in the value of the assets and liabilities in future financial years.

Impairments on goodwill, intangible assets and property, plant and equipment and right-of-use assets

For amortisable term assets, an impairment assessment will in first place be made at the level of the individual asset. Only when it is not possible to estimate a recoverable value on an individual level, the evaluation will be made at the level of the cash generating unit (hereafter "CGU") to which the asset belongs. For amortisable long-term assets, an impairment analysis should be performed in case of impairment indicators. If such indicators exist, an impairment analysis shall be performed at the CGU level.

For **goodwill** (and other not depreciated long term assets) an impairment test is performed at least annually. The carrying amount can be allocated on a reasonable and consistent basis. The allocation of goodwill to a CGU or a group of CGUs also takes account of the synergies of the business combination expected by the decision maker. Goodwill can be allocated for impairment testing to a group of CGUs, if the chief operating decision maker considers this as the most appropriate allocation. There is a link between the level at which goodwill is tested for impairment and the level of internal reporting that reflects the way the entity manages its operations and with which the goodwill is associated (as such it cannot exceed the level of the reported segments as defined by IFRS 8).

The CGU level is defined following the market and production capacities. This approach leads to the determination of four CGUs in Insulation:

- CGU "United Kingdom";
- CGU "Continental Europe";
- CGU "Scandinavia";
- CGU "Insulated Panels".

An impairment analysis was performed for the following CGU:

- CGU "Insulated Panels"

considering the majority of the Recticel goodwill is allocated to the CGU "Insulated Panels".

For the other CGUs, the amount of goodwill is immaterial compared to the total amount of goodwill and hence does not necessitate further impairment testing.

The majority of the net book value of total goodwill was subject to impairment testing, and is composed as follows:

in thousand EUR

	INSULATED PANELS	OTHER	TOTAL
Goodwill	74,097	2,370	76,467
Other intangible assets	63,005	13,544	76,549
Property, plant & equipment	31,337	120,493	151,830
Assets under construction	1,061	7,872	8,933
Right-of-use assets	619	39,284	39,903
Total net book value	**170,118**	**183,563**	**353,681**
of which impairments recognised during the period	(13)	(381)	(394)

For **2024**:

Impairment charges are not linked to the general impairment analysis.

For the impairment test of the items included in the table above, certain assumptions were made. The impairment tests have been applied on the "cash-generating units" ("CGU") on the basis of the principles set out above. The recoverable amount of the total CGU is determined on the basis of the value-in-use model.

When determining its expected future cash flows, the Group takes into account prudent, though realistic, assumptions regarding the evolution of its markets, its sales, the raw materials prices, the impact of past restructurings and the gross margins, which are (i) based on the past experiences of the management and/or (ii) in line with trustworthy external information sources. It can not be excluded, however, that a future reassessment of assumptions and/or market analysis induced by future developments in the economic environment might lead to the recognition of additional impairments.

For the discounting of the future cash flows, a uniform overall Group-based pre-tax discount rate of 9.35% is used for all CGUs (11.1% in 2023). This pre-tax discount rate is based on a (long-term) weighted average cost of capital based on the current market expectations of the time value of money and risks for which future cash flows must be adjusted; the risks being implicit in the cash flows.

The pre-tax discount rate for impairment testing is based on the following assumptions (EUR based):

Group target ratios:	**2023**	**2024**
Gearing: net financial debt/total equity	50%	50%
% net financial debt	33%	33%
% total equity	67%	67%
Pre-tax cost of debt	**2.06%**	**1.25%**
Pre-tax cost of equity		
= $(R_f + (E_m * Beta) + S_p)/(1-T)$	**11.06%**	**9.99%**
Risk free interest rate = R_f	3.39%	3.46%
Beta	1.32	1.26
Market equity risk premium = E_m	6.0%	5.0%
Small cap premium = S_p	1.65%	1.65%
Corporate tax rate = T	**21.9%**	**23.9%**
Assumed inflation rate	2.0%	1.9%
Pre-tax WACC (weighted average cost of capital)	**11.1%**	**9.4%**

The discount factors are reviewed at least annually.

Key assumptions

The dynamics of the business model, budgets and projected cash flows are based on stable cost structures which reflect inflation rates on labour and other costs, stable fixed costs and capital expenditure. Gross margins and operating results are sensitive to the volatility of raw material costs, which are unpredictable. Therefore, the budgets assume that increases or decreases in material costs are compensated through adaptations of the sales prices.

For the CGU "Insulated Panels" the value-in-use model projections are based on budgets and financial plans covering in total a three-year period. After this three-year period, a perpetuity value is taken into account without growth rate.

On this basis, the value-in-use of the CGU "Insulated Panels" amounts to 1.46 times the net asset book value.

Sensitivity analysis

A first sensitivity analysis (A) is performed to measure the impact of a changing WACC rate (+1%) on the outcome of the impairment tests (see overview table below).

A second sensitivity analysis (B) is performed to measure the impact of a changing gross margin on sales (-1%) on the outcome of the impairment tests – applied on the business plan 2025-2027 and the perpetuity (see overview table below).

A third sensitivity analysis (C) is performed to measure the impact of a changing sales volume level (-5% as from 2026) on the outcome of the impairment tests (see overview table below).

A fourth sensitivity analysis is performed to measure the combined impact of the above sensitivity analyses.

For the sensitivity analyses it is assumed that all other parameters of the underlying assumptions, such as market evolution, sales, raw materials prices, impact of past restructurings and gross margins, operating charges, working capital needs, capital expenditure, etc., remain unchanged.

in thousand EUR

Sensitivity	DISCOUNTED CASH FLOW / NET ASSET BASE (INCLUDING RIGHT-OF-USE ASSETS)				
	BASE CASE	1% INCREASE OF WACC (A)	1% DECREASE OF GROSS MARGIN ON SALES (B)	5% DECREASE OF NET SALES (C)	COMBINATION OF (A), (B) AND (C)
Insulated Panels	1.46 times book value	1.31 times book value	1.30 times book value	1.23 times book value	0.96 times book value

For Investments in other associates an impairment test is performed at least annually.

Loss allowances for expected credit losses

A loss allowance for expected credit losses is recognised for trade debtors for which a risk of total or partial non-recovery of outstanding receivables exists due to the debtor's poor financial condition or for economic, legal or political reasons. The decision to classify a receivable as doubtful will be made by the management on the basis of all information available to them at any time. In line with the Group accounting principles, details on the amounts of the loss allowance for expected credit losses can be found in note 7.2.5.10, Trade receivables, other receivables and other financial assets.

The Group's credit management processes continue to prove their effectiveness, resulting in no significant credit losses. No market evolutions lead to an increase of the default rates used to calculate the expected credit losses.

The amount of expected credit losses on external guarantees is assessed at each reporting date to reflect changes in credit risk since the guarantee was granted. When determining whether the credit risk of a guarantee has increased significantly since the issuance and when estimating expected credit losses, Recticel considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Loans granted to Associates included a subordinated vendor loan of EUR 10 million (maturity 2027) granted on 30 June 2021 to TEMDA2 GmbH, the Automotive joint venture which acquired the Automotive Interiors activities, note 7.2.4.7, Discontinued operations. On the basis of the assessment performed by the management, no adjustment is to be made to the value of the latter loan.

Put/call options on Automotive Interiors

On 01 July 2021, Recticel announced the closing of the divestment of its Automotive Interiors business to TEMDA2 GmbH, a new joint venture with Admetos. Recticel holds a participation of 49% in this new joint venture. The agreement contains reciprocal call/put options - for Admetos to acquire, or Recticel to sell its remaining 49% share -, which are exercisable as from March 2024.

A valuation of the put/call structure on the remaining 49% participation in the Automotive joint venture TEMDA2/Ascorium, by using a Black-Scholes formula and taken into account certain assumptions regarding dividend yield, interest rate and volatility, has been made per 31 December 2023, valuing the fair value of the option amounted to zero.

In the course of 2024, Admetos and Recticel have renegotiated their respective agreements, whereby Recticel agreed to extend its corporate guarantees, and whereby the reciprocal call/put options were abolished, and the parties would work together towards a joint divestment at the appropriate time. Changes were also made in the corporate governance structure, providing more governance rights to Recticel.

Provisions for restructurings and onerous contracts

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has, by starting to implement the plan or announcing its main features to those affected by it, raised a valid expectation in those affected that it will carry out the restructuring.

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

In line with the Group accounting principles, details on the amounts of provisions for restructurings and onerous contracts can be found in note 7.2.4.3, Other operating revenues and expenses and note 7.2.5.15, Provisions.

Provisions for indemnities related to divestments

At the moment of a divestment the divestment agreement stipulates certain indemnity clauses. These indemnity clauses are reviewed by Recticel's in-house lawyers with the support, when appropriate, of external counsels at least every half-year. This review includes an assessment of the need to recognise provisions and/or to re-measure existing provisions together with the Finance department and the Insurance department.

Provisions for contingent liabilities, litigations and other exposures

Any significant litigation (tax and other, including threat of litigation) is reviewed by Recticel's in-house lawyers with the support, when appropriate, of external counsels at least every half-year. This review includes an assessment of the need to recognise provisions and/or to re-measure existing provisions together with the Finance department and the Insurance department. Further details are provided in note 7.2.6.9, Contingent assets and liabilities.

Valuation of post-employment defined benefit obligations, other long-term employee benefits and termination benefits

The actuarial assumptions used in determining the defined benefit obligations at December 31, and the annual cost, can be found in note 7.2.5.14, Employee benefit liabilities. All main employee benefit plans are assessed annually by independent actuaries. Discount rates and inflation rates are defined centrally by management. Other assumptions (such as future salary increases and demographic assumptions) are defined at a local level. All plans are supervised by the Group's central Human Resources department with the help of a central actuary to check the acceptability of the results and ensure consistency in reporting.

Current and deferred tax

All tax returns are prepared in good faith based on the available information, often with the assistance of external tax advisors. There are several tax audits ongoing in the Group, notably in Belgium and Poland. While the ultimate outcome of these tax audits is not certain, the Group has considered the merits of its filing positions in the overall evaluation of potential tax liabilities and believes that adequate liabilities are recorded in the consolidated financial statements. However, important tax corrections can never be excluded. In such case, Recticel will defend its position, always in full collaboration with the tax authorities.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and other tax attributes to the extent that future taxable profits are expected to be available against which they can be used. For this purpose, management reviews the recognition of deferred tax assets based on the business plans of the entities concerned.

The total net deferred tax liabilities decreased from EUR -1.5 million at 31 December 2023 to total net deferred tax assets of EUR 2.0 million at 31 December 2024 mainly due to an increase of deferred tax assets in Belgium as a result of increased performance compensated by the deferred tax liabilities on intangible assets, resulting from the purchase price allocation of the acquisition in Rex Panels & Profiles SA.

At 31 December 2024 deferred tax assets of EUR 27.4 million are recongnised mainly in Belgium (EUR 20.3 million), in Germany (EUR 2.5 million), in Finland (EUR 2.2 million) and in Slovenia (EUR 0.8 million).

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the reporting date. This gain, arising from the change in the fair value of investment property, is included in profit or loss for the period.

7.2.1.5 Climate change

In compiling its financial statements, Recticel has assessed the implications of climate change. This examination encompasses the disclosures outlined in Chapter 4.3, Navigating the landscape of risk and opportunity, as well as the Group's progress toward the Science Based Targets initiative (SBTi) near-term objectives. These targets aim to diminish scope 1 and scope 2 emissions by 90% and scope 3 emissions by 25% by 2030, ultimately striving for net-zero emissions across all scopes by 2050, in alignment with the Paris Agreement's goal of limiting global warming to 1.5°C.

Recticel's commitments to the SBTi, which were validated in February 2024, are an integral part of the company's long-standing sustainability strategy. This strategy underwent a strategic transformation, culminating in June 2023 with the divestment of Recticel Engineered Foams, enabling Recticel to transition to a sole focus on insulation and set a growth target of 5% for its insulation business until 2030.

In addition to its strategic direction, Recticel is taking tangible actions in line with the shift towards a low-carbon and circular economy. These actions are elaborated upon in the climate action plan, "Our Race to Net-Zero," detailed in Chapter 2.3.3. The company's efforts concentrate on responsibly selecting raw materials, implementing sustainable and energy-efficient processes, and adopting eco-design principles.

Key elements of Recticel's climate action plan include:

1. Energy efficiency initiatives: Implementing measures to reduce energy consumption, enhance operational efficiency, and minimise our carbon footprint. For instance, we have installed metering systems in production sites to track and reduce energy usage.

2. Renewable energy transition: Transitioning to renewable energy sources like solar power to electrify operations and decrease reliance on fossil fuels. We are evaluating options to electrify our operations and are exploring additional solar panel installations at our production sites.

3. Supply chain collaboration: Collaborating with suppliers to address emissions throughout the supply chain, promote sustainability, and achieve positive environmental outcomes. We have incorporated a sustainability scorecard into our procurement policy and engaged extensively with suppliers to reduce emissions.

4. Innovation: Recticel is transitioning its R&D budget to innovative solutions and technologies that support climate change mitigation and circularity. This includes partnerships with research and development institutes to explore bio-based raw materials and recycling solutions for construction and end-of-life waste.

It should be noted that Recticel is not a high-energy consuming company, as demonstrated by the relatively low scope 1 and scope 2 GHG data. As it is using very low amounts of water in its manufacturing processes, water shortage is not considered as having an impact.

As Recticel invests to achieve its near-term and net-zero SBTi targets, it carefully assesses the useful life of replaced assets and adjusts estimates accordingly. The company's commitment to sourcing energy from renewable resources will include long-term agreements for solar and wind power, as well as the purchase of Renewable Energy Certificates when relevant to fulfil its SBTi commitments. Recticel has factored these considerations into its financial statements.

In summary, the company's climate change considerations have not materially impacted its financial reporting judgments and estimates. Furthermore, Recticel concludes that climate change risks do not affect the going concern assessment.

7.2.1.6 Geopolitical conflicts

War in Ukraine

Currently, Recticel has no local operations in Russia, Ukraine or the Middle East (Gaza/Israel). Neither does Recticel export to Russia, Ukraine or Gaza/Israel. Consequently, there is no direct impact observed nor to be expected.

However, it is not excluded that future operations and business may be affected indirectly by the conflicts. These indirect impacts may come from supply issues, an inflationary macro-economic environment, credit risks on customers and increasing financing costs. Currently there is no impact and it is expected that these eventual future impacts on operations and financial position should remain limited for the Group.

US trade tariffs

Recticel's operations both in the United States and in Europe primarily source there raw materials regionally. Hence the direct impact of the US trade tariffs on the operations seems to be limited. The investment in the new US plant is impacted because the equipment is mainly sourced from EU suppliers.

On the medium term the US trade tariffs could result in an inflationary raw material trend which Recticel would manage in the same way as it is currently managing its material sourcing.

7.2.2 Changes in scope of consolidation

The following changes in the scope of consolidation took place during the year 2024:
On 10 January 2024, the acquisition of REX Panels & Profiles SA (100%).

The following changes in the scope of consolidation took place **during the year 2023**:

On 12 June 2023, the disposal of the Recticel Engineered Foams activities to US-based Carpenter Co. (note 7.2.4.7, Discontinued operations).

The disposed Recticel Engineered Foams companies are:
- FoamPartner Americas Inc.
- FoamPartner Holding AG
- FoamPartner Polyurethane Materials (Changzhou) Co., Ltd.
- FoamPartner Singapore Pte. Ltd
- FoamPartner Trading (Shanghai) Ltd
- Recticel AB
- Recticel AS
- Recticel Engineered Foams Belgium n.v.
- Recticel Engineered Foams GmbH
- Recticel Engineered Foams Netherlands B.V.
- Recticel Engineered Foams Switzerland AG
- Recticel Engineered Foams Corby
- Recticel Foams (Shanghai) Co Ltd
- Recticel Foams (Wuxi) Co Ltd
- Recticel Iberica s.l.
- Recticel India Private Limited
- Recticel Limited
- Recticel Maroc s.à.r.l.a.u.
- Recticel ou
- Recticel oy
- Recticel s.a.s.
- Recticel Teknik Sünger Izolasyon Sanayi ve Ticaret a.s.

On 11 October 2023, the disposal of the 33% participation in Italian foam company Orsa Foam srl to its joint venture partner Orsa srl.
- Orsa Foam srl

7.2.3 Business and geographical segments

7.2.3.1 Geographical repartition and disaggregation of sales

The Group's operations are mainly located in the European Union.

Sales (by destination)

The following tables provide an analysis of the Group's sales and fixed assets by geographical market.

in thousand EUR

	2023	2024
Belgium	75,159	94,414
France	83,840	96,932
The Netherlands	48,675	65,994
Germany	19,137	22,609
Slovenia	15,943	16,786
Other EU countries	105,315	100,423
European Union	**348,069**	**397,158**
United Kingdom	132,025	162,959
United States of America	21,020	24,774
Other	28,313	25,305
TOTAL	**529,426**	**610,196**

Reliance on major customers

In 2024, none of the customers represented more than 10% of total sales.
The top ten customers of the Group represent 20.31% (2023: 23.64%) of total consolidated sales.

Intangible assets – Property, plant & equipment – Right-of-use assets – Investment property

in thousand EUR

			ACQUISITIONS, INCLUDING OWN PRODUCTION	
	31 DEC 2023	31 DEC 2024	2023	2024
Belgium	40,265	96,122	6,403	16,583
France	19,362	21,216	3,848	4,293
Germany	2,523	2,473	161	21
Slovenia	100,773	100,571	9,879	9,559
Other EU countries	19,945	18,429	563	458
European Union	**182,868**	**238,812**	**20,854**	**30,914**
China	0	0	0	0
Switzerland	0	0	0	0
United Kingdom	22,984	25,672	1,048	1,404
United States of America	6,981	7,014	911	1,487
Other	5,719	5,717	182	281
TOTAL	**218,551**	**277,214**	**22,995**	**34,085**

7.2.4 Income statement

7.2.4.1 Gross profit

The gross profit increased by 16.0% from EUR 90.1 million to EUR 104.5 million.

7.2.4.2 General and administrative expenses - Sales and marketing expenses – Research and development expenses

General and administrative expenses increased by EUR 7.7 million to EUR 43.3 million. This increase is mainly explained by the business combination Rex Panels & Profiles SA (EUR 4.8 million) and the inflationary impact.

Sales and marketing expenses remained stable at EUR 30.4 million. Research and development expenses increased from EUR 4.6 million to EUR 4.9 million.

7.2.4.3 Other operating revenues and expenses

in thousand EUR

	2023	2024
Other operating revenues	4,727	6,366
Other operating expenses	(11,380)	(20,465)
TOTAL	**(6,653)**	**(14,099)**
Restructuring charges (including site closure, onerous contracts and clean-up costs)	(3,118)	(7,876)
Gain (Loss) on disposal of intangible, tangible and right-of-use assets	61	260
Gain (Loss) on investment operations	10	0
IAS 19 Pensions and other similar obligations	(66)	(337)
Provisions	1,099	1,071
Fees consultancy and subcontractors	(815)	(430)
Other expenses	(5,147)	(10,417)
Other revenues	1,323	3,631
TOTAL	**(6,653)**	**(14,099)**

Other operating revenues

In 2024, other operating revenues mainly consist of the invoicing of transitional (IT) services to Carpenter Co. and Aquinos, insurance premiums at Recticel's insurance captive, subventions and indemnities.

Restructuring

In 2024, reorganisation charges (EUR -7.9 million) relate to restructuring measures in Belgium, France, Germany, UK and Slovenia.

Fees consultancy and subcontractors

In 2024, this item relates to legal and advisory fees.

Other expenses

In 2024, the other expenses mainly relate to the intangible and tangible assets amortisation of the business combination Rex Panels & Profiles SA and Trimo.

7.2.4.4 Operating profit (loss)

The components (by nature) of the Operating profit (loss) are as follows:

in thousand EUR

	2023	2024
Sales	529,426	610,196
Purchases and changes in inventories	(329,505)	(386,546)
Other goods and services	(97,930)	(95,193)
Labour costs	(82,463)	(91,675)
Amortisation and depreciation on non-current assets	(23,270)	(30,679)
Impairments on non-current assets	(293)	(394)
Amounts written back/(off) on affiliated investments	0	0
Amounts written back/(off) on inventories	(1,566)	(184)
Amounts written back/(off) on receivables	15	218
Provisions	1,304	(54)
Gain/(Loss) on disposal intangible and tangible assets	61	260
Gain/(Loss) on trade receivables	(434)	(178)
Operating taxes	(2,654)	(2,582)
Other operating expenses	(665)	(2,725)
Own production	1,232	793
Operating subsidies	905	114
Commissions and royalty income	691	(57)
Operating lease income	1,140	1,290
Service fees	4,018	1,018
Other operating income	12,571	7,869
Operating profit (loss)	**12,582**	**11,489**

Sales: Sales increased by 15.3% from EUR 529.4 million to EUR 610.2 million.
The sales increase was driven by higher volumes as a result of higher market shares.

Purchases and changes in inventories increased as a result of higher sales.

Other goods and services comprises mainly transportation costs (EUR 44.3 million versus EUR 35.3 million in 2023), operating lease expenses (EUR 1.2 million versus EUR 1.9 million in 2023), supplies (EUR 7.0 million versus EUR 8.7 million in 2023), fees (EUR 12.2 million versus EUR 12.4 million in 2023), repair and maintenance costs (EUR 6.4 million versus EUR 5.2 million in 2023), advertising/fairs/exhibition costs (EUR 2.5 million versus EUR 2.5 million in 2023), travel expenses (EUR 3.4 million versus EUR 3.1 million in 2023), administrative expenses (EUR 4.0 million versus EUR 4.2 million in 2023), insurance expenses (EUR 6.7 million versus EUR 8.2 million in 2023) and quality claims (EUR -3.0 million versus EUR 3.1 million in 2023).

Labour costs increased (EUR 91.7 million versus EUR 82.5 million in 2023) mainly due to the addition of the business combination Rex Panels & Profiles SA for 12 months and increased production volumes.

Amortisation and depreciation on non-current assets increased (EUR 30.7 million versus EUR 23.3 million in 2023) due to the Rex Panels & Profiles SA acquisition.

Other operating expenses increased (EUR 2.7 million versus EUR 0.7 million in 2023).

Other operating income decreased (EUR 7.9 million versus EUR 12.6 million in 2023) and mainly consisted of third-party cost reinvoicing, insurance premiums at Recticel's insurance captive, subventions and indemnities.

7.2.4.5 Financial result

in thousand EUR

	2023	2024
Interest on lease liabilities	(560)	(867)
Interest on long-term bank loans	(3,545)	(295)
Interest on short-term bank loans & overdraft	(3,722)	(789)
Net interest charges on Interest Rate Swaps and Foreign Currency Swaps	22	22
Total borrowing cost	**(7,805)**	**(1,930)**
Interest income from bank deposits	156	429
Interest income from financial receivables	3,781	3,525
Interest income from financial receivables and cash	**3,937**	**3,955**
Interest charges on other debts	(63)	(124)
Interest income on other receivables	10	386
Total other interest	**(53)**	**262**
Interest income and expenses	**(3,921)**	**2,287**
Exchange rate differences	18	1,282
Net interest cost IAS 19	(410)	(339)
Other financial result	247	149
Total other financial result	**(144)**	**1,092**
Financial result	**(4,065)**	**3,380**

Interest costs on long and short-term bank loans have decreased from EUR -7.8 million to EUR -1.9 million following the proceeds from the divestment of Recticel Engineered Foams to Carpenter Co. The interest income on cash remained stable at EUR +3.9 million, the full year net cash position impact being offset by lower interest rates.
The exchange rate income stems from the realized exchange gains on trade receivables EUR +0.7 million primarily in the UK and unrealized exchange gains on financial receivables EUR +0.7 million.

7.2.4.6 Income taxes

1. Income tax charges

in thousand EUR

	2023	2024
Recognised in the income statement		
Current tax expense:		
Current year	(4,010)	(4,139)
Adjustments in respect of prior year	(447)	(1,794)
Total current tax expense [1]	**(4,457)**	**(5,933)**
Deferred tax expense:		
Origination and reversal of temporary differences and tax losses	7,426	163
Unrecognised deferred tax assets on current year's losses	(7,311)	(740)
Recognition of deferred tax assets previously not recognised	955	4,962
Derecognition of previously recognised deferred tax assets	(2,387)	(94)
Effect of changes in tax rates on deferred taxes	(1,652)	426
Adjustments for prior periods	(561)	2,708
Other deferred tax expenses	0	(16)
Total deferred tax expense [2]	**(3,530)**	**7,409**
Total tax expense on continuing operations	**(7,986)**	**1,476**

[1] The current tax expenses increased in 2024 compared to 2023 further to the realisation of higher profits in 2024.
[2] The deferred tax expenses decreased from EUR -3.5 million expenses in 2023 to EUR 7.4 million income in 2024 primarily thanks to a one-time positive effect of the recognition of DTA as a result of better future operational expectations in Belgium.

in thousand EUR

	2023	2024
Reconciliation of effective tax rate		
Profit (loss) before taxes - continuing operations	(1,002)	14,868
Minus income from associates		0
Minus income from other associates	1,772	0
Minus impairment other associates	7,748	0
Result before tax and income from (other) associates	**8,517**	**14,868**
Group's domestic tax rate	**25.00%**	**25.00%**
Tax at the Group's domestic income tax rate	**(2,129)**	**(3,717)**
Effect of different tax rates of subsidiaries operating in different jurisdictions	188	(70)
Tax effect of non-deductible expenses	(1,326)	(1,336)
Tax effect of non-taxable income	433	917
Tax effect of tax incentives	119	292
Unrecognised deferred tax assets on current year's losses [2]	(7,311)	(740)
Recognition of deferred tax assets previously not recognised [1]	955	4,962
Derecognition of deferred tax assets previously recognised [2]	(2,387)	(94)
Effect of changes in tax rates on deferred taxes [3]	(1,652)	426
Tax effect of current and deferred tax adjustments related to prior years	(1,008)	914
Other [4]	6,132	(76)
Tax expense for the year - continuing operations	**(7,986)**	**1,476**

[1] Additional deferred tax assets have been recognised in Belgium (EUR 4.9 miilion) as a result of increased profit expectations.
[2] In 2023 lower profit expectations in Belgium led to the unrecognition of deferred tax assets on current year's tax losses as well as to the derecognition of additional deferred tax assets. In 2024, the unrecognised deferred tax assets on current year's losses mainly relate to tax losses incurred in Finland.
[3] In December 2024 new changes to the tax law were enacted in Luxembourg including a reduction of the corporate income tax rate by 1% as from tax year 2025. This change resulted in a gain of EUR 0.4 million related to the remeasurement of deferred tax assets and liabilities in the Group's entities in Luxembourg being recognised during the year ended 31 December 2024.
[4] Other in 2023 mainly consists of carve-out operations deductible under continuing operations while the compensating expense is recognised under discontinued operations and the underlying intercompany results between continuing and discontinued are eliminated in the consolidated results of the continuing and discontinued operations.

in thousand EUR

	2023	2024
Deferred tax charged or (credited) directly to equity		
Impact of IAS 19R in other comprehensive income	174	(492)
Total	**174**	**(492)**

2. Deferred tax assets and liabilities

in thousand EUR

	31 DEC 2023			31 DEC 2024									
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	NET	RECOGNISED IN THE INCOME STATEMENT	RECOGNISED IN OTHER COMPREHENSIVE INCOME	ACQUIRED IN BUSINESS COMBINATIONS	TRANSFER TO DISCONTINUED OPERATIONS	TRANSLATION DIFFERENCES	OTHER	NET	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
Recognised deferred tax assets and liabilities												
Intangible assets [3]	2,130	(13,156)	(11,025)	1,599	(1)	(3,066)	0	(2)	(30)	(12,525)	2,046	(14,572)
Property, plant & equipment [3]	1,667	(7,064)	(5,397)	(2,281)	0	(2,914)	0	(132)	30	(10,695)	10	(10,705)
Investments	27	0	27	119	0	0	0	0	0	146	146	0
Receivables	1,321	(297)	1,023	6	0	83	0	0	(15)	1,098	1,115	(17)
Inventories	158	(15)	143	(362)	0	375	0	7	0	163	163	0
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0	0	0
Tax-free reserves	0	(123)	(123)	(55)	0	0	0	0	0	(178)	0	(178)
Early retirements and defined benefits	2,120	(90)	2,030	273	(497)	0	0	18	0	1,825	1,915	(90)
Provisions for other risks and charges [1]	1,548	(9,203)	(7,654)	3,142	0	424	0	12	4	(4,073)	5,487	(9,560)
Interest-bearing borrowings and loans	2,541	(58)	2,483	295	0	0	0	94	47	2,918	2,924	(6)
Other liabilities	1,677	(440)	1,236	(1,151)	(0)	0	0	6	(35)	57	361	(303)
Tax loss carry-forwards/Tax credits	15,369	0	15,369	(393)	0	1,735	0	2	0	16,713	16,713	0
Other tax attributes [2]	352	0	352	6,217	0	0	0	1	0	6,570	6,570	(0)
Total	**28,910**	**(30,447)**	**(1,537)**	**7,409**	**(498)**	**(3,363)**	**0**	**6**	**(0)**	**2,018**	**37,450**	**(35,432)**
Set-off	(7,359)	7,359	0							0	(10,055)	10,055
Total (as provided in the statement of financial position)	**21,551**	**(23,088)**	**(1,537)**	**7,409**	**(498)**	**(3,363)**	**0**	**6**	**(0)**	**2,018**	**27,396**	**(25,377)**

The total net deferred tax liabilities decreased from EUR -1.5 million at 31 December 2023 to total net deferred tax assets of EUR 2 million at 31 December 2024. The main changes in 2024 are relating to the following items:

[1] An increase of deferred tax assets on provisions for other risks and charges due to the deferred tax deduction of provisions recorded in Belgium (EUR 4.2 million).

[2] An increase of deferred tax assets in relation to other tax attributes as a result of the dividend received deductions being carried forward to future years in Belgium (EUR 6.3 million).

[3] An increase of deferred tax liabilities on intangible assets and property, plant & equipment mainly due to deferred tax liabilities computed on the step-up basis resulting from the purchase price allocation of the acquisition of Rex Panels & Profiles (impact of EUR 6.0 million included in the column Acquired in business combinations).

Tax loss carry-forwards – amounts by expiration date:

in thousand EUR

	2023 [1]	2024 [1+2]
One year	0	0
Two years	0	0
Three years	0	0
Four years	2,180	1,781
Five years and thereafter	8,621	12,034
Without time limit	275,444	253,761
Total	**286,245**	**267,576**

[1] The decrease of the amount of tax losses carried forward on 31 December 2024 compared to 31 December 2023 is mainly driven by the activities in Belgium where the decrease of tax losses in Recticel NV/SA (EUR 31.8 million) is partly offset by tax losses incurred in the newly acquired entity Rex Panels & Profiles SA (EUR 14.8 million).
[2] At 31 December 2024, EUR 16.7 million of deferred tax assets are recognised in respect of tax losses, representing EUR 67.8 million of tax losses carried forward out of a total amount of tax losses carried forward of EUR 267.6 million. Deferred tax assets in relation to losses which are not recognised relate mainly to Germany (Recticel Verwaltung - EUR 159.3 million) and Belgium (Recticel NV/SA - EUR 37.6 million).

Deferred tax assets recognised and unrecognised by the Group apply to the following elements as at 31 December 2024:

in thousand EUR

	TOTAL POTENTIAL DEFERRED TAX ASSETS [1]	RECOGNISED DEFERRED TAX ASSETS [1+3]	NOT RECOGNISED DEFERRED TAX ASSETS [2]
Temporary differences	19,777	14,369	5,408
Tax losses carried forward	77,286	16,713	60,573
Other tax attributes	6,368	6,368	0
Total before set-off	**103,431**	**37,450**	**65,981**

[1] The increases in total potential deferred tax assets and recognised deferred tax assets in 2024 compared to 2023 are mainly attributable to the Belgian operations where the deferred tax deduction of provisions for risks and charges resulted in an increase of temporary differences (deferred tax impact of EUR 4.2 million, fully recognised) and the carry forward of the dividends received deduction increased the other tax attributes (deferred tax impact of EUR 6.3 million, fully recognised). These increases were partly offset by the reduction of tax losses carried forward in Belgium.
[2] The non recognised deferred tax assets decreased in 2024 compared to 2023 mainly as a result of the higher profit expectations in Belgium (deferred tax impact of EUR 4.9 million).
[3] At 31 December 2024 deferred tax assets of EUR 37.5 million are recognised mainly in Belgium (EUR 25.3 million), in Germany (EUR 2.9 million), in Finland (EUR 2.2 million) and in Slovenia (EUR 1.8 million). These deferred tax assets have been recognised as it is expected that future taxable profit will be available against which the related deductible temporary differences, unused tax losses and tax attributes can be utilised.

Deferred tax assets recognised and unrecognised by the Group apply to the following elements as at 31 December 2023:

in thousand EUR

	TOTAL POTENTIAL DEFERRED TAX ASSETS	RECOGNISED DEFERRED TAX ASSETS	NOT RECOGNISED DEFERRED TAX ASSETS
Temporary differences	17,009	13,332	3,677
Tax losses carried forward	81,923	15,369	66,554
Other tax attributes	209	209	0
Total before set-off	**99,141**	**28,910**	**70,231**

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and when it is probable that the temporary difference will not reverse in the foreseeable future. No deferred tax liabilities have been recognised on undistributed retained earnings of subsidiaries.

3. Pillar 2

Pillar 2 legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, including in Belgium, where the Group is headquartered. The legislation is effective for the Group's financial year beginning 1 January 2024.

The Group is in scope of the enacted or substantively enacted legislation and has performed an impact assessment of the Group's potential future exposure to Pillar 2 income taxes. The assessment of the potential exposure to Pillar 2 income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on this impact assessment, it is expected that the Group will qualify for the Transitional CbCR Safe Harbours tests in nearly all jurisdictions. The Group does not expect to have a material exposure to Pillar 2 income taxes in any of the jurisdictions where it is present. The Group continues to closely monitor the legislative and administrative progress in the various countries in which it is currently present.

IAS 12 includes a temporary exception to the requirement to recognise and disclose information about deferred tax assets and liabilities that are related to tax law that is enacted or substantively enacted to implement the Pillar 2 legislation. The Group applies this temporary exception.

7.2.4.7 Discontinued operations

For the period ending 31 December 2024

Result from discontinued operations: from EUR 12.2 million in 2023 to EUR 1.6 million in 2024.

The result from discontinued operations in 2024 mainly represents the net capital gain as a result of the final agreement and settlement of the Completion Accounts on 5 July 2024 on the disposal of the Engineered Foams activities sold to Carpenter Co. amounting to EUR +2.0 million and composed of the following items:

- gain on the divestment of Engineered Foams: EUR +2.3 million;
- direct attributable transaction costs: EUR -0.3 million;
- direct attributable costs to discontinued operations: EUR -0.4 million.

The result from discontinued operations in **2023** mainly represents:

- the result until 12 June 2023 of the Engineered Foams activities sold to Carpenter Co. (EUR -0.5 million);
- the net capital gain on the disposal of the Engineered Foams activities sold to Carpenter Co. amounting to EUR +10.7 million and composed of the following items:
  - gain on the divestment of Engineered Foams: EUR +32.2 million (including EUR 22.3 million provisions on transactions related tax exposures and indemnities)
  - direct attributable transaction costs: EUR -6.8 million;
  - Cumulative Translation Adjustment release in the income statement: EUR -7.5 million;
  - positive result H1 2023 Orsa Foam (EUR +0.5 million) + impairment (EUR -6.9 million) + related costs (EUR -0.8 million), and
- the result of the Aquinos closing account settlement (including the release of the closing accounts provision and the interest on the Aquinos receivable (EUR +2.0 million)).

TEMDA2 GmbH (formerly Automotive Interiors)
On 31 December 2024, Recticel's investment in TEMDA2 (Investment in other associates) amounted to zero.

Vendor loan (receivable) including accumulated interest amounted to EUR 11.5 million, due date 2027 (see also note 7.2.1.3, General Principles).

7.2.4.8 Business combinations

For the period ending 31 December 2024

On 10 January 2024, Recticel acquired 100% of the shares of Rex Panels & Profiles SA, a Belgium-based company, for an enterprise value of EUR 70 million.

The acquisition of REX Panels & Profiles SA strengthens Recticel's core purpose to become a leader in high-end, sustainable construction through smart insulation solutions.

The acquisition price was paid in cash.

Rex Panels & Profiles SA was founded in 2012 by Michel Verhelst. Initially focused on profiled steel sheets, the company expanded into the insulated panels market with four panel production lines (three with PIR insulation (2015, 2021, 2023) and one with mineral wool insulation (2019).

Rex Panels & Profiles SA is consolidated in Recticel's financial statements as from 10 January 2024.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

in thousand EUR

Purchase consideration	REX PANELS & PROFILES SA
Purchase consideration	70,000
Net financial debt including future debt financed capex	(39,712)
Net cash	949
Working capital adjustments	2,625
Total purchase consideration	**33,862**

The enterprise value of EUR 70.0 million, can be reconciled as follows to the cash flow from investment activities on 31 December 2024:

in thousand EUR

Consideration paid	REX PANELS & PROFILES SA
Total purchase consideration	**70,000**
Net cash	949
Debt-like items and working capital adjustments	(37,087)
Receivables on previous shareholders	864
Consideration paid	**34,726**

The purchase consideration paid by Recticel to the Rex Panels & Profiles SA shareholders for the acquisition of Rex Panels & Profiles SA amounts to EUR 34.7 million. The cash of Rex Panels & Profiles SA acquired by Recticel amounts to EUR 0.9 million on 31 December 2023. As such, the total consideration, net of cash acquired amounts to EUR 33.8 million (note 7.1.5 Cash flow statement). The final closing account settlement resulted in a receivable on the previous Rex Panels & Profiles SA shareholders for an amount of EUR 0.9 million.

The assets and liabilities recognised as a result of the acquisition are as follows:

in thousand EUR

Assets and liabilities	REX PANELS & PROFILES SA
Customer list	7,850
Other intangible assets	4,904
Property, plant & equipment	39,125
Inventories	10,760
Receivables	9,325
Cash and cash equivalents	949
Provisions	(1,695)
Financial liabilities	(33,613)
Trade and other payables	(14,358)
Income tax payables	(79)
Net deferred taxes	(3,363)
Net identifiable assets acquired	**19,804**
Goodwill	14,058
Total purchase consideration	**33,862**

Rex Panels & Profiles SA is specialised in the production of PIR and mineral wool insulated panels for the construction industry and is perfectly located in Belgium to serve Western European markets.

The goodwill is attributable to Rex Panels & Profiles SA's Insulated Panels solutions in insulation markets and synergies and cross-selling opportunities expected to arise after the integration.

The goodwill has been allocated to the cash generating unit of Insulated Panels. None of the goodwill is expected to be deductible for tax purposes. See note 7.2.5.2 for the changes in goodwill as a result of the acquisition.

The fair value of the acquired assets has been finalised on 31 December 2023. Fair value adjustment relates to customer list and customer contracts (EUR 7.8 million), Trademarks and Technology related intangible assets (EUR 4.4 million) and property, plant and equipment (EUR 11.6 million). Deferred tax liabilities of EUR -6.0 million have been recognised in relation to fair value adjustments.

Securities
Rex Panels & Profiles SA has provided pledges and mortgages as security towards the banks for an amount of EUR 14 million.

Acquisition-related costs
Acquisition-related costs of EUR 0.2 million related to advisor fees are included in other operating expenses in the income statement on 31 December 2024.

Revenue and profit contribution
The acquired business contributed revenues of EUR 57.0 million and a net result of EUR -5.5 million to the Group for the period from 10 January 2024 to 31 December 2024.

As a result of the acquisition of Rex Panels & Profiles SA, the average number of people employed increased by 65,8 full-time equivalents.

7.2.4.9 Dividends

Amounts recognised as distributions to equity holders in the period.

Dividend for the period ending 31 December 2023 of EUR 0.31 per share.

Proposed stable dividend for the period ending 31 December 2024 of EUR 0.31 per share, leading to a total pay-out of EUR 17,547,835 (2023: EUR 17,431,585), including the portion attributable to the treasury shares (326,800 in total on 31 December 2024).

The proposed dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

7.2.4.10 Basic earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

in thousand EUR

	2023	2024
Net profit (loss) for the period	**3,165**	**17,957**
Net profit (loss) from continuing operations	(8,989)	16,345
Net profit (loss) from discontinued operations	12,154	1,613
Weighted average shares outstanding		
Ordinary shares on 01 January (excluding treasury shares*)	55,881,620	55,904,120
Exercised subscription rights	22,500	375,000
Ordinary shares on 31 December (excluding treasury shares*)	55,904,120	56,279,120
Weighted average shares outstanding	**55,897,911**	**56,067,538**
* Number of treasury shares held on 31 December	326,800	326,800

in EUR

	2023	2024
Basic earnings per share	**0.06**	**0.32**
Basic earnings per share from continuing operations	(0.16)	0.29
Basic earnings per share from discontinued operations	0.22	0.03

7.2.4.11 Diluted earnings per share

Computation of the diluted earnings per share:

in thousand EUR

	2023	2024
Dilutive elements		
Net profit (loss) from continuing operations	(8,989)	16,345
Net profit (loss) from discontinued operations	12,154	1,613
Profit (loss) attributable to ordinary equity holders of the parent entity including assumed conversions	**3,165**	**17,957**
Weighted average ordinary shares outstanding	**55,897,911**	**56,067,538**
Stock option plans - subscription rights [1]	613,312	407,772
Weighted average shares for diluted earnings per share	**56,511,223**	**56,475,310**

in EUR

	2023	2024
Diluted earnings per share	**0.06**	**0.32**
Diluted earnings per share from continuing operations	(0.16)	0.29
Diluted earnings per share from discontinued operations	0.22	0.03

[1] On 31 December 2024, all outstanding subscription right plans as from April 2016 are in-the-money except for the subscription plans of May 2021, May 2022 and June 2024. The outstanding subscription right plans which are out-of-the-money are disclosed as anti-dilutive.

7.2.5 Statement of financial position

7.2.5.1 Intangible assets

For the year ending 31 December 2024:

in thousand EUR

	DEVELOPMENT COSTS	TRADEMARKS, PATENTS & LICENCES	CLIENT PORTFOLIO GOODWILL	OTHER INTANGIBLE ASSETS	ASSETS UNDER CONSTRUCTION AND ADVANCE PAYMENTS	TOTAL
At the end of the preceding period						
Gross book value	0	62,712	38,668	13,122	2,510	117,011
Accumulated amortisation	0	(21,090)	(8,875)	(9,798)	(53)	(39,816)
Accumulated impairment	0	(6,304)	0	0	(797)	(7,101)
Net book value at the end of the preceding period	**0**	**35,317**	**29,792**	**3,324**	**1,660**	**70,094**
Movements during the period						
Business combinations	0	4,904	7,850	0	0	12,754
Acquisitions	0	363	2	1	2,997	3,362
Amortisation	0	(5,151)	(3,821)	(755)	0	(9,727)
Impairments	0	0	0	0	0	0
Sales and scrapped	0	0	0	0	0	0
Transfers from one heading to another	0	2,336	0	636	(2,920)	52
Transfer to discontinued operations	0	0	0	0	0	0
Exchange rate differences	0	9	3	0	0	13
At the end of the current period	**0**	**37,779**	**33,827**	**3,206**	**1,737**	**76,549**
Gross book value	0	69,097	47,545	13,683	2,586	132,912
Accumulated amortisation	0	(25,018)	(13,718)	(10,477)	(53)	(49,266)
Accumulated impairment	0	(6,300)	0	0	(797)	(7,097)
Net book value at the end of the period	**0**	**37,779**	**33,827**	**3,206**	**1,737**	**76,549**
Useful life (in years)	3-5	3-10	5-10	5 maximum	n.a.	

Reference is also made to note 7.2.1.4, Major sources of estimation uncertainty and key judgments.

In 2024, the item ‘Business combinations’ relates to the acquisition of Rex Panels & Profiles SA. Total acquisition of intangible assets amounted to EUR 3.4 million, compared to EUR 2.7 million in 2023.

For the year ending 31 December 2023:

in thousand EUR

	DEVELOPMENT COSTS	TRADEMARKS, PATENTS & LICENCES	CLIENT PORTFOLIO GOODWILL	OTHER INTANGIBLE ASSETS	ASSETS UNDER CONSTRUCTION AND ADVANCE PAYMENTS	TOTAL
At the end of the preceding period						
Gross book value	153	64,712	39,066	12,318	5,033	121,282
Accumulated amortisation	(153)	(21,326)	(6,391)	(9,074)	(53)	(36,997)
Accumulated impairment	0	(6,316)	0	0	(612)	(6,928)
Net book value at the end of the preceding period	**0**	**37,070**	**32,675**	**3,244**	**4,368**	**77,357**
Movements during the period						
Business combinations	0	0	0	0	0	0
Acquisitions	0	46	0	860	1,835	2,742
Amortisation	0	(3,702)	(3,115)	(780)	0	(7,596)
Impairments	0	0	0	0	(185)	(185)
Sales and scrapped	0	(42)	(14)	0	(568)	(624)
Transfers from one heading to another	0	1,942	(6)	0	(1,937)	0
Transfer to discontinued operations	0	(0)	227	0	(1,855)	(1,628)
Exchange rate differences	0	3	24	0	2	28
At the end of the current period	**0**	**35,317**	**29,792**	**3,324**	**1,660**	**70,094**
Gross book value	0	62,712	38,668	13,122	2,510	117,011
Accumulated amortisation	0	(21,090)	(8,875)	(9,798)	(53)	(39,816)
Accumulated impairment	0	(6,304)	0	0	(797)	(7,101)
Net book value at the end of the period	**0**	**35,317**	**29,792**	**3,324**	**1,660**	**70,094**
Useful life (in years)	3-5	3-10	5-10	5 maximum	n.a.	

Reference is also made to note 7.2.1.4, Major sources of estimation uncertainty and key judgments.

7.2.5.2 Goodwill

For the year ending 31 December 2024:

in thousand EUR

	GOODWILL
At the end of the period	
Gross book value	76,883
Accumulated impairment	(14,474)
Net book value at the end of the preceding period	**62,409**
Movements during the period	
Business combinations	14,058
Impairments	0
Sales and scrapped	0
Transfers from one heading to another	0
Transfer to discontinued operations	0
Exchange rate differences	0
At the end of the current period	**76,467**
Gross book value	91,680
Accumulated impairment	(15,214)
Net book value at the end of the period	**76,467**

For the year ending 31 December 2023:

in thousand EUR

	GOODWILL
At the end of the preceding period	
Gross book value	79,366
Accumulated impairment	(16,148)
Net book value at the end of the preceding period	**63,218**
Movements during the period	
Business combinations	0
Impairments	0
Sales and scrapped	0
Transfers from one heading to another	6
Transfer to discontinued operations	(809)
Exchange rate differences	(6)
At the end of the current period	**62,409**
Gross book value	76,883
Accumulated impairment	(14,474)
Net book value at the end of the period	**62,409**

7.2.5.3 Property, plant & equipment

For the year ending 31 December 2024:

in thousand EUR

	LAND AND BUILDINGS	PLANT, MACHINERY & EQUIPMENT	FURNITURE AND VEHICLES	LEASES AND SIMILAR RIGHTS	OTHER TANGIBLE ASSETS	ASSETS UNDER CONSTRUCTION	TOTAL
At the end of the preceding period							
Gross value	101,445	143,842	13,648	0	116	13,069	272,758
Accumulated depreciation	(32,875)	(106,803)	(11,152)	0	(92)	0	(151,560)
Accumulated impairments	(328)	(183)	0	0	0	0	(511)
Net book value at the end of the preceding period	**68,242**	**36,856**	**2,496**	**0**	**24**	**13,069**	**120,687**
Movements during the year							
Business combinations	23,522	8,745	313	0	0	0	32,580
Acquisitions	2,561	3,469	544	0	0	14,438	21,012
Depreciation	(4,566)	(8,377)	(1,188)	0	(2)	0	(14,134)
Impairments	0	(0)	0	0	0	(517)	(517)
Sales and scrapped	(10)	(376)	(13)	0	0	8	(391)
Transfers from one heading to another	10,167	7,792	482	0	0	(18,078)	364
Transfer to discontinued operations	0	0	0	0	0	0	0
Changes in scope	0	0	0	0	0	0	0
Exchange rate differences	924	204	21	0	0	12	1,161
At the end of the current period	**100,840**	**48,313**	**2,656**	**0**	**22**	**8,933**	**160,763**
Gross value	143,905	167,839	11,630	0	111	9,517	333,639
Accumulated depreciation	(42,751)	(119,345)	(8,974)	0	(89)	(67)	(171,863)
Accumulated impairments	(314)	(181)	0	0	0	(517)	(1,012)
Net book value at the end of the period	**100,840**	**48,313**	**2,656**	**0**	**22**	**8,933**	**160,763**

On 31 December 2024, Assets under construction mainly relate to Recticel Insulation France and Trimo.

On 31 December 2024, the Group had entered into contractual commitments for the acquisition of property, plant & equipment, mainly in France, amounting to EUR 7.3 million (2023: EUR 2.1 million).

For the year ending 31 December 2023:

in thousand EUR

	LAND AND BUILDINGS	PLANT, MACHINERY & EQUIPMENT	FURNITURE AND VEHICLES	LEASES AND SIMILAR RIGHTS	OTHER TANGIBLE ASSETS	ASSETS UNDER CONSTRUCTION	TOTAL
At the end of the preceding period							
Gross value	96,907	156,732	13,115	0	160	6,511	273,425
Accumulated depreciation	(29,731)	(121,142)	(10,521)	0	(97)	0	(161,491)
Accumulated impairments	(263)	(181)	0	0	0	0	(443)
Net book value at the end of the preceding period	**66,914**	**35,409**	**2,595**	**0**	**63**	**6,511**	**111,491**
Movements during the year							
Business combinations	0	0	0	0	0	0	0
Acquisitions	1,454	1,179	217	0	0	16,368	19,217
Depreciation	(3,177)	(7,122)	(902)	0	(32)	0	(11,233)
Impairments	(99)	(9)	0	0	0	(12)	(120)
Sales and scrapped	(185)	(21)	(3)	(0)	(7)	0	(216)
Transfers from one heading to another	1,519	7,387	628	0	0	(9,813)	(280)
Transfer to discontinued operations	1,421	0	(40)	0	0	(0)	1,380
Exchange rate differences	396	33	2	0	0	17	448
At the end of the current period	**68,242**	**36,856**	**2,496**	**0**	**24**	**13,069**	**120,687**
Gross value	101,445	144,587	13,648	0	116	13,069	272,866
Accumulated depreciation	(32,875)	(107,549)	(11,152)	0	(92)	0	(151,668)
Accumulated impairments	(328)	(183)	0	0	0	0	(511)
Net book value at the end of the period	**68,242**	**36,856**	**2,496**	**0**	**24**	**13,069**	**120,687**

Reference is also made to note 7.2.1.4, Major sources of estimation uncertainty and key judgments and note 7.2.4.7, Discontinued operations.

On 31 December 2023, Assets under construction mainly relate to Turvac and Recticel Insulation France.

On 31 December 2023, the Group had entered into contractual commitments for the acquisition of property, plant & equipment, mainly in Slovenia, amounting to EUR 2.1 million (2022: EUR 5.5 million).

7.2.5.4 Right-of-use assets

For the year ending 31 December 2024:

in thousand EUR

	LAND AND BUILDINGS	PLANT, MACHINERY & EQUIPMENT	FURNITURE AND VEHICLES	TOTAL
At the end of the preceding period				
Gross value	50,599	995	2,977	54,571
Accumulated depreciation	(23,582)	(650)	(1,686)	(25,917)
Accumulated impairments	(883)	0	0	(883)
Net book value at the end of the preceding period	**26,135**	**345**	**1,291**	**27,771**
Movements during the year				
Business combinations	0	6,545	0	6,545
New leases	169	6,455	3,082	9,705
Adjustment for reassessment of assumptions on dismantling and restoration costs	2,924	0	(167)	2,756
Depreciation	(3,538)	(1,945)	(1,336)	(6,818)
Impairments	123	0	0	123
Ended contracts	46	0	(48)	(2)
Transfers from one heading to another	(0)	(611)	33	(577)
Transfer to discontinued operations	0	0	0	0
Changes in scope	0	0	0	0
Exchange rate differences	369	13	19	400
At the end of the period	**26,227**	**10,802**	**2,874**	**39,903**
Gross value	53,950	19,033	4,766	77,749
Accumulated depreciation	(27,160)	(8,231)	(1,891)	(37,283)
Accumulated impairments	(564)	0	0	(564)
Net book value at the end of the period	**26,227**	**10,802**	**2,874**	**39,903**
Contractual tenor (in years)	6 - 12	3 - 12	4	

The new leases are comprised of an additional production line at Rex Panels & Profiles SA, new forklifts in Slovenia and the increase/renewal of company cars throughout the group.

The weighted average underlying incremental borrowing rate of the right-of-use asset agreements on 31 December 2024 was 3.32% (3.16% on 31 December 2023).

For the year ending 31 December 2023:

in thousand EUR

	LAND AND BUILDINGS	PLANT, MACHINERY & EQUIPMENT	FURNITURE AND VEHICLES	TOTAL
At the end of the preceding period				
Gross value	46,656	1,803	5,355	53,814
Accumulated depreciation	(20,591)	(1,279)	(3,092)	(24,963)
Accumulated impairments	(1,109)	0	0	(1,109)
Net book value at the end of the preceding period	**24,956**	**523**	**2,263**	**27,742**
Movements during the year				
Business combinations	0	0	0	0
New leases	466	29	541	1,036
Adjustment for reassessment of assumptions on dismantling and restoration costs	4,719	143	(39)	4,823
Depreciation	(3,248)	(312)	(846)	(4,406)
Impairments	0	0	0	0
Ended contracts	(506)	10	(634)	(1,131)
Transfers from one heading to another	46	(46)	0	0
Transfer to discontinued operations	0	0	0	0
Changes in scope	56	(92)	(1)	(37)
Exchange rate differences	(354)	91	7	(257)
At the end of the period	**26,135**	**345**	**1,291**	**27,771**
Gross value	50,599	995	2,977	54,571
Accumulated depreciation	(23,582)	(650)	(1,686)	(25,917)
Accumulated impairments	(883)	0	0	(883)
Net book value at the end of the period	**26,135**	**345**	**1,291**	**27,771**
Contractual tenor (in years)	6 - 12	3 - 12	4	

Reference is also made to note 7.2.4.7, Discontinued operations.

The weighted average underlying incremental borrowing rate of the right-of-use asset agreements on 31 December 2023 was 3.16% (1.48% on 31 December 2022).

The below table comprises the recognised lease charge during the financial period.

in thousand EUR

	2023	2024
Low value leases	3	1
Short term leases		128
Services under leases	1,903	469
Other considerations	0	
Total leases	**1,906**	**598**

7.2.5.5 Subsidiaries, joint ventures, associates and other associates

Unless otherwise indicated, the percentage shareholdings shown below are identical to the percentage voting rights.

1. Subsidiaries consolidated according to the full consolidation method

		% shareholding in	
		31 DEC 2023	31 DEC 2024
Bulgaria			
Trimo Bulgaria OOD	Kan Asparu str. 7, Triaditza District - Sofia City	70.00 (b)	0.00
Belgium			
Balim NV/SA	Bourgetlaan 42 - 1130 Haren	100.00	100.00
Finapal NV/SA	Bourgetlaan 42 - 1130 Haren	100.00	100.00
Recticel International Services NV/SA	Bourgetlaan 42 - 1130 Haren	100.00	100.00
Rex Panels & Profiles NV/SA	Rue du Mont des Carliers(BL) - 7522 Blandain		100.00 (a)
Finland			
Recticel Insulation oy	Gneissitie 2 - 04600 Mäntsälä	100.00	100.00
France			
Recticel Insulation SAS	1, rue Ferdinand de Lesseps - 18000 Bourges	100.00	100.00
Frina Mousse France SARL	1 Rue Jasmin - 68270 Wittenheim	100.00	100.00
Germany			
Recticel Deutschland Beteiligungs GmbH	Adolfstrasse 1 - 65185 Wiesbaden	100.00	100.00
Recticel Grundstücksverwaltung GmbH	Adolfstrasse 1 - 65185 Wiesbaden	100.00	100.00
Recticel Verwaltung GmbH & Co. KG	Adolfstrasse 1 - 65185 Wiesbaden	100.00	100.00
Trimo DE GmbH	The Squaire Business Center, Am Flughafen 12, 5th Floor, 60549 Frankfurt Am Main	100.00	100.00
Luxembourg			
Recticel RE SA	23 Avenue Monterey - 2163 Luxembourg	100.00	100.00
Recticel Luxembourg SA	23 Avenue Monterey - 2163 Luxembourg	100.00	100.00
Macedonia			
Trimo Makedonija DOOEL	Londonska 19/15 – DTC Olimpiko, 1000 Skopje	100.00	100.00
The Netherlands			
Recticel BV	Wanraaij 4 - 6673 DN Andelst	100.00	100.00
Recticel International BV	Wanraaij 4 - 6673 DN Andelst	100.00	100.00
Trimo Benelux BV	Dorpstraat 63 - 5761 BM Bakel	100.00	100.00

		% shareholding in	
		31 DEC 2023	31 DEC 2024
Poland			
Recticel Insulation Materials sp. z o.o.	ul. Lakowa 29 - 90-554 Lodz	100.00	100.00
Recticel International Services sp.z o.o.	ul. Lakowa 29 - 90-554 Lodz	100.00	0.00 (c)
Trimo Polska sp. z o.o.	ul. Obrzezna 5 - 02-691 Warsaw	100.00	100.00
Serbia			
Trimo Inženjering d.o.o.	Novo naselje 9 - 22310 Simanovci	100.00	100.00
Slovakia			
Trimo Slovakia spol s.r.o.	Lovinského 4653 - 81104 Bratislava	25.00	25.00
Slovenia			
Trimo d.o.o.	Prijateljeva cesta 12 - 8210 Trebnje	100.00	100.00
Trimo MSS d.d.	Prijateljeva cesta 12 - 8210 Trebnje	100.00	100.00
Tinde d.o.o.	Prijateljeva cesta 12 - 8210 Trebnje	100.00	100.00
Turvac d.o.o.	Primorska 6b, 3325 Šoštanj	74.00	74.00
ZEL-EN, razvojni center energetike d.o.o.	Vrbina 18 - 8270 Krško	13.59	13.59
Sweden			
Recticel Insulation Sweden AB	Torsgatan 2 - 11175 Stockholm	100.00	100.00
United Kingdom			
Gradient Insulations (UK) Limited	Blue Bell Close Clover Nook Industrial Park - Alfreton DE554RD	100.00	0.00 (d)
Recticel Insulation UK Limited	Enterprise way Whittle Road, Meir Park - Stoke-on-Trent ST37UN	100.00	100.00
Trimo UK Limited	Highview House 1st Floor, Tottenham Cresent, Epson - Surrey KT185QJ	100.00	100.00
United States of America			
The Soundcoat Company, Inc.	Burt Drive 1 PO Box 25990 - NY 11729 Deer Park, County of Suffolk	100.00	100.00
United Arab Emirates			
Trimo DCS FZE	Fujairah Free Zone 2 - Fujairah	100.00	100.00

(a) *Entity part of the acquisition of Rex Panels & Profiles NV/SA*
(b) *Liquidated on 31 December 2023*
(c) *Transferred to Carpenter Co. on 1 January 2024*
(d) *Liquidated on 31 December 2024*

Significant restrictions to realise assets or settle liabilities

Recticel NV/SA or some of its subsidiaries have provided guarantees for (i) an aggregate amount of EUR 1.2 million in favour of OVAM regarding the sanitation and rehabilitation projects on some of its sites and/or sites of its subsidiaries, (ii) an aggregate amount of EUR 0.8 million in favour of the Walloon Département du Sol et des Déchets – DSD, (iii) an aggregate amount of EUR 35.1 million in favour of Carpenter Co. and (iv) an aggregate amount of EUR 3.0 million in favour of the insurer HDI Global.

Recticel NV/SA also provides guarantees and comfort letters (for a total amount of EUR 33.5 million) to and/or on behalf of various direct or indirect subsidiaries, of which the material (> EUR 1 million) ones are:

- on behalf of Recticel Verwaltung GmbH: EUR 5.0 million;
- on behalf of Recticel Insulation s.a.s. in the framework of a real estate lease: EUR 13.0 million;
- on behalf of Recticel Insulation OY: EUR 15.5 million in the framework of a real estate investment loan;

Under the syndicated credit facility agreement, the maximum dividend authorised for distribution, excluding the portion attributable to the treasury shares, amounts to the higher of (i) 50% of the consolidated net income of the Group for the previous financial year and (ii) EUR 14.0 million.

The gross dividend over 2024 – to be paid in 2025 – proposed to the Annual General Meeting amounts to EUR 0.31 per share, leading to a total dividend pay-out of EUR 17.5 million (excluding treasury shares). This amount is higher than the above-mentioned maximum pay-out limit and consequently a waiver was requested and granted.

2. Associates accounted for using the equity method

		% shareholding in 31 DEC 2023	31 DEC 2024
Germany			
TEMDA2 GmbH	Gut Hochschloss 1 - 82396 Pähl	49.00	49.00

Apart from having the approval of the controlling shareholder(s) to distribute dividends, there are no specific restrictions on the ability of associates to transfer funds to Recticel in the form of cash dividends, or to repay loans or advances made by Recticel.

3. Non-consolidated entities

Some subsidiaries that are more than 50% controlled are not consolidated because they are (still) non-material. As soon as they have reached a sufficient size, however, they will be included in the scope of consolidation. Recticel does not have any non-consolidated entities.

7.2.5.6 Interests in joint ventures, associates and other associates

A list of the significant investments in joint ventures and associates is included in note 7.2.5.5, Subsidiaries, joint ventures, associates and other associates.

A distinction has been made between associates (income included in operating profit/(loss)) and other associates – (income excluded from operating profit/(loss)). Other associates not considered as being part of the Group's core business are not integrated in Operating profit/(loss) i.e. TEMDA2 (Ascorium, formerly Automotive Interiors).

in thousand EUR

	JOINT VENTURES	ASSOCIATES	OTHER ASSOCIATES	31 DEC 2023	JOINT VENTURES	ASSOCIATES	OTHER ASSOCIATES	31 DEC 2024
At the end of the preceding period	**0**	**0**	**9,520**	**9,520**	**0**	**0**	**(0)**	**0**
Movements during the year								
Capital increase	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Remeasurement gains/losses on defined benefit plans	0	0	0	0	0	0	0	0
Income tax relating to components of other comprehensive income	0	0	0	0	0	0	0	0
Other comprehensive income net of tax	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Group's share in the result for the period	0	0	(1,772)	(1,772)	0	0	0	0
Translation differences	0	0	0	0	0	0	0	0
Comprehensive income for the period	**0**	**0**	**(1,772)**	**(1,772)**	**0**	**0**	**0**	**0**
Dividends distributed	0	0	0	0	0	0	0	0
Change in scope	0	0	0	0	0	0	0	0
Reclassification to assets held for sale	0	0	0	0	0	0	0	0
Impairment	0	0	(7,748)	(7,748)	0	0	0	0
Other	0	0	0	0	0	0	0	0
At the end of the period	**0**	**0**	**(0)**	**0**	**0**	**0**	**(0)**	**0**

In 2024, considering the relevant considerations that there are no contractual or constructive obligations covering for unlimited losses, the recognition of the Group's share of the results of the joint venture is limited to the extent of the original recognized amount of the investment. All subsequent Group's shares of the profits are not recognized by the Group until the historically non-recognized Group's share of the results of the joint venture are covered.

In 2023, based on the FY2023 and the Budget 2024 figures, a full impairment of the TEMDA2 participation value i.e. EUR 7.7 million was made. On 31 December 2023 Recticel's investment in TEMDA2 (Investment in other associates) amounted to zero. As Recticel's investment in TEMDA2 is reduced to zero as a result of an impairment, additional losses are recognised by a liability only to the extent that Recticel has legal or constructive obligations or made payments on behalf of TEMDA2. As Recticel does not have such obligation, further losses of TEMDA2 did not result in an additional loss in the consolidated accounts of Recticel (only if no legal or constructive obligations).

Pro forma key figures for associates and other associates (on a 100% basis):

in thousand EUR

	ASSOCIATES		OTHER ASSOCIATES	
	ORSA FOAM		TEMDA2	
	31 DEC 2023	31 DEC 2024	31 DEC 2023	31 DEC 2024
Aggregated figures (sum of individual company ledgers before eliminations)				
Non-current assets	0	0	66,757	52,778
Current assets	0	0	71,126	59,864
Total assets	**0**	**0**	**137,883**	**112,642**
Non-current liabilities	0	0	(45,970)	(11,848)
Current liabilities	0	0	(76,101)	(92,752)
Total liabilities	**0**	**0**	**(122,071)**	**(104,600)**
Net equity	**0**	**0**	**15,812**	**8,042**
Revenue	**0**	**0**	**143,216**	**104,451**
Profit (loss) of the period	**0**	**0**	**(20,794)**	**(5,834)**

In 2023 Recticel divested its 33% participation in Orsa Foam srl to its joint venture partner Orsa srl.

in thousand EUR

	ORSA FOAM		TEMDA2	
	31 DEC 2023	31 DEC 2024	31 DEC 2023	31 DEC 2024
Net equity (Group share)	**0**	**0**	**7,748**	**0**
Reversal of real estate revaluation	0	0	0	0
Corrections on opening balance	0	0	0	0
Impairment	0	0	7,748	0
Carrying amount of interests in associate	**0**	**0**	**0**	**0**

On 01 July 2020, Recticel NV/SA announced the closing of the divestment of its Automotive Interiors business to TEMDA2 GmbH (now Ascorium Holding GmbH), a joint venture set up between the German private equity player Admetos (51%) and Recticel NV/SA (49%).

The joint venture shareholder agreement contained reciprocal call/put options - for Admetos to acquire, or Recticel to sell its remaining 49% share -, which were exercisable as from March 2024.

At the time of the divestment on 30 June 2020, Recticel NV/SA granted a subordinated vendor loan of EUR 10 million (maturity 2027) to TEMDA2 GmbH. On 31 December 2024, the TEMDA2 GmbH vendor loan (receivable) included accumulated interest and amounted to EUR 11.5 million.

Furthermore, Recticel also provided corporate guarantees on first demand towards KBC Bank and BNP Paribas Bank which had provided Temda2 GmbH with an acquisition loan of EUR 25 million and Ascorium Group with a revolving credit facility of EUR 20 million with a duration of five years. A further corporate guarantee was provided towards KBC Bank in 2022 for an amount of EUR 2.75 million to finance a sprinkler system for one of Ascorium's production sites in Czech Republic.

Given the economic consequences of the Ukraine crisis in 2022 and 2023, leading to increased financing costs and reduced automotive business prospects, Ascorium requested an extension of the KBC Bank and BNP Paribas Bank financings and the accompanying Recticel corporate guarantees.

In the course of 2024, Admetos and Recticel have renegotiated their respective agreements, whereby Recticel agreed to extend its corporate guarantees, and whereby the reciprocal call/put options were abolished, and the parties would work together towards a joint divestment at the appropriate time. Changes were also made in the corporate governance structure, providing more governance rights to Recticel.

Despite the overall negative evolution in the automotive sector over the past year, the Ascorium business continues to generate a positive recurring Ebitda, but negative EAT due to the increased financing and financing costs. At the same time, Ascorium has been successful in obtaining new projects allowing to grow the business again as of 2027, while requiring at the same time substantial capex and working capital investments, for which additional financing may be required.

Given the continuing uncertainty in the automotive market, Recticel cannot exclude that the above mentioned vendor loan may not be (fully) recuperated, nor can it exclude that at some point, the above mentioned corporate guarantees towards KBC Bank and BNP Paribas Bank will be partly or fully called upon. The maximum risk exposure for Recticel NV/SA in this context amounts to EUR 59.8 million. The Group did not incur significant contingent liabilities for its interests in associates or other associates.

7.2.5.7 Other financial assets

in thousand EUR

	31 DEC 2023	31 DEC 2024
Financial investments	**500**	**500**
Loans to affiliates	11,523	11,522
Other loans	2,517	449
Non-current financial receivables	**14,041**	**11,971**
Cash advances and deposits	200	323
Other receivables	329	0
Non-current other receivables	**530**	**323**
Derivatives - Option valuation	0	0
Total	**15,070**	**12,794**

The item 'Loans to affiliates' relates mainly to a loan to TEMDA2 (EUR 11.5 million). The item 'Other loans' relates to loans granted by Recticel Insulation SAS, France (EUR 0.2 million) to some of its employees.

The carrying amounts of these non-current receivables approximate the fair value since the interest rate is a variable rate in line with market conditions.

The maximum exposure to credit risk equals to the carrying amounts of these assets as recognised on the statement of financial position.

There are no due but unpaid receivables, nor impairments on the outstanding receivables. There are no specific guarantees offered for the outstanding receivables.

The item 'Cash advances and deposits' mainly relates to guarantees provided for rents and supplies (water, electricity, telecom, waste treatment, etc.).

7.2.5.8 Inventories

in thousand EUR

	31 DEC 2023	31 DEC 2024
Raw materials & supplies - Gross	31,528	41,802
Raw materials & supplies - Amounts written off	(1,277)	(2,381)
Raw materials & supplies	**30,251**	**39,422**
Work in progress - Gross	904	1,523
Work in progress - Amounts written off	(7)	(2)
Work in progress	**897**	**1,521**
Finished goods - Gross	12,226	13,085
Finished goods - Amounts written off	(273)	(64)
Finished goods	**11,953**	**13,021**
Traded goods - Gross	727	1,144
Traded goods - Amounts written off	(236)	(221)
Traded goods	**491**	**923**
Down payments - Gross	99	189
Down payments - Amounts written off	0	0
Down payments	**99**	**189**
Contracts in progress - Gross	0	0
Contracts in progress - Gross - Moulds	0	0
Contracts in progress	**0**	**0**
Total inventories	**43,692**	**55,075**
Amounts written off on inventories during the period	(1,886)	(961)
Amounts written back on inventories during the period	320	777

Total inventories in 2024 increased due to higher activities.

7.2.5.9 Contract assets and contract liabilities

The following schedule presents the overview of contract assets and liabilities following the application of IFRS 15 in 2024 and includes both the impact of the opening balance and the movements of the period.

For the year ending 31 December 2024:

in thousand EUR

	OPENING BALANCE	BUSINESS COMBINATIONS	CONSIDERATION PAYABLE TO CUSTOMERS	RELEASE TO INCOME STATEMENT	RECLASSIFICATION	EXCHANGE RATE DIFFERENCES	TRANSFER TO DISCONTINUED OPERATIONS	CHANGE IN SCOPE	CLOSING BALANCE AT THE END OF THE PERIOD
Non-current contract assets - Consideration payable to a customer	0	0	0	0	0	0	0	0	0
Non-current contract assets - Contracts in progress Moulds	0	0	0	0	0	0	0	0	0
Non-current contract assets - Contracts in progress Tooling & Packaging	0	0	0	0	0	0	0	0	0
Non-current contract assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Current contract assets - Consideration payable to a customer	0	0	0	0	0	0	0	0	0
Current contract assets - Contracts in progress Moulds	0	0	0	0	0	0	0	0	0
Current contract assets - Contracts in progress Tooling & Packaging	0	0	0	0	0	0	0	0	0
Current contract assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total contract assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Non-current contract liabilities - Mould revenue recognition before SOP (start of production)	0	0	0	0	0	0	0	0	0
Non-current contract liabilities - Mould revenue recognition after SOP (start of production)	0	0	0	0	0	0	0	0	0
Non-current contract liabilities - Tooling & Packaging revenue recognition before SOP (start of production)	0	0	0	0	0	0	0	0	0
Non-current contract liabilities - Tooling & Packaging revenue recognition after SOP (start of production)	0	0	0	0	0	0	0	0	0
Non-current contract liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Contract liabilities - Expected rebates and volume discounts	8,037	0	0	2,024	(803)	320	0	0	9,577
Contract liabilities - Long term agreements	0	0	0	0	0	0	0	0	0
Contract liabilities - Moulds revenue recognition	0	0	0	0	0	0	0	0	0
Contract liabilities - Tooling & Packaging revenue recognition	0	0	0	0	0	0	0	0	0
Current contract liabilities	**8,037**	**0**	**0**	**2,024**	**(803)**	**320**	**0**	**0**	**9,577**
Total contract liabilities	**8,037**	**0**	**0**	**2,024**	**(803)**	**320**	**0**	**0**	**9,577**

In 2024 the rebate contract liabilities increased in line with increased sales.

For the year ending 31 December 2023:

in thousand EUR

	OPENING BALANCE	BUSINESS COMBINATIONS	CONSIDERATION PAYABLE TO CUSTOMERS	RELEASE TO INCOME STATEMENT	RECLASSIFICATION	EXCHANGE RATE DIFFERENCES	TRANSFER TO DISCONTINUED OPERATIONS	CHANGE IN SCOPE	CLOSING BALANCE AT THE END OF THE PERIOD
Non-current contract assets - Consideration payable to a customer	0	0	0	0	0	0	0	0	0
Non-current contract assets - Contracts in progress Moulds	0	0	0	0	0	0	0	0	0
Non-current contract assets - Contracts in progress Tooling & Packaging	0	0	0	0	0	0	0	0	0
Non-current contract assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Current contract assets - Consideration payable to a customer	0	0	0	0	0	0	0	0	0
Current contract assets - Contracts in progress Moulds	0	0	0	0	0	0	0	0	0
Current contract assets - Contracts in progress Tooling & Packaging	0	0	0	0	0	0	0	0	0
Current contract assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total contract assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Non-current contract liabilities - Mould revenue recognition before SOP (start of production)	0	0	0	0	0	0	0	0	0
Non-current contract liabilities - Mould revenue recognition after SOP (start of production)	0	0	0	0	0	0	0	0	0
Non-current contract liabilities - Tooling & Packaging revenue recognition before SOP (start of production)	0	0	0	0	0	0	0	0	0
Non-current contract liabilities - Tooling & Packaging revenue recognition after SOP (start of production)	0	0	0	0	0	0	0	0	0
Non-current contract liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Contract liabilities - Expected rebates and volume discounts	7,587	0	0	1,138	(805)	116	0	0	8,037
Contract liabilities - Long term agreements	0	0	0	0	0	0	0	0	0
Contract liabilities - Moulds revenue recognition	0	0	0	0	0	0	0	0	0
Contract liabilities - Tooling & Packaging revenue recognition	0	0	0	0	0	0	0	0	0
Current contract liabilities	**7,587**	**0**	**0**	**1,138**	**(805)**	**116**	**0**	**0**	**8,037**
Total contract liabilities	**7,587**	**0**	**0**	**1,138**	**(805)**	**116**	**0**	**0**	**8,037**

7.2.5.10 Trade receivables, other receivables and other financial assets

in thousand EUR

	31 DEC 2023	31 DEC 2024
Trade receivables	81,464	106,319
Loss allowance for expected credit losses	(3,330)	(4,394)
Total trade receivables	**78,134**	**101,925**
Other receivables[1]	**7,333**	**9,494**
Derivatives (forward exchange contracts)	24	0
Loans carried at amortised cost	2,670	2,626
Other financial assets[2]	**2,694**	**2,626**
Other receivables and other financial assets [1+2]	**10,027**	**12,119**

Trade receivables at reporting date 2024 comprise amounts receivable from the sale of goods and services for EUR 101.9 million (2023: EUR 78.1 million). The increase is partly related to the business combination Rex Panels & Profiles.

In 2024, other receivables amounting to EUR 9.5 million relate to (i) VAT receivable (EUR 1.8 million), (ii) advances paid to third parties for operating costs spread over several financial years (EUR 3.5 million), (iii) prepayments, tax credits and subsidies, and contractual commitments with co-contractors (EUR 4.2 million).

In 2023, other receivables amounting to EUR 7.3 million relate to (i) VAT receivable (EUR 1.5 million), (ii) advances paid to third parties for operating costs spread over several financial years (EUR 3.8 million), (iii) prepayments, tax credits and subsidies, and contractual commitments with co-contractors (EUR 2.0 million).

In 2024, other financial assets (EUR 2.7 million) mainly consist of the receivable of EUR 2.4 million (i.e. current portion of the loan payable in 2025) to Orsa Foam related to the payment plan linked to the sale of the participation.

In 2023, other financial assets (EUR 2.7 million) mainly consist of the receivable of EUR 2.4 million (i.e. current portion of the loan payable in 2024) to Orsa Foam related to the payment plan linked to the sale of the participation.

Factoring

Although the factoring credit lines are still available, due to the cash in from the divestment of Recticel Engineered Foams to Carpenter Co. no amounts were drawn on 31 December 2024.

in thousand EUR

	31 DEC 2023	31 DEC 2024
Factoring without recourse		
Gross amount	0	0
Continuing involvement	0	0
Net amount	**(0)**	**0**
Retention amount recognised in debt	0	(0)
Total amount factoring without recourse	**(0)**	**(0)**

The average outstanding amounts of receivables vary between 10% and 15% of total sales. A strict credit follow-up is organised through a centralised credit management organisation.

The continuing involvement represents the part of the receivables that was not transferred to the factoring company as specified in the terms and conditions under the factoring agreement. The retention amount represents the amount that is deducted from the gross (invoice) amount, taking into account the limitation of the amount that can be included in the factoring agreement per customer. Recticel does not include this retention amount in debt. These outstanding receivables ("retention amount") are permanently presented on the balance sheet.

Movement in loss allowance for expected credit losses:

in thousand EUR

	31 DEC 2023	31 DEC 2024
At the end of the preceding period	**(3,412)**	**(3,330)**
Business combinations	0	(1,199)
Additions	(283)	(833)
Reversals	298	1,050
Non-recoverable amounts	7	0
Reclassification	1	(208)
Exchange differences	59	125
Change in scope	0	0
Transfer to assets held for sale	0	0
Total at the end of the period	**(3,330)**	**(4,394)**

The non-recoverable amounts refer to trade receivable balances which have been written off as the Group considers that these are not recoverable.

7.2.5.11 Cash and cash equivalents

Cash and cash equivalents include cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value. There are no specific restrictions that apply to cash and cash equivalents.

7.2.5.12 Assets and Liabilities held for sale and discontinued operations

Discontinued operations

In **2023** the Recticel Engineered Foams activities were sold to Carpenter Co. Reference is made to note 7.2.4.7, Discontinued operations.

7.2.5.13 Share capital

in thousand EUR

	2023	2024
Number of shares		
Number of shares issued and fully paid at 01 January	56,208,420	56,230,920
Number of shares issued and fully paid at 31 December	56,230,920	56,605,920
of which number of treasury shares at 31 December	326,800	326,800

in thousand EUR

	31 DEC 2023	31 DEC 2024
Issued and fully paid shares	140,577	141,515

The change in share capital is explained by the exercise of subscription rights in 2024.

Recticel manages its share capital, without any corrections or adjustments. There are no external capital restrictions applicable on the share capital, except for the 'syndicated revolving credit financing facility' which is subject to some financial covenants. One covenant limits the annual dividend payment to the higher of (i) 50% of the consolidated net income of the Group for the previous financial year and (ii) EUR 14.0 million. For the 2024 dividend, a waiver was requested and granted.

7.2.5.14 Employee benefit liabilities

in thousand EUR

	31 DEC 2023	31 DEC 2024
Post-employment benefits: defined benefit plans	11,947	10,487
Other long-term benefits and termination benefits	465	510
Net liabilities at 31 December	**12,412**	**10,996**

- **Post-employment benefits: defined benefit plans**

97.0% of the defined benefit obligation is concentrated in three countries: Belgium (52.7%), United Kingdom (38.1%) and Germany (6.1%). Within these three countries Recticel operates funded defined benefit retirement plans. This includes hybrid defined contribution plans, which are treated as defined benefit plans because of the guarantee obligations of the employer. These plans typically provide retirement benefits related to remuneration and period of service.

The following information describes the retirement plans in Belgium and the United Kingdom, which make up 90.9% of the total defined benefit obligation.

in thousand EUR

	DEFINED BENEFIT OBLIGATION	ASSETS	FUNDED STATUS DEFICIT/(SURPLUS)	ADJUSTMENT DUE TO ASSET CEILING/ ADDITIONAL LIABILITY UNDER IFRIC 14	NET LIABILITY/ (ASSET)
Belgium	35,206	(31,458)	3,748	0	3,748
United Kingdom	25,461	(28,487)	(3,026)	4,026	1,000
Germany	4,063	(342)	3,721	0	3,721
Other countries	2,018	0	2,018	0	2,018
Total	**66,748**	**(60,287)**	**6,461**	**4,026**	**10,487**

Belgium

Recticel operates defined benefit and hybrid defined contribution pension plans in Belgium. These plans are funded through group insurances, and contributions are payable only by the employer. The defined benefit plans have been closed to new employees since 2003; most hybrid plans are still open to new employees. The plans function in, and comply with, a regulatory framework and comply with the local minimum funding requirements. Plan participants are entitled to salary-related benefits on retirement at age 65, and in case of death in service. The usual, and assumed, form of benefit payment is in all cases a lump sum, but the plans foresee the option to convert to annuity.

United Kingdom

Recticel sponsors one funded defined benefit plan in the United Kingdom, which is closed to new entrants and to further accrual of benefits for existing members. The plan is governed via a trust which is legally separate from Recticel and is administered by a board of Trustees composed of both employer-appointed and member-nominated Trustees. The Trustees are required by law to act in the interest of the beneficiaries of the plan, and are responsible for the investment policy in respect of plan assets and for the day-to-day administration of the benefits. The plan functions in, and complies with, a regulatory framework, and is subject to minimum funding requirements. Under the plan, members are entitled to annual pensions on retirement at age 60 or 65, based on final pensionable salary and years of pensionable service.

UK legislation requires that the liabilities of defined benefit pension schemes are calculated for funding purposes on a prudent basis. The last funding valuation of the plan was carried out as at 31 December 2022 and showed a deficit of GBP 2.5 million. A recovery plan was agreed in July 2024 under which Recticel agreed to pay an amount of GBP 1.0 million on 31 December 2027.

Recticel has agreed with the trustees of the plan to fund the cost of transferring the plan to an insurance company in due course. At 31 December 2024, the estimated cost in excess of the employee benefit liability recognised under IAS 19 was GBP 0.8 million, and this amount has been recognised in provisions for other risks.

- **Risks associated with defined benefit pension plans**

The most significant risks associated with Recticel's defined benefit plans are:

Changes in bond yields:	Benefit obligations are calculated using a discount rate typically set with reference to corporate or government bond yields. A decrease in bond yields will therefore increase the value of the benefit obligations, although this will be partially offset by an increase in the value of those assets held in bonds.
Asset volatility:	If asset portfolios underperform bond yields overall, the net liability will increase. Some plans hold a proportion of equities which, though expected to outperform corporate bonds in the long term, carry the risk of volatility in the short term. The allocation to equities is monitored to ensure it remains appropriate.
Inflation risk:	Increases in benefits, and in the underlying salaries on which some benefits are based, are linked to inflation, so that higher inflation will lead to higher benefit obligations. Most plan assets are either unaffected by or only loosely correlated with inflation, so that higher inflation will increase the net liability. For some plans, this risk is mitigated by caps on the level of benefit increases, which protects against extreme inflation.
Life expectancy:	Some plans provide benefits for the life of the member, so that increases in life expectancy will result in an increase in the defined benefit obligation.
Currency risk:	Currency risk arises principally from fluctuations in the Euro value of net liabilities of plans denominated in other currencies.

in thousand EUR

	31 DEC 2023	31 DEC 2024
Evolution of the net liability during the year is as follows:		
Net liability at 01 January	**12,783**	**11,947**
Changes in scope of consolidation	0	0
Expense recognised in the income statement	1,851	1,614
Employer contributions	(4,192)	(2,289)
Amount recognised in other comprehensive income	1,457	(839)
Exchange rate differences	48	53
Discontinued net liability	0	0
Net liability at 31 December	11,947	10,487

in thousand EUR

	31 DEC 2023	31 DEC 2024
Pension costs recognised in profit and loss and other comprehensive income:		
Service cost:		
Current service cost	3,325	1,298
Employee contributions	(347)	0
Past service cost (including curtailments)	(9)	(100)
Cost or gain on settlement	(157)	0
Administration expenses	103	91
Net interest cost:		
Interest cost	3,323	2,391
Interest income	(2,941)	(2,326)
Interest on asset ceiling/ additional liability recognised under IFRIC 14	229	260
Pension expense recognised in profit and loss	**3,526**	**1,614**
Remeasurements in other comprehensive income		
Return on plan assets (in excess of)/below that recognised in net interest	(1,508)	3,052
Actuarial (gains)/losses due to changes in financial assumptions	3,572	(2,483)
Actuarial (gains)/losses due to changes in demographic assumptions	(930)	(276)
Actuarial (gains)/losses due to experience	707	354
Changes in the asset ceiling/additional liability under IFRIC 14, excluding amounts recognised in net interest cost	(812)	(1,486)
Total amount recognised in other comprehensive income	**1,029**	**(839)**
Total amount recognised in profit and loss and other comprehensive income	**4,555**	**775**

In 2024, amounts for past service costs and curtailments relate mainly to restructuring in Belgium.

in thousand EUR

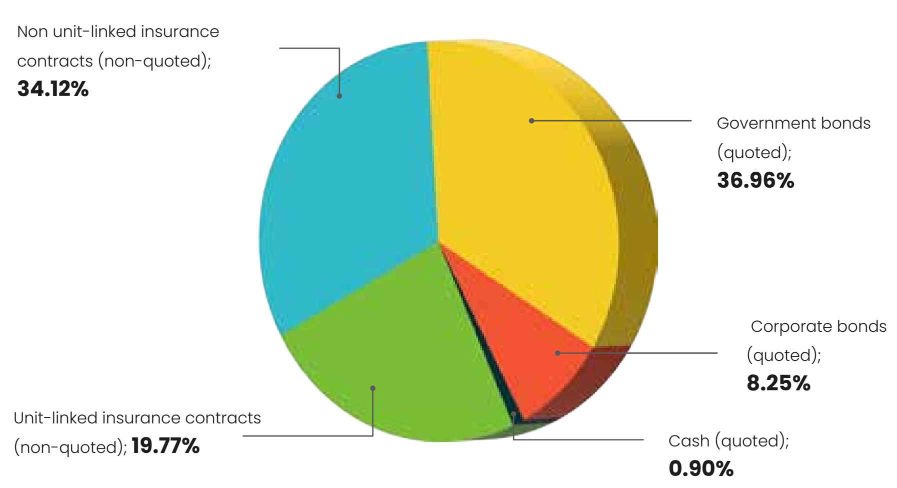
	31 DEC 2023	31 DEC 2024
Amounts recorded in the statement of financial position in respect of the defined benefit plans are:		
Defined benefit obligations for funded plans	65,649	64,730
Fair value of plan assets	(60,334)	(60,287)
Funded status for funded plans deficit/(surplus)	**5,315**	**4,443**
Defined benefit obligations for unfunded plans	1,611	2,018
Total funded status at 31 December deficit/(surplus)	**6,926**	**6,461**
Effect of the asset ceiling/ additional liability recognised under IFRIC 14	5,021	4,026
Net liabilities at 31 December	**11,947**	**10,487**
The key actuarial assumptions used at 31 December (weighted averages) are:		
Discount rate	3.68%	2.95%
Future pension increases	2.36%	2.36%
Expected rate of salary increases	3.11%	3.05%
Inflation	2.22%	2.27%

The mortality assumptions are based on recent mortality tables. The mortality tables of the United Kingdom and Germany assume that life expectancies will increase in future years.

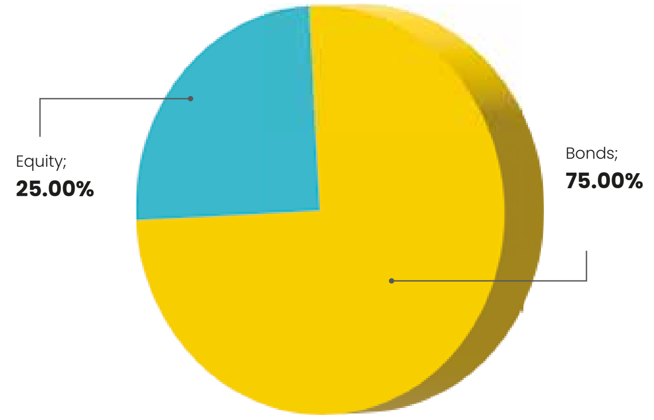
Movement of the plan assets		
Fair value of plan assets at 01 January	54,952	60,334
Changes in scope of consolidation	0	0
Interest income	2,406	2,326
Employer contributions	4,192	2,289
Employee contributions	0	0
Benefits paid (direct & indirect, including taxes on contributions paid)	(2,910)	(2,910)
Return on plan assets in excess of/(below) that recognised in net interest, excl. interest income	1,648	(3,052)
Settlement gains/(losses)	(442)	0
Administration expenses	(96)	(91)
Exchange rate differences	584	1,392
Discontinued plan assets	0	(0)
Fair value of plan assets at 31 December	**60,334**	**60,287**

The funded plans' assets are invested in mixed portfolios of shares and bonds, or insurance contracts. The plan assets do not include direct investments in Recticel shares, Recticel bonds or any property used by Recticel companies.

Plan assets portfolio mix on 31 December 2024



Asset classes of unit-linked insurance contracts



Unit-linked insurance contracts are investments in debt and equity instruments managed by an insurance company in which Recticel holds a specific number of fund units, and for which the unit value is declared on a regular basis.

Non-unit-linked insurance contracts are pure insurance policies with only limited financial investment risk.

in thousand EUR

	31 DEC 2023	31 DEC 2024
Movement of the defined benefit obligation		
Defined benefit obligation at 01 January	**64,112**	**67,260**
Changes in scope of consolidation	0	0
Current service cost	1,518	1,298
Interest cost	2,618	2,391
Benefits paid (direct & indirect, including taxes on contributions paid)	(2,910)	(2,910)
Actuarial (gains)/losses on liabilities arising from changes in financial assumptions	2,582	(2,483)
Actuarial (gains)/losses on liabilities arising from changes in demographic assumptions	(483)	(276)
Actuarial (gains)/losses on liabilities arising from experience	(133)	354
Past service cost (including curtailments)	4	(100)
Settlement (gains)/losses	(604)	0
Exchange rate differences	556	1,215
Defined benefit obligation at 31 December	**67,260**	**66,749**
Split of the defined benefit obligation per population		
Active members	18,786	16,636
Members with deferred benefit entitlements	29,902	29,662
Pensioners/Beneficiaries	18,572	20,450
Total defined benefit obligation at 31 December	**67,260**	**66,748**
Changes in the effect of the asset ceiling/ additional liability under IFRIC 14		
Asset ceiling/additional liability impact at 01 January	3,623	5,021
Interest on asset ceiling/additional liability	183	260
Changes in the asset ceiling/additional liability, excluding amounts recognised in net interest cost	1,139	(1,486)
Exchange rate differences	76	230
Asset ceiling/additional liability impact on 31 December	**5,021**	**4,025**
Weighted average duration of the defined benefit obligation on 31 December	**11 years**	**9.23 years**

	31 DEC 2023	31 DEC 2024
Sensitivity of defined benefit obligation to key assumptions on 31 December		
% increase in defined benefit obligation following a 0.25% decrease in the discount rate	2.69%	2.40%
% decrease in defined benefit obligation following a 0.25% increase in the discount rate	-2.53%	-2.31%
% decrease in defined benefit obligation following a 0.25% decrease in the inflation rate	-0.97%	-0.51%
% increase in defined benefit obligation following a 0.25% increase in the inflation rate	1.00%	0.51%

For plans where a full valuation has been performed, the sensitivity information shown above is exact and based on the results of this full valuation. For plans where results have been rolled forward from the last full actuarial valuation, the sensitivity information above is approx-imate and takes into account the duration of the liabilities and the overall profile of the plan membership.

in thousand EUR

	2025
Estimated contributions for the coming year	
Expected employer contributions for defined benefit plans	1,722

Post-employment benefits: defined contribution plans

The amount recognised as an expense for defined contribution plans in respect of continuing operations was EUR 1,722,000 (2023: EUR 869,000).

7.2.5.15 Provisions

For the year ending 31 December 2024:

in thousand EUR

	LITIGATIONS	DEFECTIVE PRODUCTS	ENVIRONMENTAL RISKS	RESTRUCTURING	PROVISIONS FOR ONEROUS CONTRACTS AND DILAPIDATION COSTS	OTHER RISKS	TOTAL
At the end of the preceding year	**0**	**552**	**2,696**	**0**	**686**	**27,214**	**31,148**
Movements during the year							
Business combinations	0	1,695	0	0	0	0	1,695
Increases	18	741	0	1,252	0	97	2,108
Actualisation	0	0	0	0	0	0	0
Utilisations	(18)	(1,414)	(18)	0	0	(2,250)	(3,700)
Write-backs	0	4	0	0	(146)	(1,455)	(1,598)
Transfer from one heading to another	0	97	0	0	0	(97)	0
Transfer to discontinued operations	0	0	0	0	0	0	0
Change in ascope	0	0	0	0	0	0	0
Exchange rate differences	0	0	0	0	29	49	79
At year-end	**0**	**1,674**	**2,678**	**1,252**	**569**	**23,559**	**29,732**
Non-current provisions (more than one year)	0	1,674	2,678	(0)	569	23,559	28,479
Current provisions (less than one year)	0	0	0	1,252	0	0	1,252
Total	**0**	**1,674**	**2,678**	**1,252**	**569**	**23,559**	**29,732**

Provisions for defective products are generally calculated on the basis of 1% of yearly turnover, which corresponds to the management's best estimate of the risk under 12-month warranties. When historical data are unavailable, the level of the provisions is compared to the yearly effective rate of liabilities, and if necessary, the amount of provision is adjusted.
The increase mainly relates to the acquisition of Rex Panels & Profiles SA.

Provisions for environmental risks cover primarily pollution risks in Belgium (Wetteren/Balen).

Provisions for onerous contracts relate mainly to the buildings in the United Kingdom (EUR 0.6 million).

Provisions for other risks relate mainly to legal costs and fees for legacy remediation and litigations (note 7.2.6.9, Contingent assets and liabilities) as well as management assessments with regards to post-closing settlements. The increase is mainly due to a provision for indemnities related to the divestment of Recticel Engineered Foams activities (EUR 10.0 million related to environmental risks, EUR 4.0 million to litigation/non-compliance matters, legal proceedings and lawyer costs and EUR 1.8 million to a lease guarantee indemnity) (note 7.2.4.7, Discontinued operations) and a UK pension buyout provision. The utilisations relate to the payout of the TEMDA2 restructuring provision. The write-backs relate mainly to a further release of the TEMDA2 IT and insurance provision.

For the major risks (i.e. environmental, reorganisation and other risks) the cash outflow is expected to occur within a three-year horizon.

7.2.5.16 Financial liabilities

Financial liabilities carried at amortised cost include mainly interest-bearing borrowings:

in thousand EUR

	NON-CURRENT LIABILITIES		CURRENT LIABILITIES	
	31 DEC 2023	31 DEC 2024	31 DEC 2023	31 DEC 2024
Secured				
Lease liabilities	13,062	21,876	5,097	8,152
Bank loans	10,020	19,852	974	2,358
Total secured	**23,082**	**41,728**	**6,071**	**10,511**
Unsecured				
Subordinated loans	0	4,490	0	1,227
Other loans	(0)	(0)	0	0
Current bank loans	0	0	0	(0)
Commercial paper	0	0	0	0
Bank overdrafts	0	0	12	72
Other financial liabilities	0	0	332	307
Total unsecured	**(0)**	**4,490**	**345**	**1,606**
Total liabilities carried at amortised cost	**23,082**	**46,218**	**6,415**	**12,116**

Gross financial debt: interest-bearing borrowings, including continuing involvement of off-balance sheet non-recourse factoring programmes

in thousand EUR

	31 DEC 2023	31 DEC 2024
Drawn amounts under the various available interest-bearing borrowing facilities		
Outstanding amounts under syndicated credit facility	0	0
Outstanding amounts under lease liabilities	13,062	21,876
Outstanding amounts under subordinated loans	0	4,490
Outstanding amounts under other non-current loans	10,020	19,852
Outstanding amounts under non-current gross interest-bearing borrowing facilities (a)	**23,082**	**46,218**
Outstanding amounts under bank overdrafts	12	72
Outstanding amounts under current bank loans	974	2,358
Outstanding amounts under lease liabilities	5,097	8,152
Outstanding amounts under factoring programmes - retention amount	0	0
Outstanding amounts under commercial paper programmes [1]	0	0
Outstanding amounts under subordinated loans	0	1,227
Outstanding amounts under other current loans	0	0
Outstanding amounts under other financial liabilities	332	307
Outstanding amounts under current gross interest-bearing borrowing facilities (b)	**6,415**	**12,116**
Total outstanding amounts under gross interest-bearing borrowings (c)=(a)+(b)	**29,497**	**58,334**
Outstanding amounts under non-recourse factoring programmes (d)	18	0
Total outstanding amounts under gross interest-bearing borrowings and factoring programmes (e)=(c)+(d)	**29,515**	**58,334**
Weighted average lifetime of non-current interest-bearing borrowings (in years)	**1.32**	**5.26**
Weighted average interest rate of gross financial debt at fixed interest rate	2.14%	2.60%
Interest rate range of gross financial debt at fixed interest rate	1.46% - 2.62%	0.62% - 3.86%
Weighted average interest rate of gross financial debt at variable interest rate	5.61%	4.00%
Interest rate range of gross financial debt at variable interest rate	4.85% - 5.61%	4.00% - 4.00%
Weighted average interest rate of total gross financial debt	**3.42%**	**2.60%**
Percentage of gross financial debt at fixed interest rate	93.0%	100.0%
Percentage of gross financial debt at variable interest rate	7.0%	0.0%

[1] The amount drawn under the commercial paper programme is to be covered at any time by the undrawn amount under the syndicated credit facility. Therefore the reported unused amount under the EUR 100 million revolving syndicated credit facility is after deduction of the issued amounts under the commercial paper programme.

The majority of the Group's financial debt is centrally contracted and managed through Recticel International Services NV/SA, which acts as the Group's internal bank.

(i) Lease liabilities

Lease liabilities comprise (i) following the application of IFRS 16, the leases for property, plant and equipment, furniture and vehicles, and (ii) leases formerly classified as 'finance leases'.

These finance leases consist mainly of the following leases:

- the additional lease to finance the extension of the insulation plant in Wevelgem (Belgium) in 2017, with an outstanding amount of EUR 5.0 million as of 31 December 2024, at a fixed rate.
- the lease financing of Rex Panels & Profiles SA equipment, with an outstanding amount of EUR 9.6 million as of 31 December 2024, at a fixed rate.

(ii) Bank loans – "syndicated credit facility"

With the proceeds from the divestment of Recticel Engineered foams to Carpenter Co. the syndicated credit facility was repaid.

The facility has a three-year tenor with two one-year extension options and has been arranged and underwritten by KBC Bank. The participating banks are Belfius Bank, BNP Paribas Fortis, Commerzbank and LCL. This EUR 100 million syndicated revolving credit facility has been extended over a period of two years until the end of 2025. The new syndicated facility is subject to bank covenants. At 31 December 2024, due to the net cash position, the covenant calculation was not applicable.

(iii) Subordinated loans

Subordinated loans of Rex Panels & Profiles SA with an outstanding amount of EUR 5.7 million as of 31 December 2024, at a fixed rate.

(iv) Other bank loans

In 2018, Recticel concluded a secured fixed rate bilateral bank loan of EUR 15.5 million for the financing of the new greenfield insulation plant in Finland. The tenor of this amortising bank loan is 15 years, with maturity in March 2033. The outstanding amount at 31 December 2024 is EUR 10.0 million.

(v) Other Current loans

With the proceeds from the divestment of Recticel Engineered foams to Carpenter Co., all other current loans were repaid.

(vi) Commercial paper programme

With the proceeds from the divestment of Recticel Engineered foams to Carpenter Co., all commercial paper was repaid.

Other financial liabilities

For interest rate swaps, reference is made to note 7.2.5.18, Financial instruments and financial risks.

in thousand EUR

	31 DEC 2023	31 DEC 2024
Other financial debt	52	31
Interest accruals	280	275
Total	**332**	**307**

7.2.5.17 Trade and other payables

Trade payables principally comprise amounts outstanding for trade purchases. Trade payables increased to EUR 87.9 million (2023: EUR 70.1 million) mainly due to the acquisition of Rex.

Other current amounts payable are composed as follows:

in thousand EUR

	31 DEC 2023	31 DEC 2024
Other non-current liabilities maturing within one year		0
VAT payable - local and foreign	5,696	6,066
Other tax payables	3,744	141
Payroll, social security	9,166	10,284
Dividend payable	874	961
Result transfer (fiscal unit)	(0)	(0)
Other debts	14,082	4,369
Operating subsidies	0	0
Accrued liabilities - operating	10,042	9,308
Deferred income - operating	685	437
Deferred income - insurance premium	348	348
Deferred income - gain on sale and leaseback	319	268
Total	**44,955**	**32,181**

The decrease in 2024 is due to the settlement of an outstanding (net) payable on Carpenter Co. of EUR 9.4 million.

7.2.5.18 Financial instruments and financial risks

The following table presents the financial instruments by category of IFRS 9 and the fair value level for the financial assets and liabilities measured at fair value:

in thousand EUR

	CATEGORY UNDER IFRS 9	31 DEC 2023	31 DEC 2024	FAIR VALUE LEVEL
Financial assets				
Transactional hedges - operational	**FVTPL**	**20**	**0**	**2**
Derivatives not designed in a hedge relationship	FVTPL	2	0	2
Current trade receivables	**AC**	**78,135**	**101,925**	**2**
Other non-current receivables	AC	544	352	2
Other receivables	AC	7,333	9,494	2
Other receivables	**AC**	**7,877**	**9,845**	**2**
Loans to affiliates	AC	11,523	11,522	2
Other loans	AC	2,517	449	2
Non-current loans	**AC**	**14,041**	**11,971**	**2**
Financial receivables	AC	2,672	2,626	2
Loans to affiliates	**AC**	**16,712**	**14,596**	**2**
Cash and cash equivalents	**AC**	**191,393**	**132,717**	**2**
Other investments	**FVTOCI**	**500**	**500**	**2**
Financial liabilities				
Interest rate swaps designated as cash flow hedge relationship	**CFH**	**26**	**0**	**2**
Transactional hedges - operational	**FVTPL**	**6**	**28**	**2**
Derivatives not designated in a hedge relationship	FVTPL	21	0	2
Non-current financial liabilities at amortised cost	**AC**	**23,081**	**46,218**	**2**
Current financial liabilities at amortised cost	**AC**	**6,351**	**12,088**	**2**
Trade payables	**AC**	**70,080**	**87,845**	**2**
Other non-current payables	AC	982	972	2
Other payables	AC	44,955	32,181	2
Other payables	**AC**	**45,937**	**33,154**	**2**

AC = financial assets or liabilities at amortised cost
CFH = cash flow hedge
FVTPL = Financial assets or liabilities at fair value through profit or loss
FVTOCI = financial assets at fair value through other comprehensive income

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

During the reporting period ending 31 December 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Financial risk management

- *Credit risk*

The Group's principal current financial assets are cash and cash equivalents, trade and other receivables, and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of loss allowances for expected credit losses, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

The risk profile of the trade receivables portfolio is based on the conditions of sale observed on the market. At the same time, it is confined by the agreed limits of the general conditions of sale and the specifically agreed conditions, adapted accordingly. The latter also depend on the degree of industrial and commercial integration of the customer, as well as on the level of market competitiveness.

The trade receivables portfolio consists of a large number of customers distributed among various markets, for which the credit risk is assessed on an ongoing basis and based on which the commercial and financial conditions are granted. In addition, the credit risks on trade receivables are partly covered by external credit insurance policies which the Group manages centrally and harmonises and partly covered by Recticel's insurance captive. In case of transfer of these receivables to the factoring company, the latter becomes the beneficiary of these credit insurance policies. The credit risk management is also strengthened by an organisation which is to a great extent centralised and enabled by the SAP FSCM software and best practice regarding the collection of receivables.

Credit terms granted on sales vary depending on of the customer credit assessment, the business line and the country of operations.

There is a limited credit risk assessment on shareholder loans granted to the other associates. Shareholder loans to other associates are provided in accordance with rules foreseen in the joint venture agreements, which are subject to the evolution of the operational business performance.

- *Interest rate risk management*

After the sale of the Recticel Engineered Foams activities to Carpenter Co., Recticel repaid all its loans and consequently terminated the corresponding IRS.

All financial leases (EUR 14.6 million) and a bank loan of EUR 22.2 million are at fixed rate. The undrawn syndicated revolving credit facility is contracted at floating rate.

- *Sensitivity to interest rates*

The Group's interest rate risk exposure derives from the fact that it finances at both fixed and variable interest rates. The Group manages the risk centrally through an appropriate structure of loans at fixed and variable interest. The interest rate hedges are evaluated regularly to bring them in line with the Group's view on the trend in interest rates on the financial markets, with the aim of optimising interest charges throughout the various economic cycles. Hedge accounting in accordance with IFRS 9 is not applied.

- *Currency risk management*

It is the Group's policy to hedge foreign exchange exposures resulting from financial and operational activities via Recticel International Services NV/SA. (RIS), which acts as the Group's internal bank. This hedging policy is mainly implemented through forward exchange contracts. Hedge accounting under IFRS 9 is not applied for currency risk management.

In general, the Group concludes forward exchange contracts to cover currency risks on incoming and outgoing payments in foreign currency. The Group may also conclude forward exchange contracts and option contracts to cover currency risks associated with planned sales and purchases of the year, at a percentage which varies according to the predictability of the payment flows.

At reporting date, forward exchange contracts were outstanding for a nominal amount of EUR 2.5 million.

- *Sensitivity analysis on currency risks*

The Group deals mainly in four currencies outside the eurozone: GBP, USD, SEK and PLN.

The following table details the sensitivity of the Group to a positive or negative variation, compared to the annual variation in the pairs of currencies during the previous financial year.

The sensitivity analysis covers only the financial amounts in foreign currency which are recognised in the statement of financial position and which are outstanding at 31 December and determines their variations at the conversion rates based on the following assumptions: USD and GBP 10%; PLN and SEK 5%.

The following table details the Group's sensitivity in profit or loss to a 10% increase (or decrease) of the US Dollar and Pound Sterling against the Euro, and 5% increase or decrease of the Polish Zloty and Swedish Krona against the Euro. The percentages applied in this sensitivity analysis represent the management's assessment of the volatility of these currency exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary assets and liabilities and adjusts their translation at the period end for respective 10% and 5%, changes in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. It includes also the foreign exchange derivatives (not designated as hedging instruments).

A positive number indicates an increase in profit or loss when the Euro weakens by 10% against the US Dollar or the Pound Sterling, or 5% against the Polish Zloty or Swedish Krona. For a 10% strengthening of the Euro against the US Dollar or the Pound Sterling, or 5% against the Polish Zloty or Swedish Krona, there would be a comparable opposite impact on the profit or loss (i.e. the impact would be negative).

in thousand EUR

	STRENGTHENING OF USD VERSUS EUR		STRENGTHENING OF GBP VERSUS EUR		STRENGTHENING OF SEK VERSUS EUR		STRENGTHENING OF PLN VERSUS EUR	
	2023	2024	2023	2024	2023	2024	2023	2024
Historical average variation	10%	10%	10%	10%	5%	5%	5%	5%
Profit (loss) recognised in the P&L account	121	167	(118)	1,892	186	163	48	(10)
Financial assets[1]	1,225	1,872	128	19,437	3,715	3,268	973	(199)
Financial liabilities[1]	(19)	(198)	(1,289)	(516)	(1)	(6)	(5)	0
Derivatives	0	0	(21)	0	2	0	0	0
Total net exposure	**1,206**	**1,674**	**(1,182)**	**18,921**	**3,716**	**3,262**	**968**	**(199)**

[1] *Includes trade and other receivables and trade and other payables.*

Financial assets and liabilities represent the foreign currency exposure of the different subsidiaries of the Group in relation to their local currency.

- *Liquidity risk*

The financing sources are well diversified, and the bulk of the debt is irrevocable and long-term or backed up by long-term commitments. It includes, as of 1 February 2021, a new three-year EUR 100 syndicated revolving credit facility, which has been extended over a period of two years until the end of 2025. This EUR 100 million revolving credit facility guarantees necessary liquidity to ensure future activities and to meet short- and medium-term financial commitments.

In June 2023, a redemption of EUR 219 million was made to the banks, thus repaying the entire facility.

In addition to its long-term loans, the Group has a diversified range of short-term financing sources, including a commercial paper programme and non-recourse factoring facilities which have not been used after the sale of the Recticel Engineered Foams activities to Carpenter Co..

The Group does not enter into financial instruments that require cash deposits or other guarantees (i.e. margin calls).

The new syndicated facility that replaced the former club deal facility as of 01 February 2021 is subject to bank covenants based on an adjusted leverage ratio and an adjusted interest cover, on a consolidated basis. These bank covenants will continue to be determined on the basis of the generally accepted accounting principles that were in place at the moment of the closing of the club deal agreement ("frozen GAAP"). The adoption of IFRS 16 has no impact on the measurement of these covenants. All conditions under the financial arrangements with its banks are respected. At 31 December 2024, due to the net cash position, the covenant calculation was not applicable.

Under the new syndicated facility agreement, the maximum dividend authorised for distribution, excluding the portion attributable to the treasury shares, amounts to the highest of (i) 50% of the consolidated net income of the Group for the previous financial year and (ii) EUR 14.0 million.

The gross dividend over 2024 – to be paid in 2025 – proposed to the Annual General Meeting amounts to EUR 0.31 per share, leading to a total dividend payout of EUR 17.5 million (excluding treasury shares). This amount is higher than the above-mentioned maximum payout limit and consequently a waiver was requested and granted.

The following table presents the unused credit facilities available to the Group:

in thousand EUR

	31 DEC 2023	31 DEC 2024
Unused amounts under non-current financing facilities		
Undrawn available commitments under the club deal facility[1]	100,000	105,000
Total available under non-current facilities	**100,000**	**105,000**
Unused amounts under current financing facilities		
Undrawn under current on-balance facilities	22,000	16,000
Undrawn under off-balance factoring programmes	35,000	8,400
Total available under current facilities	**57,000**	**24,400**
Total unused amounts under financing facilities	**157,000**	**129,400**

[1] The amount drawn under the commercial paper programme is to be covered at any time by the undrawn amount under the syndicated credit facility. At 31 December 2024 no amounts are drawn under the commercial paper programme or under the syndicated credit facility.

- **Maturity analysis of financial liabilities**

For the year ending 31 December 2024:

in thousand EUR

	MATURING WITHIN 1 YEAR	MATURING BETWEEN 1 AND 5 YEARS	MATURING AFTER 5 YEARS	TOTAL	FUTURE FINANCIAL CHARGES	CARRYING AMOUNT
	(a)	(b)	(c)	(a)+(b)+(c)		
Lease liabilities	8,590	20,279	3,102	**31,971**	1,942	**30,029**
Bank loans	2,891	10,763	11,567	**25,221**	3,010	**22,210**
Other loans	1,359	3,792	1,022	**6,174**	457	**5,717**
Interest-bearing borrowings long term	**12,840**	**34,835**	**15,691**	**63,366**	**5,410**	**57,956**
Interest-bearing borrowings short term						**12**
Other financial liabilities non derivative						**280**
Other financial liabilities derivative						**52**
Total						**58,300**
Non-current financial liabilities						46,218
Current financial liabilities						12,116
Total		**275**				**58,334**

For the year ending 31 December 2023:

in thousand EUR

	MATURING WITHIN 1 YEAR	MATURING BETWEEN 1 AND 5 YEARS	MATURING AFTER 5 YEARS	TOTAL	FUTURE FINANCIAL CHARGES	CARRYING AMOUNT
	(a)	(b)	(c)	(a)+(b)+(c)		
Lease liabilities	5,230	10,485	3,707	**19,422**	(1,263)	18,159
Bank loans	1,266	5,064	6,330	**12,660**	(1,667)	10,994
Other loans	0	0	0	**0**	0	0
Interest-bearing borrowings long term	**6,496**	**15,549**	**10,037**	**32,082**	**(2,930)**	**29,152**
Interest-bearing borrowings short term						**12**
Other financial liabilities non-derivative						**280**
Other financial liabilities derivative						**52**
Total						**29,497**
Non-current financial liabilities						23,082
Current financial liabilities						6,415
Total						**29,497**

Reference is also made to notes 7.2.1.5 - Climate change and 7.2.1.6 - Geopolitical conflicts.

7.2.5.19 Business combinations and disposals

On 10 January 2024, Recticel acquired 100% of the shares of Rex Panels & Profiles SA, a Belgium-based company, for an enterprise value of EUR 70 million.

In 2023, business disposals related to the Engineered Foams activities which were sold to Carpenter Co., see note 7.2.4.7, Discontinued operations.

7.2.5.20 Capital management

The overview below defines the capital components which management considers key in order to realise its capital structure target ratio (i.e. Total net financial debt/Total equity) of less than 50%.

in thousand EUR

	31 DEC 2023	31 DEC 2024
Hedging liabilities	52	28
Non-current financial liabilities	23,082	46,218
Current portion of non-current financial liabilities	6,071	11,738
Current financial liabilities	(23)	74
Interest accruals	315	277
Gross financial debt	**29,497**	**58,334**
Cash and cash equivalents	(191,393)	(132,717)
Deferred interest	(54)	(110)
Hedging assets	(27)	0
Net financial debt	**(161,977)**	**(74,493)**
Drawn amounts under off-balance non-recourse factoring programmes	(0)	(0)
Total net financial debt	**(161,977)**	**(74,493)**
Total equity	**437,987**	**445,133**
Ratios		
Net financial debt / Total equity	N/A	N/A
Total net financial debt / Total equity	N/A	N/A

7.2.6 Miscellaneous

7.2.6.1 Off-balance sheet items

Recticel NV/SA or some of its subsidiaries have provided various parental corporate guarantees and comfort letters for commercial and/or financial commitments towards third parties.

Compared to the situation on 31 December 2023, most outstanding guarantees and/or comfort letters remained in place; save for some minor adjustments in some committed amounts.

in thousand EUR

	31 DEC 2023	31 DEC 2024
Guarantees given or irrevocably promised by Recticel NV/SA as security for debts and commitments of companies	85,431	128,488

These guarantees mainly include parental corporate guarantees and letters of comfort for commitments contracted by subsidiaries with banks (EUR 20.5 million), lessors (EUR 13.0 million), governmental institutions (EUR 2 million), other third parties (EUR 3.2 million), corporate guarantees related to TEMDA2 and various Automotive Interiors companies (EUR 54.8 million) and bank guarantees related to the divestment of Recticel Engineered Foams to Carpenter Co. (EUR 35.1 million).

The amount of expected credit losses on external guarantees is assessed at each reporting date to reflect changes in credit risk since the guarantee was granted. When determining whether the credit risk of a guarantee has increased significantly since the issuance and when estimating expected credit losses, Recticel considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

7.2.6.2 Share-based payments

Following the decision of the Board of Directors of 28 February 2024, a new edition of the stock option plan was launched in favour of leading staff members of the Group. A total of 492,500 options were attributed with an exercise price of EUR 12.92. The exercise period runs -after a vesting period of three years- from 1 January 2028 until 16 June 2031. Fair value of this option series amounts to EUR 1.96 million.

350,000 out of the 492,500 options were allocated to the current members of the Management Committee.

Recticel Group has implemented a warrant plan for its leading managers.

The table below gives the overview of all outstanding subscription rights on 31 December 2024:

in thousand EUR

Issue	NUMBER OF WARRANTS ISSUED	NUMBER OF SUBSCRIPTION RIGHTS OUTSTANDING	EXERCISE PRICE IN EUR	EXERCISE PERIOD	FAIR VALUE OF SUBSCRIPTION RIGHTS AT MOMENT OF ISSUE IN EUR
April 2016	317,500	45,000	5.73	01/01/2020 - 28/04/2025	0.786
June 2017	410,000	0	7.00	01/01/2021 - 29/06/2024	0.928
April 2018	460,000	192,500	10.21	01/01/2022 - 24/04/2025	1.572
June 2019	500,000	407,500	7.90	01/01/2023 - 27/06/2026	1.181
March 2020	505,000	425,000	6.70	01/01/2024 - 02/03/2027	1.466
May 2021	475,000	440,000	12.44	01/01/2025 - 11/05/2028	2.290
May 2022	320,000	290,000	17.74	01/01/2026 - 12/05/2029	5.741
June 2023	350,000	350,000	10.80	01/01/2027 - 29/06/2030	3.231
June 2024	492,500	402,500	12.92	01/01/2028 - 16/06/2031	3.976
Total	**3,830,000**	**2,552,500**			

All subscription rights have a vesting period of three years. Beneficiaries can lose the right to exercise their subscription rights in cases of voluntary leave or dismissal for misconduct.

The expense recognised for the year for the share-based payments amounts to EUR 1.3 million (2023: EUR 1.1 million).

The plan of June 2024 was approved and formalised appropriately.

A more general overview showing the trend during 2024 is given below:

in units

	2023	2024
Total number of subscription rights outstanding on 31 December	2,525,000	2,552,500
Weighted average exercise price (in EUR)	10.14	10.93
Weighted average remaining contractual life (in years)	3.54	3.48
Movements in number of subscription rights		
Subscription rights outstanding at the beginning of the period	2,212,500	2,525,000
New subscription rights granted during the period	350,000	492,500
Subscription rights forfeited and expired during the period	(15,000)	(90,000)
Subscription rights exercised during the period	(22,500)	(375,000)
Subscription rights outstanding at the end of the period	2,525,000	2,552,500
Status of subscription rights outstanding		
Closing share price at end of period (in EUR)	10.60	10.48
Total number of subscription rights exercisable at the end of the period	967,500	1,070,000
Total number of subscription rights that are 'in-the-money' at the end of the period[1]	2,235,000	1,420,000
Total number of subscription rights that are exercisable and 'in-the-money' at the end of the period[1]	967,500	1,070,000

[1] *In comparison with the average daily closing price over the period*

The table below provides an overview of all subscription rights exercised during the period:

in units

	2023	2024
Total number of subscription rights exercised	22,500	375,000
Weighted average exercise price	8.41	7.74
Period during which these subscription rights were exercised	30/3 - 27/04	29/3 - 20/12
Average closing price of period during which these subscription rights were exercised	16.37	12.33
Average daily closing price for full year	12.61	11.92

To date, the Group has not issued share appreciation rights to any of its managers or employees, nor has it implemented any share purchase plan.

The theoretical value of the subscription rights at issuance is calculated by applying the Black-Scholes formula and taking into account certain assumptions regarding dividend payment (last dividend compared to share price - dividend yield: 2.40%), interest rate (Euribor 5 years: 1.07%) and volatility (stock market data on the Recticel share: 38.3%). For the issue of June 2024, the fair value amounted to EUR 3.976 per subscription right.

Overview of the outstanding subscription rights held by the members of the current Management Committee (on 31 December 2024):

in thousand EUR

Issue[1]	NUMBER OF SUBSCRIPTION RIGHTS HELD BY THE MEMBERS OF THE CURRENT MANAGEMENT COMMITTEE
April 2016	0
June 2017	0
April 2018	0
June 2019	65,000
March 2020	65,000
May 2021	90,000
May 2022	120,000
June 2023	120,000
June 2024	260,000
Total	**720,000**

[1] *The conditions of the various issues are reflected in the global overview table above*

Members of the Management Committee received the following subscription rights for the 2024 series:

in EUR

Name	TOTAL NUMBER OF SUBSCRIPTION RIGHTS	TOTAL THEORETICAL VALUE OF SUBSCRIPTION RIGHTS AT ISSUANCE[1]
Jan Vergote	125,000	497,000
Božo Čermila	90,000	357,840
Betty Bogaert	180,000	715,680
Rob Nijskens	130,000	516,880
Stijn Vermeulen	15,000	59,640
Dirk Verbruggen	180,000	715,680
Total	**720,000**	**2,862,720**

1 The theoretical value is calculated by using the Black-Scholes formula and taken into account certain assumptions regarding dividend yield, interest rate and volatility.

7.2.6.3 Events after the reporting date

RESTRUCTURING

On 27 January 2025, Recticel announced the closure of its thermo-acoustic boards plant in Angers, France, by the end of H1 2025.

7.2.6.4 Related party transactions

Transactions between Recticel NV/SA and its subsidiaries, which are related parties, have been eliminated from the consolidation and are not disclosed in this note. Transactions with other related parties are disclosed below and primarily concern commercial transactions done at prevailing market conditions. The tables below only include transactions considered to be material, i.e. exceeding a total of EUR 1 million.

Transactions with joint ventures and associates: 2024

in thousand EUR

	NON-CURRENT RECEIVABLES	TRADE RECEIVABLES	OTHER CURRENT RECEIVABLES	FINANCIAL LIABILITIES	TRADE PAYABLES	OTHER PAYABLES	REVENUE	COST OF SALES
Total Orsa Foam companies	0	0	0	0	0	0	0	0
Total Proseat companies	0	0	0	0	0	0	0	0
Total TEMDA2 companies	11,524	356	0	0	0	0	0	0
TOTAL	**11,524**	**356**	**0**	**0**	**0**	**0**	**0**	**0**

Transactions with joint ventures and associates: 2023

in thousand EUR

	NON-CURRENT RECEIVABLES	TRADE RECEIVABLES	OTHER CURRENT RECEIVABLES	FINANCIAL LIABILITIES	TRADE PAYABLES	OTHER PAYABLES	REVENUE	COST OF SALES
Total Orsa Foam companies	0	0	0	0	0	0	0	0
Total Proseat companies	0	0	0	0	0	0	0	0
Total TEMDA2 companies	11,524	385	0	0	0	0	0	0
TOTAL	**11,524**	**385**	**0**	**0**	**0**	**0**	**0**	**0**

7.2.6.5 Remuneration of the Board of Directors and of the Management Committee

The remuneration of the members of the Board of Directors and of the Management Committee is included in this note. For more information, reference is made to the Remuneration report in the Chapter 6 of this annual report.

Total gross remuneration for the members of the Board of Directors:

in EUR

	2023	2024
Director fees	115,027	113,860
Attendance fees Board of Directors	152,500	147,500
Attendance fees Audit & Sustainability Committee	47,500	50,000
Attendance fees Remuneration and Nomination Committee	70,000	50,000
Attendance fees Strategy Committee	0	0
TOTAL	**385,027**	**361,360**

In 2024 the Board remuneration stayed at the same level. The decrease in the total cost is due to the lower number of meetings than in 2023 that were linked to the sale of the Recticel Engineered Foams activities.

Total gross remuneration for the members of the Management Committee

in EUR

	2023	2024
Fixed remuneration	2,133,637	1,950,098
Variable remuneration	2,263,888	1,103,007
Pensions	101,675	69,402
Other benefits	117,605	84,515
Extraordinary items	0	0
TOTAL	**4,616,805**	**3,207,022**

7.2.6.6 Exchange rates

		CLOSING RATE		AVERAGE RATE	
		2023	2024	2023	2024
Swiss Franc	CHF	1.0799	1.0625	1.0290	1.0497
Euro	EUR	1.0000	1.0000	1.0000	1.0000
Pound Sterling	GBP	1.1507	1.2060	1.1497	1.1812
Norwegian Krone	NOK	0.0890	0.0848	0.0875	0.0860
Polish Zloty	PLN	0.2304	0.2339	0.2202	0.2322
Serbian Dinar	RSD	0.0085	0.0085	0.0085	0.0085
Swedish Krona	SEK	0.0901	0.0873	0.0871	0.0875
US Dollar	USD	0.9050	0.9626	0.9248	0.9239

7.2.6.7 Staff

in units

	2023	2024
Management Committee	5	5
Employees	721	665
Workers	560	591
Average number of people employed (full time equivalent) on a consolidated basis (i.e. excluding joint ventures)	**1,286**	**1,261**
Remuneration and social charges (in thousand EUR)	82,463	91,675
Average number of people employed in Belgium	422	309

The decrease of the average number of people employed as a result of the workforce alignment with reduced market circumstances is partly compensated by the business combination Rex Panels & Profiles SA. The costs for remuneration and social charges include restructuring costs amounting to EUR 7.9 million.

7.2.6.8 Audit and non-audit services provided by the statutory auditor

The total fees in relation to services provided by the statutory auditor PwC Bedrijfsrevisoren BV and by companies related to the auditor to Recticel NV/SA and its subsidiaries, are as follows:

in thousand EUR

	31 DEC 2023	31 DEC 2024
Audit fees	651	635
Other audit services and legal missions	554	129
Tax services	31	54
Consulting services	0	0
Total fees	**1,235**	**818**

Audit fees for Recticel NV/SA and its subsidiaries are determined by the Annual General Meeting after review and approval by the company's Audit Committee and Board of Directors. All non-audit fees have been pre-approved by the company's Audit Committee.

7.2.6.9 Contingent assets and liabilities

a) Wetteren (Belgium)

In the production plant of Wetteren (Belgium), a historic asbestos pollution was found in the course of 2021. In 2022 the soil investigations and provisional remediation plans were concluded. The total provision amounted to EUR 1.0 million at the end of 2024. This site was transferred with the legal entity Recticel Engineered Foams Belgium BV to Carpenter Co. on 12 June 2023. A further small part of the site, leased out to Ascorium Belgium NV, was transferred to Carpenter Co. as well. The clean-up responsibility remains partly with Recticel and was partly transferred to Carpenter Co. The clean-up is due to start in 2026.

b) Litigations

The Recticel Group has been the subject of an antitrust investigation at European level. Recticel announced on 29 January 2014 that a settlement was reached with the European Commission in the polyurethane foam investigation. The case was closed after payment of the last instalment of the effective overall fine in April 2016.

Various claims have been issued by one or more customers, in which these entities allege harm with regard to the conduct covered by the European Commission's cartel decision. Only one court procedure is still ongoing, in Germany, linked to the former Eurofoam joint venture. These proceedings are very slow due to changes at the court and have been suspended until May 2025. No additional new claims can be launched as the statute of limitations has expired. Recticel has carefully reviewed the merits for this case with its legal advisors and has made a provision to cover any legal costs in this regard.

Regarding the ongoing litigation, no considered judgment can be formed at this stage on the outcome of this procedure or on the amount of any potential loss for the Company.

One of the former entities of the Recticel Group in Germany was sued in 2014 by a dissatisfied distributor for alleged anti-competitive behaviour, including fixed prices in 2005, 2006 and 2007-2009. The cases relating to 2005 and 2006 were dismissed, both in the first instance and on appeal. The case concerning 2007-2009 was initially dismissed, but was reopened by decision of 12 September 2023 of the Berlin Supreme Court and referred back to the Berlin Court of Appeal. The case has not yet been reopened for consideration. The entity in question was transferred to the Aquinos Group in 2022, but any liability that may arise from this case, as well as the costs of these proceedings, remain with Recticel. A provision has been made for this case, after consultation with the legal advisors. However, at this time, no further judgement can be given on the outcome of these proceedings for Recticel.
On 23 December 2024, the Polish owner of the production site leased by Aquinos Bedding Poland Sp. z o.o. (formerly Recticel Bedding Poland Sp.z o.o.) sent a demand for payment to Recticel NV/SA for the amount of EUR 0.9 million based on a guarantee given by Recticel NV in 2020 (for its former subsidiary Recticel Bedding), as Aquinos Bedding Poland had not paid the rent and service costs for many months. Based on the sales agreement concluded in 2022 with Aquinos Group for the sale of the Recticel Bedding entities, Aquinos Group should have assumed this guarantee, which has not yet happened. If Recticel is obliged to pay under this guarantee, it can reclaim these sums, plus any interest and costs, from Aquinos Group on the basis of the aforementioned sales agreement of 2022.

One of our Group entities in the United Kingdom was the subject of an investigation by the UK's Health and Safety Executive (HSE) following the accidental death of one of its employees in 2015. After a fact-finding phase, the HSE had initially made certain allegations against Recticel Ltd for breach of HSE regulations. Recticel replied to these allegations. In October 2021, the HSE confirmed that it had taken an enforcement decision. At the end of 2022, the HSE indicated that it would no longer take enforcement actions against the Company in absence of evidence. The provision that was established for this case has hence been taken back. The procedure itself has still not been terminated for administrative reasons.

One of the former Group's entities in France is implicated in a labour law case following the closure of a production site, whereby the former employees have launched a claim to obtain additional compensations on the basis that the economic reasons for the closure were invalid. The court proceedings have so far confirmed the position of the employees, with one procedure ongoing. A provision has been established to cover the potential negative outcome. The respective entity was transferred to Carpenter Co. on 12 June 2023, but the risk on this issue remains with Recticel and remains provisioned.

On 3 May 2024, Carpenter sent a claim to Recticel for the amount of EUR 1.9 million in the context of a possible tax that would result from the recognition of a badwill on the sale of Recticel Engineered Foams Belgium NV, following the revision of the sales price in 2023. Recticel NV disputes this claim and has well-founded legal and economic arguments to refute it.

Following a fire incident in Most (Czech Republic), the Group entity involved has been temporarily unable to supply the contractually agreed quantities of products, leading to production interruptions at direct customers and car manufacturers. While the Group entity involved has claimed Force Majeure in this respect, this has been put in question and even contested by a number of customers, with indication that further claims could be raised to obtain damage compensation. While the Group is insured in this regard, in line with industrial standards, it cannot be excluded that such claims could lead to financial losses for the companies involved. One customer launched a legal proceeding in France in the course of the first semester of 2019. The proceedings in the court of first instance are still ongoing and are expected to be finalised in mid-2025.

Recticel signed a preliminary purchase agreement with the Gór-Stal shareholders to acquire Gór-Stal's insulation board business located in Bochnia, Poland, for an enterprise value of EUR 30 million. The sale required a prior carve-out of these activities into a new legal entity. Both parties cooperated well to finalise the due diligence and to realise this carve-out by July 2021, but the sellers subsequently came back to request a price adjustment, citing changed market conditions. Recticel requested more information before considering such a request, which was contrary to the agreement. The sellers did not provide such information and, in October 2021, they informed Recticel that they no longer wanted to continue the transaction. Recticel notified the sellers at the end of the year that they breached their obligations under the agreement and that Recticel would launch legal proceedings to enforce the preliminary agreement or obtain damage compensation. These legal proceedings were launched in 2022 and continue to this date, with no conclusion expected in the short term.

During 2024, a number of claims were received by our French insulation entity and by Recticel NV regarding quality problems. These problems can be summarised as follows: (i) a change in the formulation of insulation boards produced in 2018-2019, (ii) expansion of roof curbs in the case of a certain installation on flat roofs, (iii) shrinkage of insulation boards, and (iii) delamination of the so-called 'facer' of the PIR inside the insulation boards. Although the Group is insured for product liability in line with industry standards, it cannot be excluded that such claims could result in financial losses for the Group. Provisions were made for these claims in 2023, which could largely be reversed in 2024.

As of 31 December 2024, total overall provisions and accruals for other litigations, environmental risk and other risks on Recticel Group level amounted to EUR 29.7 million in the consolidated financial statements. With reference to the prejudicial exemption in IAS 37 §92, the Group will not disclose any further information about the assumptions for the provision, including any details about current and the expected number of lawsuits and claims.

The disclosure of such information is believed to be detrimental to the Group in connection with the ongoing confidential negotiations and could inflict financial losses on Recticel and its shareholders.

7.2.6.10 Reconciliation table of Alternative Performance Measures

The Group uses and publishes several Alternative Performance Measures ("APM") to provide additional valuable insight to financial analysts and investors. APMs are related to the standards used by management to monitor and measure financial performance.

The overview tables below summarise the reconciliation of these APMs in the income statement and the statement of financial position of the continuing operations.

in thousand EUR

	2023	2024
Income statement		
Sales	529,426	610,196
Gross profit	90,090	104,549
EBITDA	36,123	42,562
Operating profit (loss)	12,582	11,489
Operating profit (loss)	**12,582**	**11,489**
Amortisation of intangible assets	7,596	9,727
Depreciation of tangible assets	15,652	20,952
Amortisation deferred charges long term	0	0
Impairments on goodwill, intangible and tangible fixed assets	293	394
EBITDA	**36,123**	**42,562**
EBITDA	**36,123**	**42,562**
Restructuring charges	3,118	7,915
Other	(88)	(870)
Adjusted EBITDA	**39,153**	**49,606**
Operating profit (loss)	**12,582**	**11,489**
Restructuring charges	3,118	7,915
Other	(88)	(870)
Impairments	293	394
Adjusted operating profit (loss)	**15,905**	**18,928**

in thousand EUR

Total net financial debt	**31 DEC 2023**	**31 DEC 2024**
Non-current financial liabilities	23,082	46,218
Current financial liabilities	6,415	12,116
Cash	(191,393)	(132,717)
Other financial assets	0	0
Net financial debt on statement of financial position	**(161,896)**	**(74,383)**
Factoring programmes	0	0
Total net financial debt	**(161,896)**	**(74,383)**
Gearing ratio (Net financial debt / Total equity)		
Total equity	437,987	445,133
Net financial debt on statement of financial position / Total equity	N/A	N/A
Total net financial debt / Total equity	N/A	N/A
Leverage ratio (Net financial debt / EBITDA)		
Net financial debt on statement of financial position / EBITDA	N/A	N/A
Total net financial debt / EBITDA	N/A	N/A
Net working capital		
Inventories and contracts in progress	43,692	55,075
Trade receivables	78,135	101,925
Other receivables	22,949	12,983
Income tax receivables	3,739	4,098
Trade payables	(70,068)	(87,844)
Current contract liabilities	(8,037)	(9,577)
Income tax payables	(1,781)	(1,522)
Other amounts payable	(44,955)	(32,181)
Net working capital	**23,674**	**42,957**
Current ratio (= Current assets / Current liabilities)		
Current assets	339,907	306,799
Current liabilities	131,256	144,493
Current ratio (factor)	**2.6**	**2.1**

7.3 Recticel NV/SA - General information

Recticel NV/SA

Address
Bourgetlaan 42 avenue du Bourget
1130 Brussels
Belgium

Established: on 19 June 1896 for thirty years, later extended for an unlimited duration.

Object: (article 3 of the Coordinated Articles) The object of the company is the development, production, conversion, trading, buying, selling and transportation, on its own account or on behalf of third parties, of all plastics, polymers, polyurethanes and other synthetic components, of natural substances, metal products, chemical or other products used by private individuals or by industry, commerce and transport, especially for furniture, bedding, insulation, the construction industry, the automotive sector, chemicals, petrochemicals, as well as products belonging to or necessary for their production or which may result or be derived from this process.

It may achieve its object in whole or in part, directly or indirectly, via subsidiaries, joint ventures, participations in other companies, partnerships or associations.
In order to achieve this object, it can carry out all actions in the industrial, property, financial or commercial field which are associated with its object directly or indirectly, in whole or in part, or which would be of a nature to promote, develop or facilitate its operation or its trade or that of the companies, partnerships or associations in which it has a participation or an interest; it can in particular develop, transfer, acquire, rent, hire out and exploit all movable and immovable goods and all intellectual property.

Legal form: naamloze vennootschap / société anonyme (limited company)

Recorded in the Brussels register of legal entities

Company number: 0405 666 668

Subscribed capital: EUR 141,514,800 (on 31 December 2024).

Type and number of shares: at 31 December 2024 there was only one type of shares, namely ordinary shares; total number of shares outstanding: 56,605,920.

Portion of the subscribed capital still to be paid up: 0 shares/EUR 0.

Nature of the shares not fully paid up: none.

Percentage fully paid up: 100%. The shares are all fully paid up.

The accounts were prepared in accordance with requirements specified by the Royal Decree of 30 January 2001.

These annual accounts comprise the balance sheet, the income statement and the notes prescribed by law. They are presented hereafter in condensed form.

In accordance with Belgian law, the management report, the annual accounts of Recticel NV/SA and the report of the Statutory Auditor will be filed with the Belgian National Bank.

They are available on request from:
Recticel NV/SA
Bourgetlaan 42 avenue du Bourget
1130 Brussels
Belgium
Tel.: +32 (0)2 775 18 11
E-mail: companysecretary@recticel.com

The notes to the annual accounts are related to the financial situation of the company as shown in the statement of financial position. The results are also commented on in the preceding annual report.

The Statutory Auditor has delivered an unqualified opinion on the statutory annual accounts of Recticel NV/SA.

The statutory annual accounts of Recticel NV/SA, as well as the statutory report by the Board of Directors, are freely available on the company's website at https://www.recticel.com/investors/annual-half-year-reports.html.

7.4 Recticel NV/SA - Condensed statutory accounts

The statutory statement of financial position and the statutory income statement of Recticel NV/SA for the period ended 31 December 2024 are given below in a condensed form. The accounting principles used for the Statutory Financial Statements of Recticel NV/SA differ from the accounting principles used for the Consolidated Financial Statements. The Statutory Financial Statements follow the Belgian legal requirements, while the Consolidated Financial Statements follow the International Financial Reporting Standards.

in thousand EUR

Recticel NV/SA		31 DEC 2023	31 DEC 2024
ASSETS			
FIXED ASSETS		**732,765**	**660,800**
I.	Formation expenses		
II.	Intangible assets	9,954	11,106
III.	Tangible assets	33,008	32,231
IV.	Financial assets	689,803	617,464
CURRENT ASSETS		**129,086**	**105,091**
V.	Amounts receivable after one year	5,585	1,792
VI.	Inventories and contracts in progress	9,693	10,477
VII.	Amounts receivable within one year	48,511	50,551
VIII.	Cash investments	64,398	40,398
IX.	Cash	174	61
X.	Deferred charges and accrued income	724	1,813
TOTAL ASSETS		**861,851**	**765,891**
LIABILITIES			
I.	Capital	140,577	141,515
II.	Share premium account	133,729	135,696
III.	Revaluation surplus	2,551	2,551
IV.	Reserves	17,645	17,645
V.	Profits (losses) brought forward	464,937	375,583
VI.	Investment grants	0	0
VII.	A. Provisions for liabilities and charges	17,339	19,947
	B. Deferred taxes	0	0
VIII.	Amounts payable after one year	4,998	4,376
IX.	Amounts payable within one year	78,557	67,152
X.	Accrued charges and deferred income	1,516	1,426
TOTAL EQUITY AND LIABILITIES		**861,851**	**765,891**

in thousand EUR

Recticel NV/SA		31 DEC 2023	31 DEC 2024
PROFIT AND LOSS ACCOUNT			
I.	**Operating revenues**	**158,127**	**145,054**
II.	Operating charges	(199,695)	(146,649)
III.	**Operating profit (loss)**	**(41,567)**	**(1,596)**
IV.	Financial income	499,103	55,545
V.	Financial charges	(98,194)	(125,026)
VI.	**Profit (loss) for the year before taxes**	**359,342**	**(71,077)**
VII.	Income taxes	(540)	(729)
VIII.	**Profit (loss) for the year after taxes**	**358,801**	**(71,806)**
IX.	Transfer to untaxed reserves	0	0
X.	**Profit (loss) for the period available for appropriation**	**358,801**	**(71,806)**

The management report of the Board to the Annual General Meeting of Shareholders and the Statutory Financial Statements of Recticel NV/SA, as well as the auditor's report, will be filed with the National Bank of Belgium within the statutory periods. The statutory annual accounts of Recticel NV/SA and the statutory report by the Board of Directors are freely available on the company's website http://www.recticel.com

Profit appropriation policy

The Annual General Meeting decides on the appropriation of the profit available for the distribution of a dividend based upon a proposal by the Board of Directors. The Board of Directors intends to propose to pay out a stable or gradually increasing annual dividend, considering the following elements:

- proper compensation for the shareholders;
- retention of adequate self-financing capacity to enable investment in value creation opportunities.

The Board of Directors decided to present the following appropriation of the results to the Annual General Meeting:

in EUR

Recticel NV/SA	31 DEC 2024	
Profit (loss) for the financial year	(71,806,327)	
Profit (loss) brought forward from previous year	464,937,476	+
Profit (loss) to be added to legal reserves		-
Profit (loss) to be added to other reserves		-
Result to be appropriated	**393,131,149**	**=**
Gross dividend[1]	17,547,835	-
Profit to be carried forward	**375,583,314**	**=**

[1] Gross dividend per share of EUR 0.31, resulting in a net dividend after tax of EUR 0.217 per ordinary share.

7.5 Declaration by the responsible officers

We hereby certify that, to the best of our knowledge, the Consolidated Financial Statements as of 31 December 2024, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and with legal requirements applicable in Belgium, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole, and that the management report includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Wim Dejonghe, representing D.A.S.T. BV, Chairman of the Board of Directors

Jan Vergote, representing Coral & Wallace BV, Chief Executive Officer

Bart Van den Eede, representing Pendron BV, Chief Financial Officer

8 Appendix

8.1 Auditor's reports

LIMITED ASSURANCE REPORT OF THE STATUTORY AUDITOR TO THE GENERAL SHAREHOLDERS' MEETING ON THE CONSOLIDATED SUSTAINABILITY STATEMENT OF RECTICEL NV FOR THE ACCOUNTING YEAR ENDED ON 31 DECEMBER 2024

We present to you our statutory auditor's report in the context of our legal limited assurance engagement on the consolidated sustainability statement of Recticel NV (the "Company") and its subsidiaries (jointly "the Group"). The consolidated sustainability statement of the Group is included in sections "3. Corporate Governance", "4. General insights, DMA and IRO" and "5. ESG information" of the "2024 Annual Report" on 31 December 2024 and for the year then ended (hereafter "the consolidated sustainability statement").

We have been appointed by the general meeting d.d. 28 May 2024, following the proposal formulated by the board of directors and following the recommendation by the audit committee and the proposal formulated by the works' council to perform a limited assurance engagement on the consolidated sustainability statement of the Group.

Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2026. We have performed our assurance engagement on the consolidated sustainability statement for 1 year.

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of the Group.

Based on the procedures we have performed and the assurance evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated sustainability statement of the Group, in all material respects:

- has not been prepared in accordance with the requirements of article 3:32/2 of the Companies' and Associations' Code, including compliance with the applicable European Sustainability Reporting Standards (ESRS);
- is not in accordance with the process (the "Process") carried out by the Group, as disclosed in note "4.2.2 Our DMA process" to identify the information reported in the consolidated sustainability statement on the basis of ESRS;
- does not comply with the requirements of article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") disclosed in note "5.1. Environmental | EU Taxonomy".

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Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), as applicable in Belgium.

Our responsibilities under this standard are further described in the ""Responsibilities of the statutory auditor on the limited assurance engagement on the consolidated sustainability statement" section of our report.

We have complied with all ethical requirements that are relevant to assurance engagements of sustainability statements in Belgium, including those related to independence.

We apply International Standard on Quality Management 1 (ISQM 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our limited assurance engagement.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The scope of our work is limited to our limited assurance engagement regarding the consolidated sustainability information of the Group. Our limited assurance engagement does not extend to information related to the comparative figures included in the consolidated sustainability statement.

Responsibilities of the board of directors relating to the preparation of the consolidated sustainability statement

The board of directors is responsible for designing and implementing a Process and for disclosing this Process in note "4.2.2 Our DMA process" of the consolidated sustainability statement. This responsibility includes:

- understanding the context in which the activities and business relationships of the Group take place and developing an understanding of its affected stakeholders;

- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long- term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The board of directors is further responsible for the preparation of the consolidated sustainability statement, which includes the information established by the Process:

- in accordance with the requirements referred to in article 3:32/2 of the Companies' and Associations' Code, including the applicable European Sustainability Reporting Standards (ESRS);
- in compliance with the requirements of article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") disclosed in note "5.1 Environmental | EU Taxonomy".

This responsibility comprises:

- designing, implementing and maintaining such internal control that the board of directors determines is necessary to enable the preparation of the consolidated sustainability statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The audit committee is responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the consolidated sustainability statement

In reporting forward-looking information in accordance with ESRS, the board of directors is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected and the deviation from that can be of material importance.

Responsibilities of the statutory auditor on the limited assurance engagement on the consolidated sustainability statement

Our responsibility is to plan and perform the assurance engagement with the aim of obtaining a limited level of assurance about whether the consolidated sustainability statement contains no material misstatements, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated sustainability statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as applicable in Belgium, we apply professional judgment and maintain professional scepticism throughout the engagement. The work performed in an engagement aimed at obtaining a limited level of assurance, for which we refer to the section "Summary of work performed", is less in scope than in an engagement aimed at obtaining a reasonable level of assurance. Therefore, we do not express an opinion with a reasonable level of assurance as part of this engagement.

As the forward-looking information in the consolidated sustainability statement and the assumptions on which it is based, are future related, they may be affected by events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different from the assumptions, as the anticipated events frequently do not occur as expected, and the deviation from that can be of material importance. Therefore, our conclusion does not provide assurance that the reported actual outcomes will correspond with those included in the forward-looking information in the consolidated sustainability statement.

Our responsibilities regarding the consolidated sustainability statement, with respect to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- designing and performing work to evaluate whether the Process is consistent with the description of the Process by the Group, as set out in note "4.2.2 Our DMA process".

Our other responsibilities regarding the sustainability statement include:

- acquiring an understanding of the entity's control environment, the relevant processes, and information systems for preparing the sustainability information, but without assessing the design of specific control activities, obtaining supporting information about their implementation, or testing the effective operation of the established internal control measures;
- identifying where material misstatements are likely to arise, whether due to fraud or error, in the consolidated sustainability statement; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated sustainability statement. The procedures carried out in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing, and extent of procedures selected depend on professional judgment, including the identification of areas where material misstatements are likely to arise in the consolidated sustainability statement, whether due to fraud or errors.

In conducting our limited assurance engagement with respect to the Process, we have:

- obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Group's internal documentation relating to its Process; and
- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Group was consistent with the description of the Process set out in note "4.2.2 Our DMA process".

In conducting our limited assurance engagement, with respect to the consolidated sustainability statement, we have:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its consolidated sustainability statement by obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the consolidated sustainability statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control;
- evaluated whether the information identified by the Process is included in the consolidated sustainability statement;
- evaluated whether the structure and the presentation of the consolidated sustainability statement is in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected information in the consolidated sustainability statement;
- performed substantive assurance procedures on selected information in the consolidated sustainability statement;
- evaluated the methods/assumptions for developing estimates and forward-looking information as described in the section "Responsibilities of the statutory auditor on the limited assurance engagement on the consolidated sustainability statement";
- obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated sustainability statement;

Statement related to independence

Our registered audit firm and our network did not provide services which are incompatible with the limited assurance engagement, and our registered audit firm remained independent of the Group in the course of our mandate.

Ghent, 29 April 2025

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
Represented by

Wouter Coppens*
Bedrijfsrevisor/Réviseur d'entreprises

*Acting on behalf of Wouter Coppens BV

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STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF RECTICEL NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Recticel NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 28 May 2024, following the proposal formulated by the board of directors and following the recommendation by the audit committee and the proposal formulated by the works' council. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2026. We have performed the statutory audit of the Group's consolidated accounts for 4 consecutive years.

Report on the consolidated accounts

Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in shareholders' equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of EUR'000 701.670 and a profit of the period after taxes - continuing and discontinued operations (share of the Group) of EUR'000 18.132.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Statutory auditor's responsibilities for the audit of the consolidated accounts"* section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

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We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated accounts of the current period. This matter was addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

<u>The acquisition of REX Panels & Profiles NV - Note 7.2.4.8</u>

Description of the Key Audit Matter

The acquisition of REX Panels & Profiles NV was of most significance to our audit due to the size and significant judgments and assumptions involved in the purchase price allocation of EUR 33,9 million, mainly in relation to step ups on the valuation of property, plant & equipment, the recognition of intangible assets such as customer list and contracts, trademarks and technology related intangible assets and deferred tax liabilities. As disclosed in Note 7.2.4.8 'Business Combinations' a goodwill of EUR 14,1 million has been recognised.

How our Audit addressed the Key Audit Matter

With respect to the accounting for the REX acquisition, we have, amongst others,

- read the share purchase agreement, confirming the correct accounting treatment has been applied and appropriate disclosure has been made;
- assessed the valuation and accounting for the consideration payable and traced payments to bank statements;
- tested the identification and valuation of the assets and liabilities Recticel acquired, including any GAAP and fair value adjustments;
- assessed and challenged the valuation assumptions used in the calculations such as discount rates amongst others based on external evidence. In doing so we have utilized valuation specialists to assist with the audit of the identification and valuation of the assets and liabilities acquired.

We also assessed the adequacy of the disclosures in Note 7.2.4.8.

We found the methodologies and the assumptions applied to be in line with our expectations, and the acquisition accounting and related disclosure in line with the share purchase agreement.

Responsibilities of the board of directors for the preparation of the consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts including the sustainability information and the other information included in the annual report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts and to report on these matters.

Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

The director's report on the consolidated accounts includes the consolidated sustainability information that is the subject of our separate report, which contains an 'Unqualified conclusion' on the limited assurance with respect to this sustainability information. This section does not concern the assurance on the consolidated sustainability information included in the directors' report on the consolidated accounts.

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts, containing the sections:

- "1. Highlights and performance indicator"
- "2. Leading the way in future-smart solution"

is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

Statements related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.

- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

European Uniform Electronic Format (ESEF)

We have also verified, in accordance with the draft standard on the verification of the compliance of the annual report with the European Uniform Electronic Format (hereinafter "ESEF"), the compliance of the ESEF format with the regulatory technical standards established by the European Delegate Regulation No. 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation") and with the Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments admitted to trading on a regulated market.

The board of directors is responsible for the preparation of an annual report, in accordance with ESEF requirements, including the consolidated accounts in the form of an electronic file in ESEF format (hereinafter "digital consolidated accounts").

Our responsibility is to obtain sufficient appropriate evidence to conclude that the format and marking language of the digital consolidated financial accounts complies in all material respects with the ESEF requirements under the Delegated Regulation.

Based on our procedures performed, we believe that the format of the annual report and marking of information in the digital consolidated accounts included in the annual report of Recticel NV per 31 December 2024 comply, and which will be available in the Belgian official mechanism for the storage of regulated information (STORI) of the FSMA, are, in all material respects, in compliance with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.

Other statement

This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Ghent, 29 April 2025

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
Represented by

Wouter Coppens*
Bedrijfsrevisor/Réviseur d'entreprises

*Acting on behalf of Wouter Coppens BV

8.2 ESRS list of Disclosure Requirements

ESRS 2, IRO-2 (DR 56)

LIST OF MATERIAL DISCLOSURE REQUIREMENTS	DISCLOSURE REQUIREMENT	CHAPTER	PAGE
ESRS 2	**General Disclosures**		
BP-1	General basis for preparation of the sustainability statement	4.1	72
BP-2	Disclosure in relation to specific circumstances	5.1.2	95
GOV-1	The role of the administrative, management and supervisory bodies	3.1	48
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	3.2	56
GOV-3	Integration of sustainability-related performance in incentive schemes	3.3	57
GOV-4	Statement on due diligence	3.4	58
GOV-5	Risk management and internal controls over sustainability reporting	3.5	64
SBM-1	Strategy, business model and value chain	2.3	25
SBM-2	Interests and views of the stakeholders	4.2.2	76
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	4.3.2	82
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	4.2	74
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statements	4.1	72
E1	**Climate change**	**5.2**	**102**
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	3.3	57
E1-1	Transition plan for climate change mitigation	5.2.2	106
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	4.3.2	82
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	4.2	74
E1-2	Policies related to climate change mitigation	5.2.3	104
E1-3	Actions and resources in relation to climate change policies	5.2.4	105
E1-4	Targets related to climate change mitigation and adaptation	5.2.5	107
E1-5	Energy consumption, mix and intensity	5.2.6	109

LIST OF MATERIAL DISCLOSURE REQUIREMENTS	DISCLOSURE REQUIREMENT	CHAPTER	PAGE
E1-6	Gross scopes 1, 2, 3 and total GHG emissions	5.2.7	112
E1-7	GHG removals and mitigation projects financed through carbon credits	5.2.9	119
E1-8	Internal carbon pricing	5.2.9	120
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	5.2.11	120
E5	**Resource use and circular economy**	**5.3**	**121**
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	4.3.2	82
ESRS 2 IRO-1	Description of the processes to identify and assess material resources use and circular economy-related impacts, risks and opportunities	4.2	74
E5-1	Policies related to resource use and circular economy	5.3.2	122
E5-2	Actions and resources related to resource use and circular economy	5.3.3	124
E5-3	Targets related to resource use and circular economy	5.3.4	126
E5-4	Resource inflows	5.3.5	127
E5-5	Resource outflows	5.3.6	129
E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	5.3.7	133
S1	**Own workforce**	**5.4**	**134**
ESRS 2 SBM-2	Interests and views of stakeholders	4.2.2	76
		2.3.6	46
ESRS 3 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business models	4.3.2	82
ESRS 2 IRO-1	Material S1 IROs and their interaction with strategy and the business model	5.4.1	135
S1-1	Policies related to our own workforce	5.4.2	135
S1-2	Process for engaging with workers and workers' representatives about impacts	5.4.3	137

LIST OF MATERIAL DISCLOSURE REQUIREMENTS	DISCLOSURE REQUIREMENT	CHAPTER	PAGE
S1-3	Process to remediate negative impacts and channels for own workers to raise concerns	5.4.4	138
S1-4	Taking action on own workforce	5.4.5	139
S1-5	Targets and managing material impacts, risks and opportunities	5.4.6	141
S1-6	Characteristics of the undertakings' employees	5.4.7	142
S1-7	Characteristics of non-employees in the Recticel Group own workforce	5.4.8	143
S1-8	Collective bargaining coverage and social dialogue	5.4.9	143
S1-10	Adequate wages	5.4.10	144
S1-11	Social protection	5.4.11	144
S1-13	Training and skills development metrics	5.4.12	144
S1-14	Health and safety metrics	5.4.13	145
S1-15	Work-life balance	5.4.14	146
S1-17	Incidents, complaints and severe human rights impacts	5.4.15	146
G1	**Business conduct**	**5.5**	**147**
ESRS 2 SBM-3	Materials impacts, risks and opportunities and their interaction with strategy and business model	4.3.2	82
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	5.5.3	152
ESRS 2 IRO-1	Material G1 IROs and their interaction with strategy and business model	5.5.1	148
G1-1	Business conduct policies and corporate culture	5.5.2	148
G1-2	Management of relationships with suppliers and impacts on our supply chain	5.5.4	152
G1-3	Prevention and detection of corruption and bribery	5.5.5	153
G1-4	Incidents of corruption and bribery	5.5.6	155
G1-5	Political influence and lobbying activities	5.5.7	155
G1-6	Payment practices	5.5.7	156

8.3 References to other EU legislations

8.3.1 Reference table with TCFD recommendations

REFERENCE TABLE WITH TCFD RECOMMENDATIONS	CHAPTER	PAGE
Governance		
Description of Board's oversight of climate-related risks and opportunities	3.1	48
	3.1.6.1	54
Description of the management's role in assessing and managing climate-related risks and opportunities	4.2.2	76
	4.3.1	80
Strategy		
Description of the climate change risks and opportunities that the organisation has identified in the short, medium and long term	4.3.2.1	84
Description of the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	4.3.2	82
Description of the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	5.2.2	103
Risk management		
Description of the organisation's processes for identifying and assessing climate-related risks	4.3.2.1	84
Description of the organisation's processes for managing climate-related risks	4.3.2.2	89
Description of how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	3.2	56
Metrics and targets		
Description of the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and management process	4.3.2.1	84
	5.2.5 - 5.2.9	107 - 120
	5.3.4 - 5.3.7	126 - 133
Disclosure of scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks	5.2.7	112
Description of the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	5.2.5	107
	5.3.4	126

8.3.2 Reference table with UN Sustainable Development Goals

REFERENCE TABLE WITH UN SUSTAINABLE DEVELOPMENT GOALS	CHAPTER	PAGE
SDG 7 Affordable and clean energy		
Promote energy-efficient solutions for sustainable building practices	2	17
Increase the share of renewable energy in the global energy mix	5.2	102
	5.3	121
SDG 8 Decent work and economic growth		
Drive sustainable and economic growth through dignified work	5.4	134
Promote safe and secure working environment	5.5	147
SDG 9 Industry innovation and infrastructure		
Foster innovation to enhance resilient infrastructure	1.1	10
Retrofit industries to make them sustainable, with increased resource-use efficiency	5.3.3	124
SDG 11 Sustainable cities and communities		
Develop products that improve urban energy efficiency	2	17
	5.2	102
	5.3	121
	1.1	10
SDG 12 Responsible consumption and production		
Advance circular economy practices through product innovation	5.3	121
Reduce waste generation through prevention, reduction, recycling and reuse		
SDG 13 Climate action		
Commit to ambitious greenhouse gas (GHG) reduction targets and climate-aligned practices	5.2	102
SDG 17 Partnerships for the goals		
Collaborate with stakeholders to amplify positive environmental and social impacts	1.1	11
	5.3.3.1	125
	5.4	134

8.4 Glossary

IFRS MEASURES

Consolidated (data): financial data following the application of IFRS 11, whereby joint ventures and associates are integrated on the basis of the equity method.

ALTERNATIVE PERFORMANCE MEASURES

In addition, the Group uses alternative performance measures (Alternative Performance Measures or "APM") to express its underlying performance and to help the reader to better understand the results. APM are not defined performance indicators by IFRS. The Group does not present APM as an alternative to financial measures determined in accordance with IFRS and does not give more emphasis to APM than the defined IFRS financial measures.

Adjusted EBITDA: EBITDA before Adjustments (to Operating Profit)

Adjusted operating profit (loss): Operating profit (loss) + adjustments to operating profit (loss)

Adjustments to Operating profit (loss) include operating revenues, expenses and provisions that pertain to restructuring programmes (redundancy payments, closure & clean-up costs, relocation costs,...), reorganisation charges and onerous contracts, impairments on assets ((in)tangible assets and goodwill), revaluation gains or losses on investment property, gains or losses on divestments of non-operational investment property, and on the liquidation of investments in affiliated companies, revenues or charges due to important (inter)national legal issues and costs of advisory fees incurred in relation to acquisitions or business combination projects, costs of advisory fees incurred in relation to acquisitions, divestments or business combination projects, including fees incurred in connection with their financing and reversals of inventory step up values resulting from purchase price allocations under IFRS 3 Business Combinations.

Avoided emissions: Avoided emissions are emission reductions that occur outside of a product's life cycle or value chain, but as a result of the use of that product

BEIS: UK Department for Business, Energy and Industrial Strategy

BC ADEME: 'Bilan Carbone' from French 'Agence de la Transition Energétique'

CDP: Not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts

Current ratio: Current assets / Current liabilities

DEFRA: Department for Environment, Food & Rural Affairs in the UK, providing carbon conversion factors

DNSH: Do No Significant Harm principle; in the context of the EU Taxonomy, an economic activity contributing to one or more of the six environmental objectives without significantly harming any of these

EBITDA: Operating profit (loss) + depreciation, amortisation and impairment on assets; all of continuing activities

EPD: Environmental Product Declaration

ESG: Environmental, Social and Governance

ESRS: European Sustainability Reporting Standards, covering the full range of environmental, social, and governance issues, including climate change, biodiversity and human rights

EWC: European Works Council

Gearing: Net financial debt / Total equity

GHG: Greenhouse Gas

Higg: Higg Materials Sustainability Index, designed to compare the environmental impact of different materials so design and development teams can make more sustainable choices during materials selection

IEA: International Energy Agency

ILO: International Labour Organisation

Income from associates: Income considered as being part of the Group's core business are integrated in Operating profit (loss)

Income from other associates: Income from associates not considered as being part of the Group's core business are not integrated in Operating profit (loss)

ISO 14001: Internationally recognized standard for environmental management systems (EMS)

Lambda value: Measure of how efficiently a material conducts heat

LCA: Life Cycle Assessment, assessing the environmental impacts of a product or service throughout its entire life cycle, from extraction of raw materials to end-of life disposal

Leverage: Net financial debt / EBITDA (last 12 months)

Margin: EBITDA margin, Adjusted EBITDA margin, Operating Profit (loss) margin and Adjusted operating profit (loss) margin are expressed as a % on sales

Net free cash-flow: Sum of the (i) Net cash flow after tax from operating activities, (ii) the Net cash flow from investing activities, (iii) the Interest paid on financial liabilities and (iv) reimbursement of lease liabilities; as shown in the consolidated cash flow statement.

Net financial debt: Interest bearing financial liabilities and lease liabilities at more than one year + interest bearing financial liabilities and lease liabilities within maximum one year + accrued interests – cash and cash equivalents + Net marked-to-market value position of hedging derivative instruments. The interest-bearing borrowings do not include the drawn amounts under non-recourse factoring/forfeiting programs.

Net working capital: Inventories and contracts in progress + Trade receivables + Other receivables + Income tax receivables – Trade payables – Income tax payables – Other amounts payable

OECD: Organisation for Economic Co-operation and Development

Operating profit (loss): Profit before income from other associates, fair value adjustments of option structures, earnings of discontinued activities, interests and taxes. Operating profit (loss) comprises income from associates of continued activities

PIR: Polyisocyanurate

PU: Polyurethane

RSSR: Recticel Supplier Sustainability Requirements

SBTi: Science Based Targets initiative, corporate climate action organization

Scope 1: Direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles)

Scope 2: Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling, for own use from a utility provider

Scope 3: Indirect GHG emissions not included in scope 2 that occur in the value chain of the company (upstream and downstream activities). The GHG Protocol separates scope 3 emissions into 15 categories

SEVESO: EU Directive on the control of major-accident hazards involving dangerous substances, applying to over 12,000 industrial installations across the EU

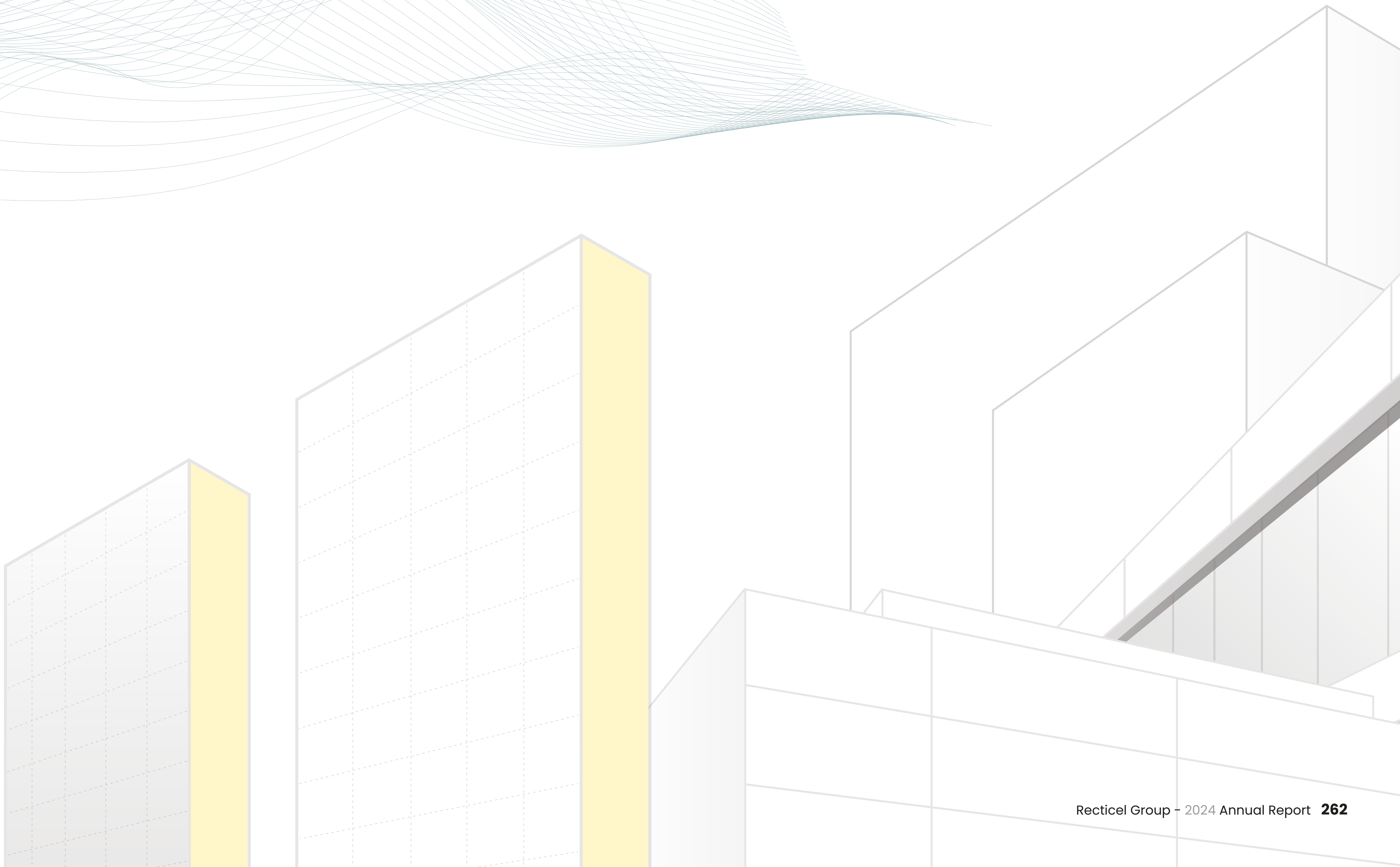
tCO_2e: Metric tonnes of carbon dioxide equivalent emissions

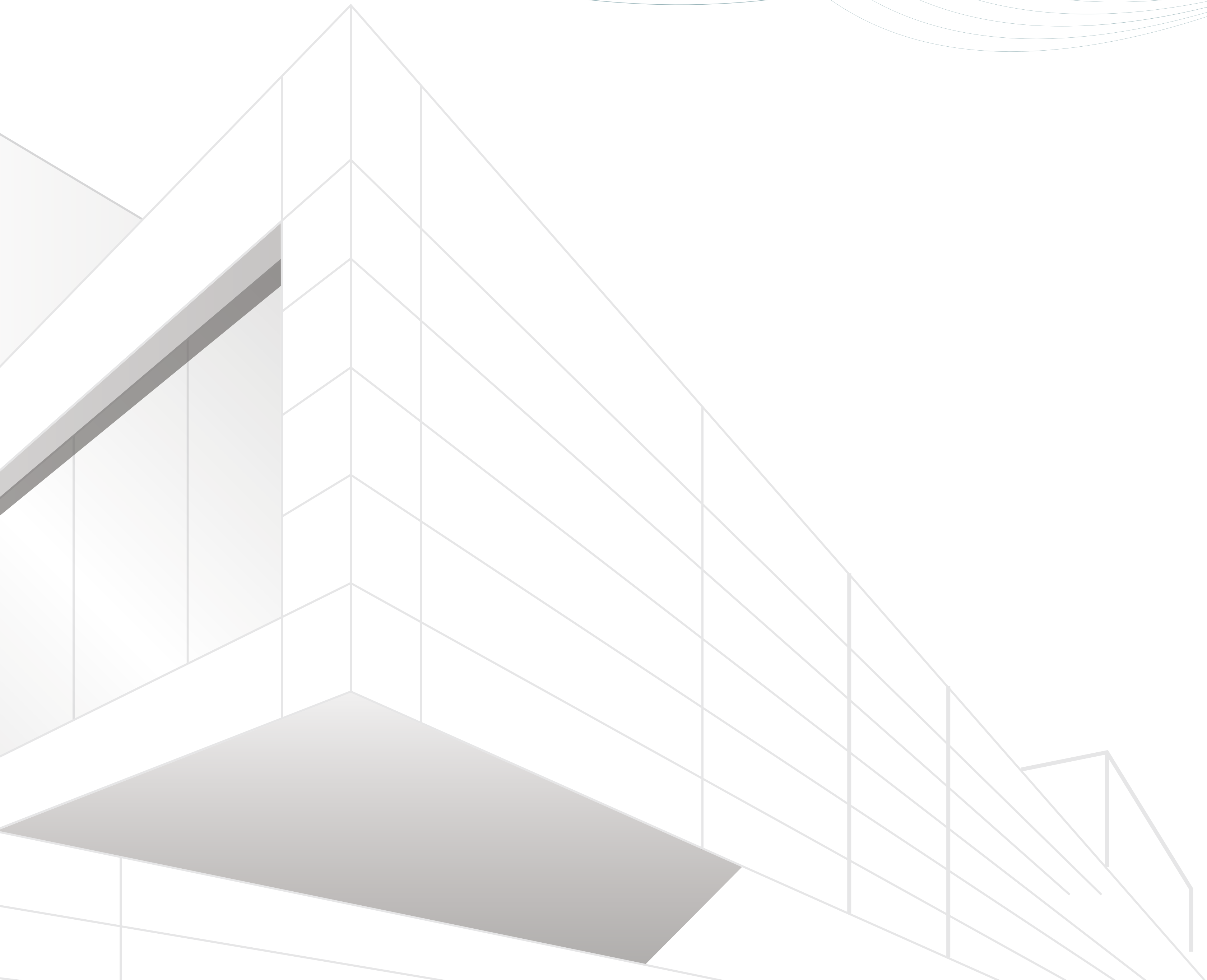
Total net financial debt: Net financial debt + the drawn amounts under off-balance sheet non-recourse factoring programs

U-value: Presents the rate of thermal transmittance through a material or building element, quantifying how well a material acts as a thermal insulator or conductor

W/m^2K: Watts per square meter Kelvin

WRI: World Resources Institute





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