

OUR SUSTAINABLE JOURNEY 2025

NOVALIS®
INNOVATIVE FLOORING

01

The Novalis Group 04
About us 05
Our History 06
Novalis Locations 07
Product Offerings 08
Global Production & Distribution 09
Governance of Sustainable Growth 10
Activities of the Novalis Group 12
Flooring Solutions 13
Target Markets & Brands 14

02

Floors for the Better 18
A Different Kind of Progress 19
Path Toward Double Materiality 20
Novalis Sustainability Framework 21

03

Better for the Planet 22
Creating a Better Planet 23
Global Energy Consumption & Energy Intensity 24
Carbon Footprint & Emissions 27
Water Management 32
Materials Management 35
Alternative Materials 37
Local Sourcing of Raw Materials 38
Waste Management 39
Biodiversity Impact 41
Creating a Better Planet 46

04

Better for the People 47
Creating a Better Workplace 48
Our People 49
Health, Safety & Well-Being 53
Building Skills, Strengthening Safety 55
Employee Benefits 56
Creating a Better Future for Our People 57

05

Better for the Community 58
Creating a Better Community 59
Customer Health & Safety 60
Third-Party Verification 61
Commitment to Continuous Improvement 62
Our Contributions 63
Community Support in Action 64
Community Engagement & Partnerships 65
Creating a Better Community 66

Acknowledgements 67

Appendices 69

About this Report 80



Dear partners, customers, friends, and members of the Novalis family,

Whenever we visit a building where our flooring has been installed, we are reminded that what we manufacture becomes part of people's daily lives for many years. Children learn on it in schools, families build their homes on it, and employees walk across it every day in their workplaces.

Unlike many products that are quickly consumed and replaced, flooring is designed to remain in service for decades. A floor we manufacture today may still be part of a building twenty or thirty years from now. This simple reality influences how we think about our business.

More than forty years ago, our father, Dr. Wu, founded Novalis on the principles of quality, integrity, and continuous improvement. While our company has grown significantly since then, those values continue to guide us today. As a family-owned company, we have always believed that decisions should be made with the long term in mind.

When a product is expected to perform for decades, quality matters. Durability matters. Product safety matters. The way we source materials and manufacture our products matters. The impact of those decisions often extends far beyond the day a product leaves one of our manufacturing facilities.

Throughout 2025, our teams continued to strengthen this foundation. Across our operations in China, Thailand, Mexico, and the United States, employees worked every day to improve products, increase efficiency, strengthen transparency, and support our customers. We also continued preparing for the next stage of our sustainability journey by deepening our understanding of the environmental, social, and business topics that will shape our future.

What gives us the greatest confidence is our people. Across all locations, we continue to see employees taking ownership, sharing ideas, solving problems, and supporting one another. Just as we design our products to deliver lasting value, we are committed to building strong teams, local leadership, and the capabilities needed for every part of our business to succeed and grow independently over the long term. Ultimately, the future of Novalis will be shaped not by facilities or equipment, but by the people who bring our values to life every day.

While we are proud of the progress reflected in this report, we know there is still much to do. Sustainability is not a destination. It is a responsibility and an ongoing commitment to continuous improvement.

The flooring we manufacture today may remain in buildings for decades. We believe the decisions behind those products should stand the test of time as well.

Thank you for being part of our journey.

John Wu, CEO
Chief Executive Officer

CC Wu, COO
Chief Operating Officer

The Novalis Group

Over 40 years of industrial leadership

05 About us
06 Our History
07 Novalis Locations
08 Product Offerings
09 Global Production & Distribution
10 Governance of Sustainable Growth
12 Activities Of The Novalis Group
13 Flooring Solutions
14 Target Markets & Brands

01



Dalton, US

About us

Novalis Innovative Flooring is a family-owned global manufacturer specializing in the design and production of innovative Luxury Vinyl Tile (LVT).

With more than 40 years of experience, Novalis combines design, quality and innovation to develop flooring solutions for customers around the world.

Established in 1984, Novalis has grown worldwide with sales offices, distribution partners, and factories across China, Vietnam, Korea, Thailand, Mexico, and the United States.

Sustainability and innovation remain integral to our continued development. We are focused on advancing our products and processes, improving resource efficiency and responding to evolving customer needs while working toward a more sustainable future for the flooring industry.



Our History



1984
Founded by
Dr. Wu in Hong Kong, China



1988
Shipped 1st container of
LVT from China to the US



2001
Opened North American
headquarters in Toronto

Established second
manufacturing facility



2005
Opened subsidiary
office in Germany

Developed & launched
NovaFloor

Opened office
in North Carolina



2015
Developed & launched
commercial AVAFlor brand

Achieved GreenGuard
Gold Certification



2019
Opened US headquarters
in Dalton (GA), US

Established first US factory
in Dalton (GA), US



2022
Diversified with
Vietnam & Korea
manufacturing

Expanded China
manufacturing site



2023
Expanded our
operations to
Monterrey, Mexico



2024
Expanded our
operations to
Bangkok, Thailand

Novalis Locations

Novalis continues to develop its international operations in response to evolving market requirements and regional demand. Through our network of offices and manufacturing sites, we maintain a broad geographic presence while supporting the effective coordination of our activities across regions. With our latest expansion into Mexico and Thailand, we remain focused on strengthening our global presence while staying close to the markets and customers we serve.

Working in

5
Offices

Production across

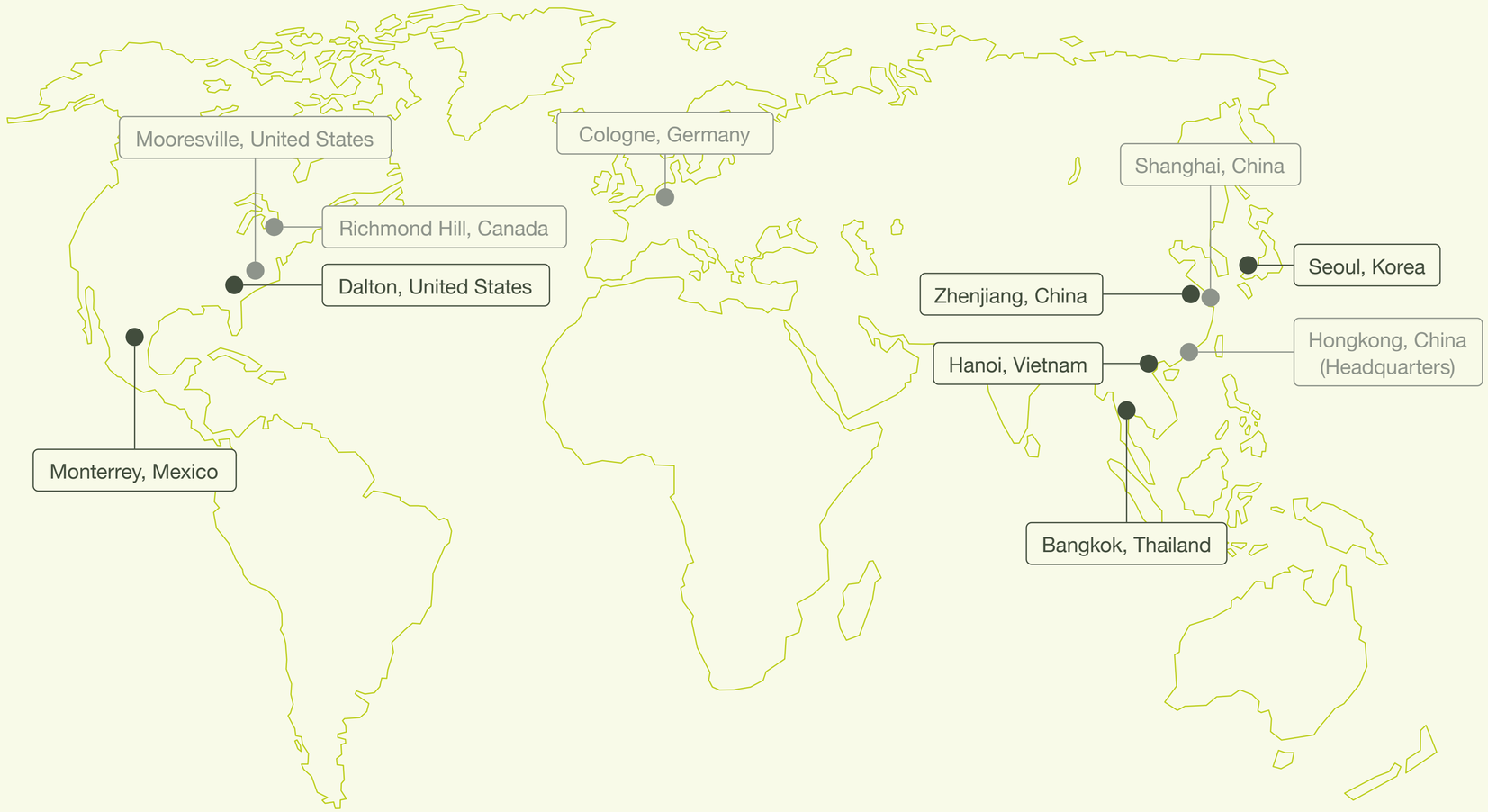
9
Manufacturing Sites

Active in

56
Countries

1,397
Family Members

14,000
Annual Container Shipments



Product Offerings



Residential



Leisure & Retail



Education



Hospitality



Corporate



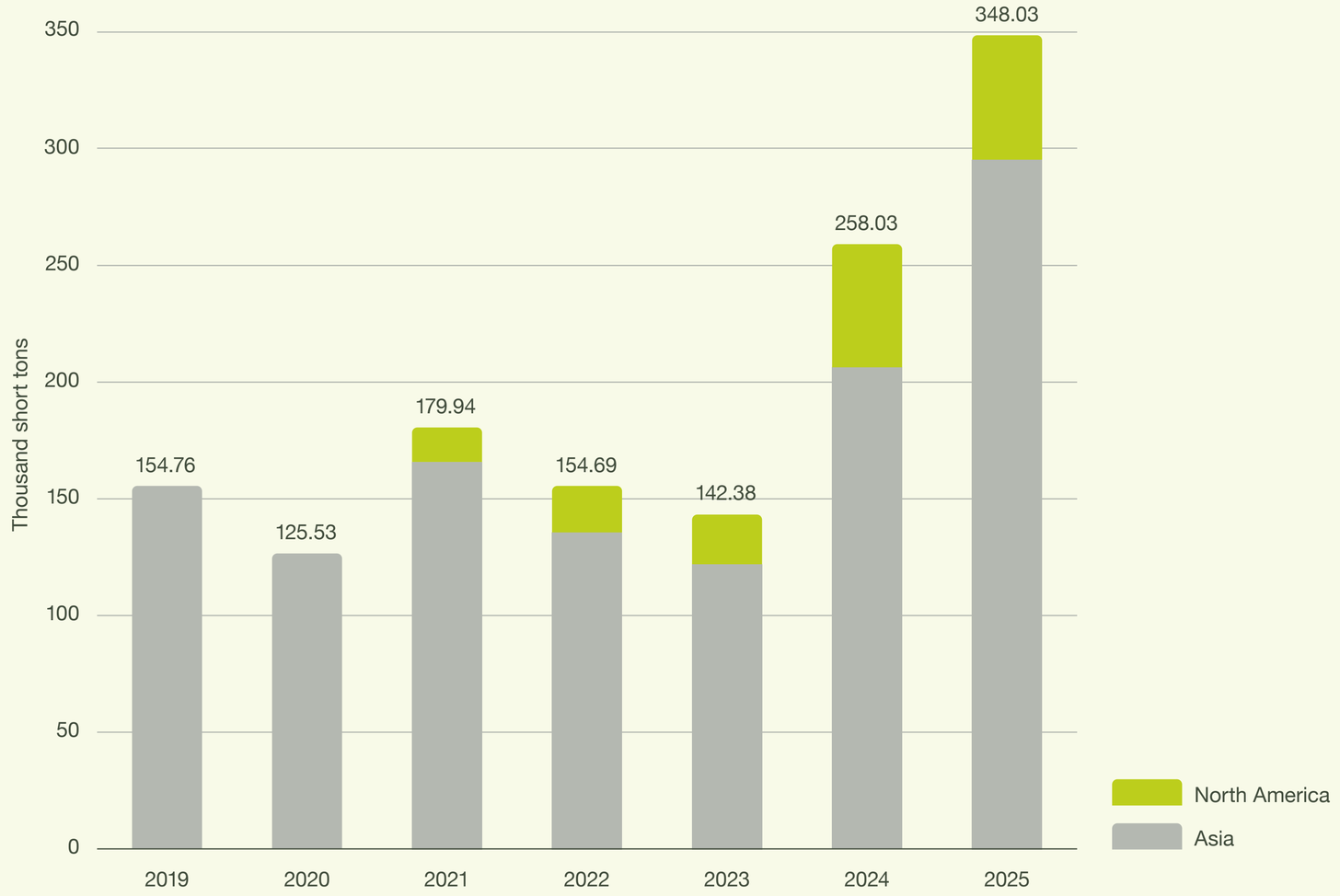
Healthcare

Global Production & Distribution

In 2025, Novalis produced 348,030 short tons of finished flooring, an increase of 102,421 short tons (41.70%) compared with 2024. Of the total production, 290,623 short tons were produced in Asia and 57,408 short tons in North America.

The increase reflects the continued expansion of Novalis' global production and its ability to respond to evolving market demand. As production volumes increase, Novalis continues to integrate sustainability considerations into its operations, with a focus on resource efficiency, circularity, and continuous improvement across its manufacturing footprint.

Production Volumes



Governance of Sustainable Growth

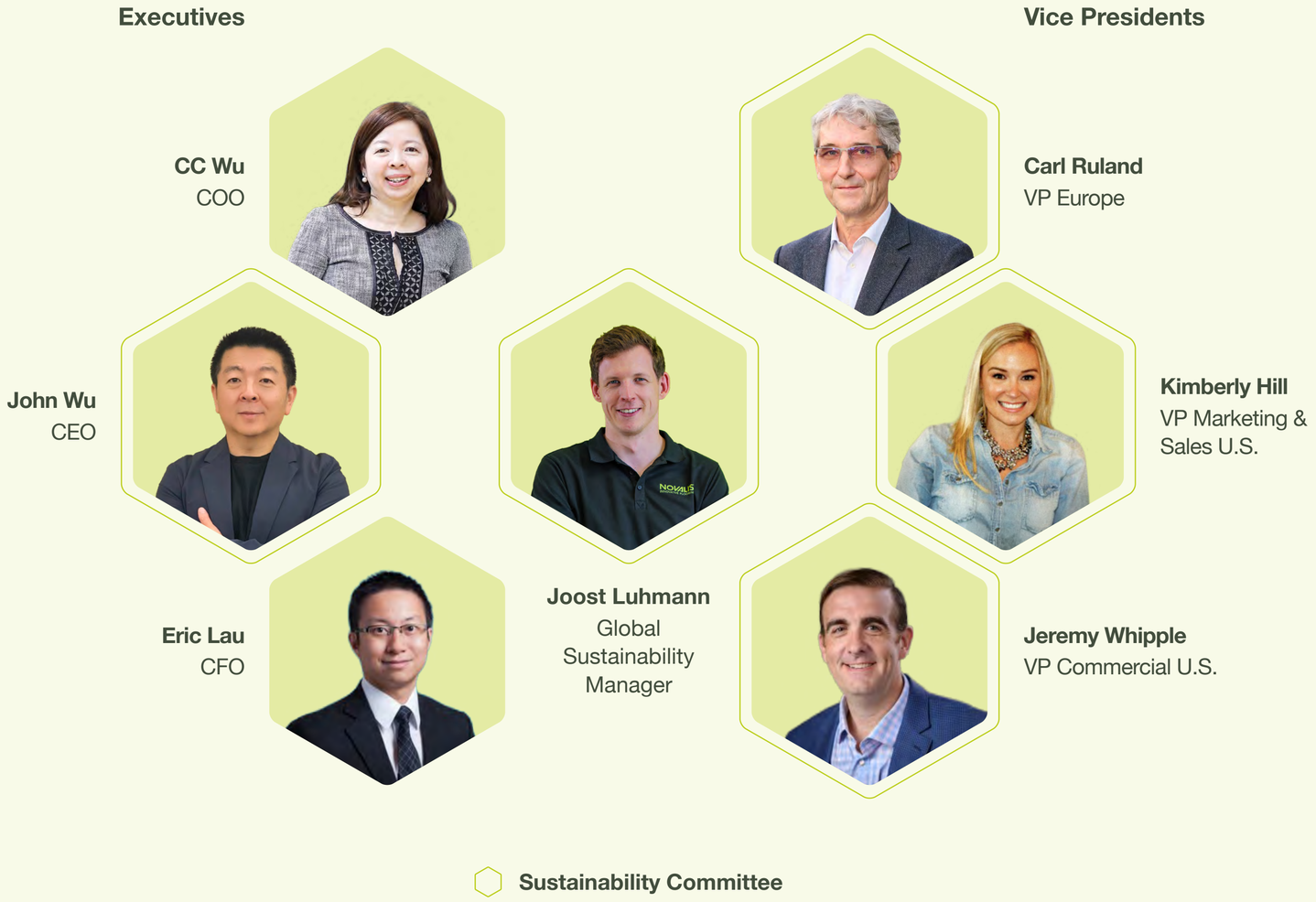
Our sustainability governance is structured across three interconnected levels, ensuring that sustainability is integrated from strategic leadership through to operational implementation.

Executive Leadership
At the highest level, our CEO, COO and CFO provide strategic direction and ensure that sustainability is prioritized throughout the decision-making process.

Steering Committee
The Steering Committee brings together our Vice Presidents and Global Sustainability Manager, connecting executive direction with regional objectives. It provides cross-functional oversight and ensures that sustainability commitments are translated into measurable action across our locations in Asia, North America and Europe.

Sustainability Committee
Our Sustainability Committee bridges the gap between high-level leadership and day-to-day operations. The committee meets online every two weeks, enabling regular collaboration across our global locations while reducing unnecessary travel and associated emissions.

Together, these three levels strengthen accountability and consistent progress on sustainability across our operations



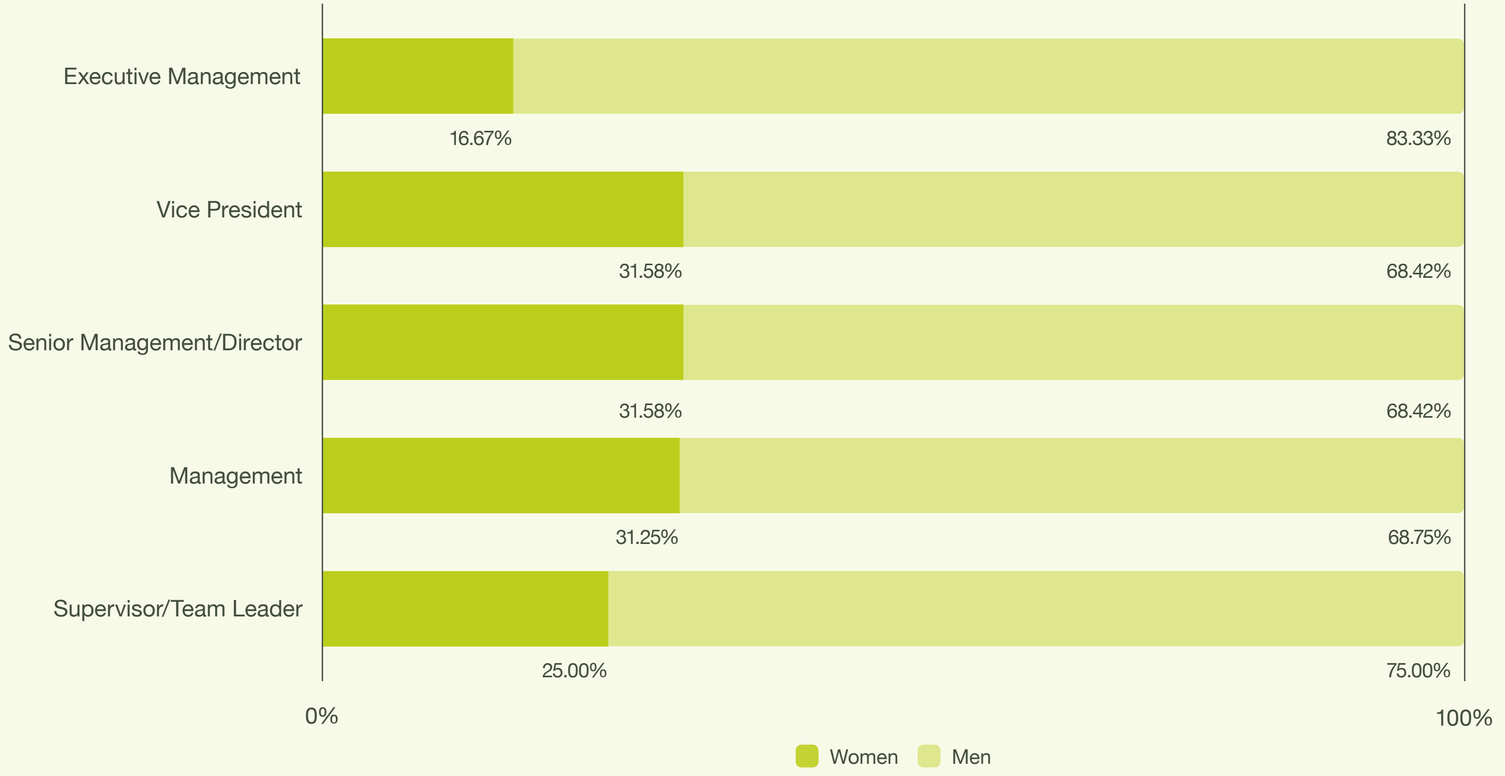
At Novalis, sustainability is an integral part of how we make decisions, develop our products, and shape our long-term growth.

Driven by the expertise of **144 professionals** across our global management team, we consider sustainability throughout the product lifecycle, from material selection and product design to manufacturing, distribution, use, and end-of-life considerations.

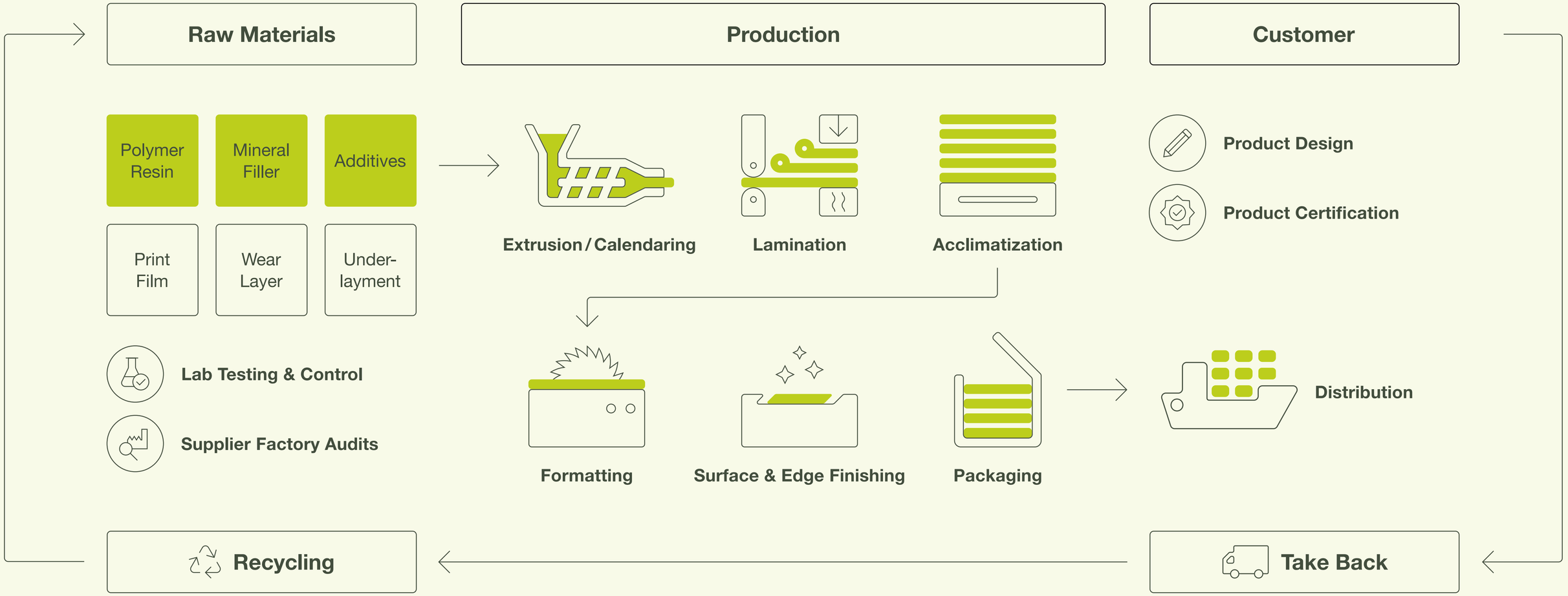
We focus on creating products that combine quality, performance, and design with responsible material choices and improved environmental performance. At the same time, we continuously evaluate opportunities to increase resource efficiency, reduce environmental impacts, strengthen responsible business practices, and respond to the evolving needs of our customers and markets.

By integrating sustainability into both strategic and operational decision-making, we aim to ensure that business growth and responsible practices develop together, creating lasting value for our customers.

Composition of our Management



Activities of the Novalis Group



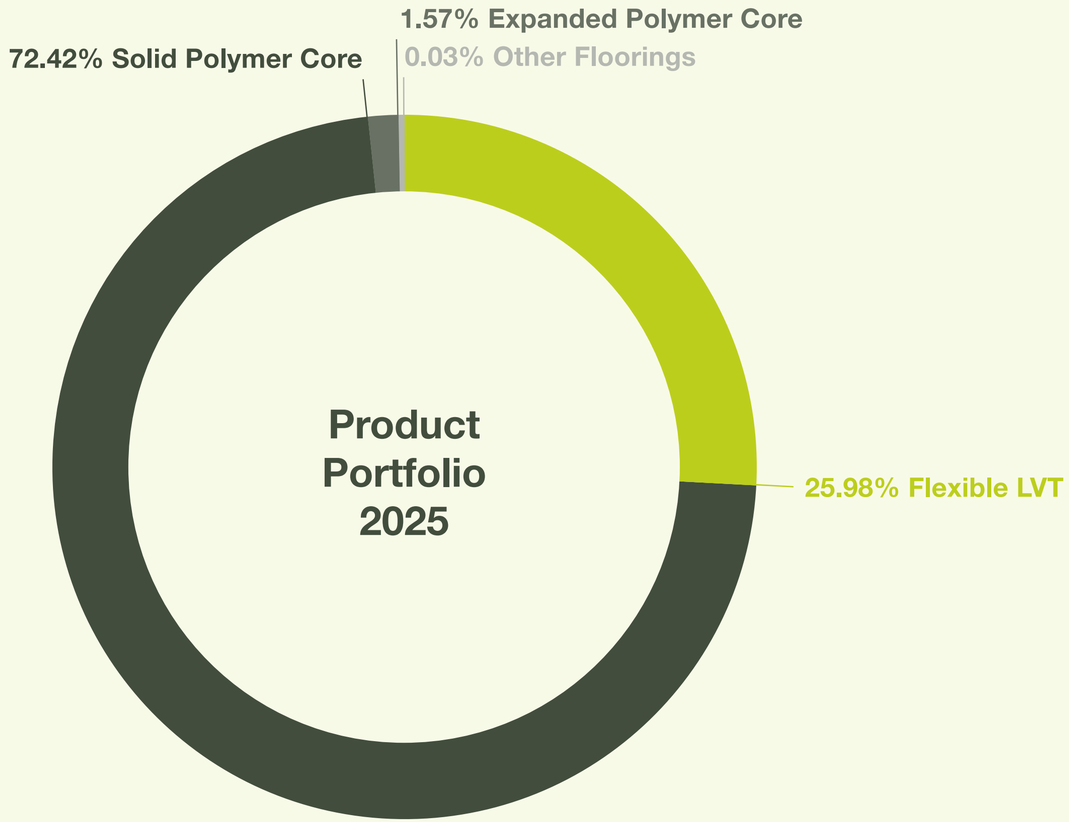
Flooring Solutions

Our portfolio encompasses a diverse range of flooring products developed for different applications and market segments.

Solid Polymer Core flooring accounts for 72.42% of our portfolio and represents our core offering for the Do-It-Yourself (DIY) market. This is followed by Flexible Luxury Vinyl Tile (LVT), which accounts for 25.98% and includes LVT Dryback, Loose Lay, and Peel & Stick solutions. The remaining share comprises specialized flooring solutions such as Extended Polymer Core (EPC), and Polypropylene (PP) floorings designed to address specific installation, aesthetic, sustainability and performance requirements.

This balanced product mix enables us to serve both residential and commercial markets while adapting to changing customer expectations and sustainability priorities.

To achieve this balance, we integrate sustainability, design, and performance into our portfolio development, combining material innovation, increased recycled content, enhanced product transparency, and circularity initiatives with the delivery of versatile, functional, and durable flooring solutions.



Target Markets & Brands

We have developed a variety of designs and products that have set the global benchmark in LVT quality and performance:

NOVAFLOOR®

NovaFloor is the most complete line of luxury vinyl flooring for today's home.

AVA®

AVA brings unsurpassed quality in its aesthetic design and manufacturing for the commercial market.

duradecor

DuraDecor is our e-commerce brand, crafted specifically for DIY enthusiasts and trendsetters. It combines style, convenience, and quality, empowering customers to create beautiful spaces with ease.

AVA®

About AVA®

AVA delivers high-performance commercial flooring designed for offices, healthcare, education, and hospitality spaces. Known for durability, modern design, and sustainability leadership, AVA combines innovation with rigorous performance standards to meet the demands of heavy-traffic environments. With a strong focus on environmental responsibility, AVA offers resilient solutions that balance style, functionality, and long-term value for architects, designers, and facility managers.

- **Indoor Air Quality**
  GREENGUARD Gold and FloorScore® ASSURE Certified™ rigid core products are independently tested and verified as free from heavy metals and ortho-phthalates.
- **Product Transparency**
  Declare labels, Health Product Declarations (HPDs), and Environmental Product Declarations (EPDs) provide accessible, third-party verified product information. Additionally, Digital Product Passports (DPPs) provide direct access to information on material composition, recyclability, and relevant certifications.
- **High Performance**
  Durable construction supports long-term use in demanding, high-traffic commercial environments.
- **Channels**
  Architects, Designers, Builders, Developers & Contractors.



About NovaFloor®

NovaFloor is available exclusively through specialty retailers and independent dealers, offering curated collections of luxury vinyl designed for today's homes. Backed by more than 40 years of vinyl flooring expertise, Novalis brings proven innovation and craftsmanship to the brand. Each collection blends design, durability, and sustainability – helping retail partners provide homeowners with flooring solutions that make an impact.

- **Health & Performance**
  GREENGUARD Gold - FloorScore® - ASSURE Certified™.
- **Product Portfolio**
  Rigid core and glue-down.
- **High Performance**
  100% waterproof; scratch-, stain-, and dent- resistant; kid- and pet-friendly.
- **Channels**
  Specialty retailers, independent dealers, and distributors.



About DuraDecor®

DuraDecor brings stylish, DIY-friendly luxury vinyl flooring directly to consumers through leading e-commerce retailers. Designed for modern living, DuraDecor combines fashion-forward looks with waterproof durability at an accessible price point. By making resilient flooring simple to purchase and install, DuraDecor empowers homeowners and renovators to create beautiful, lasting spaces that deliver style, performance, and sustainability.

- **Fashion-forward Designs**
  Combining trendy designs and durability with an affordable price.
- **Health & Safety**
  GREENGUARD Gold - FloorScore® - ASSURE Certified™.
- **Product Portfolio**
  Peel and stick, rigid core, and glue-down.
- **High Performance**
  100% waterproof; scratch-, stain-, and dent- resistant; kid- and pet-friendly.
- **Channels**
  E-commerce retailers, designed for DIY and Pro customers.





Floors for the Better

Sustainability is not just a choice; it’s a responsibility

19 A Different Kind of Progress
20 Path Toward Double Materiality
21 Novalis Sustainability Framework

02



A Different Kind of Progress

Dear colleagues, partners, and friends,

There was a time when sustainability was one of the loudest topics in business. New commitments were announced regularly, ambitious targets dominated annual reports, and sustainability often became a headline in itself.

In 2025, the conversation felt different.

At times, it even seemed as if sustainability had lost momentum. Budgets were tighter, priorities shifted, and many organizations became more cautious. Yet, from my perspective, the opposite happened.

Sustainability has not become less important. It has become less visible.

Over the past year, I have seen fewer discussions about whether sustainability matters and many more discussions about how sustainability can be integrated into everyday business operations. More companies are embedding sustainability into procurement processes, product development, governance structures, risk management systems, and supply chain decisions. It is gradually moving from a voluntary initiative toward a compliance requirement and a strategic direction for long-term business success.

At the same time, recent years have exposed the vulnerabilities of many global systems. Geopolitical tensions, supply chain disruptions, raw material shortages, energy price volatility, and rapidly changing regulations have shown us that business as usual is no longer sufficient.

For me, sustainability has never been only about environmental impact.

It is about resilience. It is about building organizations, supply chains, and partnerships that can withstand uncertainty and adapt to change. It means reducing unnecessary dependencies, developing local capabilities, strengthening relationships throughout the value chain, and creating systems that remain viable in the long term.

Looking back at 2025, I believe one of the most important developments was the growing recognition that sustainable businesses are often more resilient businesses, and resilient businesses are often more sustainable.

Perhaps sustainability is no longer as loud as it once was. But in many organizations, it has become far more deeply rooted. And that, in my view, is real progress.

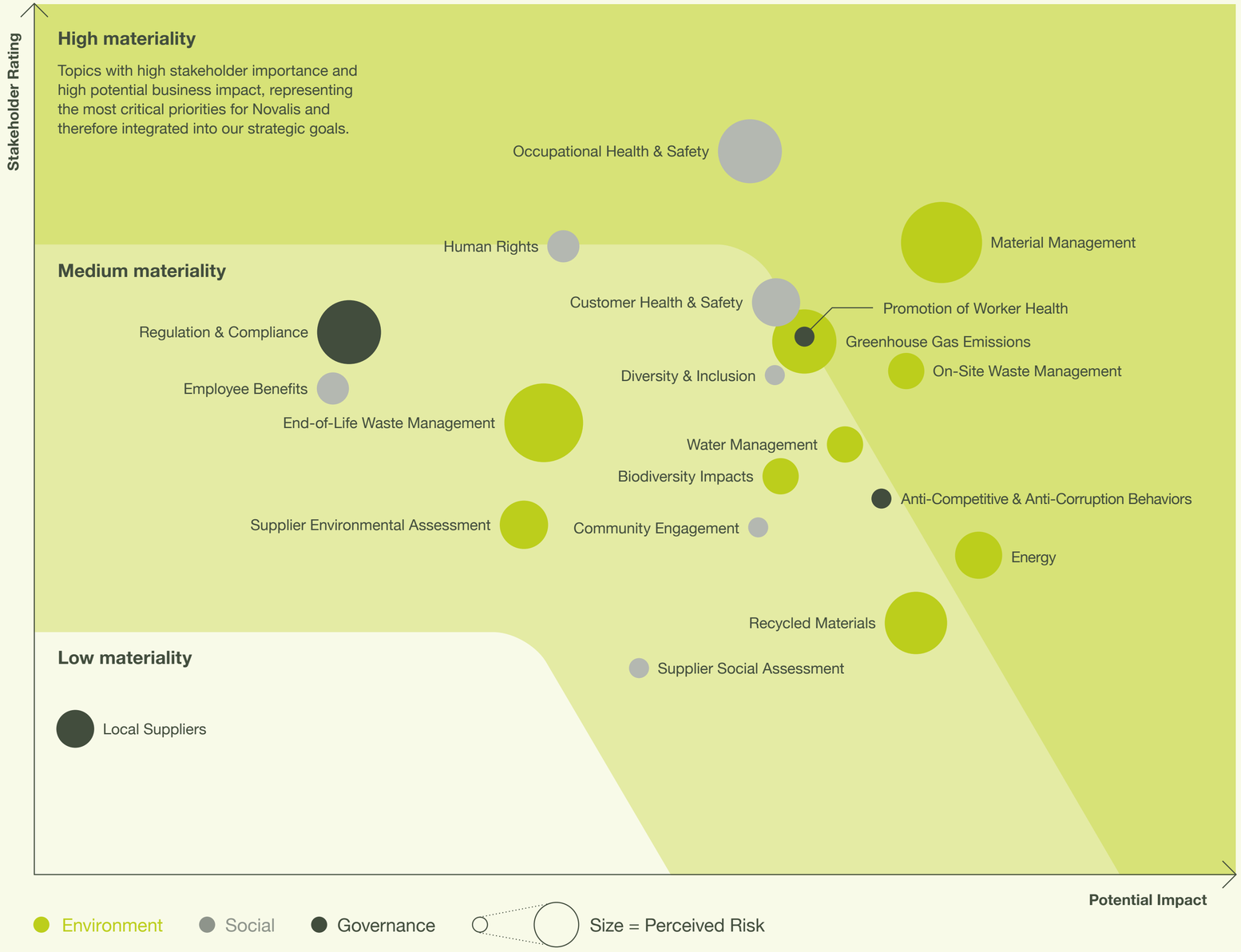
Joost Luhmann
Global Sustainability Manager



Path Toward Double Materiality

We initiated our materiality assessment by engaging key stakeholder groups, including customers, suppliers, employees and other external stakeholders. Through interviews, surveys, stakeholder mapping and benchmarking, we identified and prioritized key environmental, social and governance (ESG) topics. We subsequently strengthened our approach by considering the sustainability impacts of our new facilities in Mexico and Thailand and introducing relevant ESRS topics, enabling us to better identify and prioritize sustainability matters across our global operations and value chain.

Building on these previous assessments, we are now taking the next step toward Double Materiality by developing an approach that considers both our impacts on people and the environment and the financial relevance of sustainability topics to our business. The process is currently underway, with further work planned to establish a robust methodology and stakeholder assessment. We aim to complete our Double Materiality Assessment and integrate the results into our 2026 Sustainability Report.



Novalis Sustainability Framework

At Novalis, we continue to strengthen our sustainability initiatives to ensure that our planet, people, and community are considered across all levels of the organization. Building on the work of our sustainability committee, we ensure coordinated efforts across all our offices. This enhanced collaboration improves communication, aligns initiatives, and allows us to address a broader range of Sustainable Development Goals (SDGs), further advancing our ESG strategies.

We are also planning to increase awareness of sustainability among our workforce, especially in our new facilities in Mexico and Thailand.

By combining sustainability and innovation, we are better positioned to achieve our 2030 targets while creating lasting value for our stakeholders.

Planet

Through our continuous efforts toward a circular economy, minimizing our environmental impact and promoting sustainable products, we ensure that we operate responsibly.



People

We foster teamwork, promote employee engagement, and prioritize the well-being of our workforce because when they thrive, we thrive.

Community

Through collaborative local partnerships, we support initiatives that create lasting social value.

Better for the Planet

Everything we do must work within the limits of the planet – there is no alternative

23 Creating a Better Planet
24 Global Energy Consumption & Energy Intensity
27 Carbon Footprint & Emissions
32 Water Management
35 Materials Management
37 Alternative Materials
38 Local Sourcing of Raw Materials
39 Waste Management
41 Biodiversity Impact
46 Creating a Better Planet

03



Zhenjiang, China

Creating a Better Planet

Our journey toward a better planet begins with the choices we make every day – how we manufacture, source energy and manage resources across our operations. We believe that building a more sustainable future requires more than commitments; it requires continuous action.

Our 2030 goals focus on seven key priorities: reducing greenhouse gas (GHG) emissions, increasing recycled and bio-based content, reducing and diverting waste, increasing renewable energy use, improving manufacturing efficiency, using water responsibly and advancing circularity.

Looking further ahead, our 2040 goal is to become carbon negative, operate on 100% renewable energy, eliminate incineration, increase recycled and bio-based material content to 50%, and further reduce energy and water intensity.

Guided by the United Nations Sustainable Development Goals (SDGs), we continuously review and refine our goals, identify opportunities for improvement, and take action to shape a more responsible and resource-efficient future.

Goals	2030	2040
Rigorous GHG Emission Reduction	• Reduce Scope 1 & 2 Emissions by 50% • Reduce Scope 3 Emissions by 30%	• Carbon Neutral Operations
Increase Recycled and Bio-based Content	• 30% Recycled and Bio-based Content	• 50% Recycled and Bio-based Content
Waste Diversion	• No Production Waste from Operations • Max. 2% to Landfill & Incineration	• 0% to Landfill & Incineration
Renewable Energy	• 60% Renewable Energy	• 100% Renewable Energy
Efficient Manufacturing	• Reduce Energy Intensity by 20%	• Achieve a 30% Reduction in Energy Intensity
Water as a Valuable Resource	• Reduce Water Intensity by 30%	• Reduce Water Intensity by 50%
Close the Loop	• All our Products are designed according to cradle-to-cradle principles	• 50% of Products Recycled or Repurposed



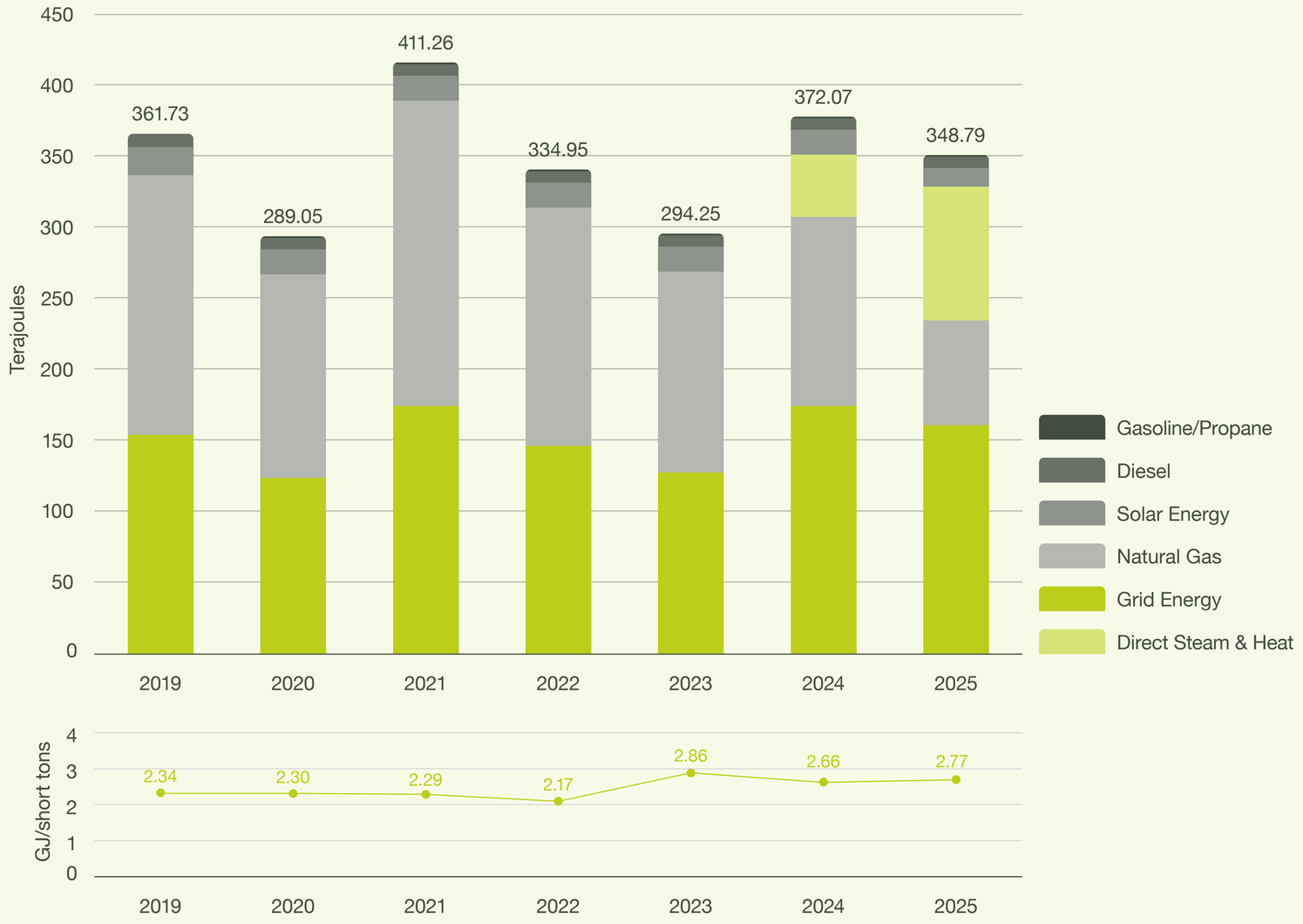
Global Energy Consumption & Energy Intensity

In 2025, total energy consumption across our facilities decreased to **348.79 terajoules (TJ)**, with grid electricity remaining our largest source of energy.

The reduction in total energy consumption was primarily driven by a shift away from natural gas toward externally supplied direct heat and steam, allowing us to make greater use of recovered waste energy from a third-party provider. Natural gas consumption decreased by approximately 53% compared with 2024, from 130.33 TJ to 61.27 TJ, while consumption of direct heat and steam increased from 39.27 TJ to 97.83 TJ. This shift reflects our efforts to reduce reliance on natural gas and utilize recovered energy wherever possible.

Despite the decrease in total energy consumption, energy intensity increased by 4.14%, from 2.66 Gigajoules per short ton (GJ/short ton) in 2024 to 2.77 GJ/short ton in 2025. Compared with the 2019 baseline of 2.34 GJ/short ton, energy intensity increased by approximately 18.4%, leaving further progress necessary to achieve our 2030 target of a 20% reduction. Improving energy efficiency while meeting operational demands remains an ongoing challenge, and we continue to focus on reducing energy intensity across our facilities.

Global Energy Consumption



Grid Energy
Grid electricity remained our primary energy source in 2025, accounting for 168.51 TJ, or 48.31% of total energy consumption.

The composition of the reported grid electricity mix changed significantly compared with the previous year. The share of renewable energy from hydropower, wind, and solar increased from 9.79% in 2024 to 15.58%, while the share of nuclear energy decreased from 25.69% to 10.52%. The share of fossil fuels increased from 29.41% to 46.29%.

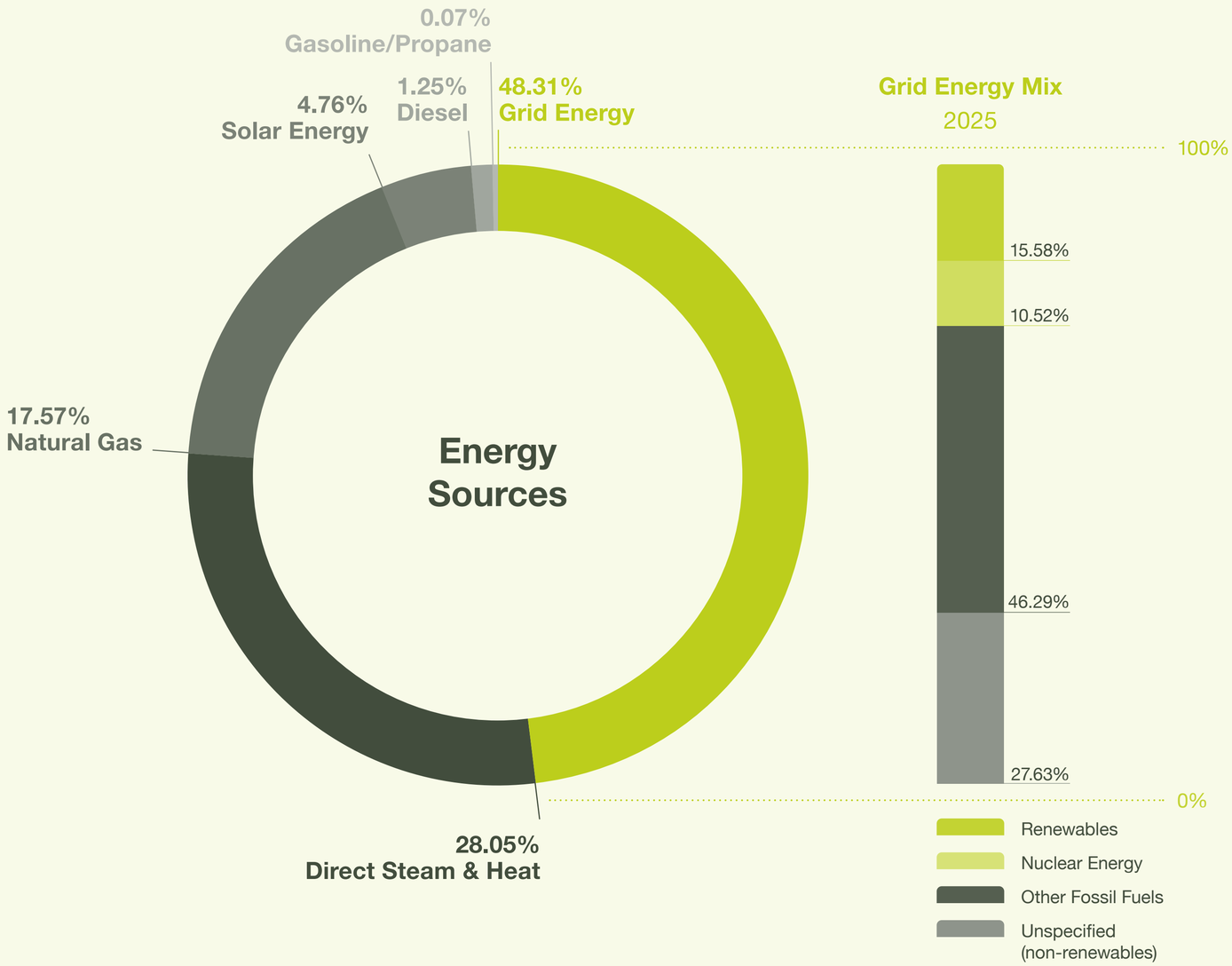
A proportion of the grid electricity consumed at our facilities in China was classified as unspecified, as the available data didn't identify whether the electricity originated from nuclear or fossil fuel sources.

Direct Steam and Heat
Direct steam and heat supplied as recovered waste energy by the local power plant operator accounted for 97.83 TJ, representing 28.05% of total energy consumption. This shift in energy sourcing reduced our reliance on natural gas. The transition supports our efforts to improve energy efficiency and progress toward our 2030 energy targets.

Natural Gas
Natural gas consumption amounted to 61.26 TJ in 2025, representing an approximately 53% reduction compared with 2024. This decrease contributed to the reduction in our Scope 1 greenhouse gas emissions, reflecting continued progress in reducing our reliance on fossil fuels and improving energy efficiency across our operations.

Solar Energy
Solar energy generation at our two facilities in China increased by 10.23% compared with 2024, reaching 16.594 TJ in 2025.

Liquid Fuels
Liquid fuel consumption in 2025 comprised 4,377 TJ of diesel, 170 TJ of gasoline, and 35 TJ of propane.



In 2025, total energy consumption across our operations in Asia, North America, and Europe amounted to 348.79 TJ.

Our facility in Zhenjiang, China, accounted for the largest share, representing 50.49% of total energy consumption, followed by our facility in Bangkok, Thailand, at 27.25%. The facilities in Monterrey, Mexico, and Dalton, U.S., accounted for 12.30% and 9.79%, respectively. The remaining energy consumption was attributable to our offices, which represented only a share of 0.17% of the overall total.

Asia

Although renewable energy consumption increased by 10.23% compared with 2024, driven by the solar panels at our two facilities in China, its share of the energy consumption remained unchanged. Meanwhile, our reliance on natural gas decreased significantly as we shifted toward externally supplied direct heat and steam, making greater use of recovered waste energy. These changes reflect our ongoing efforts to reduce dependence on fossil fuels and lower our carbon emissions.

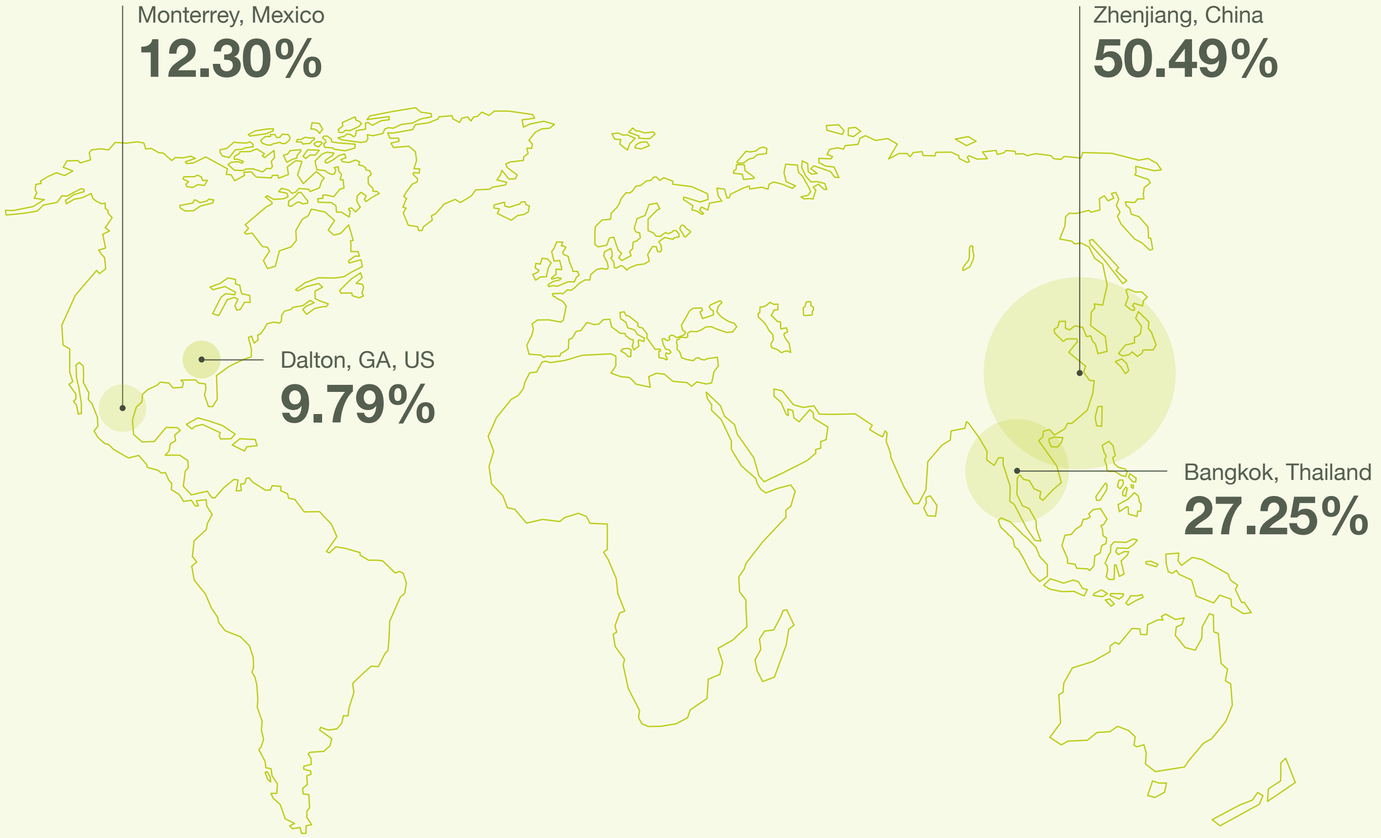
North America

Grid energy remains the main energy source for our facilities in Monterrey, Mexico and in Dalton, United States.

Europe

Our European office continues to source 100% of its electricity from renewable energy. In addition, the company car fleet consists entirely of hybrid vehicles, contributing to lower fossil fuel consumption and supporting our broader decarbonization efforts.

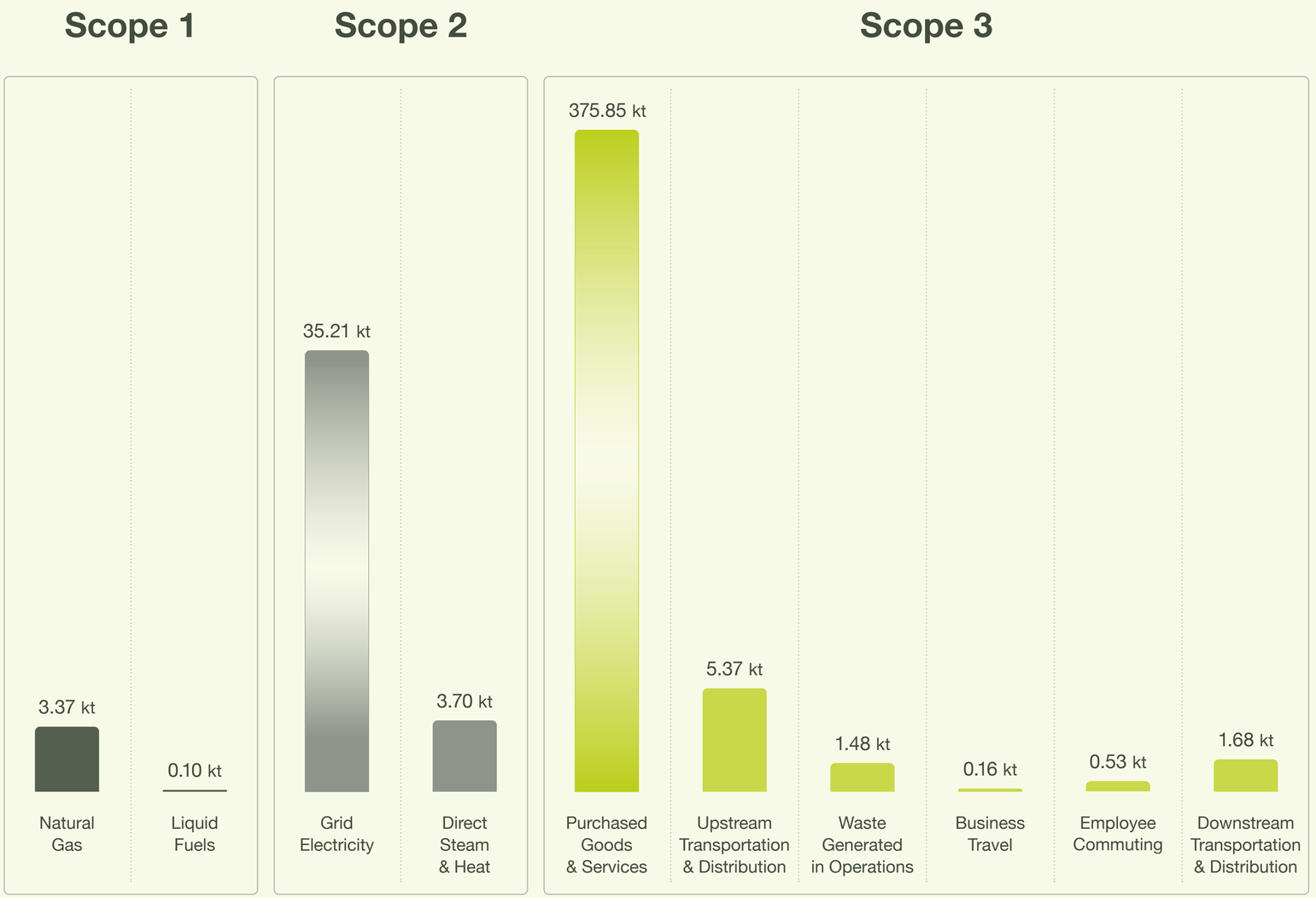
Energy Consumption by Location



Carbon Footprint & Emissions

Our carbon footprint is assessed across three emission scopes:

- **Scope 1** covers emissions generated by the combustion of fossil fuels and energy generation in relation to Novalis operations including natural gas combustion, and liquid fuel (diesel, gasoline, and propane).
- **Scope 2** includes indirect emissions associated with purchased electricity, steam and heat.
- **Scope 3** encompasses other indirect emissions across our value chain, including raw materials extraction, upstream and downstream transportation, waste management, commuting, and traveling. It accounts for approximately 90% of our total carbon footprint, highlighting the importance of focusing our decarbonization efforts on our value chain.



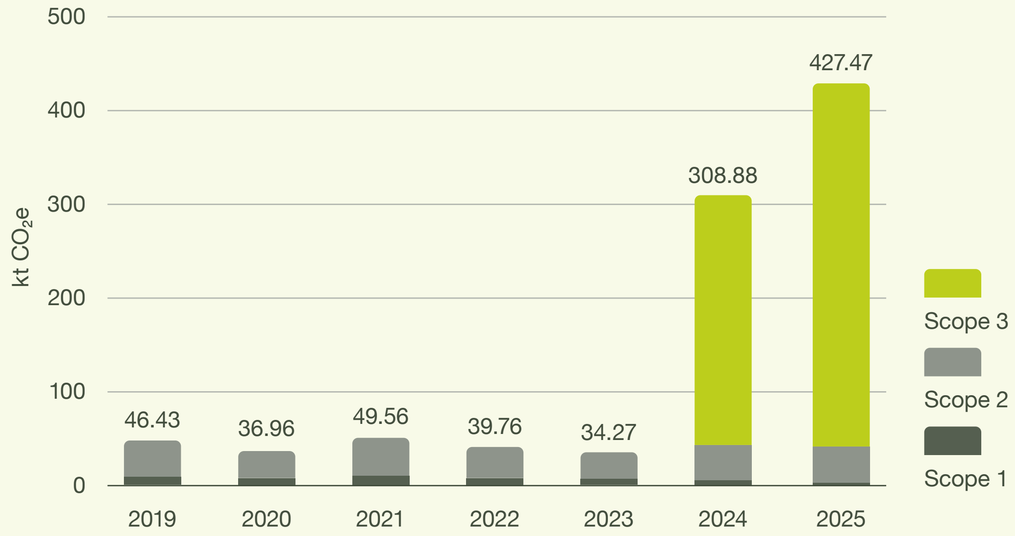
Our carbon footprint has decreased significantly compared to the previous year, with **Scope 1** emissions falling from 6.97 kt CO_2e to **3.47 kt CO_2e**, representing a 50.2% reduction. This improvement follows a 15% reduction in the previous year. Compared with the 2019 baseline of 9.95 kt CO_2e, Scope 1 emissions have now been reduced by approximately 65.1%. This substantial reduction was primarily driven by lower emissions from natural gas, which decreased by almost half, from 6.60 kt CO_2e to 3.37 kt CO_2e, contributing to the overall decline in our direct greenhouse gas emissions. As a result, we have surpassed our 2030 target of reducing Scope 1 emissions by 50% five years ahead of schedule. This achievement marks an important milestone in our decarbonization efforts and demonstrates the progress made in reducing our carbon footprint across our operations. Building on this progress, we are strengthening our decarbonization efforts with the goal of becoming carbon neutral by 2040, while continuing to reduce emissions across our operations.

While our **Scope 2** emissions increased marginally by 3.13% compared to 2024, reaching **38.91 kt CO_2e**, this increase was primarily driven by higher emissions from the externally sourced steam and heat, which rose from 2.47 kt CO_2e to 3.70 kt CO_2e. Meanwhile, emissions from grid electricity remained largely stable, decreasing slightly from 35.27 kt CO_2e to 35.21 kt CO_2e. We remain committed to increasing the share of renewable energy in our energy mix to reduce our Scope 2 emissions and progressing toward our 2030 emissions reduction target.

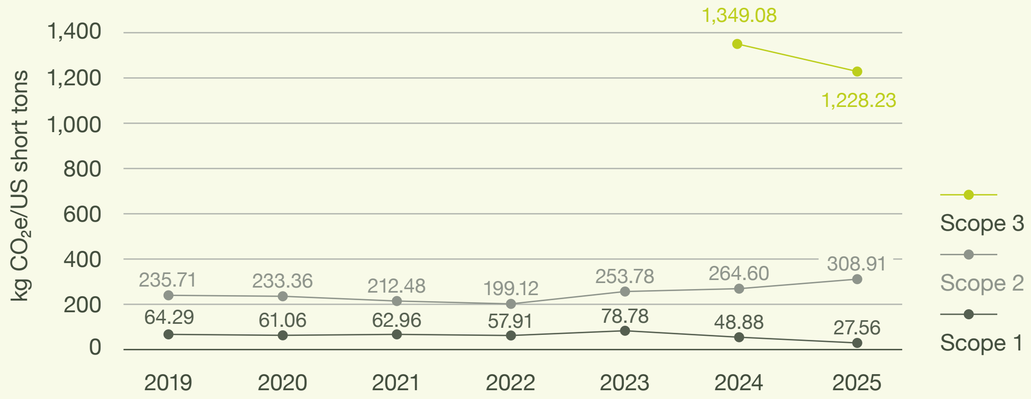
In 2025, our **Scope 3** emissions amounted to **385.09 kt CO_2e**, representing a decrease of approximately 30% compared with 2024. Although this reduction appears to meet our 2030 target of reducing Scope 3 emissions by 30%, changes to our calculation methodology across Scope 3 categories have improved the completeness and accuracy of our reporting, affecting the comparability of emissions between reporting years. Therefore, we have established 2025 as our new baseline year to provide a more reliable and consistent basis for tracking future Scope 3 emissions reductions and measuring progress toward our decarbonization targets.

Achieved 2030 Scope 1 emission reduction target 5 years early.

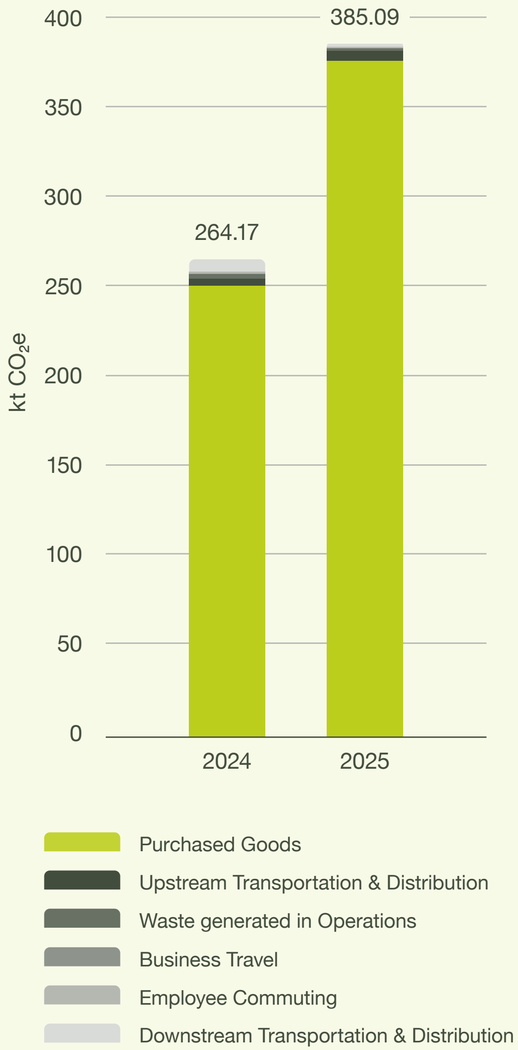
Carbon Footprint



Emission Intensity



Scope 3 Emissions



The composition of our Scope 3 footprint continues to provide insight into where the greatest opportunities for action lie. In 2025, raw materials remained the largest contributor to Scope 3 emissions, followed by upstream and downstream transportation and distribution, waste generated in operations, employee commuting, and business air travel, respectively.

Purchased Goods & Services

Purchased goods and services accounted for approximately **375.85 kt CO_2e**. PVC resin, PVC wear layers, and PVC print films were among the major contributors within this category. Accordingly, we are working toward increasing the share of recycled and bio-based materials in our product portfolio to reduce the emissions associated with raw material sourcing. From a geographical perspective, Scope 3 emissions were primarily concentrated in our supply chain in Vietnam, followed by our manufacturing facilities in Zhenjiang, China, and Monterrey, Mexico. This distribution highlights the importance of targeted action across our value chain as we continue to engage with suppliers and manufacturing partners to explore opportunities to reduce the emissions associated with the materials we source and strengthen our progress toward our decarbonization goals.

Upstream Transportation & Distribution

Downstream transportation & distribution at **7.52 kt CO_2e**, where road transportation accounted for the largest share, contributing 6.80 kt CO_2e, followed by maritime shipping, rail transportation, and air freight, respectively.

Downstream Transportation & Distribution

Upstream transportation and distribution generated **5.37 kt CO_2e** in 2025, covering the transportation of the raw materials from our suppliers to our facilities. Road transportation accounted for the largest share, contributing 4.29 kt CO_2e, followed by maritime shipping, rail transportation, and air freight, respectively. These emissions were highest at our facility in Monterrey, Mexico, followed by Dalton, United States; Bangkok, Thailand, and Zhenjiang, China.

Waste Generated in Operations

The treatment and disposal of solid waste accounted for the largest share of waste generated emissions in 2025, contributing 1.26 kt CO_2e out of the total **1.48 kt CO_2e**. The remaining emissions were attributable to hazardous waste, followed by recycled materials and metal waste.

Employee Commuting

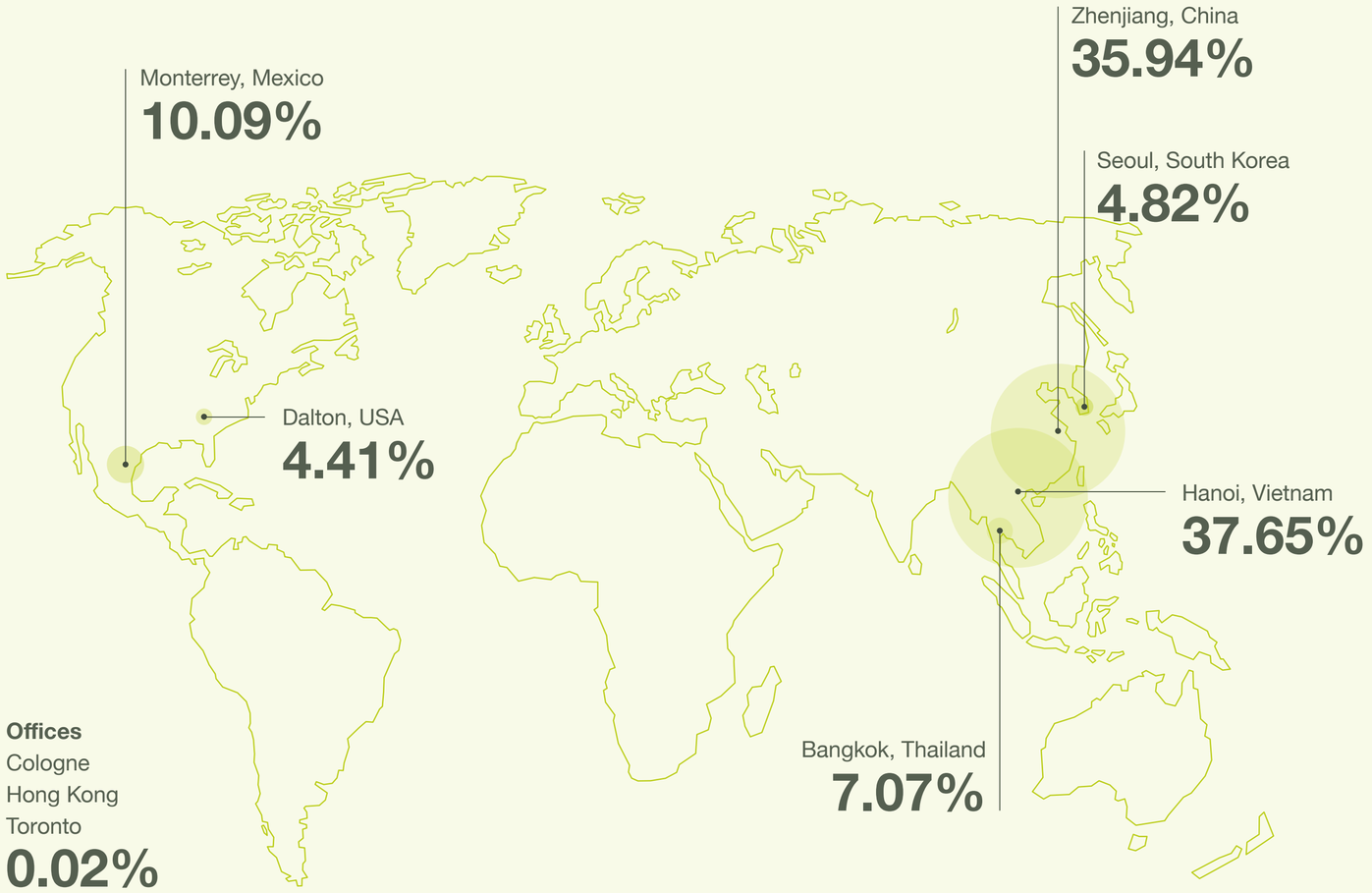
Employee commuting contributed **0.53 kt CO_2e** to our Scope 3 emissions in 2025, reflecting the indirect emissions associated with employees' journeys between home and work.

Business Travel

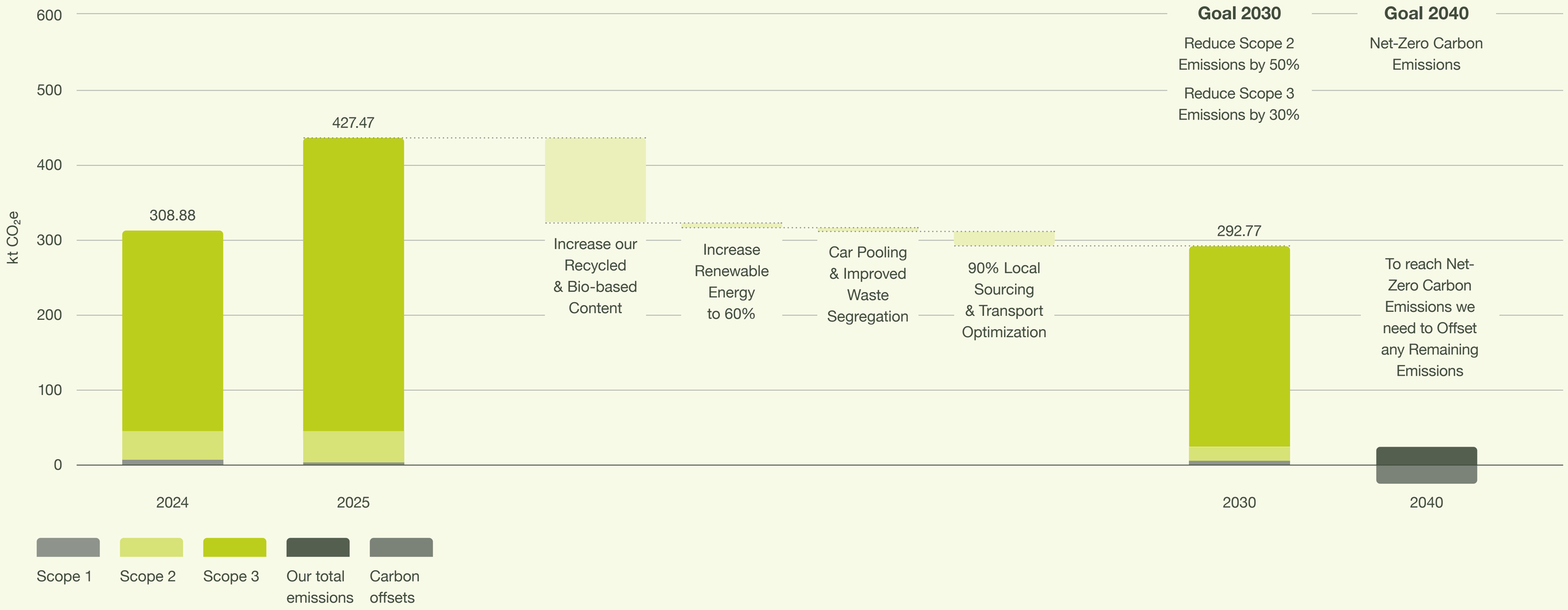
Business air travel contributed **0.16 kt CO_2e** to our Scope 3 emissions in 2025, with our Dalton facility in the U.S. accounting for the largest share at 0.0936 kt CO_2e, followed by our offices in Cologne, Germany, and Toronto, Canada, respectively.

Emission Hotspots

In 2025, our manufacturing partner in Hanoi, Vietnam accounted for the highest share of our carbon footprint, representing 37.65% of total emissions, closely followed by our main manufacturing facility in Zhenjiang, China at 35.94%. Together, these two locations contributed approximately 73.59% of our total reported emissions. Monterrey, Mexico, accounted for 10.09%, followed by Bangkok, Thailand at 7.07%, South Korea at 4.82%, and the United States at 4.41%. These figures highlight the concentration of our carbon footprint across a limited number of locations, particularly Vietnam and China. Accordingly, greenhouse gas reduction efforts are primarily focused on the facilities located in Vietnam and China, where measures to improve energy efficiency, optimize production processes and reduce emissions have the greatest potential impact on the company's overall carbon footprint.



Carbon Reduction Potential

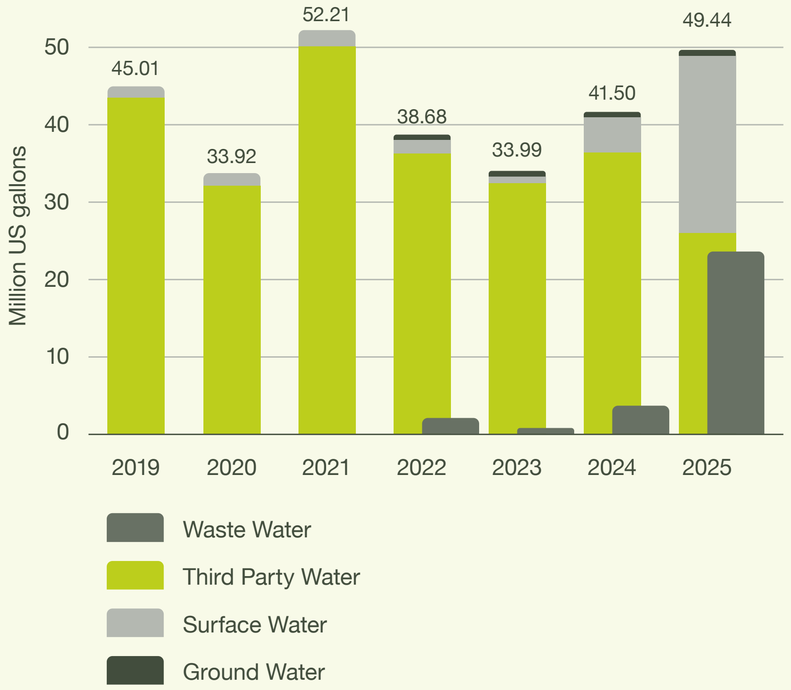


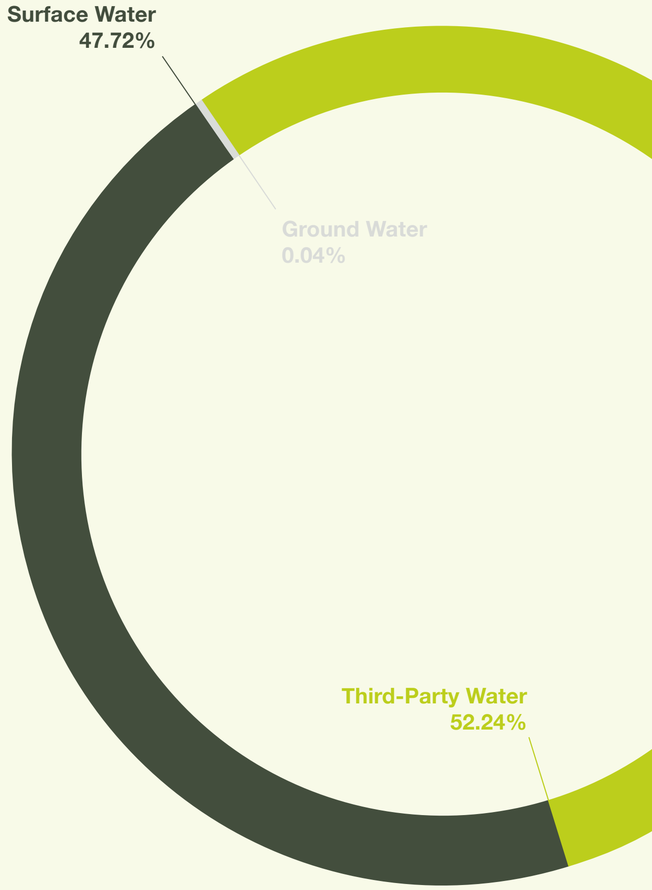
Water Management

In 2025, total water consumption across our operations reached 49.44 million US gallons, representing an increase of 19.13% compared with 2024. This increase was primarily driven by higher production volumes, particularly at our facilities in Zhenjiang, China and the United States.

Regarding water sourcing, third-party water accounted for 52.24% of our total water supply, equivalent to approximately 25.8 million US gallons. Surface water represented 47.72%, or approximately 23.59 million US gallons, while groundwater contributed the remaining 0.04%. Water discharge also increased to 23.1 million US gallons in 2025, reflecting increased operational activity and the associated demand for water across our facilities. The increase was primarily driven by higher production volumes at our facility in Bangkok, Thailand, where production capacity has expanded.

Novalis Global Water Consumption



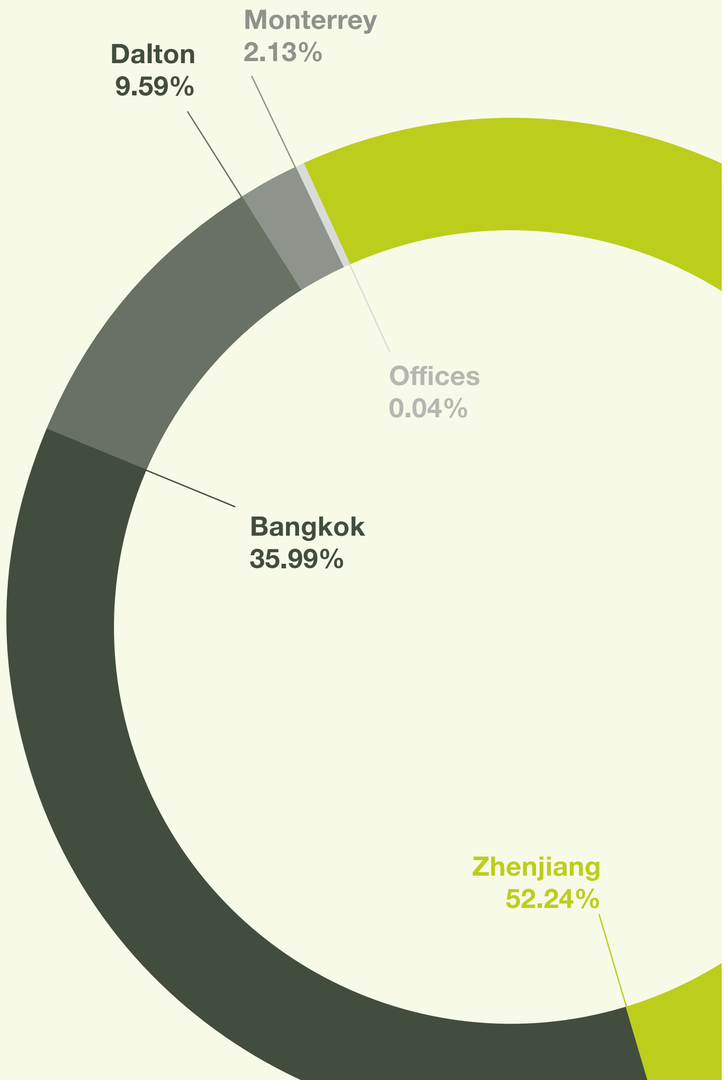


In 2025, our Zhenjiang facility in China accounted for 52.24% of our total water consumption.

To minimize water losses, the facility operates a closed-loop system that uses a retention pool to recover and recirculate water used in heating and annealing processes. Waste steam from a third-party provider is used in these processes and subsequently condensed into hot water, which is pumped into the retention pool. Once cooled, the water is returned to the supplier, where it is reheated in boilers and converted back into steam before being supplied to the facility again. This circular process enables water to be reused between the two operations, helping to minimize water losses.

The remaining water consumption was distributed across our other facilities, with Bangkok, Thailand, accounting for 35.99%, Dalton, U.S., for 9.59%, and Monterrey, Mexico, for 2.13%. Our offices accounted for only a negligible share of total water consumption.

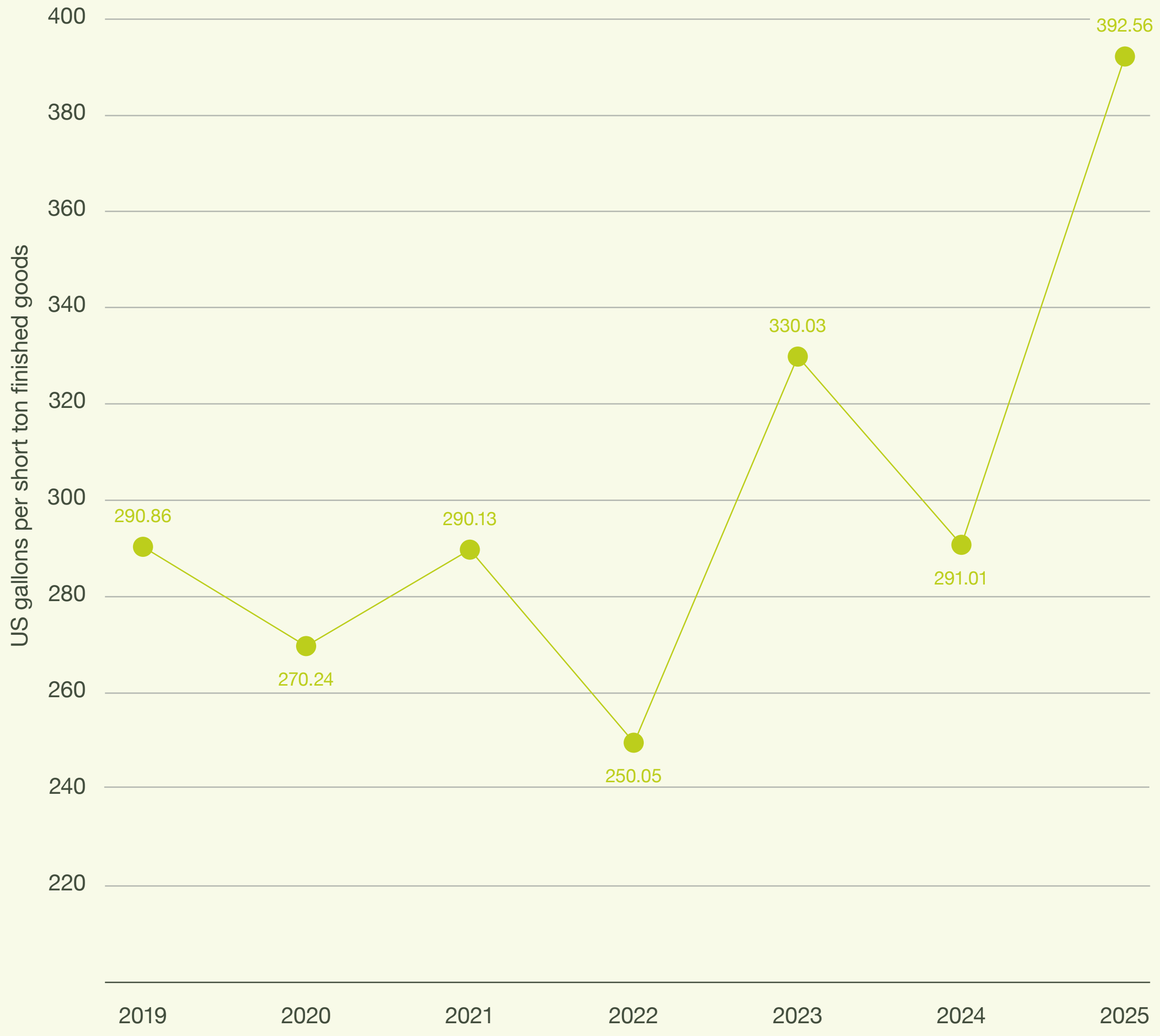
Water Usage





Additionally, water intensity increased by 34.9%, from 291.01 US gallons in 2024 to **392.56 US gallons** in 2025. Compared with the 2019 baseline of 290.86 US gallons, this represents a **34.9% increase**, moving us further from our 2030 target of reducing water intensity by 30%. This development underscores the need to strengthen our water-efficiency measures across our operations to bring water intensity back onto a trajectory toward our 2030 target. We remain committed to improving water efficiency, particularly at facilities with the highest water consumption and greatest potential to reduce our overall water footprint.

Novalis Global Water Intensity



Materials Management

At Novalis, our approach to materials management extends across the product lifecycle, from the selection of raw materials and manufacturing to product traceability, collection and recovery.

By integrating circularity into different stages of the value chain, we aim to use resources more efficiently and support the transition toward a circular economy.

Upstream - Design for Recyclability
By using mono-material construction, with each layer made from the same material, we design our flooring to support more efficient sorting and recycling at the end of its lifecycle. Integrating recyclability into the design process allows us to consider material recovery from the very beginning, before the product enters production.

Production - Keeping Materials in Use
We recover Luxury Vinyl Tile (LVT) scrap generated during production and feed recovered material back into the manufacturing process. This helps reduce waste and supports more efficient resource use. We also integrate laser engraved QR codes on the back of our flooring, enabling alignment with key European regulations such as the Construction Product Regulation (CPR), the EcoDesign for Sustainable Product Regulation (ESPR) and the European Supply Chain Act before it becomes a legal requirement.

Product Use - Enabling Transparency through Digital Information
By scanning the QR codes engraved on the back of our flooring, customers are directed to the Digital Product Passport (DPP) for the corresponding product. These passports provide detailed product-related information throughout the product lifecycle, from raw material sourcing to end-of-life.

At Novalis, digital product transparency is nothing new to us. We first introduced our Digital Product Passport in 2019, gaining valuable experience in product traceability and digital information management well before DPPs became a topic of widespread industry discussion. This early start has enabled us to develop practical expertise that we continue to build on as EU requirements evolve.

In addition, we also print the QR codes on the packaging of our commercial brand AVA, offering an opportunity to prepare for the EU Packaging and Packaging Waste Regulation (PPWR), particularly by improving access to packaging material composition, recyclability, sorting and disposal instructions, as well as recycled-content information where applicable.



End of Life - Closing the Material Loop

Closing the material loop requires more than recyclable products; it depends on effective systems that bring used flooring back into circulation. Beyond increasing the recycled content in our products, we see collaboration, innovation and improved material recovery as essential to advancing circularity across the flooring industry. While product design plays an important role, the collection, sorting and recovery of post-consumer flooring remains an industry-wide challenge that cannot be addressed by individual manufacturers alone.

Novalis collaborates with industry partners to support the development of comprehensive, Europe-wide initiatives for the collection, sorting and recycling of post-consumer flooring. Because used flooring can include products from multiple manufacturers with different material compositions, effective recovery requires industry-wide coordination and clearly defined material standards.

Together with sorting specialists and chemical recycling experts, we contribute to exploring innovative technologies that can improve material separation and recovery. These collaborative efforts aim to make better use of existing recycling capacities and create the conditions for more post-consumer flooring materials to re-enter the value chain.

By combining our focus on product design with cross-industry collaboration on collection, sorting and recycling infrastructure, we aim to help advance practical, scalable circular solutions for the flooring industry as a whole.





Alternative Materials

In response to growing concerns about legacy additives, such as plasticizers and stabilizers, we have proactively developed and launched our polypropylene (PP) flooring range as an alternative material option within our portfolio. Our PP range offers designs that closely match those of our PVC products, giving customers greater flexibility in choosing flooring solutions that meet their individual preferences and technical requirements. Our long-term goal is to bring the price of our PP product line closer to that of our PVC range. By narrowing the price gap between PP and PVC, we aim to make both product ranges equally accessible and enable customers to select the solution that best aligns with their individual preferences, technical requirements, and sustainability objectives.

Following extensive evaluation, we selected PP as an alternative material for our flooring portfolio based on its combination of technical performance and sustainability-related potential. Its resistance to moisture, heat, and wear makes it suitable for demanding commercial applications, while its material properties offer potential advantages for mechanical recycling. In addition, PP provides opportunities to develop flooring products with low VOC emissions, supporting our indoor air quality objectives. These characteristics make PP a promising alternative to conventional PVC flooring, enabling us to expand customer choice and explore material solutions that align with evolving sustainability expectations.



Local Sourcing of Raw Materials

In 2025, our local sourcing assessment was expanded to include our facilities in Monterrey, Mexico and Bangkok, Thailand, providing a more comprehensive overview of our global sourcing practices. Across these facilities, 90.97% of raw materials were sourced within a 500 mile radius, of which 78.89% were sourced within 200 miles, and 59.51% from within a 100 mile radius. This reflects an improvement of 10.58% for the 500-mile radius compared to 2024.

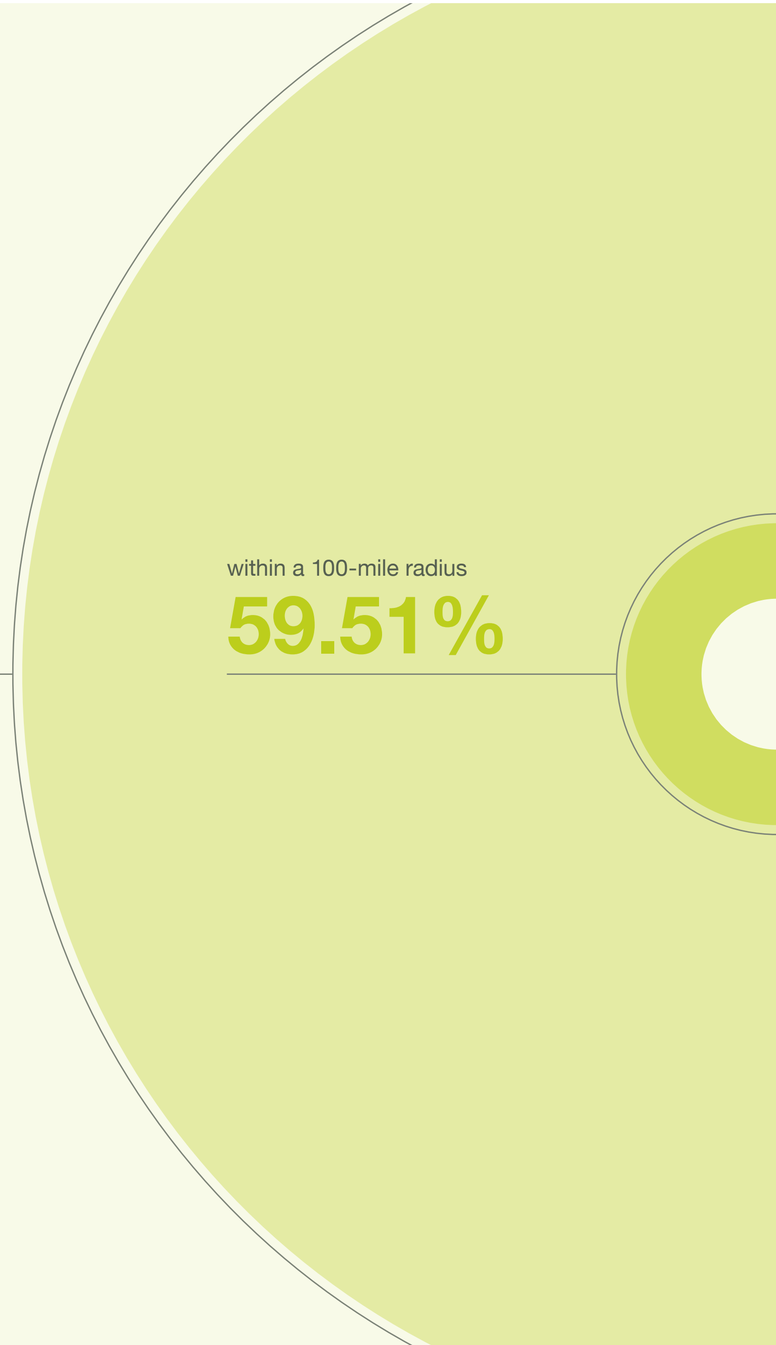
Local sourcing patterns varied by location, with our facilities in Zhenjiang and Bangkok sourcing particularly high shares of materials within a 100 mile radius. At the same time, our facility in Monterrey, Mexico sourced the majority of its materials within a 200-mile radius, reflecting differences in local supplier availability. The inclusion of Mexico and Thailand in the 2025 assessment broadens our reporting scope and establishes a more comprehensive basis for monitoring local sourcing across our global operations. We remain committed to identifying potential local suppliers that align with our sustainability objectives wherever possible.

Over 90% of raw materials are sourced within a 500-mile radius around our facilities

Sourcing by Weight

within a 500-mile radius
90.97%

within a 100-mile radius
59.51%



Waste Management

As part of our strategy to increase the percentage of recycled and bio-based materials in our flooring, we continued to make progress in 2025. The percentage of recycled content increased from 19.58% to **21.75%**, while bio-based content rose slightly to 0.56%. These developments bring us closer to our 2030 target of achieving 30% recycled and bio-based content, keeping us on track to meet our goal.

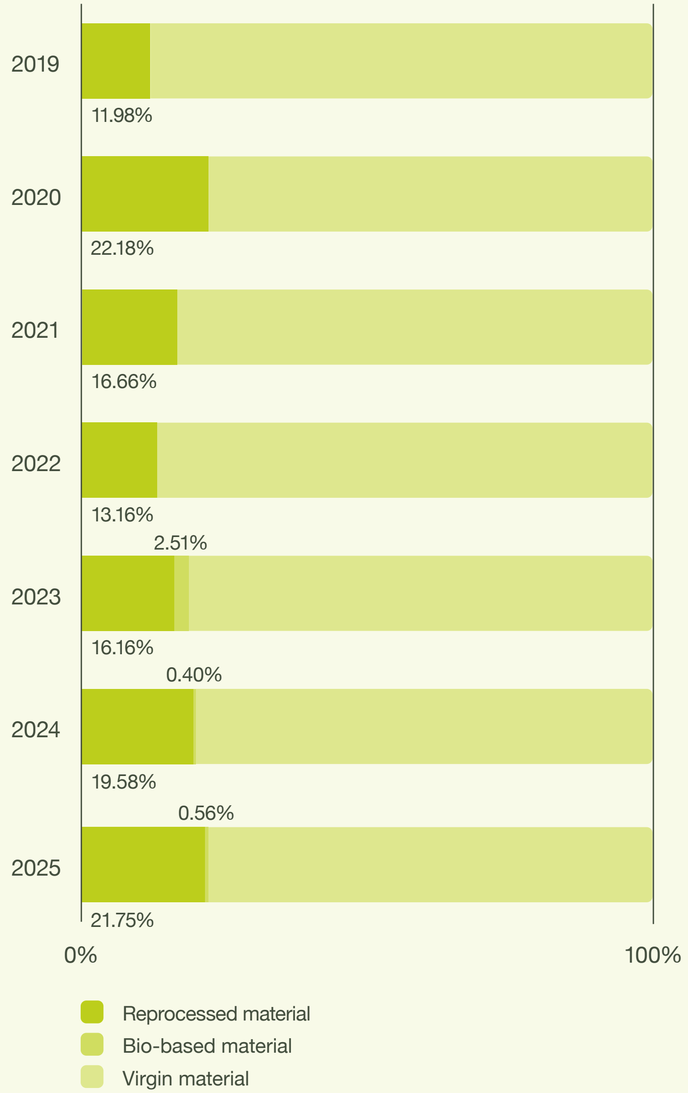
We recycle post-industrial, post-installation, and post-consumer materials. Post-industrial scrap generated during our manufacturing processes is reintegrated into production across our facilities in China, Mexico, Thailand, and the United States. This enables us to recover valuable materials, minimize waste, and use resources more efficiently.

For post-installation and post-consumer materials, we operate take-back programs at our facilities in Zhenjiang, China and the United States to collect used flooring and excess materials from installation activities. The collected materials are shredded and granulated before being reintroduced into the manufacturing process, further closing the material loop.

In Europe, where we do not have manufacturing operations, we collaborate with recycling partners and service providers to collect and process installation flooring waste. We also engage with European industry associations, sorting technology providers, chemical recycling experts, and other flooring manufacturers to address the challenges of recycling post-consumer flooring. Due to its heterogeneous composition, used flooring requires extensive sorting to separate different materials for subsequent processing. Addressing these challenges requires a collaborative, industry-wide approach, as progress depends not only on our own efforts but also on coordinated action across the flooring value chain. In 2025, we completed the testing phase for sorting technologies, marking an important step toward improving material separation, increasing resource recovery, and advancing flooring circularity in Europe.

Additionally, our partnership with a leading European PVC manufacturer, contributes to our efforts to increase recycled content in our flooring products through the supply of granulates containing varying percentages of recycled materials.

Recycled & Bio-based Content



In 2025, waste volumes decreased from 30,304 short tons in 2024 to 27,393 short tons, representing a reduction of approximately 9.6%. At the same time, our proportion of waste sent to landfill has decreased significantly by 27.44% to 4.48%.

This reduction reflects progress in waste management and supports our ongoing efforts to improve resource efficiency and minimize waste across our operations. Hazardous waste generation decreased from 131 short tons in 2024 to 78.37 short tons in 2025, representing a reduction of approximately 40.2%.

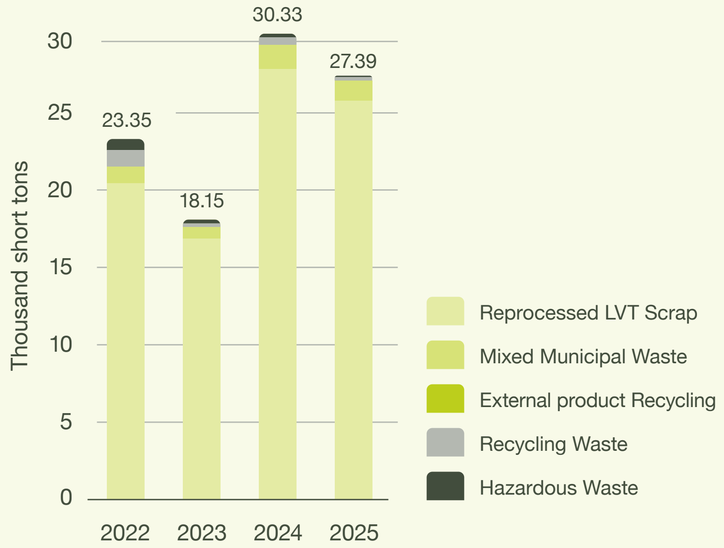
Across our manufacturing facilities in China, Mexico, Thailand, and the U.S., waste is segregated at the source in accordance with local requirements to support appropriate handling and treatment. However, the availability of quantitative waste data varies by region, reflecting differences in local collection systems and documentation practices. While hazardous waste data is reported across all our facilities, quantitative data on non-hazardous solid waste is currently only available for our US operations, where supporting records on waste volumes and disposal routes are maintained.

At our Zhenjiang facility in China, waste management follows the Jiangsu Provincial regulatory framework. Hazardous waste is segregated at the point of generation and tracked through statutory electronic transfer manifests in the Jiangsu Solid Waste Environmental Management Information System. Although non-hazardous solid waste is also segregated on-site, it is collected through the local waste management system, and shipment records and weight documentation are not available to Novalis. Consequently, these waste streams cannot currently be quantified for reporting purposes.

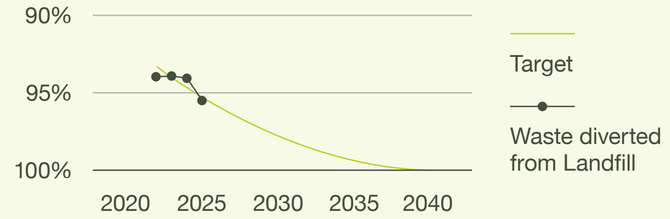
We continue to follow applicable local waste management requirements across our operations and work on solutions to improve the availability and consistency of waste data.

In 2025, the waste diversion rate reached 95.52%, bringing us closer to our 2030 target of 98%. Materials diverted from landfill included cardboard, metal, and wood. By prioritizing the recovery of these materials, we continue to support resource efficiency and reduce the amount of waste sent for final disposal.

Waste Generation & Recycling



Waste diverted from Landfill

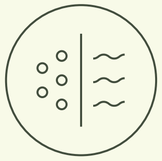


Waste sent to landfill has decreased significantly by 27.44% compared to 2024.

Waste diversion rate reached 95.52%, bringing us closer to our 2030 target of 98%.

Biodiversity Impact

Novalis recognizes the importance of balancing industrial operations with the protection of the natural environment. In 2025, our facilities included 34.84 acres of green spaces that contribute to the environmental setting of our sites. The total land area used for industrial operations and offices amounted to 53.87 acres, compared with 57.08 acres in 2024. This decrease was primarily attributable to the closure of our warehouse in Calhoun, United States, in late 2024.



Air Filtration Systems

Air filtration systems help capture dust and particles generated during operations, reducing the potential for airborne pollution.



Water Filtration Systems

Water quality monitoring and filtration measures help manage potential pollution risks and protect surrounding water resources.



Occupational Health & Safety (OH&S)

Our OH&S systems support the implementation of preventive measures and promote safe working conditions across our facilities.



Green Spaces

34.84 acres



Industrial Operations & Offices

53.87 acres

Zhenjiang, China

The Zhenjiang facility is located within the wider Yangtze River basin, in a landscape characterized by industrial areas, agricultural land and semi-natural habitats.

No Key Biodiversity Areas, protected areas or other conserved areas were identified in the vicinity of the site.

The biodiversity assessment nevertheless indicates high STAR Threat Abatement and high Rarity-Weighted Richness, highlighting the biodiversity significance of the wider landscape and the importance of responsible environmental management at the site.

STAR Threat Abatement	**HIGH**
Rarity-Weighted Richness	**HIGH**
Key Biodiversity Areas	None identified
Protected / conserved areas	None identified

Site Context & Management

In 2025, the Zhenjiang facility occupied 30.9 acres and used 25.83 million US gallons of water in its closed-loop industrial water system. The facility generated approximately 950 tons of waste during the year.

Environmental management at the site includes stormwater management, waste segregation and hazardous-waste tracking. No biodiversity-related incidents were reported in 2025. These measures support the responsible management of the facility's environmental impacts within the surrounding landscape.


Zhenjiang, China



Dalton, United States

The Dalton manufacturing location is situated within a biodiversity-sensitive landscape. Protected and conserved areas occur within the wider region, although the screening does not indicate that the facility itself overlaps a designated area.

Numerous rivers, streams and smaller water bodies shape the surrounding landscape. IBAT screening indicates high STAR Threat Abatement and high Rarity-Weighted Richness.

STAR Threat Abatement	**HIGH**
Rarity-Weighted Richness	**HIGH**
Key Biodiversity Areas	Wider landscape
Protected / conserved areas	Freshwater network

Site Context & Management

The industrial and semi-rural site has a small adjacent lake, with mixed hardwood forests and riparian ecosystems in the surrounding landscape. In 2025, the facility occupied 22.99 acres, withdrew 4.71 million US gallons of water and generated 1.304 tons of waste. Stormwater management and waste segregation are in place; no biodiversity-related incidents were reported.

Biodiversity considerations remain relevant even though no overlap with a protected area was identified at the site.





Dalton, United States

Monterrey, Mexico

The Mexico manufacturing location lies within a region of particularly significant biodiversity and conservation importance.

The wider Saltillo and Monterrey landscape contains Alliance for Zero Extinction sites, other Key Biodiversity Areas, national and regional protected areas, and protected areas represented across IUCN management categories. The site shows high STAR Threat Abatement and high Rarity-Weighted Richness, but does not appear to overlap these designated areas.

STAR Threat Abatement	**HIGH**
Rarity-Weighted Richness	**HIGH**
Key Biodiversity Areas	Wider landscape
Protected / conserved areas	Multiple categories

Site Context & Management

The site is located near the Sierra de Arteaga Protected Area. In 2025, the facility occupied 12.36 acres, withdrew 1.05 million US gallons of water and generated 14.31 tons of waste. Waste segregation and on-site wastewater treatment support pollution prevention; no biodiversity-related incidents were reported.

Mexico shows the most extensive combination of mapped biodiversity and conservation designations among the four locations assessed.



Monterrey, Mexico



Bangkok, Thailand

The Thai manufacturing location is situated within a biodiversity-sensitive regional landscape shaped by terrestrial, freshwater, coastal and marine features.

IBAT identifies protected and conserved areas in the wider region, including inland and coastal or marine areas. The facility itself does not appear to overlap a mapped protected area. High STAR Threat Abatement and high Rarity-Weighted Richness indicate species-level biodiversity significance beyond formal conservation boundaries.

STAR Threat Abatement	**HIGH**
Rarity-Weighted Richness	**HIGH**
Key Biodiversity Areas	Wider landscape
Protected / conserved areas	Coast and inland areas

Site Context & Management

The facility commenced operations in 2024, and the wider region includes coastal ecosystems such as mangroves and marine habitats. In 2025, the site occupied 22.96 acres, withdrew 17.80 million US gallons of water and generated 4.3 tons of waste. Controls include waste segregation, dust filtration, on-site wastewater treatment and native planting; no biodiversity-related incidents were reported.

Species-level significance and protected areas in the wider landscape make biodiversity important to site environmental management.





Bangkok, Thailand

Creating a Better Planet

We have made significant progress toward our 2030 environmental commitments, achieving our Scope 1 emissions reduction target five years ahead of schedule. Our flooring continues to support transparency through full product declarations and compliance with applicable regulatory requirements. We are on track to meet our targets for Scope 2 and 3 emissions, recycled and bio-based content, waste diversion and circular product design.

Looking ahead, our priorities are to accelerate the transition to renewable energy, improve energy efficiency and strengthen water management, particularly at facilities with the highest water consumption. These areas will remain a focus of our environmental efforts as we continue working toward our 2030 goals.

Goals	2030	Progress
Rigorous GHG Emission Reduction	• Reduce Scope 1 Emissions by 50% • Reduce Scope 2 Emissions by 50% • Reduce Scope 3 Emissions by 30%	✓ Achieved › On track › On track
0% Harmful Substances used in Products	• Full Product Declaration for all products • Conformity with REACH & California Prop 65	✓ Achieved ✓ Achieved
Increase Recycled and Bio-based Content	• 30% Recycled and Bio-based Content	› On track
Waste Diversion	• No Production Waste from Operations • Max. 2% to Landfill & Incineration	› On track
Renewable Energy Sources (where possible)	• 60% Renewable Energy	! At risk
Efficient Manufacturing	• Reduce Energy Intensity by 20%	! At risk
Water as a Valuable Resource	• Reduce Water Intensity by 30%	! At risk
Close the Loop	• All Products are Designed according to Cradle-to-Cradle Principles	› On track



Better for the People

Supporting our employees' growth, offering opportunities to learn, thrive, and feel valued every day.

48 Creating a Better Workplace
49 Our People
53 Health, Safety & Well-Being
55 Building Skills, Strengthening Safety
56 Employee Benefits
57 Creating a Better Future for Our People

04



Creating a Better Workplace

Our commitment to our people is built on creating a workplace where everyone feels valued, supported and empowered to grow. This commitment is reflected in seven key priorities: protecting human rights, investing in employee development, maintaining high occupational health and safety standards, promoting diversity and inclusion, supporting freedom of association, ensuring equal pay for equal work, and strengthening employee wellbeing.

Looking ahead to 2040, we aim to keep employee well-being at the heart of our operations and foster a workplace where everyone feels part of one family across all our facilities.

Goals	2030	2040
No Child, Forced, or Compulsory Labor	• Zero Tolerance • Zero Cases across Supply Chain	• Zero Tolerance • Zero Cases across Supply Chain
Develop and Leverage Internal Talent	• Develop Internal Training Program to Attract and Maintain Talents	
Maintain High OH&S Standards	• TRIR below 1.0	• TRIR below 1.0
Staff Turnover	• Staff Turnover <10%	• Staff Turnover <10%
Commuting	• Reduce Commuting Miles by 20% by Promoting Car Pooling & Public Transport	• Reduce Commuting Miles by 30% by promoting Car Pooling & Public Transport
Equal Pay for Equal Work	• 0% Gender Pay Gap for Equivalent Skills & Experience	• 0% Gender Pay Gap for Equivalent Skills & Experience
Wellbeing of Employees	• Absenteeism Rate below 2.5%	• Absence Rate below 2.0%



Our People

Empowering & Supporting our Workforce

At Novalis, employees are at the heart of our operations. When they feel valued, respected, and supported, they are empowered to contribute meaningfully to our success. We promote a workplace culture driven by inclusion, diversity, well-being, health and safety, where employees are encouraged to openly share their ideas, concerns, and perspectives without fear.

We are committed to meeting the needs of our workforce through continuous training and development opportunities that support both career progression and personal growth. This commitment is reinforced by fair and competitive compensation, targeted workshops, and initiatives designed to enhance skills, engagement, and long-term professional development.

Global Presence

In 2025, Novalis' total workforce grew to 1,397 employees, representing a 16.6% increase from 1,198 in 2024. This growth reflects continued operational expansion across our global manufacturing footprint, including the further ramp-up of facilities in Thailand and Mexico.

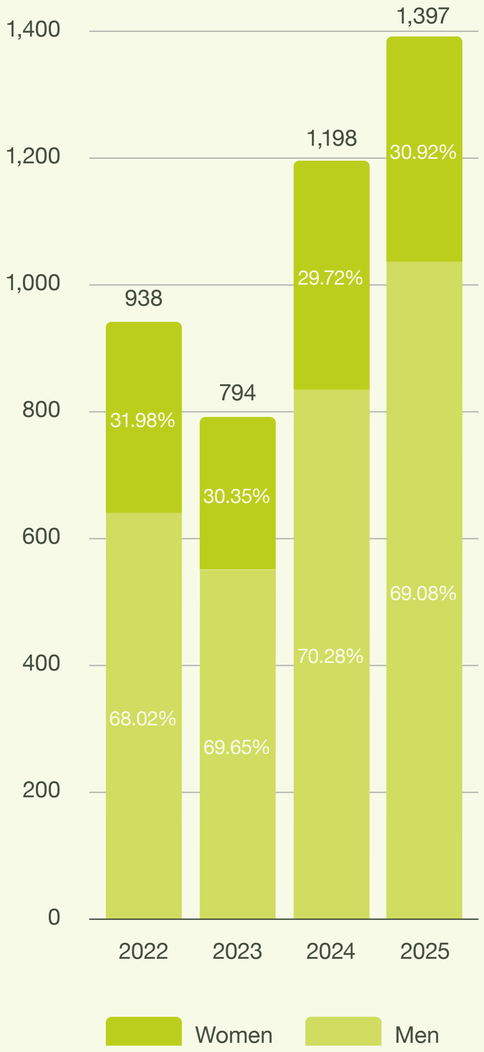
Asia remains the largest employing region, with 912 employees, followed by North America with 479 employees. Europe continues to be supported by a lean but highly effective team of 6 employees serving our European customer base.

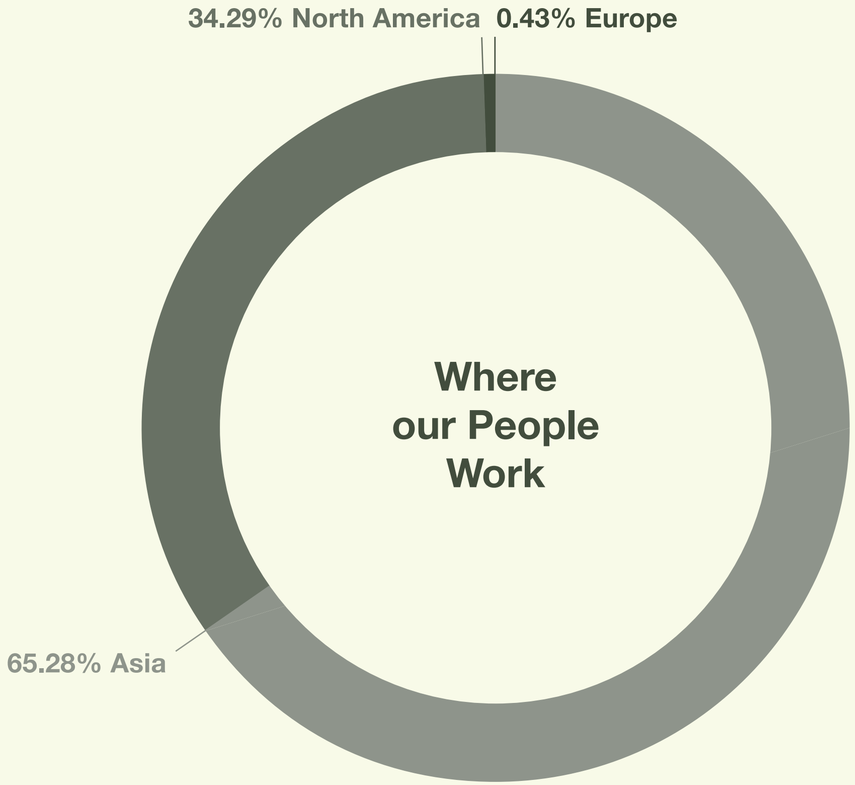
Highlights at a glance

1,397	912	479	6
Total	Asia	North America	Europe

Successfully expanded our workforce by hiring 398 new employees.

Employees Worldwide





Workforce and Gender Representation
In 2025, Novalis' workforce continued its growth trajectory. The total headcount reached 1,397 employees, with male employees numbering 965 (69.1%) and female employees 432 (30.9%). Compared to 2024, the number of male employees increased by 14.6%, while female employees grew by 21.3%, indicating a slightly faster growth rate among female staff.

Despite this positive direction, the proportion of female employees across production roles remains constrained by ongoing structural factors in the manufacturing sector. Novalis continues to implement gender equity strategies, including flexible work arrangements, career development programs, and targeted initiatives to enhance the workplace environment for women. These efforts reflect our commitment to retaining and supporting women across all functions and locations.

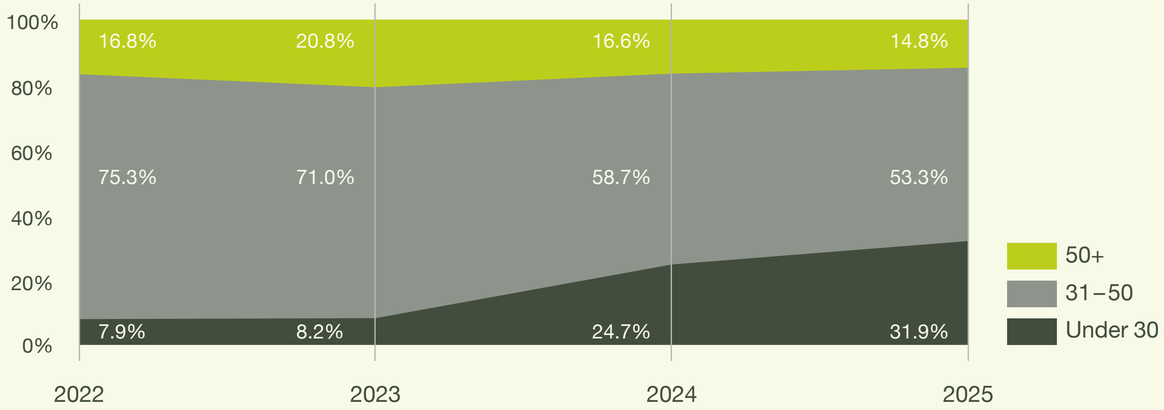
Gender in Leadership and Management
Novalis tracks gender representation across all management levels to support our commitment to inclusive leadership and equal opportunity advancement. In 2025, women held 28.5% of leadership positions, compared to 30.0% in 2024. While this slight decline reflects the growth in male-dominated production-level roles and organizational restructuring, we remain focused on developing and advancing female talent at all levels.

Age Demographics
Novalis considers age demographics as an integral part of its commitment to workforce inclusion and intergenerational knowledge transfer. In 2025, our workforce demonstrated a notably younger profile compared to prior years, with employees under 30 now representing 31.9% of the total headcount — a significant increase from 24.7% in 2024. This shift is driven by new hiring in our Thailand and Mexico facilities, which attract younger talent.

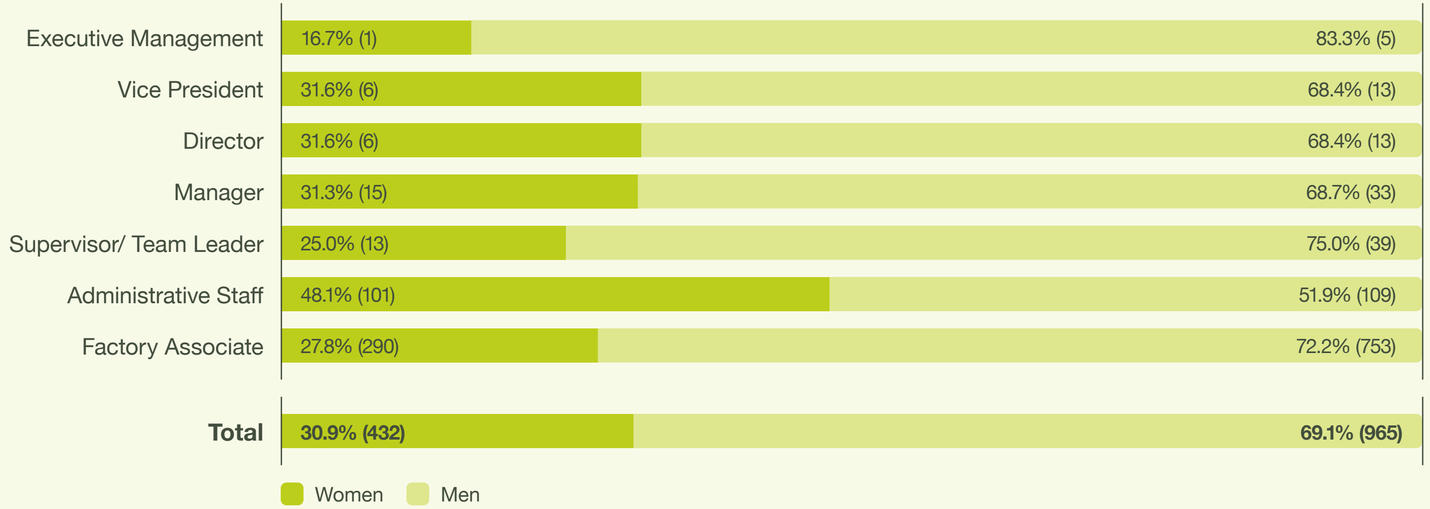
Employees aged 31–50 remain the largest cohort, representing 53.3% of the workforce. Those aged 51 and over account for 14.8%, reflecting the retained experience and institutional knowledge of our senior staff.

This evolving age distribution reflects a balanced workforce combining experience and institutional knowledge with the engagement of emerging talent, supporting long-term organizational sustainability.

Age Distribution



Gender Representation



Fair and Equal Compensation

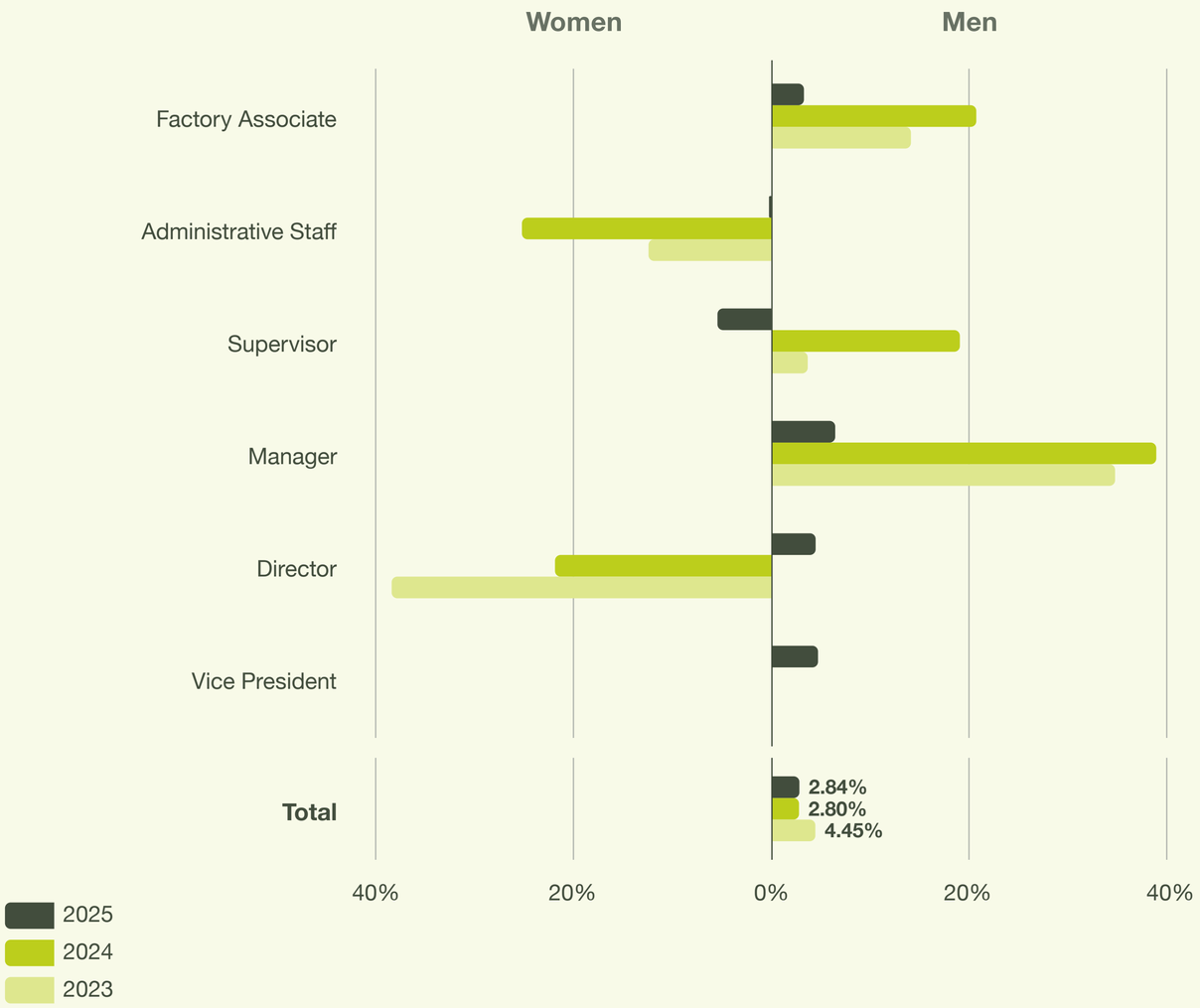
Novalis continuously works to ensure that our compensation practices remain fair, competitive, and responsive to economic conditions, enabling our employees to maintain financial stability and feel valued for their contributions. Our approach is guided by the principle of equal pay for equal work, based on skills and experience regardless of gender.

Our wage practices are independently audited by third parties, including through SMETA & BSCI, confirming that our pay exceeds the legal minimum wage, is based on employees' skills and experience, and aligns with living wage standards.

At our manufacturing facility in China, the WageIndicator Typical Family Methodology was used to estimate the income required to cover essential living costs for workers and their families. The assessment confirmed that employees' actual wage income exceeded this estimated amount. The facility has also established a wage improvement plan covering all employees to support continued progress in fair compensation.

In 2025, we reviewed compensation across all organizational levels. The total gender pay gap (men to women, based on median pay comparison) stands at 2.84%, marginally higher than the 2.80% recorded in 2024. The primary driver of remaining pay gaps continues to be structural differences in role composition across regions rather than differences in pay for equivalent roles.

Weighted Average Pay Gap



Our People

Ethical Conduct & Responsibility

Novalis remains committed to adhering to the principles of the United Nations Global Compact, complying with the US Foreign Corrupt Practices Act (FCPA), and following our robust policies on human rights and ethical conduct.

Human Rights
Novalis is committed to respecting internationally recognized human rights, implemented through:

- Labor policies communicated to all employees and integrated into internal procedures
- Human rights due diligence, including compliance checks against internationally recognized standards
- Verification of employee age during hiring to prevent child labor
- Monitoring of working hours and employment conditions to prevent forced or compulsory labor
- Responsible labor practices supported by clear employment contracts, fair working conditions, equal opportunity policies, and confidential reporting mechanisms

Anti-Forced Labor and Child Labor
Novalis maintains a zero-tolerance policy toward child labor, forced labor, and compulsory labor:

- No children are employed in any capacity across any of our operations
- No workers are subjected to forced, bonded, or involuntary labor
- All employment is freely chosen and conducted under fair and transparent conditions

Anti-Corruption and Anti-Bribery Policies
Novalis maintains a strict zero-tolerance policy on bribery and corruption across all facilities. Formal anti-bribery policies are communicated to all employees and business partners. Key mechanisms include:

- Four-Eyes Principle in Purchasing: All purchasing decisions require approval from at least two authorized personnel, strengthening oversight and supporting transparent decision-making
- Anonymous Reporting Mechanisms: Secure and confidential reporting channels are available in China and the US, supported by non-retaliation principles
- Ethical Conduct Training: Continuous ethics training ensures employees are aware of expected conduct

Freedom of Association and Collective Bargaining
Novalis respects the right of employees to freedom of association and collective bargaining, in accordance with international labor standards and applicable local regulations. Open internal communication and regular dialogue between employees and management are actively promoted. As a result, employees have access to effective communication channels across all facilities.

Audits and Monitoring
Novalis undergoes annual reviews by independent organizations, including Sedex/SMETA and BSCI. These reviews include both scheduled and unannounced assessments to verify that standards are upheld at all times. These audits consistently affirm our commitment to ethical practices, fair working conditions, and transparency across all operations.



Health, Safety & Well-Being

Across our facilities in Asia and North America, we prioritize the health, safety, and well-being of all employees through a robust OH&S management system. Our key safety mechanisms include:

- Safety Performance Awareness: EHS boards at each facility entrance display key safety metrics, incident lessons learned, and a five-year incident history
- Weekly Risk Assessments: Systematic assessments at all facilities identify hazards related to machinery, chemicals, and operational processes
- Structured Training Programs: Mandatory OH&S training for all staff and contractors, including PPE use, emergency response, first aid, and fire safety
- Good Catch Program: Employees report hazards and unsafe behaviors; all incidents are investigated and fed into continuous improvement plans

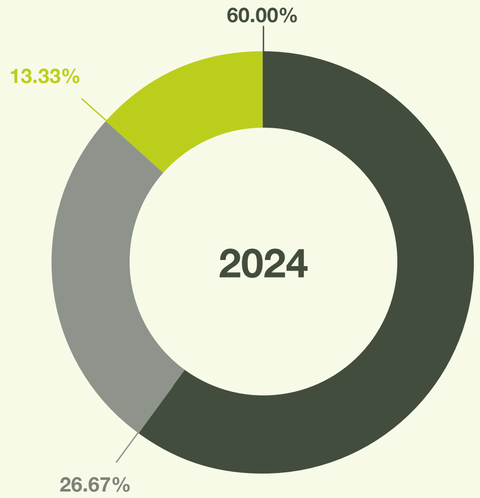
Total Recordable Incident Rate (TRIR)

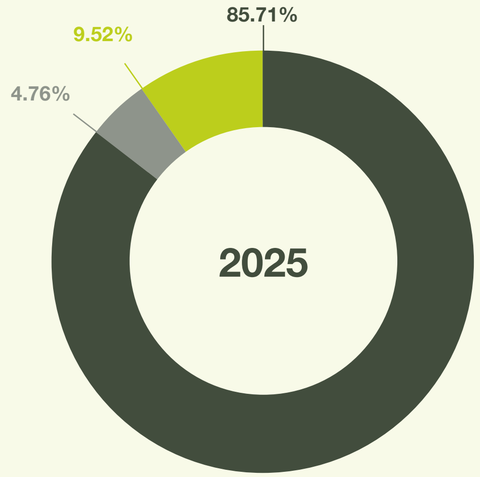
In 2025, Novalis recorded a Total Recordable Incident Rate (TRIR) of 1.48 across our global operations. This represents an increase from 1.20 in 2024, largely attributable to the significant expansion of our workforce and manufacturing activities in Thailand and Mexico, both of which have undergone rapid scaling in this period.

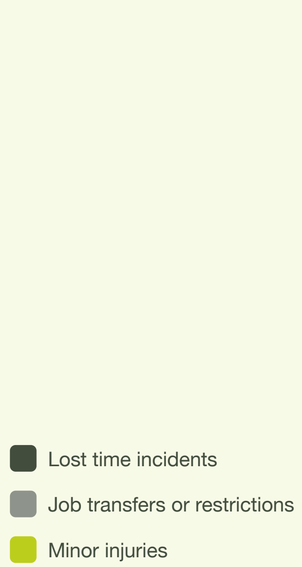
A total of 21 workplace incidents were reported worldwide in 2025. Of these, 18 resulted in lost work time, two were classified as minor injuries, and one led to a job transfer or work restriction. No fatalities were reported.

Novalis remains focused on reducing its Total Recordable Incident Rate (TRIR) to below 1.0, with the ultimate goal of achieving zero workplace incidents.

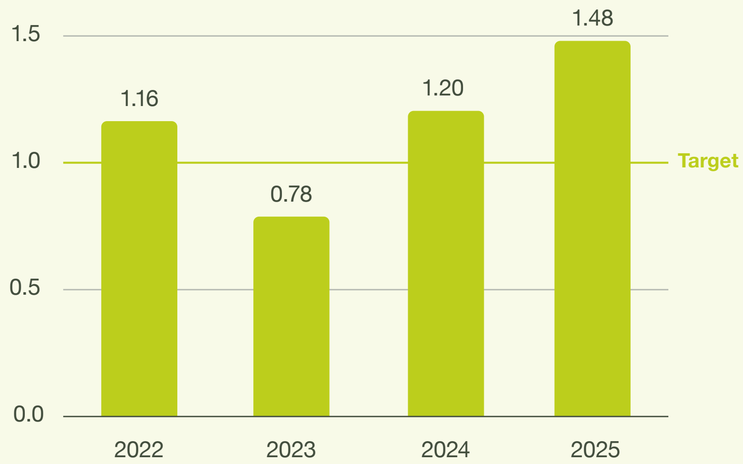
Incident Severity







Total Recordable Incident Rate



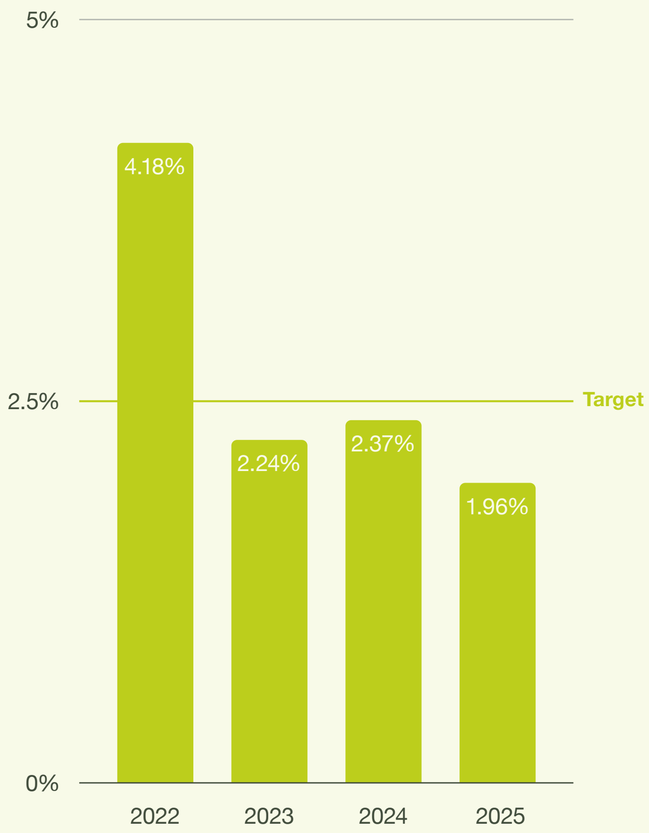
Absence Rate

The absenteeism rate is a key measure of employee health, safety, and overall well-being. In 2025, Novalis achieved a global absenteeism rate of 1.96%, a notable improvement from 2.37% in 2024 and well below our previous target of 5%. This continued reduction reflects our sustained efforts to create a safe, healthy, and supportive work environment. That's why we decided to lower our target to **2.5%**.

Sick leave remains the most significant driver of absence, followed by uncategorized leaves. Maternity leave and other types of leave show stable patterns. Monitoring absence reasons enables us to identify patterns and take targeted action to support employee wellbeing.

Notable reduction in the absenteeism rate compared to 2024.

Absence Rate





Building Skills, Strengthening Safety

At Novalis, continuous learning helps employees build the skills and knowledge needed to work safely, effectively, and responsibly. Training is tailored to local requirements and individual roles, combining professional and technical development with safety, compliance, and operational excellence.

In 2025, training covered a broad range of topics, including management and operational skills, quality systems, company policies, environmental management, EHS, emergency preparedness, and equipment safety.

Key Training Areas

- **Skills & Professional Development**
  Technical, operational, management, and office skills strengthen employee capabilities and support professional growth.
- **Operational Excellence & Quality**
  Training in production, quality systems, equipment operation, and LEAN principles supports efficient and reliable operations.
- **Safety, Health & Preparedness**
  EHS, occupational health, emergency response, chemical and equipment safety training help maintain safe working environments.
- **Compliance & Responsible Business**
  Training covers company policies, regulatory requirements, information security, employment compliance, and environmental topics.

In China, employees recorded 26,313 training hours in 2025, equivalent to approximately 59.8 hours per employee. In the US, monthly safety meetings accounted for 403.5 training hours, alongside CPR, RCRA/DOT, orientation, and other specialized training.

Through continuous learning, Novalis is building a skilled, adaptable, and safety-conscious workforce and supporting the long-term development of both our people and our business.



Employee Benefits

Regional Highlights

At Novalis, employee benefits are designed with regional considerations in mind, ensuring alignment with local needs and circumstances. This localized approach enables us to address the varying challenges and expectations of our global workforce while promoting employee safety and wellbeing.

North America

In the United States and Mexico, we provide comprehensive healthcare benefits, including medical, vision, and dental coverage. Employees are supported in long-term financial planning through a 401(k) retirement plan, while short- and long-term disability coverage offers income protection. Optional benefits include critical illness, accident, and hospital indemnity insurance. Employees also have access to an Employee Assistance Program, providing mental health resources, financial counseling, and support for personal or professional challenges.

Europe

Employees in Europe benefit from comprehensive insurance, including health, accident, unemployment, and retirement coverage, complemented by voluntary contributions to private pension plans or life insurance. Flexible working arrangements enable employees to work remotely for at least 20% of their time, with full reimbursement of public transportation costs. Managers are provided with company vehicles for business and personal use, and Novalis supports professional development through training programs and up to 15 additional days of parental leave annually, available to all new parents regardless of gender.

Asia

In China, our benefits programs prioritize financial stability and everyday wellbeing. Employees are covered against income loss from illness, workplace injuries, or significant life events such as marriage, maternity, and bereavement. Compensation practices include overtime premiums with enhanced pay for night shifts, high-temperature working conditions, and national holidays. All employees have access to two freshly prepared hot meals per shift at our on-site canteen.

Creating a Better Future for Our People

In 2025, we continued to make progress toward several of our people-related commitments. We maintained zero reported cases of child and forced labor across our supply chain, upheld freedom of association across all sites, and achieved an absenteeism rate of 1.96%, outperforming our 2030 target of 2.5%.

Our Total Recordable Incident Rate (TRIR) increased to 1.48, exceeding our 2030 target of below 1.0. Improving occupational health and safety performance and reducing workplace incidents therefore remain important priorities across our operations.

We also continue to focus on workforce development, with regular training opportunities and pay equity remaining important areas of focus.

Our approach remains centered on the people behind our operations, building a workplace where people can thrive and contribute to our shared success.

Goals	2030	Progress
No Child, Forced, or Compulsory Labor	• Zero Tolerance • Zero Cases across Supply Chain	✓ Achieved
Develop and Leverage Internal Talent	• Develop Internal Training Program to Attract and Maintain Talents	✓ Achieved
Maintain High OH&S Standards	• TRIR below 1.0	› On track
Staff Turnover	• Staff Turnover <10%	✓ Achieved
Commuting	• Reduce Commuting Miles by 20% by Promoting Car Pooling & Public Transport	› On track
Equal Pay for Equal Work	• 0% Gender Pay Gap for Equivalent Skills & Experience	› On track
Wellbeing of Employees	• Absenteeism Rate below 2.5%	✓ Achieved



Better for the Community

Contributing to social well-being through safe products, responsible partnerships and local community support.

59 Creating a Better Community
60 Customer Health & Safety
61 Third-Party Verification
62 Commitment to Continuous Improvement
63 Our Contributions
64 Community Support in Action
65 Community Engagement & Partnerships

05



Creating a Better Community

Our responsibility extends beyond our products and operations to the people and communities we serve. We aim to support healthier indoor environments through safe and responsible products, transparent product information and reliable standards. Through collaboration with industry partners, educational initiatives and local contributions, we seek to strengthen our relationships and create positive value for our communities.

Our priorities focus on four key areas: customer health and product safety, independent verification, community contributions, partnerships and education.

Goal	2030	2040
Safe & Healthy Products	• No Use of Chemicals of Concern according to REACH & California Prop. 65	• No Use of Chemicals of Concern according to REACH & California Prop. 65 & ILFI Red List
Independent Verification	• Maintain Relevant Third-party Certification and Audit Coverage.	• Use Assurance and Certification to Support Credible Product Claims.
Community Contributions	• Support Charitable Initiatives in the Regions where Novalis operates.	• Develop a more Consistent Method for Tracking Contributions and Outcomes.
Partnerships and Education	• Collaborate with Industry Associations, Green Building Councils, Standards Bodies & Research Partners.	• Scale Shared Solutions for Circularity, Transparency & Responsible Construction.



Customer Health & Safety

Customer health and safety begins with the materials we select and continues through manufacturing, quality control and final product verification. Novalis tests raw materials and finished flooring against internal specifications and applicable requirements, including REACH, California Proposition 65, and International Living Future Institute's Red List. In addition, we are regularly testing all products for PFAS. This supports the responsible management of restricted substances and helps confirm that products meet intended safety and performance requirements before release.

Quality Assurance focuses on the systems and procedures designed to prevent defects, while Quality Control verifies finished products through production-line and installation testing.

Checks include:

- Dimensional Stability,
- Squareness,
- Visual Appearance,
- Odor, and
- Overall Performance.

For click flooring, the click profile is electronically measured and tested for locking strength and resistance to damage. Batch results are documented in a **Certificate of Analysis** and can be shared with customers as evidence of conformity with agreed specifications.

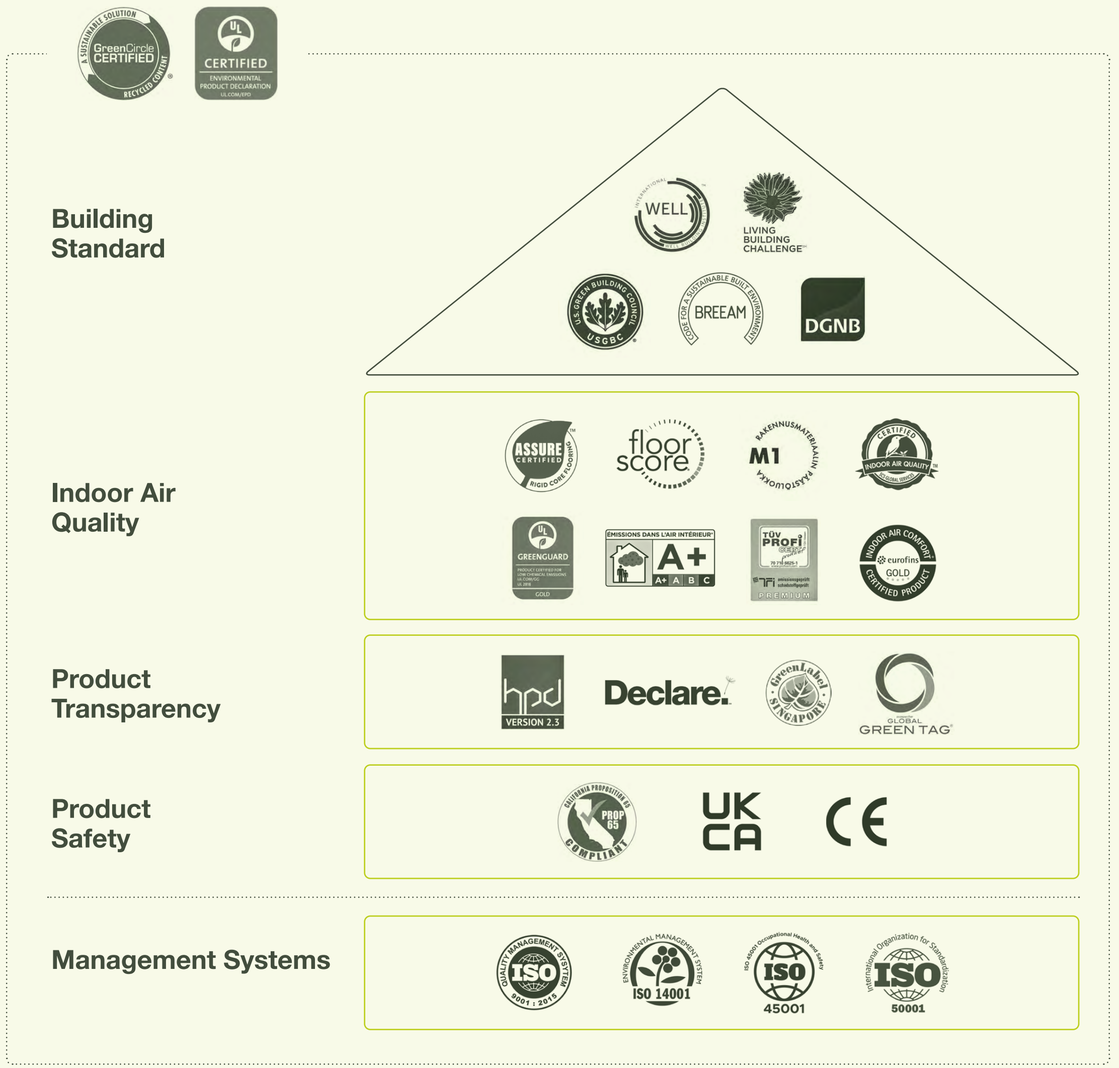
Product safety is supported by material screening, preventive quality systems, finished-product testing and documented batch controls.



Third-Party Verification

Independent verification complements Novalis' internal quality and safety controls. External audits and certifications provide additional assurance that products and management systems are assessed against recognized requirements. The certification portfolio covers management systems, product safety, material transparency and indoor air quality.

- **Indoor Air Quality**
  Eurofins Indoor Air Comfort Gold, TÜV Proficert, UL GREENGUARD Gold, SCS FloorScore, SCS ASSURE Certified, French A+, M1 and other product-specific programs, where applicable.
- **Product Transparency**
  Environmental Product Declarations, Declare labels, Health Product Declarations and Digital Product Passports, where available.
- **Product Safety and Market Access**
  CE and UKCA requirements, REACH, California Proposition 65 and product-specific third-party programs.
- **Management Systems**
  ISO 9001, ISO 14001, ISO 45001 and ISO 50001, where applicable.



Commitment to Continuous Improvement

Novalis uses certification, testing and product transparency to help customers evaluate flooring against project-specific health, environmental and performance criteria. Third-party verified information can support documentation for green building programs and procurement requirements, while clear product data helps architects, designers, contractors and customers make informed choices.

We continue to review certification coverage, regulatory developments and customer expectations across our markets. The focus is not only on maintaining existing approvals, but also on improving the accessibility, consistency and traceability of product information over time.

Supports Project Documentation

DGNB®
Deutsche Gesellschaft für Nachhaltiges Bauen e.V.
German Sustainable Building Council

INTERNATIONAL LIVING FUTURE INSTITUTE℠

CODE FOR A SUSTAINABLE BUILT ENVIRONMENT
BREEAM

SINGAPORE GREEN BUILDING COUNCIL

INTERNATIONAL WELL BUILDING INSTITUTE™

U.S. GREEN BUILDING COUNCIL
LEED
USGBC™

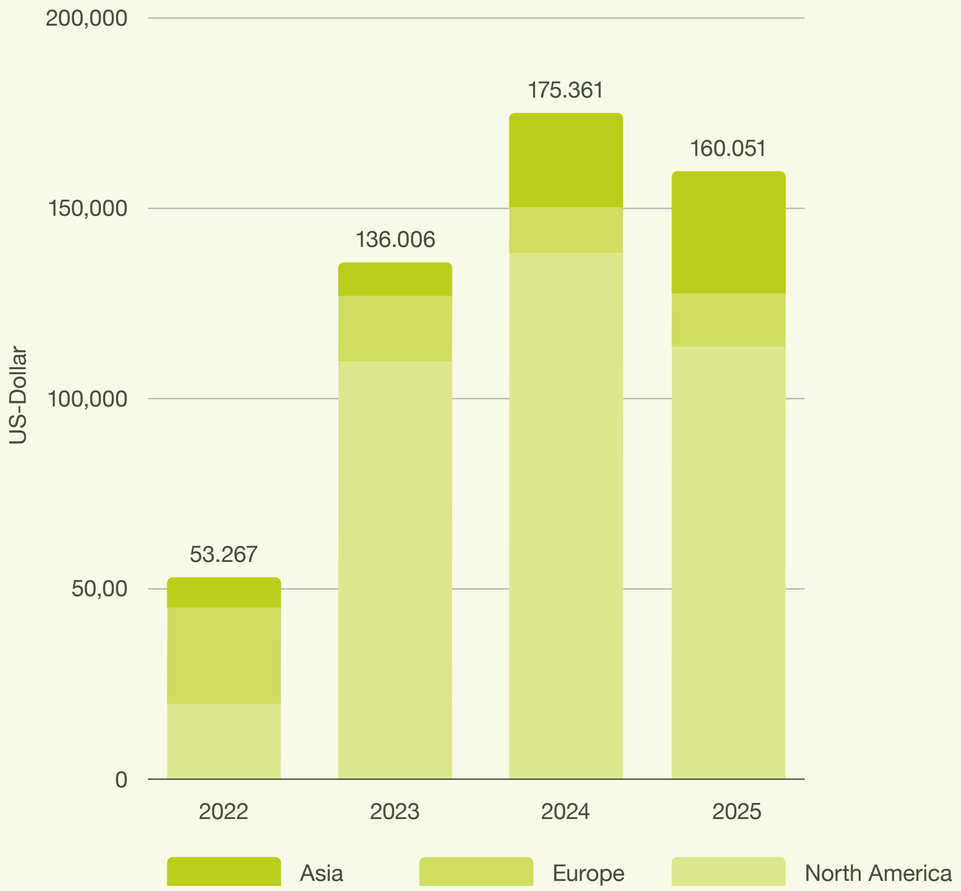
Our Contributions

In 2025, Novalis and its associates recorded charitable contributions of $160,051, which includes $22,120 worth of donated materials.

This was lower than the $175,361 reported in 2024, but remained above the totals recorded in 2022 and 2023. Contributions supported initiatives across Asia, Europe and North America, reflecting a continued commitment to the communities connected to our operations and business activities.

The contribution program includes monetary support and donated flooring material to local communities.

Charitable Donations



Community Support in Action

North America

Participation in Charity Events

In the US, our donations included California wildfire response, Lowe's City of Hope and Sleep in Heavenly Peace, United Way, Veteran Support and Christmas Holiday Giving.



Europe

H-Boat International German Championship

For the 5th consecutive year, Novalis has been actively sponsoring major European regattas, including acting as the primary title sponsor for events like the IDM H-Boat International German Championship (NOVALIS-Cup).



Asia

Local Community Support

Asian donations include support for nursing homes, children's welfare, local fire and police community programs, youth sport and flooring donations.



Community Engagement & Partnerships

Collaboration with industry associations, green building councils, standards organizations and product-transparency initiatives remains an important part of Novalis' sustainability approach. These relationships help us exchange technical knowledge, monitor changing market expectations and contribute to shared work on product safety, transparency, circularity and responsible construction.

Our engagement includes the Modular Multilayer Flooring Association, the Resilient Floor Covering Institute, the North American Association of Floor Covering Distributors, the Vinyl Sustainability Council, the Singapore Green Building Council, the German Sustainable Building Council, ASTM International, the European Committee for Standardization and the Health Product Declaration Collaborative.

Through these platforms, we contribute to discussions on take-back systems, sorting and recycling solutions for post-consumer and post-installation flooring, common standards and improved information across the value chain. We also use industry events and technical forums to share experience about Digital Product Passports and learn from peers.

Industry Associations

WORLD FLOOR COVERING ASSOCIATION

mmfa

NAFCD
Trends • Education • Leadership • Networking

RFCI
Resilient Floor Covering Institute

VINYL SUSTAINABILITY COUNCIL

Green Building Councils

U.S. GREEN BUILDING COUNCIL LEED USGBC

SINGAPORE GREEN BUILDING COUNCIL

DGNB
Deutsche Gesellschaft für Nachhaltiges Bauen e.V.
German Sustainable Building Council

Standardization & Technical Bodies

ASTM INTERNATIONAL

CEN CENELEC

Product Transparency & Education

3E Exchange

vinyl plus

hpdc

Creating a Better Community

In 2025, Novalis continued its commitment to community engagement, meeting all established goals. This reflects our continued commitment to supporting local communities, maintaining meaningful partnerships, and creating a lasting positive impact in the regions where we operate.

Goal	2030	Progress
Safe & Healthy Products	• No Use of Chemicals of Concern according to REACH & California Prop. 65	✓ Achieved
Independent Verification	• Maintain Relevant Third-party Certification & Audit Coverage.	✓ Achieved
Community Contributions	• Support Charitable Initiatives in the regions where Novalis operates.	✓ Achieved
Partnerships & Education	• Collaborate with Industry Associations, Green Building Councils, Standards Bodies & Research Partners.	✓ Achieved

Acknowledgements

Acknowledgements

Putting together our 2025 Sustainability Report has been a real team effort, and we want to thank everyone who helped make it possible.

In total, **20 people** contributed to this report, whether by providing and validating data, sharing information and ideas, coordinating across locations, developing content, designing the report, or supporting its final review and communication.

What we are particularly proud of this year is how much we have improved the process behind the report. Our data has become significantly more complete and reliable, responsibilities are clearer, and the way we collect and coordinate information across our global organization has become much more structured and efficient.

A major step forward has been the development of our new sustainability reporting tool, which automatically processes environmental and social data and translates it into charts and dashboards. This has significantly reduced manual work, improved consistency, and given us a much stronger foundation for monitoring our sustainability performance going forward. We know that sustainability reporting often comes on top of everyone's day-to-day responsibilities. It takes time to collect information, answer questions, double-check numbers and follow up on missing details. We truly appreciate the time, patience and effort everyone has put into this process.

We still have opportunities to improve, but looking at where we started and where we are today, we are incredibly proud of the progress we have made together.

Thank you to everyone who contributed. This report would not have been possible without you.



Appendices

Better for the Planet

	KPI	Baseline Year	2025	Target 2030	Target 2040
Scope 1 Emission	t CO_2e	9,949	3,471	4,975 (50% reduction) ✓	Zero Scope 1 Emissions
Scope 2 Emission	t CO_2e	36,480 (2019)	38,907	18,240 (50% Reduction)	Zero Scope 2 Emissions
Scope 3 Emission	t CO_2e	264,174 (2024)	385,090	269,563 (30% Reduction)	Zero Scope 3 Emissions
Emission Intensity	kg CO_2e/short ton finished goods	Scope 1: 64.29 (2019) Scope 2: 235.71 (2019) Scope 3: 1,349.08 (2024)	Scope 1: 27.56 Scope 2: 308.91 Scope 3: 1,228.23	Reduce Emission Intensity by 30% Scope 1: 32.15 ✓ Scope 2: 117.86 Scope 3: 859.76	Scope 1: 0.00 Scope 2: 0.00 Scope 3: 0.00
Renewable Energy	Renewable Energy in %	3.61% (2019)	**Total: 12.28%** thereof: 4.76% on-site solar	Use of 60% renewable energy	100% renewable energy (where possible)
Energy Intensity	Gigajoule/short ton finished goods	2.33 (2019)	2.76 GJ	20% higher energy efficiency (1.87 GJ)	30% higher energy efficiency (1.64GJ)
Water Intensity	US gallons/short ton finished goods	290.86 (2019)	392.56	30% less water/short tons finished product	50% less water/US ton finished good
Waste-to-landfill Intensity	Waste-to-landfill ratio	6.09% (2019)	4.48%	max. 2% waste to landfill or incineration	0% waste to landfill
Waste Generation	short tons	1,569 (2022)	2,014	30% reduction of waste from our operations	50% reduction of waste from our operations
Recycled & bio-based content	Average percentage by weight finished goods	Recycled: 11.98% (2019) Bio-based: 2.51% (2023) **Total: 14.49% (2024)**	Recycled: 21.75% Bio-based: 0.70% **Total: 22.45%**	30% recycled and bio-based content	50% recycled and bio-based content
Recycling and Reuse	% reused, repurposed or recycled products	no data	no data	All of our products are designed according to cradle-to-cradle principles	50% of products are reused, recycled or repurposed

Better for the People

	KPI	Baseline Year	2025	Target 2030	Target 2040
Total reportable incident rate	Number of injuries x 200,000) / Employee hours worked	1.16 (2022)	1.48	TRIR <1	TRIR <1
Staff training	Training hours per year	China: 29 hours per employee (2024)	US: 403.5 hours China: 26.313 hours		
Absenteeism rate	Hours of employees absent / total hours worked	4.18% (2022)	1.96%	Absence rate <2.5% ✓	Absence rate <2.0% ✓
Staff turnover	Turnover of average employees / year	No data	9.07% (excluding Thailand & Mexico)	Staff Turnover <10% (✓)	Staff Turnover <10%
Child & Forced Labor	No forced and child labor in our value chain	Zero reported incidents along our value chain	Zero reported incidents along our value chain	No child or forced labor along the entire value chain, from extraction of raw materials to end-of-life	
Commute	Commuting miles	1,114,703 miles (2024)	913,201 miles	Reduction by 20%	
Digital Product Passports	Percentage of own products equipped with DPPs	80% of all AVA products have a DPP (2022)	90% of AVA products are equipped with a DPP	100% of our products are equipped with a Digital Product Passport	
Pay Gap	Weighted Average Pay Gap in %	1.17%	2.84%	0.00%	0.00%

Better for the Community

	KPI	Baseline Year	2025	Target 2030	Target 2040
Charity	Charitable actions per year	7 events	17 events		To be determined
Charitable Donations	Donations of NVS and its associates per year	$53,267 (2022)	$ 160,051	To be determined	To be determined
Customer Health & Safety	Percentage of products without substances of concern	No products contain chemicals of concern acc. to REACH and California Prop. 65	0.00%	No products contain chemicals of concern acc. to REACH and California Prop. 65 ✓	No products contain chemicals of concern acc. to REACH, California Prop. 65, and ILF Red List
Education	Meaningful education and collaboration to create shared value	› Community Engagement & Partnerships	› Community Engagement & Partnerships	To be determined	To be determined

Legal Entities Novalis Group

Legal Name	Trading Name	Nature of ownership	Legal Form	Street	Zip Code	City	State	Country	Facility Type
Decoria Materials (Jiangsu) Co., Ltd.	Novalis Innovative Flooring	Privately owned	Incorporated entity	Shengyuan Road, Dantu Industrial Park	212000	Zhenjiang	JiangSu Province	P.R. China	Factory
Novalis Global Flooring GmbH	Novalis Innovative Flooring	Privately owned	Partnership	Spichernstrasse 73	50672	Cologne	North Rhine-Westphalia	Germany	Office
Novalis International Ltd.	Novalis Innovative Flooring	Privately owned	Sole proprietorship	Unit F, 23/F., CNT Tower, 338 Hennessy Road, Wanchai District		Wanchai	Hong Kong	P.R. China	Office
Novalis International Ltd.	Novalis Innovative Flooring	Privately owned	Sole proprietorship	55 West Beaver Creek Road, Unit 29	L4B 1K5	Richmond Hill	Ontario	Canada	Office
Novalis International Ltd.	Novalis Innovative Flooring	Privately owned	Sole proprietorship	Unit 2103, 21/F Lippo Plaza 222, Huaihai Zhong Road	200021	Shanghai	Shanghai	P.R. China	Office
Novalis US LLC	Novalis Innovative Flooring	Privately owned	Sole proprietorship	200 Munekata Dr SE Dalton	30721	Dalton	Georgia	United States	Factory
Novalis US LLC	Novalis Innovative Flooring	Privately owned	Sole proprietorship	137 Overhill Drive, Suite 102	28117	Mooresville	North Carolina	United States	Office/Warehouse
Winmore Eco Materials Co., Ltd	Novalis Innovative Flooring	Privately owned	Joint Venture	368 Moo.8 Mapkha Nikhom	21180	Phatthana District	Rayong	Thailand	Factory
Zenith Plastics Int'l Limited	Novalis Innovative Flooring	Privately owned	Joint Venture	Carretera Saltillo-Monclova, No. 6991		Ramos Arizpe	Coahuila	Mexico	Factory

General Disclosures

Disclosure Number	Trading Name	ESRS Disclosure	Response
GRI 1-2	Organizational Details	ESRS 2 – BP	Novalis International Ltd.
GRI 2-2	Entities included in the organization's sustainability reporting	ESRS 2 – BP	› Legal Entities Novalis Group
GRI 3-2	Reporting period, frequency and contact	ESRS 2 - BP	› About the Report
GRI 4-2	Restatements of information	ESRS 2 – BP	› About the Report
GRI 5-2	External assurance	ESRS 2 – BP	No external assurance in 2024
GRI 6-2	Activities, value chain and other business relationships	ESRS 2 – SBM	ISIC 2220 – Manufacture of plastics products › Activities of the Novalis Group
GRI 7-2	Employees	ESRS 2 – SBM	› Our People
GRI 8-2	Workers who are not employees	ESRS 2 – SBM	› Our People
GRI 9-2	Governance structure and composition	ESRS 2 – GOV	› Governance of Sustainable Growth
GRI 10-2	Nomination and selection of the highest governance body	ESRS 2 – GOV	Novalis is a family-owned and -led business. There is no nomination & selection procedure in place.
GRI 11-2	Chair of the highest governance body	ESRS 2 – GOV	Chair of highest governance body: John Wu (CEO) and CC Wu (COO)
GRI 12-2	Role of the highest governance body in overseeing the management of impacts	ESRS 2 – GOV	› Governance of Sustainable Growth
GRI 13-2	Delegation of responsibility for managing impacts	ESRS 2 – GOV	› Governance of Sustainable Growth
GRI 14-2	Role of the highest governance body in sustainability reporting	ESRS 2 – GOV	› Governance of Sustainable Growth
GRI 15-2	Conflicts of interest	ESRS 2 – GOV	Conflicts of interest are mitigated though steering committees with empowerment of decision making.
GRI 16-2	Communication of critical concerns	ESRS 2 – GOV	Employees are able to report critical concerns anonymously without any personal disadvantages.

Disclosure Number	Trading Name	ESRS Disclosure	Response
GRI 17-2	Collective knowledge of the highest governance body	ESRS 2 – GOV	› Governance of Sustainable Growth
GRI 18-2	Evaluation of the performance of the highest governance body	ESRS 2 – GOV	› Governance of Sustainable Growth
GRI 19-2	Remuneration policies	ESRS 2 – GOV	› Our People
GRI 20-2	Process to determine remuneration	ESRS 2 – GOV	› Governance of Sustainable Growth
GRI 21-2	Annual total compensation ratio	ESRS 2 – GOV	› Our People
GRI 22-2	Statement on sustainable development	ESRS – 2 BP	› Introduction › A Different Kind of Progress
GRI 23-2	Policy commitments	ESRS 2 – IRO	Novalis has several policies in place that, among other things, cover employee rights and remuneration, offered benefits, and occupational health and safety procedures. Furthermore, we have implemented a Supplier Code of Conduct to help ensure ethical and responsible business practices throughout our value chain.
GRI 24-2	Embedding policy commitments	ESRS 2 – IRO	Policies are developed by the management board and are being implemented by the responsible department. In addition, our workers receive regular training to raise awareness about these policies and also implement them in their daily work.
GRI 25-2	Processes to remediate negative impacts	ESRS 2 – IRO	› Our People
GRI 26-2	Mechanisms for seeking advice and raising concerns	ESRS 2 – GOV	› Our People
GRI 27-2	Compliance with laws and regulations	ESRS 2 – GOV	In 2024 there were no incidents of noncompliance with local laws and regulations at our locations
GRI 28-2	Membership associations	ESRS 2 – GOV	› Community Engagement & Partnerships
GRI 29-2	Approach to stakeholder engagement	ESRS 2 – GOV	› Community Engagement & Partnerships
GRI 30-2	Collective bargaining agreements	ESRS 2 – SBM	› Our People

Material Topics

Disclosure Number	Disclosure Title	ESRS Disclosure	Response
GRI 1-3	Process to determine material topics	ESRS 2 – General Disclosures	› Path Toward Double Materiality Assessment
GRI 2-3	List of material topics	ESRS 2 – General Disclosures	› Path Toward Double Materiality Assessment
GRI 3-3	Management of material topics	ESRS 2 – General Disclosures	› Path Toward Double Materiality Assessment
SASB CG-BF250-a.2	Products meeting volatile organic compound (VOC) emissions and content standards	ESRS E2 - Pollution	› Third Party Verification
SASB CG-BF410-a.1	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	ESRS E5 – Resource Use & Circular Economy / ESRS E2 – Pollution	› Materials Management
GRI 2-306	Management of significant waste-related impacts	ESRS S1 – Own Workforce	› Waste Management
GRI 1-403	Occupational health and safety management system	ESRS S1 – Own Workforce	› Health, Safety & Well-Being
GRI 2-403	Hazard identification, risk assessment, and incident investigation	ESRS S1 – Own Workforce	› Health, Safety & Well-Being
GRI 3-403	Occupational health services	ESRS S1 – Own Workforce	› Health, Safety & Well-Being
GRI 4-403	Worker participation, consultation, and communication on occupational health and safety	ESRS S1 – Own Workforce	› Health, Safety & Well-Being
GRI 5-403	Worker training on occupational health and safety	ESRS S1 – Own Workforce	› Health, Safety & Well-Being
GRI 8-403	Workers covered by an occupational health and safety management system	ESRS S1 – Own Workforce	› Health, Safety & Well-Being
GRI 9-403	Work-related injuries	ESRS S1 – Own Workforce	› Health, Safety & Well-Being
GRI 1-407	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	ESRS 2 – SBMa ESRS S1 – Own Workforce / ESRS S2 – Workers in the Value Chain	› Our People
GRI 1-408	Operations and suppliers at significant risk for incidents of child labor	ESRS S2 – Workers in the Value Chain	› Our People
GRI 1-409	Operations and suppliers at significant risk for incidents of forced or compulsory labor	ESRS S2 – Workers in the Value Chain	› Our People

Disclosure Number	Disclosure Title	ESRS Disclosure	Response
GRI 1-302	Energy consumption within the organization	ESRS E1 – Climate Change	› Global Energy Consumption & Energy Intensity
SASB CG-BF130-a.1	Energy consumption within the organization	ESRS E1 – Climate Change	› Global Energy Consumption & Energy Intensity
GRI 3-302	Energy intensity	ESRS E1 – Climate Change	› Global Energy Consumption & Energy Intensity
GRI 4-302	Reduction of energy consumption	ESRS E1 – Climate Change	› Global Energy Consumption & Energy Intensity
GRI 1-305	Direct (Scope 1) GHG emissions	ESRS E1 – Climate Change	› Carbon Footprint & Emissions
GRI 2-305	Energy indirect (Scope 2) GHG emissions	ESRS E1 – Climate Change	› Carbon Footprint & Emissions
GRI 3-305	Gross other indirect (Scope 3) emissions	ESRS E1 – Climate Change	› Carbon Footprint & Emissions
GRI 4-305	GHG emissions intensity	ESRS E1 – Climate Change	› Carbon Footprint & Emissions
GRI 5-305	Reduction of GHG emissions	ESRS E1 – Climate Change	› Carbon Footprint & Emissions
GRI 6-403	Promotion of worker health	ESRS S1 – Own Workforce	› Health, Safety & Well-Being › Employee Benefits
GRI 2-416	Incidents of non-compliance concerning the health and safety impacts of products and services	ESRS S4 – Consumer & End-users	› Customer Health & Safety
GRI 2-205	Communication and training about anti-corruption policies and procedures	ESRS G1 – Business Conduct	› Our People
GRI 2-301	Recycled input materials used	ESRS E5 – Resource Use & Circular Economy	› Waste Management
GRI 3-301	Reclaimed products and their packaging materials	ESRS E5 – Resource Use & Circular Economy	› Waste Management
SASB CG-BF410-a.2	Reclaimed products and their packaging materials	ESRS E5 – Resource Use & Circular Economy	› Waste Management

Disclosure Number	Disclosure Title	ESRS Disclosure	Response
GRI 1-303	Interactions with water as a shared resource	ESRS E3 – Water & Marine Resources	› Water Management
GRI 2-303	Management of water discharge-related impacts	ESRS E3 – Water & Marine Resources	› Water Management
GRI 3-303	Water withdrawal	ESRS E3 – Water & Marine Resources	› Water Management
GRI 5-303	Water consumption	ESRS E3 – Water & Marine Resources	› Water Management
GRI 1-405	Diversity of governance bodies and employees	ESRS S1 – Own Workforce/ ESRS G1 – Business Conduct	› Our People › Governance of Sustainable Growth
GRI 2-405	Ratio of basic salary and remuneration of women to men	ESRS S1 – Own Workforce	› Our People
GRI 1-304	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	ESRS E4 – Biodiversity & Ecosystems	› Biodiversity Impact
GRI 2-304	Significant impacts of activities, products, and services on biodiversity	ESRS E4 – Biodiversity & Ecosystems	› Biodiversity Impact
GRI 1-413	Operations with local community engagement, impact assessments, and development programs	ESRS S3 – Affected Communities	› Community Engagement & Partnerships
GRI 4-306	Waste diverted from disposal	ESRS E5 – Resource Use & Circular Economy	› Waste Management
GRI 5-306	Waste directed to disposal	ESRS E5 – Resource Use & Circular Economy ESRS G1 – Business Conduct	› Waste Management
GRI 1-307	Non-compliance with environmental laws and regulations		No non-compliances with applicable environmental laws in the reporting year
GRI 1-419	Non-compliance with social laws and regulations	ESRS G1 – Business Conduct	No non-compliances with applicable social laws in the reporting year

Disclosure Number	Disclosure Title	ESRS Disclosure	Response
GRI 1-308	New suppliers that were screened using environmental criteria	ESRS S2 - Workers in the Value Chain / ESRS G1 - Business Conduct	All our suppliers are comprehensively evaluated and screened on the basis of our Supplier Code of Conduct.
GRI 1-414	New suppliers that were screened using social criteria	ESRS S2 - Workers in the Value Chain / ESRS G1 - Business Conduct	All our suppliers are comprehensively evaluated and screened on the basis of our Supplier Code of Conduct.
GRI 2-401	Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESRS S1 - Own Workforce	› Employee Benefits

About this Report

Publication Date
November 18, 2026

Reporting Period
January 1 – December 31, 2025

Included Entities
All entities that are owned or controlled by Novalis

Restatements of Information
Recalculation of Scope 3 emissions for 2024 based on verified database

External Assurance
No third-party verification of data in this report

Financial Data Disclaimer
No requirement for financial reporting

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