

2020

Corporate Social  
& Environmental  
Responsibility  
Report



## Tarkett at a glance

# A world leader in flooring and sports surface solutions

For over 140 years now, we commit every day to the design of great spaces. For Tarkett, this means putting people and planet first, caring about the environment and the health of present and future generations incorporated by our Tarkett Human-Conscious Design™ approach.

It is our holistic way of doing business, capable of marrying the specific expectations of each of our customers with the profound challenges of protecting our planet, reducing our carbon footprint and changing the game with circular economy. Working together with our partners, we deliver safer and healthier spaces in which people can reach their full potential.

## A BROAD RANGE OF SOLUTIONS

We offer to our customers one of the largest portfolios of flooring and sports surface solutions, and we share with our customers our expertise in multiple market segments.



Vinyl



Linoleum



Carpet



Wood



Laminate



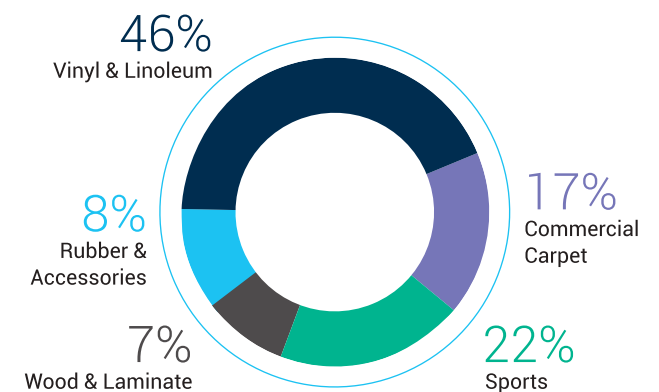
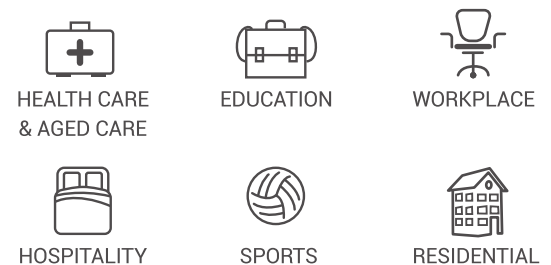
Rubber & Accessories



Artificial Turf



Athletic Tracks



% of net sales by product categories

**24**  
R&D  
laboratories

**1**  
research &  
innovation  
center

**4**  
design  
centers

**33**  
industrial sites

**9**  
recycling centers

## TARKETT WORLDWIDE



€2.6 billion

2020 net sales

More than  
**12.000**  
employees

**No. 1**  
in vinyl worldwide

### ATTRACTIVE END-MARKET EXPOSURE

**69%**  
Commercial  
(incl. Sports)

**31%**  
Residential



### SALES DRIVEN BY RENOVATION

~ **80%**  
Renovation

~ **20%**  
New  
construction



% of 2020 net sales

**1.3 million**  
m<sup>2</sup> of flooring sold every day  
in over 100 countries

## CONSCIOUS CHOICES. FOR PEOPLE AND PLANET.

*Tarkett Human-Conscious Design™ is our pledge to stand with present and future generations. To create flooring and sports surfaces that are good for people and for the planet. And to do it every day. We deliver on this through three commitments:*

- Deep human understanding.
- Conscious choices. For people and planet.
- With all our stakeholders. Every step of the way.



Eco-design by applying  
Cradle to Cradle® principles



Driving collaboration  
in circular economy



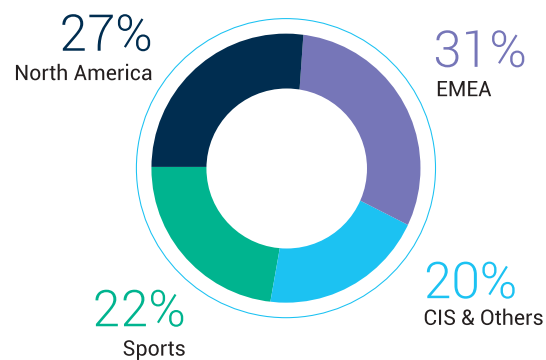
Comply with the 10 United  
Nations principles



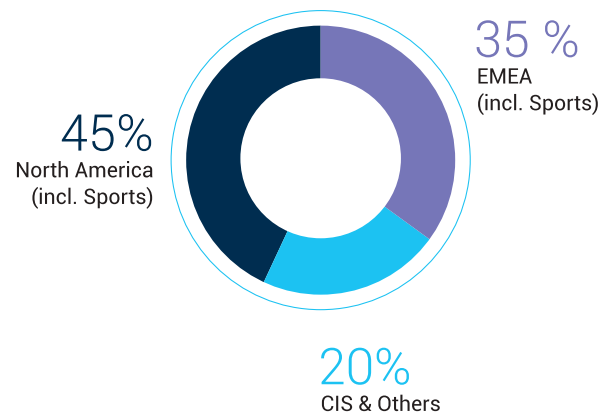
Contribute to the Sustainable  
Development Goals defined  
by the United Nations

## Tarkett in figures

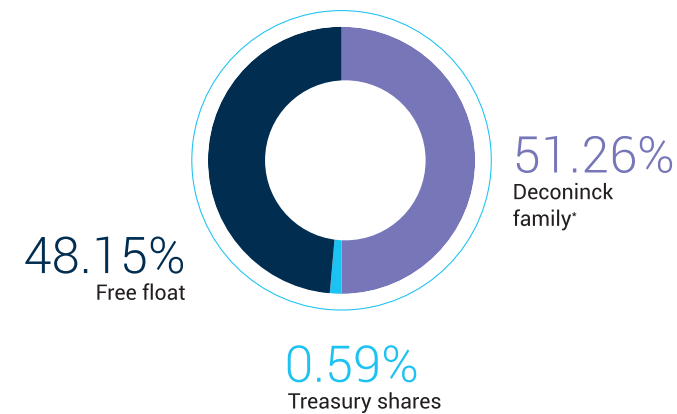
**SALES  
BY SEGMENT**



**SALES  
BY GEOGRAPHIES**



**SHAREHOLDING  
STRUCTURE**  
(31.12.2020)



Tarkett is listed on Euronext Paris (compartment B, ISIN: FR0004188670, ticker: TKTT).

\* Deconinck Family includes Société Investissement Deconinck, members of the Deconinck family and companies related to them. More details in section 7.

## Governance

### Supervisory Board

The Supervisory Board is composed of 12 members: 5 members representing the Deconinck family, the majority shareholder, 4 independent members, 2 members representing employees\* and 1 observer. The Board complies with standards and regulations regarding the proportion of independent members, men & women, and diversity of expertise.



**Éric La Bonnardière**  
(Deconinck family)  
Chairman  
Member since 2015

**Didier Deconinck**  
Vice-Chairman  
Member since 2011

**Nicolas Deconinck**  
Member since 2015

**Julien Deconinck**  
Member since 2018

**Agnès Touraine**  
Member since 2016



**Didier Michaud-Daniel**  
Member\*\* since 2019

**Françoise Leroy**  
Member\*\* since 2013

**Sabine Roux de Bézieux**  
Member\*\* since 2017

**Guylaine Saucier**  
Member\*\* since 2015

**Jean-Hubert Guillot**  
Member\*\*\* since 2019

**Ségolène Le Mestre**  
Member\*\*\* since 2020

#### Audit, risks and compliance committee:

- Guylaine Saucier (President)\*\*
- Françoise Leroy\*\*
- Julien Deconinck

#### Observer:

- Bernard-André Deconinck

#### Nominations, compensations and governance committee:

- Françoise Leroy (President)\*\*
- Sabine Roux de Bézieux\*\*
- Agnès Touraine
- Didier Michaud-Daniel\*\*

\* A representative of Tarkett's Social and Economic Committee (Tarkett CSE) also attends the Supervisory Board's meetings. \*\* Independent Member.

\*\*\* Was appointed member of the Supervisory Board representing employees by the Tarkett CSE.

## Governance

### Executive Management Committee

The Group Executive Committee is led by Fabrice Barthélemy, CEO. This international and entrepreneurial team is composed of experienced leaders who share the Group's interest and values, while ensuring operational agility through a decentralized organization.



**Fabrice Barthélemy**  
CEO



**Eric Daliere**  
President of Tarkett North  
America and Tarkett Sports



**Slavoljub Martinovic**  
President of Tarkett  
Eastern Europe



**Francesco Penne**  
President of Tarkett  
EMEA & LATAM



**Pierre Barrard**  
EVP Group Strategic Marketing,  
Digital & Innovation



**Raphaël Bauer**  
Chief Financial Officer



**Audrey Dauvet**  
Group General  
Counsel



**Séverine Grosjean**  
EVP Group Human Resources  
& Communication



**Arnaud Marquis**  
Group Sustainability  
Officer



**Carine Vinardi**  
EVP Group R&D  
and Operations



## A Word from the CEO



Fabrice Barthélemy

In 2020 Tarkett **demonstrated strong resilience** in the face of the COVID-19 pandemic and its health, economic and financial repercussions. Around the world, the professionalism and commitment of our teams has been remarkable. Our teams remained focused on our key priorities: satisfying our customers, supporting local communities in managing the crisis, and maintaining the Group's financial health. At the same time, we continued to deploy our initiatives in favor of eco-design and the circular economy, as well as the reduction of greenhouse gas emissions at our industrial sites.

Since the outbreak of COVID-19 our **primary focus has been and remains the health and safety of our employees, customers, and partners**. We immediately implemented sanitary measures and social distancing on production sites and remote working for support functions to keep operations running and ensure the continuity of service to our customers. Our teams were notably motivated to support the health care sector as it endeavored to rapidly increase hospital capacity to cope with the influx of COVID-19 patients.

We have thus demonstrated the resilience of our business model in a depressed and complex environment. We managed to keep operations running and maintained a good level of service for our customers even at the peak of the crisis. Thanks to structural savings and a rigorous mitigation plan, we have been able to improve the profitability. We have tightly monitored working capital, generated strong free cash-flow and deleveraged significantly.

In such challenging times, we also felt it important to reiterate our absolute commitment to respecting and promoting ethical principles, business integrity and social responsibility. The Supervisory Board, the Executive Management Committee and I were pleased to share our updated Code of ethics. This revised and reinforced edition reiterates the importance of ethics and integrity as an integral part of Tarkett values, clearly describes the conduct expected of everyone to uphold business integrity, indicates the availability of whistleblowing systems, and details our commitments to social responsibility.

As we marked in 2020 ten years of our **commitment to the United Nations Global Compact**, and its 10 principles on human rights, labor, environment, and anti-corruption, we are convinced that putting people and future generations first and investing in the circular economy will further strengthen the resilience of Tarkett's business model. It is our way to provide a tangible **contribution to the UN 2030 Sustainable Development Goals**, in particular for good health and well-being (Goal 3) thanks to flooring contributing to indoor air quality and healthy and safe spaces; for responsible consumption and production (Goal 12) via our ReStart® collection and recycling service for flooring; and for climate action (Goal 13) with circular economy and GHG emissions reduction programs. This is also why we co-signed, with other leaders, the call for mobilization for a **Green Recovery**, convinced that Tarkett can contribute to and benefit from a transition to a sustainable future.

On combatting climate change for example, we have already reduced our emissions<sup>1</sup> by 27% compared to 2010, surpassing our initial objective<sup>2</sup>. In 2019 we announced our next target as part of our Change to Win strategy, to reduce emissions<sup>1</sup> by a further 30% by 2030 vs 2020. We are also committed to tripling the share of recycled raw materials to 30% by 2030 with our ambitious circular economy program, which also contributes to tackling climate change<sup>3</sup>.

In 2020, we appointed a **Group Sustainability Officer** to the Executive Management Committee to accelerate the deployment of our Change to Win strategy on these sustainability initiatives and to be at the forefront of the green recovery.

As **safety, is our “number one priority, every day, everywhere”** we continue to strengthen Tarkett safety standards, reinforce their daily application and ensure the sharing of good practices across the Group.

We also have the ambition to **foster a more inclusive culture** and build teams that reflect the diversity of our society and our customers all over the world. I strongly believe that diversity and inclusion lead to diversity of thinking thus stimulating innovation, developing agility, and delivering more performance. As part of Tarkett's global Talent Management Guiding Principles, we have set a target regarding gender diversity, having at least 30% women in management and senior management by 2025 and we also encourage the adoption of complementary diversity objectives that respond to local priorities.

As well as strengthening the governance and action on our “People & Planet” pillar, the Group is also committed to accelerating the deployment of the other Change to Win strategic pillars:

- Foster sustainable growth by increasing focus on healthcare and education, end-user segments which should benefit from stimulus plans and public investment; leverage and share across segments our expertise in infection control and demanding cleansing protocol for flooring; accelerate digital channels' development reinforcing customer loyalty and responding to increased on-line e-commerce activities, in particular in residential.
- Continue deploying a strong customer-centric mindset and an organization driven by simplicity, agility, and speed, which allowed the Group to adapt quickly and keep serving customers during lockdowns.

- Accelerate our disciplined cost savings program by further reducing the SG&A cost base, continue to optimize our industrial footprint and wisely invest in selective growth initiatives, while preserving cash and optimizing the financial structure.

So, amidst challenging conditions and with the exceptional dedication of our teams, we are fully engaged with intensifying the deployment of our Change to Win strategy which will strengthen the resilience of Tarkett's business model and allow us to seize new opportunities for sustainable growth, putting people and planet first.

<sup>(1)</sup> Scope 1 & 2 greenhouse gas emissions per square meter of flooring (kg CO<sub>2</sub>e/sqm).

<sup>(2)</sup> 20% reduction in 2020 vs 2010.

<sup>(3)</sup> We estimate that the use of approximately 1 ton of recycled material avoids approximately 2 tons CO<sub>2</sub>e of GHG emissions (scope 3) compared to the use of virgin primary raw materials - based on data issued from Tarkett LCAs via SimaPro Software, where avoided emissions vary depending on the recycled material.



Post-industrial flooring waste to be recycled in our recycling centre at Clervaux, Luxembourg.



# Our Business Model dedicated to serving our customers...

## Our Inputs: Sustainable Capital



### Financial capital

- Listed on Euronext Paris
- Family shareholder (51.26%)
- Free float (48.15%)



### Manufacturing capital

- 33 production sites in 18 countries worldwide (Europe, Turkey, North America, CIS, China, Brazil, Australia)
- 9 recycling centers



### Intellectual capital

- Reputed brands (Tarkett, FieldTurf...)
- More than 150 patent families active in 42 countries
- 24 R&D labs, 1 research & innovation center, 4 design centers
- Network of internal experts and methodology (World Class Manufacturing, Design Thinking, Cradle to Cradle®, Talent Philosophy...)
- Scientific partnerships (universities, Environmental Protection Encouragement Agency - EPEA, suppliers...)



### Human, social and relationship capital

- More than 12,000 employees in 30 countries, 40 nationalities
- Diversified B2B2C clients, present in over 100 countries (sales forces, showrooms...)
- Diversified suppliers, from international key raw materials suppliers (PVC, plasticizers...) to local suppliers
- Local communities close to our industrial sites



### Natural capital

- Energy from renewable and non-renewable sources
- Water
- Renewable (wood, jute, cork, ...) and non-renewable (fossil and mineral) raw materials, from recycled and virgin sources



### Governance and compliance capital

- Management Board, Supervisory Board and 2 specialized committees
- Executive Management Committee
- Codes of ethics and conduct
- Whistleblowing procedure
- Code of conduct Securities Markets

## Our Ambition: Change to Win

- Be the global leader in commercial flooring and sports surfaces

- Grow selectively in residential flooring
- Change the game with circular economy

1.

*Sustainable Growth*

2.

*OneTarkett for our Customers*

3.

*People & Planet*

4.

*Cost & financial discipline*

## Our values: Committed – Collaborative – Creative – Caring

### Our Segments:

**A recognized expertise in specific segments, in renovation and new construction**



- Health & Aged Care
- Education
- Workplace



- Hospitality
- Sports
- Residential

### Our Solutions:

**A comprehensive, innovative and coordinated offer of flooring and sport surfaces**



- Resilient flooring (vinyl, linoleum...)
- Commercial carpet
- Wood and laminate
- Rubber and accessories
- Artificial turf and athletic tracks

### Our Channels:

**A local service tailored to our different clients and regions**



- Distribution, DIY and digital online platforms
- Key accounts, end-users, facility managers
- Specifiers (architects, designers), installers, contractors

**Our Stakeholders:**  
**Our ambition to transition to a circular economy through continual dialogue and collaboration with our stakeholders**

- Our customers, architects, designers, installers and end-users
- Our employees and other external workers
- Our suppliers, service providers and business partners
- Our shareholders, investors, creditors and the financial community
- Our trade associations, business networks, academic and scientific institutions
- Public authorities, intergovernmental and non-governmental organizations

## and our stakeholders

### Our Outputs: sustainable performance despite challenging context

#### Demonstrating the resilience of Tarkett's business model

€2,633 million Net sales (-9.5% organic growth)	€278 million Adjusted EBITDA	10.6% Adjusted EBITDA margin (% of net sales)	€-19.1 million Net profit	€672 million Remunerations	€74 million Investments	€25.1 million Income tax paid	€0.4 million Support to local communities (Tarkett Cares)
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#### Confirming our solid worldwide positions

3 <sup>rd</sup> largest flooring supplier worldwide	1.3 million m <sup>2</sup> flooring sold daily in over 100 countries	No. 1 in vinyl flooring
-----------------------------------------------------	----------------------------------------------------------------------	-------------------------

#### Maintaining efforts to protect teams and develop talents

2.62 Injury Frequency Rate (FR1t - # accidents with lost time < & > 24 hours per million worked hours) for all employees 2025 objective: 1.0 Injury frequency rate	26% of managers are women 2025 objective: 30% of managers and executives will be women	56% of open management positions filled by internal candidates 2025 objective: 70% of open management positions filled by internal candidates	34% employees trained in last year	50% of permanent employees had a Performance & Development Review
Safety	Diversity	Internal mobility	Training & Performance	

#### Continuing to meet customer and societal expectations with good materials and healthy spaces

- **Assessing raw materials** (for health and environmental impacts) according to **Cradle to Cradle® (C2C) principles** (98%)
- **Contributing to well-being through our products:** indoor air quality (98% of flooring with low volatile organic compounds emissions), healthy spaces (97% of flooring using phthalate-free plasticizers), comfort (visual, acoustics, installation, maintenance...)
- **Selecting raw materials not contributing to resource scarcity** (68% - renewable, abundant or recycled)

#### Supporting a green recovery by responding to the climate emergency and developing a circular economy approach

- **Reducing production greenhouse gas emissions intensity** (-27% kgCO<sub>2</sub>eq/sqm scope 1 & 2 vs 2010, better than 2020 objective (-20%), 27% renewable energy)  
2030 objective: 30% reduction in GHG emissions intensity vs 2020
- **Shifting to a circular economy model** bringing a positive contribution to climate change, using more **recycled materials** (~127,000 tons, 13% of raw materials in volumes)  
2030 objective: 30% (in volume) of recycled raw materials
- **Recycling our production waste** internally and externally
- **Collecting flooring via the ReStart® program** (~109,000 tons between 2010 and 2020)
- **Innovating and eco-designing** with new technology for disassembly and recycling
- **Achieving water savings** (-54% l/sqm vs 2010) by equipping plants with **closed loop water systems** (71%)

#### Driving collaboration in the value chain and in communities

- **Engaging with responsible suppliers** ("responsible sourcing program" with 75% of targeted suppliers adopting our code of conduct or equivalent, C2C eco-design)
- **Sharing our products information with our clients** (Material Health Statements - MHS, Environmental Product Declarations - EPD)
- **Supporting local communities** through Tarkett Cares and employees' involvement
- **Training students and professionals** in flooring profession and installation techniques via Tarkett Academy (36,000 people trained from 2012 to 2020)



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Message from the CEO – Fabrice Barthélemy

## 3.1 Tarkett's CSR ambition and commitment

### 3.1.1 Message from the CEO – Fabrice Barthélemy

The message from the CEO is presented in the introduction of this document.

### 3.1.2 Tarkett's business model

Our business model is presented in the introduction of this document.

### 3.1.3 Putting people first, our commitment to social and environmental responsibility

**Putting people first: the people who live and play on our surfaces, the people we serve, the people we employ and the people in the communities where we operate.** Tarkett is committed to putting people first, which implies caring for their health, safety, and well-being, creating a more inclusive culture and building teams that reflect the diversity of our society and our customers all over the world (nationalities, origins, background, gender, generations), with everyone feeling empowered to bring a broad range of views and talents to work every day. It also implies respecting their fundamental human rights and contributing to making the planet a better place to live for today's and tomorrow's generations.

We create floors that help make spaces healthier, more comfortable, and more beautiful, while striving to lessen the Group's environmental impact so that people flourish now, and in the future. Driving change to develop a circular economy, innovating with good materials, and exceeding indoor air quality standards are keyways in which Tarkett implements its commitment to Human-Conscious Design™ - putting people first.

Constantly working to ensure that all employees, contractors, and visitors know and apply safe work practices and procedures, every day and everywhere is another example of how Tarkett is committed to putting people first.

Engaging with and helping local communities through our Tarkett Cares program to help improve people's lives in the communities in which we are based is also about putting people first.

#### Change to Win

Every business, large and small, has a role to play in combatting climate change, conserving natural resources, and protecting the planet's ecosystems for the benefit of all. That is why Tarkett is championing the circular economy within the flooring industry and putting circular economy and climate change challenges at the heart of its current strategic plan, Change to Win.

This plan, presented in 2019, sets out our path to future growth, where Tarkett aims to be the global leader in commercial flooring and sports surfaces, to grow selectively in residential flooring and to change the game with circular economy by delivering across four strategic pillars: Sustainable growth, OneTarkett for our customers, People & the Planet and Cost and financial discipline.

In June 2020, Tarkett's CEO created a new role in the Executive Management Committee for a Group Sustainability Officer to establish Tarkett as a reference regarding climate change and circular economy.



Putting people first, our commitment to social and environmental responsibility

## Focus

### Understanding our client's expectations and requirements regarding sustainable and responsible development

Our clients face various challenges and have continually increasing expectations regarding sustainable and responsible development, for example:

- > Installers and contractors: install and easily remove, collect, and recycle post-installation and post-consumer flooring waste.
- > Architects and designers: select materials responding to more and more stringent certification and label criteria regarding indoor air quality, healthy spaces, and recycling, and transparently understand the composition of our products to facilitate their recycling during future renovations.
- > Distributors: offer products responding to market trends, obtain support for sales force notably regarding products' technical and environmental characteristics, and guarantee a quick availability of the products.
- > Final users, who live on our flooring and sports surfaces on a daily basis: make no compromise between price, design (visual aspect), performance (comfort, resistance, acoustics, safety, easy maintenance) and respect for health and the environment.

**Our commitment to social and environmental responsibility is embedded in our strategy and integrated in all our activities.** Here are some examples:

- > eco-design according to Cradle to Cradle® principles;
- > operational excellence with our World Class Manufacturing (WCM) program (in particular safety and environmental management);
- > embracing circular economy principles;
- > product development for greater indoor air quality;
- > collaboration with customers, suppliers and other stakeholders;
- > employee development with Talent Management Guiding principles.

Every day, we strive to combine these elements not only to best serve our clients, but also to anticipate and respond to the expectations and requirements of our different stakeholders – employees, customers and users, investors, NGOs, public authorities.

### See the following sections for more details:

- > Section 3.6 Meeting customer and societal expectations through eco-design, transparency, and circular solutions
- > Section 3.7 Responding to the climate emergency with good environmental management and a circular economy approach
- > Section 3.8 Creating solutions for greater indoor air quality and safe, healthy spaces for our customers
- > Section 3.9 Driving Collaboration in the value chain and in communities
- > Section 3.10 Nurturing our human capital

Putting people first, our commitment to social and environmental responsibility

### Tarkett contributes to several of the United Nations Sustainable Development Goals (SDG) through our *Tarkett Human-Conscious Design™* approach

In 2015, the United Nations adopted the 2030 Agenda for Sustainable Development along with a set of 17 Sustainable Development Goals. This framework defines a blueprint to achieve a better and more sustainable future for all by spurring local and global ecological, social, and humanitarian changes. The action plan aims to address key issues in areas such as poverty eradication, environmental protection, and economic development. Through its ambitious CSR approach implemented since 2010, Tarkett contributes to several of the UN Sustainable Development Goals.

- > **Developing a circular economy for present and future generations:** Tarkett's long term vision is for all flooring to be recyclable and recycled. Tarkett is building a circular economy based on programs and business models that encourage take-back, reuse, recycling, and elimination of waste (SDG12).
- > **Eco-designing products according to Cradle to Cradle® principles:** Tarkett's eco-design approach follows the independent and internationally recognized Cradle to Cradle® methodology that applies science-led thinking to implement circular economy solutions with materials evaluation undertaken by a third-party, EPEA (Environmental Protection Encouragement Agency). Tarkett is continuously seeking ways to optimize its existing materials by switching them for even better alternatives where possible and available. Selecting good materials that can be recycled over and over is a cornerstone of the Tarkett Human-Conscious Design™ approach. Eco-design also means preserving natural resources (SDG 15), fighting climate change (SDG 13), developing products that contribute to greater indoor air quality, with better health and well-being in working, leisure, and living spaces (SDG 3).
- > **Driving collaboration for a circular economy:** inspiring others to join us through education, collaboration, transparency, and communication (SDG17).
- > **Supporting communities:** contributing to the development of communities and territories where we operate and making sure our business is inclusive by bringing together various stakeholders, including suppliers, and encouraging them to take part in our responsible value chain (SDG 11).
- > **Creating a more inclusive culture:** building teams that reflect the diversity of our society and our customers all over the world, notably deploying an objective concerning gender diversity (SDG 5).
- > **Developing talents:** involving and engaging each employee, which we consider crucial for the successful implementation of our projects, therefore creating a safe, respectful, inclusive, and rewarding work environment (SDG 8).



### Tarkett's long-term sustainable development objectives

In 2013, Tarkett set its first long-term environmental objectives for 2020. These ambitious stretch type goals, approved by the Executive Management Committee at the time, have certainly proven to be very challenging. In this report we look at the achievements, the targets met and examine the reasons for falling short on certain goals. In 2021, this rich learning process will help us set new SMART goals – goals that are Specific, Measurable, Achievable, Realistic, and Timebound – for the next period. Some new objectives have already been announced in 2019 as part of our Change to Win strategy:

- > **Safety:** Reduce the Injury frequency rate<sup>1</sup> to 1.0 by 2025
- > **Talent & Diversity:** Increase internal mobility<sup>2</sup> to 70% by 2025
- > **Circular Economy:** Triple share of recycled raw materials<sup>3</sup> from 10% to 30% by 2030
- > **Climate change:** Reduce greenhouse gas emissions intensity<sup>4</sup> by 30% by 2030 compared to 2020
- > In 2020, Tarkett's Supervisory Board also approved a new diversity target of 30% of managers and senior executives to be women by 2025.

<sup>1</sup> Number of accidents with lost time < 8 > 24 hours per million worked hours

<sup>2</sup> Open management positions filled by an internal candidate

<sup>3</sup> Also known as secondary raw materials

<sup>4</sup> Scope 1 & 2 GHG emissions (kgCO<sub>2</sub>e/m<sup>2</sup>)



Tarkett Human-Conscious Design™ - Our sustainability and CSR progress in 2020

### 3.1.4 Tarkett Human-Conscious Design™ - Our sustainability and CSR progress in 2020



Respecting resources  
through circular economy

#### RENEWABLE, ABUNDANT OR RECYCLED MATERIALS

**68%** of raw materials do not  
contribute to resource  
scarcity  
*2020 objective: 75%*

#### RECYCLED RESOURCES

**127,000** tons of recycled  
materials in  
production

**13%** of our raw materials  
are recycled materials  
*2030 objective: 30%*

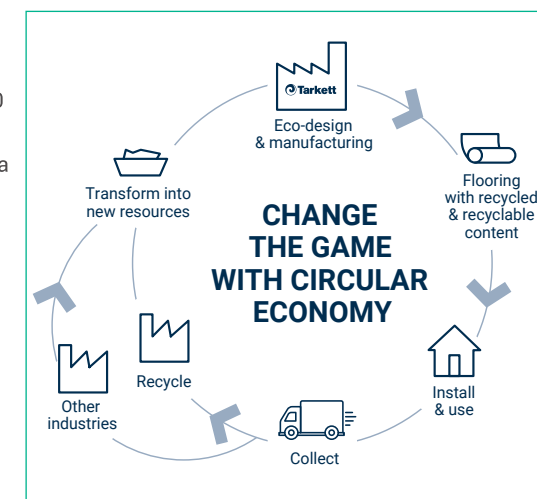


#### FLOORING TAKE-BACK

**109,000**  
tons of flooring collected from 2010 to 2020  
by Tarkett ReStart® take-back and recycling  
program in Europe, Brazil and North America

#### WATER CONSUMPTION

**-54%** versus 2010  
(intensity l/m²)



Fighting climate change

#### RENEWABLE ENERGY

**8** plants purchasing 100%  
renewable electricity  
**27%** of total energy  
consumption comes  
from renewable energies



#### CO<sub>2</sub> EMISSIONS

**-27%** versus 2010  
(Scope 1 & 2 intensity  
kgCO<sub>2</sub>e/m²)  
*2020 objective: -20% vs 2010*  
*2030 objective: -30% vs. 2020*  
**198,500** tons CO<sub>2</sub>e emissions from  
production sites (scope 1 & 2)



#### CO<sub>2</sub> SAVINGS THANKS TO RECYCLED RAW MATERIALS

**~253,000**  
tons of CO<sub>2</sub>e avoided Scope 3 GHG emissions,  
resulting from the use of **~127,000** tons  
of recycled raw materials instead of using virgin  
raw materials and sending waste to incineration<sup>1</sup>

<sup>1</sup> The impact of using secondary raw materials is calculated using best available data on CO<sub>2</sub> emissions for virgin raw material production and incineration, based on life-cycle analysis models of Tarkett's formulations using data from Ecoinvent, specific supplier data and plant environmental reporting.

Tarkett Human-Conscious Design™ - Our sustainability and CSR progress in 2020

### Using good materials for people's health and the environment



### C2C MATERIALS ASSESSMENT

98%

2020 objective: 100%

of our raw materials are third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria



### INDOOR AIR QUALITY

98%

2020 objective: 100%

of flooring have low VOC (levels of volatile organic compounds emissions)



### HEALTHY INDOOR ENVIRONMENT / PHTHALATE-FREE

97%

2020 objective: 100%

of our flooring solutions containing PVC (vinyl and carpet) are phthalate-free on a global level (% of m² produced)<sup>2</sup>

### Respecting and developing teams



### SAFETY

2.62

2025 objective: 1.0

injury frequency rate (Recordable Lost Time Accident Frequency Rate FR1t)<sup>3</sup>



### DIVERSITY

26%

2025 objective: 30%

of women among managers & senior executives



### INTERNAL MOBILITY

56%

2025 objective: 70%

of management positions filled by internal candidates

### Supporting local communities and global initiatives



### COMMUNITY SUPPORT

600

community initiatives with employees volunteering **3,200** days and **over 1 million euros** of product donation between 2017 and 2020



### EXPERTISE SHARING

36,000

professionals or students trained as professional installers or in flooring installation techniques from 2012 to 2020



Eco-design by applying Cradle to Cradle® principles



Driving collaboration in circular economy



Comply with the 10 United Nations principles



Contribute to the Sustainable Development Goals defined by the United Nations

<sup>2</sup> Except recycled content for certain products and countries.

<sup>3</sup> Number of accidents with lost time < & > 24 hours per million worked hours.



Tarkett Human-Conscious Design™ - Our sustainability and CSR progress in 2020

## Tarkett's CSR performance and ESG Ratings (Environment, Social and Governance)

**CDP Climate Change disclosure score: B**  
(management level)



- > Tarkett discloses its climate change impact through CDP, a global non-profit that runs the world's leading environmental disclosure platform. Over 9,600 companies with over 50% of global market capitalization disclosed environmental data through CDP in 2020.

**EcoVadis Sustainability rating: 74/100 – platinum medal**  
(advanced level, in top 1% of our industry category, highest level of maturity in this rating a company can reach)



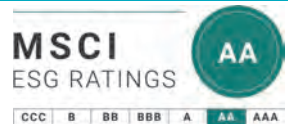
- > EcoVadis assesses CSR policies, actions, and results across 4 themes and 21 CSR criteria: environment, labor and human rights, ethics, and sustainable procurement.

**Sustainalytics ESG Risk Rating: 19.4 Low Risk**



- > Sustainalytics measures how well companies proactively manage the environmental, social and governance issues that are the most material to their business
- > In November 2020, Tarkett received an ESG Risk Rating of 19.4 and was assessed by Sustainalytics to be at a Low risk of experiencing material financial impacts from ESG factors.

**MSCI ESG Rating : AA**  
(AAA – best to CCC – worst)



- > MSCI assesses 37 Environmental Social and Governance (ESG) key issues across 10 themes

**UN Global Compact Advanced level**



- > Advanced level corresponds to companies that produce an annual communication on progress (COP) which meets all minimum requirements and information is provided in the self-assessment on additional advanced criteria in the following areas: Implementing the Ten Principles into Strategies & Operations; Taking Action in Support of Broader UN Goals and Issues; Corporate Sustainability Governance and Leadership.
- > As early as 2010, Tarkett responded to the United Nations Global Compact. Since 2012, we have reached the highest level of maturity, the Global Compact Advanced Level. Only 11% of all corporations worldwide have reached that level.

**Le Point 2020 ranking of most responsible French companies**

- > The French weekly magazine, Le Point, published for the first time in 2020 a ranking of the most responsible companies in France. Selected among 2,000 companies, Tarkett with a score of 85.4 was ranked 24<sup>th</sup> out of 250 overall and 1<sup>st</sup> in the "building materials" category. The independent German market data company, Statista, carried out the research on the three aspects of responsibility: environmental, social and governance. The assessment, which scored each company out of 100, included a survey of 5,000 individuals and the analysis of twenty or so environmental, social, and governance indicators.

Driving change and the achievement of our CSR objectives

## 3.2 CSR governance

### 3.2.1 Driving change and the achievement of our CSR objectives

**Tarkett continued to roll-out and deliver on its Change to Win strategy in 2020, convinced of the need to build back better with a sustainable, resilient recovery from the COVID-19 crisis.**

**Execution of our Change to Win strategic plan and associated CSR strategy is monitored by the CEO and the Executive Management Committee**, involving the divisions' Presidents (Sports & North America, Eastern Europe, EMEA & LATAM) and the support functions' Executive Vice Presidents / Chief Officers. The Executive Management Committee meets monthly to review the Group's operational, financial and non-financial performance, notably the execution of the Change to Win strategic plan, including the safety, internal mobility, climate and circular economy objectives, and to discuss business operations and other current Corporate Social Responsibility issues.

In June 2020, Tarkett's CEO appointed an existing senior management executive to the newly created position of Group Sustainability Officer. This new position has been created to accelerate the implementation of our Change to Win Sustainability strategy, and to establish Tarkett as a reference regarding climate change and circular economy. Key responsibilities are to intensify the reduction of greenhouse gas emissions and the deployment of circular solutions for our customers, to oversee innovation programs for the circular economy and the creation of associated business models and to ensure that all Tarkett teams take full ownership of sustainability issues.

Our General Counsel supervises all legal, compliance and insurance matters for the Group in close coordination with the Divisions and ensures compliance with all relevant laws and regulations, as well as the respect of Tarkett's codes on business ethics, anti-corruption and fair competition.

Our Executive Vice President for Human Resources responsibilities include overseeing the deployment of Tarkett's Talent Management Guiding principles, notably diversity and inclusion, promoting employee health and well-being, career development and internal mobility and organizing social dialogue, such as the Group's European works council.

Our Executive Vice President for Research and Development and Operations responsibilities include ensuring product eco-design according to Cradle to Cradle™ principles, innovation, and responsible sourcing, as well as improving the Group's operational performance to enhance safety, customer satisfaction and productivity notably by supporting division teams through Tarkett's World Class Manufacturing program.

Our Executive Vice President for Strategic Marketing, Digital & Innovation oversees the full scope of innovation programs from a global perspective in close cooperation with business teams and with Sustainability, Research and Development and Operations, to leverage Tarkett sustainability commitment into a competitive advantage.

Our CFO oversees the company risk mapping, mitigation, and internal control, as well as reviewing business plans and ensuring the monitoring of progress against Change to Win targets, such as Tarkett's non-financial CSR reporting on safety, talent and diversity, climate change and circular economy.

Finally, the Presidents of Tarkett's 4 Divisions (EMEA; North America; CIS, APAC & LATAM; Sports) ensure the operational deployment with the assistance of the support Functions.

## Focus

**Focus on climate-related disclosure according to Task Force for Climate-related Financial Disclosures (TCFD) recommendations**

### Governance

**Tarkett has a two-tier board structure, with a Management board (executive) and a Supervisory board (non-executive), both of whom provide oversight of climate-related risks and opportunities:**

**Tarkett's CEO, is responsible for oversight of climate-related issues on the executive Management board and larger Executive Management Committee (EMC), reporting regularly to the Supervisory board.** The Group's EMC meets monthly to review the Group's operational, financial, and non-financial performance and to discuss strategic projects and business operations, including Corporate Social Responsibility and climate-related issues. In 2019 the CEO prepared with the EMC Tarkett's new strategy Change to Win which was presented and approved by the Supervisory Board before being internally deployed and externally presented to investors. The CEO personally decided to include the circular economy as part of Tarkett's ambition as he believes that as a responsible flooring and sports surfaces company, Tarkett has a role to play to change the game of the industry with circular economy – a widely recognized solution to address resource scarcity and the climate emergency. In 2020 the EMC regularly reviewed the execution of the Change to Win strategy, including the climate-related objectives.

**The Supervisory board reviewed and approved in 2019 the Change to Win strategy with the ambition to change the game with circular economy as a key solution to responding to the climate emergency.** The Supervisory board has monitored the follow-up and progress of the implementation of this new strategic plan which includes action and targets on climate-related issues (e.g. plant GHG emissions intensity reduction and the transition to a circular economy with the increasing use of recycled secondary raw materials). Furthermore, the Supervisory Board special committee "Audit, Risks and Compliance Committee" also reports to the board on its work of reviewing Tarkett's risk mapping and management which includes climate-related risk factors (e.g. "climate change and damage to environment", "Downtime, disruptions, damage on site", "Deployment of the transition to a circular economy", "raw material price volatility").

### Strategy, Risk management and Targets

As part of the Change to Win strategic plan, the CEO set two new climate-related targets: (i) to triple to 30% the share of recycled raw materials used and (ii) to reduce Scope 1 & 2 GHG emissions per square meter of flooring by 30% by 2030 compared to 2020. The CEO is responsible for both assessing and monitoring climate-related risks and opportunities and ensuring the subsequent adaptation of business strategy. In 2019 this was effective with the definition, approval, and deployment of Tarkett's Change to Win strategy, with regular monitoring made in 2020. The CEO is assisted in this task by the Executive Management Committee, which is composed of 10 other members, including one new position created in June 2020 - Group Sustainability Officer. This new position of Group Sustainability Officer has been created to accelerate the implementation of Tarkett's Change to Win Sustainability strategy, and to establish Tarkett as a reference regarding climate change and circular economy. Other roles in the EMC include for example: the CFO who oversees the company risk mapping, which includes the risk factor 'climate change' as well as reviewing the business plans, annual budgets, and ensuring the monitoring of progress against targets such as the tracking and reporting of climate-related as well as other CSR key performance indicators; the Presidents of Divisions (EMEA & LATAM; Eastern Europe & Asia; North America and Sports) who ensure the operational deployment with the assistance of the support functions; and the Group R&D and Operations Executive Vice-President who actively supports the divisions in executing key projects and strategy, including the circular economy and climate goals of the Change to Win strategy.



Driving change and the achievement of our CSR objectives

#### Group Sustainability Committee

> **Following the appointment of the new Group Sustainability Officer a Group Sustainability Committee**, was convened for the first time in September 2020. The committee, which replaces the previous environmental committee, is now led by the Group Sustainability Officer. It is composed of sustainability managers from Tarkett's divisions, managers, and experts from Purchasing, Operations, Research and Development, Finance, Human Resources and Communication along with Tarkett's Strategic Marketing, Digital & Innovation Executive Vice President. The role of the committee, which regularly reports to the Executive Management Committee, is to coordinate and to monitor the execution of Tarkett's sustainability strategy; to regularly review the adequacy of Tarkett's sustainability strategy and objectives in the light of new risk, opportunity and materiality assessments and internal and external stakeholder dialogue; and to prepare proposals for the Executive Management Committee to ensure Tarkett leads the industry regarding climate change and circular economy. The committee builds on the work accomplished by the preceding environmental committee, itself created in 2011.

#### Other instances supporting the implementation of Tarkett's CSR strategy, commitments, and objectives

- > the **HR Core team**, led by Tarkett's Human Resources and Communication Executive Vice President and comprised of senior HR executives from Tarkett's divisions, regularly review the execution of the actions related to the Change to Win strategic plan, the progress of the Group Talent Management strategy along with implementation of other HR policies and initiatives, such as internal mobility, diversity and inclusion, benefits, employee feedback, social dialogue, and Tarkett Cares. In 2020 considerable attention was given to guiding Tarkett's response to the COVID-19 pandemic to ensure employee health and well-being during such a challenging time.
- > A **Group anti-corruption committee** created in 2020 to lead Tarkett's anti-corruption program.
- > The **innovation program management**, implemented in November 2019, to accelerate on innovation and to leverage synergies for delivering on the Change to Win Strategy. Global program managers were nominated to lead the seven priority programs which include 'Circular Economy and Recycling' and 'Health and Well-being'.

#### Communication of Tarkett's CSR strategy, commitments, and objectives

- > The Change to Win strategy and associated CSR objectives, along with initiatives and achievements, are **shared with company employees**, in particular via internal newsletters, intranet news, and training. Progress and challenges are also shared with the senior executives as part of quarterly results presentations and during the annual Leaders meeting.
- > Our commitment and results are also **presented to the shareholders and the financial community** during the annual Shareholders Meeting and Quarterly Financial webcasts, and to all our stakeholders via our different publications (the annual Universal Registration Document with the non-financial statement / annual CSR report, Tarkett in brief brochure and on Tarkett internet website).

#### CSR performance linked compensation

The successful implementation of Tarkett's Change to Win strategy, the associated objectives and other corporate social responsibility policies and actions is driven in part through individual incentives.

- > **CEO and senior executives:** The reduction of Scope 1 & 2 greenhouse gas (GHG) emissions and the circular economy (increase in the percentage of recycled materials used in the manufacture of our products) were included in the 2020-2023 LTIP (Long-term incentive-plan) criteria. The GHG emissions and circular economy objectives form part of Tarkett's Change to Win strategy aiming to transition to a circular economy, a central part of Tarkett's response to climate-related risks and opportunities. Approximately 240 beneficiaries worldwide have part of their LTI grant related to the achievement of these 2 objectives. Furthermore, all the members of the Executive Management Committee (EMC) have other CSR objectives depending on their areas of responsibilities. A focus was also made in 2020 objectives on the deployment of compliance and anti-corruption programs.
- > **Health, safety and environmental managers, Sustainability managers:** At plant and Division level, HSE managers are responsible for the deployment of actions plans and programs on safety and environmental protection, including Tarkett's climate-related strategy. As such their personal objectives may include safety targets, efficiency targets, emission reduction targets, energy reduction targets, ReStart® collection targets, waste management or other circular economy objectives depending on their specific local roles.

## Tracking our CSR performance with a robust reporting process

- > **Operational managers:** At plant level, some managers and operators may have their personal objectives related to the deployment of Tarkett's Change to Win strategy and the implementation of Tarkett's World Class Manufacturing (WCM) program. This program includes procedures and actions to improve efficiency, energy reduction, emissions reduction, waste reduction and recycling and environmental incident reporting and analysis. Some managers in the sales network may also have their personal objectives linked to Tarkett's ReStart® collection and recycling program – a key part of Tarkett's circular economy and climate strategy.

**Supervisory Board oversight on Tarkett's CSR strategy, commitments, and performance**

The CEO regularly reports to the Supervisory Board on the progress on Tarkett's Change to Win objectives. Other CSR topics are presented to the Supervisory Board, either at their request or when significant new commitments, strategy or objectives are developed.

Furthermore, two committees support the Supervisory Board and are involved in our CSR approach:

- > The **Audit, Risk and Compliance Committee** ensures the effectiveness of risk-monitoring and internal control procedures, which cover CSR-related topics. In 2020 Tarkett presented its approach to CSR reporting, including internal controls and third-party verification. Tarkett also discussed CSR ratings and the next steps to further strengthen Tarkett's action on social and environmental responsibility.
- > The **Nominations, Compensations and Governance Committee** determines and regularly reviews the compensation and benefits awarded to the Company's top executives, for whom some CSR objectives have been included in the criteria for awarding variable compensation. For example in 2020, the reduction of greenhouse gas (GHG) emissions (Scope 1 & 2), the circular economy (increase in the percentage of recycled materials used in the manufacture of our products) and the organization and talent management were included in the LTI criteria for the Group senior executives. Furthermore the members of the Executive Management Committee have CSR objectives depending on their areas of responsibilities..

### 3.2.2 Tracking our CSR performance with a robust reporting process

The reporting process of CSR / sustainability indicators is managed and consolidated since 2018 by the Financial department with the support from the different relevant functions (including Sustainability, Operations/WCM, HR, Legal, Research & Development...), divisions and sites. The CSR report (Non-financial statement), managed by the Communication & CSR department, is included in the annual Universal Registration Document. The reported indicators and the CSR report are audited by a third-party independent organization (see section 3.11.4 Report of Independent Third-Party Organization).

**A detailed, rigorous, and audited reporting process:** Since 2017, the reporting process has been strengthened with the drafting and diffusion of an accurate and comprehensive CSR reporting guide, which provides the Group with a foundation of common knowledge shared by all people involved in CSR reporting at all levels of the organization. This guide describes in detail CSR reporting principles, the scope, the definition of indicators, as well as the tools / calculation methods and controls carried out by contributors at the local level, and consolidation of data at the Group level. The process and the indicators are audited by internal audit teams and by a third-party independent organization. This formalization of the reporting process with the existing rules demonstrates the commitment of the Group to being rigorous and transparent towards its stakeholders.

**Dashboards that allow accountability and management of CSR performance at each level:**

The Group follow dashboards, which notably include 2020 environmental objectives set in 2012 and new environmental and social objectives for 2025 and 2030 announced in 2019 as part of Tarkett's Change to Win strategic plan. Divisions and functions also have dashboards with their CSR indicators, allowing the different entities to drive their performance and focus their efforts on the material challenges associated with their activities. The analysis of indicators over time is crucial to measure progress achieved, identify room for improvement and the challenges which still need to be tackled, and implement ambitious and pragmatic action plans.

**Progress review meetings** are also jointly organized at different levels: Group, divisions, functions and sites, and as part of "networks" (WCM, HR, etc.).

Adhering to international standards

### 3.2.3 Adhering to international standards

Tarkett's commitment, as well as the CSR report, the dashboards, the 2020, 2025 and 2030 objectives and the robust reporting process, meet the European and French regulatory obligations, and are in line and consistent with the requirements of internationally recognized standards:

- > the European Union Directive and the French regulations on non-financial statement, known as the extra-financial performance declaration ("*déclaration de performance extra-financière*" or DPEF);
- > the French duty of care ("*Devoir de Vigilance*") and anti-corruption law ("*Loi Sapin 2*");
- > the European Data Protection Regulation on data privacy;
- > the ten principles of the United Nations Global Compact (UNGC), to which we communicate our results to comply with the "Advanced" level standard;
- > several Sustainable Development Goals (SDGs) defined by the United Nations;

- > the Global Reporting Initiative (GRI) Standards – see in particular section 3.11.3 GRI and DPEF concordance table;
- > the Task-force on Climate-related Financial Disclosures (TCFD);
- > the Carbon Disclosure Project (CDP) climate change questionnaire;
- > the calculation and reporting of greenhouse gas (GHG) emissions in line with the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) GHG Protocol;
- > Cradle to Cradle® (C2C) principles for the design of our products, from material selection and product manufacturing, to installation, use, maintenance, end of use and product recovery;
- > the AFEF-MEDEF recommendations, notably regarding corporate governance and the DPEF.

### 3.2.4 Remaining committed to high business and ethical standards

Tarkett signed up to the United Nations Global Compact (UN GC) 10 years ago in May 2010. Tarkett continues to remain committed to upholding the ten UN GC principles in its day-to-day business and operations and works constantly to further progress its action and performance on social responsibility as demonstrated in its "people and planet" pillar of its Change to Win strategy. Tarkett understands that the ten Principles of the United Nations Global Compact were derived from key texts to which Tarkett fully adheres: the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Tarkett is committed to supporting and respecting the protection of internationally proclaimed human rights; and to making sure that we are not complicit in human rights abuses. Tarkett upholds the freedom of association and recognizes the right to collective bargaining. Tarkett will not be party to any form of forced and compulsory labor or to child labor or to any forms of discrimination. Tarkett adopts a precautionary approach to environmental challenges and continually strives to promote greater environmental responsibility, notably developing and promoting environmentally friendlier solutions. Tarkett also remains steadfast in its resolve to tackle all forms of corruption.

Tarkett completes the annual communication on progress to the UN GC, according to the Advanced level, which can be consulted on the UN GC website.



Remaining committed to high business and ethical standards

### 3.2.4.1 Ensuring business ethics and integrity

Among our most important company assets are our reputation and credibility for high standards of ethics and integrity. We consider that adherence to these principles as well as compliance with applicable laws and regulations are “non-negotiable” and central to how we do business every day and in every country. This corporate responsible commitment is evident in our core values, and we urge every Tarkett employee to follow and act according to these principles.

These principles are transcribed in **several Group's Codes and Policies**, for example:

- > The **Code of Ethics**, which was originally developed in 2009, was completely revised in 2020. It defines basic principles that must imperatively be respected by the Group and its employees. It covers business ethics, with notably the topics of fair competition, anti-corruption, conflict of interest and veracity of accounts; Tarkett's role as an employer, with the respect for human rights and health and safety of employees; and Tarkett's commitments as a corporate citizen, responsible and caring of others with respect for the environment, local cultures as well as personal data.
- > The **Anti-corruption Code of Conduct**, which builds on the principles in the Code of Ethics, was deployed from 2018 in replacement of the Anti-corruption Policy which was in effect since 2012 (see section 3.2.4.2 Preventing corruption). This Code has been translated into 17 languages and deployed throughout the Group with employee representative bodies being consulted when necessary.
- > The **Competition Policy** complements the Code of Ethics on the topic of compliance with competition laws, underlining the essential principles and rules to be strictly respected in terms of relationship with competitors (horizontal agreements, exchange of information, membership, and participation in trade associations), relationships with suppliers and customers, good practices to avoid abuse of dominance, misleading advertising, etc.

To ensure that all Tarkett employees are aware of and respect the values and behaviors that we wish to share, we have implemented **several trainings and monitoring programs**:

- > **Compliance training:** the compliance training program initiated in 2018 and reviewed in 2020 to improve its monitoring, focuses on fair competition and anti-corruption. The program consists of customized e-learning modules which are organized a number of times during the year for all Tarkett employees who have computer access (covering approximately 6,500 employees worldwide). Anti-corruption issues addressed include bribery, relations with intermediaries, gifts and invitations, charitable donations and the whistleblowing systems available to employees as well as third parties. Regarding competition law, the program covers in particular horizontal (competitors) and vertical (suppliers and sub-contractors) restrictions of competition such as the exchange of information in the framework of professional trade organizations. Face-to-face training sessions have also continued in 2020 via dedicated compliance workshops (mostly virtual) tailored to groups of employees more exposed to the previously mentioned risks, notably teams in France, Belgium, Germany, United States, Russia and Serbia.
- > **Participation in trade associations:** Guidelines of good behavior practices when joining trade associations and more generally when attending meetings where competitors are present were developed in 2018 and are now included in the training sessions.
- > **Business Ethics training:** The new compliance e-learning program comes in addition to the existing training program on the Code of Ethics, which must be completed every other year by all Tarkett employees (either via e-learning or face-to-face session).
- > **Cybercrime and fraud training:** We have also implemented training sessions to raise awareness and empower teams on cybercrime and fraud.
- > **Whistleblowing systems:** A first professional whistleblowing system, the Ethics Hotline, was established in 2016 for our activities in North America, and a second similar tool, the Compliance Hotline, was introduced for other countries in 2018. This system, hosted by a third-party service provider, enables Tarkett's employees and any third party to raise their concerns and/or report potential violations with Code of Ethics they may witness within Tarkett, including in an anonymous way if they wish to. Deployment of the system was subject, in certain countries, to the approval of local works councils. These whistleblowing systems are presented and explained in all the compliance training modules and a specific procedure for the alert systems is available on Tarkett's Internet and Intranet site.

Remaining committed to high business and ethical standards

### Example

#### Our Compliance Hotline: a tool for conveying concerns to Tarkett

- > Easy access on the internet and the company intranet or by phone from 150 countries in 200 languages..
- > Accessible to all Tarkett's employees, business partners (suppliers, clients, etc.) and other third parties.
- > To report any type of violation related to for example accounting, anti-trust, conflict of interest, corruption, fraud, harassment, discrimination, environmental damage, etc..
- > Presented for consultation to Tarkett's Works Councils in countries where local law enforces it.
- > Supported by a platform to ensure the protection of whistleblowers..
- > Guaranteeing the confidentiality of cases.

The compliance section of Tarkett's intranet was updated and completed to provide all employees who have intranet access with readily available information on business ethics, including the main principles on competition law, anti-corruption, the whistleblowing procedures and Tarkett's professional alert mechanisms (Compliance Hotline and Ethics Hotline) as well as the Supplier Code of Conduct. Similar information has moreover been publicly disclosed on Tarkett's Group website.

**Compliance risks have been included in the controls and work programs of the internal audit department.**

**Protection of personal data:** The Group is committed to ensuring the fair use of all personal data it processes, in compliance with applicable regulations, in particular the EU General Data Protection Regulation ("GDPR"). The Group's legal department, in close collaboration with the IT department, has deployed a Data Privacy Compliance Program, covering notably:

- > signature of personal data protection clauses with our business partners to ensure confidentiality and data security;
- > monitoring and control of personal data processing activities in internal registers;
- > privacy impact assessment (PIA) for new processing activities presenting personal data protection issues;

- > clear and easily accessible information provided to our customers, business partners and employees regarding (i) the processing of their personal data by Tarkett and (ii) the means by which they can exercise their rights relating to their data;
- > reinforcement of awareness-raising actions and training for employees most exposed to data privacy risks.

### Cybersecurity:

The Group uses complex information systems (notably for production management, sales, logistics, accounting, and reporting), which are essential for conducting its commercial and industrial activities. Recognizing that a failure of any one system could have a material adverse effect on the Group's business, Tarkett has procedures, tools, and trainings in place to continually strengthen the security of its information systems. These include an IT Charter governing the use of IT equipment and explaining Tarkett's IT department monitoring activities and use of personal data; a global IT Security policy setting out the key measures and procedures to ensure IT security; a leaflet describing the 5 key security measures and a specific leaflet on detecting and avoiding fraudulent emails. Further details are given in Chapter 6 "Risk factors and internal control" of the 2020 Universal Registration Document.

In 2020, despite the IT security measures implemented by the Group, Tarkett was the victim of a cyber-attack that briefly affected part of its operations. Tarkett responded immediately to shut down its information technology systems and put in place the necessary preventive measures to protect its operations as well as the data of its employees, customers, and partners. Thanks to the responsiveness and commitment of Tarkett teams supported by third-party IT experts, normal operations were swiftly resumed. A program was subsequently implemented to further strengthen all systems (human and material and through the use of highly qualified external service providers) for the protection of the Group's information systems.

**Responsible tax practices:** As part of its activities, Tarkett does not resort to complex financial arrangements aiming at obtaining a tax benefit conflicting with the purpose or the aim of applicable tax law. Tarkett does not have legal entities in any of the twelve countries of the European Union (EU) black-listed tax havens, which include countries refusing to engage a dialogue with the EU or to remedy shortcomings in terms of good tax governance. With regard to the 10 countries of the EU grey-listed tax havens, which include countries committed to comply with international standards but having signed less than twelve agreements, Tarkett has commercial legal entities with production in two countries (Australia and Turkey).

Remaining committed to high business and ethical standards

The list of these countries, updated as of 6<sup>th</sup> October 2020, is available at the following link:

[https://ec.europa.eu/taxation\\_customs/sites/taxation/files/eu\\_list\\_update\\_06\\_10\\_2020\\_en.pdf](https://ec.europa.eu/taxation_customs/sites/taxation/files/eu_list_update_06_10_2020_en.pdf).

In the EU, Tarkett operates in Luxembourg since 1961 (where it has a vinyl flooring manufacturing site and a research and development center employing over 500 employees)

### 3.2.4.2 Preventing corruption

In line with the requirements of the French anti-corruption law ("*Loi Sapin 2*") and the guidelines of the Anticorruption French Agency (AFA), Tarkett has implemented a Corruption Prevention Program, which provides a framework to our teams and business partners globally and which includes the following components:

- > **A corruption risk mapping** exercise was initiated in 2017, updated in 2019 and redesigned in 2020. The risk identification and assessment process was based on interviews of 79 internal stakeholders covering the whole range of Tarkett activities and processes worldwide. The risk mapping is continually expanded and updated annually based on elements gathered through additional interviews and/or potential alerts or incidents and/or NGO reports we have been informed about. The granularity of the assessment is thus refined as these elements are collected by Tarkett. In 2020, an important update of the corruption risk mapping was undertaken to identify and then assess risks in a more refined and relevant way and to take into account the latest requirements of the French Anticorruption Agency.
- > The **Anti-corruption Code of Conduct**, which was developed and rolled-out in 2018 in replacement of the Anti-corruption Policy, defines clear guidelines allowing our teams to identify and prevent inappropriate behavior in terms of corruption and influence peddling. This code lists prohibited practices (illegal payment, facilitation payments and political contributions), practices governed by strict rules (gifts and invitations, donations to charities, sponsorships, interest representation and/or lobbying action), and practices to be followed internally (proper and exact accounting, declaration of conflict of interest) and with our business partners (anti-corruption contractual clauses, implementation of due diligence procedures, use of intermediaries).
- > The **whistleblowing systems** implemented with the Compliance Hotline in 2018 complementing the Ethics Hotline deployed in 2016 in the United States and in Canada. The systems are supported by the Whistleblowing Procedure to enable employees, business partners and other third parties to report any corruption-related concern.

and in the Netherlands (where it has one carpet manufacturing site and sales activities employing close to 400 employees). Finally, it is specified that the Tarkett Group has not signed any tax rescript with tax authorities in its different countries of operation.

Further details on tax practices and associated fiscal risks are provided in Chapter 6 "Risk factors and internal control" of the 2020 Universal Registration Document.

- > The **assessment of our business partners**: Tarkett performed an assessment of its suppliers as part of our **Responsible Sourcing Program** (see section 3.7.1.1 Promoting good and positive practices along the supply chain) as well as anti-corruption due diligences on its intermediaries. In 2019, Tarkett retained a specialized service provider to assist with the anti-corruption evaluation of its business partners.
- > **Control procedures** on corruption risks are included in the work program of the internal audit department. In 2020, we implemented additional controls on gifts, invitations, donations, sponsorships, and intermediaries to focus on corruption issues. Second-level anti-corruption controls covering intermediaries, human resources and purchases were carried out by the Compliance Officer and the Finance department.
- > The **new compliance training program**, initiated in 2018 and targeting all Tarkett employees who have internet access, includes three annual e-learning modules on corruption, covering anti-corruption practices in general, and reminding our teams of good practices in this regard, with a particular focus on use of intermediaries, gifts and invitations, and donations to charities. Anti-corruption workshops have moreover been delivered to specific publics.
- > The **new Anti-corruption committee** was established in 2020. The committee is composed of the CEO, CFO, General Counsel, Internal Audit Director, and the Compliance Officer. The role of this committee, which meets monthly, is to define the Group strategy in the deployment of its Anticorruption program.
- > An **Anticorruption Accounting Control Procedure** relating in particular to gifts, invitations, business meals, donations, sponsorships and intermediary commissions was set up in 2020 and deployed throughout the Group.
- > Every employee is fully informed that non-compliance with any one of the provisions listed in the Anti-corruption Code of Conduct may give rise to **disciplinary sanctions**, including dismissal.



### 3.3 CSR risks and opportunities

At our scale and with our resources, we are committed to positively contributing to tomorrow's changes and challenges:

World's Changes	Challenges Tarkett can contribute to
By 2050, one in six people in the world will be over age 65 (16%), up from one in 11 in 2019 (9%) according to the UN, and nearly two thirds of this population will live in cities, according to the United Nations.	<b>Increase of the population</b> and of the share of <b>elderly people in the cities</b> , along with expectations and challenges regarding <b>quality of life</b> (indoor air quality, healthy spaces, comfort, acoustics, spaces flexibility and modularity, etc.).
With a global population expected to reach 9.7 billion people by 2050, according to the UN, and aspiring for a better quality of life, the pressure on natural resources will continue to rise and become an even greater critical issue in the future. The United Nations Environment Program (UNEP) 2019 Resource Panel report found that global resource use has more than tripled since 1970 to reach 92 billion tons in 2017 and projects that without action resource use will more than double to 190 billion tons by 2060.	<b>Scarcity of natural resources and waste management</b> , issues which challenge the linear economy model (based on production, use and disposal of a product) and call for the <b>development of a circular economy model</b> , where waste becomes a resource, and where a product can be reused or transformed into a new resource. The use of eco-design principles makes it possible to select abundant raw materials on the one hand and to build products that are easily reusable or recyclable on the other hand.
In 2015 the UN COP21 set out a course of action (Paris Agreement) aimed at keeping the rise of global temperature below two degrees. The 2018 Intergovernmental Panel on Climate Change (IPCC) Climate Report set out the clear benefits to people and natural ecosystems of limiting global warming to 1.5°C compared to 2°C which could go hand in hand with ensuring a more sustainable and equitable society. The UN Secretary General called for urgent and far more ambitious action, to cut emissions by half by 2030 and reach net zero emissions by 2050, noting that alternative building materials along with other innovations can have a major role in reducing greenhouse gas emissions. The Circularity Gap Report launched at the World Economic Forum in 2019 underlined that 62% of global greenhouse gasses are emitted during extraction, processing, and production of goods.	<b>Reduce greenhouse gas emissions</b> by reducing our energy consumption and using renewable energy sources. We can, not only reduce our greenhouse gas emissions in our production cycle, but also along the whole value chain, with the implementation of a circular economy model, <b>using more recycled materials</b> which are less energy intensive than extraction and transformation of virgin materials, increasing the lifespan of our products, facilitating their recycling after use and by limiting the distance necessary to deliver our clients with production sites close to our clients.
The society is constantly evolving, and so are its expectations, with the Millennials and Generation Z living in a hyper-connected world with growing concerns, notably about the climate and environment, diversity, ethics, and the importance of having a positive impact on society, etc.	We can also influence change on our value chain by selecting suppliers which have a lower carbon footprint, by raising our customers' awareness and by offering them the choice to select our products with the lowest carbon footprint.  <b>Play an active role in responding to societal challenges, such as reducing the carbon footprint of our products and building a circular economy</b> , respecting ethical and compliance values, and promoting transparency and proximity with local communities, and the development and diversity of talents.

As one of the world's leading flooring and sports surfaces companies, Tarkett is committed to contribute, at its scale, in achieving the fundamental changes required to address these challenges, which generate various risks and opportunities.

Identifying and assessing CSR risks and opportunities

### 3.3.1 Identifying and assessing CSR risks and opportunities

Tarkett identifies CSR risks primarily through our company risk mapping process, which is managed by the Internal Audit and Control department and which covers the range of financial and extra-financial or environmental, social and governance (ESG) related risks applicable to our activities. This mapping exercise, initiated in 2011, is updated every other year or more frequently in the case of significant changes. The process for identifying risks uses primarily a three-step method:

- > the Internal Control and Audit Department, sometimes in collaboration with external experts, interviews members of the Executive Management Committee and key employees holding strategic positions at the Group and Division level in order to identify risks within their areas;
- > the qualification and quantification of risks according to the following areas: precise definition, possible causes, impact assessments (financial, operational, strategic, legal, or reputational) and the degree of control by the Group;
- > the review and validation of the risk mapping by the Executive Management Committee and presentation to the Audit, Risk and Compliance Committee, as well as to the Supervisory board.

In 2020, given the emergence of certain risks and the global health crisis, an in-depth review of the group's risk mapping was carried out to reassess individually each risk and integrate any new potential or proven risks. This process saw the risk of the COVID-19 pandemic being added to Tarkett's list of material risks. The entire process was carried out through 25 interviews with members of the Executive Management Committee and other key managers. In this context, each risk was reviewed to assess:

- > their occurrence over a recent period of time;
- > the state and effectiveness of mitigation efforts and
- > the level of the potential absolute and residual impacts.

The feedback from other operational initiatives to identify and evaluate risks are also considered:

- > At manufacturing sites, Health, Safety and Environmental (HSE) risks are identified and evaluated locally in accordance with our World Class Manufacturing program (which includes annual site audits by a third-party consultant – ERM, though these were exceptionally cancelled in 2020 due to the COVID-19 pandemic) and through the management systems for health and safety (OHSAS 18001 / ISO 45001), environment (ISO 14001) and energy (ISO 50001), which are implemented at most of our sites; ;
- > At supply chain level, a procurement CSR risk mapping covering the vast majority of our suppliers was completed in 2018 in partnership with a company specialized in sustainability ratings and supply chain intelligence (see section 3.7.1.1 Promoting good and positive practices along the supply chain);;
- > A specific corruption risk mapping, developed in 2017 in line with the requirements of the "Loi Sapin 2" was reviewed and updated in 2019 (as previously described in section 3.2.4.2 Preventing corruption) and again in 2020 to meet the latest requirements of the French Anti-Corruption Agency;
- > Finally, Tarkett participated in an assessment, conducted by Trucost (S&P Global) in 2018, of its performance in light of the Sustainable Development Goals (SDG) defined by the United Nations. This provided insight to our exposure, risk mitigation and positive impact regarding the most relevant SDGs for our activities.

## Identifying and assessing CSR risks and opportunities

**Focus****Focus on climate-related disclosure according to Task Force for Climate-related Financial Disclosures (TCFD) recommendations****Risk management & Governance**

Climate-related risks are identified and assessed as part of Tarkett's multi-disciplinary company-wide risk management process (see section 6 Risk factors and internal control). "Climate change and damage to the environment" is one specific risk factor that is considered material based on Tarkett's assessment of its level of impact and the probability of occurrence. Other potentially climate-related risks are also taken into consideration in other material risk factors such "downtime, disruptions, damage on site" and "deployment of the transition to a circular economy". Risk mapping takes into consideration direct operations as well as upstream and downstream value chain risks.

The Executive Management Committee has overall responsibility for organizing and overseeing risk management, including risk mapping and assessment, risk mitigation as well as internal control and audit. Each member of the Executive Management Committee ensures the implementation of continual risk monitoring, controls, and mitigation in their realm of responsibility.

In 2020 Tarkett launched an in-depth review of the impact of Tarkett's activity on the climate and the impact of climate on Tarkett's activity. This work, which is being undertaken with the assistance of Carbone 4, an independent climate consulting firm, aims to ensure that Tarkett's climate and circular economy objectives and action plans are aligned with the target to keep global warming below 2°C, consistent with the Paris Agreement. The work will include using quantitative scenario-based foresight analysis to measure activity against different future scenarios, identifying the risks and opportunities in each scenario and assessing the resilience of the business.

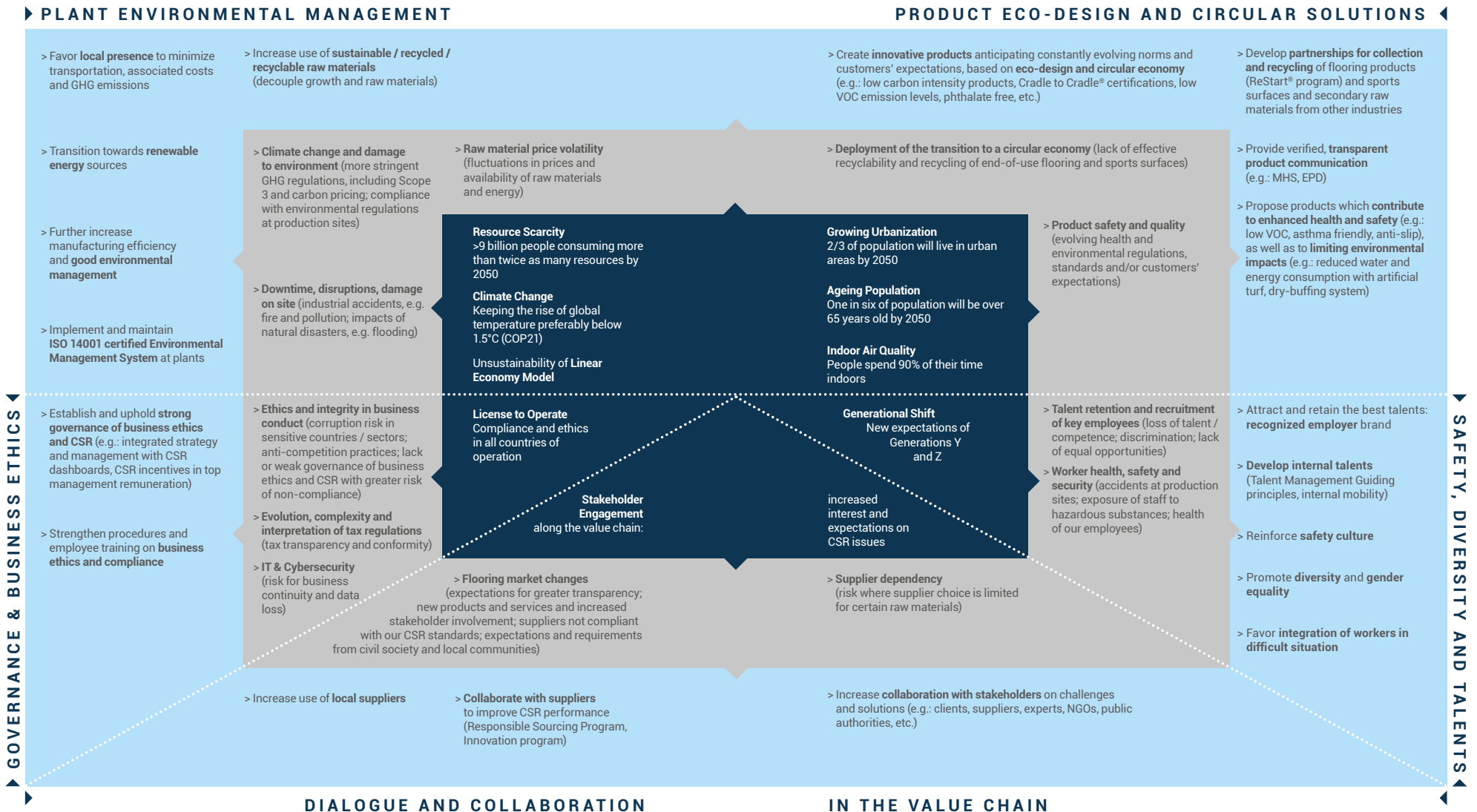
**The company risk mapping** is also completed with an evaluation of the probability of each risk materializing in the next five years to further qualify the materiality of the risks in accordance with the EU Prospectus Regulation (EU 2017/1129) and the European Securities and Market Authorities guidelines published in 2019. The risk mapping identified 17 material risks, which are presented in Chapter 6 "Risk factors and internal control" of the 2020 Universal Registration Document, including 5 ESG risks (ethics and integrity in business conduct; climate change and damage to environment; deployment of the transition to a circular economy; product safety and quality and talent retention and recruitment of key employees) and a number of other ESG-related risks (e.g. worker health, safety and security; downtime, disruptions, damage on site; flooring market changes; raw material price volatility; supplier dependency; evolution, complexity and interpretation of tax regulations; IT and cybersecurity and COVID-19 pandemic) which are also covered in this CSR report.

Mapping key challenges, risks and opportunities

### 3.3.2 Mapping key challenges, risks and opportunities

#### Mapping of major challenges, risks and opportunities

Worldwide Challenges Risks for Tarkett Opportunities for Tarkett





## Mapping key challenges, risks and opportunities

The main worldwide challenges and ESG and ESG-related risks applicable to Tarkett (as identified by Tarkett's Risk Mapping and other risk identification and evaluation initiatives previously described), along with resulting opportunities, are summarized in the above infographic.

Focus
<p><b>Focus on climate-related disclosure according to Task Force for Climate-related Financial Disclosures (TCFD) recommendations</b></p> <p><b>Strategy – climate-related risks and opportunities</b></p> <p>The following climate-related risks and opportunities have been identified by Tarkett as material, either in the short (up to 2 years), medium (2-5 years) or long-term (5-20 years):</p> <ul style="list-style-type: none"> <li>&gt; The risk of Tarkett on climate through excessive growth of GHG emissions from operations (use of fossil fuels) and/or from upstream and downstream activities associated with its products (i.e. product life cycle GHG emissions)</li> <li>&gt; The risks of climate change on Tarkett are mainly transition risks, such as:             <ul style="list-style-type: none"> <li>- Current and emerging regulation, including potential future regulation on tracking, and reducing Scope 3 emissions, future carbon taxes, extended producer responsibility and minimum recycled content.</li> <li>- Technology, for example access to / development of necessary technology to enable Tarkett to meet growing market demand of low-carbon circular flooring products.</li> <li>- Market changes, related for example: to downstream risk / opportunity of end users preferring alternative flooring products driven by climate-related issues; to raw material price volatility with upstream and operational risks of raw material availability and costs evolving due to climate-related issues and due to the transition to a low-carbon economy; to increased demand for low carbon products; and to circular economy regulatory and market requirements potentially generating increased demand for circular / recycled and recyclable flooring products.</li> <li>- Reputation, associated to not achieving our climate-related objectives or to losing the trust of our customers on Tarkett's commitments. The risk of Tarkett's activity on climate: direct and indirect GHG emissions from operations (use of fossil fuels and purchased electricity) and more critically from indirect GHG emissions associated to upstream and downstream activities (i.e. product life cycle GHG emissions).</li> </ul> </li> <li>&gt; <b>Opportunities include:</b> <ul style="list-style-type: none"> <li>- To reduce indirect operating costs through production efficiency, and notably actions to improve energy efficiency, reduce greenhouse gas emissions and to increase the use of recycled raw materials.</li> <li>- To increase revenues resulting from increased demand for low carbon products which are recyclable and where circular solutions are available. Tarkett believes that adopting a closed-loop circular economy approach will help it limit raw material costs, secure raw material sourcing, limit greenhouse gas emissions and meet growing customer demand for responsible products.</li> </ul> </li> </ul>

## Managing risks

### 3.3.3 Managing risks

Our systematic and integrated approach towards risk management, which includes CSR risks, is based on the following steps:

- > Presentation of updated Tarkett's Risk Mapping to the Executive Management Committee for approval and follow-up.
- > Regular presentation to the Audit, Risk and Compliance Committee, which is in charge of ensuring the effectiveness of risk-monitoring and internal control procedures.
- > Integration of the review of risks and controls into the work programs of the internal audit department..

The Group CSR strategy and policies developed to manage our material CSR risks and challenges are defined at the Executive Management Committee level, then implemented at Division and function level, and finally at the level of sites/networks in each country. Different programs support the deployment of these CSR policies, such as World Class Manufacturing (WCM) for operations, Cradle to Cradle® (C2C) principles for eco-design, Innovation and ReStart® programs for circular economy and take-back and recycling, or Talent Management Guiding Principles.

Our policies and initiatives intended to manage CSR risks and challenges, their objectives and results, and the related key performance indicators are described in detail in the relevant sections of this CSR Report 2020, namely:

- > **Section 3.2** CSR governance, for risks and issues related to governance and business ethics
- > **Section 3.6** Meeting customer and societal expectations through eco-design, transparency and circular solutions, for risks and issues related to the environmental and health impacts of our products along the value chain
- > **Section 3.7** Responding to the climate emergency with good environmental management and a circular economy approach, for risks and issues related to climate change
- > **Section 3.8** Creating solutions for greater indoor air quality and safe, healthy spaces for our customers, for risks and issues related to the health and safety impacts of our products
- > **Section 3.9** Driving Collaboration in the value chain and in communities, for risks and issues related to our suppliers and our activities within local communities
- > **Section 3.10** Nurturing our human capital, for risks and issues related to our employees

Concerning the risk "COVID-19 pandemic", our initiatives intended to manage the risks and opportunities related to the ESG aspects of this risk are described throughout this chapter and in particular detailed in the following sections:

- > **3.8.2** Participating to people's well-being
- > **3.9.2.3** Giving time, assistance and other contributions to local communities: Tarkett Cares
- > **3.10.2** Caring for the health and well-being of our workforce

#### Example

##### Focus on our World Class Manufacturing (WCM) operational excellence program

World Class Manufacturing (WCM) is a continuous improvement program, focused on improving employee's safety, reinforcing customer service and quality, reducing the impact of the Group's operations on the environment while optimizing resource management, and improving industrial performance.

WCM is applied globally in almost all our plants and distribution centers using a proven methodology, with structured tools, a central dedicated team at Group level which helps reach objectives defined by local teams, through coaching, training and sharing of best practices. Completion of internal WCM audits enables the teams to monitor the progress of production sites and to define action plans.

## Assessing the materiality of CSR issues for Tarkett




### 3.3.4 Assessing the materiality of CSR issues for Tarkett

The materiality assessment helps identify and specify the material CSR issues and challenges for Tarkett, in other words the most important issues in the context of the Group's activities, their impact on our business model and our stakeholders' expectations.

In 2016, a survey was completed to determine the material topics for Tarkett and ensure that our CSR strategy and our objectives were aligned with them. A stakeholders' mapping was completed followed by a survey that was sent to both external stakeholders (customers, suppliers, sales partners, NGOs, trade organizations, experts, research, and educational institutions, etc.) and internal stakeholders (members of the Tarkett Supervisory Board and the Executive Management Committee, Tarkett employees). The

survey involved stakeholders based in France, Germany, the Netherlands, Serbia, Sweden, Russia, the United Kingdom, and the United States. The survey covered key topics included in the GRI Standards and Cradle to Cradle® principles, organized into five categories: the environmental impacts of production, responsible products, work, human rights, and societal issues.

Four specific issues emerged from the 2016 survey and are still considered to be among the most material CSR topics for Tarkett: health and safety at work, health and safety related to products and materials, the environmental impact of products, and responsible use of materials and resources.

	 <b>Environmental impacts of production</b>	 <b>Product Stewardship</b>	 <b>Labor, Human Rights &amp; Societal issues</b>
<b>Priority topics for both external and internal stakeholders, and relevant for Tarkett's activities</b>		Environmental impact of products Health & Safety of products and materials Resource and material use	Health & Safety at work Child Labor (a key priority for external stakeholders, but not a potential risk for Tarkett activities)
<b>Other priority topics for internal stakeholders</b>	Energy Consumption Production waste	Cradle to Cradle® principles Recyclability of products	Training and talent development Anti corruption
<b>Other topics of importance</b>	Air emissions from production Waste water from production Assessment of suppliers on environmental topics	Transparent marketing communication	Support for local job and income Assessment of suppliers on human rights Forced Labor Diversity, equality, non-discrimination, labor rights

When comparing the materiality matrix with our CSR risk mapping, it is clearly visible that priority topics and other topics of importance identified by the materiality assessment in 2016 are covered by and consistent with the identification of our CSR risks and opportunities. Each year we maintain regular dialogue with our stakeholders (section 3.5 Stakeholder engagement), listening to their concerns, desires, and expectations. In this way we ensure our actions, and our priorities are adapted to meet the material challenges and opportunities. For example, we note that the risks relating to the environment (implementation of new standards to limit global warming and to reduce the use of fossil resources) are today considered to be more significant than in 2016.

## 3.4 Duty of care / Vigilance plan

In line with the requirements of Article L. 225-102-4 of the French commercial code ('Code de commerce'), Tarkett develops and implements a vigilance plan to identify risks and prevent potential violations of human rights and fundamental liberties, adverse impacts on the health and safety of people and on the environment. This vigilance plan covers the Company's activities, as well as activities of our subcontractors and suppliers with whom an established commercial relationship is maintained. This vigilance plan is incorporated into the Group's CSR strategy and policies, as described hereafter.

### Risk mapping

Our CSR risk identification process and mapping are described in detail in section 3.3 CSR risks and opportunities. Tarkett's Risk Mapping covers risks related to health, safety and environment (HSE), as well as human rights as follows:

- > At manufacturing sites, HSE risks are identified and evaluated locally in accordance with our WCM program and through the management systems implemented at most of our sites: OHSAS 18001 / ISO 45001 for health and safety aspects, ISO 14001 and ISO 50001 for environmental and energy aspects. Human rights risks have not been assessed as significant for activities at our production sites to date. We are however aware that current geopolitical trends can generate new risks (e.g. risk of modern slavery related to vulnerable populations such as migrants), to identify and take into consideration as they appear.
- > At supply chain level, a procurement CSR risk mapping covering the vast majority of our suppliers was completed in 2018 in partnership with a company specialized in sustainability ratings and supply chain intelligence, and includes HSE risks, as well as those related to a potential violation of human rights, among others (see section 3.9.1.1 Deploying our responsible sourcing program).

### Assessment procedures

At manufacturing sites, the assessment of HSE risks are conducted internally on a continual basis as per the procedures and guidelines of our WCM program (see section 3.3.3 Managing risks). In addition, our sites are regularly audited on environmental compliance by a third-party (ERM), and most of our sites are subject to surveillance and re-certification audits for OHSAS 18001 / ISO 45001, ISO 14001 and additionally in some cases ISO 50001.

At supply chain level, the third-party supplier CSR evaluation by EcoVadis, which started in 2019, continued in 2020 as part of our responsible sourcing program. Assessed suppliers are selected based on the outcomes of the procurement CSR risk mapping, in parallel to the deployment of the Supplier's Code of Conduct (see section 3.9.1.1 Deploying our responsible sourcing program).

### Alert mechanism

The Compliance Hotline implemented in 2018 and accessible from 150 countries, and the Ethics Hotline in the United States and in Canada, allow alerts on any potential breaches found or observed within Tarkett, in particular relating to human rights, health, safety and the environment (see section 3.2.4.1 Ensuring business ethics and integrity).

### Actions and monitoring scheme

Our objectives and actions / initiatives implemented to prevent risks covered by the vigilance plan, as well as the related key performance indicators enabling to assess the efficiency of implemented measures and their results, are described in detail in the relevant sections of this CSR Report 2020, namely:

- > Section 3.6 Meeting customer and societal expectations through eco-design, transparency and circular solutions, for managing risks related to the environmental and health impacts of our products along the value chain nos produits sur l'environnement et la santé tout au long de la chaîne de valeur
- > Section 3.7 Responding to the climate emergency with good environmental management and a circular economy approach, for managing risks related to the climate
- > Section 3.8 Creating solutions for greater indoor air quality and safe, healthy spaces for our customers, for managing risks related to the health impacts of our products
- > Section 3.9 Driving Collaboration in the value chain and in communities, for managing risks related to our suppliers
- > Section 03.10 Nurturing our human capital, for managing risks related to our employees' health and safety



## 3.5 Stakeholder engagement

To achieve our CSR objectives, we need the collaboration of our stakeholders. Tarkett seeks to enhance internal and external collaboration by building partnerships and dialogue that help us achieve our objectives and by collaborating with stakeholders, including NGOs, experts, and public institutions, to tackle global challenges together and find innovative solutions, notably for building a more circular economy. This stakeholder engagement and collaboration approach is summarized in the table below for 2020.

Stakeholder Groups	Examples of engagement and collaboration in 2020 on CSR topics	CSR Report section
Shareholders / Investors	<ul style="list-style-type: none"> <li>&gt; Shareholder's Annual General Meeting</li> <li>&gt; Financial statements / Universal Registration Document</li> <li>&gt; New Strategic plan (Change to Win) including circular economy ambition, presented to the financial community (Investors Day in June 2019)</li> <li>&gt; Roadshow presentations to investors – around 51% of the 184 meetings conducted in 2020 included environmental, social and governance (ESG) topics demonstrating the growing importance of ESG issues amongst investors. This year the questions and dialogue focused mainly on governance, recycling, and circular economy.</li> <li>&gt; Response to investor questionnaires on ESG topics (e.g. Dorval AM, CDC, AXA IM)</li> <li>&gt; Regular roadshows and presentations to asset management companies such as SG Equities, Kepler Cheuvreux, la Financière de l'Echiquier, Sycomore and Amundi</li> <li>&gt; Regular dialogue with proxy advisors, who issue voting recommendations on the resolutions submitted to the General Meeting, notably outside of the general meeting period, to discuss changes in their voting policy and guidelines, their approach to governance and remuneration issues, etc.</li> </ul>	-
Socially Responsible Investment (SRI) Community	<ul style="list-style-type: none"> <li>&gt; Participation in SRI rating agencies analysis: Sustainalytics, EcoVadis, Vigeo, MSCI, etc.</li> <li>&gt; Response to the CDP Climate change questionnaire</li> </ul>	-
Employees	<ul style="list-style-type: none"> <li>&gt; Biennial employee feedback survey</li> <li>&gt; Group Intranet Tarkett-Inside</li> <li>&gt; Global Safety Day</li> <li>&gt; 'Embrace sustainability practices in workplace' program launched in Tarkett Eastern Europe, mobilizing teams on sustainability to generate savings, limit waste and raise awareness of practical solutions</li> <li>&gt; Recycling program at Tarkett North America headquarters (Solon, Ohio), initiated by the local sustainability committee and involving employees, aiming to eliminate all non-recyclable plastics and reduce landfill waste..</li> <li>&gt; Internal newsletter 'Experiences'</li> <li>&gt; Internal Tarkett North America sustainability newsletter 'EcoNews' explaining concepts such as circular economy, Tarkett commitments and events as well as sustainability section in monthly news</li> <li>&gt; Celebrating Earth Day in Tarkett North America with actions and communication in April, including an action to provide clean water to people in need through the 'Fill it Forward' program</li> <li>&gt; Relationship / dialogue with trade unions, including Tarkett Forum in Europe</li> <li>&gt; Annual meeting for senior executives and quarterly conference call on financial, safety and environmental results</li> </ul>	3.10.1 3.10.4 3.10.5

Stakeholder Groups	Examples of engagement and collaboration in 2020 on CSR topics	CSR Report section
Customers / End-Users	<ul style="list-style-type: none"> <li>&gt; Transparent product information, via Material Health Statements (MHS®), specific Environmental Product Declarations (EPD in Europe, FDES – <i>Fiche de Déclaration Environnementale et Sanitaire</i> in France, GreenTag in Australia), Environmental tags in Europe</li> <li>&gt; Certifications and labels meeting customer's expectations, e.g. Cradle to Cradle® (C2C – which positively contributes to achieving LEED certification), asthma and allergy friendly®, Living Product Challenge Imperative, etc.</li> <li>&gt; Support to the Health Care community during the COVID-19 pandemic</li> <li>&gt; Tarkett Academy to train professional installers and architects</li> <li>&gt; Green Tours presenting our sustainability approach and initiatives on our production sites in Narni (Italy), Clervaux (Luxembourg), Ronneby (Sweden), Sedan (France), Waalwijk (the Netherlands) and Otradny (Russia)</li> <li>&gt; Showrooms, such as Tarkett Atelier in New York City (US), Madrid (Spain), Atelier Tarkett in Paris (France) or San Francisco (US), Showroom in London (UK) or Bačka Palanka (Serbia)</li> <li>&gt; Participation in conferences and exhibitions, many of which were virtual in 2020, e.g. recycling management event at C2C Lab in Berlin (Germany) and C2CPII Design &amp; Innovation Forum in Stockholm (Sweden), Metropolis Perspective Sustainability virtual event (US), Greenbuild 2020 Virtual event (US), Vinyl Sustainability Council (VSC) Vinyl Recycling Summit (US), Pittsburg Center for Sustainable Business (US) conference for HR professionals on how to engage employees through sustainability, Greenbiz Circularity 20 conference (US) one of the largest circular economy events in North America, run by the GreenBiz Group, focused on accelerating the circular economy, Core Net Annual Conference (US) with a presentation on Designing for social connectedness in the time of COVID-19, with the Founder and Executive Director of the Sustainability and Health Initiative for NetPositive Enterprise (SHINE) at the Harvard T.H. Chan School of Public Health.</li> <li>&gt; Stockholm Furniture Fair (Sweden), Tarkett showcased the new iQ Natural bio-attributed vinyl homogeneous flooring on its Natural Bond exhibition, designed with circular transition as a theme. The iQ Natural collection was awarded Sustainability Project of the Year by the design and architecture magazine.</li> <li>&gt; Svensk Form - Swedish design association (Sweden), 3 year collaboration including sponsorship of Design S - Swedish Design Awards - in connection with the association's 175 anniversary.</li> <li>&gt; AIT-Dialog Architecture salon (Germany), Tarkett's iQ Natural received the Innovation Award Architecture+ Office special award with the jury especially appreciating the low carbon footprint and full recyclability of the flooring collection.</li> <li>&gt; Revestir Exhibition (Sao Paulo, Brazil).</li> <li>&gt; ReStart® program for take-back and recycling of post-installation and post-use flooring</li> <li>&gt; Responding to customers growing expectations for sustainable solutions and information on the sustainability of our products, e.g. Tarkett North America has created a central email address for customers on sustainability which is monitored 12 hours a day.</li> <li>&gt; Marketing events, such as the Tarkett Show in Russia for retailers and distributors in 20 different cities to present new products and inform on Tarkett C2C approach and Russian eco-label Green Leaf</li> <li>&gt; Architects events, webinars, and other dialogue: Tarkett regularly shares its sustainability, health and well-being and Cradle to Cradle eco-design approach with architects and designers. In 2020 Tarkett was invited by various architect and design organizations in Europe including the One Global Design event at TP Bennett, London (UK); LOM architecture and design, London (UK) and the Design Monday event at Perkins and Will. Tarkett organized an online event for customers in Latin America in April with 93 attendees participating to learn about Tarkett's approach to eco-design, circular economy and value chain collaboration and a webinar during the Netherlands Sustainability Week. In Germany, Tarkett partnered with Uzin Utz architects and planners on the topic of recycling management with an event at the C2C Lab in Berlin. In North America, Tarkett held dialogue with architects and designers with five presentations on circular economy and healthy materials. In Canberra (Australia), Tarkett hosted a flooring design</li> </ul>	<p>3.6.1</p> <p>3.6.2</p> <p>3.7.2</p> <p>3.8.2</p> <p>3.9.2</p>

	<p>event for the design community, presenting latest trends in flooring design and reviewing our latest range of products including the biophilic Human Fascination Carpet Tile range.</p> <ul style="list-style-type: none"> <li>&gt; In Sweden, Tarkett held a live online webinar on YouTube "Sustainability Talks on design for circularity" with a panel of experts, including the Swedish Design Association, Circular Sweden, and the City of Stockholm. More than 250 people registered for the event including architects, designers, municipalities, private facility owners, building contractors, installers, retailers, and end-users</li> <li>&gt; In Perth, Australia, Tarkett carried out training slots during a health and wellbeing event for the design and construction community covering topics such as Indoor Air Quality, Acoustic Comfort, Green rating tools and the impact flooring can have on indoor environment quality.</li> <li>&gt; FieldTurf, Tarkett sport's brand, developed a new sustainability communication platform in 2020 – "sustain the game". This has helped to have more dialogue internally and externally on the environmental initiatives and solutions developed by FieldTurf.</li> <li>&gt; The Great Indoors, a collaborative platform organized by Tarkett to discuss how we can create workspaces that are good for people - and good for business with contributors from across the built environment, design, sustainability, and employee health community to share insights, comments and offer their views.</li> <li>&gt; Proto-Habitat, making something different, an innovative research project by Frédérique Barchelard and Flavien Menu at the Académie de France in Rome - Villa Médicis. They chose Tarkett's Acczent Excellence Genius vinyl flooring - a quick to install, eco-designed, non-glued installation solution containing recycled materials and recyclable after use, phthalate-free and with VOC emissions 100 times lower than European standards for better indoor air quality.</li> </ul>	
Suppliers	<ul style="list-style-type: none"> <li>&gt; Responsible sourcing program</li> <li>&gt; Suppliers involved in materials selection, e.g. work with suppliers to provide phthalate-free plasticizers in the US and in Russia</li> <li>&gt; Suppliers involved in materials assessments and C2C approach, e.g. partnerships with suppliers to propose C2C flooring maintenance and installation option</li> <li>&gt; Tarkett Innovation Challenge with selected suppliers to engage and collaborate on Tarkett's Innovation program, including circular economy and recycling</li> </ul>	3.9.1
Industrial Partners	<ul style="list-style-type: none"> <li>&gt; Purchase of recycled or recovered materials from industrial partners for use as secondary raw materials, e.g. Econyl® fibers from Aquafil in Italy and calcium carbonate from a drinking water distribution company in the Netherlands for carpet, recycled PVB (Polyvinyl butyral) safety films from windshields and used protective glass in the US and in Europe</li> <li>&gt; Collaboration with logistical / transport partners for development of ReStart® program, e.g. with Veolia in France, Kuijs transport in the Netherlands, Verhoek in Germany</li> </ul>	3.6.2 3.7.2

Stakeholder Groups	Examples of engagement and collaboration in 2020 on CSR topics	CSR Report section
Public Institutions/ Standardization Groups	<ul style="list-style-type: none"> <li>&gt; Visit of Prime Minister of Luxembourg to our Clervaux plant (Luxembourg), in the presence of Tarkett's CEO, where we presented our strategy and action on circular economy and climate change, an approach fully aligned with Luxembourg's national objectives. objectifs nationaux du Luxembourg</li> <li>&gt; Contribution to a panel at European Commission stakeholder conference on Circular Economy, sharing Tarkett's challenges and achievements, with a focus on transparency and the concept of material passport's role in support of a transition towards a healthy circular economy</li> <li>&gt; Participation to the European Business Awards for the Environment, organized by the European Commission, achieving silver medal for iD Revolution</li> <li>&gt; Dialogue with EU institutions on product transparency and circular economy</li> <li>&gt; Participation to EU Circular Plastics Alliance through Tarkett's membership of Vinylplus, European Carpet and Rug Association (ECRA), European Resilient Flooring Manufacturers Association (ERFMI) and European Plastics Converters (EUPC)</li> <li>&gt; Participation, through French, Brazilian and Swedish national standardization bodies, to the work of ISO TC323 on ISO Circular Economy standard – Standardization in the field of circular economy to develop requirements, frameworks, guidance and supporting tools related to the implementation of circular economy projects</li> <li>&gt; Chairing of French standardization body Afnor X30M Commission on circular economy and participation to an Afnor webinar on accelerating the change with voluntary standards</li> <li>&gt; Dialogue with Danish Ministry of Environment on vinyl floor recycling</li> <li>&gt; Participation to a Swedish government initiative "Delegationen för Cirkulär Ekonomi" speaking about circular economy</li> <li>&gt; Participation to stakeholder dialogue in the context of the Dutch Government opportunity study for developing an Extended Producer Responsibility scheme in the Netherlands</li> </ul>	3.6.2
Academic Institutes/ Experts	<ul style="list-style-type: none"> <li>&gt; Work with EPEA (Environmental Protection Encouragement Agency) scientific institute for material health assessment and C2C certifications</li> <li>&gt; Work with Carbone 4 (France), leading independent consulting firm specialized in low carbon strategy and climate change adaptation</li> </ul>	3.6.1. 3.7.
Associations/ Organizations	<p>Tarkett maintains an active dialogue through membership or other collaborations with various associations / organizations, where we contribute to discussions, working groups and other initiatives on sustainability, circular economy, and wellness:</p> <ul style="list-style-type: none"> <li>&gt; Ellen MacArthur Foundation Network – Tarkett shares its experience and examples of action on implementing circular economy solutions, for example participating in October in The Circular Economy Advanced Series with EPEA on supplier engagement</li> <li>&gt; FrenchFounders – Tarkett's CEO spoke at the "Act to Impact" online summit sharing his convictions and insights on the circular economy</li> <li>&gt; European Plastics Converters (EuPC), the professional representative body of plastics converters in Europe, and the Vinyl Foundation to support VinylPlus®, the sustainable development program of the European PVC industry</li> <li>&gt; European Parquet Federation (FEP), cooperation on the environmental benefits of parquet</li> <li>&gt; Ecopreneur.eu, the European Sustainable Business Federation based in Brussels which encourages a circular economy in Europe</li> <li>&gt; Member of the Globe EU BEE group , a forum for members of European Parliament (MEPs) and progressive business partners to advocate for better environment regulations in Europe especially advocating for circular economy, resource preservation, pollution prevention and climate protection</li> <li>&gt; Creation of the ERFMI (European Resilient Flooring Manufacturers' Institute) Circular Economy Platform to develop the collection, identification and traceability of used flooring materials and address specifically used vinyl floors through ERFMI's REVINYLFLOOR platform</li> <li>&gt; Cradle to Cradle Products Innovation Institute (C2C PII), a non-profit organization created to guide product manufacturers and designers in making safe and healthy products, where Tarkett is a member of the Stakeholder Advisory Council</li> <li>&gt; Carpet America Recovery Effort (CARE) in the US, an organization that fosters recycling of carpets and rugs</li> </ul>	3.6.1 3.6.2





Stakeholder Groups	Examples of engagement and collaboration in 2020 on CSR topics	CSR Report section
	<ul style="list-style-type: none"> <li>&gt; Chairman of the V-Cycle PVC recycling initiative of the Vinyl Sustainability Council in the US, to enable value chain wide recycling efforts</li> <li>&gt; US Green Building Council (USGBC), an organization committed to transforming how buildings are designed, constructed and operated through LEED (Leadership in Energy and Environmental Design), the most widely used green building rating system in the world</li> <li>&gt; US Green Building Council Green Schools conference in Portland, US, focused on addressing the environmental impact of schools and the USGBC virtual Equity Summit looked at social equity principles in the green building community</li> <li>&gt; Green Chemistry and Commerce Council, of the Lowell Center for Sustainable Production at the University of Massachusetts Lowell (US) promoting green chemistry and circularity with participation in the Alternatives Assessment</li> <li>&gt; Pittsburgh Center for Sustainable Business (US) - an organization which promotes thought leadership, research, and education around sustainable business strategies by leveraging the unique expertise and capabilities of an active research and teaching community together with the applied knowledge and industry experience</li> <li>&gt; Sustainability and Health Initiative for NetPositive Enterprise (SHINE) at Harvard T.H. Chan School of Public Health, Boston (US)</li> <li>&gt; Circular Sweden, Cradlenet and Cireko, three networks promoting recycling and circular business in Sweden, with Tarkett speaking at webinars and events.</li> <li>&gt; Asthma and allergy organizations in various countries such as the Asthma and Allergy Foundation of America the leading organization for people with asthma and allergies in the US; Asthma Australia, a not-for-profit body dedicated to supporting &amp; educating Australians suffering from Asthma &amp; Allergies to help people to breathe so they can live freely</li> <li>&gt; Design Museum Foundation, Boston (US) – several joint initiatives, including “Design is Everywhere” podcast on the role of design in the transition to a circular economy</li> <li>&gt; Chemical Watch Global Business summit Europe 2020, talking about Designing for circularity, in the context of a green recovery during this virtual conference</li> </ul>	
Non Gouvernemental Organizations (NGOs)	<ul style="list-style-type: none"> <li>&gt; Dialogue with organizations Changing Markets and Zero Waste after the publication of several reports on the issue of waste in the carpet industry. This engagement dealt with eco-designing products for disassembly, transparency and use of healthy materials in products. It includes recommendations for the development of regulatory tools for implementing systems of extended responsibility for carpet producers within the EU, based on best practice, modulated fees and support of green public procurement measures to accelerate the market growth for truly circular solutions.</li> </ul>	
Local and worldwide Communities	<ul style="list-style-type: none"> <li>&gt; Responding rapidly to the urgent needs of the health care sector as it created extra capacity to receive COVID-19 patients, providing expertise and getting flooring delivered for new COVID-19 services in numerous countries, such as in UK with 40,000m<sup>2</sup> of Safetred safety flooring for the Nightingale field hospital in Birmingham; in Italy for an intensive care hospital in Milan and hospitals in Rome, Naples and other towns; in Serbia for a hospital in Novi Sad; in Turkey for two hospitals in Istanbul; in Brunei for a national isolation center; in the Philippines for 63 quarantine facilities and in US for a hospital in Rhode Island</li> <li>&gt; Initiatives and donations as part of Tarkett Cares, e.g. assisting local authorities and donating flooring to help repair four hospitals damaged by the catastrophic blast in Beirut (Lebanon); donating flooring for an intensive care hospital for COVID-19 patients in Milan (Italy); donating flooring to the French association Architectes Solidaires' project to renovate rest areas for nursing staff at French public hospitals; planting trees in Germany; raising funds for a foodbank in Australia to help citizens struggling as a result of COVID-19 pandemic; volunteering community service in US.</li> <li>&gt; Support to development and climate change projects worldwide, e.g. REDD+ Tambopata Project in Peruvian Amazon</li> </ul>	3.9.2

Stakeholder Groups	Examples of engagement and collaboration in 2020 on CSR topics	CSR Report section
Schools/ Universities/ Potential candidates to join Tarkett	<ul style="list-style-type: none"> <li>&gt; Partnerships with local schools / universities, e.g. Bačka Palanka with the Faculty of Forestry and the Faculty of Applied Arts at the Belgrade University (Serbia); Clervaux with the École des Mines de Nancy (France); Sedan with the university IUT (<i>Institut Universitaire de Technologie</i>) Reims-Châlons-Charleville (France) where employees give lessons on purchasing and exports; Narni (Italy) with four universities, the High Specialization Academy and 4 local secondary schools, with local managers giving lessons on environmental sustainability, circular economy and production process</li> <li>&gt; Participation in job fairs, e.g. in events organized by schools in Champagne-Ardenne region around Sedan plant (France) to introduce students to Tarkett; Kedge Business School Forum in Talence (France); IESEG (<i>Institut d'Économie Scientifique et de Gestion</i>) Forum and Forum Group IGS (<i>Institut de Gestion Sociale</i>) at La Défense (France) and in the US</li> <li>&gt; Harvard University Circular Economy Symposium, Boston (US)</li> </ul>	3.10.4.

## 3.6 Meeting customer and societal expectations through eco-design, transparency, and circular solutions

We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2020	2019	2018	Objective 2020	CSR Report section	Contributing towards UN SDGs
Raw material price volatility (fluctuations in prices and availability of raw materials and energy)	<ul style="list-style-type: none"> <li>* Materials selection as part of New Product Development Process (NPDP)</li> <li>* Maximize recycled content in our products: post-installation / post-consumer flooring; secondary raw materials from other industries</li> </ul>	Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled)	68 %	67 <sup>1</sup> %	70 %	75 %	3.6.1	
Product quality and safety (evolving health and environmental regulations, standards and/or customer's expectations)  Flooring market changes (expectations for greater transparency; new products and services and increased stakeholder involvement; suppliers not compliant with our CSR standards; expectations and requirements from civil society and local communities)	<ul style="list-style-type: none"> <li>* Systematic materials assessment based on C2C criteria</li> <li>* Transparent product information, e.g. Material Health Statements, Environmental Product Declarations</li> <li>* C2C certifications of our products</li> </ul>	Percentage of raw materials third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria	98 %	98 %	98 %	100 %	3.6.1	

<sup>1</sup> 2% decrease vs 2018 due to closure of laminate production in Germany

Choosing materials consciously and transparently

### 3.6.1 Choosing materials consciously and transparently

Tarkett is committed to putting people and the planet first, by applying the Tarkett Human-Conscious Design™ approach to its product eco-design, development, and manufacturing to create floors that help make spaces healthier, more comfortable, and more beautiful, while striving to lessen the Group's environmental impact so that people and the natural world flourish now, and in the future. This approach also allows Tarkett to disclose in complete transparency to its customers the environmental and health impacts throughout its supply chain.

#### 3.6.1.1 Selecting and sourcing sustainable materials to preserve natural resources

**Choosing quality materials is one of the pillars of our eco-design approach according to Cradle to Cradle® principles, with the objectives to respect people's health, preserve resources and protect the environment.**

From an environmental point of view, Tarkett strives to conserve natural resources, prioritizing healthy materials that can be recycled and that are sourced from abundant sources (for example calcium carbonate), renewable (such as cork, pine, spruce, oak, ash, walnut, maple, beech and birch) and recycled (including waste from other industries), so that the materials used for our products do not contribute to resource scarcity.

**Specifically on recycling**, with Tarkett's strengthened commitment to a circular model, we are taking a holistic approach focusing on closed loop recycling (collecting and recycling Tarkett post-industrial and post-use materials), open loop recycling (sourcing post-industrial and post-use materials from other industries as well as procuring raw materials with recycled content) and the circular design of products (how to re-design products and processes to increase the uptake of recycled material). This applies to both flooring and sports surfaces, with FieldTurf in Europe proposing infills composed of recycled materials such as ProMax HydroFlex which incorporates 30% recycled polyethylene sourced from end-of-life artificial turf fields and other various infill solutions made from recycled rubber granules from tires which would otherwise have been landfilled. Worldwide, Tarkett estimates that some 15 million tires have been diverted from landfill and recycled to provide rubber crumb infill (based on the use of 20 000 tires per field).

**Concerning renewable origin materials**, wood is the main renewable material procured by Tarkett for parquet, laminate and linoleum flooring as well as for certain indoor sports surfaces. For example, Tarkett has produced wooden floors since 1886, sourcing wood, close to our plant at Hanaskog in Sweden, from sustainable forests in Sweden and Finland, where sparse planting and slow growth in the northern hemisphere led to strong and stable trees. Tarkett uses the whole log to benefit from its grain and pattern for the design of beautiful, distinctive floors. Linoleum also uses other renewable materials such as linseed oil, pine resin, jute and cork. Tarkett uses bio-based plastics combined with recycled and abundant raw materials in iD Revolution its Gold level Cradle to Cradle Certified™ modular resilient tiles made with non-PVC materials. Another example is the Eco Shell rubber flooring developed in North America, which includes as a component, leftover walnut shells from local walnut tree culture. For outdoor sports surfaces, Tarkett's FieldTurf offers a growing range of alternative renewable material performance infill layers such as PureFill which uses natural cork granules and sand, PureSelect which uses locally sourced olive cores in the United States along with imported European olive cores and PureGeo which uses coconut peat and cork. In Europe, FieldTurf also propose PureSelect with a European sourced olive core-based infill.

#### Example

##### Tarkett delivers five fields in France with locally sourced olive core based infill

In January 2020 the French riviera town, La Ciotat, was the first to receive the olive core based infill for the renovation of its Bouissou ground. 60 tons of olive cores sourced locally from olive producers in Provence were used for the infill. Other French towns adopting this natural infill solution using local olives in 2020 include Pertuis in Vaucluse, Guichen in Ille-et-Vilaine and Baud in Morbihan.



## Choosing materials consciously and transparently

## Zoom on key indicators

## Share of recycled raw materials and share of raw materials not contributing to resource scarcity

Despite market and sanitary conditions Tarkett continued to focus on sourcing secondary raw materials in 2020, increasing the share of recycled raw materials to 13% compared to 12% in 2019 and 10% in 2018.

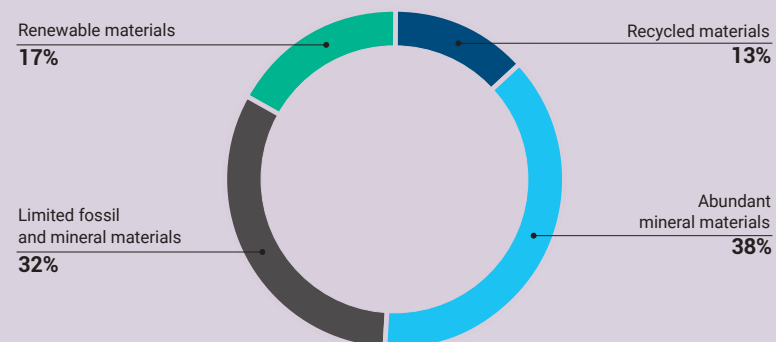
In 2020, Tarkett recorded a positive progression in the share of our raw materials which did not contribute to resource scarcity (being abundant, rapidly renewable or recycled). Following the decrease in 2019, which was mainly due to the impact (-2%) of the closure of our laminate production in Germany, we managed to bounce back sourcing proportionally more recycled materials in 2020. At 68% we are short however, of our 2020 target of 75%, mainly due to the challenge of recovering and recycling post-use flooring.

## Share of raw materials which do not contribute to resource scarcity (%)



\* 2% decrease vs 2018 due to closure of laminate production in Germany

## Breakdown of raw materials used in 2020 (%)



Furthermore, **Tarkett is committed to the responsible use of PVC** (polyvinylchloride), a plastic resin of which the building industry is the first consumer. Since 2010, we have initiated a transparent dialogue with various stakeholders on the topic, defining conditions for sustainable design and production, usage, and recycling of PVC for long-term applications such as flooring.

Our current approach is to develop the use of phthalate-free plasticizers, to favor suppliers using newer, less polluting manufacturing technologies, and to promote the recycling of PVC-containing flooring notably through our ReStart® program.

For example, Tarkett's Clervaux plant in Luxembourg, is certified EuCertPlast for recycling post-consumer vinyl flooring. It recycles post-installation and post-use vinyl flooring collected from various European countries through Tarkett's ReStart® collection and recycling program as well as post-manufacturing waste.

Choosing materials consciously and transparently

Through this and other actions, Tarkett supports Recovynil and VinylPlus which participate to the EU Circular Plastic Alliance promotion of voluntary actions and commitments for more recycled plastics with a target to ensure that 10 million tons of recycled plastics are used to make products in Europe in 2025. Recovynil monitors and verifies the recycling of PVC waste and the uptake of PVC recyclate, recording how much PVC is being recycled in Europe. It is the biggest contributor to the VinylPlus® recycling targets.

### 3.6.1.2 Assessing materials for their impact on health and the environment

**As part of Tarkett's Change to Win strategy we are committed to driving change** to develop a circular economy. Innovating with good materials and exceeding indoor air quality standards through Tarkett Human-Conscious Design™ is central to this objective which puts people first, to create floors that help make spaces healthier, more comfortable, and more beautiful, while striving to lessen the Group's environmental impact so that people flourish now, and in the future. The Tarkett Human-Conscious Design™ approach starts with selecting good materials by applying the Cradle to Cradle® principles.

**Tarkett works closely with the EPEA** (Environmental Protection Encouragement Agency part of Drees & Sommer), a research institute founded in 1987 **which promotes the Cradle to Cradle® design methodology**. Using this methodology since 2010 for all its activities, Tarkett not only guarantees compliance, with EU regulatory requirements for chemical substances according to REACH<sup>1</sup>, but goes further by enabling product optimization, substituting materials with alternative ones that can be recycled, improving products' health and environment credentials. The results of these material assessments enable us to better understand the impact of our products and to select more carefully our raw materials by sharing our specifications with our suppliers. Furthermore, this allows the Group to have a clear view on the health and environmental impacts of its products, and to share these with total transparency, disclosing to customers the environmental and health impacts throughout its supply chain.

With 33 plants worldwide and an active pipeline of new and improved products, there are always new materials that we need to evaluate. In 2020, we completed new material assessments at, among others, Abtsteinach (Germany), Otradny (Russia) and Beijing (China).

#### Zoom on key indicators

##### Material health and environmental assessments

To achieve our objective of using good materials for the benefit of our customers and for the planet we conduct third-party material assessments. In 2020, 98% of our raw materials (representing more than 5,000 materials) are third-party assessed (by EPEA) for their impact on people's health and the environment based on Cradle to Cradle® criteria. The final 2% of materials for which the assessment has not yet been completed correspond to various raw materials where Tarkett is procuring relatively low volumes, creating a challenge to obtain the necessary information. Similarly, Tarkett faces a challenge, when the required information is at tier 2 or tier 3 of the supply chain (tier 1 = direct supplier, tier 2 = suppliers of supplier, etc.).

<sup>1</sup> REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals

## Choosing materials consciously and transparently

**Radical transparency with Material Health Statements (MHS®)**

Tarkett developed, together with the EPEA, the Material Health Statement to help meet the building industry's need for more granular information, drive collaboration on sustainability and move ahead of regulation to go beyond compliance, providing clear, transparent information on the health and environmental profile of the materials in our products, including any potential risks. The MHS® tool responds to the building industry growing requests for more detailed product content information which they need to respond effectively to evolving regulations and sustainable building schemes, and to stakeholders' growing interest in the built environment's health and environmental impacts.

The development of the MHS® followed Tarkett's collaboration with the EPEA on materials assessment work. It was first launched in 2016 in North America and then expanded to Europe in 2018. More than a simple list of ingredients, an MHS® accurately describes the composition of a product and provides information related to ingredient concentration (chemical molecules), their role in the product, and any health or environmental risks in case of exposure to these substances, notably for the user of the flooring and for those who install the floors. The MHS® process encompasses several steps:

- > **Material inventory:** in collaboration with our suppliers, we compile an inventory of the raw materials used in our products, down to 100ppm (parts per million/0.01%).
- > **Material Screening:** the hazard rating of individual chemicals is analyzed according to European REACH and CLP<sup>1</sup> regulations, the Green Screen List Translator (GSLT), and based on more than 100 other chemical hazard lists and scientific sources of toxicological information used by EPEA.

- > **Material assessment:** materials are assessed over their lifecycle including sourcing, production, use and post-use handling. The safety of every chemical ingredient is assessed using eco-toxicological information, scientific literature, supplier data and analytical testing. The chemical role in the finished product and its effect on occupant exposure is also evaluated.
- > **Verification:** MHS® are verified by an independent third-party organization.
- > **Optimization:** we then strive to reformulate our products using Cradle to Cradle® principles, by selecting materials that are safer and healthier for people and the environment and can be recycled.

The MHS® tool was developed to promote total product transparency, by providing our customers with information tools that are easy to read and understand. In Europe, the MHS® goes further than EU REACH requirements, in proactively providing information on all substances present in the product. MHS® documents have a validity period of 2 years which allows for the consideration of any new knowledge on chemicals used as well as providing an opportunity to increase the health performance of the product through changes in recipes.

<sup>1</sup> REACH: Registration, Evaluation, Authorization and Restriction of Chemicals; CLP: Classification, Labelling and Packaging of substances and mixtures

Choosing materials consciously and transparently

## How to understand and use the Material Health Statement

Formula of the product

Unique numerical identifier assigned by the Chemical Abstracts Service (CAS) to every chemical substance described in the open scientific literature

Rate of the component in the formula

Colour-coded rating given by the EPEA

Comment of the EPEA on the use or the exposure to this component

GreenScreen List Translator Score and GreenScreen Benchmark Score according to Toxnot classification, an American classification of chemicals (<https://toxnot.com/>) More information in the legend

REACH is the European Community Regulation on chemicals and their safe use.

✓ Non hazardous substance or <0,1%

Function	Component	CAS	Content	Rating	Comment	GS-LT GS-BM	REACH
Filler	Calcium carbonate	1317-65-3	< 50%	No concern		LT-UNK	✓
Polymers	Polyvinyl butyral	27360-07-2	< 40%	No concern	Polymers contributing to the build-up of the different layers, partially with a prehistory of use in former applications	LT-UNK	✓
	Poly(lactic acid)	9051-89-2		No concern		N.I.	✓
	Additional polymers with minor contributions	Proprietary 2		Moderate concern		N.I.	✓
Plasticizers	2-Ethylhexanoic acid diester with triethylene glycol	94-28-0	< 10%	No concern	Plasticizers and additives with an annex role as plasticizers have for a part an agricultural origin and for another part a prehistory of use in former applications	LT-UNK	✓
	Glycerides, castor-oil mono-, hydrogenated, acetates	736150-63-3		No concern		N.I.	✓
	Soybean oil, epoxidized	8013-07-8		No concern		LT-UNK	✓

Abstract of the MHS of iD Revolution



## Choosing materials consciously and transparently

Since the launch Tarkett has published MHS® for a range of products, including vinyl flooring, vinyl tiles and planks, carpet, linoleum, and rubber. At the end of 2020 Tarkett had 22 active or undergoing renewal MHS®.

**We also use other product information and transparency tools**, depending on the regions and countries where we operate:

- > **Environmental Product Declarations (EPDs)** are developed in Europe and share detailed and vital information (e.g. greenhouse gas emissions) to understand the environmental impact of a given product throughout its lifecycle, according to a standardized framework and process for development, verification and communication. There is a strong demand for EPDs in Europe, in particular because it enables clients to earn credits for sustainable building labels (such as BREEAM®, LEED, DGNB, HQE). Generic EPDs have been issued by professional associations based on consolidated information from manufacturers since 2013. In 2018 Tarkett started developing specific EPDs for some of its products so as to provide more specific and transparent information. In 2020 a new specific EPD was published for wood flooring, with specific EPDs already having been published for vinyl, linoleum, laminate, and carpet flooring products.
- > In **France**, upon request the EPDs are made available as Health and Environmental Product Declaration (*Fiches de Déclaration Environnementale et Sanitaire - FDES*), adding health information to the environmental ones.
- > In **Russia**, Tarkett uses the Vitality Leaf ecolabelling program, an ecolabel (type I) in accordance with international standard ISO 14024, which is a member of the Global Ecolabelling Network. Tarkett joined the program in 2009, completing the voluntary certification procedure which included a full life-cycle analysis of products. Tarkett received the ecolabel for all its branded vinyl and laminate collections.

- > In **Serbia** Tarkett was awarded, in 2019, an eco-label (type I) for parquet flooring as the product and company met criteria on reducing resource consumption, reducing energy consumption, reducing emissions of pollutants into the environment, reducing waste generation, and ensuring product recyclability.
- > In **Australia**, Tarkett utilizes the Global GreenTag certification tools such as LCARate which scores products against six main Sustainability Assessment Criteria and more than twenty other life cycle and social criteria and the EPD program which is compliant with ISO 14025 as well as the green building programs LEEDv4® and BREEAM®.
- > Since 2011, most of our products in Europe moreover have an environmental labeling system, which specifies the percentage of recycled content, the absence of plasticizers containing phthalates, as well as the total VOC emissions. The label also helps identify products eligible to our ReStart® collection and recycling program. This has also been extended to China since 2016.



Choosing materials consciously and transparently

### 3.6.1.3 Obtaining product certifications

Within the scope of product assessments carried out by EPEA, Tarkett has obtained several Cradle to Cradle® certifications. The C2C – Cradle to Cradle® Certified™ validates the eco-design approach based on five criteria: material health, material reutilization, renewable energy and carbon management, water stewardship, and social fairness. Each criterion is given a score from Basic to Platinum (from the lowest to the highest: Basic, Bronze, Silver, Gold and Platinum) and the lowest ranked criterion defines the global score.

Tarkett was notably one of the first flooring manufacturers to obtain C2C Gold level certifications for certain product categories. In 2019 three new carpet tile AirMaster® products were certified C2C Gold. With AirMaster®, the concentration of fine dust particles in the air is as much as eight times lower than with hard floors and four times lower than with standard carpet. The fine dust particles are trapped by the unique threads in the carpet until it is time to vacuum clean again, contributing positively to indoor air quality. The AirMaster Nazca, AirMaster Salina and AirMaster Tierra are all made with good materials, 100% Econyl® yarn (100% recycled content) and have EcoBase® carpet tile backing specifically designed with disassembly and recycling in mind.

**In 2020, Tarkett had 20 C2C certifications covering a wide range of product categories**, including carpet, linoleum, rubber, wood, and artificial turfs. 5 of these C2C certifications achieved Gold level, the most in the flooring sector. The detailed list of products covered by C2C certifications is provided in appendix to the CSR report.

Some of our products also hold other certifications, such as FloorScore® for indoor air quality or Living Product Challenge Imperative in North America. We moreover ensure that Tarkett obtains a range of third-party certifications to prove that our products can help architects and project developers reach the highest standards in green building – whether LEED (international), BREEAM® (UK), HQE (France) or DGNB (Germany).

Tarkett's iD Revolution non-PVC flooring was rewarded a silver medal in the category Products and Services, by the European 2020-2021 Business Awards for the Environment. The award, which was announced by the European Commission at the occasion of the EU Circular Economy Stakeholders Conference in November, rewards and recognizes companies that demonstrate their commitment to putting sustainable development into action as part of their business model. The Awards highlight eco-innovative practices, processes, and products from all sectors of business in the European Union, which contribute to the transition to a circular economy, by reducing the environmental impact of our production and consumption, thereby enhancing nature's resilience to environmental pressures and achieving a more efficient and responsible use of natural resources..

#### Example

##### **Cradle to Cradle® Platinum level Material Health Certificate for Eco-Ensure™ soil protection**

Tarkett's Eco-Ensure™ soil protection technology, a fluorine-free chemistry based on a mixture of common organic elements found in the natural environment has the Cradle to Cradle® Platinum level Material Health Certificate. This innovative surface treatment is used on all Tarkett-branded soft surface products in North America. It is available on the ethos® Modular with Omnicoat Technology™ backing, which has the International Living Future Institute (ILFI) Living Product Challenge Imperative certification as well Cradle to Cradle Certified™ Silver.

The Living Product Challenge (LPC) is a rigorous certification encouraging manufacturers to use healthy materials, optimize the chemistries of products, create environments that promote well-being, drive circular economy, and support a just and sustainable world. The LPC is organized into seven performance areas called Petals: Place, Water, Energy, Health & Happiness, Materials, Equity, and Beauty. Each Petal subsequently has more detailed requirements, called Imperatives. Imperative certification requires the achievement of at least seven of the twenty imperatives.

As well as the ethos® Modular carpet backing, our rubber tile collection also has the ILFI LPC Imperative certification, both collections being able to achieve twelve of the twenty imperatives. **In North America, Tarkett is thus the first flooring manufacturer to achieve an LPC Imperative certification for both resilient and soft surface flooring products.**

Developing a circular economy through an engaged and collaborative approach

### 3.6.2 Developing a circular economy through an engaged and collaborative approach

Tarkett is committed to the principles of the circular economy, a regenerative system in which resources used are continuously reused and recycled, carbon emissions and waste are minimized, thus limiting the use of virgin raw materials and the impact on our planet. As such Tarkett fully supports the European Commission's "European Green Deal", which promotes recycling and encourages the efficient use of sustainable materials, thus accelerating the transition to the circular economy. Our long-term vision is for all flooring to be recyclable and recycled. To do so and to become a truly circular company, we have to design and manufacture products with more and more recycled materials and we also have to build circular solutions in partnerships with our customers and suppliers. We set an ambitious goal in 2019 to drive this approach – for our products to contain on average 30% of recycled materials in 2030, compared to 10% in 2018. There are two main routes to reach this objective:

**1. Increase the use of secondary raw materials**, either with recycled post-manufacturing waste, which cannot be avoided, from within our industrial process or more importantly

by sourcing recycled materials from other industries. Secondary raw materials are recycled materials that can be used in manufacturing processes instead of or alongside virgin raw materials. The use of secondary raw materials presents a number of advantages, including increased security of supply, reduced material and energy use, reduced impacts on the climate and the environment, and reduced manufacturing costs (source: EU Strategy for secondary raw materials 2016).

**2. Grow our ReStart® program to take-back and effectively recycle flooring**, not only off-cuts from installation, but also after use.

Developing a circular economy through an engaged and collaborative approach

### 3.6.2.1 Working collectively towards a circular economy

Our **R&D teams** are rethinking the design and formulation of our products, looking to use more recycled materials without compromising technical and visual performance. Our Global Innovation program, launched in 2019, is contributing to this effort as it includes a focus on the circular economy and recycling. Together, they are reflecting on ways to design products that will be easy to disassemble and on the development of new technologies to recycle post-use products.

- > For example, we have launched in Sweden a new in-house solution to **recycle all Tarkett homogeneous vinyl flooring** produced at Ronneby (Sweden) from 2011 onwards, expanding the recycling options we offer to customers. Tarkett teams at our plant in Ronneby (Sweden), where our homogeneous vinyl flooring such as iQ Surface is produced, have developed new techniques to recycle post-use homogeneous vinyl flooring as part of our strive to develop circular solutions. The teams have established a customized process using low-risk chemicals to remove glue and other residues from the used flooring to get clean vinyl granules that can be integrated into new homogeneous flooring. Key to the research, the granules offer the same properties and deliver the same performance as virgin raw materials, conserving natural resources and creating a lower impact on the environment with lower life cycle greenhouse gas emissions, compared to using virgin raw materials. The challenge today is to find enough post-consumer material of the right kind to fill the capacity of the process. However, active marketing and public relations are showing results and the awareness among property owners and other stakeholders about Tarkett's circular concept for homogeneous vinyl flooring is constantly increasing.

Our **Purchasing teams** are looking to extend their supply sources of secondary or innovative raw materials working with multiple industries, thus reducing the use of virgin or fossil-based materials, and the exposure to the price volatility of fossil-based materials.

- > Tarkett's EcoBase® carpet backing with **upcycled chalk** is an example of collaboration and determination on the part of our teams to develop solutions for the transition to a circular economy. In the Netherlands, we established a partnership several years ago with drinking water companies to upcycle waste chalk into a stabilizer for our Gold level Cradle to Cradle certified Desso EcoBase® carpet backing. Tarkett engineers partnered with other companies including Brabant Water and Water Maatschappij Limburg, as well as industrial minerals specialist Sibelco, to achieve the exact composition and size of chalk particles for use in our backing and manufacturing processes. Difficulties were overcome, for example, initially the particles were so hard that they blunted the blades of our carpet-cutting machinery. The EcoBase® carpet backing contains at least 75% chalks, derived from 100% recycled materials. To date we have used more than 84,000 tons of chalk from this waste stream for our carpet tiles. We have continuously invested in expanding our EcoBase® production facility in order to boost its production and replace traditional bitumen-based carpet backing in all our carpet tile ranges.
- > Other examples include **sourcing recycled PVB** (Polyvinyl butyral) and recycled post-industrial diapers (for more detail see section 3.7.2.3 Using secondary raw materials from other industries).

Our **Manufacturing teams** are adapting to create and use various types of secondary raw materials (recycled waste) while delivering efficiency and quality performance.

- > For example, our **vinyl flooring recycling center** at our Clervaux site (Luxembourg) which recycles post-installation flooring along with post-manufacturing waste to produce secondary raw materials which are used on-site to produce underlayers. These underlayers are then incorporated in the production of finished flooring products at Sedan (France), Konz (Germany) and Lenham (UK) as well as at Clervaux (see also section 3.7.2.1 Managing production waste – reduce, reuse, recycle, recover).

Developing a circular economy through an engaged and collaborative approach

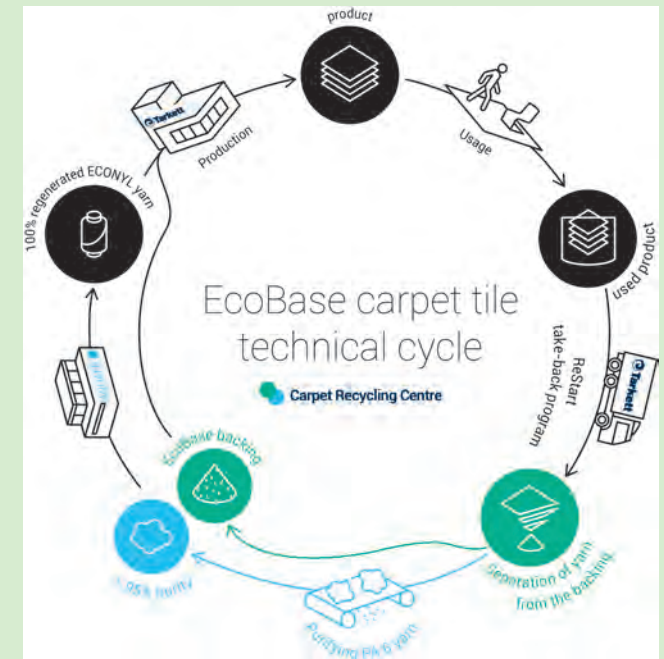
## Example

### Innovative partnership to close the loop on the life cycle of commercial carpet tiles in Europe

Tarkett finished work in 2019 on its carpet recycling facility in Waalwijk, the Netherlands. This recycling facility enables Tarkett to fully close the loop on the life cycle of commercial carpet tiles in Europe in partnership with Aquafil. To our knowledge, Tarkett is the only carpet manufacturer in Europe to achieve this. The new recycling center is able to generate two material streams (yarn and carpet tile backing), which can then be recycled and transformed into high quality secondary raw materials for the production of new carpet tiles. Tarkett finished work in 2019 on its carpet recycling facility in Waalwijk, the Netherlands. This recycling facility enables Tarkett to fully close the loop on the life cycle of commercial carpet tiles in Europe in partnership with Aquafil. To our knowledge, Tarkett is the only carpet manufacturer in Europe to achieve this. The new recycling center is able to generate two material streams (yarn and carpet tile backing), which can then be recycled and transformed into high quality secondary raw materials for the production of new carpet tiles.

Tarkett has developed an innovative technology to separate the two main components of carpet tiles - the carpet backing and the yarn - while maintaining more than 95% yarn purity. This level of purity is vital to ensure that the polyamide 6 (PA6) yarn can be recycled by Aquafil and later transformed into regenerated ECONYL® nylon yarn. The carpet tile consisting of an EcoBase® backing and PA6 nylon yarn is 100% recyclable. Furthermore, recycling carpet tiles made of EcoBase® backing and ECONYL® yarn reduces CO2 emissions by 84% compared to incineration[1] Tarkett has sourced PA6 and ECONYL® nylon yarn from Aquafil for more than a decade and uses ECONYL® in its Desso AirMaster carpet tiles, for example. Tarkett is thus the only carpet manufacturer in Europe to have verified evidence of circular economy production of carpet tiles, as documented by the Environmental Product Declarations (EPDs) for carpet tiles with EcoBase® backing.

[1] Based on end-of-life stage only at Tarkett's Carpet Recycling Center, for the same product, externally verified by Bureau Veritas.



Our **Marketing and Sales teams** are working together with the supply chain to develop and implement cost-efficient take-back and recycling services for our customers through our ReStart® program.

- > For example, our teams in the Nordic region continued in 2020 to promote Tarkett's ReStart® program with local customers, signing new agreements in Norway for nationwide collection (see for more details Section 3.7.2.2 Collecting and recycling post-installation and post-consumer flooring and sports surface waste)

Our **experts are also engaging** with our customers, our suppliers, our business partners, with public authorities and NGOs, to advocate for greater collaboration in identifying and trialing solutions and in the necessity to develop a political and economic framework in favor of a circular economy.

- > For example, our teams in Europe and North America are sharing knowledge and building collaborative approaches with the Ellen MacArthur Foundation Circular Economy program (for more details see section 3.6.2.3 Building a circular economy together).



Developing a circular economy through an engaged and collaborative approach

### 3.6.2.2 Applying principles, methods, and tools to design for a circular

**Tarkett applies Cradle to Cradle® (C2C) principles for the design of its products, from material selection and product manufacturing, to installation, use, maintenance, end of use and product recovery.** Tarkett's Human-Conscious Design™ philosophy and eco-design methodology strives, right from the upstream phase of a design process, to integrate various aspects – economical, performance, respect for the health and the environment – throughout different stages of the product's life cycle<sup>1</sup>. All impacts on health and the environment are studied and assessed and the approach requires the engagement of many functions within the company: research & development, marketing, procurement, production, and quality, among others.

**Our New Product Development Process (NPDP), which has been in place for several years, includes sustainability and circular economy questions right from the initial design phase.** These criteria, in line with the Cradle to Cradle® methodology, have been integrated from the design and development phase of a new flooring product. This process encourages on the one hand the selection of "good" raw materials (i.e. positively defined according to C2C assessment) for the product composition, and on the other hand the product design to ensure it is recyclable and potentially "ReStart® ready" (i.e. eligible to post-installation and post-consumer collection as part of our ReStart® program, to be later recycled in one of Tarkett's recycling centers). Following these NPDP requirements allows us to target potential C2C certification right from the outset.

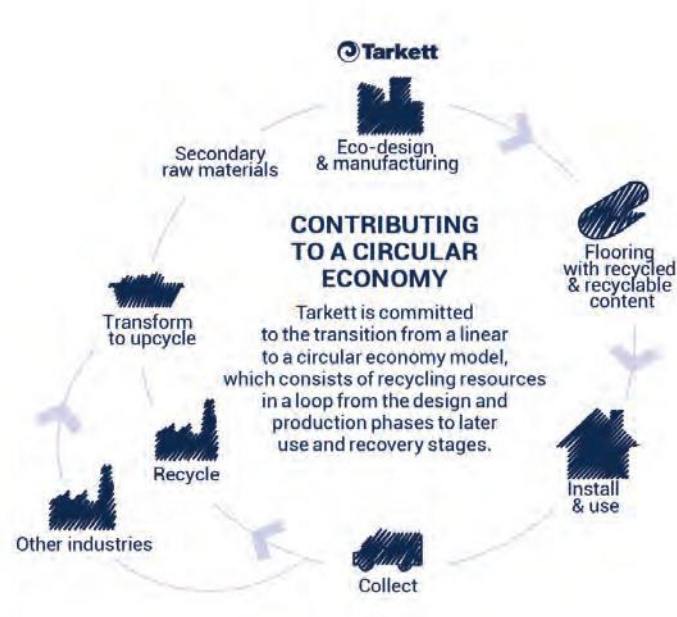
We also use **life cycle analysis (LCA)**, one of the methodologies to assess the **environmental impact of a product**. This standardized method (ISO 14040 and ISO 14044) identifies and compares the environmental impacts of a system throughout its lifecycle, from extraction of raw materials through its fabrication and processing up to its end-of-life or end-of-use (landfill, recycling...) including use phases, maintenance, and transportation. Our EMEA division is equipped with dedicated software to systematically perform LCA and develop specific environmental product declarations.

All these principles, methods and tools applied by Tarkett are part of the same concept and are based on the following pillars:

- > **Good materials:** selecting materials that respect health and the environment (e.g. recycled, renewable, not contributing to resource depletion, and with lower life cycle greenhouse gas emissions);

- > **Resource stewardship:** promoting optimized, sustainable use of resources in all phases of production, while protecting the environment (minimization of use of water and energy, and of generation of waste during manufacturing; reduction of Scope 1 to Scope 3 greenhouse gas emissions);
- > **Indoor air quality and healthy spaces:** contributing to the health and well-being of people during the product use and maintenance phase (e.g. products with low VOC emissions, phthalate-free);
- > **Recycling:** recycling no longer used products (e.g. post-installation / post-consumer flooring wastes, wastes from other industries) to eliminate waste, while helping to design new products with quality recycled materials which limit life cycle greenhouse gas emissions.

The ultimate purpose of this approach is to design products which contribute to the health, comfort, well-being, and safety of people while also preserving the natural capital of the planet.



<sup>1</sup> Standard NF X 30- 264 Environmental management – Assistance to the implementation of an eco-design approach, 2013.

Developing a circular economy through an engaged and collaborative approach

### 3.6.2.3 Building a circular economy together

The drive towards a circular economy involves many technical, logistical, and economic challenges. Tarkett is convinced that the best way to achieve our circular economy ambitions, and to overcome the complexity of these challenges is to work together with other organizations in a collaborative approach.

We work closely with institutions, such as the EPEA (Environmental Protection Encouragement Agency) scientific institute, companies and organizations specialized in the field such as Veolia in France for our ReStart® program, Carpet Recycling UK, the AGPR in Germany, a recycling site for used vinyl flooring, or Carpet America Recovery Effort (CARE) in the United States, a non-profit trade organization that fosters recycling of carpets and rugs, and of which Tarkett is a founding member. s dont Tarkett est membre fondateur.

#### Example

##### Sharing knowledge and building collaborative approaches with the Ellen MacArthur Foundation

Tarkett joined the Ellen MacArthur Foundation Network, in 2013 following the publication in 2012 and 2013 of two reports on the circular economy by the Foundation, the second of which identified possible savings of 700 billion US dollars from the circular economy of raw materials[1].

The Foundation provides opportunities to learn, share knowledge, and build new collaborative approaches.

In October 2020 Tarkett participated in The Circular Economy Advanced Series, a series of five interactive sessions with close to 180 registered participants organized by the Ellen MacArthur Foundation. Tarkett featured with EPEA (Environmental Protection Encouragement Agency) in two video sessions on the topic of engaging collaboration with suppliers for a circular economy. Tarkett shared its experience of engaging with suppliers, with the help of EPEA, an expert independent third-party, to access, collect and manage often proprietary data in order to assess the composition of raw materials for eco-design and for a circular economy. EPEA helps Tarkett and the suppliers to assess the environmental quality of the materials used notably to ensure their compatibility with future recycling.

1: Source: Ellen MacArthur Foundation "Towards the Circular Economy Vol. 2: opportunities for the consumer goods sector", January 2013

During 2020, with the COVID-19 crisis and the associated sanitary measures there were fewer opportunities to meet physically to share and engage on the challenges and opportunities for a circular economy. However, our teams remained energized and enthusiastic on delivering Tarkett's new strategy Change to Win, and its focus on "changing the game", working remotely and joining virtual events online to share, discuss, advocate and investigate solutions for a circular economy:

At the **European level**, we are actively involved in several different fora to share our expertise, experience and also our acute understanding of the challenges, with the aim of promoting solutions and frameworks that will aid a quicker transition to a circular economy. For example:

- > Promoting a green recovery in the EU post-COVID-19 economic recovery plan, with Tarkett's CEO co-signing an open letter for a green recovery to reboot and reboost economies for a sustainable future. The call for mobilization was initiated by a member of the European Parliament who chairs the European Parliament Environment, Public Health and Food Safety Committee. The letter was signed by other European Members of Parliament, civil society groups, business leaders, business associations, NGOs and think tanks.
- > Tarkett's CEO also shared his convictions and insights on the circular economy and the need for industry leaders to drive change all together for a green recovery during the FrenchFounders online summit "Act to Impact" in June 2020.
- > Meeting with European Commission Executive Vice President for the EU Green Deal with Globe EU to promote product and material transparency and the circular economy in green public procurement.
- > Tarkett supports the development of material passports which make it easier for architects, designers, developers, managers, and renovators to choose healthy, sustainable and circular building materials and to facilitate the take-back and recycling of these materials post-use.
- > Tarkett's ReStart® flooring collection and recycling program was identified as an example by the European Environment Agency for their 2020 report "Construction and Demolition Waste: challenges and opportunities in a circular economy".
- > Contribution to the work of the French Institute on the Circular Economy (INEC) in preparing propositions and recommendations to promote and facilitate the transition to a circular economy.

Developing a circular economy through an engaged and collaborative approach

- > Support to the Product Circularity Datasheet (PCDS) initiative launched by the Ministry of the Economy of Luxembourg in 2019. An initiative which aims at developing an industry standard template for circular data on products in order to provide reliable data on circular product properties throughout the whole value chain, from raw materials to finished products, from the use phase to recycling. It is expected that PCDS will support a common language on how to describe the circularity features; allow machine readable and inexpensive scalable IT solutions promoting open data and open-source solutions; promote the design of circular and healthy products; facilitate the implementation of cost-effective circular business models; and provide information on how to reuse products at the end of a use cycle.
- > Collaboration with Ecopreneur.eu, the European Sustainable Business Federation based in Brussels which encourages a circular economy in Europe.
- > Involvement in the EU Circular Plastics Alliance through Tarkett's membership of VinylPlus, European Carpet and Rug Association and European Resilient Flooring Manufacturers' Institute. The Circular Plastics Alliance gathers public and private stakeholders in the plastics value chains to promote voluntary actions and commitments for more recycled plastics with a target to ensure that 10 million tons of recycled plastics are used to make products in Europe in 2025, which represents an increase of more than 150% compared to 2016.
- > Participation to the European Resilient Flooring Manufacturers' Institute (ERFMI) Circular Economy Platform. The aim of the platform is to develop the collection, identification, and traceability of used flooring materials.

In **France** Tarkett participated to the dialogue and consultation on French law on waste avoidance and circular economy which was adopted in 2020. Tarkett shared its support for the need for greater transparency with product and material passports, the incorporation of recycled materials and the development of green public procurement strategies to drive action.

In France Tarkett was present at the 2020 Paris Design Week with the exhibition "Furniture in the Circular Economy: Responsible Manufacturing" by Les Canaux, an organization which supports economic actors committed to solidarity and to the planet and the designers Studio 5.5. The exhibition highlighted furniture created from reused and recycled materials. Tarkett's floor coverings from the Excellence range were chosen: Eco-designed according to the Cradle to Cradle® principles, 100% recyclable, containing +20% recycled material, with ReStart® collection and recycling of installation scraps, phthalate-free and with very low VOC emissions for better indoor air quality.

In the **UK** Tarkett won the BusinessGreen Leaders Circular Economy Project of the year award. BusinessGreen, a leading UK web site for green business news and analysis rewarded Tarkett's commitment and efforts to establishing a circular economy. Tarkett presented its ecodesign approach which applies Cradle to Cradle® principles, material assessment with EPEA and use of recycled secondary raw materials and its ReStart® flooring collection and recycling program which helps customers responsibly manage flooring waste in a circular economy dynamic.

In **Sweden**, Tarkett is collaborating with Svensk Form, the 175-year-old Swedish design association. As well as sponsoring the Design S, Swedish Design Awards, the winner's trophy was entirely produced with Tarkett's recyclable material (iQ Surface). Tarkett experts are also participated in round table discussions on design for circularity with key stakeholders through live video and webinars to share experience and Tarkett actions on sustainable design, ReStart® and circular economy.

Developing a circular economy through an engaged and collaborative approach

In the **US**, Tarkett offered five learning opportunities during the Greenbuild 2020 Virtual Event. These educational sessions were on the theme of "Circular by Intent," and saw Tarkett experts discuss with designers, public authorities, the US EPA, universities and other key stakeholders topics linked to the circular economy. At the Greenbiz Circularity 20 conference (US), our North American Product Sustainability Manager, contributed to a panel discussion on "Circular by Design: Material Selection for Circular Products" exploring how human health, end of life management and other considerations should be weighed when selecting materials for circular products. Tarkett also contributed to the Design Museum Foundation, Boston (US) podcast on 'The Big Reset on Production & Consumption Practices' looking at the impact of COVID-19 and the role of design in helping us move to a circular economy with the Cradle to Cradle Products Innovation Institute, a global nonprofit that certifies products within a circular economy.





### Example

#### **An international ISO standard to provide a framework and guidelines on the circular economy**

In 2019 the **International Organization for Standardization (ISO)** launched a new committee (**ISO/TC323**) to work on developing a circular economy standard. Tarkett contributed as part of the French national organization for standardization (AFNOR) delegation as the Technical committee convened in Paris with 47 countries and 120 experts. The original idea for the committee came from AFNOR, ISO's member for France, where business leaders from many sectors including Tarkett, have developed the AFNOR standard on circular economy project management XP-X30-901 to support and provide guidance to shape projects ensuring a move from a linear to a circular economy model while addressing the effects of resource and biodiversity depletion, climate change and the social aspects of consumption patterns. In 2020, an expert from Tarkett chaired AFNOR's standardization committee on the circular economy. The ISO Technical Committee 323 covers standardization in the area of the circular economy with a view to developing requirements, frameworks, guidelines and support tools for the implementation of circular economy projects. Tarkett's experts in Brazil are also participating to the work as a member of the Brazilian National Forum for Standardization (ABNT). And Tarkett is a member of the Swedish mirror committee (SIS/TK 616) on circular economy.

## 3.7 Responding to the climate emergency with good environmental management and a circular economy approach





We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2020	2019	2018	Objective 2020	CSR Report section	Contributing towards N SDGs
<b>Climate change and damage to environment</b> (more stringent GHG regulations, including Scope 3 and carbon pricing; compliance with environmental regulations at production sites)	<ul style="list-style-type: none"> <li>&gt; Scope 1 &amp; 2 GHG: energy efficiency projects, development of renewable energies</li> <li>&gt; Scope 3 GHG: increasing the share of pre- and post-consumer recycled raw materials, developing post-installation and post-consumer flooring take-back and recycling (ReStart® program)</li> <li>&gt; Annual audits and follow-up of industrial sites by third party (ERM)<sup>1</sup></li> </ul>	Percentage reduction of Scope 1 & 2 GHG emissions per m <sup>2</sup> of manufactured product compared to 2010	-26,8 %	-15,3%	-10,5%	-20 % in 2020 -30 % in 2030 vs 2020	3.7.1	
<b>Raw material price volatility</b> (fluctuations in prices and availability of raw materials and energy)	<ul style="list-style-type: none"> <li>&gt; Energy reduction and efficiency projects at production sites</li> </ul>	Energy consumption per m <sup>2</sup> of manufactured product	4,00 kWh/m <sup>2</sup>	4,09 kWh/m <sup>2</sup>	4,05 kWh/m <sup>2</sup>	/	3.7.1.1.	
	<ul style="list-style-type: none"> <li>&gt; Development of renewable energy sources at production sites and sourcing of renewable electricity</li> </ul>	Percentage of energy consumption coming from renewable energies	27 %	28 %	23 %	/	3.7.1.2	
	<ul style="list-style-type: none"> <li>&gt; Maximize recycled content in our products: post-installation / post-consumer flooring; secondary raw materials from other industries</li> </ul>	Percentage of recycled content of raw materials <sup>2</sup>	13%	12%	10%	30% in 2030	3.7.2.3	

<sup>1</sup> Audits did not take place in 2020 due to COVID-19, they will resume in 2021

<sup>2</sup> Recycled materials: Materials that would otherwise have been sent for waste disposal; internal post-manufacturing recycled volumes are included.



Opportunities / Risks	Policies / Actions	Key Performance Indicators	2020	2019	2018	Objective 2020	CSR Report section	Contributing towards N SDGs
<b>Deployment of the transition to a circular economy</b> (effective recyclability and recycling of end-of-use flooring and sports surfaces)	<ul style="list-style-type: none"> <li>* New Product Development Process (NPDP) to ensure recyclability of new flooring products</li> <li>* Post-installation and post-consumer flooring take-back and recycling (ReStart® program)</li> <li>* Maximize recycled content in our products: post-installation / post-consumer flooring; secondary raw materials from other industries</li> </ul>	Tons of collected post-installation and post-consumer flooring through the ReStart® program	3000 tons	3300 tons	3300 tons	38 000 tons	3.7.2.2	  
<b>Climate change and damage to environment</b> (more stringent GHG regulations, including Scope 3 and carbon pricing; compliance with environmental regulations at production sites)	<ul style="list-style-type: none"> <li>* World Class Manufacturing (WCM) program</li> <li>* ISO 14001 certified Environmental Management System</li> <li>* Emergency response plans implemented at production sites</li> </ul>	Percentage of production sites certified to ISO 14001	81%	85%	89%	/	3..4	
<b>Downtime, disruption and damage on site</b>  (industrial accidents, e.g. fire, pollution; impacts of natural disasters, e.g. flooding)	<ul style="list-style-type: none"> <li>* Environmental yearly audits and follow-up of industrial sites by third party (ERM)<sup>1</sup></li> </ul>							

<sup>1</sup> Audits did not take place in 2020 due to COVID-19, they will resume in 2021

### Responding to the climate emergency

195 countries signed up to the Paris Agreement at the UN Climate Conference COP 21 in 2015, committing to keep global temperatures "well below" 2°C above pre-industrial times and "endeavor to limit" them to 1.5 degrees Celsius. Since then, discussions and work continue at the global and local level to implement the necessary policies, strategies, and actions to meet this objective. Tarkett fully recognizes the urgency and importance of responding to the climate emergency, demonstrated as Tarkett set a new target to reduce its Scope 1 & 2 GHG emissions intensity (kgCO<sub>2</sub>e/m<sup>2</sup>) by 30% by 2030 (vs 2020) as well as setting a target to reduce Scope 3 emissions by tripling the share of the recycled content of its raw materials by 2030 compared to 2018 (30% vs 10%). These new targets build on Tarkett's first commitment in 2013 to reduce its GHG emissions intensity (Scope 1 & 2 kgCO<sub>2</sub>e/m<sup>2</sup>) by 20% by 2020 compared to 2010, something that Tarkett is pleased to report was achieved.

During 2020 the European Commission continued work on implementing the EU's Green Deal, with notably a proposal for a European Climate Law, to ensure a climate neutral European Union by 2050; a new Industrial strategy underlying the importance of building a more circular economy and of developing industrial innovation; a circular economy action plan promoting increased recycled content; a chemical strategy for sustainability; and a 2030 climate action plan proposing to raise the EU's ambition on reducing GHG emissions to at least 55% below 1990 levels by 2030. Tarkett is working towards all these ambitions many of which are central to Tarkett's 2019 announced Change to Win strategy, such as its aim to "change the game with circular economy". In 2020, Tarkett began reviewing opportunities to act further and quicker on reducing life-cycle greenhouse gas emissions from its flooring and sports surface products, working with Carbone 4, a leading independent consulting firm specialized in low carbon strategy and climate change adaptation.

### Tarkett is committed to addressing the climate emergency:

- > by reducing Scope 1 and Scope 2 greenhouse gas emissions resulting from our production activities through the procurement of renewable electricity, the use of other renewable energies such as biomass and the application of other environmental management techniques facilitated by our WCM program and
- > by reducing Scope 3 greenhouse gas emissions notably through product eco-design to reduce embodied carbon, to increase recycled content, and to anticipate end-of-life recycling; but also through engagement with our suppliers, to reduce GHG emissions associated with raw material production, and with our customers to build a circular economy with post-use collection and recycling.

Tarkett believes, it is also a responsibility for our governments to accelerate the development of ambitious and incentive-based regulations to achieve the transition to a circular economy by all economic actors, not only by manufacturers, consumers, but also public authorities through the promotion of public procurement incorporating circular economy criteria.

Reducing greenhouse gas emissions (Scope 1 and 2) at our production sites

### 3.7.1 Reducing greenhouse gas emissions (Scope 1 and 2) at our production sites

Tarkett promotes environmental management techniques at its plants across the world through the environmental guidance of its World Class Manufacturing (WCM) program. This continuous improvement program, led by a small central team, provides the plants with policies, guidance, procedures, methods, training, internal benchmarking, and auditing. The WCM team organize monthly calls and annual forums as well as on site workshops to discuss progress on key performance indicators, the analysis of environmental incidents (e.g. local pollution accidents or near-misses), and the sharing and replication of good practices.

#### Example

##### Change to Win together – leveraging Tarkett's global expertise and experience

In 2020 the WCM environmental network found a renewed dynamic, notably through the implementation of regular monthly calls to discuss latest environmental KPI results, environmental incidents, and the findings of the associated root cause analysis, as well as sharing good practices. The annual WCM environmental Forum in May, was also a success with 65 participants from 26 plants in 15 countries participating virtually to learn about the latest details of Tarkett's Change to Win circular economy ambitions and renewed commitment to reducing GHG emissions. The Forum was also the occasion to share good practices, with plants identifying those projects they could potentially replicate.

The WCM environmental guidance, procedures and methods cover: environmental compliance; environmental hazards and risks assessment and mitigation (all forms of potential pollution - air, water, ground, noise ...); environmental incident (with root cause analysis) and emergency management; chemicals handling and management; energy, water and waste management (with consumption analysis), environmental monitoring and reporting; and environmental training.

**At the end of 2020, 92% of flooring plants, have an ISO 14001 certified environmental management system.** Tarkett's sports surface FieldTurf plants in Calhoun (US) and Botany (Australia) also have ISO14001 certification.

A central and longstanding aim of Tarkett's environmental management has been and remains to limit energy consumption and reduce associated greenhouse gas emissions. Tarkett committed in 2013 to reduce its greenhouse gas (GHG) emissions intensity (Scope 1 & 2 kgCO<sub>2</sub>e/m<sup>2</sup>) by 20% by 2020 compared to 2010. Then in 2019, within the framework of its Change to Win strategy, Tarkett announced a new objective of reducing its GHG emissions intensity by a further 30% by 2030 compared to 2020.

#### Tarkett applies the following solutions to achieve these goals:

- > Improving energy efficiency through changes and optimization of our manufacturing processes;
- > Developing on-site renewable energy production (e.g. biomass, geothermal, solar);
- > Purchasing 100% renewable electricity.

Reducing greenhouse gas emissions (Scope 1 and 2) at our production sites

### Zoom on key indicators

#### Climate Change

In 2020 Tarkett achieved its first climate objective of reducing GHG emissions intensity by 20% by 2020 compared 2010. In 2020, Scope 1 and 2 GHG emissions intensity (GHG emissions, associated to production energy consumption, per square meter of manufactured product) reached 0.76 kgCO<sub>2</sub>e/m<sup>2</sup>, which represents a 26.8% reduction over 2010. Tarkett does not stop there and is already committed to reducing GHG emissions intensity by a further 30% by 2030 compared to 2020. This new long-term climate goal was set in 2019 as part of our Change to Win strategic plan.

Absolute Scope 1 and 2 GHG emissions from fuel combustion and purchased electricity and steam consumption at our production sites in 2020 are down 37.6% compared to 2010 at 198,488 tons CO<sub>2</sub>e which corresponds to a reduction of more than 119k tons CO<sub>2</sub>e.

Compared to 2019, absolute GHG emissions decreased 18%, mainly due to increased purchase of renewable electricity and decreased volumes in the context of the COVID-19 pandemic.

#### Intensity of GHG emissions (kgCO<sub>2</sub>e/m<sup>2</sup>)



Reducing greenhouse gas emissions (Scope 1 and 2) at our production sites

### 3.7.1.1 Improving energy efficiency

Tarkett is committed to constantly improving energy efficiency in its operations to limit its impact on the climate and to reduce costs. All plants track and report their energy usage every month, they map and analyze consumption and implement energy saving measures which include energy efficiency in production processes (heat recovery, equipment replacement, process optimization, cooling ...) and energy efficiency in buildings (heating, lighting, insulation...).

The WCM program, builds plant capacity to avoid all sources of waste, including achieving greater energy efficiency. Plants learn, through monthly reporting, forums, good practice sharing, training, audits and other initiatives led by the central WCM team, how to analyze their consumption, identify new opportunities and implement action plans to reduce energy consumption and achieve greater energy efficiency. Since 2011, the ISO 50001 standard recognizes companies' commitment to better energy management. In 2020, all Tarkett European sites that employ more than 250 people are ISO 50001 certified. Independent from certification systems, some of our production sites already engage in practices that meet standards similar to ISO standards. This provides us with our own feedback and enables us to identify best practices to implement.

In 2020, the majority of our production sites were impacted by the COVID-19 pandemic and associated economic downturn. In most cases, where volumes decreased, energy intensity (kWh/m<sup>2</sup>) degraded given fixed structural consumption. Despite this context local teams remained mobilized to optimize their manufacturing processes and improving their energy efficiency, in order to reduce their energy consumption per square meter of manufactured product. For example:

- > At our **Otradny site (Russia)**, teams continued to implement energy saving solutions (e.g. improving insulation, replacing old heat exchangers) that were identified in 2019 during an energy workshop was organized by WCM to identify energy losses with some of the best experts in the group from Clervaux (Luxembourg), Narni (Italy) and Bačka Palanka (Serbia). The workshop applied a WCM methodology, successfully identifying and documenting solutions for heat recovery.

- > At our **Dalton carpet site (US)** the elimination of the jet dying processes in 2019 brought significant energy, water and cost savings. An in-depth review of the existing dying process and an evaluation of alternative solutions found the jet dying process to be overly energy, water and labor intensive as well as generating significant volumes of wastewater. New more efficient coloring processes are now used, either directly at our Calhoun extrusion site or in some cases for some smaller volumes at outsourced companies.

#### Zoom on key indicators

##### Energy efficiency

Energy consumption per m<sup>2</sup> of manufactured product decreased 2% in 2020 at 4.00 kWh/m<sup>2</sup> compared to 2019 (4.09 kWh per m<sup>2</sup>) partly thanks to the continued deployment of energy savings which were to some extent offset by reduced volumes. When production volumes decrease in a plant, energy consumption generally does not decrease at the same rate (due to structural consumption). Furthermore, Tarkett observes the market trend of the last few years for more modular products which require more energy to produce compared to rolls products. Despite these factors, Tarkett's World Class Manufacturing Program continues assisting plants in building their capacity to identify and implement solutions to achieve energy savings. In 2020 11 plants saw their energy intensity improve, such as the carpet production at Dalton in the US (-15%), and the vinyl production at Beijing in China (-10%), and at Otradny in Russia (-5%).



Reducing greenhouse gas emissions (Scope 1 and 2) at our production sites

### 3.7.1.2 Developing renewable energy

Developing the use of renewable energy sources on our sites represents one solution to reduce Tarkett's greenhouse gas emissions our impact on the climate. In this area, different initiatives are deployed to produce and use renewable energy:

- > Wood waste from our production is used as biomass for energy production at seven of our plants: Hanaskog and Ronneby (Sweden); Narni (Italy); Orzechowo (Poland); Kalush (Ukraine); Bačka Palanka (Serbia) and Mytishchi (Russia). The same energy consumption using natural gas would emit 13.2 kt CO<sub>2</sub>e more Scope 1 GHG emissions equivalent to 6.7% of total 2020 Scope 1 & 2 GHG emissions.
- > Solar energy is used at our carpet sites in Dendermonde (Belgium) and in Waalwijk (The Netherlands), as well as at the linoleum site in Narni (Italy) which also uses geothermal energy.

In addition to on-site actions, Tarkett also encourages the use of green energy sources produced by third parties, such as hydraulic, wind or solar power, or for example, by purchasing certified renewable electricity.

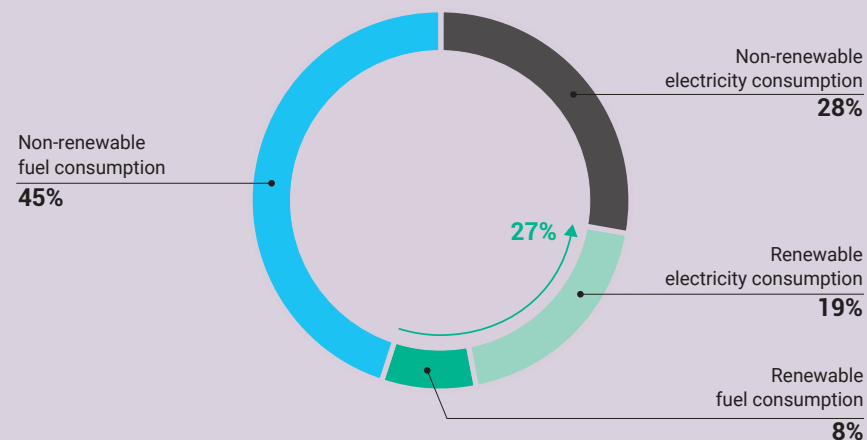
In 2020, our site at Bačka Palanka (Serbia) began sourcing 100% renewable electricity, bringing the total to 8 plants that source 100% renewable electricity. The other plants are Chagrin Falls and Middlefield (United States), Clervaux (Luxemburg), Narni (Italy), Dendermonde (Belgium), Waalwijk (The Netherlands) and Jacareí (Brazil). Collectively this prevents some 46.1 kt CO<sub>2</sub>e per year of greenhouse gas emissions (base 2020 for these plants), the equivalent of 23.2% of total 2020 Scope 1 & 2 GHG emissions.

#### Zoom on key indicators

##### Renewable energies

The share of renewable electricity declined slightly to 41% (vs 42% in 2019), notably following changes to the electricity mix for our two Swedish plants where more electricity is coming from nuclear rather than renewable production. This change was mostly offset thanks to a new contract for renewable electricity at Bačka Palanka (Serbia). The share of other renewable energies, such as biomass, in Tarkett's energy mix declined very slightly by 1% bringing the overall share of renewable energies to 27% in 2020. Overall, the use of biomass, biofuel and the purchase of renewable electricity avoids the equivalent of some 59.4 kt CO<sub>2</sub>e of GHG emissions, which corresponds to 30% of Tarkett's 2020 total Scope 1 & 2 GHG emissions. Tarkett continued to decrease the share of fossil-based energy, with the share of low carbon energy (renewable energy and electricity from nuclear power) progressing by 2% to 39% in 2020.

##### Share of renewable energies in energy consumption (%) / Energy consumption breakdown



Reducing greenhouse gas emissions (Scope 1 and 2) at our production sites

### 3.7.1.3 Reducing water consumption

Aware of the critical importance of preserving this vital resource, Tarkett has been managing water responsibly on its production sites for many years as part of its environmental strategy, even though there is no apparent risk of water scarcity at our locations. Tarkett has achieved significant water savings through the implementation of closed-loop water reuse systems, process changes, optimization, and general good management. Water consumption is monitored and reported every month with water intensity calculated and discussed as part of environmental dashboards. As with energy management and efficiency Tarkett's WCM environmental leader helps to build plant capacity to manage water responsibly through guidance, training, good practice sharing and regular reporting. Tarkett plants also ensure the appropriate treatment of wastewater, especially where the wastewater may contain hazardous compounds, either through on-site wastewater treatment or via external treatment by specialized service providers. Wastewater discharged at Tarkett facilities are regularly controlled to ensure compliance with local requirements.

**In 2020, we kept working on improving water management at our production sites, for example:**

- > The Ronneby (Sweden) vinyl flooring plant reduced its water consumption through more rigorous daily monitoring and follow-up of abnormal consumption, better control of cooling tower bleeding and other water consumption hot spots.
- > At our vinyl flooring plant in Bačka Palanka (Serbia) the installation of a reverse osmosis system for the absorption chiller enabled water recovery and reuse in a closed-loop system, which along with the repair of leakages, significantly reduced the water consumption.
- > At our Calhoun (US) carpet plant, the innovative ProMoss™ plant-based water treatment solution has been implemented to filter water in cooling towers, reduce the use of chemical products, reduce corrosion of equipment and thus lengthen the life of the installation. ProMoss™ uses the natural properties of Sphagnum moss to improve water quality by naturally removing and inhibiting the formation of organic contamination effectively reducing corrosion.

#### Zoom on key indicators

##### Water consumption

In 2020 we have made significant progress on water savings. Total water consumption is down 13.0% in 2020 vs 2019 (0.63 million m<sup>3</sup> in 2020, against 0.73 million m<sup>3</sup> in 2019) with water intensity measured as water consumption per m<sup>2</sup> of manufactured product also reduced by 8.0% (2.4 l/m<sup>2</sup> in 2020, compared to 2.6 l/m<sup>2</sup> in 2019).

Our 2020 water efficiency goal set in 2013 was ambitious: equipping all our industrial sites which use water in their industrial process with a closed loop water system, in other words reusing a minimum of 98% of the water used. The aim of this challenge was to drastically reduce water consumption. The proportion of sites using closed loop water systems or not consuming any water in their manufacturing reached 71% in 2020, short of the target but the over-riding aim of reducing water consumption has been achieved with significant water savings (-61% vs 2010) and improved water intensity (-54% vs 2010).

##### Water intensity (l/m<sup>2</sup>)



## Limiting upstream and downstream greenhouse gas emissions (Scope 3)

Some of our flooring and sports surface solutions moreover contribute to reduce water and chemicals consumption **during the use phase of our products**.

For example, our iQ vinyl flooring range benefits from a unique surface restoration technology with dry buffing cleaning, where small scratches and surface wear traces are removed without using any chemicals or water, thus contributing to an improved indoor air quality and significant savings.

The use of our artificial turfs instead of natural grass for sports grounds eliminates the need for watering and for applying chemical fertilizers. Based on an average irrigation of 1.5 million gallons per season and some 6,000 Fieldturf fields currently in use, this equates to 9 trillion gallons of water (34 million m<sup>3</sup>) saved annually.

### 3.7.2 Limiting upstream and downstream greenhouse gas emissions (Scope 3)

**Tarkett is accelerating its efforts in the areas where it can have the greatest impact to reduce the carbon footprint of its products.** The assessment of Tarkett's Scope 3 - value chain greenhouse gas emissions found the greatest opportunity to lie in product eco-design, with efforts to increase recycled content and other low-carbon materials along with designing for recyclability and in the development of collection and recycling of post-installation and post-consumer flooring.

#### Assessing Scope 3 value chain GHG emissions

Tarkett updated in 2020 its assessment of Scope 3 greenhouse gas (GHG) emissions with the assistance of Carbone 4, a leading independent consulting firm specialized in low carbon strategy and climate change adaptation. The assessment, based on the methodology of the "GHG Protocol - Corporate Value Chain (Scope 3) Accounting and Reporting Standard", used 2015, 2017, 2018, 2019 and 2020 activity data to estimate GHG value chain emissions for 10 out of the 15 Scope 3 categories. Emissions were not calculated for five categories which are not considered relevant to Tarkett's activity according to the GHG Protocol criteria for identifying relevant Scope 3 activities.

This updated assessment, confirms the main sources, previously identified by Tarkett, of its Scope 3 GHG value chain emissions (emissions originating from the production of raw materials, the end-of-life disposal and the transportation of products as well as potential emissions associated to floor cleaning). Following the initial assessment in 2018, we undertook work to better evaluate the contribution of our circular economy commitment to Scope 3 emissions reductions arising from the use of secondary raw materials instead of virgin raw materials. Using data from Tarkett LCAs via SimaPro Software and our GHG emissions reporting we estimate that the use of approximately 100,000 tons of recycled material avoids approximately 200,000 tons CO<sub>2</sub>e emissions compared to the use of virgin primary raw materials. This is about the annual GHG emissions of a European town with 16,000 inhabitants. The scale of these GHG emissions savings further underlines the importance of increasing our efforts on our circular economy initiatives:

- > Product eco-design to increase recycled content, low-carbon materials and recyclability;
- > Collection and recycling of post-installation and post-consumer flooring consumption.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

### Overview of estimated annual Scope 3 emissions<sup>1</sup>

Scope 3 categories	Scope 3 GHG emissions (thousands of tons CO <sub>2</sub> e)	Relevance and actions	Methodology	CSR Report section
<b>Upstream Scope 3 emissions</b>				
3-1 Purchased goods and services	1,323	<p><i>Relevant, calculated</i></p> <p>Tarkett can have an impact on GHG emissions resulting from raw materials by increasing recycled content in our products, as recycled materials contribute less to GHG emissions compared to extraction and transformation of virgin materials.</p>	<p>Scope 3 greenhouse gas emissions were calculated based on 2019 raw material purchases. 164 categories of raw materials were identified in Tarkett's purchase data warehouse (SAP). Total volumes per category were converted to kilograms and then emission factors applied to obtain greenhouse gas emissions. CO<sub>2</sub> emission factors from suppliers' EPDs were used when available. Alternatively, we used generic emission factors from recognized LCI datasets (Ecoinvent, European Life Cycle database, etc.) or generic certified EPDs.</p>	
3-2 Capital goods	-	<p><i>Not relevant</i></p> <p>Tarkett does not have significant capital goods except those in our manufacturing sites. The energy consumption from our manufacturing sites are included in our reporting of energy consumption and Scope 1 &amp; Scope 2 GHG emissions.</p>	-	3.7.1
3-3 Fuel and energy related activities (not included in Scope 1 or 2)	68	<p><i>Not relevant, calculated</i></p> <p>Tarkett considers the Scope 3 emissions associated with (i) upstream emissions of purchased fuel, (ii) upstream emissions of purchased electricity and (iii) T&amp;D losses to be not material compared to other categories of Scope 3 emissions which are themselves much greater than Tarkett's combined Scope 1 and Scope 2 emissions for fuel combustion and purchased electricity and heat. Furthermore, Tarkett's efforts and objectives to reduce these Scope 1 and Scope 2 emissions will reduce and limit the Scope 3 emissions for this category.</p>	<p>Scope 3 greenhouse gas emissions were calculated based on 2019 energy consumption multiplied by upstream energy emission factors from ADEME and Internal Energy Agency.</p>	

<sup>1</sup> Based on 2019 activity data, except 3.5, 3.6, 3.10 & 3.11 based on 2015 activity data; 3.9 based on 2017 activity data; 3.1 based on 2018 activity data; and 3.7 based on 2020 average number of employees

## Limiting upstream and downstream greenhouse gas emissions (Scope 3)

Scope 3 categories	Scope 3 GHG emissions (thousands of tons CO <sub>2</sub> e)	Relevance and actions	Methodology	CSR Report section
3-4 Upstream transportation and distribution	75	<i>Not relevant, calculated</i>	Scope 3 greenhouse gas emissions were calculated based on in bound transport (# t.km) multiplied by emission factors (source depending on transport mode: ADEME, France or EPA, US) for 12 plants representing 80% of produced volumes; and based on selected materials covering 75% of inbound volumes for each plant. Total emissions were extrapolated from this base.	
3-5 Waste generated in operations	49	<i>Not relevant, calculated</i>  Although not relevant to overall Scope 3 emissions, waste is a material topic for Tarkett as it aims to eliminate industrial waste sent to landfill and it continues to work towards a circular economy, recovering and reusing more post-industrial and post-consumer waste in its production.	Scope 3 greenhouse gas emissions were calculated based on 2015 data. Emission factors from Ecoinvent and European Life Cycle Database used based on incineration as end-of-life treatment.	3.7.2.1 3.7.2.2
3-6 Business travel	8	<i>Not relevant, calculated</i>  Given the small contribution to overall calculated Scope 3 emissions, Tarkett considers this category to not be material and does not calculate it every year.	Scope 3 greenhouse gas emissions were calculated based on 2015 data. Tarkett collected data from business travel agencies which covered flights, car hire, train and car leasing. In the absence of data from agencies the emissions were estimated based on employee numbers (roughly 20% of total calculated emissions). GHG emissions were calculated using the GHG Protocol transportation tool.	
3-7 Employee commuting	6	<i>Not relevant, calculated</i>	The average number of full time equivalent employees for 2020 was multiplied by an average commuting CO2 emission factor representative of France (source Carbone 4). The emission factor used assumes that commuting is similar in all geographies to average commuting in France. The emission factor does not take into account actual Tarkett employee commuting habits, nor the increased remote working that occurred in 2020 due to the COVID-19 pandemic.	



## Limiting upstream and downstream greenhouse gas emissions (Scope 3)

Scope 3 categories	Scope 3 GHG emissions (thousands of tons CO <sub>2</sub> e)	Relevance and actions	Methodology	CSR Report section
3-8 Upstream leased assets	-	<p><i>Not relevant</i></p> <p>Tarkett calculated Scope 3 emissions for its leased offices at its Paris headquarters based on 2015 data. This site represents one of the biggest non-manufacturing sites. Emissions were estimated to be 22 tCO<sub>2</sub>e for this one site. When scaled up to include other similar commercial and administrative sites the total corresponding Scope 3 emissions remain negligible. As such Tarkett considers this category to be not material and does not calculate it every year.</p>	-	
<b>Downstream Scope 3 emissions</b>				
3-9 Downstream transportation and 250 distribution		<p><i>Relevant, calculated</i></p> <p>Tarkett limits downstream transportation in part through its local market presence. In 2020 work began on mapping opportunities to optimize transportation and limit associated emissions. Already, in some situations Tarkett's plants have access to rail transportation (e.g.: Otradny in Russia).</p>	<p>Scope 3 greenhouse gas emissions were calculated based on 2017 activity data. Out bound transport (# t.km) multiplied by emission factors (source depending on transport mode: ADEME, France or EPA, US). Missing data for certain divisions has been completed and extrapolated based on activity.</p>	
3-10 Processing of sold products	167	<p><i>Relevant, calculated</i></p> <p>For this category, Tarkett has considered the greenhouse gas emissions associated with the installation of its flooring products.</p>	<p>Scope 3 greenhouse gas emissions were calculated based on 2015 data. It was assumed that all flooring products are installed using glue. In order to calculate the GHG impact, the sales volumes have been used together with conversions factors from Ecoinvent and SimaPro.</p> <p>The carbon footprint of the installation phase has been determined as following:</p> <p><math>\Sigma [\text{CO}_2 \text{ emission adhesive production} \times \text{amount of adhesives} \times \text{sales volume}] \text{ product category. Tarkett's sport surfaces are not included.}</math></p>	

## Limiting upstream and downstream greenhouse gas emissions (Scope 3)

Scope 3 categories	Scope 3 GHG emissions (thousands of tons CO <sub>2</sub> e)	Relevance and actions	Methodology	CSR Report section
3-11 Use of sold products	2,878	<p><i>Not relevant, calculated</i></p> <p>Tarkett recognizes the importance of potential GHG emissions arising from the cleaning of its flooring products during their life. However, given the absence of formal standards it is currently very difficult to calculate accurately or to monitor associated emissions. Furthermore, Tarkett has no control and limited influence on the type of equipment and type of cleaning protocol used by its diverse customers. As such Tarkett considers these Scope 3 emissions to be not relevant compared to other emissions where Tarkett has greater leverage.</p> <p>Nevertheless, some of our products contribute to reduce water and energy consumption during the use phase through surface treatments.</p>	<p>Scope 3 greenhouse gas emissions were calculated based on 2015 data. The GHG emissions during the use phase included the emissions related to the hypothetical use of water, detergent and electricity to power cleaning equipment. The use phase was considered to be 10 years. 2015 sales volumes were considered and then values from Tarkett's Life Cycle Cost tool used to calculate electricity, detergent and water consumption. Emission factors from Ecoinvent 3.3 were used to convert to tons CO<sub>2</sub>e. A number of limitations were identified, notably: - the variability of LCA / EPD data - the variability on the assumptions of the lifetime of the flooring - the lack of conventional cleaning procedures - the flooring application (hospitality, school, office, home) - the geographical location.</p> <p>Tarkett's sport surfaces are not included.</p>	3.7.2 3.7.1.3
3-12 End-of-life treatment of sold products	934	<p><i>Relevant, calculated</i></p> <p>Tarkett contributes to reducing GHG emissions resulting from the end of use of its products through:</p> <ul style="list-style-type: none"> <li>- design to ensure recyclability of flooring products;</li> <li>- flooring take-back and recycling ReStart® program;</li> <li>- recycling of post-installation and post-consumer flooring (in our manufacturing process or by other industries).</li> </ul> <p>These actions are a key part of Tarkett's Change to Win strategy and Circular Economy Program launched in 2019.</p>	<p>Scope 3 greenhouse gas emissions were calculated based on 2019 raw material purchases. 164 categories of raw materials were identified in Tarkett's purchase data warehouse (SAP). Total volumes per category were converted to kilograms and then emission factors applied to obtain greenhouse gas emissions for the incineration of each raw material. CO<sub>2</sub> emission factors from recognized LCI datasets (Ecoinvent, European Life Cycle database, etc.) or generic certified EPDs were used.</p>	3.7.2.2

## Limiting upstream and downstream greenhouse gas emissions (Scope 3)

Scope 3 categories	Scope 3 GHG emissions (thousands of tons CO <sub>2</sub> e)	Relevance and actions	Methodology	CSR Report section
3-13 Downstream leased assets	-	<i>Not relevant</i>  Tarkett does not lease any significant assets	-	
3-14 Franchises	-	<i>Not relevant</i>  Tarkett does not have any significant franchise activity.	-	
3-15 Investments	-	<i>Not relevant</i>  Tarkett does not have significant investments outside its manufacturing operations and as such considers this category to be not relevant	-	

**Limiting the impact during the use phase**

Some of our flooring solutions contribute to reduce energy consumption during the use phase of our products. For example, the Tapiflex, Acczent Excellence Premium and iQ collections, and the Linoleum xf xf<sup>2</sup> collections, contribute to reducing energy consumption during the use phase of our products thanks to surface treatments which limit scratches and the appearance of wear, thus delaying deep cleaning operations which are very energy demanding.

**Managing waste and increasing the use of secondary raw materials**

One of Tarkett's key strategies to reducing its impact on the climate is to use more secondary raw materials, i.e. increase the recycled content of its products, since secondary raw materials engender fewer greenhouse gas emissions compared to primary or virgin raw materials. For example, using one kilogram of recycled vinyl instead of virgin vinyl equates to saving two kilograms of CO<sub>2</sub>e emissions (Source: VinylPlus).

As part of Tarkett's strategic plan Change to Win and its ambition to change the game with the circular economy, Tarkett set the objective of tripling the share of recycled raw materials to 30% by 2030 compared to 2018 (10%). Tarkett identifies three pathways to achieving this objective: (i) optimizing internal recycling of post-manufacturing Tarkett flooring and sports surface waste; (ii) collecting and internally recycling post-installation and post-use flooring and sports surface waste and (iii) procuring more secondary raw materials from other industries.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

### 3.7.2.2 Managing production waste – reduce, reuse, recycle, recover

Recycling waste into valuable new materials emits less carbon than using energy-intensive processes to extract and transform virgin materials. It also places less of a burden on the world's natural resources and, avoids valuable waste heading to landfill or generating carbon emissions through incineration.

In our operations, we are firstly committed to avoiding the production of hazardous and non-hazardous waste. Secondly, where waste is generated Tarkett is committed to managing it responsibly, with in order of preference, its reuse, internal or external recycling or external incineration with energy recovery. Sending waste to landfill is always the last option when no other viable alternative is available. In all cases Tarkett ensures the respect of local waste management and disposal requirements and especially the proper handling and disposal of any hazardous waste. Tarkett's World Class Manufacturing (WCM) program assists plants in developing the capacity to achieve these objectives, to analyze their waste streams, to understand the causes of generated waste, to identify and implement appropriate action plans to reduce waste from operations, to apply the reduce – reuse – recycle – recover hierarchy and to track and report on hazardous and non-hazardous waste volumes.

Recycling initiatives at Tarkett started as early as 1957, with vinyl production recycling at the Ronneby plant (Sweden). Currently 16 plants reprocess and internally recycle their post-manufacturing waste using various techniques such as regrinding and reformulation to produce a secondary raw material. These processes avoid having to send the waste for external recycling, recovery or disposal and enable the material to be used in production in the place of virgin raw material.

Where post-manufacturing waste cannot be recycled and used on-site then it may be sent to another Tarkett site where the facilities and capacity exist to process and reincorporate it into production. For example, our recycling center at Clervaux (Luxembourg) received more than 8,000 tons of post-manufacturing waste and semi-finished products for recycling in 2020 from other Tarkett plants at Sedan (France), Konz (Germany), Bačka Palanka (Serbia) and Lenham (UK).

At our parquet manufacturing facilities, sawdust waste is recovered and used as a biomass fuel for heating avoiding fossil fuels or externally sourced biomass. With the opening, in 2019, of a parquet flooring line at Mytishchi (Russia), the site quickly implemented a solution to recover the sawdust and produce pellets for use as a biomass fuel for heating saving approximately 6 MWh of energy a year. It even sells surplus pellets externally. The recovery and use of sawdust waste as a renewable energy source is also implemented at Hanaskog (Sweden), Orzechowo (Poland), Kalush (Ukraine) and Bačka Palanka (Serbia).

In Sports, Tarkett has found a use for post-manufactured turf waste from its Calhoun (US) facility, recycling it into VersaTile a drainage and shock underlayer product.

Where production waste cannot be recycled on-site or at other Tarkett sites or recovered internally, then Tarkett sends it for external recycling and use, or for recovery in other industries. This includes other industrial waste (such as metal, paper, cardboard, electronic waste, used oils, etc.) which are sorted and sent preferably for external recycling or recovery, with disposal to landfill being the last resort.

## Limiting upstream and downstream greenhouse gas emissions (Scope 3)

## Zoom on key indicators

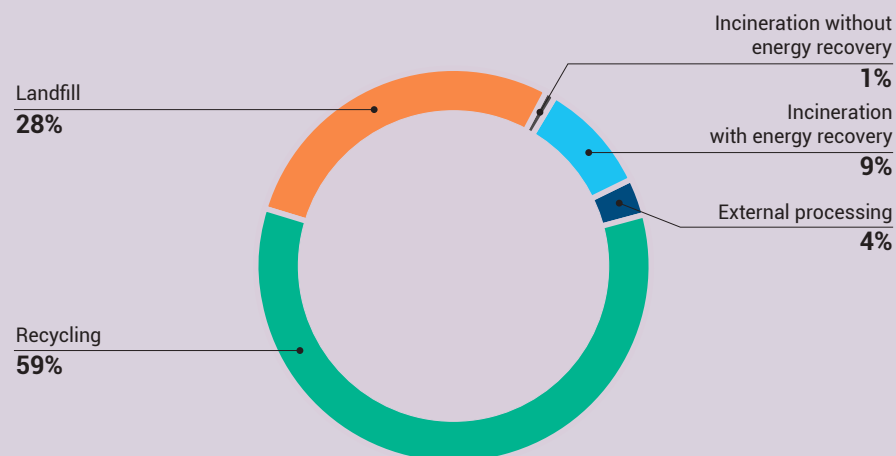
## Waste

59% of the total waste from our plants (including both production related waste as well as office and canteen waste) is effectively recycled, with 12 plants not disposing of any waste to landfill in 2020. A further 5 other plants do not dispose any industrial waste to landfill, with only office and canteen waste being sent to landfill.

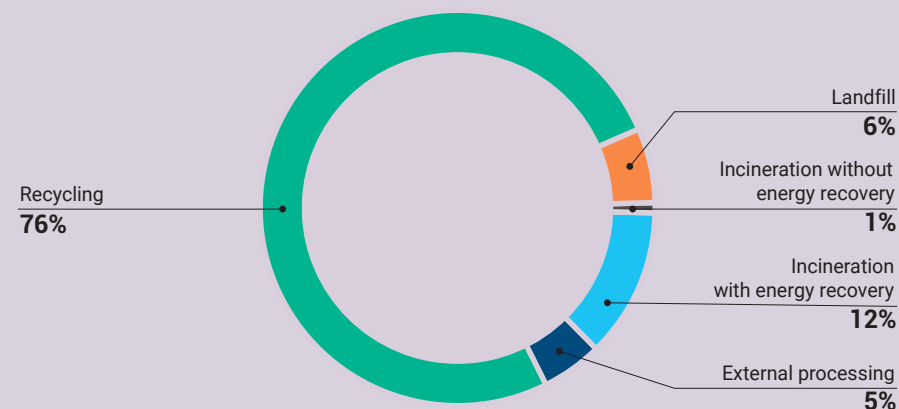
Despite our continual efforts, we have still work to do in some of our plants to achieve our target of zero waste to landfill, especially in one of our plant in North America which alone accounts for 83% of the Group's waste disposed to landfill. If we exclude this plant, we recycled 76% of our waste in 2020.

Compared to 2019, the quantity of industrial waste (including hazardous waste) disposed to landfill has remained stable in 2020 at around 27 k tons, mainly due to operational difficulties at one of our sites in North America. If we exclude this particular site, the total volume of industrial waste disposed to landfill by all the other production sites of the Group in 2020 amounts to 4,777 tons.

## Share of industrial waste (hazardous and non-hazardous) by destination (%)



## Share of industrial waste (hazardous and non-hazardous) by destination (%) – excluding one of our sites in North America





Limiting upstream and downstream greenhouse gas emissions (Scope 3)

### 3.7.2.3 Collecting and recycling post-installation and post-consumer flooring and sports surface waste

In addition to recycling our post-manufacturing flooring and sports surface waste Tarkett is investing in a second pathway, to increasing the use of secondary raw materials, with the longer-term goal of scaling up closed-loop post-installation and post-use flooring and sports surface collection and recycling. This pathway is more challenging, given the logistics, the technical hurdles of recycling post-use product and the need to engage with multiple stakeholders. However, Tarkett remains convinced that this is a key solution to achieving Tarkett's vision where in the future, all flooring will be recycled enabling Tarkett to become a truly circular company.

#### Developing capacity and solutions for recycling flooring and sports surface waste

Over the years, we have invested and developed our capacity to recycle post-installation flooring scrap and post-used flooring materials in our own manufacturing processes, which required developing on-site recycling units.

In 2020 Tarkett's Sports plant in Germany which produces yarn and infill for artificial turf was the latest site to develop such recycling capacity. Tarkett's Morton Extrusionstechnik sports facility in Abtsteinach was the first to obtain the EuCertPlast certification for recycling post-consumer artificial turf. This certification scheme, which is co-financed by the European Commission under the Eco-innovation program, focuses on the traceability of plastic materials (throughout the entire recycling process and supply chain), and on the quality of recycled content in the end-product. The certification, based on European Standard EN 15343:2007 for plastics recycling and traceability, confirms the plant's use of at least 15% post-consumer artificial turf in the production of FieldTurf's ProMax HydroFlex infill.

In total, Tarkett now has **nine recycling centers** on its production sites all over the world: Florence (US), Dalton (US), Ronneby (Sweden), Clervaux (Luxembourg), Waalwijk (the Netherlands), Narni (Italy), Abtsteinach (Germany), Otradny (Russia) and Jacareí (Brazil). The recycling center located in Luxembourg, on the Clervaux site also has the EuCertPlast certification for recycling post-consumer vinyl flooring. It treats both post-manufacturing waste from other Tarkett European sites, and ReStart collected post-installation and post-use flooring material. The backing produced using this recycled material is used at several vinyl flooring manufacturing sites in Europe and on the vinyl production line in Clervaux.

In the United States, the Tarkett "Dalton Environmental Center" was the first reclamation and recycling center to obtain third party certification for product recycled content some ten years ago. In 2020 it obtained the third party SCS certification for the recycled content of its ER3® Modular, Ethos® Modular, Flex-Aire Cushion Modular and Powerbond® Ethos® Cushion carpet backings. For example, the Ethos® Modular is certified as having a minimum recycled content of 48%, of which a minimum of 28% post-consumer recycled content.

Tarkett Sports is also collecting and recovering used artificial turf and infill. In Oregon, US, Tarkett has a small facility which recovers infill from retired fields. The recovered turf goes to the facility where the rubber crumb and sand infill materials are separated from the artificial turf. They are then washed and bagged ready for reuse. The artificial turf part is often reused in community or residential applications.

In the US, post-consumer turf is used to make Greenboard, an innovative technology which combines mixed polymer recycled plastics from recycled postconsumer turf to make a durable and 100% recycled fiber-reinforced composite board for use in the installation of artificial field turf.

## Limiting upstream and downstream greenhouse gas emissions (Scope 3)

As well as developing the capacity to handle and recycle increasing volumes of flooring and sports surface material, we also continue to conduct research and to trial new recycling techniques with the quest to develop technically and economically feasible solutions to recycle more end of life products.

- > For example we are operating in Sweden an in-house developed solution to **recycle Tarkett homogeneous vinyl flooring** produced from 2011 onwards, adding a new circular solution we can offer to customers (for more details see section 3.6.2.1 Working collectively towards a circular economy).
- > Also in Sweden, where wooden flooring makes up one third of the flooring market, we have piloted a method to **recycle solid parquet** to create a wooden flooring with a wear

layer made entirely of recycled oak. This is an exciting project which responds to growing customer demand and will allow us to increase the volume of recycled materials we use in our products, thus helping to conserve natural resources and create energy savings, compared to sourcing virgin oak. Tarkett showcased the wooden flooring with recycled parquet wear layer as part of its Natural Bond exhibition at the 2020 Stockholm Furniture Fair in Sweden. The recycled parquet, which came from a sports hall floor in Norway, was cleaned from nails, metal and parts damaged by moisture before being made into a new top layer with a soft, white-colored hard wax oil treatment to enhance the beauty of the wood material. This represents the second pilot project, after installing 500 square meters in an office block in Stockholm in 2019.

## Example

## Finding technical solutions to build a circular economy – recycling old end-of-life PVC (Polyvinyl chloride) flooring

Tarkett is an active member and promoter of the EU project "Circular Flooring", aimed at developing environmentally friendly recycling of post-consumer PVC floor coverings. The project is managed by the Circular Flooring consortium consisting of eleven companies and research institutions from Austria, Belgium, France, Germany and Greece and led by the Fraunhofer Institute for Process Engineering and Packaging IVV in Freising (Germany). The project is focused on the recovery of a PVC compound from post-consumer PVC floor coverings and the separation of legacy plasticizers in order to create a recycled material for the manufacturing of new PVC floor coverings. End-of-life flexible PVC floor coverings potentially contain 'legacy plasticizers' which may no longer be used today for reasons of consumer protection (EU REACH requirements) and which in the meantime have been replaced in the EU by safer alternatives. State-of-the-art recycling of such flooring with recovery of PVC in virgin-like quality therefore requires a technically sophisticated separation of these 'legacy plasticizers'. The objective is to carefully recycle end-of-life PVC floor coverings by dissolving and removing respective substances in order to achieve a high-quality virgin-like PVC material that is processed into granules. These are ready for re-use in new floor covering products which are compliant with current EU legislation and meet consumer expectations regarding a circular economy.

The Circular Flooring consortium first analyzed the market for PVC to assess the necessity of effective recycling mechanisms. The CreaSolv® Recycling Process was then customized and further developed to convert legacy plasticizers into REACH-compliant plasticizers. Alongside the process development, detailed analyses of the economic performance, as well as of the health and environmental sustainability of the project are being conducted. So far, the first four milestones of Circular Flooring have already been reached:

- > Pilot scale for the recycling of PVC flooring waste justified
- > CreaSolv® Process for Circular Flooring customized
- > Hydrogenation route for legacy plasticizers developed
- > Possible PVC formulations developed

The aim of the EU project Circular Flooring, which is due for completion in 2023, is to elaborate on the technical and commercial feasibility of this recycling process for PVC floor coverings at an industrial scale, thus preventing usable resources (PVC, plasticizers) from being landfilled or incinerated, reducing CO2 emissions, and contributing to European circular economy and climate neutrality objectives.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

**Collecting and recycling post-installation and post-consumer flooring: the ReStart® program**

**ReStart®, a flagship Tarkett program for flooring waste collection and recycling, meets a double goal:**

- > Increasing the collection of post-installation and post-consumer Tarkett flooring (or in some cases from other flooring manufacturers), to obtain a growing volume of secondary raw materials and limit the need for virgin resources, thus developing a circular model with quality and economically viable products; and
- > Offer our customers a responsible, cost-effective, circular solution to contribute to safeguarding the world's natural resources, protecting the environment, and avoiding incineration or landfilling.

Flooring taken-back via ReStart® is primarily meant to be reinjected into our manufacturing cycle, but we also evaluate other "open-loop" recycling opportunities when relevant.

At the end of 2020 the ReStart® program is proposed in several formats in different countries in Europe (Sweden, Norway, Finland, Denmark, France, United Kingdom, Belgium, Netherlands, Luxembourg, Germany, Austria, Switzerland, Poland, Italy, Spain, and Portugal), Brazil and North America:

**In Europe** we are mainly collecting vinyl installation off-cuts and post-use carpet tiles. Since 2019 we are proposing the ReStart® take-back and recycling service for vinyl at no cost to our customers in an effort to encourage them to join and participate to the transition to a circular economy. For vinyl flooring, Tarkett provides big-bags and organizes the collection of post-installation or post-use (currently for post-consumer homogeneous flooring installed since 2011) materials which are sent to our recycling centers either at Clervaux (Luxembourg) or Ronneby (Sweden). In France we also use PVC Next network operated by Kalei for the recycling of other types of post-use vinyl flooring materials. They are sent to Germany to the AGPR (Association for the Recycling of PVC Floor-Coverings). We are developing local partnerships with logistical operators, such as Veolia, to carry out the waste collection and in some cases preliminary sorting. Once at our recycling centers the waste is sorted then assessed before processing and reintegration into our production process. For carpet flooring, Tarkett provides a support to facilitate the on-site collection, then the waste flooring is sent to our carpet recycling center in Waalwijk (the Netherlands) for recycling. We are also taking back linoleum for recycling at our Narni site (Italy) and following a successful trial looking to collect used solid wood parquet flooring for recycling in Sweden.

**Tarkett's Nordic sales organization** (Sweden, Denmark, Finland, and Norway) made good progress in 2020 in promoting the ReStart® collection and recycling program to clients in the region. A ReStart® agreement was signed with the Norwegian Håndverksgruppen, and MLF (Malermestrenes Landsforbund), two independent nationwide groups of tradesmen. Tarkett's ReStart® program enables their tradesmen to manage waste in an environmentally friendly, measurable, and organized way. It also makes the working day easier for their members since Tarkett collects and handles the waste, thus saving them time. In April 2020 Tarkett signed another agreement in Norway with Mal Proff, Norway's largest professional chain for flooring products. Tarkett provide bags and cages for stores to collect waste flooring, green bags for vinyl and white bags for linoleum. When full, Tarkett picks them up and leaves empty ones. The Mal Proff chain wanted to improve on sustainability and so welcomed Tarkett's practical and simple solution to manage the flooring waste.

**In Brazil**, Tarkett's local teams launched ReStart® in 2019 following a pilot phase in 2018. Tarkett takes back post-installation material for vinyl composite tiles, luxury vinyl tiles, as well as homogeneous and heterogeneous resilient flooring from clients close to our site at Jacareí for recycling.

**In Australia**, Tarkett has partnered with local carpet recyclers in Sydney area to ensure that our used products are recycled responsibly rather than going to landfill. Tarkett is now in a position to help our customers to manage their waste in a responsible and sustainable way. This is a first step in the implementation of the ReStart program as our local teams continue to work with local stakeholders to deliver a functional solution to the Australian market with the known geographical challenges. By setting up collection trials in 2020 and 2021 with key partners, Tarkett aims to create solutions that work in the future for a long-term sustainable program with the focus to divert product from landfill, ideally bringing it back into our production cycle. In New Zealand Tarkett worked with a leading commercial and residential flooring distributor to develop a local recycling pilot for the local market, which has seen them nominated as a finalist in the 'Outstanding Collaboration' category for the 2020 New Zealand Sustainable Business Awards. This pilot is designed to allow take back of both vinyl and carpet tiles and reduce waste to landfill.

**In North America**, the program has existed since the end of the nineties for collection and recycling of carpet tiles and was expanded to vinyl flooring in 2010. ReStart® collection and recycling has been and remains predominately post-use rather than post-installation. The challenge is to develop logistics solutions, notably finding the right logistical partners, to collect and recycle larger volumes of post-use products and the small quantities of post-installation flooring waste as well as re-introducing materials into existing products.

## Limiting upstream and downstream greenhouse gas emissions (Scope 3)

**Example****Contributing to Gecina's circular economy and low carbon objectives with Tarkett's ReStart® collection and recycling program**

Recycling end-of-life flooring and incorporating it as secondary raw materials into the manufacture of new floors represents both a challenge and an important opportunity to contribute to the circular economy, preserve natural resources, reduce greenhouse gas emissions, and eliminate waste. Tarkett's ReStart® collection and recycling program along with Tarkett's recycling facilities are key elements enabling Tarkett to provide customers with simple solutions to manage their flooring waste. Tarkett signed a framework agreement with Gecina, the largest office real-estate company in Europe, to recycle used carpet tiles from its offices in Paris. Tarkett's ReStart® service collected some 38 tons, representing 8,600 m<sup>2</sup> of carpet tiles during 2020, sending them to our carpet recycling center in Waalwijk (the Netherlands). For Gecina, this program is aligned with its CSR objectives of reducing waste, developing recycling, and promoting circular economy solutions which contribute to reducing greenhouse gas emissions.

Tarkett was awarded the "Geste d'Or" prize in the circular economy category for its commitment to the circular economy with the collection and recycling of used carpet tiles from Gecina's refurbished office buildings. The Geste d'Or is an independent organization which promotes exemplary operations in the field of urban environment and landscape development.

**Example****Carpet replacement and recycling at the Moscone Convention Center, in San Francisco, United States**

When Tarkett was chosen to refurbish the flooring at the city owned Moscone Convention Center in Northern California it started with its ReStart® collection and recycling program, removing the legacy flooring and sending it to Tarkett's Dalton recycling center. In total more than 69 tons (153,574 lbs) of 17-year-old Tarkett cushioned carpet tile was diverted from landfill or incineration. Tarkett went on to install 24,250 m<sup>2</sup> (>29,000 yd<sup>2</sup>) of ethos® Modular with Omnicoat Technology carpet tile, with 45% total recycled content, further contributing to the Moscone Convention Center US Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) score of 90 out of a possible 111 points, making it the highest-scoring LEED convention center in the world with LEED Platinum status.

In addition to installing healthy materials, the Moscone team was committed to maintaining their floors with sustainable practices. Tarkett's Eco-Ensure™, Cradle to Cradle Certified™ Platinum, fluorine-free, PFAS-free soil protection, which comes standard on Tarkett soft-surface products, helped meet this requirement. Additionally, Tarkett's Abrasive Action modular carpet was installed in areas that see extreme wear and tear, particularly those heavily traveled by forklifts and catering services. Lastly Tarkett is also supporting Moscone's staff by developing a customized maintenance program for the entire facility, with everyday cleaning procedures for both hard and soft surface flooring, occasional spot cleaning, and the deeper monthly regimen needed for long-term success of the space.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

### Zoom on key indicators



#### Flooring collection and recycling program ReStart®

From 2010 to 2020, Tarkett has collected close to 109,000 tons of flooring (post-installation and post-consumer flooring: vinyl, linoleum, carpet). In 2020 3,000 tons of installation scrap and used flooring were collected through the ReStart® program, down on 2019 (3,300 tons) notably due to the impact of the COVID-19 pandemic.

Encouraging progress was made in Europe with more countries proposing the take-back service to our clients to organize the collection of post-installation vinyl offcuts. Furthermore, thanks to our unique carpet recycling center in the Netherlands, collection and recycling of post-use carpet flooring has increased. In North America, the launch of our newer products designed for recycling will allow us to significantly increase the recycling of post-consumer carpet in the coming years. See below for more explanations and details on the challenges of flooring collection and recycling.

- 1. Developing practical solutions and finding the right partners for collection and sorting in each market to facilitate the recovery of recyclable materials.** For example, Veolia in France, Kuijs transport in the Netherlands and Verhoek in Germany.
- 2. Onboarding customers, with a simple, cost-effective ReStart® take-back and recycling service.** We are actively inviting our customers to join our ReStart® take-back program which help them manage their flooring waste while contributing to the implementation of a circular economy. As project owners are increasingly including site waste management in their calls for tender, ReStart® allows Tarkett's customers to sign up simply to our local take-back and recycling program for flooring. For example, Tarkett now proposes in Europe the ReStart® service for vinyl flooring at no extra cost.

- 3. Collaborating, sharing experiences and contributing to the push for a circular economy friendly framework.** Tarkett contributes and participates in various platforms to share experience, learn from others and promote a framework that facilitates the transition to a circular economy (for more details see below Tarkett feedback and section 3.6.2.3 Building a circular economy together).

Our commitment and our actions over the past several years have enabled us to understand and better grasp the challenges and opportunities for developing the circular economy on the ground. The volumes collected in 2020 are lower than 2019 due to the impact of the COVID-19 pandemic and they are significantly off the original 2020 target of doubling 2010 annual volumes. A number of factors can explain this situation:

- > First of all, the principle decrease in volume concerns North America, where collected volumes of post-use flooring have declined over the past few years. The main reasons being commercial (end of key client contracts), technical (difficulties for separating the different layers to be recycled, materials traceability and compatibility with the composition of new eco-designed products) as well as structural (reverse logistics, regulations lacking incentives, lack of client demand).
- > In Eastern European we are mainly supplying the residential market. It is therefore very difficult to collect floor coverings that have been dismantled during installations, which are often carried out by private individuals. Furthermore, as opposed to Western Europe, there is very limited stimulus for recycling by local authorities.
- > In Europe, before the development of our carpet recycling center in the Netherlands, we had limited capacity to disassemble and recycle post-installation and post-use carpet tiles. Post-consumer vinyl flooring collection and treatment have also been very limited or even non-existent. This has been partly compounded by the current lack of viable technologies to remove glue and separate legacy chemicals that are no longer authorized.
- > Finally, concerning sports surfaces, in most markets there are no tried and tested solutions for recycling the old product and generating a useful secondary raw material. For example, in North America the cheapest solution often remains landfill, making it hard to onboard cost-conscious local public authorities when proposing more costly alternative solutions to recover and recycle used artificial turf. This is however changing as Tarkett trials field turf recycling in Europe.

**In summary, Tarkett is taking action to identify, develop and implement solutions in response to these current challenges and to contribute to the implementation of a circular economy.**



Limiting upstream and downstream greenhouse gas emissions (Scope 3)

Challenges	Potential solutions / Tarkett initiatives
1. Old post-use flooring not compatible as a secondary raw material for new generation flooring products	<ul style="list-style-type: none"> <li>&gt; Looking for other uses for recycled flooring and sports surface materials</li> <li>&gt; Developing technologies and industrial processes to make vinyl flooring and carpets easier to recycle after use</li> <li>&gt; The majority of Tarkett's current generation of product are better designed and more adapted to recycling in the future</li> <li>&gt; Tarkett's New Product Development Process includes steps to check to ensure design for recycling of future products</li> </ul>
2. Technical and capacity difficulties to recycle old product	<ul style="list-style-type: none"> <li>&gt; Tarkett's carpet recycling center in the Netherlands</li> <li>&gt; Trials with homogeneous vinyl flooring recycling in Sweden</li> <li>&gt; Trials with solid wood parquet recycling in Sweden</li> <li>&gt; Supporting the European project Circular Flooring to scale up old PVC flooring recycling</li> <li>&gt; Trials with field turf recycling in Germany at Tarkett's latest third-party certified recycling center</li> </ul> <p>Development of products, such as Greenboard and Versatile, made from recycled turf</p>
3. Lack of structure and incentives to promote recycling and barriers related to the use of secondary raw materials	<ul style="list-style-type: none"> <li>&gt; Tarkett engaging in dialogue to share experiences and challenges with public authorities to promote a regulatory framework more favorable for recycling</li> </ul> <p>Tarkett encouraging customers to join its ReStart® take-back and recycling program</p>

### *Eco-designing the flooring installation system for easy removal and effective recycling*

Tarkett endeavors to integrate easy removal right from the design stage, ultimately allowing more efficient collection, sorting and recycling. Beyond the flooring product itself, the challenge is to design flooring systems including products, installation, and removal methods, which facilitate the collection of flooring at end of use while allowing the separation of different layers and materials.

For example, the modular vinyl ranges, such as iD Click Luxury Vinyl Tile ranges, with their unique click system which makes for a floating installation, without the need of adhesives enabling the flooring to be very quickly laid and easily removed. In North America, Tarkett has the modular range of flooring, ProGen™, which is waterproof, and resistant to shocks, traffic, and heavy use, while being easy to install and remove thanks to a fast lock mechanism. Quick-Fix carpet tiles (produced in partnership with Velcro®) and the Tape+ / Tape products offer solutions so that carpets can be installed, re-installed, and recycled easily, without damaging the flooring surface. Our modular resilient flooring iD Revolution can also be installed with a tackifier, enabling quick installation and removal. et une dépose rapides.

### Example

#### Recycling in Rotterdam, the Netherlands

Tarkett continued to partner the Rotterdam city public authority in 2020 as the city continued the renovation of the Sportcampus area in the vicinity of Feyenoord's famous "De Kuip" stadium. FieldTurf removed and recycled six pitches at its Abtsteinach facility in Germany, providing around 35,000 m² of new artificial turf pitches with ProMax Hydroflex infill which incorporates 30% polymers from recycled turf fibers from end-of-life pitches. In total more than 68 tons of artificial turf were successfully recycled for this project. At the same occasion FieldTurf is also trailing a solution to incorporate the end-of-life recycled turf into the backing for new artificial turf.

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

### 3.7.2.4 Using secondary raw materials from other industries

The third pathway to increasing the recycled content of Tarkett products comes through open-loop recycling, obtaining recycled materials from other industries as an alternative to virgin raw materials.

More and more, our teams are looking to procure secondary raw materials to reduce our exposure to the price volatility of fossil-based materials and to meet our climate and circular economy objectives. We are sourcing recycled materials from several different partners in different industries. These include Econyl® fibers from Aquafil, an Italian company, which are composed of 100% regenerated nylon threads from pre and post-consumer nylon waste, such as discarded fishing nets, textile scraps and used fiber waste from our Desso® carpets; upcycled chalk from a drinking water distribution company in the Netherlands, which is used in our EcoBase® carpet backings; post-industrial glass or marble powder waste material recycled for use in our Ecobond carpet backings; post-industrial diaper film waste material recycled for use in sports ProMax infill; post-industrial automobile shock absorbing waste material recycled in sports field underlay and recycled PVB from safety glass used in resilient flooring in Europe and in carpet backing in North America.

One of the main challenges of initiatives to promote the use of recycled materials is to trace the precise composition of materials that we incorporate into our manufacturing processes, and to guarantee their health and environmental quality. In addition to recycling our own products, we only work with partners able to provide this traceability, and which can guarantee a consistent level of quality in line with our specifications.

At our sport facility in Toronto, Canada, Tarkett's subsidiary ThermaGreen makes shock and drainage pad sports field underlay from 99% post-industrial waste sourced from the automotive industry. The shock absorbing material found in automobile parts such as the dashboards and panels are recycled and used to make SportLite a nonwoven geotextile shock & drainage pad.

At our Suzhou plant in China, we locally source recycled marble for use in our EcoBond carpet backing. The marble, which comes from home interior decoration post-industrial waste, is ground to a powder for use as a secondary raw material filler for the carpet backing.

At our yarn and infill production site in Abtsteinach, Germany, Tarkett uses recycled post-industrial diaper film in the production of FieldTurf ProMax products. The diaper film, which is designed to make diapers breathable, is composed of two ingredients, linear low-density polyethylene and calcium carbonate, which are both used to make Promax products.

#### Example

##### Using recycled post-use polyvinyl butyral (PVB) from safety glass in our floorings

Polyvinyl butyral (PVB) resin is a tough, clear, adhesive, and water-resistant plastic film. PVB is primarily used as a raw material for laminated safety glass in car windscreens, buildings, and solar panels.

Tarkett has worked closely with two innovative companies to incorporate post-use recycled PVB instead of virgin material in its product formulation. These European companies both developed a treatment process to clean and recycle post-use PVB, transforming this once unrecyclable material into a high-quality secondary raw material that can be used by the automotive, construction and plastics industries. Tarkett employs the post-use recycled material in our iD Revolution resilient modular tiles.

Importantly, recycled PVB has a carbon footprint that is 25 times lower than virgin PVB, so it helps us to reduce our Scope 3 greenhouse gas emissions. iD Revolution, a Gold level Cradle to Cradle certified™ resilient modular flooring, achieves Cradle to Cradle® Platinum level for material health. More than 83% of the materials used to make iD Revolution are either recycled, mineral or bio-sourced, helping to conserve natural resources. This includes 24% recycled PVB, 11% bio-plastic (PLA) and 49% chalk, a mineral found abundantly in nature.

In the US, through a similar long-lasting cooperation with another company, we incorporate recycled post-use PVB in our ethos® Modular with Omnicoat Technology™, a high-quality soft surface floor solution made from healthy, safe materials, including 33% post-consumer recycled PVB. From 2004 to 2020, we reused around 33,500 tons of PVB films from 32.7 million windshields...

Limiting upstream and downstream greenhouse gas emissions (Scope 3)

#### Zoom on key indicators

##### Recycled Materials

In 2020, we used close to 127,000 tons of recycled materials<sup>[1]</sup> as an alternative to virgin materials, which represents over 13% of our raw materials used. Our new objective set as part of our Change to Win strategy is to triple the 10% share we had in 2018 to 30% by 2030.

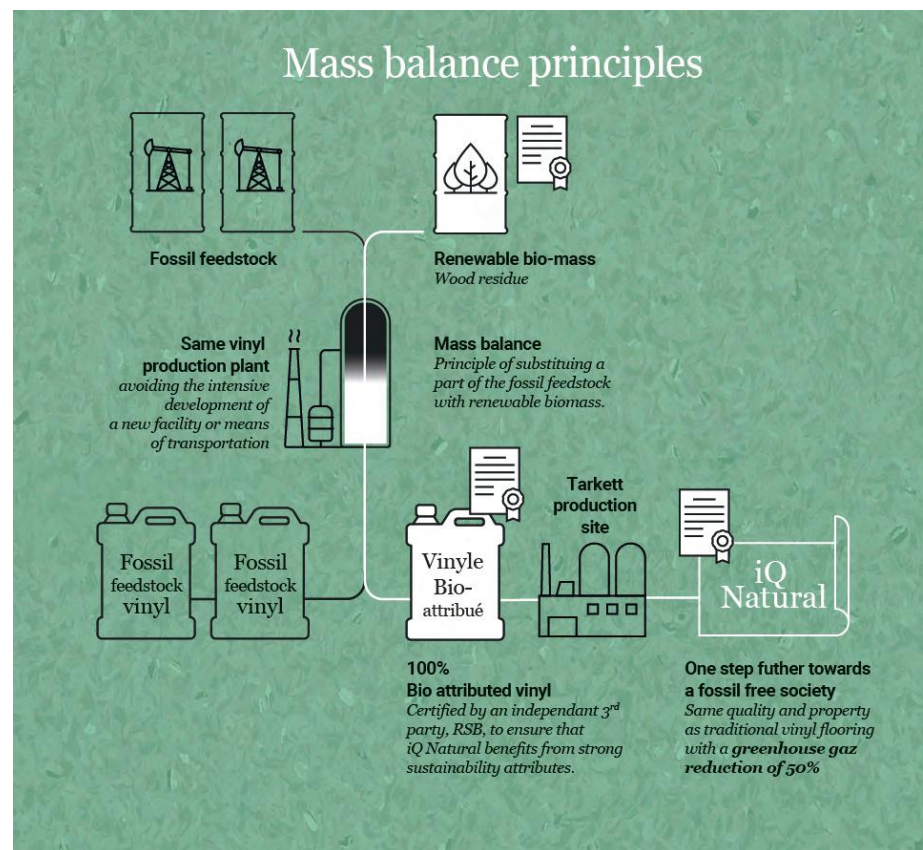
*[1] Recycled materials: Materials that would otherwise have been sent for waste disposal (incineration or landfill); internal post-manufacturing recycled volumes are included.*

#### 3.7.2.5 Sourcing renewable, low carbon, raw materials

Renewable raw materials, like recycled secondary raw materials, represent a low carbon solution and a way to limit the life cycle greenhouse gas emissions of flooring. Tarkett uses various renewable raw materials, such as wood in parquet and laminate flooring, jute in linoleum flooring and bio-based plastics in modular resilient flooring such as iD Revolution (see section 3.6.1.1 Selecting and sourcing sustainable materials to preserve natural resources).

## Limiting upstream and downstream greenhouse gas emissions (Scope 3)

In 2020 Tarkett launched the **world's first floor to use bio-attributed PVC** certified through the Roundtable on Sustainable Biomaterials (RSB). Our new iQ Natural homogeneous vinyl flooring collection with Tarkett's ReStart® collection and recycling post-use provides architects, designers and property owners with a flooring solution offering more than 60% less embodied carbon<sup>1</sup> (i.e. less greenhouse gas emissions for the life cycle stages from cradle to gate and end of life), when compared to average homogeneous vinyl floors<sup>2</sup> which are incinerated with energy recovery, making it one of the lowest carbon footprint resilient floorings solutions on the market. Our vinyl homogeneous flooring iQ Natural which already used bio-based plasticizer was the first product to be launched using a bio-attributed vinyl – BIOVYN™ - substituting 100% of fossil feedstock by renewable biomass. The biomass used for Biovyn™ is sourced under the principles of mass balance, where renewable feedstock replaces fossil materials by mixing them in the same system. Mass balance is a way of keeping track of the renewable quantities and allocating them to specific products making a viable approach to promoting the ecological transition. In practical terms, this means a certain volume of forestry waste is used for Biovyn™, which is then mixed with conventional fossil fuel feedstock during production. Therefore Biovyn™ is bio-attributed, meaning that the bio-based component is 'attributed' to the final product. We ensure that the right amount of biomass is used to produce the equivalent amount of vinyl we use in iQ Natural. The whole supply chain, including our Ronneby (Sweden) plant, is certified by a third party, the Roundtable on Sustainable Biomaterials (RSB) to ensure the sustainability and credibility of the final product. This new generation of iQ Natural homogeneous vinyl flooring also benefits from very low VOC emissions, a long-life performance and the possibility to be fully recycled post-use at Tarkett's Ronneby plant. Like other Tarkett homogeneous vinyl flooring, iQ Natural's 2.0 mm wear layer surface can be cleaned via dry-buffing to provide a smooth, resilient surface needed for maximum hygiene and resistance avoiding the need for waxes. Overall iQ Natural has 61% lower embodied carbon<sup>3</sup> compared to average homogeneous flooring (based on iQ Natural EPD vs industry average ERFMI 2019 Homogeneous polyvinyl chloride floor coverings).



<sup>1</sup> The emissions caused in the materials production and construction phases (A1-5) as well as the carbon emissions associated with post-use phases (C1-4), where iQ Natural is collected and recycled through Tarkett's ReStart® program and the average industry flooring is incinerated with energy recovery.

<sup>2</sup> ERFMI 2019 EPD for Homogeneous polyvinyl chloride floor coverings

<sup>3</sup> Embodied carbon: total greenhouse gas (GHG) emissions (often simplified to "carbon") associated with materials throughout the whole lifecycle of a building (including upfront emissions, use stage emissions and end-of-life emissions). Source: "Bringing embodied carbon upfront" World Green Building Council 2019

Offsetting remaining greenhouse gas emissions and offering carbon neutral products

### 3.7.3 Offsetting remaining greenhouse gas emissions and offering carbon neutral products

While focusing on reducing the Tarkett's Scope 1, 2 and 3 greenhouse gas emissions through environmental management, eco-design, supplier engagement and circular economy solutions Tarkett is also responding to customer demand for products which contribute to green building certification standards with Cradle to Cradle Certified™ products and carbon neutral products where partial or total remaining greenhouse gas emissions are offset.

In our North American market, Tarkett announced, at the occasion of the US 2020 GreenBuild expo, an expanded number of carbon neutral flooring products. This initiative builds on existing steps to reduce the embodied carbon<sup>1</sup> of Tarkett products by designing for a circular economy, increasing the use of healthy, recycled materials, and by lowering the impact of manufacturing through improvements in energy efficiency and the increased share of renewable energy.

As part of the Carbonfund.org's Carbonfree® Product Certification program, Tarkett has measured the greenhouse gases emitted when manufacturing, delivering and installing products for its customers. These emissions are then neutralized through the purchase of third-party verified carbon offsets. The Carbonfree® product certification offsets life cycle greenhouse gas emissions, based on the products' annual sales and carbon footprint established through life cycle assessments.

The majority of Tarkett's north American floor product offering will thus be carbon neutral, including rubber tile, rubber sports flooring, carpet tile, vinyl sheet and luxury vinyl tile and planks, with its linoleum flooring already being carbon negative from cradle to gate<sup>1</sup>

The first project supported through this Carbonfree® product certification is a Verified Carbon Standard project for waste energy recovery co-generation in South Korea. It consists of a 400 megawatt co-generation plant at Hyundai Steel, which utilizes surplus waste gases to generate nearly three million megawatt hours of electricity and more than one million tons of steam, used by both the plant and the local electric grid.

In our European market, Tarkett will also be offering in 2021 the possibility for customers to offset cradle to gate and end-of-life related greenhouse gas emissions for certain products through the REDD+ Business Initiative Tambopata-Bahuaja Biodiversity Reserve Verified Carbon Standard (VCS) project.



Tarkett is already offsetting greenhouse gas emissions for certain other products to obtain a given level of certification under the Cradle to Cradle Certified™ product standard. For example, Tarkett's 5 Gold level Cradle to Cradle Certified™ products (Desso Ecobase® PA6 solution dyed carpet tiles and Desso EcoBase® Carpet Tile Backing; iQ One and iD Revolution resilient flooring; Linoleum flooring) are required to offset 50% of the final manufacturing stage GHG emissions. Tarkett obtains the required number of carbon credits through the REDD+ Business Initiative Tambopata-Bahuaja Biodiversity Reserve project. The project is validated by the Verified Carbon Standard (VCS) and the Climate, Community, and Biodiversity Standard (CCB) (see for more details section 3.9.2.4 Supporting development projects worldwide).

<sup>1</sup> Third-party certified EPD for Tarkett Linoleum 2.5 mm shows a negative carbon status for the cradle to gate phases (A1-A3)



## 3.8 Creating solutions for greater indoor air quality and safe, healthy spaces for our customers

We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2020	2019	2018	Objective 2020	CSR Report section	Contributing towards UN SDGs
<b>Product safety and quality</b>  (evolving health and environmental regulations, standards and/or customer's expectations)	Materials selection and assessment as part of NPDP to develop products with low levels of VOC emissions	Percentage of flooring with low VOC emission levels	98%	98%	97%	75%	3.8.1	
	Use of phthalate-free plasticizer technology for our vinyl flooring	Percentage of phthalate-free flooring <sup>1</sup>	97% <sup>2</sup>	74%	65%	100%	3.8.1	

<sup>1</sup> Except recycled content for certain products

<sup>2</sup> At the end of 2020, 100% of our vinyl production sites in Europe, North America, Serbia and China use phthalate-free plasticizer technology

### Product safety

Tarkett is committed to ensuring and enhancing product safety through its Tarkett Human-Conscious Design™ approach. This approach applies Cradle to Cradle® principles and methodology, with the design and careful choice of materials contributing to healthy spaces and indoor air quality. For our sports surfaces, keeping athletes safe has and will always be the first priority for Tarkett. FieldTurf and Beynon Sports, our field and track companies, are committed to improving performance and safety through research and innovation, continually looking to find new ways to reduce the risk and severity of sports injuries. This focus on safety has led to a number of injury-reducing innovations and improvements both on field and on track. Additionally, Tarkett's group-wide quality management system, with 82% of plants certified ISO 9001, ensures the strict application of procedures to ensure product quality and safety, both during installation and use. From design to installation at the customer's site, Tarkett's quality management guarantees the conformity of the products to all applicable standards and regulations regardless of the country where the product will be used. To carry out these controls, Tarkett relies on the competence of its internal laboratories as well as certified independent laboratories. The quality management system is under the responsibility of the Group Quality Director, reporting to the Executive Vice President of R&D and Operations, a member of Tarkett's Executive Management Committee. This system incorporates relevant product safety risk

assessments, monitoring, incident investigation and end-user feedback. Over and above ensuring the general safety of its flooring and sports surfaces, Tarkett also provides safety enhanced flooring solutions for specific applications (e.g. slip resistant flooring for trains, buses, planes, wet rooms, schools, health care facilities, ...). For these specific applications all products are validated and controlled according to specific standards and regulations where they exist (for example the IMO standard for reaction to fire, applicable in the maritime sector or the vertical flammability test FAR 25.853 for aviation). Tarkett provides details on all relevant standards and specifications for each product through the product "technical data sheet".

In Australia, where confusion often exists in relation to sustainable slip resistance in settings where flooring surfaces get wet or contaminated during normal use, Tarkett has taken further actions to educate and reassure clients. For example, Tarkett updated Continuing Professional Development (CPD) presentations for architects on Slip & Wellbeing to align to the revised AIA (Architects Institute of Australia) requirements. Tarkett Australia also published a specific white paper "Raising the Safety Floor: A Guide to Slip Resistance in Flooring Specification" providing a concise guide to safety flooring, sustainable slip resistance requirements and testing, and design considerations relevant to flooring specification.

Contributing to healthy spaces and indoor air quality

### 3.8.1 Contributing to healthy spaces and indoor air quality

#### Flooring with low VOC emissions

Tarkett is committed to designing products which help create healthy indoor spaces and preserve indoor air quality in accordance with our Tarkett Human-Conscious Design™ approach. This challenge is especially critical for the most sensitive populations such as the elderly, young children, or people with allergies or asthma. One international study found 14% of children to suffer from asthma<sup>1</sup> and it is widely reported it is a major cause of school absenteeism. It has also been found that productivity can increase when indoor air quality improves<sup>2</sup>. All in all, today, people spend 90% of their time indoors, and in the wake of the global Covid-19 pandemic, doing so has become even more central to our daily lives. Among the contributors to indoor air pollution are volatile organic compounds (VOCs) – gases emitted at room temperature by chemicals found in everything from paints, varnishes and glue to everyday cleaning products. Since 2011, Tarkett has been a pioneer in developing flooring with low or ultra-low levels of Volatile Organic Compounds (VOC) emissions in nearly all of its product ranges. Tarkett offers products with total VOC emissions that are 10 to 100 times lower than the most stringent world standards, at levels that are so reduced they are non-quantifiable<sup>3</sup>. This effort had been recognized by several certifications:

- > The modular vinyl Starfloor Click was recommended by the Swedish association against asthma and allergies in 2015.
- > The Asthma and Allergy Foundation of America (AAFA) awarded the asthma and allergy friendly® certification to all FiberFloor® vinyl ranges as well as to other products (iD Inspiration®, Acczent, and several laminated ranges). Tarkett added 28 new designs in 2020 to the FiberFloor® residential luxury sheet vinyl flooring responding to customers growing interest in their health and well-being. The designs are available across Tarkett's Fresh Start™, Easy Living™ & Lifetime® collections.
- > In 2020 Tarkett obtained the seal of approval from Allergy UK for two new product ranges, Tarkett's Omnisport flooring ranges for leisure and sports areas and for the majority of Tarkett's vinyl residential range Iconik, which join the linoleum ranges which received the label in 2018 from the British association Allergy UK, which is valid in 135 countries.
- > Several vinyl and linoleum ranges manufactured in Europe are subject to regular plant audits by Eurofins (an international laboratory network conducting consumer product testing) to ensure that our products have low or very low levels of VOC emissions (Tarkett labels « Indoor Air Quality Gold » and « Indoor Air Quality Platinum »).

In the US, Tarkett held a series of free webinars in October 2020 as part of the National Indoor Air Quality Month. The series called "Learn.Give.Breathe" highlighted the importance of healthy indoor spaces for their inhabitants with panelists from organizations such as the Asthma and Allergy Foundation of America (AAFA) and the Cradle to Cradle Products Innovation Institute. At the same occasion Tarkett partnered with Breathe DC, a District of Columbia non-profit community health organization donating 24,520 square feet (2,278 m<sup>2</sup>) of asthma & allergy friendly® certified flooring to help establish healthy home environments for families with asthmatic children in Washington, D.C. through the Breathe EASY project.

Tarkett North America offers both residential and commercial flooring solutions that have been certified asthma & allergy friendly® by AAFA. This certification program helps people make informed purchases for healthier homes, schools and workplaces. Only those products that pass stringent tests are awarded the designation. For flooring to be certified asthma & allergy friendly®, AAFA's independent third-party testing must show that the floor is easily cleaned and has a low capacity for retaining allergens. The certification process involves testing not only the product itself, but also the installation method and recommended cleaning process as a complete system to ensure no harmful materials are introduced while installing or cleaning the floor.

#### Phthalate-free flooring

Phthalates are mainly used in the plastics industry, to give the plastic a certain flexibility. The potential impact on human health of certain phthalates in this group of chemical products is the subject of scientific debate and is regularly featured in regulatory news and general public news stories, notably through work carried out by health agencies that assess the impact of substances on health and the environment (ANSES in France and EFSA at the European level); at the level of ECHA (European Chemicals Agency), within the framework of evolutions in REACH and CLP regulations<sup>4</sup>; or in information campaigns run by health and environmental protection non-profit organizations.

<sup>1</sup> International Study of Asthma and Allergies in Childhood (ISAAC), 2007

<sup>2</sup> Estimates of Improved Productivity and Health from Better Indoor Environments, 1997 William J. Fisk and Arthur H. Rosenfeld

<sup>3</sup> Total VOC at 28 days < 100 µg/m<sup>3</sup> or even < 10 µg/m<sup>3</sup>

<sup>4</sup> REACH: Registration, Evaluation, Authorization and Restriction of Chemicals; CLP: Classification, Labelling and Packaging of substances and mixtures

Contributing to healthy spaces and indoor air quality

Since 2010, Tarkett has been proactively seeking alternatives to phthalate plasticizers in collaboration with its suppliers. We have considerably invested in research and development and consequently have been able to modify our formulas and our processes to manufacture vinyl flooring with phthalate-free plasticizer technology. These alternative plasticizers can be used for young children's toys and food containers, which have the strictest health standards. Phthalate-free plasticizer technology was first introduced by Tarkett in North America in 2010 and in Europe in 2011, then gradually deployed in Ukraine and Serbia since 2016, and finally at the Otradny site in Russia in 2019 and 2020.

At the end 2020, 100% of our global vinyl production, except for a small volume of vinyl production at our plants in Brazil and Russia, use phthalate-free plasticizer technology (except recycled content for certain products).

At some sites, we also use recycled contents in addition to virgin raw materials for some products which may then contain traces of phthalate plasticizers. Since the end of 2019, our European sites produce 100% phthalate-free vinyl flooring, recycled content included.

The entire flooring industry gradually follows our example in the interest of flooring customers and users: for example, in North America, certain DIY, home improvement and decoration retailers, such as Lowe's, Menards and Home Depot, have changed their supplier specifications to exclude phthalate products.

### Zoom on key indicators

#### Indoor air quality:

Tarkett contributes to customer health and well-being with flooring products that contribute to indoor air quality. In 2020 98% of our flooring achieved the target of being 100% with low total VOC emissions ( $<100 \mu\text{g}/\text{m}^3$ ). This was just short of our 2020 objective to reach 100%, mainly explained by a small volume of carpet and rubber flooring which have yet to achieve the target.

#### Percentage of flooring with low VOC emission levels



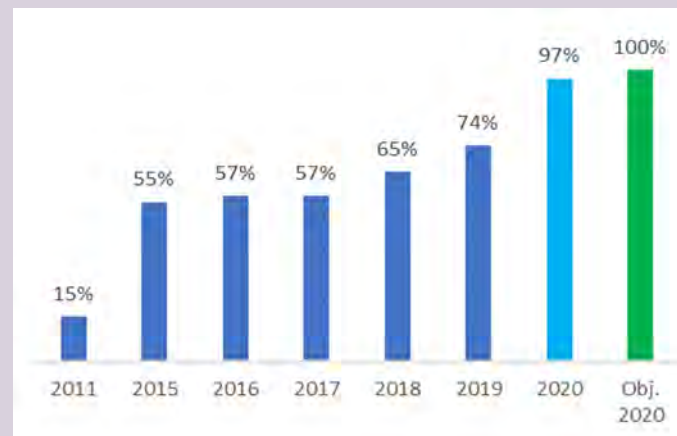
Contributing to healthy spaces and indoor air quality

### Zoom on key indicators

#### Phthalate-free flooring

We achieved our 2020 objective to reach 100% of phthalate-free vinyl flooring (per recycled content) at all plants, except our vinyl flooring plant in Brazil and a minor volume of the vinyl flooring produced at our plant in Russia. Furthermore, our carpet flooring was also 100% phthalate-free (excluding recycled content) in 2020, and 98% phthalate-free when including recycled content. At the end of 2020, 100% of our vinyl production sites in Europe, North America, Ukraine, Serbia, and China use phthalate-free plasticizer technology. For the full year 2020, at a global level, this translates to 97% of volumes being phthalate-free compared to 74% in 2019, 65% in 2018 and 57% in 2017. This exceptional progress reflects the significant efforts to deploy the phthalate-free plasticizer technology in Russia, Ukraine and Serbia taking into consideration that deployment also depends on availability of plasticizers alternatives (in volumes and in quality)

#### Percentage of phthalate-free flooring



#### Dust retaining flooring

Tarkett has developed carpet tiles which retain dust particles: the AirMaster® carpet tile combined with the EcoBase® backing range is designed using a patented technology which retains four times more fine dust particles than traditional carpets. Since 2015, this product is the first worldwide to be certified with a GUI Gold Plus Label, the highest possible accreditation awarded by GUI (Gesellschaft für Umwelt- und Innenraumanalytik), Germany's leading independent air quality testing organization. The Gold Plus label was awarded for high performance on three further test criteria: suitability for allergy sufferers, high fine dust binding capacity and low volatile organic compound (VOC) emission properties.

In Australia, Tarkett continued its action raising awareness with Asthma Australia on indoor air quality in educational facilities. As in 2019 the action with Asthma Australia, a non-profit body dedicated to supporting and educating Australians suffering from asthma and allergies to live their lives and breathe easily, included a competition for schools and childcare centers to win a healthy floor. This year the winner was a not-for-profit childcare center in Central Coast New South Wales. Tarkett worked with the center to identify the flooring transformation needs, selecting Tarkett vinyl flooring, Desso AirMaster carpet tiles and Field Turf artificial grass. Tarkett completed the installation in December 2020 as part of its community program Tarkett Cares.

Participating to people's well-being

### 3.8.2 Participating to people's well-being

2020 was characterized by the global COVID-19 pandemic which stretched to the limits the health care sector which was on the front line of the crisis. Tarkett's teams responded with urgency and dedication, demonstrating our putting people first mindset to meet the needs of the local health authorities and other organizations as they scrambled to increase capacity to treat patients.

In another health care initiative in 2020, Tarkett was pleased to bring over 70 years of experience in providing flooring solutions to the sector, as we joined the Clean Hospitals network to contribute to improve hospital hygiene and to promote effective, sustainable and evidence-based cleaning guidelines.

Tarkett continued in 2020 to develop and offer solutions and guidance to improve people's well-being with its Tarkett Human-Conscious Design™ approach, including solutions for elderly care, color perception, lighting and acoustics, and health and safety.

#### **Assisting the health care sector respond to the COVID-19 crisis**

Tarkett's teams were mobilized in many countries to assist health care organizations respond to the COVID-19 crisis.

In the US, Tarkett North America was able to fulfill and deliver within 48 hours an 11,000 square yard vinyl sheet order for use in a temporary hospital in Cranston, Rhode Island. In Georgia Tarkett partnered with a local fabric producer to manufacture medical gowns for local hospitals. Tarkett adapted its production process at its Dalton facility in order to quickly deliver a first batch of 500 gowns, increasing to 3,000 gowns per day.

In Serbia Tarkett volunteers installed 4,000m<sup>2</sup> of Tarkett flooring contributing to creating the right conditions for the treatment of patients at a temporary COVID-19 hospital in Novi Sad.

In Turkey, Tarkett was able to quickly fulfill the delivery and installation in April of various homogeneous vinyl floorings for two new hospitals with 1,000 beds each in Istanbul.

In the UK and Ireland, Tarkett responded as new emergency facilities were created throughout the country. For example, a new hospital at the National Exhibition Centre in Birmingham was opened to provide support for patients across the UK Midlands. This Nightingale 'field hospital' was equipped with a capacity to accommodate up to 2,000 beds. Our committed local sales, manufacturing and logistics teams responded quickly to the request to deliver around 40,000m<sup>2</sup> of Safetred safety flooring products to the site from our local stock in Lenham.

In Italy Tarkett was involved in the rapid creation of a new 200 bed intensive care hospital in Fiera Milano. Tarkett provided technical advice for the floors design and special logistical support to ensure the delivery in 48 hours from Sweden the required flooring, part of which was donated. On top of this emergency hospital in Milan, Tarkett Italy installed flooring solutions at a number of other dedicated COVID-19 hospitals throughout the country.

#### **Supporting the healthcare community through "Tarkett Human-Conscious Design"™ approach**

For decades, Tarkett has been committed to developing innovative flooring solutions with people in mind: patients, medical staff, and cleaners. In 2013, Tarkett took the decision to move away from using antimicrobials on its floors and instead to promote high standards of cleaning and infection control procedures with an appropriate use of disinfectants. This pioneering move was based on the risk inherent with the overuse of antimicrobials, potentially leading to antimicrobial resistance.



Participating to people's well-being

### Exemple

#### Tarkett collaborates with Clean Hospitals to contribute to improved environmental hygiene

Tarkett joined in 2020 the Clean Hospitals network to contribute to improve hospital hygiene and to promote effective, sustainable, and evidence-based cleaning guidelines. The Covid-19 crisis has provided strong evidence of the important role of cleaners in healthcare facilities to stringently follow cleaning protocols. Clean Hospitals' (a not-for-profit association which brings together the industry, members of academia, hospitals, governmental bodies, and key stakeholders from various countries) goal is to raise industry standards and increase the visibility of environmental hygiene in patient care through an evidence-based approach. Through the partnership, Tarkett's goal is to develop and deploy the best cleaning and disinfection protocols with the minimum impact on human health, the environment and biodiversity by limiting the overuse of biocides and disinfectants. Ultimately, these improvements in environmental hygiene are expected to benefit public health by lowering rates of healthcare-associated infections and reducing antimicrobial resistance..

### Designing for elderly care

Through in-depth field research, interviews with the senior care community, and years of expertise in flooring solutions we have developed clear recommendations on what the right choice of flooring in care homes can contribute to residents' well-being. Our aim is to support those who design and manage elderly care facilities, to ensure the well-being of all involved. This means helping residents feel comfortable and at home, preserving their autonomy and independence and limiting factors that can lead to anxiety or confusion. It also means helping carers do their jobs more easily and effectively and helping facility owners and managers keep a handle on their budgets so their facilities can continue to offer the best service possible.

In 2019 Tarkett published a white paper (Designing for Dementia) following a study to explore and better understand the impact of design on the well-being of elderly people and on the importance of understanding the problems posed by ageing, both with and without dementia. Furthermore, Tarkett in the UK adopted the Virtual Reality Empathy Platform (VR-EP), a tool endorsed by the leading experts in dementia design, which provides an evidence-based dementia filter enabling architects, building or interior designers to create homely and familiar environments that could reduce accidents, lessen anxiety and help those living with dementia live more independent lives by better understanding how color, contrast, texture and material play a key role. Already in 2012, Tarkett carried out a scientific study involving doctors and Alzheimer's specialists, to analyze the sensory and psychological impact of flooring on patient quality of life. In addition to hygiene, safety and other regulatory aspects, the patterns and colors of flooring provoked emotions that can stimulate or calm patients with Alzheimer's disease, thereby helping to better manage the effects of the disease. Flooring also influences the biological rhythms and acoustic comfort of patients<sup>1</sup>.

### Color perception

Tarkett products created for educational organizations (schools, day-care centers, etc.) and nursing or retirement homes are specifically designed with colors and patterns that stimulate mobility and cognitive capacities.

A 2017 study, carried out by Tarkett in collaboration with color specialists, designers, and educational specialists, focused on the impact of colors on the development and well-being of children, in educational environments. The results of the study show that children and adolescents develop their learning capacities differently depending on their ages but always with a strong interaction with the world surrounding them, and with the colors of which it is composed. Hence, for example, memory capacities are 55 to 78% greater when the child is in an environment where he or she likes the colors (Kids Study UK)].

<sup>1</sup> [https://professionals.tarkett.com/en\\_EU/node/designing-facilities-for-alzheimer-s-and-dementia-patients-830](https://professionals.tarkett.com/en_EU/node/designing-facilities-for-alzheimer-s-and-dementia-patients-830).

Participating to people's well-being

### Example

#### Accompanying architects, designers and specifiers with guidance on considerations for indoor health and well-being, Australia

Tarkett regularly provides guidance and raises awareness on health and well-being related to flooring, including on topics such as indoor air quality, slip prevention, acoustics, and color. For example, in Australia Tarkett revamped its CPD (Continuing Professional Development) presentations for Architects on Slip & Wellbeing to align to the new AIA (Architects Institute of Australia) updated requirements as well as developing a new CPD presentation on the topic of acoustics to educate architects on the impact of flooring on acoustics. Color in education insights were also shared through an email series to customers, outlining the importance of color and material in education design across the different age groups. The campaign ran locally in Australia from April through to August including a host of online customer presentations. Similar actions are taken elsewhere with local white papers being regularly published on topics such as Designing Healing Environments for hospitals, Schools of the Future: Designing for Student and Teacher Health, Wellbeing and Performance for Education, Raising the Safety Floor: A Guide to Slip Resistance in Flooring Specification and Sound Remedies: Specifying Acoustic Flooring for Noise Control, Performance and Comfort.<sup>1</sup> des architectes d'Australie) et a développé une nouvelle présentation CPD sur le thème de l'ac

### Lighting and Acoustics

Tarkett has developed carpet products which help improve the lighting and acoustic environment of buildings: the Desso Light Reflection Master® carpet has the ability to enhance brightness on interior walls and ceilings by up to 14%, leading to reductions of as much as 10% in artificial lighting; while the Desso SoundMaster® carpet can improve impact sound insulation by up to +10 dB<sup>1</sup> compared to standard carpets.

### Health and Safety

In areas with a high risk of hospital-acquired infections - such as operating theatres, medical laboratories, and cleanrooms - floors must meet the highest hygiene standards to ensure infection control and air cleanliness. To this end, our floors provide sealed surfaces and fewer joints, and are resistant to stains and chemicals. They also prevent electrostatic discharges, so that the risk of equipment malfunction or discomfort during surgeries is drastically reduced. Our solutions, including several homogeneous vinyl products from our iQ range and our static control linoleum products, thus offer durable and easy-to-maintain flooring options that meet the health and safety requirements of the healthcare sector.

Tarkett has also developed seamless, anti-slip vinyl flooring solutions specially designed to reinforce health and safety conditions in bathrooms ("Wet room System").


Tarkett's iQ One vinyl flooring was chosen by the Melbourne's (Australia) university veterinary hospital and teaching buildings for its major redevelopment. The Cradle to Cradle™ Gold and Gold Plus GreenRate level A certified flooring, contributed to the building redevelopment achieving 6 Star Green Star-certification by the Green Building Council of Australia. Key characteristics for this vinyl flooring included the absence of phthalates; the easy-to-clean dry-buffing protocols which offers significant savings in terms of energy, labor and the quantities of water and cleaning agents required; the self-healing properties of the homogenous surface that allow scratches to be buffed out – an important criteria for hygiene; flooring colours and patterns that promote wellbeing and calmness; the products durability and its long lifecycle. In the sports area, Tarkett develops artificial turfs for sports grounds with the objective to improve quality gameplay and athlete safety.

<sup>1</sup> A 10 dB decrease in the sound pressure level will be perceived by human's hearing as a halving of the loudness..

## 3.9 Driving collaboration in the value chain and in communities

We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities

is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities & Risks	Policies / Actions	Key Performance Indicators	2020	2019	2018	CSR Report section	Contributing towards UN SDGs
<b>Supplier dependency</b> (risk where supplier choice is limited for certain raw materials)	> Responsible sourcing program > Suppliers involved in materials selection, materials assessment and C2C approach	Percentage (in spend) of priority suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct for Suppliers or equivalent	75%	/	/	3.9.1	
<b>Flooring market changes</b> (expectations for greater transparency; new products and services and increased stakeholder involvement; suppliers not compliant with our CSR standards; expectations and requirements from civil society and local communities)	> Diversification of supplier's portfolio and use of local suppliers > Tarkett Academy > Tarkett Cares > Support to worldwide development projects	Total value of contributions to Tarkett Cares community initiatives (financial, product and employee hours donations)	445 k€	710 k€	808 k€	3.9.2	

Engaging with suppliers to promote social responsibility and a circular economy

### 3.9.1 Engaging with suppliers to promote social responsibility and a circular economy

The commitment of Tarkett to shifting to a circular economy model, founded on the Cradle to Cradle® principles, necessarily depends on the engagement and cooperation of the different stakeholders throughout the entire value chain. To this end, we engage with suppliers with whom we can develop genuine partnerships and we also seek to develop long-term sales relationships with companies that share our ethical values.

#### 3.9.1.1 Deploying our responsible sourcing program

Since 2011 we have committed our main raw material suppliers to respecting the principles of the United Nations Global Compact (UNGC), which cover the themes of human rights, working conditions, the fight against corruption and respect for the environment.

Building on this action, we developed and launched in 2018 a wider responsible sourcing program to further engage with our suppliers and to ensure and promote good and positive practices along the supply chain, focusing on three main pillars:

- > Sourcing healthy and sustainable materials;
- > Ensuring suppliers conduct their business ethically, with respect for human rights and fair treatment of a safe and healthy workforce;
- > Ensuring suppliers manage their operations with environmental responsibility.

With this program Tarkett aims to get its raw material and semi-finished goods suppliers aligned with its own sustainability ambitions and objectives, to ensure sustainability supply chain risks are adequately assessed and to progressively advance its suppliers' sustainability performance through agreed action plans.

In certain specific areas, Tarkett promotes sustainable sourcing through third party programs, such as wood sourcing where we have established partnerships with wood suppliers that are either FSC® (Forest Stewardship Council®) and/or PEFC (Programme for the Endorsement of Forest Certification) certified, which enhances the sustainable management of forests and respect for human rights throughout the value chain. Since the late 1990s in EMEA we have annually maintained our Chain of Custody certification that today covers 12 production sites and sales subsidiaries; more than 60% of our wood is FSC® (FSC® C008972) or PEFC (PEFC/05-35-125) certified. In North America, on the maple wood ClutchCourt range, used for production of basketball courts, we offer an FSC® certified product.

In Italy, our linoleum manufacturing plant at Narni obtained the social responsibility SA 8000 certification in 2016 which was renewed for a second time in 2019.

Engaging with suppliers to promote social responsibility and a circular economy

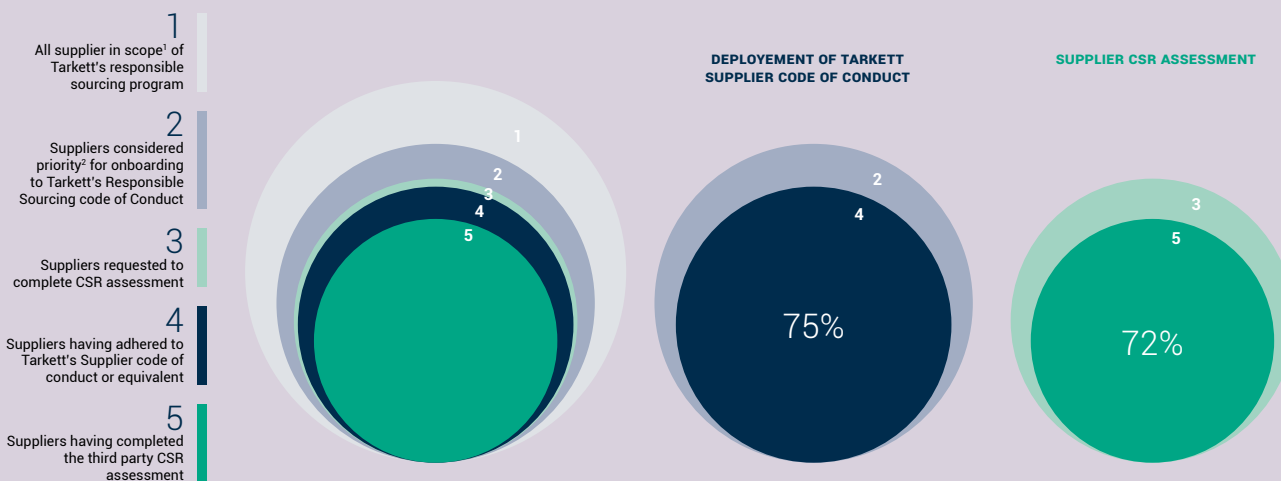
## Zoom on key indicators

### Responsible sourcing

Following the launch of our Responsible Sourcing Supplier Code of Conduct in 2019, 75% of priority\* suppliers (in spend, \*focused on suppliers considered to represent greater CSR risks due to Tarkett spend and product category) have adhered to our Code of conduct or equivalent. Tarkett aims to onboard 100% of these priority suppliers by the end of 2021 and all suppliers by the end of 2022. Tarkett's Responsible sourcing Code of Conduct for Suppliers underlines the importance of collaboration to build a circular economy with good quality materials, creating healthier and beautiful spaces. It sets out Tarkett's requirements for suppliers to respect, notably the fundamental international labor standards as defined by the ILO Declaration of Fundamental Principles and Rights at Work; the 10 principles of the United Nations Global Compact and all applicable national and/or local laws.

In addition to onboarding suppliers to Tarkett's Responsible Sourcing Code of Conduct, we also request those suppliers identified as presenting the greatest risk to complete a third-party CSR assessment. To date, at the end of 2020, Tarkett has requested to suppliers representing 56% of spend, to complete the third-party CSR assessment.

### Share of suppliers represented in terms of spend



**Tarkett's Responsible Sourcing Program: onboarding suppliers to Tarkett's Supplier Code of Conduct and conducting third-party CSR assessments for suppliers presenting potentially the greatest CSR risks for Tarkett**

1. All direct purchases (raw materials and finished goods suppliers) and indirect purchases (local suppliers and service providers for production operations, excluding energy) from manufacturing sites (with the exception of purchases for Lexmark), excluding inter-company spends of semi-finished goods and indirect head office purchases

2. Priority suppliers are those suppliers considered to represent greater CSR risks due to Tarkett spend and product category

Engaging with suppliers to promote social responsibility and a circular economy

In 2020 we continued the implementation of our **responsible sourcing program**, which includes the following components:

- > **A procurement CSR risk mapping covering the majority of our suppliers** (purchasing spend equivalent to 87% of our total purchase value) was performed in 2018 in partnership with a company specialized in sustainability ratings and supply chain intelligence. This allowed us to identify the main environmental, social and ethical risks along our supply chain, based on procurement categories, countries of operation, flexibility of our supplier panel and on our purchase volume. This risk mapping set the starting point for our responsible sourcing program, which aims to limit the CSR risks in the supply chain and to encourage and accompany suppliers in adopting more responsible practices.
- > **The Responsible Sourcing Code of Conduct for Tarkett Suppliers** provides a clear and common set of requirements relating to the three pillars of the Tarkett Responsible Sourcing Program and aims to promote continuous improvement. It is consistent with the UNGC principles and International Labor Standards as defined by the International Labor Organization (ILO) and includes social responsibility expectations on modern slavery, child labor, freedom of association, discrimination, health and safety, working conditions, business ethics, and environmental compliance. The Code of Conduct has been published on Tarkett's internet site and translated to 11 languages. We are progressively requesting our suppliers to sign our Code of Conduct or to demonstrate adherence to equivalent standards, with our aim to onboard all suppliers by end of 2022. As part of this process, we are focusing immediate efforts on onboarding suppliers in product categories with highest risk, based on Tarkett spend. The aim is to get these priority suppliers onboard by end of 2021. At the end of 2020, 75% of these priority suppliers have adhered to Tarkett's Code of Conduct or equivalent.
- > **Further integration of social and environmental requirements in supplier contracts**, through compliance with Tarkett's expectations as defined in the Responsible Sourcing Code of Conduct for Tarkett suppliers and the respect of the ten principles of the United Nations Global Compact.
- > **Supplier evaluation and control** through detailed supplier CSR assessment. Based on the findings of procurement CSR risk mapping, we initiated in 2019 a more detailed third-party CSR assessment of suppliers considered to present the most risk in terms of social responsibility. In 2020 Tarkett requested some additional new suppliers to complete the assessment, bringing the total number of ongoing supplier assessments to 208. The aim

of the supplier social responsibility assessment, managed by EcoVadis, is to measure the level of management (policy, action and results) in four areas: environment, labor and human rights, ethics and sustainable procurement. Suppliers are scored out of 100, based on their responses to a questionnaire and based on the supporting documentation they provide. Their score reflects the company's sustainability maturity level and the corresponding risk to Tarkett. Suppliers who have already completed the questionnaire for other clients are able to share their evaluation directly with Tarkett, avoiding them having to complete a separate process. Depending on the supplier assessment result, the supplier will be considered as either meeting Tarkett's sustainability performance requirements, requiring improvement or non-compliant. Tarkett appreciates that compliance with its Code of Conduct may require a process of gap analysis, corrective action planning, training for management and workers, capacity building and other measures. For this reason non-compliant suppliers will be given one year to demonstrate they have made sufficient progress before Tarkett decides to discontinue sourcing. These suppliers, along with suppliers requiring improvement will be re-assessed to measure progress. Suppliers considered compliant will be re-assessed every 3 years. At the end of 2020, 72% of suppliers (in terms of purchasing spend, out of those requested) had completed the CSR assessment.

- > **Supplier capacity building on environmental or social issues** is provided through the supplier CSR assessment platform as this allows suppliers to identify the key social and environmental issues for their activity, to measure their degree of maturity in terms of their policies, actions, and performance, notably in comparison with their peers, as well providing them with a practical gap analysis to facilitate the development of action plans to improve.
- > **Alert mechanisms** are in place via our Compliance Hotline and our Ethics Hotline (see section 3.2.4.1 Ensuring business ethics and integrity).

#### Ensuring a successful deployment of Tarkett's responsible sourcing program

To accompany and promote the swift deployment of this program Tarkett detailed a responsible sourcing procedure, provided various communication tools and implemented dedicated training towards its buyers and purchasing managers. These tools help set the context, explain the aims and objectives for Tarkett and outline the procedures to follow. The individual actions and progress related to the deployment of the program are reviewed with purchasers as part of their annual performance and development dialogue (PDD).



Engaging with suppliers to promote social responsibility and a circular economy

### Example

#### Assessing supplier CSR risks

An initial CSR supplier risk assessment was performed in 2018. The assessment considers the supplier activity (based on UN International Standard Industrial Classification - ISIC), the country where the product is manufactured (or service provided) and Tarkett' spend and inter-dependency with the supplier. An overall sourcing risk is defined for each supplier with the following weighting:

- > 70 % global CSR risk with: 50% based on the activity category and 50% based on the country risk
- > 30% procurement risk (linked to Tarkett's spend with the supplier and its inter-dependency)

The resulting risk is then rated across 6 levels from very low (level 1) to severe (level 6).

Tarkett has currently retained EcoVadis, a company specialized in sustainability ratings and supply chain intelligence, to perform the procurement CSR risk mapping. Their methodology covers 21 criteria across four themes: environment, fair labor & human rights, ethics (including corruption), and sustainable procurement. It is built on international CSR standards including the Global Reporting Initiative, the UNGC, and the ISO 26000, and uses a comprehensive database covering over 50,000 companies, 190 spend categories and 150 countries.

Engaging with suppliers to promote social responsibility and a circular economy

### 3.9.1.2 Collaborating with suppliers to achieve our eco-design objectives

To achieve the first pillar of our responsible sourcing program, sourcing healthy and sustainable materials, we actively engage and collaborate with our raw material suppliers in the development and assessment of new materials, in line with the Cradle to Cradle® (C2C) principles or when we need data for the lifecycle analysis of our products.

In 2020 Tarkett's main focus on material assessment has been on stabilizers and flame retardants as well as on materials specific to the activity of recently acquired sports entities in Toronto (Canada) and Botany (Australia).

As described in section 3.6.1.1 Selecting and sourcing sustainable materials to preserve natural resources Tarkett is developing its sourcing of secondary raw materials, renewable based materials, and other resource abundant materials. For example, Tarkett continued in 2020 its collaboration with suppliers of recycled chalk, regenerated fiber yarns, recycled PVB and a bio-attributed polymer.

In 2020 we launched the **Tarkett Innovation Challenge** with the objective to accelerate collaboration with key suppliers on co-innovation, notably on the circular economy and health & well-being. The initiative, which was carefully designed with Tarkett's Legal department to ensure Intellectual Property and confidentiality compliance, kicked off in May 2020 with a virtual Open Innovation Day. 21 suppliers, chosen on three criteria (be part of our ecosystem, share our values and have the necessary technical skills), joined to learn

about the challenge, the objectives and meet with Tarkett's R&D and Purchasing teams. In October 2020, a creative workshop event was held at our Group R&D Center in Wiltz (Luxembourg) to address one of the Challenge topics: Tarkett Circular Economy & Recycling challenge. With a collaborative and open-minded spirit, the event successfully came up with 48 ideas which led to 31 concepts, five of which were selected by the participants for the next stage. Tarkett will now pursue the circular economy journey by working with the partners involved in these five concepts to translate them into industrial reality. Further workshops are planned on strategic themes designed for our customers: Design to Cost, Easy to Install and Health & Well-Being.

From flooring product design to installation and maintenance, Tarkett does not limit its research to its products. Using a holistic approach, we also are interested in the entire system, in other words the impact of our products on health and the environment during the installation, use and maintenance phase. Within the scope of our C2C commitment, we strive to develop partnerships with other industrial firms engaged in the same approach so as to be able to recommend complete C2C product solutions, installation and maintenance.

In North America, for example, Tarkett has worked closely with supply chain actors to ensure that the adhesives we provide are assessed and have a C2C material health certificate.

Engaging in local communities

## 3.9.2 Engaging in local communities

### 3.9.2.1 Contributing to the local economy

The nature of Tarkett activities, its development through acquisition of local companies and the Group's decentralized structure contribute to the development of local economic activity. Tarkett sells its products in over 100 countries and has a worldwide presence through its 33 industrial sites, its commercial networks, and local branches, as well as its research and design centers. Products are manufactured in 18 countries (Sweden, France, Italy, Belgium, the Netherlands, Luxemburg, United Kingdom, Germany, Poland, Russia, Serbia, Ukraine, Turkey, US, Canada, Brazil, China, and Australia), located in the heart of commercialization areas to serve our highly fragmented and diverse customer base.

Tarkett develops relationships with local stakeholders including installers, sub-contractors, and distributors, while respecting local cultures: in its way, Tarkett is Russian in Russia, American in the United States and Chinese in China. While benefiting from a global presence, the Group has always striven to anchor its activities locally, favoring the quality and long-term nature of its customer relationships, in order to offer a local service. We adapt our products as well as their technical characteristics, in particular their designs (colors, patterns, formats, materials) to the tastes and local habits of our customers and to local regulations. In addition to our production sites, we have a solid distribution network to guarantee fast, efficient delivery and sufficient volumes to our local customers. From local manufacturing sites in China and in Brazil, to customer service and distribution centers in Russia, as well as a strong presence in North America and Europe, the Tarkett network is the right choice for many flooring installation projects in the world, both for local customers and for key international accounts.

### 3.9.2.2 Sharing expertise through the Tarkett Academy

The *Tarkett Academy* trains professionals and future flooring installers in techniques for installing and laying floor coverings. The training programs are delivered at eleven Tarkett Academy centers in eight countries: Australia, Brazil, China, France, Poland, Sweden, Russia and Serbia. The training is designed for both young professionals and experienced installers. Sessions last a few hours to a week and focus on among other topics, flooring installation and maintenance.

In North America, Tarkett experts directly train architects and designers, via their trade organizations, allowing them to earn a certain number of continuous education credits. In France, Tarkett Academy, created as early as 1993 in the Sedan factory, trains professionals or future professionals in vinyl, linoleum, wood, and carpet flooring installation techniques. The training is validated by a degree (CAP flooring-carpet installer) recognized by the Ministry of National Education or a professional degree (flooring-carpet installer) recognized by the Ministry of Employment or an attestation of competence.

In the context of the COVID-19 pandemic, Tarkett Academy adapted its approach and where possible took training online. For example, Tarkett's Academy center in France organized various webinars with more than 800 participants from Europe, Latin America, and Asia, such as architects / designers, facility managers, technical and civil engineers and building owners. New training content was developed for these online sessions for external partners with training on topics such as indoor air quality, circular economy, and Cradle to Cradle eco-design. Our Russian and Chinese Academy centers also organized webinars about laying and cleaning floor coverings during the height of the pandemic. In Australia, the Tarkett Academy was able to provide more online training than normal to its New Zealand distributors due to the local lock-down.

#### Zoom on key indicators



From 2012 to 2020, Tarkett trained over 36,000 professionals and students in the flooring profession and in installation techniques at Tarkett Academy centers all over the world, including 5,176 people in 2020.

Engaging in local communities

### 3.9.2.3 Giving time, assistance, and other contributions to local communities: Tarkett Cares

Tarkett Cares is Tarkett's volunteering and community support program, which embodies Tarkett's approach to putting people first. Launched in 2016, the Tarkett Cares program promotes the participation of Tarkett employees and Tarkett entities in local community initiatives which help the community for better living and contributes to local community's needs. Tarkett Cares is a flexible program that provides support in different ways, corresponding to our corporate values and our sustainability commitments:

- > **Volunteer work:** Tarkett encourages each employee to spend up to two days a year of his or her work time on a charitable initiative and to share his time and expertise on a volunteer basis. This can be done individually or as part of a team.
- > **Donations:** Tarkett entities can also support local initiatives through making financial, material or product donations and involving employees in these projects.

**Over the last four years Tarkett has contributed to more than 600 community initiatives with Tarkett employees volunteering over 3,200 days of community service while Tarkett has donated over 1 million euros worth of flooring and sports surfaces to local community projects.** Each year there are many, diverse local initiatives: helping to build or enhance living areas, improving the quality of life and health of local populations, sharing expertise, and developing talents, encouraging entrepreneurship, or protecting the environment. For Tarkett teams, these voluntary initiatives offer invaluable opportunities to share common values, in particular generosity, solidarity, and team spirit.

#### Zoom on key indicators



#### Tarkett Cares in 2020 :

- > 2 days of volunteer activity for charity initiatives possible for all employees.
- > More than 130 initiatives worldwide, which is fewer than in previous years due to the COVID-19 pandemic and the associated social distancing measures.

- > More than 700 employees, corresponding to 6% of Tarkett staff, participated in 2020
- > 692 workdays, the equivalent of 4,842 hours of work.
- > 20,187 m<sup>2</sup> of flooring donated
- > A total value of more than €400k (values of financial and product donations and employee hours donated)..

## Engaging in local communities

**In 2020, Tarkett Cares supported many communities, notably responding to help during the ongoing COVID-19 crisis as well as contributing through other initiatives, a few examples of which are provided below:**

- > In Italy, Tarkett donated some 1,300m<sup>2</sup> of the flooring as it helped with the creation of an emergency intensive care hospital in Milan fully dedicated to caring for COVID-19 patients.
- > In Germany, Tarkett donated over seven thousand trees with the "I plant a tree organization", with 5,085 for visitors to the 2019 Tarkett stand at the BAU international trade fair for architecture, materials, and systems in Munich. The trees, which will save 57 tons of CO<sub>2</sub>, were planted in northern Saxony-Anhalt. Tarkett also marked its move to new offices in the city of Ludwigshafen with a gift of five trees to the local association "Green circle" which promotes green public spaces in the city.
- > In France, Tarkett is donating flooring for the renovation of healthcare worker rest areas in public hospitals in France. The project, led by the French association Architectes Solidaires, aims to renovate rest areas for nursing staff at French public hospitals to offer them, more comfortable and pleasant conditions to relax and chat with colleagues. Tarkett has undertaken to supply floor coverings free of charge for the renovation of these spaces.
- > In the Netherlands (city of Tilburg), Tarkett donated flooring for the fourth year running to Ronald Mc Donald House, an organization that supports parents when their children are in the hospital.
- > In Serbia, some employees helped the Novak Djokovic Foundation, with a conference to support young people with their job searching and job interviews. Tarkett also collaborated with the Foundation providing flooring for a kindergarten in Topola. Another initiative saw employees help with the installation of Tarkett flooring for a temporary COVID-19 hospital in Novi Sad. Lastly employees assisted setting up Tarkett donated 33 desktop computers at elementary schools in Bačka Palanka to support online education.
- > In Australia, Tarkett developed a campaign with Foodbank Victoria - the only Australian food relief organization that is a certified member of The Global Foodbanking Network. The aim was to support Victorian's impacted by the COVID-19 pandemic, by donating \$1 AUD per square meter for sales of a supported products, Tarkett Australia raised enough funds to help feed over 16,000 Victorian's experiencing financial difficulty.
- > In Calhoun, US, FieldTurf employees had a "pink-out", wearing pink safety shirts with donations to Susan G Komen, a non-profit organization dedicated to saving lives and ending breast cancer.

- > In Greater Dallas, US, 50 members of the residential team for Tarkett North America set aside a couple hours for community service during a national sales meeting in February. The team assisted the organization Together We Rise, a nonprofit working to transform the way children experience foster care in the Greater Dallas, Texas area.
- > In the context of the COVID-19 pandemic, Tarkett North America donated 10,000 USD to the local Red Cross with employees also contributing a further 5,500 USD.
- > Tarkett North America partnered with @fillitforward and DIGDEEP's Navajo Water Project to help provide hot and cold running water to families across New Mexico, Utah and Arizona without access to water or sewer lines. Tarkett successfully funded the project and helped to divert some 5,635 single-use bottles, avoiding at the same time 1 ton CO<sub>2</sub> of emissions associated to single-use bottles.
- > Tarkett partnered with the American Red Cross to collect donations to fund a storm relief effort, following severe weather near Dalton, US, where some employees experienced property damage. Tarkett matched employee contributions up to 10k USD. Through a partnership with two NGOs - Feeding America and Food Banks Canada - Tarkett North America's sales teams and their customers helped provide meals to families in need, donating some 1,500 pounds of perishable food and 5,640 USD.
- > Tarkett North America also donated material and employees time to "Military Makeover" a television series, which enlists companies, designers, contractors, and other home improvement professionals to transform the homes and lives of military families across the country and make a difference in their communities.

## Example

**Tarkett Cares provides flooring and assistance to damaged hospitals in Beirut, Lebanon**

In Beirut (Lebanon), Tarkett assisted local authorities to review flooring needs in four local hospitals (St Georges, Lebanese Hospital Geitaoui, Children's Cancer Center of Lebanon and Hospital Haddad Des Soeurs Du Rosaire) damaged by the catastrophic blast on 4<sup>th</sup> August 2020. Subsequently Tarkett organized the shipment from its Ronneby plant (Sweden) of over seven thousand square meters of vinyl flooring, which Tarkett donated to help restore hospitals.

Engaging in local communities

### 3.9.2.4 Supporting sustainable development projects

The Group also supports certain sustainable development projects.

#### Example

##### Carbon offsetting with a sustainable agro-forestry project in the Peruvian Amazon

Tarkett is supporting a sustainable agro-forestry project in the Peruvian Amazon as part of the REDD+ Business Initiative. By helping local farmers transition to sustainable cacao production in the margins of the protected area, degraded land is being restored to relieve deforestation pressures and provide local communities with forest-friendly and sustainable livelihoods. The Tambopata-Bahuaja Biodiversity Reserve project aims by 2021, to protect local biodiversity (including over 30 high conservation value species such as giant armadillo, blue-headed macaw, jaguars and giant river otters), by conserving 591,851 ha of threatened forests – an area which represents the size of Los Angeles – and restore 4,000 ha of damaged land, while supporting local communities and livelihoods with 632 jobs created or supported and returning €3.1m to the local economy, notably by developing a cacao cooperative and cacao processing facility. Tarkett and more than 30 other companies are supporting this project which is expected to avoid 4 million tons of carbon emissions by 2021. This is equivalent to 453,000 homes' energy use for a year. Tarkett uses its quota of avoided carbon emissions, in the framework of its product carbon offsetting approach, where we periodically offset greenhouse gas emissions for certain products to obtain a given level of certification under the Cradle to Cradle Certified™ product standard. For example, Tarkett's Desso Ecobase® PA6 solution dyed carpet tiles have achieved C2C gold level which required 50% of the final manufacturing stage GHG emissions to be offset.

The project is part of the Althelia Climate Fund and implemented in partnership with AIDER, a local Peruvian NGO. It is validated by the Verified Carbon Standard (VCS project ID 1067) and the Climate, Community, and Biodiversity Standard (CCB) to the gold level for both biodiversity and for climate change adaptation.



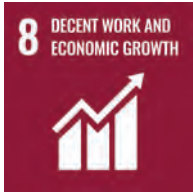
The Tambopata-Bahuaja project advances many of the UN Sustainable Development Goals:





## 3.10 Nurturing our human capital

We have established policies, programs, and specific initiatives to manage the identified material risks and opportunities. Our progress in addressing these risks and opportunities is monitored with specific key performance indicators. These elements are summarized in the following table along with our objectives and results.

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2020	2019	2018	Objective 2025	CSR Report section	Contributing towards UN SDGs
<b>Worker health, safety and security</b> (safety at production sites; exposure of staff to hazardous substances; health of our employees)	> World Class Manufacturing (WCM) program > OHSAS 18001 / ISO 45001 certified Health and Safety Management System	Percentage of production sites certified to OHSAS 18001 / ISO 45001	69%	67 %	69 %	-	3.10.1	
		Recordable Lost Time Accident Frequency Rate (FR1t) <sup>1</sup> for all employees	2.62	2,19	2,18	1,0	3.10.2	
<b>Talent retention and recruitment of key employees</b> (loss of talent / competence; discrimination; lack of equal opportunities)	> Non-discrimination policies > Promotion of gender equality > Employment of people in difficulty (e.g. with disabilities, long-term unemployment, immigrants) > Whistleblowing procedures	Percentage of women in management	26 %	27 %	27 %	30%	3.10.3	
		Percentage of employees trained at least 1 day during the year	34 %	58 %	60 %	-		
		Percentage of permanent employees who had a Performance & Development Review (or equivalent) during the year	50 %	55 %	53 %	-	3.10.4	
	> Recognized employer brand > Global Talent Management Guiding Principles > Performance and Development Review > Learning and development programs, e.g. Manager@Tarkett > Internal mobility > Global employee feedback survey	Percentage of open management positions filled by internal candidates	56 %	65 %	53 %	70 %	3.10.5	
		Absentee rate (employees)	3,9 %	2,6 %	2,7 %	-		
		Permanent employee turnover rate	13 %	17 %	16 %	-		

<sup>1</sup> Number of accidents with lost time < & > 24 hours per million worked hours

## Developing a safety culture

**One Tarkett, Agile and Performance-driven**

One Tarkett for Customers is one of the four pillars of Tarkett's Change to Win strategy announced in 2019. Tarkett's Human Resources teams are playing a key role in assisting the organization in developing the capacity to become One Tarkett, more agile and performance driven.

In 2019 Tarkett decided to invest in the acquisition and the deployment of a Global Human Resources Information System (HRIS) platform to simplify and align HR processes. Workday's Human Capital Management and Talent Management solutions were retained to digitize and modernize Tarkett's HR management and development processes. Tarkett also wishes to simplify and give more autonomy to managers and employees, thereby increasing speed, improving efficiency, and enhancing employee and manager experiences. This common HR & IT project is an initiative aligned with the "One Tarkett" and "People & Planet" strategic pillars of Tarkett's Change to Win strategy. Workday became operational at the end of 2020 following 12 months of preparation, implementation, and training. The project concerned all countries and divisions and was led by a dedicated project team consisting of Tarkett employees and consultants. Despite the system being user friendly and intuitive, Tarkett has organized various tools and training sessions to further ensure employees and managers can quickly and easily adapt to the new system.

**3.10.1 Developing a safety culture**

Beyond regulatory compliance, the Tarkett Group considers safety as its number one commitment, constantly working to ensure that all employees, contractors, and visitors are committed to safe work practices and procedure, every day and everywhere. These principles are displayed throughout the business and form the basis of Tarkett's commitment to safety culture.

Tarkett presented its Change to Win strategy in 2019 with 4 strategic pillars, one on people and the planet with a focus on safety. In 2020 Tarkett created a new role to accelerate the implementation of our Change to Win safety ambition and to establish Tarkett as a reference regarding health and safety. The Global Safety Director, nominated in September, will develop new globally applicable rules to strengthen Tarkett safety standards and reinforce their daily application and ensure the sharing of good practices across the group. With this new organization, Tarkett's WCM program continues to play an active role in providing support, training, and coaching as well as continuing to include safety in the regular WCM audits.

We have developed our People strategy based on four strategic priorities: Foster team commitment and performance; Proactively develop our Talents; Gain flexibility and simplicity to gain agility; Promote the culture of Sustainability and Customer centricity. Our objectives are to increase our ability to accelerate our development and to strengthen our customer centric capability by being "One Tarkett, Agile and Performance-driven", with four priority actions:

- > Apply our global Talent Management Guiding principles;
- > Promote and develop Tarkett's seven entrepreneurial leadership traits: Think business, Accountable, Risk for results, Kind to customers, Empowers collaboration, Talent developer and Thorough;
- > Have the best talents in critical positions; and
- > Implement a compelling employee value proposition, based on three promises: "Expand your horizons, Change the game, Design the future of society. Together."

Our People strategy is translated into concrete 2021 Global HR objectives and a Group roadmap with a detailed action plan, while a dashboard of Tarkett HR indicators has been developed to monitor progress and measure performance.

**Tarkett's safety procedures and standards already include:**

- > Health and safety risk assessments at each plant, anticipating risks related to changes in operations,
- > Provision and use of personal protective equipment (PPE) as appropriate,
- > Procedures for handling chemicals and hazardous substances,;
- > Measures to limit noise and other factors of stress,
- > Systematic reporting and root cause analysis of incidents,
- > Regular inspections to ensure safety of equipment and application of safety procedures.

## Developing a safety culture

Safety procedures are translated into local languages, with shop-floor safety signs, warnings and symbols used to further enhance comprehension and awareness by all. Training on health and safety risks, Tarkett rules and good practices are regularly provided to both Tarkett employees and to subcontractors working at Tarkett sites with visitors also briefed on key safety rules and behaviors.

Employees receive as per local legal requirements regular health-checks and where required a joint labor management health and safety committee is in place.

**Progress in terms of safety has been made over the last ten years, reducing the number of accidents (51 recordable lost time accidents in 2020 vs 148 in 2010).**

This progress is encouraging but Tarkett is committed to doing more to attain a stronger safety culture.

To achieve this Tarkett's Executive Management Committee renewed its commitment to safety in 2018 with an action plan to strengthen safety measures and mobilize all employees around safety. The main actions are the following:

- > **Safety Pledge:** The top 100 leaders of the Group signed a Safety Pledge in December 2018: "Safety is our #1 commitment. Every day. Everywhere". From December 2018 all Tarkett employees are signing a Safety pledge every year during the global Safety day.
- > **Global Safety Day:** An annual Global Safety Day is organized at all Tarkett plants worldwide each year following the first such day in December 2018. In 2020 the Global Safety Day took place in November with a video message from the Executive Vice President for Operations and R&D and the Group Safety Director where they reiterated the importance of safety as our number one commitment at Tarkett. The objective of the Global Safety Day is to strengthen safety culture, awareness of risks, abidance to safety procedures and rules and to empower employees to identify and report risk areas for themselves and for their colleagues. Tarkett ensured full participation at its production sites worldwide with additional sessions for employees absent on the day. The focus of the 2020 edition in plants was on interaction between pedestrians and on-site vehicles (forklifts, small trains, AGVs - automated guided vehicles, etc.), reminding of the importance of maintain good segregation and appropriate behavior to limit risks of accidents. In offices a presentation on risks connected with using stairs was made along with a session on safety culture titled "Risks of injury when working in the office". The safety day events in November 2020 were organized over a number of days to ensure the respect of COVID-19 sanitary measures and social distancing.

- > **Safety action plan:** A strict action plan in each plant, notably concerning the assessment of risks specific to Tarkett production lines. This plan is monitored at Executive Management Committee level. In 2020 the focus of the action plan was on pedestrians and forklifts as well as following up on the implementation of actions relating to the elimination of major nip point risks. A nip point is any point at which it is possible for a person or part of a person's body to be caught between moving parts of a machine. Another area of the action plan concerns the development of a safety culture, working on risk assessments (continually identifying potential unsafe conditions), risk recognition and management leadership.
- > **Safety procedures and rules:** In 2020 Tarkett created a new global safety function to set rules, strategy, and objectives on safety. The WCM organization continues to support the implementation and application of the safety procedures and standards. Within the framework of the new safety organization, Tarkett developed and began deploying an advanced safety standard on "loading bays". This standard sets out the minimum requirements that shall be implemented at all plants to limit risks of accidents at loading bays. The next Group standard will be focused on implementing solutions to secure safety at crossings between vehicles and pedestrians. Previously in 2019 a focus was made on deploying the "lock-out tag-out" (LOTO) procedure designed to ensure safe maintenance of equipment, as well as the action plan on nip points. In 2018 particular attention was given to personal protective equipment, clothing rules, hazardous installations and machine guarding.
- > **Safety training:** Continuous organizational learning at all levels, with more training in 2020 for over 60 senior managers during 4 training sessions focusing on how to demonstrate leadership on safety. This follows on from a dedicated training session organized in 2019 for Tarkett's Executive Management Committee held at its Dendermonde site in Belgium which applied the frequently used Gemba Walk approach. Gemba Walk, coming from the Japanese term meaning actual place, in other words referring to 'where it actually happens', with the purpose being to observe the actual work situation, engage with employees, gain knowledge about the work process and the opportunities for improvement.

## Developing a safety culture

- > **Safety incentives:** All managers in operations concerned by the annual performance and development dialogue (PDD) have safety criteria included in their bonus. This concerns managers, department managers and in some cases line managers.
- > **Safety audits:** Safety is part of the annual WCM plant audit and plants are also audited regularly as part of their ISO 45001 certification. Tarkett's global insurers also conduct periodic audits which include safety aspects as a part of their focus on fire risks.
- > **Safety reporting and good practice sharing:** Each month a safety call is held, with latest global safety figures shared, previous month incidents discussed and actions and good practices to work on. The call is aimed at safety managers, and to plant managers, but also open to warehouse managers and any people interested from the plant.

The challenge to reinforce the safety culture and to train and empower each employee to have safe behavior at any time, in every situation is not limited to the plants, but applicable for all Group employees (sales force, offices, headquarters). In addition to the above initiatives, Tarkett continues with the measures already implemented at different levels of the organization, including:

- > **Top management are notified immediately following each accident**, as plant managers inform directly Tarkett's CEO, Executive Vice President for Human Resources & Communications, Executive Vice President of Operations and R&D, Group Safety Director and the corresponding Division President.
- > **Safety results (including fire risks) are monitored and analyzed during the Group's Executive Management Committee meetings**, as well as Tarkett's **Supervisory Board**.
- > They are also **presented and discussed with senior executives** as an introduction to each Quarterly Information Session, as well as at the annual senior management seminar (Top 100).

- > **The safety topic is evaluated by all employees** during the biennial internal employee feedback survey and included in managers 360° feedback.
- > **The development of safety skills** at production sites is a major focus of the WCM support on safety, through complementary measures: regular training, frequent audits of our sites' practices (via our Safety Management Audit Training – SMAT process), open and continuous dialogue between managers and employees on risks and safety behaviors at workstations, testing and implementation of best practices shared after annual site audits.
- > **An active global network of safety experts** facilitates knowledge sharing among sites and encourages dialogue on risk identification and reduction, audit conclusions and outcomes of measures tested and implemented in the field. This network also relays safety news and information to all plants. In addition to monthly conference calls, the extended safety network meets annually at the occasion of a global safety forum.
- > After each incident or accident, a **rigorous assessment of causes** ("root cause analysis") is carried out. Action plans are then developed and deployed, within the scope of our WCM continual improvement approach. Safety alerts summarizing the incident's causes, its outcomes and the corrective actions implemented to prevent re-occurrence are systematically prepared and shared with all sites.

**By the end of 2020, 69% of the Group's manufacturing sites had obtained certification for either the OHSAS 18001 or the ISO 45001 health and safety standards.** The ISO 45001 certification will definitively replace OHSAS 18001 from March 2021 and in 2020 all plants who had their new ISO 45001 certification

## Developing a safety culture

## Example

## Sharing best practices on safety through WCM Forums and safety calls

WCM Forums provide unique opportunities for Tarkett professionals to share good practices and discuss practical solutions, while observing one plant's concrete action on key WCM topics such as safety. In 2020 Tarkett's Bačka Palanka plant in Serbia welcomed 39 people from 18 plants, including representatives from Tarkett North America. The Forum was the occasion to remind participants of Tarkett's safety rules and procedures, notably Tarkett's root cause analysis procedure which is not only applicable to safety incidents but also to fire and environmental incidents. The Forum also put the emphasis on sharing good practices and identifying safety actions and initiatives for each participant to replicate in their respective plant.

On a more regular basis, the Group Safety Director holds a monthly call with plant safety managers. In 2020 Tarkett's EMEA & LATAM division sales network and offices safety network instigated similar monthly calls with its 15 correspondents. Latest safety incident figures are communicated along with feedback on latest incidents and the associated follow-up actions to be taken. The network is reminded about safety reporting and root cause analysis which are to be made and communicated following any incident. Local safety activities and good practices are shared with a brief presentation made each month by two different correspondents. In 2020, in the context of the COVID-19 pandemic, good practices were also shared on sanitary measures taken locally.

## Zoom on key indicators

## Safety

The Recordable Lost Time Accident Frequency Rate (FR1t) for all Tarkett employees has increased slightly to 2.62 (compared to 2.19 in 2019). This is mainly due to more rigorous reporting of accidents outside of plants. Tarkett's goal, fixed in 2019 as part of its Change to Win strategy, is to reduce this frequency rate to 1.0 by 2025.

This indicator (FR1t) measures the number of accidents with or without time lost, per million hours worked.

Tarkett noted progress in all plants on incident reporting, with more near misses and unsafe acts being reported and analyzed. Following the Heinrich's pyramid approach, it is identifying and eliminating unsafe acts, unsafe conditions and near misses (non-injury incidents) that lead to overall reduction in probability of accidents with injury.

We also monitor accidents concerning our teams outside of factories (in administrative buildings and for the sales network). Since 2018 Tarkett's WCM experts cooperate more closely with Division teams to share best practice and guidance on safety in the sales networks. In 2019 new safety rules for sales networks and offices were drawn up and shared. These set out mandatory and recommended behaviors for employees in sales networks and offices, covering visits to industrial sites, handling samples, driving, working in warehouses and offices. In Australia, Tarkett local teams implemented a work health and safety (WHS) management system including policies and a WHS Committee which holds regular meetings and reporting.

Caring for the health and well-being of our workforce

### 3.10.2 Caring for the health and well-being of our workforce

Tarkett knows the successful execution of its Change to Win strategic plan depends on its teams, their talent, and their commitment. Tarkett values its employees and respects their needs for good, safe working conditions and fair compensation. Tarkett is committed to upholding local regulations on working conditions and meeting market practices on pay and benefits. Most critically, Tarkett puts employees' health and safety first and has continued in 2020 to demonstrate this through the company's response to the pandemic and Tarkett's continued focus on safety, every day, everywhere.

#### Putting people first: responding to the unprecedented COVID-19 pandemic

As the coronavirus began to spread, Tarkett's CEO quickly reiterated Tarkett's care, above all other considerations, for its employees' health and well-being. He confirmed that as a "corporate citizen", Tarkett supports the efforts to slowdown the spread of the virus and that as responsible individuals, employees should respect the guidance on social distancing and sanitary measures.

To increase the opportunity for employee development during the sanitary crisis and give people ways to invest some of their available time in quality developmental activities, a COVID-19 learning hub was created to share good practices globally amongst all entities. Online training was promoted with webinars and online training material on topics such as remote working, leadership, business ethics, safety, sustainability, and marketing.

Tarkett's local management and human resource teams relayed and regularly updated information from official sources on the pandemic, symptoms, the key sanitary measures to prevent the spreading of the virus, along with online company guidelines, messages from senior management and various other resources to help support our employees manage the stress and adapt to the new working conditions:

- > In those locations where Tarkett needed the presence of team members, such as in plants and distribution centers Tarkett ensured continuous **rigorous cleaning, enforcement of social distancing and requiring masks** as part of our PPE (protective personal equipment). Where positive tests were reported, Tarkett ensured contact tracing of the infected individual and notified anyone who may have come into close contact so they could be tested and if necessary, shut down production lines to complete thorough cleaning.
- > **Tarkett North America**, provided regular information and support services, including webinars and information resources on topics such as effectively organizing virtual meetings, tips on working effectively from home, managing stress and frequently asked questions. A task force was created to quickly address remote working capabilities, ensuring access to internet as well as access to other specific tools. In June, a specific employee feedback COVID-19 survey was organized to get input on efforts, to see what was working well, what could be done differently and how better to work together moving forward. The survey received a great response with 650 people sharing their thoughts and feedback on Tarkett's local response to the pandemic.
- > Tarkett **Australia** developed an extensive COVID-19 management system with regular communication to employees.
- > **Tarkett's eastern European division** organized support for employees with a coach / psychologist available to help with stress and anxiety, a virtual coffee room to help maintain contact and togetherness.
- > In **Italy**, home working was facilitated to limit the number of staff in the offices where sanitary protocols were implemented with adjustments to shifts at the plant to ensure the respect of social distancing.
- > In **Sweden**, our two plants acted to limit the spread of the virus, applying social distancing, sanitary protocols, adapting shifts, limiting visitors to plants, stopping travel, and applying temporary furlough especially for vulnerable employees.
- > In **Luxemburg**, at our plant and at our innovation center measures were taken to apply social distancing and ensure the provision of masks, disinfection kits and the clear communication of hygiene measures. On the job training was organized to increase polyvalence of workers to maintain operations in the absence of certain key production line staff.
- > In **France at Tarkett's La Défense** global headquarters, managers received specific training on providing support to employees during the unprecedented period, from the implementation of remote working, to the preparation of the return to the office, including the importance of maintaining daily contacts with teams and to being aware of nonverbal employee feedback. Webinar guidance was provided to present to employees the new office rules in the post-confinement period. A psychological hotline was made available to all employees.



Caring for the health and well-being of our workforce

- > In our sports division, support teams adapted quickly taking office-based meetings and communication online. For example, all employees at our North American sports head office in **Montréal (Canada)**, were remote working, apart from those needed to be onsite. A protocol was prepared with guidance for construction and installation workers as well as office workers. All Tarkett Sports team members were trained on the Tarkett Sports COVID-19 policies, prevention, and response measures.

#### Deploying Tarkett's Safety Net

Following a worldwide review of employee benefits in 2018, Tarkett decided to implement a global program to ensure minimum benefits globally on hospital costs and life insurance. The review confirmed that there were no breaches of local regulations, however identified an opportunity in certain countries to improve minimum benefits for employees related to hospital costs and compensation in case of death. This program, known as "**Tarkett's Safety Net**", began in 2019 and has been progressively implemented. The requested minimum level of one year of base salary in case of death was effective for 53% of total employees at the end of 2018. At the end of 2020, more than 90% of employees worldwide are now covered by this minimum, including countries with an important number of employees such as Serbia or Russia. The deployment for hospitalization coverage is also progressing well. Tarkett has presented and discussed the program with worker representatives, where relevant, in each country.

For example, our **Mytischi plant (Russia)** is mapping, benchmarking and progressively completing its employee assistance program. It includes medical and accident insurance, periodical medical check-ups, annual vaccinations along with coaching and initiatives on health and well-being, such as ergonomic audits for new workplaces, a weekly health day raising awareness on specific topics, shift-worker health management, subsidized fitness center, stress management and work-life balance training.

In **Germany at our Konz plant** actions included a health day focused on back health and first aid courses.

#### Working time

Tarkett complies with laws and local regulations concerning working hours, compensation for extra hours or atypical working hours and for leave. Tarkett develops frameworks in each country to adapt to local requirements and market practices for working hours and leave and where relevant negotiates them with worker representatives.

In the US, where paid holidays are not imposed by federal or state authorities Tarkett provides 10 days of paid holiday for national holiday dates as well as a flexible system of paid time off. The paid time-off (PTO) combines vacation, sick time, and personal time into a single bank of days for use when employees take paid time off from work. This gives employees the opportunity to enjoy time away from work to help balance their lives. It recognizes that employees have diverse needs for time off from work and provides for a flexible approach to time off. Employees are accountable and responsible for managing their own PTO hours, allowing for adequate reserves if there is a need to cover illness, appointments, emergencies, or other situations that require time off from work.

#### Occupational health and well-being

For example, **Tarkett Australia** continued to develop its wellness program, adding a series of wellness emails to its existing online program educating and encouraging employees to make behavioral changes around nutrition, physical activity, stress management and sleep, to improve their health and wellbeing. Online training on mental health awareness, prevention and management was provided to all employees with two managers receiving mental health first aid officer training and all managers receiving training in how to identify mental health issues and how to provide employee support.

Caring for the health and well-being of our workforce

**Tarkett North America** division developed a new employee assistance program with support services provided through Carebridge corporation. These included webinars on "stress relief: parenting during the pandemic and on "keeping your family emotionally healthy and resilient – COVID-19".

### Example

#### Natural light, healthy indoor air quality and height-adjustable furniture for Tarkett's new German branch office

Tarkett moved its German branch office, with approximately 90 employees, to a new location in Ludwigshafen (Rhineland-Palatinate), Germany, in 2020. Sustainability, functionality, comfort, and design were particularly important aspects for the new offices. Indoor climate comfort is assured with an innovative heating, cooling and ventilation concept with temperature-controlled water flows in the ceilings and floors to provide pleasant radiant heat in winter and gentle coolness in summer. Lots of natural light, optimized LED lighting concepts, constant fresh air and a beautiful design along with high energy efficiency for more climate protection are combined in the innovative office building system which uses geothermal energy and green electricity. The building, where Tarkett occupies the top two floors, seeks certification according to the gold standard German Sustainable Building Council (DGNB). The offices are divided into modern open spaces with height-adjustable furniture, retreat niches, common rooms, a terrace, and meeting rooms, including a new showroom with changing exhibitions to give visitors an overview of our current product range. Tarkett flooring, such as Desso AirMaster carpet tiles, contribute to healthy indoor air quality.

### Flexible working

In the face of the COVID-19 crisis, Tarkett responded quickly to implement further flexible working arrangements. Solutions were developed locally, building where relevant on existing practices, and taking into full consideration local authority guidance and rules. For example:

- > **Tarkett Australia** continued to provide flexible working arrangements including working from home (remote working) and staggered working hours have been provided to help employees balance work and life. Remote and part-time work are also available for a transition period to employees unable to attend the office and to work full-time hours due to health restrictions. To facilitate remote working, Tarkett is transitioning product information resources and administrative activities online as well as providing new laptops and better connectivity for easy access/web base interface to improve productivity and provide flexibility for employees where possible.
- > **In France**, Tarkett signed a collective agreement with worker representatives on remote working for employees at its La Défense global headquarters. The agreement, effective from the 1<sup>st</sup> of January 2020, allows for one day per week remote working and confirms that remote workers maintain the same benefits and working conditions and that where necessary they are equipped with a laptop computer and headset.
- > At **Tarkett's Sedan plant (France)**, a remote working collective agreement allowing up to 4 days of remote work per week or 1 to 2 weeks per month was signed in 2018. This enables all permanent employees to work remotely, where compatible with the nature of their work and with their manager's approval. This arrangement contributes to a better work life balance and less stress for employees as they manage their professional responsibilities and their domestic needs.
- > At **Tarkett's La Défense office**, a flexible approach was taken at the end of the official lock-down period in mid-May, with workers not obliged to return to the office from day one. Offices opened to all employees from June 2<sup>nd</sup>, however only on a voluntary base and only after having received training on specific social distancing and sanitary rules. Other measures included introducing rotating calendars, with people being allocated presence on blue or green days to limit the density of people in the offices and applying flexible hours to help workers avoid peak hours in public transportation.

Encouraging diversity and inclusion

### 3.10.3 Encouraging diversity and inclusion

We believe that building diverse teams allows us to be more creative and comprehensive in the solutions we offer to our customers and partners around the world, more attractive to new generations who aspire to enrich themselves from this diversity, more open and inclusive in the way we work together for Tarkett's success. Our ambition is to create a more inclusive culture and build teams that reflect the diversity of our society and our customers all over the world (nationalities, origins, background, gender, generations), with everyone feeling empowered to bring a broad range of views and talents to work every day.

Diversity and Inclusion is one of the five pillars of Tarkett's global Talent Management Guiding principles. Defined as creating a diverse and inclusive environment where all perspectives are heard, respected, and valued.

The fundamental principles of non-discrimination and equality are an integral component of our Code of Ethics and our Human Resources policies, for daily use by all employees. These principles cover issues including equality between men and women, respect for the rights of disabled people, age diversity, maternity rights, and benefits, as well as non-discrimination on the basis of sexual orientation, ethnical background, nationality or religion.

Tarkett cares deeply about the principle of diversity and inclusion, and defends equal treatment for men and women. In 2020, in line with the revised AFEP-MEDEF governance code, Tarkett proposed to the Supervisory Board a new target of 30% of managers and executives to be women by 2025. The Nominations, Compensations and Governance Committee of the Supervisory Board approved the proposed objective which applies to a population of more than 1,700 managers, including Tarkett's executives.

Tarkett is deploying at all levels of the organization this objective as well as promoting locally the adoption of complementary diversity objectives that respond to local priorities.

Tarkett aims to achieve this new objective by strengthening its action plan on gender diversity, which includes benchmarking, setting local objectives, developing the female talent pool, increasing our attractiveness to female candidates, and raising awareness amongst our teams. These actions build on current initiatives to promote the role of women within the company, notably through internal mobility or during the external recruitment process where at least one female candidate is included in each recruitment shortlist. We track progress by monitoring the share of women among different categories of managers and the share of open management positions filled by female candidates.

In Germany, Tarkett participated to various events aimed at promoting women in industry, such as "Girls with MINTeresse" (Girls with interest in Mathematics Informatics Natural science Technology) an event organized with a job center for young women who are looking for training or retraining to get to know our professions at first hand by visiting our plant.

#### Zoom on key indicators

##### Parity between men and women

Several indicators allow us to monitor the share of women managers in the company.

Firstly, in the general population of managers, the share of women at the end of 2020 is 26% (i.e. 449 women among 1,737 managers), very slightly down compared to previous years (27% in 2019, 2018 & 2017). Tarkett aims to increase the share to 30% by 2025 with a greater focus on the deployment of specific actions and monitoring new metrics, such as tracking the share of open management positions filled by female candidates, which began in 2020 (31%).

Secondly, the share of women among top senior executives, corresponding to the Executive Management Committee and those reporting to them was stable in 2020 (25% in 2020, or 18 women out of 72 top senior executives, compared to 25%<sup>1</sup> in 2019, 27% in 2018, 24% in 2017 and 18% in 2016).

Following changes in 2020 in the Executive Management Committee, two females and one male joined (respectively the new Group Research and Development and Operations Executive Vice President, Group General Counsel and Group Sustainability Officer), bringing the share of women to 30% (compared to 18% in 2019 and 27% in 2018). Lastly, the share of women in the Supervisory Board is stable with 44% (in compliance with French regulations and AFEP-MEDEF Code). In November 2020, a female employee representative was nominated to the Supervisory Board joining the existing male employee representative.

[1] Restated in 2020, the previously stated 30% for 2019 included managers who were temporarily reporting to members of Executive Management Committee, however who are not considered in the category "top senior executives".

## Encouraging diversity and inclusion

In France, Tarkett calculated and published, in accordance with the legislation on gender equality (French "Act for the freedom to choose one's future career"), the "**Gender Equality Index**" for its three legal entities. The index is comprised of five indicators covering gender pay gaps, differences in individual salary rises, promotion differences, the percentage of female employees with salary rise following maternity leave and female representation in the top 10 salaries. In 2020, Tarkett (corporate teams in France) scored 92/100 (vs 90 in 2019), Tarkett France (teams from flooring activities in France) scored 87/100 (vs 82 in 2019) and FieldTurf France maintained its score of 92/100. These results demonstrate Tarkett's commitment and continuing efforts on gender equality and notably gender pay equality in France. For several years, part of the pay rise budget in France has been allocated to reducing the pay gap between men and women.

Over and above gender diversity Tarkett is also attentive to other aspects of diversity and inclusion. For example, in some locations Tarkett has an aging workforce and so is locally focused on recruiting young candidates. In that respect, in **France, our Sedan plant** has developed partnerships with local universities to help increase the visibility and awareness of opportunities at Tarkett for internships and apprentices as the plant looks to increase the generational diversity with young employees. In 2020 the plant welcomed 10 apprentices. In addition, the local human resources team takes this opportunity to try to bring other sources of diversity to the production. For example, taking advantage of the peak of activity during the summer period, it hired 4 people over 50 years old, 3 women and several people receiving work welfare benefits. In some cases, the plant is able to retain these workers in more permanent roles, which was the case for 2 previous senior workers who received fixed term contracts and a female worker who is still present today.

**Tarkett North America** partnered with Korn Ferry to develop an integrated Equity, Diversity, and Inclusion (EDI) program, a comprehensive approach involving and interviewing experts, organizing focus groups, data analytics, a process/policy review and employee feedback. Specific actions included an EDI survey among employees and hosting a three-part webinar series intended to help staff to listen, learn and understand to become advocates for change around equity, diversity, and inclusion. Two employee resource groups (ERGs) were created led by members of senior management. These groups are voluntary, employee-led groups which aim to foster a diverse, inclusive workplace by bringing together individuals based on common interests, backgrounds, or demographic factors such as gender, race or ethnicity. In addition, an EDI pilot program was launched in 2020 at an Ohio based production facility to enhance internal understanding.

In **Australia**, Tarkett developed and published to all employees an anti-violence, anti-harassment and anti-bullying policy.

Depending on the country, the local regulations permit or not the identification and tracking of **people with disabilities** within the company. For this reason, it is difficult to determine a unique global indicator to track progress in this area. In 2020, the share of Tarkett's disabled employees identified as such was 1%.

Tarkett is working to facilitate the integration of disabled employees in the work environment, through the implementation of concrete measures at the local level. For example, at **Clervaux (Luxembourg)**, we work with a state agency to help adapt the workstations for disabled employees. At Sedan (France), we have a partnership with CapEmploi, an unemployment agency specialized around the employment of disabled professionals. In November 2020, the Sedan plant participated in the European Disability Employment week with a Duo Day. The Duo day, an event promoted by French government, provides an opportunity for a person with a disability to discover a company by spending time with an employee, learning about their role and the company. Both the employee and the disabled person come away richer, the employee with a different perspective on inclusion and the disabled person a step further in their professional project.

At our **Hanaskog plant in Sweden** we have cooperated with government initiatives to facilitate the integration of long-term unemployed people, notably immigrants. Faced with an aging workforce the plant has been looking for opportunities to integrate younger generation workers. This was achieved through the government initiative which involved taking on individuals to gain practical work experience and training over a two-month period, before providing short- or long-term employment opportunities. During 2019, 18 individuals benefited from the program, with 8 being hired on a short-term contract and 2 immigrants coming from war zones being hired permanently. In 2020, 2 more employees, who were on short-term contracts, were hired permanently. In a similar manner our **Ronneby plant in Sweden** has provided opportunities to immigrant workers with the assistance of a staffing and training company which is participating in the same government initiative to facilitate the integration of long-term unemployed people.

## Applying our Talent Management Guiding Principles

In 2020, Tarkett completed a **global job grading project** with the support of a leading consulting firm. By establishing broad equivalences in roles and contributions across organizational and geographic boundaries we aim to promote internal consistency aligning pay to performance and market practices in a consistent, fair, and competitive way.

Together with the new Tarkett Global Job Catalog, backbone of Workday, developed and fed with the global grading project outputs, this will contribute to our company's goals on internal mobility and diversité.

### 3.10.4 Applying our Talent Management Guiding Principles

#### 3.10.4.1 Identifying and promoting talents

Tarkett's more than 12,000 employees are an essential asset and the leading actors in achieving our goals, making the Human Resources function highly strategic. While Tarkett has grown as a result of many acquisitions, the sense of belonging to the Group is very strong. This is the result of a Human Resources policy that has both preserved entrepreneurial spirit in the field, and the advantages of an international group.

To further support Tarkett's growth and talent development, we have strengthened our Human Resources management and talent development by clearly establishing global **Talent Management Guiding Principles**, which are based on five main pillars:

1. **Diversity and inclusion** : Create a diverse and inclusive environment where all perspectives are heard, respected, and valued
2. **Empowerment** : Drive ownership and deliver results
3. **Engagement** : Create a positive Employee experience that exemplifies Tarkett values
4. **Excellence** : Expect and enable sustainable high performance
5. **Growth mindset** : Focus on continuous learning and growth

These principles, which build on the previously developed Talent Philosophy, focus on how to nurture talent, for example by, systematically promoting internal mobility, recruiting outside high potential candidates, always fostering talent diversity; developing our people, expecting and enabling high performance with ambitious goals and regular feedback; promoting continuous learning and anticipating developmental career moves.

The global talent team, created in 2019 by the Group with talent directors in our **EMEA, Eastern Europe and North American divisions**, continued to exchange regularly in 2020. The team discussed and aligned on Talent Management processes, tools, and principles; shared divisions' initiatives and reviewed internal mobility desires and openings with the aim of generating more opportunities and more cross-division and cross-function movements. As one of its outputs, this team has co-built, developed, and proposed to the Group HR Core Team the Talent Management ambition and detailed guidelines for each area of Talent Management function. These Talent Management Guiding Principles have been declined into new rules and processes and implemented into our new HRIS Workday. The presence of the team has reinforced the one-Tarkett approach, the identification of synergies between Divisions and with the Group and generated savings.

In order to leverage the One-Tarkett approach in Talent Management, each Division Talent Director (together with Group HR Development team) has taken a Global Functional lead, in addition to their Division Talent Management responsibilities. These cover Operations, Supply Chain and R&D; Sales, Marketing, Innovation and Digital; Finance, IT, Legal and HR. The Global functional lead's missions are to support the development of career opportunities within the function at international level, and to capitalize on division good practices to build global development initiatives for their respective function, in partnership with the Group and Division leaders, and the HR community.

Another priority action of our "One Tarkett, Agile and Performance-driven" strategy is to promote and develop **Tarkett's seven entrepreneurial leadership traits**: Think business, Accountable, Risk for results, Kind to customers, Empowers collaboration, Talent developer and Thorough. These seven traits are included in the annual performance appraisal tool (for all non-blue-collar employees), with examples provided of the corresponding behaviors expected at each level in the organization. In addition a guide for the human resources network is available to help the understanding and the application of the traits along with another specific guide to help managers and HR professionals better identify the seven traits in the recruitment process.

## Applying our Talent Management Guiding Principles

The **360°-feedback survey**, launched in 2019, provides another opportunity to analyze the way managers embody the leadership traits and to accompany them to identify areas for development and to initiate action plans with the support of a neutral HR Coach. The feedback process includes feedback from colleagues, team members, managers, and other relevant people. To date 178 managers have benefited from this process collectively receiving feedback from over 2 500 people. Each manager is debriefed by an HR coach to help identify the main areas for development and draft the first action plans. Based on the 360°-feedback to date, the importance of diversity and safety at work have come out as the highest rated qualities of these managers. Finally, various training programs were updated, integrating the leadership traits.

## Example

## Our compelling employee value proposition

To promote the expertise of its teams, the career development opportunities, and the work experience within the Group, Tarkett decided to launch in 2017 a plan to promote its employer brand, both internally and externally. The objective is to attract the best talents and to value the teams within the Group. A specific career website (<https://careers.tarkett.com/>) was created with employee testimony videos to inform about company's jobs and culture. Three Tarkett promises as an employer were defined for this new policy:

- > « *Expand your horizons. Together.* - Because Tarkett offers a rich working environment through the diversity of its clients, its range of jobs and its geographic coverage, creating development opportunities for its teams.
- > « *Change the game. Together.* - In line with our entrepreneurial roots, we expect our employees to actively take initiative and we create a trust-based, empowering environment so that they can fully express their talents and personalities, directly contributing to the success of the Group.
- > « *Design the future of society. Together.* - By having a long-term vision, Tarkett invites its employees to make CSR and sustainable development issues a part of their decisions, their operations, and activities, to design sustainable economic models.

In Australia in 2020, our HR teams have capitalized on Tarkett's employee branding, sustainability commitments and initiatives in recruitment with Tarkett's commitment to improve the well-being and health of customers by focusing on manufacturing sustainable products a key value to attract and retain the talent inside the business. Tarkett recognizes that work-life balance and flexible working options are becoming more important to engagement, attraction, and retention. Tarkett Australia has become much more digitally focused to streamline communications and availability of information and improve employee and candidate experience through implementing Workday, utilizing video conferencing for meetings and interviews, online training programs and online training presentations.

Tarkett has developed several successful internship and recruitment programs with top engineering schools such as its partnership with the 'Ecole des Mines de Nancy' in Clervaux (Luxembourg) which includes Tarkett's participation to job days and conferences organized by the school as well hosting plant visits for the students. Narni (Italy) has also established partnerships in recent years with 4 universities, a specialized academy and 5 secondary schools, offering regular work experience placements. Local managers give lessons on quality, safety, environment and human resources strategy at the schools and students have the opportunity to visit the plant (350 attending the Narni Green tours in 2019). Wiltz (Luxembourg) has a program for taking Ph.D students on specific research topics such as the resistance of different surface treatments to use or the interaction of flooring and light. Other Tarkett plants have developed similar programs such as Sedan (France), Konz (Germany) and Lenham (UK) in EMEA and Bačka Palanka (Serbia) in Eastern Europe. In the United States, Tarkett has a national internship program which works with a number of universities and schools in different states providing opportunities to interns in both corporate and technical/manufacturing functions at its sites (in Georgia, Alabama and Ohio) and head office in Solon (Ohio).



## Applying our Talent Management Guiding Principles

**Tarkett organizes ongoing talent review and development with the following key processes:**

- > **The Performance and Development Review:** this annual interview is the foundation of our performance management system. It is an opportunity for managers and their teams to spend valuable time together to engage in a constructive, attentive dialogue. From the company's perspective, this allows us to understand the career goals of our employees and to assess their progress.
- > **The Talent Review** is a structured process which aims to assess career opportunities against the company's long-term needs and the mobility options for our employees. It involves people from the management and Human Resources team during regular meetings where anticipated organizational changes are examined in accordance with the needs and business environment of the company and considering the skills, potential and career development goals of employees. The Talent Review, which mainly concerns managers, experts, and critical positions essential for the Group's operations and expertise, makes it possible to define succession planning and internal mobility.

- > **The WCM program development plan** has the objective to identify key skills for implementation of the WCM program and achievement of industrial objectives. Structured WCM training programs are implemented in factories in the light of the priorities there, with the aim of developing the growth potential of all employees, whether they are senior executives or workers.

**Zoom on key indicators****Performance and Development Review**

50% of Tarkett permanent employees had a Performance and Development Review (or equivalent) in 2020, compared to 55% in 2019 and 53% in 2018..

**3.10.4.2 Facilitating learning & development programs**

We are convinced that training programs are key to helping our employees develop and deliver on our ability to accelerate our development and to strengthen our customer centric capability. In 2020, Tarkett's ability to deliver its training and development program was severely impacted by the global COVID-19 pandemic. Tarkett worked to facilitate online training more adapted to the remote working conditions as well as ensuring training on essential topics such as product knowledge, sustainability, health and safety, remote working and compliance:

- > Various **trainings on health, safety and environmental topics** are delivered on the plants as part of the WCM program.
- > We have developed **targeted training programs on sustainability**, mainly for our sales force and marketing teams, to leverage our approach and the sustainability features of our products. In the **EMEA division**, Tarkett provides support and training to marketing and sales teams to help them communicate on Tarkett's commitment to transparency and sustainability, and to value it as a key differentiator. Training modules and webinars exist on specific topics such as Cradle to Cradle® principles, circular economy, product transparency and Tarkett products' sustainability benefits. **Tarkett North America** implemented a Sustainability Leaders program, training 10 regional Sustainability Leaders to become LEED associates (LEED credentials are delivered by the US Green Building Council – USGBC and denote proficiency in sustainable design, construction, and operations standards). These sales professionals are trained on sustainability in

general and on Tarkett's approach to sustainability with regular training and monthly webinars. They will be focused on the 10 top major markets for sustainability driven projects. In 2020, Tarkett developed a second training program for our North American showroom managers. They are trained and support our field team and customers who are looking for sustainability information. In **Australia**, in addition to sustainability and well-being presentations for new employees, Tarkett partnered with a certified consultant for the WELL™ standard, to deliver a training program for the senior sales team to understand how our products comply with the WELL™ standard for healthier buildings. Tarkett is engaged in raising awareness and sharing knowledge with employees on sustainability topics notably through regular newsletters, webinars, and events. For example, Tarkett North America extended the recognition of Earth Day throughout the month of April, highlighting best practices, goals, and actions, including supporting a clean water program 'Fill it Forward'. This initiative promoted the use of reusable drinking containers, with a donation made to a clean water project each time participants refilled their container. Tarkett's Nordic sales region (**Sweden, Finland, Norway, and Denmark**) organized internal sustainability webinars for Tarkett employees covering topics on recycling, circular economy, sustainability characteristics of modern vinyl flooring and Environmental Product Declarations (EPDs). The sales teams in **Germany, Austria, Switzerland, and Spain** also received training on product certification and transparency tools (C2C & MHS) and on indoor air quality.

## Applying our Talent Management Guiding Principles

- > Continued **compliance training** focusing on fair competition and anti-corruption, consisting of customized e-learning modules (see section 3.2.4 Our commitment to high ethical standards) as well as in-person training for staff most exposed to corruption and competition risks.
- > We moreover train our employees and **develop their competences through experience**, by having them participate in cross-functional initiatives and multidisciplinary projects, and by encouraging best practice sharing and knowledge transfer (for more details see section 3.10.4.4 Sharing expertise and recognizing achievements).

**Promoting online training during the COVID-19 remote working period**

The Group HR team set up a global COVID-19 learning hub to increase the opportunity for development during the sanitary crisis and give people ways to invest some of their available time in selected developmental activities. Online training was promoted with webinars and online training material on topics such as remote working, leadership, business ethics, safety, compliance, sustainability.

In Europe, our training teams developed new content and provided online training for our Marketing / Communications teams and Sales Networks, especially during the COVID-19 remote working period. Sustainability topics, such as indoor air quality, circular economy, Cradle to Cradle eco-design and ReStart collection and recycling were covered as well as detailed content on product portfolios.

In Australia, our sales team completed a product and segment refresher online training during the COVID-19 work from home period, with other employees completing computer and soft-skill trainings.

The learning and development team in Tarkett's North America division developed a comprehensive solution selling development program for our integrated sales teams.

In Tarkett's Eastern European division our HR teams organized training during the COVID-19 period for 280 employees covering topics from finance, to WCM and sales. allant de la finance, au WCM et aux ventes.

**Example****A complete Operations Leadership Training program for plant managers was implemented in 2018 and 2019**

29 plant managers from 12 different countries (France, Spain, Belgium, the Netherlands, Luxembourg, Poland, Russia, Serbia, Ukraine, China, Brazil & US) participated in 2018 and 2019 in the Operations Leadership Program, consisting of three sessions of training organized at three different Tarkett production sites. The first session was dedicated to the challenges of developing a World Class Manufacturing culture and to the role of management beyond the WCM methodological and technical aspects. The safety dimension was of course included in this program. The second session was based on essential features from the Manager@Tarkett training and from project management techniques, adapted to the role of plant manager. The third session enabled the managers to put the training in practice through workshops, notably on project management, problem-solving methodology, leadership role, performance evaluation, and action plans resulting from internal employee feedback surveys. No new training occurred in 2020 due to the COVID-19 pandemic.

**Zoom on key indicators****Training**

34% of Tarkett employees were trained (at least 1 day) in 2020, compared to 58% in 2019, 60% in 2018 and 56% in 2017. This reduction comes as training programs were severely impacted by the COVID-19 pandemic and the associated social distancing measures, reduced activity and widespread furlough. Furthermore, this number does not capture all the online learning which was promoted and followed during the remote working period.

### 3.10.4.3 Fostering career mobility

The growing international dimension of the Group makes career mobility of great importance and offers employees motivating career perspectives. To foster career mobility opportunities, Tarkett has set up appropriate processes and tools:

- > **Tarkett Careers**, a platform for international mobility and recruitment is now powered by Workday: all non-confidential open positions will be accessible worldwide to every employee through the Workday interface. With all Tarkett HR processes now centralized in one place it will be easier for employees to consult Tarkett open positions more often. The Workday recruitment module also allows employees to share their background and career interest and to subscribe to receive recommended job opportunities based on preferences and profiles. Managers and Human Resources teams will also be able to exploit Workday to identify profiles and to manage and follow-up associated recruitment processes.
- > **The Talent Review process** focuses on internal career mobility, taking into account international mobility opportunities.
- > **Orientation documents** are available, such as the Internal Mobility Charter available to all employees via intranet, and the Mobility Guide, a reference document used by the Human Resources network.

All international mobility packages are aligned with Tarkett's international mobility policy, which includes preparation on new assignment, support on immigration, relocation, compensation, social benefits (medical and life insurance), tax advice, language lessons, cultural orientation, and facilitating return to home country. In addition to group action, local teams also facilitate and organize international moves.

#### Zoom on key indicators

##### Internal mobility

Tarkett set a new target of 70% internal mobility by 2025 which represents more than 2 out of 3 open management positions filled by internal candidates. In 2020, 56% of open management positions were filled by internal candidates, a decrease versus 2019, however still above the results of the preceding years (65% in 2019, 53% in 2018, 52% in 2017 and 45% in 2016). It can be noted that this drop comes in a specific context where overall the number of open management positions filled was down 19%, no doubt impacted by the sanitary crisis. In 2020, the sanitary context and lockdowns implemented worldwide have limited opportunities for international mobility, especially as we put our people's health, safety, and well-being first. When arriving in a new country, meeting new colleagues and getting adapted to a new host country culture are important criteria which could not be so easily assured. Current immigration restrictions in the US also limited possibilities for mobility to the US.

##### Share of open management positions filled with an internal candidate



### 3.10.4.4 Sharing expertise and recognizing achievements

The development of "collective expertise" is a key element to anticipate the changes needed in order to fulfil the company strategy. It involves sharing of expertise which also allows employees to improve their know-how, their employability, and their mobility. The company can thus value its talent pool and improve results.

Many initiatives and networks promote **expertise sharing and competency development**, for example:

- > We strongly encourage multidisciplinary teamwork, by bringing together employees from diverse backgrounds on projects taking place at the Group or division scale.
- > We also encourage networking, best practice sharing, internal benchmark forums (comparative analysis), as well as knowledge transfer.
- > Within the scope of the WCM program, we organize every year a series of specific meetings on one of the Tarkett manufacturing sites. The objective is to develop the skills of our experts in manufacturing processes and share knowledge in terms of operational excellence. These benchmark initiatives have been organized within the Group's plants since 2012.
- > The WCM program also encourages plant operators to get involved and propose ideas for improvement, hence becoming actors in the development and improvement of their working environment.
- > The **Tarkett Expert Program**, launched in 2015, capitalizes on the technical expertise of our Research & Development and Operations teams. Our objective is to use the know-how of our technical experts, and to help them develop their long-term career development, via tutoring, training and knowledge sharing. This network is supported by a dedicated IT platform where each Tarkett Technical Expert is present with a clear mention of their expertise, thus facilitating their identification by other technical experts and the connection between them, as well the use of their expertise by other "Technical Expertise consumers". Additionally, they can identify and contact, through the platform, some external key Technical Experts, if expertise is not present at Tarkett. In order to boost the Tarkett Expert Program, an audit was made at the end of 2019. It has led to a new review of critical expertise with a gap analysis, the strengthening of industry 4.0<sup>1</sup> aspects, the review and update of participants to the program, and to the building and deployment of new action plans with greater emphasis on the animation and development of the Expert networks.

- > Regular internal communication, through emails, podcasts, newsletters, and events to share local and group news and information.
- > **Dedicated support for our new Global Innovation program managers.** Tarkett organized tailor-made training programs for the 7 new Global Innovation program managers at Tarkett's innovation center in Wiltz, Luxembourg. With the support of the HR function, the training programs were co-developed by our Group Innovation Director, our Group Director of Prospective & Opportunity Exploration and with the external collaboration of the House of Training of Luxembourg. In addition to the training, they have also gone through some psychometric assessments and been debriefed so they can improve their self-awareness, identify behavioral areas for development in link with their new function and benefit from adapted development plans. To round it off they received the 360° feedback survey.

Tarkett also recognizes its teams, successful initiatives and best practices through its renowned **Tarkett Awards** program initiated in 2010. The goal of the awards is to encourage exceptional achievements, collaboration, and teamwork.

The 2019 edition rewarded 7 projects out of more than 300 submitted. One project was recognized by the CEO ("President Award"), one selected by employees and five others selected by divisions. Among the winning projects, several were related to safety and the circular economy such as:

- > a Family Safety Day at Bačka Palanka (Serbia) where family and friends participated in activities organized on site to develop safety awareness, applicable both at home and at work;
- > the carpet recycling center in Waalwijk (the Netherlands) – see section 3.6.2.1 Working collectively towards a circular economy;
- > ProMax HydroFlex infill using recycled end-of-life artificial turf produced on a new line at our MET plant at Abtsteinach (Germany).

The 2020 edition was cancelled due to the COVID-19 crisis.

<sup>1</sup> Also known as 4<sup>th</sup> industrial revolution, related to the ongoing automation and use of smart technology in manufacturing

### 3.10.5 Promoting social dialogue

#### 3.10.5.1 Listening to employee feedback

To efficiently organize on-going dialogue with all employees, across all our sites, we conduct an internal employee feedback survey every two years. The survey covers all the Group's divisions and functions and includes all employees worldwide. It is translated into 17 languages, is totally anonymous and entirely overseen by an independent third party to prevent any bias. It consists of 69 questions organized in 15 different categories: employee engagement, employee enablement, loyalty and engagement, empowerment and accountability, performance management, communication, management, training and development, entrepreneurial leadership, teamwork and collaboration, work organization, ethics and integrity, leadership, company image, World Class Manufacturing.

Exceptionally this year Tarkett decided to delay the feedback survey until 2021, concentrating instead on supporting employees with the response and adaptation to the COVID-19 pandemic. In the last feedback in 2018, 88% of employees, representing 10,635 people, participated in the survey (vs. 89% in 2016). The high participation rate reflects employee commitment and confidence in the independent nature of the survey, and in the fact that results are acted upon.

For the 2018 edition of the internal employee feedback survey, while some results may significantly differ depending on the divisions, functions, or countries of operation, Tarkett's employees generally appear to be rather satisfied with their work situation, which is demonstrated by some significant progress:

- > Out of 54 comparable questions between 2016 and 2018, 26 have improved significantly, primarily around management (notably regarding the ability by managers to develop and empower their teams, the care and concern they demonstrate for their teams, and how they provide feedback), communication of the Group's strategy and commitment to the success of Tarkett.

- > Results are moreover generally higher than the industrial benchmark: out of 44 questions having a benchmark, 29 are above the industrial norm, especially on the topics of safety, environmental responsibility, interest in work, ability to make good use of skills, understanding of how performance is evaluated, belief in the success of the company and intention to stay a long time.

At both the scale of the Group and locally, the Tarkett employee satisfaction survey is an invaluable and used management tool. Based on the analysis of the survey results, each site / entity develops a customized action plan to be implemented at the local level. These local plans are reinforced by action plans determined at the Group and division levels, and consistently implemented.

In 2018 and 2019, our teams developed more than 400 action plans across the globe based on the results of the 2018 survey.

In 2020 Tarkett's North American division continued to measure progress on its follow-up to the biennial employee engagement survey. Tarkett worked with a third party, ensuring anonymity, to deploy a short survey to track progress on key metrics, to measure results of action plans and initiatives, to adjust initiatives where they were not having the intended impact and to gain employee feedback on recent events. More than 90% of surveyed employees agreed that Tarkett North America had taken appropriate action in response to the COVID-19 pandemic and that the organization had provided clear, effective communication regarding the COVID-19 pandemic.

Promoting social dialogue

### 3.10.5.2 Maintaining social dialogue

The regulatory scope of dialogue between employers and employee representatives varies from one country to another. However, in addition to respecting local labor legislation, Tarkett applies in all the countries in which it operates the same respect for its fundamental values and principles of freedom of association, and in particular respect for trade unions.

The Tarkett Forum, the Group's European works council, provides a platform for social dialogue in Europe. Several times per year, this council brings together trade union representatives of our main European sites to dialogue with Group Management, including our CEO. This council strengthens cooperation and social dialogue and focusses on issues pertaining to the general functioning of the company and discusses HR issues common to different sites and countries in Europe. In 2020, the Tarkett Forum held four meetings, some virtual, to discuss among the other topics, the COVID-19 pandemic, its repercussions on the business and financial situation as well as Tarkett's response to safeguard employee health. Other topics discussed include safety, the global Workday HRIS implementation and Division strategic projects.

### 3.10.5.3 Establishing collective agreements

Tarkett is committed to respecting, in addition to the legal obligations specific to each country, employee freedom of association, collective bargaining and representation. We apply these principles without exception and in the same way in all countries where the Group operates.

In line with this policy, 153 collective agreements are in place at Tarkett, and 18% of which cover issues related to occupational health or safety. The agreements cover a wide range of topics such as compensation and benefits, overall work time, work organization, remote working, and employment classification. They apply in 16 countries where Tarkett engages

During the COVID-19 crisis Tarkett increased dialogue and concertation with worker representatives to co-elaborate and define measures adapted to the local context. For example, in France the sanitary crisis and related adaptations towards working arrangements were fully discussed with worker representatives.

At Tarkett's 2020 annual general meeting in April, shareholders voted to amend Tarkett's articles of association to comply with the French PACTE law (Action Plan for Business Growth and Transformation) regarding employee representation in its governing body. Subsequently, Tarkett's Social and Economic Committee engaged procedures to identify a female candidate to ensure gender parity amongst the two members of Tarkett's Supervisory Board representing employees. This new female employee representative started her mandate with the Supervisory Board in December 2020.

in sales and / or industrial activity. In December 2019 a new collective agreement on remote working was signed for Tarkett's global headquarters La Défense site for corporate and EMEA division teams. This remote working arrangement meets a dual objective of performance and better work-life balance, while maintaining team spirit and social ties with the company and the working community. In 2020 a new profit-sharing agreement was signed for the period 2020-2022 covering the employees at Tarkett's La Défense site. This agreement carries on from the previous one, which already granted profit sharing allowances to employees.



Promoting social dialogue

### 3.10.5.4 Accompanying the changes and adjustments of the workforce

Tarkett has a mid and long-term vision of its development plan and strives to ensure profitable, sustainable growth. The Group is committed to growing the skills and employability of its employees, not only to allow each individual to contribute and to grow within the company, but also to anticipate and support the evolution of the organization. Whenever possible, the Group strives to anticipate the consequences of variations in activity. In case of reduction in activity, the Group may be called to occasionally or structurally downsize. Adapting work organization to the activity level, downsizing or restructuring plans are carried out in compliance with local regulations and the principles of the Tarkett Code of Ethics, in consultation with employee representatives. Within the scope of measures to adjust to reduced activity, Tarkett seeks above all to adapt work organization (taking paid vacation, reorganization of work time, partial unemployment, etc.), reduce temporary employees (interim and fixed term contracts), favor internal re-employment solutions, and include social criteria for people leaving the company (retirement, age, career, or personal projects).

2020 was marked by the COVID-19 pandemic, where Tarkett's first concern was to ensure the health and safety of its teams. The pandemic also created significant economic disruption, which led Tarkett to reduce its activity in response to lockdown measures which impacted its activities and that of its customers. During the COVID-19 period, Tarkett implemented a vigorous set of measures, covering all levels of employees in the organization, including: temporary lay-offs, furlough and reduction in working time in all locations concerned, including for support functions, in compliance with schemes proposed by local governments.

Following Tarkett's decision in 2019 to optimize its industrial footprint as part of its Change to Win strategy, the final closure, taking place during 2020, concerned the site at Goirle (Netherlands) which employed less than 40 people. Half of the employees were able to be transferred to the nearby warehouse facility at Waalwijk (Netherlands). The other employees received enhanced severance allowances as well as outplacement services.

In the US, Tarkett's artificial turf activity Easy Turf was reorganized. Redundancies were limited with some internal transfer to FieldTurf and through normal attrition. Lastly, Easy Turf facilitated interviews and ensured equivalent compensation and benefits for employment opportunities with its local contractor partner. About 80% of the 44 departed employees thus secured new employment.

Overall, the number of involuntary and voluntary departures dropped considerably in 2020 (more than 25% fewer departures compared to 2019). This reflects Tarkett's effort to maintain employment despite the downturn in activity due to the sanitary crisis, helped in part by local government measures to support furlough. Furthermore, it attests to our endeavors to put people first, focusing on the health, well-being, and safety of our employees with a humane management of the sanitary crisis. It probably also reflects the employees' needs for stability in this uncertain period. As a result permanent turnover is down to 13% in 2020 compared to 17% in 2019, 16% in 2018 and 13% in 2017.

## 3.11 Social and Environmental Report

### 3.11.1 CSR indicators dashboard

#### Social Indicators

GRI	Indicator	Variation 2020 vs. 2019	Variation 2020 vs. base year	2020	2019	2018
<b>Workforce</b>						
102-7a	Total number of employees (as of 31/12)	-3,4 %	-	12 160	12 592	13 255
102-8a	Total number of permanent contract female employees	-4,1 %	-	3 245	3 385	3 520
102-8a	Total number of permanent contract male employees	-2,6 %	-	8 123	8 338	8 855
102-8a	Share of permanent employees	=	-	93 %	93 %	93 %
102-8a	Total number of fixed-term contract female employees	-0,9 %	-	233	235	215
102-8a	Total number of fixed-term contract male employees	-11,8 %	-	559	634	665
102-8a	Share of fixed-term employees	=	-	7 %	7 %	7 %
102-8b	Total number of permanent contract employees	-3,0 %	-	11 368	11 723	12 375
102-8b	Total number of fixed-term contract employees	-8,9 %	-	792	869	880
102-8d	Number of external workers (FTE)	-12,4 %	-	427	488	572
102-8d	Share of external workers (% of total FTE)	-0,3 %	-	3,5 %	3,8 %	4,3 %
-	Total wages and salaries (€m)	-6,9 %	-	669	718	669
<b>New Employee Hires and Employee Turnover</b>						
401-1a	Number of employee hires	-25,3 %	-	1 834	2 454	2 690
401-1a	Rate of employee hires	-4,4 %	-	15 %	19 %	21 %
-	Number of permanent contracts ended by employee (e.g. resignation, retirement)	-20,8 %	-	900	1 136	1 311
-	Number of permanent contracts ended by employer (e.g. lay-off)	-32,2 %	-	601	886	624
-	Permanent employee turnover rate	-4,0 %	-	13 %	17 %	16 %
401-1b	Total number of employee departures	-25,9 %	-	2 155	2 910	2 873
401-1b	Total employee turnover rate	-5,4 %	-	18 %	23 %	22 %

## CSR indicators dashboard

GRI	Indicator	Variation 2020 vs. 2019	Variation 2020 vs. base year	2020	2019	2018
<b>Diversity</b>						
405-1a	Percentage of female administrators in Tarkett Supervisory Board	=	-	44 %	44 %	44 %
405-1a	Percentage of administrators in Tarkett Supervisory Board below 30 years	=	-	0 %	0 %	0 %
405-1a	Percentage of administrators in Tarkett Supervisory Board between 30 to 50 years	=	-	22 %	22 %	22 %
405-1a	Percentage of administrators in Tarkett Supervisory Board above 50 years	=	-	78 %	78 %	78 %
405-1b	Percentage of females in Executive Management Committee (EC)	12 %	-	30 %	18 %	27 %
405-1b	Percentage of female top senior executives (EC to EC-1)	=	-	25 %	25 % <sup>1</sup>	27 %
405-1b	Percentage of female senior executives (EC to EC-2)	2 %	-	26 %	24 %	25 %
405-1b	Percentage of female managers	-0,7 %	-	26 %	27 %	27 %
405-1b	Percentage of female other employees	=	-	29 %	29 %	28 %
405-1b	Percentage of female employees	=	-	29 %	29 %	28 %
405-1b	Percentage of employees below 30 years	-1 %	-	12 %	13 %	14 %
405-1b	Percentage of employees between 30 to 49 years	=	-	57 %	57 %	56 %
405-1b	Percentage of employees above 50 years	1 %	-	31 %	30 %	30 %
405-1b	Percentage of employees with disabilities	=	-	1,1 %	0,9 %	1,2 %
<b>Training and Development</b>						
-	Share of employees having received training [base year 2011]	-23,5 %	-2,5 %	34 %	58 %	60 %
-	Training hours (thousand hours) [base year 2013]	-35,4 %	-17,3 %	165	256	268
412-2a	Total number of hours of employee training on Business Ethics	-3,2 %	-	14 326	14 806	11 422
412-2b	% of employees who have received training on Business Ethics in last 2 years	=	-	59 %	59 %	-
404-1	Average number of training hours per employee	-33,1 %	-	14	20	21
404-3	% of employees who had a PDR, Polyvalence Matrix or equivalent appraisal	-5,7 %	-	48 %	53 %	52 %
-	% of permanent contract employees who had a PDR, Polyvalence Matrix or equivalent appraisal	-5,5 %	-	50 %	55 %	53 %
-	% of open management positions filled with an internal candidate	-9,4 %	-	56 %	65 %	53 %
203-2	Number of external people who received Tarkett Academy training	-37,1 %	-	5 176	8 229	3 669

<sup>1</sup> Retraité - voir la note méthodologique pour plus de détails

## CSR indicators dashboard

GRI	Indicator	Variation 2020 vs. 2019	Variation 2020 vs. base year	2020	2019	2018
<b>Proactive Internal Communication and Social Dialogue</b>						
-	Progress on "Listen to employees and engage in social dialogue" in employee feedback survey [base year 2010]	-	-	-	-	54,0
-	Progress on "Communicate proactively towards all employees" in employee feedback survey [base year 2010]	-	-	-	-	66,0
<b>Occupational Safety &amp; Health</b>						
403-9a	Injury frequency rate – LTA only [FR0t] – employees	-22 %	-	1,28	1,64	1,46
403-9a	Injury frequency rate – LTA and lost time < 24 hours [FR1t] – employees	20 %	-	2,62	2,19	2,18
403-9a	Lost day rate due to LTA – accident severity rate [TG0t] – employees	29 %	-	0,100	0,077	0,055
403-10a	Occupational illnesses (OI) frequency rate – employees	-62 %	-	0,10	0,27	0,13
403-9a	Absentee rate % – employees	1,3 %	-	3.9 %	2,6 %	2,7 %
403-9a	Number of fatal accidents	-	-	0	0	1
403-9b	Injury frequency rate – LTA only [FR0t] – external workers	5 %	-	8,73	8,28	7,90
-	% of formal agreements covering health & safety topics	-	-	18	-	-
-	Progress on "Ensure respect and integrity through adhesion to Tarkett values" in employee feedback survey [base year 2010]	-	-			68,0
<b>Tarkett Cares</b>						
203-1	Number of community initiatives supported through time, flooring, other material or funding contributions	-26 %	-	135	182	168
203-1	Number of employees involved in community initiatives	-48 %	-	730	1 401	1 288
203-1	Number of days of donated time through volunteering (based on 7 hours per day)	-25 %	-	692	921	978
203-1	Quantity of flooring products donated to community initiatives (m²)	2 %	-	20 187	19 864	17 560
203-1	Total value of contributions to community initiatives (in k€)	-37 %	-	445	710	808

## CSR indicators dashboard

## Indicateurs Environnementaux

GRI	Indicator	Variation 2020 vs. 2019	Variation 2020 vs. base year	2020	2019	2018
<b>Good Materials</b>						
416-1	Share of raw materials third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria (% of purchase volume) [base year 2011]	=	90 %	98 %	98 %	98 %
-	Share of raw materials not contributing to resource scarcity (% of raw materials in mass) [base year 2011]	-2,8 %	1,4 %	68 %	67 %	70 %
301-1	Share of renewable and recycled materials (% of raw materials in mass)	=	-	30 %	30 %	38 %
301-2	Share of recycled raw materials (secondary raw materials) (% of raw materials in mass)	1,3 %	-	13 %	12 %	10 %
<b>Resource Stewardship</b>						
303-5	Water consumption (liters/m²) [base year 2010]	-8,0 %	-54 %	2,4	2,6	2,9
303-5	Water consumption (million cubic meters)	-13,0 %	-	0,63	0,73	0,86
-	Share of manufacturing sites that have implemented closed- loop water circuits (or do not use water in their process) [base year 2010]	4,9 %	10 %	71 %	66 %	68 %
302-3	Energy intensity (kWh/m²) [base year 2010]	-2,1 %	-2,1 %	4,00	4,09	4,05
302-1a	Non-renewable fuel energy consumption (GWh)	-8,3 %	-	472	514	565
302-1b	Renewable fuel energy consumption (GWh)	-15,8 %	-	80	95	96
302-1c	Purchased electricity and steam consumption (GWh)	-5,0 %	-	500	527	532
302-1d	Generated electricity sold (GWh)	-	-	-	-	5
302-1e	Total energy consumption (GWh)	-7,4 %	-	1 052	1 136	1 188
305-4a	GHG market-based emissions intensity (Scope 1 & Scope 2) (kgCO <sub>2</sub> e/m²) [base year 2010]	-13,5 %	-26,8 %	0,76	0,87	0,92
305-1a	Gross direct (Scope 1) GHG emissions (tCO <sub>2</sub> equivalent)	-8,8 %	-	89 196	97 805	108 743
305-1c	Biogenic CO <sub>2</sub> emissions (tCO <sub>2</sub> )	-16,2 %	-	27 655	32 982	32 739
305-2a	Gross location-based indirect (Scope 2) GHG emissions (tCO <sub>2</sub> equivalent)	-10,4 %	-	170 512	190 387	202 401
305-2b	Gross market- based indirect (Scope 2) GHG emissions (tCO <sub>2</sub> equivalent)	-24,6 %	-	109 293	144 873	161 761
<b>People-friendly Spaces</b>						
416-1	Share of phthalate-free products (% of m² produced) [base year 2010]	23 %	97 %	97 %	74 %	65 %
416-1	Share of low Volatile Organic Compound (VOC) emission products (% of m² produced) [base year 2010]	=	77 %	98 %	98 %	97 %

## CSR indicators dashboard

GRI	Indicator	Variation 2020 vs. 2019	Variation 2020 vs. base year	2020	2019	2018
<b>Recycling and Reuse</b>						
-	Non-recycled waste intensity (g/m <sup>2</sup> ) [base year 2015]	7 %	25 %	154	143	104
306-2a	Hazardous waste (thousand metric tons)	18 %	-	5,0	4,2	7,4
306-2b	Non-hazardous waste (thousand metric tons)	=	-	35,4	35,5	23,2
306-2	Total waste to landfill (thousand metric tons) [base year 2015]	1 %	40 %	27,6	27,3	16,4
306-2	Share of total waste sent to landfill	=	-	28 %	28 %	17 %
306-2	Share of total waste sent to external recycling	=	-	59 %	59 %	67 %
306-2	Share of total waste sent for energy recovery	=	-	9 %	9 %	7 %
306-2	Share of non-recycled waste sent to landfill [base year 2015]	=	15 %	68 %	69 %	54 %
301-3	ReStart® - Post-installation or post-consumer products collected (metric tons) [base year 2010]	-9 %	-84 %	3 000	3 300	3 300
<b>Responsible sourcing Indicators</b>						
-	Share of raw materials purchased with suppliers committing to UN Global Compact (% of purchase value) [base year 2011]	-1 %	26 %	68 %	69 %	76 %
	Share (in spend) of priority* suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct for Suppliers	-	-	75 %	-	-
	* Priority suppliers are those suppliers considered to represent greater CSR risks due to Tarkett spend and product category					
	Share (in number) of priority* suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct for Suppliers	-58 %		23 % <sup>1</sup>	81 %	
	* Priority suppliers are those suppliers considered to represent greater CSR risks due to Tarkett spend and product category					

<sup>1</sup> 12% more suppliers have adhered to Tarkett's Code of conduct in 2020 compared to 2019, however as the base has increased following the roll-out of Tarkett's responsible sourcing program the actual share is lower..



## CSR indicators dashboard

## Social Indicators by Region

GRI	Indicator	2020	Europe <sup>(1)</sup>	North America <sup>(2)</sup>	Rest of World <sup>(3)</sup>
<b>Workforce</b>					
102-7a	Total number of employees (as of 31/12)	12 160	36,7 %	31,3 %	32,1 %
102-8b	Total number of permanent contract employees	11 368	4 223	3 547	3 598
102-8b	Total number of fixed-term contract employees	792	236	255	301
<b>New Employee Hires and Employee Turnover</b>					
401-1a	Number of employee hires	1 834	466	878	490
401-1a	Rate of employee hires	15 %	10 %	23 %	13 %
401-1b	Total number of employee departures	2 155	543	1 108	504
401-1b	Total employee turnover rate	18 %	12 %	29 %	13 %
<b>Occupational Safety &amp; Health</b>					
403-2a	Injury frequency rate – LTA and lost time < 24 hours [FR1t] – employees	2,62	2,71	4,47	1,16
403-2a	Lost day rate due to LTA – accident severity rate [TG0t] – employees	0,100	0,113	0,152	0,044
403-2a	Occupational illnesses (OI) frequency rate – employees	0,10	0,29	0,00	0,00
403-2a	Absentee rate (%) – employees	3,9 %	4,3 %	3,7 %	3,3 %
403-2b	Injury frequency rate – LTA only [FR0t] – external workers	8,73	9,79	0,00	21,40

(1) Europe: Corporate, EMEA &amp; Tarkett Sports EMEA

(2) North America: Tarkett North America &amp; Tarkett Sports North America

(3) Rest of World: Tarkett Eastern Europe, LATAM, Asia, Australia &amp; New Zealand, &amp; Tarkett Sports Australia

### 3.11.2 CSR methodological note

Since becoming a listed company in 2013 Tarkett publishes, as required by French regulatory requirements, information on the social, environmental, and societal aspects of its activities in its annual management report (Universal Registration Document). This information includes Tarkett's Corporate Social Responsibility (CSR) Key Performance Indicators (KPIs) taken from Tarkett's Sustainability Dashboard. The Dashboard is an essential tool for monitoring and guiding performance. Its principal objective is to provide the Group with relevant indicators to evaluate the deployment of its strategy and fulfil its regulatory obligations. Progress is measured against a base year set for certain key performance indicators.

In accordance with French regulatory requirements, the corporate environmental and social information has been verified by an independent third-party organization (the report on corporate, environmental, and social information by one of the statutory auditors, appointed as an independent third-party organization).

#### Guiding frameworks

Tarkett's CSR reporting and sustainability dashboard have been developed based on the following frameworks:

- > The Group's Change to Win strategy and its historical commitment to CSR, where each strategic initiative relies on one or more quantified indicators, certain of which are the subject of long-term objectives (2020 objectives set in 2011 and 2025 / 2030 objectives set in 2019 and 2020).
- > The European Union Non-Financial Reporting Directive 2014/95/EC and the French regulations on non-financial statement, known as the extra-financial performance declaration: the social, environmental, and societal information required by Article L.225-102-1 of the French Commercial Code is included in the form of indicators or quantified statistics in the dashboard (the qualitative information is presented in other sections of the management report).
- > The UN Global Compact: in connection with the Group's voluntary commitment, the dashboard is a tool for managing performance in every dimension of the Global Compact.

- > The Global Reporting Initiative (GRI) Standards 2016: this report discloses as far as is currently possible the GRI Standards: Core option. A GRI content table (see section 3.11.3 GRI and DPEF concordance table) indicates where the relevant standard disclosures can be found in this report.
- > The recommendations of the Task force on Climate-related Financial Disclosures (TCFD).
- > The Greenhouse Gas Protocol: Greenhouse emissions are quantified and reported according to the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) GHG Protocol.
- > Cradle to Cradle® (C2C) principles for the design of our products, from material selection and product manufacturing, to installation, use, maintenance, end of use and product recovery.

The sustainability dashboard is built around three dimensions: social responsibility, environmental responsibility, and corporate governance.

#### Methodological procedures

Tarkett's CSR reporting procedures are documented in a comprehensive CSR Reporting Handbook which was established, in consultation with the different internal CSR topic owners, in 2017. These procedures further aligned Tarkett's reporting with the 2016 GRI Standards: core option. The Handbook was presented to and approved by the Executive Management Committee and is reviewed and updated each year taking into account feedback and any changes in reporting requirements or objectives. The CSR Reporting Handbook sets out:

- > the aims of Tarkett's CSR reporting and the Change to Win strategy "People and Planet" pillar objectives for 2025 and 2030 ;
- > the reporting principles, reporting scope, reporting tools, internal controls and consolidation rules;
- > the reporting organization, responsibilities, and planning; and
- > the detailed definitions, specific guidelines, and control points of all reported indicators.

## CSR methodological note

The following is a summary from the CSR Reporting Handbook:

### Reporting principles

#### Stakeholder Inclusiveness

Tarkett is committed to meeting the expectations of its stakeholders by investing in long-term relations. Tarkett engages with stakeholders through diverse means to ensure that its strategies and reporting account for their expectations.

#### Sustainability Context

Tarkett is determined to contribute, wherever its business activities allow, to addressing several of the most important and pressing challenges that face society in the 21st century (combating climate change, managing scarce natural resources sustainably and promoting people's well-being and the development of healthy living spaces)

#### Materiality

Tarkett conducted a stakeholder survey in 2016 to identify Tarkett material topics and ensure that its Sustainability policies are aligned with stakeholder expectations

#### Completeness

Tarkett's CSR report covers the same scope as the consolidated financial report. Topics covered in the report reflect the organization's significant economic, environmental, and social impacts. Material CSR topics are not omitted. Furthermore, Tarkett strives to explore new and upcoming topics in appropriate detail.

#### Accuracy

Tarkett strives to ensure the accuracy of reported data, with clearly documented definitions and procedures in its CSR Reporting Handbook and with multiple controls.

#### Balance

Tarkett tracks its performance in order to report on progress as well as challenges, thus reflecting in a transparent manner both positive and negative aspects of its CSR performance.

#### Clarity

CSR information is presented by Tarkett in a clear, detailed manner, in order to be easily understood by stakeholders.

### Comparability

Tarkett promotes consistent reporting through well documented procedures and presents indicators with comparisons to previous periods and base years

### Reliability

Reported data is documented and verified during internal and third-party external audits in order to provide additional confidence in the veracity of published content.

### Timeliness

Tarkett publishes CSR information annually with financial reports in March / April.

### Reporting period

The annual reporting period is aligned with the financial year which is the calendar year from 1st January to 31st December. This report concerns the period 1st January 2020 to 31st December 2020.

### Reporting frequency

CSR reporting for external publication needs is conducted annually. Intermediary reporting for internal purposes is conducted for certain topics (e.g. monthly reporting of WCM industrial KPI).

### Scope of reporting

The scope of reporting is Group-wide, covering all activities over which the Group has operational control, as follows:

#### Social reporting covers:

- > The workers (employees and external workers, depending on the indicators) at all entities in the consolidated financial scope. Other specific limitations for certain indicators are detailed under the paragraph "Specific limits to scope of reporting" in this methodological note.
- > This scope includes all manufacturing plants, sales network, and administrative offices for Tarkett payroll employees (except where specific limits to scope of reporting are given) and external workers for certain indicators.
- > Environmental reporting covers:
- > The manufacturing activities at all plants in the consolidated financial scope, except for our new Tuzla plant in Turkey which is not yet fully operational. Other specific limitations for certain indicators are detailed under the paragraph "Specific limits to scope of reporting" in this methodological note.
- > The flooring and sports surface finished goods produced at all plants in the consolidated financial scope.

## CSR methodological note

**Restatement of the share of female top senior executives (EC to EC-1)**

Restated in 2020, the previously stated 30% for 2019 included managers who were temporarily reporting to members of Executive Management Committee, however who are not considered in the category “top senior executives”.

**Reporting organization**

The reporting process of CSR / sustainability indicators is managed and consolidated since 2018 by the Financial department with the support from the different concerned functions (including R&D and Operations/WCM, HR, Legal, ...), divisions and sites. Each CSR topic and its relevant indicators are owned by a member of the Tarkett Executive Management Committee (EMC). The clear ownership and responsibility ensure accurate, reliable, and timely reporting of CSR data and indicators.

**Reporting tools**

HR CSR scorecard: data on workforce, headcount, diversity, etc. topics collected in a specific reporting Excel scorecard and consolidated by the Group.

Tarkett Cares scorecard: data compiled in a specific reporting Excel scorecard and consolidated by the Group.

Employee satisfaction: measured every two years through the internal employee satisfaction survey.

Academy: data on Tarkett Academy training collected in a specific reporting Excel scorecard and consolidated by the Group.

WCM environmental, safety and absence indicators: data reported in a dedicated scorecard for each manufacturing plant with data uploaded monthly to a Group data repository.

Indoor air quality and safe, healthy spaces: phthalate-free, low VOC emission and production volume data collected from plants in a specific reporting Excel scorecard and consolidated by the Group.

Good materials: indicators on resource scarcity and Cradle to Cradle assessment compiled from raw material purchase data and material assessment database and consolidated by Group in a specific reporting Excel scorecard.

ReStart®: data on post-installation and post-consumer waste collection collected in a specific reporting Excel scorecard and consolidated by the Group.

UN Global Compact supplier commitment: data compiled from raw material supplier purchase data.

Supplier commitment to Tarkett supplier Code of conduct: data compiled from purchasing databases. The purchase amounts are based on the previous year (01/01/Y-1 to 31/12/Y-1).

**Specific limits to scope of reporting**

Safety: the following entities are excluded from safety indicators since hours worked are not reported: FieldTurf North America & Sales Network (1 first aid in 2020), FieldTurf USA Sales Network, Beynon Sales Network and Tarkett USA Sales Network (Solon – 11 first aids in 2020) (these entities represent approximately 8% of Tarkett's headcount).

Absence: excluding the following entities in the US, where hours lost for unplanned absence are not tracked according to Group rules: FieldTurf North America & Sales Network, FieldTurf USA Sales Network, Beynon Sales Network and Tarkett USA Sales Network (these entities represent approximately 8% of Tarkett's headcount). Hours of absence reported in Tarkett North America include COVID-19 related furlough.

Raw material assessment & resource scarcity: All raw materials for the production of finished and semi-finished flooring and sports surface products, excluding the three entities acquired in 2018 (Lexmark in Dalton, US; Thermagreen in Toronto, Canada and Grassman in Botany, Australia representing together 2% of all finished goods production) for which reporting is still being established; outsourced finished goods; process chemicals (except for carpet) and packaging. Any post-installation or post-use materials collected and effectively recycled by FieldTurf or Beynon Sports Surfaces are not included, with the exception of recycled post-use artificial turf recycled at Abtsteinach, Germany.

ReStart®: Any post-installation or post-use materials collected and effectively recycled by FieldTurf or Beynon Sports Surfaces are not included.

Environmental manufacturing indicators: Water, energy, greenhouse gas emissions and waste indicators are reported for all industrial sites excluding the plants which closed during 2020 (Goirle in the Netherlands).

## CSR methodological note

Indoor air quality and safe, healthy spaces indicators: Share of phthalate-free, share of low VOC emission and share of non-quantifiable VOC emission products exclude all semi-finished production volume, the production volume for automotive industry at Clervaux (Luxembourg) and other non-relevant production volumes (e.g. outdoor sports surfaces). Production volume at plants which closed in 2020 (Goirle in the Netherlands) is excluded. The production volume for Lexmark in Dalton (US), which was acquired in 2018 and for which reporting is still being established, was also excluded.

Supplier commitment to UN Global Compact: All raw materials purchased for the production of finished and semi-finished flooring products, including packaging materials limited to those included in the Bill of Materials. We include main outsourced finished goods (LVT) and exclude: sports surface products, Lexmark purchases and inter-company spends of semi-finished goods.

Supplier commitment to Tarkett supplier Code of conduct: All direct purchases (raw materials and finished goods suppliers) and indirect purchases (local suppliers and service providers for production operations, excluding energy) from manufacturing sites (with the exception of purchases for Lexmark), excluding inter-company spends of semi-finished goods and indirect head office purchases.

### CSR indicator definitions (extract from Tarkett CSR Reporting Handbook)

#### Social

*Full time equivalent (FTE)*: used to measure the effective workforce during the reporting period as opposed to the headcount which is the number of employees present at the end of the reporting period. Reported for both Tarkett payroll employees and external workers.

*Headcount*: number of Tarkett payroll employees at the last day of the month of reporting period.

*Tarkett payroll employees*: All workers who are engaged by Tarkett and are on the Tarkett payroll, including interns / trainees and apprentices if on payroll. Excluding non-active staff (employees on leave greater than 6 months).

*Permanent contract*: Employee engaged by Tarkett for no specified duration (i.e. indefinite contract for an indeterminate period). Exception for China where employees on 2 or more years fixed-term contract are considered as permanent.

*Fixed-term contract*: Employee on Tarkett payroll engaged for a specified limited duration (i.e. employee temporary contract), including Tarkett Sports seasonal workers.

*Geographical zones*: EMEA comprises Tarkett EMEA, Tarkett Sports EMEA & corporate; North America comprises Tarkett North America & Tarkett Sports North America; Rest of World comprises Tarkett Eastern Europe, Asia, Australia & New Zealand, Latin America and Tarkett Sports Australia.

*External workers*: Any worker who does not have an employment contract with Tarkett / is not on Tarkett payroll (e.g. external workers on contract with a temporary staff employment or leasing agency hired to support regular operations).

*Manager*: A manager is an employee with at least one direct report at the date of reporting (e.g. 31.12), including blue collar workers (e.g. shift leaders, group leaders, extension supervisors and team managers are considered as managers).

*Other employees*: All employees other than managers at the date of reporting.

*Disabled employees*: Reported according to local labor laws where permitted.

*Top senior executives (EC to EC-1)*: CEO, members of Executive Management Committee (EC) and the senior executives reporting to them (with or without direct report).

*Senior executives (EC to EC-2)*: Top senior executives and the senior executives directly reporting to them (with or without direct report).

*Employees hired*: Number of employees (with permanent or fixed-term contracts) added to the payroll including employees hired on the final day of reporting period.

*Rate of employee hires*: employees hired / headcount

*Total number of employee departures*: Number of employees (with permanent or fixed-term contracts) removed from the payroll.

*Total employee turnover rate*: employee departures / headcount.

*Permanent employee turnover rate*: permanent contract employee departures / permanent employee headcount.

*Share of employees having received training*: Share of employees in headcount at end of year, where an employee is considered as "having received training" if the cumulative number of training hours received over the full year exceeds 1 full day (8 hours).

## CSR methodological note

*Training hours:* Training in Tarkett is considered as development activity, with specific support, and confirmation of attendance. For e-learning, the training hours reported correspond, where possible, to the real time spent by employees following online e-learning courses as recorded by the e-learning systems (for both "in progress" and "completed" courses). If real time is not available, the theoretical duration of the online training is taken into account.

*PDD, Polyvalence Matrix or equivalent appraisal:* The annual appraisal ("Performance and Development Dialogue" and "Polyvalence Matrix") is an annual exchange between the employee and his/her manager to discuss achievements, skills, opportunity for improvement and development program.

*Open management positions filled with internal candidate:* A management position is a position (manager) with at least one direct report. An open position is a vacancy for which a person has been hired or transferred. An internal candidate is a candidate already a Tarkett employee.

*Open management positions filled with a female candidate:* A management position filled with an internal or an external female candidate.

*Number of external people who received Tarkett Academy training:* Number of people (excluding employees and external workers) having completed a Tarkett Academy technical training session / program in the Tarkett Academy network.

*Tarkett Academy network:* The Tarkett Academy organizes and provides specific technical training programs (amongst others, in flooring installation and maintenance) at dedicated training centers and at other locations.

*Dedicated Tarkett Academy technical training center:* A Tarkett facility that is dedicated to giving technical training (including training to external people).

*Number of injuries - employees:* Includes work-related accidents according to the local legal definition for all employees (according to Tarkett's definition of employee). It therefore does not include commuting accidents or accidents of visitors or external workers, which are tracked separately.

*LTA:* A Lost Time Accident (including fatality) where the individual is more seriously injured and as a result, they are unavailable to attend work for a period greater than 24 hours.

*Injuries with lost time <24hours:* A workplace injury which is sufficiently serious to mean that the injured person is unable to attend work for the remainder of the day, however are available to return to work the next day.

*Injuries with first aid:* A workplace minor injury where the injured party is able to return to work following a brief period of minor treatment from an occupational nurse or trained staff member.

*Injury frequency rate - LTA only [FR0t]:*  $\# \text{ LTA} \times 1\,000\,000 / \text{worked hours}$ , where the number of LTA include fatal accidents.

*Injury frequency rate - LTA and lost time <24 hours [FR1t]:*  $\# \text{ LTA} + \# \text{ Injuries with lost time } < 24 \text{ hours} \times 1\,000\,000 / \text{worked hours}$ , where the number of LTA include fatal accidents.

*Lost day rate due to LTA - accident severity rate [TG0t]:*  $\# \text{ of working days lost for LTA} \times 1000 / \text{worked hours}$ .

*Occupational illnesses:* An occupational illness (or disease) is defined as, "any abnormal condition or disorder, other than one resulting from an occupational injury, caused by exposure to factors associated with employment."

*Occupational illnesses frequency rate:*  $\# \text{ Occupational illnesses} / \text{worked hours} \times 1\,000\,000$ .

*Hours lost for absence:* Worked hours lost for unplanned absence (i.e. illness, worked-related accidents, strikes or other unexcused absence) of all employees during the reporting period up to 30 days. Excluding "planned sick leave" absence (e.g. in North America where certain categories of workers, such as office workers, have pre-determined quota of "paid sick days" that they can take without justification and where actual sick days are not tracked) and excluding COVID-19 furlough. Where an employee returns to work, but only part-time (e.g. therapeutic phased return to work), after an absence, then the employee is no longer considered absent.

*Absentee rate %:*  $\# \text{ hours lost for absence} / \# \text{ total scheduled hours}$ .



## CSR methodological note

*Progress on "Ensure respect and integrity through adhesion to Tarkett values":* Average score to 2 questions in the biennial (every two years) employee feedback survey: "Tarkett has clearly communicated its standards of business conduct and operates in an ethical manner" and "Senior leader's actions and behaviors are consistent with Tarkett's values, including standards of business conduct and ethics".

*Progress on "Listen to employees":* Score to the following question in the biennial employee feedback survey: "Sufficient effort is made to get the opinions and thinking of people who work in Tarkett". This replaces the previous indicator based on the average of 2 questions.

*Progress on "Communicate proactively towards all employees":* Average score to 2 questions in the biennial employee feedback survey: "My manager does a good job of keeping me informed about matters that affect me" and "I am kept informed about matters that affect me". In previous editions this was the average of 3 questions.

*Total compensation and benefits:* Total of short-term employee benefits (as per Group Accounting Manual): wages, salaries and social security contributions; paid annual leave and paid sick leave; profit-sharing and bonuses payable within twelve months of the end of the period; non-monetary benefits, such as medical care, housing, cars and free or subsidized goods or services.

### Tarkett Cares

*Community initiatives:* The Tarkett Cares program promotes the participation of Tarkett employees and Tarkett entities in local community initiatives which help the community for better living and contributes to local community's needs. As per Tarkett Cares guidelines the initiative should be connected to Tarkett's values, core business or sustainability commitment and carried out with an officially recognized non-profit organization (including public services such as schools).

*Employees involved:* The total number of employees who have volunteered 1 or more hours to community initiatives.

*Hours volunteered:* The total number of hours volunteered during working hours. As per Tarkett Cares rules, each employee can volunteer (share time and talent) between 1 hour and 2 days per year during working hours. Hours volunteered outside of working hours (e.g. evenings, weekends, holidays) are not included.

*Flooring products donated:* Total square meters of flooring products donated to community initiatives.

*Total value of contributions to community initiatives:* Value of flooring products donated based on standard factory price (cost of production) + value of other in-kind contributions (cost of purchased materials) + cash donations + value of volunteered hours (calculated using total employee wages and salaries and FTE).

### Business Ethics

*% of employees who have received training on Business Ethics in the last 2 years:* share of employees (total headcount) who have completed the Tarkett online e-learning, or who have received "in-person" / face to face training, on business ethics (Code of Ethics, Anticorruption, Fair competition, etc.) initiated by the Group or Division legal teams, in the last 2 years.

*Total number of hours of employee training on Business Ethics:* based on a standard duration for online e-learning or in-person training on Tarkett's Business Ethics of 2 hours.

### Environmental

*Indicators on raw materials:* purchases of raw materials only (excluding indirect purchases and finished products). Most raw material purchase data comes from Tarkett's global SAP data warehouse. The remaining (5%) is reported by plants.

*Share of raw materials third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria (% of purchase volume):* Share of materials purchased (in metric tons), for which an impact study was carried out pursuant to Cradle-to-Cradle principles "Product Standard Material Health Methodology Nov. 2013" available at [www.c2certified.com](http://www.c2certified.com). Tarkett uses ABC-X classification, which evaluates risks related to the impact of chemical substances on the environment and human health. For raw materials in SAP the ratings A, B, C, [], X and [X] are considered as assessed at a SKU level. For other raw materials the ratings A, B, C, [], X, [X] and Grey are considered as assessed by raw materials family. For PVC materials, an evaluation has been performed among the supply chain to verify use of BAT (Best Available Techniques) technology on chloralkali process as well as additives involved. PVC has been rated according to specific EPEA criteria. For those PVC suppliers that have not yet provided information or have provided incomplete information a precautionary approach is taken and pre-assessed [X] until information will be provided.

*Share of materials at the start of supply chain which do not contribute to resource scarcity (% of raw materials in mass):* Materials characterized based on resources used in their production process (fossil, limited minerals, abundant minerals, renewable, recycled). The 3 categories not contributing to resource scarcity are: mineral abundant, renewable and recycled. This includes purchased raw materials as well as recycled materials used in production.

## CSR methodological note

**Fossil origin:** Every resource synthesized from fossil fuel, especially oil, but also sulphates. The category excludes fossil minerals like Calcium carbonate. Polyvinyl Chloride (PVC) is considered as 43% fossil (petrol) and 57% mineral abundant (sea salt).

**Mineral origin:** A chemical element or inorganic combination of chemical elements occurring naturally, extracted from the ground or water and used in economic activities. The category includes fossil-formed minerals like charcoal or limestone. Mineral abundant resource - that is not threatened by scarcity. It can have important reserve (sea salt – sodium chloride, limestone – calcium carbonate...), very good recycling process (like Aluminium) or be virtually inexhaustible (chlorine in sea water). Mineral limited resource - that is threatened by exhaustion in a short term (as defined by selected models) and that is to be substituted in priority.

**Renewable origin:** A resource of which reserves can be replenished in the same or less time than the one needed for its consumption.

**Recycled origin:** Materials that would otherwise have been sent for waste disposal, used in lieu of primary raw materials, including post-consumer and post-installation flooring waste collected by Tarkett (e.g. ReStart®) and effectively recycled and used in Tarkett products; post-manufacturing waste from Tarkett that is reprocessed into secondary raw material and recycled in Tarkett production; recycled (post-consumer and/or post-manufacturing) waste procured by Tarkett from other organizations for Tarkett production and recycled content of other procured raw materials.

**Manufacturing environmental intensity indicators:** Tarkett tracks and reports its environmental performance per square meter of floor covering and sports surface. These intensity ratios are calculated by dividing the (numerator) environmental manufacturing indicators (water, energy, greenhouse gas emissions and non-recycled waste) by the (denominator) volume of finished goods – floor covering and sports surfaces in square meters. The volume of semi-finished goods is not included.

**Water consumption:** All water consumed in the production / technical process, including for cooling as well as water not consumed in the production process, but consumed on site (e.g. in sanitary, in canteens). Water sources are groundwater, surface water and municipal water. Excluding rainwater consumption, which is not tracked. Reported groundwater

consumption at Bačka Palanka corresponds to the water consumed as measured by on-site meters rather than water pumped from ground.

**Share of manufacturing plants that have implemented closed-loop water circuits (or do not use water in their process):** Closed-loop water circuit considered as when water is recycled and reused in a closed loop. The only make-up normally required is that needed to replace small water losses. Each plant calculates % of reused water using flow data and formula  $A / (A+B+C)$  where A = volume of water re-used or recycled; B = volume of water consumed and discharged directly and C = volume of water consumed to refill the loop. Plants considered as having closed-loop water circuit when results  $\geq 98\%$ .

**Non-renewable fuel consumption:** Includes the consumption of fuel oil, natural gas, liquefied petroleum gas, propane and/or butane, other petroleum gas (e.g. ethane).

**Renewable fuel consumption:** Includes the consumption of biomass, biofuel, geothermal, solar thermal and solar photovoltaic energy. Excluding the purchase of renewable electricity reported separately as part of purchased electricity.

**Purchased electricity consumption:** Renewable and non-renewable purchased electricity and steam consumption.

- > Non-renewable electricity: share of electricity purchased from a supplier using a non-renewable energy source to generate the electricity supplied during the reporting period. Including purchased steam for one plant and a small amount (<1%) of purchased heat from a district heating network for another plant.
- > Renewable electricity: share of electricity purchased from a supplier using a renewable energy source to generate the electricity supplied during the reporting period.

**Generated electricity sold:** renewable electricity generated and sold to the grid (a negligible quantity in 2018 and so not reported in 2019 and 2020).

**Total energy consumption:** renewable fuel + non-renewable fuel + purchased electricity consumption + purchased steam consumption. NB. Purchased steam consumption is included in consolidated total energy consumption for the first time in 2020 (3.9 GWh). 2019 and 2018 figures have not been restated, and as such do not include the purchased steam corresponding to those years: 2019: 12.6 GWh and 2018: 15.0 GWh.

## CSR methodological note

*Greenhouse gas (GHG) emissions reporting:* Since 2017 Tarkett aligned its inventory of GHG emissions with the GHG Protocol and GRI 2016 standards. As such it includes the CH<sub>4</sub> and N<sub>2</sub>O biomass Scope 1 emissions) as well as reporting separately the outside of scope biogenic CO<sub>2</sub> emissions. Furthermore, it reports both market-based and location-based Scope 2 GHG emissions (which also include CH<sub>4</sub> and N<sub>2</sub>O as well as CO<sub>2</sub> emissions).

*Gross direct (Scope 1) GHG emissions:* Natural gas, fuel oil, LPG, propane, butane, other petroleum gas (e.g. ethane), biomass and biofuel consumption multiplied by their respective emission factors (for biomass consumption this relates only to Scope 1 CH<sub>4</sub> and N<sub>2</sub>O emissions, out of scope biogenic CO<sub>2</sub> emissions are reported separately).

*Biogenic CO<sub>2</sub> emissions (out of scope):* CO<sub>2</sub> emissions arising from the combustion of biomass or biofuel are reported outside of Scope 1, Scope 2 and Scope 3 GHG emissions. These emissions are reported outside of the scope because the Scope 1 impact of these fuels has been determined to be a net '0' (since the fuel source itself absorbs an equivalent amount of CO<sub>2</sub> during the growth phase as the amount of CO<sub>2</sub> released through combustion).

*Gross location-based indirect (Scope 2) (GHG) emissions:* Total electricity consumption multiplied by the location-based emission factors, where the location-based method reflects the average GHG emissions intensity of grids on which energy consumption occurs, using mostly grid-average emission factor data. GHG emissions related to purchased steam consumption is calculated by multiplying this consumption by an emission factor related to the consumption of electricity produced by coal combustion.

*Gross market-based indirect (Scope 2) (GHG) emissions:* Electricity consumption multiplied by a market-based emission factor which corresponds to the characteristics of the electricity purchased. For purchased renewable electricity the factor is 0 kgCO<sub>2</sub>e/kWh. In other cases, the supplier specific emission factor communicated by the electricity provider or in the absence of a specific supplier factor the emission factor based on the regional electricity generation mix or finally the default location-based emission factor. For purchased steam consumption a supplier specific emission factor is used.

*Source of emission factors:* Scope 1 and out of scope biogenic emission factors (kgCO<sub>2</sub>e per kWh) are taken from Defra's 2020 - UK Government GHG Conversion Factors for Company Reporting. Scope 2 location-based emission factors (kgCO<sub>2</sub>e per kWh) are taken from 3 sources: (i) Defra 2020 for UK purchased electricity and for Scope 2 emissions associated to purchased steam consumption (electricity generation based on coal combustion); (ii) US EPA: eGRID 2018v2 - Subregion Emissions - Greenhouse Gases for US regional purchased electricity and (iii) IEA "Emissions Factors (2020 edition considering 2018 results)" for all other countries' purchased electricity.

*Phthalate-free products:* Products "without added phthalates" mean that no phthalate plasticizers (DOP or DINP) are contained in virgin raw material (not greater than 0.1% in mass) in the product composition, but recycled material content could contain some residual phthalates.

*Share of phthalate-free:* Share of finished goods production volume (m<sup>2</sup>) potentially containing phthalates, i.e. all vinyl products (including LVT outsourced) and all other products containing PVC parts (e.g. certain carpets produced in North America).

*VOC:* volatile organic compounds.

*Low VOC emission products:* Products with TVOC emissions ≤ 100 µg/m<sup>3</sup> according to ISO 16000-9 guidelines (emission chamber) and local test methods (wood floorings: excluding natural emissions coming from wood itself).

*Non-quantifiable VOC emissions products:* Products with TVOC, SVOC and formaldehyde emissions ≤ 10 µg/m<sup>3</sup> according to ISO 16000-9 guidelines (emission chamber) and local test methods.

*Share of low VOC emission:* Share of finished goods production volume (m<sup>2</sup>) of indoor flooring and indoor sports surface products potentially releasing VOCs, i.e.: all products excluding outdoor grass and outdoor track surfaces.

## CSR methodological note

**Waste:** All waste removed from the manufacturing plants, (e.g. industrial waste, office waste, waste from canteens, ...) removed by a contracted service provider (this may exclude certain non-industrial waste removed by municipal authorities who do not provide any tracking information such as quantity and type of waste removed). Tarkett splits waste by hazardous and non-hazardous and by destination: landfill, incineration with energy recovery, incineration without energy recovery, other treatment and recycling. Non-hazardous waste-water is excluded.

**Hazardous waste:** Hazardous waste as defined by national legislation at the point of generation.

**Non-hazardous waste:** Waste not classified as hazardous as defined by national legislation at the point of generation.

**Non-recycled waste:** All waste excluding waste sent for external recycling or / and sent to other Tarkett plants for internal recycling.

**Waste to landfill:** All waste sent to landfill.

**Waste sent for external recycling:** Waste sent for external recycling. Also including carpet waste sent to cement industry as a source of calcium carbonate as well as a replacement to fossil fuel.

**ReStart® post-installation or post-consumer products collected:** Post-consumer waste includes flooring and sports surface products that have been used and are removed for disposal (e.g. old products retrieved from the floor during a renovation project, potentially with remaining concrete and/or glue). Post-installation flooring waste incurred during the installation of flooring and sports surface products (e.g. not used pieces of clean flooring, reclaimed from installers during installation). Collected through Tarkett organized collection of post-consumer or post-installation waste (i.e. through ReStart® program) in order to be recycled and reintegrated into production whenever possible.

## Other CSR indicators:

**Supplier commitment to UN Global Compact:** Share of direct purchases made with suppliers who have committed to UN Global Compact. Tarkett started in 2011 to integrate in all its supplier agreements a clause requiring suppliers to "maintain a corporate policy that will respect the commitments of the United Nation Global Compact by applying in their company and to their own suppliers the ten principles of the Global Compact which the Supplier undertakes to abide by". Therefore, the suppliers who have signed a formal supply agreement, even if it does not mention UNGC directly but contains same similar clauses, or UN Global Compact clauses with Tarkett are accounted as committing to UN Global Compact principles.

**Supplier commitment to Tarkett supplier Code of conduct:** Following the launch of our Supplier Code of conduct in 2019, we monitor the share of priority\* suppliers (in spend) who have adhered to Tarkett's Responsible sourcing Code of Conduct for Suppliers or equivalent. The indicator is calculated based on suppliers who have adhered in the current year, using purchasing data from the previous year. \* Priority suppliers are those suppliers considered to represent greater CSR risks due to Tarkett spend and product category. Accepted equivalents include: a supplier's Code of conduct if validated by Tarkett as being equivalent to Tarkett's Code of Conduct; SA8000 and ISO 14001 certification; B Corp certification and Cradle to Cradle certification of products with all pillars in at least silver level.

GRI and DPEF concordance table

### 3.11.3 GRI and DPEF concordance table

Tarkett has developed a reporting system that follows and goes beyond the French extra-financial performance declaration (DPEF), based on challenging frameworks and guidelines published by international bodies such as the Global Reporting Initiative (GRI).

Sections quoted inside the concordance table refer to the full version of Universal Registration Document.

GRI Standard Disclosure / Description		Universal Registration Document Sections	Correspondence DPEF
<b>102</b>	<b>General Disclosures</b>		
	<b>Organisational Profile</b>		
102-1	Name of the organization	3.1.2	
102-2	Activities, brands, products, and services	1.4, 1.6, 3.1.2	
102-3	Location of headquarters	7.1.1	
102-4	Location of operations	1.5, 1.6, 3.1.2	
102-5	Ownership and legal form	7	
102-6	Markets served	1.5, 3.1.2	
102-7	Scale of the organization	1, 3.1.2	
102-8	Information on employees and other workers	3.11.1	Art. R225-105 II. A. 1° a)
102-9	Supply chain	3.9.1	Art. R225-105 II. A. 3° b)
102-10	Significant changes to the organization and its supply chain	1	
102-12	External initiatives	3.5	
102-13	Membership of associations	3.2.3, 3.5	
	<b>Strategy</b>		
102-14	Statement from senior decision-maker	3.1.1	
102-15	Key impacts, risks, and opportunities	3.3, 6.1	Art. R225-105 I. 1°
	Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	3.2.4	
102-17	Mechanisms for advice and concerns about ethics	3.2.4	
	<b>Governance</b>		
102-18	Governance structure	2.1, 2.2, 3.2.1	
102-19	Delegating authority	2.1, 2.2, 3.2.1	
102-20	Executive-level responsibility for economic, environmental, and social topics	3.2.1	
102-21	Consulting stakeholders on economic, environmental, and social topics	3.5	
102-22	Composition of the highest governance body and its committees	2.1	

## GRI and DPEF concordance table

GRI Standard Disclosure / Description		Universal Registration Document Sections	Correspondence DPEF
102-23	Chairman of the highest governance body	2.1	
102-24	Nominating and selecting the highest governance body	2.2	
102-25	Conflicts of interest	2.1.2.1	
102-26	Role of highest governance body in setting purpose, values, and strategy	2.2	
102-27	Collective knowledge of highest governance body	2.1	
102-28	Evaluating the highest governance body's performance	2.2	
102-29	Identifying and managing economic, environmental, and social impacts	3.3, 6.1	
102-30	Effectiveness of risk management processes	3.3, 6.2	
102-31	Review of economic, environmental, and social topics	3.2.1	
102-32	Highest governance body's role in sustainability reporting	3.2.2	
102-35	Remuneration policies	2.3, 2.6	
102-36	Process for determining remuneration	2.2, 2.6	
102-37	Stakeholders' involvement in remuneration	2.6	
<b>Stakeholder Engagement</b>			<b>Art. R225-105 II. A. 3° a)</b>
102-40	List of stakeholder groups	3.5	
102-41	Collective bargaining agreements	3.10.5.3, 3.11.1	Art. L225-102-1 III.
102-42	Identifying and selecting stakeholders	3.5	
102-43	Approach to stakeholder engagement	3.5	
102-44	Key topics and concerns raised	3.5	
<b>Reporting Practice</b>			
102-45	Entities included in the consolidated financial statements	3.11.2, 5	Art. L225-102-1 III.
102-46	Defining report content and topic boundaries	3.11.2	
102-47	List of material topics	3.3.4	
102-48	Restatements of information	3.11.1, 3.11.2	
102-49	Changes in reporting	3.2.2, 3.11.2	
102-50	Reporting period	3.11.2	
102-51	Date of most recent report	3.11.2	
102-52	Reporting cycle	3.11.2	
102-53	Contact point for questions regarding the report	3.11.2	
102-55	GRI content index	3.11.3	
102-56	External assurance	3.11.4	Art. L225-102-1 V.



## GRI and DPEF concordance table

GRI Standard Disclosure / Description		Universal Registration Document Sections	Correspondence DPEF
<b>103</b>	<b>Management Approach</b>	<b>3.1, 3.2, 3.6, 3.7, 3.8, 3.9, 3.10</b>	<b>Art. R225-105 I. 2° &amp; 3°</b>
<b>200</b>	<b>Economic</b>		
<b>201</b>	<b>Economic Performance</b>		
201-1	Direct economic value generated and distributed	3.1.2, 4, 5	
201-2	Financial implications and other risks and opportunities due to climate change	3.3, 6.1	Art. L225-102-1 III.
203	Indirect Economic Impact		
203-1	Infrastructure investments and services supported	3.9.2	
203-2	Significant indirect economic impacts	3.9.2	Art. R225-105 II. A. 3° a)
205	Anti-Corruption		Art. L225-102-1 III. Art. R225-105 II. B. 1°
205-1	Operations assessed for risks related to corruption	3.2.4.2, 3.3	
205-2	Communication and training about anti-corruption policies and procedures	3.2.4.2	
<b>300</b>	<b>Environmental</b>		<b>Art. L225-102-1 III. Art. R225-105 II. A. 2° a)</b>
<b>301</b>	<b>Materials</b>		<b>Art. R225-105 II. A. 2° c) ii)</b>
301-1	Materials used by weight or volume	3.6.1.1, 3.11.1	
301-2	Recycled input materials used	3.7.2.3, 3.11.1	
301-3	Reclaimed products and their packaging material	3.7.2.2, 3.11.1	
<b>302</b>	<b>Energy</b>		<b>Art. R225-105 II. A. 2° c) ii)</b>
302-1	Energy consumption within the organization	3.7.1.1, 3.11.1	
302-3	Energy intensity	3.7.1.1, 3.11.1	
302-4	Reduction of energy consumption	3.7.1.1	
302-5	Reductions in energy requirements of products and services	3.7.1.1	
<b>303</b>	<b>Water and Effluents</b>		
303-5	Water Consumption	3.7.1.3, 3.11.1.	Art. R225-105 II. A. 2° c) ii)
<b>305</b>	<b>Emissions</b>		<b>Art. R225-105 II. A. 2° b) &amp; d)</b>
305-1	Direct (Scope 1) GHG emissions)	3.7.1, 3.11.1	
305-2	Energy indirect (Scope 2) GHG emissions	3.7.1, 3.11.1	
305-3	Other indirect (Scope 3) GHG emissions	3.7.2, 3.11.1	

## GRI and DPEF concordance table

GRI Standard Disclosure / Description		Universal Registration Document Sections	Correspondence DPEF
305-4	GHG emissions intensity	3.7.1, 3.11.1	
305-5	Reduction of GHG emissions	3.7	
<b>306</b>	<b>Waste</b>		<b>Art. R225-105 II. A. 2° c) i)</b>
306-2	Waste by type and disposal method	3.6.4.1, 3.9.1	
308	Supplier Environmental Assessment		Art. R225-105 II. A. 3° b)
308-1	New suppliers that were screened using environmental criteria	3.9.1	
308-2	Negative environmental impacts in the supply chain and actions taken	3.9.1	
<b>400</b>	<b>Social</b>		<b>Art. L225-102-1 III.</b>
401	Employment		
401-1	New employee hires and employee turnover	3.11.1	Art. R225-105 II. A. 1° a)
402	Labor / Management Relations		
402-1	Minimum notice periods regarding operational changes	3.10.5.4	
403	Occupational Health & Safety		Art. R225-105 II. A. 1° c)
403-1	Occupational health and safety management system	3.10.1	
403-2	Hazard identification, risk assessment, and incident investigation	3.3, 3.10.1	
403-3	Occupational health services	3.10.2	
403-5	Worker training on occupational health and safety	3.10.1, 3.10.4.2	
403-6	Promotion of worker health	3.10.2	
403-8	Workers covered by an occupational health and safety management system	3.10.1	
403-9	Work-related injuries	3.10.1, 3.11.1	Art. R225-105 II. A. 1° c)
403-10	Work-related ill health	3.10.2, 3.11.1	Art. R225-105 II. A. 1° c)
404	Training and Education		Art. R225-105 II. A. 1° e)
404-1	Average hours of training per year per employee	3.11.1	
404-2	Programs for upgrading employee skills and transition assistance programs	3.10.4.2	
404-3	Percentage of employees receiving regular performance and career development reviews	3.10.4.1, 3.11.1	
405	Diversity and Equal Opportunity		Art. L225-102-1 III. Art. R225-105 II. A. 1° f)
405-1	Diversity of governance bodies and employees	3.10.3, 3.11.1	
407	Freedom of Association and collective bargaining		Art. R225-105 II. A. 1° d)

## GRI and DPEF concordance table

GRI Standard Disclosure / Description		Universal Registration Document Sections	Correspondence DPEF
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.10.5.3	
412	Human Rights Assessment		Art. L225-102-1 III. Art. R225-105 II. B. 2°
412-2	Employee training on human rights policies or procedures	3.2.4, 3.11.1	
413	Local Communities		Art. R225-105 II. A. 3° a)
413-1	Operations with local community engagement, impact assessments, and development programs	3.9.2, 3.11.1	Art. L225-102-1 III.
414	Supplier Social Assessment		Art. R225-105 II. A. 3° b)
414-1	New suppliers that were screened using social criteria	3.9.1.1	
414-2	Negative social impacts in the supply chain and actions taken	3.9.1.1	
416	Customer Health and Safety		Art. R225-105 II. A. 3° c)
416-1	Assessment of the health and safety impacts of product and service categories	3.6.1, 3.8, 3.11.1	
417	Marketing and Labeling		
417-1	Requirements for product and service information and labeling	3.6.1.2	

### 3.11.4 Report of Independent Third-Party Organization

#### Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non-financial statement

*This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

##### To the Annual General Meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "entity") appointed as independent third party, and accredited by the French Accreditation Committee (*Comité Français d'Accréditation* or *COFRAC*<sup>1</sup>) under number 3-1049, we hereby report to you on the consolidated non-financial statement for the year ended 31 December 2020 (hereinafter the "Statement"), included in the entity's Management Report pursuant to the requirements of articles L. 225-102-1, L. 22-10-36, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

##### Responsibility of the entity

The Board of Directors' is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available upon request at the entity's head office.

##### Independence and quality control

Our independence is defined by the requirements of article L.822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

##### Responsibility of the Statutory Auditors appointed as independent third party,

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- > the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- > the fairness of the information provided in accordance with article R.225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

##### Nature and scope of our work

The work described below was performed in accordance with the provisions of Article A.225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes* or *CNCC*) applicable to such engagements and with ISAE 3000<sup>2</sup>:

- > We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- > We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- > We verified that the Statement includes each category of social and environmental information set out in article L.225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation set out in article L. 22-10-36;
- > We verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- > We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where

<sup>1</sup> Accreditation Cofrac Inspection, number 3-1049, scope available at [www.cofrac.fr](http://www.cofrac.fr)

<sup>2</sup> ISAE 3000: international standard on assurance engagements other than audits or reviews of historical financial information

## Report of Independent Third-Party Organization

relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;

- > We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented;
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix. Concerning certain risks<sup>1</sup>, our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities<sup>2</sup>.
- > We verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- > We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- > For the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities<sup>4</sup> and covers between 17% and 100% of the consolidated data selected for these tests;

We assessed the overall consistency of the Statement based on our knowledge of the consolidated entities. We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

**Means and resources**

Our work was carried out by a team of six people between September 2020 and February 2021 and took a total of ten weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted around twenty interviews with the people responsible for preparing the Statement.

**Conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

**Paris-La Défense, on February 19th, 2021, KPMG S.A.**

**Fanny Houlliot, Partner, Sustainability Services**

**Renaud Laggiard, Partner**

<sup>1</sup> Downtime, disruptions, damage on site; Ethics and integrity in business conduct; Flooring market changes; Evolution, complexity and interpretation of tax regulations; IT & Cybersecurity; Supplier dependency.

<sup>2</sup> Tarkett GDL SA; Morton Extrusionstechnik GmbH; Tarkett North America; Tarkett Holding GmbH; Tarkett AB; Tarkett DOO Bačka Palanka.

## Report of Independent Third-Party Organization

## Appendix

**Qualitative information (actions and results) considered most important**

Measures taken in favour of employee safety

Actions to combat discrimination

Talent and skills management policy

Principles and procedures to ensure business ethics and integrity

Collective agreements put in place

Objectives and commitments to reduce the environmental impact of the activity

Actions for the reduction of harmful chemicals in products

Measures taken in favour of the circular economy

Actions in favour of transparency on the composition of products

Commitment and solidarity actions in the context of the health crisis

Measures for the fight against computer threats

Promotion of best practices throughout the supply chain

**Key performance indicators and other quantitative results considered most important**

Total number of employees (as of 31/12) split by gender

Permanent employee turnover rate

Percentage of employees trained at least 1 day during the year

Absentee rate (employees)

Percentage of open management positions filled by internal candidates

Injury frequency rate - Recordable Lost Time Accident Frequency Rate FR1t – employees

Lost day rate due to LTA – accident severity rate [TG0t] – employees

Share of female managers

Water intensity measured as water consumption per m<sup>2</sup> of manufactured product

Percentage of production sites certified to ISO 14001

Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled)

Percentage of recycled content of raw materials

Energy consumption per m<sup>2</sup> of manufactured product

Percentage of energy consumption coming from renewable energies

Greenhouse gases emissions due to the energy consumption

Percentage reduction of Scope 1 & 2 GHG emissions per m<sup>2</sup> of manufactured product compared to 2010

Tons of collected post-installation and post-consumer flooring through the ReStart® program

Percentage of flooring with low VOC emission levels

Percentage of phthalate-free flooring

Percentage of raw materials third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria

Percentage (in spend) of priority suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct for Suppliers or equivalent

Share (in number) of priority\* suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct for Suppliers



Report of Independent Third-Party Organization

## Appendix

### List of Cradle to Cradle® (C2C) certifications

Product Categories	Product References	Certification Level
Carpet	Desso EcoBase® PA6 Solution Dyed Carpet Tiles Gold	Gold
	Desso EcoBase® Carpet Tile Backing	Gold
	Desso EcoBase® PA 6 Continuous Dyed Carpet Tiles	Silver
	Desso EcoBase® PA 6 Solution Dyed Carpet Tiles	Silver
	ethos® Modular Tile with Omnicoat Technology	Silver
	Solution Dyed Broadloom	Bronze
	Continuous Dyed Broadloom	Bronze
	Desso EcoBase® PA 6.6 Continuous Dyed Carpet Tiles	Bronze
	Desso® PA 6 Solution Dyed Carpet Tiles	Bronze
	Desso® PA 6 Continuous Dyed Carpet Tiles	Bronze
	Desso® PA 6.6 Continuous Dyed Carpet Tiles	Bronze
Resilient flooring	iQOne	Gold
	iD Revolution	Gold
Linoleum	Tarkett Linoleum Flooring	Gold
	Tarkett Linoleum Flooring and Wall Covering Silver	Silver
	Tarkett Linoleum Flooring and Wall Covering Bronze	Bronze
Rubber	BaseWorks® Thermoset Rubber Wall Base	Silver
	Tarkett Rubber Tile Collection	Bronze
Artificial turf	FieldTurf, EasyTurf and Desso product ranges	Bronze
Wood	Parquet	Silver

Report of Independent Third-Party Organization

## C2C Material Health Certificates

Product Categories	Product References	Certification Level
Anti-soil	Eco-Ensure	Platinum
Adhesifs	Tandus B-19 Adhesive	Platinum
	Tandus C-56 Floor Primer	Platinum
	Tarkett 959 Vinyl Tile and Plank Adhesive	Platinum
	Tarkett 901 Resilient Flooring Spray Adhesive and Sports HS Spray Adhesive	Silver
	Tarkett Resilient Flooring Adhesives	Platinum
	Tandus Centiva C-12e Pressure Sensitive Adhesive	Silver
	Tandus Centiva C-14e Pressure Sensitive Adhesive	Silver
	Tandus Centiva C-TR Adhesive	Silver
	Tarkett C-EX Pressure Sensitive Adhesive	Silver
	Tarkett RollSmart Adhesive	Bronze
Resilient flooring	iQOne	Platinum
Rubber	BaseWorks® Thermoset Rubber Wall Base	Silver
	Tarkett Rubber Tile Collection	Bronze

## Report of Independent Third-Party Organization

## List of plant ISO certifications

Site	Products	ISO 9001	ISO 45001/ OHSAS 18000	ISO 14001	ISO 50001
Clervaux, Luxembourg	Resilient flooring	x	x	x	x
Konz, Germany	Resilient flooring	x	x	x	x
Ronneby, Sweden	Resilient flooring	x	x	x	x
Sedan, France	Resilient flooring	x	x	x	x
Jaslo, Poland	Resilient flooring	x		x	x
Lenham, UK	Resilient flooring	x	x	x	
Tuzla <sup>1</sup> , Turkey	Resilient flooring				
Narni <sup>2</sup> , Italy	Resilient flooring (linoleum)	x	x	x	x
Orzechowo, Poland	Wood flooring	x	x	x	x
Hanaskog, Sweden	Wood flooring	x	x	x	
Waalwijk, Netherlands	Carpet	x		x	
Dendermonde, Belgium	Carpet	x	x	x	x
Otradny, Russia	Resilient flooring	x	x	x	
Mytishchi, Russia	Laminate flooring	x	x	x	
Kalush, Ukraine	Resilient & wood flooring	x	x	x	
Bačka Palanka, Serbia	Resilient & wood flooring, carpet and rugs	x	x	x	x
Farnham, Canada	Resilient flooring	x	x	x	
Florence West, USA	Resilient flooring		x		
Florence East, USA	Premium vinyl tiles (LVT)	x	x	x	
Middlefield, USA	Resilient flooring	x	x	x	
Chagrin Falls, USA	Resilient flooring	x	x	x	
Dalton (Smith), USA	Carpet			x	
Dalton (Kraft), USA	Carpet				
Calhoun, USA	Carpet			x	
Jacarei, Brazil	Resilient flooring	x	x	x	
Suzhou, China	Carpet	x	x	x	
Beijing, China	Resilient flooring	x		x	
Calhoun (FieldTurf), USA	Artificial turf	x	x	x	
Auchel, France	Artificial turf	x			
Toronto, Canada	Shockpads				
Botany, Australia	Artificial turf	x	x	x	
Abtsteinach, Germany	Fibres for artificial turf	x			x
Hunt Valley, USA	Athletic tracks	x			

<sup>1</sup> The site at Tuzla (Turkey) was not yet operational at end of 2020

<sup>2</sup> The site at Narni (Italy) also has ISO 37001 certification (Anti-Bribery Management Systems) and a Social Responsibility SA 8000 certification.

### ICPE Production Sites in France (Classified Installations for Environmental Protection) – Sedan and Auchel sites

In France, ICPE refers to '*Installations Classées pour la Protection de l'Environnement*' – Classified Installations for Environmental Protection.

**The vinyl production facility in Sedan**, France is ranked as an Authorization-level Classified Installation by a Prefectural Decree of July 2008 in particular for sections with regard to the processing and storage of plastic materials. Hence the site is subject to "Authorization" for sections:

- > 2450-A-a – Rotogravure printing

The Sedan site has entrusted its regulatory surveillance to a specialized firm which enables it to identify evolutions in ICPE regulations. In particular, the site communicated all elements to the authorities concerning the new 3000 and 4000 ICPE sections. The site is organized in case of a major fire or pollution disaster thanks to an Internal Operation Plan (POI) and an internal team of firemen capable of intervening 24 hours a day and 7 days a week.

The site organization complies with the highest standards. Hence, the site is certified for the following standards: ISO 9001 (Quality), ISO 14001 (Environment), ISO 50001 (Energy) and ISO 45001 (Health & Safety), and has maintained the bronze WCM level in July 2019.

Thanks to a proactive policy, the site has considerably reduced its environmental impact. In 2020 the site recycled 99,7% of its waste, with no waste sent to landfill. In 2018 and 2019, the plant recorded less than 5 tons of industrial VOC (Volatile Organic Compounds) emissions (compared to a prefectural decree authorizing up to 30 tons, 2020 results not available at time of publication). Water consumption has been reduced by 40% in 2020 compared to 2015 and wastewater discharges eliminated since the beginning of 2020.

To achieve this, the site uses a structured method for analyzing and reducing environmental impacts.

Finally, to protect the environment from accidental pollution, the site has set up oil separators on storm water discharges and a system that continually analyzes the pollution level on industrial water outputs.

### Artificial turf production facility in Auchel

The authorization request to operate the Auchel site (France) was validated by the Préfecture (territorial authorities) on 17/03/2017. The Auchel site factory installations are subject to the registration scheme. The nomenclature version considered to carry out this classification is version 27.01 (October 2015). Accordingly, the site is now subject to registration for sections 2661.1.b and 2661.2.a – Transformation of polymers. The following sections were moreover classified as being subject to declaration (the regulatory level below Registration):

- > 2662.3 – Storage of polymers;
- > 2663.2.b – Storage of tires and products of which a minimum of 50% of the total unit weight is composed of polymers;
- > 4719.2 – Acetylene storage;
- > 4719.2 - Stockage d'Acétylène.

**List and justification of non-material CSR topics**

The CSR topics listed in the below table are not highly material for Tarkett and were therefore not developed in the CSR report.

CSR Topic	Justification of low materiality for Tarkett
<b>Biodiversity</b>	Tarkett does not operate in areas of high biodiversity value such as natural protected areas and does not develop new activities in pristine areas. As such, our activities do not have a direct impact on sensitive biodiversity features. We can however have an indirect impact on biodiversity, e.g. through natural resources consumption, air emissions or waste generation – topics which are duly addressed in the CSR report.
<b>Air emissions (other than greenhouse gases)</b>	Our main focus concerning air emissions is on greenhouse gases (GHG) due to their global impact on climate change. Some actions implemented to reduce GHG emissions (such as improvement of energy efficiency, development of renewable energies, etc.) in turn reduce emissions of other air pollutants such as nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ) or particulate matters (PM). Most of our direct emission sources (e.g. boilers) at our manufacturing sites use natural gas as fuel, thus leading to minimal SO <sub>x</sub> and PM emissions. We monitor our air emissions as per regulatory requirements to confirm compliance with applicable emissions standards for other pollutants such as NO <sub>x</sub> .
<b>Wastewater discharges</b>	Our main focus is to reduce water consumption, by implementing closed-loop water systems or manufacturing processes which do not consume any water (topic addressed in the CSR report). This in turn minimizes the volume of wastewater discharges at our manufacturing sites. Concerning pollutants, we monitor our wastewater discharges as per regulatory requirements to confirm compliance with applicable standards.
<b>Noise and other nuisances</b>	At our manufacturing sites, we measure boundary noise as per regulatory requirements to confirm compliance with applicable standards and to ensure that we minimize the nuisances for our neighbors. Complaints regarding noise or other nuisances (e.g. odors, lighting, smoke), which very rarely occur, are discussed with the complainant, investigated and subject to appropriate corrective actions as relevant.
<b>Food wastage</b>	Food waste is limited to restaurant services and is managed by external suppliers with their own action plan.
<b>Environmental incidents</b>	Our activities are not likely to generate catastrophic environmental incidents such as a significant oil or chemical spill. We however have emergency response plans in place at our manufacturing sites, which include environmental emergencies. We systematically report and investigate environmental incidents. ence, qui incluent les urgences environnementales, en place sur nos sites de production. Tout incident environnemental est systématiquement reporté et analysé.
<b>Child labor</b>	Tarkett does not operate in countries with a high risk of child labor. Our internal policies and our Code of Ethics completely prohibit child labor.
<b>Rights of indigenous people</b>	Tarkett activities do not involve direct impact or relationship with indigenous people (such as resettlement, land acquisition, etc.).
<b>Combat against food insecurity, respect of animal welfare, responsible, fair and sustainable food supply</b>	These topics are not applicable to Tarkett activities (topics included in the French regulations on non-financial statement – DPEF further to the publication in October 2018 of law n° 2018-938 on balanced trade relations in the agricultural and food sectors and on healthy and sustainable food supply accessible to all).

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