

CORPORATE SUSTAINABILITY REPORT 2024

Nurturing favourite places for generations to come



DECOSPAN®
Wood Solutions

‘The spirit of wood carries a sense of responsibility too.’

A WORD FROM OUR CEO

Another year of creating a world full of favourite places, another sustainability report. Both are achievements to be proud of, because both are essential to Decospan. **‘The spirit of wood’** is at the heart of everything we do.

Wood is powerful, versatile, and full of possibilities, just like our approach to sustainability. For my colleagues and I, sustainability is more than a responsibility; it is an opportunity to lead, innovate, and **drive change in our industry**. This commitment is embodied in our business strategy, which reflects our dedication to advancing our environmental footprint.

Just as wood adapts, transforms and endures, we believe in **constantly evolving to do better**. Why? Because sustainability is also about people, about partnerships, about the way we shape our industry. And even lead it.

To make this vision a reality, we have structured our efforts around three strong pillars - our **‘favourite places’**. These pillars define our focus, shape our ambitions and guide how we collaborate across our value chain. The first favourite place is **Sustainable Forests**, then comes **Healthy Workplace**, and finally there’s **Beautiful Interiors**. As you read on, you’ll discover the full meaning of these ‘favourite places’.

I know one thing for sure: we cannot do it alone. True sustainable progress is achieved by working together - with our employees, customers, suppliers and

partners. That’s exactly why we share knowledge, support our partners and innovate together to create natural solutions that last.

‘True sustainable progress is achieved by working together.’

Pieterjan Desmuck

CEO Decospan



GLOBAL ACTIVITIES

Our production activities are exclusively based in Europe. We operate nine manufacturing facilities spread across five countries.

- | | |
|-------------------------|------------------------|
| 1 Decospan Belgium - RL | 6 ESCO |
| 2 Decospan Belgium - LW | 7 Decospan Sawmill |
| 3 Decospan France Nord | 8 Decospan Mato Furnir |
| 4 Cabannes | 9 Decospan DOO |
| 5 Decofib | |

CONTACT DETAILS

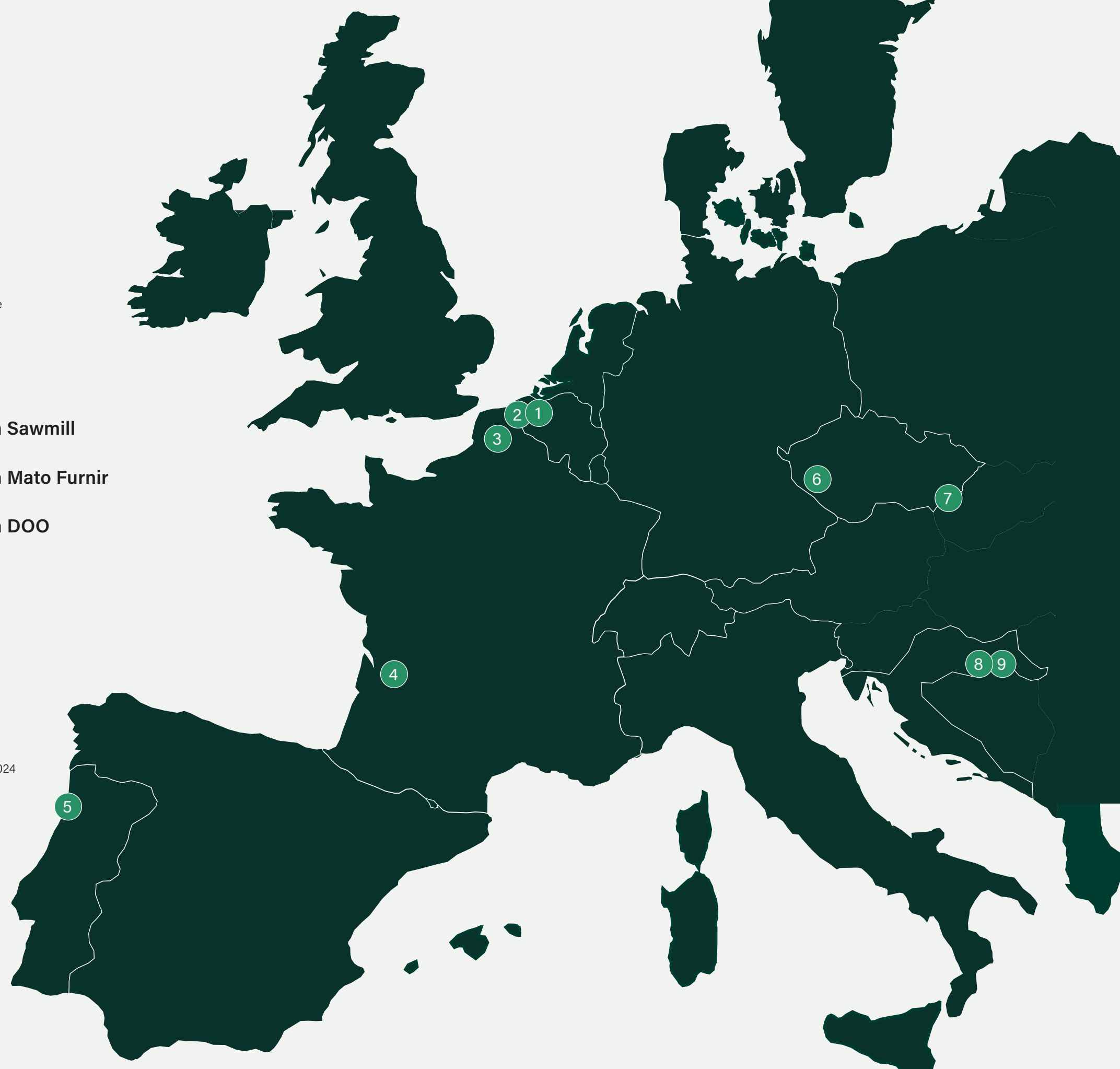
For questions regarding this report
sustainability@decospan.com

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TSUD-PEFC-COC-000002 / APCER-PEFC-COC-210224

OUR VALUE CHAIN

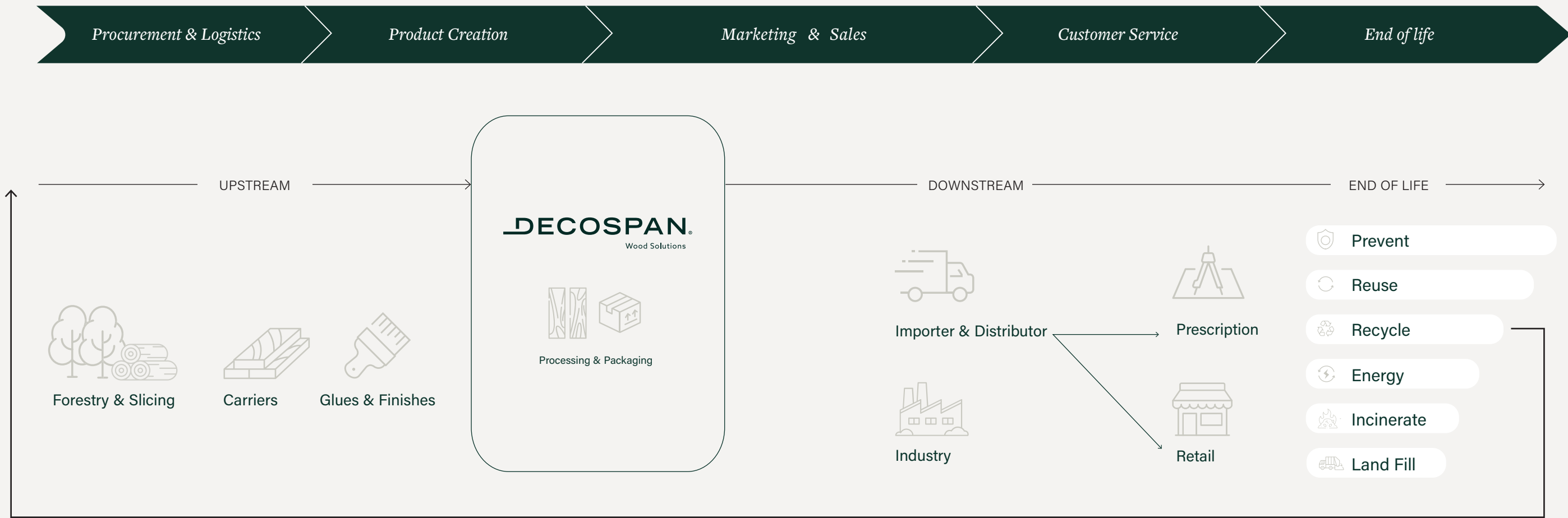
At Decospan we strive to initiate **changes across every dimension** of our value chain.

Our **upstream partners** supply the raw materials that are essential for our operations, including responsibly sourced wood products, as well as chemicals such as glues and finishes.

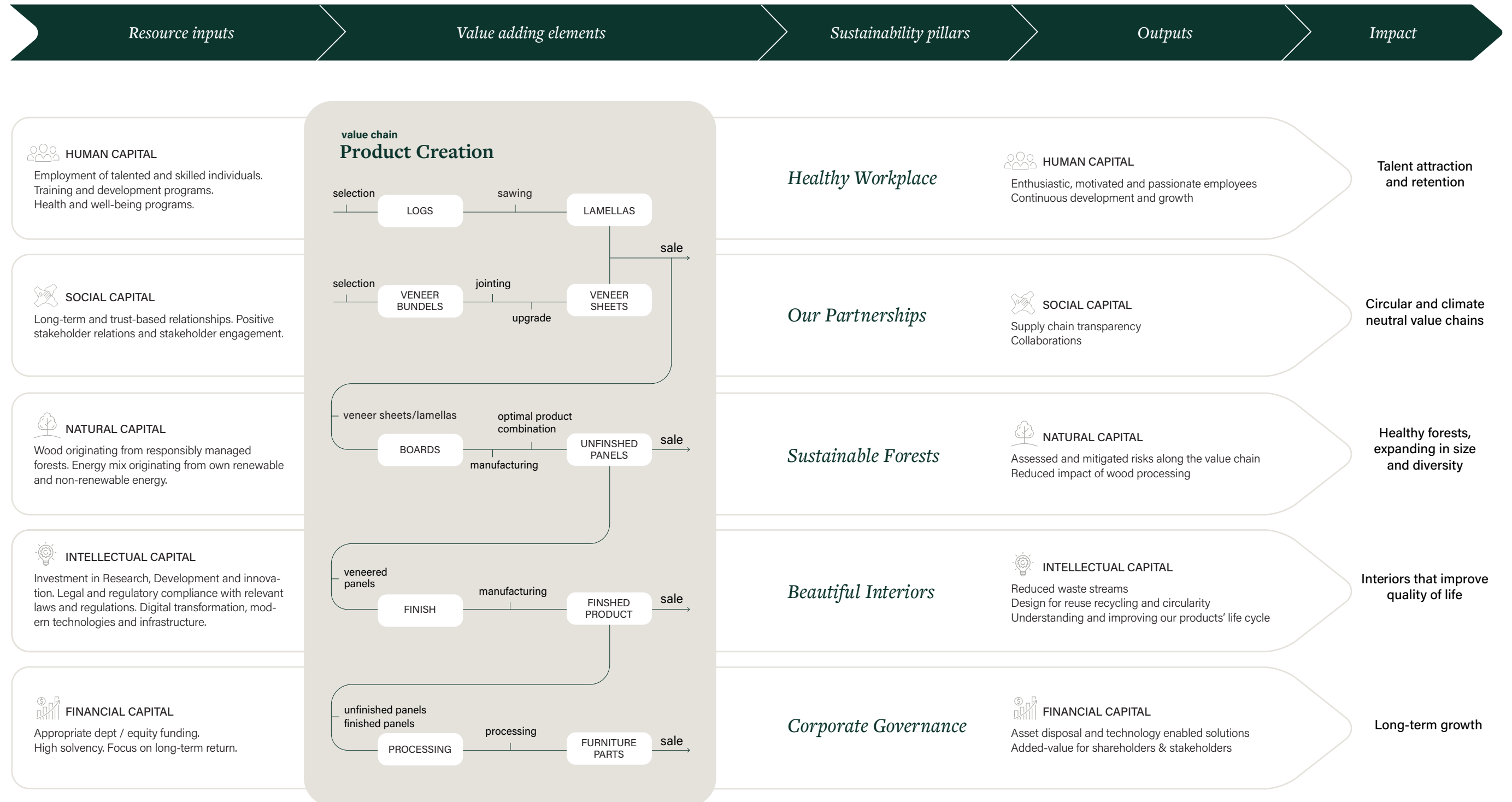
We strategically **produce high-quality wood products** distributed through various channels.

In **managing the end-of-life phase** of our products, we employ **the Ladder of Lansink**, also recognised as the Waste Hierarchy, which prioritises the optimal handling of waste.

Decospan is committed to creating and adding value in both social and environmental domains, with sustainability pillars taking precedence in our mission.



HOW WE CREATE VALUE



A WORLD FULL OF FAVOURITE PLACES

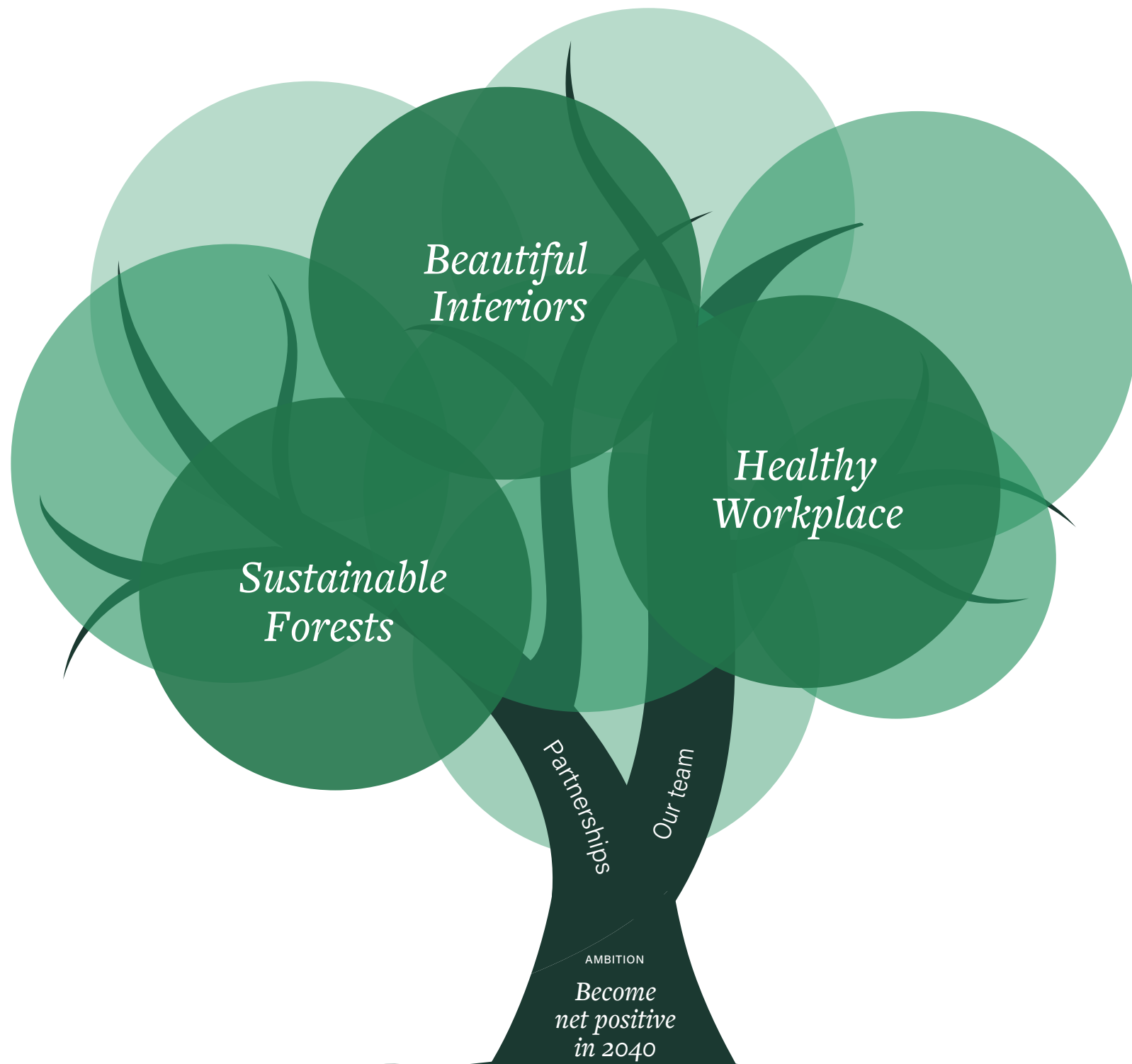
There is a significant trend towards **incorporating more natural materials into our lives, homes, and buildings, driven by the potential benefits of mental well-being and environmental considerations**. Natural wood products, especially, are gaining popularity for their carbon sequestration abilities. The anticipated demand for renewable materials is expected to double by 2030ⁱ. However, with our global tree cover and biodiversity under pressure, we must actively contribute to regenerating vital resources, particularly by fostering the expansion of forests and biodiversity.

In response, we have developed a strategic plan to realise our mission: **to create a world full of favourite places by bringing wood into everybody's life**. The three core pillars, referred to as our three 'favourite places', each embody both short-term and long-term objectives.

The United Nations Sustainable Development Goals (SDGs) guide us in making informed decisions to ensure the future resilience of our business. Relevant SDGs were identified and linked with the contents of this report.

ⁱ Green buildings. (z.d.). European Climate Pact. https://climate-pact.europa.eu/priority-topics/green-buildings_en





*Our mission is to create
a world full of favourite
places, by bringing wood
into everyone's life.*



Respect Excellence Passion Entrepreneurship Sustainability

Favourite place

SUSTAINABLE FORESTS

To achieve our mission, it is essential to manage our forests properly. This not only requires transparency throughout the value chain, but also educating consumers and actively engaging local communities. We are committed to playing our part in reforestation and restoring biodiversity. Therefore, **our ambition is to contribute to the creation of healthy forests that grow in size and diversity.**

Rooting 2025

Branching 2030

Flourishing 2040

Responsible sourcing

We maintain transparency in the supply chain and trace the wood from country of harvest to finished product.

We prioritise sourcing wood from sustainable forests and suppliers who adhere to responsible forestry practices.

AMBITION

100% of all suppliers sign our Pure Wood Charter

Responsible sourcing

We ensure that our wood products are certified by reputable organisations such as FSC® or PEFC.

AMBITION

100% of suppliers are FSC® or PEFC certified

100% sourcing from responsibly managed forests

Maximising resource utilisation

We optimise wood cutting and veneer production processes to reduce waste.

AMBITION

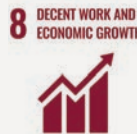
20% reduction of wood waste streams

Protecting ecosystems

We will support the growth of 3 million trees to combat global warming and enhance biodiversity.

AMBITION

Double the CO₂ absorption compared to the amount captured in our products, by increasing land cover/forest surface and increase in biodiversity value





RESPONSIBLE SOURCING

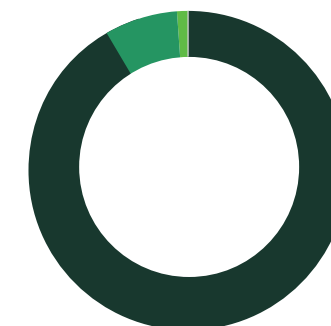
Our primary raw material is wood. The trees providing us with wood veneer play a crucial role in carbon storage and oxygen production. Recognising the vital importance of wood, we want to assure our stakeholders that our wood originates from responsibly managed forests.

Our Pure Wood Charter, consists of **ten guiding principles that demonstrate our dedication to the responsible sourcing and use of wood**, ensuring the preservation of forests and ecosystems for future generations, as well as social aspects. We request our suppliers to sign and fully adhere to all principles in this charter.

The charter is reviewed every two years to stay aligned with evolving regulatory and voluntary frameworks. The 2025–2026 edition was distributed to all Decospan Group wood suppliers at the end of 2024. Progress toward our 2025 goal of having all suppliers sign our 'Pure Wood Charter' will be reported in 2026, reflecting 2025.

The majority of Decospan Group's wood resources—89%—originate from Europe, with approximately 10% sourced from North America and 1% from Africa. Sourcing from South America and Asia is minimal, accounting for less than 0.1%.

Sourcing areas 2024



Europe	89%
North America	9,8%
Africa	1,2%
Asia	0,05%
South America	0,00%

PROTECTING ECOSYSTEMS

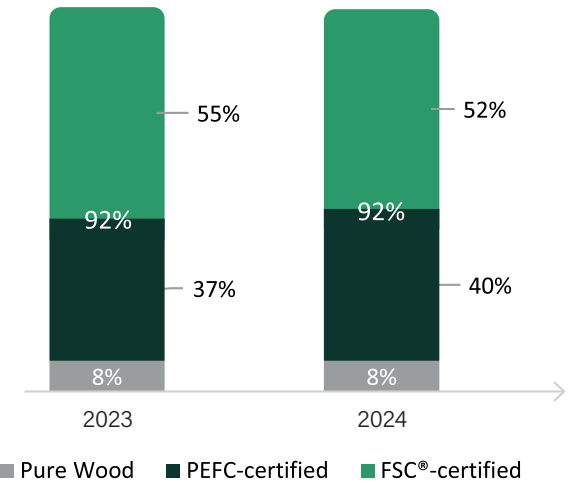
Deforestation and forest degradation pose substantial threats to forests, with significant social, economic, and environmental consequences on both local and global scale. They stand as major contributors to climate change and biodiversity loss.

The recently introduced **EU Deforestation Regulation** (EUDR) is designed to address these challenges, requiring application of thorough due diligence. In addition to risk analysis, FSC® and PEFC certification schemes will serve as key measures for mitigating potential risks.

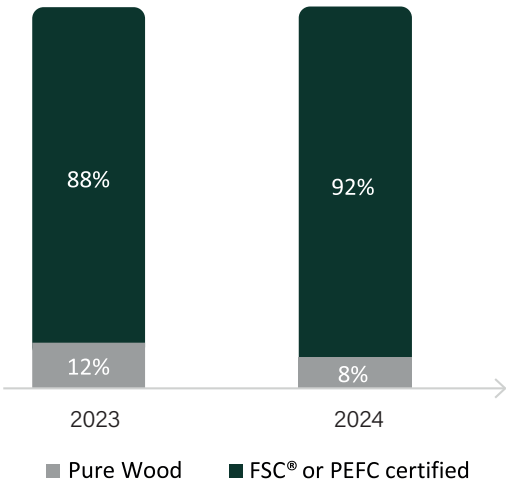
In 2024, 92% of the procured wood was covered by either FSC® or PEFC-certification. For the remaining 8% Pure Wood, we applied appropriate due diligence, thoroughly verifying the legality and ethics of the harvesting practices.



Certified procurement



Certified suppliers



Favourite place

HEALTHY WORKPLACE

Our people are our strongest asset, serving as the driving force behind our numerous accomplishments over the decades. We are dedicated to fostering a secure and comfortable workplace where everyone feels valued, respected, and included—an environment in which each team member has opportunities for personal and professional growth. **Therefore, our ambition is to cultivate a positive environment where people can grow and feel good.**

Rooting 2025

Branching 2030

Flourishing 2040

Provide a safe and comfortable workspace

AMBITION

Decrease short-term absenteeism throughout Decospan with 10%

Talent attraction and retention

AMBITION

Provide a leadership and career development program to ensure 50% of leadership roles are filled internally, increasing internal mobility to 30%

Achieve an Employee Engagement Score result over 75%

Launch of Decospan Academy throughout Decospan Group

Have Decospan's Code of Conduct available for all employees, including training

Provide a safe and comfortable workspace

AMBITION

Reduce workplace accidents below the sector average

Implement an Industry-leading employee wellbeing program

Talent attraction and retention

AMBITION

Further develop a comprehensive employee training and development program for all employees

Maintain an Employee Engagement Score over 75%

Provide a safe and comfortable workspace

AMBITION

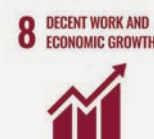
Zero accidents

Talent attraction and retention

AMBITION

Increase mobility to 35% across Decospan Group

Maintain an Employee Engagement Score over 75%



TALENT ATTRACTION AND RETENTION

Defining a strong company culture

We embrace our family values. As a family business, Decospan prioritises familial values, promoting a sense of belonging. Our ambition for 2025 is to have Decospan's Code of Conduct available for all employees, including training on the matter.

Listening to employee feedback

Each year, we actively gather input from our employees through a comprehensive engagement survey. We value their opinions to better understand how they feel and to improve workplace conditions. This powerful tool assesses commitment and overall motivation, provides insights into job satisfaction, team dynamics and leadership effectiveness. We aim to achieve and maintain an EES result of at least 75% by 2025.

Training and development

We invest in employee training and development programmes and offer opportunities for skill enhancement and career advancement. Through training **initiatives, regular feedback, goal-setting, and performance evaluations**, we create a culture of accountability and transparency.

In 2024, we launched Decospan Academy, a dynamic platform available for each employee to unlock their full potential. Therefore, we do not only aim to further develop a comprehensive employee training and development program, but also to conduct an annual governance training for all leadership positions.

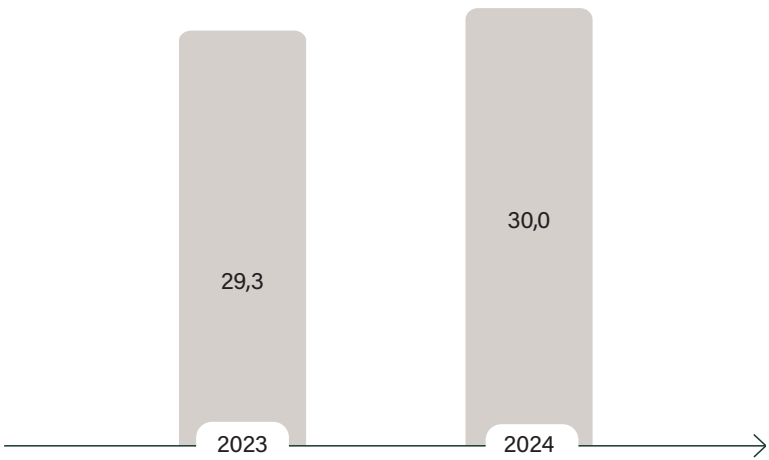


Employee Engagement Score (EES)



employee engagement 76%

Average number of training hours per employee



HEALTH AND WELL-BEING

At Decospan, our people are our most valuable asset. We foster health and well-being by prioritising a safe, comfortable workspace and promoting overall health and wellness.

Providing a safe and comfortable workspace

We maintain a clean, safe, and ergonomic workplace. To strengthen safety at work, we use the **Heinrich Pyramid**, a crucial framework in **occupational safety, as the base**. This pyramid outlines the link between near misses, minor injuries, major injuries, and fatalities.

In 2023, a notification system for risk situations was implemented and promoted through a prevention campaign. Encouraging the notification of potential unsafe situations and workplace accidents leads to a rise in reporting compared to the previous years, but also supports a better understanding of risks and triggers corrective actions. A risk-based approach supports the definition of priorities for annual and global prevention action plans. This contributes to the basis of our **Decospan Operational System** (DOS), setting targets for Safety, Quality, Delivery, Cost, and People (SQDCP).

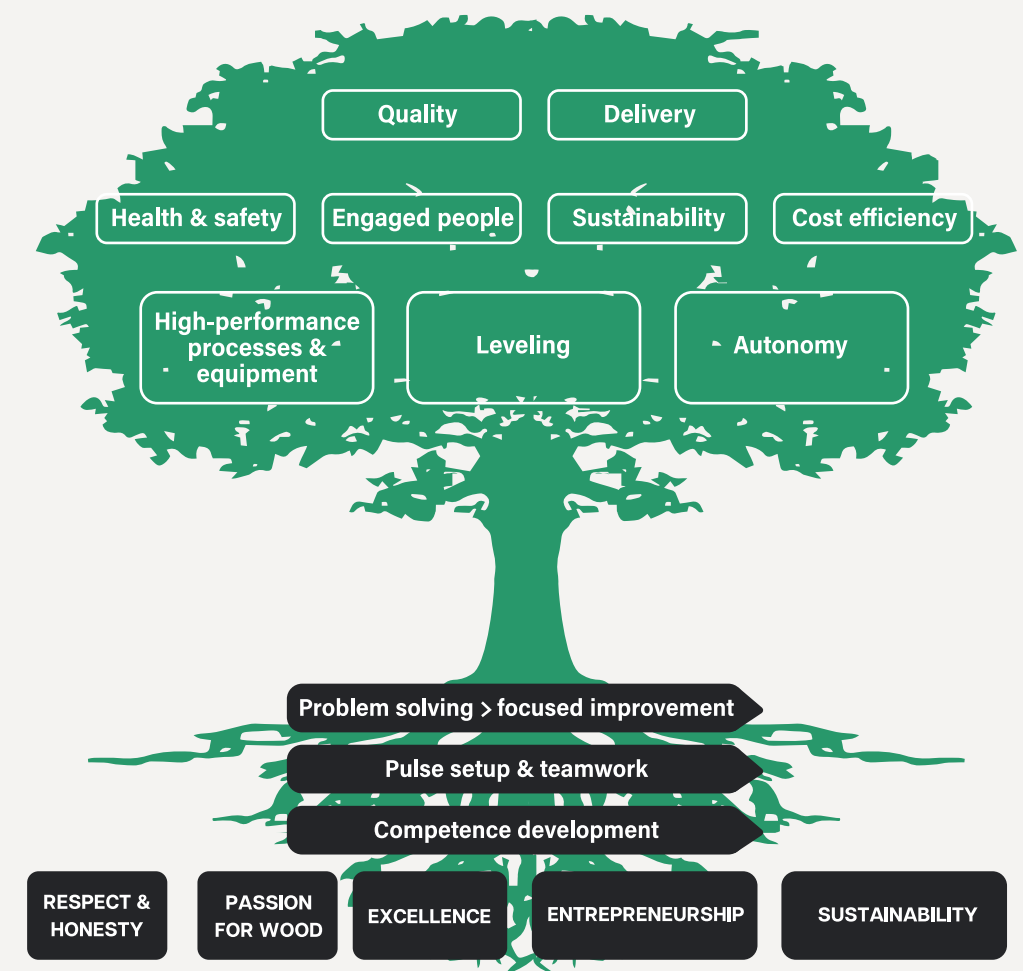
We focus on individual behaviour to minimise accidents, as 90% result from human actions. Regular safety knowledge assessments and our ongoing prevention campaign, featuring **Golden Safety Rules**, ensure continuous improvement. Any rule violation requires immediate reporting,

making safety non-negotiable. We aim for a proactive approach by 2025 and to reduce by 2030. Our ultimate ambition for 2040 is to achieve zero workplace accidents.



DECOSPAN OPERATIONAL SYSTEM (DOS) -

CUSTOMER SATISFACTION



Favourite place

BEAUTIFUL INTERIORS

Our products are our pride. We are on a mission to create beautiful decorative solutions for any interior by bringing wood into everybody's life. Our focus is on maximising the value of wood, ensuring that we can pass on our company to future generations. In the coming decades, we will progressively adopt low-emission adhesives and develop products that prioritise durability, reuse, and circularity. Therefore, **our ambition is to create superior and sustainable decorative solutions for any interior.**

Rooting 2025

Branching 2030

Flourishing 2040

Well-being in every molecule

Assess the chemical composition of adhesives.

AMBITION

20% of products zero added formaldehyde

Examine biobased alternatives

Balanced life cycles

Understanding the environmental impact of our products throughout their entire life, from raw material extraction to disposal, aiming for improvement.

AMBITION

LCA for all product categories

EPD for all strategic collection

Well-being in every molecule

Opting for low VOC adhesives, finishes, and eco-friendly options minimises air pollution.

AMBITION

Adopt 100% eco-friendly chemicals for strategic collections

Balanced life cycles

Designing durable products, prioritising easy repair or refurbishment. Considering modular or disassembly designs enabling component replacement rather than disposing of the entire product.

AMBITION

Extend the life cycle of wood products, aiming to surpass the typical 60-year growth cycle of a tree

Offer 90% of products certified by default

Well-being in every molecule

Opting for low VOC adhesives, finishes, and eco-friendly options minimises air pollution.

AMBITION

Adopt 100% eco-friendly chemicals for all collections

Balanced life cycles

We offer customised solutions for integrating wood into interiors, evoking feelings of calm, connection to nature, cosiness and well-being.

AMBITION

Offer 100% of products certified by default



STRIVING FOR BALANCED LIFE CYCLES

Executing product Life Cycle Assessments

Environmental Product Declarations (EPD) have become a way to verify a product's environmental impacts, creating a baseline to monitor and improve the effect of products on the environment. An EPD is a verified and registered document that provides transparent information about the environmental impact of a product. The foundation of an EPD lies in a thorough **life cycle assessment (LCA)**, allowing people to evaluate a product's environmental performance – from raw material to manufacturing, transportation, use, and disposal.

In 2024, we expanded the availability of our EPD's, from our full Parky-collection to Shinnoki and veneered MDF products. To take things even further, we conducted a full life cycle assessment (LCA) with independent experts at SGS for our

full veneered product collection. This allows us to understand the full impact of our materials from cradle to grave, helping us refine our processes and material choices.

Conducting life cycle assessments on the entire product range provides insights into actual impact of products on the environment and guides diverse stakeholder groups in taking informed decisions. Own insights, along with regulatory developments and market requirements, supported our efforts to further explore biobased alternatives as we move towards 2025.



ELEGANCE

POWERFUL PARTNERSHIPS

However, we cannot accomplish this strategy by ourselves. Realising these goals will call for a collective effort. Hence, we seek powerful partnerships with sustainability-minded allies, who share our dedication to shaping a fully circular, climate-neutral value chain. **Together, we will persist in achieving our goals, while fostering a flourishing business for the generations to come.**



Enhancing our ecological impact

We evaluate our carbon impact and commit to establishing scientifically-based transition strategies.

AMBITION

Establish scientifically-based transition plans towards carbon neutral operations for all nine Decospan sites

Partnerships in the value chain

We will establish collaborative relationships. We encourage transparency by engaging in open dialogues.

AMBITION

2 new partnerships by end 2025 (R&D)

Enhancing our ecological impact

We shift to renewable energy sources like wind, solar, or bioenergy for our facility's energy needs.

AMBITION

Transition to 100% renewable energy sources

Partnerships in the value chain

We will collaborate with suppliers and customers to jointly reduce carbon emissions across the supply chain.

AMBITION

To have a full understanding of our scope 3 emissions and implement concrete initiatives to drive measurable progress toward net-zero.

Enhancing our ecological impact

We implement a zero-waste policy in our manufacturing process. We will recycle and reuse wood scraps and veneer offcuts.

AMBITION

Zero wood waste

Partnerships in the value chain

We will create a system for product take-back, recycling, or repurposing at the end of a product's life cycle. We will explore partnerships with recycling or refurbishing facilities.

AMBITION

Circular solutions for wood products



ENHANCING OUR ECOLOGICAL IMPACT

We strategically **invest in optimising the environmental performance** of our nine diverse sites across Europe. This includes the implementation of energy-efficient technologies, renewable energy, and responsible waste management.

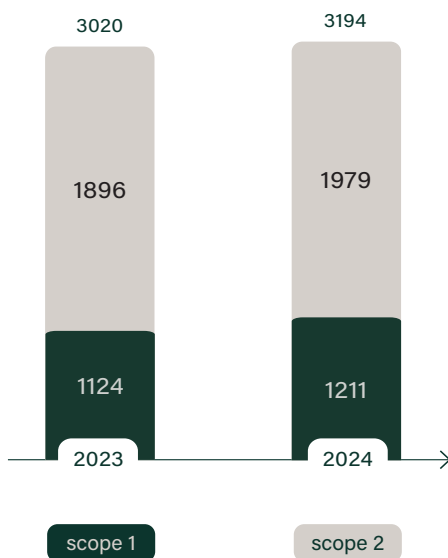
Reducing greenhouse gas emissions

In alignment with the Paris Agreement's call for urgent climate action to limit global warming to 1.5°C, we are prioritising carbon neutrality by focusing on scope 1 and 2 emissions, recognising that the majority of total value chain emissions stem from scope 3 sources. **We continuously upgrade our machinery and processes to enhance their energy efficiency and resource use to ensure our sites are prepared for unforeseen challenges.**

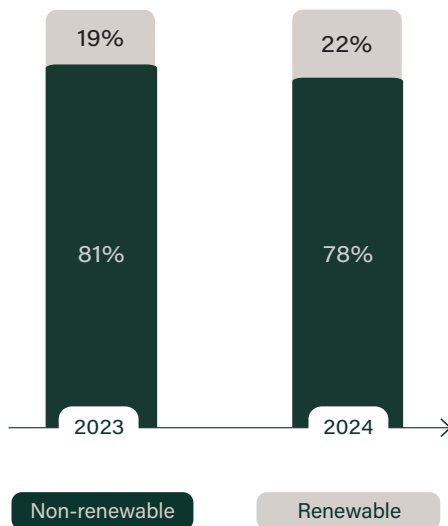
Renewable energy sources

In 2024, 22% of electricity used, originates from solar energy, generated by our own photovoltaic installations. A total of 5353 MWh of solar electricity was produced, of which 33% was injected into the grid. Aligned with our goal of reducing our carbon footprint, we have set the ambition to power our operations entirely with 100% renewable energy sources. We are reevaluating the practice of incinerating wood waste for energy recovery and heating our premises, aiming to retain the originally captured carbon dioxide in our wood.

CO₂- emissions (tonne CO₂ eq.)



Renewable electricity (%)



In 2024, we observed a slight increase in waste generation and GHG-emissions. This development is closely linked to a rise in sales and the corresponding growth in production activities.



Waste reduction and recycling

We have adopted a strategic waste management approach aligned with the waste hierarchy, also referred to as the **Ladder of Lansink**. The waste hierarchy is integrated into various stages of the product life cycle, from design considerations to finishing that safeguards against wear and tear, extending a product's lifespan.

A cascading use approach is implemented to increase material efficiency and reduce residues. To do so, we optimise cutting and slicing processes to minimise wood residues. Advanced technologies maximise log yields, reducing waste, while the use of wood slicing prevents unnecessary sawing losses, production defects are thoroughly assessed for possible rework. Inevitable waste streams, like wood dust or veneer chips, are collected separately and sent off for recycling.

We offer repair and cleaning products. Only in cases where prevention, reuse, or recycling is challenging, we focus on energy recovery through advanced incineration processes.

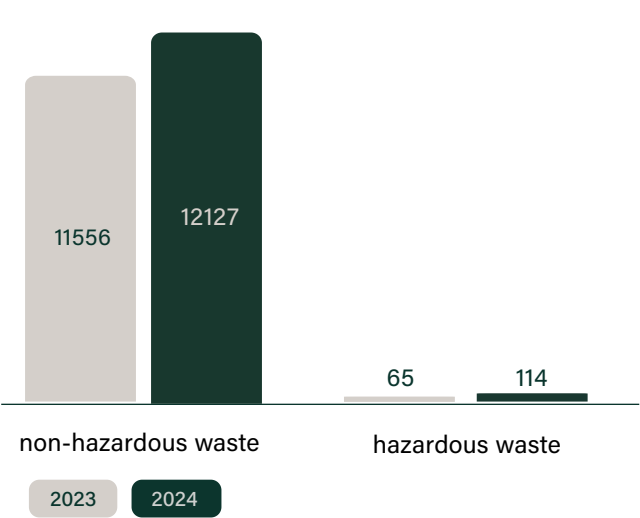
In 2024, 12241 tonnes of waste were collected from the Decospan Group, with the top five waste streams accounting for 98% of the total:

- Untreated wood
- Waste water
- Treated wood
- Residual waste
- Glues and varnishes

Wood waste contributes for 78% to the total amount of waste, generated in 2024. Approximately 1% was classified as hazardous waste, mainly involving glues, varnishes, and solvents. The amount of wood waste increased by 3% compared to 2023, whereof 51% was recycled and 49% immediately used for energy conversion, supporting heating of our premises or production processes.

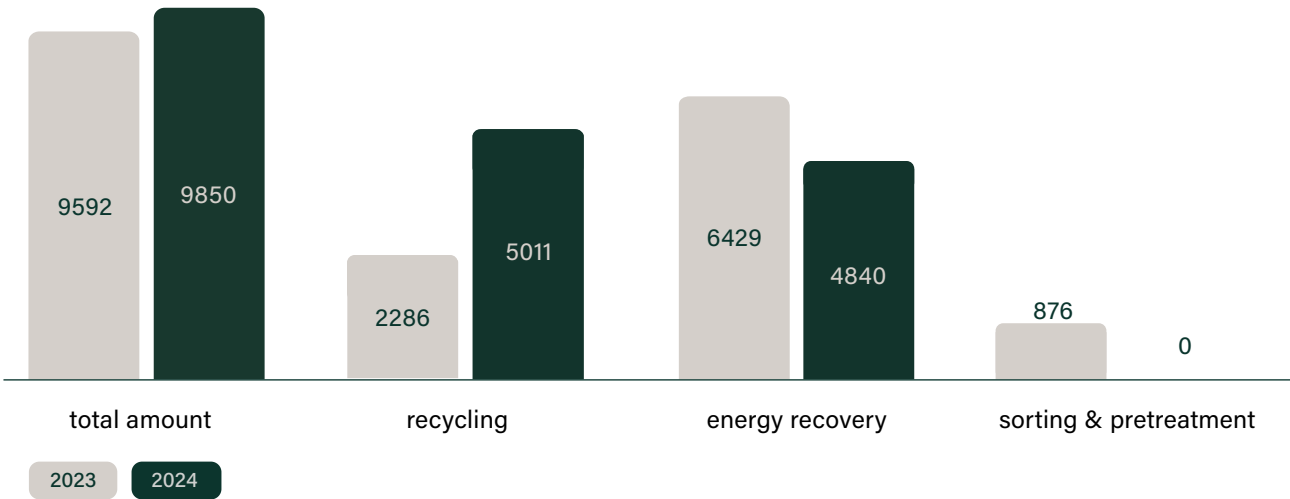
In 2024, significant research on recyclability confirmed that the veneer and finishes we apply do not prevent the panels from being recycled.

Waste types (tonne)



Ladder of Lansink

Wood waste (tonne)



PRINCIPLES OF GOOD GOVERNANCE

Corporate governance guides our decision-making, prioritising transparency, accountability, and inclusiveness for sustainable development. Emphasising shared ownership and engagement, our collaborative approach involves all committees in strategy development.

Founded in 1978 by Urbain Desmet, Decospan is a family-owned business that has evolved through three generations. The third generation has brought transformative changes to products, sales and marketing. Since 2018, CEO Pieterjan Desmet leads sustained growth and innovation, fostering global expansion.



GOVERNANCE STRUCTURE



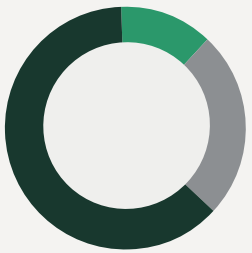
Shareholders

The shareholders meet at least once a year.
The family charter is interwoven into the shareholders' agreement.



Non-executive committee

The non-executive committee determines and oversees the long-term strategy. It monitors the functioning of the executive committee and acts as a strategic partner. The committee gathers five times a year and conducts an annual budget meeting. An external party offers guidance to the non-executive committee when needed.



Family council

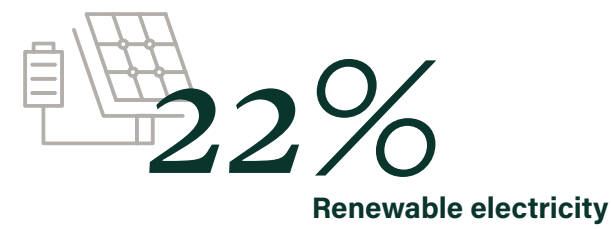
The family council serves as a platform for discussion and information exchange within the family structure. Its primary objective is to address family matters and issues in a suitable environment, ensuring that discussions take place at the appropriate time and involve the relevant individuals. In doing so, it aims to keep family-related sensitivities separate from the general assembly, board of directors, executive committee, and the operational level.



Executive committee

The executive committee meets on a weekly basis and is responsible for implementing the strategy and mitigating risks.

KEY FIGURES



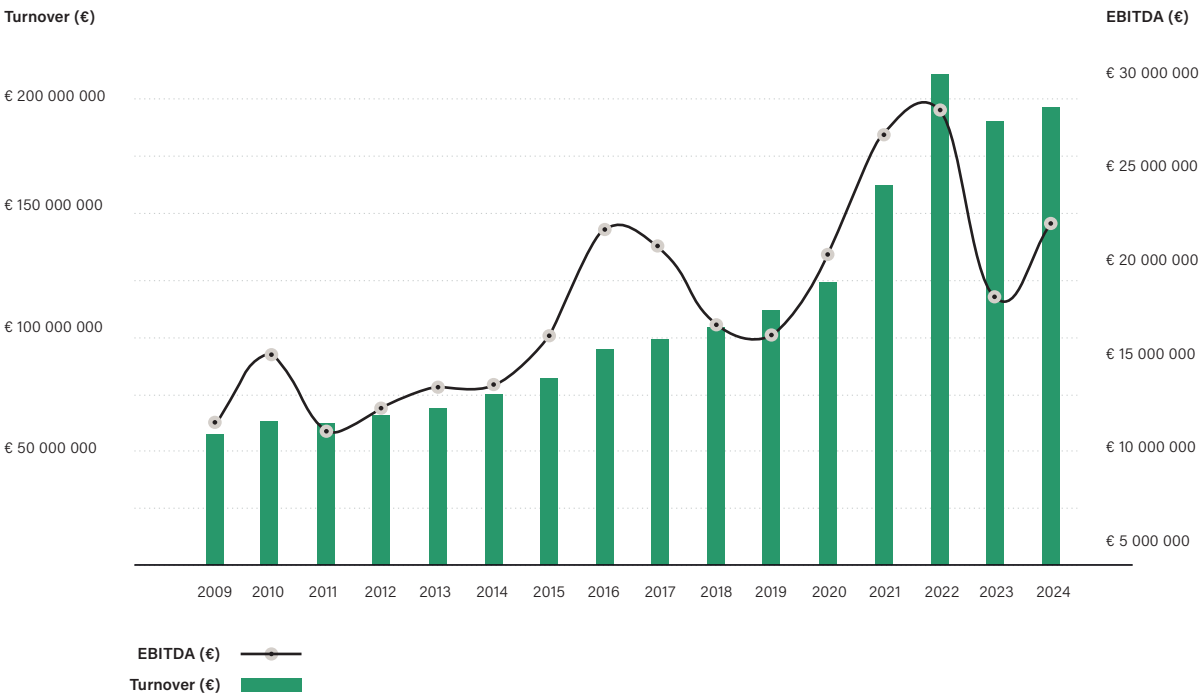
SUSTAINABLE GROWTH

Entrepreneurship: building a legacy

For three generations, our family company has thrived by expanding boundaries—investing boldly in technology, people, and global markets. We forge powerful partnerships that drive mutual growth. Our cathedral thinking extends beyond quarterly results towards generational impact, creating balanced prosperity for all stakeholders: customers, suppliers, communities, forests, and our people.

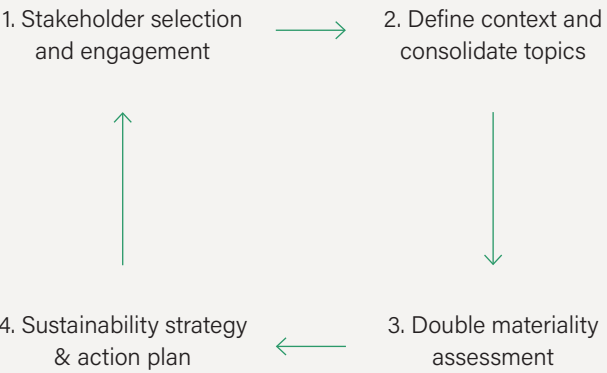
Innovation: maximising natural value

Our journey from process innovation to product and commercial excellence has transformed our relationship with wood. By extracting maximum value from each tree and addressing unmet customer needs, we've pioneered solutions that bring the warmth and sustainability of wood into everyday environments, enhancing quality of life while respecting nature's rhythms.



OUR SUSTAINABILITY REPORTING JOURNEY

Throughout our sustainability reporting journey, we have been challenged to navigate uncertainty, considering evolving standards, emerging issues, and a dynamic business landscape. Our reporting efforts for 2024 have been conducted for the full scope of Decospan Group. This focused approach allows us to concentrate on key material aspects while being transparent about areas where our reporting may currently be constrained due to factors such as data availability or evolving methodologies.



Define context and consolidate topics

Desk research

To better understand the challenges, impacts, risks, and opportunities along the value chain, we reviewed sustainability frameworks, industry standards and peer reports. It is crucial to also shine a light on vulnerabilities in the supply chain, evolving regulatory landscapes, including the EU Deforestation regulation, and the constant need to adapt to emerging market trends.

Risk management

The Board of Directors conducts a quarterly risk analysis to anticipate and address potential risks effectively, fostering a resilient and forward-thinking strategy for long-term success.

Relevant ESG topics list

Stakeholder engagement, internal risk management, and adherence to industry standards collectively guided the identification of pertinent ESG-topics for Decospan. The desk research offered valuable insights into relevant ESRS-standards across the value chain.





Stakeholder selection and engagement

Stakeholder selection

For the year 2024, we established a systematic methodology for identifying stakeholders. This resulted in the selection of 182 external stakeholders across the value chain, complemented by other parties who may be affected by or have an interest in our organisation's activities or products.

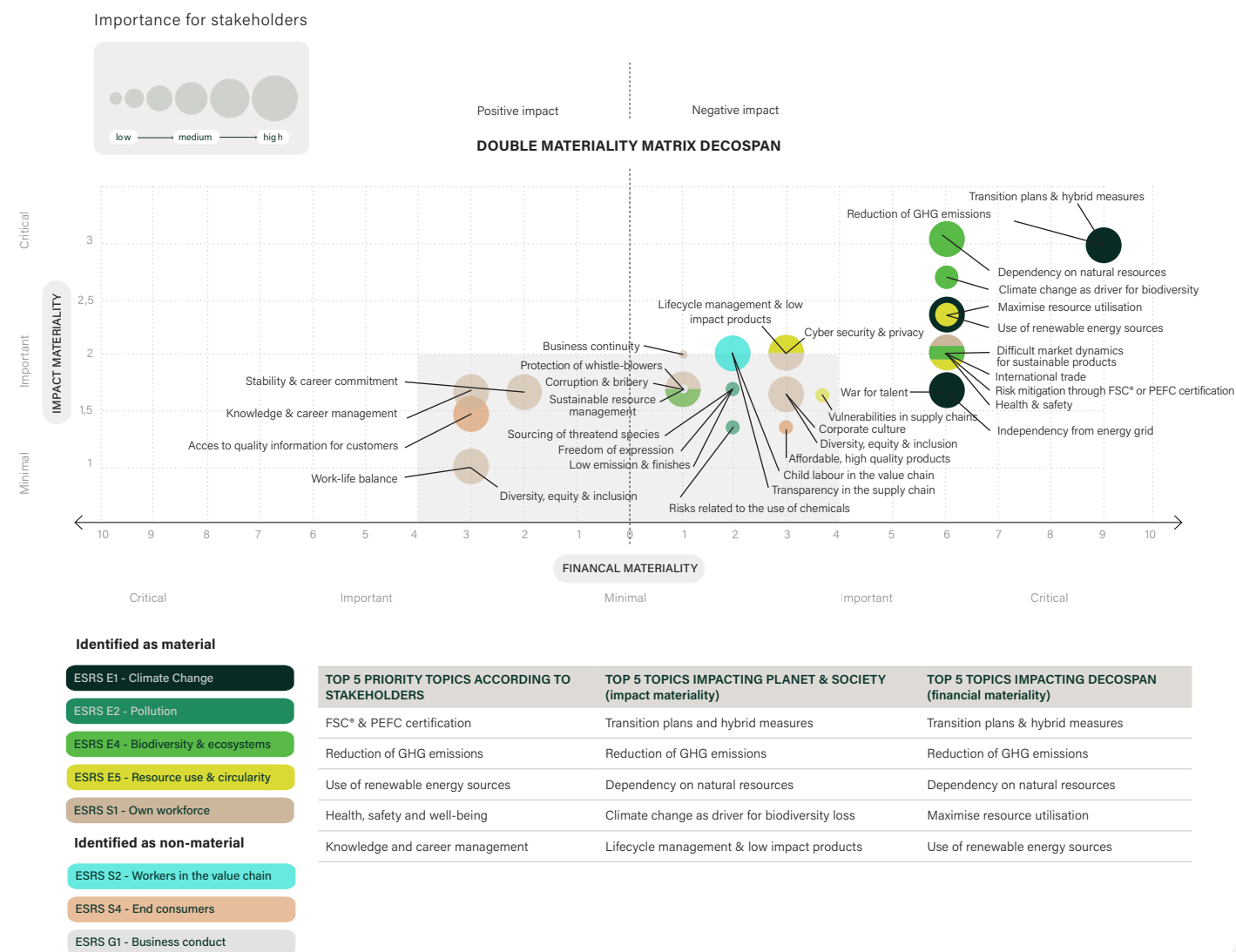
As a result, a total of 45 external and 100 internal stakeholders, which included both white- and blue-collar employees, actively participated in our engagement initiatives. We involved both internal and external stakeholders **to capture a diversity of interests and perspectives and gain comprehensive insights** into where impact occurs, covering both long-term strategic issues and current concerns.

Stakeholder engagement

The purpose of stakeholder engagement is to **cultivate positive relationships** and inform our materiality determination process. Our dialogue with stakeholders occurs through an **ESG-rating questionnaire and a live interview**.

Prior to the live interview, all stakeholders received a questionnaire, accompanied by guiding explanations for each topic. Each stakeholder was requested to indicate on a scale from one to six, the importance, for Decospan, of committing to the topic. Zero could be selected if the stakeholder lacked insight.

The live interview consisted of general questions to gain insights into our stakeholders' background. The given scores and supporting opinions were discussed to understand the stakeholders' interests.



Double materiality assessment

The stakeholder engagement, desk research and internal risk management resulted in a long-list with 27 impacts, risks or opportunities on the short, medium and long-term.

Their **financial materiality** was evaluated, considering the likelihood of risks or opportunities occurring and the magnitude of their financial impact. The **impact materiality** was assessed based on their severity and, for potential impacts, their likelihood of happening.

The size of each marking represents the **importance, attributed by stakeholders.**

Actual impacts are identified as material if, either their impact materiality is ≥ 2 or if the financial materiality is > 4 .

Potential impacts are identified as material if, either their impact materiality alone is > 2 , impact materiality is ≥ 2 and likelihood is ≥ 2 .

The outcome of this assessment is incorporated into **our business strategy and decision-making processes.**



DECOSPAN®
Wood Solutions

Lageweg 33, 8930 Menen Belgium

www.decospan.com



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