

Embracing a new future

2021 Annual Report



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Our impact on climate change

Over the lifetime of their use, the insulation products we sold in 2021 will offset our total 2021 carbon footprint by **51 TIMES***

* Ratio between avoided emissions and carbon footprint scope 1,2 & 3. It is based on 2021 revenues of the business lines Insulation, Bedding and Engineered Foams, excluding FoamPartner which was acquired on 31 March 2021.



CLIMATE POSITIVE MULTIPLE
CARBON FOOTPRINT INDICATOR
CARBON INTENSITY

Compared to
2020

+ 11%

- 4%

- 17%



RECYCLING

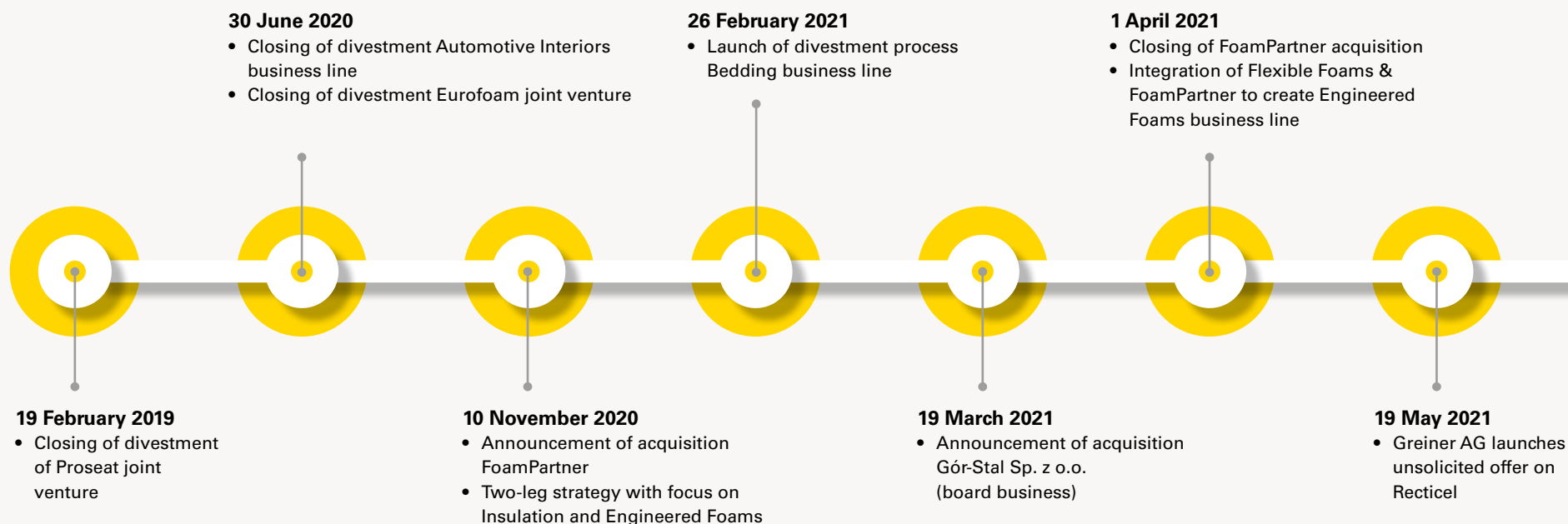
+ 76%



SUSTAINABLE R&D PROJECTS

+ 17%

Embracing change





11 October 2021

- Strategy update with focus on Insulation
- Announcement of intended divestment of Engineered Foams to Carpenter Co.

December 2021

- 06/12
- SGM approves divestment of Engineered Foams business line to Carpenter Co.
- 07/12
- Announcement of binding agreement with Carpenter Co. for divestment of Engineered Foams business line
- 24/12
- SGM approves divestment of Bedding business line to Aquinos Group

28 February 2022

- Baltisse NV buys 22.6% of Recticel shares from Greiner AG

April 2022

- 14/04
- Exercising put option to sell 25% in Proseat JV to Sekisui
- 29/04
- Closing of Trimo d.o.o. acquisition

18 November 2021

- Announcement of binding agreement with Aquinos Group for divestment Bedding business line

11 January 2022

- Greiner AG unsolicited offer expires

March 2022

- 21/03
- Announcement of acquisition of Trimo d.o.o.
- 31/03
- Closing of Bedding business line divestment to Aquinos Group



A conversation with the Chairman of the Board of Directors and the Chief Executive Officer

Johnny Thijs and Olivier Chapelle reflect on a year in which Recticel weathered a range of challenges, including the continuing pandemic and unexpected business developments. They share some insights into their plans and expectations for 2022 and explain the new and positive direction that the company is taking.



▲ Johnny Thijs
Chairman of the Board of Directors

▲ Olivier Chapelle
Chief Executive Officer

Recticel undertook a major strategic overhaul between 2019 and early 2021, with the intention of basing the company on two pillars, Insulation and Engineered Foams. How did these two business lines perform financially in 2021?

These two businesses performed above expectations in 2021, as we confirmed on 19 May 2021 by a substantial increase in our profit guidance. Both businesses were able to cope with the successive waves of the pandemic without impacts on performance. In addition, they managed to pass through raw material cost increases into the selling prices in real time. As a consequence, Recticel generated record results in 2021. Moreover, our Engineered Foams business has successfully integrated the activities of FoamPartner, acquired on 31 March 2021, and has delivered the expected synergies.

The next twelve months will bring another major strategic change, as Recticel evolves into a pure player in insulation. Why did you decide to take this direction?

In September 2020, we defined a strategy based upon two activities, Insulation and Engineered Foams. They both had solid growth perspectives and offered a natural hedge against business cyclicity, given their very complementary product, segment and geographic positioning. As a consequence, we announced in February 2021 our intention to divest the Bedding activities, a process that we immediately initiated. The execution of this strategy was progressing according to plan and the evolution of our stock price reflected the support of the market. We were forced to change that strategy by the unsolicited takeover bid by Greiner on all Recticel shares, following their acquisition of the 27% participation of Compagnie du Bois Sauvage. We deemed the Greiner offer unfavourable and unacceptable for all stakeholders: customers, employees and shareholders. We designed a bold defence to fend off the Greiner offer: the sale of Engineered Foams to Carpenter Co. and subsequent development of Recticel into a pure insulation player. The strategy revision is another token of our company's agility.

In March you announced that you have signed an agreement to acquire the insulated panel specialist Trimo d.o.o.. How important is this acquisition for Recticel's future?

This is a key development for our company because it will enable us to accelerate growth with a category – insulated panels – that complements our existing insulation boards, vacuum insulated panels and thermo-acoustic boards. It will also enable Recticel to enter into the industrial building segment and to reinforce our presence in a region of Europe in which we had no substantial presence.

In 2021, you embarked on a renewed sustainability journey with firm objectives for 2025. Will Recticel continue to work towards those goals as an Insulation company?

In fact, we embarked on our sustainability journey in 2015 and have since updated our objectives with a new set of even more ambitious targets to be reached by 2025. As a pure insulation player, our contribution is essentially about fighting climate change, which is the core of our sustainability objectives.

As a major industrial player specialising in chemistry, are ESG commitments important in your daily business?

Yes, we have firm commitments to environmental and social contribution, and we have continued to update them with more ambitious targets. As well as considering the impact of our products on climate change, we also develop solutions that will enable full circularity of our product offerings. Our ESG commitments are equally important for our shareholders, given the increased focus of investors and shareholders on companies that deliver ESG contributions.

Last year's business environment was still largely dominated by the COVID-19 pandemic. What was the impact on Recticel and your customers?

The 2020 COVID-19 pandemic and the subsequent very steep recovery put a lot of pressure on supply chains, and in the case of Recticel, on the supply of raw materials. Tight supply and higher prices for the raw materials we use made it challenging for us to deliver to our customers on time, in full. Our supply chain teams have done an excellent job in meeting our customer's expectations. And our commercial teams have been extremely reactive, quickly adapting selling prices in order to mitigate margin impact. That has been achieved quite successfully.

What can Recticel partners and shareholders expect in the coming year?

We sincerely thank our employees, customers and shareholders for their contributions, their trust and their support, which have enabled our company to emerge successfully from difficult and perilous circumstances in 2021. In particular, we thank our shareholders for supporting our new strategy, as demonstrated in the shareholder meetings held in December 2021. We now look forward to a future focused on our insulation activities, and all our stakeholders can expect ambition, growth and success in the future, with a first milestone of doubling our sales by 2025.

The transformation of Recticel

Recticel has always been a Group embracing change and evolving in ways that add value for our stakeholders and for wider society. The transformation that began in 2010 – involving restructuring of our business activities and rationalisation of our manufacturing footprint – resulted in significant performance improvement. As soon as we had achieved that landmark, we embarked on a programme of reshaping and investing to boost the business, optimise our portfolio and streamline our organisation.

In 2020, despite the disruption caused by the global COVID-19 pandemic, Recticel was perfectly positioned for further strategic transformation. We divested our Automotive Interiors business line and our Eurofoam joint venture. In 2021, we acquired FoamPartner and formed the new Recticel Engineered Foams business line. We began the process of divesting our Bedding business line, entering into a binding agreement with Aquinos Group in November. We also announced our acquisition of the thermal insulation board business of Gór-Stal Sp. z o.o. in Poland. This binding agreement was later cancelled by the owners. Recticel is taking the appropriate legal steps to enforce the acquisition and obtain full damages.

Sustainable innovation has remained at the core of everything we do. It is vital not just for the development of our portfolio of products and services, but also for the creation of state-of-the-art business strategies that sustain our future. When circumstances changed again in 2021, we did not hesitate to revisit our strategy. Following an unsolicited offer from Greiner AG to acquire the majority share in our company, we immediately focused on reviewing all our options with the aim of protecting the interests of our shareholders and employees.

In December 2021, we signed an agreement with Carpenter Co. for the divestment of the recently formed Recticel Engineered Foams business line. We are satisfied that Carpenter Co. is a strong strategic fit for Recticel Engineered Foams, with a highly complementary footprint and product portfolio. The deal enables us to pursue our insulation business and ESG objectives while safeguarding the potential of the Engineered Foams business line and its highly skilled employees, as well as the interests of all our stakeholders.

March 2022 saw the closing of the Bedding business line divestment to Aquinos Group, as well as a pivotal development in the execution of our new strategy: the acquisition of Trimo d.o.o., one of Europe's leading providers of sustainable premium insulated panels for the construction industry, with operations in Slovenia and Serbia.

Recticel is now confidently beginning a new chapter in its history, with a strategy founded on sustainable innovation. In 2022, we will move forward as a pure play insulation company, a specialised business with a wealth of experience and a set of further refined objectives. These include the goals set out in our Sustainability Strategy, which was revised for 2021-2025 and which is supported by two pillars: the Sustainable Innovation Plan and the People Priority Plan. Based on clearly defined material aspects and KPIs, our Sustainability Strategy will continue to ensure that we maximise our positive climate impact, boost circular efficiencies, drive market-driven innovation to develop sustainable solutions for our customers and help to protect and engage our employees and other stakeholders. With the long-term needs and challenges of our business sectors and society as our compass, it is sustainability that nourishes and sustains our competitiveness.



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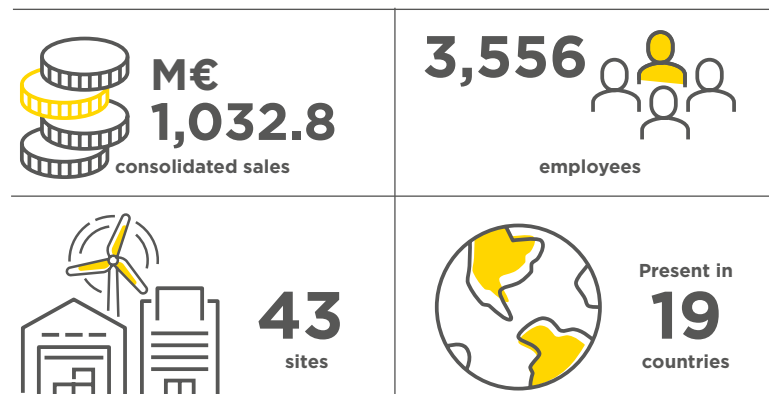
Restructuring of the business activities & rationalising the manufacturing footprint
[2010-2018]

2

Reshaping & investing to boost the business
[2018-2022]

Recticel at a glance

At 31.12.2021*



Recticel around the world



Key data	Europe	Asia	United States
% of consolidated net sales	88%	6%	6%
Number of employees	3,082	283	191
Number of sites	30	8	5

* Continuing operations: Insulation & Engineered Foams. The Bedding sale is accounted for in discontinued operations as per IFRS 5 in the 2021 financial reporting.

Our mission, vision and values

We **innovate** to create value

We strive for **results**

We act with **respect & integrity**

We **cooperate** to win

We take **ownership** and feel **accountable**

Our corporate mission, vision and values have guided us through a process of change.

We consistently leverage our expertise to offer competitive, high value-added solutions that generate shared value for our customers, employees, other stakeholders and society.

We aim to be the leading solution provider in all our markets by responding to key global challenges such as climate change, energy conservation, a growing and ageing population, and noise pollution. To achieve this, we focus on efficiency, mutual benefits, innovation and long-term sustainability.

Our values describe how we interact, do business and work together at Recticel as we successfully execute our corporate strategy and realise our objectives.

In the coming months, we will revisit our mission, vision and values and refine them to truly underpin our future as a pure play insulation specialist.

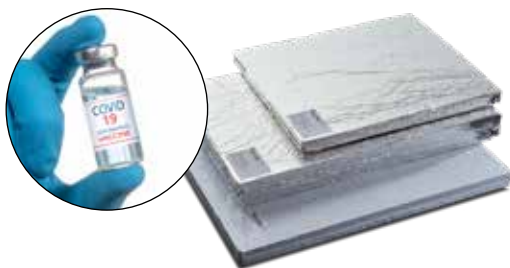
Highlights of 2021 and early 2022



January 2021

Insulation – TURVAC

Through its TURVAC joint venture, the Recticel Insulation business line won a significant contract with two major international pharmaceutical companies for the delivery of high-performing thermal vacuum insulated panels (VIP) needed to transport and store ultra-low temperature vaccines.



Insulation – TECUN Insulation

To further establish the Insulation business line as a Centre of Excellence, a new e-learning platform was launched to share and improve its employees' technical product and application knowledge.



April 2021

Recticel Engineered Foams

Recticel completed the acquisition of the Swiss-based company FoamPartner, which then merged with the Recticel Flexible Foams business line to form the new Engineered Foams business line.



March 2021

Sustainable Innovation - PUReSmart

PUReSmart project partner Covestro commissioned a new plant for chemical recycling. The PUReSmart chemical recycling project is coordinated by Recticel and funded by the EU's Horizon 2020 Innovation and Research programme.



July 2021

Engineered Foams – New Shepard

By supplying foams for Blue Origin's sub-orbital reusable launch vehicle, New Shepard, Recticel was part of the system's historic first human flight on 20 July 2021. Recticel also supplied high-performance foam-based thermal and acoustic protection systems for the company's New Glenn rocket fairing.

BLUE ORIGIN



September 2021

Recticel – ESG ratings

MSCI upgraded Recticel's ESG rating from 'A' to 'AA' (on a scale from AAA to CCC), ranking the Group in the top 6% of the MSCI Commodities Chemicals universe.



CDP positioned Recticel among the 33% of companies that have a B score or higher.



Engineered Foams – NIVA™

Recticel Engineered Foams launched a new range of foams free from halogenated fire retardants (TCCP) for a more natural sleep experience.





October 2021

Recticel – ESG ratings

Based on a limited Core Framework analysis, Sustainalytics ranked Recticel as 'Medium' within the Commodity Chemicals universe.



SUSTAINALYTICS



November 2021

Engineered Foams – Award

Recticel Engineered Foams won the prestigious UTECH Europe Automotive Award for product and innovation with OBoSky® Nature, a particularly fine-pored foam for headliners with a very homogeneous cell structure and uniform colour.



Recticel – Aquinos Group

Recticel signed a deal with Aquinos Group, a Portuguese privately owned industrial group active in the upholstery and bedding market, for the divestment of the Bedding business line. The deal was closed on 31 March 2022.



December 2021

Engineered Foams – Carpenter Co.

Recticel signed a deal with Carpenter Co., an American privately owned industrial group and one of the world's largest producers of foam products, for the sale of the Recticel Engineered Foams business line.



January 2022

Insulation – Eurowall® E

Recticel Insulation introduced Eurowall® E insulation boards with Euroclass E fire classification for cavity wall insulation. The boards are designed to meet the new fire safety regulation for buildings from 10 to 25 m height, which will come into force in Belgium on 1 July 2022.



February 2022



Insulation – PEFC certified

Recticel Insulation obtained the renowned PEFC label for its multilayer thermal insulation solutions, making it the first PIR/ PUR manufacturer authorised to use this environmental label.



April 2022

Recticel – Trimo d.o.o.

Recticel expands its insulation activities with the acquisition of the insulated panel specialist Trimo d.o.o. (Slovenia).

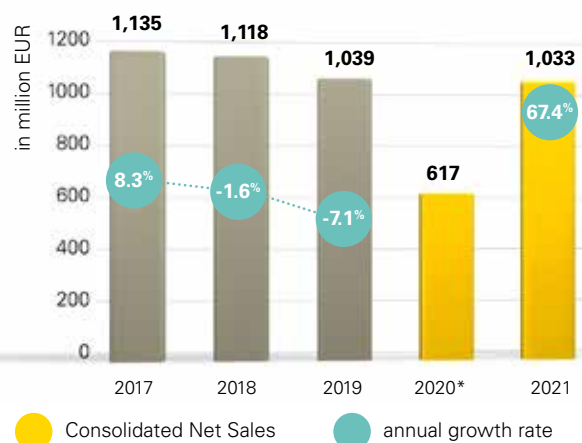


Recticel - Proseat

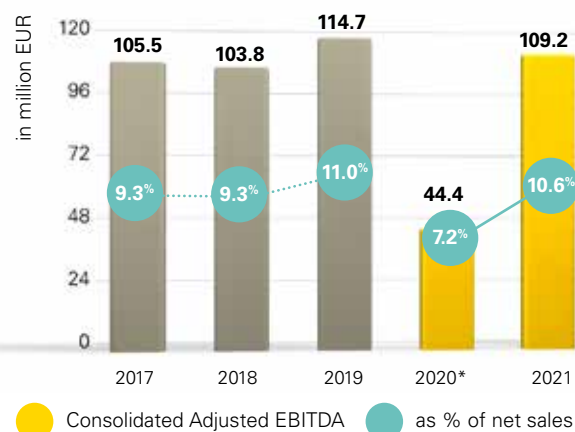
Exercising put option to sell 25% in Proseat JV to Sekisui.

2021 Financial results

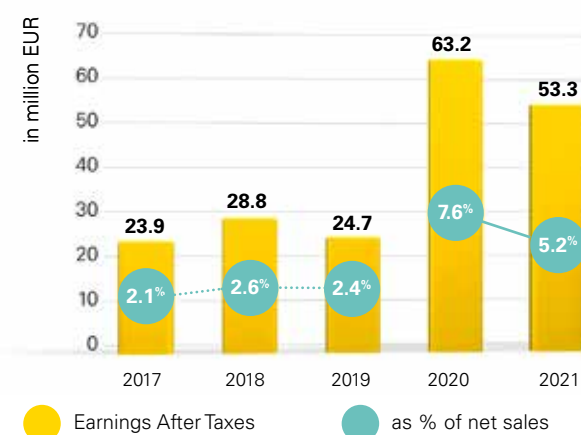
Consolidated Net Sales



Combined Adjusted EBITDA (2017-2019) & Consolidated Adjusted EBITDA (2020 & 2021)



Earnings After Taxes

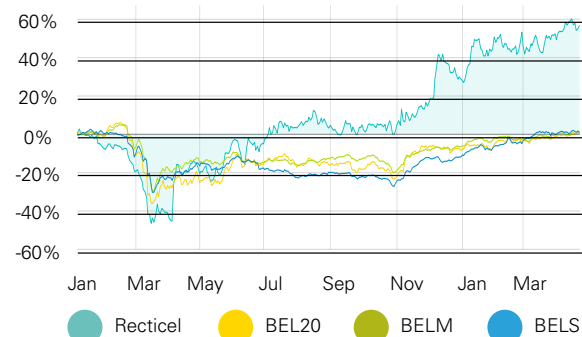


* In 2021, the Bedding business line has been accounted for as discontinued operation (IFRS 5). The 2020 figures have been restated accordingly. Previous years have not been restated and are shown as published (grey colour).

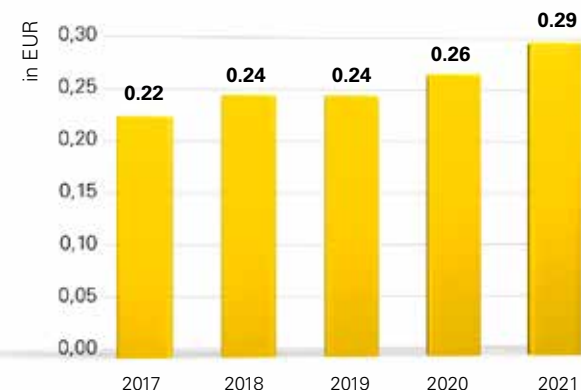


Recticel (Euronext™: REC.BE – Reuters: RECTt.BR – Bloomberg: REC.BB) is listed on the Euronext™ stock exchange in Brussels and is part of the BEL Mid® index (Euronext™: BELM – Reuters: BELM – Bloomberg: BELM; index weighting: 2.65% - situation 11 April 2022).

Share Price Evolution vs BEL20, BEL Mid, BEL Small (period 01.01.2021-20.04.2022)

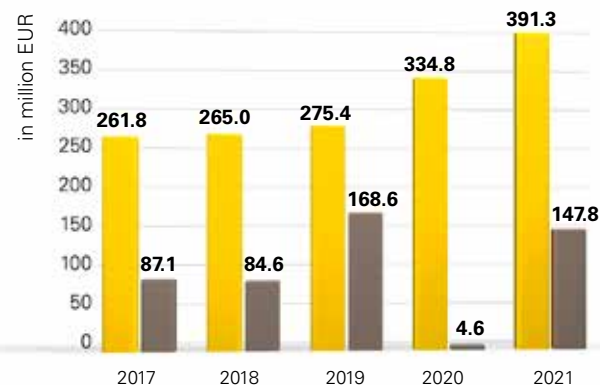


Gross Dividend per Share



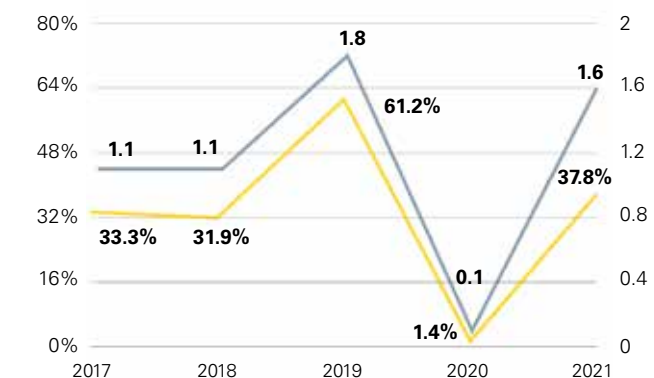
Gross Dividend per share

Total Equity versus Net Financial Debt



Total Equity Consolidated Net Financial Debt

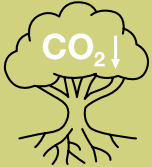












Gearing and Leverage Ratio



Gearing Leverage

2021 Sustainability results

* New target defined in 2021

	2020	2021	Target	Target year	Year to year progress	
 <p>CLIMATE ACTION PLAN</p> <p>CLIMATE POSITIVE MULTIPLE (ratio between avoided emissions and carbon footprint scope 1, 2, 3)</p> <p>RECTICEL CARBON FOOTPRINT INDICATOR (ratio between tonnes of CO₂e scope 1, 2, 3 and tonnes production volume, compared to 100% activity level of 2013)</p> <p>CARBON INTENSITY (ratio between tonnes of CO₂e scope 1&2 and €m revenue, compared to 100% in 2020)</p>	46	51	75	2030	11% 	SUSTAINABLE INNOVATION PLAN
	82	79	60	2030	- 4% 	
	100	83	75	2025	- 17% 	
 <p>TRANSITION TO A CIRCULAR ECONOMY</p> <p>RECYCLING Tonnes of post-consumer flexible polyurethane foam produced by Recticel from recycled mattresses</p>	1,059	1,864	≥5,000	2025	76% 	SUSTAINABLE INNOVATION PLAN
 <p>INNOVATION FOR SOCIETAL NEEDS</p> <p>R&D PROJECTS - % of active R&D projects classified as sustainable - Number of sustainable R&D projects ready to be brought to market</p>	58	68	80	2025	17% 	
		5	≥3*	2025		
 <p>LOWER HS&E IMPACT</p> <p>FREQUENCY 1: Number of Lost Time Accidents x 1,000,000 / Number of hours performed</p> <p>FREQUENCY 2: Number of [Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases] x 1,000,000 / number of hours performed</p>	5.3	6.4	≤2	2025	21% 	PEOPLE PRIORITY PLAN
		10.4	≤5*	2025		
 <p>AN INSPIRING & REWARDING PLACE TO WORK</p> <p>% EMPLOYEE PARTICIPATION IN E-LEARNING - Legal e-learning - Cybersecurity</p> <p>GENDER DIVERSITY in senior management</p>		94%				
		96%				
		18%	25%*	2030		

A detailed description of our strategy and progress during 2021 can be found in our Non-Financial Information Statement (**Chapter 2.3 of this Annual Report**).

About this report

In this report, we present financial and non-financial information relating to the Recticel Group for 2021 and early 2022.

The 2021 annual report is structured to emphasise the Group's new strategy as well as our enduring commitment to positive transformation with sustainability at its core.

Part 1 of the report – A New Future Built on Sustainable Innovation – explains how Recticel continues to place innovation front and centre, in both its business strategy and its ESG approach.

Section 1 describes the background to our decision to move forward as a pure play insulation company, summarising the market context and illustrating how this strategic reorientation supports our sustainability goals. Section 2 contains a review of all Recticel business lines in 2021. Section 3 sets out the Group's ESG approach and our progress in relation its Sustainable Innovation Plan and People Priority Plan.

Part 2 – Management Report – provides the financial results and financial status of the Recticel Group. This part of the report also includes the Corporate Governance section and the Non-Financial Information statement.

This report is available online.

For greater insight into Recticel, visit our corporate website: www.recticel.com

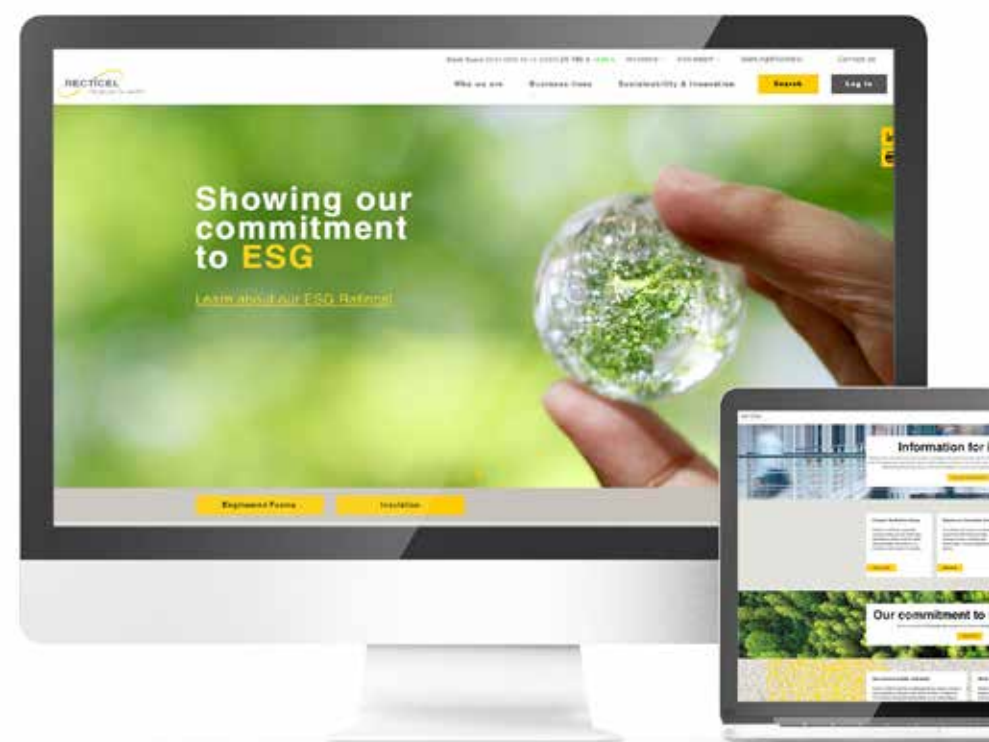


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1.

**A new future
built on
sustainable
innovation**



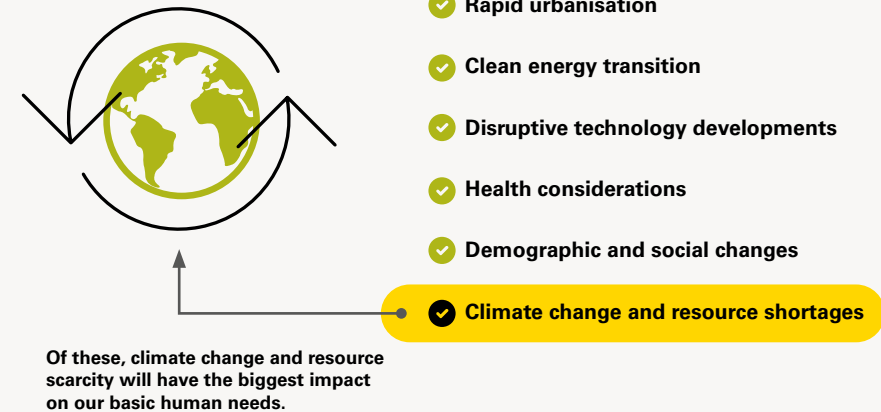
1.1 Transforming to a pure play insulation company

Following the divestments of the Recticel Engineered Foams and Bedding business lines, Recticel will be a pure play insulation company. This strategic change presents significant potential for our shareholders and other stakeholders. We will move forward with no debt in a market that has solid long-term fundamentals. For investors, the insulation segment is less cyclical, offers more visibility and provides cleaner margins. The move will also give us unprecedented opportunities to pursue our R&D objectives and intensify our sustainability efforts.

In March 2022, we announced a key move in the execution of our new strategy: the signing of an agreement to acquire Trimo d.o.o., one of Europe's leading providers of sustainable premium insulated panels for the building industry. Trimo d.o.o. currently operates from two sites (Trebnje, Slovenia, and Šimanovci, Serbia) and sells its insulated panels and building solutions in more than 60 countries around the world. In 2021, Trimo employed about 480 people and generated net sales of EUR 138.4 million. The company's products, technologies and markets are a perfect complement to our current portfolio. The acquisition, which was closed on 29 April 2022, will enable Recticel to expand in an adjacent insulation category while increasing its geographic reach.

1.1.1 Insulation market trends and challenges

Today's industrial landscape, and indeed society in general, is impacted by a limited number of megatrends. These have not changed significantly in the last decade and are set to dominate for the coming years as well. They include rapid urbanisation, clean energy transition, disruptive technology developments, health considerations, demographic and social changes, and climate change and resource shortages. While all of these shape our lives, the environmental challenges – which include climate action failure, biodiversity loss and ecosystem collapse as well as natural resource depletion – will have the greatest impact on our basic human needs.



Source: <https://www.adlittle.com/en/insights/prism/trends-megatrends>
<https://www.weforum.org/reports/global-risks-report-2022>

Scarce resources and global heating: our biggest challenges

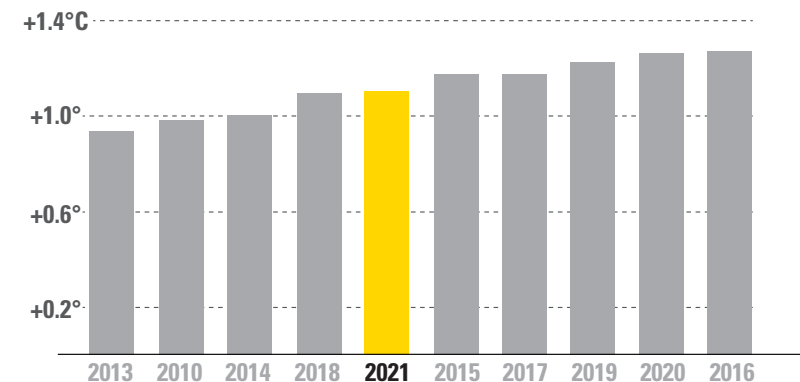
As the earth's population continues to escalate, it is increasingly difficult to sustain the demand for food, energy and materials. There is an urgent need for solutions that are more energy-efficient, less wasteful and less reliant on our planet's dwindling resources.

The creation of a circular economy is one such solution. Other possibilities include the optimisation of raw materials. Recticel focuses on both of these and also considers the environmental impact of its products throughout their entire lifecycle, from responsible sourcing of raw materials to the dismantling and recycling of components at the end of the product's life.

Along with the scarcity of resources, the need to address climate change is an increasingly urgent factor in all industrial activities and decisions. Year-end data compiled by NASA (National Aeronautics and Space Administration) and NOAA (National Oceanic and Atmospheric Administration) indicates that 2021 was the sixth-hottest year on record, with temperatures 1.10°C warmer than at the beginning of the 20th century. The world is lagging behind on the commitments made in the 2015 Paris Agreement to limit global warming to below 2°C. The COP 26 conference in 2021 resulted in renewed agreements to revisit and strengthen emissions targets, as well as the introduction of new measures to cut methane emissions and fossil fuels. In April 2022, the Intergovernmental Panel on Climate Change (IPCC) confirmed that the time for action is now and that the greenhouse gas emissions can be halved by 2030¹.

¹ <https://www.ipcc.ch/2022/04/04/ipcc-ar6-wgiii-pressrelease/>

10 HOTTEST GLOBAL YEARS ON RECORD



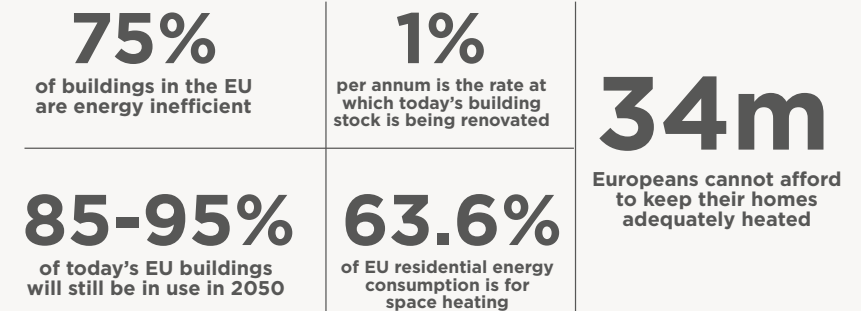
Source: NASA GISS & NOAA NCEI global temperature anomalies averaged and adjusted to early industrial baseline (1881-1910). Data as of 13/01/2022.

Energy consumption in residential housing

Europe's buildings account for 40% of today's total energy use. In the EU, they also account for around 36% of total CO₂ emissions. Prioritising sustainable construction is key to achieving the 2050 climate goals defined by the European Commission (see section 1.1.5). Sustainable construction minimises energy demand in the building use phase and, in a second step, optimises the utilisation of materials. This helps to strike a vital balance between economic and social development and environmental protection. Renovating the EU building stock will improve energy efficiency while driving the clean energy transition¹. Insulation is one of the most effective tools in achieving that balance.

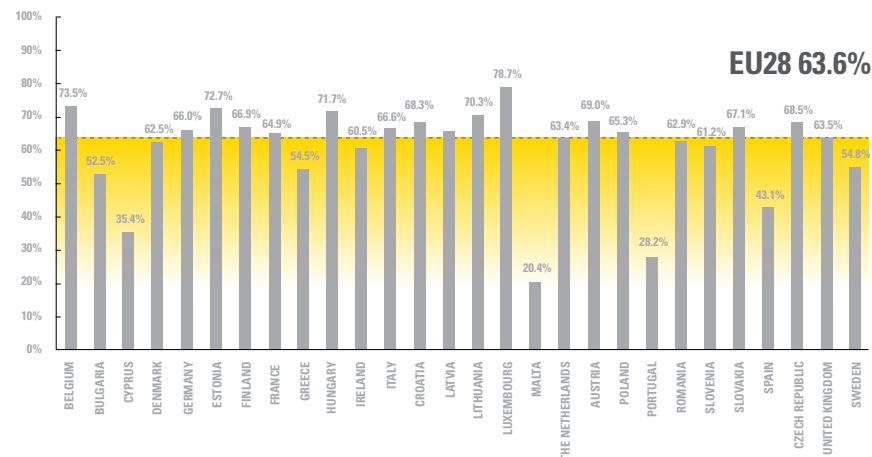
¹ https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/renovation-wave_en

SOME KEY FIGURES FOR EU BUILDINGS



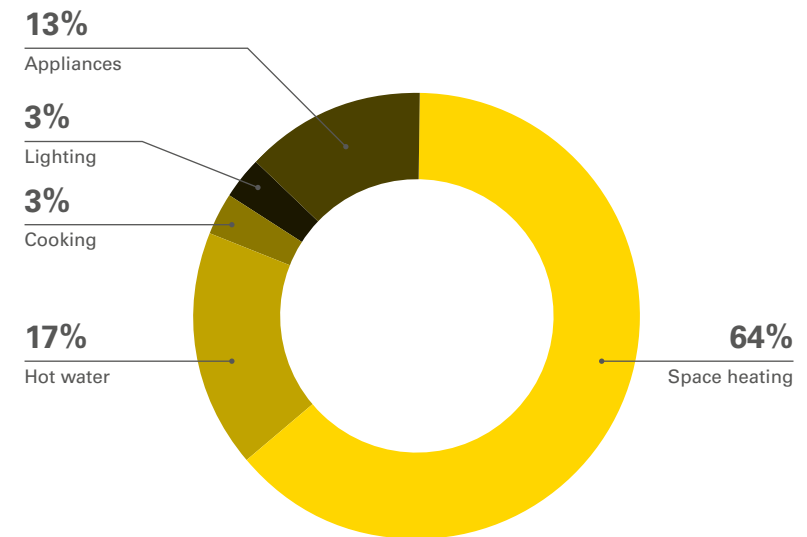
Source: https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-lut-17_en

In Europe (EU28 – 2018), space heating accounts for 63.6% of the total energy consumption in the residential sector.



Source: EuroStat. Disaggregated final energy consumption in households - quantities

Residential houses consume energy for heating, cooling and ventilation, the production of warm water, cooking, use of electrical appliances and lighting.



* Breakdown of energy consumption in existing homes

Source: https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-lut-17_en

1.1.2 Insulation boards in residential buildings

With space heating accounting for almost 64% of the average household's energy consumption, it makes sense that thermal insulation is the most effective way to improve the energy performance of residential buildings and keep the energy bill under control.

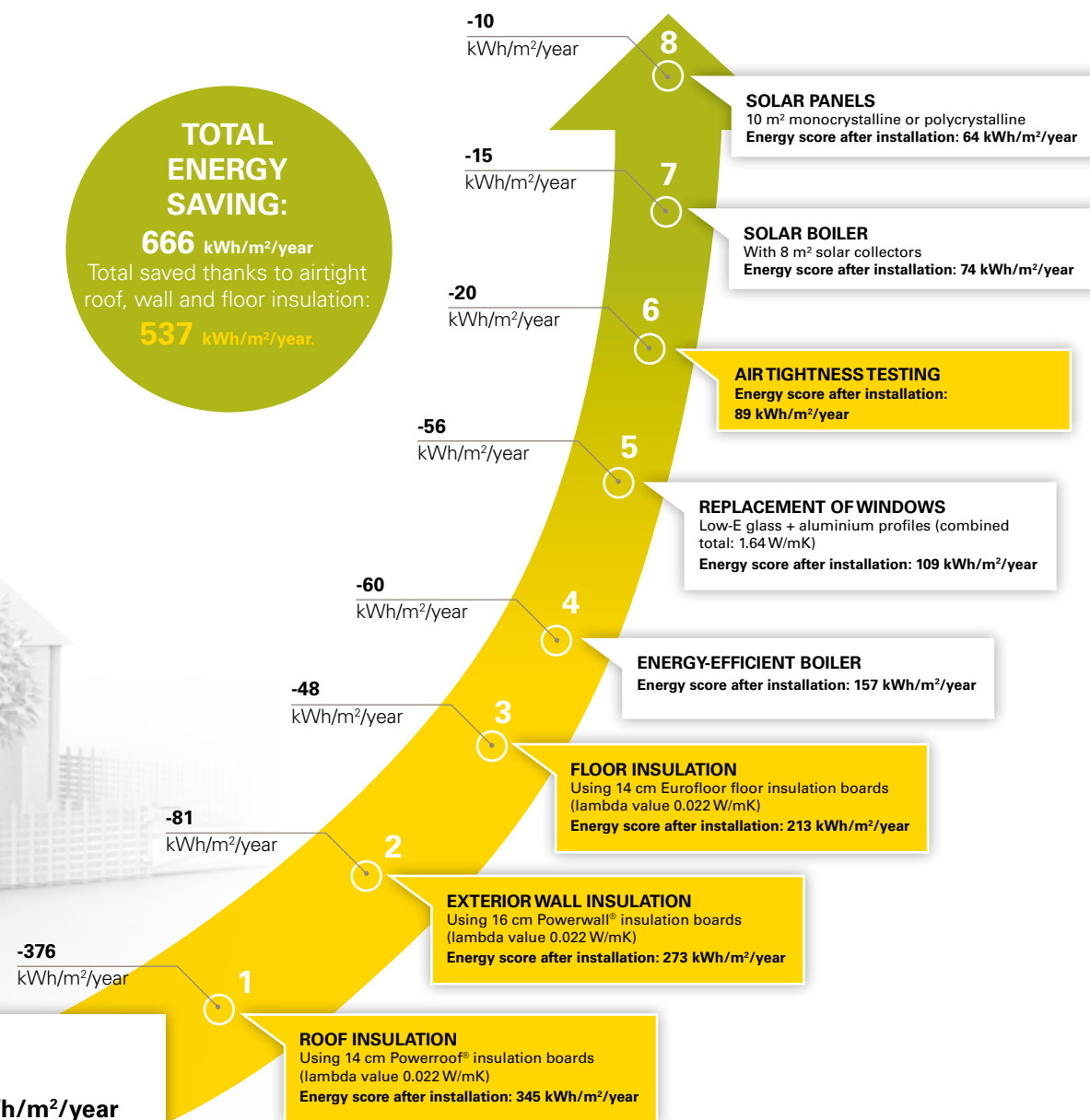


The scale of the potential energy savings means that, as a pure play insulation company, Recticel will have a very significant role in improving the energy efficiency of buildings and the sustainability of the construction industry.

Source: www.isolatiebarometer.be

TERRACE HOUSE
Built: 1956
Protected volume: 460 m³
Initial energy score: **730 kWh/m²/year**

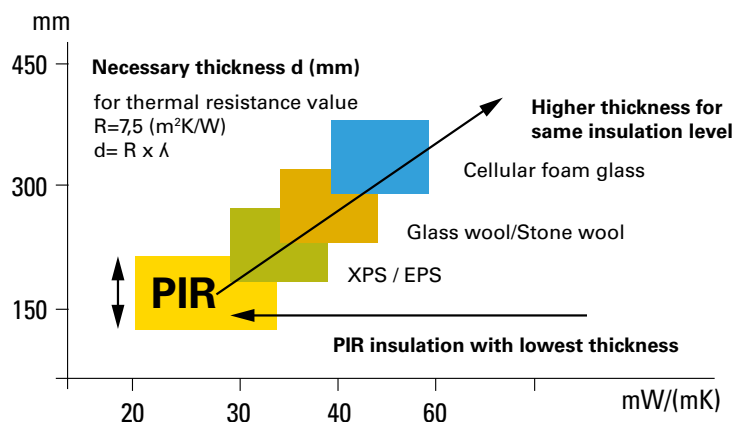
TOTAL ENERGY SAVING:
666 kWh/m²/year
Total saved thanks to airtight roof, wall and floor insulation:
537 kWh/m²/year.



PIR* insulation boards: a driving force in sustainable construction

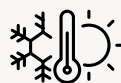
While the general benefits of insulation are clear, there are further benefits to be derived specifically by choosing polyurethane as an insulation material. This is due to the varying thermal insulation capacities, densities and installation requirements of different materials. PIR insulation boards make a particular contribution to economic and environmental sustainability in a number of ways.

Benefits of insulation with PIR boards



Source: ISOPA

*PIR foam = Polyisocyanurate, a thermoset plastic used as rigid thermal insulation



SUPERIOR THERMAL EFFICIENCY

PIR offers huge potential for energy savings. Depending on the thickness and the facings used, it can achieve thermal conductivity from as low as 0.022 W/mK to 0.028 W/mK. This makes it one of the most efficient insulation materials commonly available on the market. The increased energy efficiency reduces carbon emissions from the building, mitigating climate change. It also leads to savings on energy bills and greater comfort for residents.



MORE LIVING SPACE

As PIR achieves equivalent performance to other materials with less thickness, it increases options to optimise indoor living space and reduce building footprints. This can lead to economic gains for building owners through reduced investment costs and/or enhanced income from rent or sale of the building. The thinner profile also allows greater flexibility in designing airtightness solutions. The space-saving qualities of PIR insulation boards also have further benefits in logistics; they require less storage space and lead to fuel savings and reduced emissions from transportation.



LOW WEIGHT

With around 97% of its volume consisting of trapped gas, polyurethane foam is one of the lightest insulation materials available. In some applications, the weight ratio between a PIR solution and an alternative insulation solution can be 1:6 or even 1:10. Lightweight PIR insulation boards create efficiencies throughout the logistics process as well as facilitating quick, easy installation and reducing the cost of some structural elements. In addition to this, the high strength-to-weight ratio of polyurethane foam contributes to very competitive life cycle costs.



LOW INDOOR AIR EMISSIONS

Given that people spend about 90% of their time in buildings, maintaining good indoor air quality is crucial for our health. This means selecting materials that are non-toxic and release the lowest possible level of emissions, especially in view of the need to make building envelopes airtight in order to avoid thermal losses. Of all the insulation products on the market today, PIR insulation produces one of the lowest levels of indoor air emissions.



WALKABILITY WITHOUT DEFORMATION

PIR insulation has a compressive strength of over 150 kPa and is unaffected by loads experienced in normal roof maintenance. This means that PIR boards can be walked on without deformation and help to maintain the performance of the waterproofing membrane. This is a specific requirement for flat roofs, which are often exposed to high dynamic mechanical loads during the construction process and routine maintenance.

1.1.3 Insulated panels in industrial construction

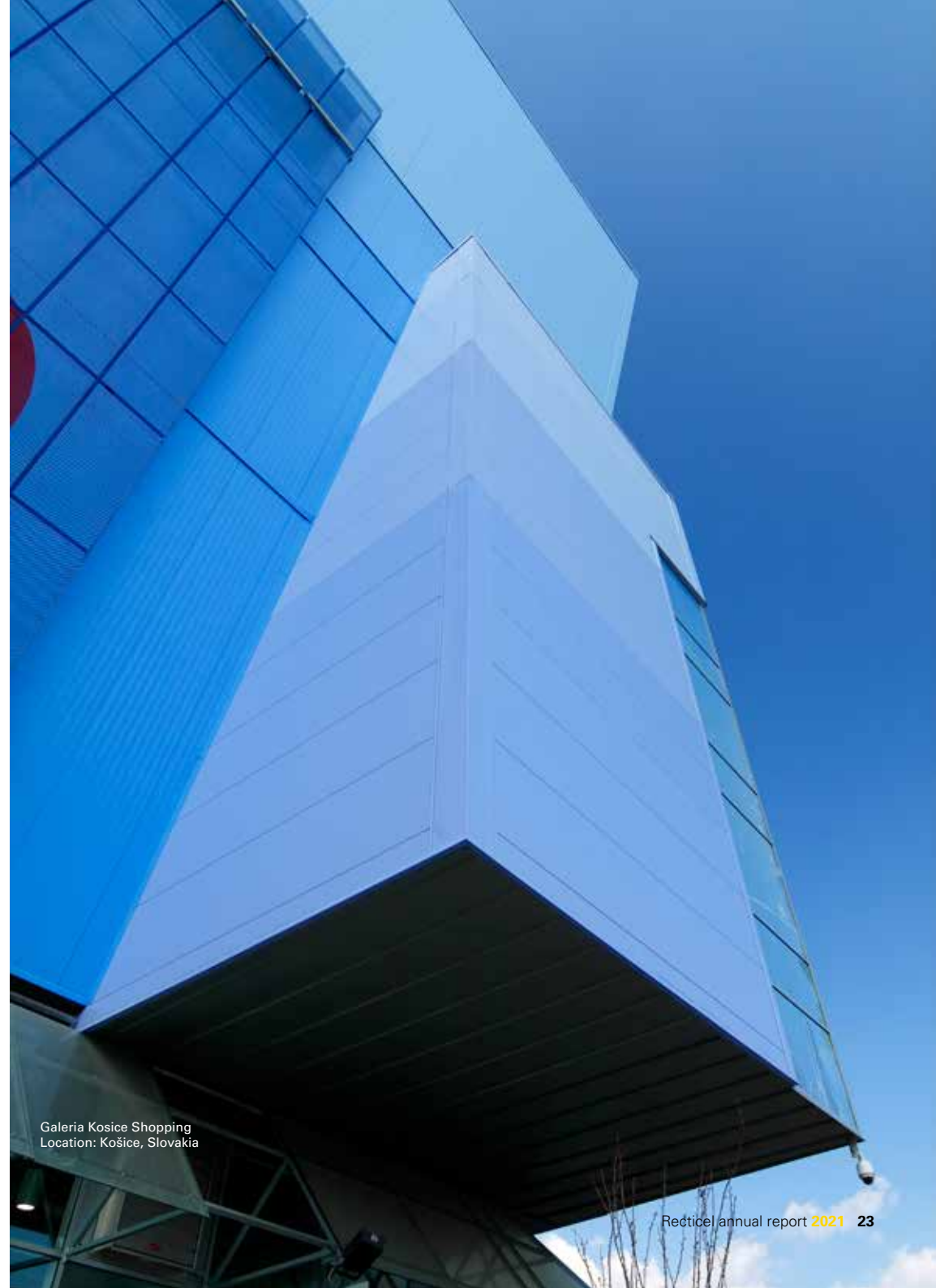
The need to build energy-efficient buildings quickly and economically is a primary driver of today's construction industry. This has created a compelling case for prefabrication and pre-assembled materials. Real-life evidence shows that prefabrication can save 5% or more in industrial waste, improve site safety, reduce budgets by 6% or more and accelerate project schedules by a month or more.¹

Metal-faced insulated panels are a key example of prefabricated building materials that support energy-efficient buildings. They are widely used for façade, wall and roof cladding, as well as for partition walls, in industrial and commercial buildings. Consisting of a core of insulating material (PUR/PIR or mineral wool) between sheet metal skins, these panels offer high load-bearing capacity, high and standardised technical specifications and fast installation. They are lightweight, cost-efficient and customisable. They meet the demands for compliance with increasingly stringent building regulations and construction cost pressures. Perhaps most importantly in the light of the recent escalation in energy costs, they promote greater energy efficiency.

Meeting design challenges

Insulated panels can be designed to meet almost every architectural and structural challenge in the construction industry. They are available in a wide variety of configurations, with architects and engineers playing a critical role in specifying the right panels, based primarily on technical specifications but also on aesthetics, depending on the application.

¹ <https://www.nist.gov/system/files/documents/el/economics/Prefabrication-Modularization-in-the-Construction-Industry-SMR-2011R.pdf>



Galeria Kosice Shopping
Location: Košice, Slovakia

Insulated panels: a driving force in sustainable construction

The overall market of insulated panels in construction is expected to grow in volume by 2-4% by annum, underpinned by the increasing importance of thermal insulation and the strong trend towards zero net-energy building.

Insulated panels meet the requirements of the pre-fabrication megatrend by enabling regulatory compliance in a fast, cost-efficient and scalable manner. The strict building regulations and standards on thermal insulation, acoustic performance, air tightness and energy efficiency make insulated panels a structurally attractive building component.

Insulated panels offer a unique set of benefits in construction. Their optimal structural and physical properties allow great design freedom, while their advanced technical qualities contribute to a high-quality, all-round solution.



SINGLE FACTORY-MANUFACTURED UNIT

- Meet accelerated project schedules
- Up to 20% cost reduction
- 30-50% faster construction/assembly time
- 100% design adherence



ENERGY EFFICIENCY & SUSTAINABILITY

- High and consistent insulation values
- Minimise thermal shortage
- Mineral wool insulated panels are up to 98% recyclable



SAFETY & PERFORMANCE

- Very good fire resistance with high-index PIR and mineral wool
- Excellent insulation quality allows building cold stores and freezers
- Superior acoustics with mineral wool as core



DESIGN FLEXIBILITY

- Choice of profiles, colours, coating types and positioning
- Wide range of lengths, extensive accessories
- Space savings / more leasable space



LIGHTWEIGHT FACTORY SYSTEM

- Minimise field decisions
- Minimise erector impact on product quality
- Easy to handle
- Frame and foundation cost savings



DURABILITY

- Maintain insulation properties over lifetime of building
- Low maintenance
- Low life cycle costs

1.1.4 Our pure insulation product portfolio: unlocking sustainability

Recticel has identified insulated panels as a key component in its future portfolio, enabling both diversification and expansion on several levels. By adding insulated panels to its offering, Recticel will have achieved a truly comprehensive portfolio of premium products with differentiated performance to meet the broadest spectrum of applications.



Residential building



Logistics & warehousing



Manufacturing



Agro building



Sport



Commercial



Offices



Special projects

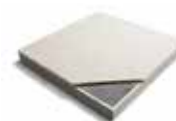
Embracing the future with a diversified portfolio

The new Recticel portfolio of insulation products covers an exceptional range of high performing thermal and acoustic solutions.



INSULATION BOARDS

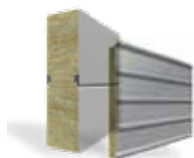
- Thermal insulation PIR boards
- Product of choice for residential new build & renovation
- Suitable for agricultural projects and flat roof insulation of industrial buildings (can be combined with insulated panels for wall cladding)
- Go to market: insulation type set by client, architect
- Sales via distributors, wholesalers, DIY



VACUUM INSULATED PANELS

- Ultra-high performance thermal vacuum insulated panels (VIP)
- Very thin dimensions
- Suitable for flat roofs and terraces
- Go to market: insulation type set by client, architect
- Sales via wholesalers

INFO: our VIP are also suitable for temperature-controlled packaging used for transport of ultra-low temperature (ULT) vaccines, food, etc.



INSULATED PANELS

- Prefabricated mineral wool thermal insulated panels
- Especially non-residential new build, in particular logistics & industrial
- Go to market: project sales only, with strict & standardised technical specifications set by the client, architect, regulator, insurer
- Mostly direct sales



THERMO-ACOUSTIC BOARDS

- Acoustic insulation for interior walls to reduce airborne sound
- Panels with fibre bonded end-of-life foam (FBF)
- For DIY and contractors
- Go to market: insulation type set by client, architect
- Sales via distributors, wholesalers, DIY

1.1.5 Our sustainability compass

Sustainability is profoundly embedded in Recticel's overall strategy. We are committed to finding responsible solutions for climate change, the depletion of natural resources and the world's growing and ageing population. Our sustainability strategy and targets are profoundly rooted in the United Nations Sustainable Development Goals and the European Green Deal.

UN Sustainable Development Goals

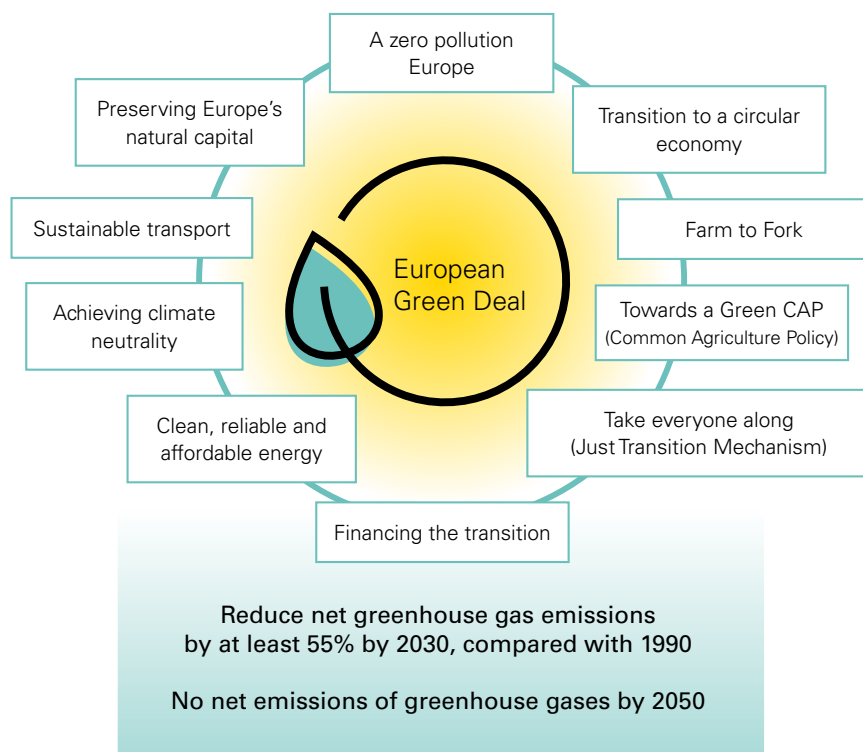
The United Nations Sustainable Development Goals (SDGs) set in 2015 are universal targets and indicators designed to help countries and end poverty, protect the planet and ensure global prosperity as part of a sustainable development agenda.

Recticel has identified six SDGs that are most impactful, relevant and embedded in our company's Sustainability Strategy:



The European Green Deal

The European Green Deal is a set of proposals adopted by the European Commission in 2019 with the overarching aim of making the European Union the first climate neutral continent by 2050. This green transition will fundamentally transform the business environment and the economy in Europe. It is seen as a major opportunity for European industry, creating markets for clean technologies in many sectors, including construction and renovation, with the potential to renovate 35 million buildings by 2030¹. The aim of building renovation is to save energy, protect against extremes of heat and cold and tackle energy poverty. Effective thermal insulation is essential to meet these goals.



¹ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en

Reducing greenhouse gas emissions

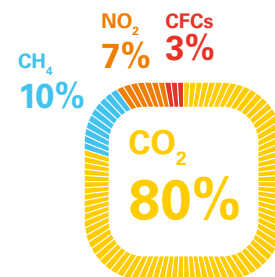
As part of the European Green Deal roadmap adopted in December 2019, all EU Member States pledged to reduce greenhouse gas (GHG) emissions by at least 55% by 2030, compared to 1990 levels.

This will fundamentally transform Europe into a low-carbon industrial region. Companies are required to conduct a full GHG emission inventory, with emissions classified into 3 scopes, as illustrated below.

The Greenhouse Gas Protocol (<https://ghgprotocol.org>) sets the world's most widely used standards for companies and organisations to measure and manage their emissions.

For Recticel's activities, the biggest GHG impact along the value chain is related to product life cycle emissions coming from raw materials and waste management (scope 3). Over the lifetime of their use, the insulation products we sold in 2021 will offset 51 times the Recticel carbon footprint indicator for the year (+5 times compared to 2020, with the business lines Insulation, Bedding and Engineered Foams in scope (without FoamPartner, acquired on 31/03/2021)).

Once the strategic repositioning of Recticel as pure play insulation company is completed, this positive contribution will only increase.



Greenhouse gases

Greenhouse gases - like carbon dioxide (CO₂), methane (CH₄), nitrous oxide (NO₂) and chlorofluorocarbons (CFCs) - absorb and emit radiant energy within the thermal infrared range, causing the earth greenhouse effect.

SCOPE 1

Direct emissions from owned or controlled resources

These are GHG emissions generated directly by the company, through its sites, facilities and activities.

Scope 1 includes:

- Stationary combustion: all fuels that produce GHG emissions
- Mobile combustion: all vehicles owned or controlled by the company and burning fuel
- Fugitive emissions: leaks from GHGs (e.g. refrigeration or AC units)
- Process emissions: GHG emissions released during industrial processes and on-site manufacturing

SCOPE 2

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

These are indirect GHG emissions from the energy consumption required to manufacture a product, purchased from a utility provider.

SCOPE 3

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

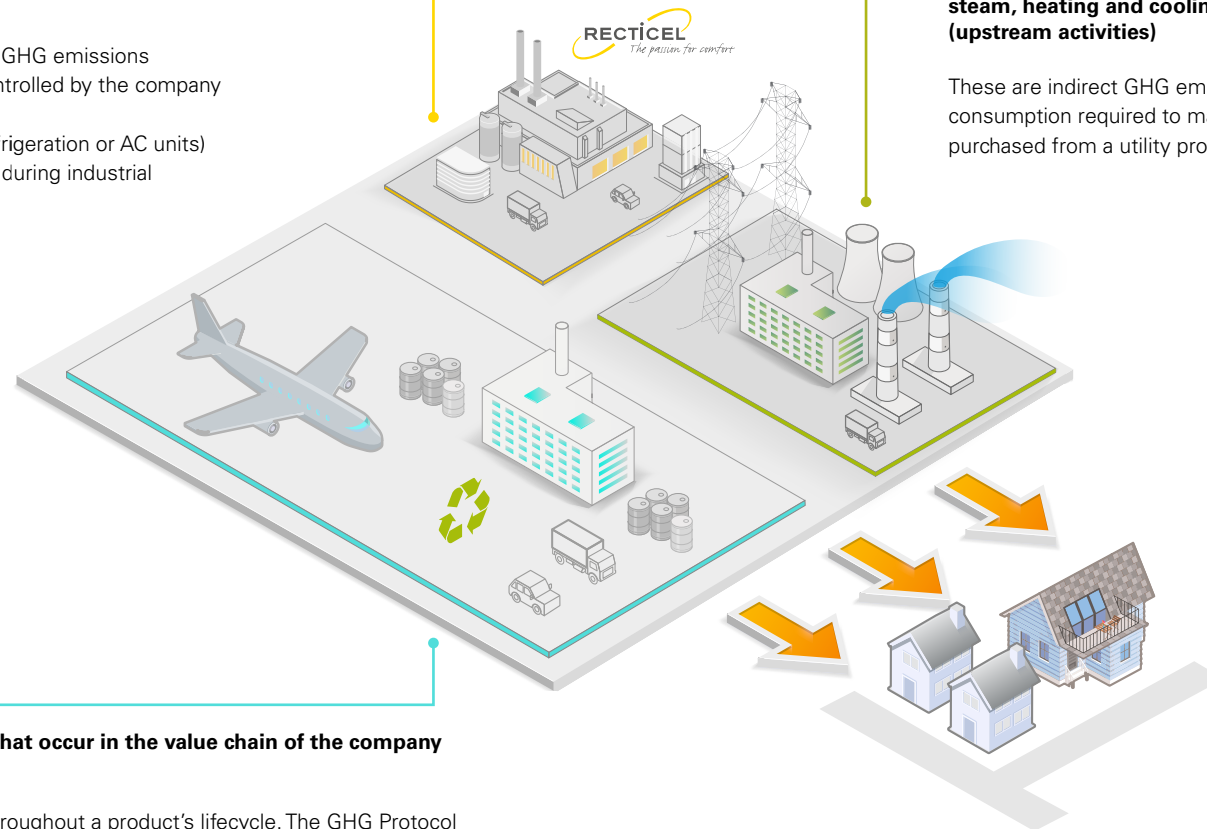
These are indirect GHG emissions produced throughout a product's lifecycle. The GHG Protocol separates Scope 3 emissions into 15 categories. Those relevant for Recticel Insulation are:

UPSTREAM ACTIVITIES

- Purchased goods and services (i.e. raw materials)
- Capital goods (e.g. buildings, vehicles, machinery)
- Transportation and distribution (warehousing)
- Production waste and wastewater treatment
- Business travel
- Employee commuting

DOWNSTREAM ACTIVITIES

- End-of-life treatment of sold products
- Transportation and distribution (warehousing)

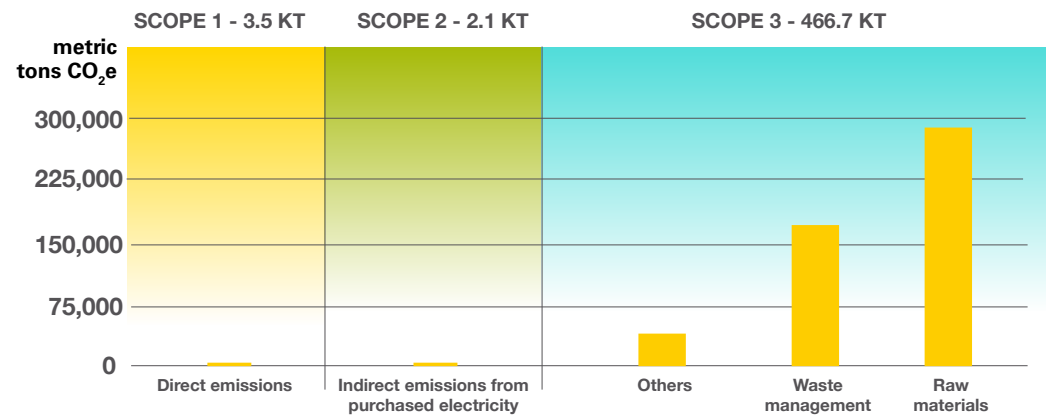


Cradle-to-Cradle: Scope 1, 2, 3 with end-of-life (EOL) treatment of sold products
Cradle-to-Gate: Scope 1, 2, 3 without end-of-life (EOL) treatment of sold products

Our 2021 GHG impact as pure play insulation company

An internal, non-audited assessment of the Insulation business on its own for scope 1, 2 & 3 indicates that the Insulation products sold in 2021 will offset over the lifetime of their use 98 times* the carbon footprint of the Insulation business line.

Evolving to a pure insulation player, Recticel is firmly committed to implement further measures to reduce the direct and indirect emissions in scope 1, 2 & 3. This would result in substantially increasing its climate positive multiple* in excess of 100.

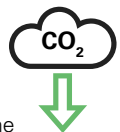


SCOPE 1, 2 & 3 Recticel Insulation 2021

Carbon Footprint
472K
metric tons of CO₂e

Avoided Emissions

98*
times



Over the lifetime of the use of the insulation products sold in 2021, more than 46 million tons of CO₂ emissions will be avoided. This represents more than 78,000 long haul flights¹.

* Ratio between avoided emissions and carbon footprint scope 1, 2 & 3.

¹ www.carbonindependent.org/22.html – 250 kg CO₂e/hour flying/passenger



EU taxonomy for sustainable activities

To finance the green transition and the European Green Deal, the European Commission developed the EU Taxonomy: a classification system to identify truly sustainable economic activities.

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards sustainable projects and activities, especially given the need to make businesses, societies and economies more resilient against climate and environmental shocks as we recover from the COVID-19 pandemic.

It entered into force in July 2021 and will create security for investors, protect private investors from greenwashing, mitigate market fragmentation and help shift investments where they are most needed.¹

The EU Taxonomy Regulation sets out six 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**

The regulation defines performance thresholds for taxonomy-aligned economic activities which comply with all of the following requirements:

- a) The economic activity contributes substantially to one or more of the six environmental objectives.
- b) It does not significantly harm any of the other environmental objectives.
- c) It is carried out in compliance with the minimum safeguards (e.g. OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights).
- d) It complies with the technical screening criteria in the Climate Delegated Act supplementing the Taxonomy Regulation.

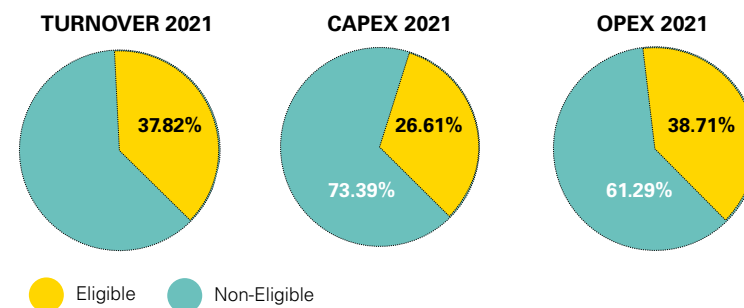
¹ https://ec.europa.eu/commission/presscorner/detail/en/ip_21_1804

The thresholds will open doors to green financing for companies, project promoters and issuers who want to improve their environmental performance, as well as helping to identify which activities are already environmentally friendly.

For the reporting period 2021, companies need to report on the proportion of taxonomy-eligible, i.e. substantially contributing to climate change adaptation or mitigation, and taxonomy non-eligible economic activities.

Of these taxonomy-eligible activities, as of 2023, for the reporting period 2022, companies need to report on the taxonomy-aligned economic activities that meet the criteria as set forward by the Taxonomy Regulation.

Recticel taxonomy-eligible and taxonomy non-eligible economic activities



2021, business lines Insulation, Engineered Foams, Bedding

Recticel embraces this initiative and supports the European Commission's action plan to redirect capital flows towards a more sustainable economy.

Recticel's insulation activities in 2021 are considered **taxonomy-eligible** for the environmental objective of **climate change mitigation**. They help to improve energy efficiency by offering insulation solutions that will reduce energy consumption in buildings (see also Section 2.3.3). As it progresses in its transition journey, the vast majority of Recticel's activities as a pure play insulation company are expected to be **taxonomy-aligned** for the environmental objective of climate change mitigation.

1.2 2021 Business review: innovation for sustained value

Recticel contributes to daily comfort with high-performance thermal insulation solutions for the construction industry and an extensive range of polyurethane foam products for industrial and domestic applications. Whilst focusing on industry-leading, customised solutions supported by sustainable innovations, we strive to provide responsible answers to societal challenges.

VALUE-ADDING PORTFOLIO



Distinguished portfolio of industry-leading products and services tailored to customer needs.

SUSTAINABILITY FOCUS



Innovative solutions that meet social needs such as wellbeing, climate change, circular economy.

GLOBAL FOOTPRINT



Unique footprint with the most comprehensive foaming and converting technologies.

MARKET EXPERTISE



Extensive know-how in building insulation, mobility, industrial, medical, consumer goods and comfort applications.

INNOVATION CAPABILITIES



Powerful R&D network with numerous labs and application competence centres across the globe.

PEOPLE EXCELLENCE



Experience, skills, dedication and a high service mindset.

With 3,556 employees operating in 43 locations in 19 countries, Recticel realised in 2021 consolidated sales of EUR 1,032.8 million (excluding the Bedding sales accounted for in discontinued operations as per IFRS 5).

1.2.1 Recticel Insulation

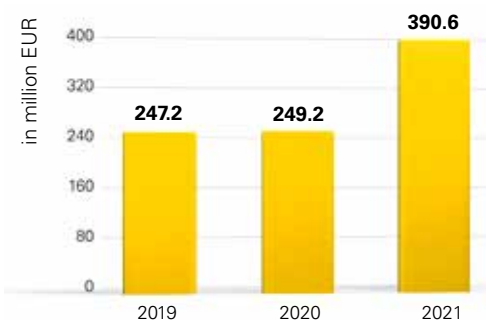
Our Insulation business line offers a distinguished portfolio of thermal and acoustic insulation products used in construction and renovation projects. These products are marketed under well-known brands and product names such as Eurowall®, Powerroof®, Powerdeck®, Powerwall® and Xentro®. Recticel's PIR insulation is the preferred option for residential building insulation, offering substantially better performance than common alternatives.

Following the announced divestments of the Bedding and Engineered Foams business lines, leading up to Recticel's new path as a pure player in insulation, we announced on 22 March 2022 the acquisition of Trimo d.o.o.. As a pure play mineral wool insulated panel manufacturer, Trimo d.o.o. focuses on mid to high-end applications of roof and wall cladding in the non-residential market. The acquisition was closed on 29 April 2022.

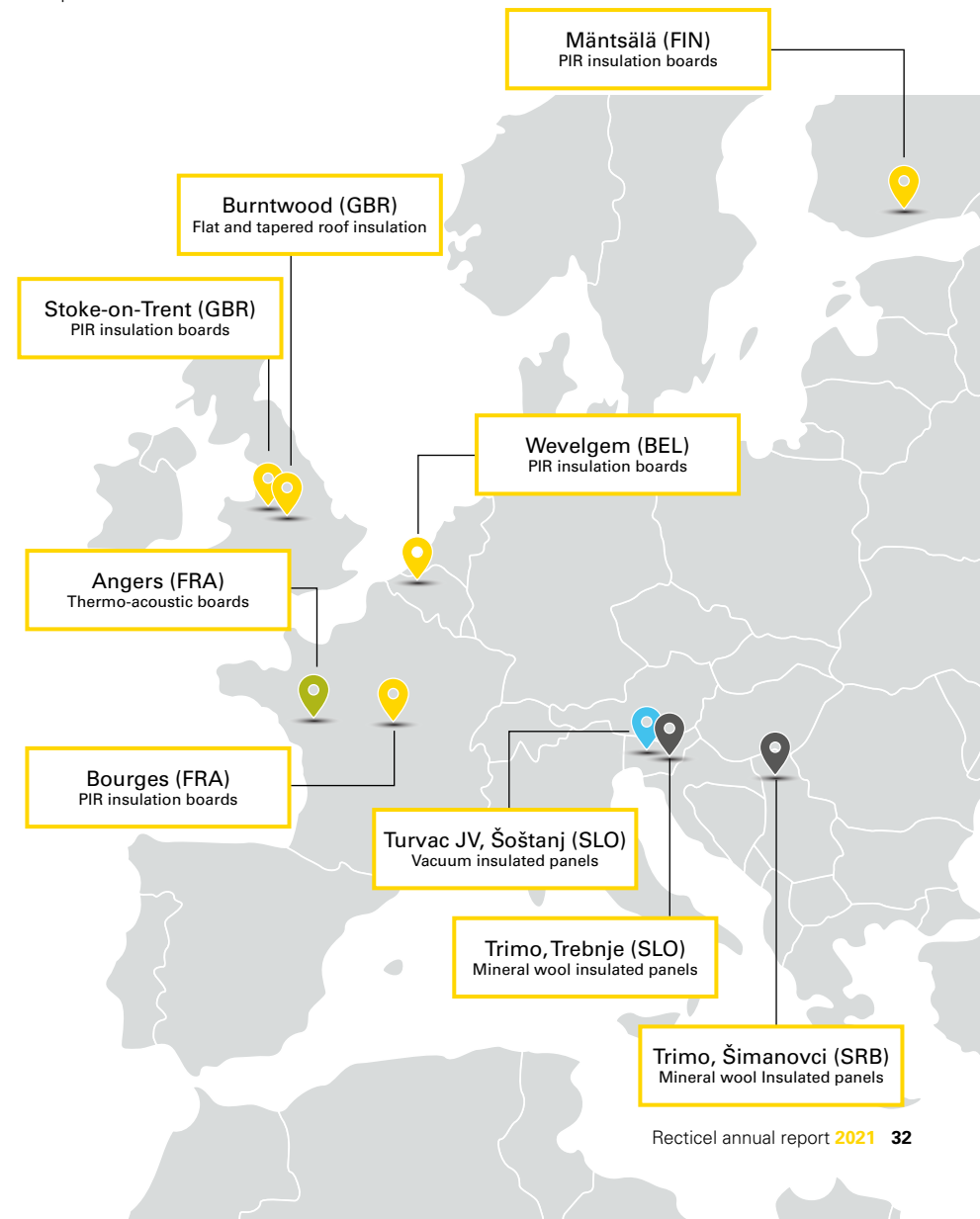
Insulated panels are a strategic portfolio expansion that fit within Recticel's current insulation solutions: PIR thermal insulation boards, high-performing vacuum insulated panels (VIP) and thermo-acoustic boards with fibre bonded end-of-life foam (FBF).



Consolidated net sales Insulation



The acquisition is a 3-step adjacency play, from a product (insulation board vs insulated panels), a market (residential vs industrial) and technology (PUR/PIR vs mineral wool) perspective, with geographical expansion into Central and South-East Europe.



1.2.2 Recticel Engineered Foams

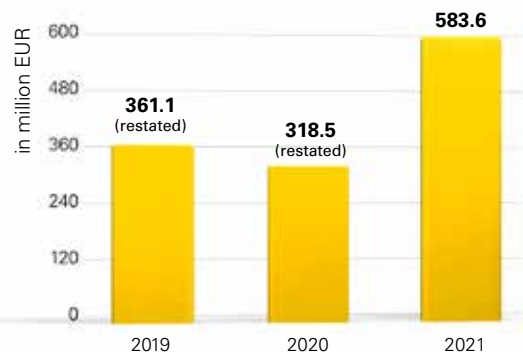
The key to the success of PU foams is their seemingly endless versatility. They can be tailored to almost any application and we are continually innovating to optimise our product range in line with new demands and ideas. Many everyday goods would be unimaginable without the unique benefits of PU foam, which include silencing, sealing, filtering, carrying, protecting, supporting and comforting attributes. Recticel Engineered Foams offers wide-ranging expertise, foams and systems, spanning industrial, automotive and comfort applications.

The Engineered Foams business line was founded on 31 March 2021, following the merger of FoamPartner, the Swiss-based global provider of high added-value technical foams and the Recticel Flexible Foams business line. This resulted in a unique global manufacturing footprint with comprehensive foaming and converting technologies.

On 16 May 2021, Greiner AG launched a conditional voluntary public takeover bid on Recticel. This forced the Recticel management to review its strategic intent in the interest of all its stakeholders, including employees, customers and shareholders.

To defend against the unsolicited offer, a Special Shareholders Meeting on 6 December 2021 approved the sale of the Engineered Foams business line to the US company Carpenter Co.. This transaction is expected to be closed around mid-2022.

Consolidated net sales Engineered Foams



- 16 foaming & converting sites
- 14 converting (only) sites

7 fields of expertise



SILENCING



SEALING



FILTERING



CARRYING



PROTECTING



SUPPORTING



COMFORTING

1.2.3 Recticel Bedding

As part of the strategic transformation process, the Bedding business line was identified as a non-core activity. In February 2021, the Group announced its intention to launch a divestment process for the Bedding business line while pursuing further external growth opportunities.

The Bedding business line develops and produces consumer-ready mattresses, slat bases and box springs, primarily marketed under popular brand names such as Beka®, Lattoflex®, Literie Bultex®, Schlaraffia®, Sembella®, Superba® and Swissflex®, as well as ingredient brands including GELTEX inside® and Bultex®.

On 31 March 2022, Recticel completed the sale of its Bedding activities to Aquinos Group. The Aquinos Group, founded in 1985, is privately owned and headquartered in Sinde-Tábua (Portugal). It is one of the largest producers of furniture upholstery and mattresses in Europe with, post-merger, more than 5,100 employees, production sites in seven countries and revenue of €670 m.

The Bedding sale is accounted for in discontinued operations as per IFRS 5 in the 2021 financial reporting.



An aerial photograph of a white wind turbine standing in a lush green field. The turbine's three blades are spread out, and a dirt road or path leads towards its base. The surrounding landscape is a patchwork of green fields, some with visible crop patterns, and a few small trees are scattered in the distance. The overall scene is bright and sunny, with high contrast between the white turbine and the green fields.

1.3 2021 ESG approach: innovation for a better world

To truly make a difference, we are dedicated to daily improvement in every aspect of our environmental, social and governance (ESG) performance. This means continually evaluating our progress in relation to both financial and non-financial criteria. The Sustainable Innovation Plan and People Priority Plan that were updated in 2021 are the pillars of our ESG approach and contain solid objectives for 2025.

We are profoundly committed to the digital transformation as a way of unifying our business, enabling new ways of working and sustaining our future. Our ambition is to be an exemplary employer, attracting and caring for a diverse and highly skilled workforce. This includes raising safety standards and awareness wherever we operate. We protect and enhance our business through continuous education for our people on topics ranging from business ethics, competition law, data protection to cybersecurity and many more.

Lastly, we seek to earn and fully deserve the trust of our stakeholders by continually raising the bar with transparent objectives. We constantly strive to pursue better ESG ratings to demonstrate our commitment.

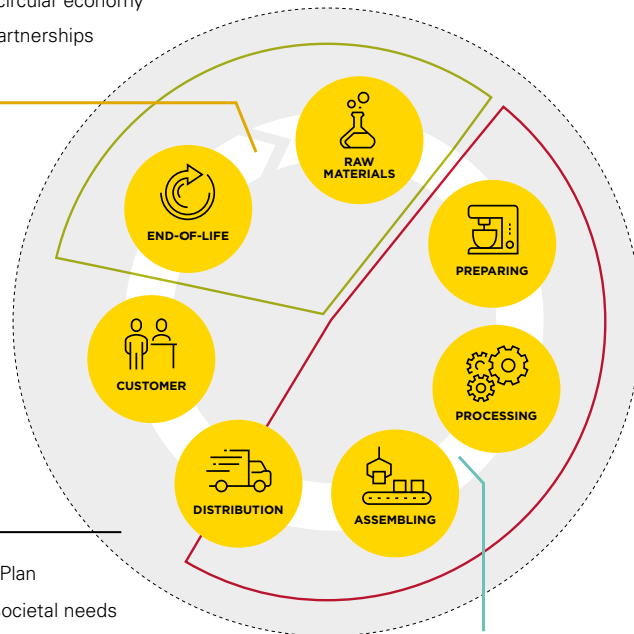
1.3.1 Our sustainability strategy

Since 2013, sustainability has been a key driver of our Group strategy. Sustainability shapes our portfolio development and our innovation priorities and, as a result, it nourishes our long-term competitiveness. The long-term needs and challenges for our sectors and our society, such as climate change, are our compass. Innovation and people are key in achieving our sustainability goals.

Sustainability is considered along our entire value chain, from raw material sourcing to product manufacturing, consumption and end-of-life. We take responsibility for our own in-company activities and for those within our sphere of influence, upstream as well as downstream.

SPHERE OF INFLUENCE

- Transition to a circular economy
- Sustainable partnerships



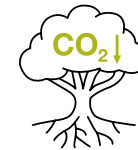
- Climate Action Plan
- Innovation for societal needs
- Lower HS&E impact of our activities and products

- An inspiring and rewarding place to work

Working closely with our stakeholders, we defined the six most important material aspects for Recticel with the biggest potential to turn sustainability into a keener competitive edge. These aspects form the basis of the two pillars supporting our sustainability strategy: our Sustainable Innovation Plan and People Priority Plan.



SUSTAINABLE INNOVATION PLAN



Climate Action Plan



Transition to a circular economy



Innovation for societal needs



PEOPLE PRIORITY PLAN



Sustainable partnerships



Lower HS&E impact of our activities & products



An inspiring and rewarding place to work

1.3.2 Sustainable Innovation Plan

All our innovations are driven by societal needs. Knowing that sustainability adds value and drives success for all stakeholders, we innovate to support healthy, sustainable lifestyles, reduce carbon emissions and use resources with the utmost efficiency. Considering the entire value chain, Recticel is a climate-positive company¹, with a clear ambition to excel further on our sustainability roadmap. We are implementing a Climate Action Plan to further reduce our carbon footprint and increase the positive impact of our insulation activities. Our efforts focus on responsible selection of raw materials, sustainable and more energy-efficient processes and on increasing the sustainability of our products.




Recticel's overriding sustainability ambition is to lead the transition to a circular economy and a low-carbon society for our industry while promoting well-being by offering innovative solutions to enhance comfort in daily life.

We support a sustainable economic model built on preservation of natural resources, eco-design, responsible production and end-of-life solutions. Therefore, we aim to lead the way in implementing new chemical recycling solutions for flexible PU; in supporting exploration of chemical recycling solutions for rigid foam; and in mechanical recycling and reuse of flexible PU waste as interim steps on our journey to full circularity.

Together with our stakeholders, including customers, employees, suppliers, the industry and knowledge institutes and universities, we are constantly exploring ways to develop new lower-carbon (bio-based, renewable or recyclable) raw materials for our polyurethane solutions. We investigate all options to efficiently eliminate waste across our entire value chain and introduce eco-design products that are easy to dismantle, recycle or reuse at the end-of-life phase.



¹ Our thermal insulation solutions for building renovations and new constructions contribute to a low-carbon society. In 2021, CO₂ emissions avoided by these insulation solutions offset more than 51 times the carbon footprint of all Recticel activities combined

MATERIAL ASPECT	KPI	RESULTS
 CLIMATE ACTION PLAN	Climate-Positive Multiple (ratio between avoided emissions and carbon footprint scope 1, 2, 3) ¹	2021 51 2030 Target 75
	Recticel carbon footprint reduction (scope 1, 2, 3 in tonnes of CO ₂ equivalent) ²	2021 21% 2030 Target 40%
	Carbon intensity reduction (ratio scope 1 and 2, in tonnes of CO ₂ e/mio EUR revenue) ³	2021 17% 2025 Target 25%
 TRANSITION TO A CIRCULAR ECONOMY	Tonnes of post-consumer polyurethane foam produced by Recticel from recycled mattresses	2021 1,864 2025 Target 5,000
 INNOVATION FOR SOCIETAL NEEDS	Sustainability index (% of active R&D projects classified as sustainable (scope: innovation pipeline Sustainable Innovation Department))	2021 68% 2025 Target 80%
	Number of R&D projects ready to be brought to market (scope: innovation pipeline Sustainable Innovation Department)	2021 5 2025 Target ≥3

¹ Using appropriate method of calculation per type of product and using appropriate conversion factors calculated by a third party.

² Expressed in tonnes of CO₂ equivalent compared to the 100% activity level in 2013 (scope: production sites).



The method of calculation is derived from the Cradle to Grave method. (2013 baseline, target in line with EU Green Deal target of -55% vs 1990).

³ Scope 1 defined as direct emissions from owned or operated resources (e.g. company facilities, company vehicles) and scope 2 as generation of purchased electricity, steam, heating and cooling (GHG Protocol). Company car emissions are calculated based on data extrapolated from first quarter 2021 distance figures (in km). We applied a correction factor of 50% due to Covid impact (teleworking).

1.3.3 People Priority Plan

People are central to our Sustainability Strategy. We passionately believe that, to create a better society, we must act together and share knowledge, expertise and technology. This means maintaining the highest standards and principles on human rights, labour, the environment and anti-corruption. We maintain strong partnerships across our industry and beyond and support social projects relating to our strategy. We constantly seek to reduce the HS&E impact of our activities and products and are committed to workplace and product safety. As an employer, we strive to create an inspiring and rewarding place to work. We build our community on inclusiveness and respect, believing that diversity improves the quality of decision making and overall performance.



MATERIAL ASPECT	KPI	RESULTS
 LOWER HS&E IMPACT OF OUR ACTIVITIES AND PRODUCTS	Frequency 1 (Lost Time Accidents representing the average on Group level for all our plants and offices) ⁴	2021 6,41 2025 Target ≤ 2
	Frequency 2 (Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases representing the average on Group level for all our plants and offices) ⁵	2021 10,4 2025 Target ≤ 5
 AN INSPIRING AND REWARDING PLACE TO WORK	% employee participation in e-learning including Legal, Cybersecurity, Safety, as well as expanding new offerings based on specific needs detected during the annual Employee Performance Management Discussion (EPMD) ⁶	Legal programme: 2021 Data protection: 94% Ethics policy: 94% Basics of contract law: 94% Cybersecurity programme: 2021 DIGIWIZZ: 96%
	Gender diversity in senior management ⁶	2021 18% 2030 Target 25%

⁴ Number of LTAs x 1,000,000 / number of hours performed.

⁵ Number of LTAs + RWS + MTC x 1,000,000 / number of hours performed.

⁶ The results include FoamPartner employees (since 31 March 2021 integrated in the Engineered Foams division).

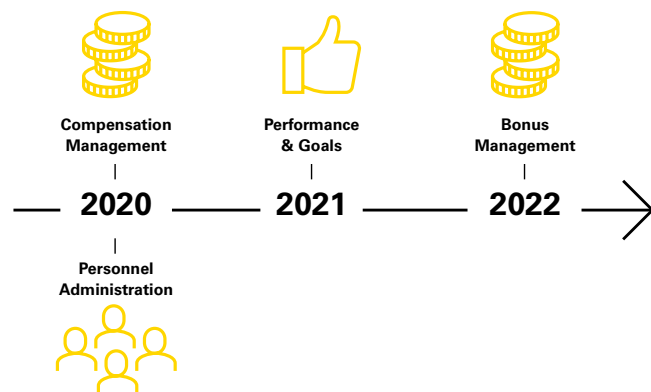
1.3.4 Digitalisation

HR4U

Due to the increasing complexity of business processes and projects, we implemented a cloud-based HR4U tool that allows us to manage our HR processes and data in a uniform and streamlined way throughout all the countries and locations where Recticel operates. The transition to HR4U is a significant driver of further business integration and enhances the leverage of our employer branding and attractiveness.

In 2020 two modules were introduced: Employee Central, which is the heart of the HR system and the basis for all the company's HR processes, and Compensation Management, which contains all functionalities related to the management of employee remuneration. The implementation of these two modules allowed us to run the ASR (Annual Salary Review) cycle for all white-collar employees in the new system. At the end of 2021 we went live with the Performance Management module. This module allows us to run the performance appraisals for all white-collar workers in the same system. HR4U aims to make approval flows and administration checks easier for managers and HR.

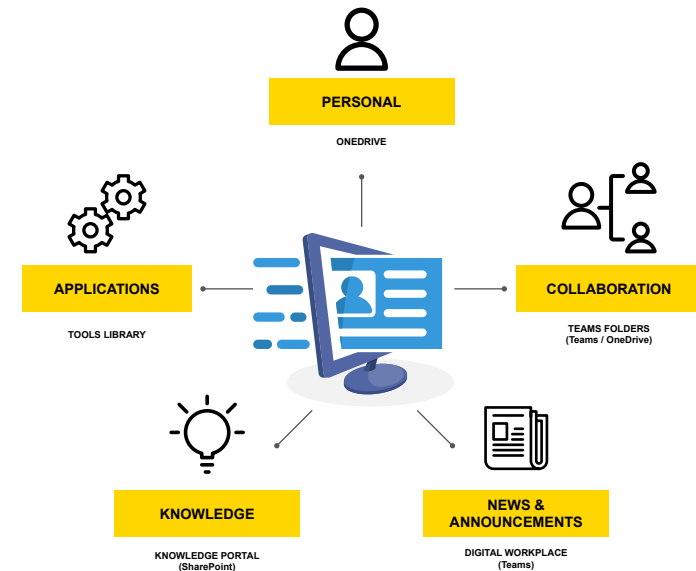
Once all the modules are implemented, HR4U will be a key element of the user-friendly digital workplace we are building. It will optimise our recruiting, onboarding, and compensation processes while giving employees a better view of their career path and performance.



New ways of working

Triggered by the first COVID-19 lockdown in 2020, the Recticel Management Committee launched a workgroup to reflect upon New Ways of Working at Recticel. As an outcome, a new set of principles was agreed, providing guidance to Recticel employees and line managers in all countries and locations when working from home. The aim is to provide employees with more flexibility in organising their work to the benefit of the employee and the employer, considering every aspect of 'people, planet and profit'.

The guiding idea is that all employees should have the same opportunity to work part-time from home, if their job allows it, and within the limits of the local Country legislation. These Group principles have been converted into Country-specific 'Homework Policies'. This important step is made possible by the introduction of new digital communication tools, enabling a more collaborative, agile and remote way of working.



1.3.5 Training and Development

Recticel puts great emphasis on attracting, onboarding and developing skilled employees. In 2021, the regular employee performance management discussions (EPMD) with our ca. 1,500 white-collar employees were carried out online and supported by HR4U. These discussions are essential to enhance the reward, retention, succession and career planning processes.

In 2020 we saw a suspension of all 'on-site' training modules planned under the Recticel University (RECUN) due to the impact of COVID-19. However, in 2021 we worked on a new RECUN programme consisting of online classes where participants meet and interact in a virtual classroom environment. The learning focus for 2021 was Change Management and Project Management. The virtual classroom training environment is complemented by peer learning, where employees can engage in a learning community.

Complementary to the RECUN programme, we are consistently increasing our e-learning offering with the aim of reaching all white-collar employees. In 2021 all white-collar employees were given access to a broad catalogue of e-learning materials that allow them to train and develop themselves in a self-paced way on topics identified during the EPMD processes.



Legal e-learning and training sessions

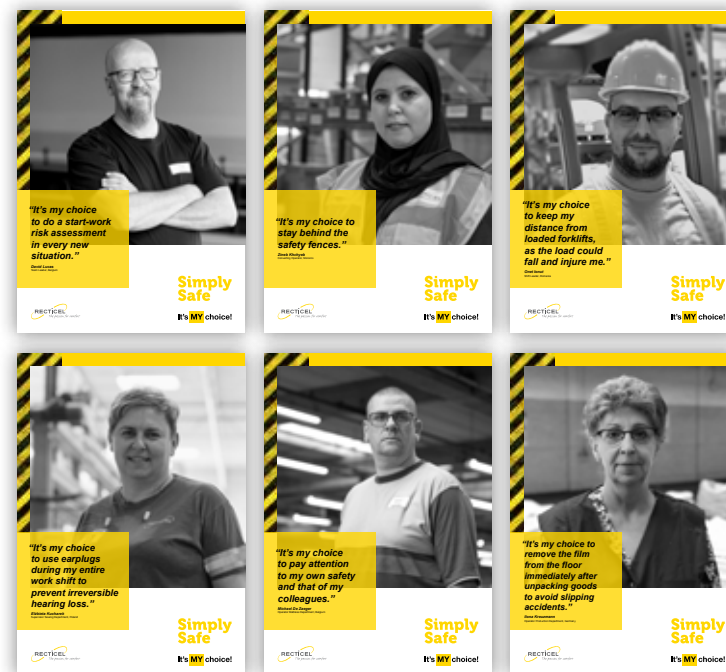
For many years, Recticel has endeavoured to reach a higher level of integrity and compliance within its organisation. Three legal e-learning modules were made compulsory for all white-collar employees. They deliver the necessary knowledge on the Recticel Ethics Policy, Data Protection procedure, and the basics of Contract Law. In 2021 we launched a new procurement e-learning module that provides an overview of Recticel purchasing policy and processes.

This e-learning offering is complemented by a wide range of legal and compliance e-learning modules, as well as legal online and classroom training sessions. The legal e-learning modules are very interactive and appealing. Today, employees can do self-paced e-learning courses on a variety of legal subjects such as Intellectual Property, Group Bribery Policy, Product Liability, and EU Competition Law Compliance.

1.3.6 We never compromise on safety

We continue to raise awareness on safety. It is embedded in our Core Value of acting with respect and integrity. Through our global Simply Safe initiative, we introduced a clear framework of Golden Safety Principles and Golden Safety Rules. Our 'Stop! Think! Act!' mantra reminds everyone that we should all try to change our habits to guarantee a safe working environment. Whenever we notice a hazard, or whenever we start a new task, we should stop, think and then act.

Since 2018, we have been holding an annual Recticel Global Safety Day. It relays the important message that safety is everyone's responsibility. In 2021, during the COVID-19 pandemic, we organised a Safety Day at every Recticel site to kick off a fresh new safety campaign. Under the overall theme 'It's MY choice', the campaign drives home the message of individual responsibility and understanding that minor changes can transform our safety performance.



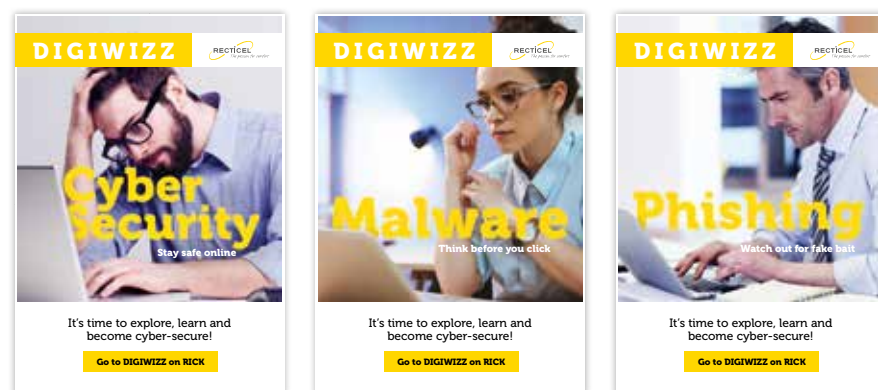
1.3.7 Cybersecurity

The impact of cybersecurity breaches can be huge both in terms of financial loss and reputational damage. Enhancing cybersecurity, raising awareness amongst our employees and robust planning and communication in the aftermath of a cybersecurity attack therefore remain high on our agenda.

We set up a Cyber Security Committee (CSC) which is a multidisciplinary body responsible for cybersecurity incident response and recovery. In the event of a cybersecurity breach, the CSC will activate the Cyber Incident Response Team (CIRT) to provide the first response in order to contain a cybersecurity incident or stop a cyberattack.

Via a dedicated training programme and specific alert messages, we help our employees to remain cautious. We implemented an e-learning module to prevent cybersecurity breaches, covering phishing, malware, safe web browsing and working from home. The modules combined short videos with assessments to test employee understanding of these four topics.

In 2021, specific e-learning was released on password security, phishing, social engineering and working remotely. This was supplemented with unannounced tests where users received fake 'phishing' emails. These tests allow employees to consciously improve their awareness regarding cyberattack techniques, and to recognise and report them efficiently.



1.3.8 Pursuing ESG ratings and transparency

Our ambition is to be a leader in our industry for climate change action and an equitable society. For many years, Recticel has been committed to strong performance on both financial and non-financial criteria. Transparency on objectives and performance is key to earning and retaining the trust and support of stakeholders interested in companies with solid environmental, social and governance (ESG) commitments and scores.

Environmental criteria determine how the company performs as a steward of the planet. Social criteria define how it manages relationships with employees, suppliers, customers and the communities where it operates. Governance criteria are a set of rules, best practices and processes that determine how the organisation is managed and controlled. ESG ratings measure our performance, providing transparency and clarity to our stakeholders as well as identifying the areas where we can continue to improve.

For the latest update on our ESG ratings, consult <https://www.recticel.com/sustainability-innovation/esg-performance/our-esg-ratings>

MSCI

The MSCI ESG rating provides institutional investors with a more robust ESG integration tool designed to support ESG risk mitigation and long term value creation. MSCI ESG Ratings uses a rules-based methodology designed to measure a company's resilience to long-term, industry material environmental, social and governance (ESG) risks.

In 2021, MSCI upgraded our rating from 'A' to 'AA' (on a scale from AAA to CCC), ranking us in the top 6% of the MSCI Commodities Chemicals universe (September 2021).

In its assessment, MSCI particularly highlights:

- Our robust carbon mitigation plan with an aggressive target to carbon footprint reduction.
- Recticel's fully independent formal policy on bribery and corruption overseen at executive level.



CCC	B	BB	BBB	A	AA	AAA
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CDP

CDP is a global non-profit that runs the world's leading environmental disclosure platform. The organisation drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. More than 13,000 companies with over 64% of global market capitalisation disclosed environmental data through CDP in 2021. Recticel participated for the first time in 2021 and was awarded a B (on a scale from A to D-) for climate change disclosure. This positions us among the 33% of companies worldwide that have a B score or higher.

CDP particularly recognises the fact that Recticel is leading within its industry on:

- Emission reduction initiatives
- Governance



D-	D	C-	C	B-	B	A-	A
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Sustainalytics

The Sustainalytics ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. This multi-dimensional way of measuring ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. Sustainalytics identifies five categories of ESG risk severity that could impact a company's enterprise value.

Based on a limited Core Framework analysis, Sustainalytics ranked Recticel as 'Medium' within the Commodity Chemicals universe (19 October 2021).



SEVERE	HIGH	MEDIUM	LOW	NEGLIGIBLE
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EcoVadis

On 6 January 2022, we received a bronze medal from EcoVadis for our sustainability efforts in the 'Manufacture of plastic products' category. This ranks Recticel in the top 50% of companies rated by EcoVadis.

EcoVadis is one of the world's largest provider of business sustainability ratings, with more than 90,000+ rated companies.

Their assessment covers how well a company has integrated sustainability in its business and management system with regard to environment, labour & human rights, ethics and sustainable procurement.



INSUFFICIENT	PARTIAL	MODERATE	ADVANCED	OUTSTANDING
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1.3.9 2021 Board of Directors & Management Committee

Board of Directors

On 31 December 2021, the Board consisted of 1 executive director, 2 non-executive directors and 6 independent directors. Johnny Thijs is Chairman of the Board and Olivier Chapelle is Managing Director.



From left to right

Benoit Deckers / Kurt Pierloot / Elisa Vlerick / Olivier Chapelle (Managing Director) / Johnny Thijs (Chairman) / Ingrid Merckx / Luc Missorten / Carla Sinanian / Frédéric Van Gansberghe

Management Committee

The Board of Directors has entrusted the day-to-day management of Recticel to its Managing Director and Chief Executive Officer, who is assisted by the Management Committee.



From left to right

François Desné, Group General Manager Engineered Foams / Dirk Verbruggen, Chief Financial & Legal Officer (Chief Financial Officer as of 01.09.2021) / Ralf Becker, Group General Manager Insulation
Jean-Pierre De Kesel, Chief Sustainable Innovation Officer (retired on 31.03.2022) / Olivier Chapelle, Chief Executive Officer / François Petit, Chief Procurement Officer (retired on 31.03.2022)
Jean-Pierre Mellen, Chief Financial Officer (retired on 31.08.2021) / Betty Bogaert, Chief Information & Digitalisation Officer / Rob Nijskens, Chief Human Resources Officer

A low-angle, upward-looking photograph of a modern building's facade. The building features a grid of white rectangular panels and dark grey structural elements. The sky is blue with scattered white clouds. The right half of the image is overlaid with a solid yellow background.

2.

Management report



2.1 **Report of our Board of Directors**

Recticel Annual Results 2021

- **Net sales increase** from EUR 616.9 million^{1/2} to EUR 1,032.8 million (+67.4%), of which +34.0% organic growth, +0.6% currency effect and a +32.8% contribution from FoamPartner²
- **Adjusted EBITDA:** from EUR 44.4 million^{1/2} to EUR 109.2 million (+145.9%)
- **Result of the period (share of the Group):** from EUR 63.2 million to EUR 53.5 million (-15.3%), including EUR 4.9 million result from discontinued operations (2020: EUR 71.3 million)
- **Net financial debt:** EUR 147.8 million (30 September 2021: EUR 189.0 million)
- Proposal to pay a gross dividend of EUR 0.29 per share

Olivier Chapelle (CEO): “We are happy with the very positive sales and profitability development in 2021, a year marked by deep changes in our Company. Changes which were planned and announced, such as the acquisition and integration of FoamPartner and the divestment of the Bedding activities. Changes which came as a consequence of the unsolicited takeover bid by Greiner AG, such as the divestment of our newly created Engineered Foams business segment.

The Insulation and Engineered Foams businesses performed very well in a very volatile environment. The chemical raw materials supply remains tight, and prices are showing little signs of stabilisation. Transportation and labour costs are increasing at an unprecedented rate, while the steep energy cost inflation has a minor impact given the very low energy intensity of our business. Our commercial teams continue to adapt pricing where necessary. Moreover, lockdowns or mobility restrictions in countries such as Germany, the Netherlands and Austria, coupled with direct or indirect supply chain shortages (microchips) have added further challenges to the business environment. In that context, Recticel showed strong resilience and generated solid profitability and free cash flow.

The integration of FoamPartner in Engineered Foams is continuing according to plan, and we confirm the targets to close the Bedding divestment to Aquinos Group and the Engineered Foams divestment to Carpenter Co. respectively before the end of 1Q2022 and around mid-2022.

I am grateful and proud of all Recticel teams and employees, who during this extremely busy year 2021, characterised by a challenging business environment, big M&A projects, and an unexpected takeover bid, have remained focussed, committed, positive, and extremely professional. They have enabled Recticel to generate this strong performance.”

OUTLOOK

Given the important scope changes expected in Recticel during 1H2022, with the closing of the Bedding and Engineered Foams divestments, the variability linked to the timing of these closings and the subsequent alignment of our organization setup, the Group does not provide an outlook for the full year at this stage. However, the business continues to develop well in 2022 with top and bottom line growth, and as Recticel is now becoming a pure Insulation player, we are working on an accelerated growth plan in order to double the Insulation sales by 2025.

¹ As announced in the press release of 15 February 2022, the Bedding activities which are currently in the process of being divested to the Aquinos Group, have been accounted for as Discontinued Operations (IFRS 5).

The Bedding activities that will not be transferred to Aquinos Group are incorporated to the Engineered Foams segment. For comparison reasons, the formerly published 2020 and 2021 income statements and cash flow statements have been restated accordingly.

² FoamPartner is fully consolidated as of 01 April 2021.

2.1.1 Consolidated Group results

	in million EUR		
	FY2020 restated ¹	FY2021	Δ%
Sales	616.9	1 032.8	67.4%
Gross profit	106.7	187.4	75.7%
as % of sales	17.3%	18.1%	
Income from associates ¹	0.7	0.4	-47.2%
Adjusted EBITDA	44.4	109.2	145.9%
as % of sales	7.2%	10.6%	
EBITDA	38.3	89.7	134.4%
as % of sales	6.2%	8.7%	
Adjusted operating profit (loss)	16.6	66.1	297.0%
as % of sales	2.7%	6.4%	
Operating profit (loss)	9.1	46.5	411.0%
as % of sales	1.5%	4.5%	
Financial result	(3.6)	(4.5)	n.m.
income from other associates ³	(5.8)	0.5	n.m.
Impairment on other associates	(5.5)	0.0	n.m.
Change in fair value of option structures	1.1	(7.3)	n.m.
Income taxes	(3.5)	14.3	n.m.
Result of the period of continuing operations	(8.2)	49.5	n.m.
Result of discontinued operations	71.3	4.9	n.m.
Result of the period (share of the Group)	63.2	53.5	-15.3%
Result of the period (share of the Group) - base (per share, in EUR)	1.13	0.96	-15.6%

	31 Dec 2020	31 Dec 2021	Δ%
Total Equity	334.8	391.3	16.9%
Net Financial Debt (incl. IFRS 16 - Leases) ^{2/4}	4.6	147.8	n.m.
Gearing ratio (Net financial debt/Total Equity)	1.4%	37.8%	
Leverage ratio (Net financial debt/EBITDA)	0.1	1.6	

The following changes in the scope of consolidation took place in 2021:

- Acquisition of Swiss-based FoamPartner Group. FoamPartner has been fully integrated in the business line Engineered Foams as of 01 April 2021.
- Application of IFRS 5 to the Bedding activities in process of being sold to Aquinos Group.

As the conditions to apply IFRS 5 have not been fully met with regard to the Engineered Foams divestment to Carpenter - given the ongoing carve-out and regulatory approval process -, this segment remains included in the Group reporting as before.

Changes in the scope of consolidation in 2020:

- Partial divestment of the Ascorium (formerly Automotive Interiors) activities at the end of June 2020, which are now operated through TEMDA2, the 51/49% Admetos/Recticel joint venture.
- Disposal of the 50% participation in the Eurofoam group (Flexible Foams) at the end of June 2020.

The results of the Automotive joint-ventures over 2021 are reported under 'Income from other associates'.

Sales of chemical raw materials at cost to the Proseat and TEMDA2 companies are integrated under "Corporate/Eliminations".

³ Income from associates = income from associates considered as being part of the Group's core business are integrated in Operating profit (loss); i.e. Orsafoam.

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. Proseat and Ascorium (formerly Automotive Interiors).

⁴ Excluding the drawn amounts under non-recourse factoring programs: EUR 25.2 million per 31 December 2021 versus EUR 0.0 million per 31 December 2020 and EUR 45.2 million per 30 June 2021

Net Sales: EUR 1,032.8 million versus EUR 616.9 million^{1/2} in 2020.

Breakdown of net sales by segment

in million EUR

	FY2020 restated ¹	1Q2021 restated ¹	2Q2021 restated ¹	3Q2020 restated ¹	4Q2021	FY2021	Δ %
Engineered Foams	318.5	100.5	173.5	155.8	153.8	583.6	83.2%
Insulation	249.2	86.9	101.5	99.2	103.0	390.6	56.7%
Corporate / Eliminations	49.1	18.9	22.4	8.4	9.0	58.7	19.5%
TOTAL NET SALES	616.9	206.2	297.4	263.4	265.8	1 032.8	67.4%

in million EUR

	restated ¹			restated ¹			2021 versus 2020 restated		
	1Q2020	2Q2020	1H2020	1Q2021	2Q2021	1H2021	Δ 1Q	Δ 2Q	Δ 1H
Engineered Foams	85.7	57.8	143.5	100.5	173.5	273.9	17.3%	199.9%	90.9%
Insulation	60.7	52.0	112.7	86.9	101.5	188.4	43.1%	95.1%	67.1%
Corporate / Eliminations	15.3	5.8	21.1	18.9	22.4	41.3	23.4%	288.0%	95.9%
TOTAL NET SALES	161.7	115.6	277.3	206.2	297.4	503.6	27.6%	157.2%	81.6%

in million EUR

	restated ¹			restated ¹			2021 versus 2020 restated		
	3Q2020	4Q2020	2H2020	3Q2021	4Q2021	2H2021	Δ 3Q	Δ 4Q	Δ 2H
Engineered Foams	83.2	91.8	175.0	155.8	153.8	309.6	87.3%	67.5%	76.9%
Insulation	65.0	71.5	136.5	99.2	103.0	202.2	52.6%	44.0%	48.1%
Corporate / Eliminations	10.4	17.7	28.0	8.4	9.0	17.4	-18.9%	-49.2%	-38.0%
TOTAL NET SALES	158.5	181.0	339.6	263.4	265.8	529.2	66.1%	46.8%	55.8%

in million EUR

	restated ¹			restated ¹			2021 versus 2020 restated		
	1H2020	2H2020	FY2020	1H2021	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
Engineered Foams	143.5	175.0	318.5	273.9	309.6	583.6	90.9%	76.9%	83.2%
Insulation	112.7	136.5	249.2	188.4	202.2	390.6	67.1%	48.1%	56.7%
Corporate / Eliminations	21.1	28.0	49.1	41.3	17.4	58.7	95.9%	-38.0%	19.5%
TOTAL NET SALES	277.3	339.6	616.9	503.6	529.2	1 032.8	81.6%	55.8%	67.4%

Both segments reported substantially higher comparable sales during each quarter of 2021.

Fourth quarter 2021:

4Q2021 sales increased by 46.8% from EUR 181.0 million¹ to **EUR 265.8 million**; of which +11.1% organic growth including currency impact and +35.7% from FoamPartner sales (EUR 64.6 million).

Full-year 2021:

FY2021 sales increased by 67.4% from EUR 616.9 million^{1/2} to **EUR 1,032.8 million**; of which 34.0% organic growth, +0.6% currency impact and +32.8% from FoamPartner (EUR 202.6 million²).

For both segments the sales growth has been driven by supportive demand in most markets, in combination with price increases mitigating the substantial impact of higher purchase prices for chemical raw material and other components.

Adjusted EBITDA: EUR 109.2 million versus EUR 44.4 million^{1/2} in 2020.

Adjusted EBITDA margin of 10.6% versus 7.2%^{1/2} in 2020.

Breakdown of the Adjusted EBITDA by segment

	1H2020 restated ¹	2H2020 restated ¹	FY2020 restated ¹	1H2021 restated ¹	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
in million EUR									
Engineered Foams	11.1	20.8	31.9	31.7	31.6	63.3	185.3%	52.0%	98.5%
Insulation	11.3	16.4	27.7	28.8	33.8	62.6	155.6%	105.8%	126.1%
Corporate	(6.5)	(8.6)	(15.1)	(7.8)	(8.9)	(16.6)	19.1%	2.9%	9.9%
TOTAL ADJUSTED EBITDA	15.9	28.5	44.4	52.8	56.4	109.2	232.2%	97.8%	145.9%

The strong increase in Adjusted EBITDA generated by Engineered Foams and Insulation results primarily from (i) positive sales volumes in comparison to 2020, which was heavily affected by the COVID-19 crisis, (ii) compensation of raw material cost inflation by increased selling prices, (iii) further efficiency and mix improvements, and (iv) the integration of FoamPartner as from 01 April 2021.

Adjusted operating profit (loss): EUR 66.1 million versus EUR 16.6 million^{1/2} in 2020.

Adjusted operating profit (loss) margin of 6.4% versus 2.7%^{1/2} in 2020.

Breakdown of the Adjusted operating profit (loss) by segment

	1H2020 restated ¹	2H2020 restated ¹	FY2020 restated ¹	1H2021 restated ¹	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
in million EUR									
Engineered Foams	3.9	13.4	17.3	18.8	14.1	33.0	385.6%	5.3%	90.5%
Insulation	5.9	11.2	17.1	23.4	28.2	51.6	295.2%	152.3%	201.7%
Corporate	(7.7)	(10.0)	(17.8)	(8.8)	(9.7)	(18.5)	14.1%	-3.6%	4.1%
TOTAL ADJUSTED OPERATING PROFIT (LOSS)	2.0	14.6	16.6	33.4	32.7	66.1	1528.9%	124.1%	297.0%

Adjustments to Operating profit (loss) on continuing operations in 2021 include mainly:

- Reorganisation charges in Engineered Foams in The Netherlands, France, Germany and Switzerland (EUR -2.2 million) and at Corporate level (EUR -0.6 million).
- Other adjustments relate mainly to legal and advisory fees (EUR -15.3 million) for (i) the acquisition of FoamPartner (Engineered Foams), (ii) the preparation of the divestment of the Bedding division, (iii) the dealings related to the Greiner offer, (iv) the preparation of the divestment of Engineered Foams to Carpenter, (v) a revaluation allowance for investment property in Belgium (EUR +4.2 million) and (vi) the realisation of a fair value adjustment on inventories by application of IFRS 3 (reversal of inventory step up values resulting from purchase price allocations (EUR -3.4 million).

Adjustments to Operating profit (loss)

	1H2020 restated ¹	2H2020 restated ¹	FY2020 restated ¹	1H2021 restated ¹	2H2021	FY2021
in million EUR						
Restructuring charges and provisions		(1.4)	(0.6)	(2.0)	(1.8)	(2.8)
Other		(0.3)	(4.9)	(5.2)	(6.9)	(16.7)
TOTAL IMPACT ON EBITDA		(1.7)	(5.5)	(7.2)	(8.7)	(19.5)
Impairments		(2.1)	(0.4)	(2.4)	0.0	0.0
TOTAL IMPACT ON OPERATING PROFIT (LOSS)		(3.8)	(5.9)	(9.7)	(8.7)	(19.5)

EBITDA: EUR 89.7 million versus EUR 38.3 million^{1/2} in 2020.

EBITDA margin of 8.7% versus 6.2%^{1/2} in 2020.

Breakdown of **EBITDA** by segment

	1H2020 restated ¹	2H2020 restated ¹	FY2020 restated ¹	1H2021 restated ¹	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
in million EUR									
Engineered Foams	10.3	20.4	30.7	24.9	30.6	55.5	141.5%	50.3%	81.0%
Insulation	11.2	16.3	27.5	28.7	33.7	62.4	156.4%	106.6%	126.9%
Corporate	(6.3)	(13.6)	(19.9)	(9.5)	(18.6)	(28.2)	51.1%	37.3%	41.7%
TOTAL EBITDA	15.2	23.1	38.3	44.1	45.6	89.7	190.1%	97.7%	134.4%

Operating profit (loss): EUR 46.5 million versus EUR 9.1 million^{1/2} in 2020.

Operating profit (loss) margin of 4.5% versus 1.5%^{1/2} in 2020.

Breakdown of **Operating profit (loss)** by segment

	1H2020 restated ¹	2H2020 restated ¹	FY2020 restated ¹	1H2021 restated ¹	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
in million EUR									
Engineered Foams	2.0	12.8	14.8	12.0	13.2	25.2	510.3%	2.5%	69.9%
Insulation	5.8	11.1	16.9	23.3	28.1	51.4	298.3%	153.6%	203.5%
Corporate	(7.6)	(15.0)	(22.6)	(10.6)	(19.4)	(30.1)	38.9%	29.8%	32.9%
TOTAL OPERATING PROFIT (LOSS)	0.2	9.0	9.1	24.7	21.9	46.5	15204.2%	143.9%	409.5%

Financial result: from EUR -3.6 million^{1/2} to **EUR -4.5^{1/2} million:**

Net interest charges: EUR -5.8 million versus EUR -2.5 million¹ in 2020.

‘Other net financial income and expenses’: EUR +1.2 million versus EUR -1.1 million¹ in 2020. This item comprises mainly interest capitalisation costs under provisions for pension liabilities (EUR -0.1 million versus EUR -0.3 million¹ in 2020) and exchange rate differences (EUR +1.2 million versus EUR -1.4 million¹ in 2020).

Income from other associates: EUR +0.5 million (versus EUR -5.8 million in 2020) relates to the positive result of TEMDA2 (at 49%). As Recticel recognized an impairment loss of EUR -5.5 million at the end of 2020, as a result of which the investment in Proseat was reduced to zero, the FY2021 income statement of Recticel was not impacted by the loss of Proseat.

Fair value of option structures: EUR -7.3 million (2020: EUR +1.1 million), results from an adjustment of the fair value of the put/call structure on the Proseat participation to zero (EUR -4.9 million) and the recognition of an additional provision for a potential negative strike price of the Proseat put/call option structure (EUR -2.5 million). The put/call structure on the remaining 49% participation in Ascorium (formerly Automotive Interiors) has been maintained at a “zero” value, given the uncertainties over the period until the earliest exercise date of the options, in 2024.

Income and deferred taxes: from EUR -3.5 million¹ to **EUR +14.3 million:**

- Current income tax: EUR -8.8 million (2020: EUR -3.4 million¹);
- Deferred tax: EUR +23.2 million (2020: EUR -0.1 million¹).

The positive deferred tax impact results from the increased profit expectations in Belgium (including the gains on the carve-out of the Bedding and Engineered Foams activities), as well as in France and Spain, where tax loss carry-forwards are available, leading to the recognition of additional deferred tax assets.

Result of the period from continuing operations:
EUR +49.5 million² versus EUR -8.2 million^{1/2} in 2020.

Result from discontinued operations: EUR +4.9 million¹
versus EUR +71.3 million in 2020

The result from discontinued operations represents the result after taxes of the period of the Bedding activities sold to Aquinos Group (EUR +3.5 million) and the result following the settlements related to the divestment of the Ascorium (formerly Automotive Interiors) activities (EUR +1.4 million).

As a reminder, the total result of discontinued operations in 2020 was composed of:

- the net gain related to the divestment of the 50% participation in the Eurofoam group,
- the net loss realised on the sale of 49% of the Ascorium (formerly Automotive Interiors) activities, and
- the pro rata share of the 2020 result of the period after taxes of Eurofoam (50%) and Ascorium (formerly Automotive Interiors) activities (100%)
- the net result related to the Bedding activities divested to Aquinos for which 2020 was restated

Consolidated result of the period (share of the Group):
EUR +53.5 million versus EUR 63.2 million in 2020.

2.1.2 Financial position

	in million EUR				
	31 DEC 2020	31 MAR 2021	30 JUN 2021	30 SEP 2021	31 DEC 2021
TOTAL EQUITY	334.8	-	354.8	-	391.3
Net financial debt excluding factoring	(47.9)	132.2	145.3	130.3	103.8
+ Lease debt (IFRS 16)	52.5	63.1	61.3	58.7	44.0
Net Financial Debt	4.6	195.3	206.6	189.0	147.8
+ Drawn amounts under factoring programs	0.0	43.3	45.2	41.4	25.2
TOTAL NET FINANCIAL DEBT	4.6	238.6	251.8	230.4	173.0
Gearing ratio (incl. IFRS 16)	1.4%	-	58.2%	-	37.8%
Leverage ratio (incl. IFRS 16)	0.1	-	2.6	-	1.6

The Group confirms that all conditions under the financial arrangements with its banks are respected.

2.1.3 Market segments

2.1.3.1 Engineered Foams

	1H2020 restated ¹	2H2020 restated ¹	FY2020 restated ¹	1H2021 restated ¹	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
Sales	143.5	175.0	318.5	273.9	309.6	583.6	90.9%	76.9%	83.2%
Adjusted EBITDA	11.1	20.8	31.9	31.7	31.6	63.3	185.3%	52.0%	98.5%
as % of sales	7.7%	11.9%	10.0%	11.6%	10.2%	10.8%			
EBITDA	10.3	20.4	30.7	24.9	30.6	55.5	141.5%	50.3%	81.0%
as % of sales	7.2%	11.6%	9.6%	9.1%	9.9%	9.5%			
Adjusted operating profit (loss)	3.9	13.4	17.3	18.8	14.1	33.0	385.4%	5.4%	90.5%
as % of sales	2.7%	7.7%	5.4%	6.9%	4.6%	5.6%			
Operating profit (loss)	2.0	12.8	14.8	12.0	13.2	25.2	510.3%	2.5%	69.9%
as % of sales	1.4%	7.3%	4.7%	4.4%	4.3%	4.3%			

Sales

Fourth quarter 2021

The positive trend of 9M2021 continued in 4Q2021. Including FoamPartner (EUR 64.6 million) – which was consolidated as of 01 April 2021 – **4Q2021** sales amounted to **EUR 153.8 million** (+67.5%). Like-for-like² sales excluding the contribution from FoamPartner, slightly decreased by 2.8%, from EUR 91.8 million¹ in 4Q2020 to **EUR 89.2 million in 4Q2021**.

Full-year 2021

Over 2021, including the contribution from FoamPartner (EUR 202.6 million), total sales increased by 83.2%

from EUR 318.5 million¹ to **EUR 583.6 million**, including a +0.4% impact from exchange rate differences. **Full-year like-for-like¹ sales** increased by 19.6%, from EUR 318.5 million¹ to **EUR 381.0 million**.

Apart from the FoamPartner integration as of 2Q21, the increase in sales is attributable to a volume growth in combination with higher selling prices, compensating for the steep surge in chemical raw material prices which followed several force majeure events and other supply issues in the upstream value chain since September 2020.

Profitability

Despite the steep surge in material costs, higher volumes, a good product-mix, the integration of FoamPartner and active pricing management led to a like-for-like Adjusted EBITDA margin improvement to 10.8% versus 10.0% in 2020.

EBITDA includes adjustments for EUR -7.8 million (2020: EUR -1.2 million), mainly (i) EUR -2.2 million restructuring charges in The Netherlands, France and at FoamPartner, (ii) EUR -2.8 million costs and expenses for legal and advisory services relating to the acquisition of FoamPartner, (iii) a EUR +0.8 million reversal of provisions for claims and onerous contracts and (iv) a EUR -3.5 million reversal of inventory step up values resulting from the purchase price allocation on the FoamPartner acquisition.

2.1.3.2 Insulation

in million EUR

	1H2020	2H2020	FY2020	1H2021	2H2021	FY2021	Δ 1H	Δ 2H	Δ FY
Sales	112.7	136.5	249.2	188.4	202.2	390.6	67.1%	48.1%	56.7%
Adjusted EBITDA	11.3	16.4	27.7	28.8	33.8	62.6	155.6%	105.8%	126.1%
as % of sales	10.0%	12.0%	11.1%	15.3%	16.7%	16.0%			
EBITDA	11.2	16.3	27.5	28.7	33.7	62.4	156.4%	106.6%	126.9%
as % of sales	9.9%	11.9%	11.0%	15.3%	16.7%	16.0%			
Adjusted operating profit (loss)	5.9	11.2	17.1	23.4	28.2	51.6	295.2%	152.3%	201.7%
as % of sales	5.2%	8.2%	6.9%	12.4%	14.0%	13.2%			
Operating profit (loss)	5.8	11.1	16.9	23.3	28.1	51.4	298.3%	153.6%	203.5%
as % of sales	5.2%	8.1%	6.8%	12.4%	13.9%	13.2%			

Sales

Fourth quarter 2021

The strong trend of 9M2021 (+61.8%) continued in 4Q2021. Sales increased by 44.0% from EUR 71.5 million in 4Q2020 to **EUR 103.0 million in 4Q2021**. Volumes remained strong and selling prices continued to slightly increase, compensating for the higher chemical raw materials costs resulting from the still tight supply chain. The plant in Finland further increased its output. Volumes of VIP-products from the Slovenian joint venture Turvac remain very supportive.

Full-year 2021

Over **2021** sales increased by 56.7% from EUR 249.2 million to **EUR 390.6 million**, including a currency impact of +1.1%. The sales increase results from a combined effect of (i) a solid volume development and (ii) selling price increases compensating for the steep surge in chemical raw material prices (i.e. MDI). In addition, the plant in Finland increased its output. Also the demand for high performance VIP insulation materials for the transportation and storage of COVID-19 vaccines remained robust.

EC stimulus plans and green regulatory incentives will remain a key volume driver in Europe in 2022 and beyond.

Profitability

Adjusted EBITDA margin of 16.0% versus 11.1% in 2020.

Despite the tight MDI supply, leading to increasing chemical raw material prices over the year, profitability improved strongly on the back of higher volumes, good pricing management and the further ramp-up of the plant in Finland, which is expected to break-even in 2022 on a full-year basis.

2.1.4 Profit appropriation policy

The Annual General Meeting agrees on the appropriation of the amounts available for distribution based on a proposal from the Board of Directors.

When drawing up its proposal, the Board of Directors strives for the ideal balance between ensuring a stable dividend for shareholders and maintaining sufficient investment and self-financing opportunities to secure the company's longer-term growth.

The Board of Directors presented the following appropriation of the results to the General Meeting:

		in EUR
Group Recticel		
Profit/(Loss) for the financial year		66,288,524.25
Profit/(Loss) brought forward from previous year	+	52,132,613.10
Profit/(Loss) to be added to legal reserves	-	2,532,517.81
Profit/(Loss) to be added to other reserves	-	0.00
Result to be appropriated	=	115,888,619.54
Gross dividend ¹	-	16,229,391.80
Profit to be carried forward	=	99,659,227.74

¹ Gross dividend per share of EUR 0.29, resulting in a net dividend after tax of EUR 0.203 per ordinary share.

2.1.5 Dividend payment

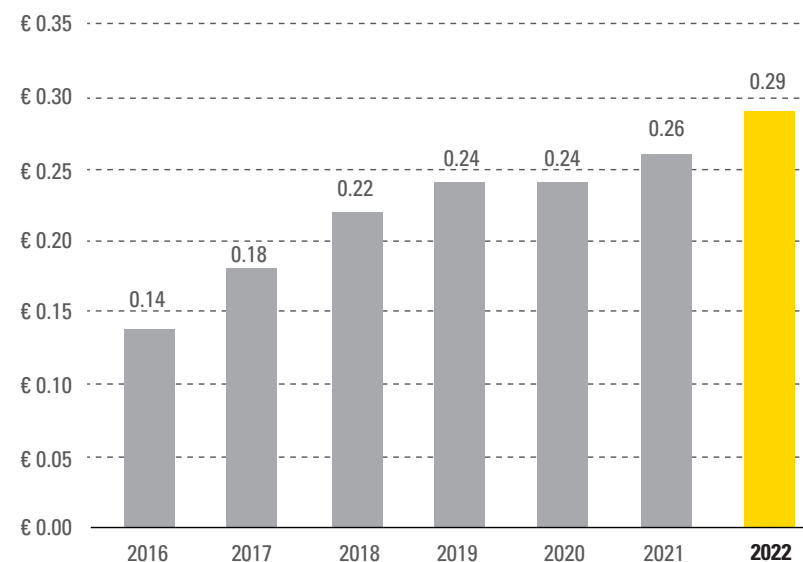
Subject to approval of the profit appropriation by the General Meeting of 31 May 2022, a dividend of EUR 0.29 gross will be paid per ordinary share, or EUR 0.203 net (-30% withholding tax).

This dividend will be payable from 07 June 2022. KBC Bank acts as paying agent. Payments for the registered shares will take place via bank transfer to the shareholders' bank accounts.

DIVIDEND KEY DATA

Gross dividend per share	EUR 0.29
Ex-coupon date	02 June 2022
Record date	03 June 2022
Dividend payment date	07 June 2022

Gross dividend per share





2.2 Corporate Governance statement

2.2.1 Applicable rules and reference code

Recticel publishes its Corporate Governance Charter on its website (www.recticel.com) in accordance with the requirements of the Belgian Corporate Governance Code 2020. The latest version is dated 27 April 2020. Any interested party can download the Charter there, or request a copy from the company's registered office. The Charter contains a detailed description of the governance structure and the company's governance policy.

As of this year, Recticel uses the new Belgian Governance Code of 2020 as reference code, which can be found on the website of the Corporate Governance Committee (www.corporategovernancecommittee.be).

Recticel complies with all recommendations contained in the reference code, except for the cases where it is explicitly stated in this statement below.

This chapter contains more factual information regarding corporate governance in general and, the application of the Belgian Corporate Governance Code 2020 (hereinafter also "the Code") during the last financial year in particular.

Recticel confirms its explicit choice for the monistic governance structure under the Belgian Companies and Associations Code. The Board of Directors is therefore authorized to undertake all necessary or useful actions to achieve the company's objective,

except those that only the general meeting is authorized to perform by law. The authority granted to the Board of Directors was not further limited in the articles of association.

The terms of reference of the Board of Directors are described in more detail in Recticel's Corporate Governance Charter.

2.2.2 Internal control and risk management

Every entity exists to create value for the stakeholders and this forms the basis of risk management for every company. The challenge that faces the Board of Directors and executive management is in determining how much uncertainty they wish to accept in their strive for creating value. The value is maximized if the administration is successful in creating an optimal balance between growth and turnover on the one hand and the connected risks on the other.

Identifying and quantifying the risks and setting up and maintaining an efficient control mechanism is the responsibility of Recticel Group's Board of Directors and executive management.

The framework for internal control and risk management applied by the Recticel Group is based on the COSO (Committee of Sponsoring Organisations of the Treadway Commission) model and is in line with the requirements imposed by the Belgian Corporate Governance Code, taking into account the Recticel Group's size and specific needs.

Since mid-2010 the Board of Directors and the executive management have reviewed the framework for internal control and risk management and an amended Compliance programme is implemented.

The basis is formed by the revised Code of Ethics, applicable on all Recticel directors, corporate officers and employees, and published on Recticel's website: (https://www.recticel.com/sites/default/files/who_we_are/discover_the_recticel_group/business_ethics_integrity/01_Ethics_policy_English.pdf).

Important matters like ethics, safety, health and environment, quality, conflicts of interest, anti-trust, fraud and others are being dealt with.

Corporate policies have been elaborated to cover these principles that are further explained in the Business Control Guide, which provides more concrete and detailed guidelines, for instance guidelines on the level of Tax management, Treasury management, Accounting policies, Investments, Purchases, Mergers and Takeovers, and such. The internal financial reporting and control occurs based on the Group


Accounting Manual, Group Accounting Methodology and Cost Accounting Methodology.

This Business Control Guide includes the general delegation of deciding powers and responsibilities for specific areas of competence.

The Board of Directors and executive management regularly reviews the most important risks that the Recticel Group is exposed to and submits a list of priorities. A general description of the risks can be found in the financial part of this annual report.

One of the objectives of the internal control and risk management system is also to ensure a timely, complete and accurate communication. To this end the Business Control Guide and all other guidelines contain the necessary regulations on roles and responsibilities. Also, the necessary attention is given to ensuring the security and confidentiality of the data exchange, if and when necessary.

In the event of violation of internal or external laws and regulations, the Recticel Group has also implemented a Group



Policy for the Reporting of Misconduct and the Protection of Whistle-blowers to enable anyone to report on behaviour that may represent a violation of the applicable Code of Conduct, the Group Corporate Policies or any other laws and regulations.

Finally, the Audit committee, amongst others, has the task of informing and advising the Board of Directors regarding the annual follow up of the systems of internal control and risk management.

The Internal Audit Department works based on an Internal Audit Charter and has the primary function of delivering reports with opinions and other information indicating to which extent the internal audit meets predetermined criteria. The Internal Audit aims at providing the reasonable assurance that the strategic, operational, compliance and reporting objectives of the Recticel Group can be realized in the most efficient way. To this end they seek to ensure the following objectives:

- the reliability and integrity of the information;
- compliance with policies, plans, procedures, laws and agreements;
- safeguarding of assets;
- economical and efficient use of resources;
- achieving the goals set by operations and programs

2.2.3 External audit

The external audit of Recticel SA/NV's company and consolidated annual accounts has been entrusted by the Annual General Meeting of 2021 to the limited liability cooperative company PWC Bedrijfsrevisoren, with registered office at Culliganlaan 5, B-1831 Diegem, Belgium, represented by Mr Marc DAELMAN, in order to exercise control over the financial years ended December 31, 2021, 2022 and 2023.

The Auditor conducts its audits in accordance with the International Standards on Auditing (ISA) and delivers a report, which confirms if 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 committee investigates and discusses these bi-annual reports in the presence of the Auditor, and afterwards also with the Board of Directors.

The remuneration of PwC (in its capacity as Auditor) for the audit of Recticel NV's annual and consolidated annual accounts intended in article 3:65 of the Belgian Companies and Associations Code, amounted to EUR 1.037K for 2021.

The global amount of the remuneration for additional services of the Statutory Auditor and parties related to the Statutory Auditor amounts to 229 KEUR at the level of the Recticel Group.

The detail of these fees is included in the notes to VOL 6.18.2. in the statutory annual accounts as well as in the notes in the financial part of the consolidated annual report.

The annual fees of the statutory auditor amount to 356 KEUR, including domestic expenses and excluding IBR contribution, travel and accommodation expenses abroad and VAT.

2.2.4 Composition of the Board of Directors

Recticel's Board of Directors currently consists of seven members. There are seven non-executive directors, five of which are independent. OLIVIER CHAPELLE SRL/BV, represented by Mr. Olivier CHAPELLE, Managing Director, is the executive director.

The Managing Director represents the management and one director represent the reference shareholder.

With reference to the obligation to have at least 1/3 of the members of the Board of Directors of the opposite gender as provided by article 7:86 of the Belgian Companies' and Associations Code, the Board of Directors reviewed different options during the last years in order to increase the number of female members. At present, two out of the seven directors are women. As a result, the obligation of article 7:86 of the Belgian Companies' and Associations Code is complied with.

The following table provides an overview of the current members of Recticel's Board of Directors.

Name	Function	Type	Year of birth	Start of Mandate	End of Mandate	Primary Function outside of Recticel	Membership Committee
Johnny THIJIS ¹	Chairman	Independent	1952	2015	2022	President Electrabel, Hospital Logistics / Director Essers	AC / RC
Olivier CHAPELLE ²	Managing Director	Executive	1964	2009	2022	Director Cofinimmo	MC
Ingrid MERCKX ³	Director	Independent	1966	2012	2022	Independent Consultant for IMRADA BV and RODINA NV	AC
Luc MISSORTEN ⁴	Director	Independent	1955	2015	2024	Director of GIMV, Director of Scandinavian Tobacco Group	AC / RC
Kurt PIERLOOT ⁵	Director	Independent	1972	2015	2024	CEO Bleckmann	RC
Elisa VLERICK ⁶	Director	Independent	1986	2019	2022	Partner at 9.5 Ventures VC fund, Executive director Vlerick Group.	
Filip BALCAEN ⁷	Director	Non-executive	1960	9/3/22	2025	Executive Chairman of Baltisse NV	

¹ in his capacity as Permanent Representative of THIJS JOHNNY BV

² in his capacity as Permanent Representative of OLIVIER CHAPELLE SRL

³ in her capacity as Permanent Representative of IMRADA BV

⁴ in his capacity as Permanent Representative of LUBIS BV

⁵ in his capacity as Permanent Representative of CARPE VALOREM BV

⁶ in her capacity as Permanent Representative of MOROXCO BV

⁷ from 9/3/2022 in his capacity as Permanent Representative of BALTISSE BV

AC = Audit Committee

RC = Remuneration & Nomination Committee

MC = Management Committee

Member of the Board of Directors of Recticel who resigned before the end of their mandate

- Carla SINANIAN, Independent Director, from 2020 till 12/1/2022
- Benoit DECKERS¹, Non-executive, from 2015 till 23/2/2022, Member of the Audit Committee
- Frédéric VAN GANSBERGHE², Non-executive, from 2014 till 23/2/2022, Member of the Remuneration & Nomination Committee

¹ in his capacity as Permanent Representative of COMPAGNIE DU BOIS SAUVAGES SERVICES SA

² in his capacity as Permanent Representative of COMPAGNIE DU BOIS SAUVAGE NV

Amendments since the previous annual report – statutory appointments – presentation of new directors

As proposed by the Board of Directors and based upon the recommendation made by the Remuneration and Nomination committee, the following has been decided during the Ordinary General Meeting dated 25 May 2021:

- Renewal of the mandate of THIJS JOHNNY BV, permanently represented by Mr. Johnny THIJS, as non-executive and independent director for a new term of one year ending after the Ordinary General Meeting of 2022.
- Renewal of the mandate of COMPAGNIE DU BOIS SAUVAGE SERVICES NV, permanently represented by Mr. Benoit DECKERS, as a non-executive director for a new term of three years ending after the Ordinary General Meeting of 2024.
- Renewal of the mandate of COMPAGNIE DU BOIS SAUVAGE SA, permanently represented by Mr. Frédéric VAN GANSBERGHE, as non-executive director for a new term of three years ending after the Ordinary General Meeting of 2024.
- Renewal of the mandate of LUBIS BV, permanently represented by Mr. Luc MISSORTEN, as non-executive and independent director for a new term of three years ending after the Ordinary General Meeting of 2024.
- Renewal of the mandate of CARPE VALOREM BV, permanently represented by Mr. Kurt PIERLOOT, as non-executive and independent director for a new term of three years ending after the Ordinary General Meeting of 2024.
- Confirmation as independent director of THIJS JOHNNY BV, permanently represented by Mr. Johnny THIJS within the meaning of article 7:87 of the Companies and Associations Code. Both Mr. Johnny THIJS and THIJS JOHNNY BV meet all criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of functional, family and financial criteria as provided by principle 3.5. Of the Corporate Governance Code 2020).
- Confirmation as independent director of LUBIS BV, permanently represented by Mr. Luc MISSORTEN within the meaning of article 7:87 of the Companies and Associations Code. Both Mr. Luc MISSORTEN and LUBIS BV meet all the criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of

functional, family and financial criteria as provided for by principle 3.5. Of Corporate Governance Code 2020).

- Confirmation as independent director of CARPE VALOREM BV, permanently represented by Mr. Kurt PIERLOOT, within the meaning of article 7:87 of the Companies and Associations Code. Both Mr. Kurt PIERLOOT and CARPE VALOREM BV meet all the criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of functional, family and financial criteria as provided for by principle 3.5. Of the Corporate Governance Code 2020).
- Acknowledgment and acceptance of the resignation of the Statutory Auditor DELOITTE Bedrijfsrevisoren, received by letter dated January 15, 2021 and based on the legal limitation of the number of years during which the same auditor can act pursuant to Article 41 of the EU Regulation No. 537/2014.
- Appointment as statutory auditor, on proposal of the audit committee, for a period of three years ending after the Ordinary General Meeting of 2024, of the civil company in the form of a cooperative company with limited liability “PWC Bedrijfsrevisoren”, with registered office at Woluwe Garden, Woluwedal, 18, B-1932 Sint-Stevens-Woluwe”, represented by Mr Marc DAELMAN, in order to audit the financial years ended December 31, 2021, 2022 and 2023.

The annual fees of the statutory auditor amount to EUR 356,065, including domestic expenses and excluding IBR contribution, travel and accommodation expenses abroad and VAT.

Upon advice of the Remuneration & Nomination Committee, the Board of Directors proposes at the Ordinary General Meeting of 31 May 2022 to approve the following:

- Renewal of the mandate of THIJS JOHNNY BV, permanently represented by Mr. Johnny THIJS, as non-executive and independent director for a new term of one year ending after the Ordinary General Meeting of 2023.
- Renewal of the mandate of OLIVIER CHAPELLE BV, permanently represented by Mr. Olivier CHAPELLE as executive director for a new term of three year ending after the Ordinary General Meeting of 2025.

- Renewal of the mandate of MOROXCO BV, permanently represented by Ms Elisa VLERICK, as non-executive and independent director for a new term of three year ending after the Ordinary General Meeting of 2025.
- Renewal of the mandate of IMRADA BV, permanently represented by Ms Ingrid MERCKX, as non-executive and independent director for a new term of three year ending after the Ordinary General Meeting of 2025.
- Acceptation of the resignation of Ms Carla SINANIAN as non-executive and independent director, with effect on 12 January 2022. It was decided not to replace her.
- Acceptation of the resignation of COMPAGNIE DU BOIS SAUVAGE S.A., permanently represented by Mr. Frédéric VAN GANSBERGHE, as non-executive director, with effect on 23 February 2022. In accordance with article 18 of the articles of association, COMPAGNIE DU BOIS SAUVAGE NV will be replaced by BALTISSE NV, permanently represented by Filip BALCAEN, as from March 9, 2022.
- Acceptation of the resignation of COMPAGNIE DU BOIS SAUVAGE SERVICES S.A., permanently represented by Mr. Benoit DECKERS, as non-executive director, with effect on 23 February 2022. It was decided not to replace it.
- Confirmation of the appointment of BALTISSE NV, permanently represented by Mr. Filip BALCAEN as non-executive director for a term of three year ending after the Ordinary General Meeting of 2025.
- Confirmation as independent director of THIJS JOHNNY BV, permanently represented by Mr. Johnny THIJS within the meaning of article 7:87 of the Companies and Associations Code. Both Mr. Johnny THIJS and THIJS JOHNNY BV meet all criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of functional, family and financial criteria as provided by principle 3.5. Of the Corporate Governance Code 2020).
- Confirmation as independent director of MOROXCO BV, permanently represented by Ms. Elisa VLERICK within the meaning of article 7:87 of the Companies and Associations Code. Both Ms. Elisa VLERICK and MOROXCO BV meet all the criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field

of functional, family and financial criteria as provided for by principle 3.5. Of Corporate Governance Code 2020).

- Confirmation as independent director of IMRADA BV, permanently represented by Ms. Ingrid MERCKX within the meaning of article 7:87 of the Companies and Associations Code. Both Ms. Ingrid MERCKX and IMRADA BV meet all the criteria as stated in article 7:87 of the Companies and Associations Code (as further elaborated in the field of functional, family and financial criteria as provided for by principle 3.5. Of Corporate Governance Code 2020).

Functioning of the Board of Directors

The Board of Directors gathered a total of 10 times in 2021. One meeting handled mainly the 2021 budget and two meetings handled the establishment of the annual accounts as per 31 December 2020 and the mid-year accounts as per 30 June 2021.

Each meeting also addressed the state of affairs per business line and the most important current acquisition and/or divestment files. Other subjects (human resources, external communication, litigations and legal issues, delegations of authority and such) are discussed as and when necessary.

The written decision procedure was not applied in 2021. Mr. Dirk VERBRUGGEN, Chief Financial & Legal Officer (representing Roffoelkin BV), acts as Secretary of the Board of Directors.

The individual attendance rate of the directors at the meetings in 2021 was:

Name	Attendance Rate in 2021
Johnny THIJIS	10/10
Olivier CHAPELLE	10/10
Benoit DECKERS ¹	8/10
Ingrid MERCKX	10/10
Luc MISSORTEN	10/10
Kurt PIERLOOT	10/10
Frédéric VAN GANSBERGHE ²	7/10
Elisa VLERICK	10/10
Carla SINANIAN ³	10/10

¹ until 23/2/2022 in his capacity as Permanent Representative of Compagnie du Bois Sauvage Services SA

² until 23/2/2022 in his capacity as Permanent Representative of Compagnie du Bois Sauvage SA

³ until 12/1/2022

The Board of Directors organises a self-assessment of its functioning as well as an assessment of its interaction with the members of the Management committee on a regular basis. Such self-assessment starts through a questionnaire to be remitted to and completed by each individual director. The results of the questionnaire are then be discussed and further analysed during a subsequent meeting of the Board of Directors. The last assessment took place in the middle of the year 2017. The individual assessment of the directors is done by the Remuneration and Nomination Committee. A formal assessment by an external partner was scheduled for 2020 but has not yet been completed due to circumstances and is still ongoing today; the Board of Directors is of the opinion that this deviation from 9.1. of the 2020 Corporate Governance Code does not pose any particular problems.

2.2.5 Committees set up by the Board of Directors

2.2.5.1 The Audit committee

In accordance with article 7:99 of the Belgian Companies and Associations Code, the audit committee supervises amongst others the financial reporting process, the effectiveness of the internal control and risk management systems of the company, the internal audit, the statutory control of the annual accounts and the consolidated accounts, and the Auditor's independence. The Audit committee's terms of reference are included in the Corporate Governance Charter that also describes more in detail the tasks of the Audit Committee.

The Audit committee currently consists of four members. All members are non-executive directors and three members, one of which is the Chairman, are independent directors in the sense of article 7:87,§1 of the Belgian Companies and Associations Code iuncto principle 3.5 of the Corporate Governance Code 2020.

Mr. Dirk VERBRUGGEN, Chief Financial & Legal Officer (representing Roffoelkin BV), acts as Secretary of the Audit committee.

The composition of the Audit committee complies with the stipulations of Recticel NV's articles of association and the relevant provisions of the Belgian Companies and Associations Code.

In accordance with Article 7: 100 Belgian Companies and Associations Code, Recticel declares that the Chairman of the Audit Committee, Mr Luc MISSORTEN, has the necessary expertise in the field of accounting and auditing. The chairman and other members of the Audit Committee also have collective expertise in the area of the Company's activities.

The following table contains the members of the Audit committee during the financial year 2021 to date.

Name	Function	Attendance Rate in 2021
Luc MISSORTEN ¹	Chairman	5/5
JohnnyTHIJS ²	Member	5/5
Ingrid MERCKX ³	Member	5/5
Benoit DECKERS ⁴	Member	5/5

1 In his capacity as Permanent Representative of LUBIS BV

2 In his capacity as Permanent Representative of THIJS JOHNNY BV

3 In her capacity as Permanent Representative of IMRADA BV

4 until 23/2/2022 in his capacity as Permanent Representative of COMPAGNIE DU BOIS SAUVAGES SERVICES SA

The Audit committee convened five times in 2021. Two meetings were devoted primarily to the audit of the annual accounts per 31 December 2020 and the interim accounts per 30 June 2021. All meetings also focus on the internal audit program, risk management, compliance, taxation and IFRS related accounting questions. There was at least two times a meeting with the statutory auditor and the person responsible for internal audit.

The Audit Committee conducts regularly an informal self-assessment of its functioning during one of its meetings and reserves the necessary time to discuss and analyse the same. In the beginning of 2017, a formal assessment was conducted. A formal assessment by an external partner was scheduled for 2020 but has not yet been completed due to circumstances and is still ongoing today; the Board of Directors is of the opinion that this deviation from 9.1. of the 2020 Corporate Governance Code does not pose any particular problems.

2.2.5.2 The Remuneration and Nomination Committee

The Remuneration and Nomination Committee makes proposals to the Board of Directors regarding the remuneration policy and the individual remuneration of directors and members of the Management committee and prepares and explains the remuneration report at the Ordinary General Meeting. They also make the necessary proposals regarding the evaluation and re-appointment of directors as well as the appointment and induction of new directors. The terms of reference of the Remuneration and Nomination Committee are included in Recticel's Corporate Governance Charter.

The Remuneration and Nomination Committee consists of four members, all non-executive directors, of which three are independent directors.

Mr. Dirk VERBRUGGEN, Chief Financial & Legal Officer (representing Roffoelkin BV), fulfils the role of secretary of the Remuneration and Nomination Committee.

The composition of the Remuneration and Nomination committee meets the requirements with respect to the Belgian Companies and Associations Code, as well as the requirements of the Corporate Governance Code 2020.

The committee is composed as follows:

Name	Function	Attendance Rate in 2021
Johnny THIJIS ¹	Chairman	2/2
Kurt PIERLOOT ²	Member	2/2
Frédéric VAN GANSBERGHE ³	Member	2/2
Luc MISSORTEN ⁴	Member	2/2

1 in his capacity as Permanent Representative of THIJS JOHNNY BV

2 in his capacity as Permanent Representative of CARPE VALOREM BV

3 until 23/2/2022 in his capacity as Permanent Representative of COMPAGNIE DU BOIS SAUVAGE SA

4 in his capacity as Permanent Representative of LUBIS BV

In accordance with the article 7:100 of the Belgian Companies and Associations Code, Recticel declares that the Remuneration and Nomination committee possesses the necessary expertise in the area of remuneration policy.

The Remuneration and Nomination committee convened two times in 2021.

These meetings dealt with the fixed and variable remuneration of the executive management as well as 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 and Nomination Committee conducts regularly 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 scheduled for 2020 but has not yet been completed due to circumstances and is still ongoing today; the Board of Directors is of the opinion that this deviation from 9.1. of the 2020 Corporate Governance Code does not pose any particular problems.

2.2.5.3 The Strategy committees

There were seven ad hoc strategy committees in 2021 following the unsolicited takeover bid by Greiner AG.

These meetings dealt primarily with the in depth analysis of the Greiner bid, the effects on the business, the effects on the future of the company and possible alternatives to counter the Greiner bid and ensure a future in the best interest of the company

Regarding a possible conflict of interest on the part of the directors affiliated with Compagnie du Bois Sauvage SA the Strategy committee was formed by all independent members of the Board of Directors and without Olivier Chapelle:

Name	Function	Attendance Rate in 2021
Johnny THIJIS ¹	Chairman	7/7
Luc MISSORTEN ²	Member	7/7
Kurt PIERLOOT ³	Member	7/7
Ingrid MERCKX ⁴	Member	7/7
Elisa VLERICK ⁵	Member	7/7
Carla SINANIAN ⁶	Member	7/7

1 in his capacity as Permanent Representative of THIJS JOHNNY BV

2 in his capacity as Permanent Representative of LUBIS BV

3 in his capacity as Permanent Representative of CARPE VALOREM BV

4 in her capacity as Permanent Representative of IMRADA BV

5 in her capacity as Permanent Representative of MOROXCO BV

6 until 12/1/2022

2.2.6 The Executive Management

The Board of Directors has entrusted the day-to-day management of the company to its Managing Director and Chief Executive Officer, "OLIVIER CHAPELLE" SRL/BV, located in 1180 Brussels, Avenue de la Sapinière 28, represented by its General Manager and permanent representative, Mr. Olivier CHAPELLE.

The Managing Director is assisted by the Management committee, of which the members (for the period 2021 to present) are indicated in the following list:

Name	Function
Olivier CHAPELLE ¹	Chief Executive Officer
Ralf BECKER	Group General Manager Insulation
Betty BOGAERT	Chief Information & Digitalisation Officer
Jean-Pierre DE KESEL ²	Chief Sustainable Innovation Officer
François DESNÉ	Group General Manager Engineered Foams
Rob NIJSKENS ³	Chief Human Resources Officer
François PETIT ⁴	Chief Procurement Officer
Jean-Pierre MELLEN ⁵	
Dirk VERBRUGGEN ⁶⁻⁷⁻⁸	Chief Financial & Legal Officer

¹ In his capacity as permanent representative of OLIVIER CHAPELLE SRL

² until 31/3/2022 in his capacity as permanent representative of SUSTAINALOGIC BV

³ as of 01/03/2021

⁴ until 31/3/2022

⁵ until 31/8/2021 Chief Financial Officer and until 31/12/2021 Member of the Management Committee

⁶ from 1/4/2021 in his capacity as permanent representative of ROFFOELKIN BV

⁷ until 31/8/2021 General Counsel & General Secretary

⁸ from 1/9/2021 Chief Financial & Legal Officer

On 31 August 2021 Mr. Jean-Pierre Mellen resigned as the Chief Financial Officer to be succeeded by Mr. Dirk Verbruggen (in his capacity as the permanent representative of ROFFOELKIN BV) on 1st September 2021 who will act in the capacity of Chief Financial & Legal Officer from this date on. Mr. Jean-Pierre Mellen remains a member of the management committee until 31 December 2021 and will remain to provide support for special assignments until August 2022.

On 1st March 2021 Rob Nijskens took over as the Chief HR Officer from Bart Massant.

The Management committee has an advisory role vis-à-vis the Board of Directors as a whole and is not an executive committee in the sense of article 7:104 of the Belgian Companies and Associations Code.

2.2.7 Remuneration report for financial year 2021

2.2.7.1 Introduction

a 2021 business results

- The year 2021 delivered very positive sales and profitability developments. The Net sales increased by 67% from EUR 616.9 million to 1,032.8 million, thanks to the contribution of Foam Partner and also strong organic growth. The Adjusted EBITDA increased by 145.9%, from EUR 44.4 million to 109.2 million.
- The Insulation and Engineered Foams businesses performed very well in a very volatile environment. Pricing was continuously adapted to incorporate the tight supply of raw materials and the increase of other costs such as transportation, labour and energy.
- Moreover, lockdowns or mobility restrictions in countries such as Germany, the Netherlands and Austria, coupled with direct or indirect supply chain shortages (microchips) have added further challenges to the business environment.
- Major organisational changes took place in the course of the year: the foreseen acquisition and the integration of FoamPartner, the planned divestment of the Bedding activities, and the divestment of the Engineered Foams business segment following the unsolicited takeover bid by Greiner AG.

b 2021 remuneration outcomes

- The remuneration levels reflect the solid profitability and free cash flow levels of Recticel in 2021, together with the successful implementation of the foreseen organisational changes such as the acquisition and integration of FoamPartner, and the divestment of the Bedding division.

Annual bonus awards

In accordance with our policy, Group Consolidated Net Cash Flow before dividends and Adjusted EBITDA are key drivers to determine the level of the annual bonus awards.

- The level of Consolidated Net Cash Flow reached by the Group generated a pay out at the maximum (125% of the pay out opportunity).
- The level of Group Adjusted EBITDA was above target and generated a pay out of 125% of the pay out opportunity. For the Business Lines Bedding, the level of Adjusted EBITDA that was achieved did not trigger a bonus pay out. For Engineered Foams and Insulation, the pay out is 99.5% and 125% respectively.

Further details are provided in the “STI” section of this report.

Stock options - The 2017 stock option grant vested on January 1, 2021. Another grant was made in May 2021 at a strike price of EUR 12.44.

Management Committee membership – On 1st September 2021, Dirk Verbruggen was appointed Chief Financial Officer and Chief Legal Officer, in replacement of Jean-Pierre Mellen. On 1st March 2021, Rob Nijskens took over from Bart Massant as Chief HR Officer.

c Shareholder engagement

The Annual General Meeting held on 25th May 2021 approved the 2020 remuneration report with 73.37% of shareholder 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.

d Looking ahead

Considering the strategic reorientation of the Group and the foreseen divestments of the Bedding and Engineered Foams Divisions, the Board of Directors, upon recommendation of the Remuneration and Nomination Committee, decided to adjust the performance criteria to award bonuses for performance year 2022.

For Group General Managers, the Group Net Cash Flow will be replaced by the Free Cash Flow of their respective Division. For the other members of the Management Committee, it will be replaced by the Free Cash Flow of the Insulation business line, and the Group Adjusted EBITDA will be replaced by the Adjusted EBITDA of the Insulation business line.

In addition, in order to further embed the deployment of our sustainability strategy across the organization, the bonus award will also depend on the accomplishment of an ESG objective that will be determined for each division.

2.2.7.2 Our Remuneration Policy at a glance

The remuneration policy was reviewed and validated by the Remuneration Committee on February 25, 2019 and approved by the Board of Directors on February 27, 2019. The policy was adopted during the General Meeting of Shareholders on May 28, 2019 and became effective as of January 1, 2019. 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 new Corporate Governance Code 2020.

a Directors

Per policy terms, Directors receive a fixed fee / retainer and an attendance fee, whereas Committee Members receive attendance fees.

Directors	Board		Committee	
	Chair	Member	Chair	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.

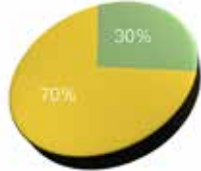
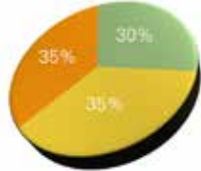
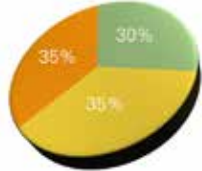
Executive Directors are remunerated in accordance with the remuneration policy for the members of the Management Committee and any director fees paid to the Executive Directors are deducted from the remuneration received as a member of the Management Committee.

The level and structure of remuneration paid to the Directors is regularly assessed against "BEL Mid" market practice.

b Management Committee

The level as well as the structure of the remuneration of the Management Committee members is reviewed annually by the Remuneration and 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.

Element	Operation and performance criteria
Base Pay	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, including hospitalization, 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.
One-Year Variable (STI)	<p><u>Operation:</u></p> <ul style="list-style-type: none"> - For threshold performance: the bonus pay-out will be nil. - For target performance: the bonus pay-out will be 75% of base pay for the CEO and 37.5% for the other Management Committee members. - For maximum performance: the bonus pay-out will be 117.5% of base pay for the CEO. For the other Management Committee members, it is 58.00% or 58.75% depending on whether they head a Business Line or a Function - No deferral policy is applicable. <p><u>Performance criteria:</u></p> <p>The annual bonus is linked to both collective targets (both at group and divisional level, the latter only for positions with a divisional scope) and personal targets. Collective objectives are all quantitative and financially driven (e.g. Net Cash Flow, Adjusted EBITDA, ...). Personal objectives include at least one target related to sustainable development.</p> <p>For performance year 2021, the Board of Directors decided that the same performance criteria as the ones used in 2020 (Group Consolidated Net Cash Flow before dividends, and Group and Business Line Adjusted EBITDA) must be used in the same proportions to award bonuses.</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p>CEO & Other Members of the Management Committee</p>  <p>■ Collective ■ Personal</p> </div> <div style="text-align: center;"> <p>Group General Managers</p>  <p>■ Combined Group Net Cash Flow ■ Business Line Adjusted EBITDA ■ Personal Objectives</p> </div> <div style="text-align: center;"> <p>Other Management Committee Members</p>  <p>■ Combined Group Net Cash Flow ■ Group Adjusted EBITDA ■ Personal Objectives</p> </div> </div> <p>Article 7:91 of the Belgian Companies and Associations Code prescribes the need to spread variable remuneration payments over a three year period in case certain thresholds are passed. The 25% threshold was passed in the case of the Managing Director and CEO, Olivier Chapelle SRL, represented by Olivier Chapelle. Hence the Board of Directors proposed to the 2021 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 2021 General Shareholders' meeting.</p>
Multi-Year Variable (LTI)	The long-term incentive plan is granted by means of stock options. Options granted in 2021 cannot be exercised before 1st January 2025, nor can they be exercised later than 11th May 2028.
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 to apply a higher number of months.
Pension	Members of the Management Committee employed in Belgium before 2003 are included in the Recticel Group Defined Benefit Plan, members hired externally since 2003 are included in the Recticel Group Defined Contribution Plan.
Contract	The CEO and two other members of the Management Committee provide services through a management company.
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 5 years, preferably by keeping part of the stocks that they purchase under the existing stock option plan.

On 1st March 2021, Rob Nijskens joined the Management Committee as Chief HR Officer. Rob Nijskens is employed in the Netherlands. His terms and conditions follow the above policy but in the case of the pension and the other benefits which follow the standards of Recticel in the Netherlands.

2.2.7.3 Remuneration of the Non-Executive Directors

The following table sets out the total remuneration for each Non-Executive Director in 2021, in EUR.

Name of Director	Fixed Fee	Attendance Fees
THIJS JOHNNY BV, represented by Johnny THIJS	30,000	95,000
OLIVIER CHAPELLE SRL, represented by Olivier CHAPELLE	15,000	22,500
COMPAGNIE DU BOIS SAUVAGE SERVICES SA, represented by Benoit DECKERS ¹	15,000	27,500
COMPAGNIE DU BOIS SAUVAGE SA, represented by Frédéric VAN GANSBERGHE ²	15,000	20,000
IMRADA BV, represented by Ingrid MERCKX	15,000	47,500
CARPE VALOREM BV, represented by Kurt PIERLOOT	15,000	42,500
MOROXCOCO BV, represented by Elisa VLERICK	15,000	37,500
LUBIS BV, represented by Luc MISSORTEN	15,000	62,500
Carla SINANIAN ³	15,000	37,500

¹ Until 23/2/2022 in his capacity as Permanent Representative of COMPAGNIE DU BOIS SAUVAGES SERVICES SA.

² Until 23/2/2022 in his capacity as Permanent Representative of COMPAGNIE DU BOIS SAUVAGE NV.

³ Until 12/1/2022

2.2.7.4 Remuneration of the Management Committee Members

a Total Remuneration

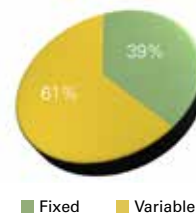
An overview of the total remuneration of the CEO and the other members of the Management Committee in 2021 can be found in the table below.

Incumbent name	1 – Fixed Remuneration		2 – Variable Remuneration		3 – Extraordinary items	4 – Pension Expense	5 – Total Remuneration (1+2+3+4)	Proportion of fixed and variable remuneration	
	Base Pay	Other Benefits	One-Year Variable	Multi-Year Variable				Fixed (1+4)/(5-3)	Variable (2)/(5-3)
OLIVIER CHAPELLE SRL represented by Olivier CHAPELLE (CEO) ¹	€ 590,000	€ 965	€ 693,250	€ 223,200	NA	NA	€ 1,507,415	39%	61%
Other Members of the Management Committee ²	€ 2,292,656	€ 184,801	€ 1,176,478	€ 651,000	NA	€ 217,540	€ 4,522,475	60%	40%

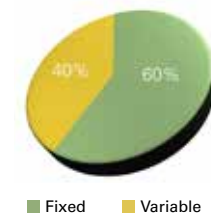
¹ Only the CEO receives fees as Executive Director. These are deducted from the base pay. Fees therefore are not presented in a separate column in the table above.

² The table includes Jean-Pierre Mellen as CFO until 31st August 2021, Dirk Verbruggen as Chief Financial & Legal Officer as of 1st September 2021, Bart Massant as CHRO until 28th February 2021 and Rob Nijssens as CHRO as of 1st March 2021.

Proportion of fixed and variable remuneration - CEO



Proportion of fixed and variable remuneration - Other



b Fixed remuneration

Base pay	+	Other Benefits
Fixed Remuneration		

Base pay

The table below shows the base pay actually paid in 2021 to the CEO and the other members of the Management Committee and how it compares to 2020.

Incumbent Name	2021	2020 without pay cut ³	2021 vs. 2020	2020 with pay cut ³
OLIVIER CHAPELLE SRL represented by Olivier CHAPELLE (CEO and Group General Manager Bedding) ¹	€ 590,000	€ 570,000	103.5%	€ 529,095
Other Members of the Management Committee ²	€ 2,292,656	€ 2,229,551	102.8%	€ 2,073,116

¹ The base pay levels for OLIVIER CHAPELLE SRL include the fees received as a Member of the Board of Directors (EUR 37,500 in 2021).

² The table includes Jean-Pierre Mellen as CFO until 31st August 2021, Dirk Verbruggen as Chief Financial & Legal Officer as of 1st September 2021, Bart Massant as CHRO until 28th February 2021 and Rob Nijsskens as CHRO as of 1st March 2021.

³ While a large part of the workforce was impacted by the system of temporary unemployment due to the Covid pandemic, Recticel implemented a pay cut of 30% for the members of its Management Committee during the second quarter of 2021.

Other benefits

The amounts mentioned in the column “Other benefits” in the total remuneration table in section 2.1.7.4. a) relate to the following benefits: insurances (death, disability, medical), company car (leasing costs), fuel costs, mobile phone costs and schooling costs, and exclude pension.

c Variable Remuneration

One-year variable	+	Multi-year variable
Variable Remuneration		

STI (“One-Year Variable”)

2021 Performance against Targets.

The achievement of the performance targets was measured during a period of time that started on 1st January 2021 and ended on 31st December 2021. As per our remuneration policy, the evaluation of the CEO's performance was done by the Remuneration and 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 discusses this with the Remuneration and Nomination Committee before presenting a proposal to the Board of Directors.

STI pay out for the performance year 2021

Beneficiary	STI Objectives		% Weight	Actual Pay Out (% base salary)	Actual Amount
CEO	Collective Objectives	Group Consolidated Net Cash Flow before dividends	35.00%	43.75%	€ 258,125
		Adjusted EBITDA (Group)	35.00%	43.75%	€ 258,125
	Personal objectives		30.00%	30.00%	€ 177,000
	Total		100.00%	117.5%	€ 693,250
Other members of the Management Committee	Collective Objectives	Group Consolidated Net Cash Flow before dividends	35.00%	21.88%	€ 462,865
		Adjusted EBITDA (Business Line or Group, depending on role)	35.00%	21.32%	€ 447,823
	Personal objectives		30.00%	12.70%	€ 265,790
	Total		100.00%	55.90%	€ 1,176,478

LTI (“Multi-Year Variable”)

(i) Grant made in 2021

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: 1.48%, interest rate: 0.00001%, and volatility 34%). For the grant in May 2021, the value amounted to EUR 2.29/warrant.

Name of Director (position)	Number of options granted	Strike Price	Total Theoretical Value at Grant
OLIVIER CHAPELLE (Chief Executive Officer & Group General Manager Bedding)	120,000	€ 12.44	€ 274,800
Ralf BECKER (Group General Manager Insulation)	30,000	€ 12.44	€ 68,700
François DESNE (Group General Manager Engineered Foams)	30,000	€ 12.44	€ 68,700
Betty BOGAERT (Chief Information & Digitalisation Officer)	30,000	€ 12.44	€ 68,700
Jean-Pierre DE KESEL (Chief Sustainable Innovation Officer)	30,000	€ 12.44	€ 68,700
Jean-Pierre MELLEN (Chief Financial Officer) ¹	30,000	€ 12.44	€ 68,700
Rob NIJSSENS (Chief Human Resources Officer) ²	30,000	€ 12.44	€ 68,700
François PETIT (Chief Procurement Officer)	30,000	€ 12.44	€ 68,700
Dirk VERBRUGGEN (Chief Financial & Legal Officer)	30,000	€ 12.44	€ 68,700

¹ Member of the Management Committee until 31st August 2021.

² Member of the Management Committee as of 1st March 2021.

(ii) 2021 Vesting

The following stock options, relating to the April 2017 grant, vested on January 1st, 2021.

Name of Director (position)	Number of options vested	Strike Price	Share Price at Vesting	Value at Vesting
OLIVIER CHAPELLE (Chief Executive Officer & Group General Manager Bedding)	60,000	€ 7.00	€ 10.72	€ 223,200
Ralf BECKER (Group General Manager Insulation)	25,000	€ 7.00	€ 10.72	€ 93,000
Betty BOGAERT (Chief Information & Digitalisation Officer)	25,000	€ 7.00	€ 10.72	€ 93,000
Jean-Pierre DE KESEL (Chief Sustainable Innovation Officer)	25,000	€ 7.00	€ 10.72	€ 93,000
François DESNE (Group General Manager Engineered Foams)	25,000	€ 7.00	€ 10.72	€ 93,000
Bart MASSANT (Chief Human Resources Officer)	25,000	€ 7.00	€ 10.72	€ 93,000
Jean-Pierre MELLEEN (Chief Financial Officer) ¹	25,000	€ 7.00	€ 10.72	€ 93,000
Dirk VERBRUGGEN (Chief Financial & Legal Officer)	25,000	€ 7.00	€ 10.72	€ 93,000

¹ Member of the Management Committee until 31st August 2021.

Notes: Rob Nijskens was appointed as Chief Human Resources Officer on 1st March 2021. No stock option grant was made to him in 2017 and no options vested in 2021.

d Extraordinary items

There are no extraordinary items to be reported in 2021.

e Pension expenses

Name of Director (position)	Pension expense
OLIVIER CHAPELLE SRL, represented by Mr. Olivier CHAPELLE, Chief Executive Officer	Included in fee
Other Members of the Management Committee	€ 217,540

For Members of the Management Committee other than the CEO, Recticel reports the actual contributions paid into the plan for DC plan beneficiaries. For DB plan beneficiaries, Recticel reports the service cost as the plan is a collective plan.

f Additional disclosure

- Recticel did not apply any clawback provisions during the year under review.
- The level of shareholding of the non-executive directors on 31st December 2021 is displayed in the table below.

Level of shareholding of the non-executive directors

Director	Number of shares
Johnny Thijs	22,949
Olivier Chapelle	272,598
Benoit Deckers	2,700
Compagnie du Bois Sauvage	15,094,410
Ingrid Merckx	0
Luc Missorten	0
Kurt Pierloot	0
Frédéric Van Gansberghe	0
Elisa Vlerick	0

- The following table shows the level of shareholding of the CEO and the other members of the Management Committee. It shows that the actual level of shareholding of the CEO and of the other Members of the Management Committee is higher than the policy requirement.

Level of shareholding of the management committee members

Shareholding	Number of shares held on 31 December 2021	Value of the stock on 31st Dec 2021	Total value of shares held	Actual level of shareholding (% base pay)	Target level of shareholding (% base pay)
CEO	272,598	€ 17.52	€ 4,775,917	809%	50%
Other Management Committee Members	152,842	€ 17.52	€ 2,677,792	133% on average	50%

The fulfilment of the shareholding guideline by the CEO and each Other Management Committee Member is determined by comparing the value of the number of shares held on 31st December 2021 to 50% of their annual base pay on 31st December 2021. The value of the shares held is obtained by multiplying the number of shares held on 31st Dec 2021 by the closing price of the stock on that date (€ 17.52).

2.2.7.5 Share-based remuneration

The tables below detail 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	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			
OLIVIER CHAPELLE (Chief Executive Officer & Group General Manager Bedding)	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	445,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00				60,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		120,000					460,000	105,000
Ralf BECKER (Group General Manager Insulation)	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	125,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00				25,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	40,000
François DESNÉ (Group General Manager Engineered Foams)	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00	110,000			25,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								-
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	25,000

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	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				
Betty BOGAERT (Chief Information & Digitalisation Officer)	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	125,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00				25,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	40,000
Jean-Pierre DE KESEL (Chief Sustainable Innovation Officer)	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	110,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00				25,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	25,000
Bart MASSANT (Chief Human Resources Officer)	2016 grant	29/04/201	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	85,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00				25,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70							85,000	25,000
Jean-Pierre MELLEEN (Chief Financial Officer)	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	110,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00				25,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	25,000

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	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			
Rob NIJSKENS (Chief Human Resources Officer)	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21	15,000							
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					45,000	-
François PETIT (Chief Procurement Officer)	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73	90,000							
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00								
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								-
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	5,000
Dirk VERBRUGGEN (Chief Financial & Legal Officer)	2015 grant	23/06/2015	01/01/2019	01/01/2019 – 22/06/2021	€ 5.73	135,000					10,000		
	2016 grant	29/04/2016	01/01/2020	01/01/2020 – 28/04/2025	€ 5.73								
	2017 grant	30/06/2017	01/01/2021	01/01/2021 – 29/06/2024	€ 7.00				25,000				
	2018 grant	25/04/2018	01/01/2022	01/01/2022 – 24/04/2025	€ 10.21								
	2019 grant	28/06/2019	01/01/2023	01/01/2023 – 27/06/2026	€ 7.90								
	2020 grant	03/03/2020	01/01/2024	01/01/2024 – 02/03/2027	€ 6.70								
	2021 grant	12/05/2021	01/01/2025	01/01/2025 – 11/05/2028	€ 12.44		30,000					115,000	40,000

2.2.7.6 Termination indemnities

In accordance with his employee status, indemnities were due to Bart Massant and their level was determined in accordance with the remuneration policy of the Group.

2.2.7.7 Derogations

There are no derogations to report for the year 2021.

2.2.7.8 Annual Change in Remuneration and Pay Ratio

a 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 31st Dec 2019 and 31st Dec 2021 against the evolution of Group Consolidated Net Cash Flow before dividends, the Adjusted EBITDA and the Net Profit. The average remuneration of the other employees for the year 2021 will be published in the 2022 remuneration report as the data are not available at the time of the publication of this report.

Annual change in remuneration

	2021	2020	2019	2021 vs. 2020	2020 vs. 2019
Total remuneration of the CEO (in EUR) ¹	1,507,415	1,216,383	895,466	124%	136%
Average total remuneration of the other members of the Management Committee (in EUR) ^{1/2}	589,632	473,056	440,578	125%	107%
Average total remuneration of the other employees (in EUR)	59,876	57,653	59,508	104%	97%
Group Net Cash Flow before dividends (in mio EUR) ³	54.9	197.1	23.6	28%	835%
Group Adjusted EBITDA (in mio EUR) ⁴	118.6	58.8	114.7	202%	51%
Net Profit (share of the Group, in mio EUR)	53.5	63.1	24.7	85%	255%
Sustainability KPIs	See separate sustainability report.				

Notes

¹ The data takes into account the 30% pay cut implemented in the second quarter of 2020 against the background of the COVID pandemic. From 2019 to 2020, the increase reported for the CEO is mainly due to the fact that in 2019 the level of Group Adjusted EBITDA did not generate a bonus pay out. For some of the other Management Committee members heading a Business Line, the level of Adjusted EBITDA that was reached for their Business Line in 2019 generated a pay out. From 2020 to 2021, the difference is explained by the pay cut implemented in the 2d quarter of 2020 and the increase of the share price.

² The remuneration of the Management Committee members (excl. CEO) is presented as a Full Time Equivalent average: the total remuneration paid during that year divided by the number of Full Time Equivalent Management Committee members in that year.

³ The Group Net Cash Flow before dividends is expressed on a Consolidated basis for the year 2019. It is expressed on a consolidated basis as of year 2020. The important year-on-year variation of the Group Net Cash Flow between 2019 and 2020 is due to the proceeds of the divestments of the Automotive Division and of the participation in the joint venture with Eurofoam in the first half of 2020.

b Pay Ratio

The pay ratio compares the highest remuneration of the Management Committee (that is the remuneration of the CEO) with the lowest Remuneration at Recticel NV. On 31st December 2021, the highest remuneration was 45 times the lowest remuneration; this is a pay ratio of 45:1.

2.2.8 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 Recticel NV's policy on related party transactions that are not governed by the legal conflict of interest scheme. The application of this policy is explained hereafter.

During the year 2021, two conflicts 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 2021.

Reference is made here to the statutory annual report, which contains an extract of the minutes of the concerned board meetings in this regard.

2.2.9 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 Recticel's Corporate Governance Charter as well as in the new Dealing Code which has been adopted by the Board of Directors and published on the website of Recticel (www.recticel.com).

These measures include the implementation of restrictions on the execution of transactions («closed periods») applicable since 2006.

Mr. Dirk VERBRUGGEN was appointed as Compliance Officer, responsible for monitoring the observance of these regulations

2.2.10 Diversity policy

Recticel strives to create a community where everyone is included and respected, bringing people together for a better world. We believe that a diverse team improves the quality of decision making, and ultimately improves overall performance.

Recticel has currently not established a formal specific diversity policy, but is an equal employer in all aspects of recruitment and selection, and is committed to a fair and consistent approach to recruitment and selection. Recticel works actively to develop a positive employer image amongst the internal and external stakeholders. Recticel commits to hire all candidates irrespective of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation or hours of work.

Recticel also commits to offering learning opportunities to all employees irrespective of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation or hours of work.

Recticel is proud to be present in 20 countries, with employees of different nationalities.

Currently one woman is represented in the Management Committee. Furthermore, one third of the members of the Board of Directors is a woman, in accordance with article 7:86 of the Companies and Associations Code.

The selection process of the members of the Board of Directors is described in the Corporate Governance Charter of Recticel, with the aim to come to a composition that is diverse in all its aspects, both at the level of gender, background, professional experience, competence and education.

2.2.11 Relationships with the reference shareholders, other elements related to possible public takeover bids and others

Here follows the overview of the shareholders who, under the statutes of the law, have addressed a notification to the company and to 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 balancesheet date ²
Own shares	13/05/2015	326,800	0.61%	0.58%	0.00%
KBC Asset Management NV	19/03/2022	1,648,964	3.01%	2.94%	2.96%
Janus Henderson Group Plc	11/01/2022	2,763,803	4.94%	4.93%	4.96%
Greiner AG	03/01/2022	2,446,678	4.37%	4.36%	4.39%
Baltisse NV	03/01/2022	12,647,732	22.60%	22.56%	22.70%
Public	Not applicable	36,221,943		64.62%	65.00%
TOTAL (EXCLUDING OWN SHARES)		55,729,120			100.00%
TOTAL (INCLUDING OWN SHARES)		56,055,920		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 56.055.920 existing shares per 30 March 2022 based upon the information the Company has received from its shareholders per 30 March 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.

The company has not concluded a relationship agreement with the main shareholder BALTISSE NV in accordance with principle 8.7 of the Corporate Governance Code 2020, as there is a sufficient line of representation of the main shareholder through its representation within the Board of Directors.

The capital structure, with the number of shares and warrants of the company can be found in the chapter "Information on the Share" on the Recticel website (www.recticel.com).

An amendment of the articles of association of Recticel can only be obtained, following the special majorities of 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 his or her 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 agreements, 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 SA/NV:

- The “Amendment and Restatement Agreement, as agreed on 25 February 2016 between Recticel SA/NV and Recticel International Services NV on the one hand and ING Belgium SA/NV, BNP Paribas Fortis SA/NV, Commerzbank Aktiengesellschaft, Filiale Luxembourg and KBC Bank NV on the other hand, for an amount of EUR 175,000,000, whereby, in case of a change of control over the Company, or over a subsidiary that is also an obligor under the amendment and restatement agreement, each of the banks participating in the Facility will have the right to request prepayment and cancellation of their respective Facility commitment, and if banks representing a special majority of the total Facility amount request such, then the total Facility will have to be prepaid and cancelled. This agreement completes and modifies the “Facility Agreement” for an amount of

175,000,000 EUR as signed on 9 December 2011 between the aforementioned parties.

- The Recticel Group's Stock Option Plans of April 2014, June 2015, April 2016, June 2017, April 2018, June 2019 (warrant plans April 2014, June 2015, April 2016, June 2017, April 2018, June 2019, March 2020, May 2021) issued by the Board of Directors Administration that 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, 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 Recticel's General Shareholder Meeting or will be submitted for approval at the General Meeting on 31 May 2022.

In line with article 7:151 of the Belgian Companies and Associations Code, for such a clause to take effect 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.

The Board of Directors does not currently have any authority to issue shares. The Board of Directors is authorized 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 authorization is valid until July 17, 2022.

2.2.12 Statement on non-financial information.

The statement on non-financial information in accordance with article 3:6, §4 of the Belgian Companies and Associations Code has been enclosed to the statutory annual report of Recticel NV/ SA and the consolidated annual report of the Recticel Group.



2.3

Non-financial information statement

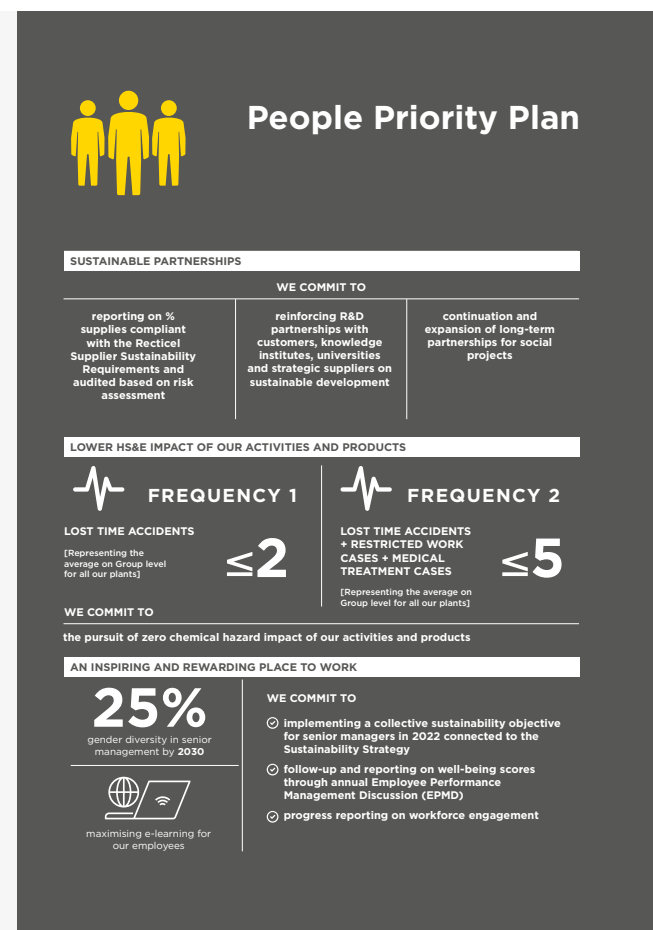
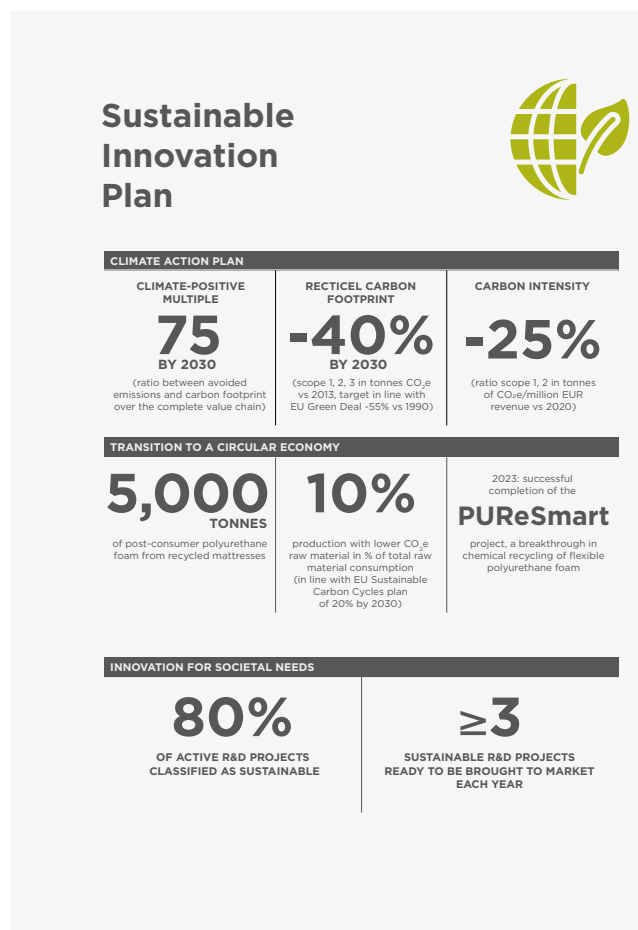
2.3.1 Introduction

First sustainability strategy and roadmap 2015 – 2020

Recticel's sustainability journey started in 2013 with the Management Committee's declaration to put sustainability at the forefront of the Group strategy. A company-wide project was launched to determine how to embed sustainability in its Group and division strategy. After stakeholder consultation, this resulted in a 2015 – 2020 roadmap focusing on six material aspect clustered in a **Sustainable Innovation Plan** and a **People Priority Plan**. A key performance indicator and 2020 target was selected for each material aspect.¹ In 2015, the sustainability strategy was embedded in the Recticel Group strategy.

Renewed sustainability roadmap 2021 - 2025

As part of the revision process of our sustainability strategy and in view of preparing our second roadmap, we consulted our internal stakeholders and conducted multi-actor stakeholder engagements with customers, suppliers, knowledge institutes, universities and authorities end of 2020, early 2021. This annual report covers the renewed sustainability roadmap's material aspects, KPIs (Key Performance Indicators) and targets for 2021 – 2025. 11 KPIs and 8 commitments have been selected to turn our sustainability ambitions into actionable goals.



¹ See [Recticel website](#) for more information

Reporting

Since 2015, we report every year on our progress against our targets. The first two years in separate sustainability reports, since 2018 in our annual report in which we integrated the reporting on non-financial information such as **environmental, social, human rights, anti-bribery and anti-corruption topics**. The information about diversity is available in our **Corporate Governance Statement**.

The reporting over 2021 was prepared using the recommendations of the GRI (Global Reporting Initiative) Standards, option Core. It is aligned with the Non-Financial Reporting Directive as well as the EU Taxonomy Regulation.

Limited assurance

Since 2017, a limited assurance is performed by an independent auditor. Over 2021 this includes 10 KPIs covering five material aspects.²

Scope

On 31 December 2021, the Recticel Group consisted of 53 locations with 5,145 employees in 21 countries (including pro rata joint ventures). For this reporting, the 40 fully-owned Recticel subsidiaries employing 4,103 people in 19 countries are in scope (excluding pro rata joint ventures and 12 former FoamPartner sites integrated within the Engineered Foams business line as of 31 March 2021).

Strategic overhaul of the Group

On 17 November 2021, Recticel announced that it has signed a binding agreement to divest its Bedding business line to Aquinos, a Portuguese privately owned industrial group. Aquinos a dedicated player in the European bedding and furniture markets with strong commercial and industrial capabilities to leverage the potential of our Bedding brands, technologies, locations and teams. The closing was completed on 31 March 2022³. Since then, the Recticel Group consists of 3,556 employees operating in 43 locations in 19 countries (including pro rata joint ventures).

On 7 December 2021, Recticel announced that it had signed a deal with Carpenter, one of the world's largest producers of foam products, for the sale of its Recticel Engineered Foams business line. The synergies between the Recticel Engineered Foams business and Carpenter's foams business will result in one of the world's largest vertically integrated manufacturer of polyurethane foams and specialty polymer products. The closing is expected around mid-2022.

From now on, Recticel will focus exclusively on its Insulation activities, presenting excellent growth prospects in a high-value added business segment driven by climate change. It perfectly illustrates our sustainability motto to grow together with our stakeholders towards a PUre future. The acquisition of Trimo⁴, one of Europe's leading providers of sustainable premium insulated panels for the building industry, announced on 22 March 2022, is a key step in our growth direction.

2.3.2 Activities of the company

Recticel is an international industrial player with an ambitious goal: to take the daily experience of comfort to a new level in quality and innovation. We rely on our expertise in the transformation of polyurethane chemistry to meet customer and societal challenges responsibly, and to generate added value for our clients, shareholders, partners and employees.

For a further description of the activities of Recticel and the strategic overhaul of the Recticel Group, reference is made to **'1. A new future built on sustainable innovation'**.

² See **'Summary Table'**

³ See **Recticel completes the sale of its Bedding activities to Aquinos Group | Recticel**

⁴ See **Recticel expands its insulation activities with the acquisition of the insulated panel specialist Trimo | Recticel**

2.3.3 A strategy for sustainability: Growing together towards a P*U*re future

2.3.3.1 Recticel's ambition

Recticel's ambition is to lead the transition to a circular economy and a low-carbon society within our industry. *Growing together towards a P*U*re future* expresses our firm commitment to reducing any negative effects of our activities and to optimising Recticel's positive impact across the value chain, from raw materials sourcing to product manufacturing, consumption and end-of-life.

Since 2013, sustainable innovation is a key driver at the heart of our Group strategy. It was created to respond to key societal challenges, such as climate change, energy conservation, CO₂ reduction, well-being for and an aging and increasing population. Sustainability shapes our portfolio strategy and our innovation priorities, and as a result, it nourishes our long-term competitiveness. The long-term needs and challenges of our sectors and our society are our compass.

2.3.3.2 Focus on innovation and people – six important aspects

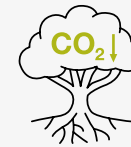
Innovation and people are key in achieving our ambitions. Our company will create more shared value through innovation focused on societal needs and aligned with stakeholder expectations.

Our sustainability strategy has always been built on two pillars: **Sustainable Innovation Plan** and **People Priority Plan**, bringing together our most important or material aspects.

Sustainability shapes our innovation priorities and product portfolio strategy and is the main driver behind all our research and development efforts. Every day, through technological advances, we renew our commitment to finding responsible solutions to challenges such as climate change, transitioning to a circular economy and low-carbon society, as well as increasing well-being.



SUSTAINABLE INNOVATION PLAN



Climate Action
Plan



Transition to a
circular economy



Innovation for
societal needs



PEOPLE PRIORITY PLAN



Sustainable
partnerships



Lower HS&E impact
of our activities & products



An inspiring and
rewarding place to work

Our path to circularity

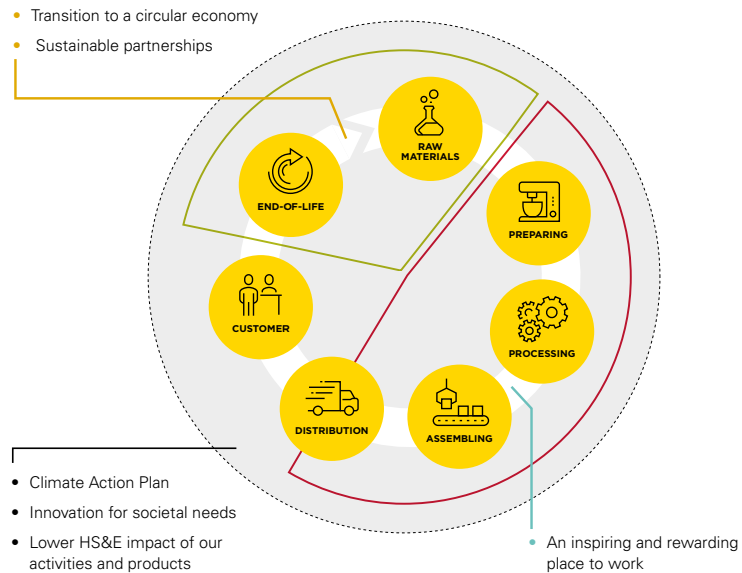
Our products are predominantly, though not exclusively, based on polyurethane (PU). This versatile material allows us to develop long-lasting high-quality and durable solutions that promote comfort in our daily life such as insulation panels or mattresses.

From the start of the sustainability strategy in 2015, Recticel put the challenge of readying polyurethane for the circular economy front and centre. Through clear focus and long-term R&D partnerships across our value chain, we have laid the foundations for our two paths to circularity. Mechanical recycling, or re-using end-of-life polyurethane and transforming it into a new value-added product, and chemical recycling or breaking down end-of-life polyurethane to its original chemical building blocks and transforming them endlessly into virgin polyurethane.

Engaging our stakeholders

Sustainability leads to change and helps us to retain and motivate our people and attract the best talent to help us achieve our ambitions. Long-term partnerships with suppliers, customers, research institutes and non-governmental organisations are essential in realising changes along our value chain to contribute to a better tomorrow.

SPHERE OF INFLUENCE



Sustainability is considered **along our entire value chain**, from raw material sourcing to product manufacturing, consumption and end-of-life. We take responsibility for our own in-company activities and for those within our sphere of influence, upstream as well as downstream.

Recticel supports the **Sustainable Development Goals (SDG)** launched in 2015 by the United Nations. This universal set of targets and indicators is designed to help countries and end poverty, protect the planet and ensure global prosperity as part of a new sustainable development agenda. By upholding recognized standards and principles on human rights, labour, the environment and anti-corruption, business makes an essential contribution to the SDGs.

Recticel has identified six SDGs that are most impactful, relevant and strategically embedded in our company's sustainability strategy:



European Green Deal

The European Green Deal is the European Commission's plan to make the EU's economy sustainable by turning climate and environmental challenges into opportunities and making the transition just and inclusive for all. Recticel fully supports these objectives. Our renewed sustainability strategy 2021 – 2025 will continue to advance the **key policy areas of the European Green Deal**.

Our carbon reduction objectives are in line with the European Union's **greenhouse gas emission reduction target** of -55% reduction by 2030.

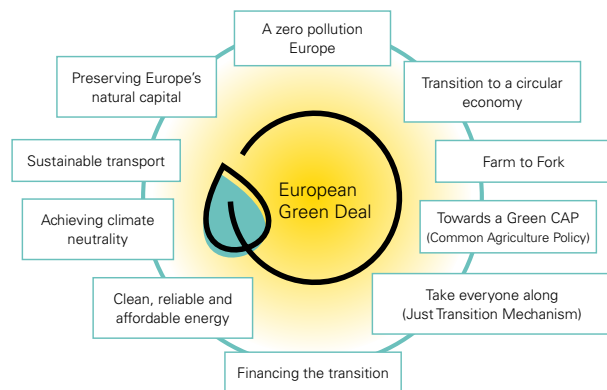
We fully support the **Renovation Wave** plan to renovate buildings, responsible for over a third of EU emissions. While 75% of existing buildings in the EU are considered energy inefficient, only 1% currently undergo renovation each year. Recticel is well-positioned to help address this issue through its high-performance insulation solutions.⁵

We proactively monitor new directives from the **Chemicals strategy** for Sustainability. In our sustainability roadmap for 2025, we commit to the pursuit of zero chemical hazard impact of our activities and our products.

Our target to achieve 10% production with lower-carbon raw materials is aligned with the EU's **Sustainable Carbon Cycles** plan to achieve 20% of carbon used in chemical and plastics products from sustainable non-fossil source by 2030.

New initiatives to promote circular economy processes and sustainable consumption, such as the **Sustainable Products Initiative**, are expected in 2022 to achieve the EU's climate neutrality target. Recticel will continue to engage in partnerships along the value chain to further a circular economy.

For more information about Recticel's eligibility following the EU's **Taxonomy Regulation** for sustainable activities, see '**Taxonomy Eligibility**'.



⁵ See '1. A new future built on sustainable innovation'

2.3.3.3 Sustainable innovation programmes driving the change

Our Sustainable Innovation Department, the strategic R&D Centre of the Group, has been organized since 2016 around three long-term innovation programmes that benefit our customers in their markets: Low Lambda, Silencing, and Fit² next to a Corporate programme:

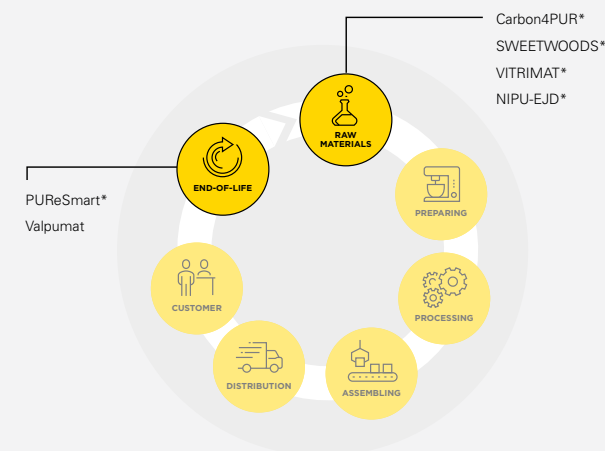


Following the strategic overhaul of the Recticel Group and decision to focus on its insulation activities, the R&D programmes linked to Bedding and Engineered Foams have been transferred to the respective business lines in the course of 2021.

The fourth, or **Corporate Sustainability innovation programme**, is dedicated to exploring new ways to prepare polyurethane for circularity polyurethane, in partnerships with stakeholders, over the entire value chain: from raw materials, to production, to end-of-life.

SUSTAINABLE R&D PARTNERSHIPS

In areas with highest CO₂ impact: raw materials (60%), end-of-life (35%)



* R&D projects funded by



2.3.3.3.1 Raw materials

Innovation and efficiency initiatives have reduced our use of raw materials and are complemented by our choice of lower-carbon raw materials with bio-based or recycled content. In partnership with Covestro, Recticel was in 2018 the first company worldwide to use a CO₂-based polyol in its flexible foam production for products such as mattresses.

Two long-term fundamental R&D projects centred on rigid foam for insulation applications, further illustrate Recticel's commitment to become less dependent on fossil resources:

Carbon4PUR

Carbon capture and utilization is also at the heart of the Carbon4PUR project, a EU Horizon 2020 Research and Innovation Programme project. With Covestro as project coordinator, the consortium of research-oriented industry and application-oriented science has been working together on an interdisciplinary basis since 2017.

The use of process gases from steel industry has been investigated in order to move closer to the goal of climate neutrality. The 14 project partners have focused on expanding the technology platform that Covestro first successfully implemented in 2015 for the **use of CO₂ as new, alternative feedstock for the chemical industry.**

In the Carbon4PUR project, carbon monoxide (CO) derived from steel mill process gases has now also been tapped as a raw material source for circular plastics. CO and various gas mixtures were successfully converted by Covestro in Leverkusen, Germany, into polyols as intermediates for polyurethane. These high-performance materials were upscaled and then tested in rigid foams for insulation boards by

Recticel. The tests demonstrated that the rigid foam insulation boards, partially made with polyol based on the Carbon4PUR technology, are comparable with the market reference in terms of their key technical specifications.

The Carbon4PUR project started on 1 October 2017 with a duration of 36 months. Due to the Covid-19 impact, the consortium decided to extend the project until 31 March 2021.

For more information: <https://www.carbon4pur.eu> or **watch the project's closing video.**



This project has received funding from the European Union's Horizon 2020 Research and Innovation programme under grant agreement N° 768919. The information contained in this document has been prepared solely for the purpose of providing information about the Carbon4PUR consortium and its project. The document reflects only the Carbon4PUR consortium's view, and the European Commission is not responsible for any use that may be made of the information it contains.

SWEETWOODS

SWEETWOODS, a Bio-Based Industries Joint Undertaking (BBI JU) funded project, focuses on **bio-based materials such as wood to replace fossil fuel.** The project aims at demonstrating the successful and profitable production of high-purity lignin, derived from low-quality wood residues and sugars, on an industrial level.

The fractionation technology concept was successfully commissioned in 2021 and further validated by the project coordinator Fibenol

(formerly Graanul Biotech). The first tons of hydrolysis lignin and cellulosic sugars have been delivered to the project partners for application trials and further modification. The whole plant commissioning and industrial supply of high purity hydrolysis lignin and cellulosic sugars is scheduled for 2022.

Recticel is currently evaluating on lab scale which (depolymerised) lignin types are most suitable for incorporation in rigid foam for insulation boards. These will be further upscaled and screened on a semi-industrial scale.

The SWEETWOODS project started on 1 June 2018 with a duration of 36 months. The consortium decided to extend the project until 31 May 2023.

For more information: <https://sweetwoods.eu>



**Horizon 2020
European Union Funding
for Research & Innovation**

SWEETWOODS has received funding from the Bio-Based Industries Joint Undertaking under the European Union's Horizon 2020 Research and Innovation programme, under grant agreement N° 792061. The SWEETWOODS project results presented reflect only the author's view. The Commission is not responsible for any use that may be made of the information it contains.



Since 2020, Recticel also participates in research initiatives funded by the European Commission's **Marie Skłodowska-Curie Actions (MSCA)**. The MSCA help develop training networks and promote staff exchanges. They encourage collaboration and sharing of ideas between different industrial sectors and research disciplines, breaking down barriers between academia, industry and business.

Recticel is proud to be part of two such projects in the field of raw materials:

VITRIMAT

On March 1st, 2020, VITRIMAT started up for a period of three years. The project receives funding from the European Union's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement.

VITRIMAT has the ambition of bridging a critical training gap between cutting-edge European academic research on vitrimers and industrial developments of daily life products. Vitrimers are a **new class of materials combining the best features of thermoplastic and thermoset materials.** VITRIMAT offers a world-class multidisciplinary and inter-sectoral training platform, where PhD students are conducting their PhD research. First research ways are identified and fitted towards industrial applicability.

The project combines the expertise of six academic partners-pioneers in vitrimers and advanced composite materials with one national technical centre and eight industrial partners, including Recticel, that are world leaders in the chemistry adhesives, thermosets and composites for consumer goods, construction and automotive applications.



Horizon 2020 European Union Funding for Research & Innovation

VITRIMAT has received funding from the European Union's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie Grant Agreement N° 860911. This presentation reflects only the author's view. The European Union is not liable for any use that may be made of the information contained herein.

For more information: <https://vitrimat.eu>

NIPU-EJD

On January 1st, 2021, NIPU-EJD started up for a period of four years. The project receives funding from the European Union's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement. NIPU-EJD is a **European Joint Doctorate program aiming at novel Non-Isocyanate PolyUrethanes** and is set up by a consortium formed by seven academic beneficiaries together with eight non-academic partners including Recticel.

The program vision of NIPU-EJD is to create a new generation of high-skilled, creative, entrepreneurial scientists, who will be the future leaders in the development of sustainable non-isocyanate polyurethane (NIPU) systems. NIPU-based systems respond to the urgent needs for sustainability in terms of raw materials innovation, improved safety, production processes and recycling.



Horizon 2020 European Union Funding for Research & Innovation

NIPU has received funding from the European Union's Horizon 2020 research and innovation

programme under the Marie Skłodowska-Curie Grant Agreement N° 955700. This presentation reflects only the author's view. The European Union is not liable for any use that may be made of the information contained herein.

For more information: <http://www.nipu-ejd.eu/consortium/>

2.3.3.3.2 Production

We estimate that raw materials and end-of-life are responsible for respectively 60% and 35% of our carbon footprint. This is where the main focus of our sustainability efforts lies. At the same time, we are also fully committed to reducing the impact of our own production.

Waste reduction

Including sustainability in our production processes reduces our carbon footprint and increases our operational excellence. Together with industrial partners and knowledge institutes, we explore ways to reduce production waste and design products that are eco-friendly and easy to dismantle.

We have developed a **fiber-bonded foam technology** which in a first step allowed us to transform flexible polyurethane foam production waste into acoustic insulation building applications. We have further optimized this technology to be able to process polyurethane originating from end-of-life mattresses. These acoustic insulation panels reduce sound by up to 12 dB while conserving energy.

Energy consumption

Since 2013, we have systematically recorded annual energy costs and consumption data across the Group and have strived to make our operations more energy-efficient. In 2020 we introduced our **Electricity**

Sustainability Roadmap, an ambitious action plan to reduce the CO₂ impact related to electricity usage by 75% in 2025.

We are reaching that target following three paths in parallel:

- Build up and implement an **energy saving plan** at each plant;
- Develop **smart efficient lighting**;
- Selectively implement a number of **solar panels and windmills** projects to generate green electricity.

The Roadmap prioritizes our plants in Europe. The three paths have been defined based on the lessons learned from projects on energy usage that have already been carried out, as well as from extensive energy audits conducted in 19 plants.

The reduction of electricity use by optimizing **lighting** is achieved in close consultation with the local plant teams. This entails replacing current lighting with new, smart installations to find the perfect balance between energy saving (such as automatically dimming the light when sunshine enters the production area) and safe working conditions. So far **57,000 m² have been relighted**, saving 1,280 GWh. More projects are in the pipeline and expected to be rolled out in 2022.

To increase our green energy production, we also explored the opportunities to install **solar panels** and wind turbines at our sites. End 2021, a total of **55,000 m²** of solar panels cover the roofs of Recticel sites. Projects to install another 33,000 m² of solar panels on the ground are currently in the end-phase.

The projects to install wind turbines require a lot of time and consultation. Currently, one project has been submitted to the authorities for approval.

2.3.3.3.3 End-of-life

New mechanical and chemical recycling processes will allow us to recycle valuable end-of-life materials, paving the way for new value-added applications. Mechanical recycling re-uses end-of-life polyurethane and transforms it into a new value-added product, while chemical recycling breaks down end-of-life polyurethane to its original chemical building blocks and transforms these into virgin polyurethane again.

At the beginning of our sustainability roadmap in 2015, we concentrated our R&D efforts on collecting and recycling post-consumer flexible polyurethane foam from products with a lifespan of up to 10 years such as mattresses. With partners along the value chain, we have succeeded in developing solutions to give this valuable material a new life, for example by transforming it into acoustic thermal insulation boards.

In parallel, PUreSmart, a ground-breaking chemical recycling R&D project funded by the EU Horizon 2020 Innovation & Research programme, is showing very promising results and could be a breakthrough for turning flexible polyurethane foam into a fully circular material.

We have now extended our R&D focus to insulation boards which keep their energy-saving properties for up to 50 years. A first study on how to collect and re-use their post-consumer rigid polyurethane foam has been completed. We intend to set up a research project with partners across the value chain to further explore all options.

MECHANICAL RECYCLING

Recticel has engaged in a number of partnerships to set up an effective collection and reuse of end-of-life materials via mechanical recycling.

On January 1st, 2021, the authorities in Belgium introduced the extended producer responsibility (EPR) for mattresses. Recticel is one of the founding fathers of **Valumat**, a Belgian non-profit organization created by actors across the mattress industry, that will carry out the obligations for **collecting and recycling of end-of-life mattresses** in Belgium. The objectives are to achieve 65% collection and 50% re-use or recycling of the materials by 2025. An important role is reserved for eco-innovation and design for circularity. In the course of 2022, a project group within Valumat will focus on these topics. We are also intending to support the mattress collection and recycling initiative in the Netherlands where the EPR scheme will start on January 1st, 2022.

As early as 2013, the French authorities introduced the collection and recycling of mattresses and furniture. **Eco-Mobilier**, the non-profit eco-organisation approved by the French Ministry of Ecology, Sustainable Development and Energy, has been set up to organise the collection, sorting, recycling and reusing of these end-of-life material streams.

Valpumat

Recticel is part of the **Valpumat** project, or Valorization of the PolyUrethane of MATtresses, launched in 2017 by Eco-mobilier. Since 2020, Recticel processes end-of-life foam in one of its plants in France transforming this valuable material into innovative **acoustic insulation solutions** for building and construction, automotive and industry applications.

CHEMICAL RECYCLING

PUReSmart

We are proud to participate in, and be the project leader of, the **groundbreaking PUReSmart chemical recycling project**. The project is funded by the European Union's Horizon 2020 Innovation and Research programme to develop a complete circular product life cycle and turn polyurethane into a truly sustainable material: recover the used material (e.g., mattresses) and turn them into building blocks for existing or new products.

The PUReSmart consortium is an end-to-end collaboration spanning the entire polyurethane reprocessing value chain and gathering nine partners from six different countries. The project aims to breakdown polyurethane into its two building blocks being polyol and isocyanate in an optimized mass balance to have full one to one circularity.

Project partner Covestro, leading producer of advanced polymers and high-performance plastics, has recently started operating a pilot plant for flexible foam recycling at its Leverkusen site to confirm the positive laboratory results achieved to date. The first tests are showing highly promising results on very high yield and selective recovery of the original polyol component and full replacement in new polyurethane formulations.

Pilot tests are ongoing to confirm the equally promising results for the isocyanate component. Covestro's goal here is to industrialize chemical recycling processes for used flexible foams and ultimately to remarket both recovered raw materials.

Despite the ongoing impact of the Covid-19 pandemic, the project team managed to remain on schedule regarding the intermediate project deliverables. In all work packages, breakthrough steps are already made. This will move the whole project far beyond the state-of-the-art. This is also proven by several patents related to the smart chemolysis process and the earlier decision by Covestro of a scale-up from laboratory scale to semi-industrial level on short-term for the chemical recycling process.

The PUReSmart project started in January 2019 and will end in December 2022. More information on the current project status can be found on the **PUReSmart website**.



This project has received funding from the European Union's Horizon 2020 Research and Innovation programme under grant agreement N° 814543. The PUReSmart project results presented reflect only the author's view. The Commission is not responsible for any use that may be made of the information it contains.

European and national initiatives

In 2019, Recticel signed the Declaration of the **Circular Plastics Alliance** which promotes voluntary actions for a well-functioning EU market in recycled plastics. The alliance wants to reach the target of 10 million tons of recycled plastics used to make new products every year in Europe, by 2025. This target was set by the European Commission in its 2018 Plastics Strategy as part of its efforts to boost plastics recycling in Europe.

The Circular Plastics Alliance announced in September⁶ a new roadmap to 2025 including development of an EU-wide monitoring system on recycled plastics; an updated work plan on design-for-recycling covering packaging, construction, agriculture, home appliances that account for over 60% of plastic waste collected in Europe.

Recticel also supports the **Moonshot initiative** launched by the Flemish government in Belgium. In this ambitious industrial innovation programme hosted by Catalisti, Flemish universities, research institutes and industries join hands to develop breakthrough technologies by 2040 to create new climate-friendly processes and products. Recticel has joined the Advisory Board of two Moonshot programmes: **Biobased Chemistry** and **Circularity of Carbon in Materials**.

2.3.3.4 Our climate change strategy

Sustainability has always been at the heart of our activities. Considering the entire value chain, Recticel is a **climate-positive company**. Our thermal insulation solutions for building renovations and new constructions contribute to a low-carbon society. In 2021, **CO₂ emissions avoided by these insulation solutions offset more than 51 times the carbon footprint of all Recticel activities combined**.⁷

From now on, Recticel will focus exclusively on its Insulation activities, presenting excellent growth prospects in a high-value added business segment driven by climate change. It perfectly illustrates our sustainability motto to grow together with our stakeholders towards a P_Ure future. The acquisition of Trimob⁸, one of Europe's leading providers of sustainable premium insulated panels for the building industry, announced on 22 March 2022, is a key step in our growth direction.

Since the launch of our sustainability strategy in 2015, we are committed to not only optimising our positive impact across the value chain but also to reducing at the same time any negative effects of our activities. We renewed our strategy in 2020 and have confirmed, following stakeholder engagement sessions, the three areas in which we can make a significant contribution to **mitigating climate change**. Climate Action Plan; Transition to a circular economy; and Innovation for societal needs have been incorporated in our **Sustainable Innovation Plan with aggressive targets for 2025 and 2030**.⁹

One company alone cannot fulfil these ambitions. We invest in partnerships with stakeholders (suppliers, customers but also industry, authorities, knowledge institutes and universities) along our value chain, often in long-term R&D projects, to shape tomorrow's future.

In 2021, Recticel participated for the first time in the comprehensive **CDP** Climate Change questionnaire. Disclosing is the first step to drive environmental action and provide transparency on how we manage climate related risks and opportunities through a solid risk management process and governance.

CDP awarded Recticel a B (on a scale from A to D-) for climate change disclosure. This positions us among the 33% of companies worldwide that have a B score or higher. CDP particularly recognised the fact that Recticel is leading within its industry on emission reduction initiatives and governance.¹⁰

⁷ The 2021 results expressed in tonnes of CO₂e can be found in the 'Summary Table' at the end of the Non-Financial Information statement

⁸ See **Recticel expands its insulation activities with the acquisition of the insulated panel specialist Trimob**

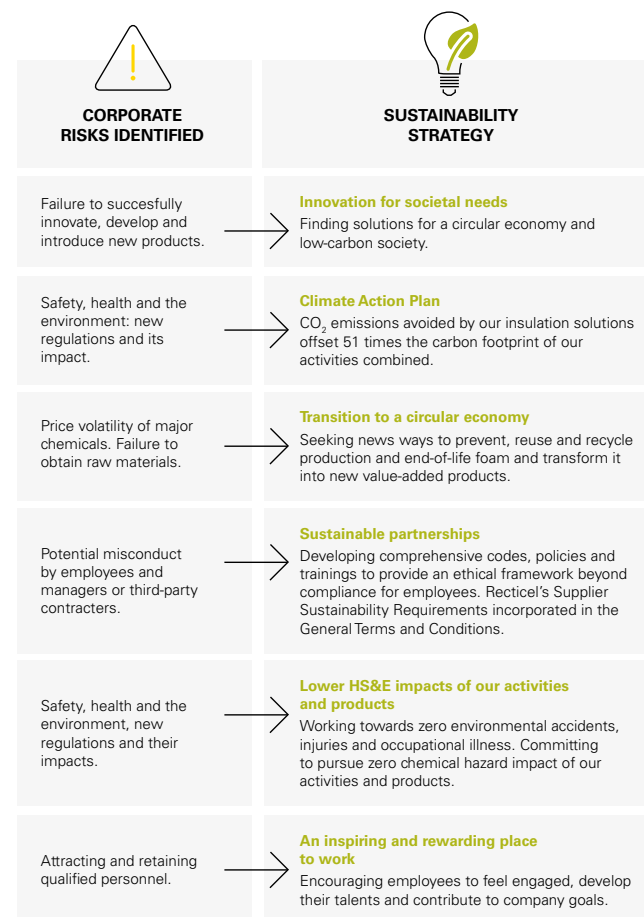
⁹ See **'Recticel Targets & Results'**

¹⁰ See **Our ESG ratings – transparency on our sustainability performance | Recticel**

2.3.3.5 Risk management

Since the beginning of our sustainability journey, we see sustainability as an opportunity to create shared value for the company and society. Our sustainability journey is closely interwoven with the Recticel Group risk management assessment, which enables Recticel to identify, manage and mitigate the main issues that could impact our business.

Assisted by the Audit Committee, the Board of Directors defines the Group's major risks. Placing sustainability at the centre of Recticel's strategy takes these risks into account, and avoids or minimizes any adverse effects of potential risk on the company.



COVID-19

As the COVID-19 pandemic continues, we are taking every precaution to protect our employees, customers, suppliers, shareholders and their families from its impact. A Covid Crisis Team presided by the CEO, comprising the Chief Human Resources Officer, the Corporate HS&E Manager and the HS&E Managers from the business lines, closely monitors the pandemic's evolution and adapts its Group Health & Safety guidelines accordingly.

Since the start of the COVID-pandemic in 2020, Recticel Crisis Response Teams have been activated in every country and are monitoring the situation closely to ensure that the correct actions are taken, in line with Group as well as local guidelines and local legislation.

As a responsible company, we are committed to remaining flexible and responsive to the situation as it evolves, so that we can serve our customers and help communities through the challenges ahead. For more information about how we ensured business continuity, see **'1. A new future built on sustainable innovation'**.

2.3.4 Recticel targets and results

For the six material aspects described hereabove, Recticel defined **clear targets** to be met by 2025 or 2030. These are measured through key performance indicators (KPI). In addition, we also report on our **commitments** on an annual basis.

The summarized overview of our 2021 results can be found in the **'Summary Table'** and in the **'Sustainability Strategy Summary'** followed by the **'Independent limited assurance report'** at the end of this Non-Financial Information statement.

The results relate to the 100% Recticel owned entities. Joint ventures are not in scope. Over 2021, we exclude the former FoamPartner sites integrated as of 31 March 2021 in the Engineered Foams business line.

2.3.4.1 Targets related to the environment

2.3.4.1.1 Climate Action Plan

KPI 1: Climate-Positive Multiple (ratio between avoided emissions and carbon footprint scope 1, 2, 3)¹¹

Target: 75 (by 2030)

Result: 51

We expect that the positive impact due to the growth of the Insulation business will continue. In addition, we will further implement all ongoing actions to reduce our carbon footprint. For 2030, we foresee that, without a change of scope, we would increase our multiple from 51 to 75. After the closing of the divestments of Bedding (completed on 31 March 2022) and Engineered Foams (expected mid-2022), Recticel will become a pure-play insulation company. We estimate that the multiple will then triple to 150 or more by 2030.

KPI 2: Recticel carbon footprint (scope 1, 2, 3 in tonnes of CO₂ equivalent)¹²

Target : Reduction of 40% by 2030 (2013 baseline, target in line with EU Green Deal -55% vs 1990)

Result: 79% (21% reduction versus the 2013 basis)

No fundamental changes in carbon footprint reduction in 2021. We expect to see significant impact when more raw materials with renewable or recycled content become available in larger quantities and when the recycling of post-consumer foam will be more generally implemented.

¹¹ Recticel Carbon Footprint Indicator expressed in tonnes of CO₂ equivalent compared to the 100% activity level in 2013. (scope: production sites). The method of calculation is derived from the Cradle to Grave method.

¹² Using appropriate methods of calculation per type of product and using appropriate conversion factors calculated by a third party

KPI 3: Carbon intensity (ratio between scope 1 and 2, in tonnes of CO₂e/Mio EUR revenue)¹³

Target: Reduction of 25% by 2025 (baseline: 2020)

Result: 17%

We introduced this new KPI in 2021, a year in which we saw a steep price increase of all raw materials (chemical and non-chemical) and of energy costs affecting our suppliers. Recticel has succeeded in factoring these costs into the prices of its products, where necessary. As a result, with comparable sales volumes and energy consumption, revenue increased leading to a 17% reduction in carbon intensity compared to the previous year.

Background

The aim of the 2015 United Nations COP 21 Paris Agreement is to fight climate change by limiting the increase of the global temperature above pre-industrial as much as possible. Recticel contributes to this goal by optimizing its carbon footprint throughout the value chain, alongside its partners.

We focus on introducing raw materials with lower GWP (global warming potential) values as well as lower-carbon impact raw materials, improving the energy efficiency of our activities, and developing more sustainable products and end-of-life solutions that support a circular economy.

We estimate that, in 2021, the **CO₂ emissions avoided by our insulation solutions offset over 51 times** our carbon impact throughout the value chain.

To optimize our carbon footprint, we want to reduce our negative impact and increase our positive impact in a significant way. In line with these goals, we focus on areas in our value chain where the biggest progress in carbon footprint reduction can be made: upstream (raw materials) and downstream (usage and end-of-life phases).

In parallel, we have introduced in 2020 a company-wide electricity sustainability roadmap to reduce the impact of our company's electricity usage by 75% in 2025¹⁴. We measure the success of our efforts through carbon intensity, providing transparency on the scope 1 and scope 1 emissions compared to our sales.

2.3.4.1.2 Transition to a circular economy

KPI 1: Tonnes of post-consumer flexible polyurethane foam produced by Recticel from recycled mattresses

Target: 5,000 tonnes by 2025

Result : 1,864 tonnes

We selected this KPI in 2015 to express our commitment to replacing post-industrial polyurethane (PU) foam with post-consumer PU foam. We initially used a traditional bonded foam technology for products such as carpet underlays. We subsequently succeeded in introducing a new fiber-bonded foam technology to transform post-consumer PU foam into acoustic thermal insulation panels. As of 2021, we only consider post-consumer PU foam and realise a 76% increase compared to 2020. In the course of 2022, we expect to switch to post-consumer PU foam in our bonded foam technology, significantly increasing our volumes and bringing our 2025 target within reach.

KPI 2: Ratio between lower-carbon raw materials¹⁵ and overall raw material consumption

Target: 10% by 2025

Result : We will report on this KPI earliest as of 2023.

End 2018, Recticel was the first company world-wide to introduce Covestro's innovative CO₂ polyol in the flexible foams production of mattresses such as Geltex. We continued our R&D partnerships with our suppliers which will result in the coming years in more lower carbon footprint raw materials. New products will be launched by mid-2022 based on renewable and recycled polyols.

Commitment:

PURSmart project, a breakthrough in chemical recycling of flexible polyurethane foam

We are proud to support, and be the project leader of, the **groundbreaking PURSmart chemical recycling project**. The project is funded by the European Union's Horizon 2020 Innovation and Research programme to develop a complete circular product life cycle and turn polyurethane into a truly sustainable material: recover the used material (e.g., mattresses) and turn them into building blocks for existing or new products.

Project partner Covestro, leading producer of advanced polymers and high-performance plastics, has recently started operating a pilot plant for flexible foam recycling at its Leverkusen site to confirm the positive laboratory results achieved to date. The first tests are showing highly promising results on very high yield and selective recovery of the original polyol component and full replacement in new polyurethane formulations.

Pilot tests are ongoing to confirm the equally promising results for the isocyanate component. Covestro's goal here is to industrialize chemical recycling processes for used flexible foams and ultimately to remarket both recovered raw materials.¹⁶ In parallel with the technical studies, an environmental Life Cycle Analysis (LCA) is carried out. The first indicative results confirm the original assumption of approximately 30% carbon footprint reduction.

Background

Recticel supports the transition from the linear 'take, make, dispose' economic model to a circular economy. We do this by concentrating our R&D efforts on raw materials and on end-of-life, the two areas where innovation along the value chain can have the biggest impact on minimizing demand for constrained natural resources. Partnerships throughout the value chain are key to transform our industry.

As for raw materials, we have set ourselves the ambitious target of further increasing the percentage of lower-carbon raw materials we use to manufacture our products. Our 2025 target of 10% is in line with the EU's Sustainable Carbon Cycles plan's ambition of realizing 20% of carbon used in the chemical and plastic products from sustainable non-fossil sources by 2030.

This requires close cooperation with our suppliers and long-term R&D partnerships throughout the value chain to explore, test and introduce raw materials with a lower carbon footprint into our production processes.¹⁷

¹³ Scope 1 defined as direct emissions from owned or controlled sources such as company facilities, company vehicles) and scope 2 as generation of purchased electricity, steam, heating and cooling (GHG Protocol)

¹⁴ See 'Energy consumption'

¹⁵ Renewable, bio-based, Carbon Capture and Utilisation, recycled, mass balanced approach

¹⁶ See 'Chemical recycling'

¹⁷ See 'Sustainable innovation programmes driving the change'

2.3.4.1.3 Innovation for societal needs

KPI 1: Sustainability Index (scope: innovation pipeline Sustainable Innovation Department (hereinafter "SID"))

Target: 80% of active R&D projects classified as sustainable according to the Sustainability Index.

Result: 68% (scoring performed over R&D projects active in December 2021)

We reviewed our scoring methodology during the limited assurance process in 2020 as it was too strict for certain sustainable projects to meet the criteria. The revised version was used to score our R&D projects over 2021. Still some projects, fully focusing on circularity, did not meet the threshold values. This suggests that for a project to be classified as sustainable, the metrics of the Sustainability Index should be considered amongst other, qualitative factors. Compared to the result over last year, we see an increase of 10% although we did not achieve our target of 80%. We consider that the choices of the projects are fully in line with our strategic intentions.

KPI 2: Sustainable R&D projects ready to be brought to market

Target: ≥ 3 every year

Result: 5

We introduced this new KPI in 2021 to measure our sustainable innovation performance. Using our sustainability index, our stage gate process methodology and financial criteria, we consider a R&D project ready to be brought to market when it has successfully completed all development and initial production requirements. As a result, we classified 5 R&D projects as ready to go to market which exceeds our target. At this stage, we do not want to disclose specific details about all five projects. In general, we can say that some projects are related to replacement of fire retardants (more sustainable). In September 2021, our Engineered Foams business line launched NIVA, a new range of TCPP-free foam for bedding and furniture. TCPP is a commonly used fire-retardant currently under risk assessment by the European Chemicals Agency (ECHA) and might become restricted in its use. Recticel proactively anticipated this by developing the NIVA range.

Other R&D projects focus on developing new fiber-bonded foam applications using post-consumer foam.

Background

Our continued growth depends on our ability to respond to complex and dynamic societal needs. Therefore we strive to develop innovative solutions that contribute to mitigating climate change, maximize resource efficiency, reduce carbon emissions and support sustainable, healthy lifestyles. Sustainability is at the core of Recticel's strategy, and sustainable innovation programmes, led by our Sustainable Innovation Department (SID), shape our company's future.

Sustainability index to assess performance

We have aligned our R&D efforts with market expectations and societal needs and introduced our Sustainability Index to assess their performance.

In 2014, we developed our own methodology to score all research and development projects, spearheaded by the Sustainable Innovation Department. The resulting Sustainability Index, now in its 2nd generation, is a way to measure, track and compare the sustainability performance of active R&D projects. It comprises criteria linked to Planet and People aspects. Projects are scored by the Programme Innovation Manager, Corporate Sustainability Innovation Manager and corporate sustainability experts.

In the **Planet** aspect, criteria such as carbon footprint, reduced by saving resources, recycling and reusing end-of-life materials, are considered. The **People** aspect concerns criteria for social responsibility, such as health, safety and environment (HS&E) as well as social impact.

Each development is rescored on an annual basis or when the project enters a new phase, with scorings reviewed when significant changes are made to a project's scope, or when important new research data have become available. People or Planet criteria can be rescored either in a positive or negative way depending on new insights or developments on the market or the product.

Measuring sustainable innovation success

In 2021, we introduced a new KPI to assess the success of our Sustainable Innovation Department's R&D innovation programmes. We do this by measuring the number of sustainable R&D projects ready to be brought to market each year. Active R&D projects are evaluated based on their sustainability index score, the stage gate process methodology and financial criteria.

2.3.4.2 Targets related to social matters and personnel

2.3.4.2.1 Sustainable partnerships

Commitment: Ensure that supplies are compliant with the Recticel Supplier Sustainability Requirements and audited based on risk assessment

Our partners are indispensable in helping us to achieve a more sustainable value chain. In 2015, we introduced the Recticel Supplier Sustainability Requirements (RSSR) to ensure safe, environmental-friendly, ethical and respectful working and human rights conditions throughout the supply chain. We integrated the RSSR in our General Terms and Conditions in 2017.

As a condition of doing business with Recticel, suppliers and their subcontractors must authorize Recticel and its representatives (including third parties) to perform audits both on-site and off-site.

We have committed to developing an action plan to verifying and audit our suppliers based on risk assessment. Due to the strategic overhaul of the Recticel Group in 2021, the action plan has been delayed.

Commitment: Reinforce R&D partnerships with customers, knowledge institutes, universities and strategic suppliers on sustainable development

Our vision is to be the leading global provider of durable solutions in all our core markets by responding to key global challenges such as climate change, energy conservation, a growing and ageing population, and noise pollution. To achieve this, we strongly believe

in short-term efficiency, mutual benefits of partnerships along the value chain, innovation and long-term sustainability. In 2021, we entered new partnerships with 31 parties, ranging from universities, customers to suppliers in order to lower the carbon footprint of our products and solutions.

Commitment: Continue and expand long-term partnerships for social projects

As an international company active in 19 countries and 40 sites, Recticel supports projects and initiatives on both local and Group levels. On a local level, countries or sites support those initiatives that resonate most in their communities. The support given can vary from financial contributions to the provision of goods and services. On a corporate level, Recticel favours those projects which are linked to our core values, our sustainability strategy or the United Nations Sustainable Development Goals. We focus particularly on those where Recticel expertise and activities are most relevant, such as: 'Climate Action', 'Responsible Consumption and Production', 'Sustainable Cities and Communities', 'Decent Work And Economic Growth', 'Good Health and Well-being', and 'Partnerships for the Goals'.

Close The Gap is an international non-profit organisation that aims to bridge the digital divide by offering high-quality, pre-owned computers donated by large and medium-sized corporations or public organisations to educational, medical, entrepreneurial and social projects in developing and emerging countries. Recticel joined this initiative in 2015. To date, 3000 PCs have been refurbished and given a second life. Besides the social

dimension of this project, the environmental benefit is impressive: giving one computer a second life avoids the use of 250 kg of fossil fuels, 20 kg of chemicals and 1.5 tonnes of water. The initiative is a perfect fit with our ambition to reduce the negative impact of our activities and increase their positive impact.

YouthStart Belgium is a licensed Partner of NFTE Global, a worldwide organisation offering training programmes in entrepreneurship to underprivileged youth and young adults. YouthStart Belgium started in 1998. Together with all NFTE partners around the world, more than 800,000 young people were trained to achieve their dreams. This project fits perfectly with our commitment to create an inspiring and rewarding place to work where talents can develop. It also stimulates young adults to pursue their dreams, take up responsibilities, be innovative and perhaps build their own company.

Recticel's **Living The Values Award** (LTVA) campaign is organized periodically to recognize and reward Recticel colleagues and teams worldwide who lead by example. The five winners or representatives of the winning teams are invited by the Management Committee to the LTVA ceremony in Brussels. The winners receive a personal reward and donate, on behalf of Recticel, to a charity of their choice. So far the winners have supported charities in Belgium, China, Senegal, the UK, Germany, the US, Poland, Finland and the Czech Republic.

2.3.4.2.2 Lower HS&E impact of our activities and products

KPI 1: Frequency 1 (Lost Time Accidents representing the average on Group level for all our plants and offices)

Target: ≤ 2 by 2025 (number of LTAs x 1,000,000 / number of hours performed).

Result: 6,41

In 2021, we introduced company-wide a behaviour-based safety approach, already successfully implemented in our Insulation business line. The result for 2021 is disappointing and does not reflect the determination with which the teams are bringing safety to everyone's attention. We continue to work on our Golden Safety Rules & Principles to change safety awareness and behaviour to achieve our target by 2025.

KPI 2: Frequency 2 (Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases)

Target: ≤ 5 by 2025 (number of LTAs+RWC+MTC x 1,000,000 / number of hours performed).

Result: 10,4

We introduced this new KPI in 2021 as part of our overall safety approach to change people's behaviour by adding to our lagging KPI (Frequency 1, Lost Time Accidents) also a leading KPI (Frequency 2). Reporting on restricted work cases and medical treatment (Frequency 2) allows us to identify unsafe situations or behaviours, carry out a root cause analysis and take appropriate action to prevent future accidents. Although the 2021 figures do not reflect this yet, this approach will help us to meet the targets by 2025.

Commitment: Proactive approach towards compliance on the substances within the European Green Deal Chemicals Strategy for Sustainability by striving for a zero chemical hazard impact of our activities and products

In order to **minimize our impact on** health, safety and environment within our activities and on our products, Recticel is taking a pro-active approach even going beyond legal frameworks such as REACH within the Chemicals Strategy for Sustainability. We have installed an internal procedure to ban chemicals beyond actual and up-coming legislation and directives.

In 2021, Engineered Foams launched Niva, a new range of fire-retardant foams for bedding and furniture. Flame resistance characteristics are crucial to ensure the safety and legal compliance of materials used in bedding and upholstery products. One of the main fire retardants is TCPP, a halogenated P-ester fire retardant, which is highly effective. However, legislation is set to become even more stringent, and it is inevitable that such substances will eventually be phased out in mattress production and replaced by halogen-free alternatives. Recticel has proactively anticipated this challenge with the development of the NIVA range.

Background

The Recticel Corporate HS&E Policy defines strategic objectives to **minimize all HS&E risks and environmental impacts inherent to the company's activities and products**. This is above and beyond our basic obligation to comply with all applicable health, safety and environmental regulations.

We perform root cause analyses and implement corrective and preventive actions on critical operations. Recticel foaming sites adhere to strict regulations (such as SEVESO and/or COMAH), and several plants have certified health & safety and/or environmental management systems (OHSAS 18001 and/or ISO 14001-certified). Recticel is an active member of national and European professional associations such as EUROPUR, PU Europe, Essenscia and Federplast.

The Group HS&E Manual provides guidance for the implementation of the HS&E Policy. QHS&E managers in our business lines drive and support the change in safety culture by developing operational standards, improving working environments, raising awareness and training personnel.

Corporate HS&E and Sustainability Steering Committee

Management commitment to HS&E is reinforced by our Corporate HS&E and Sustainability Steering Committee (CHSSC) spearheaded by our CEO. It **defines Group strategies and policies regarding HS&E and sustainability**, advises and assists the business lines with their implementation and follows up on progress.

By sharing knowledge and unifying HS&E practices, such as standardized root cause analysis, and HS&E rules company-wide, we seek to make our processes more efficient. We have implemented an integrated Group HS&E tool to support alignment, improve follow-up and reporting, underpin best practices and facilitate the monitoring of changing regulations.

We never compromise on safety

We continue to raise awareness on safety. It is embedded in our Core Value of acting with respect and integrity. Through our global Simply Safe initiative we introduced a clear framework of **Golden Safety Principles and Golden Safety Rules**. Our **Stop! Think! Act!** mantra reminds everyone that we should all try to change our habits to guarantee a safe working environment. Whenever we notice a hazard, or whenever we start a new task, we should stop, think and then act.

Since 2018 we hold every year a **Recticel Global Safety Day**. It relays the important message: safety is everyone's responsibility. In 2021, during the COVID-19 pandemic, we organized a Safety Day in every Recticel site to kick-off a fresh new safety campaign. Under the overall theme "**It's MY choice**", the campaign drives home the message of individual responsibility and understanding that minor changes that can transform our safety performance.

At the same time, the winners of the 2020 Annual Safety Awards were announced:

- *Recticel Engineered Foams in Alfreton, UK*
Plant with Lowest Accident Frequency Rate
- *Recticel Insulation in Wevelgem, Belgium*
Plant with Highest Accident Frequency Rate Improvement
- *Recticel Insulation*
Business Line with Highest Accident Frequency Rate Improvement

2.3.4.2.3 An inspiring and rewarding place to work

KPI 1: % employee participation in e-learning including Legal, Cybersecurity, Safety, as well as expanding new offerings based on specific needs detected during the annual Employee Performance Management Discussion (EPMD)

Target: Maximize e-learning

Result: Legal programme: Data Protection: 94%; Ethics Policy: 94%; Basics of Contract Law: 94%; Cybersecurity Programme: DIGIWIZZ: 96%

In 2021, we only report on the e-learnings that are mandatory for office employees due to the importance of the topics covered. In a next phase, we will extend this to the Safety programme and new development offerings.

The mandatory Legal programme comprises three modules: Data Protection; Ethics Policy; and Basics of Contract Law. Data Protection and Ethics Policy were launched in 2018, Basics of Contract Law in 2019. Ethics Policy was repeated in 2020. New office employees have to complete the three modules within two months after they join the company. For each module, the status 'completed' is only achieved if the office employee obtains a test result of minimum 80%.

The mandatory cybersecurity programme was launched in 2018. It was updated in 2020. In 2021, the mandatory cybersecurity programme was delivered through a new series of quarterly microlearnings on password security, phishing, social engineering, and working remotely. Participants only pass a course with a minimum score of 70% on the final test. After each microlearning, a fake phishing mail was sent to the participants' mailbox in order to test their reaction.

The results were shared within the organisation to continue emphasising the importance of acting cybersafe at all times. New office employees have to complete the basic cybersecurity modules within a week after they join the company.

The new colleagues from FoamPartner, since 31 March 2021 integrated in the Engineered Foams business line, are included in the 2021 result for both programmes

KPI 2: Gender diversity in senior management
Target: 25% by 2030
Result: 18%

We introduced this new KPI in 2021 to further increase the number of women in senior management positions across the Recticel organisation. Recticel strives to create a community where everyone is included and respected, bringing people together for a better world. We believe that a diverse team in terms of gender, nationality and professional experience improves the quality of decision making, and ultimately improves overall performance. The result of 2021 is the starting point for the path that should lead us to enhanced gender equality by 2030. The new colleagues from FoamPartner, since 31 March 2021 integrated in the Engineered Foams business line, are included in the 2021 result.

Commitment: Implement in 2022 a collective sustainability objective for senior management connected to the sustainability strategy

When we launched our sustainability roadmap 2021 – 2025, we committed to introducing a collective sustainability objective for senior management positions across the organisation. Senior managers play a pivotal

role in translating our sustainability targets into SMART actions for their business line or function. The collective sustainability objective is connected to our renewed sustainability strategy with ambitious targets for 2025 and 2030 to reduce our carbon footprint.

Commitment: Follow-up on well-being score through the annual Employee Performance Management Discussion (EPMD)

In December 2020, Recticel introduced HR4U, a new tool for managing HR processes and data for white collar employees in a uniform and streamlined way across the organization. The annual employee performance management discussion (EPMD) became an integral part of HR4U in 2021. In parallel, the section on well-being was revised for the 2021 cycle to ask for voluntary feedback on the employee's daily work. Employees have the opportunity to give an overall score on how they are doing in their daily work and to share additional feedback on topics such as work content, workload and work relationships. The EPMD will be closed end of March 2022 after which the HR organisation will analyse the input for further follow-up.

Commitment: Continue to improve employee engagement

End of March 2021, Recticel closed the acquisition of FoamPartner, a global provider of high value-added technical foams solutions offering significant complementarity and synergy with Recticel. 1,100 FoamPartner colleagues joined the Flexible Foams business line to form the new Recticel Engineered Foams business line, almost doubling the number of employees of the division.

Employee engagement was high on the agenda of this acquisition, Recticel Group largest ever. A Pulse Check campaign was set up to regularly collect, share and respond to employee feedback along the integration process. Three successive Pulse Checks took place in nine months. The questions in the surveys addressed both the integration process and cultural aspects. The findings were shared within the organisation and helped defining appropriate measures for improvement.

Background

Recticel's skilled and creative employees enable us to excel and achieve our sustainable growth ambitions. Success comes from being able to attract, motivate and retain a talented pool of workers. We seek to offer all our employees a stimulating and rewarding place to work, a place where they feel engaged, contribute to company goals, and where their talents can develop. We foster a collaborative and result-driven culture based on cooperation, respect, integrity and accountability. We encourage colleagues, customers and partners to innovate together to deliver winning solutions. Our human resources strategy aims to ensure the availability, engagement, motivation and continuous development of our employees.

We act with respect and integrity

Recticel strives to create a community where everyone is included and respected, bringing people together for a better world. We believe that a diverse team in terms of gender, nationality and professional experience improves the quality of decision making, and ultimately improves overall performance.

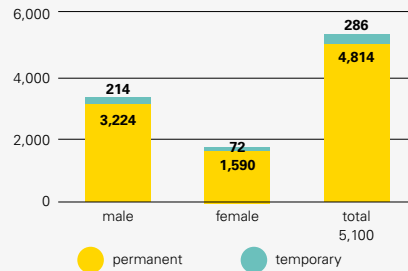
Recticel is present in 19 countries with many nationalities. Recticel is an equal employer and training and development, and is committed to a fair and consistent approach to recruitment and selection. Recticel wants to hire all candidates irrespective of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation or hours of work.

Recticel is an equal opportunity employer who offers men and women the same opportunities to develop their talents, build a career and balance work-life by offering the opportunity to work full-time or part-time at every stage of this career¹⁸.

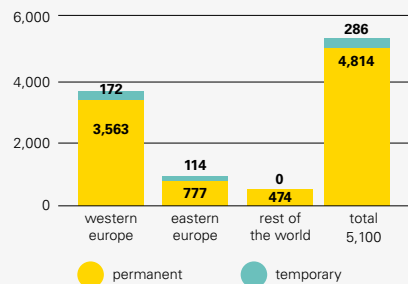
¹⁸ See also 'Diversity Statement' in 'Corporate Governance Statement'

WORKFORCE PROFILE*

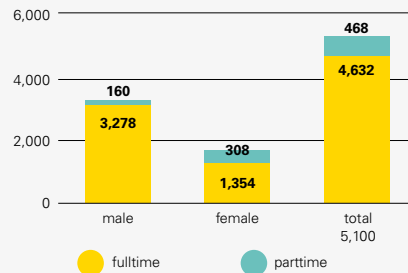
Total number of employees by employment contract by gender



Total number of employees by employment contract by region



Total number of employees by employment type by gender



* Workforce profile based on 100% Recticel owned entities (excluding JVs, including FoamPartner employees (since 31 March 2021 integrated in the Engineered Foams division)).

Currently one woman is represented in the Management Committee. Furthermore, one third of the members of the Board of Directors is a woman, in accordance with article 7:86 of the Belgian Companies and Associations Code.

The selection process of the members of the Board of Directors is described in the Corporate Governance Charter of Recticel, with the aim to come to a composition that is diverse in all its aspects, both at the level of gender, nationality, background, professional experience, competence and education.

See also **'1. A new future built on sustainable innovation'** and **corporate website**.

2.3.4.3 Targets related to ethics and integrity

From the start of the sustainability strategy in 2015 until 2020 included, Recticel had established a target to increase the number of legal e-learning with 5% per year (cumulative) compared to 460 in 2015. In 2020, the result was 2,866, a 623% increase compared to the baseline.

The legal trainings have now been integrated in KPI 1 for **'An inspiring and rewarding place to work'**.

Background

The legal training creates, increases and maintains awareness with Recticel employees regarding legislation as well as internal codes and policies to limit the company's risks of non-compliance.

Acting with respect and integrity is one of our core values. Respectful behaviour acknowledges the worth, dignity and uniqueness of others. We have created **codes and policies** to ensure we do business honestly, respectfully, and in full compliance with international rules and regulations.

A clear set of **values** and respectful behaviours unites our organisation. Redefined in 2016, our values align our actions and attitudes towards internal and external stakeholders. Behaviours associated with the five key values give direction to our employees and stakeholders.

Recticel highly values the importance of legal training, especially for those **target groups** who, due to the nature of their professional activities, are at a higher risk of being exposed to noncompliant situations, bribery or corruption. Our Corporate Legal Team regularly provides face-to-face training sessions and subject specific e-learning modules.

Ethics and compliance as part of our DNA

Corporate compliance is embedded in all our policies. We have developed guidelines for awareness creation, templates for reporting compliance issues, whistleblowing procedures and speak-up communication channels that enable employees to address issues in a variety of ways.

Recticel is aware of corporate risks, and we apply due diligence to both our own operations and supply chain. Where specific risks or exposure to noncompliant situations, bribery or corruption have been identified, policies are implemented that provide guidelines on how to avoid or mitigate them. Recently, the whistleblowing procedure has been updated, translated in 14 languages and published in early 2020 in order to complement our **Ethics Policy** of 2017.

2.3.4.4 Targets related to human rights

Regarding the respect of human rights, Recticel has, as a precautionary measure, taken over the obligation in its purchasing conditions that its suppliers do business in an ethical, correct, transparent, trustworthy and social responsible way and that they guarantee that nor their personnel or subcontractors are involved in discrimination, violation of human rights, corruption, violation of antitrust laws, child labor, forced labor, slavery or other unacceptable labor working conditions or terms. In this framework, the suppliers need to comply strictly with the 'Recticel Supplier Sustainability Requirements (RSSR)'. At first request of Recticel the suppliers need to be able to demonstrate that they respect this RSSR. Recticel is committed to putting a control mechanism in place to conduct audits within the supply chain based on risk assessment (see **'Sustainable Partnerships'**).






Summary

The table on the next page provided a summary of Recticel's sustainability strategy regarding the five material aspects, ten KPIs and targets in scope over 2021:

SUMMARY TABLE

Recticel's material topics and related KPIs

(table subject to PwC limited assurance) (*)

MATERIAL ASPECT	KPI	2021
 CLIMATE ACTION PLAN	Climate-Positive Multiple (ratio between avoided emissions and carbon footprint scope 1, 2, 3)	51
	Recticel carbon footprint (scope 1, 2, 3 in tonnes of CO ₂ equivalent)	919,659
	Carbon intensity (ratio scope 1 and 2, in tonnes of CO ₂ e/mio EUR revenue)	2741
 TRANSITION TO A CIRCULAR ECONOMY	Tonnes of post-consumer polyurethane foam produced by Recticel from recycled mattresses	1,864
 INNOVATION FOR SOCIETAL NEEDS	Sustainability Index (percentage of active R&D projects classified as sustainable)	68%
	Sustainable R&D projects ready to be brought to market	5
 LOWER HS&E IMPACT OF OUR ACTIVITIES AND PRODUCTS	Frequency 1 (Lost Time Accidents representing the average on Group level for all our plants and offices)	6,41
	Frequency 2 (Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases representing the average on Group level for all our plants and offices)	10,4
 INSPIRING AND REWARDING PLACE TO WORK	% employee participation in e-learning including Legal, Cybersecurity, Safety, as well as expanding new offerings based on specific needs detected during the annual Employee Performance Management Discussion (EPMD) ¹	Legal programme: - Data protection: 94% - Ethics policy: 94% - Basics of contract law: 94% Cybersecurity programme: - DIGIWIZZ: 96%
	Gender diversity in senior management ¹	18%

* The Independent Limited Assurance report by PwC covering 2021 can be found as an annex to the Non-Financial Information Statement of Recticel.




¹ The results include FoamPartner employees (since 31 March 2021 integrated in the Engineered Foams division).



Sustainability strategy summary



SUSTAINABLE INNOVATION PLAN

MATERIAL ASPECT	KPI	RESULTS	COMMENTS
 CLIMATE ACTION PLAN	Climate-Positive Multiple (ratio between avoided emissions and carbon footprint scope 1, 2, 3) ¹	2021 51 2030 Target 75	We expect that the positive impact due to the growth of the Insulation business will continue. In addition, we will further implement all ongoing actions to reduce our carbon footprint. For 2030, we foresee that, without a change of scope, we would increase our multiple from 51 to 75. After the closing of the divestments of Bedding (expected Q1) and Engineered Foams (expected mid 2022), Recticel will become a pure-play Insulation company. We estimate that the multiple will then triple to 150 or more by 2030.
	Recticel carbon footprint reduction (scope 1, 2, 3 in tonnes of CO ₂ equivalent) ²	2021 -21% 2030 Target 40%	No fundamental changes in carbon footprint reduction in 2021. We expect to see significant impact when more raw materials with renewable or recycled content become available in larger quantities and when the recycling of post-consumer foam will be more generally implemented.
	Carbon intensity reduction (ratio scope 1 and 2, in tonnes of CO ₂ e/mio EUR revenue) ³	2021 17% 2025 Target 25%	We introduced this new KPI in 2021, a year in which we saw a steep price increase of all raw materials (chemical and non-chemical) and of energy costs affecting our suppliers. Recticel has succeeded in factoring these costs into the prices of its products, where necessary. As a result, with comparable sales volumes and energy consumption, revenue increased leading to a 17% reduction in carbon intensity compared to the previous year.
 TRANSITION TO A CIRCULAR ECONOMY	Tonnes of post-consumer polyurethane foam produced by Recticel from recycled mattresses	2021 1,864 2025 Target 5,000	We selected this KPI in 2015 to express our commitment to replacing post-industrial polyurethane (PU) foam with post-consumer PU foam. We initially used a traditional bonded foam technology for products such as carpet underlays. We subsequently succeeded in introducing a new fiber-bonded foam technology to transform post-consumer PU foam into acoustic thermal insulation panels. As of 2021, we only consider post-consumer PU foam and realise a 76% increase compared to 2020. In the course of 2022, we expect to switch to post-consumer PU foam in our bonded foam technology, significantly increasing our volumes and bringing our 2025 target within reach.
 INNOVATION FOR SOCIETAL NEEDS	Sustainability index (% of active R&D projects classified as sustainable (scope: innovation pipeline Sustainable Innovation Department))	2021 68% 2025 Target 80%	We reviewed our scoring methodology during the limited assurance process in 2020 as it was too strict for certain sustainable projects to meet the criteria. The revised version was used to score our R&D projects over 2021. Still some projects, fully focusing on circularity, did not meet the threshold values. This suggests that to for a project to be classified as sustainable, the metrics of the Sustainability Index should be considered along other, qualitative factors. Compared to the result over last year, we see an increase of 10% although we did not achieve our target of 80%. We consider that the choices of the projects are fully in line with our strategic intentions.
	Number of R&D projects ready to be brought to market (scope: innovation pipeline Sustainable Innovation Department)	2021 5 2025 Target ≥3	<p>We introduced this new KPI in 2021 to measure our sustainable innovation performance. Using our sustainability index, our stage gate process methodology and financial criteria, we consider a R&D project ready to be brought to market when it has successfully completed all development and initial production requirements. As a result, we classified 5 R&D projects as ready to go to market, which exceeds our target.</p> <p>At this stage, we do not want to disclose specific details about all five projects. In general, we can say that some projects are related to the replacement of fire retardants (more sustainable). In September 2021, our Engineered Foams business line launched NIVA, a new range of TCP-free foam for bedding and furniture. TCP is a commonly used fire-retardant currently under risk assessment by the European Chemicals Agency (ECHA) and might become restricted in its use. Recticel proactively anticipated this by developing the NIVA range.</p> <p>Other R&D projects focus on developing new fiber-bonded foam applications using post-consumer foam.</p>

¹ Using appropriate method of calculation per type of product and using appropriate conversion factors calculated by a third party.



² Expressed in tonnes of CO₂ equivalent compared to the 100% activity level in 2013 (scope: production sites).

The method of calculation is derived from the Cradle to Grave method. (2013 baseline, target in line with EU Green Deal target of -55% vs 1990).

³ Scope 1 defined as direct emissions from owned or operated resources (e.g. company facilities, company vehicles) and scope 2 as generation of purchased electricity, steam, heating and cooling (GHG Protocol). Company car emissions are calculated based on data extrapolated from first quarter 2021 distance figures (in km). We applied a correction factor of 50% due to Covid impact (teleworking).



PEOPLE PRIORITY PLAN

MATERIAL ASPECT	KPI	RESULTS	COMMENTS
 <p>LOWER HS&E IMPACT OF OUR ACTIVITIES AND PRODUCTS</p>	Frequency 1 (Lost Time Accidents representing the average on Group level for all our plants and offices) ⁴	2021 6,41 2025 Target ≤ 2	In 2021, we introduced company-wide a behaviour-based safety approach, already successfully implemented in our Insulation business line. The result for 2021 is disappointing and does not reflect the determination with which the teams are bringing safety to everyone's attention. We continue to work on our Golden Safety Rules & Principles to change safety awareness and behaviour to achieve our target by 2025.
	Frequency 2 (Lost Time Accidents + Restricted Work Cases + Medical Treatment Cases representing the average on Group level for all our plants and offices) ⁵	2021 10,4 2025 Target ≤ 5	We introduced this new KPI in 2021 as part of our overall safety approach to change people's behaviour by adding to our lagging KPI (Frequency 1, Lost Time Accidents) also a leading KPI (Frequency 2). Reporting on restricted work cases and medical treatment (Frequency 2) allows us to identify unsafe situations or behaviours, carry out a root cause analysis and take appropriate action to prevent future accidents. Although the 2021 figures do not reflect this yet, this approach will help us to meet the targets by 2025.
 <p>AN INSPIRING AND REWARDING PLACE TO WORK</p>	% employee participation in e-learning including Legal, Cybersecurity, Safety, as well as expanding new offerings based on specific needs detected during the annual Employee Performance Management Discussion (EPMD) ⁶	Legal programme: 2021 Data protection: 94% Ethics policy: 94% Basics of contract law: 94% Cybersecurity programme: 2021 DIGIWIZZ: 96%	<p>In 2021, we only report on the e-learning that are mandatory for office employees due to the importance of the topics covered. In a next phase, we will extend this to the Safety programme and new development offerings.</p> <p>The mandatory Legal programme comprises three modules: Data Protection; Ethics Policy; and Basics of Contract Law. Data Protection and Ethics Policy were launched in 2018, Basics of Contract Law in 2019. Ethics Policy was repeated in 2020. New office employees have to complete the three modules within two months after they join the company. For each module, the status 'completed' is only achieved if the office employee obtains a test result of minimum 80%.</p> <p>The mandatory cybersecurity programme was launched in 2018. It was updated in 2020. In 2021, the mandatory cybersecurity programme was delivered through a new series of quarterly microlearnings on password security, phishing, social engineering, and working remotely. Participants only pass a course with a minimum score of 70% on the final test. After each microlearning, a fake phishing mail was sent to the participants' mailbox in order to test their reaction. The results were shared within the organisation to continue emphasising the importance of acting cybersafe at all times. New office employees have to complete the basic cybersecurity modules within a week after they join the company.</p>
	Gender diversity in senior management ⁶	2021 18% 2030 Target 25%	We introduced this new KPI in 2021 to further increase the number of women in senior management positions across the Recticel organisation. Recticel strives to create a community where everyone is included and respected, bringing people together for a better world. We believe that a diverse team in terms of gender, nationality and professional experience improves the quality of decision making, and ultimately improves overall performance. The result of 2021 is the starting point for the path that should lead us to enhanced gender equality by 2030.

⁴ Number of LTAs x 1,000,000 / number of hours performed.

⁵ Number of LTAs + RWS + MTC x 1,000,000 / number of hours performed.

⁶ The results include FoamPartner employees (since 31 March 2021 integrated in the Engineered Foams division).

2.3.5 Independent limited assurance report on selected sustainability indicators of the non-financial information statement



To the Board of Directors of Recticel NV

INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED SUSTAINABILITY INDICATORS OF THE NON-FINANCIAL INFORMATION STATEMENT 2021 OF RECTICEL NV AND ITS SUBSIDIARIES

This report has been prepared in accordance with the terms of our engagement contract dated 8 November 2021 (the "Agreement"), whereby we have been engaged to issue an independent limited assurance report in connection with selected Sustainability Indicators in the non-financial information statement 2021 as included in the Annual Report of Recticel NV and its subsidiaries as of and for the year ended 31 December 2021 (the "Report").

The Directors' responsibility

The Directors of Recticel NV ("the Company") are responsible for the preparation and presentation of the selected Sustainability Indicators presented in the Summary Table "Recticel's material topics and related KPIs" as included in the non-financial information statement 2021 of the Annual Report of Recticel NV and its subsidiaries (the "Subject Matter Information"), in accordance with the criteria disclosed in the Report (the "Criteria").

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an independent conclusion about the Subject Matter Information based on the procedures we have performed and the evidence we have obtained.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria.

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The procedures performed 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 engagement been performed. The selection of such procedures depends on our professional judgement, including the assessment of the risks of material misstatement of the Subject Matter Information in accordance with the Criteria. The scope of our work comprised the following procedures:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information as of and for the year ended 31 December 2021 presented in the Report;
- conducting interviews with responsible officers;
- reviewing, on a limited test basis, relevant internal and external documentation;
- performing an analytical review of the data and trends in the information submitted for consolidation;
- considering the disclosure and presentation of the Subject Matter Information.

The scope of our work is limited to assurance over the Subject Matter Information. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Report.

Our independence and quality control

Our engagement has been carried out in compliance with the legal requirements in respect of auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organizing the audit profession and its public oversight of registered auditors, and with other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected Sustainability Indicators presented in the Summary Table "Recticel's material topics and related KPIs" for the year ended 31 December 2021, as included in the non-financial information statement 2021 of the Annual Report of Recticel NV and its subsidiaries have not been prepared, in all material respects, in accordance with the criteria disclosed in the Report.

Other ESG related information

The other information comprises all of the ESG related information in the Report other than the Subject Matter Information and our assurance report. The directors are responsible for the other ESG related information. As explained above, our assurance conclusion does not extend to the other ESG related information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other ESG related information and, in doing so, consider whether the other ESG related information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Other matter - restriction on use and distribution of our report

Our report is intended solely for the use of the Company, to whom it is addressed, in connection with their Report as of and for the year ended 31 December 2021 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Diegem, 28 April 2022

PwC Bedrijfsrevisoren BV/Reviseurs d'Entreprises SRL
Represented by

Marc Daelman ¹
Registered auditor

¹ Marc Daelman BV, member of the Board of Directors, represented by its permanent representative Marc Daelman

2.3.6 Taxonomy eligibility

Introduction

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents a major step towards achieving carbon neutrality by 2050 in line with European Union goals as the Taxonomy is a classification system for environmentally sustainable economic activities.

In the following section, Recticel presents the share of the group turnover, capital expenditure (Capex) and operating expenditure (Opex) for the reporting period 2021, which are associated with Taxonomy-eligible economic activities¹⁹ related to **the first two environmental objectives, climate change mitigation and climate change adaptation**, in accordance with Art. 8 Taxonomy Regulation and Art. 10 (2) of the Art. 8 Delegated Act.

Taxonomy-eligible economic activities

We have examined the relevant Taxonomy-eligible economic activities based on our activities in 2021, and assigned them to the economic activities of our **entire Insulation business line** in accordance with Annex I and II of the Climate Delegated Act. The table below indicates for which environmental objective the activities qualify as eligible over 2021:

TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

ELIGIBLE ECONOMIC ACTIVITY	DESCRIPTION	NACE CODE	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION
3.5 Manufacture of energy efficiency equipment for buildings	<p>Our Insulation business line offers high quality PU- and PIR-based thermal insulation products used in construction and renovation projects.</p> <p>Conserving energy and promoting a low-carbon society are key objectives for our Insulation business. Over the lifetime of their use, the insulation products we sold in 2021 will offset 51 times our carbon footprint for the year.</p>	25.21	✓	✗

Relevant judgement on the taxonomy-eligibility of our activities

Our taxonomy-eligibility assessment is based on the economic activities in scope for the financial reporting year 2021 by the Taxonomy Regulation covering climate mitigation and climate adaptation. We consider Recticel's insulation activities over 2021 to be taxonomy-aligned for the environmental objective of climate mitigation.

This narrow definition expresses no opinion on Taxonomy-eligibility of current economic activities contributing to protection of water and marine resources, transition to a circular economy, prevention of pollution or protection of biodiversity and ecosystems.

3.5 Manufacture of energy efficiency equipment for buildings

The description of activity 3.5 in Annex I to the Climate Delegated Act states that: 'An economic activity shall qualify as contributing substantially to climate change mitigation where that activity contributes substantially to the stabilisation of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of the Paris Agreement through the avoidance or reduction of greenhouse gas emissions or the increase of greenhouse gas removals, including through process innovations and products innovations.'

Our insulation activities help to improve energy efficiency by offering insulation solutions that will reduce energy consumption in buildings. Referring to the technical screening criteria for substantial contribution to climate change mitigation, they are aligned with '(e): insulating products with a lambda value lower or equal to 0,06 W/MK.'

Recticel announced in 2021 a strategic repositioning of the Group by divesting the Bedding division (closing completed on 31 March 2022) and Engineered Foams business line (closing expected mid-2022). From now on, Recticel will focus exclusively on its Insulation activities, presenting excellent growth prospects in a high-value added business segment driven by climate change. It perfectly illustrates our sustainability motto to grow together with our stakeholders towards a PUn future. The acquisition of Trimo²⁰, one of Europe's leading providers of sustainable premium insulated panels for the building industry, announced on 22 March 2022, is a key step in our growth direction.

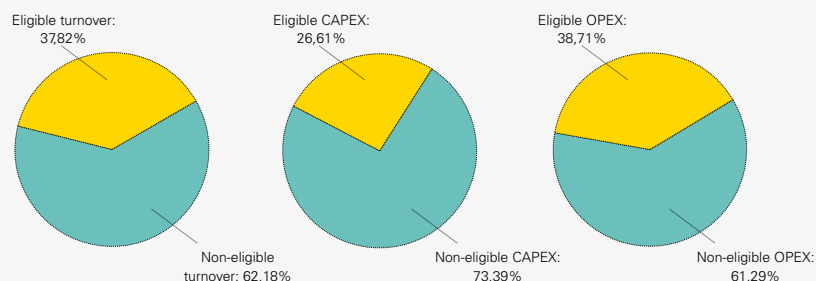
¹⁹ See **Definitions**

²⁰ See **Recticel expands its insulation activities with the acquisition of the insulated panel specialist Trimo | Recticel**

Our activities

The eligible turnover, Capex and Opex relate solely to the Insulation segment²¹. Capex comprises investments for growth, such as expansion investments and productivity improvements, as well as going-concern investments, such as Health, Safety and Environment, replacement and other general Capex. The eligible Opex comprises primarily research & development expenses.

PROPORTION OF TAXONOMY-ELIGIBLE AND TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES IN TOTAL TURNOVER, CAPEX AND OPEX



	Total (MEUR)	Proportion of Taxonomy-eligible economic activities (in %)	Proportion of Taxonomy-non-eligible economic activities (in %)
Turnover	1,032,9	37,82	62,18
Capital expenditure (Capex)*	15,0	26,61	73,39
Operating expenditure (Opex)**	9,2	38,71	61,29

* See Financial report 2.4.2.4.8 'Business Combinations'.

** Opex here defined as reported R&D expenses, excluding Bedding but including repair and maintenance.

Relevant judgement on the taxonomy-non-eligibility of our activities

We consider that, over 2021, our Bedding and Engineered Foams activities are Taxonomy-non-eligible for climate change mitigation or climate adaptation. This narrow definition expresses no opinion on Taxonomy-eligibility of current economic activities contributing to protection of water and marine resources, transition to a circular economy, prevention of pollution or protection of biodiversity and ecosystems.

Definitions

Taxonomy-eligible economic activity means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation (i.e. the Climate Delegated Act as of now) irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

Taxonomy-non-eligible economic activity means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

Taxonomy-aligned economic activity means an economic activity that complies with all of the following requirements:

- the economic activity contributes substantially to one or more of the environmental objectives;
- it does not significantly harm any of the environmental objectives;
- it is carried out in compliance with the minimum safeguards; and
- it complies with technical screening criteria in the delegated acts supplementing the Taxonomy Regulation (i.e. Climate Delegated Act as of now).

2.3.7 ESG performance

Since many years, Recticel has been committed to achieving robust performance on both financial and non-financial criteria. Transparency on objectives and performance is key in earning and retaining the trust and support of all stakeholders interested in companies with solid environmental, social and governance (ESG) commitments and scores.

More information about our ESG scores is available on **our corporate website**.

²¹ See **Financial Report 2.4.2.3.1**

Colofon

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This report is available in English and Dutch.
Dit verslag is beschikbaar in het Nederlands en het Engels.

In case of textual contradictions between the English and the Dutch version the first shall prevail.

