

2023

Universal  
Registration  
Document



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**Tarkett**

Société anonyme with Management Board and Supervisory Board with a share capital of 327,751,405 euros

Registered office: Tour Initiale – 1 Terrasse Bellini – 92919 Paris La Défense - France

352 849 327 R.C.S. Nanterre

# 2023 UNIVERSAL REGISTRATION DOCUMENT

## *including the Annual Financial Report*



*This is a translation into English of the Universal Registration Document of the Company issued in French.*

This Universal Registration Document was filed with the Autorité des Marchés Financiers (the "AMF") on 26 March 2024, as a competent authority under Regulation (UE) 2017/1129, without prior approval, in accordance with Article 9 of said regulation.

This Universal Registration Document may be used for the purpose of a public offering of securities or admission securities traded on a regulated market if supplemented by a note relating to securities and, if applicable, a summary and any amendments made to the Universal Registration Document. The whole is approved by the AMF according to the Regulation (EU) 2017/1129.

This Universal Registration Document, which includes the Annual Financial Report for the financial year ended 31 December 2023, is a reproduction of the official version issued in the xHTML format. It is available on the website of Tarkett ([www.tarkett-group.com](http://www.tarkett-group.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)).

## 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. By joining forces, we build a stronger foundation - one we can all stand firmly on, for generations to come. Together we are building the Way to Better Floors.

## A BROAD RANGE OF SOLUTIONS

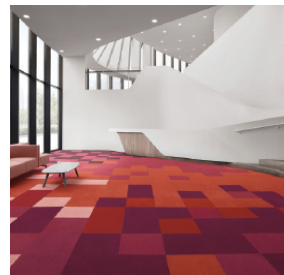
We offer to our customers one of the largest portfolios of flooring and sports surface solutions, and we share with our customers our expertise in multiple market segments.



Vinyl



Linoleum



Carpet



Wood



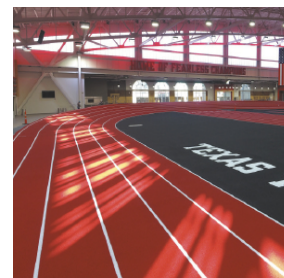
Laminate



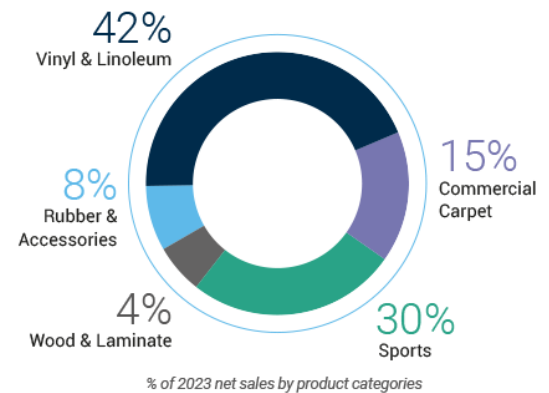
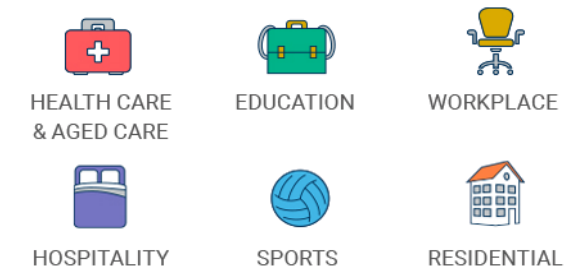
Rubber & Accessories



Artificial Turf

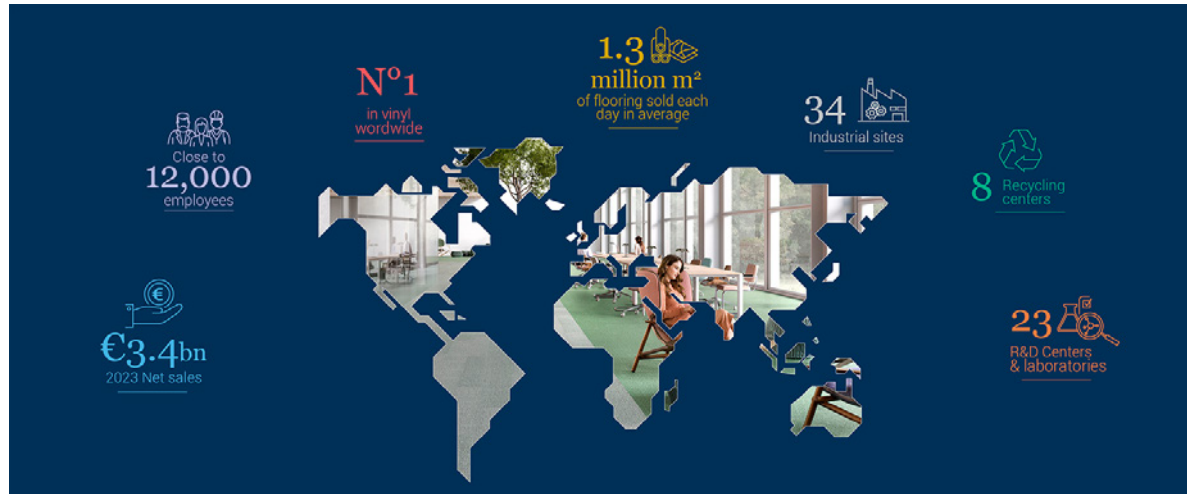


Athletic Tracks



The cover image of the 2023 CSR report represents LVT (Luxury Vinyl Tiles) "iD Click Ultimate 70 Chatillon Oak NATURAL". It contains an average of 20% recycled content and is 100% recyclable through the Tarkett ReStart® program.

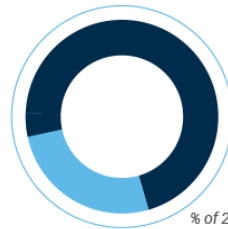
## TARKETT WORLDWIDE



### ATTRACTIVE END-MARKET EXPOSURE

76%  
Commercial  
(incl. Sports)

24%  
Residential

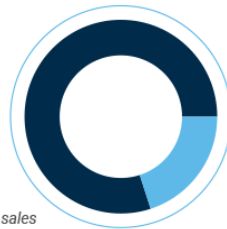


% of 2023 net sales

### SALES DRIVEN BY RENOVATION

80%  
Renovation

20%  
New construction



## 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



WE SUPPORT

Comply with the 10 United Nations principles



Contribute to the Sustainable Development Goals defined by the United Nations

## Tarkett in figures



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

\*Tarkett Participation, Société Investissement Deconinck (SID), Expansion 17 S.C.A. and Global Performance 17 S.C.A. (the latter two companies being part of the Wendel group) as well as the members of the Company's Supervisory Board linked to the Deconinck family have been acting in concert vis-à-vis the Company since the simplified tender offer for Tarkett shares implemented in 2021. Section 7.3 presents a detailed breakdown of the Company's shareholding structure.

## Governance

# Supervisory Board

The Supervisory Board is composed of 13 members of which 3 independent members, 2 members representing the employees and 2 observers.



**Éric La Bonnardière**  
Chairman  
Member since 2015



**Didier Deconinck**  
Vice-Chairman  
Member since 2001



**Marine Charles**  
Member since 2023



**Julien Deconinck**  
Member since 2014



**Nicolas Deconinck**  
Member since 2015



**Françoise Leroy**  
Member\* since 2013



**Tina Mayn**  
Member since 2023



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



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



**Caroline Tith**  
Member\*\* since 2021



**Philippe Willion**  
Member\*\* since 2024



**Bernard André Deconinck**  
Observer



**Claude Ehlinger**  
Observer

**Audit, Risks and Compliance Committee:**  
 > Françoise Leroy (President)\*  
 > Sabine Roux de Bézieux\*  
 > Julien Deconinck

**Appointments, Compensation and Governance Committee:**  
 > Didier Michaud-Daniel (President)\*  
 > Nicolas Deconinck  
 > Françoise Leroy\*

**CSR & Innovation Committee:**  
 > Sabine Roux de Bézieux (President)\*  
 > Nicolas Deconinck  
 > Tina Mayn

\* Independent

\*\* Member representing the employees appointed by the Works Council.



## Governance

### Executive Management Committee

The Group Executive Committee is led by Fabrice Barthélemy, Chief Executive Officer (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 Dalieri**  
President of Tarkett North America and Tarkett Sports



**Slavoljub Martinovic**  
President of Tarkett EMEA & LATAM



**Stanislav Mitrović**  
President of Eastern Europe & APAC



**Raphaël Bauer**  
Chief Financial Officer



**Eline Cormont-Girardey**  
Group General Counsel



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



**Arnaud Marquis**  
Chief Sustainability & Innovation Officer



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



**Hervé Legrand**  
Group Chief Information Officer (CIO)

## A word from the CEO

*"I am particularly proud that we are the only flooring and sports surfaces manufacturer this year to reach such a high level of performance, assessed by CDP. This demonstrates our environmental leadership and our ability to build the right climate strategy which translates into concrete actions."*



Fabrice Barthélemy, CEO

Our ambition is clear: become the easiest, the most innovative and the most sustainable flooring and sports surfaces company to work for, and to work with. In 2023, we implemented key initiatives for our people, our customers, and the environment.

### **Empower our high performing teams, to deliver on the promise**

The safety of our workforce remains our number one commitment. We continually strengthen our safety culture through assessments, procedures, action plans and training. While we must continue to improve, I recognize the efforts and actions being taken which will help us achieve our ultimate target of reducing the recordable accident frequency rate down to 1.0 by 2025.

The engagement of our teams is another key commitment. The record participation of 89% to our biannual Employee Feedback Survey in 2023 provided us with meaningful feedback. To make Tarkett a great place to work, we continued fostering diversity and inclusion while empowering our teams. Our annual Diversity and Inclusion week is a great testimonial of our commitment towards a diverse and inclusive workplace. In 2023, women held 29% of manager positions, strongly progressing towards our 2025 target of 30%.

### **Offer our customers a best-in-class experience with innovative products and services**

We are constantly looking to help our customers, distributors, installers, architects, designers, and end-users address their own challenges in an easy and effective manner:

- We propose flooring products with lower carbon footprints compared to average equivalent products in the industry, such as our new Desso carpet tile collections, our Johnsonite rubber tile, or our iQ Natural homogeneous vinyl.
- We launched in 2023 the Green Building Cards in EMEA, sharing the sustainability attributes of our collections and promoting our circular selections, which help our customers achieve green building certification.

### **Lead with sustainability**

Sustainability is a key pillar of our Impact2027 strategy.

- In 2023, our climate targets have been approved by the Science Based Targets initiative (SBTi).
- We trained 700 employees from marketing, sales and sustainability on our sustainability manifesto "The way to better floors" to facilitate customer and supplier dialogue.
- We are reducing our greenhouse gas emissions by 30% by 2030 across our whole value chain (encompassing scope 1, 2, and 3 emissions)<sup>1</sup>, which includes tripling the use of recycled materials by 2030 to 30% (vs 10% in 2018).

### To this end, we:

- **Optimize** energy consumption at our plants and implement renewable energy solutions, such as solar panels, biomass boilers, or renewable electricity contracts. In 2023, we launched a project to further decrease greenhouse gas (GHG) emissions Scope 1 and 2 of our 15 most emissive plants. Globally, we continued to reduce our Scope 1 & 2 GHG emissions from our manufacturing operations in 2023 (-47% vs 2019).
- **Increase** the share of closed-loop and open-loop recycled materials, reaching 18% in 2023 (+1% vs 2022).
- **Recycle** post-installation and post-use flooring through our Restart® take-back and recycling program and artificial turf through a dedicated infill take-back program in North America, which was strengthened by opening a new regeneration facility in Pennsylvania (USA).

Overall, our Scope 3 value chain emissions<sup>2</sup> have continued to decrease in 2023 (-14% vs. 2019). These commitments and efforts have been externally recognized. Tarkett has joined the list of companies recognized as one of Europe's Climate Leaders, established by Financial Times and Statista; and we were rated at leadership level "A-" score for Climate Change disclosure by the environmental rating agency CDP. On this topic, I am particularly proud that we are the only flooring and sports surfaces manufacturer this year at CDP to reach such a high level of performance. This demonstrates our environmental leadership and our ability to build the right climate strategy which translates into concrete actions.

In implementing our strategic plan, we remain committed to ten principles of the United Nation's Global Compact on human rights, labor, environment, and anti-corruption and our contribution to the UN 2030 Sustainable Development Goals (SDG).

### To achieve our ambitious goals, we are facing several challenges along the way:

- > We push for transformation, for **speed**, and we encourage our partners to do the same. This transformation requires everyone to participate.
- Today, not all customers are willing to pay a **price premium** for lower carbon solutions. Worse, we are competing against imported products that are made with a higher environmental footprint.
- Better **regulation** will be essential to encourage our customers to return materials at the end of use, rather than going to incineration.

I trust our teams to address these challenges, and to continue to lead our industry transformation. I am truly proud of what we have accomplished together, and I am excited and optimistic about our future.

[1] This overall target is split into two SBTi validated targets: Tarkett commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year; and Tarkett also commits to reduce absolute scope 3 GHG emissions from purchased goods and services and end-of-life treatment of sold products 27.5% within the same timeframe. The targets' boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

[2] Scope 3 GHG emissions from purchased goods and services and end-of-life treatment of sold products, categories which represent more than two thirds of total scope 3 emissions.

## Our Business Model: have a positive impact on our customers, our teams, the planet and our stakeholders

### Our Inputs: Sustainable Capital



#### Financial capital

- Listed on Euronext Paris
- Concert Tarkett Participation (90,4%)
- Free float (9,6%)



#### Manufacturing capital

- 34 production sites in 20 countries worldwide (Europe, Russia, North America, Serbia, China, Ukraine, Brazil, Mexico, Australia, Turkey, United Arab Emirates)
- 8 recycling centers



#### Intellectual capital

- 139 patent families active in 42 countries
- 23 R&D labs
- Tarkett Human-Conscious Design®
- Network of internal experts and methodology (World Class Manufacturing, Cradle to Cradle®, Talent Philosophy...)
- Scientific partnerships (universities, Environmental Protection Encouragement Agency - EPEA, suppliers...)



#### Human, social and relationship capital

- 11,700 employees in 45 countries, representing more than 50 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 3 specialized committees (including CSR & Innovation)
- Executive Management committee
- Codes of ethics and conduct
- Whistleblowing procedure
- Code of conduct Securities Markets

Section 3.2.1 in the section on CSR Governance describes how Tarkett is organized to drive change and achieve its CSR objectives

## impact 2027

**Mission: Create unique surfaces that improve people's lives and are good for the planet**

**Vision: Be the easiest, most innovative and most sustainable flooring and sports surfaces company to work for and with**

1. Empower high-performing teams

2. Offer a best-in-class customer experience

3. Create innovative products & services

4. Lead with sustainability

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

#### Our Segments:

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



- Health & Aged Care



- Hospitality



- Education



- Sports



- Workplace



- 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 low carbon and circular economy through continual dialogue and collaboration with our stakeholders

- Customers, architects, designers, installers and end-users
- Employees and other external workers
- Suppliers, service providers and business partners
- Shareholders, investors, creditors and the financial community
- Trade associations, business networks, academic and scientific institutions
- Public authorities, intergovernmental and non governmental organizations

The principal means of dialogue are described in section 3.5 Stakeholder engagement

Section 3.1.3 presents the Group's ambition to place its stakeholders at the heart of its business model, responding to their expectations as well as setting out how Tarkett's strategy and CSR objectives contribute to the UN's Sustainable Development Goals

# Our Outputs: sustainable performance despite challenging context

## DEMONSTRATING THE RESILIENCE OF TARKETT'S BUSINESS MODEL

<b>€3,363 million</b> Net sales (4.5% organic growth)	<b>€288 million</b> Adjusted EBITDA	<b>8.6%</b> Adjusted EBITDA margin (% of net sales)	<b>€20.4 million</b> Net profit (Group share)	<b>€809 million</b> Remunerations	<b>€95 million</b> Investments	<b>€45 million</b> Income tax paid	<b>€0.2 million</b> Support to local communities (Tarkett Cares)
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## Confirming our solid global positions

**3<sup>rd</sup>** largest flooring group 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

<b>3.28</b> Recordable Lost Time Accident Frequency Rate (FR1t) for all employees <sup>1</sup> 2025 objective: 1.0 1# accidents with lost time < & > 24 hours per million worked hours	<b>29%</b> of managers are women 2025 objective: 30%	<b>65%</b> of open management positions filled by an internal candidate 2025 objective: 70%	<b>39%</b> employees trained in last year	<b>96%</b> of enrolled permanent employees had a Performance & Development Review
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Safety

Diversity

Internal mobility

Training & Performance

## Meeting 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 (94%)
- **Contributing to well-being through our products:** indoor air quality (99% of flooring with low volatile organic compounds emissions), healthy spaces (96% of flooring using phthalate-free plasticizers), comfort (visual, acoustics, installation, maintenance...)
- **Selecting raw materials not contributing to resource scarcity** (69% - 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 to be aligned with The Paris Agreement** (-47% scope 1 & 2 vs 2019, 44% renewable energy)  
 2030 objective: -50% Scope 1 & 2 GHG emissions vs 2019 & -30% Scope 1+2+3 GHG emissions vs 2019 (where scope 3 relates to purchased goods and end-of-life treatment of products sold)
- **Shifting to a circular economy model** bringing a positive contribution to climate change, using more recycled materials (~154,000 tons, 18% 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** (~119,000 tons between 2010 and 2023)
- **Innovating and eco-designing** with new technology for low carbon products that can be disassembled and recycled
- **Achieving water savings** (-61% m<sup>3</sup> vs 2010) by equipping plants with closed loop water systems (69%)

## Driving collaboration in the value chain and in communities

- **Promoting sustainability in the supply chain** ("responsible sourcing program" with 39% of suppliers adhering to our code of conduct or equivalent, Cradle to Cradle® eco-design)
- **Sharing our products information with our clients** (Material Health Statements - MHS, Environmental Product Declarations - EPD), engaging dialogue at 38 showrooms
- **Supporting local communities** through Tarkett Cares and employees' involvement
- **Training students and professionals** in flooring profession and installation techniques via Tarkett Academy (60,000 people trained from 2012 to 2023)

Section 3.3. on CSR risks and opportunities describes how Tarkett is contributing to addressing global challenges

# 1

## GROUP PRESENTATION

<b>1.1</b>	<b>General presentation</b>	<b>15</b>	<b>1.5</b>	<b>Flooring and sports surfaces markets</b>	<b>24</b>
1.1.1	Group activity	15	1.5.1	Flooring market	24
1.1.2	Main key figures	16	1.5.2	Sports surfaces market	27
<b>1.2</b>	<b>History</b>	<b>18</b>	<b>1.6</b>	<b>Products marketed by the Group</b>	<b>28</b>
<b>1.3</b>	<b>Strategy</b>	<b>19</b>	1.6.1	Presentation of the Group's products	28
1.3.1	Group strategic objectives	19	1.6.2	Product manufacturing	33
1.3.2	Group outlook	20	1.6.3	Product distribution	37
1.3.3	Group strategic assets	21	1.6.4	Product innovation and intellectual property	41
<b>1.4</b>	<b>Overview of Group activities</b>	<b>22</b>	<b>1.7</b>	<b>Simplified Group organisation chart</b>	<b>46</b>
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1.4.2	General presentation of Group activities	23			
1.4.3	General presentation of Group markets	23			

# 1.1 General presentation

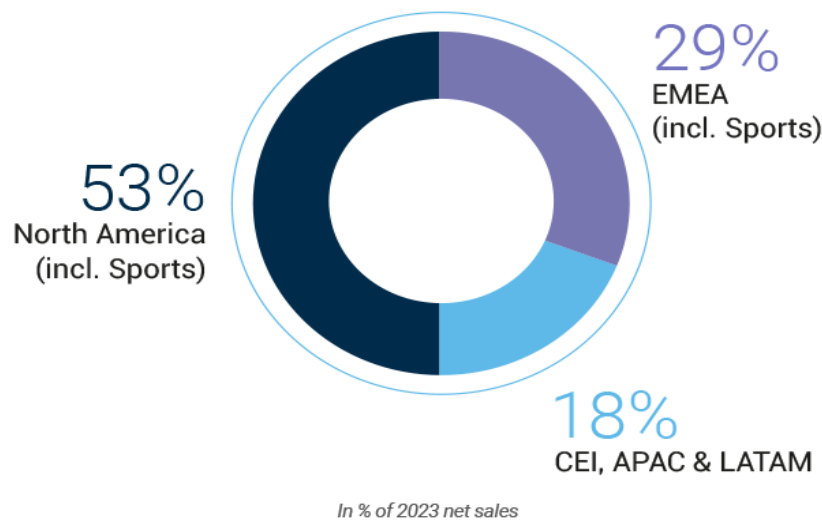
## 1.1.1 Group activity

With more than 140 years of experience, Tarkett is a worldwide leader in innovative flooring and sports surface solutions.

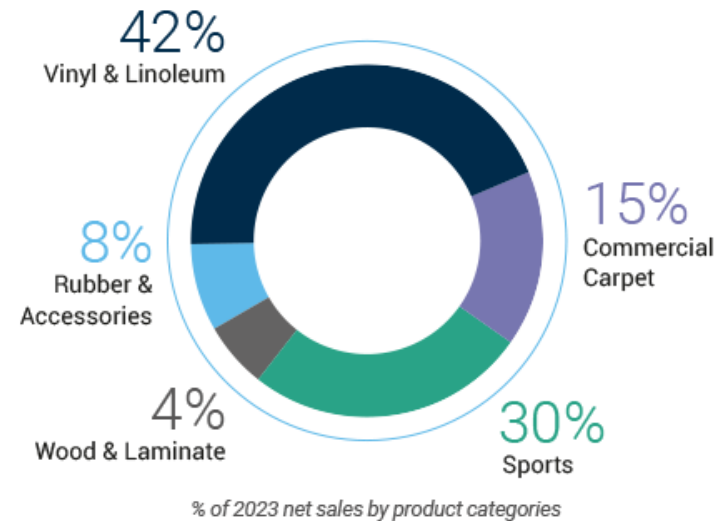
Tarkett offers one of the widest ranges of flooring solutions in the industry. With experienced teams and sales in more than 100 countries, the Group has acquired extensive knowledge and an excellent understanding of customer cultures, tastes and requirements, local regulations, and the use of flooring in each country.

With 34 industrial sites and customer service centres located close to local markets, the Tarkett Group is able to offer highly flexible solutions to meet specific customer needs.

*Distribution of 2023 net revenue by geographical area*

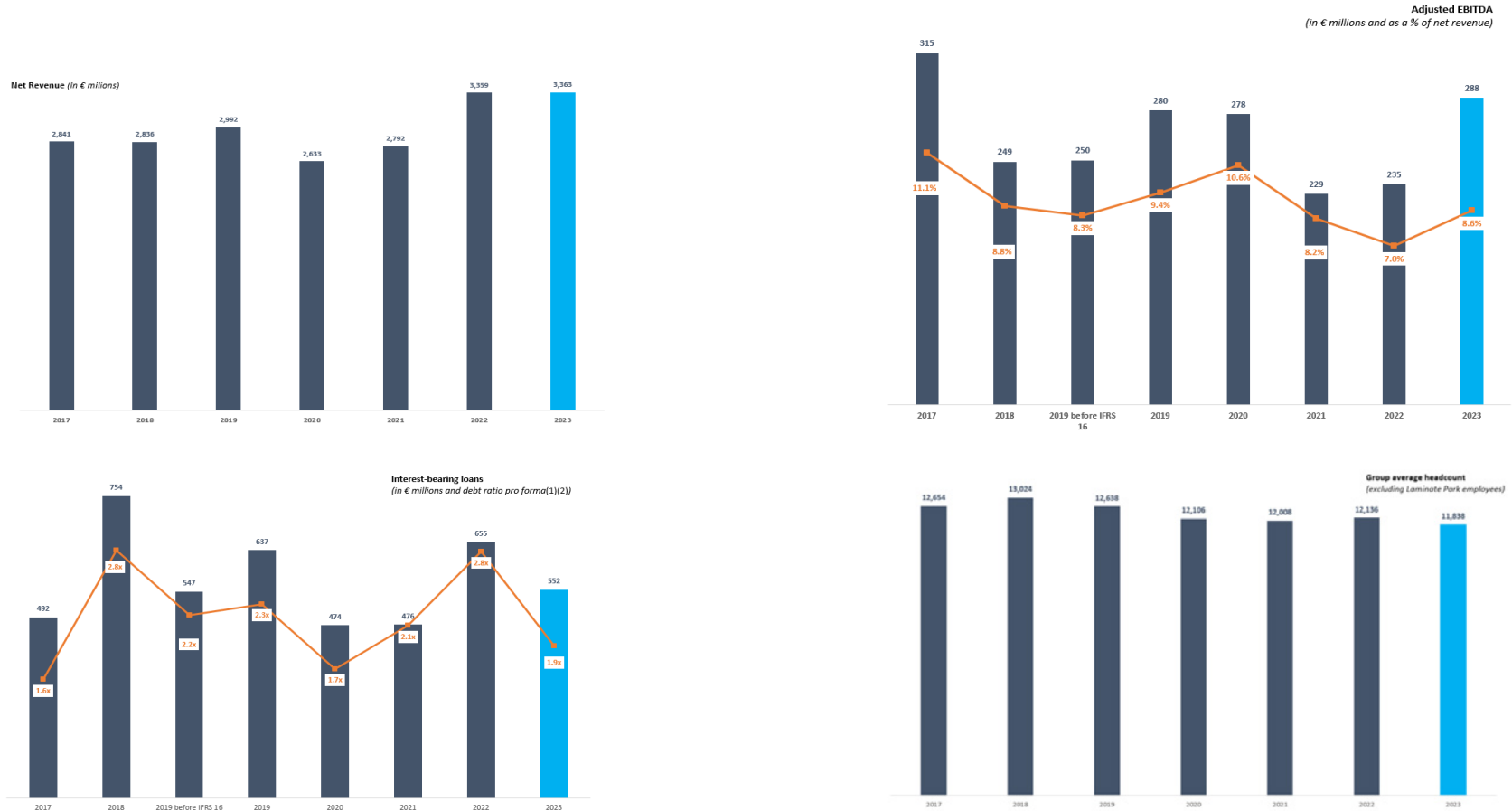


*Distribution of 2023 net revenue by product category*



### 1.1.2 Main key figures

The financial data presented below is derived from the Group's Consolidated Financial Statements for the fiscal year ended 31 December 2023, prepared in accordance with IFRS as adopted by the European Union, which are included in section 5.1 "Consolidated Financial Statements for the year ended 31 December 2023". The Consolidated Financial Statements for the year ended 31 December 2023 were audited by the Company's Statutory Auditors. The Statutory Auditors' Report is included in section 5.9 "Statutory Auditors' Report on the Consolidated Financial Statements".



<sup>(1)</sup> Net debt/EBITDA 2018 pro forma adjusted: including EBITDA from Lexmark (acquired in September 2018) for the full year.

<sup>(2)</sup> 2019 net debt includes the implementation of 126m Euro receivables programmes



## General presentation

<i>(in millions of Euro)</i>	31 December 2023	31 December 2022
<b>Consolidated results</b>		
<b>Net revenue</b>	<b>3,363.1</b>	<b>3,358.9</b>
Organic growth <sup>(1)</sup>	+4.5%	+8.9%
<b>Adjusted EBITDA before IFRS 16<sup>(1)</sup></b>	<b>248.0</b>	<b>200.6</b>
% of net revenue	7.4%	6.0%
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>287.8</b>	<b>234.9</b>
% of net revenue	8.6%	7.0%
<b>Adjusted EBIT before IFRS 16<sup>(1)</sup></b>	<b>147.6</b>	<b>83.0</b>
% of net revenue	4.4%	2.5%
<b>Adjusted EBIT<sup>(1)</sup></b>	<b>154.1</b>	<b>85.8</b>
% of net revenue	4.6%	2.6%
<b>Result from operating activities (EBIT)</b>	<b>125.1</b>	<b>44.4</b>
% of net revenue	3.7%	1.3%
<b>Net profit - Group share</b>	<b>20.4</b>	<b>(26.8)</b>
<b>Dividends per share (in Euro)<sup>(2)</sup></b>	<b>0.3</b>	<b>(0.4)</b>
<b>Consolidated financial position</b>		
Equity attributable to equity holders of the parent	864.7	913.0
Net debt before IFRS 16 <sup>(3)</sup>	408.3	535.4
Net debt <sup>(3)</sup>	551.7	654.8
Balance sheet total	2,483.3	2,606.4
<b>Consolidated cash flow</b>		
Cash generated from operations	278.5	(19.1)
Investments	(94.9)	(98.1)
Free cash flow <sup>(1)</sup>	147.1	(148.3)
<b>Market capitalisation as of 31 December</b>	<b>611</b>	<b>754</b>
<b>Average headcount</b>	<b>11,838</b>	<b>12,136</b>

<sup>(1)</sup>See Section 4.7.

<sup>(2)</sup>It will be proposed to the next Shareholders' Meeting of 26 April 2024 to allocate profits from the financial year ending 31 December 2023 to retained earnings and not to distribute dividends.

<sup>(3)</sup>See Section 4.3.3 and Note 7 in Section 5.2.

## 1.2 History

The Group was formed in 1997 through the merger of the French company Sommer Allibert S.A. and Tarkett AG (at the time listed on the Paris and Frankfurt Stock Exchanges respectively). Sommer Allibert S.A. was also formed as the result of a merger in 1972 between two French companies. Sommer was established at the end of the nineteenth century and Allibert was formed at the beginning of the twentieth century by Mr Joseph Allibert, whose heirs are the members of the Deconinck family, the majority shareholder. Tarkett was formed at the end of the nineteenth century in Sweden.

In 1997, the Group embarked on a strategy which refocused on flooring by transferring its other activities, in particular automotive equipment (2001) obtained from Sommer Allibert S.A., and was renamed Tarkett (in 2003).

The Group began a strategy of dynamic growth in the flooring sector through a series of acquisitions and joint ventures. As a result, the Group stepped up its activities in Eastern Europe in 2002 and acquired a strong base in Russia with the establishment of a partnership with the Serbian company Sintelon AD, which was to be completely absorbed by the Group in 2009. In 2004, the Group entered the sports sector by taking a minority interest in the Canadian company FieldTurf, a manufacturer of synthetic grass, later acquiring the company the following year. At the same time, the Group began to develop its flooring activities in North America, notably with the acquisition of Johnsonite Inc., a manufacturer of resilient flooring and accessories.

In 2006, the Group finalised the withdrawal of its subsidiary Tarkett AG from its listing on the Frankfurt stock exchange and in 2007, investment funds recommended and managed by Kohlberg Kravis Roberts & Co. L.P. ("KKR") indirectly acquired approximately 50% of the Company's shares while the Deconinck family retained approximately 50% of the share capital, the remaining shares being held directly and indirectly by management.

Since then, Tarkett has intensified its external growth policy and has made several acquisitions in the field of sports surfaces which have established its position as market leader. The Group has also made various acquisitions in the flooring sector in order to strengthen its position in certain regions or to penetrate countries where the company is not yet present. The Group entered the commercial carpet market in the United States in 2012 with the acquisition of the Tandus group, an American designer, manufacturer and retailer of carpets for commercial segments. With this acquisition, the Group established itself as a major player in the North American commercial carpet market.

In 2013, the Group proceeded with its listing on the Paris stock exchange and continued its dynamic external growth strategy, notably with its acquisition of the Desso group in 2014, one of the European leaders in commercial carpet. In terms of capital, KKR, which had already decreased its ownership stake at the time of the Group's IPO, sold the remainder of its ownership in the Company over the course of 2016. In 2018, Tarkett acquired Lexmark Carpet Mills, a manufacturer of high quality carpets, mainly for the North American hospitality industry. The Group has also continued to strengthen its activity in the sports surface sector by means of targeted acquisitions.

Tarkett focussed on its debt reduction in 2019 and launched a new strategic plan "Change to Win" in June that year. In view of the situation with the COVID-19 pandemic, Tarkett did not resume its external growth strategy in 2021, preferring to focus its efforts on maintaining the Group's profitability and cash flow while continuing its debt reduction.

On 26 April 2021, Tarkett Participation, acting in concert with Société Investissement Deconinck ("SID") Global Performance 17 S.C.A., FIAR and Expansion 17 S.C.A., FIAR (which superseded Wendel Luxembourg S.A. (formerly Trief Corporation SA) on 27 July 2021) and the members of the Supervisory Board associated with the Deconinck family (together the "**Concert**"), filed a simplified takeover bid (TOB) with the French Financial Markets Authority (AMF) targeting all Tarkett shares not held by Tarkett Participation, namely 29,085,420 shares representing 44.37% of the company's capital and 29,893,484 voting rights equal to 45.05% of the company's voting rights, at the price of 20 Euro per share. The takeover bid, declared compliant by the French Financial Markets Authority on 8 June, was opened on 10 June and closed on 9 July 2021.

Following the simplified tender offer and the various acquisitions on and off the market after the closing of the offer, Tarkett Participation, acting in concert within the meaning of Article L. 233-10 of the Commercial Code, namely Société Investissement Deconinck (SID), Global Performance 17 S.C.A. and FIAR, Expansion 17 S.C.A. FIAR (the latter two belonging to the Wendel group) and the members of the Company's Supervisory Board associated with the Deconinck family held 90.4% of the Company's capital and 94.7% of its voting rights at 31 December 2023.

In 2023, in a difficult macroeconomic environment, Tarkett succeeded in maintaining positive growth and its operating profit. The Group continued with its strategic plan "impacT 2027" which aims to be most innovative and most environmentally friendly flooring and sports surfaces company for both its customers and employees.

Strategy

## 1.3 Strategy

Tarkett's ambition is to be the world leader in commercial flooring and sports surfaces and to grow in a targeted manner in the residential sector. The Group's vision is also to become a leader in the circular economy, an area in which it has set itself some ambitious objectives.

The Group strives to provide innovative solutions to create value for its customers and designs flooring and sports surfaces which offer end users a good return on investment, high technical performance and clear, strong commitments in terms of the environment.

### 1.3.1 Group strategic objectives

#### Group outlook

The "impacT 2027" strategic plan outlines Tarkett's ambition: to become the most innovative and sustainable flooring and sports surfaces company, offering the best experience for our customers and employees

To achieve this, we will focus on 4 pillars:

- > Empowering our high performance teams to deliver on our promise
- > Providing a first-class customer experience
- > Creating innovative products and services
- > Leading the way in sustainability

With this new strategic plan, we want to have a positive impact on our customers, our teams and the planet.

#### Our mission

We create unique surfaces that improve people's lives and are good for the planet.

#### Our vision

We want to be the most agile, most innovative and most sustainable flooring and sports surfaces company to work for and with.

#### Our strategic pillars

To achieve our vision, our strategic plan is based on 4 pillars.

##### a) "Be the simplest" by providing a first-class customer experience

As the world's leading innovator of flooring and sports surfaces, we want to offer our customers a holistic approach: from design to product recommendation, availability, delivery, installation and service.

We want our customers to benefit from our expertise by providing the best possible experience and responding to their needs with speed and agility.

##### b) "Be the most innovative" by creating cutting-edge products and services.

Our customers expect our products to be at the intersection of design, innovation, performance and maintenance.

Our expertise lies in the way we select materials, innovate and continuously improve, recycle flooring and reuse recycled materials.

We will focus on significant innovations selected from market needs and aim to deliver them on time.

##### c) "Be the most sustainable", as we continue to lead the way in sustainability.

Integrating sustainability into everything we do is at the heart of our strategy.

We are committed to reducing CO<sub>2</sub> emissions and decreasing raw material consumption, while maintaining the high performance of our products.

Our ambitions for CO<sub>2</sub> reduction and the circular economy are fully aligned with our vision to be the most sustainable flooring and sports surfaces company, as they help to combat climate change and protect resources.

## Strategy

**d) To deliver on our promise, we empower our teams to act and perform.**

Not only are our teams at the heart of this strategy, but more importantly, they are the driving force behind it.

Being in a leadership position means leading change and showing others the way.

With a high level of commitment from our teams and our entrepreneurial DNA, we encourage our teams to take risks in order to deliver on our promises and achieve our vision.

### 1.3.2 Group outlook

Thanks to the quality of its offer, its geographical anchorage and its presence in diversified market segments, the Group considers that it has all the elements to implement its profitable growth model over the coming years.

In a complex and uncertain geopolitical and macroeconomic environment, Tarkett does not expect market conditions to improve in the short term.

Demand in EMEA in the coming months is expected to remain weak due to persistently high interest rates, the continuing low number of real estate transactions and difficulties in the construction sector. In this region, the Group will continue to adapt its production and cost structure to market conditions.

In North America, residential market indicators remain sluggish, but the Group's limited exposure to this segment and its differentiated positioning in certain distribution channels should enable this business to develop favourably. The commercial property segments have been performing better in recent months, but it is not possible to identify any clear signs of recovery, particularly given the weakness of the office property market. Nevertheless, the Group's aim is to continue the momentum that started in 2023 in order to gain market share and strengthen our profitability.

**Our operating model**

We are close to our markets: our organisation is centred on geographical or business divisions.

We are a global company: we share values, methods, IT systems, financial resources, etc. We select relevant processes and initiatives where it makes sense.

We act like entrepreneurs: we place particular emphasis on customer satisfaction, eager to achieve results, willing to take risks and be bold in our area of responsibility.

In Sport, the outlook for business remains good, even if the exceptional levels of growth recorded since the end of the COVID-19 crisis are likely to slow somewhat, but our objective remains to improve our sales and earnings in 2024.

In this complex market environment, Tarkett is maintaining its roadmap for operational and financial recovery, which began in 2023. After the strong cash generation in 2023, the Group is continuing to aim for positive cash generation and a reduction in debt through rigorous control of working capital requirements and tight control of investment, with priority given to innovative and automation projects with a rapid return on investment, prioritising those with the greatest growth potential.

### 1.3.3 Group strategic assets

The Group benefits from many assets that it believes make it unique in the international flooring market. These assets include the following:

- > **A leading position:** The Group occupies leading positions among flooring manufacturers for the products that constitute the heart of its business and in the principal geographical markets in which it does business. The Group is the third-largest flooring supplier worldwide (based on 2023 sales). The Group is the leading supplier of vinyl flooring and sports surfaces in the world. The Group is also a leader in the vinyl flooring sector in Russia and more generally in the countries of the Commonwealth of Independent States (hereinafter "CIS"), as well as in a large number of European countries, notably France and Sweden.
- > **Balanced geographical exposure and diversified market segments** mitigate the cyclical nature of the construction and renovations business: the Group's diversified geographic exposure and its large customer base provide the Group with natural protection against regional economic cycles in the construction and renovation sectors. Approximately 80% of the Group's sales (in square metres) come from the renovation projects, a market that is subject to less volatility than new construction. Group sales are divided between commercial users (76% of 2023 sales) and residential users (24% of 2023 sales). It enjoys a wide customer base throughout the world, which reduces concentration risk. In 2023, the Group's largest customer represented less than 5% of total consolidated net revenue. The Group believes its wide product range, diverse and extensive customer base as well as its global footprint reduce its dependence on any one industry, region or sector of the economy.
- > **A product range among the widest in the flooring and sports surface industry** means the Group can offer unique integrated solutions, adapted to the technical specifications, budgets and requirements in terms of safety and design of the various activity segments (health and care for the elderly, health centres, housing, education, corporate, sports facilities and hospitality). Tarkett possesses one of the widest product ranges available in the flooring market consisting of vinyl, linoleum, parquet and laminate flooring, commercial carpets and rubber flooring. The Group is therefore in a position to create integrated solutions using different types of flooring and to establish a position as a single point of contact for its customers. Tarkett also carries out regular surveys among its customers that confirm the high level of satisfaction in terms of product quality which is a particularly important selection criteria for all customers.
- > The Group continuously works on nurturing **long-term relationships with customers**. Tarkett has also developed co-design tools for its customers. Thus, during 2017, Tarkett opened the "Atelier Tarkett" (Tarkett Workshop) in the heart of Paris, a place to exchange and gain inspiration dedicated to architects and designers, acting as an extension of the architect's practice. This place consists of various areas centred on products and services, such as a library, lab, digital tools, meeting room, kitchen. There will be 38 showrooms worldwide in 2024.
- > **Special long-term relationships with fitters and contractors** play an essential advisory role in the choice of flooring, especially among commercial users. The Group also created training programmes, called "Tarkett Academy", aimed at building professionals and fitters. These programmes help develop the Tarkett trademark loyalty and ensure higher quality installation services for the Group's products.

## Overview of Group activities

## &gt; A "GloCal" position:

- The Group draws leverage from its global geographic footprint, one of the largest in the industry. It markets its products to thousands of customers in over 100 countries, having production sites and sales teams in Europe, North America, the CIS countries, Latin America and Asia Pacific. This geographical presence is the result of significant investments made over several years and various acquisitions. This broad geographical coverage is now a key competitive differentiator for the Group over its competitors, and one of the main reasons for its long-term success. The Group's global scale and size also enable it to pool its research and innovation efforts and optimise the investments made in these areas. Economies of scales are also essential for the Group, reducing purchasing costs of raw materials (particularly PVC, plasticisers and polyurethane), and benefiting from operational best practices in the different regions.
- The Group also has in-depth knowledge of the technical specificities, designs, tastes and local preferences of users in the major countries in which it operates. It can thus design products perfectly adapted to the needs and tastes of local users, distinguishing itself from its competitors by its geographical presence and market knowledge.

- The Group has production sites in the main countries in which it operates. This enables it to offer its customers high quality service while reducing delivery times, transportation costs, customs duties and working capital requirements.
  - The Group believes its in-house research and innovation teams are best-in-class, allowing it to provide innovative and durable products that are tailored to the needs and demands of each of its local users while promoting environmentally responsible solutions that keep it ahead of regulatory and industry norms.
- > **An eco-innovation pioneer.** Respect for the environment and human health at every stage of the product lifecycle is at the heart of the Group's virtuous cycle design approach, applied to all of its activities around the world. By offering ever more innovative products having very low Volatile Organic Compounds (VOCs) emissions or phthalate-free plasticisers, Tarkett positions itself as a pioneer, influencing industry standards, encouraging a collaborative circular economy and involving all stakeholders in this sustainable approach.
- > **An international and experienced management team** heads up a decentralised and agile organisation. The management team, whose members have varied international profiles and solid expertise, promotes an entrepreneurial spirit within the Group. The current management team has played a key role in the development of the new strategic plan which it is currently implementing.

## 1.4 Overview of Group activities

### 1.4.1 Preamble on sources of information

Unless otherwise noted, the information included in this section is based on Group estimates for 2022 and is provided solely for informational purposes. The Group is currently in the process of updating its estimates for 2023. To the best of the Group's knowledge, there are no authoritative external sources providing exhaustive and comprehensive coverage or analysis of the flooring market. Therefore, the Group has made estimates based on a number of sources, including studies and statistics published by independent third parties (in particular Freedonia, the European Parquet Industry

Federation and the European Resilient Flooring Manufacturers' Institute), data published by other players in the market and data obtained from its operational subsidiaries. These various studies, estimates, research and information, which the Group considers reliable, have not been verified by independent experts. The Group does not guarantee that a third party using other methods to gather, analyse or compile the market data would obtain the same results. In addition, the Group's competitors may define their geographic regions and categories differently.

## 1.4.2 General presentation of Group activities

The Tarkett Group is one of the global leaders in flooring and sports surfaces, providing integrated flooring and sports surface solutions to professionals and end-users in the residential and commercial markets. Leveraging over 140 years of experience, the Group offers believes that it offers the widest and most innovative product range in the industry. The Group currently sells an average of 1.3 million square metres of flooring per day through 34 production sites located around the world in each of its principal geographic regions where it markets its products. The Group has an extensive geographical footprint

## 1.4.3 General presentation of Group markets

The Group sells its products in more than 100 countries worldwide. With local salesforces and production sites located in its principal geographic regions, the Group is able to match its products to local and regional demands and tastes. The Group's net revenue from flooring sales are well balanced geographically between the different regions with 29% of 2023 revenue generated in EMEA (including sports surfaces), 53% in North America (including sports surfaces) and 18% in CIS, APAC and Latin America.

Group product sales are divided between commercial users (approximately 76% of 2023 sales) and residential users (approximately 24% of 2023 sales). In these two principal channels, renovation projects typically account for the large majority of sales (approximately 80% of sales in terms of square metres). The Group sells residential flooring with designs and styles adapted to the local specificities of each geographical region that it serves. The CIS countries represent the Group's largest geographic region for residential products. The Group's products for commercial end-users are sold mainly in North America and Western Europe, although the Group's business is seeing growth in the APAC and Latin American markets. The Group's commercial products benefit from the significant research and development strategy led by the Group which is essential for meeting the technical specifications of commercial end-users (such as offices, schools, universities, hospitals, health centres, hotels and retail establishments). The Group's innovation

which enables it to capture growth opportunities wherever they arise. The Group holds a leading position in each of its main regions and product categories.

In 2023, the Group's consolidated net revenue was 3,363 million Euro and adjusted EBITDA amounted to 288 million Euro. The Group's financial information can be divided into four segments: three of which relate to its flooring products and their geographic regions (EMEA (including Latin America), North America, CIS, Asia Pacific ("APAC")), and one global segment which relates to its sports surface business.

capacity is also a key factor in its success in the sports surface segment, where the Group is the leader in synthetic grass and athletic tracks in North America and occupies a privileged position in the synthetic grass sector in many European countries.

The Group has national and international trademarks that are recognised by professionals and the general public and are fully integrated into the distribution strategies used in each geographical region. Tarkett uses a diversified mix of distribution channels that include wholesalers, speciality chains, independent retailers, large DIY retail chains, key account customers and professional fitters from the building trade. Furthermore, the quality of the Group's products is widely recognised by architects, fitters and contractors who are instrumental in specifying and choosing flooring solutions, particularly for commercial applications. The Group has also adapted its distribution strategy according to the characteristics of the different segments in which it is involved. In particular, it has created logistic platforms which enhance proximity with customers. The Group has also created training centres intended for professionals in the building sector and fitters to guarantee the optimum installation of its products and develop brand loyalty. The Group has a broad network of sales and marketing offices with a local salesforce in each of its geographical regions.

## 1.5 Flooring and sports surfaces markets

The Group estimates that approximately 11.8 billion square metres of flooring were sold globally in 2022, excluding sales of specialised products (concrete, bamboo and metal flooring). The product categories sold by Tarkett account for approximately 27% of the market, equal to 3.2 billion square metres in 2022.

The table below presents an estimated breakdown of the global flooring market in 2022 by product category, based on the number of square metres of product sold.

<i>(in millions of square metres)</i>	Volume	% of global market
Resilient flooring (vinyl, linoleum and rubber)	1,568	13%
Parquet and laminate	1,155	10%
Carpet (commercial)	503	4%
<b>Total sold by the Group</b>	<b>3,226</b>	<b>27%</b>
Carpet (residential)	1,235	10%
Ceramic	6,942	59%
Other	431	4%
<b>Total</b>	<b>11,834</b>	<b>100%</b>

### 1.5.1 Flooring market

Demand for flooring products presents certain disparities depending on the geographical area due to different cultures, as well as climatic and regulatory factors. However, the globalisation of certain hospitality and corporate customers in particular, the dynamism of worldwide players such as LVT and the consolidation of design trends enable worldwide players to differentiate from those present at local level.

The flooring market segments in which the Group is present are resilient flooring (vinyl, linoleum and rubber), parquet, laminate flooring and carpet for commercial users.

The Group believes that its current product categories still have strong growth potential, however it may pick up opportunities in other categories if they are aligned with the Group's profitable growth strategy. For more information, see section 1.3 "Strategy".

The Group's sports surface products are generally intended for commercial use, primarily by universities, schools and public facilities. Synthetic grass is also sold to residential end-users, particularly for landscaping purposes in the southern United States.

The table below presents a breakdown of the global flooring market in 2022 by product category and geographic area, based on the number of square metres of product sold.

<i>(in millions of square metres)</i>	EMEA		North America	CIS, APAC and Latin America			Total
	Western <sup>Europe(1)</sup>	Middle East/ Africa		CIS & Balkans <sup>(2)</sup>	Asia Pacific	Latin America	
Resilient flooring (vinyl, linoleum and rubber)	320	44	598	156	418	32	1,568
Parquet and laminate	309	98	185	123	414	25	1,155
Carpet (commercial)	76	19	188	4	209	8	503
<b>Total sold by the Group</b>	<b>706</b>	<b>161</b>	<b>971</b>	<b>282</b>	<b>1,041</b>	<b>65</b>	<b>3,226</b>
Carpet (residential)	147	190	824	28	45	1	1,235
Ceramic	493	1,273	336	212	3,669	958	6,942
Other	-	-	26	38	368	-	431
<b>Total</b>	<b>1,345</b>	<b>1,625</b>	<b>2,157</b>	<b>561</b>	<b>5,123</b>	<b>1,023</b>	<b>11,834</b>

<sup>(1)</sup> The countries included in Western Europe category are: Germany, Austria, Belgium, Luxembourg, Denmark, Finland, France, Italy, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, United Kingdom and other countries in Central and Southern Europe.

<sup>(2)</sup> The countries included in the Balkans category are Albania, Bosnia Herzegovina, Bulgaria, Croatia, Macedonia, Montenegro, Romania, Serbia, Slovenia and Turkey (western).

The information below presents the principal characteristics of the geographic regions in which the Group does business.



### 1.5.1.1 EMEA region

#### Market characteristics

In 2022, demand for flooring in Western Europe was 1.3 billion square metres, representing 11% of worldwide flooring demand. The product categories sold by the Group accounted for 706 million square metres in 2022, equal to 52% of flooring sold in Western Europe, including 23% of wood and laminate product sales, 24 % resilient flooring and 6% carpets for commercial use. Products in these categories are used by both the residential and commercial market.

In Western Europe, the demand for different flooring product categories varies considerably from one country to the next, particularly between Northern and Southern Europe. For example, carpet is extremely common in the United Kingdom, while parquet is more popular in the Nordic countries and demand for ceramics is greater in the south. In Germany and France, the breakdown by product category is more balanced.

In Western Europe, the Group sells mainly resilient vinyl flooring, wood and laminate parquets, as well as carpet for commercial use. The majority of these sales are made in France, Sweden, Germany and the United Kingdom, with the majority of resilient flooring sales taking place in France, Germany and the United Kingdom, and the majority of sales of wood and laminate parquets in the Nordic countries.

In 2022, demand for flooring in the Middle East/Africa region was 1.6 billion square metres, representing 14% of worldwide flooring demand. In this region, where ceramics counts for nearly 78% of flooring demand, product categories sold by the Group represented 161 million square metres in 2022, equal to 10% of volume sold in the Middle East/Africa region, including 6% wood and laminate parquets, 1% carpet tiles for commercial use and 3% resilient flooring.

#### Competitive position of the Group

The Group is a leader in the Western Europe flooring market. It is a leader in vinyl flooring in Europe and a leading company in parquet in general in Sweden. It is also the third largest wood and linoleum flooring manufacturer in Western Europe. It is a leader in wood and laminate flooring in Scandinavia. Moreover, the Group is the second largest manufacturer of carpets for commercial use in the EMEA region.

The Group's main competitors in this region are European groups, which generally focus their business on a limited number of products. Its major competitors in the region are Forbo (resilient flooring), Gerflor (resilient flooring), Kährs-Karelia Upofloor (wooden parquet and resilient flooring), IVC (resilient flooring, part of the Mohawk group), Beauflor (resilient flooring), James Halstead (resilient flooring) and Bauwerk-Boen (wooden parquet). In addition, the Group faces local competitors in certain countries. Finally, in terms of the commercial use carpet market, the main competitor of Desso (the Tarkett Group trademark) is the American group Interface.

### 1.5.1.2 North America region

#### Market characteristics

In 2022, demand for flooring in North America was 2.2 billion square metres, representing 18% of worldwide flooring demand. This market is dominated by the carpet sector which represented 47% of demand in 2022, however LVT is experiencing fast growth in the majority of commercial and residential market segments. The product categories sold by the Group accounted for 1.0 billion square metres in 2022, equal to 45% of flooring sold in North America. 28% of products sold was resilient flooring and 9% carpets for commercial use. In North America, these product categories are sold by the Group primarily to commercial users and, to a lesser extent, to residential users.

Group flooring sales in North America are fairly evenly distributed across carpet for commercial use, resilient flooring and vinyl and rubber accessories; laminate and rubber flooring makes up a smaller part of residential sales. The Group sells its products primarily to the United States, and to a lesser extent Canada. The Mexican market is regarded as part of the CIS/APAC/Latin America region.

### 1.5.1.3 CIS & Balkans region

#### Market characteristics

In 2022, demand for flooring in CIS (Commonwealth of Independent States) region countries and the Balkans was 561 million square metres, representing 5% of worldwide flooring demand. Resilient flooring for residential and commercial use is extremely popular in these countries: it represents 28% of the flooring market compared with 13% for the worldwide market as a whole. Besides resilient flooring, the main products sold are ceramic (38% of total flooring demand), parquet and laminate (approximately 22%) and carpet (6%).

Unlike Western Europe and North America, resilient flooring is used primarily in the residential market in CIS countries. Renovation is a high priority for individual owners and resilient flooring is both adapted to local tastes and the climate and attractive for household budgets. The commercial market has been slower to develop in this region but shows good growth potential. The Group primarily sells vinyl flooring for residential use (and to a lesser extent parquet and laminate), as well as commercial flooring products such as resilient flooring and carpet for commercial use.

#### Competitive position of the Group

The Group enjoys a strong presence in several product categories in North America. It is the third largest commercial flooring company in this region. Through the acquisition of Tandus in 2012 and Lexmark in 2018, it is also the fourth largest commercial carpet company in North America. The Group holds a leadership position for vinyl and rubber accessories.

The Group's main competitors in this region are Mohawk, Shaw, Interface, Mannington and Engineered Floors. The vast majority of sales for most of these competitors take place in the American market. In keeping with the strong North American preference for carpet, this product category represents a significant share of sales for these companies (this is particularly the case for Mohawk, Shaw, Interface and Engineered Floors). However, some of these companies, such as Mohawk, Shaw, Mannington and Interface, also sell resilient flooring as well as wood and laminate parquet. On the accessories side, the Group counts Nora/Interface among its competitors, which manufactures rubber flooring, as well as local manufacturers.

#### Competitive position of the Group

The Group has been active in the CIS region and the Balkans for over 20 years, primarily in Russia, Serbia, Ukraine, Kazakhstan and Belarus. Thanks to its long history in this geographical region, the Group is seen as a local company and a market leader. It is the number one company for resilient flooring in Ukraine, Kazakhstan, Serbia, Russia and Belarus.

Tarkett's position as market leader for resilient flooring is the result of brand recognition, local production, efficient distribution platforms and deep understanding of local tastes. IVC (a member of the Mohawk group since 2015), Komiteks and Juteks/Beaulieu, three companies with a local presence, are the other players and main competitors in this region and category.

Other prominent companies in this market are Kronostar, Kronospan, Kastomonu, Egger, Classen and Unilin (part of the Mohawk group since 2005).

Finally, the Group is the third largest seller of parquet in the CIS countries, where its main competitors are Barlinek and Kährs-Karelia Upofloor in the parquet category.

Flooring and sports surfaces markets

#### 1.5.1.4 Latin America and Asia Pacific region (APAC)

##### Market characteristics

In 2022, demand for flooring in Latin America and Asia Pacific was 1 billion and 5.1 billion square metres respectively, representing 9% and 43% of worldwide demand. Ceramic was the most used material in Latin America and Asia Pacific due to the local climate, ease of production and number of local suppliers. In Latin America, the Group mainly operates in Brazil where the majority of its sales are vinyl products for commercial use. The Group is also present in Argentina.

In Asia Pacific, the Group primarily sells carpets and vinyl flooring in China, Australia and to a lesser extent in the rest of Asia.

#### 1.5.2 Sports surfaces market

##### Market characteristics

Within the sports surfaces sector, the Group primarily sells synthetic grass, athletic tracks and gym flooring. The Group mainly sells sports surfaces in the United States and Canada, but is also active in Europe, particularly in France, Spain, Benelux and the United Kingdom, and in Asia Pacific. The Group draws on the acquisition made in Australia to benefit from this market's potential.

The Group's sports surfaces are generally for sports use, mainly in universities, schools and public buildings. In addition, synthetic grass is sold for residential use, especially for landscaping in the United States.

##### Competitive position of the Group

The Group's position in Latin America was strengthened in 2009 with the acquisition of Brazilian vinyl flooring manufacturer Fademac (now called Tarkett Brazil Revestimentos LTDA). It is currently the leader in vinyl flooring for commercial use in Brazil. New commercial organisations in Argentina are allowing Tarkett to develop its presence in this significant market.

In Latin America, the Group's main vinyl flooring competitors are Gerflor and Forbo. Its main vinyl flooring competitors in APAC are Gerflor, LG and Forbo, as well as local Chinese manufacturers such as Dajulong. Finally, its main commercial carpet competitors in APAC are Interface, Milliken and Mohawk, particularly in Australia.

##### Competitive position of the Group

The Group is one of the largest suppliers of synthetic grass in the world and the largest supplier of athletic tracks in the United States. It has many competitors, mainly smaller companies and retailers who outsource the manufacture of synthetic fibres.

In the synthetic grass market, the Group's major competitors in North America are AstroTurf (SportGroup), Hellas Construction, Shaw Sports Turf and Sprinturf. In Europe, the Group is one of the biggest players with TenCate, Polytan (SportGroup) and Sports Leisure Group.

With regard to athletics tracks, the main competitors are Hellas Construction, SportsGroup (APT), Mondo and Stockmeier.

Products marketed by the Group

## 1.6 Products marketed by the Group

The Group offers a diversified range of flooring solutions, enabling it to adapt to the specificities of the markets where it operates. The choice of a flooring solution greatly depends on the type of premises where the product is used. The demand for products from both professionals and individuals varies significantly from one geographic region to another, due primarily to cultural differences, requirements and environmental constraints, particularly climate related.

The Group designs and sells products with the aim of offering a solution for different users according to their requirements, demands and budget: choice of materials, design, compliance with the various standards in force and movement of people. Its extensive product ranges allow it to offer integrated decorative and functional solutions using coordinating ranges of accessories. Product diversity allows the Group to respond to several needs at a single site.

Each product features technological enhancements developed by the Group to offer quality products for end-users. The products are also developed with environmental impact in

mind through a focus on product composition, manufacturing processes and end-of-life. The controlled use of renewable raw materials and recycled materials is part of the products' eco-design. Products are designed to promote better air quality and indoor environments. For example, levels of Volatile Organic Compounds ("VOC") emissions lower than current standards and phthalate-free plasticisers for vinyl floors in certain regions.

The products are also designed to be recyclable and may be reused either within the Group's production chain or in other uses. The production process is also design to minimise the use of water and energy at its production sites.

The Group has been active for several decades throughout the world. Its trademarks are internationally or locally recognised and are associated with high quality products sold at competitive prices. The Group often provides training to local fitters to optimise the performance of the products purchased by commercial end-users, thereby improving installation quality. The after-sales service provide support for professionals throughout the life of its products.

### 1.6.1 Presentation of the Group's products

The Group sells the following main product categories:

- > resilient flooring: vinyl or linoleum products (approximately 42% of 2023 revenue), which includes:
  - resilient flooring for residential end-users, including heterogeneous (multi-layer) vinyl flooring, which can be sold in rolls or as tiles, especially luxury vinyl tiles ("LVT");
  - resilient flooring for commercial end-users, including heterogeneous vinyl flooring in rolls, tiles, or LVT, homogeneous vinyl (single-layer) flooring and linoleum floors;
- > parquet and laminate flooring (approximately 4% of 2023 revenue), including multi-layer parquet and laminate flooring (residential and commercial end-users);
- > carpets (approximately 15% of 2023 revenue) primarily aimed at commercial end-users;
- > rubber flooring and accessories (approximately 8% of 2023 revenue);
- > sports surfaces (approximately 30% of 2023 revenue), primarily synthetic grass and athletic tracks.

The following table presents the breakdown of the Group's 2023 consolidated net revenue by product type:

2023 net revenue	% of revenue
Resilient flooring (vinyl and rubber)	42%
Parquet and laminates	4%
Commercial carpets	15%
Rubber and accessories	8%
Sports surfaces	30%
<b>Total</b>	<b>100%</b>

Products marketed by the Group

- > The Group's activities are organised around four segments: three geographic regions for flooring (EMEA, North America and CIS/APAC/Latin America), and one worldwide segment for sports surface products. The following table presents the geographic breakdown of the Group's 2023 consolidated net revenue (including sports surfaces).

2023 net revenue	% of revenue
EMEA	29%
North America	53%
CIS/APAC/Latin America	18%
<b>Total</b>	<b>100%</b>

### 1.6.1.1 Resilient flooring (vinyl and linoleum)

The Group offers a wide range of resilient flooring, including homogeneous and heterogeneous vinyl as well as linoleum. Both residential and commercial end-users purchase heterogeneous vinyl. Homogeneous vinyl and linoleum, on the other hand, are purchased primarily by commercial end-users.

The Group is firmly established in the resilient flooring market. It is the leading manufacturer of vinyl flooring worldwide. Resilient flooring represents the largest portion of the Group's sales in the EMEA and CIS/APAC/Latin America regions, and also accounts for a significant share of its sales in North America. In particular, the Group is the largest manufacturer of resilient flooring in Germany, Sweden, Russia and Ukraine. It is also the third largest manufacturer of resilient flooring for commercial end-users in North America, and it offers these products in Latin America (in particular in Brazil, where it is the largest manufacturer of commercial vinyl flooring) and in APAC (notably China).

#### Residential vinyl flooring

The Group offers a variety of heterogeneous vinyl flooring for the residential market, which includes apartments and individual houses.

Design, appearance and price ranges must be adapted to the budgets, tastes and needs of the residential users, which are generally specific to each market.

Heterogeneous vinyl flooring is composed of several layers of PVC. A fibreglass reinforcement can be added to bring dimensional stability, as well as a foam or textile backing to provide specific acoustic or thermal resistance. On top, a printed decorative layer, a transparent wear layer and a traffic resistant finishing treatment are added. Heterogeneous vinyl flooring for residential end-users contains a thin wear layer, which enables it to be sold at competitive prices while maintaining the level of durability needed for residential use.

In terms of the pattern printed on the flooring surface, the Group offers its end-users a variety of colours and designs. To meet end-user expectations, the Group must tailor its products according to the decorative trends and tastes specific to their geographic region. Heterogeneous vinyl products also offer the advantage of comfort and easy maintenance over a long period of time.

Residential heterogeneous vinyl flooring can be sold in rolls or in modular format, namely tiles or strips. Rolls are generally installed with glue, whereas modular products may be installed using glue, self-adhesive attachments or snapped together, which facilitates their transport, installation and repair. Tarkett has also designed Starfloor Click, a range of modular, designer, ultra-resistant luxury vinyl tiles (LVT). Installation is easy thanks to a simplified assembly system with strips or tiles that clip together.

The Group helps customers choose flooring that matches their tastes and interior decoration.

#### Commercial vinyl flooring

Commercial resilient flooring is specifically designed for high-traffic areas and can withstand numerous shocks. This flooring is used in commercial premises and areas: offices, local community buildings, educational and health institutions, retirement homes, hospitality, shops, communal areas of apartment buildings and the industry and transport sectors.

Resilient flooring for commercial uses includes a wide range of products in homogeneous and heterogeneous vinyl.

Products marketed by the Group

### Heterogeneous vinyl flooring

Heterogeneous vinyl flooring for commercial use is designed to withstand intense foot traffic. A wear layer is applied to each product, thicker than is used on residential resilient flooring, in order to reinforce the product and ensure its durability. Heterogeneous vinyl flooring is suitable for almost any commercial use.

The Group offers two types of heterogeneous vinyl flooring: acoustic products intended to reduce the ambient sound in a room (footsteps, voices, etc.) and compact products which enhance the solidity of the flooring.

The Group offers a diverse range of designs and patterns printed on the decor layer, for both rolled and modular products including luxury vinyl tiles (LVT), as further described below, and Loose Lay Tiles. These frequently updated ranges give end-users a wide choice of products.

Among these heterogeneous vinyl flooring products, the Group has developed a high-end modular product intended primarily for the commercial market: luxury vinyl tiles (LVT). This product offers a wide range of designs, which can easily be coordinated with other products, and precision printing using sophisticated graphics.

### Homogeneous vinyl flooring

Unlike heterogeneous flooring, homogeneous vinyl flooring is made in a single layer with the pattern embedded directly in the product. This flooring is covered with a layer of pigment and reinforced by a treatment that facilitates maintenance.

#### 1.6.1.2 Parquet and laminate flooring

##### Parquet

The Group sells parquet in Europe (EMEA region), primarily in the Nordic countries. It also sells these products in the CIS countries and the Balkans. The Group is among the leading manufacturers of parquet in Europe and the CIS. Parquets are generally sold in the residential market. Although most of the wood the Group uses comes from Europe, it uses a staining process to adapt to demand in different markets and regions, in particular by offering parquet that resembles exotic wood.

Homogeneous vinyl flooring has several advantages: its resistance to wear and tear makes it an ideal solution for high traffic areas. It is available in a compact version for high traffic areas and in an acoustic version. The absence of multiple layers in the product composition makes the flooring design simple, hygienic and easy to maintain.

As a result of its particular acoustic benefits, antibacterial properties and reinforced durability, homogeneous vinyl flooring is frequently used in the healthcare and educational sectors, as well as in retirement facilities.

##### Linoleum flooring

The Group's historical product, it has been making linoleum for more than one hundred years.

Linoleum is composed of a jute backing treated with renewable raw materials (linseed oil, pine resin, cork and wood flour) to which a surface treatment is added.

Linoleum is a natural product covered with a surface treatment that makes it extremely robust and easy to maintain. The Group's linoleum products offer a level of resistance which is adapted to heavy use in communal premises. It is used above all in education, healthcare, offices and indoor sports facilities.

The engineered parquet sold by the Group is composed of three main layers: the bottom stabilising layer, a latted middle layer in soft wood or HDF (high density fibre board) and a top layer of high quality wood. This composition results in a more responsible use of the high quality wood, which is consistent with the Group's circular economy initiative, in a thin layer and allows the Group to optimise the hidden layers with fast-growing species of wood. These three stacked layers ensure the longevity of parquet, in addition to their dimensional stability.

Products marketed by the Group

The Group uses high performance protection techniques to reinforce resistance to scratches and wear. Engineered parquet helps limit the use of high quality wood such as oak. In this way, the Group contributes to sustainable forest management which requires relatively long regeneration cycles.

### Laminate flooring

Laminate flooring is mainly used in the residential market. It allows the end-user to reproduce their preferred design - wood, stone, ceramic or graphic design - with greater durability at a lower cost.

Laminate flooring consists of a paper balancing layer, a core board of high-density wood fibre or HDF, a decor layer of printed paper and an overlay to protect the visible surface.

#### 1.6.1.3 Carpets

The Group primarily offers carpets for use in commercial spaces such as office buildings, public institutions, and the healthcare and education sectors. The Group's principal markets for commercial carpet are North America, since the acquisition of Tandus in 2012, and Europe, since the acquisition of Desso in 2014. In 2018, the Group significantly strengthened its position in the North American hospitality sector carpet market with its acquisition of Lexmark.

The Group offers three types of carpet, which correspond to three generations of products:

- > broadloom carpet, which is made from a polypropylene backing and fibres that are either tufted or woven;
- > modular carpet, sold in tiles and made of a vinyl or urethane backing and tufted (nylon) fibres; and

#### 1.6.1.4 Rubber flooring and accessories

The Group sells a wide range of rubber flooring as well as vinyl and rubber accessories. Flooring products include rubber sheets and tiles, while accessories include stair nosing, tactile warning strips, tactile paving tiles, warning tiles, baseboards, decorative wall skirting, thresholds and adhesives.

Sold primarily in North America, these products are used mostly by commercial end-users in the healthcare and education sectors, in industrial buildings as well as indoor sports facilities. The Group is the leading supplier of vinyl accessories in North America.

Laminate flooring is sold at competitive prices compared to wood and provides a durable flooring solution. The Group offers a wide range of designs to end-users to satisfy all of their wishes, although this product type is intended primarily for the residential market, in particular through DIY (do-it-yourself) chain stores and construction material distribution channels.

Laminate flooring is easy to maintain and install, particularly with the 2-Lock or T-Lock click system where strips can be locked together without using glue. Laminate flooring can also be adapted to the specific needs of each end-user: heavy use and weight, high resistance to shocks and/or high-traffic areas. Due to its modular nature, laminate flooring also allows users to easily change their flooring without incurring prohibitive costs.

- > hybrid carpet, which is an inseparable structure made of a resilient base, a nylon carpet and a specific foam that contributes to its performance and enhances design options.

Carpet is a shock-absorbent floor covering with good acoustic properties that adds comfort and warmth. The Group offers a wide selection of colours and patterns that are regularly updated and tailored to appeal to its different geographic regions. The different carpet ranges also offer acoustic properties and high performance resistance to rolling and heavy traffic, as well as being comfortable to walk on and easy to maintain.

As part of the Group's sustainable development initiative, it can produce these products with recycled rubber.

The Group offers rubber flooring and accessories in a wide variety of colours, patterns and textures, in order to coordinate with its other flooring solutions. These products and accessories are slip-resistant and shock-absorbent and provide a high level of safety. They have natural acoustic properties, require little maintenance and are easy to install and replace.

Products marketed by the Group

### 1.6.1.5 Sports surfaces

The sports surfaces manufactured by the Group are used all over the world. They support amateur and high level sports people in their activities and combine safety, comfort, performance and attractiveness. Sports surfaces are laid in universities, schools and public sporting areas, primarily in North America and Europe (particularly in France, Spain, Benelux and the United Kingdom).

The Group has a strong presence in the sports market due to the diversity of its products. It is one of the only flooring manufacturers able to provide such a wide range of sports surface solutions.

The Group's sports surfaces includes three product types: synthetic grass, athletic tracks and indoor sports flooring.

#### Synthetic grass

Synthetic grass represents the largest portion of the Group's sales of sports surfaces. The Group is the leading synthetic grass manufacturer in the world, and particularly in North America. Synthetic grass can be used for both sports surfaces as well as landscaping.

The Group belongs to the synthetic grass manufacturers certified by FIFA (International Federation of Football Associations), World Rugby and the FIH (International Hockey Federation), and its pitches are used for training or competition by some of the biggest European football club, as well as for hockey, tennis and other multi-sports activities. However, the main users of this product are universities and colleges as well as municipal authorities.

The manufacture of synthetic grass is a three-step process for which the Group has numerous patented innovative processes: fibre production, tufting and backing coating.

For sports facilities, the Group produces high quality fibres, whose properties result from the chemical composition, extrusion parameters and unique, carefully designed geometry. The Group has become a leader in fibre extrusion technology since 2010, when it entered into a joint venture with Morton Extrusionstechnik (MET), a German company specialised in fibre extrusion, a process completed in 2017. This company enables the Group to control the fibre production process for its synthetic grass.

Synthetic grass is a cost-effective solution for owners or maintenance personnel of sports facilities because it is less expensive to maintain compared to natural grass. From a sustainable development standpoint, it also reduces water use and eliminates the need for fertilizers. Synthetic grass offers resistance to wear and tear from constant, year-round play, and can be used every day, unlike natural grass.

The Group also offers an innovative range of landscaping products with a variety of designs that respond to the specific needs of end-users, in particular hospitality and commercial areas. Its products are also available to residential end-users, in particular for landscaping in the United States.

#### Athletic tracks

The Group offers athletic tracks that promote athlete speed, safety and comfort. They are sold primarily in North America where the Beynon Sports Surface company is the market leader.

Athletic tracks are composed of successive shock-absorbing layers of composite rubber, to which a polyurethane layer is applied, with the surface then worked on to give a particular colour and external appearance, whether smooth or rough.

Due to the polyurethane surface layer, the Group's athletic tracks are extremely durable and provide athletes with important safety advantages, in particular due to their stability and shock absorption. These tracks are also suitable for sporting performances: by restoring the athletes' energy, they act as a springboard which "propels" the athlete a little more with each stride. They are quick and easy to install, can be used in all weather conditions and have good acoustic properties.

#### Indoor sports flooring

The Group offers indoor sports flooring products in wood, vinyl, block or cast polyurethane, rubber, grass and linoleum for multi-purpose sport venues and gyms.

Within the vinyl flooring range, the Omnisports collection is adapted to multi-purpose sports venues. It is available in several levels of thickness to respond to the technical requirements of a wide range of sporting events, and to offer performance qualities adapted to the needs of its end-users. The Group also offers a parquet range for sports such as basketball, handball, dance, futsal, volleyball, badminton, pelota, squash and martial arts. Certain of the Group's parquet ranges are popular for their ease of installation, such as its removable parquet (Sportable).

The Group's wide range of indoor sports flooring provides effective solutions for the demands of both high level and amateur sports people: shock absorption, ball bouncing and smoothness. Indoor sports surfaces are marketed by a dedicated Sport salesforce in the North America and EMEA regions and by the general flooring salesforces in other regions. These indoor sports sales are then recorded in the corresponding segments.



Products marketed by the Group

## 1.6.2 Product manufacturing

### 1.6.2.1 Raw materials and suppliers

The Group uses various raw materials to manufacture its flooring products: PVC and plasticisers for vinyl flooring; wood for parquet and laminate flooring; polymers and fibres for carpets and synthetic grass; rubber, which is used in several flooring types; and cork for linoleum flooring. The Group builds its supplier base on long-term relationships, while focusing on optimising purchasing terms and adapting the Group's procurement policy to the specific needs of each country.

#### Raw materials

##### PVC and plasticisers for vinyl flooring

The Group mainly uses two raw materials to manufacture the products which it markets: PVC and plasticisers. These are used to manufacture homogeneous and heterogeneous vinyl flooring.

Oil-derivative products accounted for slightly more than half of the Group's raw materials purchases in 2023. PVC and plasticiser producers have worldwide presence, but with regional differences relating to the supply and demand balance in different geographies.

When the Group makes acquisitions, it aims to reduce raw material costs by working jointly with the target company's suppliers to honour the prices negotiated with the rest of the Group.

Despite its close relationships with its suppliers, the Group is constantly looking for raw materials opportunities, with regard to both technical characteristics and geographical location, to ensure continued competitiveness.

#### Other raw materials

Wood represented around 5% of the Group's raw material costs in 2023. The Group uses wood to make parquet and laminate flooring. The wood market remains very local, due to the significant cost of transporting logs or rough timber. The Group is therefore subject to local fluctuations in the price of wood.

The Group purchases other raw materials, in particular fibreglass for vinyl flooring, rubber for rubber flooring, accessories and synthetic grass, nylon and polypropylene for carpets, melamine and decor paper for laminate flooring and linseed oil, jute and cork for linoleum flooring.

#### Supplier relationships and purchasing policy

Suppliers are essential partners of the Group. The Group has chosen to build long term relationships with selected partners.

#### Supplier relations

The Group is careful to maintain trusting relationships over the long term with all its suppliers. These relationships enable the Group to negotiate favourable commercial terms, but also to create value through innovations.

In order to adapt its procurement structure to different geographic regions, Tarkett favours partnerships with:

- > the leading international chemical companies (BASF, Eastman, Westlake/Vinnolit, Vestolit, etc.) which supply the Group throughout the world;
- > local suppliers.

#### Purchasing policy

The Group is committed to centralising its purchases at the global level for the most important raw materials used to manufacture vinyl flooring, parquet, and, since 2015, carpets.

In the majority of supplier agreements, pricing is indexed monthly or quarterly to market prices of the raw materials used in manufacturing its products. These agreements have terms of between one and three years with no commitment on purchase volumes.

The Group's purchasing policy is based on four principles:

- > market analysis and building a worldwide pool of suppliers;
- > optimisation of raw materials;
- > collaboration with key suppliers to achieve continuous improvement;
- > undertake an annual review of main contracts.

The Group actively manages its portfolio of partner suppliers. The Group reviews its main contracts annually in order to renegotiate prices and determine supplier availability.

Diversification of raw materials that the Group uses enables it to substitute inputs between several suppliers and thus reduce its dependence on certain specialised suppliers.

The Group cooperates closely with its key suppliers on technical issues and innovations. It also shares its growth objectives with them in order to ensure that they increase production capacities sufficiently to respond to increased demand.

Products marketed by the Group

### 1.6.2.2 Production sites

The Group's production sites are located as close as possible to product delivery sites, while maintaining competitive production costs. The Group has 34 production sites in 20 countries to be close to the markets where it sells its products, reduce transport costs and customs duties and remain competitive compared to local players.

Since 2009, the Group has implemented a continuous improvement programme in its plants based on Lean management principles and called WCM (World Class Management). Its main objectives are to improve employee safety, customer service, product quality, environmental footprint and production costs.

The Group uses flexible assembly lines so that it can adapt production to changes in end-user demand.

#### Location of production sites

The Group owns 31 production sites and rents three in the United Kingdom, China and the United States.

As a result of the Group's historical presence, it has 12 production sites, excluding Sports plants, in EMEA (including two major sites with more than 500 employees each in Luxembourg and Sweden). The production sites supply the products it markets in this region: resilient flooring, laminate flooring, parquet, carpet and sports surfaces. In 2021, the Group opened a plant in Tuzla in Turkey specialising in the production of resilient flooring primarily for the Middle East markets. A small portion of European production is also marketed in North America, the Middle East, Latin America and Asia.

The Group owns ten production sites (excluding Sports) in North America, which produce vinyl flooring, accessories, carpet and, to a lesser extent, sports surfaces.

The CIS/APAC/Latin America region also has a substantial number of production sites to satisfy local demand. In this region, the Group has seven production sites, including two major sites, one in Backa Palanka in Serbia, and the other in Otradny in Russia. The Otradny site has more than 1,000 employees and is the Group's largest site worldwide. The production sites in the CIS/APAC/Latin America regions make resilient flooring, parquet, laminate flooring, carpets and rugs. The Group also has a vinyl flooring production site near Beijing, China. In Brazil, where the Group is the leading supplier of commercial vinyl flooring, it has a production site that manufactures this product to satisfy local demand.

The Sport segment includes seven production sites. Three of them manufacture synthetic grass (one in the United States, one in France and one in Australia since the acquisition of Grassman in 2018), two athletic tracks production sites in the United States and two fibre extrusion plants for synthetic grass in Germany and Abu Dhabi.

Products marketed by the Group

The following table presents the Group's manufacturing sites and the main products manufactured at each site.

Division	Country	Products	Location
EMEA	Germany	Fibres for synthetic grass	Abtsteinach
		Resilient flooring	Konz
	France	Synthetic grass	Auchel
		Resilient flooring	Sedan
	Italy	Linoleum	Narni
	Luxembourg	Resilient flooring	Clervaux
	United Kingdom	Resilient flooring	Lenham
	Sweden	Parquets	Hanaskog
		Resilient flooring	Ronneby
	Poland	Parquets	Orzechowo
		Resilient flooring	Jaslo
	Netherlands	Carpets	Waalwijk
	Belgium	Carpets	Dendermonde
	Turkey	Resilient flooring	Tuzla
	Arab Emirates United	Fibres for synthetic grass	Abu Dhabi
North America	Canada	Resilient flooring	Farnham
		Shockpads	Toronto
		Athletic tracks	Hunt-Valley
		Synthetic grass	Calhoun
		Resilient flooring	Chagrin Falls
		Resilient flooring	Middlefield
	United States	Carpets	Dalton Smith
		Carpets	Calhoun
		Carpets	Dalton Kraft
		Resilient flooring	Florence East
		Luxury vinyl tiles (LVT)	Florence West
Mexico	Resilient flooring	Mexico	
CIS	Russia	Laminate flooring	Mytishchi
		Resilient flooring	Otradny
		Resilient flooring	
	Serbia	Parquets	Bačka Palanka
		Carpets and rugs	
	Ukraine	Resilient flooring	Kalush
	Parquets		
APAC	China	Resilient flooring	Beijing
	Australia	Synthetic grass	Prestons
Latin America	Brazil	Resilient flooring	Jacarei

Products marketed by the Group

### The Group's investments in production sites

In recent years, the Group has made significant investments in its production sites in order to respond to increasing customer demand, maintain competitiveness and continue reducing production costs.

### Operations performance improvement

The Group is continuously striving to improve the way it works for a positive impact on our customers, employees and the environment.

Tarkett launched the WCM approach in 2009 and has redesigned the system between 2020 and 2022 to adapt to our needs in terms of simplification and sustainable results.

WCM is an Operational Excellence system deployed today at the operations level. This approach pursues three main aims:

- > improve product quality and customer service;
- > improve the safety and performance of production sites; and
- > improve financial profitability while reducing the Group's impact on the environment.

In the framework of the WCM, the Group is particularly focussed on customer satisfaction and is carrying out initiatives to improve product quality, on-time delivery and production yields, all while reducing environmental impact.

The Group has appointed WCM leaders for all its sites who coordinate ongoing improvement activities based on related methodologies. They can then share their experiences within the WCM network, thus competing together on operational improvements and profitability within the Group. The Group also has a dedicated central WCM team in charge of managing the system, facilitating benchmarking and providing exceptional support when specific expertise is required.

The Group has been recording positive results for several years thanks to the introduction of WCM. Following a study conducted by an independent body, it has noted a significant improvement in customer satisfaction in around fifteen countries where it sells its products. There has been a substantial decrease in accidents at the Group's production sites and a decreased environmental impact from the manufacture of its products. In addition, WCM has improved supply chain management and led to a significant reduction in production costs over the course of the last eight years.

The Group believes that the WCM programme will continue to generate substantial savings in production costs in the coming years.

### Special attention to employee safety

A team dedicated to cross-divisional safety action was created in 2020 to expedite our progress and strengthen the robustness of our processes. It draws on the WCM programme which emphasises the prevention of safety risk in plants and the systematic analysis of all incident with identification and elimination of their main causes.

At the same time, training has been conducted to raise employee and management awareness. The Group's Executive Management Committee is particularly sensitive to employee safety and discusses the subject with employees on plant visits.

### Strengthened quality control

The Group has implemented a quality control structure in its plants to ensure rigorous monitoring of its products.

In the framework of the WCM programme, teams systematically analyse the main causes of customer complaints and quality defects and create action plans to eliminate them.

### An environmentally-friendly manufacturing process

The Group takes the environment into consideration at every stage of product design. For that reason, it does its best to select materials that present the least risk to end-users and the environment, and that can be part of a biological or technical cycle. The Group prioritises the use of renewable and recyclable materials in manufacturing its products.

The Group has also developed a flooring collection system called ReStart® where cuttings and used flooring on building site and in companies are collected to be recycled or reused in the manufacture of new flooring.

The Group has also signed a partnership agreement with the German research institute EPEA (Environment Protection Encouragement Agency) to roll out the eco-innovation programme Cradle to Cradle® across the Group. This programme aims to reduce the environmental impact of industrial activities and to design products with materials that respect human health and the environment, and that allow for indefinite recycling of end-of-life products.

Products marketed by the Group

### 1.6.3 Product distribution

The indoor flooring market is divided into residential and commercial end-users. Residential users buy the Group's products primarily to renovate their homes, but they may also purchase them in connection with construction projects. Commercial users choose flooring for areas that are generally open to the public, in connection with both renovation and construction projects.

Residential users have limited knowledge about the different product qualities and attributes. They are therefore largely dependent on the salesperson at the sales outlet when selecting their flooring. In general, residential purchases of flooring are made in DIY stores). These products may, however, also be purchased from specialised construction material suppliers, especially when the contractor or fitter is making the purchase. Therefore, awareness of the Group's trademarks among fitters and salespeople may have a large influence on product choice. Numerous distributors are working on the development of their e-commerce sales. This represents around 3% of the market and some 7% to 8% of sales for certain DIY stores, with continued growth where the online visibility of trademarks and products is increasingly important.

The commercial market includes large-scale projects as well as those with small surface areas, such as artisans and boutiques, whose purchasing patterns tend to be similar to residential users. This segment is markedly more heterogeneous than the residential market in terms of technical requirements, but less varied in terms of design. In a commercial project, each space is designed for a very specific purpose, and materials must often be supplied in large quantities. For example, in a hospital project, the flooring solutions must conform to strict hygiene requirements to prevent the spread of nosocomial infections. Hospital flooring will also be required to meet minimum standards of slip resistance, static absorption and noise absorption. A large department store or a mall, on the other hand, would require an ultra-resistant flooring to bear intense foot traffic without showing signs of wear. Office flooring must take into account acoustic considerations (absorb sound), comfort and durability. In addition, public areas are subject to regulations that can vary considerably from one country to the next, even within a single economic zone such as the European Union.

On the commercial market, the interior installation must comply with many requirements in terms of design, cost, technical performance, durability, compliance with standards and public health. Project managers are greatly influenced by specifiers in the choice of flooring, in consultation with the end-user. Specifiers can include almost any type of construction industry professional: they may be architects, interior decorators, fitters, project managers or approved building contractors. They are tasked with studying each product and understanding the relative advantages and disadvantages of the various flooring solutions. As a result, they tend to be open to technological innovations. The Group has teams dedicated to maintaining close relationships with specifiers and this is a key success factor in the commercial market.

For the same reasons, the commercial flooring market has other particularities in terms of distribution channels. Unlike the residential market where the consumer places an order immediately, the commercial buyer has to plan purchases. In general, a project will begin with a planning phase where the quantities and qualities of each type of construction material will be determined and delivery and installation schedules will be set. It is during the planning phase that a manufacturer has the opportunity to act as a consultant to the specification team and design a customised solution based on the project's technical and aesthetic requirements, leaving the design and cost considerations to the project manager according to their specialisation. The order can then be placed by the fitter with the wholesaler or directly with the manufacturer depending on the project size and specification.

Products marketed by the Group

### 1.6.3.1 Distribution strategy

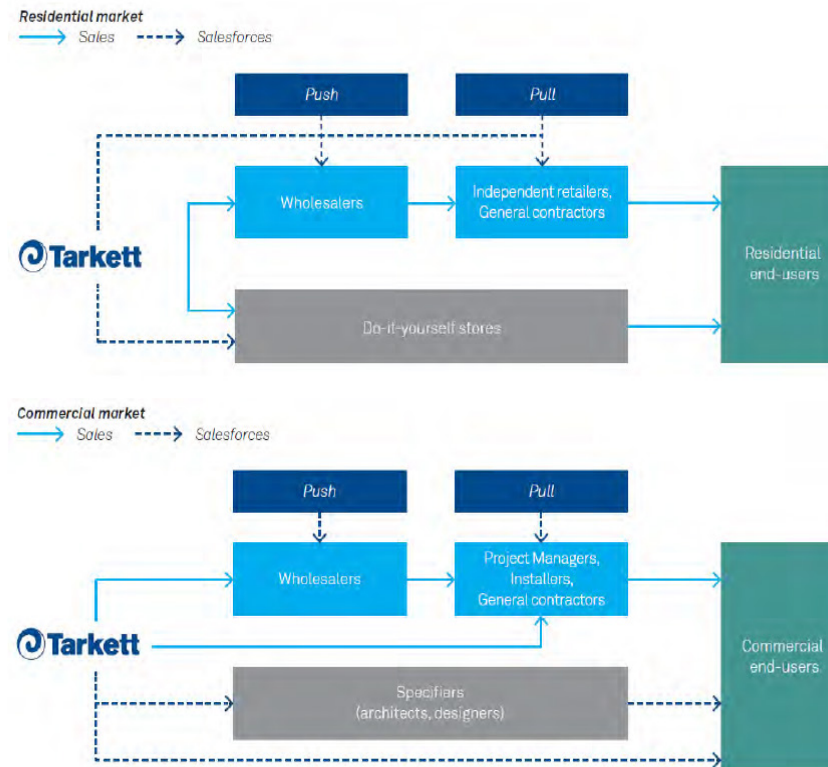
The Group works with different distribution channels depending on whether the product is for a residential or commercial end-user, in line with the characteristics of each market. It reaches customers using a “push and pull” strategy:

> **Push.** Specialised teams are in charge of the implementation of the “push” strategy whose aim is to encourage wholesalers to buy the Group’s products. To that end, the Group’s salesforce meets with them to discuss the advantages of its flooring and present the trademarks under which it markets its products. The Group has entered into numerous agreements with the main wholesalers in each market. In the residential market, in addition to wholesalers, this strategy also includes DIY chains and independent speciality retailers;

> **Pull.** The Group has also formed specialised team to implement the “pull” strategy which aims to encourage the sale of products stocked by wholesalers to end-users. In the commercial market, the salesforce focuses its efforts on the main specifiers such as architects, interior design firms and construction companies.

The Group supports several e-commerce leaders and is establishing its expertise on key success factors for an online presence (range, content, customer feedback, delivery terms, etc.).

The following diagrams illustrate the operation of the Group’s distribution strategy for the residential and commercial markets.



The distribution strategy for the commercial market is complemented by training centres,

Products marketed by the Group

called "Tarkett Academies", which promote awareness of the Group's products among specifiers and ensure the highest quality installation services. Training programmes are delivered by the Tarkett Academy in nine countries (Brazil, France, Poland, Sweden, Russia, Serbia, Australia, the United States and the United Kingdom), in dedicated Tarkett Academy centres as well as at customer sites and other third parties. These training centres are primarily aimed at young professionals such as architects and designers, as well as building industry professionals, namely flooring installers and fitters.

In these training centres, fitters learn how to correctly install Tarkett products, which often influences them to choose or recommend Tarkett products for their future projects. Thanks to its training centres, the Group also improves its reputation, increases loyalty to Tarkett trademarks, encourages the loyalty of participants, develops special relationships with its commercial partners and improves customer satisfaction, notably by guaranteeing an optimum product installation.

### 1.6.3.2 Distribution channels

The Group's products are distributed primarily by distributors and wholesalers, retail chains, fitters, specialised chains and independent stores.

The weight of each distribution channel is different in each geographic region:

- > the majority of the Group's sales in the North America and CIS/APAC/Latin America regions are through distributors. This channel is characterised by large storage spaces, providing significant economies of scale in terms of logistics, with delivery to a large number of retail stores. In Western Europe, on the other hand, a smaller share of sales is through distributors, though the number still remains significant;
- > large retail chains are common in Western Europe and North America, representing a significant share of the Group's sales in these regions. This distribution channel is currently less significant in the CIS countries, but could grow in the years to come;

- > independent stores represent a relatively significant share of the Group's distribution in Western Europe and the CIS/APAC/Latin America region, with a larger presence in high-end products such as parquet;
- > fitters and building companies represent a significant share of sales in Western Europe, particularly in the commercial sector.

It should be noted that commercial carpet distribution (the Tandus, Desso and Lexmark businesses acquired in 2012, 2014 and 2018 respectively) is a special case, since it is generally distributed directly to commercial end-users in the form of "turnkey" solutions.

### 1.6.3.3 Customers

The Group has a large and diversified customer base, including, in particular, distribution companies and leading large retail chains. Distributors are the Group's principal customers and represent the majority of sales volume, followed by retail chains (including DIY chains).

The Group is not dependent on its main customers. In 2023, the Group's largest customer represented less than 5% of total consolidated net revenue.

### 1.6.3.4 Salesforce organisation

The Group employs roughly 1,400 sales professionals dedicated to selling the Group's products. They are spread over 46 countries, enabling the Group to adapt to local differences and better understand the market needs. Each sales office has its own organisation, responding to the requirements and structure of the local market. One of the main strengths of the Group's salesforce organisation is its ability to adapt to local market differences.

Products marketed by the Group

### 1.6.3.5 Logistics

The Group's logistics organisation is based on three main principles:

- > improving the quality of customer service, in particular by offering a wide product range and rapid delivery;
- > reducing costs, in particular storage, transport costs and customs duties; and
- > adapting the distribution network to the characteristics of local markets at the lowest cost.

The Group works with its distributors to support their logistics needs and reduce costs. For example, in 2013 and 2014 the Group extended its logistics platforms in the CIS countries, where there are 11 regional distribution centres located close to its main distributors. This unique approach to distribution gives the Group a significant advantage over its competitors in the CIS countries. This leads to a clear service improvement and a close relationship with customers: reduced delivery times, improved training of teams and better after-sales service.

#### Logistics and transport

Transport of the Group's products is organised with the objective of improving the quality of customer service while managing transportation costs both upstream and downstream.

Upstream, for delivery of raw materials and other materials needed to manufacture products, the Group negotiates framework agreements with its principal suppliers covering prices and lead times and favours the production sites near its suppliers' manufacturing sites.

Downstream, for delivery of products to customers, the primary objective of the Group's logistics organisation is to offer short delivery times so that customers can optimise their inventory levels. In some countries the Group uses outside service providers.

Most of the Group's production sites are located in the regions in which it sells its products. By reducing the distance between production sites and customers, the Group improves service, significantly reduces transportation costs, saves on custom duties and shortens delivery times.

#### Logistics and information systems

The Group's information systems include various applications, in particular applications to manage purchases and product life cycles, resource planning, customer relations, supply chain management, accounting and financial information and human resources.

The Group continues with its optimisation, consolidation and security programmes of its information systems on an ongoing basis.

To do this, it invested in the deployment of a SAP software system to improve monitoring and management of the Group's activities, to make internal processes uniform, simplify the services offered to end-users and develop the Group's online presence.



Products marketed by the Group

## 1.6.4 Product innovation and intellectual property

The Group has a long history of research and development. Innovations are incorporated into the Group's new products and industrial processes in order to offer new solutions shifting towards respect for the environment and end-user needs in both residential and commercial markets.

To the extent permitted by local law, the Group patents, trademarks or registers its industrial know-how and research and development innovations in order to protect its intellectual property.

### 1.6.4.1 Research and development

#### The Group's research, design and development policy

Research and innovation is at the centre of the Group's strategy. Over the last three years, spending on research, design and development has been stable at 30 million Euro for 2023, equal to 1% of revenue.

In 2023, the Group continued to invest heavily in latest generation laboratory equipment.

The Group's organisation leverages the key expertise of internal and external reference networks and on a structured innovation process aimed at improving customer satisfaction and creating competitive advantage. In particular, in terms of the health and well-being of those who live in the spaces we fit out, in terms of the installation and maintenance, total operation costs or even sustainable development.

Design is also a key aspect of Tarkett's innovation with design creation answering the latest worldwide and local trends being built into its research policy.

#### Organisation of the Group's research and development activity

##### A network of internal experts

The Group's research and development activities employ over 200 employees in the international research and innovation centre located in Luxembourg or in the 22 development and application laboratories located in 14 countries worldwide. This allows the Group to cater for the specificities and needs of local users while developing synergies in terms of expertise and anticipating future trends.

An internal network of experts is organised by speciality and accessible through a unique digital collaboration platform. These internal experts support development and innovation project leaders throughout the world. They also have the responsibility of ensuring and building long-term competitive advantage around technical and scientific expertise that the Group would like to harness to develop business over the coming years.

##### Close relationships with scientific experts, universities and suppliers

In order to develop expertise and innovative creativity, the Group has formed close relationships with external experts and leading institutions.

> Tarkett dedicates around 18% of its Group research and innovation budget to external research activities. In this framework, the Group has also entered into partnerships with research laboratories from the most prestigious universities, engineering schools and public research centres throughout the world depending on their expertise in specific subjects, including for example the German scientific institute EPEA GmbH - Part of Drees & Sommer (Environment Protection Encouragement Agency), UNISTRA (University of Strasbourg), Mines ParisTech (École des Mines de Paris) and the Douai Mines engineering schools, to develop new expertise and attract young talent (engineers, doctors, graduates, etc.). The Group has also developed special relationships with certain suppliers through innovative partnership agreements relating, for example, to surface treatment and inks.

Products marketed by the Group

### 1.6.4.2 High performance innovation process

#### Key principles

The Group's innovation strategy aims to offer benefits that exceed our customers' expectations in every step of the product lifecycle and, for this reason, actively supports the Group's "impacT2027" strategy.

The Group's innovation strategy is based on four key pillars:

- > Health and well-being
- > Circular economy and carbon footprint
- > Product installation and maintenance
- > Total ownership cost

Tarkett continuously researches new materials and processes that have a lower carbon footprint, respect the environment and human health. Since 2010, Tarkett has evaluated over 5,000 materials through a third party organisation in order to select quality materials and design health and environmentally friendly products (EPEA - GmbH - part of Drees & Sommer). The Group details its product composition in the document entitled "Material Health Statement" (MHS) issued by EPEA GmbH - part of Drees & Sommer. By the end of 2023, Tarkett had 30 active MHS® or in the process of renewal. In Europe, an indicator system displays the COV emissions level of each product.

The Group places a great deal of importance on the principle of eco-design in a virtuous circle based on the principles of Cradle to Cradle®. In 2023, Tarkett held 17 Cradle to Cradle® (C2C) certifications covering a wide range of product categories including carpets, linoleum, rubber and wood.

Testament to the Group's commitment to the circular economy and its effort to reduce its carbon footprint, Tarkett has developed innovative technologies at the Waalwijk (Netherlands) site that separates the fibres from underlay and carpet tiles and recycles the two components. Tarkett and Aquafil are piloting together an innovative partnership to recycle 100% of carpet tiles made from an EcoBase® underlay and PA6 nylon thread.

Furthermore, recycling carpet tiles with EcoBase® and made from ECONYL® fibres reduces CO<sub>2</sub> production by up to 84% compared to incineration.

The third pillar of the Group's innovation strategy is built around the development of solutions that make installation or removal easier, as well as cleaning and maintenance of the flooring.

The COVID-19 pandemic highlighted the importance of applying strict health protocols. For years Tarkett has made every effort to develop easy care solutions and to recommend optimal cleaning procedures. Tarkett offers increasingly easier care solutions that resist traffic and stains such as the Contour vinyl tiles with Tectonik™ technology, iD Inspiration with Tektanium™ technology or even IQ4, resilient flooring that offers excellent stain resistance in a hospital setting.

The Group has developed a complete range that's easy to lay including modular solutions, carpet tiles, soft and hard vinyl tiles, as well as iD Click Ultimate and Starfloor Click Ultimate offering a wide selection of models and innovative designs. In addition, Tarkett offers solutions that can be installed on floors that are still damp to make the fitter's work easier, such as the Rollsmart adhesive or fabric tiles with Omnicoat technology and, since 2020, a new generation of loose laid products in rolls (Genius HE).

In terms of total ownership cost, Tarkett deploys several categories of systematic approach to Design to Cost and Design to Value to offer the appropriate product or solution at the right price and with the optimal ownership cost.

Finally, Tarkett is determined to maintain its stronghold in the area of creative and innovative design and optimise the "cross-categorisation" possibilities of its different product ranges. The Group has developed various digital printing technologies for wood and vinyl to offer unique designs and new services such as co-creation with designers. Tarkett is also the first company to develop this technology for mass personalisation of vinyl floor coverings.

Products marketed by the Group

### The Group's numerous innovations

As early as 1942, the Group developed a new process for manufacturing parquet that reduced the amount of wood used. Since then, the Group has always worked to develop products and concepts that simplify the lives of end-users while respecting the environment and public health.

At the end of 2023, 96% of our vinyl floorings were phthalate-free worldwide (with the exception of the recycled content of certain products in certain countries). Tarkett's eco-innovation is also happening at the industrial level by recycling the plasticiser emissions of its products, for example at the plant in Farnham, Canada.

Another example of eco-innovation is the underlay of the Ethos® carpet tiles made from recycled materials from used glass film from windscreens and security glass.

Tarkett also provides solutions that protect flooring surfaces allowing for easier cleaning and maintenance. For example, LVT Contour in the United States used Tectonik® varnish offering the best market performance in terms of stain and abrasion resistance.

### The Group's innovation awards

Over the last four years, the Group has received awards in numerous areas, and in particular:

- > In 2023, in North America, two collections (Inspired Nature and LinoFloor xf2 & LinoWall xf2) were awarded the Green Good Design® prize, an international programme that rewards the safest and most sustainable new products. The programme is organised by the Chicago Athenaeum (Museum of Architecture and Design) and the European Centre for Architecture, Design and Urban Studies.
- > In 2023, in the United States, Powerbond RS® won the 2023 Product Greenstep Award - organised by Floor Covering Weekly magazine. Powerbond RS® was rewarded among others for its "asthma & allergy friendly®" certification, being the first resilient flooring in the world to receive this designation.
- > In 2023, Tarkett Lino Originale received the Red Dot Design Award in the Product Design category. This award has established itself internationally as one of the most sought-after quality marks in design and Tarkett linoleum has been recognised for both its sustainability credentials and its design.
- > In 2023, in France, the new iD Click Ultimate collection of rigid vinyl planks and tiles won the Gold Award in the Interior Finishing category at the BAT'E-NNOV AWARDS 2023, recognising the most outstanding innovations in the building and DIY sector.
- > In 2023, Tarkett joined the list of companies recognised as one of Europe's climate leaders, compiled by the Financial Times and Statista.
- > In 2022, Tarkett in the UK was voted "Manufacturer of the Year" at the Mixology 2022 Awards. The Mixology Awards recognise the best projects, products and people in commercial interior design.
- > In 2022, Tarkett UK won the "Circular Economy Initiative of the Year" award, organised by Carpet Recycling UK. In addition, Tarkett received a special mention in the "Recycler of the Year" category.
- > In 2022, Tarkett in North America received two Good Design Awards in the Floor + Wallcovering category. The Inspired Nature and LinoFloor/LinoWall collections were named winners of this competition, which was launched over 70 years ago by the Chicago Athenaeum International Museum.
- > In 2022, Tarkett in North America was ranked number one in the Top 250 Design Survey, conducted annually by Floor Focus Magazine. Tarkett's customers ranked our resilient products first in all categories: service, quality, design, performance and value.
- > In 2022, Tarkett's "Lino Floor xf2" in North America was the winner of the "Hard Flooring" category and the "Editor's Choice" of Metropolis magazine's Planet Positive Awards.
- > In 2022, Tarkett's Lino Originale won the FRAME Awards 2022 Finish of the Year. The jury recognised a bio-sourced floor covering that is sustainable over the entire product life cycle.
- > In 2021, the Muuz International Awards (MIAW) also recognised our new iQ Natural collection. The award is presented to the most innovative products in architecture and design. iQ Natural is the first bio-assigned vinyl floor covering.
- > Tarkett linoleum range - a key example of our sustainable development approach - was a winner at the 2021 Muuz Design Awards;
- > In 2021, Color Splash Speckled Rubber Tile won the Best of NeoCon (United States) award in the Hard Surface Flooring / Natural Materials category;
- > In 2020, iQ Surface received a "Red Dot Design Award";
- > In the United States, Tatami System received two "Good Design" awards from the Chicago Museum of Architecture and Design in collaboration with the European Centre for Architecture, Art, Design and Urban Studies;
- > In 2020 in the United States, the Garden Walk collection (commercial carpet North America) won the "SID Design Impact" award from the American Society of Interior Designers;
- > In 2020 in the United States, iD Mixonomi was awarded a #MetropolisLikes award and a HiP award for flooring designed for the hospitality industry at the NeoCon Awards which celebrates innovative products;
- > In 2020 in France, iD Surface received the Architecture @ Construction award at the Muuz International Awards ceremony (MIAW) organised by Muuz in partnership with the magazine D&A;
- > In 2020 in the Netherlands, Desso Flores and Desso Colourant carpets received two awards from "Good Industrial Design 2019" during Dutch Design Week in Eindhoven;
- > In 2020, the Pentagons collection received the Best of the Year award from Interior Design magazine.

Products marketed by the Group

### 1.6.4.3 Standards relating to the Group's products

The Group complies with a large number of regulations, standards and certifications in the countries where it sells its products. These standards vary depending on the geographic region where the Group is present, the type of building in which a product is installed and the type of flooring. The Group exceeds the standards and regulations in force in terms of environment and human protection.

#### **Mandatory standards and standards with which the Group complies voluntarily**

The Group is subject to two types of standards: mandatory standards based on legal requirements (such as European regulations or national decrees), and voluntary standards that it has chosen to comply with to respond to its customers' needs.

In most cases, compliance with mandatory standards must be certified by independent laboratories and/or organisations as well as by a governmental authority. The main aim is to guarantee safety and protect the health of users by demonstrating the product's compliance with statutory requirements. They relate mainly to properties such as fire resistance, skid resistance and the limitation of emissions of toxic products.

Voluntary standards are primarily testing standards to determine a product's technical performances, such as acoustic properties or dimensional stability, and specifications relating to minimum thresholds for a specific use. These standards vary depending on the product and its intended use (school, hospital, home).

Especially in the commercial market, users often stipulate compliance with non-mandatory standards. Specifiers (architects, contractors, etc.) demand compliance with these standards in their specifications. Moreover, compliance with non-mandatory standards is also required by certain national or municipal governments for the construction or renovation of public buildings.

The Group discloses the different standard with which it has chosen to comply. Purchasers, specifiers and users may also be informed of all the flooring characteristics. This enables them to differentiate the Group's products from those of its competitors. The technical specifications that the Group chooses to communicate vary depending on the requirements of the market in question.

#### **Standard organisations and standards applied in different geographic regions**

Organisations for standardisation define the technical characteristics and performance that a product must meet, as well as the tests to be used.

At the international level, the principal organisation in charge of publishing the standards applicable to the Group is the International Standardisation Organisation ("ISO"). Compliance with ISO standards is based on the principles developed by the World Trade Organisation, and is technically voluntary, although often required by architects and project contractors, in particular for government buildings. Furthermore, agreements between the ISO and Europe enable the transposition of an ISO standard into a European standard.

In Europe, standards are established by the European Committee for Standardisation ("CEN"). These standards, called "EN" standards, are mandatory when referenced by a European regulation. Each European Union Member State is required to transpose the European standards into its national standards, replacing the corresponding national standard.

The CE marking indicates that the Group's products comply with the various harmonised standards specific to those products and attests that the flooring has been adequately tested. Among the requirements for the CE marking, products must demonstrate fire resistance, low levels of toxic fumes, and anti-slip properties. For example, the Group complies with the harmonised standard EN 14041, which details requirements for resilient and laminate flooring and carpets. A complete overhaul of the Construction Products Regulation (CPR), the regulation governing standards for CE marking, is currently under discussion. It should result in 2024 to more requirements related to sustainability, carbon footprint and circular economy in order to achieve the objectives of the European Commission's Green deal. It should also lead to the creation of a European product passport.

In addition to the CE marking, the Group is required to comply with Member State regulations, which may rely on national standards established by organisations in various European Union Member States, such as the Association Française de Normalisation ("AFNOR") in France and the Deutsches Institut für Normung ("DIN") in Germany. The Group is subject to national standards in the countries where it sells its products.

Products marketed by the Group

In the United States, workplace regulatory environmental and safety requirements are primarily drawn up at Federal government level, whereas regulatory requirements on the use of goods are essentially set at state level. For example, flooring fire resistance properties or the restricted use of certain chemical substances for specific goods are generally found in the regulations of each state or each city. The formulation of voluntary standards applicable to flooring in the United States is mainly handled by the American Society for Testing and Materials ("ASTM") or the American National Standard Institute ("ANSI"). Both the federal and state governments may decide to adopt ASTM or ANSI standards, thereby making them mandatory. ASTM and ANSI standards are mandatory when referenced in federal or state regulations.

In Russia, flooring products must comply with numerous technical standards imposed by various federal laws and technical regulations, including, in particular, Federal Law No. 184-FZ on the verification and compliance system for flooring and Federal Law No. 123-FZ on fire safety requirements.

#### 1.6.4.4 Intellectual property rights

The Group has a significant portfolio of trademarks and patents which gives it a strategic advantage over its competitors that it constantly works on maintaining.

##### Trademark portfolio

The Group's products are sold under known trademarks targeted at specific regions and markets.

The Group sells its product under the internationally recognised trademark Tarkett®, and under specialised international or regional trademarks that are widely recognised in their markets such as FieldTurf®, Beynon®, and GrassMaster® for sports surfaces, or Desso® (Western Europe - Carpet), Sinteros® or Sintelon® (SEE and CIS)

In certain markets, the Group uses a multi-trademark strategy, using different trademarks for different distribution channels, to cover the entire market and optimise coexistence between the Tarkett Group's different distributors.

The Group's principal trademarks are protected and leveraged in the markets where the Group operates.

Protection of the Group's trademarks is based on registration or prior use of the marks, according to the jurisdiction. Such protections are subject to either national, European and/or international registrations for varying lengths of time depending on the applicable laws.

Countries such as the United Kingdom, Australia, New Zealand, Japan and China also develop standards as well as national regulations with which the Group may be required to comply.

Finally, certain laboratories and private sector organisations have established procedures for labelling products that comply with certain standards.

The Group actively participates with organisations such as ASTM, ANSI, ISO and CEN in the process of developing standards.

##### Patent portfolio

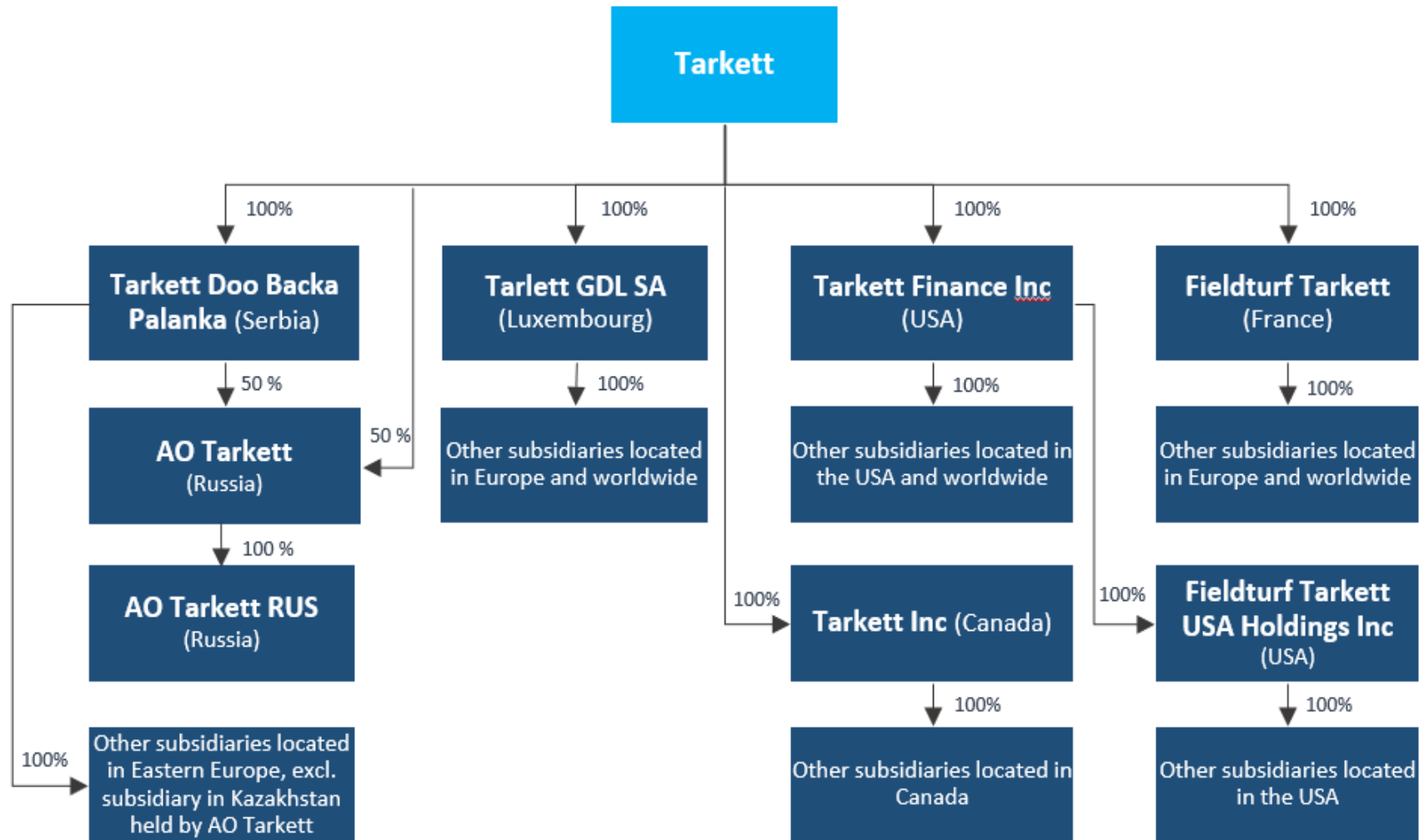
The Group holds active patents in over 40 countries. The Group's patents cover flooring and sports surface products as well as technologies for the development of new products.

The Group's patents cover approximately 122 different technology families that support its innovation, including activities related to sports surfaces. These represent 21 specific patent families. Each year the Group files 5 to 10 new patent applications mostly from Europe. The average age of the patent families in the Group's portfolio is approximately 9.5 years, which is the same as the average age of its competitors' patents.

The geographical origin of the Group's patent portfolio is highly diversified, with 96 active patent families filed in Western Europe, one in Eastern Europe and 26 in North America.

The Group believes it has significantly reduced its dependency on patents filed by third parties through its research and development efforts.

## 1.7 Simplified Group organisation chart



# 2

## GOVERNANCE AND COMPENSATION

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## 2.1 Governance

### 2.1.1 Corporate Governance Code

The Corporate Governance Code of the French Association of Private Enterprises (Association Française des Entreprises Privées - AFEP) and of the Movement of the Enterprises of France (Mouvement des Entreprises de France - MEDEF), hereafter the "Afep-Medef Code", constitutes the Company's corporate governance frame of reference. It can be consulted online (<http://www.afep.com>) and copies are permanently made available to corporate officers.

The Company ensures compliance with all the principles of corporate governance set out in the Afep-Medef Code, insofar as they are compatible with the Group's organisation, size, and resources.

AFEP-MEDEF RECOMMENDATION	TARKETT'S PRACTICE
<p><b>Article 11.3:</b> the code recommends a formal assessment at least every three years.</p>	<p>A self-assessment by the Supervisory Board and its committees is coordinated every year by the Nomination, Compensation and Governance Committee, formalised by means of a questionnaire submitted to each member of the Board, and the results are presented and debated at a Supervisory Board meeting. However, the last assessment by an independent external consultant was carried out in 2017.</p> <p>During the last Board self-assessments, in particular for the years 2021, 2022 and 2023, the Board members were consulted about the need to appoint an independent external consultant for the next assessment. The answers provided by the Board members show that the self-assessment carried out each year fulfils the Board's requirements to a satisfactory degree and the members do not consider it necessary to appoint an external consultant for the next assessment.</p>
<p><b>Article 19.1:</b> the code recommends the presence of a member representing employees on the compensation committee.</p>	<p>Insofar as the Nomination, Compensation and Governance Committee does not only deal with compensation issues, the Supervisory Board does not wish to alter the composition of the Committee, two-thirds of which is currently made up of independent members, which guarantees its effectiveness.</p> <p>The Supervisory Board members, including the members representing employees, have the option of expressing opinions on matters relating to compensation addressed by the Nomination, Compensation and Governance Committee at Supervisory Board meetings. Indeed, the deliberations of the Nomination, Compensation and Governance Committee are recorded in a report presented to the Supervisory Board and its recommendations are debated during Board meetings.</p>

### 2.1.2 Supervisory Board report on corporate governance

This chapter on governance and compensation contains information taken from the Supervisory Board report on corporate governance that was adopted at its meeting on 15 February 2024, after considering the opinion of the Nomination, Compensation and Governance Committee.

A concordance table in Section 9.7.4 provides an overview of the information included in this Document and that forms part of the corporate governance report.



## 2.2 Management and supervisory bodies

### 2.2.1 Management of the Company

The Shareholders' Meeting of 2 January 2001 opted for the two-body management form of a French public limited company ("société anonyme"), with a Management Board and a Supervisory Board (hereinafter the "Board" or the "Supervisory Board"). This organisational structure, which separates the management and direction of the Company, devolved to the Management Board, from supervision of this management body, which is the responsibility of the Supervisory Board, addresses concerns about the balance of power between the executive and control functions. is particularly suited to the Company's shareholding structure.

### 2.2.2 Management Board

The rules relating to the composition of the Management Board, the term of office of its members, the operating rules of this body and the powers and obligations of the Management Board are described in the Company's By-laws (Articles 11 to 16) available on the Company's website ([www.tarkett-group.com](http://www.tarkett-group.com)).





#### 2.2.2.1 Operation of the Management Board

The Management Board is vested with the broadest powers to act in all circumstances on behalf of the Company, within the limits of the corporate purpose and subject to those powers expressly granted by law and the By-laws to the Supervisory Board and to Shareholders' Meetings. Certain decisions falling within the powers of the Management Board are subject to prior authorisation by the Supervisory Board as defined by the By-laws and the Internal Regulations of the Supervisory Board.

#### 2.2.2.2 Composition of the Management Board

As laid down in the By-laws, the Management Board is composed of at least two, and at most five, members appointed by the Supervisory Board for a three-year term of office.

At the date of publication of this Document, the Management Board is composed of the following two members:

	Age	Gender	Nationality	Date of 1 <sup>st</sup> appointment	Date of the last renewal	Term end date	Number of shares held
<b>Chairman</b>							
Fabrice Barthélemy	55			23/05/2008	25/10/2022	24/10/2025	27,768
<b>Member</b>							
Raphaël Bauer	44			01/05/2019	25/10/2022	24/10/2025	4,441

#### 2.2.2.3 Changes in the composition of the Management Board in 2023

There were no changes in the composition of the Management Board during the year ending 31 December 2023. On the recommendation of the Nomination, Compensation and Governance Committee, the terms of office as Chairman of the Management Board of Fabrice Barthélemy and as member of the Management Board of Raphaël Bauer were renewed by the Supervisory Board on 25 October 2022 for a further three-year term, expiring on 24 October 2025. This reappointment is in line with the Group's ongoing strategy implemented over the last few years in the interest of the Group and its shareholders.

## 2.2.2.4 Biographies, main offices and positions held by members of the Management Board in office at the date of publication of this Document

### FABRICE BARTHELEMY - Chairman of the Management Board



**Born on 27 March 1968**

French nationality

**1<sup>st</sup> appointment:** 23 May 2008

**Term of office:** 24 October 2025

**Number of shares:** 27,768

**Business address:** Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

#### Experience and expertise

A member of Tarkett's Management Board since May 2008, Fabrice Barthélemy was appointed interim Chairman of Tarkett's Management Board on 18 September 2018 and confirmed in this role on 14 January 2019.

He began his career as an industrial controller with Safran, joining Valeo in 1995 as divisional financial controller in the United Kingdom. From 2000 to 2003, he helped turn around Valeo's Lighting Division in France, before taking over the global financial management of Valeo's Electronics & Connective Systems and then of the Valeo's Wiping Systems.

Fabrice Barthélemy joined Tarkett in 2008 as Chief Financial Officer and also oversaw the Information Systems and Legal departments. He was President of the Target EMEA-LATAM Division from February 2017 to September 2019. He is a graduate of the French school of management, the École supérieure de commerce de Paris (ESCP) Europe.

#### List of other offices and positions held in French and foreign companies during the last five years

##### Other offices and positions in companies associated with Tarkett

###### Current:

- > Chairman of Tarkett Participation S.A.S. (France)
- > Chairman of Tarkett Bois S.A.S (France)
- > Member of the Supervisory Board of Morton Extrusionstechnik GmbH (Germany)
- > Member of the Board of Directors of Laminate Park GmbH (Germany)
- > Chairman of the Board of Directors of AO Tarkett (Russia)
- > Vice-Chairman of the Board of Directors of Tarkett Capital SA (Luxembourg)
- > Chairman of the Board of Directors of Tarkett GDL SA (Luxembourg)

###### Ended during the last five years:

- > President of the EMEA & LATAM Division
- > Various positions within French and international subsidiaries

##### Other offices and positions in companies not associated with Tarkett

###### Current:

- > Member of the Supervisory Board and Chairman of the Nomination, Compensation and Governance Committee of Elis (France)<sup>1</sup>

###### Ended during the last five years:

- > None

<sup>1</sup> Listed company

**RAPHAEL BAUER - Member of the Management Board and Chief Financial Officer****Born on June 10, 1979**

French nationality

**1<sup>st</sup> appointment** : 1 May 2019**Term of office**: 24 October 2025**Number of shares**: 4,441**Business address**: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense**Experience and expertise**

Raphaël Bauer has been the Group's Chief Financial Officer and a member of the Executive Management Committee since February 2017. He has been a member of the Management Board since May 2019.

Formerly the Group's Financial Controller, Raphael Bauer joined Tarkett in 2010 as financial controller within the EMEA Division, then for the Asia-Pacific and Latin American Regions.

Raphaël Bauer began his career as a management controller at Valeo from 2002 to 2007, then joined Rexam as a financial officer from 2007 to 2010. He is a graduate of the institute of political studies (Sciences Po) in Paris.

**List of other offices and positions held in French and foreign companies during the last five years****Other offices and positions in companies associated with Tarkett****Current:**

- > Member of the Board of Directors of Tarkett GDL (Luxembourg)
- > Chairman of the Board of Directors of Tarkett Capital SA (Luxembourg)
- > Member of the Board of Directors of Somalré (Luxembourg)
- > Member of the Board of Directors of Tarkett Hong Kong Limited (Hong-Kong)
- > Member of the Board of Directors of Tandus Flooring (Suzhou) Co. Ltd (China)
- > *Supervisor* for Tarkett Industrial (Beijing) Co., Ltd (China)
- > Member of the Board of Directors of Tarkett Flooring India Private Limited (India)
- > Member of the Board of Directors of Tarkett Flooring Singapore Pte. Ltd (Singapore)
- > Member of the Board of Directors of AO Tarkett (Russia)
- > Member of the Board of Directors of Tarkett Inc. (Canada)
- > Member of the Board of Directors of Tarkett Finance Inc. (United States of America)

**Ended during the last five years:**

- > Member of the Board of Directors of Tarkett Brasil Revestimentos LTDA (Brazil)

**Other offices and positions in companies not associated with Tarkett****Current:**

- > None

**Ended during the last five years:**

- > None

Management and supervisory bodies

### 2.2.2.5 Activities of the Management Board in 2023

The Management Board met 6 times during the period ending 31 December 2023 with a 100% attendance rate. Its meetings primarily focused on:

#### Financial results:

- > fourth quarter 2022 activity report;
- > review and approval of the Company and consolidated annual financial statements for the year ended 31 December 2022;
- > first quarter 2023 activity report;
- > approval of the half-year financial report at 30 June 2023;
- > third quarter 2023 activity report;
- > the adoption of forward-looking management documents;
- > review of press releases relating to financial results.

#### Shareholders' Meeting of 21 April 2023:

- > proposed allocation of profits for the year ended 31 December 2022;

- > approval of the management report on the Company and the Group for 2022;
- > Review of current offices;
- > review of regulated agreements;
- > more generally, convening the Shareholders' Meeting, setting the agenda and drafting the resolutions.

#### Other activities:

- > management of the geopolitical situation in Eastern Europe;
- > 2023-2027 strategic plan;
- > the issue of Relance bonds;
- > the purchase by the Company of its own shares in order to deliver free performance-related shares to beneficiaries of the LTIP 2020-2023 plan;
- > implementation of the 2023-2026 long term incentive plan (LTIP).

## 2.2.3 Supervisory Board

### 2.2.3.1 Operation of the Supervisory Board

#### General operation

The operation of the Board is described in Articles 17 to 23 of the Company's By-laws, drawn up in accordance with the laws and regulations in effect.

The Board has its Internal Regulations which set out the provisions governing its organisation and operation, as well as the rights and duties of its members. These Internal Regulations follow industry guidance designed to ensure compliance with the fundamental principles of corporate governance, and in particular the recommendations of the Afep-Medef Code. The Internal Regulations are reviewed regularly by the Board so that they can be adapted to any new regulations and, if appropriate, to any new recommendations of the Afep-Medef Code.

#### Chairman and Vice-Chairman

The Board elects a Chairman and a Vice-Chairman from among its individual members, for a term that may not exceed that of the member's term of office.

In accordance with the legal provisions, the main mission of the Chairman of the Board is to organise the work of the Board so that the management control of the Company can be properly exercised. The Chairman of the Board is the principal point of contact for answering any meeting request by a shareholder or investor addressed to the Board.

If the Chairman is unavailable, the Supervisory Board meetings are chaired by the Vice-Chairman.

#### Observers

The Shareholders' Meeting and the Supervisory Board may each appoint Observers, who are appointed for a term of four years. The Observers attend Supervisory Board meetings as observers, act in an advisory capacity and may be consulted by the Board in this capacity.

#### Rights and obligations of Supervisory Board members

Each Supervisory Board member (with the exception of observers and members representing employees) must hold 1,000 shares in the Company, as required under the Internal Regulations. Each newly appointed Supervisory Board member is therefore asked to devote one-half of their Board member's compensation to acquiring these 1,000 shares in due time.

Each Supervisory Board Member agrees to comply with the applicable regulations with respect to market abuse and inside information (including observers and the Board members representing employees). All Supervisory Board members are reminded of these statutory and regulatory provisions each year, and in the event of any significant changes to the provisions.

## Management and supervisory bodies

**Supervisory Board meetings**

The Supervisory Board approves the schedule of meetings a year in advance to ensure that all its members can attend. Prior to each meeting, a notice is sent to each member, specifying the place, time, and agenda for the meeting. Detailed presentations on each agenda item are sent to each member in advance through a secure digital platform.

During the meeting, each item on the agenda is presented to the Supervisory Board members with an explanation. Issues reviewed and debated earlier by specialised committees are summarised by their Chairman at the next Supervisory Board meeting deliberating on these issues. For certain technical subjects, presentations are made by Group executives specialised in the subject area presented. Each item on the agenda is followed by questions, a discussion, and a vote. Written minutes are drawn up and provided to Supervisory Board members in advance of their approval at the next meeting.

**2.2.3.2 Supervisory Board composition**

At the date of publication of this Document, the Board is composed of thirteen members, including two members representing the employees and two observers.

The proportion of women on the Board stood at 44.44% (a higher rate than the legal requirements) and the proportion of independent members according to the Afep-Medef Code was equal to the one-third recommended by the Afep- Medef Code for companies with majority shareholders (*members representing employees and observers were not taken into account in this calculation*).

The term of office of Board members is four years. However, Article 18 of the By-laws provides that a shorter term of office may be proposed to the Shareholders' Meeting when appointing certain members to ensure the staggered renewal of the terms of office of Board members.

The composition of the Supervisory Board is designed to enable the Group to benefit from the diversified professional experience of its members and involve the representatives of the Company's majority shareholders in the definition of the Group's strategy and its implementation.

**1/3**

independent members

**55 years**

Average age of Supervisory Board members

**44.44%**



























female Supervisory Board members

**4**

different nationalities

## Management and supervisory bodies

The following table lists all members of the Supervisory Board at the date of publication of this Document:

Member	Personal data and experience						Attendance at Supervisory Board meetings				Attendance at specialised committees			
	Age	Gender	Nationality	Seniority (in years)	Number of shares held <sup>(1)</sup>	Other offices <sup>(2)</sup>	Independence	1 <sup>st</sup> appointment	Latest reappointment	Term end date <sup>(3)</sup>	2023 attendance	ARCC <sup>(4)</sup>	NCGC <sup>(5)</sup>	CSRIC <sup>(6)</sup>
Eric La Bonnardière <i>Chairman</i>	42			8	1,000	-	-	24/04/15	29/04/22	2026	100%	-	-(7)	-
Didier Deconinck <i>Vice-Chairman</i>	76			23	1,000	-	-	02/01/01	29/04/22	2026	100%	-	-	-
Marine Charles <sup>(8)</sup>	42			1	1,000	-	-	15/02/23	-	2025	100%	-	-	-
Julien Deconinck	45			9	1,000	-	-	13/05/14	29/04/22	2026	100%	M	-	-
Nicolas Deconinck	43			8	1,000	-	-	24/04/15 <sup>(9)</sup>	30/04/20 <sup>(9)</sup>	2024 <sup>(3)</sup>	100%	-	M <sup>(10)</sup>	M
Françoise Leroy	71			10	1,000	-	✓	26/11/13	21/04/23	2027	100%	C	M	-
Tina Mayn <sup>(8)</sup>	54			1	1,000	-	-	15/02/23	-	2025	100%	-	-	M
Didier Michaud-Daniel	66			4	1,000	1	✓	26/04/19	21/04/23	2027	100%	-	C	-
Sabine Roux de Bézieux	58			6	1,000	1	✓	27/04/17	30/04/21	2025	83%	M	-	C
Caroline Tith	33			2	N/A	-	N/A	02/12/21 <sup>(11)</sup>	-	2025	100%	-	-	-
Philippe Willion	65			0	N/A	-	N/A	09/02/24 <sup>(11)</sup>	-	2025	N/A	-	-	-
Bernard-André Deconinck <i>Observer</i>	79			23	N/A	-	N/A	02/01/01	29/04/22	2026	100%	-	-	-
Claude Ehlinger <i>Observer</i>	61			0	N/A	1	N/A	15/02/24 <sup>(12)</sup>	-	2028	N/A	-	-	-

<sup>(1)</sup>Number of Tarkett shares held by members of the Board on a personal basis. The observers and members representing employees are not required to hold shares.

<sup>(2)</sup>Number of offices held in listed companies, excluding Tarkett Group.

<sup>(3)</sup>Date of Shareholders' Meeting convened to approve the financial statements for the period during which the term of office expires. At the Shareholders' Meeting of 26 April 2024, it is proposed to renew the term of office of Nicolas Deconinck for a duration of four years.

<sup>(4)</sup>Audit, Risks and Compliance Committee.

<sup>(5)</sup>Nomination, Compensation and Governance Committee.

<sup>(6)</sup>CSR and Innovation Committee.

<sup>(7)</sup>Eric La Bonnardière was a member of the Nomination, Compensation and Governance Committee from 26 July 2022 to 15 February 2024, when he was replaced by Nicolas Deconinck.

<sup>(8)</sup>Following the resignations of Agnès Touraine and Véronique Laury, the Supervisory Board appointed Marine Charles and Tina Mayn on 15 February 2023 for the remainder of the terms of office of Agnès Touraine and Véronique Laury, i.e. until the Shareholders' Meeting called in 2025 to approve the financial statements for the year ended 2024. Tina Mayn was also appointed member of the CSR and Innovation Committee. These appointments were ratified by the Shareholders' Meeting of 21 April 2023.

<sup>(9)</sup>Nicolas Deconinck was appointed Observer of the Supervisory Board on 24 April 2015 and then member of the Board on 30 April 2020.

<sup>(10)</sup>Nicolas Deconinck has been a member of the Nomination, Compensation and Governance Committee since 15 February 2024.

<sup>(11)</sup>Date of appointment by the Company's works council (more details in Sections 2.2.3.3 and 2.2.3.6.).

<sup>(12)</sup>Claude Ehlinger was appointed Observer on 15 February 2024, replacing Charles Goulet following his resignation (more details in Section 2.2.3.3).

N/A: Not applicable.

C: Chair / M: Member.

### 2.2.3.3 Changes in the composition of the Supervisory Board in 2023 and early 2024

	Departure	Nomination	Renewal
<b>Supervisory Board</b>	<b>1 January 2023</b> Véronique Laury	<b>15 February 2023</b> Marine Charles Tina Mayn	<b>21 April 2023</b> Didier Michaud-Daniel Françoise Leroy
	<b>31 October 2023</b> Florent Jannier (member representing employees)	<b>9 February 2024</b> Philippe Willion (member representing employees)	
	<b>1 February 2024</b> Charles Goulet (Observer)	<b>15 February 2024</b> Claude Ehlinger (Observer)	
<b>Audit, Risks and Compliance Committee</b>	-	-	<b>21 April 2023</b> Françoise Leroy
<b>Nomination, Compensation and Governance Committee</b>	<b>15 February 2024</b> Eric La Bonnardière	<b>15 February 2024</b> Nicolas Deconinck	<b>21 April 2023</b> Didier Michaud-Daniel Françoise Leroy
<b>CSR and Innovation Committee</b>	<b>1 January 2023</b> Véronique Laury	<b>15 February 2023</b> Tina Mayn	-

It should be noted that Agnès Touraine resigned from her office as Supervisory Board member on 1 June 2022. In addition, on 15 February 2023, the Supervisory Board noted that Véronique Laury had resigned from her office as a member of the Supervisory Board and the CSR and Innovation Committee on 1 January 2023.

At its meeting of 15 February 2023, on the recommendation of the Nomination, Compensation and Governance Committee, the Supervisory Board appointed Marine Charles and Tina Mayn as new members of the Supervisory Board, replacing Agnès Touraine and Véronique Laury for the remainder of their term of office, i.e. until the Shareholders' Meeting called in 2025 to approve the financial statements for the 2024 financial year. Tina Mayn was also appointed member of the CSR and Innovation Committee.

The Shareholders' Meeting of 21 April 2023 ratified the appointments of Marine Charles and Tina Mayn and renewed the terms of office of Didier Michaud-Daniel and Françoise Leroy as members of the Supervisory Board for a further four years.

On 31 October 2023, Florent Jannier resigned from his salaried positions, *thereby* terminating his term of office as a member of the Supervisory Board. On 9 February 2024,

the Company's works council appointed Philippe Willion as the member of the Supervisory Board representing employees, for the duration of the vacant term of office, i.e. until the Shareholders' Meeting called in 2025 to approve the financial statements for the 2024 financial year.

On 15 February 2024, noting the resignation on 1 February 2024 of Charles Goulet from his office as Observer, the Supervisory Board appointed Claude Ehlinger as Observer for a term of four years in accordance with the statutory provisions.

At its meeting on 15 February 2024, the Supervisory Board also took note of Eric La Bonnardière's wish to resign as a member of the Nomination, Compensation and Governance Committee, and decided to appoint Nicolas Deconinck to replace Eric La Bonnardière as a member of this Committee for the duration of his term of office as Supervisory Board member.

The decisions taken by the Supervisory Board on 15 February 2024 were subject to a favourable recommendation by the Nomination, Compensation and Governance Committee.

Management and supervisory bodies

#### 2.2.3.4 Changes proposed in 2024

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On the recommendation of the Nomination, Compensation and Governance Committee, the Supervisory Board, at its meeting on 15 February 2024, decided to propose to the Shareholders' Meeting of 26 April 2024:

- > the renewal of Nicolas Deconinck's term of office as member of the Supervisory Board, which is due to expire, for a further four-year term; and
- > having noted the resignation of Didier Deconinck from his office as member and Vice-Chairman of the Supervisory Board with effect from 26 April 2024, to appoint Marie Deconinck as member of the Supervisory Board, also for a term of four years.

In addition, the Supervisory Board has already decided to appoint Julien Deconinck as Vice-Chairman of the Board with effect from 26 April 2024, to replace Didier Deconinck, who resigns on that date.



### 2.2.3.5 Biographies, main offices and positions held by members of the Supervisory Board in office at the date of publication of this Document

#### ERIC LA BONNARDIERE - Chairman of the Supervisory Board



**Born on 11 April 1981**

French nationality

**1<sup>st</sup> appointment:** 24 April 2015

**Term of office:** Shareholders' Meeting approving the 2025 financial statements

**Number of shares:** 1,000

**Business address:** Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

#### Experience and expertise

Eric La Bonnardière became a member of the Company's Supervisory Board and a member of the Audit Committee in 2015. He was appointed Vice-Chairman of the Supervisory Board in 2017. He has been Chairman of the Board since April 2018.

He began his career in 2006 as a consultant at Capgemini and then joined the Advancy strategy consulting firm where he carried out assignments in industry and distribution. Since 2009, he has been the Chairman and co-founder of Evaneos, a travel marketplace and European leader in its segment.

Eric La Bonnardière is a graduate of the Centrale-Supélec engineering school and has a Master's degree in management from the HEC academy in Paris.

#### List of other offices and positions held in French and foreign companies during the last five years

##### Other offices and positions in companies associated with Tarkett

###### Current:

- > Member of the Management Board of Société Investissement Deconinck S.A.S (France)
- > Chairman of the Supervisory Board of Tarkett Participation S.A.S (France)

###### Ended during the last five financial years:

- > None

##### Other offices and positions in companies not associated with Tarkett

###### Current:

- > CEO of Evaneos S.A. (France)

###### Ended during the last five financial years:

- > None

**DIDIER DECONINCK - Vice-Chairman of the Supervisory Board****Born on 2 May 1947**

French nationality

**1<sup>st</sup> nomination** : 2 January 2001**End of term**: Shareholders' Meeting to be held on 26 April 2024**Number of shares**: 1,000**Professional address**: Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense**Experience and expertise**

Didier Deconinck joined the Company's Supervisory Board in 2001 and acted as Chairman from 2005 to April 2018, when he was appointed its Vice-Chairman. He represents the company DDA on the Management Board of Société Investissement Deconinck ("SID"), a family-owned company with interests in the Company. He was a Managing Director of Société Investissement Familiale ("SIF"), a holding company that controlled the Company until its initial public offering in 2013. He also co-founded the Monin group, a French manufacturer of hardware items for the construction and industrial sector, and was Managing Director of the group until its sale in January 2017.

From 1979 to 1984, Didier Deconinck was the Managing Director of Allibert-Mobilier-de-Jardin. He then became Managing Director of the Video division of the Thompson group and an executive officer of its German holding company, DAGFU, until 1987. From 1987 to 1990, he was the Managing Director of Domco, a company traded on the Toronto Stock Exchange and the largest Canadian flooring manufacturer. He was Chairman of the Supervisory Board and the Nomination, Compensation and Governance Committee of the company ARDIAN Holding between 2013 and 2015 and since 2015 has been acting as Vice-Chairman of the Supervisory Board and Chairman of the Audit, Internal Control, Risks and Compliance Committee within this company.

Since 2019, he has been a director of the Cercle de l'Orchestre de Paris and the Fonds du Musée d'Art Moderne de Fontevraud.

Didier Deconinck holds an engineering degree from the École Polytechnique of Zurich and received additional training in marketing at the Wharton Business School and in finance at the European Business Administration Institute INSEAD (Fontainebleau).

**List of other offices and positions held in French and foreign companies during the last five years****Other offices and positions in companies associated with Tarkett****Current:**

- > Member of the Family Council and representative of the company DDA on the Supervisory Board of Société Investissement Deconinck S.A.S (France)
- > Member of the Supervisory Board of Tarkett Participation S.A.S (France)

**Ended during the last five years:**

- > Representative of the company DDA on the Management Board of Société Investissement Deconinck S.A.S (France)
- > Vice-Chairman of the Management Board of Société Investissement Deconinck (France)

**Other offices and positions in companies not associated with Tarkett****Current:**

- > Chairman of the company DDA S.A.S (France)
- > Vice-Chairman of the Supervisory Board and Chairman of the Audit, Internal Control, Risks and Compliance Committee of ARDIAN Holding (France)
- > Director and Treasurer of Cercle de l'Orchestre de Paris (France)
- > Director of the funds du Musée d'Art Moderne de Fontevraud (France)

**Ended during the last five financial years:**

- > Chairman of DDA TER S.A.S. (France)
- > Chairman of DDA (LCA) S.A.S. (France)
- > Director of the Museum of the Army (France)
- > Member of the Management Board and Managing Director of SIF (France)
- > Managing Director of Monin (France)
- > Chairman of the Supervisory Board and of the Nomination and Compensation Committee of ARDIAN Holding (France)

**MARINE CHARLES - Member of the Supervisory Board****Born on 14 May 1981**

French nationality

**1<sup>st</sup> appointment:** 15 February 2023**Term of office:** Shareholders' Meeting approving the 2024 financial statements**Number of shares:** 1,000**Professional address:** Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense**Experience and expertise**

Marine Charles has been CEO France of B&B Hotels since January 2024.

From 2022 to 2023, she was Managing Director of Saint-Gobain Weber France, leader in industrial mortars, and member of the CODIR France of Saint Gobain.

She started her career in 2004 in strategy consulting at OC&C Strategy Consultants, where she worked in the Paris and London offices.

In 2008, she joined the Casino Group where she held the positions of Deputy Director of Strategy and Group Planning (in the office of the Chairman, Jean-Charles Naouri), and Director of Management Control and Projects for the Group's International Activities (Latin America, Asia, French overseas departments).

In 2013, she became Head of Strategy and Development for Saint Gobain's Building Distribution Sector (~20bn Euro revenue, 26 countries), in charge of strategic projects and M&A.

She then joined Lapeyre in 2016, a Saint Gobain subsidiary, as Deputy Managing Director, before being appointed Managing Director in 2019 (~700m Euro revenue, ~2400 people, 131 sales outlets).

Marine Charles is a graduate of Sciences Po Paris (2003) and of the HEC Entrepreneurs Master programme (2004).

<sup>1</sup> Listed company

**List of other offices and positions held in French and foreign companies during the last five years****Other offices and positions in companies associated with Tarkett****Current:**

- > None

**Ended during the last five years:**

- > None

**Other offices and positions in companies not associated with Tarkett****Current:**

- > CEO France of B&B Hotels (France)
- > Observer of the Supervisory Board of Brico Invest (France)

**Ended during the last five financial years:**

- > Independent Director and Chair of the Audit Committee of the ABEO<sup>1</sup> Group (France)
- > Managing Director of Lapeyre Distribution (France)

## JULIEN DECONINCK - Member of the Supervisory Board and the Audit, Risks and Compliance Committee



**Born on 23 August 1978**

French nationality

**1<sup>st</sup> appointment** : 13 May 2014

**Term of office:** Shareholders' Meeting approving the 2025 financial statements

**Number of shares:** 1,000

**Professional address:** Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

### Experience and expertise

Julien Deconinck is a founding member of Clermount, a mergers and acquisitions consulting company specialised in raising funds for positive-impact growth companies. He began his career in 2002 as a mergers and acquisitions analyst at Lazard.

He then joined the Tarkett Group, where he held several positions in marketing development and project management from 2003 to 2006. From 2006 to 2015, he was a mergers and acquisitions associate at HSBC, then Director of Equity Investments at the investment firm Parcom Capital, and then a Director at Société Générale Corporate & Investment Banking.

Julien Deconinck is a graduate of the HEC academy in Paris.

### List of other offices and positions held in French and foreign companies during the last five years

#### Other offices and positions in companies associated with Tarkett

**Current:**

- > Chairman of Société Investissement Deconinck S.A.S. (France)
- > Member of the Supervisory Board of Tarkett Participation S.A.S (France)

**Ended during the last five years:**

- > None

#### Other offices and positions in companies not associated with Tarkett

**Current:**

- > None

**Ended during the last five years:**

- > None

## NICOLAS DECONINCK - Member of the Supervisory Board, member of the CSR and Innovation Committee, and member of the Nomination, Compensation and Governance Committee



**Born on 14 August 1980**

French nationality

**1<sup>st</sup> appointment** : 24 April 2015

**Term of office:** Shareholders' Meeting approving the 2023 financial statements (*term of office proposed for renewal*)

**Number of shares:** 1,000

**Professional address:** Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

### Experience and expertise

Nicolas Deconinck is currently Chairman of Demunich, a family holding company, and Managing Director of SID (Société d'Investissement Deconinck), where he oversees financial investments and venture capital.

From 2019 to 2023, he was Business Unit Director at Sapient/Razorfish, part of the Publicis group. In this position, he brought his expertise in digital transformation to large companies in France and internationally.

In 2006, he founded his own company, Attractive, specialising in the manufacture and distribution of sports articles. Over the years, the business evolved into SoActive, a UK-based eCommerce platform, before being acquired by the Bentley Hall Ivts in 2015.

Prior to that, he worked as an IT strategy consultant at BearingPoint, where he developed his skills in strategic consulting.

Nicolas Deconinck is a graduate of the Institut d'Etudes Politiques de Paris (Sciences Po) and holds a Master's degree in Corporate Strategy from the University Paris Dauphine.

### List of other offices and positions held in French and foreign companies during the last five years

#### Other offices and positions in companies associated with Tarkett

**Current:**

- > Managing Director of Société Investissement Deconinck S.A.S. (France)
- > Member of the Supervisory Board of Tarkett Participation S.A.S (France)

**Ended during the last five years:**

- > None

#### Other offices and positions in companies not associated with Tarkett

**Current:**

- > Chairman and Director of Demunich SAS (France)

**Ended during the last five financial years:**

- > None

## FRANCOISE LEROY - Independent member of the Supervisory Board, Chair of the Audit, Risks and Compliance Committee and member of the Nomination, Compensation and Governance Committee



**Born on 30 April 1952**

French nationality

**1<sup>st</sup> appointment:** 26 November 2013

**Term of office:** Shareholders' Meeting approving the 2026 financial statements

**Number of shares:** 1,000

**Professional address:** Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

### Experience and expertise

Françoise Leroy has been a member of the Supervisory Board since 2013. She began her career in 1975 as Secretary General of the Union Industrielle et d'Entreprise. Elle joined Elf Aquitaine in 1982, where she held various positions in financial management. In 1998, she became the Director of Financial Communications, and then, in 2001, Director of Chemical Subsidiaries Operations in the Finance Department of Total following its merger with Elf Aquitaine. Françoise Leroy was the Secretary General of Total's Chemical Division between 2004 and 2012 and a member of its Executive Committee since 2006. She was Head of Acquisitions and Disposals from 9 January 2012 until June 2013.

Françoise Leroy is a graduate of the Reims business management and administration school (École Supérieure de Commerce et d'Administration des Entreprises).

<sup>1</sup> Listed company

### List of other offices and positions held in French and foreign companies during the last five years

#### Other offices and positions in companies associated with Tarkett

**Current:**

> None

**Ended during the last five years:**

> None

#### Other offices and positions in companies not associated with Tarkett

**Current:**

> None

**Ended during the last five years:**

- > Member of the Board of Directors, the Audit and Risk Committee and the Nominations and Compensation Committee of Gaztransport & Technigaz GTT<sup>1</sup> (France)
- > Member of the Supervisory Board of Argan SA<sup>1</sup> (France)

**TINA MAYN - Member of the Supervisory Board and the CSR and Innovation Committee**

**Born on 27 February 1970**

Danish nationality

**1<sup>st</sup> appointment:** 15 February 2023

**Term of office:** Shareholders' Meeting approving the 2024 financial statements

**Number of shares:** 1,000

**Professional address:** Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

**Experience and expertise**

Tina Mayn joined the Velux Group in 2018 and currently holds the position of Executive Vice-President for Velux Group Products, which includes innovation, sustainable R&D and the Velux product offering.

From 2015 to 2018, she served as Executive Vice-President of Research and Development, Product Portfolio and Global Marketing at Nilfisk.

Prior to that, she worked at Electrolux as Senior Vice-President for a global product line.

She has extensive leadership experience in product management and development, innovation, procurement and change management.

Tina Mayn holds an MBA from the European Institute of Purchasing Management (EIPM) in France.

**List of other offices and positions held in French and foreign companies during the last five years****Other offices and positions in companies associated with Tarkett****Current:**

> None

**Ended during the last five years:**

> None

**Other offices and positions in companies not associated with Tarkett****Current:**

> Member of the Board of Directors of Juliana Drivhuse A/S (Denmark)

> Member of the Board of Directors of Danish Design Dansk Industri (Denmark)

**Ended during the last five financial years:**

> Executive Vice President R&D, Products and Global Marketing at Nilfisk (Denmark)

**DIDIER MICHAUD-DANIEL - Independent member of the Supervisory Board and Chairman of the Nomination, Compensation and Governance Committee****Born on August 2, 1958**

French nationality

**1<sup>st</sup> appointment** : 26 April 2019**Term of office:** Shareholders' Meeting approving the 2026 financial statements**Number of shares:** 1,000**Professional address:** Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense**Experience and expertise**

Didier Michaud-Daniel began his career in 1981 with OTIS, where he held various posts in the Sales and Operations Department. He was appointed Deputy Managing Director in charge of operations in January 1998, then Managing Director of OTIS UK and Ireland, later Chairman of OTIS for the UK, Germany and Central Europe region, before being appointed Chairman of OTIS Elevator Company in May 2008.

He was then Managing Director of Bureau Véritas, a company listed on the SBF 120 market, from March 2012 until the end of June 2023.

Since February 2024, he has been Chairman of the Board of Directors of Pluxee NV.

Didier Michaud-Daniel is a graduate of the Poitiers business management school and European Business Administration Institute INSEAD and is Chevalier de la Légion d'honneur, the highest French order of merit.

<sup>1</sup> Listed company

**List of other offices and positions held in French and foreign companies during the last five years****Other offices and positions in companies associated with Tarkett****Current:**

- > None

**Ended during the last five years:**

- > None

**Other offices and positions in companies not associated with Tarkett****Current:**

- > Executive Chairman of Pluxee N.V.<sup>1</sup> (France)
- > Member of the Supervisory Board of Saur (France)

**Ended during the last five financial years:**

- > Managing Director of Bureau Veritas S.A.<sup>1</sup> (France)
- > Chairman of Bureau Veritas International S.A.S (France)



## SABINE ROUX DE BEZIEUX - Independent member of the Supervisory Board, member of the Audit, Risks and Compliance Committee and Chair of the CSR and Innovation Committee



**Born on 29 April 1965**

French nationality

**1<sup>st</sup> appointment** : 27 April 2017

**End of term of office:** Shareholders' Meeting approving the 2024 financial statements

**Number of shares** : 1,000

**Professional address:** Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

### Experience and expertise

Sabine Roux de Bézieux has been a member of the Company's Supervisory Board since 2017.

After two years in investment banking, she spent 13 years with the Andersen Group in London and Paris. From 2002 to 2012, she ran her own consulting company, Advanceo, before joining the Board of Directors of several listed companies and taking over the General Management of Notus Technologies.

She has been committed to social and environmental projects for the past fifteen years. In 2005, she created her own Foundation, Araok, to support vulnerable members of society before going on to establish the association Un Esprit de Famille with a number of other foundations. She is treasurer of United Way l'Alliance pour l'éducation, and Chair of the Fondation de la Mer, of which she is one of the founders.

Sabine Roux de Bézieux graduated from the ESSEC business school in 1986. She also holds a DECF (Diploma of Accounting and Finance) and a bachelor's diploma in philosophy. She is a former IHEDN auditor.

<sup>1)</sup> Listed company

### List of other offices and positions held in French and foreign companies during the last five years

#### Other offices and positions in companies associated with Tarkett

**Current:**

> None

**Ended during the last five years:**

> None

#### Other offices and positions in companies not associated with Tarkett

**Current:**

- > Managing Director of Notus Technologies SAS (France)
- > Member of the Supervisory Board of Banque Transatlantique S.A.(France)
- > Manager of Galiseo S.A.R.L (France)
- > Chair of Fondation de la Mer (France)
- > Chair of the association Un Esprit de Famille (France)
- > Treasurer France of Alliance pour l'éducation - United Way (France)
- > Member of the Economic, Social and Environmental Committee (France)
- > Vice-Chair of the committee on European and international affairs (France)
- > Auditor of the Institute of Advanced Studies in National Defence (IHEDN, Institut des Hautes Etudes de Défense Nationale) (France)

**Ended during the last five years:**

- > Member of the Supervisory Board of ABC Arbitrage S.A.<sup>1</sup> (France)
- > Member of the Supervisory Board of Altur investissement<sup>1</sup> (France)

**CAROLINE TITH - Member of the Supervisory Board representing employees****Born on 27 April 1990**

French nationality

**1<sup>st</sup> appointment** : 2 December 2021**End of term of office:** Shareholders' Meeting approving the 2024 financial statements**Number of shares** : N/A**Professional address:** Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense**Experience and expertise**

Since 2022, Caroline Tith is Business Intelligence (BI) Programme Manager in the Data team at Tarkett Group. In this role, she is responsible for the roadmap of BI projects that are in line with the strategy of the divisions and the Group.

She previously held various positions in Data since 2014: data manager and biostatistician within a clinical organisation, Big Data consultant and then BI technical-functional analyst for the sales, finance and budget areas at Tarkett.

In December 2021, she became a "2021 Tarkett Top Learner" and was appointed as an employee representative on the Board by Tarkett's ESC.

Caroline Tith holds a bachelor's degree in biology/chemistry and a Master's degree in bioinformatics and biostatistics from the Faculté des Sciences d'Orsay, jointly certified by the École Polytechnique.

She is also qualified as a Production Manager for Artistic Projects and trained in Digital Strategy at the Institut d'Études Supérieures des Arts (IESA).

**List of other offices and positions held in French and foreign companies during the last five years****Other offices and positions in companies associated with Tarkett****Current:**

&gt; None

**Ended during the last five years:**

&gt; None

**Other offices and positions in companies not associated with Tarkett****Current:**

&gt; None

**Ended during the last five years:**

&gt; None

## Philippe WILLION - Supervisory Board member representing employees



**Born on 16 October 1958**

French nationality

**1<sup>st</sup> appointment:** 9 February 2024

**Term of office:** Shareholders' Meeting approving the 2024 financial statements

**Number of shares :** N/A

**Professional address:** Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

### Experience and expertise

After studying at the IEP in Paris, Philippe Willion began his career in 1985 with Peat Marwick/ KPMG before taking up a position as Finance and Administration Director in the forestry industry.

In 1992, he joined Sommer-Allibert as head of finance for the Packaging division, before joining the group's internal audit department in 1997. When Sommer-Allibert and Tarkett AG merged, he joined Tarkett AG's treasury department in Germany in 1998, before taking over its management.

Since 2001, he has been Director of financing and treasury for the Tarkett Group.

### List of other offices and positions held in French and foreign companies during the last five years

#### Other offices and positions in companies associated with Tarkett

**Current:**

- > Chairman of the Board of Directors of Somalré (Luxembourg)
- > Director of Tarkett Capital SA (Luxembourg)

**Ended during the last five financial years:**

- > None

#### Other offices and positions in companies not associated with Tarkett

**Current:**

- > None

**Ended during the last five years:**

- > None

**BERNARD-ANDRE DECONINCK - Observer of the Supervisory Board****Born on 7 May 1944**

French and Belgian nationality

**1<sup>st</sup> appointment:** 2 January 2001**Term of office:** Shareholders' Meeting approving the 2025 financial statements**Number of shares:** N/A**Professional address:** Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense**Experience and expertise**

Bernard-André Deconinck is an observer on the Company's Supervisory Board and since 2013 has been the Chairman of the Supervisory Board and a member of the Family Council (as the representative of the Heritage Fund) of SID. He was also a member and Chairman of the SIF Management Board.

Bernard-André Deconinck is a graduate of the Ecole Centrale de Paris and began his career with the Group in 1969 as a methods engineer. From 1970, he held operational management positions in the plants and in the divisions, then became Director of Purchasing, Investment, Style, and Research and Development for the Group.

He is Chevalier de l'Ordre national du Mérite.

**List of other offices and positions held in French and foreign companies during the last five years****Other offices and positions in companies associated with Tarkett****Current:**

- > Chairman of the Supervisory Board of Société Investissement Deconinck S.A.S. (France)

**Ended during the last five financial years:**

- > Chairman of the Management Board of Société Investissement Deconinck (France)

**Other offices and positions in companies not associated with Tarkett****Current:**

- > Co-manager of Heritage Fund SPRL (Belgium)
- > Manager of Val Duchess SPRL (Belgium)

**Ended during the last five years:**

- > Member of the Management Board and Managing Director of SIF (France)

## CLAUDE EHLINGER - Observer of the Supervisory Board



**Born on 31 October 1962**

Luxembourg nationality

**1<sup>st</sup> appointment:** 15 February 2024

**Term of office:** Shareholders' Meeting approving the 2027 financial statements

**Number of shares:** N/A

**Professional address:** Tour Initiale - 1, Terrasse Bellini - 92919 Paris-La Défense

### Experience and expertise

Claude Ehlinger joined Wendel in 2016. Since 2019, he has been *Senior Advisor*. He was a member of the Investment Committee and CEO of Oranje-Nassau.

Claude Ehlinger was previously Deputy Managing Director of Louis Dreyfus Company, which he joined in July 2007 as Group Chief Financial Officer. He was Acting Managing Director of Louis Dreyfus Company from June 2014 to October 2015.

He began his career in 1985 with Thomson Group before joining Finacor in 1987 as Associate Director. From 1999 to 2003, he was Finance Director at CCMX, then Regional Financial Controller at Capgemini. He then joined Eutelsat in June 2004 as Group Chief Financial Officer until July 2007.

Claude Ehlinger is a graduate of HEC.

### List of other offices and positions held in French and foreign companies during the last five years

#### Other offices and positions in companies associated with Tarkett

##### Current:

- > *Senior Advisor* of Wendel SE<sup>1</sup> (France)
- > Member of the Supervisory Board of Tarkett Participation SAS (France)

##### Ended during the last five financial years:

- > None

#### Other offices and positions in companies not associated with Tarkett

##### Current:

- > Non-executive Chairman of the Board of Directors of LCH SA (Banque Centrale de Compensation) (France)
- > Director of Wendel Luxembourg SA (formerly Trief Corporation SA) (Luxembourg)
- > Chairman and director of Stahl Lux 2 SA, Stahl Group SA and Stahl Parent BV (Luxembourg & Netherlands)
- > Director of Bureau Véritas SA<sup>1</sup> (France) (*also member of the Nominations and Compensation Committee and the Strategy Committee*)

##### Ended during the last five financial years:

- > Director of Expansion 17 SA SICAR and Global Performance 17 SA SICAR
- > Chairman and director of Oranje-Nassau Groep BV
- > Permanent representative of Oranje-Nassau Groep BV on the boards of Oranje-Nassau Development SA SICAR and Winvest International SA SICAR

<sup>1</sup> Listed company

### 2.2.3.6 Diversity and balance in the composition of the Supervisory Board

The Supervisory Board and the Nomination, Compensation and Governance Committee regularly assess the composition of the Supervisory Board and its Specialised Committees, and in particular the variety of skills and experience contributed by each of their members. It also identifies the approaches to be adopted to ensure the best possible balance through complimentary profiles, in terms of nationality, gender and experience.

To achieve diversity, measures have been adopted within the Supervisory Board, with the help of the Nomination, Compensation and Governance Committee, that encompass the criteria taken into account, the objectives set by the Supervisory Board, the procedures for implementation and the results obtained during each period.

#### Balanced representation of men and women

In accordance with the regulations in force and with a view to guaranteeing a balance in its composition, the Board ensures that the proportion of women and men on the Supervisory Board complies with the requirements of Articles L. 22-10-21 and L. 225-69-1 of the French Commercial Code.

Each time the term of office of a member of the Supervisory Board comes up for renewal or a new member is to be appointed, on recommendation by the Nomination, Compensation and Governance Committee, the Supervisory Board examines the various nominees taking care to ensure gender equality.

At the date of publication of this Document, the proportion of women on the Board stood at 44.44 (*members representing employees and observers are not included in this calculation*). If the renewal of Nicolas Deconinck's term of office and the appointment of Marie Deconinck are approved by the Shareholders' Meeting of 26 April 2024, 55.56% of the Supervisory Board will be made up of women and 44.44% of men by the end of that Meeting.

#### Employee representation

##### **Members of the Supervisory Board representing employees**

Since 2020, the Company's By-laws have stipulated that two Board members representing employees must be appointed by the Company's works council if the Board has more than eight members.

On this basis, Florent Jannier and Caroline Tith were appointed by the works council on 2 December 2021 and became members of the Board at the meeting on 15 December 2021. On 31 October 2023, Florent Jannier resigned from his salaried positions, *thereby* terminating his term of office as a member of the Supervisory Board. On 9 February 2024, the works council appointed Philippe Willion as member of the Supervisory Board representing employees for the remaining term of his predecessor's office, i.e. until the Shareholders' Meeting called in 2025 to approve the 2024 financial statements.

As soon as they take up their duties, and in accordance with current regulations, Board members representing employees receive external training paid for by the Group. In the month following his appointment, Philippe Willion received training from the Institut Français des Administrateurs.

Florent Jannier and Caroline Tith have also attended a number of in-house training courses to ensure that they fully understand the role and operation of the Board, as well as the rights, obligations and responsibilities of its members (particularly with regard to the applicable regulations on market abuse and insider information). At their request, they benefited from in-house financial training adapted to their needs and, for Caroline Tith, from product training during a plant visit.

Furthermore, extra hours and preparation time for meetings will be granted to members representing employees.

It has been agreed that the latter will not receive compensation for their term of office as Board members. Being unconnected with their corporate office, the components of their compensation as a Company employee will not be published.

##### **Company works council delegate on the Supervisory Board**

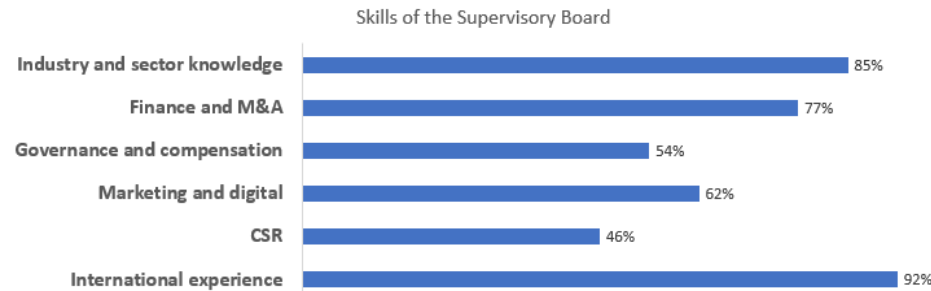
Emmanuel Pasquier, member of the Company works council, has also attended meetings of the Board as representative of the works council, without a right to vote, since the Board meeting of 23 October 2019. He has been trained and made aware of the regulations applicable to market abuse and was also given the same training as the members representing employees, with the exception of the internal training relating to the office of member of the Board, given that he does not have that status.

## Management and supervisory bodies

**Experience and expertise of Board members**

As it does each year, the Board has reviewed its composition, and that of its committees, to achieve an appropriate balance in terms of the diversity of the professional skills and experience of its members, particularly at an international level.

With the assistance of the Nomination, Compensation and Governance Committee, the Board seeks to maintain a balance between those members with a historical knowledge of the Group and members appointed more recently to the Board. At the date of publication of this Document, their skills and expertise cover the following areas, particularly in relation to the Group's strategy:

**2.2.3.7 Independence of Supervisory Board members**

The Company refers to the following criteria for independence defined in the Afep-Medef Code, and set out in the Internal Regulations:

- > **Criterion 1:** not being, and not to have been, within the previous five years, an employee or executive officer of the Company; an employee, executive officer or member of the Board of Directors or Supervisory Board of a company consolidated by the Company or the parent Company of the Company or a company consolidated by said parent Company;
- > **Criterion 2:** not being an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company (currently in office or having held such office within the last five years) holds a directorship;
- > **Criterion 3:** not being a customer, supplier, commercial banker, investment banker or consultant that is significant to the Company or its group or for which the Company or its group represents a significant portion of its activities. The evaluation of the significance or otherwise of the relationship with the Company or its group must be debated by the Board, and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the report on corporate governance;
- > **Criterion 4:** not to be related by close family ties to any corporate officer;

Compared with the analysis made at the close of the 2022 and 2023 financial years, the Board's expertise and experience in financing and M&A has increased, as have its skills in marketing and digital. The proportion of skills and expertise in other areas has remained constant.

This analysis also shows that the members give the Board the benefit of in-depth knowledge of the sector in which the Group operates and to take advantage of complementary skills, thereby ensuring deliberations of the highest quality in its meetings.

In addition, the members of the Board also ensure that the measures adopted are in the Company's corporate interests and contribute to implementation of the Group's strategy.

- > **Criterion 5:** not having been the company's auditor in the previous five years;
- > **Criterion 6:** not having been a member of the Supervisory Board of the Company for more than twelve years;
- > **Criterion 7:** not being, controlling or representing a shareholder holding, alone or jointly, representing more than 10% of the capital or voting rights at the Company Shareholders' Meetings.

In accordance with the recommendations made in the Afep-Medef Code, each time the term of office of a Supervisory Board member is to be renewed or a new member appointed and at least once a year prior to publication of the Universal Registration Document, the Supervisory Board, based on the recommendations and report of the Nomination, Compensation and Governance Committee, compares the status of its members against the independence criteria and checks that its composition is balanced and that at least one-third of its members are independent. The Board also ensures that its specialist committees are chaired by independent members.

To this end, at the beginning of 2024, the Nomination, Compensation and Governance Committee and the Supervisory Board examined the independence of each Board member.

## Management and supervisory bodies

The outcome of this analysis is given in the table below:

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7
Eric La Bonnardière		✓			✓	✓	
Didier Deconinck		✓			✓		
Marine Charles	✓	✓	✓	✓	✓	✓	
Julien Deconinck		✓			✓	✓	
Nicolas Deconinck		✓			✓	✓	
Françoise Leroy	✓	✓	✓	✓	✓	✓	✓
Tina Mayn	✓	✓	✓	✓	✓	✓	
Didier Michaud-Daniel	✓	✓	✓	✓	✓	✓	✓
Sabine Roux de Bézieux	✓	✓	✓	✓	✓	✓	✓

✓ : means that the Supervisory Board member satisfies the independence criterion concerned.

The annual review shows that at the date of publication of this Document:

- > the Board is made up of three independent members (Françoise Leroy, Didier Michaud-Daniel and Sabine Roux de Bézieux), in addition to six members appointed at the proposal of the main shareholder of the Company, two members representing employees and two observers, i.e. a third of independent members in line with the recommendations of the Afep-Medef Code (members representing employees and observers are not included in this calculation);

### 2.2.3.8 Operational assessment of the Supervisory Board

Once a year, the Supervisory Board and its specialised Committees assess the way in which they operate and are organised to ensure that important issues are properly prepared and debated in their meetings in accordance with the recommendations of the Afep-Medef Code. This also makes it possible to assess the actual contribution, both collective and individual, of members to the work of the Supervisory Board and its specialised Committees.

This annual assessment, carried out under the supervision of the Chairman of the Nomination, Compensation and Governance Committee, is formalised by questionnaires sent to each member of the Board, including the members representing employees and Observers.

During the latest assessments, attention was drawn in particular to the confidence placed in Senior Management and the smooth running of the Board and its Committees.

- > two of the Audit, Risks and Compliance Committee's three members are independent including its Chair (Françoise Leroy), that is to say 2/3 of its members are independent within the meaning of the Afep-Medef Code;
- > two of the Nomination, Compensation and Governance Committee's three members are independent including its Chairman (Didier Michaud-Daniel), that is to say 2/3 of its members are independent within the meaning of the Afep-Medef Code;
- > among its three members the CSR Committee includes an independent member in its Chair (Sabine Roux de Bézieux), that is to say 1/3 of its members are independent within the meaning of the Afep-Medef Code.

It should be pointed out that Tarkett has signed a three-year contract with Bureau Veritas (of which Didier Michaud-Daniel, an independent member of the Company's Supervisory Board, was Managing Director until June 2023) according to which Bureau Veritas is to provide the Group with support in terms of quality certification.

Before the contract was signed, the Supervisory Board carried out a quantitative and qualitative review of the business relationship and concluded in particular that there was no significant business relationship between Tarkett and Bureau Veritas or its group likely to create a situation of conflict of interest that could compromise Didier Michaud-Daniel's freedom of judgement. Business flows between Tarkett and Bureau Veritas under the contract represent less than 0.1% of Bureau Veritas' consolidated revenue.

No new factor has arisen that would call into question the classification as independent in the past. In addition, the contract between Tarkett and Bureau Veritas ended on 31 December 2023 and Didier Michaud-Daniel left Bureau Veritas on 22 June 2023.

The results of the Board's latest self-assessment for the 2023 financial year were presented to the Supervisory Board on 15 February 2024.

The results of this self-assessment show in particular that meetings are well prepared and presentations are of high quality. The Chairman promotes balanced debate and good cohesion among Board members, who contribute actively to discussions. Board members are also satisfied with the training offered to them.

The areas for improvement identified in the last self-assessment were implemented during the 2023 financial year.

Finally, during the last Board self-assessment, the members were consulted again about the need to appoint an independent external consultant for the next assessment of the Board and its Committees. The results of this questionnaire confirmed that the self-assessment proposed each year fulfils the Board's requirements to a satisfactory degree and the members do not consider it necessary to appoint an external consultant for the next assessment of the Board and its Committees.



Management and supervisory bodies

### 2.2.3.9 2023 Supervisory Board activity

	2023	2022
Number of meetings	6	7
Average attendance rate	98%	98%

The Supervisory Board met by all means, including video conferencing, in compliance with the regulations in force and in accordance with the provisions of the Internal Regulations. Its work primarily focused on:

#### Financial Information:

- > review of the company and consolidated annual financial statements for the year ended 31 December 2022, presented by the Management Board;
- > review of the quarterly information presented by the Management Board as of 31 March 2023 and as of 30 September 2023;
- > review of the half-year financial report at 30 June 2023 2022, presented by the Management Board;
- > validation of the press releases related to this financial information;
- > review of forward-looking management documents.

#### Governance:

- > annual assessment of the composition, organisation and operation of the Supervisory Board and its committees;
- > independence assessment of Board members;
- > review of the terms of office of Board and Committee members, and in particular the co-option of two new Board members and the proposed renewal of two expiring terms of office;
- > review of the compensation and benefits of corporate officers prior to their submission to the Shareholders' Meeting of 21 April 2023 for approval;

- > review of the compensation of the members of the Executive Management Committee and Board members;
- > 2023-2026 long term incentive plan (LTIP);
- > annual review of the terms and conditions of agreements concluded within the Group;
- > review of the Internal Regulations of the Supervisory Board.

#### Shareholders' Meeting of 21 April 2023:

- > review of the Company and Group management report approved by the Management Board;
- > proposed allocation of profits for the year ended 31 December 2022;
- > approval of the corporate governance report;
- > review of the financial delegations in force;
- > more generally, examining the agenda and the draft text of the resolutions submitted to the Shareholders' Meeting for approval, as drawn up by the Management Board;
- > review of voting results at the Shareholders' Meeting.

#### Other activities:

- > implementation of the share buyback programme under the conditions set by the Shareholders' Meeting on 21 April 2023 and in particular the authorisation to buy back Tarkett shares held by Tarkett Participation, constituting a regulated agreement;
- > authorisation granted to the Management Board to issue sureties, endorsements and guarantees;
- > review of the Group's performance in terms of sustainability indicators, in the light of the targets set;
- > review of innovation projects and extending the remit of the CSR Committee (now called the CSR and Innovation Committee) to include strategic innovation direction and options;
- > management of the geopolitical situation in Eastern Europe;
- > monitoring the objectives of the 2023-2027 strategic plan;
- > approval of the 2024 budget.

Management and supervisory bodies

## 2.2.4 Specialised Supervisory Board committees

The Board has created three specialised Committees to assist with its deliberations. These Committees are responsible for presenting proposals, recommendations and opinions, as the case may be, in their area of expertise, to the Supervisory Board. Their tasks and duties do not divest the Management Board or the Supervisory Board of their powers, these Boards alone having decision-making powers in their respective areas. Each of the Committees has Internal Regulations setting out the rules to be applied in conducting their work.

The Committee members are chosen by the Supervisory Board from among its members, on proposal by the Nomination, Compensation and Governance Committee, in particular consideration of their skills. The term of office of the members of the specialised committees coincides with that of their term of office as members of the Supervisory Board. Each Committee appoints its own Chairman, after consulting the Nominations, Compensation and Governance Committee. The Secretariat duties for committee meetings may be performed by any person designated by the Chairman of the committee or with the Chairman's approval.

Meetings of the committees are called by their Chairman or their secretary and the members may conduct meetings in person or by video or telephone conferencing under the same terms and conditions as the Board, provided at least half of their members are present.

Minutes must be drawn up for every committee meeting. The Chairman of the Committee in question, or, in their absence, another member designated for that purpose, reports to the next Supervisory Board meeting on the work of the Committee.

Furthermore, "ad hoc" Committees working on specific projects may be established at the Supervisory Board's decision after consulting and obtaining recommendations from the Nomination, Compensation and Governance Committee.

The descriptions below present the main tasks and duties of these Board Committees as set out in their Internal Regulations.

Management and supervisory bodies

## 2.2.4.1 Audit, Risks and Compliance Committee

### 2.2.4.1.1 Composition and operation

At the date of publication of this Document, this Committee is composed as follows:

Member	Role	Independence
Françoise Leroy	Chair	✓
Julien Deconinck	Member	
Sabine Roux de Bézieux	Member	✓

The members of this Committee are chosen on the basis of their expertise in financial and/or accounting matters, as presented in Sections 2.2.3.5 and 2.2.3.6.

At the date of publication of this Document, the proportion of independent members on this Committee was two-thirds and did not include any executive corporate officer, in accordance with the Committee's Internal Regulations and the recommendations of the Afep-Medef Code.

This Committee meets as often as necessary and, in any event, at least twice a year in connection with the preparation of annual and half-year financial statements. The meetings are held prior to the Supervisory Board meeting and, where possible, at least two days prior to that meeting when the Committee's agenda includes the review of annual and interim financial statements.

### 2.2.4.1.2 Duties

The Committee is responsible for monitoring the preparation and auditing of accounting and financial information, as well as for ensuring the effectiveness of risk monitoring and internal control procedures to facilitate the Supervisory Board's review and approval thereof.

The Committee's Internal Regulations set out its main duties as follows:

#### Regarding financial information:

- > monitoring the process of preparing financial information (in particular company and consolidated annual or half-year financial statements) accompanied by a presentation of the Company's significant off-balance sheet commitments and the accounting options retained;
- > monitoring the efficacy of the internal control, internal audit and risk management systems relating to financial and accounting information.

#### Regarding risk management and compliance:

- > regular review of risk mapping;
- > regular review of the functioning of the risk-management and internal-control systems;
- > monitoring the Group's exposure to the key risks, including those of a social and environmental nature;
- > review and follow-up of the systems put in place within the Group regarding compliance.

#### Regarding the Statutory Auditors:

- > monitoring the statutory audit of the company and consolidated financial statements by the Company's Statutory Auditors;
- > monitoring the independence of the Statutory Auditors.

In performing its duties, the Committee may ask the Management Board to provide it with any information it requires. Subject to having notified the Chairman of the Management Board or the Management Board itself beforehand, the Committee may also make contact with the Group's senior executives and/or request external technical studies on issues within the scope of its competency, in which case it must report to the Supervisory Board and the Management Board. The Committee may thus hear the Statutory Auditors of the Company and Group companies, the financial, accounting and treasury officers and the Head of Internal Audit. At the Committee's discretion, these hearings may be held without the presence of the members of the Management Board.

The Committee regularly reports to the Supervisory Board and informs it without delay of any difficulties that it encounters.

## Management and supervisory bodies

## 2.2.4.1.6 Activities during 2023

	2023	2022
Number of meetings	5	5
Average attendance rate	93.3%	100%

In 2023, the work of this Committee included the following:

**Financial Information:**

- > review of the (company and consolidated) annual financial statements for the year ended 31 December 2022;
- > review of the management report of the Management Board;
- > review of the operating income, exceptional items, the financial and tax result, balance sheet changes, the cash flow performance and the Group's debt position;
- > review of quarterly information as of 31 March 2023 and as of 30 September 2023;
- > review of the half-year consolidated financial statements for the period ended 30 June 2023;
- > review of press releases relating to financial information.

## 2.2.4.2 Nomination, Compensation and Governance Committee

## 2.2.4.2.1 Composition and operation

At the date of publication of this Document, this Committee is composed as follows:

Member	Role	Independence
Didier Michaud-Daniel	Chairman	✓
Nicolas Deconinck	Member	
Françoise Leroy	Member	✓

Nicolas Deconinck was appointed member of the Nomination, Compensation and Governance Committee on 15 February 2024, replacing Eric La Bonnardière who resigned on that date.

**Risk management and compliance:**

- > review of the implementation of the 2022 internal audit plan and the results of completed internal audit assignments;
- > review of the 2023 internal audit plan;
- > review of major risks and disputes;
- > editorial review of the 2022 Universal Registration Document relating to internal audit and risk management;
- > review of the results of internal audit self-assessment campaigns carried out in 2023;
- > progress review of compliance programmes established within the Company (including Sapin II, competition, international sanctions);
- > progress review of mitigation measures for significant risks such as health and safety risks, cyber attacks, fiscal risks and international sanctions;
- > the implementation of an alternative solution for IT systems in Russia (autonomy of information systems and access to the network).

**Current and future regulations:**

- > annual review of the Audit Charter focusing on services other than certification of the financial statements.

Committee members are chosen based on their skills in the areas of corporate governance, human resources and/or compensation of executive officers of listed companies.

At the date of publication of this Document, this Committee is composed primarily of independent members in line with Afep-Medef Code recommendations.

This Committee meets as often as necessary and, in any event, at least once a year, prior to the Supervisory Board meeting called to decide on the status of its members based on the independence criteria adopted by the Company and, in any event, in advance of any Supervisory Board meeting called to decide on the terms of office of members of the Supervisory Board and Management Board, the allocation of compensation to members of the Management Board or the distribution of compensation allocated to Supervisory Board members for their office.

Management and supervisory bodies

#### 2.2.4.2.2 Duties

The principal task of the Committee is to assist the Supervisory Board with the composition of the governing bodies of the Company and the Group and to determine and regularly assess all the compensation, benefits and/or indemnities awarded to Group managers.

The Committee's Internal Regulations set out its main duties as follows:

#### Regarding the operation and composition of the Group's management and control bodies:

- > establishment of a diversity policy within the Supervisory Board and monitoring of its implementation;
- > proposals for the nomination of independent members of the Supervisory Board and of its committees and assessment of applications for non-independent Supervisory Board members;
- > proposals for the nomination of members of the Management Board, corporate officers and senior executives within the Group (in accordance with the recommendations of the Afep-Medef Code, the Chairman of the Management Board is involved in these Committee activities);
- > annual assessment of the independence of Supervisory Board members;
- > annual assessment of Supervisory Board operations.

#### Regarding the compensation for Group corporate officers and senior executives:

- > review and proposal to the Board concerning the compensation distribution method;
- > examination and proposal to the Board concerning all the elements and conditions associated with compensation for executive corporate officers and senior executives of the Group (the compensation policy for managers is established with reference to positions in comparable companies);
- > review of any exceptional compensation for exceptional assignments entrusted by the Supervisory Board to any of its members.

#### Concerning governance:

- > preparation and monitoring of a succession plan for members of the Management Board as well as for the Group's senior executives;
- > review of the draft corporate governance report to be approved by the Supervisory Board.

#### 2.2.4.2.6 Activities during 2023

	2023	2022
Number of meetings	4	3
Average attendance rate	100%	91.7%

In 2023, the work of this Committee included the following:

#### The Management Board and the Group's senior executives:

- > review of the performance of managers and their compensation;
- > review of short and long term performance conditions and their achievement;
- > review of succession plans for senior executives and key appointments and recruitment;
- > examination of the diversity and feminisation of governing bodies;
- > review of the voting analysis on "Say on Pay".

#### The Supervisory Board:

- > appointment of two new Board members;
- > annual assessment of the independence of Supervisory Board members;
- > review of the offices and profiles of the Supervisory Board members whose terms of office are coming to an end;
- > review of the Board composition and the diversity approach;
- > review of the Internal Regulations of the Supervisory Board.

#### Shareholders' Meeting of 21 April 2023:

- > preparation and review of the "Say on Pay" resolutions to be put to the vote by shareholders at the Shareholders' Meeting of 21 April 2023;
- > review of the corporate governance report.

Management and supervisory bodies

### 2.2.4.3 CSR and Innovation Committee

#### 2.2.4.3.1 Composition and operation

At the date of publication of this Document, this Committee is composed as follows:

Member	Role	Independence
Sabine Roux de Bézieux	Chair	✓
Nicolas Deconinck	Member	
Tina Mayn	Member	

Tina Mayn was appointed as member of the CSR and Innovation Committee from 15 February 2023 in replacement of Véronique Laury, resigning officer.

The members of this Committee are chosen based on their skills in the area of Corporate Social Responsibility (CSR).

At the date of publication of this Document, the proportion of independent members on this Committee was one third, with the Committee Chair being independent.

#### 2.2.4.3.2 Duties

The task of the CSR Committee is to examine the different parts of the Group's CSR policy. In April 2023, the Supervisory Board decided to extend its remit to include expertise in innovation, and the committee was renamed the "CSR and Innovation Committee".

In this context, the Internal Regulations of the Committee state that its main task is to examine:

- > the main risks and opportunities for the Group in terms of social, societal and environmental matters;
- > issues relating to CSR within the Group strategy and divisions;
- > the Group's commitments in terms of CSR;
- > the ethical questions that the Audit, Risks and Compliance Committee may decide to raise;
- > the *reporting*, assessment and control systems to enable the Group to produce efficient, consistent extra-financial information;

- > the main lines of communication with shareholders and other parties involved in CSR; in this context, it validates the CSR section of the Universal Registration Document.
- > the ratings obtained by the Group from extra-financial rating agencies or independent certification or labelling organisations;
- > the medium and long-term strategic direction and options taken by the Group in terms of innovation;
- > product and process developments likely to affect the Group's strategic and industrial direction and options, as well as the positioning of other players in these areas;
- > progress on the major associated roadmaps.

#### 2.2.4.3.3 Activities during 2023

	2023	2022
Number of meetings	2	2
Average attendance rate	83.3%	100%

In 2023, the work of this Committee included the following:

- > the progress of carbon footprint reduction measures;
- > the expected regulatory developments;
- > the Circular Economy programme;
- > Group communication on environmental responsibility matters;
- > the compliance programme related to the "Due Diligence" law.

Within the strict context of its duties, the CSR and Innovation Committee may contact members of the Management Board and the key executives of the Company after notifying the Chairman of the Management Board, with the obligation of reporting to the Supervisory Board and the Management Board. The CSR and Innovation Committee may also commission external technical studies on issues within the scope of its competency, at the expense of the Company and within the limits of an annual budget which may be decided upon by the Supervisory Board, after notifying the Chairman of the Management Board or the Management Board itself, with the obligation of reporting to the Supervisory Board and the Management Board.

Management and supervisory bodies

## 2.2.5 Group Executive Management Committee

### Group Executive Management Committee composition

At the date of publication of this Document, the Group Executive Management Committee was made up of 9 members (including members of the Management Board), 22% of whom were women, and four different nationalities. Its composition was as follows:

Members <sup>(1)</sup>	Nationality	Age	Position
<b>Fabrice Barthélemy</b>	French	55	Chairman of the Management Board
<b>Raphaël Bauer</b>	French	44	Member of the Management Board and Group Chief Financial Officer
<b>Eline Cormont-Girardey</b>	French	41	Group Legal Director
<b>Eric Daliere</b>	American	56	Chairman, Tarkett North America and Tarkett Sports
<b>Séverine Grosjean</b>	French	52	Group Director of Human Resources and Communications
<b>Hervé Legrand</b>	French	56	Group Information Systems Director
<b>Arnaud Marquis</b>	French	52	Group Sustainable Development and Innovation Director
<b>Slavoljub Martinovic</b>	Serbian	53	Chairman, Tarkett EMEA and LATAM
<b>Stanislav Mitrovic</b>	Serbian and Russian	47	Chairman, Tarkett Eastern Europe and APAC (Asia Pacific)

<sup>(1)</sup> Carine Vinardi, Group R&D and Operations Director, left the Group Executive Management Committee during the 1<sup>st</sup> quarter 2024.

### Meetings

The Group's Executive Committee meets monthly to review the Group's operational and financial performance and to discuss strategic projects and the business operations of the Group.

### Policy on diversity and non-discrimination within the Group

Particular attention is placed on respecting the diversity of the teams within the Group's governing bodies. In this context, the Management focus particularly on gender parity in the internal and external recruitment process of senior executives.

In addition, given the fact that the Group has branches all over the world, preference is given to the recruitment of international employees with international professional experience. The Group pursues objectives established by the regulations of the Afep-Medef Code concerning parity within the governing bodies and has introduced objectives and action plans which are reviewed each year by the Nomination, Compensation and Governance Committee and the Supervisory Board.

Furthermore, in its concern to digitise the HR department to promote the balanced management of internal mobility, the identification and development of talents and performance, the Group implemented a worldwide human resources information system to ensure consistency in the personal development and career advancement of all its employees.

Compensation

## 2.3 Compensation

The Company, which refers to the Afep-Medef Code, is concerned with improving the quality of information relating to the compensation of corporate officers on a continuous basis.

This section, established by the Supervisory Board at the recommendation of the Nomination, Compensation and Governance Committee, describes the compensation policy concerning corporate officers as well as compensation elements and all kinds of social benefits granted during or allocated for the period ending 31 December 2023 for all corporate officers.

### 2.3.1 Information concerning compensation paid or allocated to the members of the Management Board

The tables below show in particular the details of the compensation paid or allocated to the members of the Management Board during or in respect of the 2023 financial year.

The components of Fabrice Barthélemy's compensation in his capacity as Chairman of the Management Board for the 2023 financial year were established in accordance with the compensation policy approved by the Shareholders' Meeting of 21 April 2023 in the framework of its 12<sup>th</sup> resolution.

Raphaël Bauer does not receive any compensation in his capacity as a member of the Management Board. The components of Raphaël Bauer's compensation for the 2023 financial year detailed below are those provided for in his employment contract. These elements were established in accordance with the compensation policy approved by the Shareholders' Meeting of 21 April 2023 in the framework of its 13<sup>th</sup> resolution.

**Table 1 - Summary table of compensation, share options and shares awarded to each Member of the Management Board (French Financial Markets Authority (AMF) nomenclature)**

(in Euro)	2023 financial year	2022 financial year
<b>Fabrice Barthélemy, Chairman of the Management Board</b>		
Compensation allocated for the period ( <i>gross before tax</i> )	2,051,681	1,076,152
Valuation of stock options granted during the period	N/A	N/A
Valuation of performance-based shares granted during the period	N/A	N/A
Valuation of other long-term compensation plans	N/A	N/A
<b>Total</b>	<b>2,051,681</b>	<b>1,076,152</b>
<b>Raphaël Bauer, member of the Management Board <sup>(1)</sup></b>		
Compensation allocated for the period ( <i>gross before tax</i> )	541,061	344,715
Valuation of stock options granted during the period	N/A	N/A
Valuation of performance-based shares granted during the period	N/A	N/A
Valuation of other long-term compensation plans	N/A	N/A
<b>Total</b>	<b>541,061</b>	<b>344,715</b>

<sup>(1)</sup>It is recalled that Raphaël Bauer does not receive any compensation for his mandate as a member of the Management Board. The elements communicated are those provided for in his employment contract for his duties as Group Chief Financial Officer.



## Compensation

**Table 2 - Summary of the compensation paid to each Management Board member (French Financial Markets Authority (AMF) nomenclature)**

(in Euro)	2023		2022	
	Amount allocated (gross before tax)	Amount paid (gross before tax)	Amounts allocated (gross before tax)	Amounts paid (gross before tax)
<b>Fabrice Barthélemy, Chairman of the Management Board</b>				
Fixed compensation <sup>(1)</sup>	700,000	700,000	700,000	700,000
Annual variable compensation	1,032,381 <sup>(2)</sup>	376,152	376,152	375,251
Exceptional compensation	319,300 <sup>(3)</sup>	-	-	-
Pension benefit	<sup>(4)</sup>	-	<sup>(4)</sup>	-
Benefits in kind (Company car)	2,276	2,276	2,529	2,529
<b>Total</b>	<b>2,053,957</b>	<b>1,078,428</b>	<b>1,078,681</b>	<b>1,077,780</b>
<b>Raphaël Bauer, member of the Management Board<sup>(4)</sup></b>				
Fixed compensation <sup>(1)</sup>	272,000	272,000	260,000	260,000
Annual variable compensation <sup>(6)</sup>	204,861 <sup>(2)</sup>	84,715	84,715	90,777
Exceptional compensation	64,200 <sup>(3)</sup>	47,600 <sup>(3)</sup>	-	-
Pension benefit	<sup>(7)</sup>	-	<sup>(7)</sup>	-
Benefits in kind (Company car)	2,798	2,798	3,334	3,334
<b>Total</b>	<b>543,859</b>	<b>407,113</b>	<b>348,049</b>	<b>354,111</b>

<sup>(1)</sup> The fixed compensation of Fabrice Barthélemy, Chairman of the Management Board, amounts to 700,000 Euro gross per annum since 1 January 2022 following the approval by the Shareholders' Meeting of 29 April 2022 of its 15<sup>th</sup> resolution. The fixed compensation of Raphaël Bauer, member of the Management Board, amounts to 272,000 Euro gross per annum since 1 January 2023 following the approval by the Shareholders' Meeting of 21 April 2023 of its 13<sup>th</sup> resolution.

<sup>(2)</sup> These amounts include the application of the CSR multiplier which increased by 5% the amounts of the variable compensation (i.e. increase of 49,161 Euro for the Chairman and 9,755 Euro for the member of the Management Board).

<sup>(3)</sup> In order to take into account the short-term priority of cash flow and debt control, an exceptional bonus has been proposed with targets for the first 6 months of 2023, in accordance with the compensation policies approved by the Shareholders' Meeting of 21 April 2023 in its 12<sup>th</sup> and 13<sup>th</sup> resolutions. As the leverage ratio (net debt/EBITDA) was reached, and exceeded, at the end of June 2023, the amounts to be paid were reviewed by the Nomination, Compensation and Governance Committee and approved by the Supervisory Board on 26 July 2023. The amount due to the Chairman of the Management Board will only be paid after approval by the Shareholders' Meeting of 26 April 2024.

<sup>(4)</sup> No annuity has been paid/allocated to Fabrice Barthélemy in 2022 and 2023 as he is still in office. Nevertheless, a provision of 290,951 Euro has been set aside for 2023 under the supplemental pension plan provided for in Article L137-11-2 of the French Social Security Code.

<sup>(5)</sup> It should be noted that Raphaël Bauer does not receive any compensation in connection with his mandate. The elements communicated are those provided for in his employment contract for his role as Group Chief Financial Officer.

<sup>(6)</sup> Raphaël Bauer's annual variable compensation includes the gross amount of profit-sharing to which he is entitled as an employee, i.e. 10,832 Euro paid in 2022 in respect of 2021 and 9,008 Euro paid in 2023 in respect of 2022.

<sup>(7)</sup> No pension was paid/allocated to Raphaël Bauer in 2022 and 2023 as he is still in office. Nevertheless, an employer contribution of 14,077 Euro was paid in 2023 under the defined contribution supplemental pension plan.

**Criteria for the variable compensation awarded to Management Board members**

As a reminder, for the 2023 financial year:

Variable compensation is linked to:

- > The attainment of quantifiable economic objectives set within the framework of the budget approved by the Supervisory Board (70%):
  - Adjusted EBITDA budget: 2023 target amount of 260.0 million Euro - weighting 40%.
  - Operational cash flow: 2023 target amount of 131.8 million Euro - weighting 30%.

The operational cash flow and EBITDA objectives are allocated a coefficient of 0 % to 200%.

- > **30%** for the achievement of individual objectives, multiplied by a coefficient of 0% to 100%.

The individual objectives of the Chairman of the Management Board related in particular to

- Definition and implementation of the 2027 strategic plan
- Talent management and succession plans
- CSR policy implementation
- Risk management

## Compensation

Raphaël Bauer's individual objectives related in particular to:

- development of the finance function, strengthening internal mobility and gender equality
  - control of debt leverage
  - contribution to the definition and implementation of strategic actions
  - improving the reliability of forecasts and focusing on performance analysis
  - Simplification of the standard internal control framework and increased compliance
- > A CSR multiplier was also introduced in 2023 in accordance with the 12<sup>th</sup> and 13<sup>th</sup> resolutions of the Shareholders' Meeting of 21 April 2023. This multiplier applies to the short-term variable of the Chairman of the Management Board and the member of the Management Board, which may reduce or increase. As a result:
- If at least one of the objectives is not achieved, the payment of the 2023 short-term variable is 98%.
  - If all 3 targets are met, the short-term variable is paid at 105%.
  - If all 3 objectives are met and at least one of them outperforms, the short-term variable is paid at 110%.

The table below summarises the achievement of variable compensation criteria applying to Fabrice Barthélemy and Raphaël Bauer:

2023 Group Criteria	Reference	Minimum	Target (100% achieved)	Maximum	Achievement rate in 2023
<b>Quantifiable criteria</b>					
Consolidated adjusted EBITDA	Budget	0%	40%	80%	145%
Operational cash flow	Budget	0%	30%	60%	200%
<b>Sub-total for the quantifiable criteria</b>		<b>0%</b>	<b>70%</b>	<b>140%</b>	<b>169%</b>
<b>Qualitative criteria</b>	(see details in 2.3.5)	0%	30%	30%	See table below
<b>Total</b>		<b>0%</b>	<b>100%</b>	<b>170%</b>	

The table below provides a breakdown of the individual performance goals achieved and the overall level of achievement for the purposes of the variable compensation:

	Target variable compensation as	Rate of achievement in 2023 as a % of the target		Variable compensation due for 2023 as a % of fixed compensation
	a % of fixed compensation	Quantifiable criteria (70 %)	Qualitative criteria (30%)	
<b>Fabrice Barthélemy</b>	100%	169%	75%	141%
<b>Raphaël Bauer</b>	50%	169%	85%	72%

The table below details the achievement of the CSR multiplier criteria:

Criteria	2023 Target	2023 outperformance	2023 achievement
<b>Safety (FR1t)</b>	2.90	2.75	2.77
<b>GHG emission (kgCO<sub>2</sub>/m<sup>2</sup> of finished product)</b>	-2.00%	< -2.00%	-2.00%
<b>Diversity (% of female directors and executives)</b>	27.40%	28.00%	27.80%

**Performance-related shares acquired and awarded to Management Board members in 2023**

**Table 7 - Performance-related shares made available during the financial year for each member of the Management Board (AMF classification)**

Name of corporate officer	Number of performance-related shares initially awarded	Percentage achievement of the performance criteria	Number of performance-related shares definitively vested during 2023
<b>2020-2023 LTIP</b>			
<b>Fabrice Barthélemy</b>	55,000	100%	55,000
<b>Raphaël Bauer</b>	12,000	100%	12,000
<b>Total</b>	<b>67,000</b>	<b>100%</b>	<b>67,000</b>

As a reminder, the delivery of free shares under the 2020-2023 *Long Term Incentive Plan* was subject to the achievement of a presence condition at the end of the vesting period and to the following performance conditions:

LTIP	Criterion	Criterion weighting	Target performance condition
2020-2023	Adjusted EBITDA margin	60%	12% (with floor)
	TSR compared with a panel of peers	20%	100% of the panel
	Reduction in greenhouse gases	10%	-10% compared to 2019
	Increase in the proportion of recycled materials in raw materials	10%	14.3%

- > Adjusted EBITA margin is the percentage ratio of adjusted EBITDA to total Group sales. Adjusted EBITDA measures the performance of the Group's activities without taking into account past expenses (depreciation) or unusual costs which are not representative of trends in the Group's operating results.

## Compensation

Adjusted EBITDA is the result from operating activities before depreciation and amortisation restated for the following income and expenses: restructuring costs intended to improve the Group's future profitability, capital gains and losses generated from significant asset transfers, provisions and reversals of provisions for loss of value, costs relating to business combinations and legal restructuring, expenses linked to compensation in shares and other one-off items considered by their nature to be non-recurrent. The achievement rate obtained by applying this formula is 0%. In this case, the minimum rate of 50% provided for by the regulations of the plan applies.

- > The Total Shareholder Return measures, as a percentage, the change in the average price of a Tarkett share over the last 20 listed prices in 2022 as compared with the last 20 listed prices in 2019, dividends reinvested, as compared with the change in the panel of peers between 31 December 2022 and 31 December 2019, dividends reinvested. The panel of peers is made up of 12 European and American flooring and building materials groups, whose weighting in the panel is set according to their capitalisation at 31 December

2019. The attainment rate obtained by applying this formula is 158%, i.e. a rate of 150% of the ceiling has been reached.

- > As greenhouse gas reductions will have fallen by 41% by 31 December 2022 compared with 31 December 2019, the 150% cap will apply to this target.
- > The circular economy criterion having reached 17% of recycled materials in raw materials, the 150% cap applies.

After review by the Nomination, Compensation and Governance Committee, the Board validated on 20 April 2023 a global attainment rate of 100% of the performance conditions of this plan.

25% of the Tarkett Participation ordinary shares and preference shares under the 2021-2025 Tarkett Participation LTIP also became available on 21 October 2023.

**Performance shares of Tarkett Participation <sup>(1)</sup> that became available during the year for each member of the Management Board**

Name of corporate officer	Number of ordinary shares definitively vested during 2023	Number of preference shares definitively vested during 2023
Fabrice Barthélemy	164,836	285,000
Raphaël Bauer	35,964	57,000
<b>Total</b>	<b>200,800</b>	<b>342,000</b>

<sup>(1)</sup> Company controlling Tarkett and included in the scope of consolidation within the meaning of Article L. 233-16 of the French Commercial Code. In the context of the simplified tender offer of Tarkett Participation closed in July 2021, the members of the group presenting the offer agreed, in the investment agreement concluded between them, to launch a cash investment and performance-related and bonus share allocation plan after the offer within Tarkett Participation for the benefit of members of the Management Board (as described in section 1.3.3 of the Tarkett Participation information note signed by the AMF n° 21-208 dated 8 June 2021). In addition to an investment by the beneficiaries in Tarkett Participation ordinary shares, these plans include an exceptional allocation, as outlined in the table above (i) of Tarkett Participation ordinary shares, subject to attendance conditions and gradual acquisition by tranche of 25% per year for 4 years and (ii) Tarkett Participation preference shares subject to the same attendance conditions by tranche, granting their holders pecuniary rights in the event of a "Withdrawal" (defined as the initial public offering of Tarkett Participation, the transfer by Wendel of its interest or an event after which SID would no longer control Tarkett Participation) or the liquidation of the company based on a preference share value dependent on the global investment multiple noted on that occasion ("Project Multiple").

**Table 6 - Performance-related shares awarded during the financial year to each member of the Management Board by the issuer and by any Group company (AMF classification)**

No performance shares were awarded during the period to the two members of the Management Board.

**Management Board member benefits**

**Table 11 - Employment contracts, pension payments and severance payments for Management Board members (AMF classification)**

Members of the Management Board	Employment contract	Supplemental Pension Plan	Payments or other benefits due or likely to be due as a result of termination or change of office	Payments under a non-compete clause
<b>Fabrice Barthélemy</b> Chairman of the Management Board Start of term of office: 23/05/2008 <sup>(1)</sup> End of term of office: 24/10/2025	No	Yes	Yes	Yes
<b>Raphaël Bauer</b> Member of the Management Board and Chief Financial Officer Start of term of office: 01/05/2019 End of term of office: 24/10/2025	Yes	Yes	No	Yes

<sup>(1)</sup> Start date for the term of office as a member of the Management Board.

## Compensation

### 2.3.2 Information concerning compensation paid or allocated to the members of the Supervisory Board and to its Chairman

The overall compensation package to be paid to members of the Board was set by the Shareholders' Meeting of 30 April 2021 at a fixed total amount of 550,000 Euro effective 1 January 2021.

The total gross amount actually paid to all the members of the Supervisory Board during the financial year ended 31 December 2023 stood at 497,247 Euro, equivalent to 90% of the overall compensation package approved by the Shareholders' Meeting.

These amounts have been calculated in accordance with the Internal Regulations of the Board and according to the following criteria approved for the financial year ended 31 December 2023:

#### Amount of compensation by office held

Position	Annual base (in Euro)
Chairman of the Supervisory Board	35,000 <sup>(1)</sup>
Vice-Chairman of the Supervisory Board	10,000 <sup>(1)</sup>
Member of the Supervisory Board (excl. members representing employees)	35,000
Chairman of a Specialised Committee (with the exception of the CSR Committee)	15,000 <sup>(2)</sup>
Member of a Specialised Committee (with the exception of the CSR Committee)	7,000
Chairman of the CSR Committee	5,000 <sup>(2)</sup>
Member of the CSR Committee	2,000
<b>Penalties applied in the event of absence</b>	
Absence from a Supervisory Board meeting	3,000
Absence from a Specialised Committee meeting	1,000

<sup>(1)</sup>Additional compensation to that received as a member of the Supervisory Board.

<sup>(2)</sup>Additional compensation to that received as a member of a Specialised Committee.

The balance of the 550,000 Euro package not used to compensate participation in Boards and Specialised Committees may be shared between the Board members participating in these Committees on a non-permanent, *ad hoc* basis to analyse specific and major projects for the Group introduced at the decision of the Board. The amount to be paid in this regard, distributed in proportion to the number of meetings and the time allocated, is decided by the Supervisory Board on proposal by the Nomination, Compensation and Governance Committee.

In addition, the manner in which compensation is distributed between the members of the Supervisory Board (including compensation of the Chairman and Vice Chairman) can be adjusted by the Board in the event of a change in composition or to take workloads and responsibilities into account.

It should be noted that the amounts allocated are calculated on a pro rata basis according to the length of the term of office during the financial year and that the Observers and Supervisory Board members representing employees do not receive any compensation in respect of their office.

## Compensation

The table below presents the compensation elements paid and allocated to members of the Supervisory Board for the periods ending 31 December 2022 and 2023 on account of their corporate office, in accordance with the compensation policy.

**Table 3 - Summary of the compensation paid to each Supervisory Board member (AMF classification) (in Euro)**

Members of the Supervisory Board	Gross amounts allocated for FY 2023	Gross amounts allocated for FY 2022
<b>Eric La Bonnardière</b> - <i>Chairman of the Supervisory Board</i>		
Compensation awarded for the office held	105,000 <sup>(1)(2)</sup>	70,000 <sup>(2)</sup>
Other compensation	-	-
<b>DIDIER DECONINCK</b> - <i>Vice-Chairman of the Supervisory Board</i>		
Compensation awarded for the office held	45,000	45,000
Other compensation	-	-
<b>Marine Charles</b>		
Compensation awarded for the office held	40,685 <sup>(3)</sup>	-
Other compensation	-	-
<b>Julien Deconinck</b>		
Compensation awarded for the office held	42,000	42,000
Other compensation	-	-
<b>Nicolas Deconinck</b>		
Compensation awarded for the office held	37,000	37,000
Other compensation	-	-
<b>Véronique Laury</b>		
Compensation awarded for the office held	-(4)	34,000
Other compensation	-	-
<b>Françoise Leroy</b>		
Compensation awarded for the office held	64,000	64,000
Other compensation	-	-
<b>Tina Mayn</b>		
Compensation awarded for the office held	31,562 <sup>(5)</sup>	-
Other compensation	-	-
<b>Didier Michaud-Daniel</b>		
Compensation awarded for the office held	87,000 <sup>(6)</sup>	57,000
Other compensation	-	-
<b>Sabine Roux de Bézieux</b>		
Compensation awarded for the office held	45,000	49,000
Other compensation	-	-

## Compensation

Members of the Supervisory Board	Gross amounts allocated for FY 2023	Gross amounts allocated for FY 2022
<b>Agnès Touraine</b>		
Compensation awarded for the office held	-(7)	17,490 <sup>(7)</sup>
Other compensation	-	

<sup>(1)</sup> Eric La Bonnardière received compensation of 35,000 Euro in respect of 2023 for his contribution to the Board's ad hoc strategy work, in addition to the 70,000 Euro due to him in respect of his office as member and Chairman of the Supervisory Board.

<sup>(2)</sup> Since 26 July 2022, the date of his appointment as member of the Nomination, Compensation and Governance Committee, and at his request, Eric La Bonnardière has not received any compensation for his membership of this committee.

<sup>(3)</sup> Compensation for Marine Charles was calculated pro rata temporis from 15 February 2023, the date of her appointment as a member of the Supervisory Board. In addition, Marine Charles received compensation of 10,000 Euro in respect of 2023 for her contribution to the Board's ad hoc strategic analysis work, as well as the 30,683 Euro due to her as a member of the Board since 15 February 2023.

<sup>(4)</sup> As Véronique Laury resigned from her position as member of the Supervisory Board with effect from 31 December 2022, she did not receive any compensation in respect of the 2023 financial year.

<sup>(5)</sup> Tina Mayn's compensation was calculated pro rata temporis from 15 February 2023, the date of her appointment as member of the Supervisory Board and member of the CSR and Innovation Committee.

<sup>(6)</sup> Didier Michaud-Daniel received compensation of 30,000 Euro in respect of 2023 for his contribution to the Board's ad hoc strategy work, in addition to the 57,000 Euro due to him in respect of his duties as a member of the Supervisory Board and as Chairman and member of the Nomination, Compensation and Governance Committee.

<sup>(7)</sup> As Agnès Touraine resigned from her position as member of the Supervisory Board with effect from 1 June 2022, her compensation in respect of the 2022 financial year was calculated pro rata temporis and she did not receive any compensation in respect of the 2023 financial year.

### 2.3.3 Share subscription or purchase options

As of 31 December 2023, no members of the Management Board or the Supervisory Board held share subscription or purchase options and no such plan is in force.

### 2.3.4 Long-Term Incentive Plans (LTIP)

Since 2011, as part of its policy to motivate and encourage the loyalty of its management teams, the Company has put in place Long-Term Incentive Plans (LTIP) on an annual basis.

Until 2021, the LTIP were built on the principle of granting shares in the Company in respect of shares existing on the day of the final grant (or their cash equivalent). The plan granted in 2021 was directly defined in cash and the plans consist of phantom shares since 2022.

All plans are granted subject to the achievement of performance conditions and the presence of the beneficiary during the plan period, i.e. 3 years. The performance criteria are applicable to all performance-related shares awarded and to all beneficiaries.

The members of the Management Board are subject to an obligation to retain a number of shares in the Company allocated (after payment of tax and payroll deductions) under the relevant LTIP of 50% for the Chairman of the Management Board and 33% for the member of Management Board. It is specified that the settlement of this plan expressly provides that, in accordance with the recommendation of the Afep-Medef Code, the Management Board members must not resort to hedging instruments on their performance-related shares.

The regulations and performance criteria of these LTIP have not been changed since their adoption by the Management Board or in the context of the simplified tender offer by Tarkett Participation closed in July 2021.

Since the 2020-2023 LTIP, two CSR criteria have been added, each amounting to 10% (the reduction of greenhouse gas and the proportion of recycled products).

As far as the 2023-2026 LTI plan is concerned, the performance criteria are identical to the 2022-2025 LTI plan, namely the fulfilment of the objectives of the medium-term strategic plan (80%) and the maintaining of the two CSR objectives defined above (10% each).

## Compensation

With regards to the plans under way, the target capital amount was:

LTIP 2021-2024 <sup>(1)</sup>	LTIP 2022-2025 <sup>(1)</sup>	LTIP 2023-2026 <sup>(1)</sup>
1%	0.3%	0.3%

<sup>(1)</sup> The members of the Management Board do not benefit from these plans

Within the framework of Tarkett Participation simplified tender offer in 2021, all employees and corporate officers holding LTIP currently being acquired and unavailable Tarkett shares have been given the opportunity to conclude a liquidity agreement (as described in section 1.3.4 of the Tarkett information leaflet signed by the AMF n° 21-208 dated 8 June 2021).

This agreement, concluded with Tarkett Participation, allowed them to transfer the shares concerned to the latter once they have been distributed within the framework of the plan (including those under the 2019-2022 and 2020-2023 plans at the time of their acquisition as the average exchange volume of Tarkett securities over the last 20 days prior to the availability date were equal to or less than 0.05% of Tarkett's capital on that date).

The 2020-2023 LTIP created Company shares in 2023 on the final allocation date provided for by the plan. The performance conditions applicable to this plan were as follows:

Plan	Criterion	Criterion weighting	Target performance condition
<b>2020 - 2023</b> <b>(in shares)</b>	Adjusted EBITDA margin	60%	12%
	TSR compared with a panel of flooring and construction material Companies	20%	100% of TSR of panel
	Reduction in greenhouse gases	10%	- 10% tonnes CO <sup>2</sup> e. compared to 2019 (scope 1 & 2)
	Proportion of recycled materials in raw materials	10%	14.3%

On 1 August 2023, a total of 370,751 shares were acquired under this plan to all beneficiaries meeting the presence condition.

There are currently three LTIP under way whose performance is based on the attainment of several medium-term criteria according to the details below for plans in force as of 31 December 2023.

Plan	Criterion	Criterion weighting	Target performance condition
<b>2021 - 2024</b> <b>(in cash)</b>	Theoretical value creation	80%	€515 million of theoretical value creation
	Reduction in greenhouse gases	10%	- 22% tonnes CO <sup>2</sup> e. compared to 2019 (scope 1 & 2)
	Proportion of recycled materials in raw materials	10%	160,000 tonnes in 2023
<b>2022- 2025</b> <b>(in phantom shares)</b>	Theoretical value creation	80%	€163 million of theoretical value creation
	Reduction in greenhouse gases	10%	170,000 tonnes of CO <sup>2</sup> equivalent in 2024
	Proportion of recycled materials in raw materials	10%	170,000 tonnes in 2024
<b>2023-2026</b> <b>(in phantom shares)</b>	Theoretical value creation	80%	811 million Euro of theoretical value creation
	Reduction in greenhouse gases	10%	150,000 tonnes of CO <sup>2</sup> equivalent in 2024 (-38% compared to 2019)
	Proportion of recycled materials in raw materials	10%	20% in 2024

## Compensation

It should also be pointed out that allocation plans were introduced in 2021 by Tarkett Participation (company controlling Tarkett and included in the consolidation structure within the meaning of Article L. 233-16 of the French Commercial Code). In the context of the simplified tender offer of Tarkett Participation closed in July 2021, the members of the group presenting the offer agreed, in the investment agreement concluded between them, to launch a cash investment and performance-related and bonus share allocation plan after the offer within Tarkett Participation for the benefit of members of the Management Board (as described in section 1.3.3 of the Tarkett Participation information note signed by the AMF n° 21-208 dated 8 June 2021).

In addition to an investment by the beneficiaries in Tarkett Participation ordinary shares, these plans include an exceptional allocation (i) of Tarkett Participation ordinary shares, subject to attendance conditions and gradual acquisition by tranche of 25% per year for 4 years and (ii) Tarkett Participation preference shares subject to the same attendance conditions by tranche, granting their holders pecuniary rights in the event of a "Withdrawal" (defined as the initial public offering of Tarkett Participation, the transfer by Wendel of its interest or an event after which SID would no longer control Tarkett Participation) or the liquidation of the company based on a preference share value dependent on the global investment multiple noted on that occasion ("Project Multiple").



## Compensation

The table below outlines the history of LTIP under way on the publication date of this Document.

**Table 9 - History of free share allocations (AMF classification)**

	2019-2022 LTIP	2020-2023 LTIP	LTIP 2021-2024 (whose valuation is not indexed to a capital instrument)	LTIP 2021-2025 Tarkett Participation	LTIP 2022-2025 (in the form of phantom shares)	LTIP 2023-2026 (in the form of phantom shares)
<b>Meeting date</b>	26 April 2019	30 April 2020	30 April 2021	N/A for Tarkett	N/A	N/A
<b>Date of the Management Board's decision</b>	24 June 2019	30 July 2020	October 29, 2021		4 November 2022	20 October 2023
<b>Total number of beneficiaries at allocation</b>	205	237	183	63	193	186
<b>Number of shares potentially awarded<sup>(1)</sup></b>	400,000	500,000	N/A	3,687,513 Tarkett Participation ordinary shares 5,909,000 Tarkett Participation preference shares	185,000	185,000
<b>Target amount potentially allocated (Euro)</b>	N/A	N/A	3,300,000	N/A	N/A	N/A
<b>Number of shares awarded to<sup>(2)</sup>:</b>						
<b>Fabrice Barthélemy</b>	32,000	55,000	N/A	659,345 Tarkett Participation ordinary shares 1,140,000 Tarkett Participation preference shares	N/A	N/A
<b>Raphaël Bauer</b>	10,000	12,000	N/A	143,857 Tarkett Participation ordinary shares 228,000 Tarkett Participation preference shares	N/A	N/A
<b>Share vesting date</b>	1 July 2022	1 August 2023	1 July 2024	25% on 21 October 2022 25% on 21 October 2023 25% on 21 October 2024 25% on 21 October 2025	1 August 2025	1 July 2026
<b>Retention period end date</b>	1 July 2022	1 August 2023	1 July 2024	50% on 21 October 2023 25% on 21 October 2024 25% on 21 October 2025	1 August 2025	1 July 2026

## Compensation

	2019-2022 LTIP	2020-2023 LTIP	LTIP 2021-2024 (whose valuation is not indexed to a capital instrument) <sup>(3)</sup>	LTIP 2021-2025 Tarkett Participation	LTIP 2022-2025 (in the form of phantom shares) <sup>(3)</sup>	LTIP 2023-2026 (in the form of phantom shares) <sup>(3)</sup>
<b>Performance conditions</b>				Attendance conditions and fulfilment of a project multiple for preference shares		
<b>Number of shares vested as of the filing date for this Universal Registration Document</b>			N/A	1,117,870 Tarkett Participation ordinary shares 1,567,500 Tarkett Participation preference shares	N/A	N/A
<b>Cumulative number of cancelled or expired shares</b>	N/A	N/A	N/A	569,432 Tarkett Participation ordinary shares 641,250 Tarkett Participation preference shares	3,000	0
<b>Cumulative cancelled or expired amount</b>	N/A	N/A	539,000 Euro	N/A	N/A	N/A
<b>Number of performance-related shares remaining as of 31 December 2023</b>	N/A	N/A	N/A	2,549,554 Tarkett Participation ordinary shares 4,408,000 Tarkett Participation preference shares	156,575	177,800
<b>Target amount remaining as of 31 December 2023</b>	N/A	N/A	2,222,000 Euro	N/A	N/A	N/A

<sup>(1)</sup> For Tarkett LTIP, the number of shares potentially allocated corresponds to the global package approved by the Board on the recommendation of the Nomination, Compensation and Governance Committee and to a performance achievement of 100%, which can vary from 50% for the 2019-2022 plan and 40% from the 2020- 2023 plan onwards, and up to 150% depending on the performance calculation

<sup>(2)</sup> Allocations listed for Management Board members only.

<sup>(3)</sup> The performance conditions for current plans are set out above in section 2.3.4.

The real distribution rate as compared with the target package was:

2019-2022 LTIP	2020-2023 LTIP
38%	75%

### 2.3.5 Principles and criteria constituting compensation packages of corporate officers

#### Fundamental principles

These principles have been established in accordance with the recommendations of the Afep-Medef Code, to which the Company refers.

Care is taken to ensure that managers' compensation is competitive, adapted to the business strategy and environment and is intended to promote the business performance and competitiveness in the medium and long term by incorporating one or more criteria linked to Corporate Social Responsibility (CSR).

The following principles are taken into account and rigorously applied:

- > **Completeness:** all compensation items are included in the overall compensation assessment.
- > **Balance between compensation items:** each compensation item is motivated and corresponds to the corporate interest of the business.
- > **Comparability:** compensation is assessed in the context of a business line and the reference market, among other items.
- > **Consistency:** the compensation of the executive corporate officer is determined in a manner consistent with that of the Company's other managers and employees.
- > **Intelligibility of the rules:** the rules are simple, stable and transparent. The performance criteria used correspond to the Company's targets and are demanding, clear and as sustainable as possible.
- > **Measurement:** care is taken to ensure that the determination of compensation items provides a fair balance and takes into account the corporate interest of the business, market practice and the performance of managers and other parties involved in the business.

The Company also respects the **principle of equality and non-discrimination** particularly through the equal treatment of men and women.

The Company has created its compensation policy in order to attract and retain talents. This policy is based on the following principles:

1. Base salaries in line with market practices, in order to ensure that the Company remains competitive and attractive. This position is regularly measured through compensation surveys conducted by specialised firms using a benchmark of comparable companies in France.

2. Variable compensation based on annual objectives, in line with market practices, that reflect the Company's ambitious goals and expectations:

- > quantifiable criteria based on performance over the year as compared with budgetary commitments. These criteria (adjusted EBITDA and Operating Cash Flow) have been unchanged for over ten years;
- > qualitative criteria precisely defined each year and reflecting the Group's main challenges, and in particular those relating to Corporate Social and Environmental Responsibility (CSR);
- > which can be reduced or increased depending on the results of a CSR multiplier.

3. Medium-term motivation and loyalty tools through: the Long Term Incentive Plan (LTIP), implemented annually since July 2011. The definitive acquisition of shares or the payment are subject to a twofold condition:

- > presence for 3 years to encourage retention and
- > the economic and environmental performance of the Company reflecting the creation of value.

4. Equal treatment of men and women, particularly in terms of compensation

#### Methods for determining and changing applied principles

The principles for determining the compensation to be paid to corporate officers are set by the Supervisory Board, on the recommendation of the Nomination, Compensation and Governance Committee. They apply to any person holding a position as a corporate officer within the Company.

They are reviewed annually, taking into account the Group's strategic plan and any changes in legislation and regulations and in good governance practices.

In accordance with Article L. 22-10-8 III of the French Commercial Code, the Supervisory Board, on the recommendation of the Nomination, Compensation and Governance Committee, may, in the event of exceptional circumstances, derogate from the application of the compensation policy during the financial year until the approval of the amended compensation policy by the next Annual Shareholders' Meeting, if such derogation is temporary, justified, in accordance with the company's interest and necessary to ensure the continuity or viability of the Company. These exceptional circumstances could result in particular from a significant change in the scope of responsibility of the corporate officers, a major event affecting the Company's markets and/or major competitors, a significant change in the Group's scope of consolidation following a merger, acquisition or divestment, or the creation or closure of a significant business or a change in accounting policy. It should also be pointed out that this exceptional adjustment must be communicated clearly and in detail so that the shareholders are able to reach a decision at the next Shareholders' Meeting.

## Compensation

**2.3.5.1 Criteria constituting compensation for the Chairman of the Management Board**

The compensation components for the Chairman of the Management Board are as follows:

- > fixed annual compensation ;
- > annual variable compensation;
- > long term compensation;
- > loss of office payments;
- > non-compete payments;
- > a supplemental defined benefit pension plan governed by Article L.137-11-2 of the French Social Security Code;
- > contributions to a specific unemployment insurance policy for corporate officers;
- > other items and benefits in kind.

**Fixed annual compensation:**

The fixed compensation of the Chairman of the Management Board compensates for the responsibilities attached to an executive position.

It is in line with market practices, in order to ensure that the Company remains competitive and attractive. This positioning is measured through compensation surveys.

Following the approval by the Shareholders' Meeting of 21 April 2023 of its 12<sup>th</sup> resolution, the annual fixed compensation of Fabrice Barthélemy, Chairman of the Management Board, amounts to 700,000 Euro gross. This compensation has been unchanged since 1 January 2022.

**Annual variable compensation:**

Variable annual compensation is designed to reward performance in the previous period. The payment of this variable component is subject to achievement of simple and measurable objectives (both quantifiable and qualitative) closely linked to the Group's objectives and regularly communicated to shareholders. Payment will be made no later than the month following the Shareholders' Meeting authorising the payment of this compensation for the previous year.

This variable compensation is composed of two objectives, the criteria of which are defined at the beginning of the financial year by the Board, on the proposal of the Nomination, Compensation and Governance Committee, as follows:

- > Quantitative objectives representing 70% of the fixed annual compensation (in case of achievement of the quantifiable objectives) affected by a coefficient of 0% to 200%, so that it may represent up to 140% (in case of exceeding the objectives) of the fixed annual compensation, according to a linear progression;
- > Qualitative objectives representing 30% of the annual fixed compensation (in case of achievement of qualitative objectives) affected by a coefficient of 0% to 100% so that it may represent up to 30% of the annual fixed compensation.

For the last fifteen years, the adjusted EBITDA and operational cash flow have been the key indicators for measuring this quantifiable component of the annual variable compensation. These key indicators may be supplemented by other relevant indicators in any given year. The weighting given to each of the criteria is decided by the Supervisory Board. The target level set for each of the quantifiable criteria is information that is strategically and economically sensitive and cannot be made public.

The level to which the objectives are achieved will be communicated once the performance analysis has been completed.

The 2024 qualitative objectives of the Chairman of the Management Board include:

- implementation of the strategic plan, with particular emphasis on the EMEA and Sports divisions
- implementation of a new, leaner and more agile corporate model
- preparation of the debt refinancing in 2026-2027
- progress on compliance and the CSR roadmap

It should be pointed out that this variable compensation structure applies to other Group managers and executives.

Exceptionally, the Supervisory Board, on the recommendation of the Nomination, Compensation and Governance Committee, has proposed setting more demanding quantitative targets for the Chairman of the Management Board's 2024 annual variable compensation than for other Group executives and managers.

A multiplier on the annual variable has been introduced in 2023 to increase the weighting of CSR criteria in the annual variable. This multiplier applies to the Chairman of the Management Board. It is based on three CSR objectives and leads to an increase or decrease in the amount of the bonus depending on the results achieved in relation to these CSR criteria.

At the time of publication of this Document, the Company plans to maintain this CSR multiplier for the 2024 variable.

**Long term compensation:**

Long term compensation is based on the grant of free performance shares (or its cash equivalent) under the Long Term Incentive Plans (LTIP). The use of a free allocation of performance shares or its equivalent in cash may be carried out depending on regulatory developments or legal circumstances or on the market for Tarkett shares that make the use of this plan restrictive or impossible.

Since July 2011, the objective of the LTIP is to retain and reward beneficiaries for achieving or exceeding medium-term financial (internal and external) and Corporate Social Responsibility (CSR) objectives measured over a 3-year period.

Barring exceptional circumstances, delivery of the shares is conditional on presence in the Group at the end of the 3-year vesting period.

## Compensation

The appropriateness and quantum of the Company's performance share grants are assessed taking into account the free share plans issued by Tarkett Participation, if any. For example, the Chairman of the Management Board did not benefit from the LTIP issued by Tarkett during the financial years 2021, 2022 and 2023. However, he benefited from the free share allocation plans set up by Tarkett Participation in 2021 (see table 9).

The Chairman of the Management Board is subject to an obligation to retain 50% (after tax and social security charges) of the Tarkett shares actually paid out at the end of the plans set up by the Company, throughout his term of office.

Furthermore, the Chairman of the Management Board undertakes not to use hedging instruments on all performance shares granted to him throughout his term of office.

**Supplemental Pension Plan:**

Since 2022, the Chairman of the Management Board benefits from a supplemental defined benefit pension plan governed by Article L.137-11-2 of the French Social Security Code.

The annual annuity rights are determined on the basis of an annual life annuity corresponding to 1% of his gross fixed and annual variable compensation paid in the year in question, depending on the rate of achievement of the performance conditions defined by the Supervisory Board. The 2023 performance condition approved by the Supervisory Board on 15 February 2023 on the proposal of the Nomination, Compensation and Governance Committee is a minimum annual revenue for Tarkett of 2.5 billion Euro.

The annuity rights acquired annually are capped at 3% of the gross fixed and variable annual compensation paid in the year in question to the Chairman of the Management Board.

The annuity thus calculated is added to all retirement pensions or annuities (social security old-age pension, AGIRC-ARRCO supplemental pension, etc.), regardless of their amount, in compliance with the ceilings set out below.

**Collective pension and health insurance plan:**

The Chairman of the Management Board benefits from the collective pension scheme (death, incapacity, invalidity) and the mutual health insurance scheme set up by the Company under the same conditions as those applicable to all employees of the Group's French entities.

**Civil liability insurance:**

The Chairman of the Management Board benefits from the existing executive liability insurance within the Company.

**Unemployment insurance:**

The Chairman of the Management Board is covered by the GSC unemployment insurance for corporate officers (formula F70), which provides Fabrice Barthélemy with coverage in the event of termination of his corporate office.

**Company car:**

The Chairman of the Management Board has the use of a company car. The costs of insurance, maintenance and fuel for the vehicle (for its professional use) shall be borne by the Company.

**Terms and conditions of cessation of office****Non-compete commitment:**

In the event of termination of his duties, the Chairman of the Management Board is bound by a non-compete obligation for a period of two years. This non-compete obligation is accompanied by an indemnity equal to the gross fixed and variable compensation received by the Chairman of the Management Board in respect of his office during the 12 months preceding his departure, payable in 24 monthly instalments throughout the duration of the non-compete commitment.

It is pointed out that the Supervisory Board reserves the right to waive this clause within a reasonable time on the recommendation of the Nomination, Compensation and Governance Committee.

In accordance with the recommendations of the Afep-Medef Code referred to by the Company, no non-compete payment is due if, on departure, the Chairman of the Management Board has the possibility of invoking his pension rights within a short time frame, has claimed his pension rights or has reached the age of 65.

The non-compete payment is deducted from the severance payment, so that the total amount due for both does not exceed two years of the gross fixed and variable compensation received by the Chairman of the Management Board in the last 12 months of his term of his office.

**Severance payment:**

In the event of forced departure from the Group, the Chairman of the Management Board could receive a severance payment equal to two years of the gross fixed and variable compensation received in respect of his office during the 12 months preceding his forced departure.

## Compensation

This severance is due in the event of forced departure of the corporate officer, including, in particular, because of a change of control or a disagreement as to strategy, on the initiative of the Supervisory Board, regardless of whether the officer's term was terminated early or not renewed.

The payment of this allowance is conditional on the achievement of annual objectives defined by the Supervisory Board, on the proposal of the Nomination, Compensation and Governance Committee, and used to calculate the variable compensation. It is equivalent to the average performance achieved by the Chairman of the Management Board over the three calendar years preceding his departure. As from 2022:

- > If the performance rate is less than 50%, the payment will be due at 50%. This minimum of 50%, except in the case of gross negligence, has been proposed by the Tarkett Supervisory Board in the context of significant uncertainties in the global economy which have a direct impact on the achievement of annual targets, and would apply to any forced departure.
- > If the performance rate is between 50% and 100%, the severance payment is calculated in proportion to the amount of the performance rate (for example: if the performance level is equal to 90%, the severance payment paid is up to 90% of the amount as defined in the first paragraph).
- > If the performance rate is at least 100%, the severance payment is due in full.

### 2.3.5.2 Criteria constituting compensation of Management Board members

Other members of the Management Board do not receive any compensation for their term of office.

**The items communicated below are those provided for** Raphaël Bauer in his employment contract for his duties as **Group Chief Financial Officer**.

The characteristics of the employment contract binding Raphaël Bauer to the Company are as follows:

- > contract term: an open-ended contract;
- > notice period: 3 months, in accordance with the collective labour agreement applicable to Company employees falling within the "Executives" category;
- > terms and conditions for removal from office or termination: the terms and conditions for termination are those authorised under the prevailing regulations and laid down in the collective labour agreement applying to Company employees.

#### Fixed annual compensation:

Raphaël Bauer receives fixed annual compensation of 300,000 Euro gross as of 1 January 2024.

No severance payment is due in the event of gross misconduct (defined wrongdoing of an extremely serious nature preventing any continuation of the corporate office) or serious misconduct (defined as wrongdoing of an extremely serious nature committed by an officer with the intention of harming the Company) or in the event that the Chairman of the Management Board has the possibility of claiming his pension rights in the near future.

In the event of the combined application of the severance payment and the non-compete payment, the total amount received by the Chairman of the Management Board in this respect shall be capped at two years' gross fixed and variable compensation received in respect of his office during the 12 months preceding his forced departure.

#### Non-solicitation clause:

The Chairman of the Management Board undertakes to refrain from soliciting, directly or indirectly, any employee or corporate officer of Tarkett in the 24 months following his departure from the Company.

#### Other compensation:

The Chairman of the Management Board does not receive any compensation for any office held within the Tarkett Group. He will not benefit either from deferred, multi-year or exceptional compensation.

#### Annual variable compensation:

Raphaël Bauer receives annual variable compensation of 50% of his annual fixed compensation. The payment of this variable compensation is conditional on the achievement of two objectives, the criteria of which are defined at the beginning of the financial year as follows:

- > Quantitative objectives set out by the Board, on the proposal of the Nomination, Compensation and Governance Committee, representing 35% of the fixed annual compensation (in case of achievement of the quantifiable objectives) affected by a coefficient of 0% to 200% so that it may represent up to 70% (in case of exceeding the objectives) of the fixed annual compensation, according to a linear progression,
- > Qualitative objectives set out by the Chairman of the Management Board and representing 15% of the annual fixed compensation (in case of achievement of qualitative objectives) affected by a coefficient of 0% to 100% so that it may represent up to 15% of the annual fixed compensation.

Raphaël Bauer's qualitative objectives for the year 2024 include:

- to develop the Finance function
- to identify and deploy actions to overperform the 2024 budget
- to identify and deploy strategic options
- to improve forecast quality
- to contribute to the deployment and efficiency follow-up of New Operating Model
- to simplify and digitalize internal control environment

## Compensation

The level to which the objectives are achieved will be communicated once the performance analysis has been completed. Payment will be made no later than the month following the Shareholders' Meeting authorising the payment of this compensation for the previous year.

A multiplier on the annual variable has been introduced in 2023 to increase the weighting of CSR criteria in the annual variable. This multiplier applies to the member of the Management Board. It is based on three CSR objectives and leads to an increase or decrease in the amount of the bonus depending on the results achieved in relation to these CSR criteria. At the time of publication of this document, the Company plans to maintain this CSR multiplier for the 2024 variable.

Raphaël Bauer is also a beneficiary of Tarkett's profit-sharing agreement.

**Long term compensation:**

Long term compensation is based on the grant of free performance shares (or its cash equivalent) under the Long Term Incentive Plans (LTIP). The use of a free allocation of performance shares or its equivalent in cash may be carried out depending on regulatory developments or legal circumstances or on the market for Tarkett shares that make the use of this plan restrictive or impossible.

Since July 2011, the objective of the LTIP is to retain and reward beneficiaries for achieving or exceeding medium-term financial (internal and external) and Corporate Social Responsibility (CSR) objectives measured over a 3-year period.

Barring exceptional circumstances, delivery of the shares is conditional on presence in the Group at the end of the 3-year vesting period.

The appropriateness and quantum of the Company's performance share grants are assessed taking into account the free share plans issued by Tarkett Participation, if any. For example, the member of the Management Board did not benefit from the LTIP issued by the Company during the financial years 2021, 2022 and 2023, however he benefited from the free share allocation plans set up by Tarkett Participation in 2021 (see table 9).

In the framework of his term of office as member of the Management Board, Raphaël Bauer is subject to an obligation to retain 33% (after tax and social security charges) of the Tarkett shares actually paid out at the end of the plans set up by the Company, throughout his term of office.

Furthermore, he undertakes not to use hedging instruments on all performance shares granted to him throughout his term of office.

**Supplemental defined contribution pension plan (Compulsory Retirement Savings Plan):**

Raphaël Bauer benefits from a supplemental defined contribution pension plan (Compulsory Retirement Savings Plan) as from 1 January 2022 with up to 4% employer contributions and up to 2% employee contributions.

**Collective pension and health insurance plan:**

Raphaël Bauer benefits from the collective pension scheme (death, incapacity, invalidity) and the mutual health insurance scheme set up by the Company under the same conditions as those applicable to all employees of the Group's French entities.

**Company car:**

Raphaël Bauer has the use of a company car. The costs of insurance, maintenance and fuel for the vehicle (for its professional use) shall be borne by the Company.

**Terms and conditions of cessation of office****Non-compete commitment :**

Raphaël Bauer is bound by his employment contract to a non-compete obligation for a period of two years. This non-compete obligation is accompanied by an indemnity equal to the gross fixed and variable compensation received by Raphaël Bauer in respect of his employment contract during the 12 months preceding his departure, payable in 24 monthly instalments throughout the duration of the non-compete commitment.

It is pointed out that the Supervisory Board reserves the right to waive this clause within a reasonable time on the recommendation of the Nomination, Compensation and Governance Committee.

**Other compensation:**

Raphaël Bauer does not receive any compensation for any office held within the Tarkett Group. He will not benefit either from deferred, multi-year or exceptional compensation.

## Compensation

### 2.3.5.3 Principles and criteria for compensation items of the Supervisory Board members and its Chairman

#### Principles

Based on the total amount approved by the Shareholders' Meeting, the Supervisory Board allocates an amount to its members, on proposal by the Nominations, Compensation and Governance Committee.

This overall amount is distributed among the members of the Supervisory Board based on their actual attendance at meetings of the Supervisory Board and of its specialised committees.

It is specified that under the Supervisory Board's internal regulations, the members of the Supervisory Board are required to use half of the compensation they receive each year for their offices as Supervisory Board members to acquire and hold at least 1,000 Tarkett shares.

#### Application

Since 2021, the total amount of compensation allocated annually to Board members has been 550,000 Euro, and 90% of this annual budget was used in 2023.

In order to ensure flexibility and in particular to allow for the compensation of members of ad hoc committees, the Supervisory Board has decided to propose to the Shareholders' Meeting of 26 April 2024 that the total annual compensation package be increased to 650,000 Euro as from 1 January 2024.

In addition, as part of the Board's supervisory role, the Chairman takes part in numerous discussions with the Management Board prior to Board meetings, and his workload has increased considerably since 2022.

This package will therefore be distributed as follows:

- > 160,000 Euro will be paid to the Chairman of the Supervisory Board;
- > each member of the Supervisory Board receives 35,000 Euro annually (excluding the Chairman);
  - a penalty of 3,000 Euro is applied if a member fails to attend a duly convened meeting of the Supervisory Board;
- > an additional 10,000 Euro a year will be paid to the Vice-Chairman;
- > 7,000 Euro a year will be paid to each member of the Nomination, Compensation and Governance Committee and the Audit, Risks and Compliance Committee;
- > an additional 15,000 Euro a year will be paid to the Chairs of these two Committees;
- > 2,000 Euro a year will be paid to each member of the CSR Committee;
- > an additional 5,000 Euro a year will be paid to the Chairman of this Committee;
  - a penalty of 1,000 Euro will be applied if a member fails to attend a duly convened meeting of a specialised committee.

The balance of the 650,000 Euro package not used to compensate participation in Boards and Specialised Committees may be shared between the Board members participating in these Committees on a non-permanent, *ad hoc* basis to analyse specific and major projects for the Group introduced at the decision of the Board. The amount to be paid in this regard, distributed in proportion to the number of meetings and the time allocated, will be decided by the Supervisory Board on proposal by the Nomination, Compensation and Governance Committee.

In addition, the Supervisory Board may feel that it is legitimate not to apply the attendance condition to so-called "exceptional" meetings, i.e. to meetings convened at short notice, for reasons beyond the control of the Company, due to the urgency of decisions that must put for prior approval to the Supervisory Board and that have been brought late to the attention of the Company.

The allocated amounts will be calculated on a pro rata temporis basis according to the term of office during the period.

The manner in which compensation is distributed between the members of the Supervisory Board (including compensation of the Chairman and Vice Chairman) may be adjusted by the Board in the event of a change in composition or to take workloads and responsibilities into account.

#### Observers and members of the Supervisory Board representing employees

The observers and the member of the Supervisory Board representing employees do not receive any compensation for the offices they hold. However, all the expenses incurred for their duties as observers or members of the Supervisory Board representing employees will be reimbursed upon presentation of supporting documents.



## Compensation

## 2.3.6 Compensation items paid or allocated during the period ended 31 December 2023

### 2.3.6.1 Compensation items paid or allocated to Fabrice Barthélemy during the period ended 31 December 2023 (resolution n° 10)

Compensation items paid or allocated	Amount or accounting value submitted to the vote (in Euro)	Comments																				
<b>Fixed compensation</b>	700,000	Amount owed (gross before tax)																				
<b>Annual variable compensation</b>	1,032,381	Compensation calculated for the period from 1 January to 31 December 2023 not yet paid.																				
		<table border="1"> <thead> <tr> <th>Criterion</th> <th>Minimum</th> <th>Target objective</th> <th>Maximum</th> <th>Degree of fulfilment</th> </tr> </thead> <tbody> <tr> <td>EBITDA</td> <td>0</td> <td>40%</td> <td>80%</td> <td>145%</td> </tr> <tr> <td>OCF</td> <td>0</td> <td>30%</td> <td>60%</td> <td>200%</td> </tr> <tr> <td>individual criteria</td> <td>0</td> <td>30%</td> <td>30%</td> <td>75%</td> </tr> </tbody> </table>	Criterion	Minimum	Target objective	Maximum	Degree of fulfilment	EBITDA	0	40%	80%	145%	OCF	0	30%	60%	200%	individual criteria	0	30%	30%	75%
Criterion	Minimum	Target objective	Maximum	Degree of fulfilment																		
EBITDA	0	40%	80%	145%																		
OCF	0	30%	60%	200%																		
individual criteria	0	30%	30%	75%																		
		The amount of the annual variable has been adjusted by the CSR multiplier introduced in 2023. Reaching the multiplier led to a 5% increase of the annual variable compensation, the amount before application of the multiplier being 983,220 Euro.																				
<b>Exceptional compensation</b>	319,300	Compensation calculated for the period from 1 January to 30 June 2023, not yet paid.																				
		In order to take into account the short-term priority of cash flow and debt control, an exceptional bonus was put in place with targets for the first 6 months of 2023, in accordance with the compensation policy approved by the Shareholders' Meeting of 21 April 2023 in its 12 <sup>th</sup> resolution. As the leverage ratio (net debt/EBITDA) was reached at the end of June 2023, the amount to be paid to Fabrice Barthélemy was reviewed by the Nomination, Compensation and Governance Committee and approved by the Supervisory Board on 26 July 2023.																				
<b>Performance related shares</b>	0	No Tarkett performance-related shares were allocated in 2023. The Company does not allocate any share options.																				
<b>Supplemental Pension Plan</b>	0	Since 2022, the Chairman of the Management Board benefits from a supplemental defined benefit pension plan governed by Article L137-11-2 of the French Social Security Code, subject to performance conditions.																				
		The annual annuity rights are determined on the basis of an annual life annuity corresponding to 1% of his gross fixed and annual variable compensation paid in the year in question.																				
		No annuity has been paid/allocated to Fabrice Barthélemy in 2023 as he is still in office. For information, the gross provision (excluding expenses) set aside by the Company for Fabrice Barthélemy in 2023 in this respect amounts to 290,951 Euro.																				

## Compensation

Compensation items paid or allocated	Amount or accounting value submitted to the vote (in Euro)	Comments
<b>Severance payment</b>	0	<p>In the event of a forced departure, the severance payment would equate to 2 years' of the gross fixed and variable compensation received by Fabrice Barthélemy in the 12 months preceding his forced departure from his office as Chairman of the Management Board.</p> <p>This payment is subject to a performance criterion that is measured by the level of achievement of the annual objectives serving to calculate the variable compensation. It is equivalent to the average performance achieved by Fabrice Barthélemy over the three calendar years preceding his departure as Chairman of the Management Board.</p> <p>If the performance rate is less than 50%, the payment will be due at 50%. If the performance rate is between 50% and 100%, the severance payment will be calculated in proportion to the amount of the performance rate. If the performance rate is at least 100%, the severance payment will be due in full.</p> <p>No severance payment would be due if Fabrice Barthélemy were to commit gross or serious misconduct or had the possibility of claiming his pension rights in the near future.</p>
<b>Non-compete payment</b>	0	<p>The non-compete payment would be equal to the gross fixed and variable compensation received by Fabrice Barthélemy in the twelve months prior to his departure from his office as Chairman of the Management Board, payable in 24 monthly instalments for the duration of the non-compete commitment.</p> <p>The Company reserves the right to waive the benefit of the non-compete clause.</p> <p>No non-compete payment will be paid on his departure if the Chairman of the Management Board has the possibility of invoking his pension rights within a short time frame or has reached the age of 65.</p>
<b>Valuation of benefits of all kinds</b>	2,276	Company car

## Compensation

## 2.3.6.2 Compensation items paid or allocated to Raphaël Bauer during the period ended 31 December 2023 (resolution n° 11)

Compensation items for the period ended 31 December 2023	Amount or accounting value submitted to the vote (in Euro)	Comments																				
<b>Fixed compensation</b>	272,000	Amount owed (gross before tax)																				
<b>Annual variable compensation</b>	204,861	Compensation calculated for the period from 1 January to 31 December 2023.																				
		<table border="1"> <thead> <tr> <th>Criterion</th> <th>Minimum</th> <th>target objective</th> <th>maximum</th> <th>level of achievement</th> </tr> </thead> <tbody> <tr> <td>EBITDA</td> <td>0</td> <td>40%</td> <td>80%</td> <td>145%</td> </tr> <tr> <td>OCF</td> <td>0</td> <td>30%</td> <td>60%</td> <td>200%</td> </tr> <tr> <td>Individual criteria</td> <td>0</td> <td>30%</td> <td>30%</td> <td>85%</td> </tr> </tbody> </table>	Criterion	Minimum	target objective	maximum	level of achievement	EBITDA	0	40%	80%	145%	OCF	0	30%	60%	200%	Individual criteria	0	30%	30%	85%
Criterion	Minimum	target objective	maximum	level of achievement																		
EBITDA	0	40%	80%	145%																		
OCF	0	30%	60%	200%																		
Individual criteria	0	30%	30%	85%																		
	9,008	The amount of the annual variable has been adjusted by the CSR multiplier introduced in 2023. Reaching the multiplier led to a 5% increase of the annual variable compensation, the amount before application of the multiplier being 195,106 Euro.																				
<b>Exceptional compensation</b>		Profit-sharing paid in 2023 in respect of 2022 Compensation calculated for the period from 1 January to 30 June 2023. In order to take into account the short-term priority of cash flow and debt control, an exceptional bonus was put in place with targets for the first 6 months of 2023, in accordance with the compensation policy approved by the Shareholders' Meeting of 21 April 2023 in its 13 <sup>th</sup> resolution. As the leverage ratio (net debt/EBITDA) was reached at the end of June 2023, the amount to be paid to Raphaël Bauer was reviewed by the Nomination, Compensation and Governance Committee and approved by the Supervisory Board on 26 July 2023.																				
<b>Performance-related shares</b>	0	No Tarkett performance-related shares were allocated to him in 2023. The Company does not allocate any share options																				
<b>Supplemental Pension Plan</b>	0	No annuity has been paid/allocated to Raphaël Bauer in 2023 as he is still in office. For information, the gross amount (excluding expenses) paid by the Company into the Mandatory Retirement Savings Plan in 2023 amounted to 14,077 Euro. In addition, he paid 7,038 Euro in employee contributions.																				
<b>Severance payment</b>	0																					
<b>Non-compete payment</b>	0																					
<b>Valuation of benefits of all kinds</b>	2,798	Company car																				

## Compensation

### 2.3.6.3 Compensation items paid or allocated to Eric La Bonnardière in his capacity as Chairman of the Supervisory Board during the period ended 31 December 2022 (resolution n° 12)

Compensation items for the period ended 31 December 2023	Amount or accounting value submitted to the vote (in Euro)	Comments
<b>Fixed compensation</b>	105,000	Amount owed (gross before tax)

In respect of the 2023 financial year, the Chairman of the Supervisory Board received fixed compensation of 35,000 Euro for his role as member of the Supervisory Board and an additional compensation of 35,000 Euro for his role as Chairman of the Supervisory Board.

In addition to this compensation, Eric La Bonnardière received compensation of 35,000 Euro during the year in respect of the time he devoted to an ad hoc Board project on Group strategy.

Eric La Bonnardière was also a member of the Nomination, Compensation and Governance Committee from 26 July 2022 to 15 February 2024, but waived his entitlement to any compensation in this capacity.

## Compensation

### 2.3.7 Equity ratios between the compensation paid to the Chairmen of the Management Board and of the Supervisory Board and the average and median compensation paid to employees

The following ratios have been calculated on the basis of fixed and variable compensation, incentives and benefits in kind due during the years in question.

Consideration of the amount of compensation owed began in 2020 to ensure that the variable amounts for a given year were aligned as far as possible with the economic and financial performances of that same year.

The ratios have also been calculated taking into account the performance-related shares allocated and valued at their fair value as well as the 2021 LTIP allocations of Tarkett Participation.

The average and median amounts have been calculated for all employees in France present throughout the whole of the year concerned, representing a broader scope than the one required by law.

	2019	2020	2021	2022	2023
Average salary France	60,252	62,205/61,615	63,945/70,226	62,480	69,198
Median salary France	46,234	47,903/47,372	49,274	50,406	54,990
<b>Chair of the Management Board</b>					
Chairman of the Management Board compensation	1,693,411	1,794,646/1,775,479	952,810/3,489,210	1,078,681	2,053,957
Ratio based on average compensation	28	29	15/50	17	30
Ratio based on median compensation	37	37	19/71	21	37
<b>Chairman of the Supervisory Board</b>					
Chairman of the Supervisory Board compensation	85,000	85,000/63,000	70,000	70,000	105,000
Ratio based on average compensation	1.4	1.4/1.0	1.0	1.1	1.5
Ratio based on median compensation	1.8	1.8/1.3	1.4	1.4	1.9

With regard to the compensation ratios in 2020, the first figure in the line takes into account the theoretical basic compensation whilst the second figure includes reductions in compensation due to the COVID-19 pandemic. The ratios are comparable in both cases for the Chairman of the Management Board.

For the compensation ratios in 2021, the first figure per line excludes the exceptional Tarkett Participation LTIP. The second figure per line includes the exceptional Tarkett Participation LTIP.

Employee savings plans and agreements

**Comparison between the changes in the compensation ratios concerning the Chairman of the Management Board and the company's financial performance**



Adjusted EBITDA is the result from operating activities before depreciation and amortisation restated for the following income and expenses: restructuring costs intended to improve the Group's future profitability, capital gains and losses generated from significant asset transfers, provisions and reversals of provisions for loss of value, costs relating to business combinations and legal restructuring, expenses linked to compensation in shares and other one-off items considered by their nature to be non-recurrent.

Free cash flow is defined as cash generated from operations before change in working capital, plus or minus the following inflows and outflows: change in working capital requirement, repayment of lease liabilities, net interest received (paid), net income tax collected (paid), various operating items collected (disbursed), acquisition of intangible assets and property, plant and equipment, and proceeds (loss) from sale of fixed asset.

## 2.4 Employee savings plans and agreements

### 2.4.1 Profit-sharing and incentive agreements

Profit-sharing agreements and incentive schemes have been in place for many years within the Group companies in France and extend to all French employees.

There are three principal profit-sharing agreements with their own calculation formulas, adjusted to the reality of each entity and taking into account value creation, as well as criteria relating to safety in the workplace and commitment to corporate social responsibility (CSR). The duration of each agreement is three years.

### 2.4.2 Company savings plans and similar schemes

The Group created a company savings plan on 29 June 2004, for a term of one year, renewable automatically. This plan offers employees based in France, who have been with the Company for over three months, the ability to allocate amounts paid to them immediately and in full to subscribe for shares in company investment funds. In particular, this plan can receive amounts from an incentive scheme or profit-sharing agreement, as well as voluntary payments. In 2022, a Collective Pension Savings Plan was also set up for the benefit of certain companies in France.

## 2.5 Corporate officers' transactions

The table below shows, for the period ended 31 December 2023, the share acquisitions, disposals and exchanges, as well as transactions in closely related financial instruments, that fall within the scope of Articles L.621-18-2 and R.621-43-1 of the French Monetary and Financial Code and Article 19 of (EU) Regulation No. 596/2014 of 16 April 2014, on market abuse and that have been the object of disclosure to the AMF:

Identification	Positions held within the Company on the date of the transaction	Nature of the transaction	Financial instrument	Place of the transaction	Number of securities	Unit price(in €)	Transaction date	Amount (in Euro)
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Acquisition	Share	Outside negotiation platform	2,250	14.91	23/10/2023	33,547.50
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Acquisition	Share	Outside negotiation platform	15,250	14.91	12/10/2023	227,377.50
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Acquisition	Share	Outside negotiation platform	14,350	14.91	06/10/2023	213,958.50
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Acquisition	Share	Outside negotiation platform	12,350	14.91	29/09/2023	184,138.50
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Acquisition	Share	Outside negotiation platform	126,801	14.91	22/09/2023	1,890,602.91
Fabrice Barthélemy	Chairman of the Management Board	Transfer	Share	Outside negotiation platform	42,955	14.91	14/09/2023	640,459.05
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Acquisition	Share	Outside negotiation platform	183,867	14.91	14/09/2023	2,741,456.97
Raphaël Bauer	Member of the Management Board	Transfer	Share	Outside negotiation platform	9,612	14.91	14/09/2023	143,314.92
Tarkett Participation	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Disposal	Share	Outside negotiation platform	280,000	11.60	28/07/2023	3,248,000.00
Tarkett GDL	Legal entity linked to Fabrice Barthélemy, Chairman of the Management Board	Disposal	Share	Outside negotiation platform	84,211	11.60	28/07/2023	976,847.60

Other information

## 2.6 Other information

### 2.6.1 Declarations linked to corporate governance

#### 2.6.1.1 Conflicts of interest

To the Company's knowledge and apart from the matters set out in Sections 2.2.3.7 and 2.6.2, as of 31 December 2023 and on the date of publication of this Document, there were no potential conflicts of interest between the duties of Management Board or Supervisory Board members vis-à-vis the Company and their private interests or other duties. In accordance with article 2.2 of the Internal Regulations of the Supervisory Board, each of its members has the obligation to inform it of any conflicts of interest, even if potential.

#### 2.6.1.2 Personal information relating to corporate officers

As of 31 December 2023 and on the date of publication of this Document, to the Company's knowledge there were no family relationships between the Company's officers other than the fraternal relationship between Didier Deconinck (Vice-Chairman of the Supervisory Board) and Bernard-André Deconinck (Observer), and between these two members of the Board and Eric La Bonnardière (Chairman of the Supervisory Board), Nicolas Deconinck (Supervisory Board member) and Julien Deconinck (Supervisory Board member), their nephews.

Other than the agreements set out in Sections 2.2.3.7 and 2.6.2, there are no business ties between the members of the Supervisory Board and the Management Board, on the one hand, and the Company, on the other.

As of 31 December 2023 and on the date of publication of this Document, and notwithstanding the provisions of Section 2.3.4, "Long Term Incentive Plans (LTIP)" and the rules relating to the prevention of insider trading and the recommendations of the Afep-Medef Code imposing a share retention requirement, and the provisions of the By-laws and Internal Regulations requiring Board members to hold 1,000 shares each during their term of office, no restrictions have been accepted by the members of the Management and Supervisory Boards concerning the transfer of their holdings in the Company's equity capital.

To the Company's knowledge, over the course of the past five years:

- > no corporate officer has been convicted of fraud;
- > none of the corporate officers has been associated in any bankruptcy, receivership or liquidation;
- > none of the corporate officers have been held guilty of an offence and/or had an official public sanction imposed by statutory or regulatory authorities (including designated professional bodies); and
- > none of the aforementioned persons has ever been prevented by a court from acting as a member of an administrative, management, or supervisory body of an issuer, nor from being involved in the management or conduct of the business of an issuer.



Other information

## 2.6.2 Regulated agreements

### 2.6.2.1 Procedure for reviewing current and regulated agreements

On 13 February 2020, the Board adopted an internal Group charter for qualifying agreements subject to the regulated agreements procedure, thereby distinguishing them from agreements relating to ordinary transactions entered into under normal conditions and facilitating the Group's compliance with the legal requirements in this area, which provide for a regular assessment of the conditions under which the various agreements are entered into and an analysis of their qualification. This Policy was reviewed in advance by the statutory Auditors and the Audit, Risks and Compliance Committee.

In addition to a reminder of the regulatory framework applicable to the various agreements that may be entered into, this charter sets out a procedure for regular assessment by the Board of the terms and conditions under which current agreements are entered into, and reiterates that persons directly or indirectly involved in one of these agreements may not take part in its assessment.

### 2.6.2.2 Tarkett share transfer agreement

On 28 July 2023, the Company entered into a Tarkett share transfer agreement with Tarkett Participation, which holds more than 10% of the Company's voting rights, under which it acquired a total of 280,000 of its own shares from Tarkett Participation.

The purpose of this share purchase was to enable the Company to deliver 388,701 free performance shares relating to the 2020-2023 LTIP, which were definitively acquired by the beneficiaries concerned on 1 August 2023. The agreement provided for a unit purchase price of 11.60 Euro per Tarkett share, i.e. a total price of 3,248,000 Euro.

The signature of this agreement was authorised by the Supervisory Board at its meeting on 26 July 2023.

The latter considered that this transaction was in the Company's corporate interest, for the following reasons:

- > As the Company did not have the possibility of issuing new shares to deliver the shares to the beneficiaries, the acquisition of shares from shareholders was the only solution to enable it to deliver the said shares;
- > Acquiring the shares thus enabled the Company to meet its obligations to the beneficiaries of the performance share grants; and
- > The purchase price of the shares was lower than the closing price of Tarkett shares on the day the sale agreement was signed.

### 2.6.2.3 Service agreement with Société Investissement Deconinck (SID)

The Company has entered into a service agreement with (SID) under which the latter can avail itself of the Company's administrative support services in relation to business management, tax declarations and accounting, for a fixed annual fee of 55,000 Euro before tax.

Eric La Bonnardière (Chairman of the Supervisory Board), Didier Deconinck (Vice-Chairman of the Supervisory Board), Julien Deconinck (member of the Supervisory Board), Nicolas Deconinck (member of the Supervisory Board) and Bernard André Deconinck (Observer) declared an indirect interest in this agreement, even though they were not party to it.

### 2.6.2.4 Assistance and guidance agreement with Société Investissement Deconinck (SID)

SID and the Company entered into an assistance and guidance agreement for the provision of assistance in determining the strategic approach to be adopted by Tarkett and in taking major decisions. In return for its services, and in particular the work undertaken by its Management Board members and its role in assisting with the definition of the strategic approaches to be adopted by the Company, SID receives a fixed annual amount before tax of 300,000 Euro which subject to indexation each year based on an index agreed between the parties.

Eric La Bonnardière (Chairman of the Supervisory Board), Didier Deconinck (Vice-Chairman of the Supervisory Board), Julien Deconinck (member of the Supervisory Board), Nicolas Deconinck (member of the Supervisory Board) and Bernard André Deconinck (Observer) declared an indirect interest in this agreement, even though they were not party to it.

Other information

### 2.6.2.5 Agreements concluded within the framework of the simplified tender offer

Within the framework of the simplified tender offer that took place in 2021, the Supervisory Board approved the conclusion of the following regulated agreements on 23 April 2021 in order to refinance its existing debt:

#### Intra-group loan agreement

Within the framework of this agreement concluded between the Company in its capacity as borrower and Tarkett Participation in its capacity as lender, Tarkett Participation is to provide the Company, in one or more instalments, with sums obtained from one or more drawdowns by Tarkett Participation of Tranche B (as the term is defined below) in the form of a term loan facility.

1. **Aim of the intra-group loan agreement:** The aim of the intra-group loan agreement is to fund the refinancing of the Company's existing debt.

2. **Financial terms of the intra-group loan agreement:** The main financial terms of the intra-group loan agreement are as follows:

- > maximum principal amount of 528,000,000 Euro, of which the amount as of 31 December 2023 is 455,192,246.68 Euro, and 72,000,000 USD (i.e. a Euro equivalent amount of 65,158,371.04 as of 31 December 2023);
- > maturity: 7 years.
- > margin: equal to that of Tranche B (see below).

#### Act of accession to a loan agreement governed by English law

Within the framework of this act of accession by the Company to a loan agreement governed by English law concluded between:

- > Tarkett Participation in its capacity as borrower
- > BNP Paribas, Crédit Agricole Corporate and Investment Bank and Société Générale in their capacity as underwriters and guarantors of the offer
- > the financial institutions listed in the document in their capacity as initial lenders
- > CACIB in its capacity as agent and security agent

the lenders are to provide:

- > i) Tarkett Participation with a term loan for a maximum principal amount of 889,173,870.24 Euro, with a principal amount as of 31 December 2023 of 839,173,870.24 Euro ("**Tranche B Euro**") and an amount of 72,000,000 USD ("**Tranche B USD**")
- > Tarkett Participation and all members of the Group, subject to their involvement, with a revolving loan for a total principal amount of 350,000,000 Euro ("**Revolving Tranche**") whose purpose is to finance the Group's general requirements.

Within the framework of this agreement, the Company is acting as borrower with regard to the Revolving Tranche as well as guarantor. In this context, the borrowers and guarantors, including the Company, guarantee the obligations of other debtors (including Tarkett

Participation, via an upstream guarantee), with the Company and/or its subsidiaries having adhered to the credit agreement via the act of accession, within the limits at all times of the amounts that would have been received by the Company and its subsidiaries (via the intra-group loan), or by any other means.

1. **Aim of the credit agreement:** The credit agreement, for an initial maximum amount of 1,239,173,870.24 Euro, used as of 31 December 2023 for an amount of 1,189,173,870.24 Euro and an amount of 72,000,000 USD (equivalent to 65,158,371.04 Euro on 31 December 2023), was intended in particular:

- > for Tranche B Euro and Tranche B USD: (a) for the partial funding of the acquisition price of target shares (including the refinancing of all drawdowns of the Revolving Tranche allocated to the acquisition of target shares) and associated expenses; and (b) for the funding of refinancing by the provision of the intra-group loan by Tarkett Participation to the Company, and
- > for the Revolving Tranche: for the funding of general and operational requirements, Group development and investment and all acquisitions and the refinancing of certain term loans.

2. **Financial terms of the credit agreement:** The main financial terms of the credit agreement are outlined below:

- > 1,189,173,870.24 Euro and 72,000,000 USD available (i.e. an amount in Euro equivalent of 65,158,371.04 Euro as of 31 December 2023) in principal;
- > maturity of Tranche B: 7 years;
- > maturity of the Revolving Tranche: 6 years and 6 months;
- > margin of Tranche B Euro: between 3.00% and 3.75% (depending on (i) the leverage ratio level and (ii) subject to an adjustment mechanism according to certain environmental, social and good governance criteria);
- > margin of Tranche B USD: between 3.25% and 4.25% (depending on (i) the leverage ratio level and (ii) subject to an adjustment mechanism according to certain environmental, social and good governance criteria);
- > margin of the Revolving Tranche: between 1.75% and 2.50% (depending on (i) the leverage ratio level and (ii) subject to an adjustment mechanism according to certain environmental, social and good governance criteria);
- > underwriting fee equal to 1.25% of the principal amount; and
- > commitment fee equal to 30% of the margin applied to the available commitment of the lender concerned for the Revolving Tranche for the availability period applying to the Revolving Tranche.

#### Act of accession to a subordination agreement governed by English law

The Company's accession to a subordination agreement governed by English law by means of a deed of accession is intended to govern creditors' rights, in particular with respect to the credit agreement referred to above.

## Other information

The Supervisory Board has concluded that the agreements referred to above present the following financial advantages for the Company:

- > **Market positioning:** the possibility for the Company to gain access to a more liquid market than the bond market, the market associated with the two Tranche Bs, which is more likely to finance its external growth;
- > **Financing capacity:** the possibility for the Company to cover its general financial requirements and its working capital requirement;
- > **Flexibility:** easing of the credit repayment terms under the credit agreement (early repayment of the two B Tranches at any time without charge, with the exception of an initial six-month period during which a penalty of 1% will be applied and early repayment of all or part of the Revolving Tranche);
- > **Financial ratios:** the absence of any financial ratio to be respected by the Group within the framework of the refinancing of the existing debt by the Company, with the exception of compliance with a leverage ratio provided that the drawdowns associated with the Revolving Tranche are greater than 40% of the total amount of the Revolving Tranche. The financial covenant is also fixed at a significantly higher level (around 5.8x);
- > **Financial terms:** the financial terms associated with the two Tranche Bs reflected in the intra-group loan seem to be competitive in the Term Loan B market, given that this financing benefits from extremely favourable market conditions, close to historical lows, and the competitive process introduced with the selected banks; and
- > **Maturity:** An opportunity for the Company to anticipate the refinancing of its existing financing lines (the maturity of the two Tranche Bs (i.e. 7 years) and the Revolving Tranche (i.e. 6.5 years) being longer than the residual term of existing credits (i.e. 5 years for the existing revolving credit and between 2 and 5 years for Schuldschein credits).

The Company's Supervisory Board also noted that the accession fees for this type of financing seem reasonable, based on the elements presented, with regard to the advantages for the Company and that these fees have been distributed fairly between Tarkett Participation and the Company, with Tarkett Participation having committed, under the terms of the letter of commitment, to cover a significant proportion of the Company's refinancing costs.

It should also be pointed out that the following individuals:

- > SID in its capacity as indirect majority shareholder of the Company;
- > Eric La Bonnardière, in his capacity as Chairman of the Supervisory Board of the Company;
- > Didier Deconinck, in his capacity as Vice Chairman of the Supervisory Board of the Company;
- > Julien Deconinck, in his capacity as member of the Supervisory Board of the Company;
- > Nicolas Deconinck, in his capacity as member of the Supervisory Board of the Company; and
- > Bernard-André Deconinck, in his capacity as Observer of the Supervisory Board of the Company,

have declared an indirect interest in the agreements above, even though they were not party to it.

Other information

## 2.6.3 Main transactions with related parties

Material transactions entered into or ongoing between the Company and related parties (whether individuals or entities), other than those referred to in Section 2.2, consist of the following.

### 2.6.3.1 Guarantees

The Company:

- > has granted a counter-guarantee ("General Indemnity Agreement") for a maximum amount of USD 75 million for the benefit of Federal Insurance Company so that this company can issue site guarantees for FieldTurf Inc, which had been availed of in full at the end of the period;
- > signed a Joint and Several Guarantee for a maximum amount of 90 million USD in favour of Ester Finance Technologies for the assignment of receivables line set up with certain subsidiaries of Tarkett Finance Inc in the United States, in order to secure future customer collections to be collected on its behalf, representing 76.4 million USD at the end of the financial year;
- > granted a guarantee to the Swedish pension insurance company Pri-Pensions to insure Tarkett AB's employee benefit commitments in the amount of 237.1 million SEK;
- > granted joint and several guarantees in favour of several banks in respect of the outstanding amortisable loans taken out in June 2022 and April 2023 respectively by Tarkett France, and in May and June 2023 by Tarkett GDL, representing a total outstanding amount of 36.8 million Euro at the end of the financial year;
- > has granted rent guarantees in favour of two lessors of Tarkett USA Inc. representing a commitment of 8.6 million USD at the end of the financial year, and for which the

corresponding rents are included in the lease liability valued in the consolidated balance sheet in application of IFRS 16 "Leases";

- > granted a payment guarantee to a supplier of its subsidiary Morton Extrusiontechnik (M.E.T GmbH) for deliveries of raw materials up to a maximum amount of 7 million Euro, of which 3.4 million Euro had been committed at the balance sheet date;
- > granted a guarantee as parent company to the banks of certain subsidiaries, in particular Tarkett Limited (United Kingdom), Tarkett BV (Netherlands), Tarkett Asia Pacific (Shanghai) Management Co Ltd, Tarkett Industrial (Beijing) Co Ltd (China) and Tarkett Spa (Italy), to enable them to obtain overdraft facilities, bank loans or letters of credit lines for a maximum total amount equivalent to 33.6 million Euro, of which the equivalent of 13.1 million Euro had been committed at the balance sheet date.

Furthermore, in the ordinary course of business, Tarkett and several of the Group's subsidiaries granted payment or site guarantees to various suppliers, customers, government bodies, lessors and cash pooling or trade finance operators, either directly or through bank guarantees, for an amount of 30.8 million Euro at the balance sheet date.

In addition, pledges have been established for the securities and financial receivables of the Company and certain subsidiaries as a security for new financing (see Section 4.3.4 "Terms of principal credit lines").

### 2.6.3.2 Cash management agreements

The Company has entered into cash management agreements with some of its subsidiaries to organise the financial flows between the Group's entities and manage the cash pooling.

### 2.6.3.3 Services agreements

The Company has entered into service agreements with some of its French and foreign manufacturing subsidiaries. The purpose of these agreements is the provision of the following services: general management, financial, legal, human resources, operations and communications. These agreements represented a total amount of 18.9 million Euro in 2023.

In addition, the Company has also entered into IT support agreements with certain of its subsidiaries. The purpose of these agreements is the provision of the following IT services: IT support, project management, development, IT licensing and advice (auditing and SAP project preparation). These agreements represented a total amount of 34.2 million Euro in 2023.

# 3

## SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

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Tarkett's CSR ambition and commitment

## 3.1 Tarkett's CSR ambition and commitment

### 3.1.1 A word 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

Sustainability plays an integral role in everything we do at Tarkett, from the way we design our products, to the raw materials we use, to how we recycle them at the end of their lifecycle. Sustainability is part of our DNA. By joining forces with our customers, our suppliers, and our other value chain partners and stakeholders, we will build a stronger foundation – one we can all stand firmly on, for generations to come. Together at Tarkett, we are building the way to better floors. This mindset is reflected in our business model presented in the introduction of this document with further detail on our engagement with our stakeholders in section 3.5 and the identification and management of CSR risks and opportunities in section 3.3.

### 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 tackle climate change, developing 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.

#### Impact2027

Every business, large and small, has an impact and 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 leading the way to better floors with a focus on the circular economy and climate change remaining at the heart of its new strategic plan, Impact2027.

This new strategic plan presented in 2022 will guide Tarkett until 2027. It is built on the conviction that Tarkett has an impact on people's lives, that we must act now to curb climate change and that experience makes the difference. This new strategic framework is the result of work engaged by the Executive Management Committee, aiming at clarifying our vision, what our future holds and defining strategic axes for the years to come. It is designed with a clear ambition for Tarkett: to be the easiest, the most innovative, and the most sustainable flooring and sport surfaces company to work for, and to work with.

Impact 2027 is based on 4 pillars:

- > Empower our high-performing teams, to deliver the promise
- > Offer our customers a best-in-class experience
- > Create innovative products and services
- > Lead with sustainability

Tarkett's CSR ambition and commitment

**Our commitment to social and environmental responsibility is embedded in our strategy and integrated in all our activities.** As detailed in the following sections of this report, we are committed to:

- > eco-design according to Cradle to Cradle® principles;
- > source our materials responsibly through third-party material assessment and our Supplier Code of Conduct;
- > ensure operational excellence at our plants with our World Class Manufacturing (WCM) system (in particular safety and environmental management);
- > mitigate our climate impact at our plants and throughout our value chain;
- > embrace circular economy through design, use, and end-of-life recovery and recycling, notably with our ReStart® take-back and recycling program;

### 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 ten 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 (SDG 12).
- > **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). Selecting good materials that can be recycled over and over is a cornerstone of the Tarkett Human-Conscious Design® approach. Eco-design 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).

- > develop products for greater indoor air quality and people's well-being;
- > collaborate with customers, suppliers and other stakeholders, bringing thought leadership through our Tarkett Human-Conscious Design® initiative;
- > promote diversity and inclusion in our teams and in our industry;
- > enable employee development with Talent Management Guiding principles;
- > conduct business according to high standards of ethics and integrity, in line with our code of ethics, anti-corruption code of conduct and competition policy.

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: customers, architects, designers, installers, end users, employees, suppliers, investors, NGOs, public authorities, and local communities.

- > **Producing flooring and sports surfaces responsibly:** contributing to the development of inclusive, innovative, and sustainable manufacturing, with commitments on diversity and inclusion, resource-use efficiency, and the climate (SDG 9).
- > **Driving collaboration for a circular economy:** inspiring others to join us through education, collaboration, transparency, and communication (SDG 17).
- > **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) and promoting design for diversity.
- > **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).
- > **Operating transparently:** with clear ethical standards, policies, and codes of conduct to ensure utmost business integrity on topics including corruption prevention, compliance with competition law and data privacy as well as the respect of human rights (SDG 16).

Tarkett's CSR ambition and commitment



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

Tarkett has set five key medium- and long-term sustainability objectives:

- > **Greenhouse gas (GHG) emissions:** Reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year, and reduce absolute scope 3 GHG emissions from purchased goods and services and end-of-life treatment of sold products 27.5% within the same timeframe<sup>1</sup>;

- > **Circular Economy:** Triple the share of recycled raw materials<sup>2</sup> from 10% in 2018 to 30% by 2030;
- > **Safety:** Reduce the Recordable Lost Time Accident (LTA) Frequency Rate [FR1t]<sup>3</sup> for all employees to 1.0 by 2025;
- > **Diversity:** Increase the share of women among managers and senior executives to 30% by 2025;
- > **Talent management:** Increase internal mobility<sup>4</sup> to 70% by 2025.

<sup>1</sup> The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks

<sup>2</sup> Also known as secondary raw materials

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

<sup>4</sup> Share of open management positions filled by an internal candidate



Tarkett's CSR ambition and commitment

### 3.1.4 The way to better floors - Our sustainability progress in 2023



Preserving resources through circular economy



**RENEWABLE, ABUNDANT OR RECYCLED MATERIALS**

**69%** of our raw materials do not contribute to resource scarcity



**RECYCLED RESOURCES**

**154,000**

tons of recycled materials in production

**18%** of our raw materials are recycled materials

46% in EMEA carpet production  
27% in EMEA vinyl production  
2030 Global Objective: 30%



**FLOORING TAKE-BACK**

close to **119,000**

tons of flooring collected from 2010 to 2023 by Tarkett ReStart® collection and recycling program in our 8 recycling centers across the globe



**PRODUCTION WASTE**

**13** plants send no waste to landfill



**WATER CONSUMPTION**

**-61%** vs 2010 (m³)

**69%** of plants equipped with a closed loop water system



**250 euros / ton CO<sub>2</sub>e**

This is the shadow carbon price we apply internally to assess the impact of our investments on our carbon footprint



Preserving resources through circular economy



**RENEWABLE ENERGY**

**13** plants purchasing 100% renewable electricity

**44%** of total energy consumption comes from renewable energies



**GREENHOUSE GAS EMISSIONS**

**-47%** Scope 1 & 2 versus 2019

2030 objective: -50% vs. 2019 & -30% scope 1+2+3 vs. 2019

**132,682** tons CO<sub>2</sub>e

(Scope 1 & 2) in 2022 from production sites and car leasing

Tarkett's CSR ambition and commitment



Using good materials for people's health and the environment



**CRADLE TO CRADLE® MATERIALS ASSESSMENT**

**94%** 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**

**99%** of flooring solutions have low VOC (volatile organic compounds) emission levels (10 times lower than the most stringent world standard)



**HEALTHY INDOOR ENVIRONMENT / PHTHALATE-FREE**

**96%** of our flooring solutions containing PVC (vinyl and carpet) are phthalate-free<sup>1</sup> on a global level (% of m<sup>2</sup> produced)



Respecting and developing our teams



**SAFETY**

**3.28** Recordable Lost Time Accident Frequency Rate (FR1t)<sup>2</sup>  
2025 Objective: 1.0



**DIVERSITY**

**29%** of women among managers & senior executives  
2025 Objective: 30%



**INTERNAL MOBILITY**

**65%** of open management positions filled by an internal candidate  
2025 Objective: 70%



Supporting local communities and global initiative



**COMMUNITY SUPPORT**

**900** community initiatives with employees volunteering **3,800** days and **over 1.2 million euros** of product donations between 2017 and 2023



**EXPERTISE SHARING**

**60,000** professionals or students trained as professional installers or in flooring installation techniques from 2012 to 2023

Engaging with our value chain to promote climate solutions and circular economy

**Deploying our responsible sourcing program**  
**90%** of requested suppliers completed a third-party CSR assessment (in spend)

**Engaging with customers, architects, designers and end-users**  
**38** showrooms in 21 countries

<sup>1</sup> Except recycled content for certain products and countries.

<sup>2</sup> Number of accidents with lost time < & > 24 hours per million worked hours.

Tarkett's CSR ambition and commitment

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

CDP Climate Change disclosure score: A- (leadership level)



> Tarkett discloses its climate change impact through CDP, a global non-profit that runs the world's leading environmental disclosure platform. In 2023, more than 23,000 companies including listed companies worth two thirds global market capitalization disclosed environmental data through CDP.

EcoVadis Sustainability rating: 77/100 – gold medal (in top 2% of rated companies)



> EcoVadis assesses CSR policies, actions, and results across 4 themes and 21 CSR criteria: environment, labor and human rights, ethics, and sustainable procurement. 100,000 companies in 175 countries are assessed through EcoVadis. In 2023, we have made progress in all four fields, and we have improved our score compared to last year, shifting from 74/100 to 77/100.

UN Global Compact



> In 2022 Tarkett was one of 850 organizations from 80 countries to join the Early Adopter Program supporting the UN Global Compact's role out of the new Communication on Progress requirements. All in all, 15,000 companies in 163 countries are assessed every year through Global Compact.

> Tarkett joined the Global Compact in 2010, committing to support its 10 principles with respect to human rights, labor, environment and anti-corruption. Tarkett had achieved the highest level of maturity, the Global Compact Advanced Level between 2012 and 2021 (no level of recognition is given anymore since 2022).

## 3.2 CSR governance

### 3.2.1 Ensuring CSR oversight, with leadership and responsibility throughout Tarkett

#### CSR oversight

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 and other CSR risks and opportunities.

Tarkett's CEO is responsible for oversight of climate-related and other CSR issues on the executive Management Board and larger Executive Management Committee (EMC), reporting regularly to the Supervisory Board.

In 2022 the CEO prepared with the EMC Tarkett's new 5-year strategic plan, Impact2027, with a clear ambition for Tarkett: to be the easiest, the most innovative, and the most sustainable flooring and sport surfaces company to work for, and to work with.

**The Supervisory Board reviewed and approved the new strategic plan which includes a clear focus on leading on sustainability, notably on climate change and on the circular economy.** Over the past years, the Supervisory Board has monitored the follow-up and progress of existing actions 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). In 2021 the Supervisory Board created a new special committee, the CSR Committee, to assist it in reviewing CSR risks, opportunities and corresponding strategy and actions. This committee has evolved in 2023 and is now the **CSR & Innovation Committee**, addressing Tarkett's innovation strategy in addition to CSR topics. The role of this CSR & Innovation Committee includes the review of:

- > Tarkett's main CSR risks and opportunities;
- > the Group's CSR commitments, strategy and internal management;
- > the Group's CSR reporting and CSR communication to shareholders and other stakeholders, notably with the review of Tarkett's annual CSR report;
- > the ratings obtained by the Group from non-financial rating agencies or independent certification / labelling bodies;
- > Tarkett's innovation roadmap, set to deliver the company's objective to become the most sustainable and innovative flooring and sport surfaces company.

The Committee, to form its opinion, consults Tarkett's CEO, Chief Sustainability & Innovation Officer, and other executives when appropriate, as well the group's statutory auditor appointed as an independent third-party for the verification of its non-financial statement (CSR report). It then reports to the Supervisory Board with the findings of its work.

The CSR & Innovation Committee, which met twice in 2023, reviewed the progress in the implementation of Tarkett's sustainability and innovation strategy. It examined the impacts and obligations introduced by the new Corporate Sustainability Reporting Directive and by the evolution of the Corporate Sustainability Due Diligence Directive.

Furthermore, the two other existing special committees continue to support the Supervisory Board on certain CSR aspects related to their area of responsibility:

- > The **Audit, Risk and Compliance Committee** ensures the effectiveness of risk-monitoring and internal control procedures.
- > The **Nominations, Compensations and Governance Committee** determines and regularly reviews the compensation and benefits awarded to the Company's top executives, and particularly checks that CSR objectives have been included in the variable compensation criteria. For example, in 2023, like in previous years, specific targets for the reduction of greenhouse gas (GHG) emissions (Scope 1 & 2) and for the circular economy (increase in the percentage of recycled materials used in the manufacture of our products) were included in the Long-Term Incentive Plans (LTIP) criteria for all the beneficiaries of the plans. Furthermore, the members of the Executive Management Committee have an annual bonus multiplier based on three CSR objectives (Scope 1, 2 & 3 GHG emissions; safety; and diversity) that will apply for the first time on the 2023 annual bonus and results, as well as individual CSR objectives depending on their areas of responsibilities.

## CSR governance

**Leadership and execution**

**Execution of our 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 & Asia, EMEA - Latin America - Australia & New Zealand) 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 strategic plan, including the safety, internal mobility, climate and circular economy objectives, and to discuss business operations and other current Corporate Social Responsibility issues.

Other key functions involved in the leadership and execution of our strategic plan and associated CSR strategy are summarized in the table below.

FUNCTION	KEY CSR ROLES AND RESPONSIBILITIES
Chief Sustainability & Innovation Officer	<ul style="list-style-type: none"> <li>&gt; Propose necessary update of sustainability strategy to the Executive Management Committee.</li> <li>&gt; Lead the implementation of strategy on sustainability.</li> <li>&gt; Establish Tarkett as a reference regarding climate change and circular economy, working together with Divisions to intensify the reduction of greenhouse gas emissions and deploy circular solutions for our customers.</li> <li>&gt; Manage the group innovation process, which includes programs for the circular economy and the creation of new business models.</li> </ul>
General Counsel	<ul style="list-style-type: none"> <li>&gt; Oversee all legal, compliance and insurance matters for the Group in close coordination with the Divisions.</li> <li>&gt; Ensure compliance with all relevant laws and regulations, as well as the respect of Tarkett's codes on business ethics, anti-corruption and fair competition in close coordination with the Divisions Legal Departments.</li> </ul>
Executive Vice President for Human Resources and Communications	<ul style="list-style-type: none"> <li>&gt; Oversee the deployment of Tarkett's Talent Management Guiding principles.</li> <li>&gt; Promote diversity and inclusion, employee health and well-being, career development and internal mobility.</li> <li>&gt; Organize social dialogue, such as the European works council.</li> </ul>
Executive Vice President for Research and Development and Operations	<ul style="list-style-type: none"> <li>&gt; Ensure product eco-design according to Cradle to Cradle® principles, innovation, and responsible sourcing.</li> <li>&gt; Improve the Group's operational performance to enhance safety, customer satisfaction and productivity notably by supporting division teams through Tarkett's World Class Manufacturing system.</li> </ul>
Group Chief Information Officer	<ul style="list-style-type: none"> <li>&gt; Accelerate the digitalization of our internal and customer-facing processes through efficient and modern technologies, such as Modern Workplace, cloud-based solutions and business intelligence.</li> <li>&gt; Maintain IT platforms supporting the daily needs of employees, customers, suppliers and operations.</li> <li>&gt; Secure Tarkett against cyber-security threats.</li> </ul>
Chief Financial Officer	<ul style="list-style-type: none"> <li>&gt; Oversee the company risk mapping, mitigation, and internal control.</li> <li>&gt; Review business plans and ensure the monitoring of progress against strategic targets.</li> </ul>
Presidents of Tarkett's 4 Divisions	<ul style="list-style-type: none"> <li>&gt; Set up specific division's strategy to achieve Group targets and ensure its operational deployment. This work is led by division sustainability managers who mobilize networks of local experts and managers in the plants and sales networks with the assistance of Group support functions (Sustainability, R&amp;D and Operations, HR, Legal, Finance, IT).</li> </ul>

## CSR governance

**Group Sustainability Committee**

- > The committee is composed of sustainability managers from Tarkett's divisions, managers, and experts from Internal Audit, Purchasing, Operations, Research and Development, Finance, Human Resources and Communication. 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 adequation 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. In 2023 the committee met seven times notably reviewing upcoming regulations and their potential impacts, coordinating the deployment of sustainability knowledge amongst our employees, ensuring good alignment between actions and market requirements, checking changes related to CSR risks and opportunities, and working on Tarkett's objectives and action plans to continuously reduce our environmental impact.

**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 is comprised of senior HR executives from Tarkett's divisions, the Group Compensation & Benefit Director, the Group Communications Director and the Group HR Development Director. The team regularly reviews the execution of the actions related to Tarkett's 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 2023, the team focused its actions on enabling a culture of entrepreneurship (developing leaders on the pillars of the impacT strategy, continuing the simplification and digitalization of HR processes through Workday), engaging teams in Tarkett's success (conducting the Employee Feedback Survey, building an engaging communication plan, reactivating Tarkett Cares, promoting diversity and inclusion, continuing Tarkett Leadership program), and delivering impactful human resources (extending Talent Review coverage, deploying the new Employee Value Proposition, launching the HR Upskilling project to develop the HR community).
- > The **Group anti-corruption committee**, established in 2020, leads Tarkett's anti-corruption program.

- > The **innovation program management**, implemented in November 2019 and revised in 2023, accelerates innovation and leverages synergies for delivering on the Impact 2027 Strategy. The program focuses on Tarkett's key priorities to support the Impact 2027 Strategy. The specific programs, which include one on Climate and Circular Economy, are led by global program managers who drive the work and ensure support to the Divisions. Progress of innovation programs is regularly reviewed by the Executive Management Committee and by the Supervisory Board CSR & Innovation Committee.

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

- > CSR objectives, along with initiatives and achievements, are regularly **shared with company employees**, in particular via internal newsletters, intranet news, quarterly information sessions to managers, and training. Progress and challenges are also shared with the senior executives as part of quarterly results presentations.
- > Our commitment and results are also **presented to the shareholders** during the annual Shareholders Meeting, and to all our stakeholders via our different publications (the annual Universal Registration Document with the non-financial statement / annual CSR report, our Sustainability Brochure and on Tarkett Group website).
- > **Tarkett Sustainability week**: Tarkett held global and local events and initiatives in the days leading up to the UN's World Environment Day (5<sup>th</sup> June), to celebrate achievements, to prepare future action, and to involve each and every one in protecting together our planet. Tarkett's Chief Sustainability & Innovation Officer kicked off the week with a video explaining Tarkett's sustainability roadmap and how the whole company is engaged in the transformation.
- > Targeted **training programs on sustainability for our sales force and marketing teams** so that they can communicate and engage more impactfully with our customers on these matters (see section 3.10.4.2 Facilitating learning & development programs).

## CSR governance

**CSR performance linked compensation**

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

- > 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, the 2021-2024, the 2022-2025 and the 2023-2026 LTIP** (Long-Term Incentive Plans) criteria. The GHG emissions and circular economy objectives form part of Tarkett's strategy aiming to transition to a circular economy, a central part of Tarkett's response to climate-related risks and opportunities. In total, some 181 to 240 managers and executives worldwide, depending on the plan, have part of their LTI grant related to the achievement of these two objectives.
- > Furthermore, all the members of the Executive Management Committee (EMC) have:
  - An annual bonus multiplier that will apply for the first time on the 2023 annual bonus and results. This multiplier is based on three objectives: Group carbon intensity in kgCO<sub>2</sub>eq per ton of finished goods manufactured (scope 1, 2 and 3 for raw materials); safety, with Recordable Lost Time Accident (LTA) Frequency Rate (FR1t) objective (Group & divisions); and Group diversity through the percentage of women amongst director level and above. This multiplier will impact the bonus payment (-2% if a least one of the objectives is not reached, +5% if all objectives are reached, and +10% if all objectives are reached and at least one is over-performing);
  - Other CSR objectives depending on their areas of responsibilities which impact their variable remuneration.
- > At plant and Division level, **health, safety and environmental 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 (and thus their variable remuneration) 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.
- > At plant level, some **managers and operators** may have their personal objectives related to the deployment of Tarkett's Impact2027 strategy and the implementation of Tarkett's sustainability 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.

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

The reporting process of CSR / sustainability indicators is managed and consolidated by the Group Sustainability department with the support from the different relevant functions (including Finance, Operations, 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 3.12.4 Report of Independent Third-Party Organization).

**A detailed, rigorous, and audited reporting process:** The reporting process is documented in a comprehensive CSR reporting guide, which provides the Group and all teams involved in the CSR reporting at all levels of the organization with clear instructions, definitions and guidelines. This guide, which is reviewed annually, 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 (see section 3.12.4 Report of Independent Third-Party Organization).

### 3.2.3 Adhering to international standards

Tarkett's commitment, as well as the CSR report, the dashboards, the 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 (GDPR);
- > the ten principles of the United Nations Global Compact (UNGC);
- > the applicable Sustainable Development Goals (SDGs) defined by the United Nations;
- > the Global Reporting Initiative (GRI) Standards (see section 3.12.3 GRI and DPEF concordance table);
- > the Task-force on Climate-related Financial Disclosures (TCFD);

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

The Group follows dashboards, which notably include Tarkett's environmental and social objectives for 2025 and 2030. In 2022 Tarkett implemented a new online CSR reporting tool (Reporting 21) to further facilitate access at all levels to CSR results and KPI. The easy-to-use tool will allow the creation and regular monitoring of dashboards on CSR topics such as plant environmental performance, employee safety, diversity, and development. This will enable the different entities to drive their performance and focus their efforts on the material challenges associated with their local 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 specific "networks" (Operations, HR, etc.).

- > the 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;
- > the setting of ambitious GHG emissions reduction targets (Scopes 1 & 2 and Scope 3) covering the whole value chain with the Scope 1 & 2 reduction target in line with the Paris Agreement's aim of limiting the global temperature rise to 1.5°C, following the Science-Based Target Initiative (SBTi) methodology and criteria (target approved by SBTi in December 2022);
- > 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 AFEP-MEDEF recommendations, notably regarding corporate governance and the DPEF.



### 3.3 CSR risks and opportunities

At our scale and with our resources, our ambition is to have a positive impact on our customers, our teams and our planet:

WORLD'S CHANGES	CHALLENGES TARKETT CAN CONTRIBUTE TO
<p>By 2050, one in six people in the world will be over age 65 (16%), up from one in ten in 2022 (10%), and nearly two thirds of this population will live in cities, according to the United Nations.</p>	<p><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.).</p>
<p>With a world's population over 8 billion in 2023 and expected to reach 9.7 billion people by 2050 according to the UN, the pressure on natural resources will continue to rise and become an even greater critical issue in the future. The 2019 Global Resources Outlook report from the UNEP International Resource Panel 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 million tons by 2060.</p>	<p><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.</p>
<p>According to the UN's IPCC, CO<sub>2</sub> emissions need to be cut 45% by 2030, compared to 2010 levels to meet the Paris Agreement goal of limiting temperature rise to 1.5°C by the end of this century. With UNEP reporting that the buildings and construction industry represents around 37% of global operational energy and process-related CO<sub>2</sub> emissions (Global Status Report for Buildings and Construction, 2022 UNEP Global Alliance for Buildings and Construction), the UNEP Executive Director called for more bio-based and recycled materials and a move towards circularity in the building and construction sector.</p>	<p><b>Reduce greenhouse gas (GHG) emissions</b> by reducing our energy consumption and using renewable energy sources. We can reduce, both, our greenhouse gas emissions in our production cycle, and the emissions 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, recycling after use instead of incineration which emits more CO<sub>2</sub> and by limiting the distance necessary to deliver with production sites close to our clients. <b>Recycling flooring waste is essential to reducing climate impact</b>. As well as saving virgin raw materials, it has a substantial contribution to avoiding GHG emissions as it avoids valuable waste heading to landfill or incineration.</p>
<p>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.</p>	<p>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.</p>
<p>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.</p>	<p><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, promoting transparency and proximity with local communities, and the development and diversity of talents. In short, <b>be the easiest, the most innovative, and the most sustainable flooring and sport surfaces company to work for, and to work with</b>.</p>

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.

### 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 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 2023 there were no major evolutions in Tarkett's risk mapping. In 2020, given the emergence of certain risks and the global health crisis, an in-depth review of the group's risk mapping had been carried out to reassess individually each risk and integrate any new potential or proven risks. This process saw the risk of pandemics 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 measures and
- > the level of the potential absolute and residual impacts.

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

- > Our Chief Sustainability & Innovation Officer regularly collects information on **risks and opportunities during meetings with customers and suppliers**, to better understand their priorities and align Tarkett's strategy accordingly.
- > At manufacturing sites, **Health, Safety and Environmental (HSE) risks** are identified and evaluated locally (which includes annual site audits by a third-party consultant – ERM) and through the management systems for health and safety (ISO 45001), environment (ISO 14001) and energy (ISO 50001), which are implemented at most of our sites (see List of plant ISO certifications in Appendix).
- > 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 3.9.1.1 Deploying our responsible sourcing program).
- > A specific **corruption risk mapping**, developed in 2017 in line with the requirements of the "Loi Sapin 2" was reviewed and regularly updated (see section 3.11.2 Preventing corruption) to meet the latest requirements of the French Anti-Corruption Agency.

## 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 2021 Tarkett completed 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 was undertaken with the assistance of Carbone 4, an independent climate consulting firm, led to Tarkett revising its climate objective to be aligned with the aim of limiting the global temperature rise to 1.5°C, consistent with the Paris Agreement. The work included 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 findings of this double materiality risk and opportunity mapping were presented to Tarkett's Supervisory Board's CSR Committee.

**EU Taxonomy**

The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities with the aim of helping the EU scale up sustainable investment and implement the European green deal. The EU taxonomy provides companies, investors, and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. The first Delegated Acts, adopted in June 2021, set out a list of economic activities in the sectors that are considered most relevant for addressing climate change mitigation and climate change adaptation and thus having the potential to make a substantial contribution to the EU's environmental goals on climate. Examination of Tarkett's principal activities based on NACE codes<sup>1</sup> (European Nomenclature of Economic Activities) found flooring and sports surface manufacturing not to be covered by these Climate Delegated Acts. In 2023, Tarkett analyzed its eligibility for each of the newly defined environmental objectives, according to the requirements published in the Delegated Act on 27/06/2023 (EUR-Lex - C(2023)3851). The Group has not identified any eligible sales as its activities are not considered, in the Taxonomy's sense, to make a substantial contribution to these other environmental objectives. In addition, due to the absence of eligible sales, investments related to activities contributing to sales could not be qualified as eligible. As a result, the various actions taken to reduce the carbon footprint of the Group's activities, products, services and production activity could not be qualified as eligible in the capital expenditure indicators. Nevertheless, Tarkett remains strongly committed to contributing to climate mitigation, entirely aligned with its strong 2030 climate ambition (For more details on our set of commitments and actions see section 3.7 Responding to the climate emergency with good environmental management and a circular economy approach and see detailed annexes and tables starting on page 242).

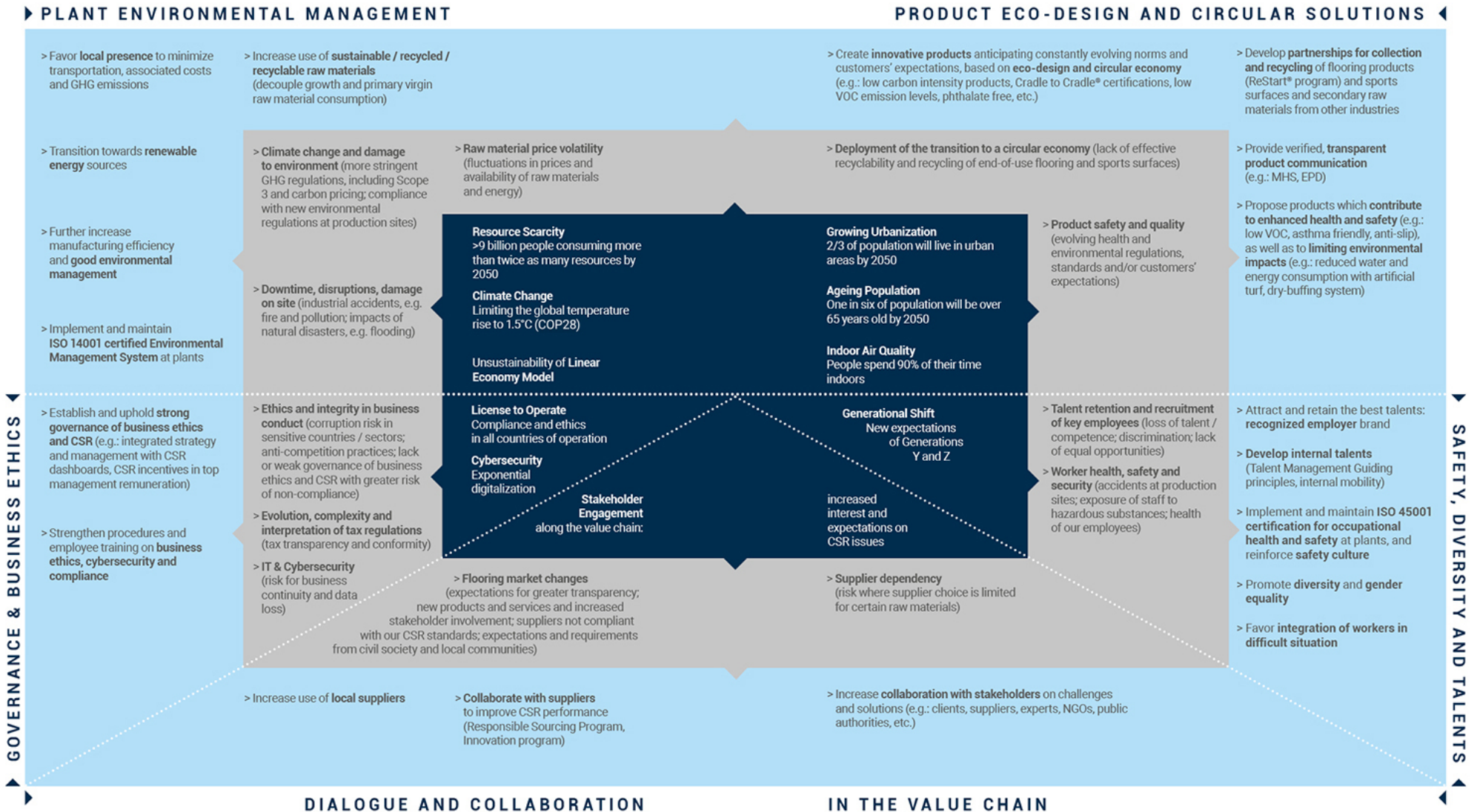
**The company risk mapping** is also completed with an evaluation of the probability of each risk materializing in the next five years to further qualify the materiality of the risks in accordance with the EU Prospectus Regulation (EU 2017/1129) and the European Securities and Market Authorities guidelines published in 2019. The risk mapping identified 17 material risks, which are presented in Chapter 6 "Risk factors and internal control" of the 2023 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 regulations; IT and cybersecurity; and pandemic) which are also covered in this CSR report.

<sup>1</sup> C13.93 Manufacture of carpet and rugs (including artificial turf), C16.22 Manufacture of assembled parquet floors, C22.19 Manufacture of other rubber products, C22.23 Manufacture of builders' ware of plastic

CSR risks and opportunities

### 3.3.2 Mapping key challenges, risks and opportunities

Worldwide Challenges Risks for Tarkett Opportunities for Tarkett



3

## CSR 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

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

## Strategy – climate-related risks and opportunities

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):

- > The risk of Tarkett on climate through excessive growth of GHG emissions from operations (use of fossil fuels and purchased electricity) and/or from upstream and downstream activities associated with its products (i.e., product life cycle GHG emissions)
- > The risks of climate change on Tarkett are mainly transition risks, such as:
  - 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.
  - Technology, for example access to / development of necessary technology to enable Tarkett to meet growing market demand of low-carbon circular flooring products.
  - 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.
  - Reputation, associated with not achieving our climate-related objectives or losing the trust of our customers on Tarkett's commitments.
- > **Opportunities include:**
  - 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.
  - 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 limit raw material costs, secure raw material sourcing, limit greenhouse gas emissions and meet growing customer demand for responsible products.

In 2023, Tarkett performed an assessment of the potential financial effects arising from its main climate-related risks and opportunities. For four key risks (restriction on the use of certain raw materials, increased cost of raw materials, introduction of carbon taxes, changing customer behavior) and three key opportunities (use of recycled raw materials, improvement of production / energy efficiency, development of low carbon circular products), Tarkett estimated the costs to respond to the risks / to realize the opportunities (Opex / Capex), and the potential range of financial impacts (e.g., in terms of costs, net sales, gross margin).

CSR risks and opportunities

### 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.
- > Regular presentation to the Audit, Risk and Compliance Committee, which is in charge of ensuring the effectiveness of risk-monitoring and internal control procedures as well as presentation of CSR risks and opportunities to the CSR Committee.
- > 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 Cradle to Cradle® (C2C) principles for eco-design; Innovation programs for climate and circular economy, and health and well-being; and ReStart® for 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 2023, namely:

- > **Section 3.2 CSR governance**, for risks and issues related to governance
- > **Section 3.5 Stakeholder engagement**, for risks and issues related to anticipating and responding to stakeholder expectations, and collaborating with the value chain
- > **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
- > **Section 3.11 Applying transparent business and ethical standards**, for risks and issues related to business ethics and IT cybersecurity

Concerning the risk "pandemics", 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 System

WCM is the Tarkett Operational Excellence System 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. It is a key tool to manage risks while improving performance at plant level.

WCM is applied globally across Tarkett using a proven methodology based on maturity roadmaps, a central dedicated team at Group level, and local division coordinators who help reach objectives defined by local teams, through coaching, training and sharing of best practices. Completion of internal WCM assessments enable the teams to monitor the progress of production sites and to define action plans.

CSR risks and opportunities




### 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. **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.

The 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, **along with responding to the climate emergency**, 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, along with action on climate mitigation, are covered by and consistent with the identification of our CSR risks and opportunities.

In 2024, we plan on conducting a double materiality assessment, in line with the requirements of the European Corporate Sustainability Reporting Directive (CSRD) and its accompanying European Sustainability Reporting Standards (ESRS), to update the identification and assessment of sustainability-related impacts, risks and opportunities along our value chain (upstream, own operations, downstream).

## 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 Tarkett's direct operations, and the activities of our subcontractors and suppliers with whom Tarkett has a commercial relationship. 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 Group level, HSE risks are identified and evaluated by the Audit Department and the Compliance Officer in collaboration with the Executive Vice President for Research & Development and Operations and the Group Safety Director.
- > At manufacturing sites, HSE risks are identified and evaluated locally in accordance with the WCM system and through the management systems implemented at most of our sites<sup>1</sup>: 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. However, we are aware that current geopolitical trends could 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 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 is conducted internally on a continual basis by local HSE experts using guidance, procedures and methods provided by the Group (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 ISO 45001, ISO 14001 and additionally in some cases ISO 50001.

<sup>1</sup> See full list of plant ISO certifications in Appendix

At supply chain level, the third-party supplier CSR evaluation by EcoVadis, which started in 2019, continued in 2023 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). In 2023, Tarkett continued to conduct third-party social and human rights audits at its outsourced Luxury Vinyl Tile suppliers in China and in other countries such as Vietnam. Ten audits on ethics and six audits on products / materials traceability have been conducted in 2023. .

### 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 3.11.1 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 2023, namely:

- > Section 3.5 Stakeholder engagement, for managing risks related to anticipating and responding to stakeholder expectations, and collaborating with the value chain
- > 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
- > Section 3.7 Responding to the climate emergency with good environmental management and a circular economy approach, for managing climate-related risks;
- > 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 3.10 Nurturing our human capital, for managing risks related to our employees' health and safety
- > Section 3.11 Applying transparent business and ethical standards, for managing risks related to human rights, business ethics, and compliance



Stakeholder engagement








## 3.5 Stakeholder engagement

To positively impact not only people's daily lives but also the generations to come, we have to start with a profound understanding of people, those who create with our products, those who rely on them and those who care for them. Having a deep human understanding is thus one of the key commitments of the Tarkett Human-Conscious Design® initiative.

Tarkett recognizes that constant dialogue and engagement with the whole value chain and wider community is essential to achieve its objectives of best serving its customers and contributing to addressing societal challenges. In this respect, Tarkett proactively engages

with stakeholders on a wide variety of topics, such as building a circular economy, designing for diversity, rethinking the workplace, preparing hospitals for the future, or sustaining the game with sustainable solutions for sports surfaces.

Tarkett facilitates this dialogue and engagement locally by creating in each country multiple occasions to meet, to listen, to share, to inform and to learn with all those interested in Tarkett's products, services, and activities. The following table highlights the principal ways that Tarkett engages dialogue and collaboration with its stakeholders.

Our stakeholders	Principal means of dialogue	Frequency (up to 4/yr   5-12/yr   >12/yr)	Section for more information in this report		
<p>Customers, architects, designers, installers, and end-users</p>	<ul style="list-style-type: none"> <li>&gt; Social media, internet, email</li> <li>&gt; Tarkett showrooms</li> <li>&gt; Tarkett Academy &amp; continual professional development (CPD)</li> <li>&gt; Transparency tools: Material Health Statements (MHS®), Cradle to Cradle® certification, specific Environmental Product Declarations (EPDs), Asthma and Allergy friendly® certification, and other product certifications and information tools</li> <li>&gt; Product brochures and documentation</li> <li>&gt; Tarkett ReStart® take-back and recycling program</li> </ul>		<p>3.5, 3.6, 3.7, 3.8, 3.9</p>		
	<ul style="list-style-type: none"> <li>&gt; Conferences, exhibitions, trade shows (both physical and virtual)</li> <li>&gt; Tarkett hosted events (Circles of architects) and webinars</li> <li>&gt; Tarkett Green Tours presenting our sustainability approach and initiatives on our production sites in Narni (Italy), Clervaux (Luxembourg), Ronneby (Sweden), Sedan (France), Waalwijk (Netherlands) and Otradny (Russia)</li> <li>&gt; White papers</li> <li>&gt; Supplier assessments (such as EcoVadis CSR assessment)</li> </ul>				
	<p>Employees, other workers, schools and universities</p>	<ul style="list-style-type: none"> <li>&gt; Multidisciplinary working groups</li> <li>&gt; Tarkett-Inside intranet &amp; Workday</li> <li>&gt; Internal communities (e.g. Safety, Environment)</li> <li>&gt; Employee Resource Groups</li> <li>&gt; Job fairs and career section of corporate website</li> </ul>			
		<ul style="list-style-type: none"> <li>&gt; Internal newsletter One Tarkett Experience</li> <li>&gt; Focus days / weeks (e.g. Global Safety day, Sustainability week, Diversity and Inclusion week...) ...)</li> </ul>			<p>3.10</p>
		<ul style="list-style-type: none"> <li>&gt; Annual Performance and Development Dialogue</li> <li>&gt; Employee feedback surveys</li> </ul>			
		<ul style="list-style-type: none"> <li>&gt; Internal webinars</li> <li>&gt; Annual meeting and quarterly conference calls on financial, strategic and CSR topics for senior executives</li> </ul>			
		<ul style="list-style-type: none"> <li>&gt; Social dialogue with worker representatives, such as with the Tarkett Forum in Europe</li> <li>&gt; Partnerships with local schools / universities</li> </ul>			

Stakeholder engagement

Our stakeholders	Principal means of dialogue	Frequency (up to 4/yr   5-12/yr   >12/yr)	Section for more information in this report
Suppliers, service providers and other business partners	<ul style="list-style-type: none"> <li>&gt; Responsible sourcing program: supplier code of conduct, supplier CSR assessment, raw material assessments</li> <li>&gt; ReStart® take-back and recycling program</li> <li>&gt; Third-party recycling programs (e.g. Valobat in France, Carpet America Recovery Effort in US, AgPR in Germany)</li> <li>&gt; Circular economy partnerships and collaborative projects</li> </ul>	 	3.6, 3.7, 3.9
Shareholders, investors, creditors, and the financial community	<ul style="list-style-type: none"> <li>&gt; Tarkett websites (<a href="https://www.tarkett-group.com">https://www.tarkett-group.com</a>) with dedicated information on health and well-being, climate and circular economy, and social responsibility</li> <li>&gt; Response to questions on ESG topics from investors, creditors, proxy advisors, analysts, and rating agencies</li> <li>&gt; Presentations to creditors and asset management companies</li> <li>&gt; Supervisory Board and its special CSR &amp; Innovation Committee</li> <li>&gt; Shareholder's Annual General Meeting</li> <li>&gt; Financial statements / Universal Registration Document / CSR Report</li> </ul>	  	3.1, 3.5
Trade associations, business networks, academic and scientific institutions	<ul style="list-style-type: none"> <li>&gt; Industry trade and professional associations (e.g. European Plastics Converters, European Parquet Federation, European Resilient Flooring Manufacturers' Institute – ERFMI, Vinyl Sustainability Council)</li> <li>&gt; Scientific institutes and experts (e.g. Cradle to Cradle Products Innovation Institute, Environmental Protection Encouragement Agency – EPEA and Carbone 4)</li> <li>&gt; Industry projects (e.g. EU Circular Plastics Alliance, ERFMI Circular Economy Platform)</li> <li>&gt; Think tanks (e.g. Globe EU Bee Group, Circular Sweden and Cireko in Sweden,, the Shift Project, Green Future Lab)</li> <li>&gt; Research projects</li> </ul>	  	3.5, 3.6, 3.7
Public authorities, intergovernmental, non-governmental and not-for-profit organizations	<ul style="list-style-type: none"> <li>&gt; Conferences, webinars, and other meetings</li> <li>&gt; Industry projects and initiatives (e.g. Green Building Councils, Asthma and Allergy organizations)</li> <li>&gt; Public consultations (e.g. EU Taxonomy, EU New European Bauhaus, OECD Sustainability Criteria for Plastics Design)</li> <li>&gt; Public-Private projects (e.g. Circular Flooring EU, EU Circular Plastic Alliance)</li> <li>&gt; Participation to standardization work (e.g. Cradle to Cradle Certified, ISO TC323 on future ISO Circular Economy standard)</li> </ul>	 	3.5, 3.6, 3.7, 3.8
Local communities	<ul style="list-style-type: none"> <li>&gt; Tarkett Cares community initiatives</li> <li>&gt; Tarkett Foundation</li> <li>&gt; Tarkett Green tours and other plant open days</li> <li>&gt; Local sponsorships</li> </ul>		3.9

## Focus

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

Our clients face various challenges and have continually increasing expectations, for example:

- > Installers and contractors need to easily install new flooring and sports surfaces, as well as remove and recycle post-installation and old flooring / sports surface waste without difficulty. Architects and designers need to select materials meeting more and more stringent criteria on certification and standards regarding indoor air quality, healthy spaces, climate, and recycling, requiring transparent information on the composition of our products and solutions to facilitate their recycling during future renovations.
- > Distributors need to offer products responding to market trends, requiring support for sales force, notably regarding products' technical and environmental characteristics, and assurance of timely product availability.
- > Final users, who live, work and play on our flooring and sports surfaces on a daily basis, do not want to compromise on price, design (visual aspect), performance (comfort, resistance, acoustics, safety, easy maintenance) and respect for health and the environment.

#### Focus: Tarkett Showrooms – a place to engage with Tarkett on flooring and Tarkett Human-Conscious Design®

Tarkett has 38 showrooms in a number of markets providing space to welcome clients, architects, designers and others to see and feel Tarkett's range of flooring and sports surface solutions and to engage with Tarkett on topics from design and material choice, to installation, maintenance, indoor air quality, the circular economy, post-use recycling, and more. At the beginning of 2023, Tarkett opened a new office and showroom in Warsaw, Poland: over more than 900 square meters, it provides an opportunity to display our product range and its unparalleled creative potential. In July 2023, Tarkett UK opened its new showroom, Tarkett Atelier, on St John's Street in Clerkenwell (London), replacing the previous Great Sutton Street showroom which closed its doors in December 2022. These joined our existing showrooms in the US, Australia, North Africa, Middle East and throughout western and eastern Europe (see full list of Tarkett showrooms in appendix).

#### Focus: Tarkett Sustainability Week to mobilize teams towards our sustainability goals

Between 29th May and 5th June (World Environment Day) 2023, the 3rd edition of Tarkett Sustainability Week took place. Different activities were organized across the globe, in our offices and our plants, with one common objective: show how each and every function is actively contributing to our ambitious sustainability roadmap for 2030. The week kicked off with a video about how we are all contributing to sustainability at Tarkett and how we will reach our ambitious 2030 roadmap. We also heard from our colleagues from India, Canada, USA, Germany, Australia, France and Russia thanks to their video testimonials and to a lively roundtable discussion with our partner company Ikea showing how we are all taking sustainable action.

Many initiatives were organized locally during the week, including:

- > **At Dalton (US)**, 20 employees volunteered to remove the labels from the LVT samples, turning this waste into a valuable resource instead of sending it to a waste-to-energy facility. At the end of the day, the teams sent over circa 2,300 kg of perfectly recyclable LVT samples to Avery Automats, a Dalton-based manufacturer who can use our LVT samples as raw material in their production.
- > Microplastic awareness workshops were organized at **Konz (Germany)** and at **Sedan (France)**.
- > **At Konz (Germany)**, a donation for planting 100 new trees and 50m<sup>2</sup> flower meadow was made.
- > **At Sedan (France)**, a climate fresh workshop was organized to raise climate awareness for employees; and waste sorting was conducted in partnership with environmental services company Suez.
- > **At Mytishchi (Russia)**, tree planting (8 spruces and 2 thujas) was done by employees around the plant; while the "Return wastepaper - save the trees" action by employees collected 1,700 kg of paper for recycling.
- > **At Otradny (Russia)**, several initiatives were completed: the "Waste paper in exchange for seedlings" project saw the delivery of wastepaper (3,320 kg) and the planting seedlings of shrubs (15) and flowers (200) on the land of the plant; the "Good caps" project led to the transfer of material collected with involvement of schools; a historical film about environmental projects implemented at the plant over the years was shown to raise environmental awareness among employees; a competition of children's drawings on the topic of environmental pollution with plastic waste was organized to raise awareness among younger generation; and a Green Tour was organized for school children.
- > **At Orzechowo (Poland)**, over 150 employees and their families planted 2,500 beech seedlings during a 2h volunteer action.
- > **At Narni (Italy)**, a tree planting action 'Let's plant together the roots of sustainability' was conducted.

## Stakeholder engagement

**Focus: Events organized by Tarkett in North America for architects and designers**

In 2023, Tarkett North America organized several events to engage with architects and designers:

- > In June, Tarkett welcomed design professionals to its Chicago Fulton Market Showroom (US) for its **Design Days**, an annual showcase of the latest in commercial products and design to share how we're redefining our approach to design. During three days packed with inspiring talks and events, the showroom became the Co.Lab™: focusing on the power of collaboration and community, it hosted a series of educational sessions, hands-on art activities and roundtable discussions with some of the leading voices in the design industry. Panel presentations included topics such as partnering to create a circular economy, and the impact of materials on social equity and health of communities.
- > In September, Tarkett North America organized a **Sustainability Leadership Summit** in Park City, Utah (US). Tarkett teams from departments as diverse as sustainability, design, sales, segment & product development discussed with 18 leading architects and designers. Guest speakers shared their ideas, and panel discussions, presentations and small group discussions were organized all along the summit. The discussions focused on deconstruction, repurposing material, and healthy material construction.

Tarkett North America is also a member of panels and a regular speaker at industry events, including the Resilient Flooring Covering Institute (RFCI), the International Interior Design Association (IIDA), the US Green Building Council, and the Vinyl Institute.

**Focus: Participation in trade fairs and conferences**

In 2023, Tarkett participated in several trade fairs and conferences to connect with customers, architects and designers:

- > With more than 250,000 trade visitors from all over the world, the **BAU fair in Munich (Germany)** is the leading bi-annual international trade fair for architecture, materials, and systems. Tarkett was present with a booth demonstrating our commitment to circularity and end-of-life recycling. The stand's design centered on our START/RESTART concept, highlighting our dedication to eco-design and Cradle-to-Cradle® principles as well as our pioneering work on creating circular loops through Tarkett's ReStart® take-back and recycling program.
- > Tarkett Brasil was present at **ExpoRevestir in São Paulo (Brazil)**, the biggest trade show in our segment in Latin America that took place in March. Tarkett reinforced its




leadership in the vinyl market, launching new designs in National LVT, with a 300 m<sup>2</sup> stand that addressed innovation and sustainability. During the four days of the fair, more than 7,000 visitors passed by our stand, including architects, resellers and international suppliers.

- > In October 2023, Tarkett Mexico participated in the 33rd edition of **Expo CIHAC in Mexico City (Mexico)**, the most important construction, engineering, architecture and design event in Latin America that brought together more than 18,000 visitors.
- > The Tarkett UK & Ireland teams attended the **Workspace Design Show in London (UK)** in February with their 100% recyclable, 'Made to be Remade' stand. The stand featured the materials that create the award winning DESSO Origin carpet collection, as well as the EMEA Carbon Calculator being available on monitors so visitors could measure their impact on the planet. A total of 11 Tarkett UK representatives attended the event where a total of 261 leads were generated.
- > Tarkett participated in the **Stockholm Furniture Fair (Sweden)** in February. Four stands were fitted with Tarkett's products such as DESSO Recharge carpet tiles, homogeneous vinyl collection iQ Eminent, or Lino Originale Essenza+. The material used for the several stands were all circular, reflecting Tarkett's commitment to building "The Way to Better Floors".
- > In March, our teams in Japan participated in the 2023 edition of the **Japan Shop exhibition**. Across four days, they welcomed 1,000 visitors at the international shop systems and fixturing event, with our Tarkett booth highlighting some of our latest innovations.
- > Tarkett was part of the **10th European Conference on Healthcare Engineering** that took place in Paris (France) in June 2023. This biennial conference is the biggest event of its kind in Europe and can be seen as the most important platform for the discussion of hospital-specific technical and associated managerial topics. Tarkett spoke about post-use recycling for our homogeneous vinyl products, presenting a concrete case that took place in the UK, University College London Hospital.
- > In North America, Tarkett attended in November the **Healthcare Design Conference in New Orleans (US)**, participating in a session to discuss the implications of materials on health equity. This session explored how a focus on healthy design principles, materials selection, building standards, and policy actions can positively impact patients, employees, and the community.
- > Our Chief Sustainability & Innovation Officer took part in the **EcoVadis Sustain 2023** virtual stakeholder conference to discuss the journey to a net-zero future.

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

## 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	2023	2022	2021	Objective 2030	CSR Report section	Contributing towards UN SDGs
<p>Raw material price volatility</p> <p>Supplier dependency</p>	<ul style="list-style-type: none"> <li>&gt; Materials selection as part of New Product Development Process (NPDP)</li> <li>&gt; Maximize recycled content in our products: post-installation / end-of-use flooring; secondary raw materials from other industries</li> <li>&gt; Diversification of supplier's portfolio and use of local suppliers</li> </ul>	Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled)	69%	69%	70%	85%	3.6.1	 
<p>Product quality and safety</p> <p>Flooring market changes</p>	<ul style="list-style-type: none"> <li>&gt; Systematic materials assessment based on Cradle to Cradle® criteria</li> <li>&gt; Transparent product information, e.g. Material Health Statements, Environmental Product Declarations</li> <li>&gt; Cradle to Cradle® 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	94%	95%	97%	-	3.6.1.	

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

### 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. 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 mineral 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.

**Tarkett favors the use of natural abundant and renewable materials whenever possible. This is especially the case today in parquet, laminate, and linoleum flooring** as well as in certain vinyl floorings and sports surfaces. For example:

- > Tarkett has produced wooden floors since 1886. The wood raw material is sourced from forests located close to our factories in Europe. A vast majority of our wood raw material (pine and spruce) comes from well-maintained forests in Sweden and Finland where the growth exceeds logging. The hard wood (oak) is mainly sourced in Poland, Ukraine and the Balkans. Tarkett takes care of using a large proportion of the 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.
- > In recent years Tarkett has expanded its use of renewable materials, with bio-based plasticizers now used in its luxury vinyl tiles produced at Jacareí, Brazil and in its iQ Natural homogeneous vinyl flooring collection produced at Ronneby, Sweden.

- > In 2023, Tarkett EMEA launched iD Evolution, a non-PVC collection of modular tiles made from 64% mineral content sourced from two natural resources: chalk and brucite.
- > 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 and in Europe, and PureGeo which uses coconut peat and cork. PureGrain, our latest offering launched in 2023, is a 100% plant-based infill crafted entirely from corn: sourced from the woody part of the corn cob, it is a corn seed by-product cultivated in France without the use of any GMOs.

**Using an ever-greater share of recycled materials is central** to Tarkett's climate and circular economy objectives. 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 ensure recyclability and to increase the uptake of recycled material). This applies to both flooring and sports surfaces, with for example, over 35% recycled content in certain homogeneous and heterogeneous flooring, luxury vinyl tile flooring, and linoleum, over 60% in certain carpet flooring solutions, over 30% in certain artificial turfs, and up to 60% in certain sports indoor surface layers.

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

## Example

### Launching recyclable products with more recycled content

In recent years, we launched several new flooring and sports surfaces products which contain more recycled materials and are themselves recyclable. Some examples are provided below:

- > Safetred Serenity vinyl safety floors are made using around 40% recycled content and are fully recyclable in the UK at our facility in Kent.
- > Our new Elegance and Essence Rigid 55 vinyl collections manufactured in Europe are made with 30% recycled content on average.
- > The ICONIK vinyl roll collection produced in Clervaux (Luxembourg) and Konz (Germany) plants is made up of up to 27% recycled content, including 100% of the PET fibers used in textile backing from recycled sources.
- > In North America, the LVT iD Latitude collection is made with 45% recycled content, while the Color Pop collection is made with 30% pre-consumer recycled content.
- > In EMEA, DESSO Fuse Landscape is a fully recyclable carpet tile collection made with 100% recycled yarn and 62.4% overall recycled content.
- > Inspired Nature is a carbon-neutral collection of modular carpets commercialized in North America: offered on Tarkett's ethos® Modular with Omnicat Technology® carpet backing, it contains 48-64% overall recycled content.
- > Tarkett Sports' FieldTurf proposes infills composed of recycled materials such as ProMax HydroFlex infill manufactured in Germany, 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.
- > Tarkett Sports' indoor flooring with the latest Omnisport X3LT 3-layer technology incorporates a calendared layer with up to 60% recycled content.

## Case study

### Environmentally-conscious synthetic turf project in partnership with University of St Andrews

The synthetic turf installed by FieldTurf at St Andrews University (UK) is one of the most technologically advanced sustainable solutions installed anywhere in Europe: Vertex Core Prime is designed with an inner core made from 40% recycled polyethylene delivering excellent resilience, combined with a soft outer shell made from virgin polyethylene for ultimate player-friendliness. The core of the fiber uses recycled polyethylene whilst the outer shell of the fiber uses ISCC+ certified chemically recycled raw materials. The synthetic turf system installed combines market-leading fiber technology using recycled components, natural infill to deliver optimum playing performance and the field itself has been carbon offset certified with a view to reducing the carbon impact of the project.

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

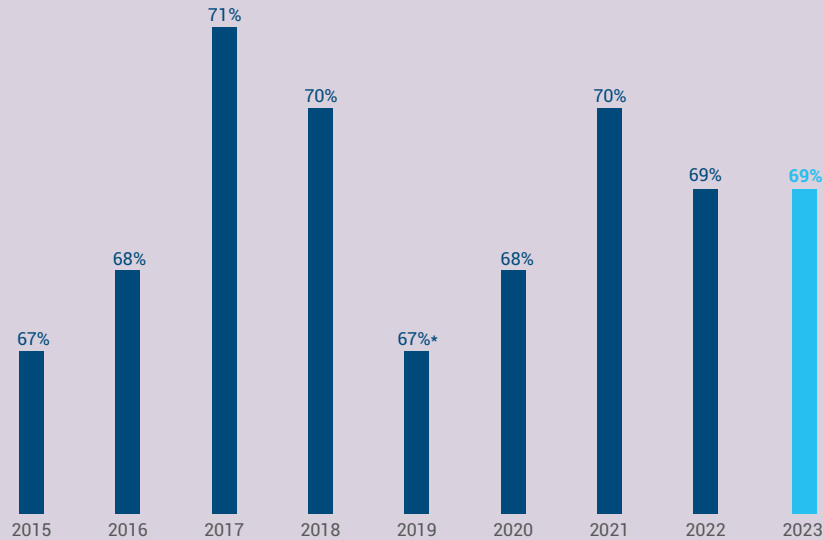
**Zoom on key indicators**

**Raw material selection to preserve natural resources**

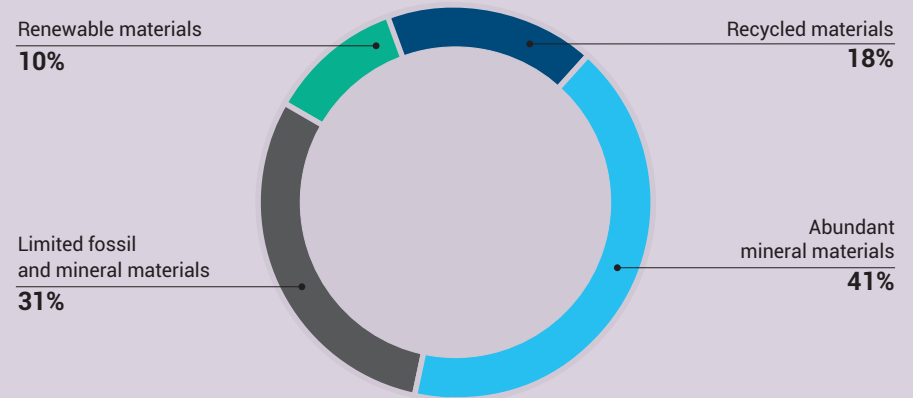
Tarkett continued towards its goal of tripling the share of recycled raw materials by 2030 compared to 2018, increasing the share to 18% in 2023 compared to 17% in 2022, 15% in 2021, 13% in 2020, 12% in 2019 and 10% in 2018.

In 2023, the share of our raw materials which did not contribute to resource scarcity (being abundant, rapidly renewable or recycled) remained stable, as the increase in recycled materials offset the decrease in renewable materials related to variations in overall product mix.

**Share of raw materials not contributing to resource scarcity (%)**



**Breakdown of raw materials used in 2023 (%)**



\* 2% decrease in 2019 vs 2018 due to closure of laminate production in Germany



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

### Limiting risks of supplier dependency

Each year Tarkett conducts a supplier dependency assessment covering its principle raw materials. This annual review, by material category and plant, measures the degree of flexibility Tarkett has for its sourcing. The annual review process enables Tarkett to identify and evaluate risks of supplier dependency and prioritize its action plans to increase supplier flexibility. Furthermore, Tarkett is working on identifying and developing new sources of renewable and secondary raw materials (recycled materials) to replace virgin raw materials, thus diversifying supply sources and reducing dependence on its suppliers.

### Responsible use of PVC (polyvinylchloride)

PVC is a plastic resin made of 57% salt widely used in the building and construction industry, which is versatile, durable, and recyclable. Tarkett proposes PVC solutions in a number of segments such as workplace, hospitality, stores, healthcare, and education where the superior user properties such as extended life cycles (up to 30 years), high wear resistance, low maintenance costs, attractive designs, good hygiene and ease of installation are key. Tarkett is committed to the responsible use of PVC (polyvinylchloride) and has maintained transparent dialogue since 2010 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.

There are several ways of producing PVC, each with a very different carbon footprint. We assess the PVC carbon footprint of our suppliers, particularly in EMEA and in Asia. Our current approach is to favor suppliers using newer manufacturing technologies with lower environmental impacts; to use raw materials and additives that meet high standards on sustainability, design and technical performance, in line with the Cradle to Cradle® principles; to promote the recycling of PVC-containing flooring notably through our ReStart® program; and to develop the use of phthalate-free plasticizers.

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.

Through this and other actions, Tarkett supports Recovynyl 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. Recovynyl monitors and verifies the recycling of PVC waste and the uptake of PVC recyclate, recording how much PVC is being recycled in Europe through the RecoTrace™ data collection and monitoring program. Recovynyl is the biggest contributor to the VinylPlus® recycling target which aims for one million tons of PVC to be recycled annually by 2030. In 2022 over 810,000 tons of PVC were recycled bringing the total to 8.1 million tons since 2000. Recovynyl is also one of the founding members of the recycling facilities certification program EuCertPlast which is encouraging traceability and high standards in plastic recycling.

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

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

**Tarkett is committed to building the way to better floors.** Innovating with good materials and exceeding indoor air quality standards through Tarkett Human-Conscious Design® is central to this objective and 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 34 plants worldwide and an active pipeline of new and improved products, there are always new materials that we need to evaluate.

#### 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. 94 % 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. In 2023 as in 2022, a larger number than normal of new sources of raw materials were procured notably for Tarkett's activity in Russia due to the impact of the conflict in Ukraine on raw material availability. As a consequence, at the end of 2023, Tarkett had not finished assessing all of these new sources of raw materials, leading to a slight decline in the overall share of assessed raw materials (94% vs 95% in 2022).

#### 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 (for more details on MHS® see Tarkett's 2021 CSR report).

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.

Tarkett does not hesitate to support better regulations for transparency, for example Tarkett signed the Swedish NGO ChemSec's open letter to the EU Commission calling for more transparency in the context of the coming revision of REACH – CLP regulation. Tarkett went on to join the ChemSec delegation for a meeting with the EU Commissioner for the Environment, sharing our action on transparency with Material Health Statements®.

Since the launch, Tarkett has published MHS® for a range of products, including vinyl flooring, vinyl tiles and planks, carpet, linoleum, and rubber. In 2023, we worked on updating existing MHS® as well as on establishing new MHS® with the short-term aim of covering most of our flooring ranges. At the end of 2023 Tarkett has 30 active or undergoing renewal MHS®.

<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

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

- > **Environmental Product Declarations (EPDs)** 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 2023 new specific EPDs were published for iD latitude LVT, rubber tile and Johnsonite Wall Base in North America; for Elegance and Essence Rigid LVT, iD Tilt modular PVC, and new Desso carpets in EMEA; and for modular LL8 LVT in Serbia. Overall, Tarkett has published specific EPDs for its vinyl, linoleum, laminate, wood, and carpet flooring products, and its European artificial turfs. At the end of 2023, Tarkett has over 50 specific EPDs for its products.
- > In **France**, Tarkett kept working on revising its French Health and Environmental Product Declarations (Fiches de Déclaration Environnementale et Sanitaire - FDES), following the start of the progressive implementation of the new French building environmental regulation "RE 2020". The revised FDES provide a greater level of detail to guide LCA practitioners, architects and designers in their choice of Tarkett flooring products based on product specific LCA.
- > 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 several of its vinyl and laminate collections. Tarkett also uses the EcoMaterial / GREEN BOOK ecolabel for building industry products since 2015.
- > In **Serbia** Tarkett was awarded 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 tool GreenRate which enable points to be acquired under the Green Building Council of Australia's Green Star® program.
- > In **North America**, Tarkett met all the requirements of +Vantage Vinyl™, an industry-wide sustainability initiative that engages companies across the US vinyl value chain. Companies that are awarded the +Vantage Vinyl mark have undergone verification by third-party GreenCircle Certified to confirm their progress to the program Guiding Principles relating to environmental stewardship, social diligence, economic soundness, open communication, and collaboration. To facilitate and demonstrate transparency Tarkett in North America already took the initiative in 2021 to create Tarkett FloorprintSM, a set of 11 documents, one for each major product category, detailing all pertinent data and certification information in one convenient location. In addition to sharing third-party certifications, the Tarkett Floorprint documents include carbon emission data for each stage of the product lifecycle, how the product supports human health and well-being, and how it reduces climate impact by contributing to a circular economy.
- > In **North America**, Tarkett also publishes its flooring products and artificial turf systems in the Mindful MATERIALS library. This platform aggregates information on human health and environmental impacts for products giving practitioners the capacity to find products that best meet individual project or client requirements.
- > 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.



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### 3.6.1.3 Obtaining product certifications

Within the scope of product assessments carried out by EPEA, an accredited assessment body for the Cradle to Cradle Certified® certification standard, 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, product circularity, clean air and climate protection, water and soil 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 carpet tile AirMaster® products (Nazca, Salina and Tierra) were certified C2C Gold. In 2022 the entire Tarkett Lino collection achieved Cradle to Cradle Certified® Silver or Gold, with the Originale range being the only linoleum on the global market to be Cradle to Cradle Certified® Gold. Tarkett has consequently received the 2023 Red Dot Award for Product Design (a world-renowned prize for high-quality design that is functional, respectful of the environment, and evokes emotions) in the Materials and Surfaces category for the Lino Originale collection. In 2023, Tarkett EMEA launched Grace, a wooden flooring collection that is certified Silver level for Cradle to Cradle® and PEFC certified for sustainable forestry. It has also achieved the Nordic Swan Ecolabel certification as this flooring has a high proportion of renewable material, good durability, and meets the stringent requirements concerning chemicals that are harmful to health and the environment.

**In 2023, Tarkett had 17 Cradle to Cradle® (C2C) certifications covering a wide range of product categories**, including carpet, linoleum, rubber, and wood. Three of these C2C certifications achieved Gold level. 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. For example, Tarkett's ethos® Modular with Omnicat Technology™ carpet backing, 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. Tarkett North America also offers both residential and commercial flooring solutions that have been **certified Asthma & Allergy friendly®** by the Asthma and Allergy Foundation of America (see section 3.8.1 Contributing to healthy spaces and indoor air quality).

By ensuring that Tarkett obtains a range of third-party certifications, it assists architects, designers, and project developers reach the highest standards in green building – whether LEED (international), BREEAM® (UK), HQE (France) or DGNB (Germany).

For example, in 2021 the Atlanta (US) Falcons Mercedes Benz Stadium, with a FieldTurf playing surface, was the first professional sports stadium to achieve LEED Platinum in the US.

In 2023, Tarkett published a white paper on green building certifications, as a resource for architects and designers to get a global view of the different building certification schemes and understand how Tarkett flooring can contribute to achieving certification. In parallel, Tarkett EMEA launched its Green Building Card to help customers achieving green building certification.

#### Example

##### Tarkett's new Green Building Cards streamline sustainable product selection for architects and designers

In 2023, Tarkett EMEA launched its Green Building Cards to help architects, designers and consultants achieve green building certification. The objectives of the Green Building Cards are to communicate the sustainability attributes of our collections, promote our circular selections by displaying the total carbon footprint when one considers recycling as end-of-life stage, and show the contribution of our products to the main Green Building Certification Systems, including BREEAM, LEED and WELL. Providing information on the product's circularity (recycled materials, recyclability, ReStart® ready), total carbon footprint (LCA), indoor air quality (VOC and formaldehyde emissions) and sound absorption among others, the Green Building Cards are available in two editions (tailored for commercial and residential products respectively) for 70% of Tarkett's product portfolio. 167 Green Building Cards were released during the launch in October 2023.

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### 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 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", in which the circular economy is considered one of the main building blocks, reducing pressure on natural resources and acting as a prerequisite to achieving the EU's 2050 climate strategy and to halting biodiversity loss by promoting recycling and encouraging the efficient use of sustainable materials.

In 2023 the EU Commission adopted the Taxonomy Environmental Delegated Act setting out a new set of EU taxonomy criteria for economic activities making a substantial contribution to one or more of the non-climate environmental objectives, namely: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. The criteria are largely based on the 2022 report from the Platform on Sustainable Finance which set out the four main pathways to achieve the transition to a circular economy, namely: (i) circular design and production; (ii) circular use; (iii) circular value recovery; and (iv) circular support. Tarkett is actively developing and contributing to all of these pathways with design and manufacturing already embracing a circular approach; with products being designed for durability in use; with post-use flooring

collection and recycling services through Tarkett's ReStart® program; and with transparent product information, active collaboration and awareness raising initiatives.

Our long-term vision is for all flooring to be recyclable and recycled. To do so and to become a truly circular company, we 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:

5. **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<sup>1</sup>.
6. **Grow our ReStart® program to take-back and effectively recycle flooring**, not only off-cuts from installation, but also after use.

<sup>1</sup> Source: EU Strategy for secondary raw materials 2016

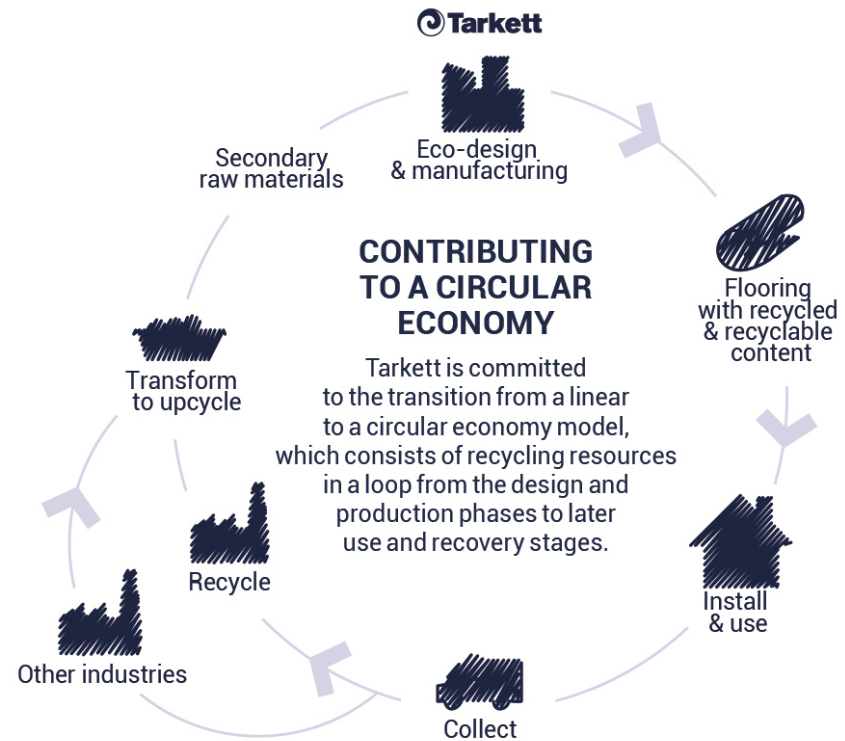
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### 3.6.2.1 Applying principles, methods, and tools to design for a circular economy

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), includes sustainability and circular economy criteria right from the initial design phase.** This process encourages our teams to select "good" raw materials (i.e. positively defined according to C2C assessment on health), to evaluate climate impact of the different raw materials and to ensure how the product will be disassembled and recycled at end-of-use (i.e. eligible to post-installation and end-of-use 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 ensure our products will have high scores for different product certifications and building certification schemes.

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 since 2022. In 2023 these tools were extended to the Tarkett North America and Sport divisions. In 2023, new or updated LCA's were completed for LVT ModularT LL8 in Serbia; for rubber tile, sport rubber tile, stair treads, rubber and PVC wall base, and iD Latitude luxury vinyl tile in North America; and for several carpet tiles (Desso Desert, Grezzo,...) and LVT's (iD tilt, Elegance Rigid, iD Click Ultimate 30,...) in EMEA.



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

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### 3.6.2.2 Working collectively at Tarkett 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 climate and circular economy. 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 established in Sweden an 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, developed techniques to recycle post-use homogeneous vinyl flooring as part of our strive to develop circular solutions. The teams created 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. In 2023 Tarkett teams continued to raise awareness amongst clients and other value chain partners about this new recycling solution. This engaged effort helped generate an increased quantity of post-use flooring collected for future recycling at Ronneby.

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 and the Swedish environmental company Ragn-Sells, continued work in 2023 on developing **carbon negative mineral fillers** for vinyl flooring. The primary role of a mineral filler is to bring weight and volume to the flooring. It also plays an important role in mechanical properties such as product stiffness. Tarkett uses approximately 100,000 tons of mineral fillers for vinyl flooring solutions in EMEA every year, of which 75% are calcium carbonate, with 40% from recycled origin. The calcium carbonate currently used by Tarkett is already carbon neutral<sup>1</sup>, with the calcium carbonate to be produced by Ragn-Sells, it is expected to generate a carbon negative<sup>2</sup> footprint as the calcium is extracted from ash piles in Estonia and the calcium carbonate is produced using carbon capture technology. This innovation partnership, announced in 2021, is a long-term initiative with pilot production to be launched in 2025 following the design and construction of a future site in Estonia by Ragn-Sells.
- > Other examples include **sourcing upcycled waste chalk, recycled PVB** (Polyvinyl butyral) and recycled post-industrial diapers (for more detail see section 3.7.2.1 Using low carbon and secondary raw materials).

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) 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), and Lenham (UK) as well as at Clervaux (see also section 3.7.2.2 Managing production waste – reduce, reuse, recycle, recover).

<sup>1</sup> Carbon neutral means that a product stores as much greenhouse gas as it releases during its life cycle

<sup>2</sup> Carbon negative means that a product stores more greenhouse gas than it emits during its life cycle

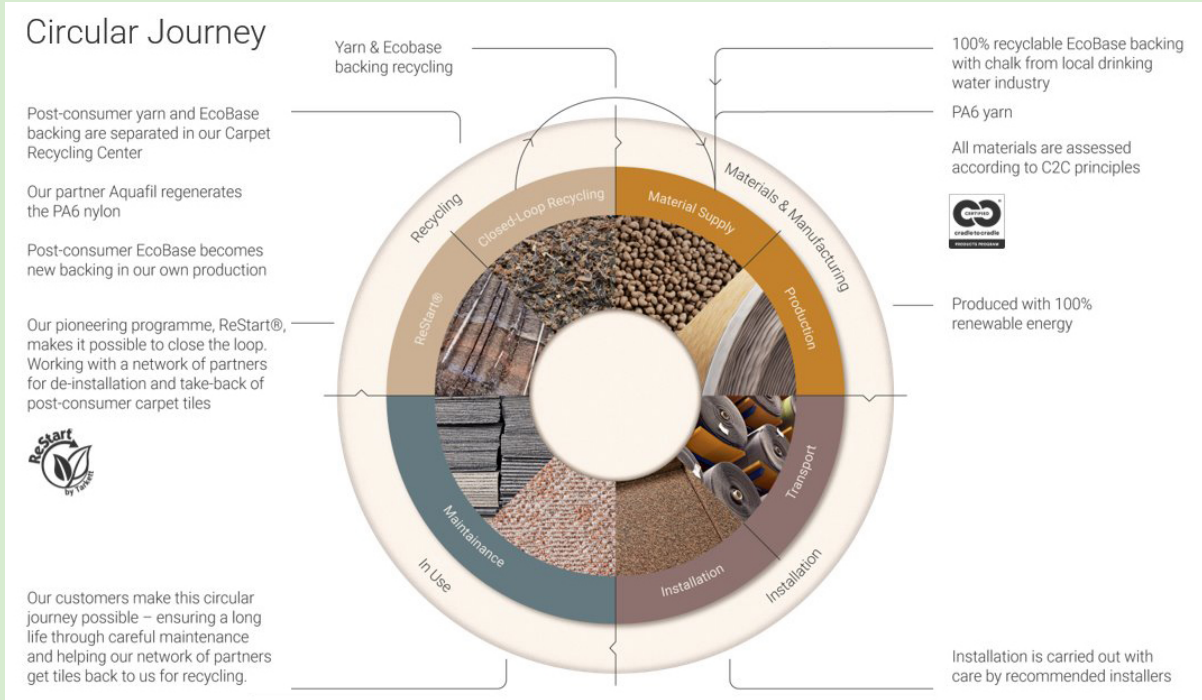
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**Example**

**Creating in-house capacity to produce secondary raw materials in partnership with yarn producer**

Tarkett's carpet recycling facility in Waalwijk (Netherlands) enables Tarkett to close the loop on commercial carpet tiles with Polyamide 6 yarn in Europe in partnership with Aquafil. The recycling center is able to separate the two main 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 developed 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 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 closed-loop recycling of carpet tiles, as documented by the Environmental Product Declarations (EPDs) for carpet tiles with EcoBase® backing. Following Tarkett's analysis and benchmark of carpet tiles manufactured<sup>[1]</sup> in Europe and UK, we found that our Desso Origin carpet tile collection<sup>[2]</sup> had the lowest circular carbon footprint<sup>[3]</sup>.



[1] Based on 19 competitor carpet tiles' whose Environmental Product Declarations (EPDs) were available on internet in May 2022 and with production location in the EU, UK and Norway and in the product weight range 600-699gr with Polyamide yarn

[2] For EcoBase-backed carpet tiles with PA6 yarn, according to the externally verified EPD S-P-05827 and based on the total carbon footprint (Modules A-D) with an end-of-life closed loop circular recycling scenario

[3] Comparison with the total carbon footprint (Module A-D) of each of the competitors with incineration as end-of-life scenario

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, in 2023 we continued our collaboration with IKEA to collect and recycle used flooring from their stores in Sweden and several other European countries as well as working with a number of other new clients to provide our ReStart® take-back and recycling services (see for more details Section 3.7.2.3 Collecting and recycling post-installation and end-of-use flooring and sports surface waste).

Our **experts are also engaging with our customers**, with architects and designers, with our suppliers, our business partners, with public authorities and NGOs, to advocate for greater collaboration in identifying and trialling 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 experience in various platforms and conferences (for more details see section 3.6.2.3 Collaborating with others to build a circular economy).



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### 3.6.2.3 Collaborating with others to build a circular economy

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 (in which Tarkett is one of the four founding shareholders), 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.

In France, Tarkett is a founding member of Valobat, a not-for-profit eco-organization for the building sector. Valobat is one of the four producer responsibility organization accredited by the French government for operating the new Extended Producer Responsibility regulation for building and construction products and materials. Its ambition is to contribute to the development of the circular economy with the collection and recycling of building materials in France. The French 2020 law on tackling waste and developing a circular economy requires manufacturers of building products and materials to organize or delegate the management of end-of-life waste collection and recycling.

In 2023 Tarkett teams continued to share experience and engage with various stakeholders on the challenges and opportunities, as well as on the practical steps, of transitioning to a circular economy.

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

- > Tarkett participated in February 2023 in a round table at the European Parliament during the **Globe EU event**. Our Director Sustainability and Public Affairs EMEA, along with other specialists from the European Commission, industry, and the NGO community highlighted the importance of adopting a systemic approach to recycling and addressed regulatory, technical, and economical obstacles to a zero-waste transition. The event was dedicated to the place of chemical recycling in a circular economy. Tarkett participated in May in another **Globe EU event** on sustainable chemicals management. Tarkett is a member of the **Globe EU BEE group** joining together progressive industries regarding the environment.

- > In December Tarkett co-organized and moderated an EU-Circular talk event as part of the **European Commission Circular Economy Platform** for exchanging best practices, case studies, tools, and knowledge on circular economy. The event illustrated how new green finance and the EU Taxonomy for sustainable activities can impact investments in the building sector. The online event brought together academics, European Commission representatives, financial institutions, real estate operators and other actors, providing new circular business models for decarbonizing building construction and renovation projects.
- > Tarkett continued to support the Low-Carbon Circular Economy Advocacy Group at **Ecopreneur.eu**, the European Sustainable Business Federation based in Brussels, which encourages a circular economy in Europe.
- > Tarkett participates in the European Resilient Flooring Manufacturers' Institute (**ERFMI**) Circular Economy Platform, which aims to develop the collection, identification, and traceability of used flooring materials. In November 2023 Tarkett's Director of Sustainability and Public Affairs EMEA was elected at the annual General Assembly as president of the ERFMI Executive Committee.
- > We are involved in the EU **Circular Plastics Alliance** and the **European Plastics Converters** (EuPC) through Tarkett's membership of VinylPlus, European Carpet and Rug Association (ECRA) and European Resilient Flooring Manufacturers' Institute (ERFMI).
- > Tarkett is a member of the **Multilayer Modular Flooring Association** (MMFA), an organization which represents the leading producers of flooring in Europe and their suppliers.

In **France**, in the context of the development of the French Green Industry Regulation, **INEC** (French National Institute for Circular Economy) launched in 2023 a dedicated working group to prepare and publish a white paper on proposals for a circular economy. As part of this work, Tarkett chaired a workshop on the need for aligning French regulations with EU regulatory framework. The INEC report resulting from this work was presented at the French Ministry of Environment in June 2023.

**Tarkett France** partners with **Upcyclea** on their circular buildings platform which provides a circular passport library and a digital bank of materials allowing building developers to select, track and trace construction products throughout the building's lifecycle. Tarkett participated in April 2023 in a webinar organized by Upcyclea on EU taxonomy and circular economy.

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In 2023, **Tarkett France** also became a member of **Cyneo**, a Bouygues Construction subsidiary dedicated to the reuse of construction materials. Cyneo aims to advance and systematize the re-use of materials in the building industry, through a first technical center in the Paris region for the storage, production, and showcase of materials, and for training; the animation of a community of companies in the re-use business via a dedicated digital platform; and technical, regulatory and operational assistance. With this partnership, Tarkett's objective is to develop the re-use of flooring products in addition to recycling.

In **France**, environmental project management teams of JLL (real estate company) and project managers at Tétris (expert in design and creation of professional spaces) began working with Tarkett in 2022. Based on real, concrete projects, three co-construction workshops were organized to identify the best approaches for recycling floor coverings and to define a simple operational process to be implemented as part of restructuring and fit-out projects. The initiative continued in 2023 to validate the initial hypotheses, repeat the experiment on new projects and confirm the results.

In **Sweden**, Tarkett teams organized several events during the Almedalen Week in Visby in June 2023, including one high-level seminar titled "Circular building. How can politics & industry cooperate to meet EU Climate targets?". The panel participants included representatives from the recycling industry, politicians and leading real estate companies. The following questions were discussed: how to avoid landfilling and how to avoid incinerating plastics, the high importance of good material diagnostics and how to enhance the re-use of materials. Another roundtable organized by Tarkett was about "How do we build common structures to reuse building materials and how do we manage materials that

do not comply with the European REACH directive". The main points discussed were the need to amplify the traceability of materials and the capability of how to find reusable and recyclable products.

In the **UK**, Tarkett issued its brand-new Sustainable Product Specification Guide for Architects & Designers, which will facilitate consultations with architects and designers to discuss their sustainability requirements.

In the **US**, Tarkett participates to **Vinyl Sustainability Council (VSC)** work to promote post-consumer recycling. The Vinyl Sustainability Council was created to further advance the efforts of the vinyl industry as it addresses sustainability and related advocacy, communication, and technical issues in North America. Members of the VSC work together to develop and implement best practices and innovation leading to continuous improvement throughout the industry, while promoting these achievements to key stakeholders.

**Tarkett North America** has also partnered with the **Cradle to Cradle Products Innovation Institute (C2CPPII)** to bring the "Cradle to Cradle Certified: Powering the Shift to Healthy, Climate Positive, and Equitable Products" presentation to the architects and designers community in April 2023. The presentation focused on the newly launched Cradle to Cradle Certified Version 4.0, covering topics such as the building industry's impact on the climate, environment, and people. Attendees were introduced to the new Cradle to Cradle Certified standard, and learned how they can use the new standard to optimize product specification on any project.

## Example






### Tarkett's contribution to standardization works on 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, and chaired the AFNOR X30M Commission on Circular Economy for four years from 2019 onwards. In 2023, Tarkett left the chair of the Commission but remains active in the field of circular economy standardization at ISO level. Tarkett is in particular following up closely on the development of the product circularity data sheet standard at ISO/TC323 level, to ensure that producers can develop common ways of communicating environmental credentials of products in a standardized and digitalized way, in the form of digital product passports. To further anticipate regulatory evolution at European level in this regard, Tarkett is driving a CENTC 350 working group on the development of flooring product passport contents. In addition, Tarkett collaborates with ERFMI and other stakeholders in a H2020 project CISUFLO including deliverables on the potential structure supporting the digital access to product passports' information .

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

## 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	2023	2022	2021	Objective 2030	CSR Report section	Contributing towards UN SDGs
Climate change and damage to environment	> Reduction of GHG emissions in Tarkett operations and value chain	Percentage reduction vs 2019 of value chain GHG emissions (Scope 1 + Scope 2 market-based + Scope 3: categories 1+12)	-18% vs 2019	-17% vs 2019	-	-30% vs 2019	3.7.1 & 3.7.2	
	> Annual audits and follow-up of industrial sites by third party (ERM)							
	> Reduction of Scope 1 & 2 GHG emissions: energy efficiency projects, development of renewable energy	Percentage reduction vs 2019 of GHG emissions (Scope 1 + Scope 2 market-based)	-47% vs 2019	-41% vs 2019	-26% vs 2019	-50% vs 2019 <sup>1</sup>	3.7.1	
	> Reduction of Scope 3 GHG: increasing the share of pre- and post-consumer recycled raw materials, developing post-installation and end-of-use flooring take-back and recycling (ReStart® program)	Percentage reduction vs 2019 of GHG emissions (Scope 3: categories 1 + 12)	-14% vs 2019	-13% vs 2019	-	-27.5% vs 2019 <sup>1</sup>	3.7.2	
Raw material price volatility	> Energy reduction and efficiency projects at production sites	Energy intensity (kWh/m <sup>2</sup> )	4.17	4.32	4.19	-	3.7.1.1.	
			kWh/m <sup>2</sup>	kWh/m <sup>2</sup>	kWh/m <sup>2</sup>			
	> Development of renewable energy sources at production sites and sourcing of renewable electricity	Percentage of energy consumption coming from renewable energies	44%	43%	38%	-	3.7.1.2	
	> Maximize recycled content in our products: post-installation / end-of-use flooring; secondary raw materials from other industries	Percentage of recycled content of raw materials <sup>2</sup>	18%	17%	15%	30% in 2030	3.7.2.3	
								

<sup>1</sup> SBTi validated target

<sup>2</sup> Recycled materials: Materials that would otherwise have been sent for waste disposal; internal post-manufacturing recycled volumes are included. This ratio depends on product type, for example it can be over 60% for certain carpet flooring solutions.

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

Opportunities / Risks	Policies / Actions	Key Performance Indicators	2023	2022	2021	Objective 2030	CSR Report section	Contributing towards UN SDGs
Deployment of the transition to a circular economy	<ul style="list-style-type: none"> <li>&gt; New Product Development Process (NPDP) to ensure recyclability of new flooring products</li> <li>&gt; Post-installation and end-of-use flooring take-back and recycling (ReStart® program)</li> <li>&gt; Maximize recycled content in our products: post-installation / end-of-use flooring; secondary raw materials from other industries</li> </ul>	Quantity of post-installation and end-of-use flooring collected through the ReStart® program	4,100 tons	3,000 tons	3,200 tons	-	3.7.2.2	  
Climate change and damage to environment	<ul style="list-style-type: none"> <li>&gt; World Class Manufacturing (WCM) program</li> <li>&gt; New product development process to use lower carbon footprint raw materials</li> </ul>	Percentage of production sites certified to ISO 14001	76%	82%	82%	-	3.4 3.7	
Downtime, disruption and damage on site	<ul style="list-style-type: none"> <li>&gt; ISO 14001 certified Environmental Management System</li> <li>&gt; Emergency response plans implemented at production sites</li> <li>&gt; Environmental yearly audits and follow-up of industrial sites by third party (ERM)</li> </ul>						Appendix	

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

### 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°C. In 2022, the IPCC Sixth Assessment Report (AR6) on Mitigation of Climate Change noted that all global modelled pathways to reach this objective involve rapid and deep GHG emission reductions in all sectors, and that net zero CO2 emissions from the industrial sector are challenging but possible.

Tarkett fully recognizes the climate urgency and in 2021 revised its objective to reduce the Group's GHG emissions by 30% on the whole value chain (by 2030 vs 2019). This is an important change as not only does Tarkett commit to an absolute reduction in greenhouse gas emissions, but the goal now includes upstream and downstream Scope 3 emissions<sup>1</sup>, which are 10 times greater than Tarkett's combined scope 1 and 2 emissions.

We know that these climate objectives are challenging, requiring important innovations to lower the carbon footprint of each product, needing collaboration with suppliers to find new solutions, as well as partnerships with customers to ensure the take back and recycling of our floors and sport surfaces at the end of their life.

But these objectives also present an opportunity to lead in the transition to a zero waste and a circular economy future.

This transition is being encouraged and driven by the European Union which is at the forefront of public action as it continues to implement the EU's Green Deal. In 2021 the European Climate Law was adopted setting a legally binding target of net zero greenhouse gas emissions by 2050.

### In 2023 Tarkett continued to follow-up on concrete action 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 such as energy efficiency;
- > 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;

- > by assessing the impact of investments on energy consumption and carbon footprint through our investment approval process which applies a shadow carbon price of 250 euros/ton CO<sub>2</sub>e; and
- > by monitoring progress on our new target for a 30% reduction of our combined Scope 1, Scope 2 and Scope 3 GHG emissions by 2030 compared to 2019. This includes a specific target to reduce Scope 1 and Scope 2 GHG emissions by 50% by 2030 compared to 2019, which is in line with Paris Agreement objective of limiting the global temperature rise to 1.5°C. The new targets were established in 2021 following the GHG Protocol standard and the methodology and criteria of the Science-Based Target Initiative (SBTi)<sup>2</sup> with assistance from Carbone 4, a leading independent consulting firm specialized in low carbon strategy and climate change adaptation.

In 2023, Tarkett has joined the list of companies recognized as one of Europe's Climate Leaders, established by Financial Times and Statista. This recognition is a result of our ambitious 2030 climate roadmap that we work towards every day.

In November 2023, ahead of the COP28, Tarkett signed, alongside 60 CEOs of major French companies, a collective declaration calling for the acceleration of the ecological transition. Published in the well-known French newspaper "La Tribune", this declaration aimed to send a strong signal around the collective commitment of major companies towards the ecological transition, and is another testimony of Tarkett's commitment to respond to the climate emergency.

In **Europe**, Tarkett launched in 2022 a new easy-to-use Carbon Calculator offering customers, across all sectors, even greater transparency on the carbon footprint of Tarkett's flooring collections. Based on third party verified information, available on the EPDs (Environmental Product Declaration), the Carbon Calculator takes into account the emissions for each of the product life cycle stages: material extraction, transportation, the energy consumed in the manufacturing process, the use and end-of-life stages including the recycling scenario. The information can help customers, architects, designers, and contractors make informed purchasing decisions, and see the benefit of post-use recycling compared to incineration or landfill, thus making a compelling case for Tarkett's ReStart® take-back and recycling program.

<sup>1</sup> Scope 3 GHG emissions from purchased goods and services and end-of-life treatment of sold products, categories which represent more than two thirds of total scope 3 emissions

<sup>2</sup> Tarkett' GHG emissions reduction targets were validated by the independent Science-Based Target Initiative (SBTi) in December 2022

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

### 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 ISO 14001 certification, with additional environmental guidance, procedures, and methods provided by the Group sustainability team in line with WCM system. The Group sustainability team and plant environmental managers ensure appropriate actions are taken, along with the monitoring of key performance indicators, to manage identified environmental risks and opportunities. The environmental network share 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.

The environmental guidance, procedures and methods provided by the Group cover: environmental compliance; environmental hazards / 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 2023, 88% of our flooring plants** (not including Sports surfaces) **have an ISO 14001 certified environmental management system**. Tarkett's sports surface FieldTurf plants in Calhoun (US) and Prestons (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 achieved its first target set 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, reporting a 27% reduction in 2020. In 2019 Tarkett announced a new objective of reducing its GHG emissions intensity by a further 30% by 2030 compared to 2020. In 2021 Tarkett revised this objective to reducing absolute Scope 1 and Scope 2 GHG emissions by 50% by 2030 compared to 2019, thus aligning with the Paris Agreement goal of limiting global temperature rise to 1.5°C.

**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% low carbon electricity (renewable or nuclear).

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

**Zoom on key indicators**

**Climate Change**

In 2023 Tarkett's Scope 1 and Scope 2 GHG emissions dropped 10% as a result of continued growth in sourcing renewable electricity and improved energy efficiency.

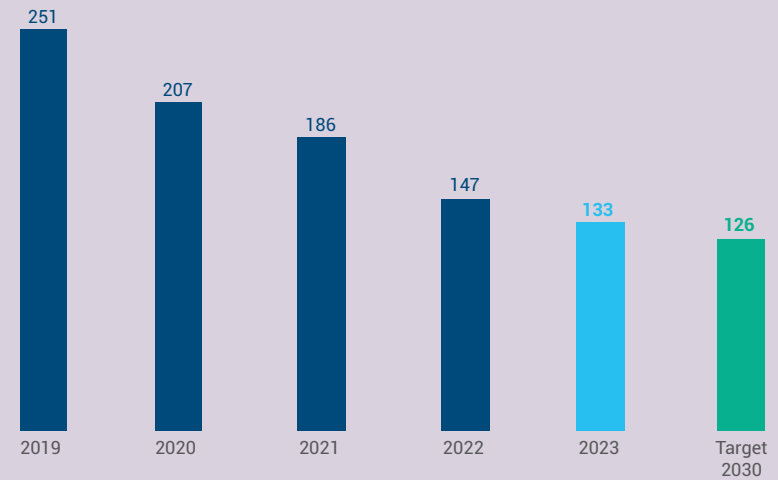
Scope 1 and 2 GHG emissions intensity (GHG emissions, associated to production energy consumption, per square meter of manufactured product, excluding car leasing) in 2023 reached 0.53 kgCO<sub>2</sub>e/m<sup>2</sup>, which represents a 12.5% reduction over 2022.

**Progress on Scope 1 + Scope 2 GHG emissions reduction SBTi target**

Absolute Scope 1 and Scope 2 GHG emissions from fuel combustion, and purchased electricity and steam consumption at our production sites and from car leasing in 2023 are down -47% compared to 2019 at 132,682 tCO<sub>2</sub>e which corresponds to a reduction of 118,423 tCO<sub>2</sub>e. This is equivalent to the annual GHG emissions of more than 66,000 cars<sup>1</sup>.

[1] Based on a petrol engine medium-sized car driven 10 000 km per year emitting 0,17819 kgCO<sub>2</sub>e/km (Defra 2023)

**Scope 1 & Scope 2 market-based GHG emissions (tCO<sub>2</sub>e)**



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

### 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 environmental guidance, procedures, and methods enable the development of plant capacity to avoid all sources of waste, including achieving greater energy efficiency. Representatives of division and plant environmental network share good practice and encourage the implementation of action plans to reduce energy consumption and achieve greater energy efficiency. Since 2011, the ISO 50001 standard recognizes companies' commitment to better energy management. At the end of 2023, 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 2023, the majority of our production sites saw production activity decline with the global downturn. Despite this context local teams remained mobilized to optimize their manufacturing processes and improve energy efficiency, in order to reduce their energy consumption per square meter of manufactured product. For example:

- > At our **Bačka Palanka site (Serbia)**, we implemented a new 3MW biomass boiler which was commissioned in October 2023 and will be fully operational in 2024. This new boiler will enable to reduce our natural gas consumption by 4.6 GWh per year, leading to an annual GHG emissions reduction of circa 640 tCO<sub>2</sub>e.
- > At our **Sedan site (France)**, investments were made in new chillers providing more accurate regulation of cooling needs along with waste heat recovery which is used to heat several parts of the facility (workshops and raw materials warehouse). The recovery of waste heat from the chillers is supported by Energy Savings Certificates that are co-financed by the French local government. These energy savings, which are being implemented through a new Energy Performance Contract, result in an 80% reduction in fixed gas consumption. This initiative was recognized internally as one of the top performing projects which contribute to making Tarkett a successful company, at the occasion of the 2023 Tarkett Celebrates! Ceremony that took place during the Tarkett's 2023 management meeting held in Barcelona in January 2023.

- > At our **Jaslo site (Poland)**, the central heating installation was modernized to transition from steam (which was generated from coal) to natural gas. This change leads to a decrease in Scope 2 GHG emissions (no more steam purchased), which is partly compensated by an increase in Scope 1 GHG emissions (resulting from natural gas combustion). Overall, the estimated net reduction in GHG emissions is slightly over 200 tCO<sub>2</sub>e per year.
- > In the **US, Tarkett** has been recognized by the U.S. Department of Energy (DOE) for committing to reduce portfolio-wide Scope 1 and Scope 2 greenhouse gas emissions by at least 50% within 10 years as part of the DOE's Better Climate Challenge. Tarkett works with DOE to share actionable best practices for carbon reduction, with the DOE providing technical assistance, peer-to-peer learning opportunities, and a platform for Tarkett to demonstrate its commitment to being part of the solution to climate change.
- > At our **Jacareí site (Brazil)** Tarkett invested in 2018 in a new Luxury Vinyl Tile (LVT) technology to transition away from outsourcing production to Asia and in favor of local solutions. The first LVT line was a success, leading to the investment in a second LVT line in 2023 to meet growing production needs from 2023 through 2027, with the technological change strategy for migrating volumes from the existing hot presses to the new technology. In addition to increasing production capacity, the new technology leads to a reduction of 59% in energy consumption and 83% in GHG emissions.

#### Zoom on key indicators

##### Energy efficiency

Energy intensity (energy consumption per m<sup>2</sup> of manufactured product) decreased by 3,6% in 2023 to 4.17 kWh/m<sup>2</sup> (compared to 4.32 kWh/m<sup>2</sup> in 2022, 4.19 kWh/m<sup>2</sup> in 2021, 4.00 kWh/m<sup>2</sup> in 2020, 4.09 kWh/m<sup>2</sup> in 2019, and 4.05 kWh/m<sup>2</sup> in 2018). The continued deployment of energy savings initiatives has helped limit the impact of the general market trend for more modular products which require more energy to produce compared to rolls products. Local teams continue to identify and implement solutions to achieve energy savings. In 2023 19 plants saw their energy intensity improve, such as the vinyl production at Jacareí in Brazil (-45%) and at Florence West in US (-21%) and artificial turf production at Auchel in France (-27%) and at Calhoun in US (-22%).



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### 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 12.1 kt CO<sub>2</sub>e more Scope 1 GHG emissions equivalent to 9% of total 2023 Scope 1 & 2 GHG emissions.
- > **Solar energy is produced and consumed** at our carpet sites in Dendermonde (Belgium) and in Waalwijk (Netherlands); at the linoleum site in Narni (Italy) which also uses on-site produced geothermal energy; at our Tarkett sports plant in Prestons (NSW - Australia), where the plant is equipped with 660 solar panels generating 100% of its electricity requirements; and at our plant near Clervaux (Luxembourg), where 2,200 solar panels are installed in the parking lot of our plant.

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.

Overall, in 2023, 13 of Tarkett's plants purchased 100% renewable electricity. Tarkett's resilient flooring plant in Konz (Germany) was the latest to achieve this status, securing a renewable electricity contract with Guarantee of Origin certificates for two years (2023-2024). The other 12 plants are in Jaslo and Orzechowo (Poland), Ronneby (Sweden), Abtsteinach (Germany), Chagrin Falls and Middlefield (United States), Narni (Italy), Dendermonde (Belgium), Waalwijk (Netherlands), Bačka Palanka (Serbia), Otradny (Russia) and Jacareí (Brazil). Additionally, Tarkett's second plant in Russia, in Mytishchi has a portion of its electricity supply from renewable sources (wind power) and 3 other plants (Clervaux in Luxembourg, Hanaskog in Sweden and Dalton in US) have renewable electricity certificates which cover part of their electricity consumption. Collectively this prevents some 132 kt CO<sub>2</sub>e per year of greenhouse gas emissions (base 2023 for these plants), the equivalent of 100% of total 2023 Scope 1 and 2 GHG emissions.

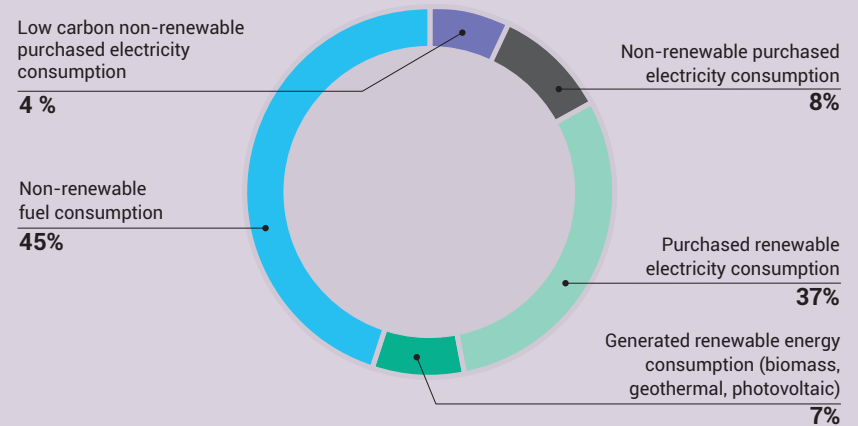
As well as developing the use of renewable energy, Tarkett looks for other solutions to reduce energy related greenhouse gas emissions. One such example is by replacing fossil fuel heating systems with electric or biomass powered systems. In the past few years, with the implementation of the new LVT technology, Tarkett's plant in Jacareí (Brazil) changed the energy source of its hot press from natural gas to electricity thus reducing the associated GHG emissions. The plant sources 100% renewable electricity from hydroelectric, solar and wind sources.

#### Zoom on key indicators

##### Renewable energies

The share of renewable electricity increased 3 pts to 77% in 2023 (vs 74% in 2022, 65% in 2021 and 41% in 2020). The share of other renewable energies, such as biomass, in Tarkett's energy mix remained stable at 7%, leading to an overall share of renewable energies at 44.1% in 2023, up 1.5 percentage points vs 2022 (42.6%). Overall, the use of biomass, biofuel and the purchase of renewable electricity avoids the equivalent of some 144 kt CO<sub>2</sub>e of GHG emissions, which corresponds to 109% of Tarkett's 2023 total Scope 1 & 2 GHG emissions. The share of low carbon energy (renewable energy and electricity from nuclear power) increased slightly to 48% in 2023 (vs 47% in 2022).

##### Share of renewable energies in energy consumption (%)



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### 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, environmental guidance, procedures, and methods enable the development of plant capacity to manage water responsibly. 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.

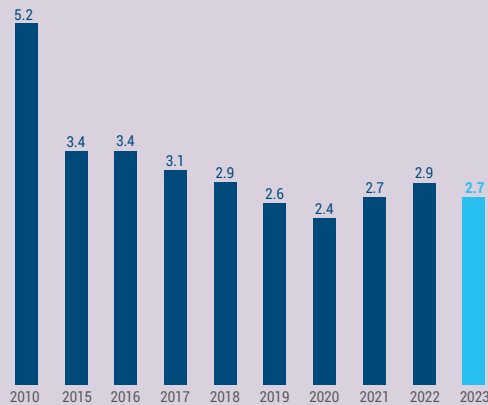
**In 2023, we kept working on improving water management at our production sites, for example:**

- > The new LVT technology implemented in Jacarei (Brazil), with the investment in a second LVT line in 2023, leads to a reduction of 52% in the use of water.

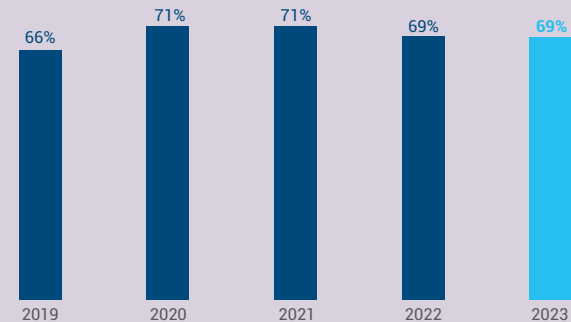
#### Zoom on water consumption

In 2023, total water consumption decreased compared to 2022 (0.63 million m<sup>3</sup> in 2023, compared to 0.67 million m<sup>3</sup> in 2022, 0.71 million m<sup>3</sup> in 2021, 0.63 million m<sup>3</sup> in 2020, and 0.73 million m<sup>3</sup> in 2019). Water intensity, measured as water consumption per m<sup>2</sup> of manufactured product, decreased by 7% (2.7 l/m<sup>2</sup> in 2023, compared to 2.9 l/m<sup>2</sup> in 2022, 2.7 l/m<sup>2</sup> in 2021, 2.4 l/m<sup>2</sup> in 2020, and 2.6 l/m<sup>2</sup> in 2019). One of the main solutions to reducing water intensity and water consumption is equipping our industrial sites which use water in their industrial process with a closed loop water system. Tarkett considers a system to be fully closed-loop when 98% or more of the water consumed is reused. To date, the implementation of closed loop water systems and other water efficiency solutions has enabled 61% water savings (vs 2010) and significantly improved water intensity (-49% l/m<sup>2</sup> vs 2010). The proportion of sites using closed loop water systems or not consuming any water in their manufacturing remained unchanged in 2023 (69%).

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



Share of sites which have implemented a closed loop water system, or which do not use water in their manufacturing process (%)



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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 water 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 2 million gallons (circa 7,500 m3) per season and some 8,000 FieldTurf fields currently in use, this equates to 16 billion gallons of water (60 million m3) saved annually.

Also, our Omnisports surfaces TopClean xp™ polyurethane treatment reduces cleaning and maintenance by simplifying the process and even eliminating the need to apply waxes or other surface treatments. This limits water and detergent consumption and reduces maintenance and cleaning budgets.

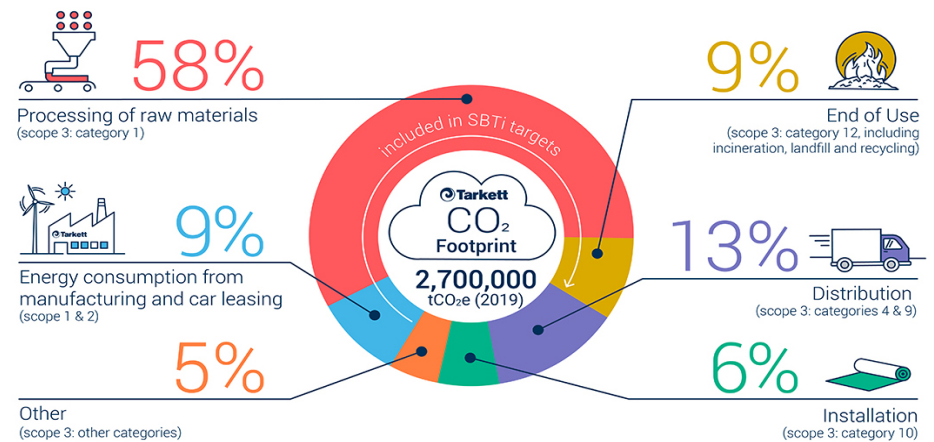
### 3.7.2 Limiting upstream and downstream greenhouse gas emissions (Scope 3)

Tarkett is accelerating its efforts in the areas where it can have the greatest impact to reduce the carbon footprint of its products. Thanks to the detailed assessment of our Scope 3 - value chain greenhouse gas emissions, we found the greatest opportunity to lie in product eco-design, with efforts to increase recycled content and other low-carbon materials. Furthermore, designing for recyclability, in combination with the development of collection and recycling of post-installation and post-use flooring, serves both to avoid end-of-life greenhouse gas emissions and to help us source more recycled secondary raw materials.

#### Scope 3 value chain GHG emissions

Tarkett revised its inventory of Scope 3 greenhouse gas (GHG) emissions in 2021, thanks to more recent activity data and improved methodologies, and as part of the process of submitting a science-based target to the Science-based Target initiative (SBTi). The revised inventory, prepared in accordance with the SBTi criteria and the "GHG Protocol - Corporate Value Chain (Scope 3) Accounting and Reporting Standard", used more recent activity data to calculate both base year 2019 and 2021 GHG value chain emissions. This revised methodology was then used to update the Scope 3 GHG inventory for 2022 and 2023.

The complete Scope 1-3 GHG inventory for base year 2019 is summarized in the graph below, with a breakdown for the main Scope 3 categories (see Tarkett's 2022 CSR report for the detailed 2019 inventory category by category).



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Tarkett's climate science-based target includes Scope 3 GHG emissions from purchased goods and services (category 1) and end-of-life treatment of sold products (category 12), categories which represent more than two thirds of total scope 3 emissions. Therefore, only

GHG emissions for these two categories are updated annually and subject to detailed monitoring and reduction action plans.

### Scope 3 GHG emissions for categories 1 (purchased goods and services) and 12 (end-of-life treatment of sold products)

SCOPE 3 CATEGORY	GHG EMISSIONS (THOUSAND TONS OF CO <sub>2</sub> E)		
	2023	2022	BASE YEAR 2019 <sup>1</sup>
Category 1: Purchased goods and services (processing of raw materials)	1,369	-	1,589
Category 12: End-of-life treatment of sold products (end of use of flooring and sports surfaces, including incineration, landfill and recycling)	224	-	260

### Limiting the impact of upstream and downstream transportation

Distribution (upstream transportation category 4 and downstream transportation category 9) was estimated to account for 13% of Tarkett's total Scope 1-3 GHG inventory in 2019 (346 ktCO<sub>2</sub>e). These emissions were not included in our Scope 3 science-based target as we chose to prioritize upstream and downstream product related emissions (category 1 & 12) in our climate roadmap. In 2023 we do not observe any significant changes to this assessment. As a result, we do not monitor at a Group level GHG emissions from distribution in detail and we have not established a specific group-wide GHG reduction action plan for distribution-related emissions. However, Tarkett limits upstream and

downstream transportation in part through its local market presence and in part through local initiatives. For example, in EMEA Tarkett has invested in a transport management system (TMS) with the aim to better understand transport flows in order to identify opportunities for optimization. In Eastern Europe Tarkett is measuring upstream and downstream transport emissions as part of an effort to better identify Scope 3 reduction opportunities. In North America, Tarkett's Chagrin Falls plant implemented a trucking optimization project leading to annual savings of 223 tCO<sub>2</sub> (calculated using the Environmental Defense Fund tool). Also, in some localities Tarkett's plants have access to rail transportation (e.g., Otradny in Russia).

<sup>1</sup> The base year 2019 was restated in 2024 - see methodological note for more details

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### Limiting the impact during the use phase

As explained above, GHG emissions related to the use phase of our products are not included in our GHG inventory or in our science-based target. Nevertheless, we strive to develop surface treatments that reduce water and energy consumption during the cleaning of our flooring solutions.

For example, the Tapiflex, Acczent Excellence Premium and iQ collections, and the Linoleum xf and 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 and water demanding.

Given that Tarkett flooring and sports surfaces are built to last, they also contribute to limiting GHG emissions from product replacement. For example, Tarkett's Starfloor Click Ultimate 55 collection is backed with Rigid-Core Construction technology, providing greater resistance and durability. Tarkett Linoleum features a special surface finish reducing the maintenance effort and also increasing the life cycle, which if properly maintained can last longer than 20 years. Omnisports floorings are highly resistant, designed to provide durable surfaces and to reduce maintenance costs. The unique product construction is made with solid, heavy, and dense calendared sheets that make the surface resistant to indentation and impact. ace waste and (iii) procuring more secondary raw materials from other industries.

### Our strategy and decarbonization levers to reduce our Scope 3 value chain GHG emissions

To achieve our Scope 3 GHG reduction target, we need to increase the share of low carbon / recycled materials in our products and to ensure that our products are recycled at their end of life (and not incinerated or landfilled). To this end, we have identified three main pathways:

1. Procuring more externally sourced low carbon / recycled materials in our products, including secondary raw materials from other industries (see section 3.7.2.1);
2. Optimizing internal recycling of post-manufacturing Tarkett flooring and sports surface waste (see section 3.7.2.2);
3. Collecting and (internally) recycling post-installation and end-of-use flooring and sports surface waste (see section 3.7.2.3).

Another decarbonization lever is to reduce the quantity of raw materials in our products / the weight of our products. For flooring surfaces, the main focus in this regard is on luxury vinyl tiles which have a high weight compared to other product categories.

For artificial turfs, consideration is given to the reduction or even elimination of infill. In 2022, FieldTurf launched PureField Ultra, FieldTurf's non-infill synthetic turf system engineered to meet FIFA Quality level technical performance without infill. Urbansoccer chose this solution in France for an indoor installation.

Working on these levers enables us to develop products with lower circular carbon footprints:

- > The new carpet tile collections DESSO Fuse Landscape and DESSO & Patricia Urquiola have low circular carbon footprints (cradle-to-cradle with a closed loop circular recycling scenario) of respectively 0.91 and 1.03 kg CO<sub>2</sub>eq/m<sup>2</sup>.
- > Johnsonite rubber tile now has a new product-specific Environmental Product Declaration (EPD), which shows that our cradle to gate carbon footprint for rubber tile is up to 20% lower than equivalent products in the industry.
- > Our iQ Natural homogeneous vinyl with Tarkett's ReStart® collection and recycling post-use has a 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 floor<sup>2</sup> which are incinerated with energy recovery.
- > Tarkett 2,5mm Linoleum is carbon negative from cradle to gate with -0,585 kg CO<sub>2</sub>eq/m<sup>2</sup> without offsetting.

<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. 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

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

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### 3.7.2.2 Using low carbon and secondary raw materials

Increasing the recycled content of Tarkett products comes through **closed-loop recycling** (collecting and internally recycling Tarkett post-manufacturing, post-installation and post-use flooring and sports surface waste – see sections 3.7.2.2 and 3.7.2.3) as well as through **open-loop recycling**, obtaining recycled materials from other industries as an alternative to virgin raw materials.

Our teams look 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 partners in different industries**. These include (see Tarkett's 2021 CSR report for more details):

- > 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 in replacement of traditional bitumen-based carpet backing. Our Gold level Cradle to Cradle Certified® Desso EcoBase® carpet backing contains at least 75% chalk, derived from upcycled waste chalk. From 2014 to 2023, we have used more than 133,000 tons of recycled chalk for our carpet tiles.
- > Post-industrial glass or marble powder waste material recycled for use in our Ecobond carpet backings and as a filler in our heterogeneous vinyl flooring.
- > 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.

- > Recycled post-use polyvinyl butyral (PVB) from laminated safety glass (in car windscreens, buildings, solar panels), which is used in carpet backing in North America. In the US, Tarkett incorporates 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 2023, we reused around 44,200 tons of PVB films from 45.3 million windshields. Recycled PVB has a carbon footprint that is 25 times lower than virgin PVB.

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.

#### Zoom on key indicators

##### Recycled Materials

In 2023, we used a little more than 154,000 tons of recycled materials<sup>[1]</sup> as an alternative to virgin materials, which represents close to 18% of our raw materials used. Our target is to triple the 10% share we had in 2018 to 30% by 2030. The use of these recycled materials enabled to avoid approximately 188,000 tons of CO<sub>2</sub>e emissions compared to the use of virgin primary raw materials. This is equivalent to the annual GHG emissions of more than 105,000 cars<sup>[2]</sup>.

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

[2] Based on a petrol engine medium-sized car driven 10 000 km per year emitting 0,17819 kgCO<sub>2</sub>e/km (DEFRA 2023)

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**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; linseed oil, pine resin, jute and cork in linoleum flooring; bio-based plasticizers in luxury vinyl tile and in vinyl homogeneous flooring; and cork, olive cores, coconut peat or corn cob in FieldTurf infills (see section 3.6.1.1 Selecting and sourcing sustainable materials to preserve natural resources).

At our laminate plant in Mytishchi (Russia), two out of our four high density fibreboard (HDF) suppliers have recycled content (which consists of processed wood wastes) between 7% and 38% in their HDF boards.

Tarkett launched in 2020 the world's first floor to use bio-attributed PVC certified through the Roundtable on Sustainable Biomaterials (RSB). Our homogeneous vinyl 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 (see Tarkett's 2020 CSR report for more details).

In the past few years, our Brazilian plant in Jacareí implemented new Luxury Vinyl Tile (LVT) lines which use a bio-based plasticizer technology along with more than 60% recycled PVC in the core layer.

**Procured raw materials** can also have a lower carbon footprint due to their manufacturing process. At our resilient flooring plants in Clervaux (Luxembourg), Sedan (France), Lenham (UK) and Konz (Germany), GreenVin PVC was procured in 2023 instead of conventionally produced Vinnolit PVC: manufactured with the use of renewable power, GreenVin PVC has a 25% lower product carbon footprint than Vinnolit PVC. Based on quantities purchased, this led to a saving of circa 6,000 tCO<sub>2</sub>e in 2023.

## Example

### In North America, two Tarkett collections earn Green Good Design® Awards

Tarkett received the Green Good Design® awards for two of our collections: The Inspired Nature and LinoFloor xf2 & LinoWall xf2 collections. Green Good Design® is an international program that recognizes new products, buildings, and construction and planning projects that have forwarded exceptional thinking and inspired greater progress toward a healthier and more sustainable universe. The program is organized by the Chicago Athenaeum: Museum of Architecture and Design, and The European Centre for Architecture Art Design and Urban Studies.

- > Inspired Nature is a carbon-neutral collection of modular carpets. The collection's modular options are offered on Tarkett's ethos® Modular with Omnicat Technology® carpet backing. Cradle to Cradle Certified® Silver, ethos is non-PVC, made with PVB film from recycled windshields and safety glass, and contains 48-64% overall recycled content.
- > The LinoFloor xf2 and LinoWall xf2 collections are carbon-negative from "cradle to gate." The collection has been made with biobased, rapidly renewable materials (linseed oil, pine rosin, wood and cork flour, and jute) in Narni (Italy). The Narni facility operates with 100% renewable electricity, 34% self-generated energy, a 100% closed-loop water system, and 0% production waste to landfill.

To further drive the procurement of low carbon materials, Tarkett has developed in 2022 and rolled-out in 2023 a **low carbon methodology for materials purchase**, the MOOD methodology. standing for "Measure, Optimize, Optimize further, Disrupt". This methodology and common framework were designed by Tarkett Sustainability Team and by Tarkett Purchasing Team. This methodology provides guidelines for buyers to request GHG metrics to their suppliers ('Measure'): suppliers are asked to provide the product Life Cycle Analysis (LCA), sharing either the product certified EPD (Environmental Product Declarations) or PCF (Product Carbon Footprint). The MOOD methodology also requires asking the suppliers about: industrial optimization that might have a positive effect on carbon footprint, such as low carbon energy mix, energy savings, productivity increase ('Optimize'); the in-depth transformation of the product manufacturing, if the supplier is

exploring alternative raw material sourcing and production pathways ('Optimize further'); or if they can offer alternatives to products ('Disrupt'). Tarkett Purchasing Team takes into consideration the upcoming transformations and progress declared by the suppliers in the selection of suppliers and materials.

In 2023, thanks to the collection of specific data from our key suppliers, Tarkett has been able to improve the GHG footprint evaluation of its raw materials and to determine the most impacting raw materials. Thanks to the MOOD approach, Tarkett is also able to identify and assess the potential contribution of more durable products that suppliers can offer and determine which technology could support our 2030 GHG reduction target.

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

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. The Group sustainability team, jointly with representatives of division and plant environmental network, aligned to WCM system, assist 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 7,700 tons of post-manufacturing waste and semi-finished products for recycling in 2023 from other Tarkett plants at Sedan (France), Konz (Germany), 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. The recovery and use of sawdust waste as a renewable energy source is implemented at Hanaskog (Sweden), Orzechowo (Poland), Mytishchi (Russia), Kalush (Ukraine) and Bačka Palanka (Serbia).

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.

#### Example

##### DESSO X RENS - Breathing new life into discarded carpet tiles

Our EMEA teams have launched DESSO X RENS, a playful take on material reuse in collaboration with the Dutch design research firm Studio RENS. DESSO X RENS comprises discarded carpet tiles from our most widely-used ranges. The collection showcases our commitment to designing carpet tiles with circularity in mind. DESSO X RENS comes with the 100% recyclable EcoBase backing, which contains on average 80% recycled chalk from the local drinking water industry. At the end of their life, the carpet tiles can be fully recycled into a new raw material at our facility at Waalwijk, the Netherlands.



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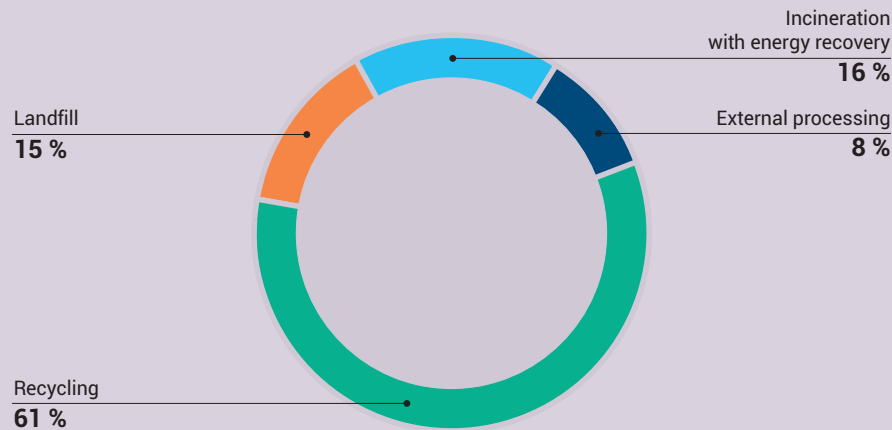
**Zoom on industrial waste**

**Waste**

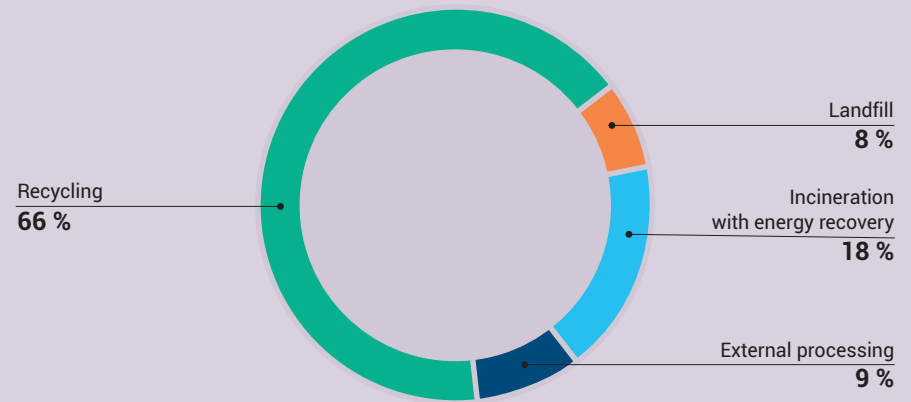
61% of the total waste from our plants (including both production related waste as well as office and canteen waste) is effectively recycled, with 13 plants not disposing of any waste to landfill in 2023. A further 13 other plants do not dispose any industrial waste to landfill, with only office and canteen waste being sent to landfill.

In 2023 the quantity of waste to landfill declined 11% to 9 k tons (vs 10 k tons in 2022 and 24 k tons in 2021). This was partly thanks to the continued reduction in waste to landfill at one of our US plants (-25% vs 2022). This plant had one of its production lines transferred to our facility in Mexico. The US plant continues to weigh on the overall results, as it accounts for 54% of the Group's waste disposed to landfill (primarily non-hazardous flooring waste). If we exclude this plant, we recycled 66% of our waste in 2023.

**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**



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### 3.7.2.4 Collecting and recycling post-installation and end-of-use flooring and sports surface waste

In addition to recycling our post-manufacturing flooring and sports surface waste, Tarkett is investing in another 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.

#### Example

##### Recycling post-use flooring and sports surfaces as a key solution to avoiding Scope 3 GHG emissions related to the end-of-life treatment of sold products

In 2021 we assessed the potential avoided GHG emissions<sup>1</sup> that would be achieved by recycling our products. This approach considered that the waste material is used as raw material replacing virgin/fossil raw material instead of being incinerated, thus avoiding the emissions related to both the production of virgin raw materials and the incineration of the waste flooring.

##### Homogeneous vinyl flooring

Tarkett has overcome the challenge of recycling post-use homogeneous vinyl flooring through the inhouse development of innovative technology. The flooring is granulated, washed several times to remove residues and glue, dried and safely reintroduced into our supply chain. The raw material is used in the production of new Tarkett homogeneous flooring at our recycling and production center in Ronneby (Sweden). For example, recycling 1 m<sup>2</sup> of post-use iQ homogenous vinyl flooring waste saves 11.8 kgCO<sub>2</sub>e\*.

##### Heterogeneous vinyl flooring

Tarkett collects clean post-installation off-cuts or used flooring, sending them to one of our dedicated sorting partners before shredding and granulating them into high quality raw materials. These materials are used in the production of new heterogeneous flooring at our production center in Sedan (France). For example, recycling 1 m<sup>2</sup> of post-use loose-lay vinyl Acczent Excellence Genius flooring waste saves 12.4 kgCO<sub>2</sub>e\*.

##### Carpet tiles

Tarkett processes collected post-use carpet tiles at its recycling center at Waalwijk (Netherlands) producing two material streams: the yarn and the backing. The yarn is recycled by its partner Aquafil into regenerated Econyl<sup>®</sup> nylon yarn to be used in the production of new EcoBase<sup>®</sup> carpet tiles along with the EcoBase<sup>®</sup> backing. Recycling 1 m<sup>2</sup> of post-use EcoBase<sup>®</sup> carpet tiles flooring waste saves 10.0 kgCO<sub>2</sub>e\*.

##### Linoleum flooring

We collect clean post-installation off-cuts or post-use linoleum flooring, sending them back to our plant in Narni (Italy) for recycling. The jute backing is easily separated and used on site as thermal fuel, while linoleum paste from installation off-cuts, is micronized into high quality raw materials and used to produce new Tarkett Linoleum. Linoleum paste from post-use is micronized to become a filler for new Tarkett Linoleum or other products. Recycling 1m<sup>2</sup> of post-use Linoleum flooring waste saves 5.4 kgCO<sub>2</sub>e\*.

\* compared to an end-of-life scenario with 100% incineration

<sup>1</sup> Climate benefits from recycling flooring waste - Tarkett 22th September 2021 v2.

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### 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-use flooring materials and artificial turf in our own manufacturing processes, which required developing on-site recycling units.

In total, Tarkett counts **eight ReStart flooring recycling centers** at its production sites across the world: Ronneby (Sweden), Clervaux (Luxembourg), Waalwijk (Netherlands), Narni (Italy), Jaslo (Poland), Dalton (US), Otradny (Russia), and Jacarei (Brazil). In addition, there are 3 FieldTurf recycling centers for sports surfaces with one in Europe at the plant in Abtsteinach (Germany), and two facilities in the US (Oregon and Pennsylvania). The recycling center located in Luxembourg, on the Clervaux site has the EuCertPlast certification for recycling post-consumer vinyl flooring. The EUCertPlast 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 Clervaux recycling center 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.

Tarkett Sports' Morton Extrusionstechnik artificial turf fiber and infill facility in Abtsteinach (Germany) and Tarkett's FieldTurf artificial turf production plant in Auchel (France) both obtained ISCC Plus certification in 2021 along with the ISCC Plus Sustainability Declaration for the FieldTurf artificial turf. This certification states both the origin and the proportion of recycled material, providing a guarantee that the plastic is actually made from recycled material. This follows on from the EuCertPlast certification which Morton Extrusionstechnik obtained in 2020 for recycling post-consumer artificial turf. 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.

These actions are at the heart of FieldTurf's **SuReTec™ program** (Sustainable Recycling Technology) which is part of FieldTurf's Sustain the Game sustainability strategy. SuReTec™ is FieldTurf's program to apply plastic recycling technologies internally and externally, with the ultimate goal of creating a circular turf. SuReTec™ relies on chemical recycling using mass balance pyrolysis oil from post-use end-of-life plastics and mechanical recycling converting plastic waste into new secondary raw materials to reduce the amount of virgin plastics used to make artificial turf and infill. The program will also

support end-of-life treatment, recycling end-of-life turf to use as new components in new turf systems along with the development of artificial turf from a single polymer to facilitate recycling. A number of sports fields have already benefited from this new recycled plastic synthetic turf, such as the Matmut Stadium, home to Lou Rugby in Lyon (France) and the TSG 1899 Hoffenheim ground in Germany, in addition to the St Andrews University project described in section 3.6.1.1 Selecting and sourcing sustainable materials to preserve natural resources.

Tarkett Sports is also collecting and recovering used artificial turf and infill. In Oregon (US), Tarkett has a facility which recovers infill from retired fields as part of the **Infill Take Back program**. The recovered turf goes to the facility where the rubber crumb and sand infill materials are separated from the artificial turf. Infill materials are then washed and bagged ready for reuse. In 2023 the facility regenerated 8.5 million pounds (3,860 tons) of infill for reuse in new projects. The artificial turf part is often reused in community or residential applications.

In the second quarter of 2023, a new state of the art infill regeneration facility started operation in Pennsylvania (US) to serve the Northeast US sports turf market. The facility is designed to collect and process old synthetic sports fields and recover, clean and separate the sand and rubber infill for reuse on new surfaces. The facility has recycled over 3.5 million pounds (1,590 tons) of product in 2023. Additionally, all post-consumer turf carpet that is processed is collected and sent to a 3<sup>rd</sup> party to be recycled back into plastic lumber products.

In the US, post-consumer turf can be 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. Alternatively, using a proprietary process that upcycles the material into a higher quality polyethylene and polypropylene blend, the carpet can be transformed into various products like nailer boards, planters, and park benches.

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 (for more details see section 3.6.2.2 Working collectively at Tarkett towards a circular economy).

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## 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 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. A solvent based technology called CreaSolv® was developed to separate the legacy plasticizers, thus making it possible to retain valuable resources in the circular economy. The CreaSolv® Recycling Process also converts the legacy plasticizers into REACH-compliant plasticizers.

The first seven milestones of Circular Flooring have been reached in previous years, including: 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; Circular Flooring demonstration plant design finalized and realizable with the intended project budget; decision taken on high performance formula for Circular Flooring PVC; economic sustainability confirmed.

Since 2021 the work focused on the construction of a CreaSolv® PVC prototype recycling plant at the Fraunhofer Institute in Freising (Germany), which is expected to be finalized in 2024. The aim of the EU project Circular Flooring 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.

### Collecting and recycling post-installation and end-of-use flooring: the ReStart® program

**Tarkett is committed to building a circular economy, notably through the collection and recycling of used flooring and sports surfaces. ReStart® is Tarkett's flagship program for flooring waste collection and recycling which meets a double goal:**

- > Increasing the collection of post-installation and end-of-use 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.

**Onboarding customers, with a simple, cost-effective ReStart® take-back and recycling service is key to these goals.** We are actively inviting our customers to join our ReStart® take-back and recycling 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.

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**At the end of 2023 the ReStart® program is proposed in 29 countries across the globe. It exists in several formats across Europe** (Sweden, Norway, Finland, Denmark, France, United Kingdom, Ireland, Belgium, Netherlands, Luxembourg, Italy, Spain, Portugal, Germany, Austria, Switzerland, Poland, Estonia, Latvia, Lithuania, Czech Republic, Romania, Slovakia and Hungary), in **Brazil, India, Malaysia, Australia** and in **North America** . :

**In Europe**, we are mainly collecting vinyl installation off-cuts and post-use carpet tiles:

> For vinyl flooring, Tarkett provides big-bags and organizes the collection of offcuts or end-of-use materials (currently for post-consumer homogeneous flooring installed since 2011) 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). In each market we are developing practical solutions and finding the right local partners for the collection and

sorting to facilitate the recovery of recyclable materials, such as Veolia in France, Kuijs in the Netherlands, Belcyco in Belgium and Verhoek in Germany. Once at our recycling centers, the material is controlled before processing and reintegration into our production process. In a few years, it is expected that post-use vinyl floors will be the most important contributor to ReStart® volumes, and in 2023 we set EMEA volume targets for the collection of post-use homogeneous flooring. The challenge was well received by the EMEA sales networks where ReStart® program is active, and the internal target of 89 tons was already exceeded by mid-year. By end 2023, 137 tons of post-use homogeneous material had been collected within EMEA.

- > For carpet flooring, Tarkett provides a support to facilitate the on-site collection, then the flooring is sent to our carpet recycling center in Waalwijk (Netherlands) for recycling.
- > We are also taking back linoleum for recycling at our Narni site (Italy).
- > Tarkett Sports Europe also have a ReStart® program available for Omnisports and Linosports ranges.

## Example

### Tarkett multiples ReStart® flooring take-back and recycling projects across Europe with a climate beneficial solution and a quality customer service

Tarkett successfully convinced more clients in 2023 to join the circular economy through its ReStart® flooring post-installation and post-use collection and recycling program. The onboarding of new customers was achieved through the continued pedagogy and effort from its teams across Europe to propose and deliver a simple solution. Existing collaborations were also continued and strengthened in 2023. A few examples include:

- > The successful **collaboration with IKEA** continued: eleven take-backs have been executed from IKEA stores in Czech Republic, Sweden, Norway, Finland, Denmark, Lithuania, Romania, and Spain in 2023. Since the first take back experience of post-use material from IKEA Stockholm in 2020, more than 150 tons (corresponding to 50,000 sqm) have been collected in over 25 take backs from IKEA stores in 13 countries across Europe (avoiding a total of 500 tons of CO<sub>2</sub> emissions).
- > In **Sweden**, 8,000 sqm of post-use linoleum from the church office in Uppsala were collected and recycled, avoiding 33 tons of CO<sub>2</sub> emissions.
- > In **Sweden**, during the renovation of a 50,000 sqm office in Stockholm, 70% of carpet tiles could be reused by the property owner, and 2,000 sqm were collected and recycled by Tarkett, avoiding close to 12 tons of CO<sub>2</sub> emissions.
- > In the **UK**, Tarkett started a ReStart® collaboration with Swift, a manufacturer of caravans and motorhomes installing resilient residential flooring. During the first five months' pilot phase, we have collected 11 tons of material from this company. Results are encouraging and there is room to scale up and increase the amount of material recovered in the future.
- > In the **UK**, we collected in May 2023 55 pallets equivalent to 18.9 tons of post-use carpet tiles from the Nationwide Building Society office in Bournemouth.
- > In **Czech Republic**, three big bags of offcuts were collected for recycling during the reconstruction of School Praskova in Opava.
- > In **Norway**, we have started a collaboration with Elkjøp Nordic to collect their old carpet tiles from their refurbishing projects.

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

**In Russia**, a ReStart® pilot project was initiated by surveying installation and distribution channels for their interest in the collection for recycling of post-installation vinyl flooring scraps. One of our long-term distribution partners (who provides customers with additional services for cutting products, as a result of which it accumulates flooring offcuts) showed interest, and we started to receive the first dispatches in June 2023. We have collected 8,9 tons of post-installation resilient residential materials in 2023, with the view to expand the project to rigid-LVT products in the future.

**In Brazil**, 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 at our manufacturing facility and –incorporation into the manufacture of a new national LVT base. The ReStart® project started with a pilot phase in 2018, with a modest 2.8 tons of recycled material and the participation of five resellers. Through concentrated efforts in communication and promotion of the program, we have been able to increase the engagement among new participants. In 2023, we witnessed significant growth, with an active participation of 27 resellers and 5 installers. We collected more than 37.6 tons of post-installation flooring in 2023, exceeding the established target of 30 tons. This continuous growth has attracted media attention leading to an invitation for an interview in Brazil's renowned economic newspaper, "Valor Econômico", which highlighted our initiative on the cover of its August 21, 2023 print edition.

**In Australia** Tarkett worked with flooring contractors to collect vinyl off-cuts for their ReStart® take-back program. To date, over 15 tons of homogenous vinyl off-cuts and end of rolls have been granulated, diverting them from landfill. The local team also continued to work with the Australian and Swedish Authorities to gain the appropriate export licenses, so that the granulated material can be returned to our recycling facility in Ronneby (Sweden). In Western Australia, Tarkett worked once again with Malco flooring on phase two of the William St., Perth offices project, where they diverted an additional 8,000 sqm of carpet tiles from landfill, by recovering reusable tiles.

**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. In 2023, Tarkett North America started sending returned or discontinued LVT collected as part of the ReStart® program to Avery Automats, a company based in Dalton, Georgia, that is using this LVT in the manufacturing process of their automotive mats. This collaboration enables to recycle 100% of the collected LVT, no longer sending it to a waste-to-energy plant.

**In India**, Tarkett recycled 19,000 sqm of post used carpet rolls (made by another manufacturer) for Capgemini in Bangalore and Hyderabad, India. The collected flooring was shipped to our partner recycling center (RecycleKaro) for sorting and recycling. The carpet yarn was separated from the backing creating two main material streams which were recycled and transformed into raw materials for other industries: the vinyl material and carpet backing material are used in the automobile and construction industries, while the carpet yarn is used to make recycled paper bags. We then supplied Capgemini with our Tarkett carpet tiles as a new floor, and we offset the carbon emissions generated during production with carbon fund credits.

In 2023, Tarkett launched the ReStart® program in **Malaysia**, where we will collect used carpets products that will be used as fuel for the cement industry, as a sustainable alternative to fossil energy.

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

### Recycling, re-covering and reusing artificial turf and reusing infill – FieldTurf's "Goal zero"

Tarkett's FieldTurf teams are multiplying initiatives and trials as part of its Goal Zero program to divert 100% of of job-site and manufacturing waste from landfill by the end of 2025 in North America. In 2023, 46 projects were completed, recovering old artificial turf, diverting them from landfill, and recycling 146 tons of materials (322,700 pounds).

In the process FieldTurf is expanding its partnerships with recycling facilities to be able to recycle the recovered end-of-life artificial turf. FieldTurf is also working with customers to extend the life of their fields by reusing their infill, reducing their costs and their carbon footprints. In 2023, Tarkett estimated that 53.8 million pounds (24,400 tons) of rubber and sand infill were reused in North America.

For example, in Connecticut (US), FieldTurf utilized all its end-of-life programs (goal zero for jobsite waste recycling and infill regeneration to recycle the end-of-life turf) as part of a Synthetic sports turf replacement project of an existing FieldTurf field at New Haven High School. This enabled to fully divert and recycle all of the materials that would traditionally end up in a landfill.

### Zoom on key indicators



#### Flooring collection and recycling program ReStart®

From 2010 to 2023, Tarkett has collected 118,900 tons of flooring (post-installation and end-of-use flooring: vinyl, linoleum, carpet). In 2023, 4,100 tons of installation offcuts and used flooring were collected through the ReStart® program, which marks an encouraging increase over the average 3,100 t collected annually over the past five years.

Good progress was made in Europe thanks to the continued engagement of our sales network encouraging customers to join our ReStart® collection and recycling program. Post-installation and post-use flooring was collected from numerous projects providing material to recycle at our unique carpet recycling center in the Netherlands, our vinyl recycling centers in Sweden and Luxembourg, and our linoleum recycling center in Italy. These four European recycling centers saw the quantity of ReStart® collected material increase by 22% in 2023 compared to 2022. Recycling of post-use homogenous vinyl floors is key to Tarkett and now already represents a third of the total volume collected, with volumes expected to increase substantially in the coming years.

In North America, Tarkett rekindled its ReStart program in 2023 and successfully diverted an estimated 1.5 million pounds (690 t) of post-use flooring to recycling, both inhouse and with external recycling partners.

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

**Our experience 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.** Here is a summary of some of the challenges that we have identified and the initiatives we are taking to overcome them.

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; Homogeneous vinyl flooring recycling in Sweden</li> <li>&gt; Trials with solid wood parquet recycling in Sweden and Norway</li> <li>&gt; Supporting the European project Circular Flooring to scale up old PVC flooring recycling</li> <li>&gt; Field turf recycling in Germany at Tarkett's third-party certified recycling center</li> <li>&gt; Development of products, such as Greenboard made from recycled turf</li> </ul>
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> <li>&gt; Tarkett encouraging customers to join its ReStart® take-back and recycling program</li> </ul>

**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, have a 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. The new 'Made in Europe' Essence / Elegance Rigid 55 vinyl collections launched in 2023 have similar smart click locking systems, allowing for quick installation, eliminating the need for glue, and thus also facilitating removal. 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. In

2023, Tarkett launched its first linoleum with glue-free installation, the new Tarkett Lino Loose-Lay. The loose-lay technology offers the possibility of a quicker installation, decreases indoor air pollution risk by eliminating the need for glue, and is eventually easily dismountable, ideal for take-back and recycling.

For indoor sports Tarkett proposes Greenlay™, a loose-lay installation method for Omnisports surfaces. With only 2% of surfaces glued, the end-of-life recovery is facilitated enabling the surface to be easily removed, taken back through Tarkett's ReStart® program and recycled.

**Reusing flooring and sports surfaces**

In some specific circumstances used flooring and sports surfaces can potentially be reused before being decommissioned and sent for recycling. Tarkett is investigating ways it can facilitate the reuse of material, where the quality and condition of the material allows, and can meet the prospective organization's requirements. In Europe, Tarkett is working on developing solutions for carpet tiles to provide an additional "reuse" option to the Tarkett ReStart® take-back and recycling program. A pilot has started in Benelux and Nordics countries. FieldTurf has also developed solutions in certain geographies for customers to enable the reuse of removed artificial turf or to reuse infill.



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

### 3.7.3 Balancing remaining greenhouse gas emissions

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 with additional partial or total carbon offsetting solutions for remaining emissions.

In our **European market**, Tarkett launched in 2021 its **Carbon Conscious Program** giving the possibility for customers to balance cradle to gate and end-of-life related greenhouse gas emissions for products through the REDD+ Business Initiative Tambopata-Bahuaja Biodiversity Reserve Verified Carbon Standard (VCS) project. Tarkett firstly reduces carbon emissions through rigorous product design and manufacturing processes, then Tarkett offers to balance the remaining emissions through the Carbon Conscious Program, with externally verified carbon credits. This is in addition to proposing Tarkett's ReStart® take-back and recycling program to recycle post-installation and end-of-use flooring waste into new secondary raw materials, which also contributes to reducing greenhouse gas emissions.

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 3 Gold level Cradle to Cradle Certified® products (Desso Ecobase® PA6 Solution Dyed Carpet Tiles Gold and Desso EcoBase® Carpet Tile Backing and 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).

In Europe, Tarkett launched the FieldTurf Carbon Offset Program to customers so they can also opt to offset 100% of the CO<sub>2</sub>e emissions resulting from the production of their synthetic turf field. GHG emissions are offset with carbon credits from the REDD+ Business Initiative Tambopata-Bahuaja Biodiversity Reserve project.

In 2023 Tarkett retired 937 carbon credits from the REDD+ Business Initiative Tambopata-Bahuaja Biodiversity Reserve project.



In **North America**, Tarkett Sports partnered with the **Carbonfund.org Foundation** to offer FieldTurf customers a carbon offset program. Using FieldTurf's proprietary surface intensity calculator, which totals potential greenhouse gas (GHG) emissions of a project, customers can now choose to offset 100% of the CO<sub>2</sub>e emissions resulting from the surfacing of their field. The program is currently available on projects in North America for a majority of FieldTurf systems. The voluntary offsets are provided through Carbonfund.org Foundation's Carbonfree® Product Certification Program, which offsets emissions by funding third-party validated and verified renewable energy, forestry and energy efficiency projects that support a low carbon transition for the planet. FieldTurf remains committed to a reduction-first approach, continuously striving to find emissions-lowering efficiencies, reducing its environmental impact by sourcing good materials for use in manufacturing processes, and being among the first to implement zero-emission manufacturing facilities.

Tarkett's carpet manufacturing plant and recycling center in Waalwijk, the Netherlands, is the first Tarkett plant to offset its Scope 1 GHG emissions from natural gas consumption. This was achieved in 2021 by purchasing carbon credits equivalent to the direct GHG emissions from its natural gas consumption for heating and production. The emissions are compensated with Verified Emission Reduction (VER) certificates that are linked to a specific investment in sustainable energy projects in developing countries. 2,817 tons CO<sub>2</sub> were compensated through such VER certificates in 2023.

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

## 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	2023	2022	2021	CSR Report section	Contributing towards UN SDGs
Product safety and quality	> 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	99%	99%	99%	3.8.1	
	> Use of phthalate-free plasticizer technology for our vinyl flooring	Percentage of phthalate-free flooring <sup>1</sup>	96% <sup>2</sup>	96%	95%	3.8.1	

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

<sup>2</sup> At the end of 2023, 100% of our vinyl production sites in Europe, North America, Serbia, Ukraine, and China use phthalate-free plasticizer technology

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

### 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.

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. 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.
- > **Tarkett North America** offers both residential and commercial flooring solutions that have been **certified asthma & allergy friendly® by AAFA** (all FiberFloor® vinyl ranges as well as other products such as iD Latitude, Acczent, several laminated ranges, and Powerbond® RS, a soft surface flooring). 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.
- > 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, 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 »).
- > The LVT Color Pop and Even Plane collections are **FloorScore® certified** for their low impact on indoor air quality. Developed with the Resilient Floor Covering Institute (RFCI), FloorScore® is the most recognized indoor air quality certification standard for hard surface flooring materials, adhesives, and underlayments.
- > In 2023, we launched our new, ultra-low formaldehyde laminate flooring range in **Japan**, which has been designed to meet Japan's rigorous emission limits, equivalent to a **Super E0 classification**.

#### Exemple

##### Tarkett North America's Asthma & Allergy friendly® Powerbond RS® wins 2023 Product Greenstep Award"

Allergy Standards Limited (ASL), an independent global certification company, and the Asthma and Allergy Foundation of America (AAFA), the leading patient organization for people with asthma and allergies, have deemed Tarkett Powerbond RS® flooring as CERTIFIED asthma & allergy friendly® - the world's first soft surface flooring to receive this designation. Powerbond RS® is a hybrid resilient flooring, meaning it combines the look and feel of carpet with the durability and cleanability of a resilient surface. Made with an impermeable, closed-cell cushion backing and installed with chemically welded seams, Powerbond RS® provides a wall-to-wall moisture barrier to prevent mold and mildew. In addition, its low pile height allows for the easy removal of dust and allergens: in testing, 95 percent of allergens were removed effectively with a simple dry vacuuming. Powerbond RS® is made with low VOCs, including its pre-applied adhesive, and is free of ortho-phthalates. All Powerbond RS® designs are protected with Eco-Ensure, a proprietary, fluorine-free, anti-soil chemistry that provides enhanced soil protection and removal, and that is Cradle to Cradle Certified® Platinum. In September 2023, during a ceremony that took place in Dalton (Georgia, US), Tarkett North America's Powerbond RS® won the 2023 Product Greenstep Award – organized by Floor Covering Weekly Magazine.

<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

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### 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>1</sup>; or in information campaigns run by health and environmental protection non-profit organizations.

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 then at our Otradny site in Russia in 2019 and 2020. In 2022 our teams in Jacareí, Brazil worked with their local supplier, with the support of our R&D team in Luxembourg, to develop a phthalate-free wear layer for our locally produced luxury vinyl tiles (LVT). This was the final hurdle to achieve phthalate-free production of LVT in Brazil which had been difficult as there are no local manufacturers of the commonly used non-phthalate alternatives. The plant had already switched to bio-based plasticizers in its production, however the challenge, which has now been overcome, had been to obtain phthalate-free wear layers.

At the end 2023, 96% of our global vinyl production use phthalate-free plasticizer technology (except recycled content for certain products). The remaining 4% relates to a small volume of the vinyl flooring produced at our plant in Russia.

At some sites, we also use recycled content 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. This is also the case in 2023, in Farnham, Florence West and Chagrin Falls in North America; Mexico City in Mexico; Kalush in Ukraine; Bačka Palanka in Serbia; Beijing in China; and Jacareí in Brazil.

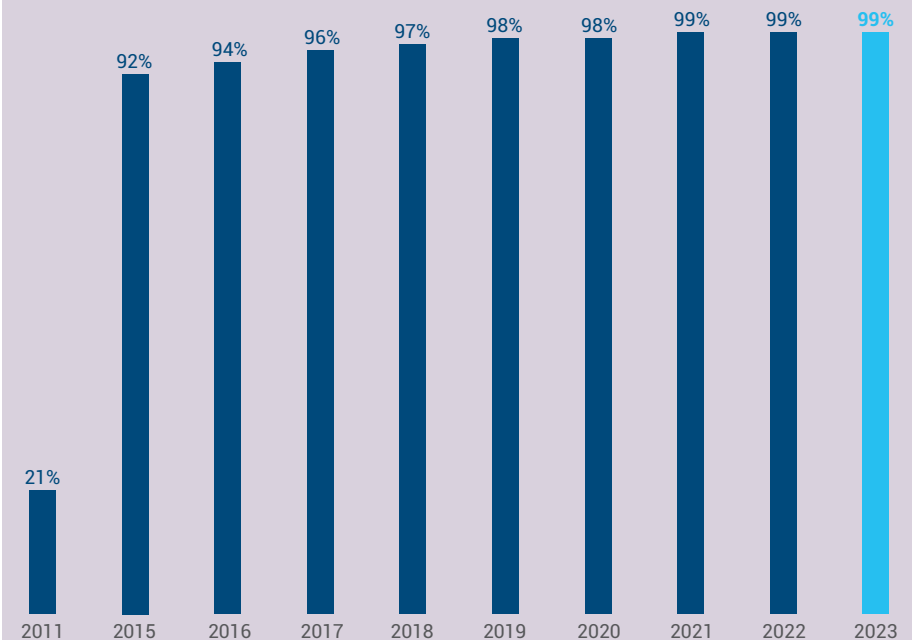
The entire flooring industry gradually follows our example in the interest of flooring customers and users: for example, in North America, certain DIY, home improvement and decoration retailers, such as Lowe's, Menards and Home Depot, have changed their supplier specifications to exclude phthalate products.

### 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 2023 99% of our flooring have low total VOC emissions (<100 µg/m³). The remaining percentage is explained by a small volume of carpet and rubber flooring.

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



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

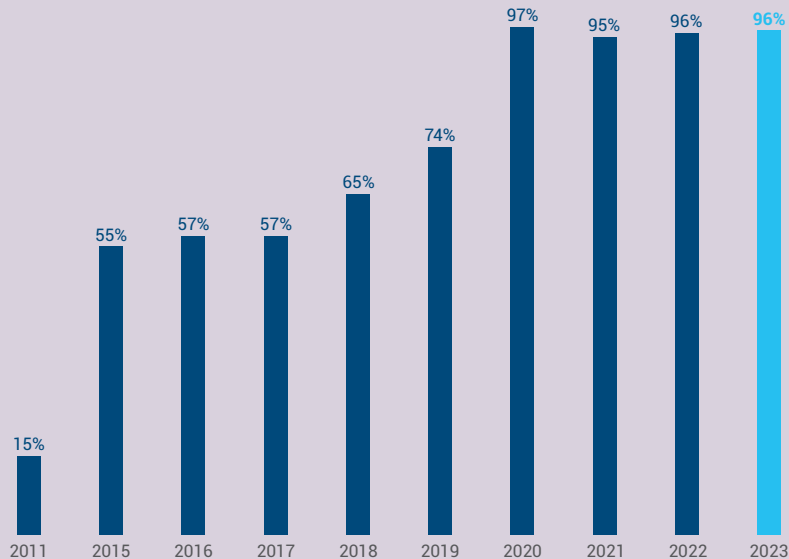
Creating solutions for greater indoor air quality and safe, healthy spaces for our customers

**Zoom on key indicators**

**Phthalate-free flooring**

All plants produce 100% of phthalate-free vinyl flooring, except for a small volume of the vinyl flooring produced at our plant in Russia. Furthermore, our carpet flooring was also 100% phthalate-free in 2023. At the end of 2023, 100% of our vinyl production sites in Europe, North America, Brazil, Ukraine, Serbia, and China use phthalate-free plasticizer technology. For the full year 2023, at a global level, this translates to 96% of volumes being phthalate-free (vs 96% in 2022, 95% in 2021, 97% in 2020, 74% in 2019, 65% in 2018 and 57% in 2017). These results reflect the important efforts in the last few years to deploy the phthalate-free plasticizer technology in Brazil, 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; 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. 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.

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

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

#### Designing for safety

Tarkett is committed to ensuring and enhancing product safety through its Tarkett Human-Conscious Design® approach. 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, Tarkett educates and informs clients on slip resistance in settings where flooring surfaces get wet or contaminated during normal use. It provides Continuing Professional Development (CPD) training for architects on Slip & Wellbeing which are aligned with the AIA (Architects Institute of Australia) requirements. Tarkett Australia has 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.

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").

#### Example

##### Revitalized iQ Granit Specialty flooring collections offer coordinated solutions for the most demanding of spaces

Tarkett's iQ homogeneous sheet flooring is specifically designed for the most demanding healthcare, life science and education environments. In clinical settings where infection control is a priority, iQ's superior flexibility enables an integral, easy-to-cove detail without cracking to support infection control protocol. All iQ products are scientifically engineered to prevent the spread of infection, simplify care and maintenance, and support better indoor air quality through the following characteristics: continuous, uninterrupted surface with heat-welded seams; superior scratch resistance; easy to clean with neutral cleaners; withstands the weight of heavy rolling loads; chemical- and slip-resistant; continually restored with simple dry buffing. The iQ Granit Specialty solutions provide advanced safety and performance - from controlling static, to mitigating risk of slip-and-fall accidents, and to softening acoustics.

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

### Designing for healthcare

In 2022, Tarkett in Europe launched a Healthcare Design Guide to assist designers in making the right color choice. The guide incorporates the latest insight from the white paper Tarkett published in 2021 titled "The Hospital of the Future: Challenges and Stakes"<sup>1</sup>. This white paper highlights the importance of hospitals becoming spaces that empower patients. The study conducted in response to the Covid-19 pandemic noted an increasing demand for healthcare due to a growing population of older people, a threat of future pandemics and climate change, and a shortage of medical staff.

These initiatives build on Tarkett's over 70 years of experience in providing flooring solutions to the sector which contribute to improve hospital hygiene. 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. Tarkett continues, through its Tarkett Human-Conscious Design<sup>®</sup> approach, to support the healthcare community in developing and deploying the best cleaning and disinfection protocols with the minimum impact on human health, the environment and biodiversity, limiting the overuse of biocides and disinfectants.

### 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. For example, Tarkett has published a white paper on "Designing for Dementia (2019)" and has teamed up with the creators of VR-EP (Virtual Reality-Empathy Platform), a virtual reality tool endorsed by the leading experts in dementia-friendly design (see Tarkett's 2021 CSR report for more details). 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.

Our Safetred Serenity vinyl safety floor collection is DSDC (Dementia Services Development Centre) accredited and lends itself perfectly to dementia-inclusive and neurodiverse settings.

### Designing for positive and inclusive education

In recent years there has been a major shift in education, with teaching styles evolving and more clarity on individual learning styles than ever before. There is a need for educational interiors to be updated to reflect this and provide the best learning experience for students, as well as supporting teachers. With this in mind, Tarkett has introduced its Education Design Guide in March 2023, to open a discussion on the school of the future. The Guide delves into the need for flexible, modular and dynamic design, that also caters for user wellbeing across all ages and preserves the planet by using sustainable, health-promoting materials. One of the key messages in the guide is that design should put learners at the center by offering a variation of spaces to help students learn in different ways and promote active learning. This observation doesn't only apply to classrooms, where it is key to allow students to switch seamlessly between individual, group or full class activities. Hallways, quiet corners, sports halls, libraries, and cafeterias should all be repurposed to create areas for students to gather, socialize, form study groups, or find some quiet to work alone.

Additionally, the Guide combines the expertise acquired over the past years through interviews with international experts and students, and the work developed with color expert Marion Lamarque. Using this expertise, Tarkett sets out to inspire others to consider how color can be used to favor certain emotions, for example using colors to promote concentration as well as those that instill a sense of calm or contribute to group productivity. Color can be also used to achieve functional benefits such as helping wayfinding through contrast and signage, increasing attention spans, and reducing eye fatigue. These principles are applied in projects Tarkett contributes to. For example in 2023, the new High School in Aizenay (France), which is fitted with Tarkett flooring products, opened its doors after two years of construction. The colors for each area in the school were carefully selected to ensure the well-being of students: neutral colors for the classrooms, encouraging pupil concentration; different colors for the staircases, facilitating orientation; and bright colors for the work rooms, creating identity.

In 2022, Tarkett's North American teams launched "Discovery", a new collection designed to aid architects, designers and facility managers in creating inspiring education spaces for every learner. Discovery includes two soft-surface options and a coordinating luxury vinyl tile (LVT), all of which were designed around the needs of students and educators. The result is a collection that combines serene neutrals and vibrant colorways to encourage curiosity, imagination, and perspective in all types of learners.

<sup>1</sup> The Hospital of the Future: Challenges and Stakes - [https://media.tarkett-image.com/docs/WP\\_WHITEPAPER\\_HEALTHCARE\\_INT.pdf](https://media.tarkett-image.com/docs/WP_WHITEPAPER_HEALTHCARE_INT.pdf)

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

### Example

#### Autism and inclusive education – How to use floors, designs and colors for an autism-friendly environment

In September 2023, EMEA launched the third phase of their education awareness campaign, dedicated to the challenges of inclusion at school. According to the World Health Organization, one in hundred children has ASD (Autism Spectrum Disorder) worldwide, and autism prevalence has increased by 24% since 2000. EMEA marketing teams have identified particular challenges for autistic students and conducted a study to explore how the learning environments can be adapted to their needs. Most people with autism present sensory processing deficits, often combined with hypersensitivity issues (auditory, visual, tactile) when confronted with an unsuitable environment. These lead to a need to adjust the environment, including noise and visual distraction reduction, routine / rituals, and comfort zone.

The study provides guidelines on how to use floors, designs and colors to meet the needs for an autism-friendly environment, through sequencing spaces to make them logical and predictable (floor zoning, color codes, signage), reducing sensory stimuli (noise, glare, visual distraction), and enabling students to recalibrate their senses (smooth transitions, respite spaces).

### Designing for diversity

Tarkett's teams in North America continued to collaborate in 2023 with HOK, a global design, architecture, engineering, and planning firm, to help clients and designers better understand neurodiverse employees and their unique needs for work environments. Neurodiversity refers to variations in the human brain regarding sociability, learning, attention, mood, and other mental functions - all of which can have a significant impact on how one might interact with their physical surroundings. In 2023 Tarkett and HOK developed a new Cognitive & Sensory Wellbeing guide to assist workplace designers and strategists in creating environments that support all employees to do their best work.

### Designing for improved lighting and acoustics

Tarkett has developed flooring products which help improve the lighting and acoustic environment of buildings, for example:

- > 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.
- > The Desso SoundMaster® carpet can improve impact sound insulation by up to +10 dB<sup>1</sup> compared to standard carpets.
- > Our new Even Plane LVT presents sound absorption that performs 30 percent better than building codes require.
- > Our homogenous vinyl flooring iQ Granit Acoustic reduces impact sound by 15 dB, while our new ICONIK vinyl roll collection offers high acoustic performance up to 21 dB reduction.
- > Tarkett Lino Loose-Lay brings great acoustic comfort with up to 14 dB sound reduction.




<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.



Driving collaboration in the value chain and in communities

### 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	2023	2022	2021	CSR Report section	Contributing towards UN SDGs
Flooring market changes-	<ul style="list-style-type: none"> <li>&gt; Responsible sourcing program</li> <li>&gt; Suppliers involved in materials selection, materials assessment and Cradle to Cradle® approach</li> </ul>	Share (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent	39%	42%	35%	3.9.1	
		Share (in spend) of suppliers (requested, considered at greatest risk), who have completed the third-party CSR assessment	90%	80%	84%		
	<ul style="list-style-type: none"> <li>&gt; Tarkett Academy</li> <li>&gt; Tarkett Cares</li> <li>&gt; Support to worldwide development projects</li> </ul>	Total value of contributions to Tarkett Cares community initiatives (financial, product and employee hours donations)	222 k€	208 k€	103 k€	3.9.2	

Driving collaboration in the value chain and in communities

### 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 (Program 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 two production sites and a number of sales subsidiaries and for which 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 in 2022.

Driving collaboration in the value chain and in communities

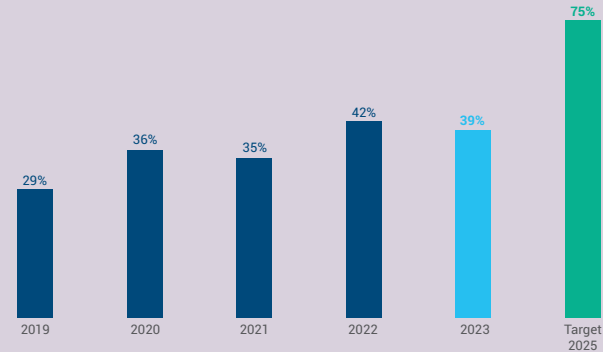
**Zoom on key indicators**

**Responsible sourcing**

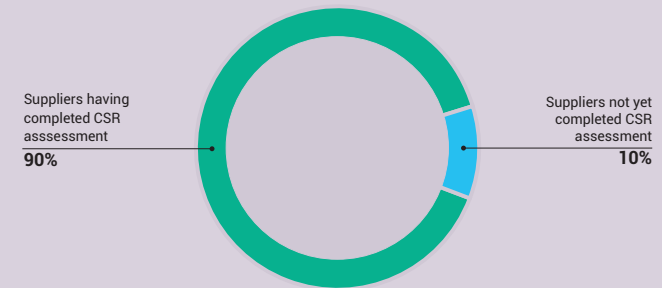
In 2023 39% of our suppliers (in spend) have adhered to our Code of conduct or equivalent. This is slightly down compared to 2022 (42%) due to variations in Tarkett's production and purchasing mix resulting in a larger proportion of supplier spend with suppliers who have not yet adhered to the Code of conduct. Tarkett plans to target onboarding more of these suppliers going forward. 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. In 2023, 90% of spend with suppliers requested to complete the third-party CSR assessment (administered by EcoVadis) had completed the assessment.

**Share (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing program, to its Code of Conduct or equivalent**



**Share (in spend) of suppliers (requested, considered at greatest risk), who have completed the third-party CSR assessment**



Driving collaboration in the value chain and in communities

**Our responsible sourcing program** includes the following components:

- > **A procurement CSR risk mapping covering the majority of our suppliers** 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 sets 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 risk mapping has been updated in 2023 to take into account the integration of new suppliers.
- > **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 15 languages. We are progressively requesting our suppliers to sign our Code of Conduct or to demonstrate adherence to equivalent standards.
- > **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. Following the initial roll out of this action we have continued to request third-party CSR assessments to most critical suppliers. 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. These suppliers, along with suppliers requiring improvement will be re-assessed to measure progress. Suppliers considered compliant will be re-assessed every three years. At the end of 2023 90% of most critical 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 3.11.1 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. For example, in 2023 specific training sessions (including a refresh of Tarkett Responsible Sourcing Program, how to onboard a supplier, how to perform an assessment and follow supplier progress based on the EcoVadis platform) were provided to global, EMEA, Eastern Europe and North America buyers (both for newcomers and as a refresher for buyers already trained previously). 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), with group category managers having incentives linked to their personal bonuses.

Driving collaboration in the value chain and in communities

### 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 100,000 companies, 190 spend categories and 175 countries.

#### 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 (see for more details section 3.6.1.2 Assessing materials for their impact on health and the environment).

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.

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.

Driving collaboration in the value chain and in 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 34 industrial sites, its commercial networks, and local branches, as well as its research and design centers. Products are manufactured in 20 countries (Sweden, France, Italy, Belgium, the Netherlands, Luxembourg, United Kingdom, Germany, Poland, Russia, Serbia, Ukraine, Turkey, US, Canada, Mexico, Brazil, China, Australia, United Arab Emirates), located in the heart of commercialization areas to serve our highly fragmented and diverse customer base.

Tarkett develops relationships with local stakeholders including architects, designers, installers, sub-contractors, and distributors, while respecting local cultures: in its way, Tarkett is French in France, 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 by Tarkett Academy in nine countries (Brazil, France, Poland, Sweden, Russia, Serbia, Australia, the US and the UK), at dedicated Tarkett Academy centers as well as at customer and other third-party locations. The training is designed for both young professionals and experienced installers. Sessions last a few hours to a week and focus on flooring installation and maintenance, among other topics.

> The **Tarkett Academy in France** ("Tarkett Formation"), created as early as 1993 in the Sedan factory, trains professionals or future professionals in vinyl, linoleum, wood, and carpet flooring installation techniques. Tarkett Formation is continually working with our Branch union representatives to maintain a national installer official diploma / certification ("Certification Soliers Niveau 4"), which recognizes the competency of our trainees within the country. After preparation and completion of audits, Tarkett Formation Sedan has been recognized by the French government as an accredited training center ("Centre de Formation d'Apprentis" - CFA), entitled to deliver French official Installer Certifications. To date, eleven young students were trained at our CFA to acquire the certification. To increase our local footprint, Tarkett Formation is collaborating and contracting with three other independent CFAs, providing material and support to allow them to provide adequate training, with to date an additional eleven young students being trained. Finally, Tarkett Formation has provided training sessions for 86 of our customer's employees to increase their competency.

> The **Tarkett Training Academy for UK and Ireland** opened in April, 2023, during a product launch day where product and category managers joined along with the entire UK and Ireland sales team. The UK&I Tarkett Academy is based @SYR, a leading Cleaning and Maintenance specialist, and is divided into two parts: the first is the product display area, where our products are showcased in their respective segments. The second part is the installation training area where we have both bays and an open commercial installation area to enable installers and contractors to develop and maintain their skills in our sector. Designed for partners looking to enhance their flooring installation and maintenance skills, the facility focuses on comprehensive training to effectively handle Tarkett flooring products across various environments. One installer session about linoleum was organized in the third quarter of 2023, partnering with a subfloor manufacturer present in the UK&I, thus helping to complement the whole system – floorcovering and subfloor.

Driving collaboration in the value chain and in communities

- > The **Training Academy Ronneby in Sweden** (Tarkett Expertise Center - TEC) delivers training and start-up services worldwide. In February 2023, the TEC organized a static control vinyl flooring training in Colombo, Sri Lanka. After a theoretical session, the 10 trainees participated in the job site training, including installation start-up for the 6500 m<sup>2</sup> area to be covered. Participants received training diplomas, and the Ronneby team followed up the project until the installation was complete. In December, three one-day training sessions on Tarkett vinyl installation and maintenance were moreover delivered to 90 participants in Mumbai, Bangalore and New Delhi (India).
- > In 2023, **Tarkett Academy in Poland** conducted LVT installation trainings with chemical manufacturers, as well as trainings on existing construction sites in the fields of wall covering and PVC installation. We also continued our cooperation with the Polish Association of Floor layers, with whom we conduct joint trainings for installers.
- > In **North America**, we continued to promote our Installation Certification Programs in 2023, which cover resilient flooring (vinyl and linoleum) and soft surface (with a focus on our Powerbond Carpet). The certification requires that participants both pass a written and hands on test. To further promote our programs, we have conducted 'train the trainer' sessions with some of the Union Trainers in North America, what allows the Union to help us promote our programs. We have also added our maintenance videos and installation videos to our Tarkett You Tube channel, and we continue to create and build our library of videos. Our Technical Service Hotline Team often refers our customers to specific videos to demonstrate techniques that will help them in the field.
- > In **Brazil**, we have developed a specific training program in partnership with Leroy Merlin, aimed at training its workforce. It was 100% personalized to meet the specific needs of this audience focusing on installation.
- > In March 2023, in **the U.A.E.**, more than 70 installers attended our 3<sup>rd</sup> Tarkett Middle East installation training in association with Janser & Mapei, hosted at the premises of our Partner Messara Trading.
- > In **Russia**, installer training is delivered directly at the four Tarkett Academies (Golitsyno, Otradny, Ekaterinburg, Novosibirsk), as well as through outside trainings and events with partners (sellers, distributors, installers, builders) and for influence groups such as architects. A "Tarkett Academy" Learning Management System (LMS) was launched on the "Equio" IT-platform in 2021 and is accessible to employees of retail points, distributors, and partners within Eastern Europe countries. The LMS, which includes 59 training programs with videos and presentations, has seen over 5,000 users since its launch in August 2021. The best users are rewarded with gifts and factory excursions. Trainings in the profession of floor laying are also delivered in six regions at nine professional schools throughout Russia. As part of this, regional competitions and a Russian championship "Professionals in floor laying" are organized.

#### Zoom on key indicators



From 2012 to 2023, Tarkett trained over 60,000 professionals and students in the flooring profession and in installation techniques at Tarkett Academy centers all over the world, including 8,241 people in 2023.

Driving collaboration in the value chain and in 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 seven years Tarkett has contributed to more than 900 community initiatives with Tarkett employees volunteering over 3,800 days of community service while Tarkett has donated over 1.2 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 2023 :

- > 2 days of volunteer activity for charity initiatives possible for all employees.
- > More than 80 initiatives worldwide

- > 499 employees participated in 2023
- > 280 workdays, the equivalent of 1,964 hours of work
- > 20,520 m<sup>2</sup> of flooring donated
- > A total value of close to €222k (values of financial and product donations and employee hours donated)

#### In 2023, Tarkett Cares continued to support many communities' initiatives:

- > Tarkett **EMEA division** organized an internal donation campaign after the devastating earthquake that occurred in Turkey in February 2023. For each 1€ donated by Tarkett employees, Tarkett EMEA Division matched the contribution with an additional 1€. A total of 30,000€ were collected during this campaign and donated to two associations recommended by Tarkett Turkey teams: Ahbap, a charity movement and non-governmental organization, and AKUT, a search and rescue association.
- > In the **UK**, Tarkett teams participated in several Tarkett Cares initiatives throughout 2023. In August, the Tarkett team took part in the Manchester Bus Pull organized by the Greater Manchester Mayor's charity, raising £720 for this charity working to put an end to homelessness in the city. In September, Tarkett UK teams organized a beach cleaning event at Herne Bay (Kent) as part of the Million Mile Clean initiative managed by Surfers Against Sewage, a charity who protects the oceans, beaches and wildlife of the UK Coastline. 18 kg of litter were collected during this event, mainly small plastic items. The same month, the Ashford Office teams participated in the Dementia UK 30 miles walk. The UK & Ireland teams also organized several fundraising events, collecting for example £300 for Red Nose Day, a fundraising campaign to fight child poverty and ensure a healthy future for all children, and £237 for the MacMillan Cancer Support Charity. We also partnered with The Samaritans, a local charity aimed at providing emotional support to anyone in emotional distress, struggling to cope or at risk of suicide, by providing them for free our flooring solutions.
- > In **France**, our Sedan plant organized a Pink October Event, during which over €500 were collected and donated to the NGO 'Femmes Relais 08' which fights against women isolation and exclusion. The plant also donated 1,000 m<sup>2</sup> of flooring to the Cabaret Vert Music Festival which was organized in August in Charleville-Mézières, 20 km far from Sedan.
- > Several Tarkett plants organize or participate in blood donation campaigns: a blood donation was organized within the **Sedan** plant in October, during which 34 employees gave their blood; in **Narni**, 10 employees participated in a local blood donation campaign.




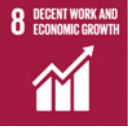


Driving collaboration in the value chain and in communities

- > In the **Netherlands**, the Waalwijk HR & Payroll team went to a nursing home for the elderly to volunteer by helping in cleaning the wheelchairs / walkers of the residents. It was also set up as a social event, with an orchestra playing after lunch. On another day, 10 employees from different departments participated in a wheelchair walk with coffee and tea with the elderly. Our sales team participated in an afternoon of pancake baking for Villa Pardoos, an organization that provides holidays with activities for sick children and their families. We also collaborate with JINC, a foundation who fights for children growing up in deprived neighborhoods: through JINC collaborations with schools, we participate in events like job application training, boss for a day (where a student is the boss of Tarkett in Waalwijk for one day), short internships, and mentoring.
- > In **Belgium**, our Dendermonde plant sponsors a local institute for disabled persons.
- > In **Russia**, the teams participated in January and in June in activities at a cancer center situated in Balashikha (Moscow region), including fund raising, toys purchasing, and toys presenting by volunteers dressed as superheroes. In January, six Tarkett employees moreover participated in various activities at an animal shelter located in Nekrasovka (Moscow region), including fund raising, food purchasing, feeding / grooming / walking with dogs, and conducting some repairs in the shelter.
- > In **Germany**, for every visitor to the Tarkett booth at the BAU fair in München and every like on the 'DACH SoMe' channels during the fair, Tarkett donated five minutes of planting time to a charity helping to preserve and replant seagrass in the Mediterranean Sea: the MANAIA project, founded by a marine biologist and supported by the renowned German Foundation for Marine Protection. With this campaign, we want to help preserve seagrass beds as an effective carbon sink and important marine habitat. At the end of the fair, Tarkett donated 15,000 minutes for the project.
- > In **Hanaskog (Sweden)**, Tarkett started in 2022 a collaboration with Östra Göinge municipality and Agneberg preschool. An area of land was identified, now known as the Tarkett forest, a large meadow area right next to the factory. In 2022, we planted 300 oaks and the same number of birches, and in 2023 the area was fenced off to protect against animals during growth. In 2024, we plan on building and setting up bee hotels and planting bee-friendly meadow flowers to help insects, whose natural habitat has disappeared due to changes in the environment, to find a home and a place to seek shelter.
- > In **Ronneby (Sweden)**, Tarkett made a donation to the Natural Science program. The purpose of this program is to offer students the possibility to visit the Berzelius days, an annual meeting where high school students from the Nordic countries with an interest in chemistry can meet each other and exchange ideas. Researchers from both academia and industry in all branches of chemistry are invited to hold lectures about their research, their work situation and the value of science education.
- > In **Serbia**, 35 Tarkett employees planted 2,500 oak saplings in the Poloj forest, close to Bačka Palanka.
- > In **Jaslo (Poland)**, we organized an Open Day for employees and their families, during which, among others, ecological workshops for children were organized. During the workshops the participants participated in activities such as planting of melliferous bushes and flowers, and preparing insect boxes and ecological scent pendants.
- > In **Australia**, Tarkett donated flooring products for the renovation of the Bayside Community Information & Support Service building (Victoria), which aids members of the community in times of need or crisis; and for the renovation of the Randwick Children's Hospital (New South Wales) parent accommodation, used by parents caring for their child whilst undergoing treatment.
- > In **North America**, Tarkett Sports' ongoing partnership with Good Sports focuses on the "Better Tomorrow program", an initiative to help kids "get in the game" by providing essential resources. Launched in 2021, this program supports diversity and accessibility in sports for kids across North America, especially those in high-need communities. Through this collaboration, Tarkett Sports has been able to amplify our message and help get kids in the game, most notably through the Equip-A-Kid program, which drives donations that provide equipment across a range of popular sports. In its 19 years, Good Sports has collected more than \$95 million in donations, supporting over 9.3 million kids across all 50 states and Puerto Rico.

Nurturing our human capital

## 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	2023	2022	2021	Objective 2025	CSR Report section	Contributing towards UN SDGs		
Worker health, safety and security	<ul style="list-style-type: none"> <li>&gt; World Class Manufacturing (WCM) program</li> <li>&gt; ISO 45001 certified Health and Safety Management System</li> <li>&gt; Working time arrangements and employee well-being initiatives</li> </ul>	Percentage of production sites certified to ISO 45001	61%	70%	68%	-	3.10.1			
		Recordable Lost Time Accident Frequency Rate (FR1t)1 for all employees	3.28	3.36	2.56	1,0	3.10.2			
Talent retention and recruitment of key employees	<ul style="list-style-type: none"> <li>&gt; Non-discrimination policies</li> <li>&gt; Promotion of gender equality</li> <li>&gt; Employment of people in difficulty (e.g. with disabilities, long-term unemployment, immigrants)</li> <li>&gt; Whistleblowing procedures</li> </ul>	Percentage of women in management	29%	27%	26%	30%	3.10.3			
		<ul style="list-style-type: none"> <li>&gt; Recognized employer brand</li> <li>&gt; Global Talent Management Guiding Principles</li> <li>&gt; Performance and Development Review</li> <li>&gt; Learning and development programs, e.g. Manager@Tarkett</li> <li>&gt; Internal mobility</li> <li>&gt; Global employee feedback survey</li> </ul>	Percentage of employees trained at least 1 day during the year	39%	45%	44%	-		3.10.4	
			Percentage of enrolled permanent employees who completed a Performance & Development Review (or equivalent) during the year	96%	93%	-	-		3.10.5	
	Percentage of open management positions filled by an internal candidate	65%	54%	63%	70%					
	Absentee rate (employees)	3.2%	3.6%	4.4%	-					
	Permanent employee turnover rate	19%	21%	19%	-					

1 Number of accidents with lost time < &gt; 24 hours per million worked hours

Nurturing our human capital

**Empowering our high-performing teams to be the easiest, the most innovative, and the most sustainable flooring and sport surfaces company to work for, and to work with.**

Empowering our high-performing teams is a key pillar of Tarkett's impactT 2027 strategy. Tarkett's Human Resources teams are playing a key role to create an environment that encourages initiatives and promotes best practices to deliver the promise of having a positive impact on our customers, on our teams, and on the planet.

Derived from the ImpactT 2027 strategy our People strategy is based on three strategic priorities: Enable a culture of entrepreneurship; Engage teams in Tarkett's success; and Deliver impactful Human Resources. 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 three priority actions:

- > Strengthen our Talent Management practices to have the best talents in critical positions and enhance high-performance and speed;
- > Increase employee commitment through engaging internal communication and positive employee experience; and
- > Implement a compelling employee value proposition, "Floorish your future"

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

### 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's safety procedures and standards notably 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.

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.

Tarkett's Executive Management Committee is firmly committed to safety, supporting and closely monitoring actions to strengthen safety measures and mobilize all employees around safety. Key ongoing actions include:

- > **Safety Pledge:** The top 100 leaders of the Group signed a Safety Pledge in December 2018: "Safety is our #1 commitment. Every day. Everywhere". Each year Tarkett employees participating to our global Safety Day sign a Safety pledge, thus renewing their commitment.
- > **Global Safety Day:** An annual Global Safety Day is organized at all Tarkett plants, warehouses and offices worldwide each year following the first such day in December 2018. In 2023 the 6<sup>th</sup> Global Safety Day took place in the first week of November with a video message, translated into 18 languages, from the Executive Vice President for Operations and R&D, the Group Safety Director, and the Vice Presidents of Operations of the main divisions 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. The focus of the 2023 edition in plants was to further progress on the deployment of pedestrian ways in our warehouses and safe maintenance intervention standards in our plants. It was also the opportunity to continue to improve the deployment of 5S through workshops and to promote the reporting of 'low noise' events (such as unsafe acts and unsafe conditions) by managers and operators. In offices, the focus was on the 5S system and on tripping hazards as well as on safe driving. The 5S system (where the 5S stand for Sort, Set in order, Sweep & inspect, Standardize, and Sustain) is a system for organizing spaces so work can be performed efficiently, effectively, and safely putting everything where it belongs and keeping the workplace clean, which makes it easier for people to do their jobs without wasting time or risking injury.

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- > **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 2023 the focus of the action plan was the implementation of the standard on safe maintenance intervention and the follow-up on the deployment of the pedestrian safety standard. In parallel emphasis was made on the importance of applying the “lessons learned” preventative approach following all accidents, with Tarkett entities required to analyze the presence of the same risk in their plants and to plan adequate countermeasures.
- > **Safety procedures and rules:** The global safety function, reporting to the Executive Vice President for Operations and R&D, sets safety rules, strategy, and objectives on safety and draws up Group safety standards. In 2023 Tarkett continued to apply its overarching “Golden Triangle” approach to global safety standards: defining good standards, making them easy to follow and controlling them regularly to improve them. In 2023 the global safety team continued to roll out the third Group safety standard on safe maintenance intervention while monitoring the deployment of the second Group safety standard concerning the interaction between pedestrians and vehicles. The first new Group safety standard launched in 2020 on “loading bays” is now fully deployed. This standard sets out the minimum requirements that shall be implemented at all plants to limit risks of accidents at loading bays.
- > **Safety training:** Continuous organizational learning at all levels, with a focus in 2023 on the “Rights and duties of managers”. This training helps managers at all levels understand their responsibilities and what they can expect from their teams regarding safety. In previous years, training focused on the quality of the root cause analysis and countermeasures after any safety event; on fire and ergonomic risk assessments; and on the workplace 5S system. In 2023, the Sedan plant implemented a safety training course in virtual reality, which is set to become the standard within EMEA in the future. Sixty employees of the plant followed this virtual reality safety training in 2023.
- > **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 assessments:** Each plant conducts a self-assessment on safety management which is reviewed by the Group as part of the annual WCM plant assessment. Furthermore, safety experts from the Group and the Divisions regularly visit the plants to provide ongoing support and training, but also to observe how they are implementing Group safety standards and best practices. Most plants are visited each year depending on priorities, and where plants need more help. Plants are also audited regularly as part of their ISO 45001 certification and 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 along with countermeasures, 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. In 2023 a focus was made on sharing experience and good practice on the practical implementation of the Group maintenance standard and the 5S system.

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 (in warehouses, administrative buildings and for the sales network). Safety rules for sales networks and offices, drawn up in 2019, are regularly communicated. 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. For example, in 2023 Tarkett’s North America sales organization conducted a training held in Solon which helped raise awareness of Active Shooter Prevention & Protection with the support of FBI instructors. Tarkett North America’s Commercial Operations, along with Calhoun Sports, also launched production-led, employee dominant safety committees to further engage our employees in the safety process that impacts their work.

## Nurturing our human capital

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. In 2023, 85% of employees indicated that they are satisfied with efforts made to maintain safety/security.

- > **The development of safety skills and a safety culture** at production sites is a major focus of the WCM support on safety, through complementary measures: application of the Golden triangle, frequent visits and assessments of our sites' practices, open and continuous dialogue between managers and employees on risks and safety behaviors at workstations, implementation of good practices.
- > **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.
- > After each incident or accident, a **rigorous assessment of causes** ("root cause analysis") is carried out. Action plans are then developed and deployed. 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 2023, 61% of the Group's manufacturing sites had obtained certification for the ISO 45001 health and safety standards.**

## Nurturing our human capital

## Example

## How Tarkett plants always put safety first – a selection of case studies for 2023

- > The teams in **Bačka Palanka (Serbia)** have automated the LVT packaging system with a karakuri system, an automation mechanism invented in Japan based on physical principles – with no electric, pneumatic or hydraulic power sources. The new automated system, while increasing production capacity, reduces safety risks by a third, eliminating in particular the lifting of heavy loads, in turn improving ergonomics.
- > As part of a project to stabilize and improve the performance of the LVT line at the **Clervaux plant (Luxembourg)**, safety was a key area of focus: following a risk analysis, we prioritized and implemented corrective actions and focused on protecting the areas at risk, where operators are most exposed. We have thus gone from 64 risks initially identified to 0 at the end of the project. This was achieved by strengthening protective measures and limiting interactions with forklifts, and by implementing a structured approach and daily monitoring.
- > At our **Orzechowo plant (Poland)**, cleaning defects on the finished product was the last manual operation in the production process of the Super Rustic parquet line. This action entailed a high safety risk for operations as well as a lower productivity. To change this situation, our Orzechowo team started developing an automated process for cleaning the Super Rustic boards back in 2021. The new automation, which was rolled out in March 2023, generates a repeatable and safe process, improving the productivity of the cleaning process, while providing a safer work environment.
- > Tarkett's Audit of Safety Standards process is one of the many ways that the Group ensures that operators are complying with the most stringent of workplace safety standards. One measure at the **Auchel plant (France)** was to step up the number of audits, which was accomplished with up to 300 visits now carried out each year at the plant. Other key actions to develop a safety culture in Auchel have been to: make each employee accountable for identifying his area of improvement and the remedial behaviors; involve management at every step of the process through weekly walks around the factory floors; and set up an on-going learning process.
- > The Brazil Compliance Award event held in April 2023 in São Paulo is a celebration of good practices as well as legal controls adopted by organizations all around Brazil. Over 4,000 companies competed for this Prize, and **Tarkett Brazil** was awarded First Prize for Excellence in Safety and Health Compliance.

## Zoom on key indicators

## Safety

The Recordable Lost Time Accident Frequency Rate (FR1t) for all Tarkett employees remained stable at 3.28 with 69 recordables in 2023 (compared to 3.36 in 2022, 2.56 in 2021, 2.62 in 2020 and 2.19 in 2019). Tarkett's goal, fixed in 2019, is to reduce this frequency rate to 1.0 by 2025. This indicator (FR1t) measures the number of accidents with or without lost time, per million hours worked.

By applying Tarkett's safety standards and ensuring a high level of safety culture, several Tarkett plants are achieving the desired objective of zero recordable accidents. At the end of 2023, in the UK, Tarkett's vinyl plant in Lenham had gone 115 months without a recordable accident. In Europe, Tarkett's Konz and Narni plants have achieved 80 and 78 months respectively with a clean sheet. In Eastern Europe Tarkett's Kalush plant in Ukraine and vinyl plant in Bačka Palanka, Serbia have gone 63 and 45 months respectively without a recordable accident. In Australia, Tarkett's plant in Prestons has achieved 58 months without a recordable accident. The key to achieving these results and a safe working environment has been communication and maintaining constant awareness about safety. Safety rules are explained to operators and if someone is observed to deviate then managers have one-to-one conversations to clarify any point. Employees are also encouraged to provide feedback and make suggestions to improve the safe working environment.

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

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.

#### Occupational health

Professional health risks, such as exposure to hazardous materials, musculoskeletal disorders, etc. are identified and mitigated by plants following the WCM procedures and guidelines and the ISO 45001 certified health and safety management system implemented at our manufacturing sites. The occupational illness frequency rate for Tarkett employees is 0.05 in 2023 with 1 case (compared to 0 with no case in 2022, 0.26 with 5 cases in 2021, 0.10 with 2 cases in 2020, 0.27 with 6 cases in 2019 and 0.13 with 3 cases in 2018).

In 2023, Tarkett has conducted more ergonomic risk assessments with an improved risk assessment procedure which qualifies activities as having a high or low ergonomic risk. During the year trials also continued with new technology to assist operator tasks. Following the example of Otradny in 2022, Tarkett has deployed several projects to implement cobot to assist workers with heavy repetitive tasks, thus reducing work-related musculoskeletal disorders. A cobot is a collaborative robot designed for use in a shared space where humans and robots operate in close proximity. Tarkett is also trialing different models and solutions of industrial exoskeletons in a few plants. Exoskeletons help workers by supporting the body and assisting with lifting or other movements thus contributing to limit musculoskeletal disorders. In all these trials Tarkett is carefully evaluating the risks and benefits to employee health and safety.

Several of our plants and offices offer free flu vaccines to the employees who want it. This is for example the case in Sedan (France), Narni (Italy), Jaslo (Poland) and at our Paris La Défense global headquarters.

#### 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 2023, 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 **Mytishchi plant (Russia)** is mapping, benchmarking and progressively completing its employee assistance program. It includes medical and accident insurance, periodical medical check-ups, and coaching and initiatives on health and well-being, such as ergonomic audits for new workplaces, shift-worker health management, own fitness center at the plant, and bi-weekly 'Happy hours' initiative focused on communication and stress management.

In **North America Tarkett** has an employee assistance program which provides support services to employees through the Carebridge Corporation.

#### 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.

The way that work is organized on the Group's sites varies depending on the regulatory framework of the country and the specific needs of each production site. A large part of work organization is established through collective bargaining, and agreements have been signed in areas such as working hours, part-time work, and remote working.

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. In 2022 Tarkett Sports North America changed its manufacturing shift schedule by adding a shift to allow employees to work a 3-4 days per week work schedule as part of a normal working week. This measure, aimed to further help employees balance their work and personal time, is still in place in 2023.

## Nurturing our human capital

In **France**, Tarkett respects the new obligations of the labor code authorizing reservist employees to have leave entitlement for employment or training activities in the military operational reserve or the national police operational reserve. In 2023 there were no employees who requested this entitlement.

**Flexible working policies / practices**

Tarkett continued to facilitate flexible hybrid-working arrangements in 2023 capitalizing on the experience gained during the pandemic, where the importance of maintaining opportunities for social bonding and team collaboration with physical presence is recognized. Preference is given to locally developed solutions, building where relevant on existing frameworks, and taking into full consideration local authority guidance and rules. For example:

- > In **North America**, Tarkett launched in June 2022 a Flexible Work Program designed to empower managers and their teams to establish work arrangements that foster a strong team spirit, balance technology and in-person interactions, meet the needs of our customers, improve employee engagement and contribute to retaining and attracting the best team. Tarkett North America continued to monitor and iterate this policy in 2023, creating and rolling-out toolkits to enhance remote and in-office collaboration and, in some cases, improving collaboration workspaces (e.g., in Dalton service center).
- > In **North America, Tarkett Sports** implemented across its locations a new Flexible Work Schedules policy where associates are asked to work in the office twice a week or 8 days a month, including a presence on all-in days one or two days per month. The aim of this new policy is to further empower employees and attract talent and generally improve employee engagement and work life balance.
- > In **France**, remote-working for two days per week became more wide-spread among employees at Tarkett's Paris - La Défense global headquarters following the collective agreement signed with worker representatives in 2021.
- > In **Australia**, Tarkett has adopted a flexible working arrangement for all employees working within the Baulkham Hills site, with three days in the office and two days from home.

Other hybrid solutions, combining both office-based and remote-working have been implemented at other sites such as Tarkett's Sedan plant in France and in other countries (see Tarkett's 2021 CSR Report for details).

**Promoting physical activity, sports and well-being**

Tarkett's local entities look to provide an agreeable working environment that ensure the well-being of all employees, to encourage employees to perform physical activities, and to create occasions to come together during more informal social moments for the pleasure and good of all.

Several initiatives were launched in 2023 to support employees with mental health:

- > In **Serbia**, we started using the platform Resilient, which can support employees in different aspects of mental health through valuable contents around work stress, working skills, financial well-being, communication, and private essential things such as partnership and family. Besides video and written content, the platform offers online webinars and individual psychological counseling with employees.
- > In **Waalwijk (Netherlands)** and **Dendermonde (Belgium)**, we launched an Employee Assistance Program available for all employees and their family members in both Belgium and the Netherlands, providing 24/7 support on mental, financial or practical issues.
- > At **Paris - La Défense (France)**, we organized a conference on mental well-being at the occasion of the Mental Health Weeks (October 9 to 22, 2023). Topics such as stress management and work-life balance were addressed during this conference, giving practical examples of how these two aspects can be managed on a day-to-day basis. 83 Tarkett employees attended the conference.
- > In **North America**, May 2023 saw the organization of Wellness Month: throughout the month, we offered employees opportunities to learn, access resources, and actively engage with specialists to support their wellness needs. In coordination with this initiative, we launched Minds Matter, a new employee resource group (ERG) created to help reduce the stigma around mental health in the workplace and to provide a safe space for those seeking resources to learn more about care available through employee assistance programs, benefits, and outside resources.



## Nurturing our human capital

Many initiatives were organized worldwide in 2023 to encourage employees to perform physical activities:

- > In **France**, Tarkett's plant in Sedan provides grants to the local athletics club, facilitating Tarkett employee adhesion and participation to different sporting events. In October 2023, five Tarkett Sedan employees participated in the 'Foulées Roses', a race organized as part of Pink October; seven Tarkett employees ran the Sedan-Charleville half-marathon; and nine employees attended a pilates class organized in the plant's showroom.
- > Tarkett employees in **France** were invited to participate in the Kiplin Adventure, a fun game based on team-building and everyday physical activity, with the objective to combat sedentary lifestyles and re-energize teams. 17 teams (of five employees each) challenged each other and covered a total of 7,533 km in 16 days. In October, over 30 employees from Tarkett Sports Europe and Tarkett's French headquarters met up in Vincennes near Paris to take part in the various events (runs and walks) proposed by Odyssey in support of the fight against breast cancer. Tarkett's employees at the head office in Paris La Défense have moreover access to a fitness center.
- > In **Hanaskog (Sweden)**, we inaugurated in 2023 the Tarkettslingan, a 5 km walking trail that goes from the factory out into Hanaskog's fantastic forest area and is now bookable for our "Walk and Talk" meetings. This initiative promotes increased creativity while strengthening the well-being of our employees by increasing movement during sedentary work. Since 2022, we also offer our employees discounted bikes to encourage more employees to park their cars and take their bikes to work. In 2023, we participated in the inauguration of a new cycle path, running from nearby towns to Hanaskog and Tarkett, that makes it both safer and easier to cycle to work.
- > In **Ronneby (Sweden)**, we have a Tarkett Freetime / Activity Club run by employees that organizes well-being activities during the whole year. This club offers activities such as spinning, padel, golf, hockey games and so on, and also ensures the maintenance of our own gym which is open to all our employees at the plant.
- > In **Waalwijk (Netherlands)**, we organized a Vitality week, during which healthy lunches were proposed, lunch walks were organized for everyone who wanted to join, and a sports platform was available to promote sports. For employees who started a sports membership during that week, Tarkett paid for the first three months as an encouragement.
- > In **Russia**, at our **Mytishchi** plant, a small gym available to all employees was opened, offering weekly yoga classes and regular table tennis competitions. A Family Day was also arranged at the plant for approximately 80 employees and their family members. A number of fun activities and excursions to the shopfloor and warehouses were organized during this day.
- > In **Serbia**, an annual fishing competition is held near Tarkett's plant in **Bačka Palanka**. In 2023, more than 100 employees participated to this outdoor event which enabled socializing in a pleasant outdoor natural environment.
- > In **North America**, over 25 Tarkett employees participated in Race for Cure events across our **Solon** and **Dalton** offices. In some areas, bike racks have been installed to promote biking to and from work. Over the summer, during an All-In Day, employees were encouraged to gather outside, away from their workspace for games and fun. Finally, selected employees were provided points through our Awardco recognition platform to purchase items related to wellness and fitness.
- > Tarkett's **Sports in Canada and FieldTurf USA** have an outdoor putting area and Tarkett Sport's Canada has a hockey league. The Tarkett Sports office in **Montreal**, Canada, is equipped with a bike rack to facilitate the use of a bike to commute to work and also organizes fitbit step challenges.

Nurturing our human capital

### 3.10.3 Promoting 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. In the 2023 employee feedback survey 73% of employees indicated that everyone is treated fairly regardless of personal background or characteristics (a slight progression compared to 2021), and 77% indicated that they are comfortable voicing their opinions, even if they are different from others.

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 1,500 managers, including Tarkett's executives.

Tarkett aims to achieve this 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. We track our progress by monitoring the share of women among different categories of managers and the share of open management positions filled by a female candidate.

In March 2023, on **International Women's Day**, our Group EVP HR & Communications gathered some of Tarkett's talents from around the world to discuss what it means to be a woman in the flooring industry. In June, at the occasion of **International Women in**

**Engineering Day**, testimonials from Tarkett's women engineers around the world were shared to remind how essential diversity and inclusion is for companies' performance and sustainability. In 2023, Tarkett also joined the **European Network for Women in Leadership (WIL Europe)**, a program giving women in several countries the opportunity to network, grow in their career and flourish their future: through this partnership, we sent six women from EMEA, Eastern Europe and Corporate teams to the Women Talent Pool program, a 1-year program with various learning contents including online courses, mentoring sessions and a global networking event.

Tarkett's second annual **Diversity and Inclusion Week** took place in April 2023, with a focus on intercultural awareness. The week was marked by a kickoff video from our CEO, testimonies from colleagues who encounter and embrace diversity and multiculturalism on a daily basis, and a webinar titled "Intercultural Awareness". Local teams got involved, organizing engaging events around the world:

- > In **Brazil**, the teams participated in a training session on inclusive communication, and employees were encouraged to design a poster where they share what they love about working at Tarkett.
- > In the **Netherlands**, teams talked about diversity and inclusion, and the different nationalities that make up the teams there. A 2-hour inspirational lunch session with an external consultant was also organized for managers to exchange about diversity and inclusion.
- > In **Belgium**, we brought together employees from different teams to get to know each other and make connections. And to top off their week, they were treated to traditional dishes from countries around the world.
- > In **Sweden**, we organized a tour of our Hanaskog plant for future potential employees with a targeted invitation to women who immigrated to Sweden, engineering students and the industrial sector.
- > In **Poland**, our Jaslo plant decided to draw attention to the work of women in positions that have so far been occupied by men. A short video entitled "Women in operations" was created, showing the work of female colleagues in production engineering, management and specialist positions. A competition entitled "Tolerance and respect is the best direction" was also organized, aimed at preventing discrimination and teaching children tolerance and openness. The competition was addressed to the children of all our employees.
- > In **France** (Paris - La Défense HQ), workshops on diversity and inclusion were organized, as well as foreign language initiation sessions, culture and business quizzes, and French sign language learning sessions.

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Inspired by the pedagogy of the Climate Fresk, the **Diversity Fresk** is a collective intelligence workshop designed to raise awareness of the cognitive mechanisms at work in terms of discrimination, to discover approaches aimed at reducing them, and to debate their scope and limits, while acquiring a common vocabulary to engage in constructive dialogue and bring about a more inclusive and peaceful society. The Diversity Fresk was deployed **in France and Luxembourg**, with several workshops organized in Paris La Défense, Auchel and Clervaux. In total, circa 40 Tarkett employees participated in these Diversity Fresk workshops in 2023.

## 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 2023 increased 2 percentage points to 29%, with 451 women among 1538 managers (compared to 27% in 2022, 26% in 2021 and 2020, and 27% in 2019, 2018 and 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 a female candidates (35% in 2023, 34% in 2022, 30% in 2021 and 31% in 2020).

Since 2021 Tarkett adopted a slightly different approach to monitoring the share of more senior female managers, based on the grade of the position occupied by the person. This was possible thanks to the global implementation of the grading approach, together with the Global Job Catalog in 2020 and the deployment of Workday.

As such Tarkett distinguishes two other managerial populations:

- > The share of women among the **top executive positions of CEO and Executive Management Committee (EMC)**: In 2023 there were no changes so the share remained at 30%.
- > The share of women among **top executives, executives, and the next 2 management levels (senior directors and directors)**: In 2023, 25% of this group of 205 individuals are women (compared to 27% in 2022 and 26% in 2021).

Lastly, the Supervisory Board is still composed today of four women and five men (i.e. 44,44% women), in line with French requirements (articles L.22-10-21 and L. 225-69-1 of French Commercial Code).

In France, Tarkett calculates and publishes each year, 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 2023:

- > Tarkett (corporate teams in France) scored **98/100** (vs 95 in 2022, 96 in 2021 and 92 in 2020), Tarkett France (teams from flooring activities in France) **scored 88/100** (vs 88 in 2022, 90 in 2021 and 87 in 2020).
- > FieldTurf France's score **cannot be calculated** because the staffing threshold has not been reached. For the record, Fieldturf's scores were 91/100 in 2021, 92/100 in 2020.

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.

In **Portugal**, Tarkett has been distinguished by the Commission for Equality in Labor and Employment (CITE) with the "Equal Pay Seal" 2023 for its good practices in promoting equal pay for women and men. This recognition is a testament to the ongoing commitment to gender equality and the elimination of gender pay gap.

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 2023 the plant welcomed 6 apprentices.

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**Tarkett North America division** continued to develop its Equity, Diversity, and Inclusion (EDI) program in 2023. Tarkett North America has three Employee Resource Groups (ERGs). 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. The Equity, Pride, Inclusive, Celebrate (EPIC) ERG is a group that includes people of color working across multiple Tarkett North America locations. The mission of EPIC is to provide an equitable work environment where employees of color can be supported and actively shape Tarkett's inclusive culture. Another ERG is Connect, a professional women's group with a mission to tackle gender gaps with the participation of now over 100 females across all Tarkett North America locations. Connect's purpose as a group is to provide a trusting and safe community for women where they can be their authentic selves without fear of criticism or judgement. In 2023, Tarkett North America created a training course for managers: entitled "Bring Your Best: A Leader's Role in Creating High-Performing Teams". The course examines, among other topics, the importance of diversity, how to recognize biases, strategies to create an inclusive culture that drives high-performing teams, and how to access support by leveraging the three ERGs. Over 150 leaders have completed this new training in 2023.

In **Australia**, the Harmony Day in March 2023 was the occasion to celebrate the various cultural backgrounds and ethnicities in the Australian business.

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 2023, 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, our Sedan plant participated for the fourth consecutive year 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. In total over the four years the plant has welcomed 10 workers with disabilities on Duo Days.

Our **Hanaskog plant in Sweden** continued to cooperate with government initiatives to facilitate the integration of long-term unemployed people, notably immigrants (see Tarkett's 2020 CSR report for more detail). In **France**, 14 people (long-term unemployed / with professional integration difficulties) had at least one temporary contract at our **Sedan plant** in 2023, as part of our policy for professional reinsertion.

## 3.10.4 Applying our Talent Management Guiding Principles

### 3.10.4.1 Identifying and promoting talents

Tarkett's 11,700 employees are an essential asset and the leading actors in achieving our goals, to have a positive impact. 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, our Human Resources management and talent development established, in 2020, global **Talent Management Guiding Principles**, 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, focus on how to nurture talent 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.

## Nurturing our human capital

The global talent team, composed of the Group Learning & Development Manager, the Group HR Development Director and talent directors in our **EMEA - Latin America - Australia & New Zealand, Eastern Europe & Asia and North American divisions**, continued to exchange regularly in 2023 with bi-weekly meetings and additional meetings on specific topics when needed. In 2023, the team focused its work on:

- > People cycle (performance review, objectives setting, talent review, succession plans campaigns) to continue to improve the competencies of our leaders to lead these campaigns, and to extend the Talent Review in terms of coverage and quality.
- > Employee engagement, with the Employee Feedback Survey conducted in 2023.
- > HR upskilling project to guide HR in competency assessment, define the specification of the Employee Engagement and Performance Management training modules and design / deliver these trainings to the HR community.

One tool used to foster talents is **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.

Another tool is the **360°-feedback survey** which was launched in 2019. It provides an opportunity to analyze the way managers embody the leadership traits as well as diversity, inclusion, and sustainability, 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 263 managers have benefited from this process. Each manager is debriefed by an HR coach to help identify the main areas for development and draft the first action plans.

## Example

**Our compelling employee value proposition – Flourish your future – inspired by Tarkett Human-Conscious Design®**



In 2022 Tarkett introduced its new refreshed employee value proposition (EVP) entitled "Flourish your future". It sums up who we are, what we offer, and what we stand for. It builds on our values – collaborative, creative, committed and caring and on our leadership model.

The EVP has been designed to support our impacT2027 strategy, by creating a meaningful experience for Tarkett teams and candidates following three principles.

1. A culture of entrepreneurship. With respect and trust: Our teams make meaningful contributions to succeed. We foster a work environment where entrepreneurship is encouraged, where team members are respected and where diversity of thinking is a key driver of our success.
2. Conscious choices. For people and the planet: To contribute to a more sustainable world, we continuously innovate and encourage our teams to make purposeful choices about our products and activities. We aim to enhance people's quality of life while preserving the environment.
3. With you. Every step of the way: Your professional growth and wellbeing are our top priority. When you're thriving in your work environment, you learn more and achieve more, contributing to innovation and performance. We are with you every step of the way, giving support you need to progress, develop & grow your career.

The roll-out of the EVP continued in 2023, with the deployment of local websites with new EVP messages, and meetings with the HR community to share results and good practices in terms of communication on the EVP. Hanaskog (Sweden) and the LATAM region have been particularly active to leverage our new EVP internally and externally (e.g., on LinkedIn). In France, the HR team has partnered with Welcome to the Jungle, a portal for young generations at work, to raise Tarkett visibility on the French employment market. Tarkett North America and Tarkett Sports divisions have also made the EVP messages more local to adapt them to their culture and to the specific actions they want to focus on.

## Nurturing our human capital

Tarkett has developed several successful internships and recruitment programs with top universities, business schools and engineering schools at our various locations worldwide:

- > In **Clervaux (Luxembourg)**, we have a partnership with the 'Ecole des Mines de Nancy', 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.
- > **Wiltz (Luxembourg)** has a program for taking PhD students on specific research topics such as the resistance of different surface treatments to use or the interaction of flooring and light.
- > In **Hanaskog (Sweden)**, we have established collaborations with several schools, which include participating in vocational fairs, organizing study visits to the plant, and offering internships. In **Dendermonde (Belgium)**, we have concluded a partnership with Youca (youth for change and action), an organization encouraging youth to work for a sustainable and fair society, and a partnership with Odisee university for applied science, offering internships to the students.
- > In **Jaslo (Poland)**, we have established a cooperation with the Rzeszów University of Technology and the State Academy of Applied Sciences, offering internships, participating in lectures, and organizing plant open days for students. We also continued the cooperation with the Labor Office for the implementation of professional internships. Other Tarkett plants in EMEA have developed similar programs such as **Sedan (France)**, **Ronneby (Sweden)**, **Konz (Germany)** and **Lenham (UK)**.
- > Tarkett's **FieldTurf plant in Calhoun (US)**, engages with various local high schools and colleges providing students with seasonal work opportunities to develop skills with part-time schedules to facilitate school and work schedules.
- > In **Asia**, we have been partnering with EDHEC Business School for more than four years to search for internship candidates and hire in Hong-Kong for our marketing team. Most of the candidates are from overseas (e.g., France) which provides a chance for both Hong-Kong teams and the candidates for cross-culture learning.

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

- > **The Individual Development Plan discussions:** development discussions occur all along the year, and are usually done at the same time as the performance review and the mid-year review. 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, the way to

support them to achieve these goals, and to assess their progress. Since 2021 the annual review and goal setting process for white collar workers are conducted using the Workday platform. Development plans can also be established using Workday. Progress on sustainability is also promoted through individual objective setting and review as well as through a structured learning path on sustainability topics with different levels depending on the function. In 2023, a new presentation and several one-pagers have been developed to support managers and employees during this process, and the HR community was trained on performance management as part of the HR Upskilling Project. We also continued to leverage on the e-learning on career discussion, and on the workshop designed on this topic with managers.

- > **The Talent Review** is a structured annual bottom-up process which aims to assess and evaluate potential of employees across the organization, address skills gaps and make informed decision about talent development, succession plan and workforce planning. Our Talent Review is fully integrated to our talent management and HR strategies as it helps our organization to align our workforce with our business goals, identify future leaders and ensure a Talent pipeline for our key roles. Through the review of strengths and weaknesses of our teams, we are able to define development plans supporting their career growth and preparing them for their next career step while ensuring long term company needs. The Talent Review 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. It mainly concerns the white collars population, including managers and experts.
- > **The WCM skills matrix** has the objective to identify and develop key skills for implementation of the WCM 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. A project of WCM skills matrix assessment was initiated in 2022 and rolled-out as a pilot in 2023 in Tarkett's EMEA, Eastern Europe and North America Divisions. For a targeted population of plant management teams, each individual could perform a self-assessment using the WCM skills matrix and identify on which WCM areas to focus their development. Individuals could also enrich their assessment with the one of their managers. This competency assessment has been used to support the preparation of individual development plans, and to identify potential new training programs development. Over 380 people have been involved in this pilot, and we have conducted a Return on Experience with a panel of participants to be able to improve the pilot. In 2023, the WCM team also launched several modules in connection with the WCM skills matrix: WCM Onboarding, Plan-Do-Check-Act/One Page Report, Value Stream Mapping Management, Efficient Equipment, and Machine & Continuous Improvement Management.

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- > **Upskilling competencies** with a methodological approach starting from the business context, formalizing the required competencies and associated skill levels to achieve the business objectives, assessing current competencies to identify development needs, and then creating an action plan such as a training program to foster upskilling. This upskilling approach has been used in IT, with 31 people involved in the Infrastructure and Cybersecurity teams. The analysis helped identify some development needs in terms of soft and technical skills, as a result of which three trainings have been deployed: Working across cultures, Communication path (to develop effective communication), and Problem Solving (leveraging the WCM approach to embrace a continuous improvement mindset). We also used the upskilling approach with the HR community to get a better understanding of competencies to develop among the HR Business Partners, HR Managers and HR Directors population. 57 HR people have been assessed, identifying a need to further develop the HR community on Employee Engagement and Performance Management. Training programs were rolled-out accordingly on these topics.

## Zoom on key indicators

## Performance and Development Review

In 2023, 96% of enrolled permanent employees completed a Performance & Development Review (or equivalent) during the year. Employees present in the company three months before the launch of the annual performance and development review process are enrolled. In 2023, this represented 5,908 employees out of which a total of 5,668 completed the review.

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### 3.10.4.2 Facilitating learning & development programs

Tarkett encourages each employee to define a personal Development Plan: a roadmap to guide individual career development with near- and long-term goals. Employees develop their plan considering feedback from colleagues, teammates, and HR, using the annual performance and development dialogue process to complete their plan. The approach applies the 70:20:10 model to developing the action plan, which recognizes and favors the importance of on-the-job experience (70%) and interactions with others (20%), in addition to formal training (10%).

We also want to address our global population by using more modern features especially videos, online interactive digital content, and webinars. Since 2020 Tarkett has invested in a Learning Management System, **Workday Learning**, which boosts Learning, Talent retention and Employee engagement. Workday Learning enables a blended learning approach, through face to face and digital content. The training programs are developed to meet business needs, focusing on continuous learning and personal development. Much of the **training content is now made accessible through Tarkett's Workday Learning platform**, making training even more accessible and easier to organize and follow.

In 2023, we mainly focused on developing and updating blended courses with Workday Learning, mixing learning content managed through the platform and in-presence or live digital sessions. For example:

- > The **Project Management Fundamental program** was refreshed to adapt it to the new blended learning approach (including pre-work, pre-reading and online assessment) and to the changing Tarkett context (adjusted to the WCM approach).
- > The **ImpacT Learning Journey program** is a new program to support our new strategy deployment and inspire our leaders on our strategic pillars by sharing good practices and market perspectives. It is a 14-months program, with each quarter focusing on one strategic pillar, bringing different perspectives through webinars with external speakers, and podcasts / roundtables with internal leaders. Over 250 leaders are invited to attend each month, with an average of 55% participation for live digital events (webinars and roundtables).

We also continued to develop the usage of **LinkedIn Learning** and launched four LinkedIn Challenges (30 minutes content open during three weeks, with an average of 55 participants per challenge) on prioritizing workload and efficiency, cultural agility, well-being, and collaboration; and several LinkedIn Learning Paths (1h30 learning content available at anytime) for managers (listen as a coach, coaching new hires, having difficult conversations) and for all employees (developing your emotional intelligence, creative thinking and innovation).

In **North America**, LinkedIn Learning resources are provided to leaders, customer services, IT and HR employees for on demand access to support their professional development. A focus is also made on the development of the sales force with more than 160 employees benefitting from either a sales training module for new hires or from ongoing continuing education workshops for existing account executives. A career coaching process is available to help individuals define career pathways. A front-line leader program is tailored to our manufacturing supervisors and managers, training over 100 individuals in a nine-month long curricula in leadership, safety and WCM.

In **Tarkett's Eastern Europe & Asia** division, our HR teams continued to enrich the online training courses available on Workday. In 2023, the effort was primarily focused on increasing the use of the recently uploaded training courses, through different methods such as business games and mentoring leadership programs.

**Formal training and coaching programs** remain a key element to helping our employees develop and deliver on our ability to accelerate our development and to strengthen our customer centric capability. Tarkett continued to provide a wide range of training and coaching courses, ensuring training on essential topics such as product knowledge, sustainability, health and safety, remote working and compliance, as well as leadership development:

- > Tarkett rolled out its new **Leadership Program** in 2022. The program, sponsored by Tarkett's CEO, and provided in collaboration with Turningpoint (an international coaching and leadership development consultancy dedicated to the leadership development of top executives and high potentials), provides new development opportunities to Tarkett leaders focusing on new tools and new ways of leading teams. The program is conducted over eight months with remote on-line activities and an off-site residential seminar. Leaders in the program are supported along the way by Turningpoint executive coaches. A first cohort of 14 leaders completed the program in 2022. Based on the feedback from this first cohort, the program was enriched with a better teamwork assessment and strengthened with a module on effective and inspiring communication. A second cohort of 15 leaders completed the program in 2023, and a third cohort of another 15 kicked off a new round in December 2023.



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- > Tarkett re-invested in 2022 in its popular **Manager@Tarkett** learning program, having paused its use during the height of the pandemic. The program, which was first developed more than 10 years ago, was made available through classroom and, additionally for the first-time, digital formats in all regions except North America where there is an alternative managerial course. The program covers the fundamentals of Tarkett managerial culture and supports the efficient implementation of our strategy and the achievement of our objectives. The digital format consists of eight half day webinars and the classroom format four days of training. In both cases there is a short introductory session and a post-training survey to measure the impact. In total 72 managers from all divisions (over 5% of the population, not counting North America), completed the course in 2023.
- > **Tarkett in Eastern Europe & Asia** has designed and launched in 2023 a **mentoring program**, with the primary objective to facilitate knowledge transfer, enhance the sharing of practices among different Divisions, broaden perspectives for both mentors and mentees, and provide support to employees in their career development. We had nine mentees, accompanied by nine mentors from different divisions. For more than a year, the pairs of mentors and mentees built relationships with the following core elements in mind: trust, mutual respect, guidance, and support that benefit both parties. In this practice, the mentor gains satisfaction from contributing to another professional's growth, while the mentee gains valuable insights and guidance to progress in their career. Other training programs implemented within Eastern Europe & Asia in 2023 include: a specific mentoring program in Tarkett d.o.o. (Serbia), which included 20 pairs of mentors/mentees, and significantly contributed to knowledge and experience sharing; 'Tarkett-ize yourself!', a program for 30 young employees in Tarkett d.o.o (Serbia), with the aim of developing soft skills, participating in team building activities, and sharing opinions and experiences regarding working at Tarkett; 'Gpedia', a tailor made micro learning platform available to circa 250 sales employees in Galerija Podova (Serbia); and a one-day training program delivered to 27 persons from the sales teams by an external coach on "Redefining Excellence".
- > In **North America**, Tarkett designed and facilitated a 7-part, 6-month **leadership program** focused on developing close to 100 first level leaders. This program included tools and resources for leaders to apply skills learned on the job. In addition, each leader had a summative coaching call with the trainer, their leader, and their HR Business partner. We also facilitated close to 200 individual team effectiveness sessions, across eight different functions in North America for flooring and sports businesses, to help teams

better understand, communicate and work more effectively together. To enable managers to provide their new employees with a world-class onboarding experience and assimilate and engage new employees into Tarkett, we trained the HR team and some leaders in North America on updated tools and resources (including checklists, 90-day onboarding plan, communication guide and other useful templates). We also developed and facilitated an HR Orientation workshop.

- > **Compliance training** is regularly made focusing on fair competition and anti-corruption, consisting of customized e-learning modules (see section 3.11 Applying transparent business and ethical standards) as well as in-person training for staff most exposed to corruption and competition risks.
- > Various **trainings on health, safety and environmental topics** are routinely provided to employees at our plants.

We also have **targeted training programs on sustainability**, mainly for our sales force and marketing teams, to leverage our approach and the sustainability features of our products.

- > We trained our sales, marketing and sustainability teams worldwide on "**The Way to Better Floors**" sustainability messaging (see 'Example' box below).
- > In the **EMEA - Latin America - Australia & New Zealand division**, Tarkett provides regular support and training to marketing, sales and communication 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 eco-design and Cradle to Cradle® principles, circular economy and Tarkett's ReStart® collection and recycling program, indoor air quality, product transparency and Tarkett products' sustainability benefits. The training program is adapted to follow the new regulatory development regarding sustainability. In 2023, new trainings on green finance and EU Taxonomy application to the building construction and real estate sectors were conducted. Communication on sustainability topics is also a permanent feature of the division monthly newsletter.
- > In **North America**, a 30-minute monthly call is organized to provide sustainability training to 225 invited employees from the sales, marketing, segment leads, product management and design teams. The training breaks down sustainability topics into manageable sections, how to use them in the market and why it's important to the customer.

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- > In 2023, we have launched "**Tarkett Climate School**", a digital learning journey to continue empowering our teams to sustainability. The program is designed to strengthen climate knowledge within the company, enabling employees to assess their impact on the climate and evaluate their carbon footprint. To start with, we have invited 350 key employees in 8 different fields with 8 different learning paths, including IT, Facility management, Finance, Legal, Purchasing, HR, Marketing/Communication, and Risk management. The training path aims to enhance the understanding and importance of shifting to a low-carbon economy. It includes various modules and covers themes around society, the collapse of biodiversity and overexploitation of natural resources. There are dedicated lessons guiding Tarkett's employees to build their own roadmaps to take action for climate.

In addition to sustainability training, **Tarkett is constantly engaged in raising awareness and sharing knowledge with employees on sustainability topics** notably through regular newsletters, webinars, and events. For example **in France**, a sustainability workshop took place during the French sales conference, with the aim to raise collective awareness on circular economy. 110 employees discussed and studied the challenges of transitioning from our linear production-consumption system to a more virtuous model, around The Circular Economy Collage, a collaborative 3-hour workshop that looks at our existing (linear) economic model, highlights its impacts and invites to explore a different, circular model, that uses fewer resources, designs out waste and respects the limits of our planet.

## Example

#### Training our sales, marketing and sustainability teams worldwide on "The Way to Better Floors" sustainability messaging

In 2022, to accompany the launch of our new Sustainability manifesto "The way to better floors", a specific training and communication campaign was rolled out, to enable sales teams and other employees understand the new sustainability messaging and integrate it in their own communication and dialogue with stakeholders. Following the "Train-the-trainer" approach, local trainers were trained in the different divisions (e.g., 36 trainers in EMEA, 8 trainers in Tarkett Sports in EMEA, 'train the trainer' sessions organized with teams from ten different countries within Tarkett's Eastern Europe and Asia division). Country trainings were rolled-out throughout 2023, and by end of the year, we had trained over 450 employees in EMEA & LATAM and over 250 employees in Eastern Europe & Asia.

Lastly Tarkett encourage and assist employees to **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).

## Zoom on key indicators

## Training

39 % of Tarkett employees were trained (at least 1 day) in 2023, compared to 45% in 2022, 44% in 2021, 34% in 2020, 58% in 2019, 60% in 2018 and 56% in 2017. Overall, in 2023, training hours decreased by 32% to 171 thousand hours.

Nurturing our human capital

### 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:

- > An **international platform for internal mobility powered by Workday**: many open positions are made accessible worldwide to every employee through the Workday interface. With all Tarkett HR processes now being centralized in one place it is easier for employees to consult Tarkett open positions regardless of where they are located. The Workday recruitment module also allows employees to share their background and career interests by updating their talent profiles, and by subscribing to receive recommended job opportunities based on preferences and profiles. Managers and Human Resources teams are also 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 (see for more details section 3.10.4.1 Identifying and promoting talents).
- > **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.

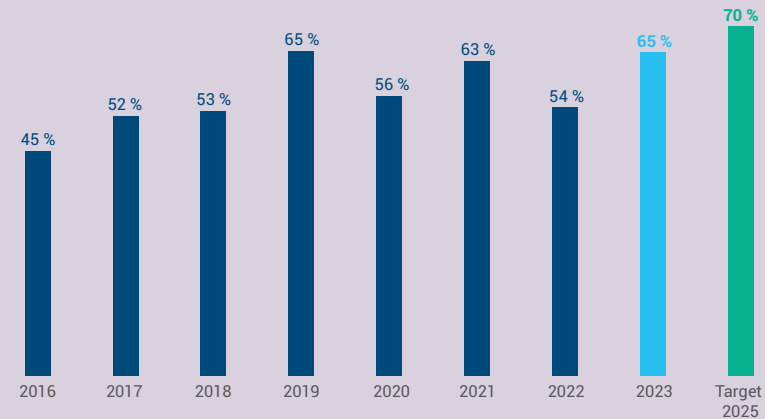
All international mobility packages are aligned with Tarkett's international mobility policy, which includes preparation on new assignment, support on immigration, relocation, compensation, social benefits (medical and life insurance), tax advice, language lessons, cultural orientation, and facilitating 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 target of 70% internal mobility by 2025 which represents more than 2 out of 3 open management positions filled by an internal candidate. In 2023, 65% of open management positions were filled by an internal candidate (54% in 2022, 63% in 2021, 56% in 2020, 65% in 2019, 53% in 2018, 52% in 2017 and 45% in 2016).

Share of open management positions filled by an internal candidate



Nurturing our human capital

### 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.
- > The WCM system 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 Technical 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.
- > Tarkett encourages innovation and invention with a **global policy to reward inventors**. The policy which was updated in 2021 and now applicable globally, rewards patented inventions with a financial bonus linked to the business performance of the patented invention.
- > Regular internal communication, through emails, podcasts, newsletters, and events to share local and group news and information.

**Tarkett celebrates!** is the new company-wide recognition program celebrating some of the top performing projects which contribute to making Tarkett a successful company. The 2023 Tarkett Celebrates! ceremony took place during the Focus meeting, awarding 10 winners across the four categories, which are aligned with the pillars of our impact2027 strategy: Empower high-performing teams to deliver on the promise; Offer a best-in-class customer experience; Create innovative products and services; and Lead with sustainability.

In 2023, **Tarkett North America** continued to leverage its recognition platform launched in 2021 to enhance the employee experience and provide employees opportunities to recognize their teams and peers. The online and easily accessible external site supports multiple languages and is based on flexibility and choice in how to reward and recognize team members through a point system that allows the recipient to accumulate points, with the option of selecting a variety of awards. The recognition platform also recognizes employee’s general commitment such as years of service (work anniversaries), birthdays, and collaboration through peer-to-peer recognition. In 2023, as part of this platform, the “Bravo” program was created, providing supervisors the opportunity to recognize employees in the moment by issuing recognition cards that could be redeemed for points and purchases on the platform. In response to employee feedback, the Tarkett company store was also launched this year to allow employees the flexibility to purchase Tarkett branded products in addition to a variety of other awards. In 2023, we also piloted the recognition platform to facilitate health and wellness rewards.

Nurturing our human capital

### 3.10.5 Promoting social dialogue

#### 3.10.5.1 Listening to employee feedback

Tarkett organizes every two years, since 2008, company-wide feedback providing an opportunity for all employees to share their experience and to participate in the continuous improvement of the workplace. The anonymous survey, overseen by an independent third-party, helps to reinforce employees' sense of belonging by giving them the opportunity to be heard through a formal structured engagement process. It also provides a rich insight for management on how employees feel and where to improve.

The last survey was conducted between April and June 2023 on a new online platform, Qualtrics. The **participation rate reached a record high** at 89% (compared to 81% in 2021 and 88% in 2018) with 9,618 employees responding to the survey, providing a reliable picture of current employee sentiment. The survey had 44 questions (including two open questions), organized around our Employee Engagement Index and six drivers: confidence in the future, collaboration, efficiency, positive working conditions, empowerment, learning and career development.

The **average engagement level** decreased by three points in 2023 (68% vs. 71% in 2021)<sup>1</sup>, with a weakened confidence in the future (68% in 2023 vs. 79% in 2021) and a weakened responsiveness to changing market and customer needs (58% in 2023 vs. 69% in 2021). These trends could be partly explained by the current market and political situations faced in different parts of the world.

At a global level, employees show a **positive and improving perception of Tarkett's culture** (trusting relationships / people, team spirit). Robust results are also observed in the **compliance and safety** fields, which are considered as Tarkett's foundations and strengths.

#### 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.

While showing some improvements compared to 2021, we have identified challenges around three key topics: **organizational agility** (collaboration outside the team, processes simplification, improved communication and empowerment); **work-life balance and recognition** (people appreciation, compensation); and **learning & career development** (+8 pts vs. 2021 - significant progress to be consolidated and confirmed). Our action plan for the coming year will thus involve empowering our employees by better sharing information, providing more opportunities for learning and career development, and inspiring confidence in the future.

The results, which were detailed per division, country and activity, were shared internally through a collaborative platform enabling managers to build action plans to act on the findings. It should be noted that strong differences were observed between populations (divisions, countries, entities), reflecting contrasted business situations and contexts. This is why each division and countries/entities within divisions have been asked to develop targeted and customized action plans to be implemented at the local level. These local plans are reinforced by action plans determined at the Group and division levels.

Follow-up shorter "pulse" surveys are conducted on a regular basis to monitor the progress made thanks to the effective implementation of the action plans.

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 the President of our EMEA - Latin America - Australia & New Zealand division. 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.

<sup>1</sup> Note that there were wording evolutions (new questions / reworded questions) and a calculation methodology change in 2023 compared to 2021, so that comparability of the average engagement level must be taken with caution.

## Nurturing our human capital

In October 2023, Tarkett held a one-day open and constructive dialogue with 12 European work council representatives who attended the 2023 Tarkett European Works Council Forum Meeting in Paris, France. During this meeting, Tarkett's President for EMEA - Latin America - Australia & New Zealand Division presented to them the Division priorities for 2024, as well as mid-term priorities. The first semester 2023 financial results along with HR and Safety KPIs were presented and the status of on-going strategic projects were reviewed and discussed. It provided an opportunity for the business partners to exchange

### 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, 177 collective agreements are in place at Tarkett (list of known agreements established in 2017), 14% 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 in sales and / or industrial activity.

### 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).

their views about the current economic situation and business context as well as seeing the La Défense Tarkett office. Other topics discussed during the two other meetings held in 2023 included the Efficiency project in EMEA Division (as part of which downsizing activities occurred – see section 3.10.5.4 Accompanying the changes and adjustments of the workforce), the 2023 Employee engagement Survey and the EMEA SAP project (deployment of a SAP cloud-based high-performance analytic appliance solution).

There were no new significant collective agreements implemented within Tarkett in 2023. Some existing agreements have been updated, for example in Serbia. For details of collective agreements implemented in the past few years (in particular regarding flexible working / remote working further to the Covid pandemic), please refer to previous years Tarkett's CSR reports.

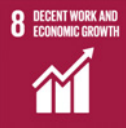

In 2023, several entities within EMEA Division have been impacted by downsizing activities due to the business context and economic conditions. Main impacted functions included the Central Marketing Department, the GKAM (Global Key Account Management) organization, the Finance departments, and the RR (Resilient Residential) Business (Sales and Customer Service). 60 FTEs were reduced in total within these functions, mainly managed through voluntary departures and retirement. A social plan was launched at Tarkett France in May 2023, which impacted ten employees. The different aspects of this social plan – including severance pay, budget for trainings, short training or one year training in case of reconversion, money and outplacement for seniors or disabled persons, specific support in case of business creation – had been discussed and agreed with the social partners.

Globally, involuntary and voluntary departures decreased in 2023, representing respectively 5.1% and 13.4% of permanent turnover. As a result, permanent turnover decreased to 19% in 2023 compared to 21% in 2022, 19% in 2021, 13% in 2020, 17% in 2019, 16% in 2018 and 13% in 2017.

Applying transparent business and ethical standards

### 3.11 Applying transparent business and ethical standards

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	2023	2022	2021	CSR Report section	Contributing towards UN SDGs
Ethics and integrity in business conduct	> Code of ethics	<b>Compliance training</b>  Share of targeted employees who have completed e-learning training on Business Ethics	98.0%	97.4%	97.6%	3.11.1 3.11.2	
	> Anti-corruption Code of Conduct						
Evolution, complexity and interpretation of tax regulations	> Internal controls	-	-	-	-	3.11.1	
	> Third-party due diligences						
IT & cybersecurity	> Competition Policy	-	-	-	-	3.11.1	
	> Supplier Code of Conduct						
	> Compliance training						
	> Whistleblowing systems						
	> Responsible tax practices						
	> Cybersecurity policy and procedures						

Tarkett signed up to the United Nations Global Compact (UN GC) 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. 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.

In 2022 Tarkett published a **Human Rights Statement** to reconfirm and raise awareness to these commitments. Tarkett completes the annual communication on progress to the UN Global Compact, according to the Advanced level, which can be consulted on the UNGC website. In 2022 Tarkett joined the Early Adopter Program supporting the UN Global Compact's role out of the new Communication on Progress requirements.

Applying transparent business and ethical standards

### 3.11.1 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 Code has been translated into 17 languages and deployed throughout the Group.
- > The **Anti-corruption Code of Conduct**, builds on the principles in the Code of Ethics. Updated in 2021, following an initial deployment in 2018 in replacement of the Anti-corruption Policy which was in effect since 2012 (see section 3.11.2 Preventing corruption). This Code has been translated into 17 languages and deployed throughout the Group.
- > 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 a dominant position.

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**:

- > **Automated acknowledgement:** IT-equipped employees’ receipt of compliance documents, such as Code of Ethics, Anti-corruption Code of Conduct and Competition Policy, is now automated, along with the completion of a conflict of interest declaration.
- > **Compliance training:** the compliance training program initiated in 2018 and regularly reviewed, focuses on fair competition, anti-corruption, ethics, data privacy, and international sanctions. The program consists of customized e-learning modules which

are organized for employees considered most at risk by their function (over 5,500 employees enrolled). 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. A user-friendly tool with improved look and feel was deployed in 2021 with modules shortened but conducted more regularly. In 2023, we launched one e-learning on anti-corruption (focus on gifts and entertainment) and one on data privacy. Overall participation rates improved thanks to an efficient follow-up strategy with controls to ensure that all at-risk employees were enrolled. In 2023, 97.2% of targeted employees completed training on anti-corruption and 98.9% on data privacy. In general, 98.0% of targeted employees completed all the e-learning on Business Ethics in 2023 (compared to 97.4% in 2022 and 97.6% in 2021).

- > **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. Several controls were made in 2023 on the application of the guidelines within EMEA (concerning three associations in France, Germany and the UK).
- > **Cybercrime and fraud training:** We have also implemented training sessions to raise awareness and empower teams on cybercrime and fraud. In 2023, we continued to strengthen user awareness by asking all Tarkett users to follow four mandatory e-learning on cybersecurity and by putting in place regular internal phishing campaign testing.
- > **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 and Anti-corruption Code of Conduct 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. Internal awareness of the systems is maintained through targeted communication, such as emails, newsletters, and digital posters.



Applying transparent 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, antitrust, 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 enabling the rights of whistleblowers to be respected.
- > Guaranteeing the confidentiality of cases.

The compliance section of Tarkett's intranet provides 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 is publicly disclosed on Tarkett's Group website.

Compliance risks are included in the controls and work programs of the internal audit department.

**International Sanction Policy:** Following the war in Ukraine, Tarkett reinforced in 2022 its International Sanctions program in implementing a new procedure and additional controls. This procedure provides information about how the International Sanctions work and defines a clear process to follow to mitigate the international sanctions risks. The mitigation process is based on a questionnaire to be completed before carrying out a transaction involving a country listed in the procedure allowing the Legal Department and the Compliance Officer to legally assess the situation. In 2023, we continued to apply our International Sanctions Policy and we closely monitored sanctions programs especially those resulting from the war in Ukraine.

**Protection of personal data:** In the context of the ongoing digitalization of activities and increasing risks of cyberattacks, protection of privacy and personal data has become an essential pillar of Tarkett's Code of Ethics. As such, Tarkett is committed to protecting the personal data of its employees, customers, and business partners 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, oversee the Data Privacy Compliance Program, which include notably:

- > Data Privacy Guidelines to help Tarkett employees understand data privacy principles and best practices, which are critical to maintain high ethical standards (privacy by design, legitimate data collection, lawful data transfers, limited data retention, etc.). These guidelines provide a clear explanation on the steps to follow to be privacy compliant for any new project;
- > signature of personal data protection clauses with our business partners to ensure confidentiality and data security;
- > monitoring of data processing activities in internal records;
- > privacy impact assessment (PIA) for new processing activities presenting potential privacy risks;
- > clear and easily accessible data privacy information provided to our customers, business partners and employees;
- > deletion of personal data when no longer needed, in particular using automatic data purges;
- > reinforcement of awareness-raising actions and training for employees most exposed to data privacy risks.

#### Cybersecurity:

The Group uses 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.

In 2022 a new Tarkett Cybersecurity policy was deployed along with complementary guidelines and recommendations, describing in a general way the orientations and commitments of Tarkett regarding Cybersecurity. It describes the principles and guidelines and indicates what is expected from everyone to protect the company from external and internal threats. The Cybersecurity policy completes Tarkett's IT Charter governing the use of IT equipment and explaining Tarkett's IT department monitoring activities and use of personal data. In 2023, Tarkett continued the migration of its datacenters to the cloud to increase its resilience. Tarkett has defined a Cybersecurity framework based on the NIST (National Institute of Standards and Technology), which started in 2022 and was validated in 2023. A first self-assessment campaign was carried out at the Divisions and Corporate levels in 2023, which will provide a baseline and allow to follow the evolution of cyber maturity over the years.

## Applying transparent business and ethical standards

A global Cyber Awareness Program was launched in 2023, including e-learning modules, policies and guidelines, and provision of tips and tricks (e.g., advice on emails, surfing on internet, recommendations on social medias, best practices when travelling) available on the intranet. Regular news on cybersecurity is shared on the intranet, and a monthly communication is sent (via email or through the internal group newsletter OneTarkett Experience) to remind users to be cautious in the face of cyber risk. Fake phishing campaigns are regularly organized to make employees aware of this hacking technique, and to adopt good reflexes in the event of receiving a suspicious email. On Global Cyber Awareness Month in October, awareness was raised on cybersecurity and social engineering fraud. In France, a live cyber escape game on the theme of social engineering fraud was organized for employees of La Défense headquarters. Other cybersecurity escape games have been organized during the year, in June for IT people worldwide, and in September for targeted EMEA users.

Further details on cybersecurity are given in Chapter 6 "Risk factors and internal control" of the 2023 Universal Registration Document.

**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. The commitment to combating tax evasion is shared internally as part of Tarkett's Code of Ethics. In this document Tarkett sets out expected business conduct, which includes full cooperation with tax authorities and paying the taxes and charges required by local laws. Tarkett's Group Tax Department monitors, understands, and coordinates tax issues at national and international levels. This department, with the assistance of the local finance departments, also ensures the Group's compliance with the rules and laws applicable in the main countries, particularly in relation to transfer pricing, and verifies overall compliance with the Group's policy defined in accordance with the OECD rules. Controls were recently increased on the application of transfer pricing policy and the tax-related cash movements, to ensure those are justified and consistent with our economic activity. Also, proactive discussions are initiated with tax administrations when needed to increase our transparency towards them and prevent unexpected tax reassessments.

Tarkett has commercial legal entities (including two production sites) in Russia, one of the 16 countries of the European Union (EU) black-listed tax havens (defined as countries that refused to engage with the EU or to address tax good governance shortcomings). With regard to the 14 countries of the EU grey-listed tax havens (defined as countries that do not yet comply with all international tax standards but have committed to address these deficiencies), Tarkett has commercial legal entities in Turkey (including one production site), and in Hong Kong.

The list of these countries, updated as of 17<sup>th</sup> October 2023, is available at the following link: [https://ec.europa.eu/taxation\\_customs/common-eu-list-third-country-jurisdictions-tax-purposes\\_en](https://ec.europa.eu/taxation_customs/common-eu-list-third-country-jurisdictions-tax-purposes_en).

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) and in the Netherlands (where it has one carpet manufacturing site and sales activities employing less than 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 2023 Universal Registration Document.

Applying transparent business and ethical standards

### 3.11.2 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 82 internal stakeholders covering the whole range of Tarkett activities and processes worldwide. The risk mapping is continually expanded and updated 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. In 2023, we performed additional interviews with process managers to continuously identify potential new risks.
- > The **Anti-corruption Code of Conduct**, which was drafted 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 Code was reviewed and updated in 2021 following the revision of our corruption risk mapping. 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. This code is automatically acknowledged by all new employees during their onboarding process and thereafter on an annual basis.
- > 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.
- > The **assessment of our business partners**: Tarkett performed an assessment of its suppliers as part of our **Responsible Sourcing Program** (see section 3.9.1.1 Deploying our responsible sourcing program) as well as anti-corruption due diligences on some of its intermediaries, clients and suppliers. A mapping of third parties was developed in 2020 leading to the creation of a three-year third-party due diligence program. This third-party evaluation program continued in 2023.
- > An **Anti-corruption 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. In 2023, we continued to deploy and apply our 3-level anticorruption accounting controls across the Group.
- > An **Anti-corruption training program**, targeting all Tarkett employees considered most at risk in terms of corruption by their function, 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 are also organized for specific audiences.
- > The **Anti-corruption committee** which was established in 2020 is composed of the CEO, CFO, Group General Counsel, Group Internal Audit Director, and the Compliance Officer. The role of this committee is to define the Group strategy in the deployment of its Anti-corruption program.

## 3.12 Social and Environmental Report

### 3.12.1 CSR indicators dashboard

#### Social Indicators

GRI	Indicator	Variation 2023 vs. 2022	Variation 2023 vs. base year	2023	2022	2021	2020
Workforce							
102-7a	Total number of employees (as of 31/12)	-3%		11,703	12,007	11,872	12,160
102-8a	Total number of permanent contract female employees	-2%		3,144	3,192	3,100	3,245
102-8a	Total number of permanent contract male employees	-3%		7,692	7,940	7,975	8,123
102-8a	Share of permanent employees	=		93%	93%	93%	93%
102-8a	Total number of fixed-term contract female employees	-25%		176	234	239	233
102-8a	Total number of fixed-term contract male employees	8%		691	641	558	559
102-8a	Share of fixed-term employees	=		7%	7%	7%	7%
102-8b	Total number of permanent contract employees	-3%		10,836	11,132	11,075	11,368
102-8b	Total number of fixed-term contract employees	-1%		867	875	797	792
102-8d	Number of external workers (FTE)	16%		618	531	505	427
102-8d	Share of external workers (% of total FTE)	0.8%		5.1%	4.3%	4.2%	3.5%
-	Total wages and salaries (€m)	6%		808	763	684	669
New Employee Hires and Employee Turnover							
401-1a	Number of employee hires	-25%		2,144	2,866	2,599	1,834
401-1a	Rate of employee hires	-6%		18%	24%	22%	15%
-	Number of permanent contracts ended by employee (e.g. resignation, retirement)	-15%		1,451	1,708	1,520	900
-	Number of permanent contracts ended by employer (e.g. lay-off)	-14%		557	644	600	601
-	Permanent employee turnover rate	-2%		19	21%	19%	13%

GRI	Indicator	Variation 2023 vs. 2022	Variation 2023 vs. base year	2023	2022	2021	2020
401-1b	Total number of employee departures	-14%		2,556	2,964	2,911	2,155
401-1b	Total employee turnover rate	-3%		22%	25%	25%	18%
Diversity							
405-1a	Percentage of female administrators in Tarkett Supervisory Board	=		44%	44%	44%	44%
405-1a	Percentage of administrators in Tarkett Supervisory Board below 30 years	=		0%	0%	0%	0%
405-1a	Percentage of administrators in Tarkett Supervisory Board between 30 to 50 years	=		44%	44%	44%	22%
405-1a	Percentage of administrators in Tarkett Supervisory Board above 50 years	=		56%	56%	56%	78%
405-1b	Percentage of females in Executive Management Committee (CEO & EMC Senior Executives)	=		30%	30%	30%	30%
405-1b	Percentage of female Top Executives (CEO, EMC Senior Executives & Executives)	-3%		25%	28%	20%	25% <sup>1</sup>
405-1b	Percentage of female Directors and above (Top Executives, Senior Directors & Directors)	-2%		25%	27%	26%	26% <sup>2</sup>
405-1b	Percentage of women in management	2%		29%	27%	26%	26%
405-1b	Percentage of female other employees	-1%		28%	29%	29%	29%
405-1b	Percentage of female employees	-1%		28%	29%	28%	29%
405-1b	Percentage of employees below 30 years	=		14%	14%	13%	12%
405-1b	Percentage of employees between 30 to 49 years	1%		56%	55%	56%	57%
405-1b	Percentage of employees above 50 years	-1%		30%	31%	30%	31%
405-1b	Percentage of employees with disabilities	=		1.1	1.1%	1.2%	1.1%

GRI	Indicator	Variation 2023 vs. 2022	Variation 2023 vs. base year	2023	2022	2021	2020
Training and Development							
-	Percentage of employees trained at least 1 day during the year	-6%		39%	45%	44%	34%
-	Training hours (thousand hours)	-32%		171	252	246	165
412-2b	Percentage of targeted employees who have participated to e-learning training on Business Ethics	0.6%		98.0%	97.4%	97.6%	-
404-1	Average number of training hours per employee	-30%		15	21	21	14
404-3	Percentage of enrolled employees who completed a Performance & Development Review (or equivalent) during the year	3%		96%	93%	-	-
-	Percentage of enrolled permanent employees who completed a Performance & Development Review (or equivalent) during the year	3%		96%	93%	-	-
-	Percentage of open management positions filled by an internal candidate	11%		65%	54%	63%	56%
203-2	Number of external people who received Tarkett Academy training	4%		8,241	7,889	8,148	5,176
Proactive Internal Communication and Social Dialogue							
-	Progress on "Listening to employees" through employee feedback survey	8%		89%	-	81%	-
-	Progress on "Communicate proactively towards all employees" in employee feedback survey	=		71%	-	71%	-
	Progress on "Ensure respect and integrity through adhesion to Tarkett values" in employee feedback survey	-7% <sup>1]</sup>		78% <sup>1]</sup>		85%	
	Progress on "Employee engagement" in employee feedback survey	-3%		68%		71%	
	Progress on "Efforts to maintain safety and security" in employee feedback survey	2%		85%		83%	

<sup>1</sup> In 2023 the result is the average score to the following 2 questions in the employee feedback survey: "In my unit, compliance with applicable laws, regulations and Tarkett policies is taken seriously" and "People treat each other with respect at Tarkett". This replaces the previous indicator based on uniquely the first question. In 2023 the result of the first question is the same as in 2021 (85%)

GRI	Indicator	Variation 2023 vs. 2022	Variation 2023 vs. base year	2023	2022	2021	2020
Occupational Safety & Health							
403-9a	Injury frequency rate – LTA only [FR0t] for all employees	-5,9%		1.43	1.52	0.89	1.28
403-9a	Recordable Lost Time Accident (LTA) Frequency Rate [FR1t] for all employees	-2,4%		3.28	3.36	2.56	2.62
	Lost day rate due to LTA – accident severity rate [TG0t] for all employees	=		0.062	0.062	0.059	0.100
403-10a	Occupational illnesses (OI) frequency rate for all employees	-		0.05	0	0.26	0.10
	Absentee rate for all employees	-0.4%		3.2%	3.6%	4.4%	3.9%
403-9a/b	Number of fatal accidents – for all employees and external workers	=		0	0	0	0
403-9b	Injury frequency rate – LTA only [FR0t] – for external workers	-39%		1.69	2.78	4.85	8.73
-	Percentage of formal agreements covering health & safety topics	-		-	-	14%	18%
Tarkett Cares							
203-1	Number of community initiatives supported through time, flooring, other material or funding contributions	-30%		82	117	88	135
203-1	Number of employees involved in community initiatives	7%		499	468	1,168	730
203-1	Number of days of donated time through volunteering (based on 7 hours per day)	80%		280,54	156	91	692
203-1	Quantity of flooring products donated to community initiatives (m <sup>2</sup> )	51%		20520	13,559	5,669	20,187
203-1	Total value of contributions to community initiatives (in k€)	7%		222	208	103	445

## Environmental Indicators

GRI	Indicator	Variation 2023 vs. 2022	Variation 2023 vs. base year	2023	2022	2021	2020
<b>Good Materials</b>							
416-1	Percentage 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)	-1%		94%	95%	97%	98%
-	Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled)	=		69%	69%	70%	68%
301-1	Percentage of renewable or recycled raw materials	-2%		28%	30%	31%	30%
301-2	Percentage of recycled content of raw materials [base year 2018]	1%	8%	18%	17%	15%	13%
<b>Resource Stewardship</b>							
303-5	Water intensity (liters/m <sup>2</sup> ) [base year 2010]	-7%		2.7	2.9	2.7	2.4
303-5	Water consumption (million cubic meters)	-6%		0.63	0.67	0.71	0,63
-	Percentage of manufacturing sites that have implemented closed- loop water circuits (or do not use water in their process) [base year 2010]	-1%		69%	69%	71%	71%
302-3	Energy intensity (kWh/m <sup>2</sup> ) [base year 2019]	-4%		4.17	4.32	4.19	4.00
302-1a	Non-renewable fuel energy consumption (GWh)	-1%		438	442	500	472
302-1b	Renewable fuel energy consumption (GWh)	-3%		69	71	88	80
302-1c	Purchased electricity and steam consumption (GWh)	-1%		476	481	524	500
302-1d	Generated renewable energy sold (GWh)	-19%		2.6	3.2	-	-
<b>302-1e</b>	<b>Total energy consumption (GWh)</b>	<b>-1%</b>		<b>983</b>	<b>994</b>	<b>1,112</b>	<b>1,052</b>
	Percentage of energy consumption coming from renewable energies	2%		44%	43%	38%	27%
305-4a	GHG market-based emissions intensity (Scope 1 & Scope 2) (kgCO <sub>2</sub> e/m <sup>2</sup> ) [base year 2019]	-6%		0.56	0.60	0.67	0.76
305-1a	Gross direct (Scope 1) GHG emissions (tCO <sub>2</sub> equivalent) (including car leasing) [base year 2019]	-1%		90,699	91,253	102,795	97,623



GRI	Indicator	Variation 2023 vs. 2022	Variation 2023 vs. base year	2023	2022	2021	2020
305-1c	Biogenic CO2 emissions (tCO2) related to Scope 1 [base year 2019]	-5%		24,331	25,620	30,575	27,712
305-2a	Gross location-based indirect (Scope 2) GHG emissions (tCO2equivalent) [base year 2019]	1%		145,730	144,897	172,718	170,512
305-2b	Gross market-based indirect (Scope 2) GHG emissions (tCO2equivalent) [base year 2019]	-25%		41,983	55,668	83,099	109,293
	Total Scope 1 & 2 (market-based) GHG emissions (tCO2e) [base year 2019]	-10%		132,682	146,921	185,894	206,916
	Percentage reduction of Scope 1 & 2 (market-based) GHG emissions vs 2019 [SBTi target]	-6%		-47%	-41%	-26%	-18%
305-3a	Gross other indirect upstream (Scope 3: category 1 - purchased goods and services) GHG emissions (tCO2e) [base year 2019]	= <sup>1</sup>	-14%	1,369,441	1,297,790 <sup>2</sup>	-	-
305-3a	Gross other indirect downstream (Scope 3: category 12 - end-of-life treatment of sold products) GHG emissions (tCO2e) [base year 2019]	0.2% <sup>1</sup>	-14%	223,723	216,572 <sup>[2]</sup>	-	-
305-3a	Gross other indirect upstream & downstream (Scope 3: categories 1+12) GHG emissions (tCO2e) [base year 2019]	= <sup>1</sup>	-14%	1,593,164	1,514,362 <sup>[2]</sup>	-	-
305-3c	Biogenic CO2 emissions and removals (tCO2) related to Scope 3 category 1	-34%	-52%	-117,151	-176,344	-	-
305-3c	Biogenic CO2 emissions and removals (tCO2) related to Scope 3 category 12	-38%	-57%	100,855	162,293	-	-
	Total value chain GHG emissions (Scope 1 + Scope 2 market-based + Scope 3: categories 1 + 12) (tCO2e) [base year 2019]	-	-18%	1,725,846	-	-	-
	Percentage of production sites certified to ISO 14001	-6%		76%	82%	82%	81%

<sup>1</sup> Variation vs 2022 excluding Tarkett's plant in Lexmark (US) - see methodological note for more details

<sup>2</sup> 2022 value restated - based on new supplier data and emission factors and excluding Tarkett's plant in Lexmark (US) - see methodological note for more details

GRI	Indicator	Variation 2023 vs. 2022	Variation 2023 vs. base year	2023	2022	2021	2020
<b>People-friendly Spaces</b>							
416-1	Percentage of phthalate-free flooring [base year 2010]	=		96%	96%	95%	97%
416-1	Percentage of flooring with low Volatile Organic Compound (VOC) emissions levels [base year 2010]	=		99%	99%	99%	98%
<b>Recycling and Reuse</b>							
-	Non-recycled waste intensity (g/m <sup>2</sup> ) [base year 2015]	-19%		96	119	149	154
306-3	Non-recycled hazardous waste (thousand metric tons )	-3%		5.5	5.7	6.6	5.0
306-3	Non-recycled non-hazardous waste (thousand metric tons )	-20%		17.2	21.5	33.0	35.4
306-5	Total waste to landfill (thousand metric tons ) [base year 2015]	-11%		8.9	10.0	24.2	27.6
306-5	Percentage of total waste sent to landfill	=		15%	15%	27%	28%
306-4	Percentage of total waste sent to external recycling	3%		61%	58%	57%	59%
306-5	Percentage of total waste sent for energy recovery	-2%		16%	18%	11%	9%
306-5	Percentage of non-recycled waste sent to landfill	2%		39%	37%	61%	68%
301-3	Quantity of post-installation and end-of-use flooring collected through the ReStart® program (metric tons )	37%		4,100	3,000	3,200	3,000
<b>Responsible sourcing Indicators</b>							
	Share (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent	-3%		39%	42%	35%	36%
	Share (in number) of targeted suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent	10%		56%	46%	36%	20%

## Social Indicators by Region

GRI	Indicator	2023	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)	11,703	37.1%	34.1%	28.8%
102-8b	Total number of permanent contract employees	10,836	4,124	3,564	3,148
102-8b	Total number of fixed-term contract employees	867	216	425	226
<b>New Employee Hires and Employee Turnover</b>					
401-1a	Number of employee hires	2,144	495	1,227	422
401-1a	Rate of employee hires	18%	11%	31%	13%
401-1b	Total number of employee departures	2,556	638	1,417	501
401-1b	Total employee turnover rate	22%	15%	36%	15%
<b>Occupational Safety &amp; Health</b>					
403-2a	Recordable Lost Time Accident (LTA) Frequency Rate [FR1t] for all employees	3.28	3.01	5.89	0.33
403-2a	Lost day rate due to LTA – accident severity rate [TG0t] for all employees	0.062	0.03	0.10	0.05
403-2a	Occupational illnesses (OI) frequency rate for all employees	0.05	0.14	0	0
403-2a	Absentee rate (employees)	3.2%	4.1%	2.4%	3.1%
403-2b	Injury frequency rate – LTA only [FR0t] – external workers	1.69	8.39	3.23	0

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

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

(3) Rest of World: Tarkett Eastern Europe & Asia, Latin America, Australia & New Zealand, & Tarkett Sports Australia

### 3.12.2 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 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, 2020 and 2021).
- > 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 3.12.3 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 strategic 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.

The following is a summary from the CSR Reporting Handbook:

## Reporting principles

### Stakeholder Inclusiveness

Tarkett recognizes that constant dialogue and engagement with the whole value chain and wider community is essential to achieve its objectives of best serving its customers and contributing to addressing societal challenges. 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

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. Each year we maintain regular dialogue with our stakeholders, 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.

### 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 with the exception of certain newly deployed indicators where data for previous periods is not yet available and for indicators which are not reported annually (e.g. indicators related to Tarkett's employee feedback survey conducted every two years).

### Verifiability

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 2023 to 31st December 2023.

### 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 plant environmental and safety 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 excluding plants in the process of closing where production ceased in prior years. The entity M-Wall which Tarkett acquired a majority stake in 2023 is not consolidated. 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.

## Social and Environmental Report

**Environmental reporting covers:**

- > The manufacturing activities at all plants in the consolidated financial scope, except for our new plant in UAE which was opened in 2023 and the Suzhou plant which was closed in 2023. 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.

**Reporting organization**

The reporting process of CSR / sustainability indicators is managed and consolidated by the Group Sustainability with the support from the different concerned functions (including Finance, R&D and Operations, HR & Communications, 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**

*Reporting 21*: A new web-based reporting tool "Reporting 21" was implemented in 2022 to centralize all CSR metrics and KPI, with the aim of facilitating the monitoring of performance. Data already collected in other tools (e.g. Workday, SAP, ...) is injected into Reporting 21 on a regular periodic basis. Other data is reported directly in Reporting 21, - with a few exceptions (where data is collected in a separate scorecard and then imported in Reporting 21).

*Workday*: CSR related HR data available in Workday (e.g. headcount, turnover,...) are sourced directly from Workday and injected into Reporting 21. Other HR data is reported directly in Reporting 21.

*Tarkett Cares* : data is reported directly in Reporting 21.

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

*Tarkett Academy*: data on Tarkett Academy training is reported directly in Reporting 21.

*Plant environmental and safety data*: data is reported in a dedicated scorecard for each manufacturing plant with data uploaded monthly to a Group data repository (SAP).

*Indoor air quality and safe, healthy spaces*: phthalate-free, low VOC emission and production volume data is reported directly in Reporting 21.

*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 end-of-use flooring waste collection is reported directly in Reporting 21.

*Supplier commitment to Tarkett supplier Code of conduct*: data compiled from purchasing databases. The purchase amounts are based on the current reporting year. The total spend comes from the relevant lines in Tarkett's P&L financial reporting.

**Specific limits to scope of reporting**

*Absence*: In 2023 Suzhou is not included since the plant closed. In 2023 and 2022, Tarkett North America reported scheduled hours for "salaried employees", these hours along with hours of absence were not reported in 2021 for this specific population of employees (representing approximately 40% of the division's workforce - defined as employees paid at flat rate, regardless of specific hours worked, unlike hourly employees who are paid a wage for each hour worked). As such the absenteeism rate for North America is not comparable.

*Injury frequency rate*: In 2021, the following entities were excluded from safety indicators since hours worked were not reported: FieldTurf North America & Sales Network (1 injury with lost time <24h in 2021), FieldTurf USA Sales Network (2 LTAs with 2 lost days in total, 11 injuries with lost time <24h in 2021), Beynon Sales Network and Tarkett USA Sales Network (these entities represented approximately 8% of Tarkett's headcount). In 2023 and 2022 these entities reported hours worked and so are included in the scope.

*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 (Dalton Kraft - Lexmark) in Dalton, US; Toronto - Thermagreen in Toronto, Canada and Grassman in Prestons, 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.

## Social and Environmental Report

**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, Scope 1 and Scope 2 greenhouse gas emissions and waste indicators are reported for all industrial sites excluding our new plant in Abu Dhabi (UAE), which opened in September 2023 and our plant in Suzhou, which closed in April 2023.

**Scope 1 car leasing emissions:** GHG emissions from car leasing have not been recalculated and so are identical to the 2019 values calculated for the 2019 GHG inventory (8,427 tCO<sub>2</sub>e).

**Scope 3 GHG emissions:** Scope 3 emissions for categories 1 and 12 are calculated for all raw materials (excluding packaging) used at all industrial sites (including Suzhou (China) before closing), excluding our sports plants in Toronto (Canada), Prestons (Australia), and the new plant in Abu Dhabi (UAE). Raw materials used for outsourced Luxury vinyl tile products (LVT) are also included. Other outsourced goods are not included.

**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). The production volume for our new plant in Mexico acquired late in 2021 was excluded in 2022.

**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) from manufacturing sites (with the exception of purchases for Dalton Kraft, US and Mexico City, Mexico), excluding inter-company spends of semi-finished goods.

### 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). Not including "subcontractors working for specific projects (as example SAP implementation).

**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). An employee who is considered a manager (e.g. manager in job title) but who does not have direct team management responsibility or the managed team is composed only of Contingent Workers and/or Interns is not considered a manager for the CSR reporting.

**Other employees:** All employees other than managers at the date of reporting.

**Disabled employees:** Reported according to local labor laws where permitted.

**Top executives (CEO, EMC - Senior Executives and Executives):** covering the 3 management Levels CEO, EMC - Senior Executives and Executives.

**Senior executives (Senior Directors and Directors):** covering Top Executives and the following 2 management levels Senior Directors and Directors.

**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.

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*Total employee turnover rate:* employee departures / headcount.

*Permanent employee turnover rate:* permanent contract employee departures / permanent employee headcount.

*% of employees trained at least 1 day during the year:* 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).

*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. All employee training hours during the reporting period, including employees no longer in the company at the end of the reporting period.

*Performance & Development Review (or equivalent) :* The annual appraisal ("Performance and Development Dialogue") is an annual exchange between the employee and his/her manager to discuss achievements, skills, opportunity for improvement and development program. Employees present in the company three months before the launch of the annual performance and development review process are enrolled. The % share of employees completing the annual review is calculated as those having completed the review compared to those enrolled.

*Open management positions filled by an 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 by 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]:* # LTA x 1 000 000 / worked hours, where the number of LTA include fatal accidents.

*Recordable Lost Time Accident (LTA) Frequency Rate [FR1t]:* Injury frequency rate = # LTA + # Injuries with lost time <24 hours x 1 000 000 / worked hours, where the number of LTA include fatal accidents.

*Lost day rate due to LTA – accident severity rate [TG0t]:* # of working days lost for LTA x 1000 / 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:* # Occupational illnesses / worked hours x 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). 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 %:* # hours lost for absence / # total scheduled hours.



## Social and Environmental Report

*Progress on "Listening to employees" through employee feedback survey* : The participation rate to the biennial employee feedback survey.

*Progress on "Communicate proactively towards all employees"*: Average score to 2 questions in the biennial employee feedback survey: "Tarkett's strategic priorities and goals have been clearly communicated to me" and "I am kept informed about matters that affect me".

*Progress on "Ensure respect and integrity through adherence to Tarkett values"*: Average score to the following 2 questions in the biennial (every 2 years) employee feedback survey: "In my unit, compliance with applicable laws, regulations and Tarkett policies is taken seriously" and "People treat each other with respect at Tarkett". This replaces the previous indicator based on uniquely the first question.

*Progress on "Employee engagement" in employee feedback survey*: Average score to 4 questions in the biennial employee feedback survey: "I would recommend Tarkett to people I know as a great place to work", "Tarkett motivates me to contribute more than is normally required to complete my work", "I am proud to work for Tarkett", and "I intend to stay with Tarkett for the next 12 months".

*Progress on "Efforts to maintain safety and security" in employee feedback survey*: Score to the following question in the biennial employee feedback survey: "Where I work, I am satisfied with efforts to maintain safety and security".

*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 participated to e-learning training on Business Ethics*: share of employees targeted who have completed the Tarkett online e-learning.

*Total number of employees targeted for e-learning training on Business Ethics*: based on the invitations for online e-learning.

*Employees targeted for training*: Employees, who by their job profile are particularly exposed to corruption, competition or data privacy risks as defined in the legal risk assessments, are expected to complete one of dedicated training as defined by Tarkett Legal Department.

### 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 (8%) is reported by plants.

*Percentage 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.

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*Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled) (% 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.

*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 Aluminum) 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 renewable energy sold:* heat generated from biomass and sold to a district heating system and renewable electricity generated from onsite photovoltaic solar panels and sold to the grid (a negligible quantity in 2018 and so not reported in 2019, 2020 and 2021, however reported for 2022 and 2023).

*Total energy consumption:* renewable fuel + non-renewable fuel + purchased electricity consumption + purchased steam consumption - generated renewable energy sold. NB. Purchased steam consumption is included in consolidated total energy consumption since 2020. 2019 figures have not been restated, and as such do not include the purchased steam corresponding to that year: 2019: 12.6 GWh.

## Social and Environmental Report

**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). Sales Network entities are not included in the reporting of GHG emissions. In 2022 Tarkett updated its Scope 3 inventory and had its Scope 3 target approved by the SBTi (in addition to the approval of the Scope 1 + Scope 2 target). Tarkett published in the 2022 CSR report the complete 2019 inventory.

*2019 Scope 3 category 1 and category 12 restatement*

In 2023 Tarkett continued to work with suppliers, obtaining more specific emission factors from supplier LCAs and or EPDs. These were used to recalculate the base year emissions for the Scope 3 category 1 and category 12. Furthermore Tarkett was able to obtain the relevant raw materials data to incorporate the emissions for its US hospitality plant at Lexmark. This plant had been excluded from the 2022 published inventory and from the 2019 base year inventory. In this report the 2019 Scope 3 category 1 and category 12 have thus been restated to include the emissions for Lexmark (US) and to take into account the latest specific emission factors. All comparisons given with 2022 are excluding Lexmark.

**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). Car leasing emissions (2023 = 2022 = 2021 = 2020 = 2019) were calculated based on the annual number of kilometers and fuel type of vehicle indicated in car leasing contracts for teams in Corporate, EMEA, Latin America, Eastern Europe and for some of Sport. Data was extrapolated for North America based on the share of workers and using the data from EMEA as a reference. Conversion to CO<sub>2</sub> equivalent emissions was made using the GHG Protocol transport tool version 2.6.

**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 the residual mix (AIB 2022), 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 2023 - 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 2023 for UK purchased electricity and for Scope 2 emissions associated to purchased steam consumption (electricity generation based on coal combustion); (ii) US EPA: eGRID 2021 - Subregion Emissions - Greenhouse Gases for US regional purchased electricity and (iii) IEA "Emissions Factors (2023 edition considering 2021 results)" for all other countries' purchased electricity.

**Gross other indirect upstream and downstream (Scope 3) GHG emissions:** In the two categories which are included in Tarkett's SBTi climate target - category 1 and 12, each combination of "raw material category + emission factor" is associated to a data quality indicator (good, medium, poor, very poor). The indicator is determined by several factors: data origin, match of dataset with modeled material in terms of technology and geography, third party review. The data quality indicator guides the continuous work for emission factor improvement and specific data collection:

- > Good: Good match of dataset for carbon footprint and material, and carbon footprint is based on own LCA calculations (or supplier's) and the data that is used is of high quality and complete
- > Medium: Generic datasets (LCI) are used in combination with IPCC (LCIA), and carbon footprint is based on verified information (EPD, LCA etc.)
- > Poor: Poor geographic or material match, outdated data, and/or calculations with partly poor data
- > Very poor: Vague match of dataset and material specifications or specifications unknown, with a maximum of 10% of impact from very poor conversion factors

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*Gross other indirect upstream (Scope 3: category 1 - purchased goods and services) GHG emissions (tCO<sub>2</sub>e):* Scope 3 greenhouse gas emissions are calculated based on raw material purchases. 164 categories of raw materials were identified in Tarkett's purchase data warehouse (SAP) for the 2019 base year. This list of raw material categories is updated each year based on current raw material purchases and available relevant emission factors. Total volumes per category are converted to kilograms and then emission factors applied to obtain greenhouse gas emissions. CO<sub>2</sub> emission factors from suppliers' EPDs are used when available. Alternatively, we use generic emission factors from recognized LCI datasets (Ecoinvent, European Life Cycle database, etc.) or generic certified EPDs.

*Gross other indirect upstream (Scope 3: category 2 - capital goods) GHG emissions (tCO<sub>2</sub>e):* Related to company electronic devices, factory buildings and production lines. Emissions from capital goods were estimated by calculating maximum possible emissions from one of our largest factories based on recognized LCI datasets. The overall Tarkett impact was then assessed proportionally. This study allowed Tarkett to conclude that emissions from capital goods are not relevant.

*Gross other indirect upstream (Scope 3: category 3 - fuel and energy related activities not included in Scope 1 or 2) GHG emissions (tCO<sub>2</sub>e):* Scope 3 greenhouse gas emissions were calculated based on 2019 energy consumption multiplied by upstream energy emission factors from ADEME and Internal Energy Agency.

*Gross other indirect upstream (Scope 3: category 4 - upstream transportation and distribution) GHG emissions (tCO<sub>2</sub>e):* 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.

*Gross other indirect upstream (Scope 3: category 5 - waste generated in operations) GHG emissions (tCO<sub>2</sub>e):* Scope 3 greenhouse gas emissions were calculated based on 2019 data considering different forms of waste management (recycling, landfill, and incineration). Emission factors from Ecoinvent and European Life Cycle Database for each waste flow were applied to calculate GHG emissions. The quantity of waste generated by each plant are collected each year under 8 different waste flows (hazardous, non-hazardous, sent to recycling, to incineration, to landfill, internal recycling).

*Gross other indirect upstream (Scope 3: category 6 - business travel) GHG emissions (tCO<sub>2</sub>e):* Scope 3 greenhouse gas emissions were calculated based on 2019 data from business travel calculation by plane and train (passenger.km) and car (km). Emission factors used are average data representative for France (ADEME).

*Gross other indirect upstream (Scope 3: category 7 - employee commuting) GHG emissions (tCO<sub>2</sub>e):* The average number of full-time equivalent employees for 2020 was multiplied by an average commuting CO<sub>2</sub> 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.

*Gross other indirect upstream (Scope 3: category 8 - upstream leased assets) GHG emissions (tCO<sub>2</sub>e):* Tarkett does not have any upstream leased assets which are required to be included in the inventory as per the GHG Protocol.

*Gross other indirect downstream (Scope 3: category 9 - downstream transportation and distribution) GHG emissions (tCO<sub>2</sub>e):* Scope 3 greenhouse gas emissions were calculated based on out bound transport (# t.km), taking into account the mode of transport (truck, train and ship) and multiplied by emission factors (source depending on transport mode: ADEME, France or EPA, US).

*Gross other indirect downstream (Scope 3: category 10 - processing of sold products) GHG emissions (tCO<sub>2</sub>e):* Scope 3 greenhouse gas emissions were calculated based on 2019 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.

*Gross other indirect downstream (Scope 3: category 11 - use of sold products) GHG emissions (tCO<sub>2</sub>e):* According to the minimum boundary of SBTi criteria based on the GHG Protocol Corporate Value Chain, Tarkett products fall under the category of products with indirect use-phase emissions (products that indirectly consumer energy during use) for which the emissions from use are optional and not required.

*Gross other indirect downstream (Scope 3: category 12 - end-of-life treatment of sold products) GHG emissions (tCO<sub>2</sub>e):* Scope 3 greenhouse gas emissions are calculated based on raw material purchases. 164 categories of raw materials were identified in Tarkett's purchase data warehouse (SAP) for the 2019 base year. This list of raw material categories is updated each year based on current raw material purchases and available relevant emission factors. Total volumes per category are converted to kilograms and then emission factors applied to obtain greenhouse gas emissions for the relevant mix of recycling, incineration and landfill 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. Prior to 2022, Tarkett calculated end-of-life emissions based on a scenario of 100% incineration, the worst-case scenario in terms of GHG emissions. In 2022, SBTi suggested that it is more appropriate to use actual average waste treatment scenarios (a mix of landfill and incineration), which has significantly reduced the end-of-life emissions. Tarkett remains committed to eco-designing recyclability and facilitating end-of-life collection and recycling to achieve the transition to a circular economy with associated benefits for the climate and resource preservation. Assumptions on end-of-life of products (incineration and landfill) are from the World Bank "what a waste 2.0" report and the "Service contract on management of construction and demolition waste" report ordered by the European Commission. Recycling rates of each product range are taken from recycling KPIs.

*Gross other indirect downstream (Scope 3: category 13 - downstream leased assets) GHG emissions (tCO<sub>2</sub>e):* Tarkett does not lease any significant assets

*Gross other indirect downstream (Scope 3: category 14 - franchises) GHG emissions (tCO<sub>2</sub>e):* Tarkett does not have any significant franchise activity.

*Gross other indirect downstream (Scope 3: category 15 - investments) GHG emissions (tCO<sub>2</sub>e):* Tarkett does not have significant investments outside its manufacturing operations.

*Biogenic CO<sub>2</sub> emissions and removals (tCO<sub>2</sub>) related to Scope 3 categories 1 & 12:* These emissions and removals are calculated using a similar approach to that used to calculate the Scope 3 category 1 and category 12 emissions: each raw material category is associated to emission factors for biogenic carbon sequestration (removal) and biogenic carbon emissions.

> Biogenic carbon sequestration emission factors are calculated using the formula found in the norm EN16449:2014, which is the European standard providing a method to

quantify the amount of atmospheric carbon dioxide sequestered based on the carbon content of wood and wood based products. The method is extended not only to wood-based products but all biomass based raw materials in the purchase list. Data to operate the formula is either collected internally (wood density, wood species, humidity) or estimated using biogenic carbon content databases such as Phyllis2.

- > Biogenic emissions at end of life depend on the product the raw material is used in:
  - When used in a biodegradable products (parquet), they include methane and nitrous oxide emissions. They are calculated based on DEFRA emission factors in case of incineration and Ecoinvent emission factors in case of landfilling.
  - When used in non-biodegradable products, only the sequestered carbon is considered re-emitted in case of incineration, or permanently stored in case of landfilling.

*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.

*Percentage of phthalate-free flooring:* 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) which are phthalate-free.

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.

*Percentage of flooring with low VOC emission levels:* 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 which have low VOC emission levels.

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**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.

**Quantity of post-installation and end-of-use flooring collected through the ReStart® program:** End-of-use (post-consumer or post-utilisation) 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 end-of-use or post-installation waste (i.e. through ReStart® program) in order to be recycled and reintegrated into production whenever possible. In North America the ReStart collected flooring (17% of group total) is tracked per shipment from the client site where it is recovered to Tarkett / partner recyclers. When it was not possible to weigh the quantity of recovered flooring an estimation was made based on the number of truck loads that were sent.

#### Other CSR indicators:

**Share (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent:** Following the launch of our Supplier Code of conduct in 2019, we monitor the share of 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 (including Tarkett Sport Division since 2021), using purchasing data from the reporting year. 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.

**Share (in spend) of suppliers (requested, considered at greatest risk), who have completed the third-party CSR assessment:** in 2022 Tarkett requested certain suppliers to complete the EcoVadis CSR assessment

**Share (in number) of targeted suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent:** "targeted suppliers" relate to active suppliers in the current reporting period.

### 3.12.3 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.

Statement of use		Tarkett has reported the information cited in the GRI content index for the period 1st January to 31st December 2023 with reference to the GRI Standards	
GRI 1 used		GRI 1: Foundation 2021	
GRI Standard Disclosure		Universal Registration Document Sections	Correspondence DPEF
GRI 2: General Disclosures 2021			
2-1	Organizational details	Introduction, 1.5, 1.6, 3.1.2, 7.1.1	
2-2	Entities included in the organization's sustainability reporting	3.12.2	Art. L225-102-1 III. Art. R225-105 I.
2-3	Reporting period, frequency and contact point	3.12.2	
2-4	Restatements of information	3.12.2	
2-5	External assurance	3.12.4	Art. L225-102-1 V.
2-6	Activities, value chain and other business relationships	Introduction, 1.4, 1.5, 1.6, 3.1.2, 3.5, 3.6.2.3, 3.9.1	Art. R225-105 II. A. 3° b)
2-7	Employees	3.12.1, 3.12.2, 3.10.5.4	Art. R225-105 II. A. 1° a)
2-8	Workers who are not employees	3.12.1	
2-9	Governance structure and composition	2.1, 2.2, 3.2.1	
2-10	Nomination and selection of the highest governance body	2.2	
2-11	Chair of the highest governance body	2.2	
2-12	Role of the highest governance body in overseeing the management of impacts	2.2, 3.2.1, 3.3, 6.1, 6.2	
2-13	Delegation of responsibility for managing impacts	2.2, 3.2.1	
2-14	Role of the highest governance body in sustainability reporting	3.2.1, 3.2.2	
2-15	Conflicts of interest	2.6.1.1, 3.11.1, 3.11.2	
2-16	Communication of critical concerns	3.11	
2-17	Collective knowledge of the highest governance body	2.2	
2-18	Evaluation of the performance of the highest governance body	2.2, 2.3	
2-19	Remuneration policies	2.3, 2.4	
2-20	Process to determine remuneration	2.2, 2.3	
2-21	Annual total compensation ratio	2.3.7	
2-22	Statement of sustainable development strategy	3.1.1	
2-23	Policy commitments	3.2.3, 3.11	
2-24	Embedding policy commitments	3.2.1, 3.10, 3.11	
2-26	Mechanisms for seeking advice and raising concerns	3.11	
2-28	Membership of associations	3.5, 3.6.2.3	
2-29	Approach to stakeholder engagement	3.5	Art. R225-105 II. A. 3° a)
2-30	Collective bargaining agreements	3.10.5.3, 3.12.1	Art. L225-102-1 III.

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GRI Standard Disclosure		Universal Registration Document Sections	Correspondence DPEF
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	3.2.2, 3.3, 3.12.2	
3-2	List of material topics	3.3, 3.12.2	Art. R225-105 I. 1°
3-3	Management of material topics	3.1, 3.2, 3.3, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11	Art. R225-105 I. 2° & 3°
200	Economic		
<b>201: 2016</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.
<b>203: 2016</b>	<b>Indirect Economic Impact</b>		
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)
<b>205: 2016</b>	<b>Anti-Corruption</b>		Art. L22-10-36
			Art. R225-105 II. B. 1°
205-1	Operations assessed for risks related to corruption	3.11.2, 3.3	
205-2	Communication and training about anti-corruption policies and procedures	3.11.2	
			Art. L22-10-36
		3.11.1	
300	Environmental		Art. L225-102-1 III. Art. R225-105 II. A. 2°
<b>301: 2016</b>	<b>Materials</b>		Art. R225-105 II. A. 2° c) ii)
301-1	Materials used by weight or volume	3.6.1.1, 3.12.1	
301-2	Recycled input materials used	3.6.1.1, 3.7.2.1, 3.12.1	
301-3	Reclaimed products and their packaging material	3.7.2.3, 3.12.1	
<b>302: 2016</b>	<b>Energy</b>		Art. R225-105 II. A. 2° c) ii)
302-1	Energy consumption within the organization	3.7.1.1, 3.12.1	
302-3	Energy intensity	3.7.1.1, 3.12.1	
302-4	Reduction of energy consumption	3.7.1.1	
302-5	Reductions in energy requirements of products and services	3.7.2	
<b>303: 2018</b>	<b>Water and Effluents</b>		
303-5	Water Consumption	3.7.1.3, 3.12.1.	Art. R225-105 II. A. 2° c) ii)
<b>305: 2016</b>	<b>Emissions</b>		Art. R225-105 II. A. 2° b) & d)
305-1	Direct (Scope 1) GHG emissions	3.7.1, 3.12.1	
305-2	Energy indirect (Scope 2) GHG emissions	3.7.1, 3.12.1	
305-3	Other indirect (Scope 3) GHG emissions	3.7.2, 3.12.1	
305-4	GHG emissions intensity	3.7.1, 3.12.1	
305-5	Reduction of GHG emissions	3.7	



GRI Standard Disclosure		Universal Registration Document Sections	Correspondence DPEF
<b>306: 2020</b>	<b>Waste</b>		Art. R225-105 II. A. 2° c) i)
306-2	Management of significant waste-related impacts	3.7.2.2, 3.7.2.3	
306-3	Waste generated	3.7.2.2, 3.12.1	
306-4	Waste diverted from disposal	3.7.2.2, 3.12.1	
306-5	Waste directed to disposal	3.7.2.2, 3.12.1	
<b>308: 2016</b>	<b>Supplier Environmental Assessment</b>		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	
400	Social		Art. L225-102-1 III.
<b>401: 2016</b>	<b>Employment</b>		
401-1	New employee hires and employee turnover	3.10.5.4, 3.12.1	Art. R225-105 II. A. 1° a)
<b>402: 2016</b>	<b>Labor / Management Relations</b>		
402-1	Minimum notice periods regarding operational changes	3.10.5.4	
<b>403: 2018</b>	<b>Occupational Health &amp; Safety</b>	3.10.1, 3.10.2	Art. R225-105 II. A. 1° c)
403-1	Occupational health and safety management system	3.10.1, 3.10.2	
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, 3.12.1	Art. R225-105 II. A. 1° c)
403-10	Work-related ill health	3.10.2, 3.12.1	Art. R225-105 II. A. 1° c)
<b>404: 2016</b>	<b>Training and Education</b>	3.10.4.2	Art. R225-105 II. A. 1° e)
404-1	Average hours of training per year per employee	3.10.4.2, 3.12.1	
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, 3.12.1	
<b>405: 2016</b>	<b>Diversity and Equal Opportunity</b>	3.10.3	Art. L225-102-1 III. Art. R225-105 II. A. 1° f)
405-1	Diversity of governance bodies and employees	3.10.3, 3.12.1	
<b>407: 2016</b>	<b>Freedom of Association and collective bargaining</b>		Art. R225-105 II. A. 1° d)
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.10.5.3	
<b>412: 2016</b>	<b>Human Rights Assessment</b>		Art. L22-10-36 Art. R225-105 II. B. 2°
412-2	Employee training on human rights policies or procedures	3.11, 3.12.1	

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GRI Standard Disclosure		Universal Registration Document Sections	Correspondence DPEF
<b>413: 2016</b>	<b>Local Communities</b>	<b>3.9.2</b>	Art. R225-105 II. A. 3° a)
413-1	Operations with local community engagement, impact assessments, and development programs	<b>3.9.2, 3.12.1</b>	
<b>414: 2016</b>	<b>Supplier Social Assessment</b>		Art. R225-105 II. A. 3° b)
414-1	New suppliers that were screened using social criteria	<b>3.9.1</b>	
414-2	Negative social impacts in the supply chain and actions taken	<b>3.9.1</b>	
<b>416: 2016</b>	<b>Customer Health and Safety</b>		Art. R225-105 II. A. 3° c)
416-1	Assessment of the health and safety impacts of product and service categories	<b>3.6.1, 3.8, 3.12.1</b>	
<b>417: 2016</b>	<b>Marketing and Labeling</b>		
417-1	Requirements for product and service information and labeling	<b>3.6.1.2</b>	

### 3.12.4 Report of Independent Third-Party Organization

#### Report of the Statutory Auditor, appointed as independent third party, on the verification of 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.*

Year ended December 31<sup>st</sup> 2023

#### 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 (COFRAC) under number 3-1884[1], we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31<sup>st</sup>, 2023 (hereinafter, the "Information" and the "Statement" respectively), presented in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

[1] Accreditation Cofrac Inspection, number 3-1884, scope available at [www.cofrac.fr](http://www.cofrac.fr)

#### Conclusion

Based on the procedures we performed as described under the "Nature and scope of procedures" paragraph and the evidence we obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

#### Preparation of the non-financial statement

The absence of a commonly used generally accepted reporting framework or of a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time. Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the Entity's website or on request from its headquarters.

#### Inherent limitations in preparing the Information

As stated in the Statement, the Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

#### Responsibility of the entity

Management of the entity is responsible for:

- > Selecting or establishing suitable criteria for preparing the Information,
- > Preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators, and the information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy),
- > Preparing the Statement by applying the entity's "Guidelines" as referred above, and
- > Designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

#### Responsibility of the Statutory Auditor, appointed as independent third party

Based on 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 historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks.

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As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- > The entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French Duty of care law, and provisions against corruption and tax evasion law),
- > The fairness of information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy),
- > The compliance of products and services with applicable regulations.

### Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagements, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes*, "*Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extra-financière*", acting as the verification program, and with the international standard ISAE 3000 (revised)<sup>[1]</sup>.

[1] ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

### Independence and quality control

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

### Means and resources

Our work engaged the skills of seven people between November 2023 and February 2024 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 about twenty interviews with the people responsible for preparing the Statement.

### Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- > We obtained an understanding of all the consolidated entities' activities, and the description of the main related risks,
- > We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,
- > We verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as information regarding compliance with human rights, anti-corruption and tax avoidance legislation, 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 provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks,
- > We verified that the Statement presents the business model and a description of main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, products or services, as well as policies, measures and the outcomes thereof, including key performance indicators related to the main risks,
- > We verified that the Statement includes a clear and motivated explanation of the reasons for the absence of policies implemented considering one or more of these risks required under Article R.225-105 I of the French Commercial Code,
- > We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented,
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the Appendices. Concerning certain risks<sup>[2]</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>[3]</sup>

[2] Downtime, disruption and damage on site; Product quality and safety; Ethics and integrity in conducting business; Flooring market changes; Evolution, complexity and interpretation of tax regulations; Information system and cybersecurity; Supplier dependency.

[3] Konz – Germany ; Clervaux – Luxembourg ; Mytishchi – Russia ; Dalton and Chagrin Falls – Tarkett North America.

## Social and Environmental Report

- > We verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope 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 implemented, and assessed the data collection process aimed at ensuring 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 the Appendices, 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 definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities<sup>4</sup> and covers between 19 and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests,
- > We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities' activities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*), a higher level of assurance would have required us to carry out more extensive procedures.

**Paris la Défense, February 20<sup>th</sup>, 2024**

**KPMG S.A.**

**Romain Mercier, Partner**

**Fanny Houlliot, ESG Expert**

## Appendix

### Qualitative information (actions and results) considered most important

Talent attraction and retention systems  
 ReStart® flooring collection and recycling program to promote circular economy  
 Awareness-raising actions on sustainability towards employees, customers and other stakeholders  
 Responsible tax practices  
 Anti-corruption code of conduct  
 Measures to promote cybersecurity and deployment of cybersecurity policy  
 Measures taken to limit the risk of dependence on suppliers  
 Certifications obtained and other measures taken to promote transparency on the composition and quality of products  
 Principles and procedures to ensure business ethics and respect of human rights

### Key performance indicators and other quantitative results considered most important

Total number of employees (as of 31/12)  
 Total number of permanent contract female employees  
 Total number of permanent contract male employees  
 Permanent employee turnover rate  
 Percentage of employees trained at least 1 day during the year  
 Absentee rate (employees)  
 Percentage of women in management  
 Percentage of open management positions filled by an internal candidate  
 Recordable lost-time accident frequency rate (FR1t) for all employees  
 Lost day rate due to Lost Time Accident - accident severity rate (TG0t) for all employees  
 Percentage of production sites certified ISO 14001  
 Quantity of post-installation and end-of-use flooring collected through the ReStart® program  
 Percentage of raw materials not contributing to resource scarcity (abundant, rapidly renewable or recycled)  
 Percentage of renewable or recycled raw materials  
 Energy intensity (energy consumption per m<sup>2</sup> of manufactured product kWh/m<sup>2</sup>)  
 Percentage of energy consumption coming from renewable energies  
 Total value chain GHG emissions (Scope 1 + Scope 2 market-based + Scope 3 : categories 1 + 12) (tCO2e)  
 Percentage reduction vs 2019 of GHG emissions (Scope 1 + Scope 2 market-based)  
 Percentage reduction vs 2019 of value chain GHG emissions (Scope 1 + Scope 2 market-based + Scope 3: categories 1+12)  
 Percentage of raw materials third-party assessed for their impact on people's health and the environment based on Cradle to Cradle® criteria  
 Share (in spend) of suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent  
 Share (in number) of targeted suppliers who have adhered to Tarkett's Responsible sourcing Code of Conduct or equivalent  
 Share (in spend) of suppliers (requested, considered at greatest risk), who have completed the third-party CSR assessment  
 Percentage of flooring with low VOC emission levels  
 Percentage of phthalate-free flooring  
 Percentage of targeted employees who have participated to e-learning training on Business Ethics

## Appendix

### List of Cradle to Cradle® (C2C) certifications (at end of 2023)

Product Categories	Product References	Certification Level
Carpet	Desso EcoBase® PA6 Solution Dyed Carpet Tiles Gold	Gold V3.1
	Desso EcoBase® Carpet Tile Backing	Gold V3.1
	Desso EcoBase® PA 6 Continuous Dyed Carpet Tiles	Silver V3.1
	Desso EcoBase® PA 6 Solution Dyed Carpet Tiles	Silver V3.1
	Desso EcoBase® PA 6.6 Continuous Dyed Carpet Tiles	Silver V3.1
	Desso One	Silver V3.1
	ethos® Modular Tile with Omnicoat Technology	Silver V3.1
	Solution Dyed Broadloom	Bronze V3.1
	Continuous Dyed Broadloom	Bronze V3.1
	Desso® PA 6 Solution Dyed Carpet Tiles	Bronze V3.1
	Desso® PA 6 Continuous Dyed Carpet Tiles	Bronze V3.1
	Desso® PA 6.6 Continuous Dyed Carpet Tiles	Bronze V3.1
	Linoleum	Tarkett Linoleum Flooring
Tarkett Linoleum Flooring and Wall Covering Silver		Silver V3.1
Rubber	BaseWorks® Thermoset Rubber Wall Base	Silver V3.1
	Tarkett Rubber Tile Collection	Bronze V3.1
Wood	Parquet	Silver V3.1

### C2C Material Health Certificates (by end 2023)

Product Categories	Product References	Certification Level
Anti-soil	Eco-Ensure	Platinum V3.1
Adhesifs	Tarkett B-19 Adhesive	Bronze V3.1
	Tarkett C-56 Floor Primer	Bronze V3.1
	Tarkett 959 Vinyl Tile and Plank Adhesive	Bronze V3.1
	Tarkett 901 Resilient Flooring Spray Adhesive and Sports HS Spray Adhesive	Bronze V3.1
	Tarkett Resilient Flooring Adhesives	Platinum V3.1
	Tarkett Centiva C-12e Pressure Sensitive Adhesive	Bronze V3.1
	Tarkett Centiva C-14e Pressure Sensitive Adhesive	Bronze V3.1
	Tarkett Centiva C-TR Adhesive	Bronze V3.1
	Tarkett C-EX Pressure Sensitive Adhesive	Bronze V3.1
	Tarkett RollSmart Adhesive	Bronze V3.1

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## List of plant ISO certifications

Site	Products	ISO 9001	ISO 45001	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	x
Lenham, UK	Resilient flooring	x	x	x	
Tuzla, Turkey	Resilient flooring	x	x	x	
Narni <sup>1</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	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	x
Florence East & West, USA	Resilient Flooring				
Middlefield, USA	Resilient flooring	x	x	x	
Chagrin Falls, USA	Resilient flooring	x		x	
Dalton (Smith), USA	Carpet			x	
Dalton (Kraft), USA	Carpet				
Calhoun, USA	Carpet			x	
Mexico City, Mexico	Resilient flooring	x			
Jacareí, Brazil	Resilient flooring	x	x	x	
Beijing, China	Resilient flooring	x	x	x	
Calhoun (FieldTurf), USA	Artificial turf	x	x	x	
Auchel, France	Artificial turf	x			
Toronto, Canada	Shockpads				
Prestons, Australia	Artificial turf	x	x	x	
Abtsteinach, Germany	Fibres for artificial turf	x			x
Abu Dhabi, U.A.E.	Fibres for artificial turf				
Hunt Valley, USA	Athletic tracks	x			

<sup>1</sup> The site at Narni (Italy) also has ISO 37001 certification (Anti-Bribery Management Systems) and a Social Responsibility SA 8000 certification.



## Social and Environmental Report

## List of Tarkett showrooms

Division	Country	City
North America	US	New York City
North America	US	San Francisco
North America	US	Atlanta
North America	US	Chicago
North America	US	Charlotte
North America	US	Dallas
North America	US	Denver
North America	US	Houston
North America	US	Los Angeles
North America	US	Solon
Tarkett Sports	US	Calhoun
Tarkett Sports	Australia	Prestons
EMEA	France	Paris
EMEA	France	Paris La Défense
EMEA	UK	London
EMEA	Spain	Madrid
EMEA	Spain	Barcelona
EMEA	Spain	Valencia
EMEA	Portugal	Vila Nova de Gaia

Division	Country	City
EMEA	Germany	Ludwigshafen
EMEA	Austria	Vienna
EMEA	Switzerland	Dietlikon
EMEA	Netherlands	Waalwijk
EMEA	Sweden	Stockholm
EMEA	Sweden	Gothenburg
EMEA	Poland	Warsaw
EMEA	Morocco	Casablanca
EMEA	United Arab Emirates	Dubai
Eastern Europe	Serbia	Bačka Palanka
Eastern Europe	Serbia	Belgrade
Eastern Europe	Russia	Moscow
Eastern Europe	Russia	Saint Petersburg
Eastern Europe	Ukraine	Kiev
Eastern Europe	Croatia	Zagreb
Eastern Europe	Bosnia	Sarajevo
Eastern Europe	Romania	Bucharest
Eastern Europe	Bulgaria	Sofia
Eastern Europe	Kazakhstan	Almaty

**Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year N**

Financial year N	Year 2023		Substantial Contribution Criteria													DNSH criteria ('Does Not Significantly Harm')(h)			
	Code	Turnover	Proportion of Turnover, year N	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1	Category enabling activity	Category transitional activity
Text	Currency M€	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0%															0%		
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)</b>																			
Turnover of taxonomy eligible activities but not environmentally sustainable (not aligned with taxonomy)	0	0%															0%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)	0	0%															0%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
Turnover of Taxonomy-non-eligible activities	3363	100%															0%		
<b>TOTAL</b>	<b>3363</b>	<b>100%</b>															<b>0%</b>		

**Proportion of Turnover/Total Turnover**

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM : Climate Change Mitigation	0%	0%
CCA : Climate Change Adaptation	0%	0%
WTR : Water and Marine Resources	0%	0%
CE : Circular Economy	0%	0%
PPC : Pollution Prevention and Control	0%	0%
BIO : Biodiversity and ecosystems	0%	0%

**Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year N**

Financial year N	Year 2023	Substantial Contribution Criteria										DNSH criteria ('Does Not Significantly Harm')(h)							
		Code	CapEx	Proportion of CapEx, year N	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of CapEx aligned with taxonomy or eligible (A.1.) (A.2.), year N-1	Category enabling activity
Text	Currency M€	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0	0%															0%		
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)</b>																			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0	0%															0%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)	0	0%															0%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
CapEx of Taxonomy-non-eligible activities	92.9 <sup>1</sup>	100%															0%		
<b>TOTAL</b>	<b>92.9</b>	<b>100%</b>															<b>0%</b>		

**Proportion of CapEx/Total CapEx**

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM : Climate Change Mitigation	0%	0%
CCA : Climate Change Adaptation	0%	0%
WTR : Water and Marine Resources	0%	0%
CE : Circular Economy	0%	0%
PPC : Pollution Prevention and Control	0%	0%
BIO : Biodiversity and ecosystems	0%	0%

<sup>1</sup> This CapEx of 92.9 M€ refers to 2023 acquisitions of property, plant and equipment and intangible assets.

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Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year N

Financial year N	Year 2023	Substantial Contribution Criteria										DNSH criteria ('Does Not Significantly Harm')(h)					Proportion of OpEx aligned with taxonomy (A.1.)	Category enabling activity	Category transitional activity	
		Economic Activities	Code	OpEx	Proportion of OpEx	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)				Biodiversity (16)
Text	Currency M€	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0%																0%		
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)</b>																				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0	0%																0%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)	0	0%																0%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
OpEx of Taxonomy-non-eligible activities	8.1 <sup>1</sup>	100%																0%		
<b>TOTAL</b>	<b>8.1</b>	<b>100%</b>																<b>0%</b>		

Proportion of OpEx/Total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM : Climate Change Mitigation	0%	0%
CCA : Climate Change Adaptation	0%	0%
WTR : Water and Marine Resources	0%	0%
CE : Circular Economy	0%	0%
PPC : Pollution Prevention and Control	0%	0%
BIO : Biodiversity and ecosystems	0%	0%

<sup>1</sup> This OpEx has been calculated based on the legal requirements to analyze 2023 non-direct costs relating to research and development, building renovation, short-term rental contracts, maintenance and repair, and any other direct expenditure connected with the day-to-day upkeep of property, plant and equipment by the company or by the third party to whom these activities are outsourced, which is necessary to keep these assets in good working order. The amount of 8.1 M€ has been calculated based on service contracts linked to outsourced OpEx to maintain assets (5.4M€ in 2023) and short term leases (2.7M€ in 2023). No 2023 OpEx has been identified for non-direct R&D costs, building renovation and maintenance & repair.

**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.

<b>CSR Topic</b>	<b>Justification of low materiality for Tarkett</b>
<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 (NOx), sulphur oxides (SOx) 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 SOx and PM emissions. We monitor our air emissions as per regulatory requirements to confirm compliance with applicable emissions standards for other pollutants such as NOx.
<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.
<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).

# 4

## REVIEW OF THE FINANCIAL POSITION AND RESULTS

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Key figures

## 4.1 Key figures

The following information sets out the Group's financial position, results and consolidated financial statements for the year ended 31 December 2023, and the notes thereto, as set out in Sections 5.1 to 5.2.

The Group's consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union for the years presented. The consolidated financial statements for the financial year ended 31 December 2023 were audited by the Company's Statutory Auditors. The Statutory Auditors' Report on the Company's consolidated financial statements is included in Section 5.9 "Statutory Auditors' Report on the Consolidated Financial Statements".

The Group is one of the world's leaders in flooring and sports surfaces, with an extensive geographic footprint and one of the most comprehensive product ranges in the industry. The Group's activity is organised around four operational segments: three geographic regions for flooring (EMEA, North America and CIS, APAC and Latin America), and one worldwide segment for the sports surface business.

### Tarkett Group key figures

(in millions of Euro)	31 December 2023	31 December 2022
<b>Consolidated results</b>		
<b>Net revenue</b>	<b>3,363.1</b>	<b>3,358.9</b>
Organic growth <sup>(1)</sup>	+4.5%	+8.9%
<b>Adjusted EBITDA before IFRS 16 <sup>(1)</sup></b>	<b>248.0</b>	<b>200.6</b>
% of net revenue	7.4%	6.0%
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>287.8</b>	<b>234.9</b>
% of net revenue	8.6%	7.0%
<b>Adjusted EBIT before IFRS 16 <sup>(1)</sup></b>	<b>147.6</b>	<b>83.0</b>
% of net revenue	4.4%	2.5%
<b>Adjusted EBIT <sup>(1)</sup></b>	<b>154.1</b>	<b>85.8</b>
% of net revenue	4.6%	2.6%
<b>Result from operating activities (EBIT)</b>	<b>125.1</b>	<b>44.4</b>
% of net revenue	3.7%	1.3%
<b>Profit for the period - Group share</b>	<b>20.4</b>	<b>(26.8)</b>
<b>Results per share (in Euro)</b>	0.3	(0.4) <sup>(3)</sup>
<b>Consolidated financial position</b>		
Equity attributable to equity holders of the parent	864.7	913.0
Net debt before IFRS 16 <sup>(2)</sup>	408.3	535.4
Net debt <sup>(2)</sup>	551.7	654.8
<b>Balance sheet total</b>	<b>2,483.3</b>	<b>2,606.4</b>
<b>Consolidated cash flow</b>		
Cash generated from operations	278.5	(19.1)
Investments	(94.9)	(98.1)
Free cash flow <sup>(1)</sup>	147.1	(148.3)
<b>Market capitalisation as of 31 December</b>	<b>611</b>	<b>754</b>
<b>Average Headcount</b>	<b>11,838</b>	<b>12,136</b>

<sup>(1)</sup>See Section 4.7.

<sup>(2)</sup>Cf. Section 4.3.3 and Note 7 in Section 5.2.

<sup>(3)</sup>It will be proposed to the next Shareholders' Meeting of 26 April 2024 to allocate the result of the financial year ending 31 December 2023 to retained earnings and not to distribute dividends.

## Key figures

The tables below show the breakdown of the Group's main performance indicators by segment. Their change compared to the previous year is commented in Section 4.1.2:

2023 (in millions of Euro)	Flooring			Sports surfaces	Central costs	Group
	EMEA	North America	CIS, APAC and Latin America			
<b>Net revenue</b>	<b>850.2</b>	<b>889.2</b>	<b>598.5</b>	<b>1025.2</b>	<b>0.0</b>	<b>3363.1</b>
<b>Gross profit</b>	<b>204.5</b>	<b>211.7</b>	<b>124.8</b>	<b>191.4</b>	<b>(0.4)</b>	<b>731.9</b>
% of net revenue	24%	24%	21%	19%	0%	22%
<b>Adjusted EBITDA</b>	<b>74.5</b>	<b>77.6</b>	<b>86.7</b>	<b>114.5</b>	<b>(65.6)</b>	<b>287.8</b>
% of net revenue	9%	9%	14%	11%	0%	9%
<b>Adjustments</b>	<b>(9.1)</b>	<b>(0.2)</b>	<b>(4.2)</b>	<b>(2.5)</b>	<b>(11.8)</b>	<b>(27.8)</b>
<b>EBITDA</b>	<b>65.5</b>	<b>77.4</b>	<b>82.5</b>	<b>112.0</b>	<b>(77.5)</b>	<b>260.0</b>
% of net revenue	8%	9%	14%	11%	0%	8%
<b>Result from operating activities (EBIT)</b>	<b>(20.8)</b>	<b>5.4</b>	<b>36.6</b>	<b>80.9</b>	<b>23.1</b>	<b>125.1</b>
% of net revenue	(2%)	1%	6%	8%	0%	4%
<b>Current investments</b>	<b>34.7</b>	<b>16.3</b>	<b>16.3</b>	<b>23.2</b>	<b>2.5</b>	<b>92.9</b>

2022 (in millions of Euro)	Flooring			Sports surfaces	Central costs	Group
	EMEA	North America	CIS, APAC and Latin America			
<b>Net revenue</b>	<b>912.3</b>	<b>923.7</b>	<b>652.8</b>	<b>870.2</b>	<b>-</b>	<b>3,358.9</b>
<b>Gross profit</b>	<b>196.7</b>	<b>149.8</b>	<b>110.6</b>	<b>147.8</b>	<b>0.1</b>	<b>605.1</b>
% of net revenue	21.6%	16.2%	16.9%	17.0%	-	18.0%
<b>Adjusted EBITDA</b>	<b>76.6</b>	<b>44.0</b>	<b>84.8</b>	<b>86.5</b>	<b>(57.0)</b>	<b>234.9</b>
% of net revenue	8.4%	4.8%	13.0%	9.9%	-	7.0%
<b>Adjustments</b>	<b>(2.8)</b>	<b>(11.8)</b>	<b>(14.8)</b>	<b>(0.8)</b>	<b>(9.4)</b>	<b>(39.5)</b>
<b>EBITDA</b>	<b>73.8</b>	<b>32.2</b>	<b>70.0</b>	<b>85.8</b>	<b>(66.4)</b>	<b>195.4</b>
% of net revenue	8.1%	3.5%	10.7%	9.9%	-	5.8%
<b>Result from operating activities (EBIT)</b>	<b>(13.4)</b>	<b>(46.3)</b>	<b>21.3</b>	<b>58.5</b>	<b>24.3</b>	<b>44.4</b>
% of net revenue	(1.5%)	(5.0%)	3.3%	6.7%	-	1.3%
<b>Current investments</b>	<b>35.5</b>	<b>16.2</b>	<b>21.1</b>	<b>20.8</b>	<b>3.1</b>	<b>96.7</b>



Key figures

## 4.1.1 Main indicators and sectoral presentation

### 4.1.1.1 Main indicators

#### Revenue

Consolidated net revenue includes revenue from the sale of the Group's products and services, excluding taxes, rebilling of transport and customs costs and deduction of rebates, discounts, refunds and intra-Group sales. It is mainly dependent on the growth factors defined in Section 1.5.

The countries and regions in which the Group operates have different demand trends, mainly due to local economic conditions, which impact the level of renovation and construction. The choice of flooring in each market is influenced by local lifestyles, user tastes, climate and the condition of the existing flooring stock.

The Group estimates that, for the years analysed in this Section, the vast majority of revenue is generated by renovation projects. The construction of new housing and commercial buildings therefore represents a minority share of revenue.

The organic growth of the Group's revenue (see Section 4.7) (i.e. the positive and negative change in sales due to changes in the volumes of products sold and selling prices, excluding the effect of changes in the scope of consolidation and exchange rates) depends mainly on the following factors, which are detailed by segment in Section 1.5:

- > competitive advantage;
- > the growth potential and structure of each market in which the Group operates;
- > the Group's product promotion strategy;
- > the economic environment.

#### Cost of sales

The Group's cost of sales is mainly composed of variable costs, due to the high weight of raw material costs and, to a lesser extent, transport and logistics. The main components of cost of sales are as follows:

- > raw materials used in the Group's manufacturing processes. The Group mainly uses PVC and plasticisers, the cost of which is partly linked to the price of crude oil. The raw materials used by the Group also include wood. In 2023, the Group's raw material expenditure consists mainly of PVC and plasticisers (about 36%), wood (about 4%), glass fibre (about 4%), and packaging (about 7%). For developments in recent trends in the price of raw materials used by the Group, see Section 1.6.2.1 "Raw materials and suppliers";
- > production personnel costs, mainly employees of the product manufacturing plants. These expenses change in particular depending on the number of employees and the level of average compensation. To control its personnel costs, the Group uses temporary employees in certain plants to cope with peaks in demand due to the seasonality of some of its activities. Production personnel costs are stable;
- > the cost of transporting products and logistics, which depends in particular on the price of fuel and the efficiency of the Group's operational activities (truck fill rate, location of production and distance from the sales site, etc.);
- > other expenses, including energy costs (electricity, gas, etc.), maintenance costs associated with the Group's various plants and depreciation expenses for production and logistics assets.

In 2023, purchases of raw materials and related products represented 40% of the cost of sales, production personnel costs represented 12% and transport and logistics 7%.

For several years, as described in Section 1.6.2.2, the Group has implemented the WCM (World Class Manufacturing) programme. The Group estimates that this programme has enabled it to achieve savings amounting to more than 2% of the cost of sales each year.

## Key figures

**Selling, distribution and administrative expenses**

Selling and distribution expenses include in particular sales force compensation, advertising and marketing expenses and the cost of supplying samples to customers and consultants (architects, specialist shops, installation companies, etc.). The amount of selling and distribution expenses is partly related to the number of new product launches or new collections, which require specific sales efforts.

General and administrative expenses include, in particular, administrative personnel expenses at the central level and in the Group's divisions, whose management is based on a decentralised model. Expenses related to the management of IT systems and the depreciation of related investments are also included in administrative expenses.

**Research and development costs**

Innovation is one of the pillars of the Group's success, ensuring the quality of its products, compliance with regulatory standards and minimising the impact of the Group's activities on the environment. The Group maintains the excellence of its research and development division while controlling the level of expenses, which are limited compared to the Group's other operating expenses. These expenses include in particular the compensation of personnel dedicated to research and development as well as the amortisation of expenses related to patents. Research and development costs represented approximately 1% of the Group's consolidated net revenue in 2023.

**SG&A**

SG&A includes selling and distribution expenses as well as research and development costs as described above.

**Adjusted EBITDA**

To assess the performance of its businesses, the Group has adopted an "adjusted EBITDA" indicator (see Section 4.7), calculated by taking operating income before depreciation and amortisation and removing income and expenses considered exceptional or non-recurring, including:

- > restructuring costs to improve the future profitability of the Group;
- > significant gains and losses on disposals of assets;
- > costs related to business combinations and legal restructuring, including legal fees, acquisition costs, and other post-acquisition adjustments;
- > management fees charged by the Company's shareholders; and
- > expenses related to share-based payments.

Management believes that adjusted EBITDA is a useful indicator because it measures the performance of the Group's ordinary activities, without taking into account the effect of expenses related to past cash outflows (depreciation and amortisation), or which by their non-recurring nature are not representative of the Group's earnings trends. EBITDA and adjusted EBITDA are not standardised accounting measures that meet a single generally accepted definition. They should not be considered as a substitute for operating profit, net income or cash flow, or as a measure of liquidity. Other issuers may calculate EBITDA and adjusted EBITDA differently from the Group's definition.

**Financial result**

The net financial result includes interest and incidental costs incurred on financings as well as their arrangement costs, interest receivable on investments, accretion expenses related to pension liabilities, foreign exchange gains and losses on monetary balances and financial instruments and gains and losses on hedging instruments that are recognised in the income statement.

**Total income tax**

Income tax in the Group's consolidated financial statements consists of the income taxes of the Group's entities plus withholding taxes on dividends paid, as well as changes in the net deferred tax positions in the Group balance sheet.

## Key figures

**4.1.1.2 Segment reporting**

The Group monitors and analyses performance by product type (flooring and sports surfaces) and by geographical area. The Group's four segments are as follows:

- > EMEA, for which the market specifics are presented in Section 1.5.1.1;
- > North America, the specifics of which are presented in Section 1.5.1.2;
- > CIS, APAC and Latin America, the specifics of which are presented in Sections 1.5.1.3 and 1.5.1.4;
- > Sports surfaces, the specifics of which are presented in Section 1.5.2.

**4.1.1.3 Exchange rate variation**

- > Fluctuations in the exchange rates of the various currencies have a direct impact on the Group's consolidated financial statements, resulting from the conversion into Euro of the balance sheets and income statements of foreign subsidiaries located outside the Euro zone, as well as on the income statements of subsidiaries that carry out transactions in foreign currency. The currencies to which this risk relates are mainly the US dollar (50.8% of consolidated net revenue in 2023), the Russian rouble (8.7%), the Swedish krona (5.1%), the pound sterling (2.3%) and the Canadian dollar (2.6%).

The Group strives to develop its production capacity in the geographical areas where it distributes its products. One of the purposes of this policy is to naturally hedge a significant portion of its gross profit and operating income against currency fluctuations, but by its nature it cannot hedge the entire risk. To manage the risk on the remaining flows (and in particular on the foreign exchange risk on recorded and future transactions, between their commitment and the conversion of their receipt), the Group uses foreign exchange derivatives to hedge certain currencies (see Section 5.2 - Note 7.6 "Financial risks and Financial Instruments").

**4.1.1.4 Seasonality**

The Group's activities are subject to seasonality, with a rise in sales generally occurring in the second and third quarters of the year, while working capital requirements are generally higher in the first two quarters of the year. Sales of sports surfaces are particularly variable depending on the season, with installation work being carried out mainly between May and October, with a peak in activity during the school holidays.

**4.1.1.5 Acquisitions**

As part of its growth strategy, the Group continues its dynamic acquisition policy. Acquisitions generally involve small to medium-sized companies with product ranges or activities in markets complementary to those of the Group. For more information, see Section 4.2.1 "Principal investments made in 2023 and 2022".

The functional currency of the Group's entities in Serbia is the Euro, and in the other CIS countries the local currency. In Russia, products are sold in rouble but the Group's policy is to reflect changes in the rouble/Euro exchange rate in its selling prices. In the analyses presented below, the difference between the impact of the change in the rouble exchange rate and the increase in prices is considered by the Group as a currency effect. A large part of the operating costs of the Russian activities are in Euro. On the other hand, personnel costs, logistics and transport costs and other production costs (energy, maintenance, etc.) are almost all in roubles.

In addition, in some geographical areas, severe winter weather conditions may affect the progress of construction and therefore the installation of flooring. In the education sector, demand is generally higher during holiday periods.

In 2023, 56% of the Group's consolidated net revenue was recorded in the second and third quarters, compared with 44% in the first and fourth quarters.

## Key figures

## 4.1.1.6 Presentation of accounting and financial data

The following table provides a reconciliation of the Group's adjusted EBITDA to operating profit for the financial years 2022 and 2023:

Adjusted EBITDA (in millions of Euro)	Financial year ending 31 December		
	2023	2022	Change
<b>Result from operating activities (EBIT)</b>	<b>125.1</b>	<b>44.4</b>	<b>65%</b>
Depreciation and amortisation and other	134.9	151.0	
<b>EBITDA</b>	<b>260.0</b>	<b>195.4</b>	<b>25%</b>
<b>Adjustments</b>			
Restructuring expenses <sup>(1)</sup>	8.4	16.5	
Expenses related to acquisitions and business combinations	2.1	0.5	
Share-based compensation expenses	9.5	6.3	
Other	7.8	8.6	
<b>Adjusted EBITDA</b>	<b>287.8</b>	<b>234.9</b>	<b>18%</b>

<sup>(1)</sup>Restructuring expenses in 2023 and 2022 arise from production optimisation and general expense savings initiatives

The exceptional items added back to calculate adjusted EBITDA for each year are detailed in the comparative analyses of results below.

#### Estimates and assumptions used in the preparation of the financial statements

The preparation of the consolidated financial statements compliant with IFRS requires Group Management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Group Management reviews the assumptions and estimates on an ongoing basis, based on its experience and other reasonable factors that form the basis for the valuation of these assets and liabilities. Actual results may differ significantly from these estimates.

These assumptions and estimate relate mainly to:

- > impairment of goodwill;
- > provisions for pensions and employee benefits;
- > other provisions for litigation, guarantees and contingent liabilities;
- > deferred tax assets, particularly those relating to tax loss carryforwards;
- > the measurement of the fair value of the consideration transferred, non-controlling interests, assets acquired and liabilities assumed; and
- > accounting treatment of financial instruments.

Management's estimates used in the preparation of the financial statements, including those related to the application of accounting policies and the consideration of areas of uncertainty, are described in more detail in Note 1.2 "Significant accounting policies" to the Group's consolidated financial statements included in Section 5.2.

#### Goodwill

*Goodwill* represents the excess of the cost of the business combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition, corresponding, for example, to the value given by the Group to the expected synergies and benefits. This allocation may involve assumptions relating to the determination of future cash flows (see Notes 5.1 and 5.2 to the Group's consolidated financial statements included in Section 5.2).

Goodwill is allocated to cash-generating units ("CGU") and its carrying amount is tested for impairment annually or whenever an indicator of impairment is identified. Impairment tests are performed to determine whether the net recoverable amount of the asset or CGU is less than the net carrying amount. If the net recoverable amount is less than the net carrying amount, a loss is recognised in the income statement to the extent of the loss and allocated in priority to the goodwill allocated to the CGU in question.

The recoverable amount of an asset or CGU is the higher of its market value less costs to sell or its value in use. The value in use is determined on the basis of forecasts of future cash flows from the CGU business based on certain assumptions and estimates by management. The market value is the price that could be obtained in normal competitive conditions between informed buyers, less selling costs.

The calculations on which the value in use estimate is based are subject to the discretion of Group Management. The cash flows used to calculate value in use are derived from budgets and business plans, which are themselves based on assumptions about revenue growth, adjusted EBITDA, working capital requirements and capital expenditure. If other assumptions or forecasts were used, the impairment tests would certainly produce different values in use.

Group Management performs these tests based on its best estimate of the future activity of the relevant CGU over the next four years, after taking into account discount rates. The discount rates after tax vary according to the country risk premiums applied in each region: 10.4% for EMEA, 10.4% for North America, 10.8% for APAC, 12.8% for Latin America and 19.2% for the CIS. The main assumptions for sales growth to 2027 (CAGR) are between 3% and 5%. The value in use calculation also includes the terminal value of the CGU, which uses a projection to infinity of normalised cash flows at annual growth rates generally varying from 2% to 4% depending on the geographical area.

For more information, see Note 5.3 "Impairment of assets" in Section 5.2.

## Key figures

**Provisions for pensions and similar benefits**

In accordance with the laws and practices of each country in which the Group operates, the Group participates in pension, health and disability plans and end-of-career benefits for eligible employees, former employees and their beneficiaries who meet the required conditions. As of 31 December 2023, the Group had such pension obligations in the United States, Canada, Germany, France, Italy, Sweden, Belgium, Serbia and Russia.

In accordance with IAS 19R, the valuation of these obligations is performed or updated semi-annually by independent actuaries. The recognition of actuarial values is based on forecasts of changes in salaries, medical costs, long-term interest rates, average seniority and life expectancy. The expected rate of return on invested funds is calculated for each plan, based on its composition and the projected return relative to comparable markets. The actuarial values and the rate of return are sensitive to changes in forecasts and estimates which are based on assumptions. As of 31 December 2023, the Group recognises 161.6 million Euro in liabilities for employee benefits, of which 75.3 million Euro is covered by funds invested in the various plans and the remaining 86.3 million Euro relates to unfunded or partially funded plans for which provisions have been recognised in the accounts. The most significant liabilities exist in the United States, Germany, Sweden, Canada, the United Kingdom, Belgium and Russia. Entities with externally managed investments are sufficient to meet more than 50% of their liabilities in aggregate.

For more information on provisions for pensions and similar obligations, see Note 4.1 "Pension and similar obligations" in Section 5.2.

**Provisions for litigation, guarantees and restructuring charges**

In accordance with IAS 37 "Provisions, Liabilities and Contingent Assets", provisions for litigation, guarantees or other contingent liabilities are recognised when, at the balance sheet date, there is a legal or constructive obligation as a result of a past event, which is likely to result in a cash outflow to third parties and the amount can be reliably estimated. The amount recognised as a provision is Group Management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money has a material effect, future cash outflows are discounted. These provisions relate to environmental, legal, tax (excluding income taxes) and other risks.

The likelihood of a cash outflow is calculated at the discretion of Group Management and based on assumptions and estimates which in turn depend on the nature of the risk. For example, in order to determine the amounts of provisions for litigation, Management must assess the probability of an unfavourable judgement as well as the amount of possible damages. These elements are by nature uncertain. In contrast, a provision for warranties is recognised at the time of sale of the related goods and the amount is based on historical data on warranty payments. An additional provision is recorded when an event occurs that may give rise to claims for amounts in excess of the "statistical" provisions. A provision for restructuring is recognised when Group management approves a detailed restructuring plan and the restructuring is publicly announced or implemented. The amounts of the provisions may be greater or less than the actual amount incurred to address the risks provided for. Provisions may also be reversed if necessary.

As of 31 December 2023, the Group retained 40.1 million Euro in provisions for guarantees, restructuring, claims and litigation. For more information on the estimation and recognition of provisions or their impact on the Group's results, see Note 6.1 "Provisions" in Section 5.2.

**Deferred tax assets**

In accordance with IAS 12 "Income Taxes", the Group recognises deferred tax assets and liabilities in its balance sheet. A deferred tax asset is recognised for all deductible temporary differences, unused tax losses or unused tax credits that can be carried forward, if it is probable that the Group will have future taxable profits against which the future tax savings can be utilised.

The deferred tax asset is recognised to the extent that it is probable that the Group will be able to utilise it in the future. Group Management's judgement is required to determine the amount of the net tax asset that can be recognised. Forecasts of net taxable profits are estimated on the basis of the budget and assumptions and models relating to market conditions. These assumptions and models may have a significant impact on the amounts of assets recognised in the Group's balance sheet.

The Group had 156.7 million Euro in deferred tax assets related to tax loss carryforwards and unused tax credits, of which 156.7 million Euro related to Luxembourg, and 7.3 million Euro related to the Group's North American (United States) tax consolidation group. The recognition of deferred tax in Luxembourg was partially offset by deferred tax liabilities, without impact on results.

For more information, see Note 8.2 "Deferred tax assets" in Section 5.2.

Key figures

## 4.1.2 Comparison of annual results for the financial years ending 31 December 2023 and 31 December 2022

> The following analyses comment on the Group's results for the year ended 31 December 2023.

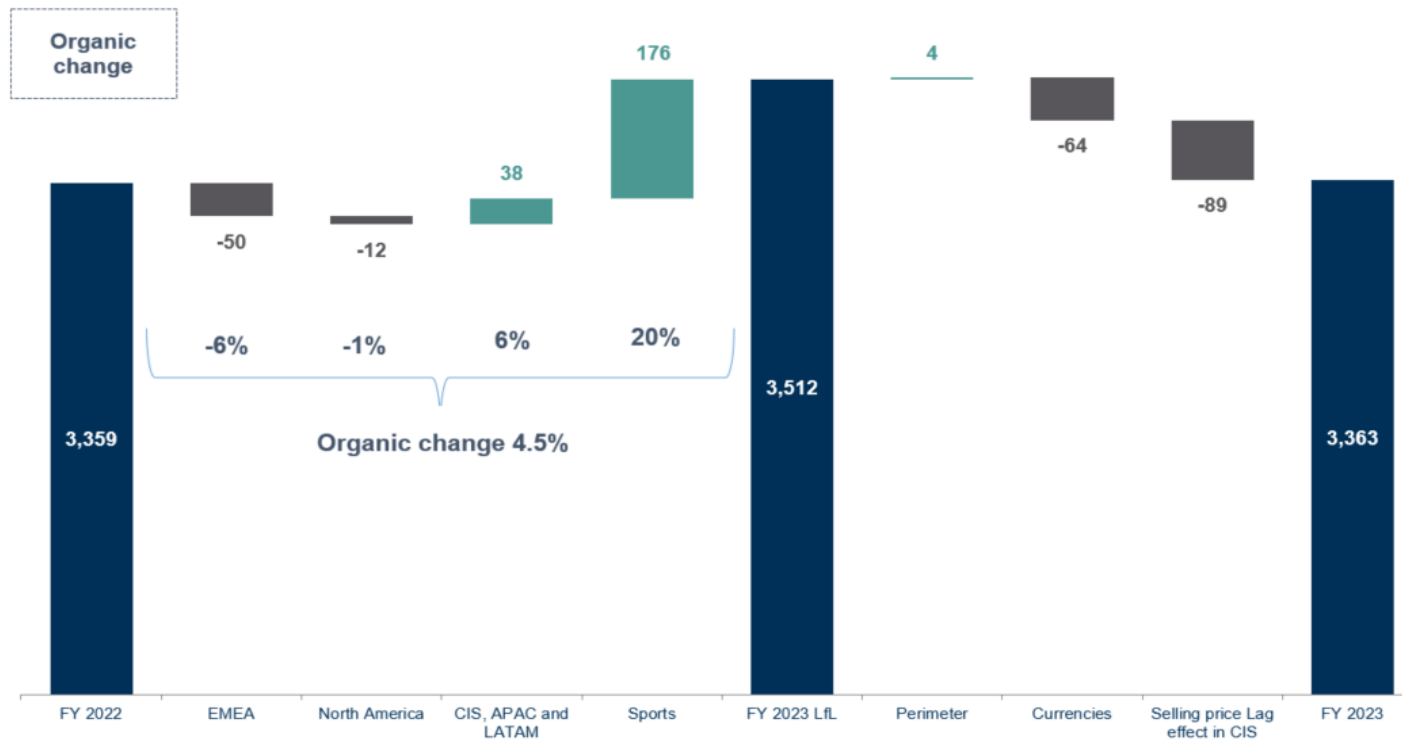
### 4.1.2.1 General presentation

The main aggregates of the income statement are presented in Section 4.1.1.

### 4.1.2.2 Net revenue

In 2023, **Group revenue** was 3,363 million Euro compare to 3,359 million Euro in 2022, an increase of 0.1%.

The Group posted **organic growth of +4.5%**, excluding foreign exchange differences of -152 million Euro, including -89 million Euro of lag effect between CIS currencies and sales price adjustments ("lag effect"). The effect of the sales price increases implemented across all segments is +3.9% on average in 2023 compared to the prior year.



## Key figures

**EMEA**

The EMEA segment achieved revenue of 850.2 million Euro, a decrease of -6.8% compared to 2022, including an unfavourable exchange rate effect of -1.3% and negative organic growth of -5.5%. The economic environment of inflation and high interest rates penalised renovation and new-build projects throughout the region. The volume of business in the residential segment is significantly lower than in 2022, and the decline in sales is accentuated by an unfavourable product mix, with vinyl rollers performing better than more expensive categories such as parquet. Against a difficult market backdrop, sales in the commercial segments were only slightly down in 2022, thanks to firm volumes in the two main business lines, vinyl products for the health and education sector and office carpets.

**North America**

The North America segment achieved revenue of 889.2 million Euro, a decrease of -3.7% compared to 2022, with a negative exchange rate effect due to the depreciation of the Dollar against the Euro (-2.4%) and negative organic growth of -1.3%. Volumes in the Commercial segments (offices, healthcare, education) were slightly up on 2022, in a market that performed better than in Europe, buoyed in particular by our accessories and carpet tiles. Conversely, business volumes in the residential and hotel segments are down in a market where demand has been penalised by inflation and interest rates.

**4.1.2.3 Gross profit**

Group gross profit went from 605.1 million Euro in 2022 to 731.9 million Euro in 2023, an increase of 126.8 million Euro. It represents 22% of revenue in 2023, a limited increase of 4 points compared to 2022.

This is due in particular to the fall in raw material prices over 2023 and the positive effects of restructuring undertaken in previous years.

**CIS, APAC and Latin America**

Revenue in the CIS, APAC and Latin America segment amounted to 598.5 million Euro, down -8.3%, with a very unfavourable exchange rate effect due mainly to the depreciation of the rouble (-27% compared with 2022). Business was good, with organic growth of +9.2% (excluding price effects in CIS countries). It benefited from the improvement in volumes in Russia and Ukraine compared with 2022, which had been marked by a significant decline relative to 2021.

**Sports Surfaces**

Revenue in the Sport segment reached a record level at 1,025.2 million Euro, an extremely strong increase of +17.8% compared to 2022, including +20.2% organic growth. The market was very buoyant, particularly for artificial grass sports pitches and athletics tracks in North America. The segment also benefited from price rises, which more than offset inflation in raw material costs.

Both North America and Europe are growing, and the year-end order book is at a high level overall.

Key figures

4.1.2.4 Adjusted EBITDA

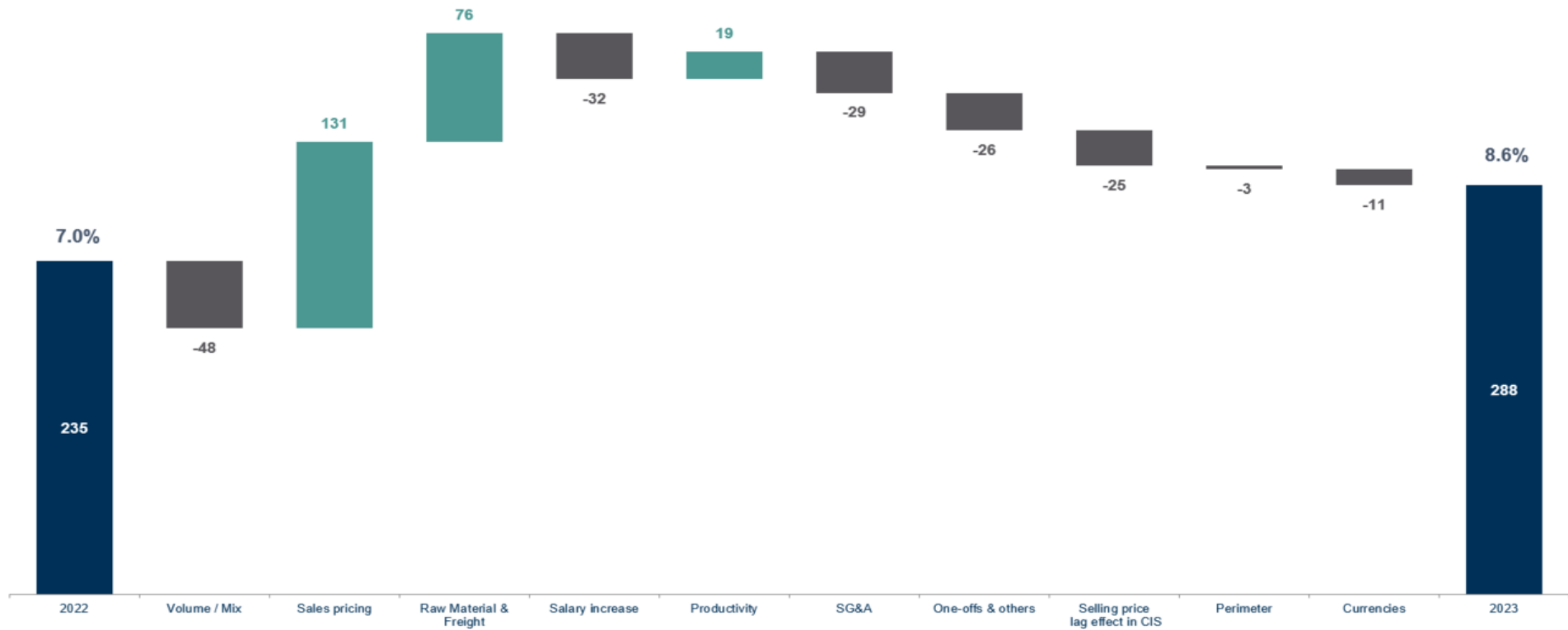
> Adjusted EBITDA was 287.8 million Euro in 2023 compared to 234.9 million Euro in 2022 and represented 8.6% of revenue versus 7.0% in 2022.

The combined effect of lower volumes and product mix on EBITDA was a negative 48 million Euro. An unfavourable mix effect between divisions reflects lower margins on variable costs in the Sport segment, particularly on installation and civil engineering services for turnkey projects.

Prices for raw materials, energy and transport began to ease, particularly in the second half of the year, with a net positive effect for the year of +76 million Euro compared with 2022. On the other hand, wage inflation remained extremely significant.

The sales price increases implemented in 2022 had a positive impact of +131 million Euro in 2023. SG&A costs are up (-29 million Euro) to support growth in Sport and the launch of new flooring collections.

The main factors for the evolution of EBITDA are those described in the evolution of the gross profit and the operating result. They are shown in the graph below.





## Key figures

The main drivers of the adjusted EBITDA margin evolution by segment are as follows:

- > EMEA: the EMEA segment achieved an adjusted EBITDA margin of 8.8%, up 40 basis points in 2022. The clearly positive inflation balance offset the fall in volumes.
- > North America: adjusted EBITDA margin is 8.7% in 2023 compared to 4.8% in 2022. TNA's profitability was impacted by an extremely positive inflation balance, which offset the increase in overheads and the fall in volumes.
- > CIS, APAC and Latin America: the segment achieved an adjusted EBITDA margin of 14.5%, up 150 basis points on 2022. The rise in margins was due to lower raw materials prices and improved plant productivity.
- > Sports Surfaces: The Sport business achieved an adjusted EBITDA margin of 11.2%, an increase of 120 basis points compared to last year. The increase in sales prices offset the increase in raw materials. Volumes were significantly higher than in 2022.
- > Unallocated central costs were 65.6 million Euro in 2023, up +15.1% on 2022, reflecting normal salary inflation and investments in IT projects.

#### 4.1.2.5 Result from operating activities (EBIT)

The Group's 2023 operating result amounts to 125.1 million Euro, or 3.7% of revenue. The 2023 operating profit increased by 80.7 million Euro compared to 2022. This increase is mainly due to the improvement in profitability as a result of the positive inflation balance and good productivity.

#### 4.1.2.6 Financial result

The financial result is -69.2 million Euro in 2023 compared to -51.3 million Euro in 2022. This increase is mainly due to the rise in average gross debt over the first half and higher financing costs.

#### 4.1.2.7 Tax expense

The tax expense for the year 2023 amounted to -35.4 million Euro, up from -18.1 million Euro in 2022, with higher taxable income in North America (United States and Canada) thanks to the good performance of the sport and flooring businesses.

#### 4.1.2.8 Net profit

The Group's net result is 20.5 million Euro in 2023 compared to -26.0 million Euro in 2022.

The net result attributable to shareholders of the parent is consequently 20.4 million Euro in 2023 compared to -26.8 million Euro in 2022.

Investments

## 4.2 Investments

### 4.2.1 Main investments made in 2023 and 2022

The Group's net cash flow related to investment activities is -92.9 million Euro in 2023 and -96.7 million Euro in 2022.

Investments in fixed assets include expenditure on the acquisition and construction of new plants and the purchase of new equipment following the acquisition or creation of a company; they also include "ongoing capital expenditures", which consist of all other investments in fixed assets. They do not include the increase in assets due to the application of IFRS 16.

The level of investment in property, plant and equipment and intangible assets represents, as in 2022, just under 3% of the net sales.

To illustrate the Group's commitment to its sustainable growth strategy and the continued optimisation of its business, capital expenditure will be between 3% and 5% of revenue over the next 2-3 years.

#### 4.2.1.1 Main investments made in 2022

In addition to the acquisitions of subsidiaries described in Section 4.1.1.5 "Acquisitions", the main investments in 2022 include:

- > **EMEA:** increased production capacity for LVT (Luxury Vinyl Tiles) products in Poland and improved productivity in France and Sweden;
- > **North America:** continued productivity improvement actions;

#### 4.2.1.2 Main investments made in 2023

In addition to the acquisitions of subsidiaries described in Section 4.1.1.5 "Acquisitions", the main investments in 2023 include:

- > **EMEA:** increased production capacity for LVT (Luxury Vinyl Tiles) products in Poland and improved productivity of carpet factories;
- > **North America:** continued productivity improvement actions;

The following table summarises the Group's main investments made during the financial years 2023 and 2022.

<i>(in millions of Euro)</i>	For financial years ending 31 December	
	2023	2022
Acquisition of subsidiaries net of cash acquired	(3.2)	(4.0)
Acquisition of intangible assets and property, plant and equipment	(92.9)	(96.7)
Proceeds from disposals and dividends received	1.2	2.5
Impact of changes in scope	0.0	0.0
<b>Net cash flow from investment activities</b>	<b>(94.9)</b>	<b>(98.1)</b>

- > **CIS:** reinforcement of production capacities for LVT (Luxury Vinyl Tiles) products in Russia and Brazil;
- > **Sport:** reinforcement of production capacity for synthetic grass underlay;
- > **Group:** IT investments similar to 2021 as part of the continued modernisation of our IT tools, in particular the web platform and the dematerialisation of IT tools.

- > **CIS:** Maintaining production capacities for LVT (Luxury Vinyl Tiles) products in Russia and Brazil;
- > **Sport:** As in 2022, reinforcement of production capacity for synthetic grass underlay;
- > **Group:** IT investments similar to 2022 as part of the continued modernisation of our IT tools, in particular the web platform and the dematerialisation of IT tools.

Cash flow and equity

## 4.2.2 Main investments in progress

The main investments underway in 2023 are a continuation of the projects carried out in the previous year, in particular the plans to step up production of *Luxury Vinyl Tiles* - (LVT) and to start up a new yarn extrusion plant, while improving the Group's efficiency and ecological footprint in floor coverings and sports surfaces.

## 4.2.3 Main future investments

The Group is always on the lookout for investment opportunities with an attractive return profile, following a rigorous review of the level of return on investment. The Group's main investment objectives are the continuous improvement of competitiveness, the strengthening of operational excellence and the acquisition and modernisation of equipment to support expected growth. The Group's strategy is to invest internally in order to achieve these objectives.

The Group's external growth strategy focuses on three main objectives: geographical development, extension of its product range and industry consolidation. For more information, see section 1.3 "Strategy".

# 4.3 Cash flow and equity

A description of the Company's share capital and financial structure is provided in Notes 7.3 "Net debt", 7.4.2 "Other financial liabilities", and 9.1 "Share capital", which are presented in Section 5.2 of this Document.

## 4.3.1 General presentation

The Group's objective is to increase current investments to an amount of around 3% of consolidated net sales by 2023. "Ongoing capital expenditures" are defined as investments in tangible and intangible assets, excluding plant construction and company acquisitions.

The Group's growth investments (mainly plant construction and company acquisitions) are financed by debt and by the mobilisation of the Group's own resources, as part of a policy aimed at a sound financial structure.

As of 31 December 2023, the Group's net debt before application of IFRS 16 was 408.3 million Euro, a decrease of 127.1 million Euro compared to the net debt of 535.4 million Euro at 31 December 2022. The ratio of net debt to adjusted EBITDA is 1.4x before application of IFRS 16 and 2.3x after application of the standard, compared with 1.9x and 2.8x at 31 December 2022.

As of 31 December 2023, cash and cash equivalents amounted to 224.3 million Euro compared to 220.8 million Euro at 31 December 2022. In addition, the amount of undrawn confirmed bank credit lines as of 31 December 2023 amounted to 432 million Euro.

Given that the level of uncertainty remains high, the Group will continue to take action to preserve cash flow in 2024. Therefore, the Management Board will propose not to pay any dividend in 2024 for the financial year 2023.

## Cash flow and equity

**4.3.2 Cash flow**

<i>(in millions of Euro)</i>	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Cash flow from operating activities</b>		
Profit for the period before income tax	55.8	(7.9)
Adjustments for:		
Depreciation and amortisation	133.3	151.9
(Gain)/Loss on disposals of fixed assets	1.3	(0.3)
Net finance costs	69.2	51.3
Change in provisions and other non-cash flow items	(0.3)	(13.5)
Share of profit of equity accounted investees (net of tax)	(2.8)	1.0
<b>Operating cash flow before working capital changes</b>	<b>259.5</b>	<b>182.6</b>
Changes in working capital requirement	117.9	(134.7)
<b>Cash generated from operations</b>	<b>377.5</b>	<b>47.9</b>
<b>Other operational elements (taxes and finance costs)</b>	<b>(98.9)</b>	<b>(67.0)</b>
<b>Net cash from operational activities</b>	<b>278.5</b>	<b>(19.1)</b>
<b>Net cash flow from investment activities</b>	<b>(94.9)</b>	<b>(98.1)</b>
<b>Net cash flow from financing activities</b>	<b>(154.3)</b>	<b>130.0</b>
<b>Net change in cash flow items</b>	<b>29.3</b>	<b>12.7</b>
Cash and cash equivalents, beginning of period	220.8	205.4
Effect of exchange rate fluctuations on cash held	(25.8)	2.5
<b>Cash and cash equivalents, end of period</b>	<b>224.3</b>	<b>220.8</b>

**4.3.2.1 Cash flow from operating activities**

In 2023, cash flow from operating activities before changes in working capital amounted to 259.5 million Euro, an increase of 76.9 million Euro compared to 2022. This change is explained by the increase in operating profit and a reduction in working capital requirements.

**Working capital requirements** stood at €118 million at the end of December 2023 compared to €233 million at the end of December 2022, an improvement of €115 million over the financial year. The Group has implemented significant actions to reduce the volume of inventories, which represent 80 days at the end of December 2023, compared to 86 days at the end of December 2022.

**4.3.2.2 Cash flow from investment activities**

The Group's net cash flow related to investment activities went from -98.1 million Euro in 2022 to -94.9 million Euro in 2023.

**4.3.2.3 Cash flow from financing activities**

The Group's net cash flow related to financing activities went from +130 million Euro in 2022 to -154.3 million Euro in 2023.

These actions, in addition to the fall in the purchase price of raw materials, reduced the value of inventories by -€85 million to €453 million at the end of December 2023. Increased payment terms granted by major suppliers have also contributed to lower working capital requirements. Factoring programmes represented a net financing of €161 million at the end of December 2023, a slight decrease compared to the end of December 2022 (€166 million).

Cash flow and equity

### 4.3.3 Financial debt

#### 4.3.3.1 Overview of net financial debt

As of 31 December 2023, the Group's net financial debt amounted to 551.7 million Euro (654.8 million Euro in December 2022), i.e. 408.3 million Euro before application of IFRS 16 (535.4 million Euro in December 2022).

#### 4.3.3.2 Cash and cash equivalents

As of 31 December 2023 and 31 December 2022, cash and cash equivalents amounted to 224.3 million Euro and 220.8 million Euro respectively. At 31 December 2023, the main cash concentrations were in North America (23.2 million Euro), the Group holding company (50.4 million Euro) and Russia (62.7 million Euro). At 31 December 2022, the main cash concentrations were in North America (21 million Euro), the Group holding company (36.5 million Euro) and Russia (89.6 million Euro).

#### 4.3.3.3 Details of gross financial debt

#### 4.3.3.4 Gross financial debt

As of 31 December 2023, the Group's gross financial debt is mainly composed of a shareholder loan for a total amount of 520.4 million Euro, several tranches of private investments under German law (so-called "Schuldschein") for a total amount of 34 million Euro, a mandatory loan for 31.5 million Euro, as well as several amortisable loans for a total of 36.8 million Euro. The table below shows the breakdown of the Group's gross financial debt on the dates stated.

(in millions of Euro)	31 December 2023		31 December 2022	
	Long term	Short term	Long term	Short term
Bank loans	24.8	16.7	154.3	8.4
Shareholder loan	520.4	-	522.7	-
Private investments	47.5	18.0	34.0	-
Other loans	-	-	-	-
Bank overdrafts	-	5.3	-	36.8
<b>Interest bearing loans and debt</b>	<b>592.6</b>	<b>40.0</b>	<b>711.0</b>	<b>45.2</b>
<b>Total interest bearing loans and debt</b>	<b>632.6</b>		<b>756.2</b>	
Leases (IFRS 16)	111.8	31.6	91.7	27.7
<b>Gross financial debt</b>	<b>776.0</b>		<b>875.6</b>	

As of 31 December 2023, the Group's main financing capacity comes from the following loans:

- > **Shareholder loan:** this is a loan agreement with a 7-year maturity between Tarkett as borrower and Tarkett Participation as lender, of which 455.2 million Euro and 72.0 million US dollars had been drawn down by the balance sheet date (see Section 4.3.4 "Terms and conditions of the main credit lines");
- > **Revolving credit line:** this is a revolving credit line with a maturity of 6.5 years for a maximum amount of 350 million Euro, which Tarkett accessed on July 19, 2021, in addition to the shareholder loan with Tarkett Participation (see Section 4.3.4 "Terms and conditions of the main credit lines"). This revolving credit line was not drawn down at 31 December 2023;
- > **"Schuldschein":** the private investments under German law, called "Schuldschein", represent as of the balance sheet date a total amount of 34 million Euro, divided into four tranches (see Section 4.3.5 "Private investments");
- > **Mandatory loan:** In June 2023, Tarkett took out an 8-year mandatory loan for 31.5 million Euro under the "Relance Bonds" scheme (see Section 4.3.5 "Private investments");
- > **Amortisable loans:** four amortisable loans taken out in June 2022 and April 2023 respectively by Tarkett France, and in May and June 2023 by Tarkett GDL, representing a total outstanding amount of 36.8 million Euro at the end of the financial year;
- > **Assignment of receivables agreements:** Tarkett has entered into non-recourse assignment of receivables lines for certain of its European, US and Asia-Pacific subsidiaries from 2019. These lines are deconsolidating and are drawn down to a net funded amount of 160.8 million Euro or equivalent as of 31 December 2023.

## Cash flow and equity

A summary of the maturities of the interest-bearing loans as well as the interest rate conditions applicable as of 31 December 2023 is shown in the following table:

31 December 2023 (in millions of Euro)	Currency of draw-down	Interest rates	TOTAL	12 months or less until 31/12/2024	2 years until 31/12/2025	3 to 5 years until 31/12/2028	More than 5 years
<b>Bank loans</b>							
Revolving credit lines Europe	EUR		-	-	-	-	-
Revolving credit lines Europe	USD		-	-	-	-	-
Other bank loans	EUR	4.36%	41.0	16.2	12.6	12.1	-
Other bank loans	RMB	5.22%	0.4	0.4	-	-	-
<b>Subtotal bank loans</b>			<b>41.4</b>	<b>16.7</b>	<b>12.6</b>	<b>12.1</b>	<b>-</b>
Private Placement Europe	EUR	3.90%	65.5	18.0	10.0	6.0	31.5
Shareholder loan	EUR	7.58%	455.2	-	-	455.2	-
Shareholder loan	USD	9.80%	65.2	-	-	65.2	-
Bank overdrafts			5.3	5.3	-	-	-
<b>Interest bearing loans and debt</b>			<b>632.6</b>	<b>40.0</b>	<b>22.6</b>	<b>538.5</b>	<b>31.5</b>
<b>Leases (IFRS 16)</b>			<b>143.4</b>	<b>31.6</b>	<b>29.9</b>	<b>57.4</b>	<b>24.5</b>
<b>Gross financial debt</b>			<b>776.0</b>	<b>71.6</b>	<b>52.5</b>	<b>595.9</b>	<b>56.0</b>

Cash flow and equity

### 4.3.4 Terms and conditions of the main credit lines

As of 31 December 2023, the Group's main financing reserve consists of a revolving credit facility entered into on 23 April 2021 by Tarkett Participation, which was accessed by Tarkett SA on 19 July 2021. This facility is in addition to the shareholder loan concluded with Tarkett Participation on 20 July 2021.

#### Shareholder loan

The purpose of this shareholder's loan is to refinance the Group's existing debt in the context of the transactions related to the simplified tender offer. The maturity and applicable margin are aligned with those of the 7-year term loan, repayable at maturity and secured on certain assets, known as "Term Loan B", concluded on 23 April 2021 by Tarkett Participation.

The margin level applied depends on the leverage ratio and a margin adjustment mechanism ranging from -0.10% to +0.10% p.a. depending on the achievement of certain contractually defined environmental, social and governance ("ESG") criteria.

#### Revolving credit line

This revolving credit line, with a maturity of 6.5 years, is intended to finance the Group's general and operational, development and investment needs up to a maximum amount of 350 million Euro. The lenders of this credit line benefit from the same guarantees as the lenders of the "Term Loan B". Thus, Tarkett SA has entered into the Revolving Facility as a borrower, but also as a guarantor.

The level of margin applied depends on the same criteria as for the "Term Loan B".

Leverage ratio	Term Loan B - EUR margin (p.a.)	Term loan B - USD margin (p.a.)	Revolving Facility margin (p.a.)
≤ 2.5x	3.00%	3.25%	1.75%
2.5x ≤ 3.0x	3.25%	3.75%	2.00%
3.0x ≤ 3.5x	3.50%	4.00%	2.25%
> 3.5x	3.75%	4.25%	2.50%

As of 31 December 2023, the margins applied to these lines are 3.70%, 4.20% and 2.45% respectively, including a favourable ESG margin adjustment of -0.055%.

#### Pledges put in place

As security for the new financings put in place, the following assets have been pledged:

- > all present and future shares of Tarkett SA held by Tarkett Participation;
- > all present and future shares of the following subsidiaries held directly or indirectly by Tarkett SA: Tarkett GDL SA, Tarkett AB, Tarkett BV, Tarkett Holding GmbH, Tarkett Finance Inc., Tarkett USA Inc., FieldTurf Tarkett USA Holdings Inc., FieldTurf USA Inc., AO Tarkett and AO Tarkett Rus;
- > certain financial receivables entered into between two of the above companies.

#### Contractual financial commitments

These lines of credit are subject to contractual financial covenants of a conditional nature, which would only be calculated in the event that the revolving credit line is drawn for more than 40% of its maximum amount at 30 June or 31 December of each year.

If this were the case, an adjusted "Net debt/EBITDA" ratio would be calculated on the basis of Tarkett Participation's consolidated financial statements and after application of IFRS 16, with Tarkett SA contributing in proportion to the percentage of its capital held by Tarkett Participation. The ratio calculated in this way should not exceed 5.8x.

#### Clauses related to a change of control

The new financing lines contain a change of control clause in case of loss of control of Tarkett Participation by the Deconinck family (defined as "Ms. Catherine la Bonnardière, née Deconinck Bernard-André Deconinck, Mr. Didier Deconinck, Mr. Éric Deconinck and their children and spouses, acting individually or collectively") and/or the shareholder Wendel (and/or any controlled or affiliated company).

This clause allows for a renegotiation of the terms of the credit line, and in the event of a lack of agreement between the banks and the borrower, each lender would have the option of requesting the immediate repayment of its share of the amounts advanced. The term "control" in this clause is defined by the French Commercial Code and includes actions in concert, as defined by the same code.

Cash flow and equity

### 4.3.5 Private investments

#### Private investments under German law, called "Schuldschein"

As of 31 December 2023, the German private investments "Schuldschein" are divided into four tranches, all of which are fixed rate:

- one tranche totalling 14.0 million Euro concluded at the time of the issue of 19 April 2017 and maturing in April 2024;
- Three tranches totalling 20 million Euro concluded at the time of issues of 18 June 2019 and 4 million Euro maturing in June 2024, 10 million Euro in June 2025, and 6 million Euro in June 2026.

These Schuldschein contain contractual financial covenants to be met, including the financial ratio "Net debt/EBITDA" (or "leverage ratio"). This "leverage ratio" is measured at the end of each accounting period, before the application of IFRS 16, on the basis of an adjusted EBITDA, calculated at the perimeter of the consolidated accounts of Tarkett SA.

Within this framework, net debt must not exceed three times (3.0x) the level of adjusted EBITDA as of 31 December of each year, with an additional tolerance of half a time (0.5x) in the case of significant acquisitions.

As of 31 December 2023 and 31 December 2022, the Group was in compliance with this commitment, achieving a leverage ratio before application of IFRS 16 of 1.6x and 2.7x adjusted EBITDA for the period respectively.

### 4.3.6 Equity attributable to equity holders of the parent

Group equity was 864.7 million Euro as of 31 December 2023 and 913.0 million Euro as of 31 December 2022.

#### Mandatory loan

A mandatory loan for 31.5 million Euro was taken out in June 2023 for a term of 8 years, as part of the "Relance Bonds" scheme.

This mandatory loan also contains contractual financial covenants to be met, including the financial ratio "Net debt/EBITDA" (or "leverage ratio"). This "leverage ratio" is measured at the end of each accounting period, after the application of IFRS 16, on the basis of an adjusted EBITDA, calculated at the perimeter of the consolidated accounts of Tarkett SA.

Within this framework, net debt must not exceed four times (4.0x) the level of adjusted EBITDA as of 31 December of each year, with an additional tolerance of half a time (0.5x) in the case of significant acquisitions.

As of 31 December 2023 and 31 December 2022, the Group was in compliance with this commitment, achieving a leverage ratio after application of IFRS 16 of 1.9x and 2.8x adjusted EBITDA for the period respectively.



Cash flow and equity

### 4.3.7 Off-balance sheet commitments

#### Lease commitments

Off-balance sheet commitments relating to leases are disclosed in Section 5.2 "Notes to the consolidated financial statements".

#### Guarantees and off-balance sheet commitments

The following table shows the guarantees given by the Company as at 31 December 2023 (including those relating to debt already recognised in the balance sheet) as well as guarantees received from customers:

Group - off-balance sheet commitment (in millions of Euro)	As of 31 December 2023	As of 31 December 2022
Federal insurance company	(67.9)	(70.3)
Ester Finance Technologies	(69.2)	(61.8)
Swedish pension body (Pri-Pensionsgaranti)	(23.1)	(21.3)
Joint and several guarantees on amortisable loans	(36.8)	(20.0)
Other	(22.5)	(26.9)
<b>Tarkett parent company guarantees</b>	<b>(219.4)</b>	<b>(200.3)</b>
Other commitments given to subsidiaries	(30.8)	(34.8)
<b>Commitments given</b>	<b>(250.2)</b>	<b>(235.1)</b>
Company or personal guarantees from customers or other debtors	7.7	2.1
<b>Commitments received</b>	<b>7.7</b>	<b>2.1</b>

The main commitments consist of:

- > a General Indemnity Agreement for a maximum amount of USD 75.0 million in favour of Federal Insurance Company so that the company can issue work site guarantees in favour of FieldTurf Inc, fully used at the financial year close;
- > a Joint and Several Guarantee for a maximum amount of USD 90 million in favour of Ester Finance Technologies for the assignment of receivables line set up with certain subsidiaries of Tarkett Finance Inc in the United States, in order to secure future customer collections to be collected on its behalf, representing USD 76.4 million at the end of the financial year;
- > a guarantee given to the Swedish pension insurance company Pri-Pensions to insure Tarkett AB's employee benefit commitments in the amount of 256.9 million SEK;
- > joint and several guarantees in favour of several banks in respect of the outstanding amortisable loans taken out in June 2022 and April 2023 respectively by Tarkett France, and in May and June 2023 by Tarkett GDL, representing a total outstanding amount of 36.8 million Euro at the end of the financial year;
- > rent guarantees in favour of two lessors of Tarkett USA Inc. representing a commitment of USD 8.6 million at the end of the financial year, and for which the corresponding rents are included in the lease liability valued in the consolidated balance sheet in application of IFRS 16 "Leases";

- > a guarantee to a supplier of the subsidiary Morton Extrusionstechnik (M.E.T GmbH) for deliveries of raw materials up to a maximum amount of 7 million Euro, of which 4.6 million Euro had been committed at the balance sheet date;
- > guarantees given by the company Tarkett to the banks of certain subsidiaries, in particular Company's Tarkett Limited (United Kingdom), Tarkett BV (Netherlands), Tarkett Asia Pacific (Shanghai) Management Co Ltd, Tarkett Industrial (Beijing) Co Ltd (China) and Tarkett Spa (Italy), to enable them to obtain overdraft facilities, bank loans or credit lines for a maximum total amount equivalent to 33.6 million Euro, of which the equivalent of 13.1 million Euro had been committed at the balance sheet date.
- > In addition, as part of the normal course of business, Tarkett and several Group subsidiaries have granted payment or construction site guarantees to various suppliers, customers, utilities, landlords, central cash management, or financial operators, either directly or through bank guarantees, for a total amount equivalent to €30.8 million at the end of the financial year.

#### Other

One of the Group's subsidiaries is a co-defendant in asbestos-related personal injury lawsuits in the United States. In addition to the provisions already made, the Group has three funds totalling 9.5 million USD as of 31 December 2023 and insurance policies in place to cover these lawsuits and the occurrence of new asbestos-related litigation. For more information, see section 4.5 "Legal and administrative or regulatory proceedings".

Major contracts

## 4.4 Major contracts

See Section 4.3.4 "Terms and conditions of the main credit lines".

## 4.5 Judicial, administrative or regulatory proceedings

The Group may become involved in legal, administrative or regulatory proceedings in the normal course of business. A provision is recorded by the Group when there is a sufficient probability that such litigation will result in costs to be borne by Tarkett or one of its subsidiaries.

The total amount of provisions for litigation to which the Group is exposed amounts to 16.6 million Euro as of 31 December 2023.

As of the date of this Universal Registration Document, other than the proceedings described below, the Group is not aware of any governmental, legal or arbitration proceedings (including any proceedings of which the Group is aware, which are pending or which the Group is threatened with), which are likely to have or have had, during the last twelve months, a significant effect on the financial position or profitability of Tarkett or the Group.

### France

#### Proceedings brought by a group of installers

By decision n°17-D-20, Tarkett, as well as some of its competitors, were condemned on 18 October 2017 by the French Competition Authority for having implemented price fixing and anti-competitive practices on the French resilient flooring market.

Following this decision, compensation actions were initiated, in particular against Tarkett before various French courts since 2018, to seek compensation for the alleged damage caused by these illegal cartel practices in November 2018 by a group of installers before the Paris commercial court. In the context of these proceedings, Tarkett was condemned at the beginning of 2022 in the first instance, but appealed this judgement to the Paris Court of Appeal. The appeal proceedings are still pending as of 31 December 2023.

#### Proceedings brought by public and private health establishments

Before the expiry of the five-year limitation period that ran from this decision until 18 October 2022, summonses and applications before the civil or administrative courts were filed, in particular by public and private health establishments, to seek compensation for any damage they may have suffered. At 31 December 2023, most of these procedures were still at a preliminary stage.

The Group is contesting the merits of these claims, is studying all possible actions or remedies, and considers that it is not possible at this time to assess the possible consequences.

### United States

#### Litigation relating to asbestos exposure

Domco Products Texas Inc. ("Domco"), a subsidiary of Tarkett acquired in 2001, is the subject of legal actions brought by third parties related to the production of asphalt and vinyl tiles containing asbestos manufactured between 1932 and 1982 by Domco's predecessor, Azrock Industries Inc. As of 31 December 2023, approximately 682 third-party plaintiffs had claims pending against Domco in several states in the United States. Of the 682 pending actions, 33 involve cases that associate the identification of Azrock products with a diagnosis of mesothelioma. Of all the asbestos claims brought against Domco over the last 20 years, three have resulted in a verdict: two in Domco's favour and one in Washington State, which resulted in Domco being ordered to pay 1.1 million USD (0.4 million USD after negotiations).

As of 31 December 2023, Domco has had claims against it dismissed in 1,938 cases since 2015, and has reached 61 settlements in 2023 for a total of approximately 7.7 million USD. Since 2015, around 41 cases have been settled each year for an average annual amount of around 3.3 million USD. Domco's asbestos-related liabilities are covered in part through cost-sharing agreements with insurance companies. Domco also finances part of these various liabilities itself. For more information on how the Group is meeting the expenses related to these litigations, see Section 4.3.7 "Off-balance sheet commitments".

## Prospects

**Customer litigation in New Jersey on the Duraspine product**

In December 2016, two customers filed suit against FieldTurf in New Jersey federal courts regarding the quality of their sports fields made with the Duraspine product, alleging that they were misled about the durability of the fields. These proceedings have been brought as multi-district litigation in the federal courts of New Jersey alongside fifteen other clients who have brought proceedings on similar grounds in the federal court of New Jersey. The court denied class certification on 18 August 2022. The plaintiffs did not appeal this decision, but instead filed a new motion seeking class certification on narrower claims to determine whether the Duraspine pitches all had a common defect and whether Fieldturf had knowingly omitted that defect from the marketing and sales presentations of those

products. On 13 July 2023, the court granted the plaintiffs' motion to reargue these two issues. A jury trial is scheduled for the second quarter of 2024, during which the jury will be asked to rule on these two issues.

In addition to this multi-jurisdictional litigation, the Group is aware of one other case that has been initiated by an individual customer in the Texas state courts involving Duraspine products. The jury found FieldTurf in breach of its contractual warranty obligation, but following FieldTurf's cross-appeal, the Court of Appeal ruled in FieldTurf's favour in 2022, exonerating it from any damages. The claimant then appealed to the Texas Supreme Court. The Court dismissed the request at the end of 2022. This decision is final.

## 4.6 Prospects

As part of its internal budgeting process and in order to plan its activities and investment programme, the Group sets certain future prospects and profit targets. These future prospects and ambitions of the Group, summarised below, are based on data, assumptions and estimates considered reasonable by the Group's management at the date of filing of this Universal Registration Document. These prospects and objectives are not forecasts or estimates of the Group's profits but result from its strategic orientations and action plan.

### 4.6.1 Developments in recent results

For commentary on the Group's results in 2022 and 2023 see Section 4.1.2 "Comparison of annual results for the financial years ending 31 December 2022 and 31 December 2023".

### 4.6.2 Medium term future prospects

#### 4.6.2.1 Macroeconomic environment

The Group's growth will depend, in part, on the rate of growth of gross domestic product ("GDP") in the main geographical regions in which it operates.

The Group uses as a benchmark the most recent GDP growth forecast published by the International Monetary Fund (the "IMF"), in this case January 2024.

For the main geographical areas where the Group operates, the January 2024 publication shows:

- > in the United States, a growth rate of +2.1% in 2024;
- > in the Euro zone, growth of +0.9% in 2024;
- > growth rates of +2.6% in 2024 for Russia and +1.7% in Brazil in 2024.

GDP growth forecasts <sup>(1)</sup>	2023	2024	2025
United States	+2.5%	+2.1%	+1.7%
Euro zone	+0.5%	+0.9%	+1.7%
Germany	-0.3%	+0.5%	+1.6%
France	+0.8%	+1.0%	+1.7%
United Kingdom	+0.5%	+0.6%	+1.6%
Russia	+3.0%	+2.6%	+1.1%
Brazil	+3.1%	+1.7%	+1.9%
China	+5.2%	+4.6%	+4.1%
World	+3.1%	+3.1%	+3.2%

(1) Source: IMF - World Economic Outlook - January 2024

Non-IFRS financial indicators

#### 4.6.2.2 Group outlook

Thanks to the quality of its offer, its geographical anchorage and its presence in diversified market segments, the Group considers that it has all the elements to implement its profitable growth model over the coming years.

In a complex and uncertain geopolitical and macroeconomic environment, Tarkett does not expect market conditions to improve in the short term.

Demand in EMEA in the coming months is expected to remain weak due to persistently high interest rates, the continuing low number of real estate transactions and difficulties in the construction sector. In this region, the Group will continue to adapt its production and cost structure to market conditions.

In North America, residential market indicators remain sluggish, but the Group's limited exposure to this segment and its differentiated positioning in certain distribution channels should enable this business to develop favourably. The commercial property segments

have been performing better in recent months, but it is not possible to identify any clear signs of recovery, particularly given the weakness of the office property market. Nevertheless, the Group's aim is to continue the momentum that started in 2023 in order to gain market share and strengthen our profitability.

In Sport, the outlook for business remains good, even if the exceptional levels of growth recorded since the end of the COVID-19 crisis are likely to slow somewhat, but our objective remains to improve our sales and earnings in 2024.

In this complex market environment, Tarkett is maintaining its roadmap for operational and financial recovery, which began in 2023. After the strong cash generation in 2023, the Group is continuing to aim for positive cash generation and a reduction in debt through rigorous control of working capital requirements and tight control of investment, with priority given to innovative and automation projects with a rapid return on investment, prioritising those with the greatest growth potential.

## 4.7 Non-IFRS financial indicators

The Tarkett Group uses non-IFRS financial indicators:

- > Organic growth;
- > Adjusted EBITDA;
- > Operational cash flow;
- > Free cash flow (annual results only).

These indicators are calculated as follows:

### 4.7.1 Organic growth

- > This indicator measures the change in revenue as compared with the same period in the prior year, outside of the exchange rate effect and changes in scope;
- > The exchange rate effect is obtained by applying the prior year's exchange rate to sales for the current year and calculating the difference with sales for the current year. It also includes the effect of price adjustments in the CIS countries intended to offset the change in local currencies against the Euro;
- > The effect of changes in scope is composed of:
  - current year sales by entities not included in the scope of consolidation in the same period of the prior year, until the anniversary of their consolidation;

- the reduction in sales due to discontinued operations that are not included in the current year's scope of consolidation but were included in sales for the same period of the prior year, until the anniversary of their disposal;
- > The evolution of net sales for the year can be broken down as follows:

<i>(in millions of Euro)</i>	2023	2022	Change <i>(in %)</i>	Of which change	Of which scope	Of which organic growth
<b>Group Total</b>	<b>3.363</b>	<b>3.359</b>	<b>+0.1%</b>	<b>-4.5%</b>	<b>+0.1%</b>	<b>+4.5%</b>

Non-IFRS financial indicators

## 4.7.2 Adjusted EBITDA

Result from operating activities before depreciation and amortisation restated for the following income and expenses:

- > restructuring costs to improve future profitability of the Group,
- > gains and losses on significant disposals of assets,
- > provisions and reversals of provisions for impairment,
- > costs related to business combinations and legal restructuring,
- > expenses related to share-based payments,
- > other one-off items, considered non-recurring in nature.

In the adjustments to EBIT, restructuring charges and other one-off liabilities, considered as non-recurring, have a monetary impact, unlike the depreciation of assets and the valuation of share-based compensation schemes (before unwinding), which have no monetary impact.

The adjustments from operating profit (EBIT) to adjusted EBITDA are broken down by nature as follows:

	2023 (A)	Adjustments <sup>(1)</sup> (B)				2023 adjusted (A+B)
		Restructuring	Result on disposal of assets/loss of value	Business combinations and acquisitions	Share-based compensation	
<b>Net revenue</b>	<b>3363.1</b>	-	-	-	-	<b>3363.1</b>
Cost of sales	(2631.2)	4.4	1.2	-	-	(2625.6)
<b>Gross profit</b>	<b>731.9</b>	<b>4.4</b>	<b>1.2</b>	-	-	<b>737.5</b>
Selling and distribution expenses	(362.3)	2.3	0.5	-	-	(359.5)
Research and development costs	(30.1)	0.3	-	-	-	(29.8)
General and administrative expenses	(211.8)	1.5	-	-	9.5	(194.3)
Other operating income and expenses	(2.6)	-	1.5	-	-	0.2
<b>Result from operating activities (EBIT)</b>	<b>125.1</b>	<b>8.4</b>	<b>3.2</b>	-	<b>9.5</b>	<b>154.1</b>
Depreciation and amortisation	133.2	-	(1.2)	-	-	132.0
Other	1.7	-	-	-	-	1.7
<b>EBITDA</b>	<b>260.0</b>	<b>8.4</b>	<b>2.0</b>	-	<b>9.5</b>	<b>287.8</b>

(1) Adjustments are reported as follows:

- the cancellation of an expense is shown with a positive sign;
- the cancellation of an income is shown with a negative sign

Non-IFRS financial indicators

(in millions of Euro)	2022 (A)	Adjustments <sup>(1)</sup> (B)					2022 adjusted (A+B)
		Restructuring	Result on disposal of assets/loss of value	Business combinations and acquisitions	Share-based compensation	Other	
<b>Net revenue</b>	<b>3,358.9</b>	-	-	-	-	-	<b>3,358.9</b>
Cost of sales	(2,753.8)	15.9	2.0	-	-	-	(2,735.9)
<b>Gross profit</b>	<b>605.1</b>	<b>15.9</b>	<b>2.0</b>	-	-	-	<b>623.0</b>
Selling and distribution expenses	(345.1)	1.4	5.3	-	-	-	(338.2)
Research and development costs	(25.5)	0.0	-	-	-	-	(25.5)
General and administrative expenses	(184.1)	0.3	-	0.5	6.3	4.6	(172.3)
Other operating income and expenses	(6.0)	1.1	-	-	-	4.0	(1.2)
<b>Result from operating activities (EBIT)</b>	<b>44.4</b>	<b>18.7</b>	<b>7.3</b>	<b>0.5</b>	<b>6.3</b>	<b>8.6</b>	<b>85.8</b>
Depreciation and amortisation	152.0	(2.2)	0.3	-	-	-	150.1
Other	(1.0)	-	-	-	-	-	(1.0)
<b>EBITDA</b>	<b>195.4</b>	<b>16.5</b>	<b>7.7</b>	<b>0.5</b>	<b>6.3</b>	<b>8.6</b>	<b>234.9</b>

(1) Adjustments are reported as follows:

- the cancellation of an expense is shown with a positive sign;
- the cancellation of an income is shown with a negative sign.

### 4.7.3 Free cash flow

Free cash flow is only presented in the annual results.

The calculation of free cash flow is based on the items presented in the consolidated cash flow statement and consists of the following items:

- operating cash flow before working capital changes,
  - changes in working capital requirement,
  - net interest received (paid),
  - net taxes collected (paid),
  - various operating items received (disbursed),
  - proceeds (losses) on disposal of property, plant and equipment and
  - the repayment of rental debts;
- > Free cash flow is broken down as follows:

(in millions of Euro)	2023	2022
Cash flow from operations before working capital changes (A)	259.5	182.6
Repayment of rental debts (B)	(39.8)	(35.1)
<b>Total (A+B)</b>	<b>219.7</b>	<b>147.5</b>
Changes in working capital requirement	117.9	(134.7)
Net interest paid	(46.2)	(31.2)
Net income taxes paid	(45.0)	(24.0)
Miscellaneous operating items paid	(7.8)	(11.8)
Acquisition of intangible assets and property, plant and equipment	(92.9)	(96.7)
Proceeds from sale of property, plant and equipment	1.2	2.5
<b>Free cash flow</b>	<b>147.1</b>	<b>(148.3)</b>

# 5

## FINANCIAL STATEMENTS

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## 5.1 Consolidated Financial Statements as of December 31, 2023

### Consolidated income statement

<i>(in millions of euros)</i>	Note	2023	2022
<b>Net Revenue</b>		<b>3,363.1</b>	<b>3,358.9</b>
Cost of sales		(2,631.2)	(2,753.8)
<b>Gross profit</b>		<b>731.9</b>	<b>605.1</b>
Other operating income		13.5	10.8
Selling and distribution expenses		(362.3)	(345.1)
Research and development		(30.1)	(25.5)
General and administrative expenses		(211.8)	(184.1)
Other operating expenses		(16.1)	(16.7)
<b>Result from operating activities</b>	<b>(3)</b>	<b>125.1</b>	<b>44.4</b>
Financial income		7.2	2.6
Financial expenses		(76.4)	(53.8)
<b>Financial income and expenses</b>	<b>(7)</b>	<b>(69.2)</b>	<b>(51.3)</b>
Share of profit of equity accounted investees (net of income tax)		(0.1)	(1.0)
<b>Profit before income tax</b>		<b>55.8</b>	<b>(7.9)</b>
Total income tax	(8)	(35.4)	(18.1)
<b>Profit from continuing operations</b>		<b>20.5</b>	<b>(26.0)</b>
<b>Net profit for the period</b>		<b>20.5</b>	<b>(26.0)</b>
Attributable to:			
Owners of Tarkett		20.4	(26.8)
Non-controlling interests		0.1	0.8
<b>Net profit for the period</b>		<b>20.5</b>	<b>(26.0)</b>
<b>Earnings per share:</b>			
Basic earnings per share (in euros)	(9)	0.31	(0.41)
Diluted earnings per share (in euros)	(9)	0.31	(0.41)



Consolidated Financial Statements as of December 31, 2023

## Consolidated statement of comprehensive income

<i>(in millions of euros)</i>	Note	2023	2022
<b>Net profit for the period</b>		<b>20.5</b>	<b>(26.0)</b>
<b>Other comprehensive income (OCI)</b>			
Foreign currency translation differences for foreign operations		(48.2)	27.4
Changes in fair value of cash flow hedge instruments	(7)	(19.5)	38.9
Income tax		(0.1)	(0.2)
<b>OCI to be reclassified to profit and loss in subsequent periods</b>		<b>(67.7)</b>	<b>66.2</b>
Defined benefit plan actuarial gain (losses)	(4)	(3.3)	24.1
Other items of comprehensive income		-	-
Income tax		0.7	(1.8)
<b>OCI not to be reclassified to profit and loss in subsequent periods</b>		<b>(2.5)</b>	<b>22.4</b>
<b>Other comprehensive income, net of tax</b>		<b>(70.3)</b>	<b>88.5</b>
<b>Total comprehensive income for the period</b>		<b>(49.9)</b>	<b>62.5</b>
Attributable to:			
Owners of Tarkett		(49.9)	61.7
Non-controlling interests		0.0	0.8
<b>Total comprehensive income for the period</b>		<b>(49.9)</b>	<b>62.5</b>

Consolidated Financial Statements as of December 31, 2023

**Consolidated statement of financial position****Assets***(in millions of euros)*

	Note	Dec. 31, 2023	Dec. 31, 2022
Goodwill	(5)	664.3	679.2
Intangible assets	(5)	50.7	59.7
Property, plant and equipment	(5)	557.8	556.0
Other financial assets	(7)	25.5	49.0
Deferred tax assets	(8)	92.8	92.3
Other intangible assets		0.0	0.0
<b>Total non-current assets</b>		<b>1,391.1</b>	<b>1,436.3</b>
Inventories	(3)	453.1	537.6
Trade receivables	(3)	262.9	265.5
Other receivables	(3)	151.9	146.3
Cash and cash equivalents	(7)	224.3	220.8
<b>Total current assets</b>		<b>1,092.2</b>	<b>1,170.1</b>
<b>Total assets</b>		<b>2,483.3</b>	<b>2,606.4</b>

Consolidated Financial Statements as of December 31, 2023

**Equity and liabilities**

<i>(in millions of euros)</i>	Note	Dec. 31, 2023	Dec. 31, 2022
Share capital	(9)	327.8	327.8
Share premium and reserves		167.4	167.4
Retained earnings		347.1	443.3
Net profit for the period attributable to equity holders of the parents		20.4	(26.8)
<b>Equity attributable to equity holders of the parent</b>		<b>862.7</b>	<b>911.6</b>
Non-controlling interests		2.1	1.4
<b>Total equity</b>		<b>864.7</b>	<b>913.0</b>
Other non-current liabilities		16.0	12.6
Financial liabilities	(7)	704.5	802.7
Other financial liabilities	(7)	1.5	2.3
Deferred tax liabilities	(8)	0.6	7.7
Employee benefits	(4)	86.8	85.7
Provisions and other non-current liabilities	(6)	28.9	34.2
<b>Total non-current liabilities</b>		<b>838.2</b>	<b>945.2</b>
Trade payables	(3)	379.4	344.2
Other operating liabilities	(3)	289.9	292.6
Financial liabilities and bank overdrafts	(7)	71.4	72.9
Other financial liabilities	(7)	3.3	5.3
Provisions and other current liabilities	(6)	36.3	33.1
<b>Total current liabilities</b>		<b>780.3</b>	<b>748.1</b>
<b>Total equity and liabilities</b>		<b>2,483.3</b>	<b>2,606.4</b>

Consolidated Financial Statements as of December 31, 2023

**Consolidated statement of cash flows***(in millions of euros)*

	Note	2023	2022
<b>Cash flows from operating activities</b>			
Profit for the period before income tax		55.8	(7.9)
Adjustments for:			
Depreciation, amortization and impairment		133.4	151.9
(Gain) loss on sale of fixed assets	(3)	1.3	(0.3)
Net finance costs	(7)	69.2	51.3
Change in provisions and other non-cash items		(0.3)	(13.5)
Share of profit of equity accounted investees (net of tax)		0.1	1.0
<b>Operating cash flow before working capital changes</b>		<b>259.5</b>	<b>182.6</b>
(Increase) / Decrease in trade receivables		(1.7)	(14.9)
(Increase) / Decrease in other receivables		(4.1)	(2.9)
(Increase) / Decrease in inventories		65.6	(53.5)
Increase / (Decrease) in trade payables		49.7	(67.4)
Increase / (Decrease) in other payables		8.4	4.0
<b>Changes in working capital</b>		<b>117.9</b>	<b>(134.7)</b>
Net interest paid		(46.2)	(31.2)
Net income taxes paid		(45.0)	(24.0)
Other operating items		(7.8)	(11.8)
<b>Net cash flows from operating activities</b>		<b>278.5</b>	<b>(19.1)</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries net of cash acquired	(2)	(3.2)	(4.0)
Acquisitions of intangible assets and property, plant and equipment	(5)	(92.9)	(96.7)
Proceeds from sale of property, plant and equipment	(5)	1.2	2.5
Effect of changes in the scope of consolidation		0.0	0.0
<b>Net cash flows from investing activities</b>		<b>(94.9)</b>	<b>(98.1)</b>
<b>Cash flows from financing activities</b>			
Capital increase		-	-
Acquisition of NCI without a change in control		-	(0.1)
Proceeds from loans and borrowings		55.6	179.4
Repayment of loans and borrowings		(170.2)	(14.2)
Repayment of lease liabilities		(39.8)	(35.1)
Acquisitions/disposals of treasury shares		(0.0)	(0.0)
Dividends	(9)	-	(0.0)
<b>Net cash flows from financing activities</b>		<b>(154.3)</b>	<b>130.0</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>29.3</b>	<b>12.7</b>
Cash and cash equivalents, beginning of period		220.8	205.4
Effect of exchange rate fluctuations on cash held		(25.8)	2.5
<b>Cash and cash equivalents, end of period</b>	<b>(7)</b>	<b>224.3</b>	<b>220.8</b>

Consolidated Financial Statements as of December 31, 2023

## Consolidated statement of changes in equity

	Share Capital	Share premium and reserves	Translation reserves	Reserves	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
<i>(in millions of euros)</i>							
<b>As of January 1, 2022</b>	<b>327.8</b>	<b>167.4</b>	<b>(39.4)</b>	<b>384.4</b>	<b>840.2</b>	<b>-</b>	<b>840.2</b>
Capital increase	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-
Net profit for the period	-	-	-	(26.8)	(26.8)	0.8	(26.0)
Other comprehensive income, net of tax	-	-	27.4	61.1	88.5	(0.0)	88.5
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>27.4</b>	<b>34.3</b>	<b>61.7</b>	<b>0.8</b>	<b>62.5</b>
Dividends	-	-	-	-	-	-	-
Own shares (acquired) / sold	-	-	-	-	-	-	-
Share-based payments	-	-	-	5.3	5.3	-	5.3
Acquisition of NCI without a change in control	-	-	-	(0.0)	(0.0)	0.6	0.6
Other	-	-	-	4.4	4.4	-	4.4
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.7</b>	<b>9.7</b>	<b>0.6</b>	<b>10.3</b>
<b>As of December 31, 2022</b>	<b>327.8</b>	<b>167.4</b>	<b>(12.0)</b>	<b>428.4</b>	<b>911.6</b>	<b>1.4</b>	<b>913.0</b>
<b>As of January 1, 2023</b>	<b>327.8</b>	<b>167.4</b>	<b>(12.0)</b>	<b>428.4</b>	<b>911.6</b>	<b>1.4</b>	<b>913.0</b>
Capital increase	-	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-
Net profit for the period	-	-	-	20.4	20.4	0.1	20.5
Other comprehensive income, net of tax	-	-	(48.2)	(22.1)	(70.3)	(0.1)	(70.4)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(48.2)</b>	<b>(1.7)</b>	<b>(49.8)</b>	<b>0.0</b>	<b>(49.9)</b>
Dividends	-	-	-	-	-	-	-
Own shares (acquired) / sold	-	-	-	(3.1)	(3.1)	-	(3.1)
Share-based payments	-	-	-	4.3	4.3	-	4.3
Acquisition of NCI without a change in control	-	-	-	0.0	0.0	0.6	0.6
Other <sup>(1)</sup>	-	-	-	(0.2)	(0.2)	-	(0.2)
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.0</b>	<b>1.0</b>	<b>0.6</b>	<b>1.6</b>
<b>As of December 31, 2023</b>	<b>327.8</b>	<b>167.4</b>	<b>(60.1)</b>	<b>427.7</b>	<b>862.7</b>	<b>2.0</b>	<b>864.7</b>

<sup>(1)</sup> Corresponds to the hyperinflation effect for (0.2) m€

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## Note 1 > Basis of preparation

### 1.1 General information

Tarkett's Consolidated Financial Statements as of and for the year ended December 31, 2023, include the Company and its subsidiaries (the "Group"), as well as its interests in associates and joint ventures.

The Group is a leading global flooring company, providing a large range of flooring and sports surface solutions to business and residential end-users.

The Group completed its initial public offering on November 21, 2013, and is listed on Compartment B (Compartment A until January 31, 2020 and Compartment B since February 1, 2020) of Euronext Paris, ISIN code: FR0004188670 - Ticker Symbol: TKTT.

The Group's registered office is located at 1 Terrasse Bellini - Tour Initiale - 92919 Paris La Défense, France.

The Group's Consolidated Financial Statements as of and for the year ended December 31, 2023, were finalized by the Management Board on February 14, 2024, and reviewed by the Supervisory Board on February 15, 2024. They will be submitted for shareholder approval on April 26, 2024.

The Group's Consolidated Financial Statements are presented in millions of euros, to one decimal place. The sum of the rounded amounts may differ, albeit to an insignificant extent, from the reported total and subtotals in the tables.

### 1.2 Significant accounting principles

#### 1.2.1 Statement of compliance and applicable standard

The Group's consolidated financial statements as of and for the year ended December 31, 2023 have been prepared in accordance with IFRS (*International Financial Reporting Standards*) as adopted by the European Union as of such date, which are available at [https://ec.europa.eu/info/index\\_en](https://ec.europa.eu/info/index_en). These standards have been applied consistently for the fiscal years presented.

#### a) Amendments, new standards, or revisions to existing standards and interpretations applied during the period

The following published standards have been applied by the Group for the fiscal year:

- > **IFRS 17 and amendments to IFRS 17** - Insurance contracts including amendments published on 25 June 2020; First application of IFRS 17 and IFRS 9 - Comparative information;
- > **Amendment to IAS 1 and Practice Statement 2** - Information to be provided on the accounting methods;
- > **Amendment to IAS 8** - Definition of accounting estimates;
- > **Amendment to IAS 12** - Deferred tax related to assets and liabilities arising from a single transaction;
- > **Amendment to IAS 12** - International Tax Reform - Pillar Two.

#### b) Early adoption of new standards or interpretations during the period

None.

#### c) New standards and interpretations not adopted

The following new published standards are not applicable:

- > **Amendments to IFRS 16** - Lease liability in a sale and leaseback;
- > **Amendments to IAS 7 and IFRS 7** - Supplier Finance Arrangements;
- > **Amendments to IAS 21** - No interchangeability;
- > **Amendment to IAS 1** - Classification of liabilities as current or non-current.

Notes to the consolidated financial statements

### 1.2.2 Accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires it to make a number of estimates and assumptions that have an effect on the amounts recorded on its balance sheet and income statement.

These estimates and assumptions relate primarily to the following notes:

	Note
Measurement of the fair value of the consideration transferred, NCI and assets acquired and liabilities assumed	2
Impairment testing of assets	5.3
Accounting treatment of Financial Instruments	7.6
Provisions for employee benefits	4.1
Valuation of deferred tax assets	8.2
Determination of other provisions (warranties and disputes)	6

Management reviews these estimates and assumptions on an ongoing basis, by reference to past experience and information deemed significant given the current environment. Actual results may differ significantly from these estimates.

The Group's consolidated financial statements have been prepared according to the principle of historical costs, with the exception of the following assets and liabilities which are recorded at their fair value: derivative instruments, investments held for transaction purposes, financial assets available for sale, pension plan assets and other elements when necessary. The carrying amount of assets and liabilities subject to fair value hedging has been adjusted in line with the changes in fair value attributable to the hedged risks.

### 1.3 Significant developments

#### > Geopolitical conflict

The war in Ukraine is making it difficult to assess on the Russian and Ukrainian markets. Ukrainian markets. In Russia, sales are down compared with 2022, with the negative currency effect of the depreciation of the rouble only the depreciation of the rouble was only partially offset by improved volumes. Russia accounts for around 8% of the Group's total sales and 8% of consolidated assets.

The Group continues to operate in the country in strict compliance with compliance with international and local regulations, but has frozen all significant new investments. In Ukraine, the upturn in business continued over the year, with an improvement in volumes. Sales represented around 0.7% of total Group sales. The production site in the west of the country is still in operation. Given the uncertainties in this market, an impairment of trade receivables 4.8 million has been recognised.



## 1.4 Accounting for climate risk

The Tarkett group has committed to a new environmental strategy for 2030. The objectives are as follows:

- > To reduce its greenhouse gas (GHG) emissions across its value chain (Scope 1, Scope 2 and Scope 3) by 30% by 2030 compared to 2019. This target is in line with the Paris Agreement to limit the global temperature increase to below 2°C. It was validated by the independent Science Based Target Initiative (SBTi) in December 2022 in the following terms: reduce total GHG emissions from Scope 1 and Scope 2 by 50% compared to 2019 and reduce GHG emissions from its value chain (Scope 3) linked to the production of raw materials and the end-of-life processing of its products by 27.5% compared to 2019;
- > triple the proportion of recycled raw materials from 10% (in 2018) to 30% (in 2030).

The Finance Department interacts regularly with the Sustainable Development Department to ensure that the commitments made by the Group are consistent with those reflected in the financial statements.

The Group is exposed to physical and transitional risks (regulatory, legal, market, etc.) related to climate change, such as the increasing frequency of severe weather events, the demand for new products with a very low environmental footprint, the introduction of a carbon tax, and the withdrawal from fossil fuels and plastics.

The potential consequences of these risks are reviewed and updated every year and mitigation actions are decided and implemented proactively.

Physical risks are mostly covered by property and casualty insurance policies and those related to expected regulatory changes have also been reviewed to the best of our knowledge.

Tarkett considers that the evaluation of climatic risks is correctly taken into account and in coherence with its commitments in this matter. The integration of these elements did not have a significant impact on the Group's financial statements.

In addition, Tarkett has received a "Leadership A-" rating from the CDP (Climate Change 2022) and a Gold score from the CSR assessment platform Ecovadis.

## Note 2 > Changes in the scope of consolidation

### 2.1 Consolidation methods

#### 2.1.1 Full consolidation

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Losses applicable to non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interests to have a deficit balance.

#### 2.1.2 Equity method accounting for joint ventures and associates

A joint venture, for purposes of IFRS 11, is an arrangement in which the Group has joint control, whereby the Group has right to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group's interests in joint ventures are accounted for using the equity method.

or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit

The accounting policies described hereafter have been applied to all the periods presented in the consolidated financial statements and have been uniformly applied by all Group entities acquired prior to December 31, 2022 (see Note 2.4).

### 2.2 Business combinations

Business combinations are accounted for using the acquisition method on the acquisition date - i.e. when control is transferred to the Group.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. However, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

The Group measures *goodwill* at the acquisition date as:

- > the fair value of the consideration transferred; plus
- > the recognized amount of any non-controlling interests in the acquiree; plus
- > if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; minus
- > the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.
- > when the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

#### Acquisition of Non-Controlling Interests (NCI) without a change in control

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either:

- > at fair value; or
- > at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to *goodwill* and no gain or loss is recognized in profit or loss.

### Share put options granted by the Group

If the Group undertakes to acquire non-controlling shareholders, the latter have the option to transfer their shares to the Group at a fixed term and for a given price, which may be settled in cash. The Group consolidates the entity as though the non-controlling interests had already been acquired. This position leads to recognizing a liability, recorded in "other

liabilities," for the present value of the estimated exercise price of the put option, with any subsequent valuation changes being recorded in shareholders' equity.

As of December 31, 2022, all buyback options have been exercised.

## 2.3 Foreign currency translation

The functional currency of Tarkett and its subsidiaries located in the euro zone is the euro. Group entities operate on an autonomous basis and therefore the functional currency of entities operating outside the euro zone is generally their local currency.

Non-monetary items are not revalued at the balance sheet date and are translated using the historical exchange rates, while monetary items are translated using the foreign exchange rates in effect on the balance sheet date.

The Group presents its financial statements in euros.

### Financial statements of foreign operations

On the balance sheet date, assets and liabilities of foreign operations are translated at the closing rate, and income and expenses are translated at the average exchange rate for the period.

### Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities at the foreign exchange rate as of the date of the transaction. Foreign exchange rate differences arising on these transactions are recognized either in the operating profit for operational transactions or in the financial result for financing transactions.

Foreign currency differences are recognized in other comprehensive income (OCI) and presented in the translation reserve in equity.

Certain transactions are covered by derivative instrument contracts: the accounting treatment of these transactions is described in note 7.6.

### Net investments in foreign operations

When a long-term loan in foreign currency is granted to a subsidiary, it may be deemed a net investment in a foreign company. Foreign exchange gains and losses relating to these long-term loans are then recognized in translation reserves in other comprehensive income.

## 2.4 Changes in the scope of consolidation

The Tarkett Group's scope of consolidation is as follows (see Note 13, which contains a list of consolidated companies):

Number of companies	Dec. 31, 2022	Mergers	Acquisitions and creations	Liquidations	Dec. 31, 2023
Fully consolidated companies	76	-	3	(1)	78
Equity-accounted consolidated companies	4	-	-	-	4
<b>Total</b>	<b>80</b>	<b>-</b>	<b>3</b>	<b>(1)</b>	<b>82</b>

### 2.4.1 Transactions completed in 2022

The year's main transactions are as follows:

#### a) Acquisitions and creations

Creation in November 2022 of M-WALL Holding, 51% owned by Tarkett GDL and 49% by a minority shareholder. This entity proceeded with the joint purchase of all shares in M-Projectservice BV and M-WALL BV in November 2022. These three entities, presented as unconsolidated securities in the Group's financial statements as of 31 December 2022, were included in the scope of consolidation as of 1 January 2023 according to the full consolidation method. The entry of these three entities into the scope of consolidation led the group to recognise goodwill of €1.2 million in the first half of 2023.

#### b) Mergers

None.

#### c) Liquidations

Desso Sports Systems AS was liquidated in January 2023.

Notes to the consolidated financial statements

## 2.4.2 Transactions completed in 2022

The year's main transactions are as follows:

### a) Acquisitions and creations

Beynon Sports Surfaces, Inc acquired the company Zaino in January 2022 for an amount of USD 0.8 million. The company has been incorporated in Beynon.

Creation in January 2022 of Tarkett Sports Midwest Inc., a wholly owned subsidiary of Fieldturf Tarkett USA.

Creation in January 2022 of Midwest Specialty Contractors Inc., a wholly owned subsidiary of Fieldturf Tarkett USA.

In February 2022, Fieldturf Tarkett USA Holdings, Inc acquired 49.00% of the securities of Dynamic Base Construction, LLC, a fully consolidated American company.

Creation of the company Wildcat Enterprise for Textile Industries in the United Arab Emirates, wholly owned by the company Fieldturf Tarkett.

### b) Mergers

The company Beynon Sports Surfaces directly absorbed the company Zaino after its acquisition in January 2022.

### c) Liquidations

None.

## 2.5 Joint ventures

The Group holds interests in the following companies:

- > AllSports Constructions & Maintenance, a Scottish company.
- > FED Inc., based in the United States.
- > Laminate Park GmbH & Co KG, a German company jointly held with the Sonae Arauco Group.
- > Virtual Reality Empathy Platform Ltd, a British company.

## Note 3 > Operating Data

### 3.1 Components of the income statement

#### 3.1.1 Net revenue

As from January 1, 2018, IFRS 15, "Revenue from Contracts with Customers," replaces IAS 11, "Construction Contracts," and related interpretations.

The standard includes new rules for recording revenue and segmenting contracts into performance obligations.

In accordance with the standard, revenue from the sale of goods is recognized in profit or loss when the control inherent to service obligations has been transferred to the buyer, payment is likely, the associated costs and potential return of the merchandise can be reliably assessed, the Group is no longer involved in managing the merchandise, and the revenue from the merchandise can be reliably assessed. Revenue is recognized net of returns, rebates, commercial discounts, and bulk discounts.

The Group recognizes revenue using the five-step model set forth in the standard as a function of its two business sectors.

#### Flooring:

The contracts that the Group enters into relate to the supply of identifiable and distinct products constituting the principal performance obligation. No significant long-term contracts were identified. The Group acts in its own name and not as an intermediary. The general terms and conditions of sale provide for payment in under one year, and the Group does not offer variable financing that would necessitate segmented recording pursuant to IFRS 15. Tarkett does not sell extended warranties on its products; therefore, its warranty is not considered as a separate service and is recorded in accordance with IAS 37, "Provisions, contingent liabilities and contingent assets."

For this business sector, in general, revenue is recorded at the time of delivery of the performance obligation. Taking into consideration the nature of the products and the general terms and conditions of sale, sales are usually recorded on the date on which the products leave the Group's warehouses, or upon delivery if Tarkett is responsible for transport.

#### Sports Surfaces:

The sports surfaces activity is composed of sales of products directly to distributors and the sale of installation contracts (including provision of the sports surfaces). The direct sale of products to distributors follows the same Group rules for recording revenue as those described for the flooring activity. With respect to installation contracts, the Group does not perform installations without also providing the sports surfaces; it therefore considers the supply of the products and the installation to be part of the same performance obligation. The general terms and conditions of sale do not offer variable financing or specific components of financing. Tarkett does not sell extended warranties on its installations; therefore, its warranty is not considered a separate service and is recorded in accordance with IAS 37, "Provisions, contingent liabilities and contingent assets."

In this business segment, revenue from services rendered or from construction contracts is recognized in profit or loss in proportion to the stage of completion of the transaction at the balance sheet date. Revenue is recorded as the performance obligation are completed. The stage of completion is assessed by reference to surveys of work performed. The use of the percentage-of-completion method requires satisfaction of one of the three prior conditions provided for in IFRS 15 paragraph 35.

Pursuant to that paragraph of the standard, the Group recognizes revenue over time to the extent that it complies with two of the three following conditions referred to in the standard:

- the asset created by the Tarkett Group's performance does not have an alternative use to that provided for in the contract;
- the Group has an enforceable right to payment for performance completed to date.

Net sales comprise revenue from the sale of goods and services net of price reductions and taxes, and after elimination of intragroup sales.

### 3.1.2 Operating result

#### a) Grants

Grants relating to assets are deducted from the carrying amount of the property, plant and equipment that they financed. The grants are thus recognized as income over the lives of the assets by way of a reduced depreciation charge.

Grants are recognized when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Other grants are recognized as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate.

#### b) Expenses

##### Cost of sales

Cost of sales comprises the cost of manufactured products, the acquisition cost of purchased goods which have been sold, and the supply chain, logistic and freight costs.

##### Research and development

Research and development costs are recognized as expenses when incurred, unless the criteria are met for them to be capitalized, as per Note 5.2.1.

##### Selling and distribution expenses

Selling and distribution expenses comprise the expenses of the marketing department and the sales force, as well as advertising expenses, distribution expenses, sales commissions and bad debts.

##### General and administrative expenses

General and administrative expenses comprise the remuneration and overhead expenses associated with management and administrative personnel with the exception of amounts charged to other cost centres.

#### c) Other operating income and expenses

This category includes all operating income and expenses that cannot be directly attributed to business functions, including operating expense related to retirement commitments and costs with respect to certain disputes.

### 3.1.3 Adjusted EBITDA

**Adjusted EBITDA is a key indicator for the Group, because it enables it to measure the performance of its current operations.**

It is defined using the result from operating activities before depreciation and amortization and restating income and expenses as follows:

- > restructuring costs to improve the future profitability of the Group;
- > gains or losses on disposals of significant assets;

- > impairment and reversal of impairment based on Group impairment testing only;
- > costs related to business combinations and legal reorganizations, including legal fees, transactions costs, advisory fees and other adjustments;
- > expenses related to share-based payments due to their non-cash nature; and
- > other one-off expenses considered exceptional by their nature.

Notes to the consolidated financial statements

	Dec. 31, 2023	Of which adjustments:					Dec. 31, 2023 adjusted
		Restructuring	Gains/Losses on asset sales/ impairment	Business Combinations	Share-based payments	Other	
<i>(in millions of euros)</i>							
<b>Net revenue</b>	<b>3,363.1</b>	-	-	-	-	-	<b>3,363.1</b>
Cost of sales	(2,631.2)	4.4	1.2	-	-	-	(2,625.6)
<b>Gross profit</b>	<b>731.9</b>	<b>4.4</b>	<b>1.2</b>	-	-	-	<b>737.5</b>
Selling and distribution expenses	(362.3)	2.3	0.5	-	-	-	(359.5)
Research and development	(30.1)	0.3	-	-	-	-	(29.8)
General and administrative expenses	(211.8)	1.5	-	0.0	9.5	6.5	(194.3)
Other operating income and expenses	(2.6)	-	1.5	-	-	1.3	0.2
<b>Result from operating activities (EBIT)</b>	<b>125.1</b>	<b>8.4</b>	<b>3.2</b>	<b>0.0</b>	<b>9.5</b>	<b>7.8</b>	<b>154.1</b>
Depreciation and amortization	133.2	-	(1.2)	-	-	-	132.0
Other	1.7	-	-	-	-	-	1.7
<b>EBITDA</b>	<b>260.0</b>	<b>8.4</b>	<b>2.0</b>	<b>0.0</b>	<b>9.5</b>	<b>7.8</b>	<b>287.8</b>

	Dec. 31, 2022	Of which adjustments					Dec. 31, 2022 adjusted
		Restructuring	Gains/Losses on asset sales/ impairment	Business Combinations	Share-based payments	Other	
<i>(in millions of euros)</i>							
<b>Net revenue</b>	<b>3,358.9</b>	-	-	-	-	-	<b>3,358.9</b>
Cost of sales	(2,753.8)	15.9	2.0	-	-	-	(2,735.9)
<b>Gross profit</b>	<b>605.1</b>	<b>15.9</b>	<b>2.0</b>	-	-	-	<b>623.0</b>
Selling and distribution expenses	(345.1)	1.4	5.3	-	-	-	(338.4)
Research and development	(25.5)	0.0	-	-	-	-	(25.5)
General and administrative expenses	(184.1)	0.3	-	0.5	6.3	4.6	(172.3)
Other operating income and expenses	(6.0)	1.1	-	-	-	4.0	(1.0)
<b>Result from operating activities (EBIT)</b>	<b>44.4</b>	<b>18.7</b>	<b>7.3</b>	<b>0.5</b>	<b>6.3</b>	<b>8.6</b>	<b>85.8</b>
Depreciation and amortization	152.0	(2.2)	0.3	-	-	-	150.1
Other	(1.0)	-	-	-	-	-	(1.0)
<b>EBITDA</b>	<b>195.4</b>	<b>16.5</b>	<b>7.7</b>	<b>0.5</b>	<b>6.3</b>	<b>8.6</b>	<b>234.9</b>

### 3.2 Segment information

In accordance with IFRS 8, "Operating Segments," the Group's activities have been segmented based on the organization of its internal management structure and of its products.

As in 2021, the Group is organized in four segments:

- > Europe, Middle East and Africa ("EMEA");
- > North America;
- > Commonwealth of Independent States ("CIS"), Asia Pacific ("APAC") and Latin America; and
- > Sports surfaces.

Certain expenses are not allocated, including the expenses of headquarters and of the R&D Group.

#### Reminder on the organization of the CIS and Asia Pacific (APAC)/Latin America divisions

Reporting reviewed by the chief operating decision maker is organized by division, of which there are currently six: EMEA, North America, CIS, APAC, Latin America, and Sports Surfaces.

#### By operating segment

(in millions of euros)

Dec. 31, 2023

	Flooring			Sports Surfaces	Central	Group
	EMEA	North America	CIS, APAC and Latin America			
<b>Net revenue</b>	<b>850.2</b>	<b>889.2</b>	<b>598.5</b>	<b>1,025.2</b>	<b>-</b>	<b>3,363.1</b>
<b>Gross profit</b>	<b>204.5</b>	<b>211.7</b>	<b>124.8</b>	<b>191.4</b>	<b>(0.4)</b>	<b>731.9</b>
% of net revenue	24.1%	23.8%	20.8%	18.7%		21.8%
<b>Adjusted EBITDA</b>	<b>74.5</b>	<b>77.6</b>	<b>86.7</b>	<b>114.5</b>	<b>(65.6)</b>	<b>287.8</b>
% of net revenue	8.8%	8.7%	14.5%	11.2%		8.6%
<b>Of which adjustments</b>	<b>(9.1)</b>	<b>(0.2)</b>	<b>(4.2)</b>	<b>(2.5)</b>	<b>(11.8)</b>	<b>(27.8)</b>
<b>EBITDA</b>	<b>65.5</b>	<b>77.4</b>	<b>82.5</b>	<b>112.0</b>	<b>(77.5)</b>	<b>260.0</b>
% of net revenue	7.7%	8.7%	13.8%	10.9%	0.0%	7.7%
<b>Result from operating activities (EBIT)</b>	<b>(20.8)</b>	<b>5.4</b>	<b>36.6</b>	<b>80.9</b>	<b>23.1</b>	<b>125.1</b>
% of net revenue	-2.4%	0.6%	6.1%	7.9%		3.7%
<b>Ongoing capital expenditures</b>	<b>34.7</b>	<b>16.3</b>	<b>16.3</b>	<b>23.2</b>	<b>2.5</b>	<b>92.9</b>

The CIS and APAC/Latin America Divisions have been combined to form the "CIS, APAC and Latin America" segment, for the following reasons:

- > The markets of the divisions had similar economic characteristics (similar growth trends in the relevant markets).
- > The products sold, manufacturing methods, types of clients, and distribution modes of the zones are similar.

In addition, the relatively small contribution of revenue and operating income from Asia-Pacific/Latin America (less than 10% of the Group's net revenue and adjusted EBITDA) highlighted that there was no need to present the division in a separate segment.



(in millions of euros)	Flooring			Sports Surfaces	Central	Group
	EMEA	North America	CIS, APAC and Latin America			
<b>Dec. 31, 2022</b>						
<b>Net revenue</b>	<b>912.3</b>	<b>923.7</b>	<b>652.8</b>	<b>870.2</b>	<b>-</b>	<b>3,358.9</b>
<b>Gross profit</b>	<b>196.7</b>	<b>149.8</b>	<b>110.6</b>	<b>147.8</b>	<b>0.1</b>	<b>605.1</b>
% of net revenue	21.6%	16.2%	16.9%	17.0%		18.0%
<b>Adjusted EBITDA</b>	<b>76.6</b>	<b>44.0</b>	<b>84.8</b>	<b>86.5</b>	<b>(57.0)</b>	<b>234.9</b>
% of net revenue	8.4%	4.8%	13.0%	9.9%		7.0%
<b>Of which adjustments</b>	<b>(2.8)</b>	<b>(11.8)</b>	<b>(14.8)</b>	<b>(0.8)</b>	<b>(9.4)</b>	<b>(39.5)</b>
<b>EBITDA</b>	<b>73.8</b>	<b>32.2</b>	<b>70.0</b>	<b>85.8</b>	<b>(66.4)</b>	<b>195.4</b>
% of net revenue	8.1%	3.5%	10.7%	9.9%		5.8%
<b>Result from operating activities (EBIT)</b>	<b>(13.4)</b>	<b>(46.3)</b>	<b>21.3</b>	<b>58.5</b>	<b>24.3</b>	<b>44.4</b>
% of net revenue	-1.5%	-5.0%	3.3%	6.7%		1.3%
<b>Ongoing capital expenditures</b>	<b>35.5</b>	<b>16.2</b>	<b>21.1</b>	<b>20.8</b>	<b>3.1</b>	<b>96.7</b>

#### Information on activity in France and in other significant countries

The Group's activity in France represented less than 10% of revenue in 2023 and in 2022.

Non-current assets in France, excluding the non-affected *goodwill* arising out of the merger between Tarkett and Sommer in the early 2000's, also represent less than 10% of the Group's total non-current assets in 2023 and in 2022.

Tarkett considers the threshold of 25% of revenues to be significant. Only the United States is above that threshold, with 51% of the Group's consolidated revenue in 2023 (49% in 2022).

The United States represents 47% of the Group's total non-current assets as of December 31, 2023 (47% as of December 31, 2022).

No single customer represents more than 10% of the Group's revenues. In 2023, the largest customer represented 3% of consolidated revenues (3% in 2022).

**By product category**

<i>(in millions of euros)</i>	Dec. 31, 2023		Dec. 31, 2022	
	Revenue	%	Revenue	%
Vinyl & Linoleum	1,419.2	42.2%	1,485.4	44.2%
Commercial carpet	504.5	15.0%	526.8	15.7%
Parquet & Laminate	134.5	4.0%	204.7	6.1%
Rubber & Accessories	279.1	8.3%	271.9	8.1%
Sport	1,025.7	30.5%	870.2	25.9%
<b>Total</b>	<b>3,363.1</b>	<b>100%</b>	<b>3,358.9</b>	<b>100%</b>

**3.3 Other operating income and expenses**

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Gains on disposal of fixed assets	-	0.3
Other operating income	13.5	10.4
<b>Other operating income</b>	<b>13.5</b>	<b>10.7</b>
Losses on disposal of fixed assets	(1.3)	-
Other operating expenses	(14.8)	(16.7)
<b>Other operating expenses</b>	<b>(16.1)</b>	<b>(16.7)</b>
<b>Total other operating income and expenses</b>	<b>(2.6)</b>	<b>(6.0)</b>

**3.4 Impact of the increase in raw materials prices**

After an unprecedented rise in raw material prices over the whole of 2022, which necessitated increases in selling prices to neutralise the balance of inflation, a stabilisation, and even the beginnings of a downturn, in certain products and in certain regions was observed in the 2023 financial year. Some products and in some regions, were observed in 2023. The Group has maintained its selling prices to compensate for losses linked to inflation in raw materials since the second half of 2021 and to counter inflation in wages and energy costs, salaries and energy costs, which have been very significant since 2022.

### 3.5 Changes in working capital requirement

#### 3.5.1 Inventories

Inventories are stated on a FIFO (first in, first out) basis, at the lower of manufacturing/acquisition costs and net realizable value. Manufacturing costs of self-produced inventories comprise all costs that are directly attributable and a systematic allocation of production overhead and depreciation of production facilities based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Raw materials and supplies	151.4	192.4
Work in progress	68.6	78.8
Finished goods	277.8	317.6
Samples	2.2	2.5
Displays		0.5
Consumables and spare parts	33.6	31.5
<b>Total gross Value</b>	<b>533.6</b>	<b>623.2</b>
Provision for inventory depreciation	(80.5)	(85.6)
<b>Total net inventory</b>	<b>453.1</b>	<b>537.6</b>

#### Detail of the provision for inventory depreciation

<i>(in millions of euros)</i>	Dec. 31, 2022	Allowance	Decrease	Foreign exchange gain & loss	Other	Dec. 31, 2023
Raw materials and supplies	(18.8)	(7.5)	5.6	0.6	0.0	(20.1)
Work in progress	(11.3)	(5.0)	3.8	0.1	(1.0)	(13.4)
Finished goods	(46.4)	(12.8)	19.5	1.1	1.0	(37.6)
Samples	(0.7)	(0.0)	0.3	0.0	-	(0.4)
Consumables and spare parts	(8.4)	(1.1)	0.1	0.3	-	(9.0)
<b>Total provision for inventory depreciation</b>	<b>(85.6)</b>	<b>(26.4)</b>	<b>29.2</b>	<b>2.2</b>	<b>0.0</b>	<b>(80.5)</b>

The rate of inventory provisions is applied in a similar way for the different periods.

Cost of raw materials was €1,357 million in 2023, as compared with €1,519 million in 2022.

### 3.5.2 Trade receivables

Trade receivables are stated at their invoiced nominal value converted at the closing rate, less any allowance for doubtful accounts.

The Group conducts a review of each of its customer receivables individually, taking into account the probability of default by the counterparty as well as the extent to which the receivables were hedged, and uses the simplified method provided for by IFRS 9 to provision the expected losses over the remaining maturity of the receivables.

#### Assignment of trade receivables

Certain of the Tarkett Group's subsidiaries have transferred trade receivables to specialized credit institutions without recourse, transferring nearly all of the risks and benefits attached to the transferred receivables.

Receivables transferred and having payment dates later than December 31, 2023, totalled €188.7 million and are no longer recorded on the Group's balance sheet. Receivables transferred as of December 31, 2022, totalled €184.7 million.

#### Provision for doubtful receivables

Where trade receivables are not covered by credit insurance, provisions to cover the risk of failing to collect trade receivables either in full or in part are recorded using the expected loss method (see Note 7.1).

Doubtful receivables are identified and provisioned as follows:

- > a statistical provision, based on the age of the outstanding receivables, is defined as follows:

Receivables, trade overdue (percentage of gross amount)	Impairment excluding Sport Division	Impairment for Sport Division
From 61 to 180 days	25%	0%
From 181 to 270 days	50%	0%
From 271 to 360 days	75%	0%
From 361 to 540 days	100%	40%
From 541 to 720 days	100%	75%
More than 720 days	100%	100%

- > an additional provision on a case-by-case basis based on an application of professional judgement

(in millions of euros)	Dec. 31, 2023	Dec. 31, 2022
Trade receivables	291.6	288.9
<b>Total gross value</b>	<b>291.6</b>	<b>288.9</b>
Provisions for doubtful receivables	(28.6)	(23.5)
<b>Total net receivables</b>	<b>262.9</b>	<b>265.5</b>

The change in the provision for doubtful receivables amounts to €(5.1) million and is mainly explained as follows:

- > €(10.4) million of allowance;
- > €4.3 million of reversals;
- > €1.0 million of foreign exchange effects.

Notes to the consolidated financial statements

**Breakdown of unimpaired overdue receivables**

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Receivables, trade overdue 0-180 days	57.8	37.0
Receivables, trade overdue 181-270 days	0.4	0.9
Receivables, trade overdue 271-360 days	0.4	0.3
Receivables, trade overdue > 360 days	0.9	0.3
Receivables, bankruptcy procedure/legal cases	0.4	0.9
<b>Total unimpaired overdue Receivables</b>	<b>59.8</b>	<b>39.4</b>

**3.5.3 Other receivables**

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
<b>Other receivables non-current</b>	<b>0.0</b>	<b>0.0</b>
Prepaid expenses current	28.7	30.3
Income tax receivable current	39.2	33.3
VAT and other taxes	25.7	25.9
Other accounts receivable and other assets current	58.4	56.7
<b>Other receivables current</b>	<b>151.9</b>	<b>146.3</b>

**3.5.4 Trade payables**

Payables due more than a year in the future are discounted to net present value. Payables due more than a year in the future, including €8.8 million in deferred income are discounted to net present value.

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Trade payables	379.4	344.2
Trade notes payable	0.0	0.0
<b>Trade payables</b>	<b>379.4</b>	<b>344.2</b>

**3.5.5 Other liabilities**

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Liabilities related to employees	119.5	99.2
Current tax	43.5	38.2
VAT and other taxes	21.4	25.5
Sales rebates	36.1	41.8
Other liabilities	69.5	88.0
<b>Other current liabilities</b>	<b>289.9</b>	<b>292.7</b>

### 3.6 Free cash-flow

This indicator corresponds to the liquidity generated by operating activities after deduction of investments made, excluding acquisitions of subsidiaries and other changes in the scope of consolidation.

Free cash-flow is defined based on the items presented in the consolidated cash flow statement, and consists of the following items:

> operating cash flow before working capital changes;

- > changes in working capital requirement
- > net interest paid;
- > net income taxes paid;
- > miscellaneous operational items paid;
- > acquisitions of intangible assets and property, plant and equipment;
- > proceeds from sales of property, plant and equipment;
- > repayment of lease liabilities.

#### Free cash-flow

<i>(in millions of euros)</i>	<b>2023</b>	<b>2022</b>
Operating cash flow before working capital changes (A)	259.5	182.6
Repayment of principal (lease payments) (B)	(39.8)	(35.1)
<b>Total (A+B)</b>	<b>219.7</b>	<b>147.5</b>
Changes in working capital requirement <sup>(1)</sup>	117.9	(134.7)
Net interest paid	(46.2)	(31.2)
Net income taxes paid	(45.0)	(24.0)
Miscellaneous operating items paid	(7.8)	(11.8)
Acquisitions of intangible assets and property, plant and equipment	(92.9)	(96.7)
Proceeds from sale of property, plant and equipment	1.2	2.5
<b>Free cash flow</b>	<b>147.1</b>	<b>(148.3)</b>

<sup>(1)</sup> including changes in receivables assigned in connection with the non-recourse assignment of receivables program, which total €(4.9) million in 2023. For 2022, this amount was €4.2 million.

## Note 4 > Employee benefits

### 4.1 Retirement benefits

Within the Tarkett Group, various systems for providing for retirement benefits depending on the legal, economic and tax environment of each country exist. In accordance with the laws and uses applied in each country, the Group participates in pension, welfare, health and retirement benefit plans whose benefits are dependent on various factors such as length of service, salary and the contributions paid to institutions.

#### Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

These contributions, based on services rendered by employees, are recognized as an expense in profit or loss as incurred.

#### Defined benefit plans

Defined benefit plans are post-employment benefit plans under which guarantee future benefits for employees, constituting a future obligation for the Group. The actuarial risk and investment risks are borne by the company. The defined benefit liability is calculated using the projected unit credit method and is discounted to its present value from which the amount of past service cost for the period may also be deduced.

The detailed actuarial calculation requires the use of actuarial hypotheses for demographic variables (mortality, employee turnover) and economic variables (future increases in salaries and medical costs, discount rate).

When defined benefit plans are totally or partially funded by contributions paid to a separate fund or insurance company, those entities' assets are measured at their fair value.

Their amount is then deducted from the obligation to define net liability disclosed in the Group's balance sheet.

The Group's obligation in respect of such arrangements is calculated by independent actuaries, in accordance with revised IAS 19, "Employee Benefits".

#### Description of plans

As of 31 December 2023, the Group's largest retirement benefit plans are in the United States, Germany, Sweden, Belgium, Canada, France, the United Kingdom, and Russia. These eight countries account for nearly 97.7% of total commitments under the defined benefit plans.

In the US and UK, Group pension schemes have been closed to new participants and to the accrual of rights for several years. The Group's plans in Canada are now closed. These plans are pre-financed in accordance with local legislation. In addition, the Group operates medical and life insurance reimbursement schemes for certain employees in the United States. These plans are not covered by financing assets and are now closed.

In Sweden, defined benefit retirement plans are mandatory for employees born prior to 1979 under the applicable collective bargaining agreement. Employees born after that date participate in the mandatory defined contribution plan.

In Germany, the Group offers a pension plan, service awards and early retirement.

In addition, the Group offers end-of-career benefits provided for by legislation or collective agreements applicable in certain countries such as Russia, France and Italy.

The weighted average duration of the obligation is 11.3 years.

#### Material Events

- > France: a social plan has been announced at Tarkett France targeting 23 employees. This event generated a "curtailment gain" in 2023 expenses of €0.07 million.
- > France: the new supplementary pension scheme L13711-2 was booked as of this year. The opening commitment was recognised as a cost of services rendered for an amount of €0.25 million, an amount recognised immediately and in full in the expense for the year.
- > United States: a "lump sum cashout" exercise took place allowing certain beneficiaries of pension schemes to receive the payment of a lump sum capital instead of the promise of a future annuity. Approximately €3.75 million was paid for this year. The recognised impact under charge amounts to €0.05 million.
- > Mexico: recognition of a negative past cost of services of €0.02 million following a correction made to the eligibility of the population concerned.

Notes to the consolidated financial statements

**Assumptions**

The actuarial values recorded are based on long-term interest rates, forecast future salary increases and inflation rates. The main assumptions are presented below:

	Dec. 31, 2023		Dec. 31, 2022	
	Pensions	Other benefit obligations	Pensions	Other benefit obligations
Discount rate	4.26%		4.70%	
Including:				
United States	4.90%	5.00%	5.10%	5.10%
Germany <sup>(1)</sup>	3.20%		3.80%	
Sweden	3.28%		3.80%	
France	3.50%		3.90%	
United Kingdom	4.50%		4.80%	
Canada	4.60%		5.30%	
Belgium <sup>(1)</sup>	3.21%		3.80%	
Russia	12.56%		10.60%	
Salary increases	3.08%		3.10%	
Inflation	2.24%		2.42%	

<sup>(1)</sup> The rate shown corresponds to the rate applied to more than 98% of the commitment in 2022 and 2023.

The discount rates are determined with reference to the rates of return on first-grade bonds. They are based on external indices which are commonly used as a reference:

- > United States: iBoxx \$ Corporate AA 15+;
- > Euro zone: iBoxx € Corporate AA 10+;
- > Sweden: bonds of Swedish companies;
- > United Kingdom: iBoxx £ Corporate AA 15+;
- > Canada: Canadian AA "Mercer Yield Curve Canada" bonds;
- > Russia: Russian government bonds.



Notes to the consolidated financial statements

Amounts recognized in the statement of financial position	Dec. 31, 2023			Dec. 31, 2022		
	Pensions	Other benefit obligations	Total	Pensions	Other benefit obligations	Total
<i>(in millions of euros)</i>						
Defined Benefit Obligations	160.8	1.0	161.8	166.2	1.2	167.4
Fair value on plan assets	(75.0)	-	(75.0)	(81.7)	-	(81.7)
<b>Net liability booked in the statement of financial position</b>	<b>85.8</b>	<b>1.0</b>	<b>86.8</b>	<b>84.5</b>	<b>1.2</b>	<b>85.7</b>

Pension obligations	Dec. 31, 2023			Dec. 31, 2022		
	Defined benefit obligations	Fair value of plan assets	Net liabilities recorded in the balance sheet	Defined benefit obligations	Fair value of plan assets	Net liabilities recorded in the balance sheet
<i>(in millions of euros)</i>						
<b>As of January 1</b>	<b>166.2</b>	<b>(81.7)</b>	<b>84.5</b>	<b>217.6</b>	<b>(101.7)</b>	<b>115.9</b>
Current service cost	1.7	-	1.7	2.0	-	2.0
Past service cost	0.2	-	0.2	0.4	-	0.4
(Gain)/loss on new retirement plans	0.0	-	0.0	-	-	-
Financial cost (effect of discount)	7.4	(3.9)	3.5	4.8	(2.5)	2.3
Update to other post-employment commitments	-	-	-	-	-	-
Administrative expenses and taxes (expenses paid)	(0.2)	1.7	1.5	(0.1)	1.1	1.0
<b>Expense (income) for the period</b>	<b>9.1</b>	<b>(2.2)</b>	<b>6.9</b>	<b>7.1</b>	<b>(1.4)</b>	<b>5.7</b>
<b>Benefit payments from employer</b>	<b>(5.0)</b>	<b>-</b>	<b>(5.0)</b>	<b>(5.0)</b>	<b>-</b>	<b>(5.0)</b>
<b>Benefit payments from plan</b>	<b>(9.9)</b>	<b>9.9</b>	<b>-</b>	<b>(6.8)</b>	<b>6.8</b>	<b>-</b>
<b>Plan participants' contributions</b>	<b>0.1</b>	<b>(0.1)</b>	<b>-</b>	<b>0.1</b>	<b>(0.1)</b>	<b>-</b>
<b>Employer contributions</b>	<b>-</b>	<b>(2.9)</b>	<b>(2.9)</b>	<b>-</b>	<b>(5.1)</b>	<b>(5.1)</b>
Changes in demographic assumptions	(0.3)	-	(0.3)	0.4	-	0.4
Changes in financial assumptions	3.2	-	3.2	(50.6)	-	(50.6)
Effect of experience adjustments	0.4	-	0.4	1.0	-	1.0
(Return) on plan assets (excluding interest income)	-	0.4	0.4	-	24.5	24.5
<b>Total pension cost/(income) recognized in the OCI</b>	<b>3.2</b>	<b>0.4</b>	<b>3.6</b>	<b>(49.1)</b>	<b>24.5</b>	<b>(24.6)</b>
Transfer <sup>(1)</sup>	-	0.3	0.3	-	(1.6)	(1.6)
<b>Changes in scope</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Foreign exchange differences</b>	<b>(3.1)</b>	<b>1.4</b>	<b>(1.7)</b>	<b>2.3</b>	<b>(3.1)</b>	<b>(0.8)</b>
<b>As of December 31</b>	<b>160.8</b>	<b>(75.0)</b>	<b>85.8</b>	<b>166.2</b>	<b>(81.7)</b>	<b>84.5</b>

(1) As of December 31, 2023, Tarkett Ltd recorded a funding surplus on its pensions plan

Notes to the consolidated financial statements

Other benefit obligations	Dec. 31, 2023			Dec. 31, 2022		
	Defined benefit obligations	Fair value of plan assets	Net liabilities recorded on in the balance sheet	Defined benefit obligations	Fair value of plan assets	Net liabilities recorded on in the balance sheet
<i>(in millions of euros)</i>						
<b>As of January 1</b>	<b>1.2</b>	-	<b>1.2</b>	<b>1.3</b>	-	<b>1.3</b>
Current service cost	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
(Gain)/loss on new retirement plans	-	-	-	-	-	-
Financial cost (effect of discount)	0.1	-	0.1	0.0	-	0.0
Update to other post- employment commitments	-	-	-	-	-	-
Administrative expenses and taxes (expenses paid)	-	-	-	-	-	-
<b>Expense (income) for the period</b>	<b>0.1</b>	-	<b>0.1</b>	<b>0.0</b>	-	<b>0.0</b>
<b>Benefit payments from plan</b>	-	-	-	-	-	-
<b>Benefit payments from employer</b>	<b>(0.1)</b>	-	<b>(0.1)</b>	<b>(0.1)</b>	-	<b>(0.1)</b>
<b>Plan participants' contributions</b>	-	-	-	-	-	-
<b>Employer contributions</b>	-	-	-	-	-	-
Changes in demographic assumptions	0.0	-	0.0	0.0	-	0.0
Changes in financial assumptions	0.0	-	0.0	(0.2)	-	(0.2)
Effect of experience adjustments	(0.0)	-	(0.0)	(0.0)	-	(0.0)
(Return) on plan assets (excluding interest income)	-	-	-	-	-	-
<b>Total pension cost/(income) recognized in the OCI</b>	<b>(0.0)</b>	-	<b>(0.0)</b>	<b>(0.2)</b>	-	<b>(0.2)</b>
<b>Changes in scope</b>	-	-	-	-	-	-
<b>Foreign exchange differences</b>	<b>(0.0)</b>	-	<b>(0.0)</b>	<b>0.1</b>	-	<b>0.1</b>
<b>As of December 31</b>	<b>1.0</b>	-	<b>1.0</b>	<b>1.2</b>	-	<b>1.2</b>

Notes to the consolidated financial statements

**Allocation of plan assets by type of investment**

	Dec. 31, 2023	Dec. 31, 2022
Shares	15.7%	20.4%
Bonds	65.6%	62.1%
Insurance contracts	17.2%	15.7%
Cash & cash equivalent (liquidity)	0.1%	0.1%
Real Estate	0.7%	0.8%
Other	0.6%	0.9%

**Sensitivity to discount rate assumptions**

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
<b>Increase of 50 points</b>		
Increase (Decrease) in defined benefit obligations	(8.5)	(8.9)
<b>Decrease of 50 points</b>		
Increase (Decrease) in defined benefit obligations	9.4	9.7

**Sensitivity to inflation rate assumptions**

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
<b>Increase of 50 points</b>		
Increase (Decrease) in defined benefit obligations	6.7	5.3
<b>Decrease of 50 points</b>		
Increase (Decrease) in defined benefit obligations	(5.7)	(5.0)

Notes to the consolidated financial statements

**Benefits to be paid in the next five years**

Benefits to be paid in the next five years under retirement and similar plans are estimated as follows:

	Dec. 31, 2023	Dec. 31, 2022
2022	-	11.9
2023	11.5	11.3
2024	10.5	11.1
2025	11.0	11.5
2026	10.9	11.1
2027	11.0	-
<b>TOTAL</b>	<b>54.9</b>	<b>56.9</b>

**4.2 Personnel costs and compensation of senior management****Personnel costs and headcount**

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Wages and salaries	(808.8)	(763.0)
Pension costs	(1.9)	(2.4)
<b>Total Personnel costs</b>	<b>(810.8)</b>	<b>(765.4)</b>
Employees (average number)	11,838	12,136

**Key management personnel compensation**

The key management personnel includes the members of the Executive Management Committee and the members of the Supervisory Board.

Key management personnel received the following compensation:

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Short-term employee benefits	8.2	7.1
Retirement benefits	-	-
Other long-term benefits	-	-
Lump-sum retirement payments	0.0	-
Share-based payments	2.5	1.2
<b>Total</b>	<b>10.7</b>	<b>8.3</b>

Compensation of the Group's key management personnel includes salaries, attendance fees and non-cash benefits.

### 4.3 Share based payment transactions

The Group regularly implements share grant plans and other long-term benefits.

#### > Free share grants (IFRS 2)

The Group determines the fair value of equity instruments granted as part of share-based payments on the date on which the rights are granted. This fair value is recorded as expenses, offsetting equity over the vesting period. At the end of each fiscal year, the amount recognized as an expense is adjusted such that amount ultimately recognized is based on the number of shares awarded that meet the related service and non-market performance conditions at the vesting date.

#### > Cash grants (IAS 19)

A new plan was put in place in 2023, which is granted in cash. Under IAS 19, the Group spreads the expense for the 2021, 2022 and 2023 plans over the period of allocation in consideration of a liability so that the amount ultimately recorded corresponds to the amount to be paid to the beneficiaries. The grant is subject to continued employment and three performance conditions (value creation and two CSR criteria).

Members of the Management Board are not eligible for participation in these plans.

For the 2020 LTI plan, the ordinary shares were allocated to the beneficiaries after a so-called three-year acquisition period. The award was conditional on compliance with an economic performance condition (based on the Group's 3-year flat-rate plan), a condition of presence of the beneficiaries until the end of the award and a market performance condition. The 2020 LTI plan was conditioned on the fulfilment of two CSR performance conditions.

The 2020 plan was closed in August 2023 and resulted in the allocation of 370,751 shares.

At the end of 2023, there remains a management equity plan carried by Tarkett Participation which is re-invoiced to Tarkett SA.

	LTIP 2021	LTIP 2022	LTIP 2022
Grant date	October 29, 2021	November 4, 2022	October 20, 2023
End of vesting period	June 30, 2024	July 31, 2025	June 30, 2026
Cash amount at grant date (in millions of euros)	2.7	3.4	3.9
Form of settlement	Cash settled		
2023 expenses (in millions of euros)	(1.4)	(1.9)	(0.3)
2022 expenses (in millions of euros)	(0.6)	(0.2)	-
2021 expenses (in millions of euros)	(0.2)	-	-

## Note 5 > Intangible assets and property, plant and equipment

### 5.1 Goodwill

For the measurement of goodwill, Tarkett applies IFRS 3 Revised (see Note 2.2), except for acquisitions accounted for before December 31, 2009, for which IFRS 3 (2004) was applied.

Negative goodwill is immediately recognized in profit.

Goodwill is allocated to cash-generating units and is not amortized, but is subject to impairment testing (see the accounting method described in Note 5.3) annually and whenever an event occurs that could result in an impairment.

#### Changes in goodwill

(in millions of euros)

	Dec. 31, 2023	Dec. 31, 2022
Opening carrying amount	679.2	647.9
Goodwill on acquisitions during the period	1.2	2.8
Adjustment to initial purchase price allocation	-	1.1
Foreign exchange gain & loss	(15.7)	26.5
Other	(0.4)	0.9
<b>Closing carrying amount</b>	<b>664.3</b>	<b>679.2</b>

The variation during the period can be explained primarily by the acquisition of the M-WALL group in November 2022 (see note 2.4) which led to the recording of goodwill of €1.2 million and the impact of exchange rate effects on goodwill in US dollars.

Goodwill is assessed at cost, minus cumulative impairments.

As far as associates are concerned, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

Notes to the consolidated financial statements

### 5.1.1 Allocation of goodwill between the various CGUs

The 2023 CGUs are identical to the 2022 CGUs.

Tests were performed on each CGU individually before the mergers or combinations.

Allocation of goodwill between the various CGUs is as follows:

<i>(in millions of euros)</i>	Dec. 31, 2023		Dec. 31, 2022	
	Gross value	Net value	Gross value	Net value
Resilient and miscellaneous	73.3	72.7	71.5	70.9
Carpet	33.5	33.5	33.5	33.5
Wood	-	-	-	-
<b>EMEA</b>	<b>106.8</b>	<b>106.2</b>	<b>105.0</b>	<b>104.4</b>
Commercial and hospitality	382.2	365.1	395.3	378.3
Residential	-	-	-	-
<b>North America</b>	<b>382.2</b>	<b>365.1</b>	<b>395.3</b>	<b>378.3</b>
CIS	96.5	95.5	96.5	95.5
APAC	(0.0)	(0.0)	0.0	0.0
Latin America	0.0	0.0	0.0	0.0
<b>CIS, APAC and Latin America</b>	<b>96.5</b>	<b>95.5</b>	<b>96.5</b>	<b>95.5</b>
Athletic tracks	41.0	34.6	42.2	36.5
Synthetic grass & other	63.7	62.9	65.3	64.5
<b>Sports Surfaces</b>	<b>104.7</b>	<b>97.5</b>	<b>107.5</b>	<b>101.0</b>
<b>Total goodwill</b>	<b>690.3</b>	<b>664.3</b>	<b>704.4</b>	<b>679.2</b>

## 5.2 Intangible assets and property, plant and equipment

### 5.2.1 Intangible assets

#### Research and development

According to IAS 38, research and development costs are recognized as expenses when incurred, unless the criteria are met for them to be capitalized.

#### Patents

Patents obtained by the Group are stated at cost less accumulated amortization and impairment losses.

Capitalized costs for internally generated patents principally relate to the costs of legal counsel. Patents capitalized are amortized on a straight-line basis over the shorter of the length of the patent or estimated length of use.

#### Software licenses

Software licenses are stated at cost less accumulated amortization and impairment losses.

#### IFRS IC Decision concerning the costs of configuring and customizing software used in Software as a Service (SaaS) mode

An SaaS agreement gives the lessee access to software features hosted by the SaaS supplier through an Internet connection and for a specified term.

This type of agreement generally offers only a right of access to the software for the term of the agreement, and does not grant the lessee control over the software or the right to direct use of the software. As a result, these agreements are not considered intangible assets but rather services.

Configuration and customization costs may be incurred during the implementation phase, prior to the software's entry into service, and the IFRS IC decision specified the accounting treatment of such costs.

#### Amortization

Amortization of intangible assets is recorded on a straight-line basis from the date of their availability:

- > patents and trademarks: the shorter of the length of the patent or its length of use;
- > development costs: 3 - 6<sup>2/3</sup> years;
- > computer software: 3-5 years.

### 5.2.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

#### Acquisition cost

Acquisition cost includes purchase cost or production cost plus the other costs incurred for bringing the items to their operating location and condition. The cost of a self-constructed asset includes the costs of raw materials and direct labor, the initially estimated cost of any obligation for dismantling, removing and restoring the site on which the asset is located, and an appropriate allocation for directly attributable production overhead.

When an item of property, plant and equipment includes material components with different useful lives, each major component is accounted for separately.

#### Subsequent costs

Costs relating to replacements and improvements are capitalized and recorded as a separate asset if it is probable that the Group will derive economic advantages from the item, while general repairs, day to day servicing and maintenance are charged to expenses as incurred.

#### Depreciation

Depending on the economic use of the asset, straight-line depreciation is recorded over the following periods:

- > Buildings: 20-30 years;
- > Equipment and machinery: 6<sup>2/3</sup> - 10 years;
- > Printing cylinders: 2 years;
- > Other equipment and furnishings: 3-5 years.



## Notes to the consolidated financial statements

**IFRS 16: Leases**

The Group classifies a contract as a lease within the meaning of IFRS 16 if it gives the lessee the right to control the use of a given asset.

Measured by value, the Group's lease agreements primarily concern real property (offices, plants, and warehouses). In number, they principally concern cars and forklifts.

Among the key assumptions, the discount rate is determined for each asset based on the incremental borrowing rate on the effective date of the contract and corresponds to the interest rate that each entity of the Group would pay to borrow the amount necessary to acquire a similar asset, for a duration and in an economic environment similar to those of the lease, as well as the Group's external financing conditions.

The initial term of the lease corresponds to the period during which it cannot be terminated, plus, where applicable, renewal or termination options that the Group is reasonably certain it will exercise.

With respect to the depreciation of non-removable leasehold improvements, the Group decided to use the shorter of the following periods:

- the useful life of the leasehold improvement, as defined in "IAS 16 - Property, Plant and Equipment"; and
- the lease term of the related leased asset, in light of the legal limit on the use of the asset imposed by the lease agreement.

Improvements associated with leased real property are recorded outside the scope of application of IFRS 16.

**> Types of lease agreements**

- **Goods and real property**

The Group restates all leased land and buildings, whatever the term of the lease. Land and buildings leased for less than 12 months are thus also restated under IFRS 16 due to their material nature. This method is applied in the same manner throughout the Group for these two categories of assets.

The Group's principal commercial lease is the lease of premises for the Group's registered office, which was renewed in the second half of 2020 for a nine-year term that, under the contractual terms, is the most reasonably certain duration.

- **"Materials and equipment" lease agreements**

These agreements primarily include company cars and forklifts used in the Group's plants and warehouses. All company cars with lease terms of greater than 12 months are treated in accordance with IFRS 16.

- **Non-capitalized lease agreements**

- Short-term leases

Short-term leases have terms of one year or less. The Group's short-term leases consist primarily of short-term car leases.

- Low-value leases

Low value leases are those for which the value of the asset, if new, would be less than or equal to €5,000 or \$5,000. The Group's low value leases consist primarily of leases of small machines and office equipment.

Lease agreements recorded in right to use are depreciated over the terms of the lease in accordance with the method described above.

## Notes to the consolidated financial statements

The net values of intangible and tangible assets can be broken down as follows:

<i>(in millions of euros)</i>	<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>
Research and development	2.7	2.8
Patents	6.9	7.9
Trademarks	13.8	17.1
Software licenses	6.6	4.7
Other intangible assets	17.5	21.2
Advance payments and fixed assets in progress	3.3	6.1
<b>Intangible assets</b>	<b>50.7</b>	<b>59.7</b>
Goods and real property	248.3	246.6
<i>of which right to use goods and real property</i>	<i>106.7</i>	<i>82.3</i>
Technical equipment and machinery	241.2	239.8
<i>of which right to use technical equipment and machinery</i>	<i>26.0</i>	<i>26.1</i>
Advance payments and fixed assets in progress	68.3	69.6
<b>Property, plant and equipment</b>	<b>557.8</b>	<b>556.0</b>

Notes to the consolidated financial statements

The variations in gross value, depreciation and amortization break down as follows:

<b>Acquisition costs</b> <i>(in millions of euros)</i>	<b>Dec. 31, 2023</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Change in scope</b>	<b>Transfer</b>	<b>Foreign Exchange differences</b>	<b>Dec. 31, 2023</b>
Research and development	20.9	0.8	(0.0)	-	0.7	0.1	22.5
Patents	150.7	-	-	-	-	(5.1)	145.7
Trademarks	59.2	-	(0.0)	-	(0.0)	(0.8)	58.4
Software licenses	187.9	1.4	(0.3)	0.0	6.6	(2.6)	192.9
Other intangible assets	89.2	0.5	-	-	-	(3.1)	86.6
Advance payments and fixed assets in progress	6.1	1.7	-	-	(4.4)	(0.1)	3.3
<b>Intangible assets</b>	<b>514.0</b>	<b>4.4</b>	<b>(0.4)</b>	<b>0.0</b>	<b>2.9</b>	<b>(11.5)</b>	<b>509.4</b>
Goods and real property	715.3	55.3	(21.8)	0.6	7.2	(54.2)	702.4
<i>of which right to use goods and real property</i>	<i>139.6</i>	<i>53.1</i>	<i>(20.7)</i>	<i>0.4</i>	<i>(0.8)</i>	<i>(4.6)</i>	<i>167.0</i>
Technical equipment and machinery	1,636.4	35.7	(28.6)	4.3	50.0	(83.5)	1,614.4
<i>of which right to use technical equipment and machinery</i>	<i>50.9</i>	<i>12.7</i>	<i>(10.6)</i>	<i>0.1</i>	<i>(1.1)</i>	<i>(0.4)</i>	<i>51.5</i>
Advance payments and fixed assets in progress	69.6	62.9	(0.2)	0.3	(62.7)	(1.6)	68.3
<b>Property, plant and equipment</b>	<b>2,421.3</b>	<b>154.0</b>	<b>(50.6)</b>	<b>5.2</b>	<b>(5.5)</b>	<b>(139.2)</b>	<b>2,385.1</b>

<b>Cumulative depreciation, amortization, and impairment</b> <i>(in millions of euros)</i>	<b>Dec. 31, 2022</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Change in scope</b>	<b>Transfer</b>	<b>Foreign Exchange differences</b>	<b>Dec. 31, 2023</b>
Research and development	(18.1)	(1.6)	0.0	0.0	-	(0.1)	(19.8)
Patents	(142.9)	(0.8)	-	-	-	4.8	(138.8)
Trademarks	(42.1)	(2.9)	0.0	-	-	0.3	(44.7)
Software licenses	(183.2)	(6.2)	0.3	(0.0)	0.2	2.6	(186.4)
Other intangible assets	(68.0)	(3.6)	-	-	0.1	2.4	(69.1)
<b>Intangible assets</b>	<b>(454.3)</b>	<b>(15.1)</b>	<b>0.3</b>	<b>(0.0)</b>	<b>0.2</b>	<b>10.0</b>	<b>(458.8)</b>
Goods and real property	(468.7)	(42.5)	19.2	(0.4)	0.6	37.7	(454.1)
<i>of which right to use goods and real property</i>	<i>(57.3)</i>	<i>(23.4)</i>	<i>18.6</i>	<i>(0.3)</i>	<i>0.6</i>	<i>1.6</i>	<i>(60.2)</i>
Technical equipment and machinery	(1,396.6)	(75.8)	24.5	(1.2)	1.4	74.4	(1,373.2)
<i>of which right to use technical equipment and machinery</i>	<i>(24.8)</i>	<i>(9.9)</i>	<i>7.8</i>	<i>(0.0)</i>	<i>1.1</i>	<i>0.2</i>	<i>(25.6)</i>
<b>Property, plant and equipment</b>	<b>(1,865.3)</b>	<b>(118.3)</b>	<b>43.7</b>	<b>(1.6)</b>	<b>2.1</b>	<b>112.1</b>	<b>(1,827.3)</b>

## 5.3 Impairment

### 5.3.1 Non-financial assets

#### Annual impairment testing

Goodwill and other intangible assets with indefinite useful lives are systematically tested for impairment once a year.

The carrying amounts of the Group's assets, other than financial and deferred tax assets and liabilities, are reviewed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of assets is the greater of their fair value less costs of disposal and value in use.

Value in use is calculated by discounting estimated future cash flows for each cash-generating unit, excluding borrowing costs and tax.

#### Cash generating units

In carrying out impairment testing, assets are tested at the level of cash-generating units ("CGU") that reflect the segment organization of the Group and its products. For this purpose, goodwill was allocated over the cash-generating units.

#### Impairment process

The Group analyses future cash flows over a period of three years based on the most recent forecasts, corresponding to the best estimate of a full business cycle. The forecasts have been established taking into account variations affecting selling prices, volumes and raw material costs. Beyond four years, the Group determines a standard year calculated by extending the fourth year on the assumption of a stable revenue and margin, a need for working capital and investments determined on normative renewal based on historical observations. This standard year is then projected to infinity according to the Gordon Shapiro method.

Future cash flows are discounted to present value at a weighted average cost of capital (WACC) discount rate that reflects current market assessments of the time value of money and the risks specific to each financing means.

The discount rate is an after-tax rate applied to after-tax cash flows. The following assumptions were used for 2023 :

	Discount rate after tax	Perpetual growth rate
EMEA	10.36%	3.00%
North America	10.36%	3.00%
CIS	19.24%	3.00%
APAC	10.79%	3.00%
Latin America	12.78%	3.00%
Sports Surfaces	10.36%	3.00%

### Operating assumptions

For each CGU, operational assumptions that were considered key by the Group are as follows:

- > evolution of the markets in which these CGU are involved on the basis of internal estimates, supported if possible by external forecasts on the concerned segments or products;
- > evolution of the Group in its various markets;
- > general hypothesis of stability of inflation balance (purchase prices stable, or if changes are considered, full offset by changes in selling prices to balance the impact on value);
- > continual implementation of productivity plans for factories working on these CGU to improve profitability; and
- > EBITDA, resulting from the combination of factors listed above.

### Sensitivity analysis

The sensitivity analysis was carried out on three assumptions:

- > the discount rate (WACC);
- > the perpetual growth rate; and
- > EBITDA.

Changes of 50 basis points in the discount rate and growth rate are reasonably possible variations for the Group. Tarkett operates in a large number of countries, with a balance between three main areas (EMEA; North America; and CIS, APAC and Latin America). The Group believes that economic developments in these geographic areas can offset each other, as has been demonstrated in the past.

In 2023, the combination of an increase in the discount rate of 50 basis points and a decrease in the growth rate of 50 basis points would result in recording additional impairment losses of €(27.4) million in the "Commercial" CGU for the North America reporting segment and in recording additional impairment losses of €(3.7) million in the CGU TEE.

In addition, a decrease of 100 basis points in EBITDA would result in recording additional impairment losses of €(31.6) million in the "Commercial" CGU for the North America reporting segment and impairment losses of €(7.2) million in the CGU TEE.

### Impairment losses

An impairment loss is recognized whenever the carrying amount of a cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in respect of cash-generating units are allocated first to the impairment of *goodwill* and then to other assets.

An impairment loss recorded in respect of *goodwill* cannot be reversed. An impairment recorded for another asset will be reversed if there is a change in the assumptions used to determine the recoverable value.

### Impairment

In 2023, no impairment losses were recorded.

### 5.3.2 Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each balance sheet date to determine whether there is objective evidence that it is impaired.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

## 5.4 Lease commitments

Lease commitments concern contracts that were not restated following the application of IFRS 16, namely, primarily:

- > contracts considered to be of low value pursuant to paragraph 5 of IFRS 16;
- > service agreements that do not meet the definition of a lease within the meaning of IFRS 16.

Minimum lease payments under operating leases are recorded as expenses on a straight-line basis over the term of the lease.

Notes to the consolidated financial statements

Future minimum rental commitments under operating leases with initial or remaining non-cancellable terms in excess of one year, are summarized below:

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Less than 1 year	0.5	0.8
1 to 5 years	0.4	0.4
More than 5 years	-	-
<b>Total future minimum lease payments</b>	<b>0.8</b>	<b>1.1</b>

## 5.5 Impact of exemptions to IFRS 16

The Group applies the exemptions provided for under IFRS 16, Leases, keeping rental operating charges where the lease term as of the effective date is less than or equal to 12 months (excluding rented building and land) and rental charges where the value of the underlying asset is less than €5,000 or \$5,000.

Such rental charges totalled €(1.6) million and €(0.6) million, respectively, as of December 31, 2023.

<i>(in millions of euros)</i>	< or equal to 5 K€ / K\$	< or equal to 12 months	Service Agreements	Other	Total
Cost of sales	(0.3)	(1.1)	(4.0)	(2.5)	(7.9)
Selling and distribution expenses	(0.3)	(0.3)	(0.8)	(0.1)	(1.4)
Research and development expenses	-	-	(0.0)	(0.0)	(0.1)
General and administrative expenses	(0.1)	(0.2)	(0.7)	0.0	(0.9)
Other operating expenses	-	-	-	-	-
<b>Impact on operating profit</b>	<b>(0.6)</b>	<b>(1.6)</b>	<b>(5.4)</b>	<b>(2.6)</b>	<b>(10.3)</b>

## Note 6 > Provisions

### 6.1 Provisions

Provisions come primarily from legal and tax risks, litigation and other risks.

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are reversed when they are no longer required.

A provision for warranties is recognized when the underlying products are sold. The provision is based on historical warranty data. In the event of risks relating to specific products, an additional provision may be recorded.

A provision for restructuring is recorded when the Group has approved a detailed and formal restructuring plan, and the restructuring has been either implemented or publicly announced. Future operating losses are not provisioned.

#### Change of provisions

<i>(in millions of euros)</i>	Dec. 31, 2022	Allowance	Decrease	Transfer	Foreign exchange gain & loss	Dec. 31, 2023
Product warranty provision	3.6	0.1	(0.7)	(0.1)	0.0	2.9
Restructuring provisions	0.4	-	(0.4)	(0.0)	(0.0)	0.0
Claims & litigation provisions	1.3	1.8	(0.7)	(0.0)	(0.0)	2.3
Other provisions	0.6	0.0	(0.3)	-	-	0.3
Provision for additional tax assessments	0.1	0.1	(0.0)	-	(0.0)	0.2
Financial provisions <sup>(1)</sup>	28.2	(1.5)	(2.7)	-	(0.9)	23.2
<b>Total Provisions – long-term</b>	<b>34.2</b>	<b>0.5</b>	<b>(4.9)</b>	<b>(0.1)</b>	<b>(0.9)</b>	<b>28.9</b>
Product warranty provision	12.8	4.7	(2.1)	1.7	(0.5)	16.6
Restructuring provisions	2.5	1.9	(2.6)	(0.1)	(0.1)	1.7
Claims & litigation provisions	14.7	15.8	(12.2)	(1.3)	(0.3)	16.6
Other provisions	3.1	0.5	(2.2)	-	(0.0)	1.4
<b>Total Provisions – short-term</b>	<b>33.1</b>	<b>22.9</b>	<b>(19.2)</b>	<b>0.4</b>	<b>(0.9)</b>	<b>36.3</b>
<b>Total Provisions</b>	<b>67.4</b>	<b>23.5</b>	<b>(24.1)</b>	<b>0.2</b>	<b>(1.7)</b>	<b>65.2</b>

<sup>(1)</sup> Variations in provisions for financial liabilities relate to the provision for asbestos litigation recorded by Domco Products Texas Inc.

<i>(in millions of euros)</i>	Dec. 31, 2021	Allowance	Decrease	Transfer	Foreign exchange gain & loss	Dec. 31, 2022
Product warranty provision	3.5	0.5	(0.4)	0.0	(0.0)	3.6
Restructuring provisions	1.4	-	(0.7)	(0.2)	(0.0)	0.4
Claims & litigation provisions	2.2	1.0	(1.9)	(0.2)	0.1	1.3
Other provisions	0.4	0.1	-	-	-	0.6
Provision for additional tax assessments	0.1	0.0	(0.0)	-	0.0	0.1
Financial provisions <sup>(1)</sup>	27.5	0.3	(1.6)	0.3	1.7	28.2
<b>Total Provisions – long-term</b>	<b>35.0</b>	<b>2.0</b>	<b>(4.5)</b>	<b>(0.1)</b>	<b>1.8</b>	<b>34.2</b>
Product warranty provision	11.7	1.7	(1.3)	(0.0)	0.6	12.8
Restructuring provisions	5.4	2.6	(6.0)	0.4	(0.0)	2.5
Claims & litigation provisions	20.4	5.4	(11.7)	0.2	0.5	14.7
Other provisions	3.9	0.6	(1.4)	-	0.0	3.1
<b>Total Provisions – short-term</b>	<b>41.5</b>	<b>10.3</b>	<b>(20.3)</b>	<b>0.6</b>	<b>1.1</b>	<b>33.1</b>
<b>Total Provisions</b>	<b>76.5</b>	<b>12.3</b>	<b>(24.8)</b>	<b>0.5</b>	<b>2.9</b>	<b>67.4</b>

<sup>(1)</sup> Variations in provisions for financial liabilities relate to the provision for asbestos litigation recorded by Domco Products Texas Inc.

## 6.2 Contingent liabilities

There were no significant changes in the guarantees granted by Tarkett to third parties in 2023.

### Hospital dispute

On 18 October 2017, the Competition Authority ruled against Tarkett and some of its competitors for anti-competitive agreements in the French market for resilient flooring. Before the expiry of the five-year statute of limitation which ran from this decision to 18 October 2022, summonses and applications were filed with civil and administrative courts, in particular by public and private health institutions, seeking compensation for potential damages. As of 31 December 2023, most of these procedures are still at a preliminary stage.

The Group contests the merits of these claims, is examining all possibilities for potential action or appeal, and considers that it is not currently feasible to assess the possible consequences.

### Asbestos

In the United States, the Group has been a defendant in lawsuits by third parties relating to personal injury from asbestos. The anticipated costs of current or future legal proceedings are covered by Group insurance policies, by liability guarantees granted by third parties and by provisions which the Management considers adequate based on the advice and information provided by its lawyers.



## Note 7 > Financing and Financial Instruments

### 7.1 Significant accounting principles

#### Non-derivative financial assets

Financial assets are initially recognized at their fair value plus any applicable transaction costs except for financial assets at fair value through profit or loss for which transactions costs are recognized in profit or loss as incurred.

Under IFRS 9, all financial assets for which the cash flows do not represent solely payment of principal and interest (SPPI) must be recorded at fair value through profit and loss. However, IFRS 9 introduces an option that may be irrevocably elected at the time of initial recognition, investment by investment, permitting equity investments to be recorded at fair value through other comprehensive income, without later being moved to profit and loss, even in the event of a disposal. Only the dividends are recognized in profit or loss.

Financial assets for which the cash flows do represent solely payment of principal and interest (SPPI) are recognized at amortized cost using the effective interest rate method.

For non-current assets valued at amortized cost, impairment is assessed individually, taking into account the risk profile of the counterparty and the warranties obtained. At the time of the initial recording of such non-current financial assets, impairment is systematically recorded in the amount of the credit losses expected to result from events that may occur in the next twelve months. In the event of a significant deterioration in the counterparty's credit quality, the initial impairment is supplemented to cover all of the expected losses over the remaining maturity of the receivable.

For commercial receivables, the Group conducts a review of each of its customer receivables individually, taking into account the probability of default by the counterparty as well as the extent to which the receivables were hedged, and uses the simplified method provided for by IFRS 9 to provision the expected losses over the remaining maturity of the receivables.

#### Non-derivative financial liabilities

Financial liabilities comprise financial debt and trade and other operating payables. They are accounted for at amortized cost using the effective interest rate method.

#### Derivative instruments

Derivative instruments are entered in the balance sheet at their fair value, regardless of whether it is positive or negative. The profit or loss stemming from the fair value re-evaluation is recognized immediately in profit and loss.

However, derivative instruments that qualify for hedge accounting are classified either as fair value hedges (FVH) (when their purpose is to hedge an existing asset or liability's exposure to the risk of changes in its fair value) or cash flow hedges (CFH) (when their purpose is to hedge the exposure to changes in the cash flows associated with highly probable future transactions).

Derivative instruments that are part of a hedge are documented on the basis of intrinsic value for exchange rate and interest rate options, and on the basis of the spot price component for forward contracts.

Changes in fair value relating to the effective portion of derivative exchange rate and interest rate instruments qualified as fair value of hedges (FVH) are recognized as part of financial income or expense. The value of the hedged items is adjusted to their fair value and the changes in fair value attributable to the hedged risk(s) are equally recognized as part of income or expense.

Changes in fair value relating to the effective portion of derivative exchange instruments and interest rate instruments qualified as cash flow hedges (CFH) are recorded in the comprehensive equity income. The result of these hedges is recognized in the income statement symmetrically to the hedged risk.

The time value of exchange rate and interest rate options is recorded as a cost of hedging. Changes in time value recorded over the life of the option are recorded as a counterpart to other comprehensive income. The initial option premium is either (i) moved into profit or loss when the hedged transaction impacts profit or loss, where the hedged item is related to a transaction; or (ii) amortized in profit or loss over the duration of the hedge, where the hedged item is related to a period of time.

Changes in value of the swap point for forward contracts classified as hedges are recorded in profit and loss.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, term deposits, monetary UCITs, and other monetary investments with initial maturities not exceeding three months and subject to an insignificant risk of changes in value.

## 7.2 Financial income and expenses

Net financial income and expenses include, in particular, interest payable on borrowings accounted for at amortized cost using the effective interest method, and the effects of the related hedges.

Other financial income and expenses include the income and expenses associated with loans and receivables accounted for at amortized cost, the gains recognized in respect of investment of cash and cash equivalents, financial charges relating to the discounting of post-employment expenses, exchange rate gains and losses, impairment losses relating to financial assets, and dividends, which are recorded in net income when the right to payment vests.

<i>(in millions of euros)</i>	<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>
Interest income on loan assets & cash equivalents	4.9	1.5
Other financial income	2.3	1.2
<b>Total financial income</b>	<b>7.2</b>	<b>2.6</b>
Interest expenses on loans and overdrafts	(34.7)	(26.7)
Financial expenses to leases	(6.6)	(4.4)
Commission expenses on financial liabilities	(14.5)	(8.1)
Cost of loans and debt renegotiation	(4.4)	(4.3)
Financial expenses on provisions for pensions	(5.0)	(2.7)
Foreign exchange differences	(5.7)	5.6
Impairment of financial assets	-	(0.1)
Premiums and term points on derivatives	(7.3)	(11.6)
Other financial expenses	1.8	(1.4)
<b>Total financial expenses</b>	<b>(76.4)</b>	<b>(53.8)</b>
<b>Financial income and expenses</b>	<b>(69.2)</b>	<b>(51.3)</b>

## 7.3 Net debt – interest-bearing loans and borrowings

### 7.3.1 Net Debt

Net debt is defined by adding together interest-bearing loans and debt and deducting cash and cash equivalents. Interest-bearing loans and borrowings refer to any obligation for the repayment of funds received or raised that are subject to repayment terms and interest charges. They also include liabilities on finance leases IFRS 16.

(in millions of euros)	Dec. 31, 2023		Dec. 31, 2022	
	Long-term	Short-term	Long-term	Short-term
Bank loans	24.8	16.7	154.3	8.4
Shareholder loan	520.4	-	522.7	-
Private placements	47.5	18.0	34.0	-
Other loans	-	-	-	-
Bank overdrafts	-	5.3	-	36.8
<b>Interest bearing loans and borrowings</b>	<b>592.6</b>	<b>40.0</b>	<b>711.0</b>	<b>45.2</b>
<b>Total interest bearing loans and borrowings</b>	<b>632.6</b>		<b>756.2</b>	
Cash and cash equivalents	(224.3)		(220.8)	
<b>Net debt before application of IFRS 16</b>	<b>408.3</b>		<b>535.4</b>	
Leases	111.8	31.6	91.7	27.7
<b>Net debt</b>	<b>551.7</b>		<b>654.8</b>	

In order to strengthen the Group's liquidity:

- > Tarkett took out a bond loan in June 2023 amounting to €31.5 million for an eight-year term under the Obligations Relance [State guarantee] system;
- > Tarkett France took out a four-year depreciable loan of €10.0 million in April 2023, including a first instalment in July 2023;
- > In May and June 2023, Tarkett GDL took out two amortisable loans, respectively for €10.0 million over a three-year term with an initial maturity in July 2024, and €6.0 million for a four-year term with an initial maturity in August 2023.

By 31 December 2023, Tarkett had used its non-recourse receivables transfer lines for a net financed amount of €160.8 million or equivalent.

Cash and cash equivalents amounted to €224.3 million as of 31 December 2023, of which €62.7 million was in Russia and €5.6 million in Ukraine.

On 31 December 2023, interest-bearing loans and borrowings consisted essentially of:

- > the Tarkett Participation shareholder's loan entered into in July 2021, used to the extent of €455.2 million and \$72.0 million by 31 December 2023;
- > four amortisable loans totalling €36.7 million at 31 December 2023 and maturing between June 2026 and May 2027;
- > Four "Schuldschein" tranches totaling €34.0 million entered into by Tarkett SA in April 2017 for €14.0 million maturing in April 2024, and in June 2019 for €20.0 million maturing in June 2024 for €4.0 million, in June 2025 for €10.0 million, and in June 2026 for €6.0 million;
- > Tarkett's bond loan of €31.5 million maturing in June 2031.

Notes to the consolidated financial statements

## 7.3.2 Details of loans and borrowings

Dec. 31, 2023	Currency of draw-down	Interest rate	Total	12 months or less until 12/31/2024	2 years until 12/31/2025	3 to 5 years until 12/31/2028	More than 5 years
<i>(in millions of euros)</i>							
<b>Bank loans</b>							
Revolving credit lines Europe	EUR		-	-	-	-	-
Revolving credit lines Europe	USD		-	-	-	-	-
Other bank loans	EUR	4.36%	41.0	16.1	12.7	12.1	-
Other bank loans	RMB	5.22%	0.4	0.4	-	-	-
<b>Subtotal Bank loans</b>			<b>162.7</b>	<b>8.4</b>	<b>9.1</b>	<b>145.1</b>	<b>-</b>
Private placements Europe	EUR	3.90%	65.5	18.0	10.0	6.0	31.5
Shareholder loan	EUR	7.58%	455.2	-	-	455.2	-
Shareholder loan	USD	9.80%	65.2	-	-	65.2	-
Bank overdrafts			5.3	5.3	-	-	-
<b>Interest bearing loans and borrowings</b>			<b>632.6</b>	<b>39.9</b>	<b>22.7</b>	<b>538.5</b>	<b>31.5</b>
Leases			143.4	31.6	29.9	57.4	24.5
<b>Gross debt</b>			<b>776.0</b>	<b>71.5</b>	<b>52.6</b>	<b>595.9</b>	<b>56.0</b>
<hr/>							
Dec. 31, 2022	Currency of draw-down	Interest rate	Total	12 months or less until 12/31/2023	2 years until 12/31/2024	3 to 5 years until 12/31/2027	More than 5 years
<i>(in millions of euros)</i>							
<b>Bank loans</b>							
Revolving credit lines Europe	EUR	3,06%	60.0	-	-	60.0	-
Revolving credit lines Europe	USD	6,00%	75.0	-	-	75.0	-
Other bank loans	EUR	1,47-3,60%	24.0	4.9	9.0	10.1	-
Other bank loans	RMB	5,23%-5,70%	3.6	3.5	0.1	-	-
<b>Subtotal Bank loans</b>			<b>162.7</b>	<b>8.4</b>	<b>9.1</b>	<b>145.1</b>	<b>-</b>
Private placements Europe	EUR	1,20%-1,40%	34	-	18.0	16.0	-
Shareholder loan	EUR	6,43%	455.2	-	-	-	455.2
Shareholder loan	USD	8,91%	67.5	-	-	-	67.5
Bank overdrafts			36.8	36.8	-	-	-
<b>Interest bearing loans and borrowings</b>			<b>756.2</b>	<b>45.2</b>	<b>27.1</b>	<b>161.1</b>	<b>522.7</b>
Leases			119.4	27.7	21.9	44.8	25.0
<b>Gross debt</b>			<b>875.6</b>	<b>73.0</b>	<b>49.1</b>	<b>205.9</b>	<b>547.7</b>

### 7.3.3 Financial ratio covenants

The "Schuldschein" tranches and the bond loan mentioned above contain contractual commitments (covenants) to be respected by the borrowing companies, among which is the "Net debt/adjusted EBITDA" financial ratio, which must not exceed:

- > 3.0 at 31 December of each year for "Schuldschein" tranches, calculated before the application of IFRS 16, with an additional tolerance of 0.5 in the event of significant acquisition;
- > 4.0 at 31 December each year for the bond, calculated after application of IFRS 16, with an additional tolerance of 0.5 in the case of significant acquisition.

The Group is in compliance with all of its banking commitments as of December 31, 2023, including the ratio covenant "Net Debt / Adjusted EBITDA", as detailed below.

<b>Net debt / Adjusted EBITDA before application of IFRS 16</b>	<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>
<i>(in millions of euros)</i>		
Net debt	408.3	535.4
Adjusted EBITDA	248.0	200.6
<b>Ratio</b>	<b>1.6</b>	<b>2.7</b>

The financial leverage ratio presented below is the ratio of net debt, including leases recognized under IFRS 16, to adjusted EBITDA (including IFRS 16).

<b>Net debt / Adjusted EBITDA after application of IFRS 16</b>	<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>
<i>(in millions of euros)</i>		
Net debt	551.7	654.8
Adjusted EBITDA	287.8	234.9
<b>Ratio</b>	<b>1.9</b>	<b>2.8</b>

Notes to the consolidated financial statements

### 7.3.4 Cash and cash equivalents

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Current cash	55.7	82.1
Remunerated cash balances	160.7	133.6
Short term treasury notes and Money Market funds	7.9	5.1
<b>Cash and cash equivalents</b>	<b>224.3</b>	<b>220.8</b>

### 7.3.5 Changes in financial liabilities

The following table reconciles changes in financial liabilities shown on the balance sheet and the cash flow statement:

<i>(in millions of euros)</i>	Dec. 31, 2022	Cash- flows	Reclassification	Non-cash change				Dec. 31, 2023
				Other	Acquisition <sup>(3)</sup>	Foreign exchange differences	Fair value change	
Long-term financial liabilities	802.7	(97.8)	(55.7)	-	65.8	(10.8)	-	704.5
Short-term financial liabilities	72.9	(55.9)	55.7	1.4	-	(2.9)	-	71.5
Long-term financial assets <sup>(1)</sup>	(17.9)	(0.5)	-	3.1	-	0.4	1.7	(13.2)
Short-term financial assets	(3.4)	(0.0)	-	-	-	0.1	-	(3.2)
Other	-	(0.0)	-	-	-	-	-	-
<b>Total changes in financing activities <sup>(2)</sup></b>		<b>(154.3)</b>						
<b>Cash-flows from financing activities <sup>(2)</sup></b>		<b>(154.3)</b>						

<sup>(1)</sup> Excluding shares accounted for by the equity method.

<sup>(2)</sup> Excluding dividends, acquisition of treasury shares and acquisition of non-controlling interests.

<sup>(3)</sup> including € 65.8 million for new leases for fiscal year 2023

Notes to the consolidated financial statements

## 7.4 Other financial assets and liabilities

### 7.4.1 Other financial assets

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Long-term investments	-	-
Financial investments and receivables – long-term <sup>(1) (2)</sup>	25.5	49.0
<b>Other financial assets</b>	<b>25.5</b>	<b>49.0</b>

<sup>(1)</sup> Financial investments and receivables – long-term include shares of companies accounted for by the equity method.

<sup>(2)</sup> Long-term financial assets include the long-term portion of the market value of interest rate hedges.

Changes in gross values, amortization and impairment loss are presented below:

<b>Acquisition costs</b>	Dec. 31, 2022	Increases	Decreases	Transfer	Foreign exchange differences	Dec. 31, 2023
<i>(in millions of euros)</i>						
Long-term investments	-	-	-	-	-	-
Financial investments and receivables – long-term	52.2	5.7	(1.7)	(28.2)	(2.4)	25.5
<b>Other financial assets</b>	<b>52.2</b>	<b>5.7</b>	<b>(1.7)</b>	<b>(28.2)</b>	<b>(2.4)</b>	<b>25.5</b>

<b>Accumulated depreciation and amortization</b>	Dec. 31, 2022	Allowance	Disposal	Decrease	Impairment losses	Transfer	Foreign exchange differences	Dec. 31, 2023
<i>(in millions of euros)</i>								
Security deposit – long-term	-	-	-	-	-	-	-	-
Long-term financial assets and receivables	(3.2)	-	-	-	-	3.2	-	(0.0)
<b>Other financial assets</b>	<b>(3.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.2</b>	<b>-</b>	<b>(0.0)</b>

## 7.4.2 Other financial liabilities

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Fair value of derivatives non-current	-	-
Other financial liabilities non-current	1.5	2.3
<b>Other financial liabilities non-current</b>	<b>1.5</b>	<b>2.3</b>
Accrued interest expenses current	-	-
Fair value of derivatives current	1.4	1.5
Other financial liabilities current	1.8	3.7
<b>Other financial liabilities current</b>	<b>3.2</b>	<b>5.2</b>

## 7.5 Fair value of financial assets and liabilities

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible.

Fair values are categorized into three levels based on the inputs used in the valuation techniques, as follows:

- > Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities;
- > Level 2: prices determined using valuation techniques based on observable market data;
- > Level 3: inputs relating to the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of interest rate swaps and of interest rate and foreign currency options is the estimated amount that the Group would expect to receive or have to pay in order to cancel each derivative instrument at the balance sheet date, taking into account the current level of interest rates and the credit risk associated with these instruments' counterparties.

The derivative financial instruments (swaps, caps, floors etc.) entered into by the Group are traded on over-the-counter markets on which there are no quoted prices. They are therefore measured using the valuation models commonly employed by operators in the market (Level 2).

Derivative instrument contracts are negotiated exclusively with leading financial institutions or banks. Their sole aim is to provide security for the Group's transactions and the financing of the latter.

In the case of receivables and payables with maturities of less than a year and certain floating rate receivables and payables, historical cost is considered as a reasonable approximation of their fair value.



<b>Dec. 31, 2023</b>							
	<b>Fair Value Category</b>	<b>Assets at amortized cost</b>	<b>Liabilities at amortized cost</b>	<b>Fair value through profit and loss</b>	<b>Fair value of interest rate hedge instruments</b>	<b>Carrying amount</b>	<b>Fair value</b>
<i>(in millions of euros)</i>							
Financial assets, non-current	Level 2	2.3	-	13.4	9.9	25.5	25.5
Other current financial assets	Level 2	-	-	-	17.9	17.9	17.9
Trade receivables	Level 2	262.9	-	-	-	262.9	262.9
Cash and cash equivalents	Level 2	-	-	224.3	-	224.3	224.3
Interest-bearing loans and borrowings	Level 2	-	776.0	-	-	776.0	776.0
Other non-current financial liabilities	Level 2	-	0.2	-	1.3	1.5	1.5
Other current financial liabilities	Level 2	-	1.8	-	1.4	3.2	3.2
Trade payables	Level 2	-	379.4	-	-	379.4	379.4
<b>Dec. 31, 2022</b>							
	<b>Fair Value Category</b>	<b>Assets at amortized cost</b>	<b>Liabilities at amortized cost</b>	<b>Fair value through profit and loss</b>	<b>Fair value of interest rate hedge instruments</b>	<b>Carrying amount</b>	<b>Fair value</b>
<i>(in millions of euros)</i>							
Financial assets, non-current	Level 2	1.9	-	15.6	31.5	49.0	49.0
Other current financial assets	Level 2	-	-	-	19.1	19.1	19.1
Trade receivables	Level 2	265.5	-	-	-	265.5	265.5
Cash and cash equivalents	Level 2	-	-	220.8	-	220.8	220.8
Interest-bearing loans and borrowings	Level 2	-	875.6	-	-	875.6	875.6
Other non-current financial liabilities	Level 2	-	0.2	-	2.1	2.3	2.3
Other current financial liabilities	Level 2	-	3.7	-	1.5	5.2	5.2
Trade payables	Level 2	-	344.2	-	-	344.2	344.2

## 7.6 Financial risks and Financial Instruments

### 7.6.1 Financial risk management

The Group's financial risk (market risk, credit risk and liquidity risk) management objectives and policies are consistent with those disclosed in the consolidated financial statements as at December 31, 2022.

### 7.6.2 Derivative instruments

The Group uses derivative financial instruments to hedge some of its exposure to foreign currency risk and interest rate risk associated with its purchases and sales denominated in foreign currencies and with its financing and investment transactions, as well as to hedge certain components of its raw materials costs.

The derivatives employed include interest rate options, other forward contracts and foreign currency options.

In accordance with its policy in respect of financial instruments, the Group neither uses nor issues derivative financial instruments for trading purposes.

## Notes to the consolidated financial statements

<b>Dec. 31, 2023</b> <i>(in millions of euros)</i>	<b>Accounting classification</b>	<b>Maturity</b>	<b>Fair value</b>	<b>Counterpart in OCI <sup>(1)</sup></b>
Currency swaps	FVH	< June 2024	(0.1)	-
<b>Exchange rate derivatives related to financing</b>			<b>(0.1)</b>	<b>-</b>
Forward exchange contracts	CFH	< August 2024	(0.1)	(0.1)
Options	CFH	< May 2025	1.8	1.7
Commodity swaps	CFH		-	-
<b>Exchange rate derivatives related to commercial transactions</b>			<b>1.7</b>	<b>1.6</b>
Caps, collars	CFH	< Dec. 2027	23.6	23.2
<b>Interest rate derivatives</b>			<b>23.6</b>	<b>23.2</b>
<b>Total</b>			<b>25.2</b>	<b>24.8</b>

<sup>(1)</sup> Corresponds to the balance of the counterpart in OCI as of December 31, 2023.

<b>Dec. 31, 2022</b> <i>(in millions of euros)</i>	<b>Accounting classification</b>	<b>Maturity</b>	<b>Fair value</b>	<b>Counterpart in OCI <sup>(1)</sup></b>
Currency swaps	FVH	< June 2023	3.0	-
<b>Exchange rate derivatives related to financing</b>			<b>3.0</b>	<b>-</b>
Forward exchange contracts	CFH	< March 2024	0.1	(0.1)
Options	CFH	< May 2024	1.4	0.4
Commodity swaps	CFH		-	-
<b>Exchange rate derivatives related to commercial transactions</b>			<b>1.5</b>	<b>0.3</b>
Caps, collars	CFH	< December 2027	42.5	42.3
<b>Interest rate derivatives</b>			<b>42.5</b>	<b>42.3</b>
<b>Total</b>			<b>47.0</b>	<b>42.6</b>

<sup>(1)</sup> Corresponds to the balance of the counterpart in OCI as of December 31, 2022.

The acronyms "FVH" (Fair Value Hedge) and "CFH" (Cash Flow Hedge) are defined in Note 7.1.

Notes to the consolidated financial statements

The face value of derivative instruments covering the primary exposures are presented below, expressed in euros:

<i>(in millions of euros)</i>	Dec. 31, 2023					Dec. 31, 2022				
	USD	CNY	GBP	AUD	NOK	USD	CNY	GBP	PLN	NOK
<b>Currency of exposure</b>										
Exchange rate derivative instruments	126.3	20.0	8.5	4.2	-	351.1	9.8	12.9	6.1	-
Exchange rate derivatives related to commercial transactions	36.0	-	28.7	-	21.8	15.0	-	27.8	-	16.4
<b>Total</b>	<b>162.3</b>	<b>20.0</b>	<b>37.2</b>	<b>4.2</b>	<b>21.8</b>	<b>366.1</b>	<b>9.8</b>	<b>40.7</b>	<b>6.1</b>	<b>16.4</b>

### 7.6.3 Market risks

Exposure to interest rate, currency, raw material prices, liquidity and credit risk arises in the normal course of Tarkett's activities. Derivative financial instruments are used to reduce the exposure to fluctuations in both foreign exchange and interest rates; changes in the value of these instruments offset all or part of the changes in the value of the items being hedged. Liquidity and credit risk are managed following risk management policies approved by the Group's management bodies.

The portfolio of derivative instruments is broken down as follows:

Following is the interest rate structure of the Group's net debt (excluding lease liabilities) before and after application of interest rate hedges.

<i>(in millions of euros)</i>	Fixed rate	Floating rate	Dec. 31, 2023
Interest-bearing loans and borrowings	78.8	553.8	632.6
Cash and cash equivalents	(8.7)	(215.6)	(224.3)
<b>Net debt before hedging</b>	<b>70.1</b>	<b>338.2</b>	<b>408.3</b>
Effect of hedging on debt	553.8	(553.8)	-
<b>Net debt after hedging</b>	<b>623.9</b>	<b>(215.6)</b>	<b>408.3</b>

<i>(in millions of euros)</i>	Fixed rate	Floating rate	Dec. 31, 2022
Interest-bearing loans and borrowings	57.7	698.5	756.2
Cash and cash equivalents	(6.4)	(214.4)	(220.8)
<b>Net debt before hedging</b>	<b>51.3</b>	<b>484.1</b>	<b>535.4</b>
Effect of hedging on debt	610.5	(610.5)	-
<b>Net debt after hedging</b>	<b>661.8</b>	<b>(126.4)</b>	<b>535.4</b>

#### a) Interest rate risk

The Group manages its exposure to interest rate risk centrally. The Group's general debt strategy is to give preference to floating interest rate debt over fixed interest rate debt, but also to use interest rate derivatives to protect a part of the floating rate debt over a period of three to five years against a rate increase that could result in extensive damage. The hedging tools used are mainly cap or tunnel type derivatives. The cost of the cap may be offset in part or in full by a tunnel.

**Sensitivity analysis**

Sensitivity to interest-rate fluctuations is calculated on the basis of interest-bearing non-derivatives and derivative Financial Instruments, as well as interest-bearing loans granted to joint ventures or third parties. The analysis is based on the market index in effect at the balance sheet date and on assumptions of constant debt and constant debt management policy over one year.

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
<b>Increase of 100 basis points</b>		
Increase / (Decrease) in financial expenses	0.2	0.6
<b>Increase of 100 basis points <sup>(1)</sup></b>		
Increase / (Decrease) in financial expenses	(0.5)	(2.2)

<sup>(1)</sup> With a floor of 0%

**b) Exchange rate risk****Transaction risk**

Exchange rate fluctuations have a direct impact on the Group's Consolidated Financial Statements, derived from transactions regarding the Group entities that incur revenues and expenses in currencies other than their functional currency.

**Exchange rate derivatives related to commercial transactions**

The Group reduces its exposure by developing its production capacities in the same geographic and monetary areas where it distributes its products. Moreover, through the choice of the invoicing currency for certain intra-Group transactions, the Group aims to offset revenues with costs in the same currency. In certain unstable currency countries, the Group may also offset the local currencies fluctuations with price indexations. Therefore the remaining exposure on cross-border transactions is moderate. The currencies to which the Group is most exposed are the British pound, the Norwegian crown, the U.S. dollar, the Polish zloty, the Australian dollar, the Canadian dollar, the Russian ruble and the euro as a foreign currency for certain subsidiaries.

The Group has attempted to reduce the impact of short-term fluctuations of currencies on its revenue through centralized management of exchange risks and the use of derivatives. Nevertheless, in the long-term, significant and long lasting variations in exchange rates could affect the Group's competitive position in foreign markets, as well as its results of operations.

The Group's policy is to hedge certain significant residual exposure, decided upon periodically by the finance department based on monitoring Value at Risk. This exposure is divided into exposure recorded on the balance sheet, namely trade receivables, trade payables and borrowings denominated in a foreign currency, and future exposure, which consists of forecast sales and purchases over a six- to eighteen-month period.

**Exchange rate derivative instruments relating to financing**

The Group may be exposed to transactional exchange-rate risk on certain intragroup loans and borrowings resulting from the financing of its foreign subsidiaries. The Group minimizes this risk either (i) by borrowing in the same currency or (ii) by entering into currency swaps or forwards reflecting the maturity of the hedged item.

## 7.6.4 Liquidity risks

### a) Future cash flows on Financial Instruments

The following figures show the estimated future cash flows on interest-bearing loans and borrowings recorded as liabilities on the balance sheet.

The estimate of future cash flows on interest is based on the debt amortization table and on the assumption of a crystallization of the interest rates outstanding as of the balance sheet date, unless a better estimate is available.

Financial liabilities	Dec. 31, 2023		Less than 12 months		1 to 2 years		3 to 5 years		More than 5 years	
	Carrying amount	Total future cash flows	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
<i>(in millions of euros)</i>										
<b>Gross debt</b>										
Bank loans	41.4	55.7	16.6	4.0	12.7	4.2	12.1	6.1	-	-
Private placements	65.5	81.9	18.0	2.4	10.0	2.3	6.0	6.5	31.5	5.2
Other loans	520.4	665.0	-	27.3	-	27.1	520.4	90.2	-	-
Bank overdrafts	5.3	5.3	5.3	-	-	-	-	-	-	-
Leases	143.4	163.5	31.6	7.1	29.9	5.3	57.4	6.2	24.5	1.5
<b>Total</b>	<b>776.0</b>	<b>971.4</b>	<b>71.5</b>	<b>40.8</b>	<b>52.6</b>	<b>38.9</b>	<b>595.9</b>	<b>109.0</b>	<b>56.0</b>	<b>6.7</b>
<b>Other financial liabilities</b>										
Trade payables	379.4	379.4	379.4	-	-	-	-	-	-	-
Other non-current financial liabilities	1.5	1.5	-	-	0.9	-	0.6	-	-	-
Other current financial liabilities	3.2	3.2	3.2	-	-	-	-	-	-	-
<b>Total</b>	<b>384.1</b>	<b>384.1</b>	<b>382.6</b>	<b>-</b>	<b>0.9</b>	<b>-</b>	<b>0.6</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial liabilities</b>	<b>1,160.1</b>	<b>1,355.5</b>	<b>454.1</b>	<b>40.8</b>	<b>53.5</b>	<b>38.9</b>	<b>596.5</b>	<b>109.0</b>	<b>56.0</b>	<b>6.7</b>
Financial liabilities	Dec. 31, 2022		Less than 12 months		1 to 2 years		3 to 5 years		More than 5 years	
	Carrying amount	Total future cash flows	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
<i>(in millions of euros)</i>										
<b>Gross debt</b>										
Bank loans	162.7	198.8	8.5	7.0	9.1	6.8	145.1	22.3	-	-
Private placements	34.0	34.9	-	0.4	18.0	0.3	16.0	0.2	-	-
Other loans	522.7	690.7	-	26.4	-	26.4	-	104.1	522.7	11.1
Bank overdrafts	36.8	36.8	36.8	-	-	-	-	-	-	-
Leases	119.4	132.5	27.7	4.2	21.9	3.2	44.8	5.0	25.0	0.7
<b>Total</b>	<b>875.6</b>	<b>1,093.7</b>	<b>72.9</b>	<b>38.0</b>	<b>49.1</b>	<b>36.7</b>	<b>205.9</b>	<b>131.6</b>	<b>547.7</b>	<b>11.8</b>
<b>Other financial liabilities</b>										
Trade payables	344.2	344.2	344.2	-	-	-	-	-	-	-
Other non-current financial liabilities	2.3	2.3	-	-	1.1	-	1.2	-	-	-
Other current financial liabilities	5.2	5.2	5.2	-	-	-	-	-	-	-
<b>Total</b>	<b>351.7</b>	<b>351.7</b>	<b>349.4</b>	<b>-</b>	<b>1.1</b>	<b>-</b>	<b>1.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial liabilities</b>	<b>1,227.3</b>	<b>1,445.4</b>	<b>422.3</b>	<b>38.0</b>	<b>50.2</b>	<b>36.7</b>	<b>207.1</b>	<b>131.6</b>	<b>547.7</b>	<b>11.8</b>

Notes to the consolidated financial statements

## b) Liquidity position

The debt capacity amounts to €1,207.6 million, including €143.4 million relating to the lease debt (IFRS 16), used in the amount of €776.0 million (see note 7.3.1). Including cash and cash equivalents, the Group's liquidity position is therefore €655.9 million.

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Amount available on credit facilities	431.6	258.6
Cash and cash equivalents	224.3	220.8
<b>Total</b>	<b>655.9</b>	<b>479.4</b>

### 7.6.5 Credit risk

Credit risk represents the risk of financial loss for the Group in the event that a counterparty to a financial instrument defaults on its contractual obligations.

The financial assets potentially bearing this risk are mainly:

- > cash deposits;
- > derivative instruments;
- > trade receivables;
- > loans granted.

The maximum potential credit risk on the financial assets is equal to their net accounting value less the indemnification receivable from credit insurance.

#### a) Customer credit risk

The Group believes that its exposure to customer credit risk is limited, because of its large number of customers, its dispersion in many geographical areas, and its follow-up policy. The Group has established a credit policy which includes, among other things, a credit limit for each customer, collections processes, and a computer-aided credit scoring and customer payment behaviour follow-up.

The total of receivables overdue over 60 days amounts to approximately 10% of total accounts receivable as of December 31, 2023 (11% of total accounts receivable as of December 31, 2022).

The Group believes that there is no need to assume that there is risk on outstanding receivables less than 60 days overdue.

With respect to outstanding receivables that are more than 60 days overdue, the Group believes that risks are limited given existing procedures for customer risk management (as detailed above).

#### b) Credit risk management on equities and derivatives

The counterparties to the Group's financial derivatives are leading banks, all of which have business relationships with the Group for debt or cash management. The Group's policy with regard to investments and cash deposits is to only invest in liquid securities and only with the leading credit institutions in the countries where the investments are made.

The Group is not exposed to a material risk due to any significant concentration and does not anticipate any counterparty default.

The effect of Credit and Debit Valuation Adjustments (CVA/DVA) on the measurement of the fair value of the derivative financial instruments was not material as at the balance sheet date and was therefore not booked.

## 7.7 Guarantees

The principal guarantees given by Tarkett are as follows:

- > a General Indemnity Agreement of a maximum amount of USD 75.0 million in favour of Federal Insurance Company in consideration of an agreement to execute security bonds in favor of FieldTurf Inc, fully used as of year-end;
- > a Joint and Several Guarantee up to a maximum amount of USD 90.0 million in favour of Ester Finance Technologies; as part of the assignment of the trade receivables line set up with certain subsidiaries of Tarkett Finance Inc in the United States, in order to secure future customer receipts to be collected on its behalf, representing US\$65.9 million at the close of exercise;
- > a Pri-Pensions pension insurance guarantee to cover Tarkett AB's employee benefit in the amount of SEK 256.9 million;
- > joint and several guarantees in favour of several banks, in the amount of outstanding amortizable loans taken out respectively in 2022 June and 2023 April by Tarkett France, and in 2023 May and 2023 June by Tarkett GDL, representing a total outstanding amount of €36.7 million at the end of the financial year;
- > rent guarantees in favor of two lessors of Tarkett USA Inc. representing a commitment of USD 8.6 million at the end of the financial year, and the corresponding rents of which are included in the lease debt valued in the consolidated balance sheet in application of IFRS 16 "Leases";
- > a payment guarantee given to a supplier of the Morton Extrusionstechnik subsidiary (M.E.T GmbH) for deliveries of raw materials up to a maximum amount of 7.0 million euros, committed in the amount of €3.4 million at the end of the financial year;

- > guarantees granted by Tarkett to banks of certain subsidiaries, including Tarkett Limited (UK), Tarkett BV (Netherlands), Tarkett Asia Pacific (Shanghai) Management Co Ltd, Tarkett Industrial (Beijing) Co Ltd (China) and Tarkett SpA (Italy), to enable them to obtain overdraft facilities, bank loans or lines of credit for a maximum aggregate amount of €33.6 million, committed for an equivalent of €13.1 million at the end of the financial year.

Furthermore, in the ordinary course of business, Tarkett and several of the Group's subsidiaries have given payment or construction guarantees to various suppliers, customers, government offices, lessors, and cash pooling or trade finance operators, either directly or through bank guarantees, for an amount equivalent to €30.8 million at the end of the financial year.

Finally, the following assets have been pledged as security for the new financing implemented:

- > all present or future shares of Tarkett NV held by Tarkett Participation;
- > all present or future shares of the following subsidiaries, owned directly or indirectly by Tarkett SA: Tarkett GDL SA, Tarkett AB, Tarkett BV, Tarkett Holding GmbH, Tarkett Finance Inc., Tarkett USA Inc., Fieldturf Tarkett USA Holdings Inc., Fieldturf USA Inc., AO Tarkett and AO Tarkett Rus;
- > certain financial receivables contracted between two of the above companies.

## Note 8 > Income tax

### 8.1 Income tax expense

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items in equity or in other comprehensive income, in which case it is recognized in those items.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable with respect to previous years. Income tax expense/income are defined in Note 8.2, Deferred Taxes.

Income tax is calculated based on the rules applicable in each country where the Group operates.

The "Cotisation sur la Valeur Ajoutée des Entreprises (C.V.A.E.)" tax contribution due in France on the basis of the value added as determined based on the statutory accounts of French entities the statutory accounts meets the definition of income tax under IAS 12,

"Income Taxes" and is classified on the current income tax line. Similar treatment has been adopted for similar other taxes (State Tax and BEAT Tax in the United States, in particular) based on a net of products and costs, even though that amount may differ from accounting net income.

The income tax expense (current and deferred) can be analysed as follows:

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Current tax	(44.3)	(31.9)
Deferred tax	9.0	13.8
<b>Total income tax</b>	<b>(35.4)</b>	<b>(18.1)</b>

Theoretical income taxes determined using the French corporate income tax rate of 25.825% for 2023 and 25.825% for 2022 can be reconciled as follows to the actual income tax charge:

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
Pre-tax profit from continuing operations (a)	55.8	(7.9)
Profit from equity-accounted subsidiaries (b)	(0.1)	(1.0)
Pre-tax profit from fully consolidated activities (a- b)	55.9	(6.9)
<b>Income tax at nominal French income tax rate</b>	<b>(13.7)</b>	<b>1.8</b>
Effect of:		
- Taxation of foreign companies at different rates	(0.3)	(1.5)
- Exchange rate effects on non-monetary assets	(0.0)	(0.3)
- Changes in unrecognized deferred tax assets	(2.1)	(0.4)
- Permanent differences	(9.7)	(5.1)
- Taxes on dividends (Withholding at the source)	(2.0)	(2.5)
Other items	(7.5)	(10.0)
<b>Income tax expenses</b>	<b>(35.4)</b>	<b>(18.1)</b>
<b>Effective rate</b>	<b>N/A</b>	<b>N/A</b>



Notes to the consolidated financial statements

#### Differences between local and French taxation rates

The main contributing countries are Russia, with a local tax rate of 20%; Sweden, with a local tax rate of 20.60%; Poland, with a local tax rate of 19% and the United Arab Emirates, with a local tax rate of 0.00%.

#### Changes in unrecognized deferred tax assets

The non-recognition of deferred tax assets is mainly explained by the positive effect of the recognition of deferred tax assets on tax losses in Luxembourg for €8.0 million offset by non-recognition of deferred tax assets in France for €1.3 million, China for €(1.7) million, Germany for €0.9 million and Poland for €(4.5) million).

#### Other items

In 2023, this item includes:

- > tax correction charges amounting to €4.3 million mainly in the United States for €2.2 million and in the Netherlands for €2.3 million;
- > taxes recorded as corporation tax for €(9.9) million, including the United States for €(9.5) million, €(5.7) million under the BEAT Tax and €(3.7) million under the State Tax and €(0.3) million for the CVAE in France;
- > tax provisions of €0.5 million.

## 8.2 Deferred tax

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

The following items do not result in the recognition of deferred tax:

- > taxable temporary differences linked to goodwill;
- > taxable or deductible temporary differences stemming from the initial recognition of assets or liabilities, other than in the context of transactions involving business combinations, that affect neither accounting nor taxable profit;
- > temporary differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

(in millions of euros)

	2023	2022
Valuation of deferred tax assets	156.8	181.6
DTA for pensions and healthcare benefits	36.6	36.6
Other items temporarily non deductible	96.3	75.3
Provision for other deferred tax liabilities	(11.7)	(12.4)
Internal profit eliminations	3.0	1.2
Netted against deferred tax assets	(188.1)	(190.1)
<b>Deferred tax assets</b>	<b>92.8</b>	<b>92.3</b>
Fixed assets revaluation	44.2	43.6
Other deferred tax liabilities	144.5	154.1
Netted against deferred tax assets	(188.1)	(190.1)
<b>Deferred tax liabilities</b>	<b>0.6</b>	<b>7.7</b>

The recoverability of deferred tax assets was analyzed with cash flow projections used for impairment testing.

Net deferred tax assets relating to deferred losses and unused tax credits are recognised for a total amount of €156.7 million, of which €141.5 million relates to Luxembourg and €7.3 million relates to the subsidiaries of the North American Tax Integration Group (USA). The recognition of deferred taxes in Luxembourg was partially offset by deferred tax liabilities with no impact on earnings.

A deferred income tax asset is capitalized only to the extent that it is probable that there will be future taxable profits over the next five years against which this asset can be utilized.

In accordance with IAS 12, where an entity's tax return is prepared in a currency other than its functional currency, changes in the exchange rate between the two currencies generate temporary differences with respect to the valuation of non-monetary assets and liabilities. As a result, deferred tax is recognized in profit or loss.

According to the Tarkett Group's estimate based on 2023 figures, the impact of the introduction of the worldwide is not significant.

Deferred taxation is shown on the balance sheet separately from current tax assets and liabilities and is categorized in non-current items.

This amount of €156.7 million is broken down as follows: €156.1 million deferred tax assets relating to deferred losses and €0.6 million unused tax credits.

Deferred taxes on unrecognised tax losses and tax credits amounted to €83.8 million as of 31 December 2022 (€64.9 million as of 31 December 2022).

## Note 9 > Equity and liabilities

### 9.1 Share capital

Share capital comprises the par value of the ordinary shares minus incremental costs directly attributable to the issue of ordinary shares and share options, net of any tax effects. When the Group buys back its own shares, the amount of consideration paid, which includes directly attributable costs, is net of any tax effects, and is recognized as a deduction from shareholders' equity. When treasury shares are subsequently sold or reissued, the amount received is recognized as an increase in shareholders' equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

	Dec. 31, 2023	Dec. 31, 2022
Share capital (in euros)	327,751,405	327,751,405
Number of shares	65,550,281	65,550,281
Par value (in euros)	5.0	5.0

### 9.2 Earnings per share and dividends

	Dec. 31, 2023			Dec. 31, 2022		
	Average number of shares <small>(in millions of shares)</small>	Profit for the period attributable to Tarkett shareholders <small>(in millions of euros)</small>	Basic earnings per share <small>(in euros)</small>	Average number of shares <small>(in millions of shares)</small>	Profit for the period attributable to Tarkett shareholders <small>(in millions of euros)</small>	Basic earnings per share <small>(in euros)</small>
Total Shares	65,550			65,550		
Treasury shares held by Tarkett	(103)			(184)		
<b>Total excluding treasury shares</b>	<b>65,447</b>	<b>20.4</b>	<b>0.31</b>	<b>65,367</b>	<b>(26.8)</b>	<b>(0.41)</b>
Potential performance shares to be distributed	103			184		
Restatement of actions with anti-dilution effect <sup>(1)</sup>	-			(184)		
<b>Total after allocation of performance shares</b>	<b>65,550</b>	<b>20.4</b>	<b>0.31</b>	<b>65,367</b>	<b>(26.8)</b>	<b>(0.41)</b>

#### Basic earnings per share (excl. treasury shares)

Earnings per share (excluding treasury shares) are calculated on the basis of the Group's attributable net profit and on the weighted average number of shares outstanding during the period (and after deduction of the weighted average number of treasury shares).

#### Earnings per share after grants of performance shares

Attributable net profit per share (after grants of performance shares), are calculated on the basis of the Group's share of net profit attributable to the Group and on the weighted average number of shares outstanding during the period (and after deduction of the weighted average number of treasury shares) and the number of potential shares to distribute, if dilutive.

(1) Pursuant to IAS 33, "Earnings per Share," and given the negative attributable net profit as of December 31, 2022, the potential performance shares for distribution have not been taken into account in calculating the weighted average number of shares outstanding (anti-dilutive effect).

#### Dividends

The General Meeting of April 21, 2023 decided not to pay dividends in 2023 for the 2022 period given the high level of uncertainties in the short term.

## Note 10 > Related parties

In accordance with IAS 24, "Related Party Disclosures," the Group has identified the following related parties:

- > Joint ventures;
- > Tarkett Participation ;
- > The members of the Tarkett Management Board and Supervisory Board.

Transactions entered into during the period with the Group's joint ventures and principal shareholders are detailed below.

### 10.1 Joint ventures

All transactions between fully consolidated companies have been eliminated.

Transactions with related entities and jointly held entities are entered into on arm's length terms.

The Group has four joint ventures, including Laminate Park GmbH & Co KG in Germany, jointly controlled with the Sonae group.

Transactions entered into during the period with the Group's joint ventures are detailed below :

<i>(in millions of euros)</i>	Dec. 31, 2023	Dec. 31, 2022
<b>Joint ventures</b>		
Sale of goods to Tarkett	-	-
Purchase of services from Tarkett	-	-
Loans from Tarkett (gross value)	1.6	4.6

### 10.2 Principal shareholders

Tarkett Participation holds 90.40% of Tarkett's share capital following the contribution of Tarkett shares to Tarkett Participation and the acquisition of shares by Tarkett Participation, and as such controls and coordinates the Group's activities.

As of December 31, 2023, Tarkett Participation is held by:

- > Société Investissement Deconinck, for 72.93%;
- > Expansion 17 S.C.A., FIAR, for 12.88%;
- > Global Performance 17 S.C.A., FIAR, for 12.88%;
- > Individual members of management, for 1.31%.

As of December 31, 2023, SID had invoiced a total of €300,000 in fees under the Assistance Agreement (€300,000 as of December 31, 2022).

As of December 31, 2023, Tarkett had invoiced a total of €55,000 to SID for services (€55,000 as of December 31, 2022).

### 10.3 Members of the Management Board and Supervisory Board

None.

Notes to the consolidated financial statements

## Note 11 > Subsequent events

None.

## Note 12 > Statutory auditor fees

Amount (excluding taxes) (in thousands of euros)	KPMG S.A.	KPMG S.A.	MAZARS	MAZARS
	Auditor	Network	Auditor	Network
<b>Statutory audit, certification, audit of the individual company and Consolidated Financial Statements</b>				
Tarkett	284	-	284	-
Controlled entities	137	961	62	919
<b>Subtotal (A)</b>	<b>421</b>	<b>961</b>	<b>346</b>	<b>919</b>
<b>Services other than certification of the financial statements required by laws and regulations</b>				
Tarkett	-	-	-	-
Controlled entities	-	-	-	-
<b>Subtotal (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Services other than certification of the financial statements at the entity's request</b>				
Tarkett	85	-	-	-
<b>Controlled entities</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Subtotal (C)</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Services other than certification of the financial statements <sup>(1)</sup></b>				
<b>Subtotal D = B + C</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Subtotal E = A + D</b>	<b>512</b>	<b>961</b>	<b>346</b>	<b>919</b>
<b>Total</b>	<b>1,473</b>		<b>1,265</b>	

<sup>(1)</sup> Nature of services other than certification of the financial statements provided by the statutory auditors to the consolidating entity and its controlled subsidiaries: review of CSR information by an independent third-party, a compliance assignment

## Note 13 > Principal consolidated entities

Companies	Country	Consolidation method	Pourcentage of interest as of December 31, 2023	Pourcentage of interest as of December 31, 2022
G: Full consolidation				
E: Equity method				
<b>EMEA</b>				
Tarkett AB	Sweden	G	100%	100%
Tarkett AS	Norway	G	100%	100%
Tarkett OY	Finland	G	100%	100%
Tarkett A/S	Danemark	G	100%	100%
Tarkett Polska Sp.z.o.o.	Polska	G	100%	100%
Tarkett Aspen Zemin AS	Turkey	G	100%	100%
Laminate Park GmbH & Co KG	Germany	E	50%	50%
Virtual Empathy Platform Ltd	United Kingdom	E	33%	33%
Tarkett Holding GmbH	Germany	G	100%	100%
Tarkett SA	France	Parent company	100%	100%
Tarkett Services	France	G	100%	100%
Tarkett GDL SA	Luxembourg	G	100%	100%
Tarkett Capital SA	Luxembourg	G	100%	100%
Tarkett SpA	Italy	G	100%	100%
Tarkett - Produtos Internacionias, SA	Portugal	G	100%	100%
Tarkett Monoprosopi Ltd.	Greece	G	100%	100%
Tarkett Floors S.A. Spain	Spain	G	100%	100%
Tarkett France	France	G	100%	100%
Tarkett Bois SAS	France	G	100%	100%
Fieldturf Tarkett SAS	France	G	100%	100%
Tarkett Sports GmbH	Germany	G	100%	100%
Fieldturf Poligras SA	Spain	G	100%	100%
Morton Extrusiontechnik GmbH	Germany	G	100%	100%
Allsports construction and maintenance Ltd.	United Kingdom	E	30%	30%
Desso Holding BV	Netherlands	G	100%	100%
Desso BV	Netherlands	G	100%	100%
Desso Refinity BV	Netherlands	G	100%	100%
Tarkett Sports BV	Netherlands	G	100%	100%
Tarkett NV	Belgium	G	100%	100%

## Notes to the consolidated financial statements

Companies	Country	Consolidation method	Pourcentage of interest as of December 31, 2023	Pourcentage of interest as of December 31, 2022
Tarkett AG Switzerland	Switzerland	G	100%	100%
Desso Sports System BV	Netherlands	G	100%	100%
Desso Sport Systems NV	Belgium	G	100%	100%
Desso Sport Systems Scandinavia A.S.	Norway	G	0%	100%
M-Wall holding BV <sup>(1)</sup>	Netherlands	G	51%	0%
M-Wall BV <sup>(1)</sup>	Netherlands	G	51%	0%
M-Projectservice BV <sup>(1)</sup>	Netherlands	G	51%	0%
Tarkett Ltd.	United Kingdom	G	100%	100%
Somalré	Luxembourg	G	100%	100%
F.E.D. Inc.	United States of America	E	40%	40%
Wildcat Enterprise for Textile Industries	United Arab Emirates	G	100%	100%
<b>North America</b>				
Tarkett, Inc. (Delaware)	United States of America	G	100%	100%
Tarkett Inc.	Canada	G	100%	100%
Desso Inc.	United States of America	G	100%	100%
Tandus Centiva Limited	Canada	G	100%	100%
Lexmark Carpet Mills	United States of America	G	100%	100%
Tarkett Manufacturing Mexico	Mexico	G	100%	100%
Domco Products Texas Inc	United States of America	G	100%	100%
Tarkett Alabama Inc.	United States of America	G	100%	100%
Tarkett Finance Inc.	United States of America	G	100%	100%
Tarkett USA Inc.	United States of America	G	100%	100%
Fieldturf Inc.	Canada	G	100%	100%
L.E.R. Inc.	United States of America	G	100%	100%
EasyTurf Inc.	United States of America	G	100%	100%
Beynon Sport Surfaces Inc.	United States of America	G	100%	100%
FieldTurf Tarkett USA Holdings, Inc.	United States of America	G	100%	100%
Fieldturf USA Inc.	United States of America	G	100%	100%
Johnsonite Canada Inc.	Canada	G	100%	100%
Diamond W Supply Co.	United States of America	G	100%	100%
Tarkett Carpet Canada Inc.	Canada	G	100%	100%
Dynamic Base Construction, LLC	United States of America	G	49%	49%
Tarkett Sports Midwest Inc.	United States of America	G	100%	100%
Midwest Specialty Contractors Inc.	United States of America	G	100%	100%

## Notes to the consolidated financial statements

Companies	Country	Consolidation method	Pourcentage of interest as of December 31, 2023	Pourcentage of interest as of December 31, 2022
<b>CEI, APAC and Latin America</b>				
Tarkett Australia Pty.Ltd.	Australia	G	100%	100%
Tarkett Brasil Revestimentos LTDA	Brazil	G	100%	100%
Tarkett Flooring Mexico S.R.L.	Mexico	G	100%	100%
Tarkett Argentina	Argentina	G	100%	100%
Tarkett Hong Kong Ltd.	Hong Kong	G	100%	100%
Tarkett Asia Pacific (Shanghai) Management Co Ltd.	China	G	100%	100%
Tarkett Industrial (Beijing) Co, Ltd	China	G	100%	100%
AO Tarkett	Russia	G	100%	100%
AO Tarkett Rus	Russia	G	100%	100%
Tarkett Sommer OOO	Russia	G	100%	100%
Tarkett d.o.o.	Serbia	G	100%	100%
Tarkett SEE d.o.o.	Serbia	G	100%	100%
Tarkett UA DP	Ukraine	G	100%	100%
Tarkett KAZ TOO	Kazakhstan	G	100%	100%
Tarkett Bel UE	Belarus	G	100%	100%
Galerija Podova d.o.o.	Serbia	G	100%	100%
Tarkett Vinisin TOV	Ukraine	G	100%	100%
Tarkett Flooring Singapore Pte. Ltd	Singapour	G	100%	100%
Tandus Flooring (Suzhou) Co. Ltd	China	G	100%	100%
Tarkett Flooring India Private Ltd	India	G	100%	100%
Fieldturf Tarkett Australia	Australia	G	100%	100%

<sup>(1)</sup> cf. note 2.4.

The percentages of equity and voting rights held for each entity of the Group are identical.



Company financial statements as of 31 December 2023

## 5.3 Company financial statements as of 31 December 2023

### Income statement

	Financial year ending 31/12/2023			31/12/2022
	France	Exports	Total	Total
Sales of goods	-	-	-	-
Production sold goods	-	-	-	-
Production sold services	7,342	55,861	63,203	53,972
<b>Net revenue</b>	-	-	<b>63,203</b>	<b>53,972</b>
Stocked production	-	-	-	-
Capitalised production	-	-	-	-
Operating grants received	-	-	-	-
Reversals of deprec. & prov., expense transfers	-	-	5,275	5,048
Other income	-	-	0	0
<b>Total operating income</b>	-	-	<b>68,478</b>	<b>59,020</b>
Purchases of goods (including customs duties)	-	-	-	-
Change in inventories (goods)	-	-	-	-
Purchases of raw materials and other supplies	-	-	-	-
Change in raw materials and other supplies	-	-	-	-
Other purchases and external expenses	-	-	42,793	34,582
Taxes, duties and similar payments	-	-	1,244	949
Salaries and wages	-	-	16,170	14,026
Social charges	-	-	12,828	7,999
Allowances for depreciation on fixed assets	-	-	4,891	6,771
Allowances for provisions for fixed assets	-	-	-	-
Allowances for provisions for current assets	-	-	-	-

Company financial statements as of 31 December 2023

			Financial year ending 31/12/2023	31/12/2022
Allowances for provisions for risks and expenses	-	-	788	288
Other liabilities	-	-	3,327	1,694
<b>Total operating expenses</b>	-	-	<b>82,042</b>	<b>66,308</b>
<b>OPERATING PROFIT</b>	-	-	<b>(13,564)</b>	<b>(7,288)</b>
Profit allocated or loss transferred	-	-	-	-
Loss incurred or profit transferred	-	-	-	-
Financial income from shareholdings	-	-	72,951	87,874
Income for other securities	-	-	1,526	1,471
Other interest and similar income	-	-	32,478	2,945
Reversals of provisions and expense transfers	-	-	377	5,688
Positive exchange rate differences	-	-	1,384	4,104
Net income from sales of marketable securities	-	-	-	-
<b>Total financial income</b>	-	-	<b>108,717</b>	<b>102,082</b>
Financial depreciation and provisions	-	-	59	7
Interest and similar expenses	-	-	70,607	43,489
Negative exchange rate differences	-	-	-	-
Net expenses on disposals of marketable securities	-	-	-	-
<b>Total financial expenses</b>	-	-	<b>70,666</b>	<b>43,497</b>
<b>FINANCIAL INCOME</b>	-	-	<b>38,051</b>	<b>58,585</b>
<b>CURRENT INCOME BEFORE TAX</b>	-	-	<b>24,488</b>	<b>51,297</b>

Company financial statements as of 31 December 2023

## Income statement (continued)

	Financial year ending 31/12/2023		31/12/2022	
	Total		Total	
Exceptional income from management operations	-		-	
Exceptional income from capital operations	-		-	
Reversals of provisions and expense transfers	32		159	
Proceeds from disposal of assets	-		-	
Other exceptional income	-		-	
<b>Total exceptional income</b>	<b>32</b>		<b>159</b>	
Exceptional expenses from management operations	(129)		1,523	
Exceptional expenses from capital operations	264		-	
Exceptional depreciation and provisions	192		406	
Other exceptional liabilities	-		-	
<b>Total exceptional expenses</b>	<b>326</b>		<b>1,928</b>	
<b>EXCEPTIONAL INCOME</b>	<b>(294)</b>		<b>(1,769)</b>	
Employee participation	-		-	
Total income tax	(283)		259	
<b>Total income</b>	<b>177,227</b>		<b>161,262</b>	
<b>Total expenses</b>	<b>153,316</b>		<b>111,474</b>	
<b>NET INCOME</b>	<b>23,911</b>		<b>49,788</b>	
	-		-	
<i>Of which equipment leasing</i>	-		-	
<i>Of which real estate leasing</i>	-		-	

Company financial statements as of 31 December 2023

## Active balance sheet

	Financial year ending 31/12/2023			31/12/2022
	Gross	Amort prov.	Net	Net
Set-up costs	-	-	-	-
Research and development	-	-	-	-
Concessions, patents, similar rights	73,290	69,243	4,047	4,400
Commercial property	3,940	-	3,940	3,940
Other intangible assets	-	-	-	-
Current intangible assets	2,633	-	2,633	5,472
Advances and deposits on fixed assets	-	-	-	-
	-	-	-	-
Land	-	-	-	-
Buildings	106	106	-	-
Technical facilities, equipment and tools	-	-	-	-
Other property, plant and equipment	11,832	9,991	1,841	2,155
Current property, plant and equipment	100	-	100	55
Advances and deposits	-	-	-	-
	-	-	-	-
Shareholdings accounted for using the equity method	-	-	-	-
Other shareholdings	1,416,043	54,660	1,361,383	1,349,415
Receivables from equity investments	-	-	-	-
Other fixed securities	-	-	-	-
Loans	477,079	-	477,079	547,494
Other financial assets	1,164	-	1,164	521
<b>TOTAL (I)</b>	<b>1,986,188</b>	<b>133,999</b>	<b>1,852,188</b>	<b>1,913,453</b>

Company financial statements as of 31 December 2023

	Financial year ending 31/12/2023			31/12/2022
	Gross	Amort prov.	Net	Net
Raw materials, supplies	-	-	-	-
Goods in production	-	-	-	-
Services in production	-	-	-	-
Intermediate and finished products	-	-	-	-
Goods	-	-	-	-
Advances and deposits paid on orders	-	-	-	17
Trade receivables	17,369	-	17,369	29,212
Other receivables	-	-	-	-
• . Trade creditors	191	-	191	113
• . Personnel	6	-	6	13
• . Social organisations	0	-	-	-
• . State, total income tax	-	-	-	180
• . State, corporation tax	2,728	-	2,728	1,550
• . Other	149,578	-	149,578	211,177
Subscribed and called up capital, unpaid	-	-	-	-
Marketable securities	0	-	0	206
Cash and cash equivalents	43,761	-	43,761	37,642
Cash instruments	-	-	-	-
Prepaid expenses current	15,415	-	15,415	17,915
<b>TOTAL (II)</b>	<b>229,049</b>	<b>-</b>	<b>229,049</b>	<b>298,026</b>
Deferred expenses	(III)	-	-	-
Bond redemption premiums	(IV)	-	-	-
Conversion differences in assets	(V)	1,295	1,295	11,699
<b>TOTAL ASSETS (I to V)</b>	<b>2,216,532</b>	<b>133,999</b>	<b>2,082,532</b>	<b>2,223,178</b>

Company financial statements as of 31 December 2023

## Liabilities balance sheet

	Financial year ending 31/12/2023	31/12/2022
Share or individual capital (of which paid: 327,751)	327,751	327,751
Share, merger, contribution premiums	135,493	135,493
Revaluation differences	-	-
Legal reserve	31,861	31,861
Statutory or contractual reserves	-	-
Regulated reserves	-	-
Other reserves	-	-
Retained earnings	792,672	742,884
	-	-
Financial year result	23,911	49,788
	-	-
Investment grants	-	-
Regulated provisions	775	613
<b>TOTAL (I)</b>	<b>1,312,464</b>	<b>1,288,390</b>
Proceeds from issues of equity securities	-	-
Conditional advances	-	-
<b>TOTAL (II)</b>	<b>-</b>	<b>-</b>
Risk provisions	-	-
Expense provisions	1,482	10,676
<b>TOTAL (III)</b>	<b>1,482</b>	<b>10,676</b>
	-	-

Company financial statements as of 31 December 2023

		Financial year ending 31/12/2023	31/12/2022
Mandatory convertible loans		-	-
Other mandatory loans		-	-
Loans and borrowings from credit institutions		-	-
• . Loans		69,584	201,603
• . Overdrafts, bank loans		1,777	1,126
Interest-bearing loans and borrowings		-	-
• . Other		-	-
• . Associated		663,261	691,451
		-	-
Advances and deposits received on orders in progress		-	-
Trade payables		13,870	14,742
Tax and social security liabilities		-	-
• . Personnel		11,526	5,044
• . Social organisations		3,149	2,247
• . State, total income tax		-	-
• . State, corporation tax		30	1,273
• . State, secured bonds		-	-
• . Other duties, taxes and similar		1,859	1,779
Asset liabilities and trade receivables		742	1,739
Other liabilities		1,389	258
Cash instruments		-	-
Deferred income		-	-
<b>TOTAL (IV)</b>		<b>767,186</b>	<b>921,263</b>
Conversion differences in liabilities	(V)	1,401	7,601
<b>TOTAL LIABILITIES (I to V)</b>		<b>2,082,532</b>	<b>2,223,178</b>

## 5.4 Notes to the company financial statements

<b>Note 1 &gt;</b>	<b>Accounting rules and methods</b>	<b>383</b>	<b>Note 2 &gt;</b>	<b>Financial statements</b>	<b>387</b>
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## Note 1 > Accounting rules and methods

### 1.1 Accounting rules and methods

The annual financial statements have been prepared in accordance with the provisions of Regulations No. 2014-3, No. 2015-06 and 2016-07 of the French Accounting Standards Authority (Autorité des Normes Comptables), relating to the new General Accounting Code, and Regulation No. 2016-7, approved by the decree of 28 December 2016, as well as subsequent opinions and recommendations of the Accounting Standards Authority.

The main methods used are detailed below.

The general accounting conventions have been applied in compliance with the principle of prudence, in accordance with the basic assumptions, which are intended to provide a true and fair view of the company:

- > business continuity;
- > consistency of accounting policies;
- > independence of accounting periods;
- > materiality;
- > non-compensation;
- > good information;

and in accordance with the general rules for the preparation and presentation of annual financial statements.

The basic method used for the valuation of the items recorded in the accounts is, as the case may be, the historical cost method, the contribution value method or the revalued value method.

### 1.2 Intangible and tangible assets

#### 1.2.1 Property, plant and equipment

Intangible assets are mainly comprised of licences, software and the capitalisation of external costs for the implementation of this software within the Group's subsidiaries, grouped under the heading "Concessions, patents".

Computer software and software licences are amortised on a straight-line basis over a period of 1 to 5 years.

#### Goodwill:

Pursuant to ANC regulation no. 2014-03, the company recognises all the technical goodwill present on the assets side of its balance sheet in the amount of €3,940K within the item "goodwill";

The company considers that the goodwill it controls has an unlimited useful life. The company considers that the goodwill it controls has an unlimited useful life. There are no legal, economic or technical restrictions on the company's business with its recurring customers.

At each balance sheet date, the company performs an impairment test to ensure that the recoverable amount of this goodwill is still higher than its carrying amount. In the opposite case, an impairment loss is recognised in the result for the period.

Impairment tests are performed by comparing the net book value with the recoverable value (discounted future cash flows or market value). The discounted cash flows are evaluated on the basis of budgets and forecasts over a period of 5 years, taking into account a terminal value.

At 31 December 2023, the value in use of the goodwill is higher than its (net) book value, including the related technical assets.

#### 1.2.2 Property, plant and equipment

Property, plant and equipment consist mainly of office and computer equipment and fixtures and fittings.

The gross value of these items corresponds to their acquisition cost: purchase price and incidental expenses necessary to bring these assets into use.

Depreciation is calculated on a straight-line basis over the normal useful life of the assets:

- > office and computer equipment: 3 years;
- > fixtures and fittings: 3 years.

When the current value is lower than the net book value, a depreciation is recorded for the difference.

For the fixed asset relating to the fitting out of the La Défense premises, depreciation is applied for 8 years, i.e. over the term of the lease.

### 1.3 Financial assets and marketable securities

The financial assets are mainly made up of shares and guarantees paid.

The gross value is the purchase cost excluding expenses.

When the value in use is lower than the net book value, a provision for depreciation is made for the difference.

This value in use is determined on the basis of a multi-criteria approach, such as the share of equity that these securities represent, the evolution of the subsidiary's profitability and other approaches, in particular the multiples method or appraisals.

### 1.4 Receivables and payables

Receivables and payables are valued at their nominal value.

When their inventory value is lower than their net book value, receivables are depreciated by means of a provision for the difference, in order to take account of the collection difficulties to which they are likely to give rise.

### 1.5 Foreign currency transactions

Transactions in foreign currencies are recorded using the foreign exchange rate as of the date of the transaction.

Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Euro using the exchange rate at that date. Exchange rate differences arising from the translation are recognised in the currency translation adjustment. Unrealised foreign exchange losses not offset and not covered by a hedging instrument are subject to a provision for risk.

### 1.6 Provisions

#### 1.6.1 Provisions for pensions and similar obligations

The company applies the option provided for in Recommendation 2013-02 of 7 November 2013 on the rules for measuring and recognising pension and similar obligations, which provide for all pension and similar obligations to be recognised in the balance sheet.

Tarkett SA's commitments consist of:

- > long-term, post-employment benefits granted to employees (retirement indemnity, medical expenses, etc.);
- > long-term, in-service benefits granted to employees.

The calculation involves taking into account economic assumptions (inflation rate, discount rate) and personnel assumptions (average salary increase, staff turnover, life expectancy, etc.).

The provisions have been calculated by an external actuary on the basis of data as of 31 December 2023, using the main assumptions described below:

- > inflation rate: 2.00%;
- > discount rate: 3.20% on pension plans and 3.70% on long-service awards;
- > salary increases: 3.00%;
- > retirement age: 67 years.

The debt relating to the company's net commitment to employees is recognised as a provision for liabilities and charges on the liabilities side of the balance sheet.

The present value of the commitments to employees is calculated at each balance sheet date and the data concerning employees is reviewed at least every three years.

The company applies the ANC recommendation 2013-02 on pension commitments, mainly to retirement benefit plans in France.

## 1.6.2 Other provisions for risks and expenses

Provisions are made at the end of the financial year to cover risks and expenses related to:

- > foreign exchange risks for unrealised losses after taking into account any neutralisation of operations subject to foreign exchange hedging;
- > an obligation of the company to a third party that is likely or certain to result in an outflow of resources to that third party, without at least equivalent consideration expected from the third party, and that can be reasonably estimated.

## 1.7 Employee long term incentive plan (LTIP) provisions

The Tarkett Group, of which Tarkett SA is the holding company, unwound its last free share allocation plan in 2023 for 370,351 shares.

A new plan was implemented in 2023, for which the grants are in cash. The Company spreads the expense of the 2021 to 2023 plans over the vesting period and records a liability such that the amount ultimately recorded corresponds to the amount to be paid to

the beneficiaries. The grant is subject to continued employment and three performance conditions (value creation and two CSR criteria). The plan is valued with a turnover rate and is updated at the end of December 2023. As of 31 December 2023, a provision has been made for an amount of 1,857 thousand Euro for the 2021 plan, 1,916 thousand Euro for the 2022 plan and 310 thousand Euro for the 2023 plan.

## 1.8 Key facts

### 1.8.1 Loans and debts

As of 31 December 2023, interest-bearing loans and borrowings primarily comprise:

- > The Tarkett Participation shareholder loan entered into in July 2021 used in the amount of €455.2 million and \$72.0 million as of 31 December 2023;
- > A €14.0 million tranche of "Schuldschein" entered into in April 2017 and maturing in April 2024;

- > Three "Schuldschein" tranches totalling €20.0 million entered into in June 2019 and maturing in June 2026 for €6.0 million, in June 2025 for €10.0 million, and in June 2024 for €4 million;
- > A €31.5 mandatory loan taken out in June 2023 and maturing in June 2031.

The revolving credit line accessed by Tarkett in July 2021 had not been drawn down at 31 December 2023.

### 1.8.2 Geopolitical conflict

The war in Ukraine makes it difficult to assess the evolution of demand on the Russian and Ukrainian markets. The Group continues to operate in this country in strict compliance with the international and local regulations but has frozen all significant new investments.

## 1.9 Post closing events

None

## Note 2 > Financial statements

### 2.1 Statement of fixed assets

	Gross value of fixed assets at the beginning of the year	Increases	
		Revaluation during the year	Acquisitions, creations, peer to peer transfers
Set-up costs, research and development	-	-	-
Property, plant and equipment	73,020	-	4,210
Current intangible assets	5,472	-	-
Land	-	-	-
Buildings on own land	-	-	-
Buildings on non-property land	-	-	-
General installations, fittings, buildings	106	-	-
Technical facilities, equipment and industrial tools	-	-	-
Other installations, fixtures and fittings	-	-	-
Transport equipment	-	-	-
Office equipment, computers, furniture	11,817	-	14
Recoverable and miscellaneous packaging	-	-	-
Current property, plant and equipment	55	-	45
Advances and deposits	-	-	-
<b>TOTAL</b>	<b>90,470</b>	<b>-</b>	<b>4,269</b>
Investments accounted for using the equity method	-	-	-
Other shareholdings	1,404,065	-	-
Other fixed securities	-	-	-
Loans and other financial assets	548,392	-	266
<b>TOTAL</b>	<b>1,952,457</b>	<b>-</b>	<b>266</b>
<b>TOTAL GENERAL</b>	<b>2,042,927</b>	<b>-</b>	<b>4,535</b>

	Decreases		Gross asset value at year-end	Reval. Leg. Val. Origin at year-end
	By peer to peer transfer	By disposal or decommissioning		
Set-up costs, research and development	-	-	-	-
Property, plant and equipment	-	-	77,230	-
Current intangible assets	2,839	-	2,633	-
<b>Property, plant and equipment</b>	<b>2,839</b>	<b>-</b>	<b>79,863</b>	<b>-</b>
Land	-	-	-	-
Buildings on own land	-	-	-	-
Buildings on non-property land	-	-	-	-
General installations, fittings, buildings	-	-	106	-
Technical facilities, equipment and industrial tools	-	-	-	-
Other installations, fixtures and fittings	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, computers, furniture	-	-	11,832	-
Recoverable and miscellaneous packaging	-	-	-	-
Current property, plant and equipment	-	-	100	-
Advances and deposits	-	-	-	-
<b>TOTAL</b>	<b>2,839</b>	<b>-</b>	<b>91,901</b>	<b>-</b>
Investments accounted for using the equity method	-	-	-	-
Other shareholdings	11,978	-	1,416,043	-
Other fixed securities	-	-	-	-
Loans and other financial assets	70,415	-	478,244	-
<b>TOTAL</b>	<b>82,393</b>	<b>-</b>	<b>1,894,287</b>	<b>-</b>
<b>TOTAL GENERAL</b>	<b>85,232</b>	<b>-</b>	<b>1,986,188</b>	<b>-</b>

## 2.2 Statement of depreciation

	Positions and movement in the year			
	Beginning of the year	Year allowances	Outgoing items	Year-end
<b>TOTAL Intangible assets</b>	<b>(64,680)</b>	<b>(4,562)</b>	<b>-</b>	<b>(69,242)</b>
Land	-	-	-	-
Buildings on own land	-	-	-	-
Buildings on non-property land	-	-	-	-
General installations, fittings, buildings	(106)	-	-	(106)
Technical facilities, equipment and industrial tools	-	-	-	-
General installations, miscellaneous fittings	-	-	-	-
Transport equipment	-	-	-	-
Office equipment, computers, furniture	(9,662)	(329)	-	(9,991)
Recoverable and miscellaneous packaging	-	-	-	-
<b>TOTAL Property, plant and equipment</b>	<b>(9,768)</b>	<b>(329)</b>	<b>-</b>	<b>(10,097)</b>
<b>TOTAL GENERAL</b>	<b>(74,448)</b>	<b>(4,891)</b>	<b>-</b>	<b>(79,339)</b>

	Duration differential	Allowances		Rebates	
		Degressive	Exception.	Degressive	Exception.
<b>TOTAL Intangible assets</b>	<b>-</b>	<b>(192)</b>	<b>-</b>	<b>30</b>	<b>-</b>
Land	-	-	-	-	-
Buildings on own land	-	-	-	-	-
Buildings on non-property land	-	-	-	-	-
General installations, fittings, buildings	-	-	-	-	-
Technical facilities, equipment and industrial tools	-	-	-	-	-
General installations, miscellaneous fittings	-	-	-	-	-
Transport equipment	-	-	-	-	-
Office equipment, computers, furniture	-	-	-	-	-
Recoverable and miscellaneous packaging	-	-	-	-	-
<b>TOTAL Property, plant and equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL GENERAL</b>	<b>-</b>	<b>(192)</b>	<b>-</b>	<b>30</b>	<b>-</b>

## 2.3 Statement of provisions

PROVISIONS	Beginning of the year	Allowance increases	Reversal decreases	Year-end
For reconstitution of deposits	-	-	-	-
For investments	-	-	-	-
For price increases	-	-	-	-
Excessive depreciation	613	192	30	775
Including exceptional increases of 30%	-	-	-	-
For establishment abroad before 1.1.92	-	-	-	-
For establishment abroad after 1.1.92	-	-	-	-
For set-up loans	-	-	-	-
Other regulated provisions	-	-	-	-
<b>TOTAL REGULATED PROVISIONS</b>	<b>613</b>	<b>192</b>	<b>30</b>	<b>775</b>
For disputes	-	-	-	-
For customer data guarantees	-	-	-	-
For losses on futures markets	-	-	-	-
For fines and penalties	-	-	-	-
For foreign exchange losses	-	-	-	-
For pensions and bonds	807	834	402	1,240
For taxes	-	-	-	-
For property, plant and equipment renewal	-	-	-	-
For major repairs	-	-	-	-
For charges on paid holiday	-	-	-	-
Other provisions	5,116	2	4,876	242
<b>TOTAL PROVISIONS FOR RISKS AND EXPENSES</b>	<b>5,923</b>	<b>836</b>	<b>5,277</b>	<b>1,482</b>
On intangible assets	-	-	-	-
On property, plant and equipment	-	-	-	-
On equity-accounted shares	-	-	-	-
On equity securities	54,650	10	-	54,660
On other financial assets	-	-	-	-
On inventories and in progress	-	-	-	-
On customer accounts	-	-	-	-
Other depreciation	377	-	377	-
<b>TOTAL Depreciation</b>	<b>55,027</b>	<b>10</b>	<b>377</b>	<b>54,660</b>
<b>TOTAL GENERAL</b>	<b>61,563</b>	<b>1,038</b>	<b>5,685</b>	<b>56,917</b>
Of which allowances and reversals:				
• o operating	-	788	5,275	-
• o financial	-	59	377	-
• o exceptional	-	192	32	-

## 2.4 Statement of due dates for receivables and payables

STATEMENT OF RECEIVABLES	Gross amount	Within one year	More than one year
Receivables from equity investments	-	-	-
Loans	477,079	-	477,079
Other financial assets	1,164	-	1,164
Doubtful or disputed customers	-	-	-
Advances and deposits paid on orders	-	-	-
Other trade receivables	17,369	17,369	-
Receivables representing loaned securities	-	-	-
Trade creditors	191	191	-
Personnel and related accounts	6	6	-
Social security, other social organisations	-	-	-
State and other public bodies	-	-	-
• o Total income tax	-	-	-
• o VAT	2,728	2,728	-
• o Other duties, taxes, payments and similar	-	-	-
• o Miscellaneous	-	-	-
Group and associates	149,578	149,578	-
Miscellaneous debtors	0	0	-
Prepaid expenses current	15,415	7,489	7,925
<b>TOTAL GENERAL</b>	<b>663,531</b>	<b>177,362</b>	<b>486,169</b>



STATEMENT OF DEBT	Gross amount	Within one year	Between 1 and 5 years	More than 5 years
Mandatory convertible loans	-	-	-	-
Other mandatory loans	-	-	-	-
Loans and borrowings from credit institutions:	-	-	-	-
• o one year maximum	22,084	22,084	-	-
• o more than one year	47,500	-	47,500	-
Miscellaneous interest-bearing loans and borrowings	1,777	1,777	-	-
Trade payables	13,870	13,870	-	-
Personnel and related accounts	11,526	11,526	-	-
Social security and other social organisations	3,149	3,149	-	-
State and other public bodies:	-	-	-	-
• o Total income tax	-	-	-	-
• o VAT	30	30	-	-
• o Secured bonds	-	-	-	-
• o Other taxes and duties	1,859	1,859	-	-
Asset liabilities and trade receivables	742	742	-	-
Group and associates	663,261	102,509	560,752	-
Other liabilities	1,389	1,389	-	-
Debt on borrowed securities	-	-	-	-
Deferred income	-	-	-	-
<b>TOTAL GENERAL</b>	<b>767,186</b>	<b>158,934</b>	<b>608,252</b>	<b>-</b>

\* the part due in more than one year on the accounts payable and related accounts corresponds to the debt to Tarkett Participation

## 2.5 Supplier & customer payment terms table

In accordance with the law on the modernisation of the economy of 4 August 2008 and the subsequent articles L441-6-1 and D441-4 of the French Commercial Code, the breakdown at the end of the year of Tarkett SA's receivables and payables to customers and suppliers is as follows:

### Trade receivables

31/12/2023	Article D.441-6: Invoices issued but not paid at the balance sheet date that are past due				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 days and over)
(A) Late payment bracket					
Number of invoices					231
<b>Amount €K (inc. tax)</b>	<b>1,276</b>	<b>21</b>	<b>403</b>	<b>15 075</b>	<b>16 774</b>
Percentage of total turnover for the year (inc. tax)	1.97%	0.03%	0,62%	23,33%	64,615
(B) Invoices excluded from (A) for disputed receivables					
Number of excluded invoices			-		
Amount in €K of excluded invoices (inc. tax)			-		
(C) Reference payment periods used (contractual or legal period - Article L441-6 or Article L443-1 of the French Commercial Code)					
Payment periods used for the calculation of late payments				30 days invoice date	

### Trade payables

31/12/2023	Article D.441-6: Invoices received but not paid at the balance sheet date that are past due				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 days and over)
(A) Late payment bracket					
Number of invoices					148
<b>Amount €K (inc. tax)</b>	<b>1,657</b>	<b>77</b>	<b>28</b>	<b>623</b>	<b>2,384</b>
Percentage of total purchases for the year (inc. tax)	4.10%	0.19%	0,07%	1.54%	40,399
(B) Invoices excluded from (A) for disputed debts					
Number of excluded invoices			-		
Amount in €K of excluded invoices (inc. tax)			-		
(C) Reference payment periods used (contractual or legal period - Article L441-6 or Article L443-1 of the French Commercial Code)					
Payment periods used for the calculation of late payments				60 days invoice date	

Notes to the company financial statements

## 2.6 Commercial property

DESIGNATION	Purchased	Revalued	Received as contribution	Amount
Merger Mali - Partholdi	-	-	3,940	3,940

## 2.7 Income and credit notes receivable

Amount of accrued income and credits included in the following balance sheet items	Amount inc. tax
<b>FINANCIAL ASSETS</b>	
• o Receivables from equity investments	-
• o Other financial assets	-
<b>RECEIVABLES</b>	
• o Trade receivables	68
• o Other receivables (of which credit notes receivable)	409
<b>MARKETABLE SECURITIES</b>	
<b>AVAILABILITY</b>	
<b>TOTAL</b>	<b>477</b>

## 2.8 Accrued expenses and credit notes

Amount of accrued expenses and credit notes included in the following balance sheet items	Amount inc. tax
Mandatory convertible loans	-
Other mandatory loans	-
Loans and borrowings from credit institutions	411
Miscellaneous interest-bearing loans and borrowings	-
Trade payables	9,431
Tax and social security liabilities	14,016
Asset liabilities and trade receivables	704
Other liabilities (of which credit notes to be issued)	586
<b>TOTAL</b>	<b>25,148</b>

Notes to the company financial statements

## 2.9 Deferred expenses and income

Prepaid Income and Expense Amounts	Expenses	Products
Operating income/expenses	4,960	-
Financial income/expenses	10,455	-
Exceptional income/expenses	-	-
<b>TOTAL</b>	<b>15,415</b>	<b>-</b>

## 2.10 Net revenue breakdown

Tarkett SA, the Group's parent company, has the essential role of ensuring general interest and coordination missions in the areas of strategy, financial control of subsidiaries, external growth, marketing, development, human relations and communication. The turnover of Tarkett SA consists mainly of re-invoicing of general expenses and IT costs

Breakdown by business segment	Amount
Sales of goods	-
Sales of finished products	-
Sales of services	63,203
<b>TOTAL</b>	<b>63,203</b>

Breakdown by geographical market	Amount
France	7,342
Overseas	55,861
<b>TOTAL</b>	<b>63,203</b>

## 2.11 Financial commitments

### 2.11.1 Discounted bills not yet due

None

## 2.11.2 Securities and endorsements

Securities, Endorsements, Guarantees	Commitments given		Commitment limits		Item	Favour
	Currency	Amount	Currency	Amount		
Federal Insurance Company	USD	75,000,000	USD	75,000,000	Completion guarantees	FieldTurf Inc.
Ester Finance Technologies	USD	76,436,753	USD	90,000,000	Joint and several guarantee deed	Tarkett USA Inc., Fieldturf USA Inc., Lexmark Carpet Mills Inc., Diamond W. Supply Co., Beynon Sports Surfaces Inc.
Pri-Pensionsgaranti	SEK	256,871,513	SEK	256,871,513	Pension commitments	Tarkett AB
Bpifrance, BRED	EUR	21,499,246	EUR	30,000,000	Credit line	Tarkett France
Commerzbank, BECM	EUR	15,250,000	EUR	16,000,000	Credit line	Tarkett GDL SA
Willowdale 1104, LLC	USD	4,897,342	USD	4,897,342	Rental deposit	Tarkett USA Inc.
Peoria Green Owner, LLC	USD	3,751,813	USD	3,751,813	Rental deposit	Tarkett USA Inc.
Petrofina	EUR	3,356,274	EUR	7,000,000	Orders for goods and services	Morton Extrusion Technik
HSBC Bank (China) Company Ltd	RMB	29,480,000	RMB	83,600,000	Credit line	Tarkett Industrial (Beijing) Co., Ltd.
HSBC Bank (China) Company Ltd	RMB	19,689,000	RMB	44,000,000	Credit line	Tarkett Asia Pacific (Shanghai) Mgt Co., Ltd.
Crédit Agricole CIB	EUR	4,033,228	EUR	5,000,000	Site guarantees	FieldTurf Tarkett SAS
Greenwich Insurance Company	USD	1,000,000	USD	1,000,000	Reinsurance	Somalré
Commerzbank	EUR	0	EUR	5,000,000	Credit line	Desso Holding
Banco Bilbao Vizcaya Argenteria	EUR	0	EUR	2,000,000	Credit line	Poligras
HSBC Bank plc	GBP	0	GBP	1,000,000	Credit line	Tarkett Ltd
Other beneficiaries	EUR	0	EUR	3,762,449	(in Euro equivalent)	(Group subsidiaries)

### 2.11.3 Foreign exchange derivatives

Counterparty	Currency	Amount	Type	Expiry date
Bank	GBP	(74,000,00)	Currency swap	mar-24
Bank	AUD	(6,850,000)	Currency swap	mar-24
Bank	USD	8,170,000	Currency swap	Jan.-24
Bank	USD	132,750,000	Currency swap	mar-24
Bank	USD	(1,333,583)	Currency swap	jun-24
Bank	PLN	(12,000,000)	Currency swap	Jan.-24
Bank	SEK	(18,500,000)	Currency swap	mar-24
Bank	CHF	(500,000)	Currency swap	mar-24
Bank	CNY	157,000,000	Currency swap	mar-24

### 2.11.4 Interest rate derivatives

Counterparty	Currency	Amount	Type	Expiry date
Bank	EUR	40,000,000	Interest rate guaranteed options	Dec.-27
Bank	EUR	318,000,000	Interest rate guaranteed options	June-26
Bank	EUR	50,000,000	Interest rate guaranteed options	Dec.-24
Bank	EUR	32,500,000	Interest rate guaranteed options	Apr.-24
Bank	EUR	8,800,000	Interest rate guaranteed options	July-26
Bank	USD	72,000,000	Interest rate guaranteed options	Dec.-27
Bank	USD	50,000,000	Interest rate guaranteed options	June-25
Bank	USD	22,000,000	Interest rate guaranteed options	jun-24

### 2.11.5 Commodity derivative financial instruments

None

## 2.12 Total income tax breakdown

### 2.12.1 Breakdown of income tax

	Income before tax	Taxes
Current profit	24,488	-
Exceptional profit (and holding)	(294)	-
Accounting result	23,911	(283)

Nature of income tax	2023 taxes	2022 taxes
3% contribution on dividends	-	-
Tax consolidation proceeds	-	-
Income tax on tax consolidation	(283)	259
Tax credits	-	-
Provision for tax audit	-	-
Other	-	-
<b>TOTAL</b>	<b>(283)</b>	<b>259</b>

## 2.13 Tax consolidation

Tarkett opted for the tax consolidation system as of 1 January 2009 for the calculation of corporate income tax and for the additional contribution on this tax.

In 2009, Tarkett set up a tax consolidation with its French subsidiaries: FieldTurf Tarkett S.A.S. and Tarkett France S.A.S. In 2012, Tarkett Bois S.A.S. was included in the tax consolidation. In 2015, Desso S.A.S. also entered the tax consolidation scope; Desso S.A.S. merged with Tarkett France S.A.S. on 1 July 2017.

The principle of neutrality is applied between the consolidated companies, leading each member company to bear income tax as if it were taxed separately.

Any tax savings resulting from the consolidation are recognised in the Tarkett accounts.

## 2.14 Deferred and contingent tax position

(in millions of Euro)

	31/12/2023		31/12/2022	
	Base	Corresponding tax	Base	Corresponding tax
<b>Time lag between the tax system and the accounting treatment</b>	20,599	5,321	19,491	5,035
Own deficit	36,142	9,336	38,880	10,042
<b>Deficit due to tax consolidation</b>	<b>(60,458)</b>	<b>(15,616)</b>	<b>(59,594)</b>	<b>(15,393)</b>
Total loss carried forward for tax purposes	(24,316)	(6,280)	(20,714)	(5,351)

## 2.15 Managers' compensation

	Amount
<b>COMPENSATION PAID TO MEMBERS:</b>	
• o management bodies	2,732
• o supervisory bodies	361

## 2.16 Average headcount

	Salaried staff	Staff made available to the company
Managers	100	-
Supervisors and technical staff	4	-
Employees	6	-
Labourer	0	-
<b>TOTAL</b>	<b>110</b>	-

## 2.17 Related parties

Transactions carried out by the company with its related parties are concluded under normal market conditions.

Tarkett Participation, whose registered office is at 1 Terrasse Bellini - Tour Initiale - 92919 Paris-La Défense, France, holds 90.40% of Tarkett's capital and, as such, controls and coordinates the Group's activities.

The nature of the relationship between the two companies is financial. Tarkett Participation granted a loan of 455.2 million Euro and a loan of 72 million USD to Tarkett SA.

In 2023, SID invoiced a total of 300 thousand Euro in fees under the assistance and guidance agreement.

As of 31 December 2023, Tarkett had invoiced a total of €55,000 to SID for services.

## 2.18 Identity of the parent companies consolidating the Company's financial statements

Tarkett is more than 90.40% owned by Tarkett Participation and is therefore fully consolidated.



## 2.19 Equity attributable to equity holders of the parent

Total equity breakdown	Amount at beginning of year	Financial year result	Capital transactions	Change in accounting method	Appropriation of results	Dividends paid	Amount at end of year
Share or individual capital	327,751	-	-	-	-	-	327,751
Share, merger, contribution premiums	135,493	-	-	-	-	-	135,493
Revaluation difference	-	-	-	-	-	-	-
Legal reserve	31,861	-	-	-	-	-	31,861
Statutory or contractual reserves	-	-	-	-	-	-	-
Regulated reserves	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-	-
Retained earnings	742,884	-	-	-	49,788	-	792,672
<b>Financial year result</b>	<b>49,788</b>	<b>23,911</b>	-	-	<b>(49,788)</b>	-	<b>23,911</b>
<b>Total net position</b>	<b>1,287,777</b>	<b>23,911</b>	-	-	-	-	<b>1,311,687</b>
Investment grants	-	-	-	-	-	-	-
Regulated provisions	613	162	-	-	-	-	775
<b>Equity attributable to equity holders of the parent</b>	<b>1,288,389</b>	<b>24,073</b>	-	-	-	-	<b>1,312,463</b>

## 2.20 Composition of share capital

As of 31 December 2023, the share capital consists of 65,550,281 shares with a unit value of 5.00 Euro for a total amount of 327,751,405 Euro.

	Number	Nominal value
Shares/units making up the share capital at the beginning of the financial year	65,550,281	5.00
Shares issued during the year	-	-
Shares/stock redeemed during the year	-	-
Shares/units making up the share capital at the end of financial year	65,550,281	5.00

## 2.21 Table of subsidiaries and holdings

Subsidiaries and holdings	Share capital	Reserves and retained earnings	Last financial year result	Percentage of capital held	Gross value of shares held	Net value of shares held	Loans and advances granted by the Company	Guarantees and endorsements given by the Company	Turnover Excluding tax for the last financial year	Dividends collected by the Company in the year
<b>A- Detailed information on subsidiaries and holdings</b>										
<b>- Subsidiaries (more than 50% of capital held)</b>										
Tarkett GDL	385,009	234,558	46,424	100	538,050	538,050	83,147	0	263,715	0
FieldTurf Tarkett	24,639	15,396	(6,252)	100	86,805	32,155	0	0	122,198	0
Tarkett Inc.	53,756	(50,111)	16,356	100	1	1	0	0	161,779	0
Tarkett Finance Inc.	520,238	(135,493)	(6,756)	100	404,502	404,502	430,580	0	0	0
Tarkett DOO	64,264	30,230	14,826	100	252,605	252,605	0	0	95,038	1,900
Tarkett Services	50	(9)	(1)	100	50	40	0	0	0	0
<b>- Holdings (10 to 50% of capital held)</b>										
AO Tarkett	13,945	93,983	29,053	50	134,030	134,030	35,000	0	238,811	0
<b>B - Overall information on other subsidiaries and holdings</b>										
None										

Results during the last five financial years

## 5.5 Results during the last five financial years

### Results of the Company over the last five years (and other characteristic elements)

nature of the information (in Euro)	financial year	financial year	financial year	financial year	financial year
	31.12.2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019
<b>Capital at year-end:</b>					
Share capital	327,751	327,751	327,751	327,751	318,613
Number of existing ordinary shares	65,550	65,550	65,550	65,550	63,723
Number of existing non-voting preference shares	-	-	-	-	-
Maximum number of future shares to be created	-	-	-	-	-
• - by conversion of bonds	-	-	-	-	-
• - by exercise of subscription rights	-	-	-	-	-
<b>Operations and results for the year:</b>					
Turnover excluding tax	63,203	57,235	49,395	52,465	53,590
Profit before tax, employee profit-sharing, depreciation and provisions	24,439	(7,684)	51,223	50,884	10,302
Total income tax	(283)	1,424	(384)	1,033	(326)
Depreciation, amortisation and provisions	(245)	(46,499)	(11,331)	(5,464)	7,430
Profit after tax, employee profit-sharing, depreciation and provisions	23,911	(52,758)	39,508	46,450	17,406
<b>Distributed profit</b>	-	-	-	<b>38,098</b>	<b>37,915</b>
Earnings per share:					
Profit after tax, employee profit-sharing, but before depreciation and provisions	0.37	0.71	(0.10)	0.78	0.79
profit after tax, employee profit-sharing, depreciation and provisions	0.36	0.76	(0.80)	0.60	0.71
Dividend allocated to each share net of tax credit <sup>(1)</sup>	-	-	-	-	0.60
<b>Headcount:</b>					
Average number of employees during the year	110	115	134	136	101
Total payroll for the year	11,447	12,696	15,111	13,228	13,090
Amount paid for social benefits during the year (social security, social works)	12,828	7,999	7,514	7,643	4,560

## 5.6 Subsidiaries and holdings

### 5.6.1 Main subsidiaries

The Group includes Tarkett and its subsidiaries (See Section 1.7 "Simplified group organisation chart").

Tarkett is the parent company of the Group and the head of the French tax group set up on 1 January 2009.

The main direct or indirect subsidiaries of the Company as of 31 December 2023 are described below. None of these subsidiaries is listed.

Tarkett GDL S.A. is a public limited company (société anonyme) under Luxembourg law with a capital of 274,123,080 Euro and its registered office at 2 Op der Sang L- 9779 Lentzweiler, Luxembourg. It is registered in the Luxembourg Trade and Companies Register under number B 92165. Tarkett holds all the capital and voting rights of Tarkett GDL S.A. The main activity of Tarkett GDL S.A. is the manufacture of resilient floor coverings mainly for the residential market. Tarkett GDL S.A. is the group head of the subsidiaries in the EMEA geographical segment. This company also hosts the Group's research and development activities.

Tarkett USA Inc. is a US corporation with a share capital of USD 10 and its registered office at 30000 Aurora Road, Solon Ohio 44139, USA. The company has taken over the business of Tandus Centiva Inc., the design, manufacture and sale of carpet and the sale of LVT manufactured by another subsidiary of the Group primarily in the United States.

AO Tarkett is a company incorporated under the laws of Russia with a capital of 376,000,000 Russian roubles and its registered office at 1 Promishlenaya zona City of Otradny Samara Oblast 446300, Russia. It is registered under number 1026303207226. The Company directly and indirectly holds all the capital and voting rights of AO Tarkett. AO Tarkett's main activity is the manufacture of vinyl flooring mainly for the CIS region and for residential customers.

AO Tarkett Rus is a company incorporated under Russian law with a capital of 10,000 Russian roubles and its registered office is located at Prospekt Andropova d. 18 korp. 7, 115432 Moscow, Russia. It is registered under number 1027739892730. Tarkett indirectly holds all the capital and voting rights of AO Tarkett Rus. The main activity of AO Tarkett Rus is the distribution of floor coverings, mainly vinyl, parquet and laminate flooring throughout Russia.

Tarkett AB is a limited liability company incorporated under Swedish law with a share capital of SEK 43,000,000 and registered office at 10 Blekingelän 372 81 Ronneby, Sweden. It is registered under number 556003-9967. The Company indirectly holds all the capital and voting rights in Tarkett AB. The main activity of Tarkett AB is the production of commercial resilient flooring and parquet. The company also distributes in Sweden the floor coverings produced by the other plants in the EMEA segment.

Tarkett France is a simplified joint stock company with a single shareholder under French law with a capital of 10,156,006 Euro, whose registered office is located at 1 Terrasse Bellini - Tour Initiale - 92919 Paris-La Défense, in France. It is registered in the Nanterre Trade and Companies Register under number 410 081 640. The Company indirectly holds all the capital and voting rights of Tarkett France. The main activity of Tarkett France is the production and marketing of vinyl floor coverings for commercial use and the marketing of floor coverings produced by the other plants of the EMEA segment in France.

FieldTurf Tarkett is a simplified joint stock company with a single shareholder under French law with a capital of 24,639,050 Euro, whose registered office is located at 1 Terrasse Bellini - Tour Initiale - 92919 Paris-La Défense, in France. It is registered in the Nanterre Trade and Companies Register under number 452 835 242. The Company directly holds all the capital and voting rights of FieldTurf Tarkett. FieldTurf Tarkett's principal activity is the manufacture, marketing and installation of sports flooring.

See Note 13 of Section 5.2 "Notes to the consolidated financial statements" for a list of the main consolidated entities. Details of the Group's 2023 consolidated net sales by geographic area are presented in Section 4.1.2 "Comparison of annual results for the years ended 31 December 2023 and 31 December 2022".

Dividend distribution policy

## 5.6.2 Recent acquisitions and disposals

### Acquisition

The acquisitions made by the Group in 2021 are described in Section 4.1.1.5 "Acquisitions".

### Operations to simplify the organisation chart

The operations to simplify the organisation chart carried out by the Group are described in Section 5.2 "Notes to the consolidated financial statements" - Note 2.4.1 "Transactions completed in 2023".

## 5.7 Dividend distribution policy

The table below shows the amount of dividends and the net dividend per share distributed by the Company over the last three years:

	Year of distribution			
	2023	2022	2021	2020
Total dividend (in millions of Euro)	-	-	-	-
Dividend per share (in Euro)	-	-	-	-

In accordance with the law and the Company's By-laws, the Shareholders' Meeting may decide, on the proposal of the Management Board and in the light of the Supervisory Board's report, to distribute a dividend.

The Company's dividend distribution policy takes into account, in particular, the Company's results, its financial situation, the implementation of its objectives and the dividend distribution policies of its main subsidiaries. The Company's objective is to distribute

dividends representing approximately 40% of the Group's share of consolidated net income each year, subject to any major external growth operations. However, this objective does not constitute a commitment on the part of the Group. Future dividends will depend in particular on general business conditions and any factor deemed relevant by the Company's Management Board.

## 5.8 Statutory Auditors' fees

Section 5.2 "Notes to the consolidated financial statements" - Note 12.

## 5.9 Statutory Auditors' Report on the Consolidated Financial Statements

*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

### For the year ended 31 December 2023

To the general meeting of shareholders of Tarkett,

#### Opinion

In compliance with the engagement entrusted to us, we have audited the accompanying consolidated financial statements of Tarkett for the year ended 31 December 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit, Risks and Compliance Committee.

#### Basis of opinion

##### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

##### Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 1<sup>st</sup> January 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

#### Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

**Long term assets valuation****> Key audit matter**

Goodwill, intangible assets and property, plant and equipment have net book values at 31 December 2023 of 664.3M€, 50.7M€ and 557.8M€, respectively, and represent a significant amount of the consolidated balance sheet. These assets are accounted in accordance with the principles described in notes "2.2 - Business Combinations", "5.1 - Goodwill" and "5.2 - Tangible and intangible assets" to the consolidated financial statements.

These assets may present a risk of impairment caused by internal or external factors, such as the deterioration of the Group's performance, changes in the competitive environment, unfavorable market conditions and changes in legislation or regulations, including those inherent to climate change considerations. These changes can have an impact on the Group's cash flow forecasts and consequently on the determination of the recoverable amounts of these assets.

Management performs impairment tests if there is an impairment trigger event and at least once a year for goodwill and other non-amortizable intangible assets or for other non-financial assets as described in note "5.3.1 - Non-Financial Assets" to the consolidated financial statements. Assets are tested at the level of the cash-generating units ("CGUs") defined by the Group. An impairment loss is recognized if the net booked value of an asset or cash-generating unit is higher than its recoverable value. The recoverable value is the higher amount between the fair value less the transfer costs and the value in use. Value in use is determined according to the discounted future cash flow projections method (excluding interest on borrowings and taxes) for each cash generating unit.

The assessment of the recoverable value of these assets is a key audit matter, given the significant potential of impairment and the high degree of estimation and judgment required by management for this assessment. The judgments include, in particular, assumptions regarding the future evolution of selling prices, volumes and costs of raw materials, renewal investments and changes in working capital requirements related to the operation of these assets, and the determination of infinite growth rates and discount rates applied to the appropriate future cash flows.

**> Audit approach**

We reviewed the impairment testing process implemented by Group management, in order to identify trigger events and conduct to impairment testing, on the base of cash-flow forecasts from the budget and business plan established by the Board of Management and presented to the Supervisory Board, and assessed the permanence of the method used.

We also assessed appropriateness and relevance of Group management's approach to determine the cash-generating units and units mergers for long-term assets' testing.

We adapted our audit approach when impairment triggers events occur on such cash-generating units. Concerning value in use, we verified the consistency of cash flow projections with comparison to the latest management assumptions presented as part of the budget process.

With the help of our valuation experts, we reviewed Group management's key assumptions related to the discount rates, comparing them with external market data and other comparable sectors' companies.

For a selection of CGUs, we assessed the reasonableness of future cash flow projections, including the infinity normative terminal cash flow amount, with respect to the economic and financial context in which these units operate, and past achievements, our knowledge of business activity supported by interviews with Group or division managers and, according to their availability, external data of other comparable sectors' companies. We analyzed the sensitivity of the impairment test to assess the materiality of the potential impacts on the recoverable value of the assets bearing the highest risk.

Finally, we verified that the notes "2.2 - Business combinations", "5.1 - Goodwill", "5.2 - Intangible and tangible fixed assets" and "5.3.1 - Non-financial assets" to the consolidated financial statements provide an appropriate information.

**Litigations and provisions****> Key audit matter**

The Group is exposed to a variety of legal and tax risks, as well as cases of litigation, including asbestos claims in the United States.

As indicated in note "6.1 – Provisions" to the consolidated financial statements, these risks and litigations are covered by provisions established in accordance with the applicable accounting standard (IAS 37 "Provisions, Contingent Liabilities and Contingent Assets") and amount to 65,2M€ at 31 December 2023 including essentially asbestos litigations.

Significant contingent liabilities for these risks and litigations, the amount and timing of which can not be reliably estimated, are described in note "6.2 - Contingent liabilities" to the consolidated financial statements.

The identification of risks and litigations, the valuation of provisions for such risks and litigations constitute a key audit matter given the amounts involved and the high degree estimate and judgment required from management.

**> Audit approach**

In order to obtain an understanding of litigations, contingent liabilities and related valuations, we reviewed the process of identification, qualification and valuation implemented by Group management for such provisions through various interviews with Group's legal and finance departments, divisions and main subsidiaries.

**Specific Verifications**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We conducted a critical review of the internal analysis notes for the likelihood and potential impact of each risk, examining the available procedural elements (letters, claims, judgments, notifications, etc.).

We obtained direct confirmations from the main lawyers involved to confirm our understanding of risks and litigations and assessed the relevance of the amount of provisions accrued.

Based on historical data used by the Group to estimate its provisions for asbestos claims:

- We assessed the permanence of methods used, the relevance and reliability of underlying data and calculations applied;
- We compared amounts paid to previously recognized provisions to assess the quality of the management estimates.

We exercised our professional judgment to assess, in particular, whether the positions held by Management are in the acceptable range of risk assessment and the validity of the evolution over time of such positions.

Finally, we verified that the notes "6.1 - Provisions" and "6.2 – Contingent liabilities" to the consolidated financial statements provide an appropriate information.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (Code de commerce), is included in the Group's management report [or in the Group's information given in the management report], it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.



## Report on Other Legal and Regulatory Requirements

### Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Board of Directors, complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of 17 Decembre 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

### Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

#### Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

#### Appointment of the Statutory Auditors

We were renewed as statutory auditors of Tarkett by the combined annual general meeting held on 30 April 2020 for KPMG and Mazars.

As at 31 December 2023, KPMG and Mazars were in the 10<sup>th</sup> year of uninterrupted engagement since securities of the Company were admitted to trading on a regulated market.

The Audit, Risks and Compliance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

## Statutory Auditors' Report on the Consolidated Financial Statements

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- > Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- > Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- > Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- > Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

### Report to the Audit, Risks and Compliance Committee

We submit to the Audit, Risks and Compliance Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, Risks and Compliance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit, Risks and Compliance Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit, Risks and Compliance Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, 21 February 2024

The statutory auditors

French original signed by

KPMG SA

Philippe Grandclerc  
Partner

Romain Mercier  
Partner

Mazars

Anne-Laure Rousselou  
Partner

Statutory Auditors' report on the Company's financial statements

## 5.10 Statutory Auditors' report on the Company's financial statements

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

### For the year ended 31 December 2023

To the general meeting of shareholders of Tarkett

### Opinion

In compliance with the engagement entrusted to us, we have audited the accompanying financial statements of Tarkett for the year ended 31 December 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit, Risks and Compliance Committee.

### Basis for Opinion

#### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

#### Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (Code de Commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 1 January 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

### Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

#### Equity securities valuation

##### Key audit matter

Equity securities as at 31 December 2023 amount to 1,361,4M€ and represent one of the most significant items of the balance sheet. They are recognized at the purchase price excluding costs and depreciated when the value in use is less than the net book value.

As indicated in note "1.3 - Financial fixed assets and marketable securities" to the financial statements, the value in use is assessed by taking into account items such as share in equity these securities represent, changes in the profitability of the subsidiary and other approaches, in particular the multiples or experts methods.

We considered the equity securities valuation to be a key audit matter, given the amounts involved and assumptions on which the estimates are based.

Statutory Auditors' report on the Company's financial statements

### Audit approach

Our work consisted mainly in verifying Management's data and assumptions to determine the equity or value in use of the equity securities:

- > For valuations based on historical items, verify that the equity value is consistent with the statutory accounts of the entities,
- > For valuations based on multiples method :
  - Corroborate the consistency of the aggregates used with the entities' accounts,
  - Assess Management's assumptions, in particular concerning the multiple used and its consistency with recent transactions in the company's business sector.
- > Test the arithmetical accuracy of the value in use calculations,
- > Assess the permanence of the methods used.

### Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

### Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the Shareholders of Tarkett.

## Report on Other Legal and Regulatory Requirements

### Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (Code Monétaire et Financier), prepared under the responsibility of the Board of Directors, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (Code de Commerce).

We attest that the non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de Commerce) is included in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein.

### Report on corporate governance

We attest that the Supervisory Board's report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code (Code de Commerce).

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (Code de Commerce) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favour, we have verified the consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

### Appointment of the Statutory Auditors

We were appointed as statutory auditors of Tarkett by the combined annual general meeting held on 30 April 2020 for KPMG and Mazars.

As at 31 December 2023, KPMG and Mazars were in the 10<sup>th</sup> year of uninterrupted engagement since securities of the Company were admitted to trading on a regulated market.

Statutory Auditors' report on the Company's financial statements

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

## Statutory Auditors' Responsibilities for the Audit of the Financial Statements

### Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de Commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- > Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control ;

The Audit, Risks and Compliance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

- > Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control ;
- > Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements ;
- > Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein ;
- > Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Statutory Auditors' report on the Company's financial statements

## Report to the Audit, Risks and Compliance Committee

The Audit, Risks and Compliance Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the The Audit, Risks and Compliance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the The Audit, Risks and Compliance Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de Commerce) and in the French Code of Ethics (Code de Déontologie) for statutory auditors. Where appropriate, we discuss with the The Audit, Risks and Compliance Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

**Paris La Défense, 21 February 2024**  
Statutory Auditors

**KPMG SA**

Philippe Grandclerc  
Partner

Romain Mercier  
Partner

**Mazars**

Anne-Laure Rousselou  
Partner

# 6

## RISK FACTORS AND INTERNAL CONTROL

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Risk factors

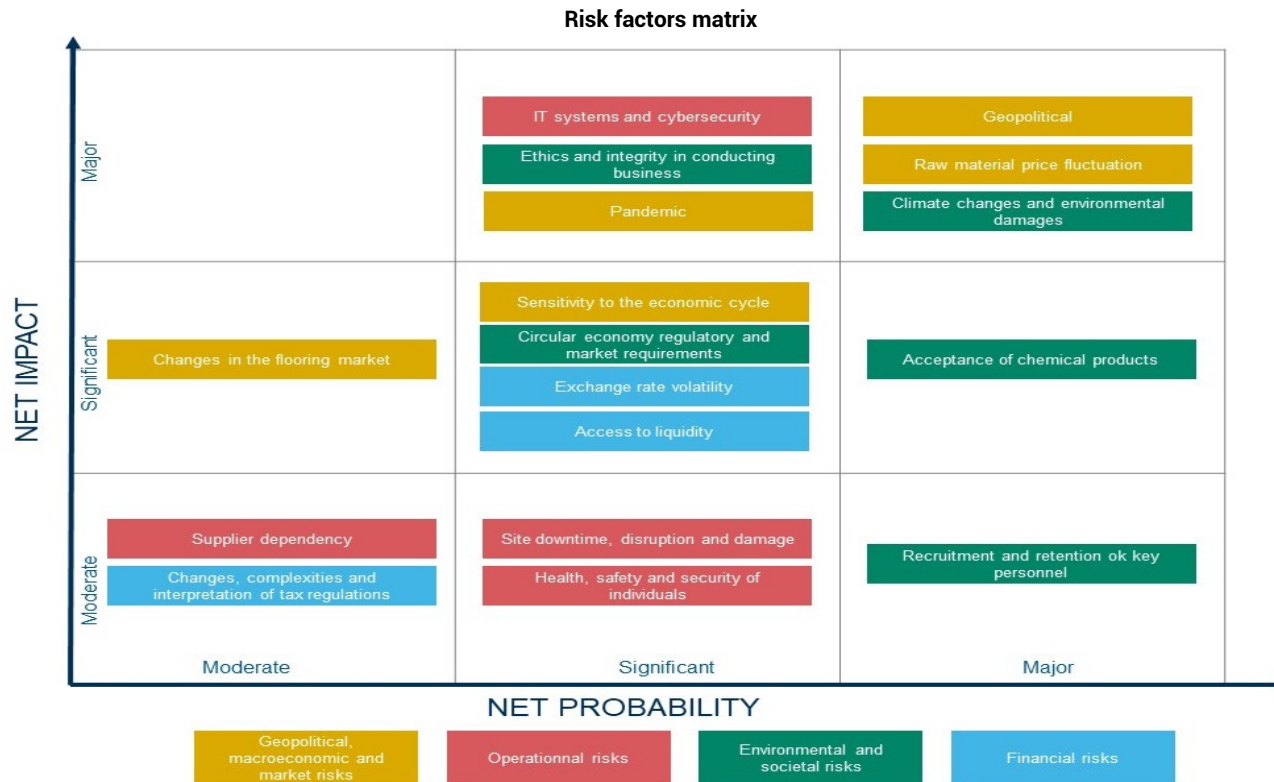
## 6.1 Risk factors

In accordance with the provisions set out in Article 16 of the Prospectus Regulation (EU) 2017 /1129 and the European Securities and Markets Authority (ESMA) report of March 2019 titled "Guidelines on Risk Factors under the Prospectus Regulation", in this Section the Company has identified and described the most important risk factors in a limited number of categories reflecting their nature, for each risk factor considering the likelihood of occurrence, and the expected magnitude of the net negative impact of the action of the risk management policies.

These are the main risks the Company has identified and considers to be the most significant, since if they were to happen despite risk management and mitigation, they could have a significant adverse effect on the Group, its business and financial situation, its profits and prospects, its reputation and ultimately affect share value.

However, other risks may exist or arise which could have a similar adverse impact but which are not known to the Company at the date of this Universal Registration Document, or which are currently considered unlikely to have a significant adverse impact on the Group, should they occur.

In order to understand the overall impact of the 17 main risk factors the Group identified, Tarkett produces a risk matrix that summarises the level of criticality of each risk by graphically representing its probability of occurrence and its level of impact. The impact level takes into account risk management and mitigation measures.





## Risk factors

## Tarkett risk factors

Risk categories	Risk factors	More details in Section:
<b>Macroeconomic and market risks</b>	Development of the flooring market	1.5, 3.5 & 6.1.1
	Sensitivity to the economic cycle	1.1, 1.3, 1.4, 1.5, 1.6 & 6.1.1
	Raw material price volatility	6.1.1
	Geopolitics	6.1.1
	Pandemic	6.1.1
<b>Operational risks</b>	Information systems and cyber security	6.1.2
	Unavailability, disruption and damage to sites	6.1.2
	Health, safety and security of people	3.10 & 6.1.2
	Reliance on suppliers	1.6, 3.6, 3.9.1.1 & 6.1.2
<b>Environmental and societal risks</b>	Business ethics and integrity	3.11 & 6.1.3
	Climate change and environmental damage	3.6, 3.7 & 6.1.3
	Circular economy regulation and market requirements	3.6 & 6.1.3
	Acceptance of chemical substances	3.8 & 6.1.3
	Retention and recruitment of key personnel	3.10 & 6.1.3
<b>Financial risks</b>	Exchange rate volatility	Note 7.6 of Section 5.2 & 6.1.4
	Access to liquidity	Note 7.6 of Section 5.2 & 6.1.4
	Changes, complexity and interpretation of tax regulations	6.1.4

In the following pages, each risk factor is described, illustrating the specific risks to Tarkett with the potential net negative impact of the main measures to mitigate the risk. Reference is also made to specific chapters or sections of this Document where risks and mitigation measures are discussed in more detail

## 6.1.1 Macroeconomic and market risks

### Development of the flooring market

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>The flooring industry has always been characterised as a high pressure sector, requiring its players to be particularly competitive. The Group operates in this environment among a dozen major international competitors, numerous local manufacturers and independent distributors. The emergence of a stronger competitor in certain regions or the increase in a competitor's production capacity in a particular product sector poses significant risks.</p> <p>A significant delay in innovation, concerning both its products and its industrial process, would also represent a significant risk for Tarkett. The same applies to a competitor or new entrant who introduced a highly innovative technology to the market.</p> <p>The significant and rapid changes in distribution channels also present a significant risk to Tarkett, as the route to market access with an increasing share of DIY compared to wholesalers and retailers. In addition, the development of digital distribution channels may represent a significant risk.</p>	<ul style="list-style-type: none"> <li>&gt; The appearance of new suppliers, new products or new technologies developed by competitors could affect the Group's market position and have a negative effect on financial results and prospects.</li> <li>&gt; Increased production capacity due to the growth and development of competitors could lead to lower prices, lower margins and lower profits.</li> <li>&gt; A rapid shift in the industry to other markets where Tarkett does not have a sufficient presence could result in missed sales and a loss of market share.</li> </ul>
EXAMPLES OF RISK MANAGEMENT AND MITIGATION	
<ul style="list-style-type: none"> <li>&gt; Constant and regular dialogue with market actors (architects, property developers, public sector consultants, retailers, DIY stores - see also Section 3.5 "Dialogue with stakeholders").</li> <li>&gt; Research and development programme to maintain competitive advantage.</li> <li>&gt; A marketing organisation focused on anticipating new customer requirements, innovation and market trends, major technological developments or changes in commercial channels.</li> <li>&gt; Increased investment in new products, development of the distribution network, including B-to-B digital sales platforms, and in the Group's marketing and sales activities.</li> <li>&gt; If necessary, external growth operations to strengthen market share or develop in new sectors.</li> </ul>	

## Risk factors

## Sensitivity to economic cycles

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>The flooring industry is heavily dependent on the commercial and residential renovation market (about 80% of the business) and, to a lesser extent, the new construction market (about 20% of the business). Generally, these markets may be affected by the movement of macro-economic indicators, as it is currently the case in some geographical areas. The renovation sector has a tendency to be influenced by changes in consumer confidence and disposable income, retail and office occupancy rates, interest rates and credit availability.</p> <p>In addition, a significant part of the Group's business consists of sales to the public sector, particularly to educational and health institutions and sports facilities. The level of public spending, which in recent years has been subject to budgetary pressures, significantly affects the Group's activities in these sectors.</p>	<ul style="list-style-type: none"> <li>&gt; Global and regional economic cycles can have a negative impact on the demand for flooring and sports surfaces and therefore on the Group's business, financial results and prospects.</li> <li>&gt; In the context of severe budgetary constraints, some expenditure may not be considered a priority. For example, the construction and renovation of sports facilities has been affected by the reduction of government budgets in Europe in recent years. In addition, public institutions may decide to postpone certain renovation projects to focus on other budgetary priorities. A reduction in government spending could have a negative effect on the demand for the Group's products and therefore have a significant negative effect on its business, financial situation, financial results and prospects.</li> </ul>
EXAMPLES OF RISK MANAGEMENT AND MITIGATION	
<ul style="list-style-type: none"> <li>&gt; The Group closely monitors the performance of its operational divisions and units, including quarterly business reviews where activity, action plans, results to date and forecasts are reviewed. This allows the quick reinforcement of action plans in geographical areas that may be challenged by the macro-economic environment.</li> <li>&gt; The Group's policy to reduce these risks is to diversify (for more information see Sections 1.1, 1.3, 1.4, 1.5 and 1.6) achieving a balance between the different markets it operates in. As a result, the Group is active in: <ul style="list-style-type: none"> <li>• several geographical areas;</li> <li>• several product categories;</li> <li>• several markets: the commercial and residential markets; and mainly the renovation sector, which is less affected by economic cycles than the new construction sector.</li> </ul> </li> </ul>	

## Risk factors

## Raw material price volatility

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>Raw materials account for around 50% of the cost of sales, and around half of these costs are indirectly linked to oil prices and are affected by the volatility of these prices, in particular polyvinyl chloride (PVC) and plasticisers.</p> <p>The Group is exposed to price fluctuations for these raw materials essential to its business, such as various polymers and wood.</p> <p>In 2023, the cost of raw materials began to stabilise.</p>	<p>&gt; Future increases in raw material prices could have a significant negative effect on the Group's results if it is unable to fully pass on these additional costs quickly and completely through increases in sales prices, particularly due to the extent of the increase in material costs, competitive pressure or market conditions.</p>
EXAMPLES OF RISK MANAGEMENT AND MITIGATION	
<p>In order to manage these risks, the Group implements various actions, including:</p> <ul style="list-style-type: none"> <li>&gt; Regarding the purchasing policy: <ul style="list-style-type: none"> <li>- the development of privileged and long term relationships with its supplier base;</li> <li>- the search for production processes that allows it to be more flexible and reduce dependence on certain types of raw material suppliers;</li> <li>- the increasing use of secondary raw materials - recycled - (for more details, see Section 3.6 "Meeting customer and company expectations through eco-design, transparency and circular solutions");</li> <li>- the search for new suppliers or alternative raw material solutions that are less sensitive to the price of oil.</li> </ul> </li> <li>&gt; In the area of sales price management: <ul style="list-style-type: none"> <li>- proactive management of sales prices;</li> <li>- passing on the raw material cost increases through product prices within a reasonable timeframe.</li> </ul> </li> </ul>	

## Risk factors

## Geopolitics

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>Tarkett is exposed to geopolitical risks due to its international production and sales activities. Tarkett has manufacturing operations in emerging markets such as China, Brazil and Russia as well as throughout Europe and North America. The Group's commercial and financial results may be directly or indirectly affected by any negative change in the economic, political or regulatory environment of the countries in which it produces or sells its products. Therefore, the direct and indirect consequences of social unrest, civil conflict, terrorist activity, political instability or instability of the economic and regulatory framework in the countries where the Group operates could have a significant negative effect on the level of investment in renovation and new construction in these countries and, consequently, on the Group's business, financial situation, financial results and prospects.</p> <p>With regard to the Group's activity and presence in Russia and Ukraine, it should be noted mainly that:</p> <p>The Group is present in Russia with a commercial network and two plants, still operational at the date of publication of this Document. The Group employs approximately 1,500 people in Russia. Sales in this country represent approximately 9% of the Group's total sales, and the net value of the assets represents approximately 8% of the Group's total assets. Russian production is only distributed domestically or in neighbouring countries.</p> <p>In Ukraine, the Group is present with a commercial network based in Kiev and a plant located in the west of the country, in the city of Kalush. The number of people employed by the Group in Ukraine is approximately 300. In this territory, the Group's business totalled 26 million Euro in 2023 and the net assets represent less than 1% of the Group's total assets.</p> <p>It is specified that the Group complies with the various international sanctions programmes applicable to it.</p>	<ul style="list-style-type: none"> <li>&gt; These geopolitical risks could result, for example, in human casualties, loss of assets, delays in the delivery of the Group's products or in the supply of certain raw materials, a significant decline in sales, or an increase in security costs, insurance premiums or other costs necessary to ensure continuity of operations.</li> <li>&gt; War in Ukraine since February 2022 has had significant consequences for the Group, including implementation of the various international sanctions programs applicable, difficulties in supplying certain raw materials to the two plants located in Russia, difficulties for dividends payments and, where applicable, intragroup flow payments.</li> <li>&gt; Given the evolving nature of the situation, it is not possible to predict and assess the full impact of this war.</li> </ul>

## EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- > Firstly, Tarkett's sales and EBITDA are better balanced across regions and markets than before, reducing Tarkett's exposure to geopolitical instability. This is mainly due to Tarkett's acquisitions in North America and Europe.
- > Secondly, the Group tries to anticipate and prepare for the emergence of geopolitical risks, particular through:
  - a monthly review of actual and forecast sales, raw material prices and industrial costs in each region to monitor risks and adapt or implement a contingency plan if necessary;
  - an analysis of crisis scenarios and the preparation of appropriate plans;
  - accelerated local sourcing of key raw materials to avoid possible import restrictions or bans.
- > Finally, with regard to the risks related to international sanctions, the Group has implemented a compliance programme to ensure that sanction regulations are identified and duly respected by all Group entities.

## Risk factors

## Pandemic

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>The COVID-19 spread during 2020 reminded public and private organisations that the risk of a global pandemic still existed in the 21st century and that the risk was difficult to anticipate.</p> <p>The impacts of a pandemic can be numerous and can be understood mainly as follows:</p> <ul style="list-style-type: none"> <li>&gt; Risk to human capital: the health situation highlighted the risk of contamination of the Group's employees, particularly in the absence of dedicated sanitary facilities on Tarkett;</li> <li>&gt; Risk of a fall in revenue: lockdown or similar measures in many countries may result in a decline in Tarkett's revenues in affected territories;</li> <li>&gt; Risk of deteriorating profitability: the slowdown of business can lead to a significant drop in profitability, especially if the cost structure is not adapted quickly enough;</li> <li>&gt; Liquidity risk: the above two risks, together with the risk of non-payment by customers in financial difficulty, may lead to a decrease in Tarkett's level of indebtedness and the attainment of contractual limits on access to liquidity ("financial covenants");</li> <li>&gt; Risk of supply shortages: the shutdown of certain economies may represent a significant risk of supply disruption for certain raw materials or product lines distributed by Tarkett.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; At Tarkett sites, inadequate or non-compliant sanitation facilities could lead to local contamination, resulting in the absence and/or death of employees, and potentially the temporary closure of a site. Damage to our reputation related to unsatisfactory management of working conditions is also to be taken into account.</li> <li>&gt; Long-term lockdowns can impact local economies and lead to reduced revenue for Tarkett.</li> <li>&gt; Insufficient cost reduction plans deployed to mitigate the decline in activity could lead to a significant decrease in the Group's profitability.</li> <li>&gt; A sustained and long-lasting decline in the level of sales leads to a decrease in cash flow and may worsen the Group's situation, especially if the measures to reduce costs and decrease the level of investments are insufficient.</li> </ul>

## EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- > During the COVID-19 crisis, the Group introduced reinforced sanitary measures on its sites (availability of masks and hydroalcoholic gels, reduced physical presence on tertiary sites with the introduction of remote working, reinforced sanitary protocol on production sites, etc.).
- > The Group benefited from its global presence and exposure to different market sectors. This presence and exposure partially compensated for the more significant decline in certain regions or sectors due to a more stable or growing situation in other countries or markets.
- > In addition, the Group can vary a certain number of expenses rapidly in order to adapt to a significant downturn in its activity and thus limit the drop in profitability.
- > Finally, the Group has confirmed credit lines of a satisfactory level with its financial partners.

Risk factors

## 6.1.2 Operational risks

### Information systems and cyber security

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>The Group uses complex information systems for various activities, directly and indirectly through service providers, including production management, sales, logistics, accounting and reporting, which are essential for the conduct of its commercial and industrial activities.</p> <p>Data protection, whether of a highly sensitive nature (for example: strategic information, financial data) or personnel, is also a priority for the Group.</p> <p>As a result, increasing cyber security threats (ransomware, malware, <i>phishing</i>, supply chain attacks, disinformation, etc.) especially when directed at companies, pose a significant risk to Tarkett's business activities.</p>	<ul style="list-style-type: none"> <li>&gt; An undetected cyber attack, disrupting IT resources and/or resulting in a data breach, could significantly disrupt the Group's processes and operations, which could lead to reductions in production capacity and consequently a decline in business and profitability. There would also be costs for repair and systems recovery.</li> <li>&gt; Data breaches could also lead to legal action under the various regulations applicable in this area.</li> <li>&gt; The Group's reputation and confidence of its partners could also be affected.</li> </ul>
EXAMPLES OF RISK MANAGEMENT AND MITIGATION	
<ul style="list-style-type: none"> <li>&gt; Recognising that a failure of one of the systems could have a significant negative effect on its business, financial situation, results or future prospects, the Group continues to strengthen the security of its information systems in five main areas:             <ul style="list-style-type: none"> <li>• awareness and training of its employees on cyber security risks;</li> <li>• restrictions and access controls to the Group's IT resources;</li> <li>• regular updates of IT systems;</li> <li>• deployment of threat detection and recovery solutions;</li> <li>• the implementation of disaster recovery processes.</li> </ul> </li> <li>&gt; Considering the growing cyber security risk, since 2017 the Group has taken out a specific insurance policy covering cyber security and digital data protection (see Section 6.5);</li> <li>&gt; Additionally, following the cyber attack against the Group at the end of April 2020, a programme to strengthen all measures aimed at protecting the Group's information systems was deployed.</li> </ul>	

## Risk factors

## Unavailability, disruptions, damage to sites

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>The Group's production facilities are exposed to the risks of industrial accident, fire, explosion or machine failure. The fire risk mainly comes from the flammability of some of the raw materials used (e.g. polymers and wood). Some sites are also susceptible to major disruptions caused by natural disasters such as floods, heavy rainfall, submersions, earthquakes.</p>	<ul style="list-style-type: none"> <li>&gt; The occurrence of a major industrial accident or natural disaster at one of our production sites could result in injury, loss of life, significant damage to property or the environment, business interruptions and operational losses. the Group could be subject to legal proceedings and penalties if they become legally responsible for any damage caused.</li> <li>&gt; These risks are mostly covered by insurance policies. In the event of a major disaster, these insurances may not be sufficient.</li> </ul>

## EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- > In terms of fire risk prevention and management, the Group has a process called: "Fire risk assessment plan":
  - each plant carries out an assessment of its protection against the significant fire risks identified within the Group and according to a methodology that combines the skills of the Group's internal technicians and those of its insurer FM Global, recognised for its expertise in engineering and fire prevention;
  - Following this assessment, a corrective action plan is implemented to mitigate the criticality of the risks;
  - the assessments are regularly updated by each plant;
  - residual risks are assessed by the Group's insurer during annual site audits.
- > The Group has also prepared contingency plans to deal with the temporary unavailability of some of its production sites that could be flooded.
- > Finally, as the Group's production sites are not (or only minimally for some of them) interdependent with each other, this represents a "natural" mitigation of the impacts of this risk.



## Risk factors

## Health, safety and security of people

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>With 34 production plants, the Group is exposed to the risk of incidents involving the safety of workers on a daily basis.</p> <p>Over the years, the Group has worked constantly to improve procedures to limit the frequency and severity of accidents. Substantial progress has been made over the course of the last ten years to significantly reduce the number of accidents. However, 30 lost time accidents did occur in 2023. This compares to 148 in 2010.</p>	<p>&gt; In addition to the potential tragic human impact in the event of injury or death, an accident at one of our sites could result in the payment of damages and interest, fines or other civil, administrative or criminal penalties, with temporary interruption of production, possible withdrawal of permits and licenses necessary to continue operations. These accidents could have an adverse impact on the business and financial results and may eventually lead to a loss of employee confidence. The reputation of the Group, or of a particular production site, can also be damaged if there are a large number of accidents.</p>
<p>EXAMPLES OF RISK MANAGEMENT AND MITIGATION</p>	
<ul style="list-style-type: none"> <li>&gt; The Group regards safety as its absolute priority, constantly working to ensure that all employees, contractors and visitors are committed to safe working practices and procedures compliant with Group standards on all sites on a daily basis. The Group has renewed this commitment in 2022, including annual Safety Days to raise awareness of safety culture and practices.</li> <li>&gt; In particular, safety is one of the key pillars of the WCM (World Class Manufacturing) continuous improvement programme. As part of this programme, production sites are provided with methods, tools and training to improve safety in the production environment. The sites are regularly audited and supported in the implementation of action plans.</li> <li>&gt; For more details, see Section 3.10.1. "Developing a Safety Culture" and Section 3.10.2. "Looking After Employee Safety and Well-being".</li> </ul>	

## Risk factors

## Reliance on suppliers

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>The Group relies on a limited number of suppliers for certain key raw materials, such as PVC. This is especially the case for the production of resilient flooring, which the Group mainly uses for oil-based raw materials, such as PVC and plasticisers, which account for almost 50% of raw material purchases and whose suppliers are large chemical companies, in limited numbers. They are produced by companies such as BASF, Vinnolit, Vestolit or Total Energies. Continued consolidation in the sector could compound the situation.</p> <p>In addition, many equipment manufacturers specialise in machinery or spare parts for the production of flooring and may be difficult to replace.</p> <p>The Group purchases some of the LVT tiles it sells in North America and Europe from Chinese suppliers. These operations represent less than 5% of the Group's turnover, but may be subject to the implementation of additional customs tariffs, such as in North America in 2018 and 2019, or may be affected by the COVID-19 crisis.</p>	<ul style="list-style-type: none"> <li>&gt; An adverse change in the Group's relationship with any of its strategic suppliers, a failure to meet contractual commitments, the insolvency of a supplier or any increased concentration of suppliers could have a significant negative effect on the Group's business, financial situation, financial results and prospects.</li> <li>&gt; Further consolidation in the chemicals sector could reduce Tarkett's negotiating capacity and result in higher raw material prices.</li> <li>&gt; The dependence on PVC and plasticiser suppliers can potentially lead to a risk of shortages in the supply of raw materials if a supplier defaults (due to insolvency, force majeure, etc.) and significantly affect production conditions.</li> <li>&gt; Regarding machinery and equipment necessary to the Group's business, if one of the Group's suppliers breaches or terminates a supply agreement, the Group may not be able to quickly find a replacement supplier with satisfactory terms, which could have a negative effect on operations.</li> </ul>
EXAMPLES OF RISK MANAGEMENT AND MITIGATION	
<ul style="list-style-type: none"> <li>&gt; In recent years, the Group has significantly improved its flexibility with its suppliers and has developed alternative sources to reduce dependence on large players. In some countries in particular (Russia, China, Brazil), the Group has identified new local suppliers of raw materials.</li> <li>&gt; The Group is gradually increasing the use of secondary raw materials (recycled materials) to replace virgin raw materials, which also means diversifying supply sources and reducing dependence on its suppliers. For several years now, the Group has made the transition to a circular economy a key element of its strategy and thus contributes to the mitigation of this risk.</li> <li>&gt; In 2023, the Group developed relationships with new suppliers of LVT tiles in other Asian countries in order to reduce its dependence on its Chinese suppliers.</li> <li>&gt; For more details, see Section 3.6 "Meeting customer and societal expectations through eco-design, transparency and circular solutions" and 3.9.1.1. "Rolling out our programme of sustainable procurement".</li> </ul>	

Risk factors

### 6.1.3 Environmental and societal risks

The most important environmental, social and governance (ESG) risks, also known as non-financial risks, are described below. Policies, programmes and initiatives designed to manage and mitigate these risks are described in more detail in Chapter 3 "Social and Environmental Responsibility" of this Universal Registration Document.

#### Business ethics and integrity

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>Inappropriate or illegal behaviour by Group employees, managers of Group companies and/or external third parties on behalf of or for the Group presents a legal and reputational risk.</p> <p>The Group is well aware of corruption risks considering its geographical coverage (with operations in countries where, according to Transparency International's ranking, the risk of corruption is higher, such as Brazil, Mexico, Russia, Kazakhstan, Ukraine, Serbia, Lebanon and China).</p> <p>These risks are particularly significant as the Group's flooring and sports surfaces business involves numerous transactions with different parties (architects, agents, construction and installation contractors) and also contracts directly to the public sector (e.g. artificial grass surfaces for local sports facilities, flooring for public buildings such as schools and hospitals).</p> <p>Considering its global presence (sales in over 100 countries, purchasing and production in 19 countries), Tarkett is exposed to various risks related to competition obligations, such as non-compliance with antitrust and competition laws.</p>	<ul style="list-style-type: none"> <li>&gt; Any suspected or confirmed cases of bribery and/or influence peddling, conduct that does not comply with applicable laws and regulations or, more generally, any act of impropriety by the Group's employees and/or business partners would expose the Group to prosecution and sanctions that could damage the Group's reputation, financial results and business prospects, and could result in a loss of investor and customer confidence, as well as employees.</li> <li>&gt; Any failure to comply with competition laws and regulations or any other applicable competition rules and practices may result in investigations and potential lawsuits, which could have a significant negative effect on the Group's business, financial results, financial position and outlook.</li> <li>&gt; The Group may also be subject to various legal and administrative proceedings described in Section 4.5 "Legal and administrative proceedings" which could have a significant negative effect on the Group's financial position.</li> </ul>

#### EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- In order to control the risks of non-compliance, the Group has established appropriate prevention programmes, including:
- > Competition law compliance - for more details see Section 3.11.1 "Ensuring business ethics and integrity";
  - > Preventing and combating corruption and influence peddling - for more details, see Section 3.11.2 "Prevention of corruption".

## Risk factors

## Climate change and environmental damage

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>The Group is exposed to physical and transitory risks (regulatory, legal, market, etc.) related to climate change:</p> <ul style="list-style-type: none"> <li>&gt; Firstly, climate change is leading to an increase in the frequency of severe weather events. These events may present a risk of property damage or business interruption to Tarkett's production sites with all associated costs and potential loss of revenue.</li> <li>&gt; Secondly, increased awareness of the climate crisis, driven by civil society movements, is increasing pressure on governments and businesses to address climate change. The Group's lack of preparation, resilience and initiative in dealing with the effects of climate change, particularly in relation to competitors, may result in a reduction in market share.</li> <li>&gt; Thirdly, other consequences of climate change efforts include an increased risk of carbon taxes, not only for scope 1 and 2 emissions (at Tarkett sites) but also for scope 3 emissions (from the supply chain and/or use and post-use).</li> <li>&gt; Finally, flooring and sports surfaces are currently produced from mainly fossil fuel-based raw materials (plastics). The growing global response to the climate crisis is leading to greater market pressure to divest from fossil fuels, with the risk that companies primarily involved in the extraction and use of fossil fuels will become less attractive to investors depending on their degree of fossil fuel use.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Extreme weather events, such as floods, water shortages and storms, resulting in damage to industrial infrastructure and potential disruption of manufacturing production at Tarkett's sites or at the sites of major suppliers, resulting in lost sales and penalties for non-compliance with commercial agreements.</li> <li>&gt; Declining sales due to insufficient action to fight climate change.</li> <li>&gt; Increased costs (e.g.: raw materials, fossil fuel, etc.) due to carbon taxes with the risk of reducing margins and/or sales.</li> <li>&gt; Decreased investor interest in the Group due to the use of fossil fuel-based raw materials and the subsequent impact on the share price.</li> </ul>

## EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- > The Group has mapped and assessed the risk of severe weather events for its production sites.
- > The Impact2027 plan presented in 2022 confirms the strategy of moving towards a circular economy and reducing greenhouse gas emissions. The move to a circular economy model will result in a greater use of recycled materials, which will reduce Tarkett's dependence on fossil fuel-based raw materials. For more details, see section 3.6 "Meeting customer and company expectations through eco-design, transparency and circular solutions" and 3.7 "Responding to the climate emergency with effective environmental management and a circular economy approach".
- > For several years, the Group has been making an effort to conserve natural resources by prioritising materials that are recyclable and in abundant supply (e.g. calcium carbonate), or renewable (e.g. cork, pine, spruce, oak, ash, walnut, maple, beech and birch) or recycled (including waste from other industries). This ensures the materials we use in our products do not contribute to the increasing scarcity of resources. As a result, the proportion of fossil-fuel based raw materials is reduced. For more details, see Section 3.6.1 "Choosing materials with awareness and transparently".

## Risk factors

## Circular economy regulation and market requirements

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>In most countries where the Group operates, there is increasing political and regulatory pressure to move to a circular economy (e.g. the number one priority of the new EU Commission's Green Deal for Europe, which builds on the previous EU Commission's circular economy package) with increasing requirements (e.g. Extended Producer Responsibility) and expectations for recycling and use of recycled materials. Additionally, it is now widely recognised that the transition to a circular economy is part of the solution to combat climate change and preserve natural resources. In this context, inaction or insufficient action to develop and adopt circular solutions is both a risk and an opportunity (i.e. a risk of missed opportunity) regarding market access (e.g. eco-taxes, customer requirements for end-of-life waste management and recycled content) and material supply (increased costs for virgin raw materials).</p> <p>Additionally, civil society is expressing increased expectations of companies in terms of resource use and recycling.</p> <p>Tarkett operates in the construction sector, which inherently generates waste and whose management is structurally problematic. In this sector, circular economy principles, including recycling, are still poorly implemented. Therefore the Group is exposed to stricter regulations in the sector, particularly in Europe (30% of the business) and particularly in the Nordic countries.</p>	<ul style="list-style-type: none"> <li>&gt; Potential loss of customers and associated sales due to insufficient supply of services and recycling solutions.</li> <li>&gt; The increased cost of virgin raw materials compared to recycled secondary raw materials.</li> <li>&gt; Introduction or increase of eco-taxes for collection and post-use recovery.</li> </ul>
EXAMPLES OF RISK MANAGEMENT AND MITIGATION	
<ul style="list-style-type: none"> <li>&gt; The Group has made the circular economy a key element of its strategy for several years. The Group believes in the importance of moving towards a circular economy through the increased use of recycled materials and by developing solutions and capacities for the recovery and recycling of flooring post-installation and post-use. These elements are very clearly reflected in the ImpacT2027 strategic plan presented in 2022.</li> <li>&gt; For more details, see Section 3.6 "Meeting customer and company expectations through eco-design, transparency and circular solutions".</li> </ul>	

## Risk factors

## Acceptance of chemical substances

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>Many countries have tightened the requirements on the use of resources and chemicals, both in manufacturing processes and in product classification.</p> <p>Regulations may ban specific resources or chemicals, when no suitable alternatives have been found before the ban.</p> <p>Changing health and environmental regulations and standards relating to the chemical composition and properties of flooring products (e.g. phthalate-free plasticisers, alternatives to PVC, emission levels of volatile organic compounds ("VOC")) and sports surfaces (e.g. alternatives to rubber bead filling) may result in a significant decrease in market size and/or profitability.</p> <p>Finally on this topic, possible changes in the behaviour of customers and/or consultants may contribute significantly to the increase of this risk.</p>	<ul style="list-style-type: none"> <li>&gt; Some of the Group's products contain chemicals that produce emissions for at least part of the product life cycle. Although these emissions are below the thresholds applicable under current regulations, the Group could be held liable if these emissions are shown to have harmful effects on human health at levels below those currently considered safe. The Group is not exempt from the rejection of one of its products or product range by consumers and/or consultants, based on proven facts or otherwise. This could have a significant negative effect on the Group's financial situation, outlook and reputation.</li> <li>&gt; The Group has been sued by third parties in the United States alleging past exposure to asbestos contained in certain products manufactured at some of its sites up to 1982. In the event that ongoing or future litigation leads to the Group having to pay amounts in excess of those covered by the provisions recorded on the balance sheet, its insurance policies and the indemnity commitments made by third parties, these proceedings could have a significant negative impact on the Group's financial position and results (see Section 4.5 "Legal and administrative proceedings" for more details).</li> </ul>
EXAMPLES OF RISK MANAGEMENT AND MITIGATION	
<ul style="list-style-type: none"> <li>&gt; The Group's policy is to integrate health and safety issues into its products as a priority, while adapting to the geographical regions where the Group produces and sells its products. The Group relies on teams of scientists and experts to ensure product compliance and to anticipate regulatory changes.</li> <li>&gt; Since 2011, the Group has been a pioneer in the development of flooring with low and very low VOC emissions in almost all product ranges. The Group offers products with total VOC emissions 10 to 100 times lower than the most demanding global standards. For more details, see Section 3.8.1 "Contributing to healthy living spaces and indoor air quality".</li> <li>&gt; Phthalates are mainly used in the plastics industry to give plastics flexibility. The Group has been pro actively looking for alternatives in collaboration with its suppliers. The Group has invested significantly in research and development and has been able to change formulas and processes to manufacture vinyl flooring with phthalate-free plasticiser technology. For more details, see Section 3.8.1 "Contributing to healthy living spaces and indoor air quality".</li> </ul>	

## Risk factors

## Retention and recruitment of key staff

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>In the context of labour markets under increasing pressure in the vast majority of countries where Tarkett operates, the ability to attract and recruit key employees for the Group's development could represent a risk to the conduct of operations and the achievement of results. The same applies to the difficulty of retaining key employees, especially as the commitment factors and expectations of employees seem to be significantly changing and diversifying.</p> <p>The solution to these risks will depend on the Group's ability to promote an authentic brand as an employer in a labour market that is not well known to the general public, and also on the ability to implement good practices to identify and recruit candidates matching the Group's current and future requirements. The Group must also increase the commitment of its employees, through appropriate management, well-being in the workplace, adaptation of their skills, as well as development and career opportunities that reflect both their expectations and the Group's current and future requirements.</p>	<ul style="list-style-type: none"> <li>&gt; Difficulty in recruiting and retaining key personnel could limit the ability to offer, sell and deliver the innovative and high quality products and solutions expected by our customers. This could lead to penalties for delays, loss of customers and damage to reputation.</li> <li>&gt; In general, strategic initiatives and key projects for the development and strengthening of the Group's performance may be delayed.</li> <li>&gt; The difficulty in retaining employees would also have an impact on the brand image and the customer relationship developed over time.</li> <li>&gt; There would also be an impact on other staff who would have to endure the disruption and overload generated by vacant positions. The working atmosphere and the motivation of the teams would deteriorate.</li> </ul>
<p>EXAMPLES OF RISK MANAGEMENT AND MITIGATION</p>	
<ul style="list-style-type: none"> <li>&gt; Improvement of the recruitment process (employer brand, visibility on digital platforms, training, school/university partnerships);</li> <li>&gt; Strengthening talent reviews and succession planning;</li> <li>&gt; Prioritising internal mobility;</li> <li>&gt; Measures to retain and develop the necessary expertise, talent and skills;</li> <li>&gt; Monitoring and retention of key personnel;</li> <li>&gt; Implementation of individual development plans and training programmes;</li> <li>&gt; Regular employee feedback surveys and action plans at different levels of the organisation;</li> <li>&gt; Compensation policy combining external competitiveness &amp; internal equity (salary studies, grading);</li> <li>&gt; Initiatives to enhance diversity and, in particular, gender balance in management and throughout the organisation;</li> <li>&gt; Implementation of the Workday solution in 2021 to accelerate digitalisation (information on internal opportunities and profiles) and driving talent management (dashboard, access to information).</li> </ul>	

## Risk factors

## 6.1.4 Financial risks

### Exchange rate volatility

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>As a result of its international production and sales activities, the Group is exposed to the risk of currency fluctuations.</p> <p>With 51% of sales in 2023 in North America and 8% in Russia, the Group is mainly exposed to fluctuations in the US dollar (USD) and Russian rouble (RUB) exchange rates.</p> <p>The Group is also exposed to fluctuations in the pound sterling (GBP), the Swedish krona (SEK), Australian dollar (AUD) and the Brazilian real (BRL).</p> <p>In some markets, significant expenses may be incurred in a currency other than the local currency used for sales because of imported raw materials or finished goods.</p> <p>Additionally, the preparation of the Group's consolidated financial statements, in Euro, requires the conversion of foreign assets, liabilities, income and profits into Euro at the current exchange rate. As a result, fluctuations in the exchange rate of the Euro against foreign currencies may affect these items in the consolidated financial statements.</p>	<ul style="list-style-type: none"> <li>&gt; In the past, the effect of foreign currencies on the Group's consolidated financial statements has resulted in significant changes to the Group's results, the value of its balance sheet assets and liabilities and its cash flows from period to period, and could potentially happen again in the future.</li> <li>&gt; Additionally, the Group may incur expenses that are not in the same currency as the corresponding sales, exchange rate fluctuations could result in an increase in the Group's expenses as a percentage of sales, thereby affecting profitability and cash flows. For example, although the Group locally produces almost all of the products it sells, it imports some of the raw materials used in production from China. For these costs the Group is exposed to currency risks when suppliers invoice in a foreign currency.</li> </ul>

#### EXAMPLES OF RISK MANAGEMENT AND MITIGATION

- > Where possible, the Group aims to limit exposure by balancing local costs with local revenues, including through local sourcing:
  - This is the case in Russia, where Tarkett has developed partnerships with local suppliers to help mitigate the exchange rate risks of the Russian rouble (RUB);
  - This approach is also effective in Sweden, where Tarkett's local costs, with two production plants, are balanced with local sales in Swedish krona (SEK);
  - This approach helps reduce risks in North America, where local costs in US dollars (USD) are close to local sales in the same currency.
- > In countries where costs are less well balanced, such as the United Kingdom, Tarkett uses derivative financial instruments to cover part of its currency risk exposure (for more details see Section 5.2 - note 7.6).
- > In Russia, apart from local supply, Tarkett focuses on adjusting sales prices to cover most of the impact of the volatility of the Russian rouble (RUB) exchange rate. In this region, the Group's current policy is not to use financial hedging instruments, but instead integrating ruble and Euro exchange rate fluctuations into the price of products sold. The success of this strategy depends on the Group's ability to maintain its pricing policy, which it may not be able to do consistently in the future. This could have a significant negative effect on the Group's financial results, financial situation and outlook.



Risk factors

## Access to liquidity

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>Liquidity risk refers to the inability to cover financing requirements with available financial resources at any given time.</p> <p>This risk could materialise if:</p> <ul style="list-style-type: none"> <li>&gt; An unforeseen financing need occurs that exceeds the limits of the available credit lines;</li> <li>&gt; Market conditions prevent the Group from raising funds when needed.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; The early repayment of a significant amount of the existing credit lines is required following a default or non-fulfilment of contractual financial commitments ("covenants").</li> <li>&gt; Questioning of investment projects and/or the Group's development strategy</li> </ul>

### EXAMPLES OF RISK MANAGEMENT AND MITIGATION

The Group mainly manages this risk as follows:

- > Centralised management of subsidiary finance and surplus funds by the Group's Financing and Treasury Department;
- > Diversification of funding sources and their maturities;
- > Market monitoring, prospective simulation of financing needs and financial ratios according to various scenarios;
- > Managed over-collateralisation of credit lines;
- > Measured use of debt leverage;
- > Limiting and optimising contractual provisions that can result in early repayment;
- > Management of liquidity according to the seasonality of the activity and market conditions.

More information on credit lines is available in Section 5.2 - note 7.

Risk factors

## Changes, complexity and interpretation of tax regulations

DESCRIPTION OF RISK FACTOR	POTENTIAL IMPACT AFTER RISK MITIGATION
<p>As an international group operating in numerous countries, the Group is subject to many different tax laws and various regulatory tax requirements, which affect its business and financial results. Primarily, these risks originate from the following:</p> <ul style="list-style-type: none"> <li>&gt; Increases in existing taxes;</li> <li>&gt; Introduction of new taxes or bonds;</li> <li>&gt; Errors in the completion of tax returns;</li> <li>&gt; Significant changes in tax regulations or their definitions;</li> <li>&gt; Challenges to the interpretation of tax laws and regulations by the Group or by local tax authorities.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Any violation of tax laws and regulations in the countries where the Group has a presence or does business could result in tax adjustments or the payment of late fees, interest, fines and/or penalties;</li> <li>&gt; The Group recognises deferred tax assets in its balance sheet to account for future tax savings resulting from differences between the tax and fiscal value of its assets and liabilities or from tax loss carryforwards of Group entities. The actual use of these assets in future fiscal periods depends on tax laws and regulations, the outcome of pending or future audits and litigation and the expected future financial performance of the entities concerned. This could have a negative impact on the Group's effective tax rate, cash flows and financial results.</li> </ul>

### EXAMPLES OF RISK MANAGEMENT AND MITIGATION

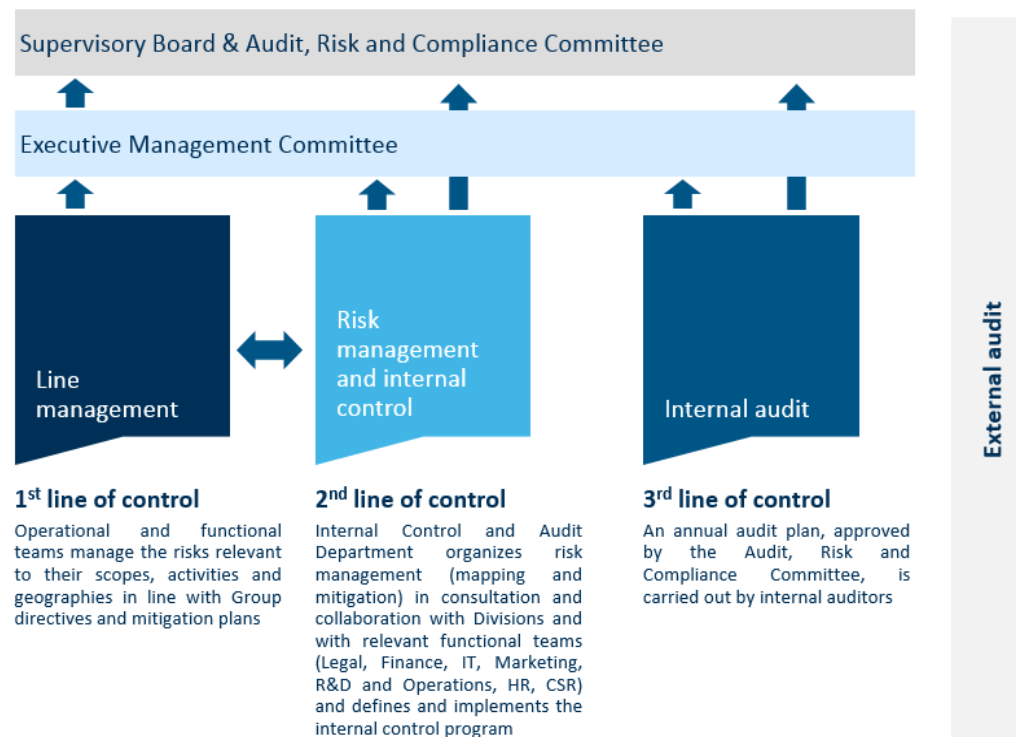
- > To comply with local tax laws and regulations, the Group relies on its Tax Department which constantly monitors, understands and coordinates tax issues at national and international levels. This department, with the assistance of the local finance departments, also ensures the Group's compliance with the rules and laws applicable in the main countries, particularly in relation to transfer pricing, and verifies overall compliance with the Group's policy defined in accordance with the OECD rules;
- > The Group's Tax Department and local professionals are committed to not using aggressive tax strategies unconnected to the operational reality or artificial tax arrangements. Additionally, Tarkett adopts responsible tax policies by not using complex financial arrangements to gain a tax advantage contrary to the object or purpose of the applicable tax law. (For more information, see section 3.11 "Applying transparent business and ethical standards").

## 6.2 Organisation and governance of risk management

The company's risk management and internal control systems, under the responsibility of the Executive Management Committee and led by the Group's Audit and Internal Control Department, use various methods, procedures and actions to:

- > identify, analyse and manage risks which could have a significant impact on the company's assets, results, operations or the achievement of objectives, whether they are operational, commercial, legal or financial in nature, or related to compliance with laws and regulations;
- > ensure effective operations and efficient use of resources;
- > ensure the reliability of financial information;
- > ensure the established controls within the various compliance programmes are effective.

The Group is committed to complying with all laws and regulations of the countries where it is established and operates. This commitment is made by all Group employees, whose required behaviour is defined by a Code of Ethics and by various compliance procedures established by the Group, whose application is monitored by the Group's Legal Department, local legal departments and the Group's Audit and Internal Control Department.



## Risk mapping and evaluation

Risk management and internal control is everyone's responsibility, from employees to the governance bodies. This system is led by the Executive Management Committee, which has overall responsibility for organising and monitoring risk management, including identifying and assessing risks, implementing measures to reduce their occurrence and mitigate their impact, and audit and internal control. Each member of the Executive Management Committee is responsible for the ongoing implementation of monitoring, controls and risk mitigation in their area of responsibility. It delegates the organisation and daily supervision of risk management procedures to the Audit and Internal Control Department, which is part of the Group Financial Department.

The Audit and Internal Control Department manages the internal control and risk management system. It organises and carries out the annual update of the Group's risk mapping and assessment. It also maintains and ensures compliance with the measures contained within our standard internal control framework, which is called "TRACE" (Tarkett Risks, Audit and Controls Evaluation) and is based on "COSO" (Committee of Sponsoring Organisations of the Treadway Commission) principles. The Audit and Internal Control Department, assisted by a network of internal auditors in certain Divisions, conducts audits to verify compliance, assesses risks and recommends improvements to internal control systems.

The Audit and Internal Control Department reports to the Audit, Risks and Compliance Committee of the Supervisory Board, which is responsible for monitoring the preparation and control of accounting, financial and non-financial information, as well as ensuring the effectiveness of risk monitoring and internal control procedures to facilitate the review and verification by the Supervisory Board.

## 6.3 Risk mapping and evaluation

Since 2010, the Group has created a risk map which is updated annually. The risk identification process is mainly based on a three-step method:

- > The Audit and Internal Control Department, sometimes in conjunction with external experts, questions members of the Executive Management Committee and key employees in strategic positions at Group and divisional level to identify risks in their sectors;
- > the qualification and quantification of risks according to the following elements: precise definition, identification of origins, evaluation of impacts (financial, operational, strategic, legal or reputational) and the level of control by the Group;
- > the review and validation of risk mapping by the Executive Management Committee and its presentation to the Audit, Risks and Compliance Committee and the Supervisory Board.

For each risk identified:

- > its occurrence over a recent period has been recorded;
- > the existence of mitigation measures has been identified and their effectiveness measured;
- > its level of inherent and residual impact has been assessed.

The risk map and its updates are presented to the Audit, Risks and Compliance Committee and the Supervisory Board. This risk map has also been complemented by an assessment of the likelihood of each risk occurring over the next five years to better qualify the significance of the risks in accordance with the European Prospectus Regulation (EU 2017/1129) and the European Financial Markets Authority guidelines published in 2019.

### Continuous risk monitoring

Risk management is a continuous process, updated through monitoring procedures relating to competition, technology and compliance, as well as insight and feedback from functional departments (such as legal, finance, insurance, World Class Manufacturing and HR). Monthly business reviews, continuous monitoring of markets, internal control, audits and potential alerts enable the Group's operating entities and the Audit and Internal Control Department to quickly share information with Group Management and facilitate the identification of new risk factors or changes in risk levels of existing risk factors. Appropriate actions are then taken to adapt and manage these risks.

## 6.4 Internal control and internal audit

### 6.4.1 Internal control

The control activities are defined in the TRACE framework. For each of the main processes this framework presents the major risks, the objectives and the description of the associated controls, applicable to the entire Group. This system forms common ground within the Group, applied by local departments; they are responsible for supplementing it with additional local control activities to deal with their specific risks.

#### Self-assessments

The Group's subsidiaries carry out an annual internal control self-assessment process to assess their compliance with the TRACE framework. The self-assessment is validated by the management of the concerned subsidiaries, demonstrating their responsibility for the implementation of internal control and the effectiveness of their self-assessment. This self-assessment is carried out in a dedicated computer application (e-TRACE 2.0, developed by Devoteam). All Group subsidiaries are subject to the same system. The Group's Audit and Internal Control Department analyses and distributes the results to the various stakeholders. The results are initially reviewed at each division by the Presidents, Financial Directors and Internal Controllers of these divisions. They are then presented and

analysed by the Chairman of the Management Board and the Chief Financial Officer. These results are then presented to the Audit, Risks and Compliance Committee. Action plans resulting from these reviews are implemented under the supervision of the local or functional departments concerned.

#### Internal control tests

The self-assessment method described above is complemented by testing key controls in the TRACE framework by the Divisions' internal controllers.

#### Internal control performance indicators

The Group's Audit and Internal Control Department has implemented a series of internal control performance indicators which are regularly monitored, specifically the compliance rate on 86 key controls of the framework, the risks of poor separation of tasks in information systems and the progress of action plans. They are generated on a monthly or quarterly basis, depending on the indicators in question.

### 6.4.2 Internal audit

The internal audit is conducted by a central team which carries out regular assignments on the basis of an audit plan which consists of recurrent assignments with a strong financial focus, performed in the subsidiaries, as well as "transversal" assignments, focusing on operational processes or a particular risk at divisional level. The annual audit plan is reviewed and approved by the Audit, Risks and Compliance Committee.

Each assignment is carried out on the basis of a work programme prepared from the documentation describing the internal control systems defined in the TRACE framework. Each assignment systematically results in a report, describing the findings and provides an action plan containing all recommendations to be implemented by the audited entity. Audit

reports are submitted to the Audit, Risks and Compliance Committee, as well as to Group Management, the Division affected by the audit and the audited subsidiary. These reports are also sent to the Group's Statutory Auditors. A process for monitoring action plans ensures that identified weaknesses are corrected and is based on:

- > half-yearly reporting on the progress of action plans and the annual audit plan;
- > where appropriate, the completion of follow-up assignments by the Group's Audit and Internal Control Department on issues critical to the Group.

Additionally, 17 assignments were carried out in 2023 at selected entities to test the self assessment using the Group's internal control questionnaire (based on the TRACE manual).

## 6.5 Insurance

The Group's insurance policy is coordinated by the Group Legal Department, which identifies the main insurable risks and quantifies the potential consequences in order to:

- > reduce certain risks by recommending preventive measures in collaboration with other Group departments;
- > transfer risks to insurance, for risks with an exceptional nature with a high magnitude and low frequency.

Each subsidiary of the Group is responsible for providing the Group Legal Department with the information necessary to identify and quantify the insured or insurable risks relevant to the Group and for implementing the necessary means to ensure business continuity in the event of damage. Based on this, the Group Legal Department negotiates with the major insurance and reinsurance companies to establish the most appropriate cover for these risks.

Local entities also take out local insurance policies to cover risks that are appropriate for local insurance, such as car insurance.

Setting up insurance policies based on the determination of the level of cover necessary to meet the reasonably estimated occurrence of liability, damage or other risks. This assessment takes into account the assessments made by the insurers as underwriters of the risks. Uninsured risks are for when there is no offer of cover in the insurance market or where the cost of offering insurance is disproportionate to the potential benefit of insurance or where the Group considers the risk does not require insurance cover.

The Group's insurance plans take the form of master policies supplemented by local policies in certain countries where master policies alone are not permitted, if necessary. The master insurance policies are intended to apply to the Group's operations on a global basis, in addition to the local policies ("difference in conditions/difference in limits (DIC/DIL)"), if the relevant cover ultimately proves to be insufficient or non-existent to cover the

loss locally. Local policies are also taken out to cover the specificities or local legislative requirements of the country or countries concerned. The Group has also set up a captive insurance company to reduce the premium bases charged by insurers, reducing the Group's insurance costs.

The insurance policies taken out by the Group contain exclusions, coverage limits and deductibles that could expose it to significant adverse consequences in the event of a claim or legal action against the Group.

Furthermore, it cannot be excluded that in certain cases, the Group may be obliged to pay significant indemnities not covered by the insurance policies or to incur very significant expenses not reimbursed or insufficiently reimbursed by its insurance policies.

The Group's main policies, taken out with internationally recognised insurance companies, are as follows:

- > general civil liability, including operational liability and product liability or "after delivery" liability: the global guarantee limit is €60 million; professional liability is also included in this programme as additional cover to the contract and is subject to a specific limit. The general civil liability guarantee covers all kinds of damage caused to third parties, such as bodily injury, material and immaterial damage;
- > property damage and business interruption: the overall combined limit for property damage and business interruption is €420 million; all sites are covered provided the on-site values exceed the specific deductibles of the contract;
- > responsibility of directors and corporate officers;
- > civil responsibility for environmental damage;
- > transport;
- > product liability coverage for aviation risks; and
- > cyber security and digital data protection.

# 7

## INFORMATION ABOUT THE COMPANY, ITS SHAREHOLDERS AND CAPITAL

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Information about the Company

## 7.1 Information about the Company

### 7.1.1 Company name, registration, legal status and company website

Tarkett is a public limited company with a Management Board and Supervisory Board that is subject to French law and entered in the Nanterre Trade and Companies Register under the number 352 849 327.

Tarkett's Legal Entity Identifier (LEI) is: 9695002EVBYM5B2OIP31.

Registered office: 1 Terrasse Bellini - Tour Initiale - 92919 Paris - La Défense, France.

Telephone: + 33 (0)1 41 20 40 40.

Website: <https://www.tarkett-group.com> (The information on the website does not form part of this Document).

### 7.1.2 Date of incorporation and duration

The Company was registered on 29 December 1989 for a duration of 99 years from its registration with the Trade and Companies Register, or until 29 December 2088, unless dissolved earlier or extended.

## 7.2 Information about the share capital

### 7.2.1 Share capital and changes over the last three financial years

As of 31 December 2023, the share capital amounted to three hundred and twenty-seven million, seven hundred and fifty one thousand, four hundred and five Euro (327,751,405 Euro), divided into sixty five million, five hundred and fifty thousand, two hundred and eighty one (65,550,281) shares with a nominal value of five (5) Euro, of the same category and fully paid up.

As of 31 December 2023, the Company had not issued any non-equity securities or securities conferring entitlement to the share capital, with the exception of the existing shares comprising the share capital and the free shares referred to in Section 2.3.4 "Long Term Incentive Plans (LTIP)".

The table below shows the evolution of the Company's share capital over the last three financial years:

	Transaction date	Transaction type	Number of shares comprising the share capital following the transaction	Amount of share capital following the transaction (Euro)
2021 financial year	None	None	65,550,281	327,751,405
2022 financial year	None	None	65,550,281	327,751,405
2023 financial year	None	None	65,550,281	327,751,405



Information about the share capital

## 7.2.2 Treasury shares held by controlled companies, treasury shares held by the Company itself and purchase by the Company of its own shares

As of 31 December 2023, the Company held 18,559 treasury shares (representing 0.03% of share capital).

As of 31 December 2023, there were no more treasury shares, as Tarkett GDL SA, the Company's Luxembourg subsidiary, had sold all the Tarkett shares it held to the Company during the year (see section 7.2.3.1 below).

## 7.2.3 Share buyback programme

### 7.2.3.1 Information on transactions carried out under the share buyback programme during the 2023 financial year

#### Summary of the share buyback programme authorised by the Shareholders' Meeting on 21 April 2023

The Shareholders' Meeting of 21 April 2023, in its 16<sup>th</sup> resolution, authorised the Management Board, for a period of 18 months expiring on 20 October 2024, to purchase the Company's own shares, or have them repurchased, up to a maximum of 10% of the total number of shares making up the share capital, at a maximum price of 30 Euro and up to a maximum overall limit of 50 million Euro.

This authorisation enables the Company to purchase its own shares for the following purposes:

- > the allocation of free shares pursuant to Articles L.22-10-59 et seq. of the French Commercial Code;
- > the distribution of shares on the occasion of the exercise of rights attached to securities giving entitlement by redemption, conversion, exchange, presentation of a share warrant or in any other way to the allocation of ordinary shares of the Company;
- > the allocation of free shares to employees and/or corporate officers of the Company or an affiliate of the Company (in particular the Company's direct and indirect subsidiaries) under any plan that is not subject to Articles L.22-10-59 et seq. of the French Commercial Code, and in particular under plans entitled "Long Term Incentive Plan" (LTIP);
- > the cancellation of the shares bought back and not allocated;

- > trading in the secondary market or maintaining the liquidity of Tarkett's shares through an investment services provider in the framework of a liquidity agreement that complies with the ethics charter recognised by the French Financial Markets Authority (AMF).

This authorisation terminated, for the unused portion and the unexpired period, and replaced the authorisation previously granted by the Shareholders' Meeting of 29 April 2022, in its 19<sup>th</sup> resolution.

#### Purchase of treasury shares during the 2023 financial year

As part of the issue of free performance shares definitively acquired by the beneficiaries of the 2020-2023 LTIP on 1 August 2023, the Company made the following purchases on 28 July 2023:

- > off-market purchase from Tarkett Participation of 280,000 Tarkett shares, at a unit purchase price per share of 11.60 Euro for a total price of 3,248,000 Euro; and
- > off-market purchase from its Luxembourg subsidiary, Tarkett GDL, of 84,211 Tarkett shares, at a unit purchase price per share of 11.60 Euro for a total price of 976,847.60 Euro;

As a result, as of 31 December 2023, after these repurchases and the delivery of 370,751 shares to the beneficiaries of the 2020-2023 LTIP, the Company held 18,559 of its own shares (compared with 25,099 shares as of 31 December 2022), with a market value of 172,970 Euro. Since 31 December 2023, the Company has not repurchased any shares.

Information about the share capital

### 7.2.3.2 Summary of the share buyback programme to be submitted for approval to the Shareholders' Meeting on 26 April 2024 (18<sup>th</sup> resolution)

In accordance with Articles 241-1 et seq. of the French Financial Markets Authority's (AMF) General Regulations, this description of the share buyback programme is intended to set out the terms and conditions of the Company's share buyback programme to be submitted for approval to the Shareholders' Meeting to be held on 26 April 2024.

#### Objective of the share buyback programme

The Company may buy back its own shares or have them bought back for the following purposes:

- > the allocation of free shares pursuant to Articles L.22-10-59 et seq. of the French Commercial Code;
- > the distribution of shares on the occasion of the exercise of rights attached to securities giving entitlement by redemption, conversion, exchange, presentation of a share warrant or in any other way to the allocation of ordinary shares of the Company;
- > the allocation of free shares to employees and/or corporate officers of the Company or an affiliate of the Company (in particular the Company's direct and indirect subsidiaries) under any plan that is not subject to Articles L.22-10-59 et seq. of the French Commercial Code, and in particular under plans entitled "Long Term Incentive Plan" (LTIP);
- > the cancellation of the shares bought back and not allocated;
- > trading in the secondary market or maintaining the liquidity of Tarkett's shares through an investment services provider in the framework of a liquidity agreement that complies with the ethics charter recognised by the French Financial Markets Authority.

#### Maximum percentage of the Company's share capital that may be acquired and the maximum number and characteristics of the shares that may be acquired for the purposes of the share buyback programme

The maximum percentage of the share capital for which the buyback is authorised for the purposes of the share buyback programme is 10% of the total shares making up the Company's share capital, namely a maximum number of 6,555,028 shares at 26 April 2024, the date of the Shareholders' Meeting, it being specified that if the shares are bought back in order to maintain liquidity under the terms and conditions laid down in the French Financial Markets Authority's General Regulations, the number of shares taken into account in calculating the 10% limit indicated above is the number of shares bought minus the number of shares resold during the authorisation period. Moreover, the number of shares that the Company holds may not exceed 10% of the shares making up the Company's share capital at any given time.

#### Characteristics and maximum purchase price of shares likely to be acquired under the share buyback programme

The shares that the Company would be authorised to acquire would be, exclusively, Company's ordinary shares listed for trading on the Euronext Paris market (ISIN Code FR0004188670).

The maximum purchase price for the purposes of the share buyback programme would be 20 Euro per share. In the event of a change in the share's nominal value, a capital increase by incorporation of reserves, an allocation of free shares, a stock split or a reverse stock split, a distribution of reserves or of any other assets, capital depreciation, or any other transaction affecting shareholders' equity, the aforementioned maximum purchase price would be adjusted to take into account the impact of these transactions on the value of the share.

#### Maximum amount of funds available for the purposes of this programme

The total amount allocated to the authorised share buyback programme may not be greater than 30,000,000 Euro.

#### Buyback terms and conditions

Shares may be bought, sold or transferred at any time (other than during a tender offer on the Company's capital) up to the limits authorised by applicable laws and regulations, on regulated markets or multilateral trading facilities, through systematic internalisers or over the counter, including through block trades (without limiting the portion of the buyback programme that may be carried out by this means), by tender or exchange offer, or through the use of options or other forward financial instruments traded on regulated markets, multilateral trading facilities, through systematic internalisers or over the counter, or by distribution of shares following the issuance of securities granting access to the Company's share capital by conversion, exchange, reimbursement, exercise of a share warrant or in any other manner, either directly or indirectly through an investment services provider acting pursuant to the conditions of Article L.225-206 II of the French Commercial Code.

#### Programme duration

Authorisation will be granted for a period of 18 months from 26 April 2024, until 25 October 2025.

Information about the share capital

### 7.2.3.3 Liquidity agreement

The Company terminated the liquidity agreement entered into on 23 September 2019 with Exane BNP Paribas with effect from 16 July 2021.

## 7.2.4 Financial authorisations

The following table shows the financial authorisations granted by the Shareholders' Meeting in force at the date of this Document.

### Table of financial authorisations in effect in 2023

Nature of the authorisations	Shareholders' Meeting (date and resolution)	Expiry and duration of the authorisation	Maximum nominal amount authorised	Use in 2023
Authorisation to be given to the Management Board to trade in shares of the Company	21 April 2023 (16 <sup>th</sup> resolution)	20 October 2024 (18 months)	10% of existing shares <sup>(1)</sup>	See Section 7.2.3.1.
Authorisation to be given to the Management Board to allocate free shares to employees and/or certain corporate officers of the Company	21 April 2023 (17 <sup>th</sup> resolution)	Shareholders' Meeting called to approve the accounts closed on 31 December 2023	1% of existing shares	See Section 2.3.4
Delegation of authority to the Management Board to increase the share capital by capitalisation of premiums, reserves or other	21 April 2023 (18 <sup>th</sup> resolution)	20 June 2025 (26 months)	50 million Euro	None
Delegation of authority to the Management Board to reduce the share capital by cancellation of treasury shares	21 April 2023 (19 <sup>th</sup> resolution)	20 June 2025 (26 months)	10% of existing shares	None

<sup>(1)</sup> The overall amount allocated may not exceed €50 million

It is specified that there are no other financial authorisations enabling an increase to be made to the share capital or, more generally, shareholding to be diluted.

## 7.2.5 Share capital of companies within the Group that is under option or is to be put under option under an agreement

Gordon Thomson and FieldTurf Tarkett entered into a shareholders' agreement on 19 December 2017, under which FieldTurf Tarkett was granted a put option to obtain a buyout from Gordon Thomson of its entire holding in the capital of Allsports Maintenance Construction & Maintenance Ltd ("Allsports"), for a period of five years from its conclusion, in the event of termination by Allsports, under certain limited conditions, the supply contract between Allsports and FieldTurf Tarkett. This agreement was renewed in December 2022 for a period of ninety days and expired in March 2023.

In addition, Tarkett's Luxembourg subsidiary, Tarkett GDL, holds 51% of the capital of the Dutch company Tarkett M-Wall Holding BV, and has a call option to purchase the remaining 49% from December 2025 to December 2027.

## 7.2.6 Pledges, guarantees and securities

During the financial year ended 31 December 2021, as security for the credit agreement to which the Company acceded on 19 July 2021, all present and future shares of the Company held by Tarkett Participation. There were no changes in this respect during the financial year ended 31 December 2023.

Information on this credit agreement is included in Section 4.3.4 "Terms of principal credit lines" of this Document.

Information about the shareholders

## 7.3 Information about the shareholders

### 7.3.1 Distribution and changes to the share capital and voting rights in the last three years

The tables below set out the Company's shareholding at 31 December 2023 and changes thereto in the last three financial years:

As of 31 December 2023	Number of shares	% of capital	Number of theoretical voting rights <sup>(2)</sup>	% of theoretical voting rights	% of exercised voting rights
Tarkett Participation <sup>(1)</sup>	59,207,028	90.32%	117,037,627	94.66%	94.67%
Treasury shares	18,559	0.03%	18,559	0.02%	-
Public	6,324,694	9.65%	6,588,729	5.32%	5.33%
<b>Total</b>	<b>65,550,281</b>	<b>100%</b>	<b>123,644,915</b>	<b>100%</b>	<b>100%</b>

<sup>(1)</sup>Tarkett Participation, Société Investissement Deconinck (SID), Expansion 17 S.C.A. and Global Performance 17 S.C.A. (these two funds belong to the Wendel group) and the members of the Supervisory Board of the Company related to the Deconinck family, act in concert vis-à-vis the Company since the simplified tender offer in 2021.

<sup>(2)</sup>The significant increase in the number of voting rights at the end of 2023 results from the acquisition of double voting rights by Tarkett Participation during the year.

For more information on the control of Tarkett Participation, please refer to Section 7.3.2 of this Document.

To the Company's knowledge, as of 31 December 2023, there were no other shareholders holding, directly, individually or jointly, more than 5% of the Company's share capital or voting rights.

As of 31 December 2022	Number of shares	% of capital	Number of theoretical voting rights	% of theoretical voting rights	% of exercised voting rights
Tarkett Participation <sup>(1)</sup>	59,132,160	90.21%	59,132,160	89.85%	90.00%
Tweedy, Browne Company LLC <sup>(2)</sup>	3,742,832	5.71%	3,742,832	5.69%	5.70%
Treasury shares and treasury stock	109,310	0.17%	109,310	0.17%	-
Public	2,565,979	3.91%	2,826,938	4.30%	4.30%
<b>Total</b>	<b>65,550,281</b>	<b>100%</b>	<b>65,811,240</b>	<b>100%</b>	<b>100%</b>

<sup>(1)</sup>Tarkett Participation, Société Investissement Deconinck (SID), Expansion 17 S.C.A. and Global Performance 17 S.C.A. (these two funds belong to the Wendel group) and the members of the Supervisory Board of the Company related to the Deconinck family, acting in concert vis-à-vis the Company since the simplified tender offer in 2021, together hold 59,263,246 shares and 59,277,470 voting rights in the Company, representing 90.41% of the share capital and 90.07% of the theoretical voting rights. This ownership included 109,310 shares held by the Company itself, including 25,099 shares held directly by the Company and 84,211 shares held indirectly, through its subsidiary Tarkett GDL SA, as well as the shares of corporate officers and employees of the Tarkett Group having agreed liquidity agreements for Tarkett shares with Tarkett Participation.

<sup>(2)</sup>In accordance with the information provided by Tweedy Browne Company LLC to the Company on 4 August 2022 (for further information, please refer to Section 7.3.5 of the 2022 Universal Registration Document).

As of 31 December 2021	Number of shares	% of capital	Number of theoretical voting rights	% of theoretical voting rights	% of exercised voting rights
Tarkett Participation <sup>(1)</sup>	58,982,530	89.98%	58,982,530	89.64%	89.98%
Treasury shares and treasury stock	247,555	0.38%	247,555	0.38%	-
Public	6,320,196	9.64%	6,569,678	9.98%	10.02%
<b>Total</b>	<b>65,550,281</b>	<b>100%</b>	<b>65,799,763</b>	<b>100%</b>	<b>100%</b>

<sup>(1)</sup>Tarkett Participation, Société Investissement Deconinck (SID), Expansion 17 S.C.A. and Global Performance 17 S.C.A. (these two funds belong to the Wendel group) and the members of the Supervisory Board of the Company related to the Deconinck family, acting in concert since the simplified tender offer in April 2021, declared on 25 October 2021 that they together held 59,263,596 shares and 59,272,507 voting rights in the Company, representing 90.41% of the capital and 90.08% of the voting rights. This ownership included 247,555 shares held by the Company itself, including 163,344 shares held directly by the Company and 84,211 shares held indirectly, through its subsidiary Tarkett GDL SA, as well as the shares of corporate officers and employees of the Tarkett Group having agreed liquidity agreements for Tarkett shares with Tarkett Participation.

Information about the shareholders

### 7.3.2 Control of the Company

Since the simplified tender offer for the Company's shares filed with the French Financial Markets Authority (AMF) on 26 April 2021, Tarkett Participation has been acting in concert within the meaning of Article L. 233-10 of the French Commercial Code with Société Investissement Deconinck (SID), Global Performance 17 S.C.A. FIAR and Expansion 17 S.C.A. FIAR (these two funds belong to the Wendel group) and the members of the Company's Supervisory Board associated with the Deconinck family.

As of 31 December 2023, the concert thus formed held 59,257,355 shares and 117,101,120 voting rights in the Company, i.e. 90.4% of the share capital and 94.7% of the theoretical voting rights.

### 7.3.3 Employee share ownership

Certain managers and employees of the Group hold shares of the Company acquired under the profit-sharing incentive schemes put in place by the Company and the incentive schemes involving the free allocation of shares since 2011. In the context of the simplified tender offer initiated by Tarkett Participation in 2021:

- > Tarkett employees who had shares in the Company available during the simplified tender offer were able to tender their shares to the offer;
- > it was proposed to all employees and corporate officers benefiting from the *Long Term Incentive Plans* (LTIP), whose free shares were in the process of being acquired (2019-2022 and 2020-2023 LTIP) or whose shares were not available (2017-2020 LTIP), to enter into liquidity agreements with Tarkett Participation. These agreements, concluded

This holding takes into account the 4,000 shares held by members of the Supervisory Board linked to the Deconinck family as well as, by assimilation, the 18,559 treasury shares held by the Company and the 27,768 shares held by Fabrice Barthélemy, who is also Chairman of Tarkett Participation.

Tarkett Participation's control over the Company remained stable compared to the previous year.

### 7.3.4 Shareholder voting rights

Article 8 of the Company's By-laws states that a double voting right attaches to all fully paid shares held continuously in registered form by the same holder for a minimum period of two years.

In accordance with Article L.22-10-46 of the French Commercial Code, in the event of an increase in the Company's share capital through incorporation of reserves, profits or share premiums, the newly issued free shares will carry double voting rights if they are granted to a shareholder in relation to existing shares that already carry double voting rights.

with Tarkett Participation, allowed them to make their shares issued in the 2019-2022 and 2020-2023 LTIP liquid upon acquisition if the Company was no longer listed on the stock exchange at that time or if the average trading volume of Tarkett shares in the last 20 days prior to the acquisition was equal to or less than 0.05% of Tarkett's share capital.

As at the date of this Document, no liquidity agreement is in force.

A summary of the free share plans and grants made under these plans as well as further information on the liquidity mechanism, can be found in Section 2.3.4 "Long Term Incentive Plans (LTIP)".

Double voting rights may be exercised at any Shareholders' Meeting of the Company. These terminate if the shares are converted into bearer form or if their ownership is transferred and any merger or spin-off of the Company shall not affect double voting rights, which may be exercised within the surviving company, if permitted under the By-laws of that company.

### 7.3.5 Thresholds exceeded

In accordance with Article L. 233-7 of the French Commercial Code and Article 7 of the Company's By-laws, the following legal thresholds were crossed during the financial year ended 31 December 2023:

Threshold date	Shareholder	Increase/decrease	Legal threshold exceeded	% of voting rights held	% of capital held
31 May 2023	Tweedy, Browne Company LLC	Decrease	5% of voting rights	3.29%	5.12%
30 June 2023	Tweedy, Browne Company LLC	Decrease	5% capital	3.11%	4.84%

## Company By-laws and Internal Regulations of the Supervisory Board

In addition, as a result of the acquisition of double voting rights, Tarkett Participation and the Concert (as defined above) exceeded the statutory thresholds of 91% to 93% of voting rights in May 2023 and then the statutory threshold of 94% of voting rights in July 2023.

It should be noted that Tarkett Participation and the Concert crossed the threshold of 90% of the Company's capital and voting rights in 2021, it being specified that shares and voting rights held through controlled companies within the meaning of Article L.233-3 of the French Commercial Code and those held under liquidity agreements were assimilated and treated in the same way as shares and voting rights held by the declaring party. Details of the shareholdings and voting rights of Tarkett Participation and the Concert are set out in section 7.3.1 of this Document.

As of the date of this Document and to the best of the Company's knowledge, no declaration of crossing legal or statutory thresholds has been made since 31 December 2023.

### 7.3.6 Shareholders' agreement

In the context of the simplified tender offer described in Section 7.3.2 of this document, the Société Investissement Deconinck (SID) and Wendel Luxembourg S.A. (previously Trief Corporation SA) entered into a shareholders' agreement on 23 April 2021 which governs the relationship between the SID, on the one hand, and Wendel Luxembourg S.A., on the other, at the level of Tarkett Participation and its controlled subsidiaries (including the Company) for a period of 15 years.

This agreement provides for changes in the Company's governance following the simplified tender offer, in order to reflect the Company's new shareholding structure, with SID retaining a majority stake. In the absence of a mandatory withdrawal, it provides that the Company will retain a dual governance structure with a Management Board and a Supervisory Board, it being specified that (i) a majority of the members of the Supervisory Board will be appointed on the proposal of the SID, (ii) if Wendel Luxembourg S.A. holds more than 10% of the

voting rights of Tarkett Participation, one member of the Supervisory Board is appointed on the proposal of Wendel Luxembourg S.A. and (iii) at least one third of the members of the Supervisory Board are independent in accordance with the provisions of the Afep-Medef Code to which the Company refers. This agreement also provides that the members of the Supervisory Board appointed on the proposal of SID and Wendel Luxembourg S.A. undertake to vote in accordance with the decision taken, if any, at the level of the Supervisory Board of Tarkett Participation.

The main terms of the agreement, relating to the Company and Tarkett Participation, are summarised in the information memorandum relating to the simplified tender offer filed with the AMF on 26 April 2021 and available on the Company's website ([www.tarkett-group.com](http://www.tarkett-group.com)).

## 7.4 Company By-laws and Internal Regulations of the Supervisory Board

The latest version of the By-laws was adopted by the Shareholders' Meeting of 30 April 2020 in order to take into account the new legal and regulatory provisions applicable to a public limited company with a Management Board and Supervisory Board under French law.

The Supervisory Board also has a set of Internal Regulations to set out its operating procedures. It is reviewed annually by the Supervisory Board.

All of these documents are available on the Company's website ([www.tarkett-group.com](http://www.tarkett-group.com)) and their main provisions are summarised below.

### Corporate purpose (Article 3 of the By-laws)

The Company's objectives, in France and in any other country, are:

> to study, create, develop, operate, direct and manage all businesses or commercial, industrial, real estate or financial companies relating to activities in the flooring industry;

- > to participate directly or indirectly in all transactions or undertakings through the creation of companies, establishments or groups of a real estate, commercial, industrial or financial nature or to participate in their creation or in the capital increase of existing companies;
- > to manage a portfolio of equity investments and securities and the transactions related thereto;
- > to own and manage all buildings;
- > and generally, to carry out all industrial, commercial, financial, securities or real estate transactions whatsoever that may be directly or indirectly related to the objects set out above.

Company By-laws and Internal Regulations of the Supervisory Board

### **Rights and obligations attached to shares (Articles 6 to 9 of the By-laws)**

The Company's share capital is composed exclusively of ordinary shares.

The Company's ordinary shares are freely negotiable. The transfer of ordinary shares is carried out by transfer from account to account. Shares may be in registered or bearer form, at the option of the shareholder, under the terms and conditions laid down in the applicable regulations.

Whenever it is necessary to hold a specific number of shares to exercise any right, or in the event of an exchange or grant of securities giving the right to new shares in return for the return of a specific number of existing shares, any odd-lot shares or shares that fall short of the minimum number required will not provide shareholders with rights vis-à-vis the Company. It is the responsibility of shareholders to group their shares or to purchase or sell the necessary number of shares.

It is stated that a double voting right for all fully paid shares held continuously in registered form by the same holder for a minimum period of at least two years. For the calculation of this holding period, no account is taken of the holding period of the Company's shares prior to 22 November 2013.

In accordance with Article L.225-123 paragraph 2 of the French Commercial Code, in the event of an increase in the Company's share capital through incorporation of reserves, profits or share premiums, the newly issued free shares will carry double voting rights if they are granted to a shareholder in relation to existing shares that already carry double voting rights.

Double voting rights may be exercised at any Shareholders' Meeting. Double voting rights terminate if the shares are converted into bearer form or if their ownership is transferred.

Each share gives ownership of the Company's assets and of the liquidation surplus in proportion to the share of the capital that it represents.

Shares are indivisible vis-à-vis the Company.

### **Management Board - Powers and duties (Articles 13 and 16 of the By-laws and Rule 3 of the Rules of Procedure)**

Subject to Supervisory Board authorization, the members of the Management Board may allocate their management tasks among themselves. However, any such allocation shall not, under any circumstances, deprive the Management Board of its status as a collegiate body responsible for management of Tarkett.

The Management Board may entrust one or more of its members or any person chosen from outside the Management Board with special permanent or temporary assignments, which it shall determine, and delegate to them, for one or more specific purposes, with or without the option of sub-delegation, the powers it deems appropriate.

Within the limits of the Company purpose and subject to any powers expressly reserved by law to the Supervisory Board and Shareholders' Meeting and excluding Key Decisions requiring the prior authorisation of members of the Supervisory Board, the Management Board is vested with the broadest powers vis-à-vis third parties to act in all circumstances in the name of the Company.

In its relationships with third parties, the Company is bound by the acts of the Management Board even where these do not fall within the corporate objects, unless the Company proves that the third party knew that the act went beyond those objects or that the third party could not have been unaware of that fact in light of the circumstances.

However, without prejudice to matters for which the prior authorisation of the Supervisory Board is required by law, the Management Board must seek the prior authorisation of the Supervisory Board before making any of the following decisions ("Key Decisions") within the Company and/or its controlled subsidiaries within the meaning of Article L.233-3 of the French Commercial Code (together, the "Tarkett Group"):

- a) the grant of sureties, endorsements and guarantees by any company in the Tarkett Group that exceeds the cumulative annual amount set by the Supervisory Board; if sureties, endorsements and guarantees given for an amount exceeding the limit set for the period concerned, the overrun would not be enforceable against third parties that were unaware thereof;
- b) operations resulting in a material change to industrial activities (flooring and sports surfaces) carried on as a principal activity by companies in the Tarkett Group; it is pointed out that any carrying on of new activities on a secondary basis by entities in the Tarkett Group does not require the prior authorisation of the Supervisory Board unless it should also constitute a Key Decision;
- c) the acquisition or sale (and more generally any transfer of ownership or investment) or the collateralisation of any asset of the Tarkett Group as part of a project, all asset contributions, and in particular partial asset contribution submitted to the Shareholders' Meeting under the so-called demerger procedure, all mergers or reorganisations (with a third party or within the Tarkett Group) involving an amount exceeding the thresholds set by the Supervisory Board or, failing that, by the Internal Regulations of the Supervisory Board (either globally or by type of operation);
- d) an initial public offering of any Tarkett Group company (other than the Company);
- e) entry by a company in the Tarkett Group into a loan for an amount in principal that (i) exceeds the threshold set by the Supervisory Board (or failing that, by the Internal Regulations of the Supervisory Board); or (ii) results in an increase of the aggregate amount of principal of the outstanding Tarkett Group loans above the maximum total commitment limit (in principal) authorised by the Supervisory Board for the period concerned or failing that, by the Internal Regulations of the Supervisory Board, as well as any material change to the terms and conditions of those loans;

Company By-laws and Internal Regulations of the Supervisory Board

- f) decisions pertaining to, or resulting in, amendments to the Company's By-laws, and amendments to the By-laws of any Tarkett Group company (i) with an asset value that exceeds an amount set in the Internal Regulations of the Supervisory Board, or (ii) that owns assets of strategic value for the Tarkett Group, if those amendments affect the rights of the Tarkett Group company that controls that subsidiary;
- g) approval of major joint venture agreements or partnership agreements i.e. those involving asset contributions by any Tarkett Group entity (including in cash contributions) that exceed a threshold set by the Internal Regulations of the Supervisory Board;
- h) any material change to the accounting principles applied by the Company in preparing its Consolidated Financial Statements (annual or interim), apart from changes required under International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS);
- i) adoption of the Tarkett Group's annual budget and any material change thereto;
- j) adoption of the medium or long-term strategic plan and the annual update thereof (together with the annual budget);
- k) any motion for a resolution by the Shareholders' Meeting and the exercise of delegations granted by the Shareholders' Meeting relating to the issuing of shares or transferable securities conferring entitlement, immediately or in due course, to the Company's capital, as well as any issue of shares conferring entitlement, immediately or in due course, to the capital of a Tarkett Group company to a third party to the Tarkett Group;
- l) any acquisition or sale (and more generally any transfer of ownership) of derivatives, foreign exchange contracts, swaps, options or any other speculative financial instruments, except when made (i) to meet the hedging requirements of the Tarkett Group; or (ii) for a buyback programme relating to the Company's shares;
- m) the implementation of any collective proceeding, dissolution, liquidation or winding up, moratorium or suspension (or any similar proceeding in each applicable jurisdiction) of a company of the Tarkett Group (i) with a number of employees exceeding a threshold set by the Internal Regulations of the Supervisory Board or (ii) with strategic assets for the Tarkett Group, insofar as such changes affect the rights of the company of the Tarkett Group which controls such subsidiary;
- n) any grant of a loan by the Tarkett Group other than customer advances, employee advances and any loan granted in the ordinary course of business;
- o) (i) any hiring or dismissal (or redundancy) of the key executives of the Tarkett Group as defined in the Internal Regulations of the Supervisory Board and (ii) any significant change in their compensation (including pension plans or special departure conditions);
- p) implementation or amendment of the management incentive plan (including any incentive in the form of shares or cash);
- q) the creation of or change to any stock option plan or plan involving the free allocation of shares of the Company or of any Tarkett Group company (or any other instrument of a similar nature) for the benefit of Tarkett Group managers and/or employees or of certain categories thereof;
- r) the conclusion of or a material change to collective labour agreement, pension plan or redundancy plan affecting a given number of employees set by the Internal Regulations of the Supervisory Board;
- s) initiating, stopping or settling any dispute or litigation (including tax-related) or waiving of any claim where, in each of these cases, the amount involved exceeds the limits set by the Internal Regulations of the Supervisory Board;
- t) the appointment, reappointment or removal from office of the Statutory Auditors;
- u) any grants, corporate sponsorships and, more generally, all forms of donation that exceed one hundred thousand (100,000) Euro.

At least once per quarter, the Management Board presents a report to the Supervisory Board. Within three months of the close of each financial year, it presents the annual financial statements to the Supervisory Board for their verification and review.

The Supervisory Board is regularly informed by the Management Board of the Group's management objectives and their achievement (in particular in relation to the annual budget and the strategic plan) as well as of the investment, risk management and human resources stewardship policies and their implementation within the Group; it is referred to by the Management Board, as necessary, in respect of any exceptional situation, and in particular in respect of Key Decisions.

In this respect, the Board ensures that any strategic operation and any significant operation outside the Group's announced strategy is the subject of sufficient information for prior approval by the Board.

**Statutory provisions likely to have an impact on the occurrence of a change of control**  
None.



Equity investments by the Company outside the Tarkett Group

### Shareholders' Meetings (Article 25 of the By-laws)

The Shareholder Meetings are convened and deliberated under the conditions laid down by law. Meetings shall be held at the registered office or at any other place specified in the notice of meeting.

If the Management Board decides at the time of convening the meeting, public transmission of the meeting by video-conference or by any means of telecommunication and remote transmission, including online, shall be permitted. A shareholder may be represented by another shareholder or by any other natural or legal person of their choice.

The mandate and, where applicable, its revocation shall be in writing and communicated to the Company under the conditions prescribed by the regulations in force.

Any shareholder may participate, personally or by proxy, in the meetings upon proof of identity and ownership of shares, in the form of an accounting record of their shares under the conditions prescribed by law.

The co-owners of undivided shares shall be represented at Shareholders' Meetings by one of them or by a common proxy of their choice. In the absence of agreement between them on the choice of a proxy, the latter shall be appointed by order of the President of the Commercial Court ruling in summary proceedings at the request of the most diligent co-owner.

Any shareholder may also, if the Management Board permits at the time of convening the Shareholders' Meeting, participate in this meeting by video-conference or by means of telecommunication or remote transmission, including online, under the conditions set by the laws and regulations. This shareholder is then deemed to be present for the quorum calculation and the majority.

Meetings are chaired by the Chairman of the Supervisory Board, in their absence by the Vice-Chairman or, in their absence, by a member of the Supervisory Board specially delegated for this purpose by the Supervisory Board. Failing that, the meeting shall elect its own Chair.

The duties of scrutineers shall be performed by the two members of the meeting with the highest number of votes and accept this function.

The office shall appoint the secretary, who may be chosen from outside the shareholders.

An attendance sheet shall be kept in accordance with the law.

Copies or extracts of the meeting minutes shall be validly certified by the Chairman of the Supervisory Board, the Vice-Chairman, a member of the Management Board exercising the functions of Chief Executive Officer or by the secretary of the meeting.

Ordinary and extraordinary Shareholders' Meetings, acting under the conditions of quorum and majority prescribed by the provisions governing them respectively, shall exercise the powers granted to them by law.

## 7.5 Equity investments by the Company outside the Tarkett Group

Information about the companies in which the Company holds a fraction of the share capital likely to have a material impact on the valuation of its assets and liabilities, financial position or its results is given in Section 4.1.1.5 "Acquisitions" and in Notes 2 "Scope of Consolidation" and 13 "Principal Consolidated Entities" in Section 5.2 "Notes to the Consolidated Financial Statements".

## 7.6 Elements likely to have an impact in the event of a public offering

To the best of the Company's knowledge, as of 31 December 2023, there are no agreements that could result in a change of control, other than those described in Section 7.3.6 of this Document.

## Stock market information

The applicable information required under Article L.22-10-11 (referring to Article L.22-10-20) of the French Commercial Code is included in the Universal Registration Document as follows:

- > the capital structure and direct and indirect holdings in the Company's capital of which the Company is aware are set out in Section 7.2;
- > the powers of the Management Board, particularly with regard to the issuing or share buyback, are described in Section 7.2.3;
- > the agreements entered into by the Company which are likely to be affected by a renegotiation of their contractual terms, in the event of a change of control of the Company, include the principal credit lines detailed in Sections 4.3.3 "Financial debt", 4.3.4 "Terms of principal credit lines" and 4.3.5 "Private investments";

- > it is specified that, to the Company's knowledge, there are no agreements, other than as set out in Section 2.3 "Compensation", that establish indemnities for members of the Management Board or employees who cease to be employed as a result of a tender offer, nor has the Company entered into any agreement that may be changed or terminated in the event of a change of control of the Company.

## 7.7 Stock market information

- > Tarkett's shares are listed on the Paris stock market (Euronext Paris - Compartment B - ISIN Code: FR00004188670 - Mnemonic code: TKTT).

	2023	2022	2021
Closing price (in Euro)			
Highest	13.02	19.66	21.40
Lowest	8.60	11.38	12.09
As of 31 December	9.32	11.50	19.50
Number of shares at 31 December	65,550,281	65,550,281	65,550,281
Market capitalisation at 31 December (in millions of Euro)	611	754	1.278

Source: Euronext.

# 8

## SHAREHOLDERS' MEETING OF 26 APRIL 2024

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## 8.1 Combined Shareholders' Meeting Agenda of 26 April 2024

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### Ordinary resolutions

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1. Approval of the Company financial statements for the 2023 financial year
2. Approval of the consolidated financial statements for the 2023 financial year
3. Allocation of profits for the 2023 financial year
4. Approval of regulated agreements and commitments
5. Reappointment as member of the Supervisory Board of Mr. Nicolas Deconinck for a term of four years
6. Appointment of Ms Marie Deconinck as member of the Supervisory Board for a term of four years
7. Appointment of KPMG SA as auditor in charge of certifying consolidated sustainability information
8. Appointment of Mazars as auditor in charge of certifying consolidated sustainability information
9. Approval of the information relating to the compensation of corporate officers for the 2023 financial year
10. Approval of the compensation paid or awarded to Mr. Fabrice Barthélemy, Chairman of the Management Board, for the 2023 financial year
11. Approval of the compensation paid or awarded to Mr. Raphaël Bauer, member of the Management Board, for the 2023 financial year
12. Approval of the compensation paid or awarded to Mr. Eric La Bonnardière, Chairman of the Supervisory Board, for the 2023 financial year
13. Approval of the compensation policy for the Chairman of the Management Board
14. Approval of the compensation policy for the member of the Management Board
15. Determination of the maximum total amount of compensation allocated annually to members of the Supervisory Board
16. Approval of the compensation policy for the Chairman of the Supervisory Board
17. Approval of the compensation policy for the members of the Supervisory Board
18. Authorisation to be given to the Management Board to trade in shares of the Company

### Extraordinary resolution

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19. Authorisation to be given to the Management Board to allocate free shares to employees and/or certain corporate officers of the Company or of related companies

### Ordinary resolution

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20. Powers for formalities.

## 8.2 Presentation of the resolutions submitted to the Combined Shareholders' Meeting of 26 April 2024

### Ordinary resolutions

#### Resolutions 1 and 2: Approval of the financial statements for the 2023 financial year

The purpose of the first two resolutions is to submit for the approval of the Shareholders' Meeting the company financial and consolidated statements of Tarkett for the financial year ending 31 December 2023, showing a net profit of 23,910,907.67 Euro and a consolidated net profit Group share of 20.4 million Euro.

These statements have been prepared in accordance with French legal and regulatory requirements for company financial statements and in accordance with current regulations, in particular IFRS (*International Financial Reporting Standards*) as approved by the European Union, for the consolidated statements.

Pursuant to Article 223 *quater* of the General Tax Code, it is stated that the total amount of expenses and charges referred to in Article 39-4 of the General Tax Code amounted to 56,012 Euro during the past financial year.

Details of the financial statements and the Statutory Auditors' Reports are provided in Chapters 4 "Review of the financial position and results" and 5 "Financial statements" of the 2023 Universal Registration Document.

#### First resolution:

##### (Approval of the Company financial statements for the 2023 financial year)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary shareholders' meetings and having reviewed the Management Board report, the observations of the Supervisory Board and the Statutory Auditors' Report on the Company financial statements for the year ended 31 December 2023, approves the financial statements for the year ended 31 December 2023, as presented, showing a net profit of 23,910,907.67 Euro.

The Shareholders' Meeting also approves the transactions reflected in these statements and/or summarised in these reports.

Pursuant to the provisions of Article 223 *quater* of the General Tax Code, the Shareholders' Meeting notes that the total amount of expenses and charges referred to in Article 39-4 of the General Tax Code amounted to 56,012 Euro during the past financial year.

#### Second resolution:

##### (Approval of the consolidated financial statements for the 2023 financial year)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary shareholders' meetings and having reviewed the Management Board report, the observations of the Supervisory Board and the Statutory Auditors' Report on the consolidated financial statements for the year ended 31 December 2023, approves the consolidated financial statements for the year ended 31 December 2023, as presented, showing a net profit (Group share) of 20.4 million Euro.

The Shareholders' Meeting also approves the transactions reflected in these statements and summarised in these reports.

Presentation of the resolutions submitted to the Combined Shareholders' Meeting of 26 April 2024

### Resolution 3: Allocation of profits for the 2023 financial year

The purpose of the 3<sup>rd</sup> resolution is to submit for the approval of the Shareholders' Meeting the allocation of the entire net profits for the financial year ending 31 December 2023 to the "Retained Earnings" account, which would now be adjusted from 792,671,869.69 Euro to 816,582,777.36 Euro.

#### Third resolution:

##### (Allocation of profits for the 2023 financial year)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary shareholders' meetings and having reviewed the Management Board report and the observations of the Supervisory Board, noting that the Company financial statements for the year ended 31 December 2023 show a net profit of 23,910,907.67 Euro, decides, on the proposal of the Management Board, to allocate the profit in full to the "Retained Earnings" account, thus bringing it to 816,582,777.36 Euro.

In accordance with legal provisions, the Shareholders' Meeting notes that no dividend has been paid for the past three financial years:

### Resolution 4: Regulated agreements and commitments

The purpose of the 4<sup>th</sup> resolution is to submit for approval of the Shareholders' Meeting the agreement for the acquisition of Tarkett shares entered into on 28 July 2023 between the Company and Tarkett Participation, which holds more than 10% of its voting rights, under which the Company acquired a total of 280,000 of its own shares from Tarkett Participation.

The purpose of this purchase was to enable the Company to deliver 388,701 free shares under the 2020-2023 performance plan, which were definitively acquired by the beneficiaries concerned on 1 August 2023. The agreement provided for a unit purchase price of 11.60 Euro per Tarkett share, i.e. a total price of 3,248,000 Euro.

The signature of this agreement was authorised by the Supervisory Board at its meeting on 26 July 2023. The latter considered that this transaction was in the Company's corporate interest, for the following reasons:

- > Tarkett did not have the possibility of issuing new shares to deliver the shares, the acquisition of shares from other shareholders was the only solution to enable it to deliver the said shares;
- > Acquiring the shares thus enabled the Company to meet its obligations to the beneficiaries of the performance share grants; and
- > the purchase price of the shares was lower than the closing price of Tarkett shares on the day the sale agreement was signed.

#### Fourth resolution:

##### (Approval of regulated agreements and commitments)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary shareholders' meetings and having reviewed the Statutory Auditors' Special Report on agreements and commitments governed by Articles L.225-86 et seq. of the French Commercial Code, approves said report and the agreement entered into during the year ended 31 December 2023 described therein.

Presentation of the resolutions submitted to the Combined Shareholders' Meeting of 26 April 2024

### **Resolutions 5 and 6: Composition of the Supervisory Board**

The Supervisory Board is currently composed of 13 members, including two members representing the employees, three independent members, four women (excluding the member representing the employees) and two observers.

#### **Reappointment of Nicolas Deconinck**

The 5<sup>th</sup> resolution concerns the reappointment of Supervisory Board member Nicolas Deconinck whose current term expires at the end of the Shareholders' Meeting of 26 April 2024. It is proposed to reappoint him for a period of four years, that is until the end of the Shareholders' Meeting called in 2028 to approve the financial statements for the financial year ending 31 December 2027.

In addition to his knowledge of the Group and the sector in which it operates, Nicolas Deconinck brings to the Board his skills and experience in digital and marketing.

If the renewal of Nicolas Deconinck's mandate is approved by the Shareholders' Meeting, he will continue to sit on the Nomination, Compensation and Governance Committee as well as the CSR and Innovation Committee.

#### **Appointment of Marie Deconinck as member of the Supervisory Board**

Following Didier Deconinck's decision to retire early from his term of office as a member of the Supervisory Board with effect from 26 April 2024, it is proposed, in the 6<sup>th</sup> resolution, to appoint Marie Deconinck as a member of the Company's Supervisory Board for a term of four years, i.e. until the close of the Shareholders' Meeting called in 2028 to approve the financial statements for the year ending 31 December 2027.

In addition to her knowledge of the Group and the sector in which it operates, Marie Deconinck will bring to the Board in particular her skills and experience in marketing.

At the close of the Shareholders' Meeting of 26 April 2024, and subject to the adoption by the Shareholders' Meeting of these two resolutions, the Supervisory Board would remain composed of 13 members, including three independent members, two members representing employees and two Observers. The proportion of women on the Board would rise from 44.44% to 55.56%.

### **Fifth resolution:**

[\(Reappointment as member of the Supervisory Board of Mr. Nicolas Deconinck for a term of four years\)](#)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary shareholders' meetings and having reviewed the Management Board report, notes that the term of office of Mr. Nicolas Deconinck as member of the Supervisory Board of the Company is due to expire, and decides to reappoint him as such for a duration of four years, i.e. until the close of the Shareholders' Meeting convened in 2028 to approve the financial statements for the financial year ending 31 December 2027.

### **Sixth resolution:**

[\(Appointment of Ms. Marie Deconinck as member of the Supervisory Board for a term of four years\)](#)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary shareholders' meetings and having reviewed the Management Board report, decides to appoint Ms. Marie Deconinck as member of the Supervisory Board of the Company with immediate effect and for a duration of four years, i.e. until the close of the Shareholders' Meeting convened in 2028 to approve the financial statements for the financial year ending 31 December 2027.

Presentation of the resolutions submitted to the Combined Shareholders' Meeting of 26 April 2024

### **Resolutions 7 and 8: Appointment of auditors in charge of certifying consolidated sustainability information**

The purpose of the 7<sup>th</sup> and 8<sup>th</sup> resolutions is to submit for the approval of the Shareholders' Meeting the appointment of KPMG SA and Mazars as co-auditors in charge of certifying consolidated sustainability information, as provided for by the provisions of Ordinance Nr. 2023-1142 of 6 December 2023 transposing the European Corporate Sustainability Reporting Directive of 14 December 2022 into French law.

It is proposed to set the duration of their respective terms of office to two financial years, which corresponds to their remaining terms of office as statutory auditors in charge of certifying the financial statements of the Company, i.e. until the close of the Shareholders' Meeting called in 2026 to approve the financial statements for the year ending 31 December 2025.

These proposals have been reviewed by the Audit, Risks and Compliance Committee which issued a favorable opinion thereon.

### **Seventh resolution:**

#### **(Appointment of KPMG SA as auditor in charge of certifying consolidated sustainability information)**

The Shareholders' Meeting, voting with the quorum and majority required for ordinary shareholders' meetings and having reviewed the Management Board Report, decides, pursuant to Articles L.821-40 and seq. of the French Commercial Code, to appoint KPMG SA as auditor in charge of certifying consolidated sustainability information.

Notwithstanding the provisions of Article L.821-44 of the French Commercial Code and in accordance with Article 38 of Ordinance Nr. 2023-1142 of 6 December 2023 relating to the publication and certification of sustainability information and to the environmental, social and corporate governance obligations of commercial companies, the term of this appointment corresponds to that of the remaining term of office of KPMG SA as statutory auditor, i.e. a term of two financial years ending at the close of the Shareholders' Meeting convened in 2026 to approve the financial statements for the financial year ending 31 December 2025.

### **Eighth resolution:**

#### **(Appointment of Mazars as auditor in charge of certifying consolidated sustainability information)**

The Shareholders' Meeting, voting with the quorum and majority required for ordinary shareholders' meetings and having reviewed the Management Board Report, decides, pursuant to Articles L.821-40 and seq. of the French Commercial Code, to appoint Mazars as auditor in charge of certifying consolidated sustainability information.

Notwithstanding the provisions of Article L.821-44 of the French Commercial Code and in accordance with Article 38 of Ordinance Nr. 2023-1142 of 6 December 2023 relating to the publication and certification of sustainability information and to the environmental, social and corporate governance obligations of commercial companies, the term of this appointment corresponds to that of the remaining term of office of Mazars as statutory auditor, i.e. a term of two financial years ending at the close of the Shareholders' Meeting convened in 2026 to approve the financial statements for the financial year ending 31 December 2025.



Presentation of the resolutions submitted to the Combined Shareholders' Meeting of 26 April 2024

### Resolutions 9 to 12: Approval of the compensation package paid during or awarded in respect of the 2023 financial year to the corporate officers

Pursuant to the provisions of Article L.22-10-34 of the French Commercial Code, the purpose of resolutions 9 to 12 is to submit for the approval of the Shareholders' Meeting the compensation package paid during or awarded in respect of the financial year ending 31 December 2023 to the Company's corporate officers (commonly referred to as the "ex-post vote") and more specifically:

- > information on the compensation of all corporate officers (9<sup>th</sup> resolution);
- > the compensation package of Fabrice Barthélemy, Chairman of the Management Board (10<sup>th</sup> resolution);
- > the compensation package of Raphaël Bauer, member of the Management Board (11<sup>th</sup> resolution);
- > the compensation package of Eric La Bonnardière, Chairman of the Supervisory Board (12<sup>th</sup> resolution).

It should be noted that these items were decided by the Supervisory Board following the recommendations of the Nomination, Compensation and Governance Committee and are described in detail in the Supervisory Board's Corporate Governance Report in Sections 2.3.1, 2.3.2 and 2.3.6 of the 2023 Universal Registration Document.

#### Ninth resolution:

(Approval of the information relating to the compensation of corporate officers for the 2023 financial year)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary shareholders' meetings and having reviewed the corporate governance report, approves, pursuant to Article L.22-10-34 I of the French Commercial Code, the information relating to the compensation of corporate officers in respect of the financial year ended 31 December 2023 referred to in Article L.22-10-9 of the French Commercial Code, as set out in Section 2.3.2 of the 2023 Universal Registration Document.

#### Tenth resolution:

(Approval of the compensation paid or awarded to Mr. Fabrice Barthélemy, Chairman of the Management Board, for the 2023 financial year)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary shareholders' meetings and having reviewed the corporate governance report, approves, pursuant to Article L.22-10-34 II of the French Commercial Code, the components of the total compensation and benefits in kind paid during or awarded in respect of the financial year ended 31 December 2023 to Mr. Fabrice Barthélemy, Chairman of the Management Board, as set out in Sections 2.3.1 and 2.3.6.1 of the 2023 Universal Registration Document.

#### Eleventh resolution:

(Approval of the compensation paid or awarded to Mr. Raphaël Bauer, member of the Management Board, for the 2023 financial year)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary shareholders' meetings and having reviewed the corporate governance report, approves, pursuant to Article L.22-10-34 II of the French Commercial Code, the components of the total compensation and benefits in kind paid during or awarded in respect of the financial year ended 31 December 2023 to Mr. Raphaël Bauer, member of the Management Board, as set out in Sections 2.3.1 and 2.3.6.2 of the 2023 Universal Registration Document.

Presentation of the resolutions submitted to the Combined Shareholders' Meeting of 26 April 2024

## Twelfth resolution:

(Approval of the compensation paid or awarded to Mr. Eric La Bonnardière, Chairman of the Supervisory Board, for the 2023 financial year)

The Shareholders' Meeting, voting with the quorum and majority conditions required for ordinary shareholders' meetings and having reviewed the corporate governance report, approves, pursuant to Article L.22-10-34 II of the French Commercial Code, the components of the total compensation and benefits in kind paid during or awarded in respect of the financial year ended 31 December 2023 to Mr. Eric La Bonnardière as Chairman of the Supervisory Board, as set out in Sections 2.3.2 and 2.3.6.3 of the 2023 Universal Registration Document.

### Resolutions 13 to 17: Approval of compensation policies of corporate officers

In accordance with Article L.22-10-26 of the French Commercial Code, the purpose of resolutions 13 to 17 is to submit for the approval of the Shareholders' Meeting the compensation policies applicable to the Chairman of the Management Board (13<sup>th</sup> resolution), the member of the Management Board (14<sup>th</sup> resolution), the Chairman of the Supervisory Board (16<sup>th</sup> resolution) and the members of the Supervisory Board (17<sup>th</sup> resolution) (commonly referred to as "ex-ante vote").

With regard to the remuneration of the Supervisory Board, the total annual remuneration allocated to Board members since 2021 has been 550,000 euros, of which 90% was used in 2023. With effect from the 2024 financial year, in order to ensure flexibility and, in particular, to enable the remuneration of potential *ad hoc* committees, the Supervisory Board has decided to propose to the Shareholders' Meeting of 26 April 2024 (15<sup>th</sup> resolution) that the total annual remuneration package be increased to 650,000 euros. In addition, as part of the Board's supervisory role, the Chairman takes part in numerous discussions with the Management Board prior to Board meetings, and his workload has increased considerably since 2022. It is proposed that his compensation be set at an annual amount of 160,000 euros.

These decisions and compensation policies will apply for the financial year beginning 1 January 2024 and until a new decision is made by the Shareholders' Meeting.

It should be noted that these elements were decided by the Supervisory Board following the recommendations of the Nomination, Compensation and Governance Committee and are described in detail in the Supervisory Board's Corporate Governance Report in Section 2.3.5 of the 2023 Universal Registration Document.

## Thirteenth resolution:

(Approval of the compensation policy for the Chairman of the Management Board)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary Shareholders' Meetings and having reviewed the corporate governance report, approves the compensation policy applicable to the Chairman of the Management Board for the financial year beginning 1 January 2024, as set out in Section 2.3.5.1 of the 2023 Universal Registration Document.

## Fourteenth resolution:

(Approval of the compensation policy for members of the Management Board)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary Shareholders' Meetings and having reviewed the corporate governance report, approves the compensation policy applicable to the member of the Management Board for the financial year beginning 1 January 2024, as set out in Section 2.3.5.2 of the 2023 Universal Registration Document.

Presentation of the resolutions submitted to the Combined Shareholders' Meeting of 26 April 2024

### Fifteenth resolution:

(Determination of the maximum total amount of compensation allocated annually to members of the Supervisory Board)

The Shareholders' Meeting, voting with the quorum and majority conditions required for ordinary general meetings, decides to set the maximum amount of compensation allocated annually to the members of the Supervisory Board for the 2024 financial year and for each subsequent financial year at 650,000 Euro (six hundred and fifty thousand Euro), until a further decision by the Shareholders' Meeting.

### Sixteenth resolution:

(Approval of the compensation policy for the Chairman of the Supervisory Board)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary Shareholders' Meetings and having reviewed the corporate governance report, approves the compensation policy applicable to the Chairman of the Supervisory Board for the financial year beginning 1 January 2024, as set out in Section 2.3.5.3 of the 2023 Universal Registration Document.

### Seventeenth resolution:

(Approval of the compensation policy for the members of the Supervisory Board)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary Shareholders' Meetings and having reviewed the corporate governance report, approves the compensation policy applicable to the members of the Supervisory Board for the financial year beginning 1 January 2024, as set out in Section 2.3.5.3 of the 2023 Universal Registration Document.

### Resolution 18: Authorisation for the Company to buy back its own shares

As of 31 December 2023, the Company held 18,559 treasury shares, representing 0.03% of its share capital.

The purpose of the 18<sup>th</sup> resolution is to submit for the approval of the Shareholders' Meeting the renewal for a new period of 18 months of the authorisation given to the Management Board to allow the Company to trade its own shares within the limit of 10% of the share capital and for a maximum unit purchase price of 20 Euro. The total amount allocated to the buyback programme should not exceed 30,000,000 Euro.

Without the prior authorisation of the Shareholders' Meeting, the Management Board may not make use of this authorisation from the time of the filing of a public offer by a third party for the Company's shares until the end of the offer period.

At present, there is no liquidity agreement or share plan to cover, but this resolution would make it possible to retain a degree of flexibility.

Information on the use that has been made of the previous share buy back authorisation is contained in Section 7.2.3 of the 2023 Universal Registration Document.

Presentation of the resolutions submitted to the Combined Shareholders' Meeting of 26 April 2024

## Eighteenth resolution:

(Authorisation to be given to the Management Board to trade in shares of the Company)

The Shareholders' Meeting, voting with the quorum and majority required for ordinary shareholders' meetings, having reviewed the Management Board report, authorises the Management Board to purchase or arrange the purchase of the Company's shares, with the right to sub-delegate as permitted by law, in accordance with Articles L.22-10-62 et seq. of the French Commercial Code, for the purpose of:

- > the allocation of free shares pursuant to Articles L.22-10-59 et seq. of the French Commercial Code; or
- > the distribution of shares on the occasion of the exercise of rights attached to securities giving entitlement by redemption, conversion, exchange, presentation of a share warrant or in any other way to the allocation of ordinary shares of the Company; or
- > the allocation of free shares to employees or officers of the Company or an affiliate of the Company (in particular the Company's direct and indirect subsidiaries) under any plan that is not subject to Articles L.22-10-59 et seq. of the French Commercial Code, and in particular under plans entitled "Long Term Incentive Plan"; or
- > the cancellation of the shares bought back and not allocated; or
- > trading in the secondary market or maintaining the liquidity of Tarkett's shares through an investment services provider in the framework of a liquidity agreement that complies with the ethics charter recognised by the French Financial Markets Authority.

The Company may buy back a number of shares such that:

- > the number of shares that the Company buys during the term of the share buyback programme does not exceed 10% of the shares comprising the Company's share capital at any time, this percentage applying to the capital as adjusted following any transaction affecting it subsequent to this Shareholders' Meeting (such number being 6,555,028 shares as of 31 December 2023), provided that where the shares are bought in order to maintain liquidity pursuant to the conditions defined by the French Financial Markets Authority general regulation, the number of shares taken into account for purposes of calculating the 10% limit provided for above is the number of shares bought minus the number of shares resold during the period of the authorisation;
- > the number of shares that the Company holds at any time may not exceed 10% of the shares comprising the Company's share capital on the date in question.

Shares may be bought, sold or transferred at any time (other than during a tender offer on the Company's capital) up to the limits authorised by applicable laws and regulations, on regulated markets or multilateral trading facilities, through systematic internalisers or over the counter, including through block trades (without limiting the portion of the buyback programme that may be carried out by this means), by tender or exchange offer, or through the use of options or other forward financial instruments traded on regulated markets, multilateral trading facilities, through systematic internalisers or over the counter, or by distribution of shares following the issuance of securities granting access to the Company's share capital by conversion, exchange, reimbursement, exercise of a share warrant or in any other manner, either directly or indirectly through an investment services provider acting pursuant to the conditions of Article L.225-206 II of the French Commercial Code.

The maximum share purchase price in the framework of this resolution is fixed at twenty (20) Euro.

The Shareholders' Meeting delegates to the Management Board, in the event of a change in the share's nominal value, a capital increase by incorporation of reserves, an allocation of free shares, a stock split or a reverse stock split, a distribution of reserves or of any other assets, capital depreciation, or any other transaction affecting shareholders' equity, the power to adjust the maximum purchase price stated above in order to account for the effect of such transactions on the share value.

The total amount allocated to the share buyback programme authorised above may not be greater than thirty million (30,000,000) Euro.

The Shareholders' Meeting grants full powers to the Management Board, with the right to sub-delegate as permitted by law, to decide upon and implement this authorisation, to specify, if necessary, its terms and conditions, to carry out the share buyback programme, and in particular to place any stock market order, to enter into any agreement, to allocate or reallocate the acquired shares for their intended purposes in accordance with applicable laws and regulations, to define the terms and conditions governing the maintenance of shareholder or option holder rights in accordance with legal, regulatory or contractual provisions, to file any declarations to the French Financial Markets Authority or any other competent authority and to carry out all other formalities and, generally, to perform all necessary acts. As of the date hereof and up to the amount, if any, that has not yet been used, this authorisation cancels any delegation previously given to the Management Board to trade in the Company's shares. It is given for a period of eighteen (18) months as of the date hereof.

Presentation of the resolutions submitted to the Combined Shareholders' Meeting of 26 April 2024

## Extraordinary resolution

### Resolution 19: Authorisation to be given to the Management Board to allocate free shares to employees and/or certain corporate officers of the Company or of related companies

The purpose of the 19<sup>th</sup> resolution is to submit to the approval of the Shareholders' Meeting the authorisation to be granted to the Management Board for the purpose of granting free of charge, subject to the fulfilment of performance conditions set by the Management Board in agreement with the Supervisory Board and upon the recommendation of the Nomination, Compensation and Governance Committee, existing Company shares not representing more than 1% of the Company's share capital on the date of the Shareholders' Meeting, to some or all employees and/or certain corporate officers of the Company or its related companies. It is specified that the allocations that would be decided under this resolution in favour of the members of the Management Board could not represent more than 30% of the shares covered by this resolution.

For this authorisation, you will be asked to grant full powers to the Management Board, within the limits set forth above and subject to the prior authorisation of the Supervisory Board, to implement this authorisation, and, in particular, to:

- > determine the beneficiaries, the allocation criteria (in particular with respect to continued employment and, where applicable, performance), the number of shares to be awarded to each of them, the terms and conditions of the share allocation and, in particular, the vesting period and retention period applicable to each award, subject to the minimum periods defined by this resolution;
- > set, upon the proposal of the Nomination, Compensation and Governance Committee, pursuant to legal conditions and limits, the dates on which such free share allocations shall be made;
- > determine the dividend date for the newly issued shares;
- > decide on the terms pursuant to which the number of free shares awarded will be adjusted in order to preserve the beneficiaries' rights; and
- > more generally, with the right to delegate and sub-delegate as permitted by law, enter into any agreements, prepare any documents, and carry out any formalities or filings with any bodies, and do all that may otherwise be necessary.

It is intended that the existing shares that may be awarded pursuant to this authorisation be acquired by the Company, either pursuant to Article L.225-208 of the French Commercial Code, or, where applicable, under the share buyback programme authorised by the Shareholders' Meeting as proposed in the 18<sup>th</sup> resolution above, in accordance with Article L.22-10-62 of the French Commercial Code, or any other share buyback programme that may apply at a later date.

We ask you to grant this authorisation as of the date of the Shareholders' Meeting of 26 April 2024, for a period to expire at the close of the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2024.

Presentation of the resolutions submitted to the Combined Shareholders' Meeting of 26 April 2024

## Nineteenth resolution:

(Authorisation to be given to the Management Board to allocate free shares to employees and/or certain corporate officers of the Company or of related companies)

The Shareholders' Meeting, voting with the quorum and majority required for extraordinary shareholders' meetings and in accordance with applicable legal provisions, particularly Article L.22-10-59 and L.22-10-60 of the French Commercial Code, having reviewed the Management Board report and the special report by the Statutory Auditors:

Authorises the Management Board, as from the date of this Shareholders' Meeting, and for a duration to expire at the close of the Shareholders' Meeting convened to approve the financial statements for the financial year ending 31 December 2024, to carry out, with the prior authorisation of the Supervisory Board, one or more awards of existing Company shares, subject to the performance conditions set by the Management Board in agreement with the Supervisory Board and upon the proposal of the Nomination, Compensation and Governance Committee, pursuant to the terms set forth below.

The total number of existing Company shares to be awarded as free shares pursuant to this resolution may not represent more than 1% of the Company's share capital on the date of this Meeting, it being specified that the awards made pursuant to this Resolution to each of the members of the Company's Management Board must be authorised in advance by the Supervisory Board, must be fully subject to performance conditions, and may not represent more than 30% of the number of shares authorised by this resolution.

The beneficiaries will be the members or certain members of the salaried staff or eligible company officers (within the meaning of Article L.225-197-1 II paragraph 1 of the French Commercial Code and subject to compliance with the provisions of Articles L.22-10-58 and L.22-10-60 of the French Commercial Code) of the Company or companies or groups related to it within the meaning of Article L.225-197-2 of the French Commercial Code or certain categories of them.

At the time of each award decision, the Management Board shall determine, on the basis of the recommendations of the Nomination, Compensation and Governance Committee and as permitted by law, the vesting period following which the share award shall become final. The vesting period may not be less than two years from the date of the share award.

At the time of each award decision, the Management Board shall determine, on the basis of the recommendations of the Nomination, Compensation and Governance Committee, where applicable, the retention period to which the award recipients will be bound, which period shall run from the vesting date of the shares and which may be eliminated, since the vesting period may not be less than two years.

In the event that a recipient becomes disabled, as defined in the second or third category set forth in Article L.341-4 of the French Social Security Code, the shares shall be definitively awarded before the end of the remaining vesting period, and shall be immediately transferable.

The existing shares that may be granted under this resolution must be acquired by the Company within the framework of the share purchase programme as proposed in the fifteenth resolution above under Article L.22-10-62 of the French Commercial Code or any share purchase programme applicable thereafter.

In this framework, the Shareholders' Meeting grants full powers to the Management Board, subject to the prior authorisation of the Supervisory Board, to implement this authorisation and, in particular, to:

- > determine the beneficiaries, the allocation criteria (in particular with respect to continued employment and performance), the number of shares to be awarded to each of them, the terms and conditions of the share allocation and the vesting period and retention period applicable to each award, subject to the minimum periods defined by this resolution;
- > set, upon the proposal of the Nomination, Compensation and Governance Committee, pursuant to legal conditions and limits, the dates on which such free share allocations shall be made;
- > determine the dividend date, even if retroactive, for the newly issued shares;
- > decide on the terms pursuant to which the number of free shares awarded will be adjusted in order to preserve the beneficiaries' rights; and
- > more generally, enter into any agreements, prepare any documents, and carry out any formalities or filings with any bodies, and do all that may otherwise be necessary.

Each year, the Management Board shall inform the Ordinary Shareholders' Meeting of the awards carried out pursuant to this resolution, in accordance with Article L.225-197-4 of the French Commercial Code.

Supervisory Board's observations on the Management Board report and the financial statements for the year ended 31 December 2023

## Ordinary resolution

### Resolution 20: Powers for formalities

The purpose of the 20<sup>th</sup> resolution is to submit to the approval of the Shareholders' Meeting the granting of the necessary powers for the completion of advertisements and legal formalities.

### Twentieth resolution:

(Powers for formalities)

The Shareholders' Meeting grants full powers to the bearer of an original, a copy of or an extract from the minutes of this Shareholders' Meeting, to carry out all filings, formalities and publications required by law.

## 8.3 Supervisory Board's observations on the Management Board report and the financial statements for the year ended 31 December 2023

Ladies and Gentlemen,

Our Company's Management Board has convened the annual Shareholders' Meeting, in accordance with the law and the by-laws, to report to you on the activity and financial position of our Company and of our Group during the financial year ended 31 December 2023, and to submit the year's financial statements and the appropriation of profit to you for approval.

We inform you that the Management Board has provided the annual company financial statements, the consolidated financial statements and the management report to the Supervisory Board within the legal time limits.

In accordance with Article L.225-68 of the French Commercial Code, we have examined the company financial statements, the consolidated financial statements, and the Management Board's management report, and we believe that such documents do not call for any particular observations.

We hope that all of the recommendations that the Management Board has made to you in its report will meet with your approval, and that you will decide to adopt the resolutions submitted for your approval.

The Supervisory Board

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Statutory Auditors' special report on regulated agreements

## 8.4 Statutory Auditors' special report on regulated agreements

*This is a free translation into English of the Statutory Auditors' Report on regulated agreements issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

### Shareholders' Meeting to approve the 2023 financial statements

In our capacity as your company's Statutory Auditors, we hereby report to you on regulated agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms, conditions and reasons underlying company's interest of agreements that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of Article R.225-58 of the French Commercial Code, it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.225-58 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

### Agreements submitted for approval at the Annual General Meeting

In accordance with Article L.225-88 of the French Commercial Code, we have been advised of the following agreement entered during the year ended, which was authorized by your Supervisory Board.

#### Tarkett's shares purchase agreement

##### With Tarkett Participation

**Purpose:** The purpose of this agreement, authorized by your Supervisory Board on July 26, 2023, is to enable the Company to deliver 388,701 shares under the free performance share plan, which were definitively acquired by their beneficiaries on August 1, 2023. On July 28, 2023, the Company entered into a share purchase agreement with Tarkett Participation, which holds more than 10% of the Company's voting rights, under which it acquired a total of 280,000 of its own shares from Tarkett Participation. This agreement provided for a unit purchase price per Tarkett share of 11.60 euros, i.e. a total price of 3,248,000 euros.

### Reasons justifying its interest for the Company and leading to the creation of the agreement:

This acquisition agreement is motivated by the following reasons:

- > As the Company was unable to issue new shares for the delivery of the shares, the acquisition of shares from other shareholders proved to be the only solution to enable it to deliver the said shares;
- > Acquiring the shares thus enabled the Company to meet its obligations to the beneficiaries of the performance share grants; and
- > The purchase price of the shares was lower than the closing price of the Company's shares on the day the sale agreement was signed.

### Persons concerned:

- > Tarkett Participation, which holds more than 10% of voting rights of Tarkett S.A.
- > Fabrice Barthélemy, Chairman of the Management Board and Chairman of Tarkett Participation, Eric La Bonnardière, Chairman of the Supervisory Board of Tarkett and Tarkett Participation, Didier Deconinck, Vice-Chairman of the Supervisory Board and Member of the Supervisory Board of Tarkett Participation, Julien Deconinck, Member of the Supervisory Board of Tarkett and Tarkett Participation, Nicolas Deconinck, Member of the Supervisory Board of Tarkett and Tarkett Participation.

### Agreements previously approved by the Shareholders' Meeting

#### Agreements approved in prior years which remained during the year ended

In accordance with Article R.225-57 of the French Commercial Code, we have been informed of the following agreements approved in prior years and which remained current during the last year.

#### I. Agreements for the provision of services and assistance and animation

##### With Société Investissement Deconinck (SID)

Persons concerned: Messrs. Julien Deconinck, Didier Deconinck, Nicolas Deconinck, Bernard-André Deconinck and Eric La Bonnardière, members of Tarkett's Supervisory Board and shareholders, directly and indirectly, of SID.



Statutory Auditors' special report on regulated agreements

### 1) Services agreement

The agreement was authorised by your Supervisory Board on 17 December 2013, amended by your Supervisory Board from 26 June 2018 retroactive to 1 January 2018, continued into 2023. It states that Tarkett provides in favor of SID, legal, social and fiscal services necessary for its business. Tarkett billed SID for the 2023 financial year 55,000 Euro (excluding taxes) under this agreement.

**Reasons justifying the interest for the Company and having led to the maintenance of the agreement:** These services are necessary for the management of SID, main shareholder of Tarkett, and continued in 2023.

### 2) Assistance and guidance agreement

The agreement was authorised by your Supervisory Board on 9 October 2013, amended by your Supervisory Board from 26 June 2018 retroactive to 1 January 2018, continued into 2023. It states that SID assists Tarkett in defining its strategic objectives and major decision-making. SID billed Tarkett for the 2023 financial year 300,000 Euro (excluding taxes) under this agreement.

**Reasons justifying its interest for the Company and having led to the maintenance of the agreement:** These assistance and facilitation services are necessary for the management of Tarkett and have continued in 2023.

## II. Agreements concluded within the framework of the simplified tender offer

In the context of a simplified tender offer (the "Offer") for Tarkett's shares initiated on the current year, the Supervisory Board approved on 23 April 2021 the following agreements with Tarkett Participation in connection with the refinancing.

The following persons are declared an indirect interest in the following agreements, even though they are direct parties to them:

- > SID, as indirect majority shareholder of the Company;
- > Eric La Bonnardière, as Chairman of the Supervisory Board;
- > Didier Deconinck, as Vice Chairman of the Supervisory Board;
- > Julien Deconinck, as member of the Supervisory Board;
- > Nicolas Deconinck, as member of the Supervisory Board; and
- > Bernard-André Deconinck, as observer at the Supervisory Board.

### 1) Intra-group loan agreement

Under this agreement between Tarkett as borrower and Tarkett Participation as lender, Tarkett Participation makes available to Tarkett, in one or more instalments, sums that would result from one or more drawings by Tarkett Participation on Tranche B (as this term is defined below) in the form of a term loan.

**Purpose of the intra-group loan agreement:** The purpose of the intra-group loan agreement is, in particular, to finance the refinancing of the Company's existing indebtedness.

**Financial terms of the intra-group loan agreement:** The main financial terms of the intra-group loan agreement are as follows:

- > maximum principal amount of 528,000,000 Euro, of which the principal amount as of 31 December 2023 is 455,192,246.68 Euro, and 72,000,000 USD (i.e. a Euro equivalent amount of 65,158,371.04 as of 31 December 2023);
- > maturity: 7 years.
- > margin: equal to that of Tranche B as mentioned the Act of accession to the English law credit agreement (below).

### 2) Act of accession to a loan agreement governed by English law

Within the framework of this act of accession by the Company to a loan agreement governed by English law concluded between:

- > Tarkett Participation in its capacity as borrower;
- > BNP Paribas, Crédit Agricole Corporate and Investment Bank and Société Générale in their capacity as underwriters and guarantors of the offer;
- > the financial institutions listed in the document in their capacity as initial lenders;
- > CACIB in its capacity as agent and security agent,

the lenders are to provide (i) Tarkett Participation with a term loan for a maximum principal amount of 889,173,870.24 Euro, with a principal amount on 31 December 2023 of 839,173,870.24 Euro (the "Tranche B Euro") and an amount of 72,000,000 USD (the "Tranche B USD") and (ii) Tarkett Participation and all members of the Group, subject to their involvement, with a revolving loan for a total principal amount of 350,000,000 Euro (the "Revolving Tranche"), whose purpose is to finance the Group's general requirements.

Within the framework of this agreement, the Company is acting as borrower with regard to the Revolving Tranche as well as guarantor. In this context, the borrowers and guarantors, including the Company, guarantee the obligations of other debtors (including Tarkett Participation, via an upstream guarantee), with the Company and/or its subsidiaries having adhered to the credit agreement via the act of accession, within the limits at all times of the amounts that would have been received by the Company and its subsidiaries (via the intra-group loan), or by any other means.

Statutory Auditors' special report on regulated agreements

**Purpose of the credit agreement:** The credit agreement, for an initial maximum amount of 1,239,173,870.24 Euro, finally used as of 31 December 2023 for an amount of 1,189,173,870.24 Euro and an amount of 72,000,000 USD (equivalent to 65,158,371.04 Euro on 31 December 2023), was intended in particular:

- > for Tranche B Euro and Tranche B USD: (a) for the partial funding of the acquisition price of target shares (including the refinancing of all drawdowns of the Revolving Tranche allocated to the acquisition of target shares) and associated expenses; and (b) for the funding of refinancing by the provision of the intra-group loan by Tarkett Participation to the Company, and
- > for the Revolving Tranche: for the funding of general and operational requirements, Group development and investment and all acquisitions and the refinancing of certain term loans.

**Financial terms of the credit agreement:** The main financial terms of the credit agreement are outlined below:

- > available principal amount of 1,189,173,870.24 Euro and 72,000,000 USD (equivalent of 65,158,371.04 Euro on 31 December 2023);
- > maturity of Tranche B: 7 years;
- > maturity of the Revolving Tranche: 6 years and 6 months;
- > margin of Tranche B Euro: between 3.00% and 3.75% (depending on (i) the leverage ratio level and (ii) subject to an adjustment mechanism according to certain environmental, social and good governance criteria);
- > margin of Tranche B USD: between 3.25% and 4.25% (depending on (i) the leverage ratio level and (ii) subject to an adjustment mechanism according to certain environmental, social and good governance criteria);
- > margin of the Revolving Tranche: between 1.75% and 2.50% (depending on (i) the leverage ratio level and (ii) subject to an adjustment mechanism according to certain environmental, social and good governance criteria);
- > underwriting fee equal to 1.25% of the principal amount; and
- > commitment fee equal to 30% of the margin applied to the available commitment of the lender concerned for the Revolving Tranche for the availability period applying to the Revolving Tranche.

### 3) Deed of accession to a subordination agreement governed by English law

The Company's adhesion to a subordination agreement governed by English law by means of an act of accession is intended to govern creditors' rights, in particular with respect to the credit agreement referred to above.

The Supervisory Board has concluded that the agreements referred to above present the following financial advantages for the Company:

- > Market positioning: the possibility for the Company to gain access to a more liquid market than the bond market, the market associated with the two Tranche Bs, which is more likely to finance its external growth;
- > Financing capacity: the possibility for the Company to cover its general financial requirements and its working capital requirement;
- > Flexibility: easing of the credit repayment terms under the credit agreement (early repayment of the two B Tranches at any time without charge, with the exception of an initial six month period during which a penalty of 1% will be applied and early repayment of all or part of the Revolving Tranche);
- > Financial ratios: the absence of any financial ratio to be respected by the Group within the framework of the refinancing of the existing debt by the Company, with the exception of compliance with a leverage ratio provided that the drawdowns associated with the Revolving Tranche are greater than 40% of the total amount of the Revolving Tranche. The financial covenant is also fixed at a significantly higher level (around 5.8x);
- > Financial terms: the financial terms associated with the two Tranche Bs reflected in the intra-group loan seem to be competitive in the Term Loan B market, given that this financing benefits from extremely favourable market conditions, close to historical lows, and the competitive process introduced with the selected banks; and
- > Maturity: an opportunity for the Company to anticipate the refinancing of its existing financing lines (the maturity of the two Tranche Bs (i.e. 7 years) and the Revolving Tranche (i.e. 6.5 years) being longer than the residual term of existing credits (i.e. 5 years for the existing revolving credit and between 2 and 5 years for Schuldschein credits).

Paris La Défense,  
21 February 2024  
The Statutory Auditors

KPMG SA

Philippe Grandclerc  
Associate

Romain Mercier  
Associate

Mazars

Anne-Laure Rousselou  
Associate

Statutory Auditors' report on the authorisation to grant existing free shares

## 8.5 Statutory Auditors' report on the authorisation to grant existing free shares

*This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

### Combined Shareholders' Meeting of 26 April 2024 - 19<sup>th</sup> resolution

To the Shareholders,

In our capacity as your company's Statutory Auditors and in accordance with the terms of our engagement defined by Article L.225-197-1 of the French Commercial Code, we hereby report to you on the project of authorisation to allocate existing free shares to the members of salaried staff and/or corporate officers of your company, or companies or groups related to it within the meaning of Article L.225-197-2 of the French Commercial Code, an operation which is submitted to your approval.

The total number of shares that may be allocated for free under the 19th resolution may not exceed 1% of your company's share capital on the date of the present Shareholders' Meeting, being specified that grants made under this resolution to each members of the Company's Management Board must be authorised in advance by the Supervisory Board, are subject in their entirety to performance conditions, and may not represent more than 30% of the number of shares authorised by this resolution.

Your Management Board proposes, on the basis of its report, to authorise it for a term expiring at the close of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2024, to allocate existing free shares of your company.

It is the responsibility of your Management Board to prepare a report on this proposed operation. Our responsibility is to report on the information provided to you on the proposed operation.

We have performed the procedures that we have considered necessary regarding professional standards of the French Institute of Auditors (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted notably in verifying that the terms given in the Management Board report are in compliance with the provisions of French law.

We have no matters to report on the information given in the Management Board report in connection with the proposed operation to allocate existing free shares.

Paris La Défense,  
25 March 2024  
Statutory Auditors

Mazars

Anne-Laure Rousselou  
Associate

KPMG SA

Philippe Grandclerc  
Associate

Romain Mercier  
Associate

## 9

## ADDITIONAL INFORMATION

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Person responsible for the Universal Registration Document

## 9.1 Person responsible for the Universal Registration Document

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**Fabrice Barthélemy**

Chairman of the Management Board.

## 9.2 Certification by the responsible person

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I attest, having taken every reasonable measure to this end, that, to the best of my knowledge, the information contained in the Universal Registration Document is in accordance with the facts and contains no omission likely to affect its import.

I attest that, to the best of my knowledge, the financial statements are drawn up in accordance with the applicable accounting standards and provide a true and fair view of the assets, financial situation and results of the Company and of all the companies falling within the scope of consolidation, and that the management report which appears in this Universal Registration Document presents a true and fair overview of the changes in the business, results and financial situation of the Company and of all the companies falling within the scope of consolidation, and that it sets out the main risks and uncertainties to which they are exposed.

26 March 2024

**Fabrice Barthélemy**

Chairman of the Management Board

## 9.3 Person responsible for the financial information

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**Mr. Raphaël Bauer**

Group Financial Officer

Indicative financial reporting schedule

## 9.4 Indicative financial reporting schedule

The financial information communicated to the public by the Company will be made available on its website.

Given the new capital structure following the simplified tender offer initiated during the 2021 financial year, the Group is adapting its financial communication and will now only publish revenue by segment in the first and third quarter. The first half and full year publications will continue to include the full financial statements.

As an indication, the timetable for Tarkett's financial communication until 31 December 2024 is expected to be as follows, as the dates are subject to change without notice:

	2024 calendar
First quarter revenue	25 April 2024
Shareholders' Meeting	26 April 2024
First half-year results	25 July 2024
Third quarter revenue	24 October 2024
Annual results 2024	20 February 2025

## 9.5 Statutory Auditors

	Last renewal date	Term end date <sup>(1)</sup>
KPMG S.A. Represented by Philippe Grandclerc et Romain Mercier Tour Eqho - 2 avenue Gambetta 92066 Paris-La Défense	2020	2026
Cabinet Mazars Represented by Mrs Anne-Laure Rousselou 61 rue Henri Regnault - Exaltis 92400 Courbevoie	2020	2026
Salustro Reydel Represented by Mrs Béatrice de Blauwe Tour Eqho - 2 avenue Gambetta 92066 Paris-La Défense	2020	2026
Mr Jérôme de Pastors 61 rue Henri Regnault - Exaltis 92400 Courbevoie	2020	2026

<sup>(1)</sup>Date of the Shareholders' Meeting convened to approve the financial statements for the financial year in which the mandate expires.

## 9.6 Documents available to the public

This document may also be consulted on the Company's website ([www.tarkett-group.com](http://www.tarkett-group.com)) and on the website of the French Financial Markets Authority (AMF) ([www.amf-france.org](http://www.amf-france.org)).

During the period for which the Universal Registration Document is valid, the following documents (or a copy of these documents) may be consulted at the Company's registered office:

- > the Company's By-laws;
- > all reports, letters and other documents, historical financial information of the Company and consolidated financial information for at least the two financial years preceding the

date of this Document, valuations and statements prepared by an expert at the request of the Company, any part of which is included or referred to in this Universal Registration Document and,

- > more generally, all legal and financial documents relating to the Company and which must be made available to the shareholders in accordance with the prevailing regulations.

The regulated information, as defined by the provisions of the AMF's General Regulations, is available on the Company's website.

Concordance tables

## 9.7 Concordance tables

### 9.7.1 Universal Registration document

The concordance table below identifies the headings established in Annexes I and II of Delegated Regulation (EU) no. 2019/980 of 14 March 2019 and reference is made to the sections of this Universal Registration Document where the information relating to each of those headings is given.

Headings	Sections
1. Persons responsible, third party information, experts' reports and competent authority approval	9.1 to 9.3
2. Statutory Auditors	9.5
3. Risk factors	6.1
4. Information about the issuer	1 and 7.1.1
5. Investments	4.2
6. Business overview	
6.1. Principal activities	1.4
6.2. Principal markets	1.5
6.3. Important events in the development of the issuer's business	4.6
6.4. Strategy and objectives	1.3 and 4.6
6.5. Dependence of the issuer	1.6.2.1
6.6. Competitive position	1.5
7. Organisation chart	
7.1. Brief description of the Group	1.7
7.2. Significant subsidiaries of the Group	5.6
8. Real estate property, plants and equipment	
8.1. Significant property, plant and equipment	1.6.2.2
8.2. Environmental issues	3
9. Examination of the financial position and results	
9.1. Financial position	4.1
9.2. Operating profit	4.1
10. Cash flow and equity	4.3
11. Research and development, patents and licences	1.6.4
12. Trend information	4.6
13. Profit forecasts or estimates	N/A
14. Administrative, management and supervisory bodies and Senior Management	
14.1. Information about the members	2.2
14.2. Conflicts of interest	2.6.1.1
15. Compensation and benefits	2.3 and 2.4

Concordance tables

Headings	Sections
16. Administrative and management bodies operation	
16.1. Term end dates	2.2.2.2 and 2.2.3.2
16.2. Contracts between members of the administrative, management or supervisory bodies	2.6.2
16.3. Information on the Committees of the Supervisory Board	2.2.4
16.4. Compliance with the corporate governance regime	2.1.1
17. Employees	
17.1. Number of employees	1.1.2
17.2. Participation and share subscription or purchase options	2.3.3 and 2.3.4
18. Major shareholders	7.3
19. Related party transactions	2.6.3
20. Financial information concerning the issuer's assets and liabilities, financial position and profits	
20.1. Historical financial information	5.1 and 5.2
20.2. Pro-forma financial information	N/A
20.3. Financial statements	5
20.4. Audited historical annual financial information	5.9 and 5.10
20.5. Date of the latest financial information	5.1 to 5.5
20.6. Interim and other financial information	N/A
20.7. Dividend distribution policy	5.7
20.8. Legal and administrative proceedings	4.5
20.9. Significant change in the financial or commercial position	4.1
21. Additional information	
21.1. Share capital	7.2
21.2. Constituent documents and By-laws	7.4
22. Major contracts	4.4
23. Information from third parties, expert declarations and declarations of interest	N/A
24. Documents available to the public	9.6

## 9.7.2 Annual financial report

Information under Article L. 451-1-2 of the French Monetary and Financial Code	Sections
1. Management report	9.7.3
2. Consolidated Financial Statements	5.1 and 5.2
3. Company financial statements	5.3 and 5.4
4. Statutory Auditors' report on the Consolidated and Company Financial Statements	5.9 and 5.10
5. Declaration of the persons responsible for the annual financial report	9.1 to 9.3



Concordance tables

### 9.7.3 Management Board Report

The table below identifies the Sections of the Universal Registration Document containing all of the elements of the Management Board report required under the statutory and regulatory provisions.

Elements of the management report required under Article L.22-10-34 of the French Commercial Code		Sections
1.	Situation and activities of the Management Board during the previous year	1.4
2.	Significant events during the 2023 financial year	1.1 and 5.4 (Note 1)
3.	Company profits in 2023	5.3 and 5.4
4.	Group indebtedness	4.3.3 & 4.3.7
5.	Group internal control, accounting, and financial risk management procedures	6.2
6.	Description of the principal risks and uncertainties to which the Company is exposed	6.1
7.	Research and development activities	1.6.4
8.	Significant events since the close	5.2 (Note 11)
9.	Foreseeable developments and future outlook	4.6
10.	Appropriation of results	8.2
11.	Table of results for the past five financial years	5.5
12.	Dividends	5.7
13.	Non-tax-deductible expenses	8.2
14.	Subsidiaries and equity investments	5.6
15.	Shareholders	7.3
16.	Stock option or stock purchase plans and performance share allocation plans	2.3.4
17.	Transactions on the Company's securities carried out by corporate officers and related persons (Article L.621-18-2 of the French Monetary and Financial Code)	2.5
18.	Share buybacks	7.2.3
19.	Information on supplier or customer payment terms	5.4 (Note 2.5)
20.	Human resource, environmental and social information (Articles L.22-10-36, R.225-104 and R.225-105-1 of the French Commercial Code, as amended by Decree no. 2012-557 of 24 April 2012 - article 1.)	3 (concordance table in section 3.12.3)
21.	Vigilance plan	3.4
22.	Corporate governance report	2 and 9.7.4
23.	Group results 2023	Consolidated financial position

Concordance tables

## 9.7.4 Supervisory Board report on corporate governance

<b>Information required under Article L.22-10-20 of the French Commercial Code</b>	<b>Sections</b>
Diversity policy applied to the members of the Supervisory Board	2.2.3.6
Preparation and organisation conditions	2.2.1, 2.2.2.1 and 2.2.3.1
Limitation of the Management Board's powers	7.4
Mandates and functions exercised by each corporate officer	2.2.2.4 and 2.2.3.5
Compensation and benefits of any kind for corporate officers	2.3
Consultation on the compensation of corporate officers	2.3.6
Provisions of the Afep-Medef Code that were discounted	2.1.1
Where the Afep-Medef Code can be consulted	2.1.1
Specific terms and conditions for attending Shareholders' Meetings	7.4
Delegations for capital increases	7.2.4
Elements likely to have an influence in the event of a public offering	7.6
Supervisory Board's observations on the management report and financial statements for the previous financial year	8.3
Agreements concluded between a director or significant shareholder and a subsidiary	2.6.2 and 8.4

Pursuant to Article 19 of (EU) Regulation 2017/1129 of 14 June 2017, the historical information listed above is included by reference in this Universal Registration Document.

Design and Production



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