

Sustainability report 2023

Introduction

Sustainability and a long-term orientation go hand in hand. Rinos is a family business since 1925. It makes sense for us to contribute to sustainability, to be able to pass on the company responsibly to future generations. We want to treat people, resources and our environment with dignity. We use a selection of the United Nations Sustainability Development Goals (SDGs) as a guideline: tackling climate change, making consumption and production more sustainable, innovation for a more sustainable infrastructure, and decent work and economic growth. We work internally with a long-term program “Rinos Sustainability Path” to make our organization, our production and our products more sustainable step by step.

Sustainable development goals

We take the United Nations Sustainable Development Goals as a starting point for our sustainability approach.



Out of this total set, we have selected 4 goals that fit best to our profile of a SME manufacturing company. We feel that we can make a significant impact in these areas:

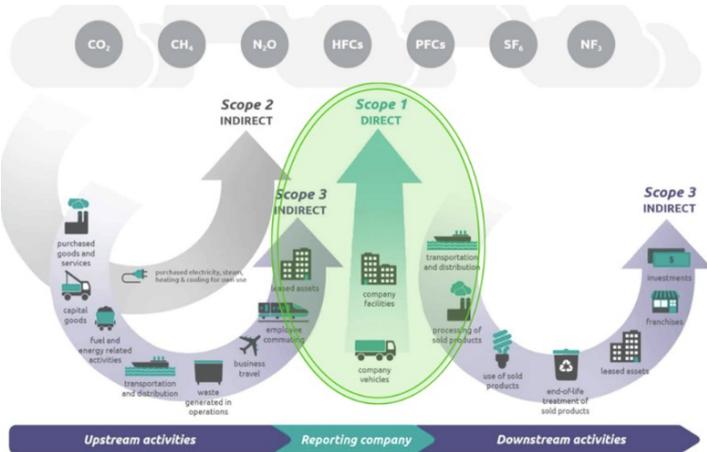


Rinos manufactures entrance carpet and coir mats. The products are partly based on fossil raw materials and the manufacturing process requires energy. Thus the Global Warming Potential (GWP) of our products has

the biggest impact on our environment. That is why “Climate Action” is our top priority. Through an approach of responsible production and product innovation, we can reduce our Carbon Footprint and reduce the Global Warming Potential of our products. Parallel to this, as an employer we feel responsible for decent work, both in our own organisation and in our supply chain.

Rinos Sustainability path

When we look at possibilities to reduce our Carbon Footprint, it is important to analyse where the impact on the environment originates in the total product lifecycle.



Scope 1 emissions are the emissions caused by the direct activities of Rinos itself. Think about the emission of CO₂ by using gas for our heating systems.

Scope 2 are the emissions caused by the generation of purchased electricity or externally generated steam or heat. In our case this is about electricity.

Scope 3 has to do with the emissions outside our own organisation, caused by the creation and transport of raw materials (Upstream), the emissions during the period

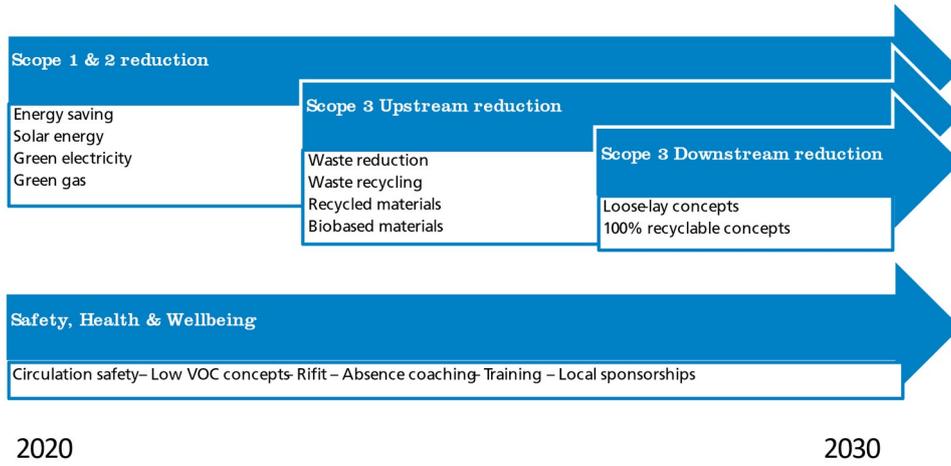
of use of the product (transport, installation, maintenance) and the disposal of the product at the end of life (Downstream).

Based on these three emission scopes, we have defined a staged approach in the Rinos Sustainability Path. In the first stage we focus on reducing our Carbon Footprint by reducing the energy use within our own organisation and to migrate to climate-neutral energy sources.

In the second stage we take a look at the embedded Carbon Footprint in our products. Within this stage we see option to reduce our emissions by reducing waste, recycling manufacturing waste, making use of recycled materials and applying more biobased materials.

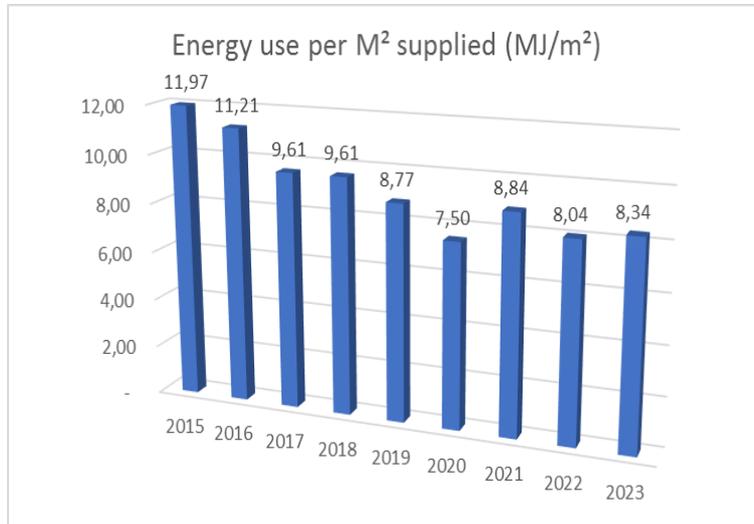
In the third stage we focus on product innovation with the ultimate goal of creating products that can be recycled at the end of the life cycle.

Rinos Sustainability Path



Climate action

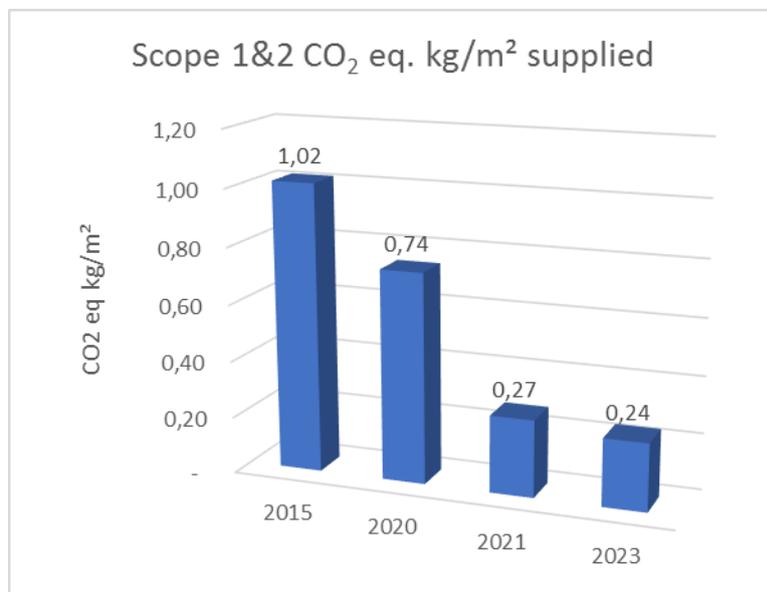
30% Reduction of energy used



insulation and production lay-out in the factory.

The first initiative that we took is to reduce the amount of energy used in our plant. We have done this through optimisation of our manufacturing process and through investments in the electrification of more energy efficient ovens in the backing departments. In 2023, the renewable part of our energy consumption was 47%, either from our own solar panels or from purchased green electricity. Compared to our base year 2015, these investments resulted in a reduction of energy use of 30% per supplied square meter. Further reduction requires a step change in the heating technology, building

77% Reduction of our Carbon Footprint



that we'll need to find alternatives for the grey gas that we're using or we need to invest in new production technology.

The EU's target is to reduce CO₂ emissions by 55% by 2030 compared to 1990. We had adopted this target and were planning in 2020 to reduce our CO₂ emissions (scope 1 and 2) by at least 55% by 2030 compared to our base year 2015, measured in kg CO₂ equivalent per m² of product supplied.

In the period between 2015 and 2023, we have now achieved a 77% reduction in scope 1&2 CO₂ emissions. In 2023, the level of greenhouse gas emissions per m² product was 0.24 kg CO₂ eq./m². Because we have already exceeded our original target, we have adapted it further downwards.

Getting close to zero emission means

Sustainable Production and Innovation

In the second stage of the Rinos Sustainability path we focus on reducing the scope 3 Upstream emissions of our products. For a manufacturer like us, this has mainly to do with the amount and the type of materials used. The amount of materials used can be reduced with a more efficient production process and by increasing the post-industrial recycling. Another important contribution can be made by using more recycled or renewable raw materials with less upstream emissions.

Waste recycling 2023: 80%

We define our Waste Rate as the amount of waste in T. divided by the total amount of materials used in T. per year.

In 2023 the amount of industrial waste was slightly higher compared the year before, but is still 18% lower compared to our base year 2020. A large step was made in the recycling of our waste. In 2023 we managed to recycle 80% of our waste through close cooperation with waste recycling companies. However, one very particular waste stream may not find a buyer next year, which might influence this result in the next reporting year.

Circularity index 2023: 49%

We express the amount of circular raw materials in the Circularity Index: the amount of recycled and renewable raw materials purchased in the year divided by the total amount of raw materials purchased. In 2023, our circularity index further increased to 49%. This result can be attributed to the conversion of virgin calcium carbonate into recycled calcium carbonate in the last quarter of 2023. In the next reporting year, this will drive further growth of our circularity index for the full year.

Coir mats circularity index: 85%

Rinos is originally a manufacturer of coir mats. The yarn for these mats is made from the outer bark of coconuts that are harvested six times a year. Working with renewable materials is therefore in our DNA since 1925. The backing of these coir mats is made of a flexible PVC compound which contains calcium carbonate as a filler. Coir mats with the new, recycled calcium carbonate component now consist for 85% of renewable and recycled raw materials.

Econyl mats circularity index: 70%

Rinos was in 2010 the first manufacturer of entrance mats with an Econyl mat, made with regenerated (= chemically recycled) polyamide. Both existing and new polyamide entrance mats are made with this regenerated material where possible. Thanks to the new recycled calcium carbonate component, this type of mats has now reached a circularity index of 70%.

PVC-free products: Pura backing

The PVC backing, applied by Rinos, has been phthalate-free since 2010. One of the trends in the flooring market is that leading architects and customers, both in Europe and in the United States, avoid the use of PVC in commercial buildings for environmental reasons. Textile products that partly contain PVC are difficult to recycle and often refused because the chlorides damage the recycling installations. The plasticisers can migrate into porous subfloors and leave stains that cannot be removed.

That is why Rinos also markets a PVC-free alternative: Pura Backing. This backing is made of polyurethane. It does not contain chlorides or plasticisers. In addition, this material can be partly built up from renewable raw materials, which offers opportunities for further innovation and further increase of the circularity index.

Low VOC emission: Eurofins Gold

Pura Backing also contributes to a healthy living and working environment because the emission of Volatile Organic Compounds is lower compared to PVC. In 2022, we have measured the VOC emission at Eurofins. This proved that the VOC Emission with Pura Backing meets to most stringent European norms and applies to the Eurofins Gold Standard.

Innovation: towards circular products

The third stage of the Rinos Sustainability Path requires innovation to improve the circularity of our products at the end of life.

In order to properly manage and improve the sustainability impact of all our products, we have published Environmental Product Declarations (EPD) for all our categories. This gives us detailed insight in the Cradle to Gate and the Cradle to Grave Carbon Footprint of our products.

Today, our products are not recycled but incinerated or disposed of as landfill. The EPD shows that a significant part of the Global Warming Potential is caused by the end of life stage. It is our ambition to create products that can be recycled in an economically attractive way. One way is to see to it that recycling technology will be able to handle entrance matting along with the recycling of other flooring categories. However, this is a passive approach with an uncertain outcome. Entrance matting has particular physical properties compared to main flooring, yet is a low volume category. The other approach is to recreate our products in a way that economical recycling becomes possible along with other flooring.

Decent work and growth

Craftsmanship is our top priority. Many employees in our production work for a very long time at our company, and we think this is important in order to honour knowledge and craftsmanship. We care about the safety of our working environment, we pay attention to training and development of personnel and we work on the vitality of people and the organisation.

In 2023, our employees have increased their participation in a sponsored lifestyle program to 54%. This program stimulates physical exercise and a healthy food consumption.

The availability of our workforce was 96,4 %, which is on par for industrial SME companies in the Netherlands.

The amount of training expenses as a percentage of wages has almost doubled compared to the previous year, which reflects the attention for permanent development of our staff.

With regard to our role in society, we have a structured approach to support local and regional initiatives to protect the weak as a business. In particular, we pay attention to labour conditions in our Coir supply chain in India.