



ONEHOME





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Unilin Group is the leading name in interior design and building materials. We design, develop and produce everything you need to turn a house into a home: laminate flooring, luxury vinyl tiles, vinyl on roll, engineered parquet, carpet tiles, broadloom, wood-based boards and decorative panels, industrial flooring, wall and roof systems, and insulation boards.

**1**  
group

**5**  
divisions

**>8,000**  
employees

**105**  
locations

around  
the  
world

**€2,700,000,000**  
in turnover  
in 2021

**>30**  
production  
plants

We are a part of  
**Mohawk Industries**,  
the global market leader in floor  
covering, with 42,000 employees  
and a \$11.2 billion turnover in 2021.  
Mohawk has more than 14,000  
employees in Europe and Russia.





# OUR SUSTAINABLE DNA

Since our founding in 1960, circularity has been part of our DNA. In fact, reusing materials is at the heart of our history. Today, we still regard the challenges of sustainability as opportunities.

## 1960s

In the province of West Flanders in Belgium, several key players in the flax industry joined forces to develop a new product. They produced flax shive boards from flax loam, a part of the flax plant that could not be used for textiles. This was the foundation of what would later become Unilin Group. So, our first raw material was a waste product – showing that circularity has been at the heart of Unilin Group, right from the start.



## 1970s

To be able to keep growing, we started looking for new raw materials. Wood residues from other sectors proved to be valuable materials with a lot of potential. We are still using recovered wood today, particularly for our MDF and HDF boards and laminate flooring.



## 1980s

We have been producing insulation boards since 1980, providing our customers with an accessible way to insulate their homes and reduce energy consumption.





## SINCE 2010

We have gone even further with our chipboard production. We are now turning wood waste such as old furniture, pallets and demolished wood constructions into chipboards.

## TODAY

We have launched One Home, our plan with ambitious sustainability targets. Our strategy focuses not only on ecology; it is also about the way we live, both at home and on our planet.

# ONEHOME

Circular thinking has always been the driving force behind our business model. We will keep looking for residual or waste products that can be used for raw materials and invest in recycling our own products at the end of their life cycle. Furthermore, we are keen to find circular solutions for our non-renewable raw materials. We have set ambitious carbon-reduction targets to combat global warming, and are making products that add value to our customers' living environments without compromising on health, comfort or sustainability. To achieve these goals, we need the right people who can work with the right tools in a safe and healthy environment.





# OUR CHALLENGE



Of course, we have a responsibility to protect our planet (Planet Home). This is a responsibility we do not take lightly. But sustainability means more: it also means thinking about our end customers' quality of life. Because after all, what we produce ends up in their homes (Your Home). And it is also about creating sustainable working environments for our employees because they allow us to make it happen (Our Home).

Our One Home programme covers our five divisions and is based on three pillars:

## 1/ PROTECTING OUR PLANET (PLANET HOME)

In the manufacturing industry, we are still burning too many fossil fuels. And that while the science community agrees on what needs to be done: to minimise the effects of climate change, the EU Green Deal wants to cut the global emissions of greenhouse gases by almost half by 2030, and reduce them to zero by 2050.

Circularity is essential to this story. Too often, we are still dumping or burning products that have reached the end of their life cycle. Yet recycling is usually less polluting and energy-intensive than creating or mining new raw materials. Therefore, the challenge is to develop a circular model, using renewable or recycled materials, and making recyclable products.

## 2/ HEALTHY, COMFORTABLE AND SUSTAINABLE LIVING SPACES FOR OUR CUSTOMERS (YOUR HOME)

We spend most of our lives inside: at home or at work. That is why healthy, comfortable and sustainable living spaces are more critical than ever. We have to ensure that our products offer added value to our customers without compromising on health, comfort or sustainability.

## 3/ A SAFE, STIMULATING AND POSITIVE ENVIRONMENT FOR ALL OUR EMPLOYEES (OUR HOME)

In this fast-changing environment, we demand a lot from our employees. We ask them to be agile, lifelong learners and daring entrepreneurs. Most importantly, we must all work to avoid workplace accidents at all times. To work effectively and safely, a positive working environment is essential. That is why we aim to create an environment in which employees feel valued, can find challenges and continue to grow.



1/

# Planet Home



# CLIMATE

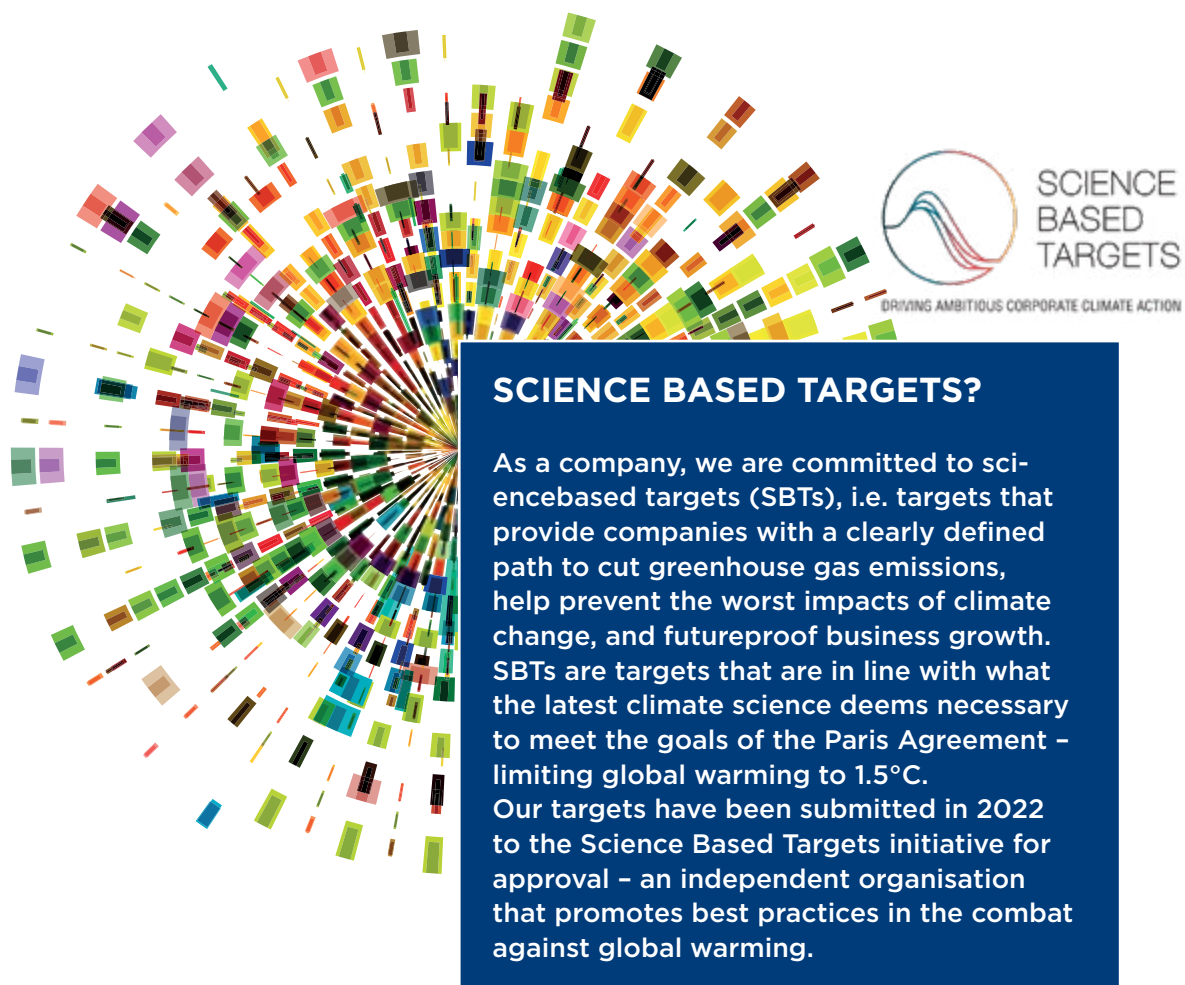
We conduct all our activities within the framework of the Paris Agreement's objective of limiting global warming to 1.5°C.

That means that by 2030, we want reduce our greenhouse gas emissions by more than 42% compared to 2020. To achieve this, we want to scale back the use of fossil fuels from all our activities, in our energy mix as well as transport.

## ENERGY

The group's energy consumption is already 43% renewable, thanks to the fact that we both buy and generate green electricity. But we are constantly looking at how we can increase the percentage of green energy at each plant.

Biomass plants: in a joint venture with Aspiravi, which develops, builds



### SCIENCE BASED TARGETS?

As a company, we are committed to science-based targets (SBTs), i.e. targets that provide companies with a clearly defined path to cut greenhouse gas emissions, help prevent the worst impacts of climate change, and futureproof business growth. SBTs are targets that are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C. Our targets have been submitted in 2022 to the Science Based Targets initiative for approval – an independent organisation that promotes best practices in the combat against global warming.



and operates green energy projects, we have built two biomass plants (A&S and A&U) in Oostrozebeke and Wielsbeke:

- There we convert non-recyclable wood waste into green electricity and heat. We use around 50% of the energy generated for our own energy needs. The remainder goes to other businesses and households through heat pipelines and the public electricity grid.
- Biomass plant A&S supplies green electricity. By avoiding the use of fossil fuels in our energy supply, we save 3,800 tonnes of CO<sub>2</sub> each year.
- A&U supplies green electricity and heat for our 'Bospan' plant. This allows us to save 4,000 tonnes of CO<sub>2</sub> per year on our electricity and 2,100 tonnes of CO<sub>2</sub> per year on our heat.
- We are currently looking into developing a new biomass facility at our Vielsalm plant – an investment of 100 million euros.







Besides biomass plants, we are also investing in wind turbines and solar panels:

- For example, we have more than 5,500 solar panels at our production plants in Desselgem and Chesterfield, 2,820 at Navan, and 2,377 at our Izegem plant. 40% of the annual electricity demand of the offices of IVC Group in Waregem is covered by solar panels.
- In Avelgem, we have three wind turbines supplying green electricity to the IVC production plant. We are currently constructing two wind turbines at our Feluy production plant, which will provide the plant with 71% of the electricity it needs.





## TRANSPORT

We are transitioning a significant portion of our fleet of commercial vehicles to electric, including our rolling materials.

## COMPLETE VALUE CHAIN

We are also committed to reducing the carbon footprint beyond our own company boundaries. We have determined the impacts of our raw materials and are working actively on systematically reducing them.

Furthermore, we are raising awareness among our customers, by offering sustainable products and providing clear information so that they can make their own comparisons and make the most sustainable choices. We do this, for example, by providing information about our products' impact in EPDs (Environmental Product Declarations).



# CIRCULARITY

Our ecological footprint covers more than just the production process. The materials we utilise in the manufacturing and in the use and disposal of our products all have an impact. Circularity is the best way of minimising this impact. How? By minimising the need for new raw materials.

## RENEWABLE MATERIALS

The primary raw material for most of our products is sustainably sourced wood. The unique properties of wood as a renewable raw material mean that it is an ecological material. After all, trees store CO<sub>2</sub> during their growth process, and this CO<sub>2</sub> remains in the wood until it is burned. So, CO<sub>2</sub> remains stored even in processed wood, laminate, chipboard, or MDF panels.



Moreover, wood can be used as a raw material several times for different applications. That allows CO<sub>2</sub> to be stored even longer – until it can no longer be used or recycled. Even then, there is a more sustainable option, namely converting the wood into green energy, which means we can avoid using fossil fuels in our energy generation.

So, the longer you use and reuse wood, the better it is for our climate. And that is something we at Unilin Group understand like no other:

- We deliberately use recovered wood to produce our MDF and HDF boards, chipboards and laminate flooring. This low-quality wood is produced by other activities (roadside maintenance, sawmills, forest management, etc.) and is normally considered as no longer usable, meaning it usually ends up in the incinerator. At Unilin Group, however, we have given it a new life in our board material and decorative panels.
- In the case of our chipboards, we go even further. At least 90% of the wood we use is recycled.



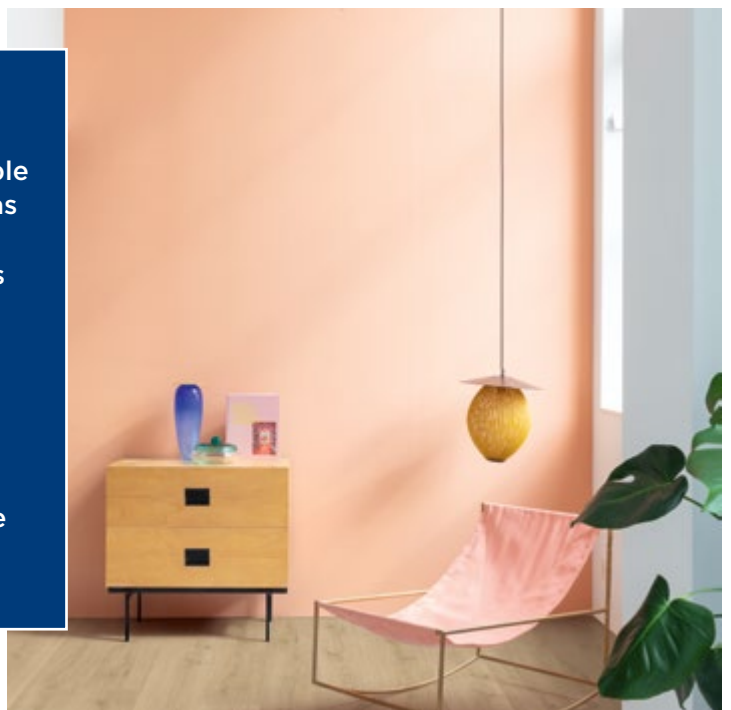
So this is what we are doing already, but we are also taking the following steps:

- In 2021, we became the world's first company to recycle MDF on an industrial scale. This is a significant step towards a circular economy. We are actively working to increase recycled wood fibres in our raw material mix.
- We aim to have our entire range of chipboards, MDF and HDF boards, and decorative panels C2C Certified®.
- We also aim to achieve C2C certification® for our laminate flooring and parquet ranges.
- We want to offer bio-based panel material.

We have made reusing and recycling wood our priority. But wood cannot be recycled forever because the quality decreases as the fibres become increasingly smaller with each step. At the end of the life cycle, when the fibres have become too small for recycling, we turn the non-recyclable wood waste into green energy in our two biomass plants (see 'Energy' above). In this way, we avoid using fossil fuels for our energy generation.

## CRADLE TO CRADLE?

Unilin Group is committed to using renewable or recycled raw materials for our products as much as we can, and to making recyclable products, with as few hazardous substances as possible, manufactured with respect for people and the environment. We use the Cradle to Cradle® methodology as our benchmark and aim to obtain C2C certification® for a range of our products. Cradle to Cradle Certified® is a globally recognised benchmark for safer, more sustainable products that are produced in accordance with the principles of the circular economy.



## MAKING MATERIALS CIRCULAR

Besides our wood products such as laminate flooring, parquet, board material and decorative panels, we also manufacture vinyl flooring, carpets and insulation boards.



Although we do not use renewable raw materials across the board, we are strongly committed to the principles of the circular economy for these products. This starts at the design phase. We think sustainably and ask the right questions from the start. What chemicals make recycling difficult? What alternative raw materials are available? How can we extend our products' life span?

We strive towards producing 100% recyclable vinyl floors, insulation boards and carpets :


- We strive to be able to produce recyclable insulation boards. In addition we want to recycle a significant part of our installation and production waste and recycle a significant part of our insulation boards end of life.
- We strive to have a significant part of our vinyl flooring to be recyclable.
- We want to introduce recyclable carpets on the market.

To complete the circle, we need to reconvert end-of-life products into usable materials and raw materials. We are researching and developing take-back programmes for our different product categories. For example, our Unilin Panels division is already running take-back programmes with our customers to take back and recycle processing waste, such as cutting and sawing residues.





2/



Your Home

Our  
customers'  
living  
spaces

We spend most of our lives inside: at home or in the office. That is why healthy, comfortable and sustainable living spaces are so important.

Our products should add value to our customers' living spaces without compromising on health, comfort or sustainability.

## ENERGY-SAVING CONSTRUCTION AND RENOVATION

The energy consumption of buildings is still a significant factor in today's excessive CO<sub>2</sub> emissions. That is why insulating buildings is an essential step towards reducing these emissions. Our PIR insulation boards and roofing elements offer our customers accessible, straightforward ways to help in the fight against global warming.

Moreover, our products increase our customers' living comfort and reduce their energy bills. PU insulation's significant advantage over other insulation materials is its high insulation value. In addition, it is exceptionally light and compact, which makes these boards particularly attractive for renovations that require a great deal of insulation but where there is little space and sometimes a weak supporting structure. The same applies to flat roofs that cannot support heavy insulation.





## THE ADVANTAGE OF CO<sub>2</sub> STORAGE

We already mentioned that wood is a renewable material that stores CO<sub>2</sub> naturally. As such, building or renovating with wood is a sustainable choice. Our customers help protect the climate with our wood-based products, wooden roofing panels, chipboards and MDF boards, laminate and parquet.

## SAFE LIVING SPACES

Air quality is essential for a safe and healthy living environment, and we consider the health of our customers to be a priority. We design and manufacture our products with due care and attention to ensure proper indoor air quality, including by limiting the emission of volatile organic compounds (VOCs). We go further than just implementing regulations by voluntarily obtaining various optional certifications. We meet the A+ standards for all our interior products and insulation boards, except for a small share of our parquet products (A). Our aim is to obtain A+ certification for our entire range of parquet flooring in the near future.



### RED LIST?

The 'Red List' is a register of harmful substances such as BPA, fluorocarbons and VOCs. The list is produced by the International Living Future Institute, a non-profit organisation committed to a sustainable future.

Achieving Red List Free certification guarantees that our carpets do not contain any Red List chemicals.

We use various fibres for our carpet floors, including nylon, polyester and wool. Woollen carpets help to improve indoor air quality by stabilising relative humidity. Wool also absorbs pollutants (including VOCs) more quickly than other fibres. We also meet all emission standards for our carpets made from polypropylene and polyester.

Our divisions avoid using hazardous substances in our products. This is reflected in our commitment to obtaining C2C certification for our laminate and parquet floors and panels.

## COMFORTABLE AND STIMULATING LIVING SPACES

By using beautiful products and excellent materials, we create living spaces that are more pleasant, comfortable and healthy. We want our products to contribute to our customers' quality of life and general well-being.

- Our carpets, vinyl flooring and Luxury Vinyl Tiles (LVT) have sound-absorbing properties. This improves the acoustics in offices and creates a peaceful working environment that can reduce stress-related symptoms.
  - We regularly test the sound absorption properties of our vinyl floors in our own sound lab and always try to make improvements. We not only take into account the decibel level but also the timbre.

- Our vinyl flooring provides enhanced ergonomics for people who have to stand for long periods, such as retail staff. We are collaborating with Ghent University and the Institute of Biomechanics Valencia (IBV) to investigate making our floors even more comfortable and ergonomic.



- In designing our panels and laminate flooring, we focus not only on contemporary design but what is known as biophilic design, which is based on our increasing need for nature. As we are living in urban environments and spending more time inside, we are losing our connection with nature, which is harming our general sense of well-being. By integrating natural elements into our living environment, we can enhance our relationship with nature, which is our biggest source of inspiration. The Master Oak collection and Laminate range (Signature and Impressive by Quick-Step) provide our customers with true-to-life nature experiences.
- Thanks to their high insulation value, our insulation products provide a comfortable indoor climate in winter and summer. Our roof elements with high acoustic performance ensure peace and quiet in working and leisure environments.



3/

# Our Home

Our company is a second home for more than 8,000 employees. We aim to create a positive, stimulating and safe working environment where they feel good and valued; an environment where everyone can challenge himself and continue to grow. Our community, municipalities and neighbours also form a significant part of our story.

# A SECOND HOME FOR OUR EMPLOYEES

Unilin Group's strength lies in its people. We are part of an international company with more than 43,000 employees worldwide, and our workforce is constantly growing – 1,000 people joined the Unilin family in 2021. Unilin Group's unique DNA is what connects all our employees. We cherish our values of passion, entrepreneurship, excellence and respect in everything we do. Together we form a team of entrepreneurs driven by the will to succeed. Collaboration is our motto. Our employees give their best every day to bring Unilin Group's DNA to life.

We see the value of respect reflected in the rejection of any form of discrimination. In all the countries where we are present, we offer our employees equal opportunities regardless of gender, age, religion or belief, sexual identity, origin or physical disability. We guarantee this through our objective recruitment process, in which we only consider the specific skills, expertise and knowledge of the (internal or external) candidate.

We ensure that our employees can work in a safe and positive working environment every day.





## SAFETY | ZERO HARM

The health and safety of all our employees are paramount in all our activities. We are committed to achieving zero harm through a positive and caring culture in which safety is incorporated in the way we work.

Unfortunately, we have not reached our goal yet, and accidents are still happening at our plants. These are often due to minor oversights. Every detail counts to ensure that everyone can return home safely every day. This must be part of our culture – a belief that we have enshrined in our zero-harm vision, which includes clear behavioural indicators for our staff, team leaders and management.

Everyone has responsibilities at their own level in the organisation. We count on everyone setting good examples by displaying safe conduct in terms of their own safety and that of their co-workers.

- **Management plays a crucial role in safety. They must motivate and support their teams to always work safely and allow room for safety in their daily activities. This is why in 2019, we launched a standard training programme for all management staff to further develop leadership qualities around safety, such as giving feedback and encouraging collaboration.**





- We have created a clear and uniform framework for potentially high-risk tasks in the company, with clear do's and don'ts for all our employees. In 2021, we implemented Life Saving Rules at all our plants worldwide. The concept works as follows: we focus on providing clear training and communication, analysing problem situations, and immediately removing obstacles to safe working. The first set of three Life Saving Rules was launched in 2021. A second set will follow later to extend them to all high-risk tasks.
- To better detect risks in the workplace and identify potentially dangerous situations in greater detail, we rely on our employees' involvement. We have been running a pilot project since 2021, in which employees from all the plants' departments act as trained observers. They mainly observe their co-workers concerning frequently occurring risks, but they also provide feedback about risky behaviour, enter into dialogues with their co-workers about any necessary areas of improvement, and pass on their findings to the departmental management.

## WELL-BEING

Well-being involves physical, emotional, mental and even spiritual aspects. Everyone has their own interpretation of what it entails. It may sound simple, but we have to work on well-being, also in the workplace – because the way we feel at work affects our motivation, commitment and ability to innovate. Our workplace is a second home for our 8,000+ employees, and that includes a second family, where everyone can feel happy and valued.



We invest in both individual and collective initiatives around vitality and health, connection and fun and employee development. We constantly evaluate these initiatives in response to new needs and better insights.

- **Well-being starts with vitality and health. We encourage our employees to adopt healthy lifestyles. We offer varied and balanced menus in our cafeterias and distribute fruit in our offices, we engage experts for ergonomic advice and we regularly organise quit-smoking courses and training sessions on healthy lifestyles combined with shift work.**
- **Our ‘Happy Workout’ comprises all internal programmes around health and fun. Several initiatives and activities outside work create a feeling of connection for all of our colleagues. For example, we have signed up to ‘Moving Lives’, an initiative that connects and unites people for good causes and generates impact for society. In 2021, about 900 employees from more than 20 countries together covered over 384,400 km, by walking, running, swimming or cycling. In doing so, they raised over 22,000 euros – an amount that was then tripled by Unilin Group – for SOS Children’s Villages.**
- **We are committed to creating a culture of well-being that lets employees take care of themselves and each other. We support our employees in their mental well-being and provide group-based workshops on resilience and tailored coaching.**

Management staff play a key role in monitoring the mental well-being of their teams. We encourage them to enter into open dialogues with their employees and organise regular evaluation moments. We frequently monitor employee engagement through the Mohawk Employee Engagement Survey.

## LIFELONG LEARNING

Lifelong learning forms an integral part of our HR policy. We believe that our company can only grow through the growth of our employees.

Our employees know their own talents, needs and ambitions better than anyone else, and they are in charge of their own development – whether it’s about specialising, diversifying, managing or growing in their current role. Allowing our own people to develop in-house is an intrinsic part of our talent management. When it comes to recruitment, we first look at the internal potential before considering external candidates. Moreover, our international context offers many opportunities for employees to collaborate and grow across borders.

We invest in various training programmes, including collaborative programmes and individually tailored courses and coaching. Our portfolio includes over a hundred product and technical courses, language courses, and functional and soft skills programmes.

Based on the principle that 'training is the new recruitment', we invest in training people who are motivated but do not yet have all the relevant competencies. For example, someone without a forklift certificate or experience who wants to work as a forklift driver can receive paid forklift training at Unilin Group.

In 2022, we will start building a new training centre.





# OUR COMMUNITY

As a manufacturing company, we have plants at various locations worldwide. We are proud to keep our expertise and experience, both in R&D and production, close to our roots in Western Europe and Russia, Malaysia, South America and Oceania. This also means that our production plants are sometimes located in densely populated areas and municipalities. We are aware of the impact of our production plants on the environment and are continuously working on making improvements. In doing so, we go beyond the respective governments' requirements.

We value our relationships with our communities and want to be good neighbours to everyone living around us. For example, we regularly organise community consultations at our production plants, establish direct lines of communication, and are always open to questions and concerns from our neighbours. In recent years, we have also invested heavily to reduce our environmental impact.

We will continue collaborating with our local communities to systematically reduce our impact and contribute positively to our immediate environment.



# OUR WAY FORWARD



## TRANSPARENT OBJECTIVES

From 2022, we will start publishing annual sustainability reports with transparent accounts of our progress and the obstacles in our path. In this way, we will evaluate our objectives annually so that we can make adjustments where necessary and achieve our ambitious targets. Third parties such as the Science Based Targets initiative and Cradle to Cradle® will monitor our claims. In addition, we will assess the sustainability performance of products through Life Cycle Analyses (LCA), which calculate the environmental impact of a product throughout its life cycle.

## INNOVATION AS A DRIVING FORCE

Implementing sustainability requires a radical transformation of our processes and our use of raw materials. But at Unilin Group, we see this challenge as an opportunity. To succeed we will rely on a long tradition of innovation and industrial strength.

To ensure that the innovations we develop in the company are also sustainable, we have developed a Sustainable Innovation Framework.

## STRONGER TOGETHER

Our company centres around innovation, entrepreneurship, passion and solutions. We know, like no other, the power of collaboration and cross-pollination, and pool the know-how from our various divisions to learn from each other. We also have an external focus: we aim to share our insights and learn from the best practices of others.

