

CRADLE TO CRADLE® IMPROVEMENT STRATEGY

STRATEGY ON RENEWABLE ENERGY AND GHG EMISSIONS

NEAR- & MID-TERM TARGETS

We have set our BEYOND target to reduce scope 1 and 2 emission intensity with 30% by 2030, versus a 2018 baseline. The key levers to achieve this emission intensity reduction and absolute emission reduction are:

- Improving energy efficiency by reducing our electricity and gas consumption through optimisations in our production processes, supported by modulyss's **ISO 50001 certification**.
- Optimising our product composition to reduce energy consumption.
- Maximising the use of renewable energy, including solar energy generated by the solar panels installed on our roof. At modulyss, we source **100% renewable electricity** through a dedicated green energy contract.
- Further electrification of production processes where technically feasible and economically viable.

LONG-TERM TARGETS

In May 2023, Belysse made its commitment to the Science Based Targets Initiative (SBTi). Over the course of 2024, we have developed our Science Based targets for 2030, which were validated in early 2025:

- To reduce our absolute Scope 1 and 2 market-based GHG emissions with 42% by 2030, from a 2023 base year.
- To reduce our absolute Scope 3 GHG emissions from purchased goods & services and upstream transportation & distribution with 25% within the same timeframe.

CARBON OFFSETS

The Science Based Targets initiative (SBTi) emphasizes that companies must prioritize direct emissions reductions within their value chains. As such, SBTi does not consider carbon offsetting a valid strategy for achieving long-term climate goals.

While we fully support the vision of achieving true carbon neutrality without relying on offsets, we acknowledge that our operations are not yet fully decarbonized. At this stage, it is not possible for us to reach zero emissions through production and operational improvements alone. Despite ongoing efforts, the production of our carpet tiles still results in an unavoidable carbon footprint.

In the interim, we use carbon offsetting, which is a recognized and credible approach to balance the cradle-to-gate emissions associated with our Cradle to Cradle Certified® products. This enables us to offer a low CO2 product status today, while we continue to invest in decarbonizing our processes for tomorrow.

All the carbon credits outside Belysse's value chain are verified against VERRA quality standards. Starting with 2024 emissions, stricter criteria will apply for offsets, with only projects holding a BeZero rating of A or higher eligible for selection.

STRATEGY ON OUR USE OF RECYCLED MATERIALS

At modulyss, we are committed to minimizing the carbon footprint of our products by prioritizing the use of recycled and renewable raw materials wherever possible. In particular, we focus on incorporating renewable and post-consumer recycled (PCR) materials because the required percentages of post-consumer recycled content for Cradle to Cradle Certified® Product Standard (C2CPII) Gold level certification have not yet been met. However, we are able to achieve Gold level certification thanks to our clear and credible strategy for improvement.

We have already successfully integrated pre-consumer recycled and renewable materials into our products. At the same time, we are actively exploring ways to increase the use of post-consumer recycled content in our product portfolio. Currently, this type of content is limited to the yarn, due to constraints related to material health requirements and third-party intellectual property rights.