

Sustainability through technological advances

SUSTAINABILITY REPORT 2017



GROWING TOGETHER
TOWARDS A **PURE** FUTURE

RECTICEL
The passion for comfort

SUSTAINABILITY STRATEGY SUMMARY



SUSTAINABLE INNOVATION PLAN

MATERIAL ASPECT	KPI	TARGET																	
INNOVATION FULFILLING SOCIETAL NEEDS	Sustainability index <small>(scope: innovation pipeline Sustainable Innovation Department)</small>	80% of R&D projects classified as sustainable by 2020 according to the Sustainability Index	<table border="1"> <tr><th>Year</th><td>2013</td><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2020</td><td>2030</td></tr> <tr><th>Percentage</th><td></td><td></td><td>40%</td><td>45%</td><td>54%</td><td>80%</td><td></td></tr> </table>	Year	2013	2014	2015	2016	2017	2020	2030	Percentage			40%	45%	54%	80%	
Year	2013	2014	2015	2016	2017	2020	2030												
Percentage			40%	45%	54%	80%													
OPTIMISING CARBON FOOTPRINT	Recticel Carbon footprint indicator expressed in tonnes of CO ₂ equivalent compared to the 100% activity level in 2013 <small>(scope: production sites)</small> The method of calculation is derived from the Cradle to Grave method	Reduce Recticel Carbon Footprint Indicator by 25% in 2020 and by 40% in 2030	<table border="1"> <tr><th>Year</th><td>2013</td><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2020</td><td>2030</td></tr> <tr><th>Percentage</th><td>100%</td><td>100%</td><td>84%</td><td>83%</td><td>83%</td><td>75%</td><td>60%</td></tr> </table>	Year	2013	2014	2015	2016	2017	2020	2030	Percentage	100%	100%	84%	83%	83%	75%	60%
	Year	2013	2014	2015	2016	2017	2020	2030											
Percentage	100%	100%	84%	83%	83%	75%	60%												
Net Recticel Impact Ratio (whole value) defined as ratio of the Recticel Positive Impact to the Recticel Carbon Footprint. The Recticel Positive Impact is expressed in tonnes of avoided CO ₂ equivalent in use phase <small>(using appropriate method of calculation per type of product and using appropriate conversion factors calculated by a third party)</small>	Increase Net Recticel Impact Ratio from 20* in 2013 to 30 by 2020 and 50 (40) by 2030. We have reached our 2020 target three years early and have amended our 2030 target to 50. * We have reviewed our method of calculation. The original results over 2013, 2014, 2015 were 20, 20, 26	<table border="1"> <tr><th>Year</th><td>2013</td><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2020</td><td>2030</td></tr> <tr><th>Ratio</th><td>20</td><td>20</td><td>26</td><td>36</td><td>36</td><td>30</td><td>50 (40)</td></tr> </table>	Year	2013	2014	2015	2016	2017	2020	2030	Ratio	20	20	26	36	36	30	50 (40)	
Year	2013	2014	2015	2016	2017	2020	2030												
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RESOURCE EFFICIENCY	Tonnes of recycled foam produced by Recticel	100% increase by 2020 compared to 2015. The increase is possible if flexible foam production waste is gradually replaced by post-consumer waste	<table border="1"> <tr><th>Year</th><td>2013</td><td>2014</td><td>2015</td><td>2016</td><td>2017</td><td>2020</td><td>2030</td></tr> <tr><th>Change</th><td></td><td></td><td>BASE LINE</td><td>-10%</td><td>-17%</td><td>100%</td><td></td></tr> </table>	Year	2013	2014	2015	2016	2017	2020	2030	Change			BASE LINE	-10%	-17%	100%	
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PEOPLE PRIORITY PLAN

MATERIAL ASPECT	KPI	TARGET																	
BUSINESS ETHICS AND INTEGRITY	Number of legal training courses provided by the Corporate Legal Team as face-to-face meetings and e-learning modules completed	Increase the number of legal trainings provided by the Corporate Legal Team in face-to-face meetings and e-learning modules completed by 5% per year (cumulative) compared to 460 in 2015	<table border="1"> <thead> <tr> <th>Year</th> <th>Number of Trainings</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>460</td> </tr> <tr> <td>2014</td> <td>460</td> </tr> <tr> <td>2015</td> <td>460</td> </tr> <tr> <td>2016</td> <td>425</td> </tr> <tr> <td>2017</td> <td>496</td> </tr> <tr> <td>2020</td> <td>500</td> </tr> <tr> <td>2030</td> <td>500</td> </tr> </tbody> </table>	Year	Number of Trainings	2013	460	2014	460	2015	460	2016	425	2017	496	2020	500	2030	500
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REDUCE HS&E IMPACT OF OUR ACTIVITIES	Frequency work accidents represents the average on Group level	<3 number of accidents x 1,000,000 number of hours performed	<table border="1"> <thead> <tr> <th>Year</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>8.8</td> </tr> <tr> <td>2014</td> <td>8.4</td> </tr> <tr> <td>2015</td> <td>8.4</td> </tr> <tr> <td>2016</td> <td>5.8</td> </tr> <tr> <td>2017</td> <td>6</td> </tr> <tr> <td>2020</td> <td><3</td> </tr> <tr> <td>2030</td> <td><3</td> </tr> </tbody> </table>	Year	Frequency	2013	8.8	2014	8.4	2015	8.4	2016	5.8	2017	6	2020	<3	2030	<3
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2020	<3																		
2030	<3																		
AN INSPIRING AND REWARDING PLACE TO WORK	The number of countries in which engagement surveys are conducted among blue and white collars	Two new countries every year	<table border="1"> <thead> <tr> <th>Year</th> <th>Number of Countries</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>1 (Belgium)</td> </tr> <tr> <td>2016</td> <td>2 (Belgium + United Kingdom, Spain)</td> </tr> <tr> <td>2017</td> <td>3 (Poland, Romania)</td> </tr> </tbody> </table>	Year	Number of Countries	2015	1 (Belgium)	2016	2 (Belgium + United Kingdom, Spain)	2017	3 (Poland, Romania)								
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ABOUT THIS REPORT

This second Recticel sustainability report is the product of a journey that began in 2012. The first step of this journey was to define our strategy for sustainability, which was embedded in the Group strategy in 2015 and published in our first sustainability report in 2016. With this report, we aim to give external and internal stakeholders insight into our sustainability journey, strategy, and six material aspects. For each of these, we have selected a key performance indicator and target to measure progress.

The report discusses the social, environmental and economic aspects of sustainability and covers the 2016-2017 period. Recticel NV is headquartered in Brussels, Belgium, and employs in total (including pro rata share in joint ventures) 8,411 people in 98 sites across 28 countries. This report focusses on its 51 100%-owned subsidiaries employing 6,017 people in 19 countries.

In September 2017, the EU Directive 2014/95/EU on non-financial and diversity information reporting was enacted into Belgian national law. We now not only cover corporate governance and risk management statements in our annual report (as required by the Belgian Company Code), but also report on environmental, social, human rights and anti-corruption and bribery topics in our sustainability report.

The Directive recommends using internationally-recognised frameworks and standards to prepare and publish our responses. Hence, our second sustainability report was drawn up in accordance with the Global Reporting Initiative (GRI) Standard guidelines. This comprehensive framework is known globally for its credibility, consistency and comparability, and is now the de facto standard for sustainability reporting.

Limited external assurance was performed on the six material aspects covering the seven KPIs (see External Assurance page 51-53). Recticel will publish its third sustainability report in 2020.



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PREFACE

Five years after we introduced our sustainability strategy, sustainability now powers innovation at Recticel and supports our continuous efforts to grow, change, simplify and adapt, at every level and in every business activity, market and location.

Senior and middle management believe in the importance of sustainability to the continuity and profitability of Recticel, and have integrated it into their business strategies. As we grow from a tech-driven company into a market-driven company, the long-term needs and challenges of our sectors and our society have become our compass.

Johnny Thijs
Chairman of the Board of Directors

Olivier Chapelle
Chief Executive Officer



“We cannot risk becoming obsolete because we missed the turn. The circular economy is a real challenge, and we are dedicated to closing the loop.”

Olivier Chapelle

SUSTAINABILITY IS A SHARED RESPONSIBILITY

Our first sustainability report clarified sustainable development and made sustainability more tangible, convincing leadership at all levels that sustainability is unquestionably the way forward.

Sustainability indicators are now on the Board’s radar screen. As we move forward, special focus will be placed on linking the responsibilities of our front-line colleagues with their very real – and essential – impacts on our sustainability achievements.

CONNECTING INITIATIVES WITH RESULTS

Sustainability is strategic. Recticel strives to ensure that our activities contribute to society in a positive way. Sustainability shapes our portfolio strategy and our innovation priorities, and as a result, it nourishes our long-term competitiveness. Sustainability is also tactical. Efficiency and eco-design means less waste and greater resistance to material shortages and price fluctuations. Including sustainability in our industrial processes helps reduce our carbon footprint and increases operational excellence.

DEDICATED TO SUSTAINABLE DEVELOPMENT

On a continuous quest to find innovative solutions for societal challenges, we focus on 5 United Nations Sustainable Development Goals that are directly and deeply linked to everything we do at Recticel.

FACING OUR CHALLENGES WITH CONFIDENCE

In December 2016, we introduced a revised set of core values that now shape our culture, and were immediately reflected in the way people responded in times of crisis. We faced significant challenges, such as a *force majeure* fire at our Automotive plant in Most, Czech Republic, increases in raw material prices, and supply chain incidents at our suppliers' premises.

The most effective path to success is to continue developing products that meet market, customer, and societal needs. Recticel must continuously adapt to changing circumstances and dynamic marketplaces, and to evolve as a company to be able to stay competitive.

Finding – and keeping – the right people is crucial. Our proven track record in sustainability that drives profitable growth has enhanced our reputation, which not only helps us attract the right talent, but provides a powerful incentive for the excellent people we have to stay with us.

“We concentrate on the sustainable development goals that are most relevant to our expertise and activities. Doing so allows us to add more value where we have the biggest impact, rather than diffusing our attention.”

Johnny Thijs

“I’m proud of the commitment and engagement that all Recticel employees displayed in managing these challenges. Alignment has been overwhelming. We had the cohesion to face the challenges as one, and the right mindset to overcome them.”

Olivier Chapelle

“In moments of crisis, a company discovers its real strengths.”

Johnny Thijs

“Sustainability leads to change and helps us retain and motivate our people. The sustainability strategy is also an opportunity to attract the best talent.”

Olivier Chapelle

ABOUT RECTICEL

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.

RECTICEL IN A NUTSHELL

(31 December 2017)

The information in this sustainability report concerns the **100% Recticel owned subsidiaries**; joint ventures are not included in the scope.

More about Recticel: www.recticel.com



Belgian multinational, headquartered in Brussels, Belgium



Listed on the Euronext TM stock exchange in Brussels



European leader in polyurethane applications



4
Diversified activities over 4 divisions



6,017
employees



19
Presence in 19 countries



51
plants and offices

Recticel NV is headquartered in Brussels, Belgium, and employs in total (including pro rate share in joint ventures) 8,411 people in 98 sites across 28 countries.

We serve diverse markets, with Europe accounting for approximately 91% of our net sales and a presence in the USA and Asia. We support the innovation and sustainability efforts of our industrial clients by developing proactive, responsible, value-added solutions.

OUR DIVISIONS

Our core portfolio is organised around four application areas: Flexible Foams, Insulation, Bedding and Automotive.

Our **Flexible Foams** division develops and manufactures a wide variety of solutions with product attributes such as silencing, sealing, filtering, carrying, protecting, supporting and comforting. These solutions, based mainly on flexible polyurethane foam, are found in diverse B2B markets and segments.

Our **Insulation** division offers high-quality thermal and acoustic insulation products for construction and renovation projects. Our insulation products are marketed under established brand and product names such as Eurowall®, Powerroof®, Powerdeck®, Powerwall®, Xentro®, Simfofit® etc.

In our **Bedding** division, we market consumer-ready mattresses, slat bases and box springs under well-known brand names including Beka®, Lattoflex®, Literie Bultex®, Schlaraffia®, Semballa®, Superba®, Swissflex®, etc., as well as ingredient brands such as GELTEX® inside and Bultex®.

Our **Automotive** division, developing interior trim and seating solutions through a joint venture, focusses on innovation, technical progress and excellent customer service.



OUR MISSION

Our profound expertise in polymer applications, particularly in polyurethane, drives everything we do. We seek to create competitive solutions, enhance the day-to-day comfort of our end users and generate shared value for all of our stakeholders.

OUR VISION

We aim to lead our core markets worldwide by offering value-added solutions that promote environmental protection and resource conservation in the face of growing global challenges.

OUR STRATEGY

The Recticel Group strategy was created to respond to key challenges, such as energy conservation, CO₂ reduction, and an aging and increasing population. Our activities sustainably position us as the leading supplier of polyurethane and polymer-based solutions in our markets.

OUR CORE VALUES

In 2016, we redefined our Group core values to align our corporate actions and attitudes towards internal and external stakeholders. The exercise of defining a new set of core values would be futile if they were not implemented, shared and lived by all stakeholders, especially our colleagues. Our values are active and ambitious. They empower teams and employees to progress, create a positive corporate culture and help catalyse our growth.



LIVING OUR CORE VALUES

In 2017, Recticel introduced the Living The Values Award (LTVA) with the support of **over 70 local Values Ambassadors**. This initiative allows employees to nominate a colleague or a team that demonstrated the values in their daily business lives in an exceptional way. Out of the total number of 203 high-quality nominations, the five winners were selected by the international, cross-functional LTVA Selection Committee. The LTVA Ceremony to honour the winners will take place in March 2018.

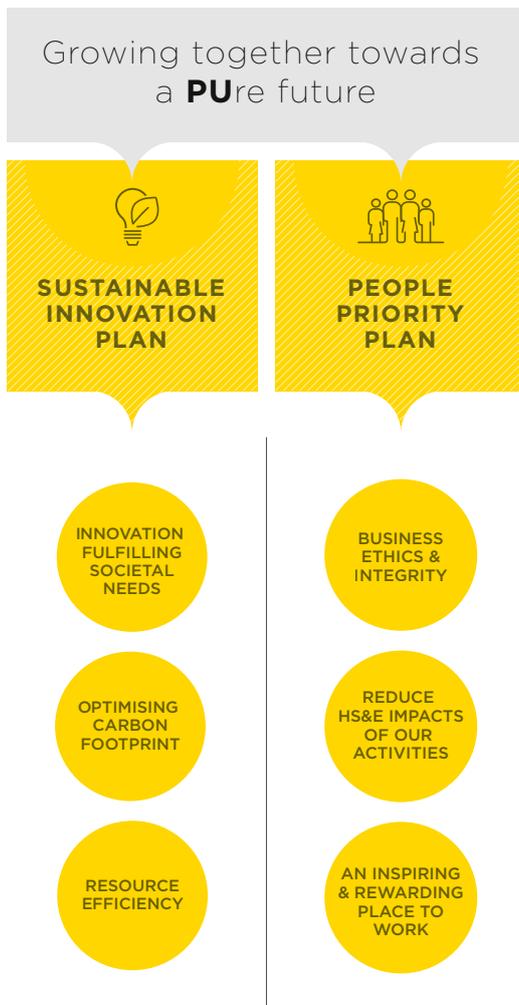


A STRATEGY FOR SUSTAINABILITY

Sustainable innovation is the main driver behind all our research and development efforts. It is at the heart of our Group strategy and a key deciding factor in everything we do. *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. Every day, through technological advances, we renew our commitment to finding responsible solutions to the challenges and needs of our customers and society.

OUR SUSTAINABILITY JOURNEY

In 2012, Recticel put sustainability at the heart of its Group strategy. We appointed our first Chief Sustainability Officer, who spearheaded a company-wide project in 2013 to raise awareness of the need for sustainable development, and identify sustainability challenges and opportunities for all divisions and departments.



People and innovation are crucial to our sustainability strategy. Working closely with our stakeholders, we defined the six most important aspects for Recticel with the potential to turn sustainability into a keener competitive edge. These aspects form the basis of our **Sustainable Innovation Plan** and a **People Priority Plan**, and a key performance indicator and target were identified for each aspect.

In September 2016, we published our first sustainability report to give stakeholders insight into our sustainability journey, the strategy itself, and its material aspects. This second sustainability report shares our progress towards our targets and discusses the obstacles we've encountered along the way.

“Two years after launching our sustainability strategy, it is clear that focussing on innovation was the right approach for Recticel. Stakeholder feedback confirms that we have selected relevant priorities in our Sustainable Innovation Plan.”

Jean-Pierre De Kesel, Chief Sustainable Innovation Officer

Boosting **awareness** of our Sustainable Innovation and People Priority Plans is the next step on our sustainability journey. The Corporate HS&E & Sustainability Steering Committee, led by our CEO, enhances our focus on health, safety, the environment as well as sustainability **across all organisational levels**.



Jean-Pierre De Kesel
Chief Sustainable
Innovation Officer

In line with our Group strategy for international expansion and sustainable innovation, we acquired a new facility, in Angers, France and are building a our first Nordic insulation facility in Finland, to be started up in October 2018. These initiatives are steps toward achieving our resource efficiency and carbon footprint optimisation targets.

***“Sustainability isn’t just a buzzword;
it’s strategically embedded.”***

François Desné, Group General Manager Flexible Foams

HOW THE SUSTAINABILITY STRATEGY IS LINKED TO RECTICEL’S RISK MANAGEMENT SYSTEM

Since the beginning of our sustainability journey, we see sustainability as an **opportunity to create shared value for the company and for society**. Our sustainability strategy is closely interwoven with the Recticel Group risk management system, 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 sustainable innovation at the centre of Recticel’s strategy takes these risks into account, and avoids or minimises any adverse effects of potential risks on the company. This is how we maintain our competitive edge and generate value for our stakeholders.



**CORPORATE RISKS IDENTIFIED
(SEE ANNUAL REPORT 2016 P183)**



**OUR SUSTAINABILITY
STRATEGY**

Failure to successfully innovate, develop and introduce new products.

Innovation fulfilling societal needs

Preparing durable polyurethane products for the circular economy.

Safety, health and the environment:
new regulations and its impact

Optimising carbon footprint

CO₂ emissions avoided by our insulation solutions add up to more than 30 times the carbon footprint of our activities combined.

Price volatility of major chemicals.
Failure to obtain raw materials

Resource efficiency

Seeking new ways to prevent, reuse and recycle production and end-of-life foam.

Potential misconduct by employees and managers or third-party contractors.

Business ethics and integrity

Developing comprehensive codes, policies and trainings to provide an ethical framework beyond compliance.

Safety, health and the environment,
new regulations and their impacts.

Reduce HS&E impacts of our activities

Working towards zero environmental accidents, injuries and occupational illnesses.

Attracting and retaining qualified personnel.

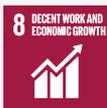
An inspiring and rewarding place to work

Encouraging employees to feel engaged, develop their talents and contribute to company goals.

HOW RECTICEL'S STRATEGIC OBJECTIVES CONTRIBUTE TO THE SDGS

In 2015, 17 Sustainable Development Goals (SDG) were launched by the United Nations. This universal set of targets and indicators is designed to help countries end poverty, protect the planet and ensure global prosperity as part of a new sustainable development agenda. The SDGs provide powerful new language to communicate integrated sustainability goals that are more urgent than ever. Recticel has identified five SDGs that are most impactful, relevant and strategically embedded in our company:



SUSTAINABLE DEVELOPMENT GOAL	WHAT RECTICEL DOES	SEE PAGE
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Innovation fulfilling societal needs</p> <ul style="list-style-type: none"> - measure sustainability performance of R&D projects (Sustainability Index) - develop new comfort foam for bedding or seating applications (Fit²) <p>Reduce HS&E impacts of our activities</p> <p>Inspiring and rewarding place to work (SDG Target 3.9)</p> <ul style="list-style-type: none"> - implement adequate occupational health and safety procedures (HS&E policy) - support the precautionary approach (root cause analysis) - provide training and knowledge sharing opportunities 	<p>p15 p16</p> <p>p35 p35 p31, 43</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Business ethics and integrity (SDG Target 8.7)</p> <ul style="list-style-type: none"> - practice human rights due diligence, avoid corruption and bribery, and take actions preventing, mitigating and remediating negative impacts (core values, Code of Conduct) - ensure decent working practices within the supply chain (RSSR) <p>Reduce HS&E impacts of our activities (SDG Target 8.8)</p> <ul style="list-style-type: none"> - respect and protect labour rights and provide safe, secure and healthy working environments for all employees (core values) - use operational health and safety management systems (OHSAS 18001) <p>An inspiring and rewarding place to work</p> <ul style="list-style-type: none"> - offer a stimulating and rewarding place to work (core values, HR strategy), where employees feel engaged (engagement survey) and where their talents can develop (RECUN) 	<p>p9, 32 p33</p> <p>p9, 37 p35</p> <p>p40-43</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Resource efficiency</p> <p>Innovation fulfilling societal needs</p> <p>Optimising carbon footprint</p> <ul style="list-style-type: none"> - implement circular economy models such as using renewable (e.g. CO₂ polyol) or fully recyclable (e.g. Simfofit[®]) inputs (SDG Target 12.5) - measure sustainability performance of R&D projects (Sustainability Index) <p>Reduce HS&E impacts of our activities</p> <ul style="list-style-type: none"> - establish and maintain proactive environmental management systems (HS&E policy, ISO 14001) 	<p>p22, 28 p15</p> <p>p35</p>
 <p>13 CLIMATE ACTION</p>	<p>Optimising carbon footprint</p> <ul style="list-style-type: none"> - increase the positive impact of our insulation solutions - Xentro[®] panels insulate 13% better - improve the efficiency of our operations (SDG Target 13.1) - replace fossil fuel based raw materials with more resource efficient (SDG Target 13.1) <p>Innovation fulfilling societal needs</p> <ul style="list-style-type: none"> - measure sustainability performance of R&D projects (Sustainability Index) - Colo-Sense[®] X Lite automotive skin uses less raw material 	<p>p21 p24 p23 p28</p> <p>p15 p18</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<ul style="list-style-type: none"> - take responsibility for our own activities, but also in our sphere of influence upstream (raw materials sourcing) as well as downstream (use and end-of-life) - invest in close partnerships with the stakeholders: customers, suppliers, knowledge institutes, investors and communities along our value chain 	<p>p47 p48</p>

01.

INNOVATION FULFILLING SOCIETAL NEEDS





01. INNOVATION FULFILLING SOCIETAL NEEDS

Our continued growth depends on our ability to respond to complex and dynamic societal needs. This is why we strive to develop innovative solutions that maximise 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.

KPI:

Sustainability Index
(scope: innovation pipeline Sustainable Innovation Department)

TARGET:

80% of R&D projects classified as sustainable by 2020 according to the Sustainability Index

2015
40%

2016
45%

2017
54%

2020
80%

We see steady progress in the number of SID projects classified as sustainable



SUSTAINABILITY INDEX

In 2014, Recticel developed its own methodology to score all research and development projects, spearheaded by the Sustainable Innovation Department (SID).

The resulting Sustainability Index, now in its 2nd generation, is a way to measure, track and compare the sustainability performance of 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 (HSE) as well as social impact.

Each development project is rescored on an annual basis, with scorings reviewed when significant changes are made to a project's scope, or when important new research data have become available. A negative score on the HSE criterion (People aspect) is possible if a new development project performs at a lower level than its previous version.

“The sustainability strategy is now embedded in the highest levels of our company, and customers’ innovation requests are increasingly sustainability-driven. This helps keep sustainability a live issue that employees truly engage with in their quests for success.”

Jean-Pierre De Kesel, Chief Sustainable Innovation Officer

FIVE SUSTAINABLE INNOVATION PROGRAMMES

With the goal of leading the transition to a circular economy and a low-carbon society and promoting well-being at every age, Recticel's SID R&D efforts are centred around five innovation programmes, each led by an Innovation Manager. Developed through permanent collaboration between product development teams and SID innovation teams, four of the programmes are aligned with market expectations and will make our Automotive, Bedding, Flexible Foams and Insulation divisions more sustainable.

The fifth programme covers projects impacting all four divisions and coordinates all initiatives to prepare durable polyurethane products for the circular economy. This covers the entire product value chain, from raw materials purchasing to polyurethane recycling and reuse.

“Recticel seeks to offer more differentiation through sustainable innovations, as this is what the market expects from us.”

Jean-Pierre De Kesel, Chief Sustainable Innovation Officer

These programmes underpin our sustainability strategy. They differentiate Recticel from its competitors and generate shared value for all stakeholders. Some examples of progress made in 2016 and 2017:



NEW COMFORT FOAM FOR BEDDING AND SEATING

By developing the new Geltex® foam with CO₂ polyol, we support the introduction of new sustainable technologies into our bedding products. At the same time, the new Geltex® mattresses are more durable with longer lifespans. The worldwide launch took place at the Cologne IMM trade fair in January 2018.



TECHNICAL FOAMS WITH ENHANCED SILENCING PROPERTIES

Research projects are ongoing to find solutions that help reduce noise caused by industrial appliances, contributing to a more comfortable and productive working environment.



REDUCED LAMBDA VALUES IN INSULATION

Launched in March 2017, Xentro® achieves high insulation values with less material and lower volume, as well as lower thermal conductivity and a 13% reduction in lambda value over its market reference material.



LIGHTER AUTOMOTIVE INTERIOR TECHNOLOGIES

Through innovations in layer density reduction techniques, Colo-Sense® X Lite automotive skins are even lighter, high-performing and cost-effective, cutting transport costs and emissions.



CORPORATE SUSTAINABILITY PROGRAMME

This programme steers all initiatives to prepare durable polyurethane products for the circular economy. This covers the whole value chain of our products, from raw materials to studying how polyurethane can be recycled and reused.

An October 2016 acquisition in France enabled us to scale up the go-to-market process of an advanced technology that transforms our flexible foam production waste into high-performance acoustic insulation. The result is Simfofit®, introduced in March 2017, which reduces sound by up to 12 dB.



In 2018, Recticel will continue to participate in international multi-actor research and development projects connected to one or more of our 5 innovation programmes, such as:

LOW LAMBDA

Manufacturing high-value polyurethane materials from CO₂ by-products of the steel industry is the ambition of Carbon4PUR, a EU Research and Innovation programme Horizon2020 project with 14 partners from 8 countries. If the technology is proven feasible, Recticel will play a part in testing it in rigid foam applications such as insulation panels.

CORPORATE SUSTAINABILITY

Recticel will proactively participate in international R&D partnerships with knowledge institutes and actors across the value chain to prepare durable polyurethane products for the circular economy.

COLO-SENSE® X LITE AUTOMOTIVE SKIN PERFORMS BETTER AND USES LESS

Our Automotive division serves global car manufacturers as well as their direct suppliers. Car manufacturers focus on reducing the CO₂ impacts of their vehicles due to continuous emission limit reductions by authorities. Our current standard Colo-Sense® Lite technology, applied as a dual-layer skin for car dashboards, offers considerable weight reduction, for lower emissions and greater fuel efficiency.

In 2013, the Recticel Sustainable Innovation Department kicked off the 'Colo-Sense® X Lite' project as a successor to Colo-Sense® Lite. The goals were to further reduce material weight, cut VOC (volatile organic compound) emissions, and optimise logistics. At the same time, we wanted to maintain the same material properties and cost

efficiency advantage.

Compared to Colo-Sense® Lite, Colo-Sense® X Lite offers:

- **Up to 20% weight reduction** by using less material;
- **Up to 50% VOC emission reduction** for compliance with the most stringent industry requirements;
- **Further improved flexibility of the material** makes it less sensitive to deformation, an important logistics advantage thanks to more efficient stacking and optimised transport conditions.



“Our proven innovation track record and clear sustainability focus is transforming us from a traditional supplier into a true collaboration partner.”

Jean-Christophe Bouckaert,
SID Innovation Manager

02.

OPTIMISING CARBON FOOTPRINT





02. OPTIMISING CARBON FOOTPRINT

The aim of the United Nations COP 21 Paris Agreement is to limit the increase of the global average temperature above pre-industrial levels as much as possible. Recticel contributes to this aim by optimising its carbon footprint throughout the value chain, alongside its partners.



We focus on introducing raw materials with lower GWP (global warming potential) values, 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 2017, the **CO₂ emissions avoided by our insulation solutions total over 30 times our carbon impact throughout the value chain**, making the growth of this business a priority. Our lightweight car components reduce vehicle weight, lowering their fuel consumption and carbon emissions.

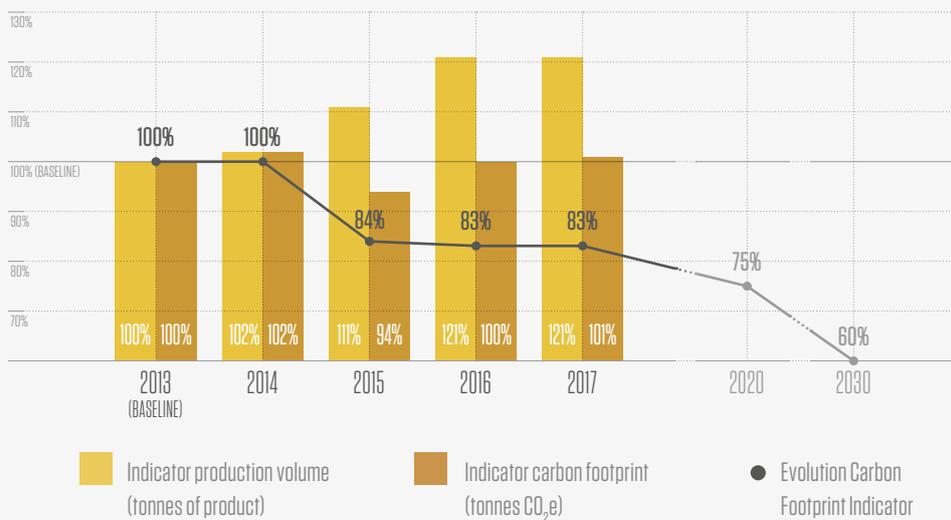
KPI 01:

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

TARGET:

Reduce Recticel Carbon Footprint Indicator by 25% in 2020 and by 40% in 2030

RECTICEL CARBON FOOTPRINT EVOLUTION IN %

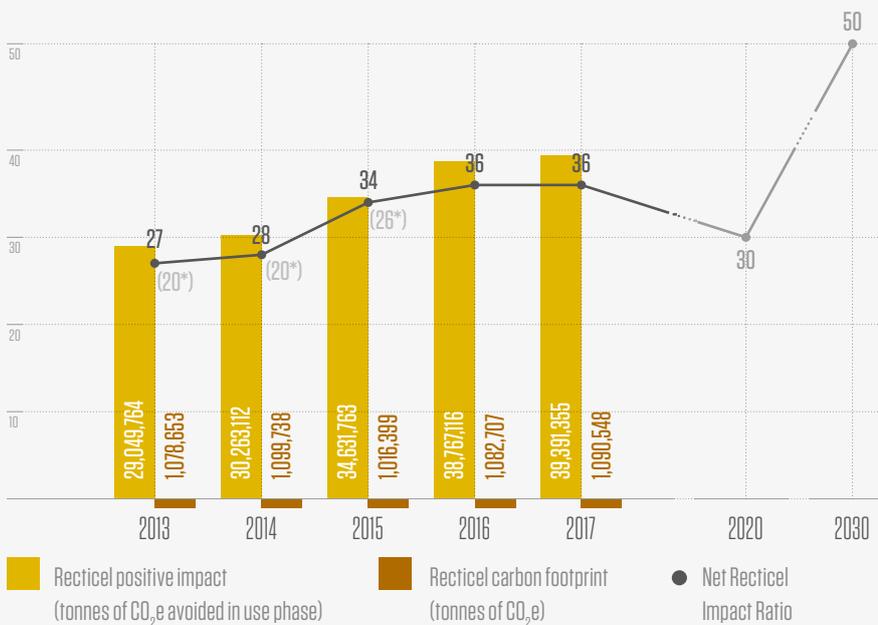


- We have clarified our KPI and Target definition and **reviewed our methods of calculation**
- Over a period of 5 years (2013-2017), the **Recticel Carbon Footprint remained stable despite our production activities increasing by more than 20%**. This demonstrates Recticel's success in **decoupling its carbon impact from economic growth**
- This claim is supported by the **decrease in total (on-site) energy consumption by 6%** (see page 23). Considering the **20% increase in our production activities**, Recticel has **reduced its energy consumption by more than 22%** through the implementation of energy efficiency measures
- For the **Net Recticel Impact Ratio**, our success in **decoupling our carbon impact from economic growth**, in combination with the significant **growth of the Insulation division**, has enabled us to achieve our 2020 target three years early. As a consequence, we have **amended our target to 50 by 2030**

KPI 02:

Net Recticel Impact Ratio (whole value chain) defined as ratio of the Recticel Positive Impact to the Recticel Carbon Footprint. The Recticel Positive Impact is expressed in tonnes of avoided CO₂ equivalent in use phase (using appropriate methods of calculation per type of product and using appropriate conversion factors calculated by a third party)

EVOLUTION NET RECTICEL IMPACT RATIO



TARGET:

Increase Net Recticel Impact Ratio from 20* in 2013 to 30 by 2020 and 40 by 2030

We have amended our target to 50 by 2030

* Original method of calculation 2015 sustainability report

FOCUSSING ON THE BIGGEST IMPACT

To optimise 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)**. Together with our suppliers, we explore innovative solutions and investigate more sustainable raw materials.

UPSTREAM IN THE VALUE CHAIN

Recticel efforts increasingly focus on the use of renewable or recycled content. The CO₂ polyol that we use in some of our flexible foams applications is an example of innovative technology that mitigates societal challenges such as climate change.

DRIVING RESPONSIBLE PRODUCTION AND CONSUMPTION WITH GELTEX AND CO₂ POLYOL

Polyols and isocyanates are fossil fuel-derived raw materials used to make polyurethane. The production of chemicals like polyols and isocyanates is energy-intensive. Thus, our suppliers strive to optimise energy efficiency and find alternatives to fossil fuels.

Covestro developed a revolutionary new polyol that replaces 20% of its weight with a by-product of the CO₂ captured from a nearby facility. In this first phase, available volumes are limited and the technology needs further development to maximise the percentage of CO₂ polyol used in flexible foam formulations.

Recticel supported this innovative development from the beginning. In December 2016, Recticel was the first worldwide to implement this new polyol in its Flexible Foams plant in Gislaved, Sweden. At the end of 2017, the Kesteren plant in the Netherlands began producing Geltex foam containing the CO₂ polyol for the worldwide launch at the Cologne IMM Fair in January 2018. Sustainability linked to responsible production and consumption will become a talking point for the retailer and the consumer, whose main concern remains getting a good night's sleep.

Worldwide Geltex launch at the Cologne IMM Fair, January 2018





Opening SID laboratories



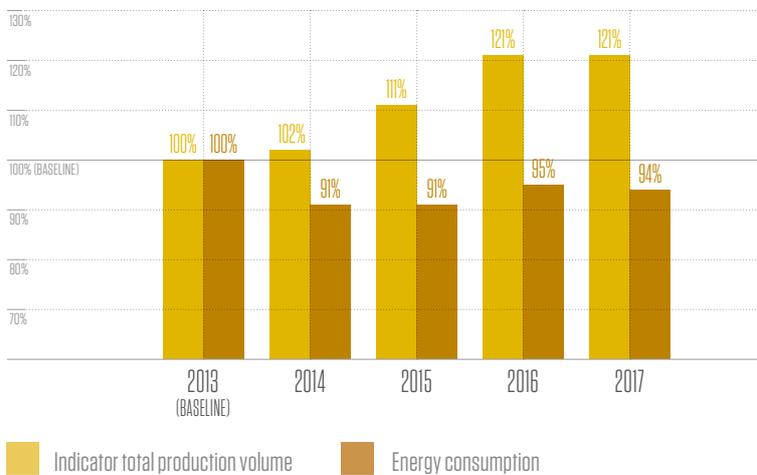
Wevelgem warehouses

REDUCING ENERGY CONSUMPTION IN OUR PLANTS

We continuously monitor the energy consumption of our own processes and strive to make our operations more energy-efficient:

- when building or starting up new plants, we support green energy and carbon footprint reduction, such as our new SID laboratories (**cutting 179 tonnes of CO₂ per year**) and new Insulation plant in Finland (using waste heat);
- when integrating operations, such as concentrating Insulation warehouses in Wevelgem, Belgium (EUR 10 million investment) and by reducing required transport, cutting **1,500 tonnes of CO₂ per year**;
- when making all operational decisions, such as selecting the most energy-efficient coupling devices for production plants.

ENERGY CONSUMPTION EVOLUTION IN %



XENTRO®: MORE PERFORMANT

Continuously developing new technologies and applications with better insulation performance is the best thing Recticel can do to positively impact the carbon footprint.

One of Recticel's five innovation programmes is dedicated to low thermal conductivity, also known as 'low lambda'. Launched in March 2017, Xentro® is a novel rigid foam technology with a lambda value reduced from 22 to 19. **Xentro® boards insulate 13% better at the same thickness than our current market reference product, Eurowall®,** which has a lambda value of 22. They are also thinner and use less raw material, for more efficient stacking and lower fuel consumption during transport.



Xentro®

INNOVATING NEW END-OF-LIFE SOLUTIONS AND PROCESSES

Recticel's expertise lies predominantly in polyurethane applications for **durable consumer or business-to-business goods** such as insulation panels (50-year lifespan), mattresses (10-year lifespan), car dashboards and highly specialised technological applications with attributes such as silencing, sealing or carrying.

Polyurethane is a **thermoset material** characterised by high durability. In contrast to thermoplastic material it cannot be melted and reformed, which complicates recycling.¹

Our products potentially contain materials that can be reused or recycled for other value-added purposes. Recticel works with industry peers and knowledge institutes to investigate the impacts of closing the materials loop. The goal of these research projects is to find economically viable solutions for waste streams that also benefit the environment.

¹ See Factsheet Europur for more information: <http://www.europur.org/publications/item/44-factsheet-eol-foam-from-mattresses-and-furniture>

03.

RESOURCE EFFICIENCY





03. RESOURCE EFFICIENCY

Recticel supports the transition from the linear ‘take, make, dispose’ economic model to a circular economy by seeking new ways to prevent, reuse and recycle production and end-of-life waste while minimising demand for constrained natural resources.

Our expertise lies predominantly in polyurethane applications for durable goods. Polyurethane is a thermoset material that, in contrast to thermoplastic material, cannot be melted and reformed, which complicates recycling. Our R&D efforts and Corporate Sustainability Programme aim to reduce waste and enable production and end-of-life foam to be recycled in value-added new solutions.

KPI:

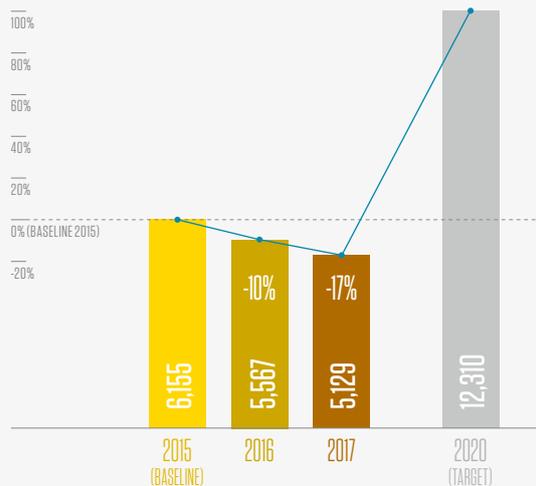
Tonnes of recycled flexible foam produced by Recticel

TARGET:

100% increase by 2020 compared to 2015. This increase is possible if flexible foam production waste is gradually replaced by post-consumer waste.

- We have clarified the KPI description (by Recticel)
- The amounts of production waste supplied to and transformed by customers into upholstery or flooring applications is not considered
- 2016 results cover the tonnes of recycled foam produced by one Recticel plant. A second plant started up in 2017
- The results are not yet in line with our 2020 target, which we will maintain
- Gradually replacing production waste with post-consumer waste by 2020 remains possible if legislative, technical and economic feasibility hurdles are eliminated

TONNES OF RECYCLED FLEXIBLE FOAM PRODUCED



WASTE PREVENTION

Starting and stopping a flexible foam production run to switch between different formulations, colours or dimensions creates production waste. Our 2015 **Foaming Rationalisation Programme (FRAP)** aims to reduce the number of foam formulations (grades) and references (grade variations) produced in our 11 plants worldwide. “This simplification exercise was conducted in close cooperation with the operations and

sales organisation in order to guarantee that we continue to cater to the market's needs," explains Erik Banck, Global Industrial Director of Flexible Foams.

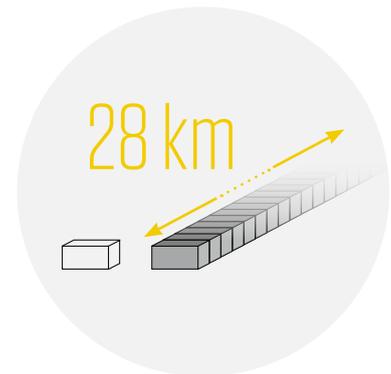
To embed these changes in our long-term *modus operandi*, a centralised approval chain with clearly defined criteria for grades and references has been put in place, and raw materials that are no longer used have been blocked.

REDUCTION RESULTS

At the end of 2017, the number of grades was reduced by more than 32% (compared to the end of 2015), despite the addition of new grades.

At the end of 2017, the number of references in use company-wide was reduced by almost 25% (compared to 2016), despite the addition of new references.

The FRAP exercise and all other Flexible Foams waste reduction initiatives combined have led to a cutback of 1.5% in the last 2 years, equal to 28 km of foam blocks.



The cutback of 1.5% in the last 2 years equals to 28 km of highway covered by foam blocks of 2 by 1 metres

DOING MORE WITH LESS

Recticel's thinner thermal insulation boards and lightweight car dashboards are products that use less raw material, for substantial ecological benefits upstream and downstream in the value chain.

BUILDING ON NEW TECHNIQUES

For many years, Recticel has used the production waste of polyurethane flexible foams as a raw material to make bonded foam. This recycled foam is supplied to customers who utilise it in flooring, upholstery and technical applications.

In the traditional process of recycling flexible foam, foam flakes are coated with isocyanate, pressed into a block, infused with steam and then dried in an energy-intensive process.

In the new fiber-bonded foam process, foam flakes are mixed with fibres and melted in a continuous process that does not require drying. Features such as facers for insulation panels can be applied directly on the line, for greater efficiency.



SIMFOFIT®: SUSTAINABLE INNOVATION IN ACTION

Our October 2016 acquisition of a facility in Angers enabled us to accelerate the scale-up and go-to-market process of fiber-bonded foam. We can now offer sustainable solutions that combine acoustic and thermal insulation while supporting the circular economy.



Simfofit®

In March 2017, we introduced our first fiber-bonded foam application for the do-it-yourself market: Simfofit® is an **acoustic insulation panel that reduces sound by up to 12 dB**. The Insulation plant in France where Simfofit® is made recycles the production waste of our Flexible Foams plants. The production waste from Simfofit® panels can also be reused.



Silentpart®

In February 2018, we have introduced a second fiber-bonded foam application, **Silentpart®**, an acoustic insulation panel for use in systems or lightweight partition walls that is easy to install in new build and renovation projects.

We continue to explore the possibilities of fiber-bonded foam for all application areas.

RECOVERING POST-CONSUMER WASTE

Many countries prioritise the waste stream from mattresses and furniture when introducing **extended producer responsibility legislation**.

EXTENDED PRODUCER RESPONSIBILITY

In order to transition towards a circular economy, extended producer responsibility (EPR) schemes are being developed to collect, recover and recycle flexible foam materials. This is already the case in France, with EPR to be rolled out in Belgium in 2021. Recticel is closely cooperating with authorities to prepare for its introduction. In the Netherlands, private initiatives to collect end-of-life mattresses demonstrate that the business case for recycling post-consumer waste streams is challenging from both economic and ecological points of view.

Our target is to gradually replace flexible foam production waste with post-consumer waste in our recycled foam applications. However, before we introduce end-of-life material, we must consider the implications from economic, environmental and legislative perspectives.

There are currently three main hurdles to overcome:

- **Material identification and selection**
- **Decontamination and odour**
- **Waste and REACH legislation**

Recticel is proactively participating in international R&D partnerships with knowledge institutes and actors across the value chain to find solutions that address these hurdles.

INNOMAT: NEW GUIDELINES TO SUPPORT MATTRESS ECO-DESIGN

Recticel was part of a 3-year industry study performed in close cooperation with the Flemish authorities in Belgium that investigated mattress eco-design, applications of residual waste streams of new and existing applications and the environmental costs and benefits of mattress recycling. There were three main conclusions: **either the market isn't large enough to absorb all post-consumer material, or more research must be done to make post-consumer material competitive. Also, the economic and environmental impact of mattress recycling should be further investigated.** The eco-design phase of this Innomat project resulted in a set of guidelines for mattress development, available on the website of project partner WOOD.BE.



Innomat eco-design guidelines



CLOSE THE GAP: GIVING SECOND LIVES TO ELECTRONICS

Close the Gap is an international non-profit organisation that aims to bridge the digital divide by providing refurbished electronics to developing countries for educational purposes. Over 300 electronic items donated by Recticel Belgium since 2015 have followed that path. In 2018, another 300 computers will be given a second life. One refurbished computer saves 250 kg of fossil fuels, 20 kg of chemicals and 1.5 tonnes of water, conserving valuable resources while giving people the opportunity to develop their talents.



04.

BUSINESS ETHICS & INTEGRITY





04. BUSINESS ETHICS & INTEGRITY

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.

We believe that transparency is the best policy. We welcome the enactment of the EU Directive 2014/95/EU on non-financial and diversity information into Belgian law, embedding sustainability through transparent and responsible behaviour.

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.



KPI:

Number of legal training courses provided by the Corporate Legal Team as face-to-face meetings and e-learning modules completed

TARGET:

Increase the number of legal training courses provided by the Corporate Legal Team in face-to face meetings and e-learning modules completed by 5% per year (cumulative) compared to 460 in 2015



We have clarified the KPI definition ('provided by the Corporate Legal Team in face-to-face meetings and e-learning modules completed')

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 our supply chain. Where specific risks of exposure to noncompliant situations, bribery or corruption have been identified, policies are implemented that provide guidelines on how to avoid or mitigate them.

Key measures:

- Our **Compliance Committee** addresses issues such as fraud, theft and bullying
- We offer many **channels for Recticel employees to speak up** directly or anonymously
- Detailed **internal audits of Recticel plants** are conducted every 3 years, and concern process aspects as well as awareness of the Code of Conduct and whistleblowing procedures

Ongoing legal training is another way in which Recticel aims to ensure organisation-wide compliance. Our Corporate Legal Team organises year-round in-person seminars on **intellectual property, confidentiality, competition law, basic contract law and product liability and general data protection**. In 2018, we will intensify our company-wide training curriculum to raise awareness of the General Data Protection Regulation.

In-person seminar participants do not hesitate to contact our Corporate Legal for guidance. This is an important side-effect of having training sessions almost exclusively conducted by our Corporate Legal Team. E-learning modules on these topics are offered to supplement the interactive face-to-face trainings.

MAINTAINING HIGH STANDARDS OF BEHAVIOUR

Our business is built on people. Their choices and behaviours shape our reputation and the trust others place in us which, in turn, determines our success.

Our reputation is one of our most valuable assets. We expect all Recticel employees to maintain a high standard of professional and personal behaviour, acting with integrity and in full compliance with all national and international legal requirements, as well as with the **Recticel Code of Conduct**. The Code addresses important principles such as ethics, safety, health and environment, human rights, quality, conflicts of interest, antitrust and fraud.

The **Business Control Guide** provides more specific guidelines on topics such as purchasing, tax, treasury matters, accounting policies, investment approval and HR procedures. In 2017, we reviewed and updated the Business Control Guide system and implemented a distinction between Group Policies and Group Procedures. New policies were added regarding HR, Sustainability and Finance as well as an update of the Procurement and Purchasing Policy.

In 2018, Recticel's Code of Conduct, introduced in 2011, will be replaced by the **Recticel Code of Ethics**. While compliance remains the foundation of our business activities, the Code of Ethics goes beyond compliance to help our employees incorporate ethics into their decision-making processes.

Going forward, Recticel will increase the pace of the face-to-face trainings to improve the coverage of the manager target groups and of newcomers in the organisation. Furthermore, Recticel's legal team will concentrate on improving the relevance of the trainings to day-to-day business situations our managers may encounter.

RECTICEL'S SUPPLIER SUSTAINABILITY REQUIREMENTS

Our suppliers are indispensable in helping us achieve a more sustainable value chain. We expect our suppliers and their subcontractors to uphold the same ethical standards as Recticel, at risk of exclusion. In 2017, we embedded our Recticel Supplier Sustainability Requirements (RSSR) in our **General Terms and Conditions** to ensure safe, environmental friendly, ethical and respectful working conditions throughout the supply chain.

05.

REDUCE HS&E IMPACTS OF OUR ACTIVITIES





05. REDUCE HS&E IMPACTS OF OUR ACTIVITIES

Our ultimate goal is to be incident-free. We work relentlessly to eliminate the probability and/or potential for work-related incidents, emissions, production leaks, fires and near misses. The Recticel Corporate Health, Safety & Environment Policy defines strategic objectives to minimise risks for people and the planet. Through risk assessments, mitigation initiatives and process improvements, we aim to make Recticel a safe place to work and visit.

KPI:

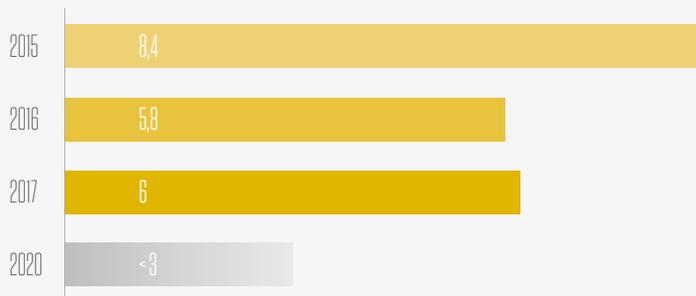
Work accident frequency represents the average on Group level for all our plants and offices

TARGET:

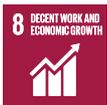
<3 by 2020

$$\text{Frequency} = \frac{\text{number of accidents} \times 1,000,000}{\text{number of hours performed}}$$

FREQUENCY INDEX WORK ACCIDENTS



- We have clarified the KPI definition (all our plants and offices)
- Result 2017 is not in line with 2020 target
- Despite many actions to raise awareness and improve safety, the frequency rate has not improved in 2017 compared to 2016
- Still, we maintain our target for 2020 which is a challenging goal for the whole organisation



STRIVING FOR HS&E EXCELLENCE

The Recticel Corporate HS&E Policy defines strategic objectives to minimise 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.

**ALIGNED WITH OUR
CORE VALUE 'WE
ACT WITH RESPECT
AND INTEGRITY',
WE BELIEVE THAT:**

- All incidents can be avoided.
- Everyone has right to safety and well-being on the job, a role in environmental protection and a duty to respect rules.
- Walking the talk is a daily commitment.

PERSONAL ACCOUNTABILITY AND COMMITMENT TO SAFETY

The Group Health, Safety and Environment Manual provides guidance for the implementation of the HS&E Policy. Recticel recognises the need for personal initiative, professional and safe behaviour, safety awareness and respect for each other and the environment to implement the HS&E policy.

QHS&E managers 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 divisions 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.

The Steering Committee defined the following priorities for 2017 – 2018:

- HS&E KPI definition and software tool
- Fire safety
- Management of culture and machine safety
- Personal protection equipment and visitors
- Transport safety
- Legal compliance

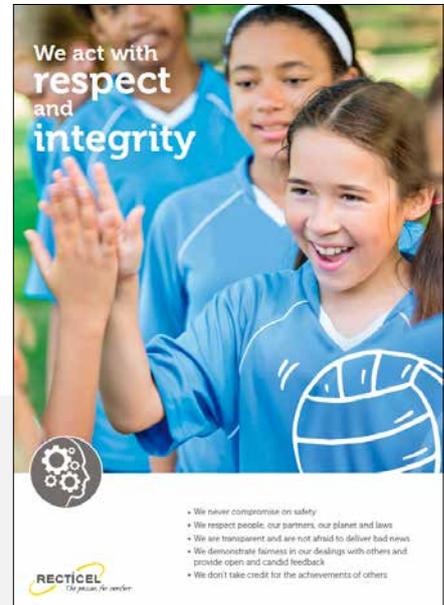
Flexible Foams and Bedding divisions have introduced similar steering forums to drive their own HS&E initiatives.

We follow a progressive maturity development model to foster a proactive safety culture, in which teams lead HS&E activities and every employee takes personal ownership of their safety and that of their colleagues.

Involving all levels of the organisation to identify, report and prevent near-misses and unsafe acts and conditions helps us focus on risk reduction. A Group HS&E reporting tool will be implemented in 2018 to support alignment, improve follow-up and reporting, underpin best practices and facilitate the monitoring of changing regulations.

The plant in Lodz, Poland, currently Bedding's biggest plant in terms of employees and working on a three-shift rhythm, is a great example of a remarkable culture change. It succeeded in involving all its employees when it comes to safety and achieved in 2017 a frequency rate of 1.07.

“We embedded a common commitment to safety – not just at work, but in every aspect of our lives,” says Kamil Szyszkiewicz, HS&E Specialist in Lodz. “It is crucial for management to serve as safety role models and educators to make fundamental changes. The next step is to inform every employee of the importance of preventing unsafe situations from ever occurring in the first place.”



FORKLIFT TRUCKS TAKE THE SAFETY SPOTLIGHT

Goods handling and transport pose important industrial risks in our facilities. Recticel set up a project team to identify solutions for optimising the safety, productivity, energy consumption and overall cost-efficiency of its forklifts. As a result, Recticel will add new safety features to existing vehicles and gradually replace forklift trucks in every facility with new vehicles equipped with:

- **Seatbelts** linked to the starting mechanism;
- **Blue spot lights** to signal the arrival of a forklift within a range of 5 metres;
- A **connect system** for better safety control and performance monitoring.

RECTICEL HS&E AWARDS: APPRECIATING TOP-NOTCH COMMITMENT

As safety is a strategic driver for operational excellence, in 2015, Recticel introduced the annual HS&E Awards to recognise HS&E frontrunners.

	2016 HS&E WINNERS	2017 HS&E WINNERS
	Recticel SAS Trilport, France (Flexible Foams)	Recticel Stoke-on-Trent, United Kingdom (Insulation)
	Recticel Sp. Z o.o. Łódź, Poland (Bedding)	Recticel Ibérica s.l. Ciudad Rodrigo, Spain (Flexible Foams)
	Recticel Automotive Interiors Division	Recticel Automotive Interiors Division (3 rd time in a row)

TAKING A PROACTIVE APPROACH TO BUSINESS RESILIENCE

In 2017, a severe force majeure fire occurred in our Automotive plant in Most, Czech Republic. A massive, company-wide collaborative effort resulted in alternative production plans that successfully minimised disruption at customers' assembly plants.

After a supplier delivered non-conforming TDI in late 2017, Recticel immediately stopped production, worked closely with suppliers to control potential health risks and supported customers in resolving safety issues.

These incidents reminded us that, even in the face of the highest possible safety standards and efforts, unforeseeable accidents can still happen.

06.

AN INSPIRING AND REWARDING PLACE TO WORK





06. AN INSPIRING AND REWARDING PLACE TO WORK

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 of 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.

KPI:

The number of countries in which engagement surveys are conducted among blue and white collars

TARGET:

Two new countries each year

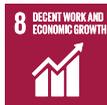
2016

BELGIUM - UNITED KINGDOM - SPAIN

2017

POLAND - ROMANIA

- Two new countries have been added each year
- Norway and Sweden are scheduled for 2018, covering three sites and 204 employees
- Engagement survey is repeated in each country every three years



ENHANCING EMPLOYEE ENGAGEMENT THROUGH AN INTERNATIONAL SURVEY

In September 2016, Recticel administered an engagement survey to Belgium, the United Kingdom and Spain to approximately 1,700 blue and white-collar employees. This was the third opportunity for Belgian employees to participate, and the first time for the United Kingdom and Spain. The survey was conducted by an external provider to guarantee full anonymity of the process.

1,340 employees shared their opinions about the company and its atmosphere. The results gave us valuable insight into employee engagement and satisfaction regarding leadership, job content, compensation, personal development, communication, cooperation, physical work environment and impact on society and well-being.

Results of the engagement survey were shared with the management and employees. Clear action plans were created and key focal points for each country were identified. The Group Management Committee formally discussed the results and agreed on specific actions at the corporate level to increase engagement.

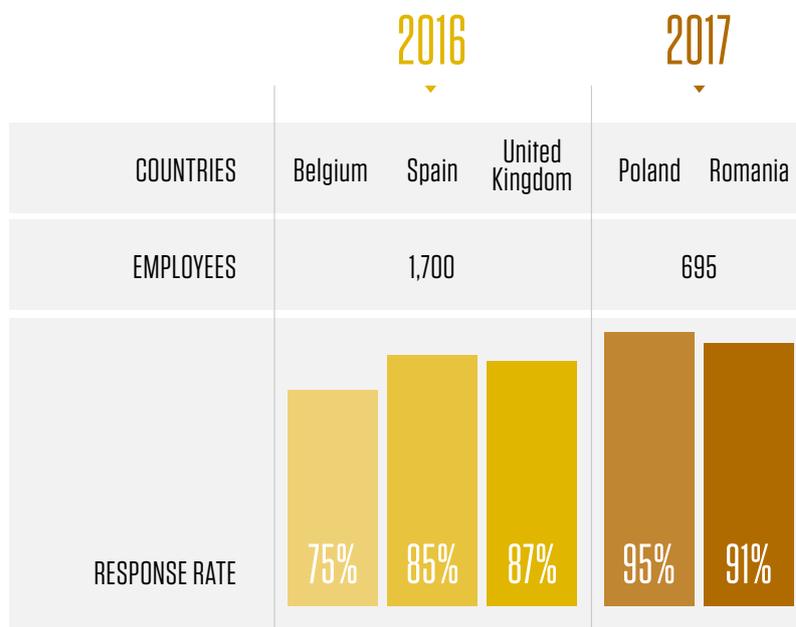
End 2017, engagement surveys were conducted in two new countries, Poland (520 employees) and Romania (175 employees). Results are expected in the first quarter of 2018.

In 2018, the engagement survey will be extended to Sweden and Norway, covering three sites and another 204 employees.

BACKPACK STRATEGY

In 2016 and 2017 we continued to execute our HR strategy. We made significant progress in several areas by:

- deploying a revised annual salary review process focussing more on differentiating reward
- implementing a Hay®-based career map
- extending the people review process
- redesigning the performance management system
- streamlining local bonus policies



The engagement survey initiative now covers 2,395 employees on a total of 6,017 (scope: 100% Recticel owned subsidiaries).



SUPPORTING THE CORE VALUES

In 2016, the Recticel Group Management Committee defined five core values and assigned five concrete behaviours to each. They describe how we interact, how we do business and how we work together in order to grow as a company and as individuals. We appointed a cross-functional, cross-division Values Deployment Team to develop a detailed implementation plan, and selected over 70 Values Ambassadors from each country and location.

Throughout 2017, Recticel continued to actively deploy the core values project by launching the core values e-learning path and the CEO's core values video in 14 languages. Team discussions and events facilitated by our Values Ambassadors helped our employees become more familiar with each of the values and key behaviours, linking each value to individual and team performance.

LIVING THE VALUES AWARDS: RECOGNISING OUR COLLEAGUES' EXCELLENCE

In May 2017, Recticel introduced the Living the Values Awards (LTVA). These allow employees to nominate a colleague or team that they feel deserves recognition for exceptional demonstration of the values in their daily business lives.



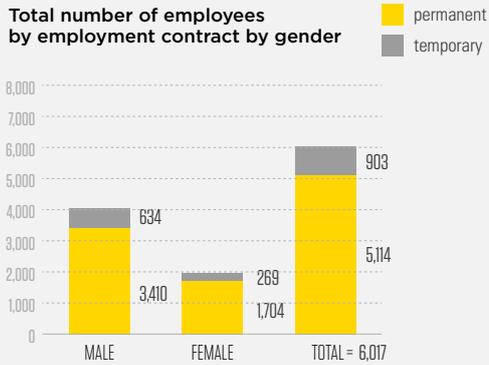
We received 203 high-quality nominations from all over the world, resulting in 26 finalists. A cross-functional and cross-cultural **Living the Values Award Selection Committee** was appointed to select the five winners in December. The Living the Values Award Ceremony to honour the winners will be held in the first quarter of 2018.

RECUN, THE RECTICEL UNIVERSITY

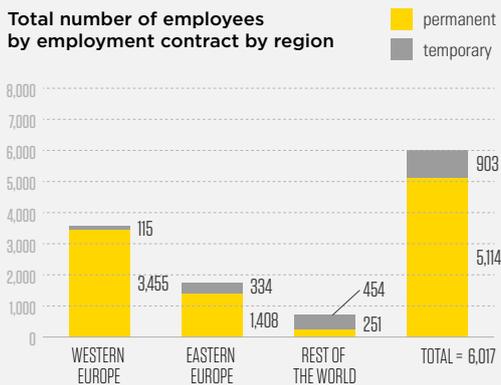
Recticel University, or RECUN, organises international training programmes in key development areas such as project management, leadership, presentation, communication and negotiation skills. Almost 50% of all training days were tailored to division or functional needs. In 2018, an IT security e-learning training course will be rolled out worldwide.

WORKFORCE PROFILE

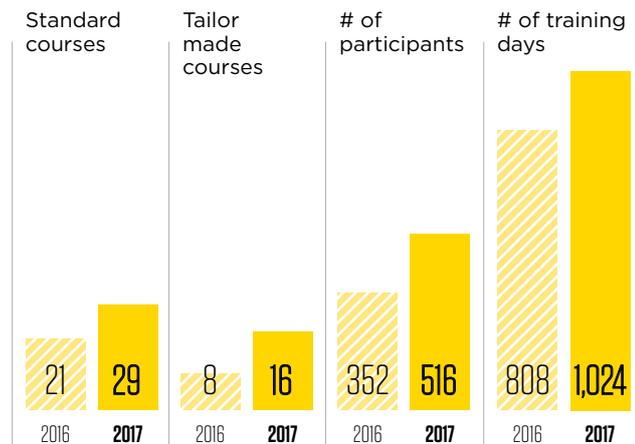
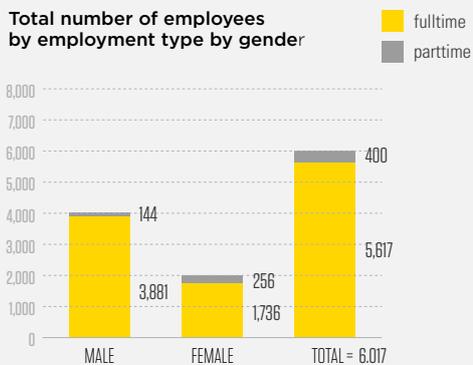
Total number of employees by employment contract by gender



Total number of employees by employment contract by region



Total number of employees by employment type by gender



YOUTHSTART: VALUABLE KNOWLEDGE FOR THOSE WHO NEED IT MOST

YouthStart Belgium is a licensed Partner of NFTE Global, a worldwide organisation offering training programmes in entrepreneurship to underprivileged youth and young adults. Recticel supports this project as a Platinum Partner, as it fits perfectly with our commitment to create an inspiring, rewarding place to work that encourages talent growth. It also stimulates young adults to pursue their dreams, take responsibility, innovate and even build their own companies.



GOVERNANCE STRUCTURE

To ensure long-term success, Recticel has established a governance structure that optimally balances entrepreneurship, steering and oversight. In addition to a legislative framework that ensures an ethical, environmentally and socially responsible company policy, Recticel has introduced specific guidelines and codes of conduct.



Board of Directors

(Left to right)

Frédéric Van Gansberghe,
Pierre-Yves de Laminne de Bex,
Benoit Deckers, Danielle Sioen,
Johnny Thijs, Olivier Chapelle,
Ingrid Merckx, Kurt Pierloot,
Anne De Vos, Luc Missorten

BOARD OF DIRECTORS

In accordance with the Companies Code, the Board of Directors is authorised to undertake all necessary actions to achieve the company's objectives, except those that only the General Meeting is authorised to perform by law. Today, the Recticel Board of Directors has ten members. There are nine non-executive directors, of which six are independent. Since May 2017, three out of ten directors are women in line with legislation (article 518bis of the Companies' Code) and the EU Directive 2014/95/EU on non-financial and diversity information.

COMMITTEES SET UP BY THE BOARD OF DIRECTORS

AUDIT COMMITTEE

In accordance with company law, the Audit Committee governs the financial reporting process, the effectiveness of the company's internal control and risk management systems, internal audit, statutory control of annual and consolidated accounts and auditor's independence. The Audit Committee's terms of reference are included in the Corporate Governance Charter. The Audit Committee has four members. All members are non-executive directors and three members, one of whom is chairperson, are independent.

The Audit Committee convened on four occasions in 2017. Each year, it conducts an informal self-assessment, reserving the necessary time for discussion and analysis.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee makes proposals to the Board of Directors regarding remuneration policy, as well as the individual remuneration of the directors and members of the Management Committee. It also makes proposals regarding the evaluation and (re-)appointment of directors. The Remuneration and Nomination Committee consists of four members, all non-executive directors, three of which are independent. The Remuneration and Nomination Committee convened three times in 2017. Each year, it conducts an informal self-assessment, reserving the necessary time for discussion and analysis.

EXTERNAL AUDITOR

Recticel has entrusted the external audit of its company and consolidated accounts to Deloitte Bedrijfsrevisoren. The external auditor conducts audits in accordance with the standards of the Belgian Institute of Company Auditors and delivers a report confirming whether the annual accounts and the consolidated financial statements of the company reflect a true image of its assets, financial condition and results of the company. The Audit Committee investigates and discusses these biannual reports in the presence of the external auditor, and afterwards also with the Board of Directors.

COMPLIANCE COMMITTEE

The Compliance Committee was appointed to ensure compliance throughout the Group and address various issues such as fraud, theft and bullying. The Compliance Committee, comprising the CEO, the Chief Human Resources Officer, the Chief Audit Executive and the General Counsel, meets every two months, or whenever urgent matters require its attention.

EXECUTIVE MANAGEMENT

The Board of Directors entrusts day-to-day management of the company to its Managing Director and Chief Executive Officer, Olivier Chapelle sprl/bvba, represented by its General Manager and permanent representative Mr. Olivier Chapelle. The CEO is assisted by the Management Committee, which has an advisory role. It is not an executive committee in the sense of the Belgian Companies Code. The Management Committee consists of the chief officers and general managers of all divisions and Group-wide responsibilities, such as finance, HR, legal, purchasing, IT, and sustainable innovation.



Management Committee

(Left to right)

Jean-Pierre Mellen,
Jan Meuleman, Betty Bogaert,
Jean-Pierre De Kesel,
François Desné, François Petit,
Olivier Chapelle, Bart Massant,
Dirk Verbruggen, Ralf Becker

IMPORTANT GOVERNANCE DOCUMENTS

In accordance with the Belgian Corporate Governance Code of 2009, Recticel has published its **Corporate Governance Charter**. The Charter contains a detailed description of the company’s governance structure and governance policy. The document is available at <http://www.recticel.com/index.php/company/corporate-governance/corporate-governance-charter>.

Recticel has also issued a **compliance programme** to ensure an efficient risk control mechanism. This programme is based on the company’s Code of Conduct, which applies to all Recticel directors, corporate officers and employees. The Code of Conduct is published on the Recticel website <http://www.recticel.com/index.php/company/corporate-governance/corporate-governance-charter/code-of-conduct>.

Important matters such as ethics, safety, health and environment, quality, conflicts of interest, anti-trust, fraud and others are dealt with in corporate policies, which are detailed in practical manuals and guides:

- the Recticel Group Safety, Health and Environment Manual;
- the Recticel Business Control Guide, which details corporate policies and provides specific guidelines on matters such as purchasing, tax, treasury and accounting policies, investment approval, mergers and acquisitions and HR procedures. This guide is currently under review;
- the Recticel Approval Authority Guide, which maps the distribution of authorisations within the Group regarding financial, social, organisational, legal and other matters.

GRI REFERENCE

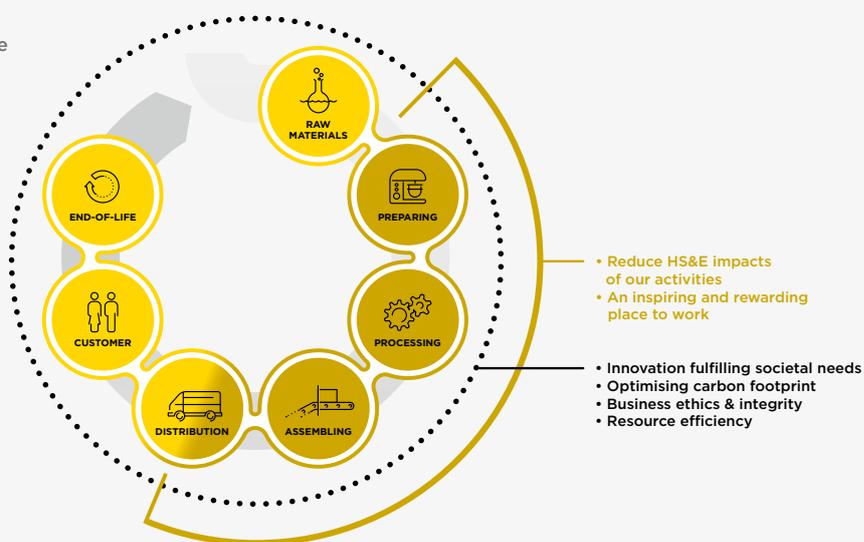
THE PROCESS FOR DEFINING REPORT CONTENT

The Group Management Committee Declaration of June 2013 officially launched Recticel's project to determine how to embed sustainability in its Group and division strategy.

In summer 2013, interviews were conducted with key internal and external stakeholders to identify sustainability challenges and areas of opportunity. The sustainability aspects that emerged, along with the priorities underpinning the Recticel sustainability strategy, were mapped out in a list of material aspects. These formed the basis of materiality matrix workshops involving all four divisions and departments and conducted by sustainability expert slidingdoors in 2014 and 2015 in preparation for Recticel's first sustainability report.

We defined the six most important aspects for Recticel and clustered them in a **Sustainable Innovation Plan** and a **People Priority Plan**. Sustainability is considered along our entire value chain, from raw materials sourcing to product manufacturing, consumption and end-of-life. We take responsibility for our own activities and for those within our sphere of influence, upstream as well as downstream. We subsequently selected a key performance indicator and target for each aspect.

Material aspects:
sphere of influence



The EU Directive 2014/95/EU on non-financial and diversity information reporting by certain large companies was enacted into Belgian national law in September 2017. To comply with these new requirements this sustainability report not only covers corporate governance and risk management statements, but also includes environmental, social, human rights and anti-corruption and bribery issues. We use the GRI framework to structure our efforts and results.

OUR STAKEHOLDERS

Sustainability is firmly embedded in Recticel's organisational DNA as a key driver of innovation. Divisions and brands will create more shared value through innovation focussed on societal needs and aligned with stakeholder expectations. The table below shows how we interact with our stakeholders and the expectations we have identified. Our stakeholders, or those parties that invest in and impact our activities to the greatest degree, comprise customers (including consumers), employees, the board of directors, authorities, financial analysts and suppliers.

STAKEHOLDER ENGAGEMENT

Stakeholders (alphabetical order)	How we engage	Key topics and concerns raised	Our response
Authorities	Research projects	Climate change	A strategy for sustainability
	Stakeholder meetings		Optimising carbon footprint
	Professional associations*	Circular economy	Resource efficiency
		Human rights, anti-corruption and bribery	Business ethics & integrity
Board of Directors	Dedicated meetings	Profitable and sustainable growth	A strategy for sustainability
			Innovation fulfilling societal needs
		Talent management	An inspiring and rewarding place to work
		Risk management	Business ethics & integrity
Customers (as representatives consumers)	Day-to-day contacts	Innovative products, differentiation	Innovation fulfilling societal needs
	Internal and external sales force	Long-term relationship	Business ethics & integrity
	Visits, meetings, fairs	Respect of sustainability requirements	Innovation fulfilling societal needs
			Business ethics & integrity
		Circular economy	Resource efficiency
Employees	Day-to-day contacts	Safe work place	Reduce HS&E impacts of our activities
	Unions and committees	Internal communication	An inspiring and rewarding place to work
	Annual performance appraisal	Career opportunities	An inspiring and rewarding place to work
	Trainings	Competence development	An inspiring and rewarding place to work
	Intranet	Fair treatment	Business ethics & integrity
Investors, financial analyst, banks, ...	Regular contacts	Profitable growth	A strategy for sustainability
	Road shows		Innovation fulfilling societal needs
	Press releases	Risk management	Innovation fulfilling societal needs
	Annual report presentation		Resource efficiency
	Annual meeting		Business ethics & integrity
	Plant visits		Reduce HS&E impacts of our activities
			An inspiring and rewarding place to work
Public opinion & NGOs	Meetings, conferences	Promote energy efficient buildings	Optimising carbon footprint
		Promote workers health, safety,	Reduce HS&E impacts of our activities
		take care of environment	An inspiring and rewarding place to work
	Partnerships	Address societal changes through	A strategy for sustainability
		the value chain	Resource efficiency
			Optimising carbon footprint
Suppliers	Day-to-day contact	Long-term relationship	A strategy for sustainability
	Visits, meetings, audits, fairs	Partnership for innovation	Innovation fulfilling societal needs
	Development projects		Optimising carbon footprint
			Resource efficiency

* Recticel is member of:



GRI CONTENT INDEX

GRI 102 GENERAL DISCLOSURES		
GRI Standard		Reference
1. ORGANIZATIONAL PROFILE		
102-1	Name of the organization	cover
102-2	Activities, brands, products, and services	p8
102-3	Location of headquarters	p4
102-4	Location of operations	p8
102-5	Ownership and legal form	p4
102-6	Markets served	p8
102-7	Scale of the organization	p8
102-8	Information on employees and other workers	p43
102-9	Supply chain	p47
102-10	Changes to the organization and its supply chain	p11
102-11	Precautionary principle or approach	p12, 31-33, 35-38, 46
102-12	External initiatives	p13, 36
102-13	Memberships of associations	p48
2. STRATEGY		
102-14	Statement from the senior decision-maker	p6-7
3. ETHICS AND INTEGRITY		
102-16	Values, principles, standards and norms of behavior	p9
4. GOVERNANCE		
102-18	Governance structure	p44-46
5. STAKEHOLDERS ENGAGEMENT		
102-40	List of stakeholder groups	p48
102-41	Collective bargaining agreements	p43, 100%
102-42	Identifying and selecting stakeholders	p48
102-43	Approach to stakeholder engagement	p48
102-44	Key topics and concerns raised	p48
6. REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	p4
102-46	Defining report content and topic boundaries	p10-13, 47
102-47	List of material topics	p10
102-48	Restatements of information	p15, 21, 26, 31, 35
102-49	Changes in reporting	p4
102-50	Reporting period	p4
102-51	Date of most recent report	p4
102-52	Reporting cycle	p4
102-53	Contact point for questions regarding the report	backcover
102-54	Claims of reporting in accordance with the GRI-standards	p4
102-55	GRI content index	p49-50
102-56	External assurance	p51-53

GRI CONTENT INDEX

MATERIAL TOPICS

GRI Standard		Reference	External assurance
ECONOMIC			
ECONOMIC PERFORMANCE			
103	Management approach	See Annual Report http://www.recticel.com	
201-1	Direct economic value generated and distributed		
ANTI-CORRUPTION			
103	Management approach	p31-33	
*	Number of legal training course provided by the Corporate Legal Team as face-to-face meetings and e-learning modules completed	p31	✓
ANTI-COMPETITIVE BEHAVIOR			
103	Management approach	p31-33	
*	Number of legal training course provided by the Corporate Legal Team as face-to-face meetings and e-learning modules completed	p31	✓
ENVIRONMENTAL			
MATERIALS			
103	Management approach	p26-29	
*	Tonnes of recycled flexible foam produced by Recticel	p26	✓
ENERGY			
103	Management approach	p20-24	
302-4	Reduction of energy consumption	p23	
EMISSIONS			
103	Management approach	p20-24	
305-5	Reduction of GHG emissions	p20-21	
*	Recticel carbon footprint	p20	✓
*	Positive Impact Recticel	p21	✓
SOCIAL			
EMPLOYMENT			
103	Management approach	p40-43	
*	The number of countries in which engagement surveys are conducted among blue and white collars.	p40	✓
OCCUPATIONAL HEALTH AND SAFETY			
103	Management approach	p35-38	
*	Work accident frequency	p35	✓
DIVERSITY AND EQUAL OPPORTUNITY			
103	Management approach	p 40-43 + See Annual Report http://www.recticel.com	
405-1	Diversity of governance bodies and employees		
SUPPLIER SOCIAL ASSESSMENT			
103	Management approach	p31-33	
414-1	New suppliers that were screened using social criteria	p33	
PRODUCT RESPONSIBILITY			
*	Sustainability Index (Percentage of R&D projects classified as sustainable)	p15-18	✓

* Other appropriate disclosure that are not covered by the GRI standard

SUMMARY TABLE

RECTICEL'S MATERIAL TOPICS AND RELATED KPIS

(table subject to PwC limited assurance)(*)

MATERIAL ASPECT	KPI	2016	2017
INNOVATION FULFILLING SOCIETAL NEEDS	Sustainability Index (Percentage of R&D projects classified as sustainable)	45%(**)	54%
OPTIMISING CARBON FOOTPRINT	Recticel carbon footprint (tonnes of CO ₂ e)	1,082,707 tonnes	1,090,548 tonnes
	Positive impact Recticel expressed in tonnes of avoided CO ₂ e in use phase	38,767,116 tonnes	39,391,355 tonnes
RESOURCE EFFICIENCY	Tonnes of recycled flexible foam produced by Recticel	5,567	5,129
BUSINESS ETHICS AND INTEGRITY	Number of legal training courses provided by the Corporate Legal Team as face-to-face meetings and e-learning modules completed	425	496
REDUCING HS&E IMPACTS OF OUR ACTIVITIES	Work accident frequency rate	5,8	6
INSPIRING & REWARDING PLACE TO WORK	The number of countries in which engagement surveys are conducted among blue and white collars	3 countries	2 countries

(*) The Independent Limited Assurance report by PwC can be found on pages 52-53 of the 2017 Recticel Sustainability Report

(**) Excluded from PwC Independent Limited Assurance scope



INDEPENDENT LIMITED ASSURANCE REPORT ON THE RECTICEL SUSTAINABILITY REPORT 2017

This report has been prepared in accordance with the terms of our engagement contract dated 12 September 2017, whereby we have been engaged to issue an independent limited assurance report in connection with selected indicators of the Sustainability Report as of and for the year ended 31 December 2017 (the “Report”).

Responsibility of Board of Directors

The Board of Directors of Recticel SA (“the Company”) is responsible for the preparation of the selected indicators presented in the Summary table “Recticel’s material topics and related KPI’s” on page 51 of the 2017 Sustainability Report of Recticel and its subsidiaries (the “Subject Matter Information”), in accordance with the criteria disclosed in the Report and with the recommendations of the GRI (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 Board of 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 (ISAE) 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information”. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether nothing has come to our attention that causes us to believe that the Subject Matter Information is not fairly stated, in all material respects, based on the Criteria.

The objective of a limited-assurance engagement is to perform the procedures we consider necessary to provide us with sufficient appropriate evidence to support the expression of a conclusion in the negative form on the Subject Matter Information.

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 assurance engagement been performed.



The selection of such procedures depends on our professional judgment, including the assessment of the risks of management's assertion being materially misstated. 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 presented in the Report as of and for the year ended 31 December 2017;
- conducting interviews with responsible officers;
- inspecting internal and external documents.

We have evaluated the Subject Matter Information against the Criteria. The accuracy and completeness of the Subject Matter Information are subject to inherent limitations given their nature and the methods for determining, calculating or estimating such information. Our Limited Assurance Report should therefore be read in connection with the Criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Our audit firm applies International Standard on Quality Control (ISQC) n° 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.

Conclusion

Based on the procedures performed, as described in this Independent Limited Assurance Report, and the evidence obtained, nothing has come to our attention that causes us to believe that the selected indicators presented in the Summary table "Recticel's material topics and related KPI's" on page 51 of Recticel's Sustainability Report 2017, is not fairly stated, in all material respects, in accordance with the Criteria.

Restriction on Use and Distribution of our Report

Our assurance report has been made in accordance with the terms of our engagement contract. Our report is intended solely for the use of the Company, in connection with their Sustainability Report as of and for the year ended 31 December 2017 and should not be used for any other purpose. We do not accept, or assume responsibility to anyone else, except to the Company for our work, for this report, or for the conclusions that we have reached.

Sint-Stevens-Woluwe, 26 February 2018

PwC Bedrijfsrevisoren bevb
Represented by

Marc Daelman
Registered auditor

GLOSSARY

CO₂

Carbon dioxide is a common gas on earth, consisting of a carbon atom covalently double bonded to two oxygen atoms. Anthropogenic emissions – primarily from use of fossil fuels and deforestation – have rapidly increased its concentration in the atmosphere, leading to global warming.

CARBON FOOTPRINT

The amount of carbon dioxide released into the atmosphere as a result of the activities of a particular individual, organization, or community.

COLO-SENSE[®] LITE

Two-layer sprayed polyurethane with a Colo-Fast[®] top layer and with reduced weight through a low density Aro-Fast[®] back layer.

CRADLE-TO-GRAVE

Full Life Cycle Assessment from resource extraction ('cradle') to use phase and disposal phase ('grave').

GREENHOUSE GAS

A gas in the atmosphere that absorbs and emits radiant energy within the thermal infrared range. This process is the fundamental cause of the greenhouse effect.

ISOCYANATE

Highly reactive substance that combines easily with other substances (such as poly-alcohols (or polyols)). The structure of these alcohols determines the hardness of the PU foam. Poly-isocyanate is a main component in the production of polyurethane materials.

JOINT VENTURES

Entities that are controlled jointly and that are consolidated proportionately. Following the early adaption of IFRS 11 since 2013, these participations are consolidated following the equity method.

LAMBDA

Measures how well a material conducts heat in units of Watt per meter per Kelvin (W/m.K). For insulation, the lower the lambda value, the better the thermal performance.

POLYOL

In polymer chemistry, polyols are compounds with multiple hydroxyl functional groups available for chemical reactions. Polyol is a key component in the production of polyurethane foam.

POLYURETHANES

Polymeric substance containing many urethane linkages (-NH-COO-). It is abbreviated as PU or PUR.

REACH

Regulation (EC) No. 1907/2006 of the European Parliament and the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals entered into force on 1 June 2007. The goal is to provide a greater level of protection of human health and the environment. This is to be achieved by ensuring that, within the European market, proper information on chemical handling, storage and make-up is readily available, together with risk management measures, if appropriate.

SUBSIDIARIES

Fully consolidated entities under Recticel control.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

On September 25th 2015, countries adopted a set of goals to end poverty, protect the planet, and ensure prosperity for all, as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years.



Flexible Foams



Bedding



Insulation



Automotive

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RECTICEL
The passion for comfort