



# Surfaces with Purpose

2023 IMPACT REPORT





## A Message from Our President, Wim Messiaen

**Today's society is facing its biggest challenge yet: battling climate change and the depletion of our natural resources. As a leading manufacturer of interior design products and construction materials, Unilin is part of the solution and puts sustainability at the heart of its organisation.**

Building a sustainable business makes sense. It means making sure we build a future-proof company that creates added value for our customers and stakeholders without harming our planet and our future. At Unilin this ambition is ingrained in all of our activities. Our purpose says as much: Better spaces. Better life. We create beautiful, high-performing products to improve the quality of life of our customers at home, at work ... This also includes protecting our common home: our planet. That is why we are investing heavily in the decarbonisation of our business by continuously improving energy efficiency, switching to renewable energy where possible and by firmly committing to circular products.

And we have already made great strides. At Unilin, 61% of our energy is already renewable! Circularity will play a key role in going for net zero. With an industry-leading recycled waste wood content of 95%, our chipboards are proof positive that the loop can indeed be closed. In addition, this achievement has set the target for our other product categories.

We have pioneered and patented a recycling technology for MDF and laminate flooring and are recycling post-consumer LVT waste into new floors. Both are unique in our industry!

We understand that innovation is key, not only to our economic success, but also to our performance in terms of environmental and social issues along the value chain. To help steer our innovations in the right direction we created a "sustainable innovation

framework," a checklist to evaluate the sustainability of innovations from the start of the research and development process, long before their actual implementation. The framework considers material health, circularity, climate change, clean air and ozone layer protection, water and soil stewardship, and social fairness throughout a product's life cycle.

We have a strong sense of social responsibility, and we support and take part in various initiatives across the globe. These include donating to charitable causes, sponsoring local sports teams and collaborating with schools and universities.

There is still a lot of work to be done, but with a clear vision, a common goal and the passion and motivation of our people, I am confident we will continue to make headway in the coming years!

**WIM MESSIAEN**

President Flooring Rest of the World  
CEO Unilin



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**WIM MESSIAEN**

President Flooring Rest of the World  
CEO Unilin

**2023 Highlights**

- Met 61% of our energy demand with renewables, up from 57% in 2020.
- 66% of our raw material mix consists of renewable resources.
- 95% of the wood in our chipboards is recycled.
- Obtained the bronze C2C Certified Material Health Certificate™ for our raw and decorative MDF, HDF, Clicwall and chipboards, and laminate floors. We obtained full silver certification for several underlays.
- A decline in loss time frequency rate for four years in a row.

**2023 Unilin at a Glance**



11  
countries with  
production



35  
production  
plants

8,332  
employees



**Our Brands**



# One Home: Aligning Sustainability and Our Business

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

With One Home, we are taking our responsibility seriously and doing our part to tackle the global challenges of climate change, improve people's quality of life and create a safe working environment for our employees. One Home works on three levels:



**PLANET HOME**  
to improve  
our environmental  
impact



**YOUR HOME**  
to improve  
our customers'  
quality of life



**OUR HOME**  
to create  
a safe and stimulating  
work environment for  
our employees



**ONEHOME**



# Planet Home

We take our responsibility seriously and support the global transition towards more sustainable products and production systems. That is why we are further reducing the use of fossil fuels in our operations and the life cycle carbon footprint of our products by opting for more sustainable raw materials and further improving their recyclability. Planet Home groups our environmental efforts on climate change and circularity.



## Science Based Targets to Guide Our Efforts<sup>1</sup>



By 2030, we are committed to reducing our direct (Scope 1) and energy-related indirect (Scope 2) emissions by at least 42% compared to our 2020 baseline. This target is absolute, meaning that regardless of organic growth we want to emit 42% less greenhouse gases (GHGs)

by 2030. Emissions associated with companies acquired after 2020 will be reduced at the same rate of 4.2% per year from acquisition until 2030.

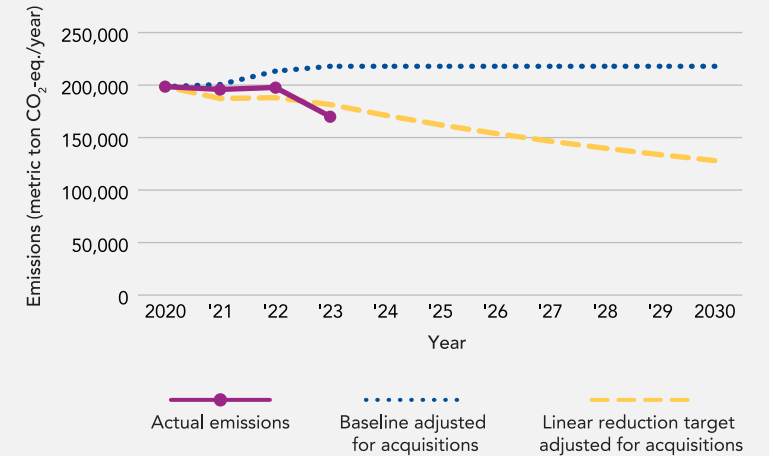
We also intend to reduce our Scope 3 emissions, emissions associated with our raw materials and the end-of-life treatment of our products by 12.3% by 2030 compared to our 2020 baseline, in absolute terms.

To assure that our GHG-reduction targets are effectively aligned with climate science and are ambitious enough, we are following the guidelines set by the Science Based Targets initiative (SBTi), an independent organization promoting best practices in the fight against global warming.

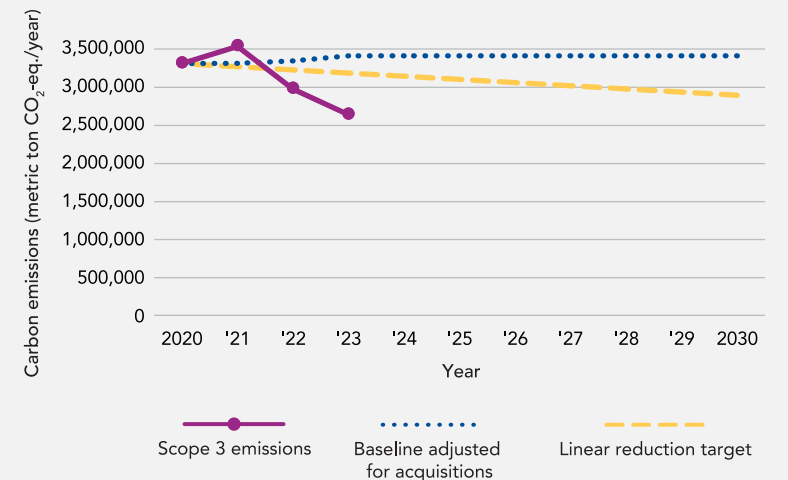
Our detailed calculations and targets to SBTi for validation of our approach and confirmation of our alignment with the 1.5 °C goal of the Paris Climate Agreement were approved in early 2023.

<sup>1</sup> All data presented is inclusive of Flooring Rest of the World business segment, including Godfrey Hirst.  
<sup>2</sup> Unilin Science Based Target (SBT) reduction progress tables can be found in [Carbon Substantiation](#).

Scope 1 and 2 Carbon Footprint Compared to Our Reduction Target<sup>2</sup>



Scope 3 Carbon Footprint Compared to Our Reduction Target<sup>2</sup>







# Moving Towards More Renewable Energy to Reduce Our Scope 1 and 2 Emissions


## 61% Renewable Energy


In 2023 we met 61% of our energy demand (28% of our electricity demand and 74% of our heat demand) with renewables, up from 57% (20% and 72%, respectively) in 2020.

We reduced our energy use in 2023 by 9% compared to 2022 while our carbon footprint was reduced by 14%.<sup>1</sup> Our 2023 carbon footprint was mostly caused by the use of grey grid power (44%) and natural gas (29%).

Overall, we are on track to meet our SBT of reducing our emissions in Scope 1 and 2 by 42% by 2030, compared to 2020.

Several of our largest production sites are well on their way towards climate neutrality, covering three quarters of their energy use with renewables, and we continue to investigate where we can add further renewable energy production units to our plants. In addition, we are continuously looking to improve the energy efficiency of our operations. We are stepping up our energy management efforts by installing more detailed monitoring systems and additional investments in energy efficiency across the group. We have installed a technical competence centre for energy management at group level to support the individual plants in this regard.





### 2023 Highlights

<p><b>73%</b> renewable energy for our MDF and HDF factories</p>	<p><b>77%</b> renewable energy for our chipboard factories</p>
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## TODAY UNILIN COUNTS

### 2 waste-to-energy plants

#### A&U in Wielsbeke (Belgium)

Supplied more than 77,000 MWh of green electricity and over 41,000 MWh of green heat to our chipboard factory, covering 98% of the factory's electricity demand and, together with on-site wood-dust burners, covering 91% of the factory's thermal energy demand in 2023.

#### A&S in Oostrozebeke (Belgium)

Supplied more than 68,000 MWh of green electricity to our chipboard factory, covering 96% of the factory's electricity demand in 2023.

### 5 wind turbines

#### 3 in Avelgem (Belgium)

Supplied more than 11,500 MWh of renewable power to our vinyl flooring factory, covering 18% of the factory's electricity demand in 2023.

#### 2 in Feluy (Belgium)

Supplied more than 3,000 MWh of renewable power to our insulation factory, covering 74% of the factory's electricity demand in 2023.

### 35,053 solar panels

Our solar panels operate at a combined capacity of 15.7 MWp. spread over 7 countries.



<sup>1</sup> See [Carbon Substantiation](#) for more details.



# Our Circular Approach to Reduce Our Scope 3 Emissions

Today's economy is mostly linear: resources are sourced, converted to products, used and finally incinerated, landfilled or discarded in another way. This leads to resource depletion and pollution. Its opposite is the circular economy in which raw materials are recycled endlessly.

Unilin's origins lie in what we now call the circular economy. Our first raw material in 1960 was flax loam, a waste product of the local linen industry, that we made into flax chipboards. Today, circularity remains a key driver in our story.

## A Focus on Renewable and Recycled Resources

Our raw material mix plays an important role in our environmental impact and the sustainability of our activities, not only in terms of GHG emissions, but also in terms of resource depletion.

That is why we focus on renewables, materials that can be quickly replenished after exploitation and use, and recycled resources.




## 2023 Highlights

66%  
renewable  
materials

25%  
recycled  
materials







## Wood, Our Most Important Resource

Wood remains our most important resource for our chipboards, MDF boards, laminate floors, multi-layer parquet floors and roof elements. It is a sustainable raw material.

Our mission is to keep wood in the materials cycle for as long as possible. After all, wood that doesn't end up in the incinerator is wood that stores CO<sub>2</sub>. That is why we focus on recycling. A second, third, fourth... life: as long as the wood fibres can be used, they are processed in new products. Meanwhile, the wood in our chipboards already consists of over 95% recycled wood.

The ultimate goal? A fully circular process with wood in the starring role.

In addition, we source our wood sustainably to maintain healthy forests and ensure long-term availability of the natural resource. That is why we opt for recycled wood and certified or controlled virgin wood.

## RECYCLED WOOD IN 2023

40%  
of our wood  
is wood waste

900,000  
metric tons of waste  
wood recycled every year

Every year we purify 900,000 metric tons of waste wood in our own state-of-the-art recycling plant and transform it into new chipboards.

We are constantly working on increasing the recycled content in our other product categories too. In 2021, we announced a world first: a technology to recycle MDF, HDF and laminate on an industrial scale. We built a pilot plant in Bazeilles (France) to use that recycled wood in our MDF and HDF boards. We initially focused on the recycling of internal production waste, and are currently scaling up the plant's capabilities.

## CERTIFIED WOOD IN 2023

74%  
FSC/PEFC  
certified wood

26%  
controlled  
wood

As a high-volume wood user, we mostly source PEFC or FSC certified material. But we also use a smaller fraction of non-certified wood, including wood from the following streams:

- Trees cut along roads or in gardens.
- Thinning wood from non-certified forests. This includes small or crooked trees that could hinder the growth of other trees. This is not furniture grade wood, for example, but it is perfectly suitable for our chipboards and MDF.
- Rubberwood from producers that periodically cut older trees to plant younger, more productive ones.





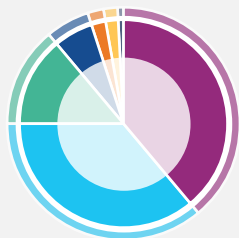
### Unilin Recover: Our Take-Back Program

Improving the recyclability of our products is important, but if we want to make sure that they are effectively recycled, we need to ensure that they are retrieved end-of-life.

Over the last several years, we organised multiple successful take-back projects with our partners and clients for chipboards, MDF boards, vinyl floors and PIR insulation boards. Our take-back systems are mostly active in Belgium and the Netherlands. For our wood-based products (chipboards and MDF), this also includes France.

We are continuously expanding our take-back efforts to all of our product categories.

**2023**  
**Recover**  
 UNILIN TAKE BACK PROGRAM  
 (metric tons material recovered)

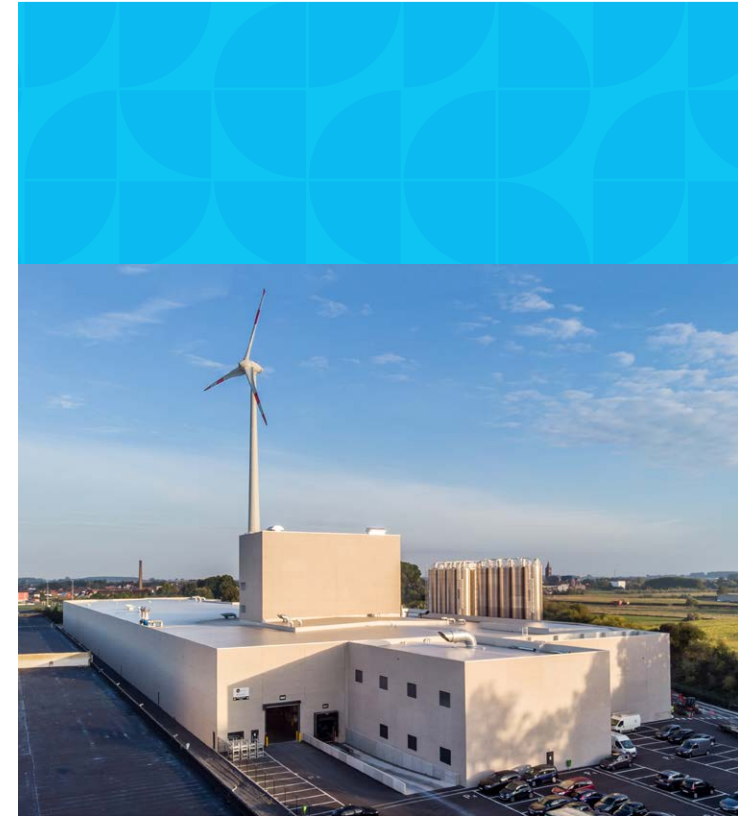


- 17,000 Chipboards
- 3,000 MDF
- 60 LVT
- 32 Sheet vinyl

**20,092**  
 metric tons  
 material recovered

### Plant Management

Many of our plants have their own or standardized environmental management systems in place, and we carefully manage our main production waste streams. In each of our production plants, we developed a set of processes and practices that enables us to reduce our environmental impacts and increases our operating efficiency. It is generally plant- or division-specific because our facilities face very diverse challenges and opportunities depending on the applied processes, history and local context. The first priority in our environmental management systems is legal compliance, followed by the management and reduction of our most relevant impacts or risks.



**54%**  
 of our production plants  
 are ISO 14001 certified



## Your Home

We spend most of our lives inside: at home, in classrooms, offices, stores, hospitals ... That is why healthy, comfortable and sustainable living spaces are so important. With our products, we want to improve people's quality of life.

More and more people want to take sustainability into account in their purchasing decisions.

To make sure that our clients can easily evaluate and compare the sustainability of our products and make informed decisions, we stick to well-known, independent **ecolabels**; well-defined and widely-recognised claims, such as those applied for **indoor air emissions**; and third-party verified publications such as **Environmental Product Declarations**.

## Quality of Life

### Biophilic Design

In designing our panels and laminate flooring, we focus not only on contemporary design but also on what is known as biophilic design, which is based on our increasing need to connect with nature. As we live in urban environments and spend considerable time inside, we are losing our connection with nature, which is detrimental to our overall sense of well-being. By integrating natural elements into our living environment, we can enhance our relationship with nature, our largest source of inspiration. An example of this can be found in our Master Oak collection and laminate ranges (Capture and Impressive by Quick-Step), providing our customers with a true-to-life nature experience.

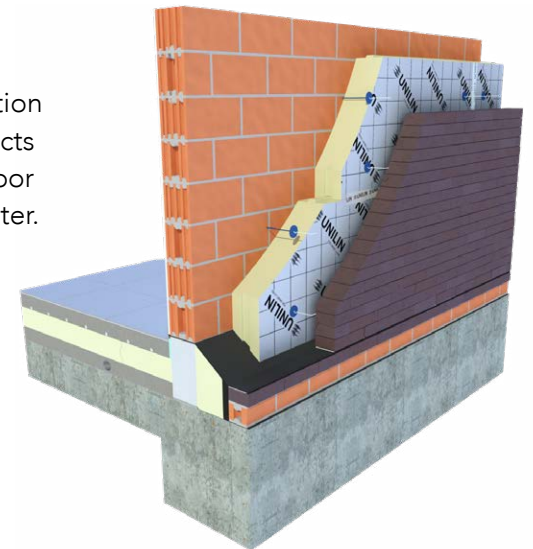


### Acoustics and Comfort

Several of our products improve the acoustics in offices and create a tranquil working environment that can help reduce stress-related symptoms. Our vinyl flooring enhances ergonomics for people who have to stand for long periods, such as retail staff. EcoFlex™ Echo carpet tiles are equipped with an acoustic backing, reducing noise levels and providing improved comfort.

### Indoor Climate

Thanks to their high insulation value, our insulation products provide a comfortable indoor climate in summer and winter.





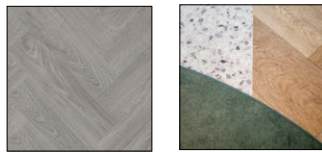
## Our Products

At Unilin, we develop, manufacture and market flooring, wood-based and decorative panels, wall and roof systems and insulation boards. In addition, our division Unilin Technologies manages the patent portfolio of our parent company, Mohawk Industries, and third parties, from filing patents on new innovations to global commercialisation.

### Flooring



Laminate flooring  
Multi-layer parquet



Luxury vinyl tiles (LVT)  
Sheet vinyl



Carpet tiles  
Wall-to-wall broadloom carpets

### Panels



Raw chipboards  
Raw MDF

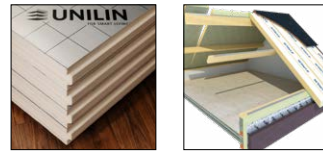


Melamine finished chipboards/MDF  
Clicwall



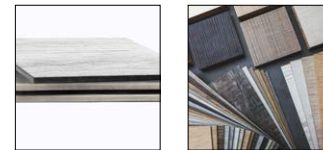
HPL  
Mezzanine

### Insulation

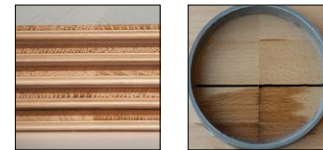


PIR insulation boards  
Insulating roof panels

### Intellectual Property



Core materials  
Digital printing



Locking profiles  
Waterproof coating

## Transparency for Our Customers

More and more people want to take sustainability into account in their purchasing decisions. To make sure that our clients can easily evaluate and compare the sustainability of our products and make informed decisions, we stick to well-known, independent ecolabels; well-defined and widely-recognised claims, such as those applied for indoor air emissions; and third-party verified publications such as Environmental Product Declarations.

### Eco-Labels



### Indoor Air Quality Labels





## Our Home

We have a diverse workforce: our 8,332 employees represent more than 75 nationalities and over 20 different languages. As a home for different cultures and origins, our value of respect is reflected in the rejection of any form of discrimination.

In all the countries where we are present, we offer our employees equal opportunities, regardless of gender, age, religion or belief, sexual identity, origin or physical disability.



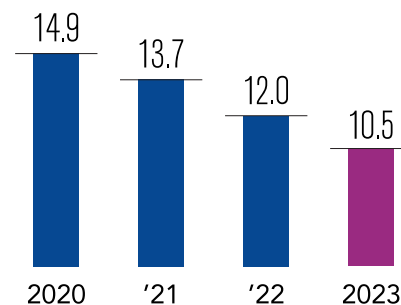
### Safety

#### Decline in Frequency Rate for Four Years in a Row

The health and safety of all our employees is paramount in all our activities. We aim to be a zero-harm company, with a positive culture, where everyone takes care of each other and safety is embedded in all our activities. If we want to be sure that everyone can go home safely at the end of each working day, we must install a safety culture that takes every single detail into account.

To move towards an integrated safety culture, we developed and launched our internal zero-harm program in 2019. Since the introduction of zero-harm, there has been a decrease in the frequency rate of accidents for four years in a row.

Lost Time Frequency Rate\*



\* (number of lost time accidents x 1,000,000) / (total hours worked) for the reporting period

### Well-Being and Health at Work

We take an integrated approach to well-being and health, calling for initiatives in mental health, health and vitality, and connections at work.

- **Mental Health:** We expanded our preventive approach to address, identify and cope with psychosocial risks: stress and burnout, unwanted and unacceptable behaviour (violence, bullying, sexual intimidation or discrimination) and substance abuse. Over 70 interactive workshops were held in multiple locations, with roll-out continuing in 2024 across entities.
- **Health and Vitality:** Learning sessions, trainings and campaigns educate people towards stronger awareness of risks and a healthier lifestyle. In 2023, we offered smoking cessation programs.
- **Health and Vitality:** Employees can opt for an affordable lease bike. On top of 940 running lease bike contracts in Belgium, France, Germany and the Netherlands introduced the concept in 2023.
- **Connection:** Every year, we organize events and initiatives that contribute to happy employees and foster team spirit. In 2023, Unilin supported a unique 100 km running event and 1,000 km cycling event, where teams run or cycle together to benefit the fight against cancer. The challenge and group spirit are key. All to boost much-needed cancer research! Unilin supported each participant with €250.



We are proud to have been awarded the title of **TOP EMPLOYER** (Belgium), for the thirteenth time!



## Lifelong Learning

In January 2023 we officially opened The Dive, a brand new state-of-the-art learning and visitor centre in our headquarters in Belgium to go along with our vision on lifelong learning under that same name. **Upskilling and reskilling our employees is the main focus of The Dive.** A mix of induction, functional and (inter)personal training provide the foundation of our learning offer.

- In 2023 we focused on induction programmes, thorough introduction to the company's activities, products, culture and people.

- From a **functional perspective** we offer over 100 product and technical training courses, language training support, digital and productivity tools and function-oriented development.
- Our **(inter)personal growth** offer consists of leadership development programs, health, safety and well-being support (including preventive and curative programs) and a wide range of listening and communication skills development tools.

The Dive is an **ecosystem, going far beyond learning and development solely for our own employees.** The Dive builds strong partnerships with schools, teachers and

students and makes education a shared responsibility with industry. This happens through internships, dual learning, retraining of internships, retraining of teachers and tutors, but also through summer and technical camps. During these, young children are encouraged to explore science, technics, engineering and mathematics through workshops that touch on circularity, repair and technics.

Overall, in 2023, The Dive inspired more than 150 children and students on various topics. In addition, teachers received training on the newest tools and methods, to share the latest technologies with the generations to come.



## In 2023, We Launched the Talent Pool Technician

New employees with no prior job-specific knowledge or skills receive full training in The Dive in their first five weeks. They are given intensive training on the subjects of electricity, mechanics and pneumatics in a mix of theory and practice. After successful completion the employee continues the learning journey on-site with on-the-job training. One step further, The Dive was also recognized as official training provider, awarding professional qualifications that are equivalent to a diploma within the industry.



## Green Workplaces



As an employer, we also want to lead by example in our own offices and factories. With our green workplaces journey, we focus on projects and actions that contribute to a more sustainable working environment.

By making small and big changes, we hope to inspire and motivate our employees to make more sustainable choices in their daily life.

### WASTE SORTING

- In 2022, we launched a pilot project across 11 sites to introduce new waste islands in the office areas.

### SUSTAINABLE COMMUTING

- Our fleet: We are transitioning our fleet to fully electric vehicles. Most of our fleet is located in Belgium, so we are initially focused on this group, but we intend to cover our international fleet as well taking into account the learnings from the roll-out in Belgium.
- Carpool community: In 2022, we launched a carpool platform for employees. The platform is currently available for Wielsbeke (Belgium) and the surrounding sites.
- Lease bikes: Employees can opt for an affordable lease bikes. On top of 940 running lease bike contracts in Belgium, France, Germany and The Netherlands have introduced the concept in the course of 2023.

**26%**  
of our Belgian  
fleet is electric!

### TOO GOOD TO GO

- We fight food waste through a partnership with Too Good To Go. We launched this initiative in our headquarters in Wielsbeke in 2021 and extended the initiative to our restaurant in Waregem in 2022. Employees pay a lower price for a perfectly fine meal, and we avoid food waste: a win-win.