ESG Report 2024

Environment, Social and Governance Report.

Belgotex™

Contents

A Message to All Belgotex Stakeholders from the Shareholders

Dear Belgotex Stakeholders

As we reflect on 2024, we are reminded that the world of business is evolving. We operate in a complex environment, and external factors are shifting fast. Navigating this landscape requires adaptability, and our ability to respond to change swiftly and effectively is crucial to our continued success.

While our roots are in the flooring sector, our true strength lies in our people. Every challenge we face is an opportunity for growth, and the resilience, commitment, and collaboration of the Belgotex team is nothing short of extraordinary. Their unwavering dedication remains the key to our progress.

In the face of change, whether it's unexpected obstacles or shifting priorities, we have worked tirelessly to ensure we are all moving in the same direction. While new challenges may arise and plans may change, we remain confident in our collective ability to innovate and evolve.

As Shareholders, we recognise how the team turned uncertainty into opportunity. The resilience shown has inspired us and reinforced our belief in the power of growth, prosperity, and the human spirit. We remain committed to investing in your long-term success and the sustainability of Belgotex.

In the coming year, we will focus on:

- **Environmental Stewardship** – Minimise our footprint and contribute to a greener, more sustainable future.
- **Brand Building** – Strengthening our brand and expanding our market presence to express our innovation leadership and customer satisfaction.
- **Logistics and Distribution** – Enhancing our logistics and distribution capabilities to reach our customers efficiently and effectively.
- **Technology Across All Functions** – Investing in technology that drives efficiency, enhances customer experience, and supports innovation.
- **People Development** - Growing and uplifting our people, to build a resilient, purpose-driven team ready to seize the future.

We are excited about these opportunities and their positive impact on our people, our partners, and the communities we serve. Thank you for your hard work, dedication, and passion. Here's to building on this progress.

The Shareholders of Belgotex:
Nederlandse Tapijten Holding (NTH) BV (NL)
The Go Group Foundation NPC (SA)

CEO’s Statement

A Contemporary View on Environmental, Social and Governance: Aligning Belgotex’s Purpose

In today’s business landscape, Environmental, Social, and Governance (ESG) is essential for a strategic business practice and no longer a compliance checkbox. At Belgotex, we view ESG beyond products to encompass our business, people, and impact. As proud as we are of our products, we are equally focused on creating lasting impact with ESG.

Achieving comprehensive ESG performance can, at times, conflict with economic demands. That is why it is now embedded into every department at Belgotex. It threads through our workflows, informs decision-making, drives process enhancement, and enriches the development of our people. While we have long recognised the value of investing in closed-loop water systems, waste reduction, energy efficiency, and responsible sourcing, ESG practices are now integrated into our manufacturing operations and employee development to create shared value.

In 2024, we strengthened our foundations with real, practical ESG improvements. We kept our key governance certifications through regular checks, increased the amount of renewable energy generated, ensured safe water treatment and management, and kept large volumes of waste out of landfill through internal recycling. We also focused on our people by improving health monitoring, running regular safety awareness campaigns, and bringing back important safety procedures.

Clear priorities for improvement were highlighted: speeding up zero waste to landfill, relying less on fossil fuels, and improving sustainability data tracking and collection to build sustainability into spending, buying, and skills development, thereby adding value for our business, our employees, and the communities we work in.

Our new ESG Leadership Team, established in 2024, is creating and assimilating protocols into every corner of our business thereby shifting from words to practical actions. Our commitment to sustainable flooring solutions is visible in quality products with ESG impact. Robust future-proof internal governance, purpose-led innovations and transparent decision-making structures are all essential tools.

Belgotex ESG is a transformative lens that challenges every team to ask: “How does this decision make us a more responsible, resilient, and regenerative business?” This shift pulls everyone into our sustainable development and so, gives us a competitive edge - when our people grow, our business grows.

Evan Lockhart-Barker
Chief Executive Officer, Belgotex

Message from the ESG Leadership Team

We are proud to lead the transformation from within, by aligning our sustainability goals with strategic decision-making, stakeholder expectations, and long-term value creation. Separate committees are now unified under a single agile structure, designed to drive real and measurable progress. We were selected for our expertise and for our shared belief that responsible business is fundamental to our future success.

Our role extends beyond compliance or reporting, and includes:

- Turning ambition into action by operationalising ESG commitments across all departments.
- Shaping decisions that reflect our environmental and social responsibilities.
- Engaging meaningfully with employees, customers, suppliers, communities, and investors.
- Ensuring transparency by measuring and reporting on our progress with integrity.

Our ESG scope interconnects risk management, employee development, supplier engagement, and community interaction. We are especially focused on understanding and addressing our direct and indirect operational impacts in South Africa, recognising the complex challenges and opportunities that lie ahead.

As the ESG Leadership Team, we lead with accountability, listening with intent, and acting with purpose. Together, we will help shape a more sustainable, inclusive, and resilient future for Belgotex and the communities we serve.

ESG Leadership Team Committee Leads

Environmental Committee Lead: **Ricardo Springolo**
Social Committee Lead: **Bronwen Bainbridge**
Governance Committee Lead: **Steve Truter**

At a Glance

2024 ESG Headlines

1

Sustainability built into how we run the business
By setting up a dedicated ESG Leadership Team, these issues are now considered across all departments and key decisions as a practical way to manage risks, improve accountability, and build a stronger long-term business.

2

Strong financial performance that supports the local economy
We ended 2024 ahead of budget, with revenue of more than R1 billion. Most of the value created was shared locally, with R953 million paid to employees, suppliers, government, and communities. A little over 50% of procurement was local, with R370 million spent with South African suppliers, helping to support jobs, local businesses, and economic stability.

3

More sustainable products and smarter manufacturing
Product improvements, including investing in new yarn systems, recyclable and bitumen-free backings, more energy-efficient machinery, and improved packaging. These changes reduce environmental impact while ensuring Belgotex remains competitive within the high-quality flooring market locally and internationally.

4

People, Skills and Inclusion drive business success
We employ more than 500 people and invest strongly in skills and development. In 2024, employees completed over 52 000 hours of training, supported by leadership programmes, bursaries, and youth employment through the YES programme. A Level 2 B-BBEE rating, along with a strong focus on fair pay, safety, health, and well-being, reflects Belgotex's commitment to being a responsible and inclusive employer.

5

Caring for the environment in a challenging operating setting
Energy shortages, water scarcity, and climate change led us to practical environmental action. Investments were made in solar energy, energy efficiency, water management, waste reduction, and recycling. Clear targets, recognised standards, and improved tracking of emissions support our goal of reducing environmental impact while protecting long-term operational stability.

6

Community development and shared value
Sustainability extends beyond our operations into the communities where we operate by prioritising local procurement, creating employment opportunities, supporting youth development, and contributing to community upliftment. This includes partnering with our non-profit shareholder, The Go Group to enable the reuse and redistribution of usable materials, supporting social enterprises, and community initiatives while reducing waste. Through these efforts, growth benefits employees, suppliers, and surrounding communities, not just the company itself.

2024 ESG Dashboard

A snapshot of Belgotex's environmental, social, governance and economic performance

GOVERNANCE

Being Good Corporate Citizens

Strong governance ensures responsible leadership, ethical behaviour, transparent decision-making, and long-term business integrity.

2024 Governance Highlights

ESG Leadership Team established, integrating ESG oversight company-wide

ISO certifications maintained:

- ISO 9001:2015 (Quality)
- ISO 14001:2015 (Environmental Management)
- ISO 45001:2018 (Occupational Health & Safety)

Ethical Compliance:

- Zero significant fines or legal non-compliance
- SMETA 4-pillar ethical audit maintained
- Strengthened whistleblowing channels via Deloitte Tip-offs Anonymous Hotline

Ownership & Transformation:

- 74.99% NTH, 25.01% The Go Group
- Level 2 B-BBEE status, scoring 90.75 points and 125% procurement recognition

Governance structures active:

- Board of Directors (5), Executive Management (5), 3 subsidiaries monitored for oversight relevance

Challenges & Areas for Improvement

- Need centralised ESG data
- Improve non-conformance reporting
- Deepen ESG integration in procurement and capex

Priorities for 2025–2030

- Full ESG data system
- ESG decision-making across operations
- Strengthened supplier SMETA alignment

ECONOMIC

Creating Shared Value for South Africa's Economy

Economic sustainability ensures resilience, competitiveness, and employees, suppliers, communities, and shareholder value. Strong performance funds job creation, innovation, transformation, and sustainability investments.

2024 Economic Highlights

- Revenue: R1 016 571 664
- Economic Value Distributed: R953 million
- Local Procurement: R370 306 473 (50.31% of operating costs)
- CAPEX: R16 105 578, with major investments in energy efficiency, and product innovation.
- Exports: 31% of total sales across 40 countries.
- Prioritised manufacturing efficiency, cost optimisation, and innovation to maintain competitiveness despite volatile conditions.

Challenges & Areas for Improvement

- Energy price volatility
- Need clearer ROI on sustainability
- Supply chain risk

Priorities for 2025–2030

- Grow exports to 50%
- Embed ESG into procurement
- Reduce fossil fuel reliance

BELGOTEX'S 2030 ESG COMMITMENTS

Environment

- Reduce Scope 1 & 2 emissions by 55.7% from 2021 baseline (35 853 tCO_2e).
- Reduce Scope 3 indirect emissions intensity by 51.60% (from 67.42% baseline).
- 15% renewable energy mix by 2030.
- 15% reduction in fossil fuel use.
- Zero Waste to Landfill and 100% recycling/reuse target.
- Reduce Municipal Water Usage to 50%
- Optimisation of Effluent Treatment Processes to include water recycling for process use

Social

- Deepen DEI implementation and leadership capability.
- Grow YES programme placements and community-led enterprises.

Governance

- Implement centralised ESG data systems and non-conformance reporting.
- Full integration of ESG into risk, procurement, strategy, and investment.

SOCIAL

Being Social Custodians

Social stewardship focuses on employee well-being, fair labour practices, skills development, transformation, and meaningful community upliftment. It supports workforce stability, organisational culture, and long-term societal impact.

2024 Social Highlights

Workforce & Diversity

_ Employees: 563
_ Female representation: 30%
_ ACI representation: 94%
_ Turnover: 4%
_ YES Programme:
  _ 18 participants in 2024
  _ 80 youth since 2020
  _ 27 permanently employed

Skills & Development

_ Training: 52 504 hours
_ 33 training programmes
_ 245 employees trained
_ 119 Better Together participants
_ 8 bursary recipients

Health & Safety

_ 0 fatalities, 7 injuries, 60 lost days
_ 0 occupational diseases
_ 346 health consultations, 219 counselling sessions
_ Lockout/Tagout reintroduced; safety campaigns every 2 months

Community Impact

_ R11 158 840 invested in SED
_ 494 beneficiaries across programmes
_ 3 ECD centres supporting 262 children and staff
_ 54 Rug Vendors, 157 Floorcovering trainees, 21 CrissCross artisans
_ 865.55 kg yarn recycled through social enterprises

Challenges & Areas for Improvement

_ Need stronger OHS leading indicators
_ DEI charter in development
_ Growing wellness needs

Priorities for 2025–2030

_ Strengthen DEI
_ Expand YES
_ Improve preventative OHS systems

ENVIRONMENT

Being Environmental Stewards

Environmental responsibility is central to long-term resilience, regulatory compliance, and customer trust. It includes energy transition, water stewardship, waste reduction, circularity, and sustainable product innovation.

2024 Environmental Highlights

Energy & Emissions

_ Total GHG emissions: 93 275.88 tCO_2e
  _ Scope 1: 5 490.26 tCO_2e (+8.2%)
  _ Scope 2: 17 812.28 tCO_2e (+17.7%)
  _ Scope 3: 69 949.41 tCO_2e (+63.1%)
_ Solar installed capacity: 3.1 MW (upgrade from 1.0 MW; +52.3% YoY)
_ Production energy savings: 1.2 MW (+7.5% YoY)
_ Electricity consumption: 15 268 315 kWh (+4%)
_ LPG usage: 1 136 962 kg (+6%)

Water Stewardship

_ Municipal water use: 38 042 KL (+17% vs 2023)
_ Filtered & treated effluent discharge: 9 890 KL (26% of total water)
_ Daily compliance testing with SANS 241 and municipal requirements.

Waste & Circularity

_ Waste generated: 2 127 tonnes
_ Waste diverted from landfill: 1 719 tonnes (80.8%)
_ Waste to landfill: 408 tonnes (19.2%)
_ Hazardous waste: 361.76 tonnes
  _ 97% recycled/reused, 3% to landfill
_ Non-hazardous waste: 1 766 tonnes
  _ 64% recycled/reused, 36% to landfill
_ Internal recycling: 418.74 tonnes

Sustainable Materials & Innovation

_ Advancements in recycled yarn systems, underlays, and circular product design.
_ Launch of recycled PET-based bitumen-free tile backing (ProBac) in 2025.
_ Two sustainable processing upgrades & two new sustainable innovations introduced.

Challenges & Areas for Improvement

_ Emissions increases in 2024
_ Scope 3 supplier alignment
_ Zero-waste progress requires optimisation

Priorities for 2025–2030

_ 55.7% Scope 1 & 2 reduction
_ Zero Waste to Landfill
_ 15% renewable energy
_ Improved water recycling


Belgotex

About this report

Reporting Practice, Boundaries and Frameworks

We voluntarily publish sustainability reports to track and communicate ESG performance transparently, measure progress against strategic goals, and strengthen accountability. These reports show how we have integrated sustainability into operations as a management tool and a transparency mechanism. Our 2024 ESG Report, our third following earlier reports in 2015 and 2019, covers Belgotex Floorcoverings (Pty) Ltd's operations in South Africa, including our manufacturing plant in Pietermaritzburg, KwaZulu Natal, showrooms in Pietermaritzburg, Durban, Cape Town, Gqeberha, and Johannesburg, and a warehouse in Cape Town. It excludes other companies within the NTH Group (Nederlandse Tapijten Holding BV).

Our approach is grounded in four core principles:
- Demonstrating good corporate citizenship.
- Creating value
- Acting as social custodians
- Stewarding environmental resources

These principles guide our material ESG topics, identified through stakeholder engagement, framework development, and double materiality assessment.

The report's boundaries reflect where we have operational control and where impacts occur, with all known emissions included in the greenhouse gas inventory. Operational boundaries determine which activities generate direct or indirect emissions, while organisational boundaries define which facilities fall within scope. Our business falls under the scope of the Textile industry and manufacturing.

This report has been prepared with reference to leading global sustainability frameworks, including:
- **Global Reporting Initiative (GRI) Standards:** Aligned with GRI's core requirements to disclose material ESG topics.
- **European Sustainability Reporting Standards (ESRS):** Aligned with the Corporate Sustainability Reporting Directive (CSRD), ensuring EU regulatory compliance expectations.
- **GHG Protocol:** Greenhouse gas emissions data have been calculated and reported following the GHG Protocol Corporate Accounting and Reporting Standard, covering Scope 1, Scope 2, and applicable Scope 3 emissions.

Together, these reporting practices ensure consistent, credible, and comparable verification to support improvement and create value.

About Us

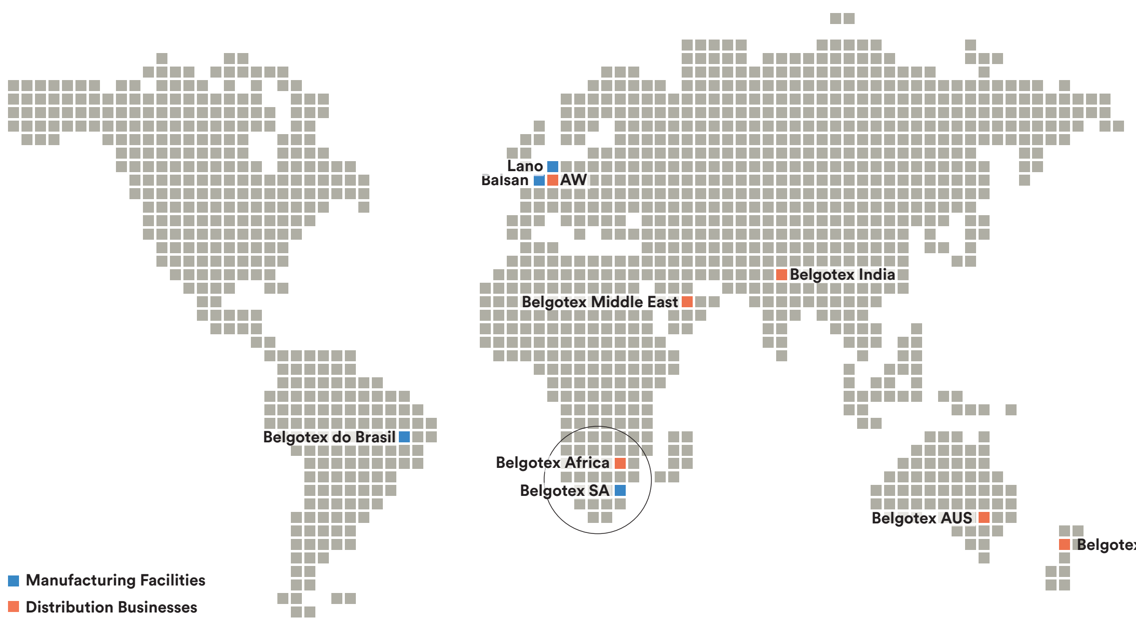
We strive to be a world-class African brand, reflecting a deep connection to people, planet, and our products. This ambition is fuelled by a desire to explore and achieve the unimaginable, constantly challenging what we know today to impact tomorrow.

As Africa's leading soft flooring specialists, we design, make and distribute high-quality broadloom and modular carpets with custom carpet solutions for the commercial market. Our portfolio includes imported luxury and specialist vinyl, sports surfaces, and locally manufactured artificial grass.

Local Roots to Global Player

From humble beginnings in 1984, Belgotex is an industry leader with significant market share in South Africa and a presence in 40 countries. Our factory is located in Pietermaritzburg, Kwa-Zulu Natal, with sales offices and showrooms in Johannesburg, Cape Town, Gqeberha and Durban. As a proudly South African company, we aim to be exemplary leaders in sustainable flooring. We focus on innovation, quality, and making certified sustainable products without compromising on product performance, quality, and trend-right design.

Today we proudly take Africa to the world. Exports account for 31% of our sales through agents in Africa, South America, Europe, India, and the Middle East, and direct representation in Australasia and New Zealand. Belgotex South Africa is a member of the multinational Belgotex International Group, comprising eight companies on five continents. Our global footprint keeps us on the pulse of design, décor and lifestyle trends that enrich the brand experience we deliver on home soil. The local and global market for floor coverings is evolving, and our portfolio responds to the shifting demand from carpets to synthetic vinyl with a natural appearance.



Mission
We design, manufacture and deliver quality floors that endure the speed of life.

Core Purpose
Our quality flooring solutions create a space for authenticity in every walk of life, empowering creativity, communication and collaboration.

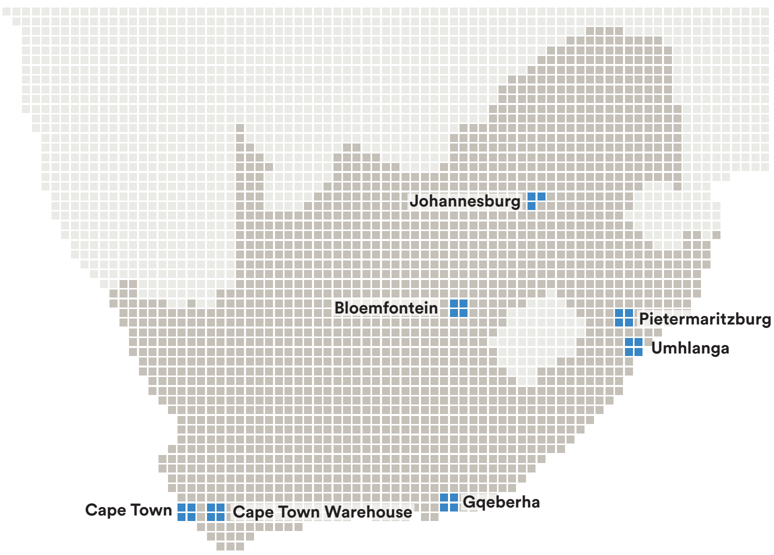
Vision
To be globally recognised as a leading African brand, renowned for a positive and deep connection to our people, products, and the planet.

We are dedicated to being better every day, and this is visible in our attributes:

- **Specialists** – In the carpets we make and quality floor solutions.
- **Designers** – A source of inspiration and trend setters.
- **African Manufacturers** – Proud to make our products locally.
- **Digital Natives** – Connecting meaningfully with our online customers, friends and influencers.
- **Collaborators** – Keeping the brand at the heart of the sharing economy.

Our Values
Our values are alive in all that we do:

- **Better Together** – It takes a team to achieve our world-class standards, and we can't do any of this alone. Our people inspire greatness.
- **We Tread Softly** – We are a world leader for sustainability practices, asking less of the planet in all that we do.
- **Curiosity** – True innovation starts with a desire to explore and achieve the unimaginable. We constantly challenge 'what we know today' to impact the future with lasting value.
- **Courage** – We're not afraid to ask big questions, even if it means asking more of ourselves. Founded on a culture of grit and persistence, we experiment without fear of failure.
- **Deep Focus** – Our journey of vertical growth delivers specialised flooring solutions to Africa and the world.



563
EMPLOYEES in SA

5
SHOWROOMS
incl PMB

1
SALES OFFICE

1
OFFSITE WAREHOUSE

B_

Governance

Belgotex™

To provide value we aim to be good corporate citizens who live our values ethically, with integrity.

GOVERNANCE KEY FIGURES 2024

2	3	5	5	2
SHAREHOLDERS Nederlandse Tapijten Holding BV: 74.99% The Go Group Foundation NPC: 25.01%	**SUBSIDIARIES**	**BOARD of DIRECTORS**	**EXECUTIVE MANAGEMENT**	**BBBEE LEVEL**

Ethical Leadership, Accountability and Risk Oversight

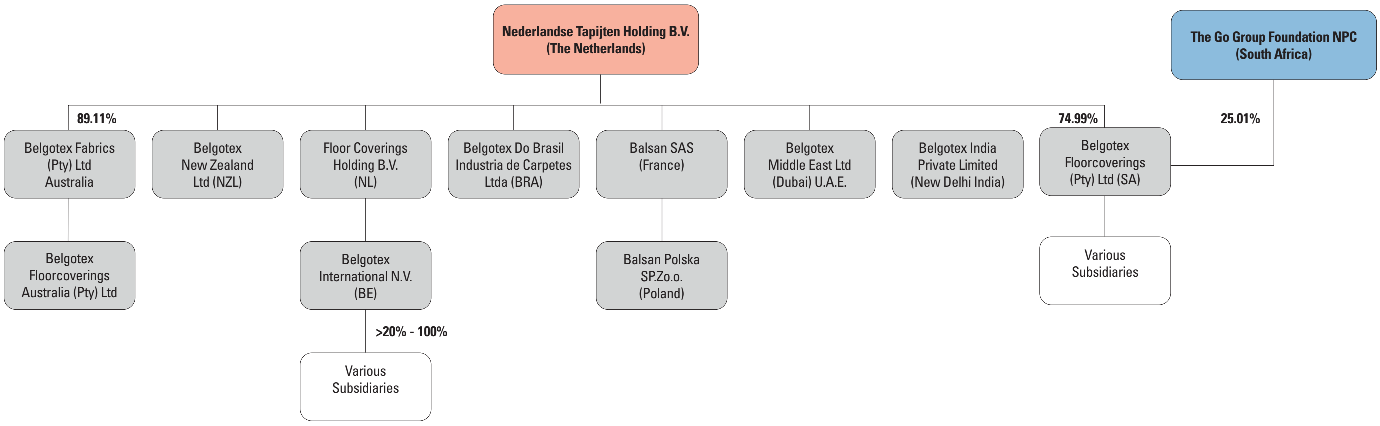
Strong governance underpins our ability to create sustainable value. In 2024, governance was strengthened through the Board and Executive establishing a dedicated ESG Leadership Team built into our risk management. Robust policies, ethical standards, whistleblowing mechanisms, and audit processes support transparency, compliance and accountability within Belgotex and our value chain. We maintained solid governance foundations through retained ISO certifications, regular audits, and compliance oversight, while integrating management systems and improving ESG data tracking.

As a private, family-owned South African manufacturer, Belgotex upholds a governance framework grounded in integrity, accountability, and long-term stewardship, combining the agility of a private business with governance standards comparable to those of publicly listed companies. Guided by a Board that includes both owners and independent advisors, we prioritise ethical leadership, transparency, regulatory compliance, and strong anti-corruption measures with whistleblower protections that strengthen trust with employees, customers, and communities. Aligned with international governance standards and South African legal requirements, we go beyond compliance.

We are inserting ESG considerations into our operational decision-making, strengthening internal tracking systems (like non-conformance reporting), and enhancing data consistency, and assurance across governance processes. Going forward, the identification and collection of key ESG data points and the development of a centralised system to track and report ESG metrics will underscore data governance and reporting readiness.

Board Oversight and Diversity

ORGANISATIONAL STRUCTURE



Belgotex South Africa is a member of the multinational Belgotex International Group (Nederlandse Tapijten Holding (NTH) B.V. (NL)), comprising eight companies across five continents. As a private company, we have two shareholders: Nederlandse Tapijten Holding BV with a 74.99% shareholding, and The Go Group Foundation NPC, with a 25.01% shareholding.

Nederlandse Tapijten Holding (NTH) B.V., our majority shareholder, gives us access to a global network that extends our product offering beyond our own manufacturing capacity. This allows us to represent leading international flooring brands while staying at the forefront of technology and design, simultaneously strengthening sustainability through the sharing of best practice, knowledge and innovation across markets.

Our non-profit shareholder, The Go Group, is made up of a Trust that focuses on socio-economic and educational initiatives, and a Non-profit Company that addresses local economic and development needs. In 2019, The Go Group NPC acquired a stake in Belgotex Floorcoverings Pty Ltd and is now responsible for socio-economic research and development within Belgotex and its value chain, as well as activities within The Go Group NPC, and The Belgotex Educational Foundation Trust.

As a Belgotex shareholder, The Go Group's 25.01% beneficiary stake - 100% black, including 53% women, 38% youth, 29% rural, and 79% designated groups - positions Belgotex as an empowered Level 2 Broad-Based Black Economic Empowerment contributor.

SUBSIDIARIES

Belgotex has three subsidiary divisions, outlined below, that enable the distribution of its specialised products. Our various subsidiaries are excluded from the scope of this report. Each subsidiary serves a unique purpose and provides valuable insight into upstream pressures, requirements, and routes to market.

Greenfields Sports & Leisure
A 100% owned subsidiary of Belgotex, known as Belgotex Sport in the market, this construction and engineering business has been ring-fenced so we can monitor its performance metrics. This division supports the Belgotex Sport sales team exclusively in selling and implementing turnkey projects for its clients.

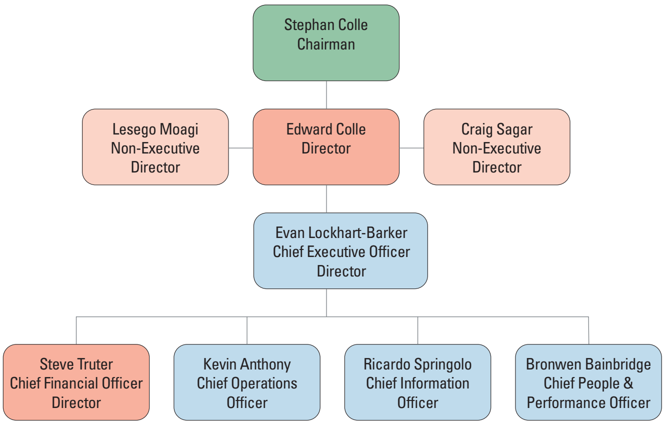
Likewise Trading
A wholesale distribution business servicing a diverse customer base in South Africa. Likewise has the freedom to source products from various suppliers locally and globally. Belgotex Floorcoverings has an 80% shareholding with no operational control.

Belgotex Franchise
Referred to as Belgotex Grass, this professional landscaping, artificial grass-focused business deals directly with the consumer. These franchises procure from Belgotex exclusively and have exclusivity on the products they promote. There is no operational control exerted by us.

BOARD OF DIRECTORS
and EXECUTIVE MANAGEMENT

Belgotex Floorcoverings (Pty) Ltd is managed and led by a Board and Executive Management Committee under whose guidance we have become the leading soft flooring manufacturer in South Africa.

Board of Directors



The Belgotex Board of Directors has three executive directors, and two non-executive directors who represent The Go Group shareholders. The directors are appointed by both Belgotex shareholders, Nederlandse Tapijten Holding (NTH) B.V. (NL) and The Go Group.

Unlike executive directors who are usually part of the management team, non-executive directors (NED) are external appointments selected for their expertise, impartiality, and ability to objectively challenge and advise the company. The Chairman plays a critical leadership role in ensuring effective good governance, strategic direction, and long-term sustainability, balancing family interests with professional business management.

Executive Management Team

Our executive management team consists of highly engaged individuals composed of executive directors and representatives from operations, information technology, and human resources.

Evan Lockhart-Barker
Chief Executive Officer (Director)

"ESG is now embedded across every department at Belgotex. It threads through our workflows, informs decision-making, drives process enhancement, and enriches the development of our people"

Steve Truter
Chief Financial Officer (Director)
and Governance ESG Lead

"We have put in place new systems, enabling accurate and quicker reporting times, giving the business better opportunities to respond"

Kevin Anthony
Chief Operations Officer

"Our goal is to thrive economically and contribute positively to society and the planet. Let us continue to build a culture of transparency, inclusivity, and innovation, ensuring that our actions today pave the way for a better tomorrow"

Ricardo Springolo
Chief Information Officer
and Environment ESG Lead

"We have embraced new technology, automation and AI to enhance the quality of life for users in the organisation by finding opportunities to streamline processes and transactions through our business systems"

Bronwen Bainbridge
Chief People and Performance Officer
and Social ESG Lead

"We've rejuvenated and refreshed our ecosystem by embodying our values of deep focus, courage and curiosity"

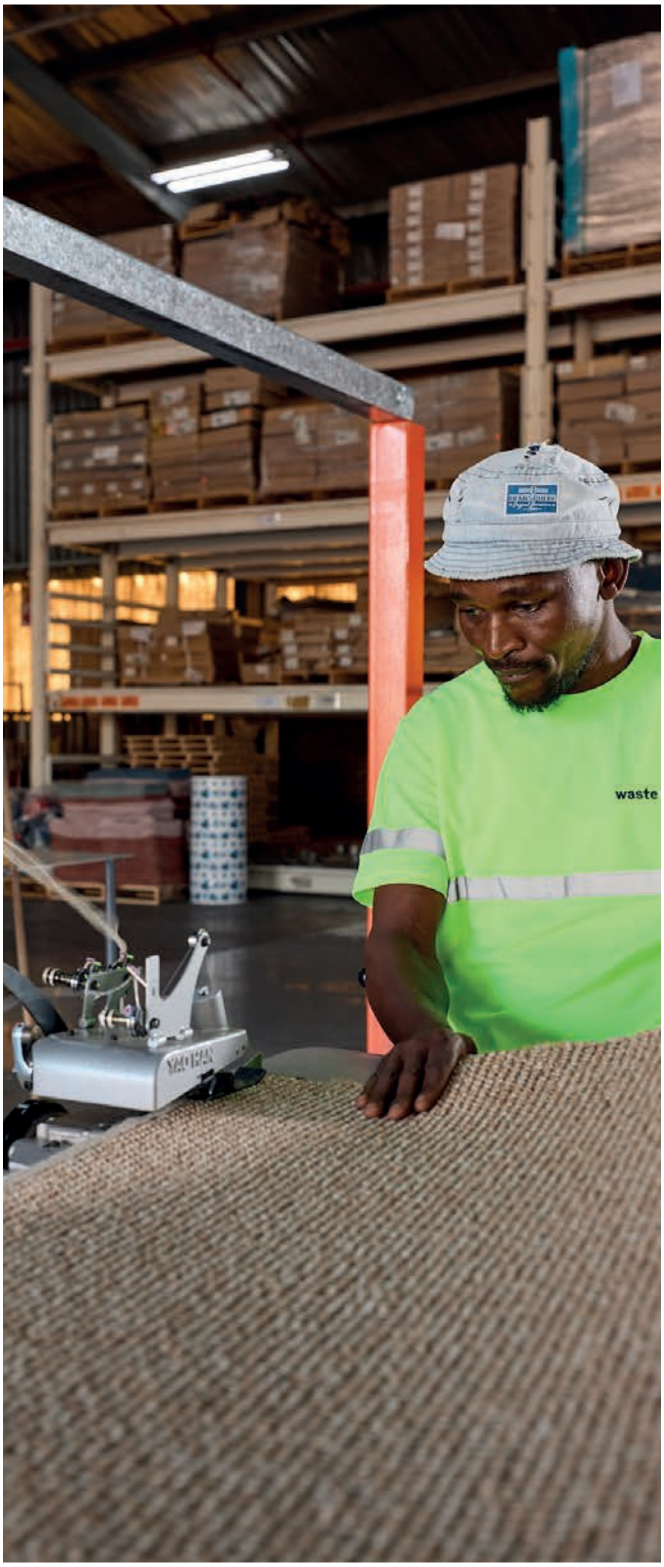
BROAD BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) 2024

We contribute to South Africa's B-BBEE framework, viewing transformation as a strategic and values-driven priority rather than a compliance requirement. Guided by the B-BBEE Act and its Revised Codes of Good Practice, we pursue empowerment throughout our organisation, investing in skills development, strengthening enterprise and supplier partnerships, and supporting socio-economic initiatives that advance meaningful inclusion.

Over the past six years, this approach has created lasting value by aligning commercial success with social responsibility and prioritising long-term, collaborative relationships that drive shared growth. Our B-BBEE certificate represents regulatory adherence and our commitment.

Belgotex Floorcoverings (Pty) Ltd has been awarded a Level 2 B-BBEE status under the DTI Generic Scorecard for the 2024 financial year.

This score reflects strong transformation performance and governance alignment. Verified by BDO Verification Services (Pty) Ltd in accordance with the B-BBEE Act, the company achieved an overall score of 90.75 points, translating to a B-BBEE Procurement Recognition Level of 125%. The scorecard demonstrates particularly strong contributions in Enterprise and Supplier Development (38.27 points), alongside solid performance in Ownership (25.00 points), Skills Development (15.29 points) and Socio-Economic Development (5.00 points). Black ownership stands at 25.01%, with 17.01% Black women ownership, achieved through the shareholding of The Go Group. The organisation qualifies as an Empowering Supplier and has notable participation from Black youth (7.82%) through its involvement in the Youth Employment Service (YES) initiative. The certificate is valid until 31 August 2026.



Ethics, Integrity and Compliance

Our leadership champions responsible corporate citizenship by adhering to laws, industry standards, and internal codes of conduct while monitoring and improving business practices. This principled approach safeguards ethical governance needed for lasting social and environmental value. In 2024, our Social and Ethics Committee, Sustainability Committee, and Employment Equity Committee amalgamated and evolved into the ESG Leadership Team, reinforcing our commitment under the SMETA (SEDEX Members Ethical Trade Audit) framework.

Governance Oversight and Compliance

Our robust governance framework is supported by strong oversight and comprehensive compliance mechanisms. Clear policies addressing anti-corruption, anti-bribery, ethical conduct, human rights and governance-related risks are in place and aligned with the UN Guiding Principles on Business and Human Rights and OECD guidelines (Organisation for Economic Co-operation and Development). This is our non-negotiable commitment to ethical business practices, fair labour conditions, and responsible corporate behaviour. Our policies are formally communicated to all employees via email and WhatsApp and reinforced through ongoing training to ensure awareness, accountability and adherence to the highest standards of integrity.

We comply with Competition Board requirements and have successfully defended challenges in the past with no recent legal actions related to anti-competitive behaviour. We remain fully tax compliant maintaining valid certificates to ensure transparency and regulatory adherence with no significant instances of non-compliance and no fines paid during the reporting period. Accountability is strengthened through whistleblower protections and disciplinary measures for violations, ensuring that our governance commitments convert to measurable actions.

We carry out responsible corporate citizenship under the SMETA framework. This four-pillar standard, covering labour standards, health and safety, business ethics, and environmental management, guides us beyond compliance toward meaningful positive impact. The SEDEX/SMETA audits on ethical trade in our value chain shape our ESG strategy, with training and whistleblowing mechanisms across the organisation. By extending these principles to our broader stakeholder ecosystem, their SMETA standards are increasing thereby amplifying our collective positive impact. Financial audits until 2024 have been finalised with an unqualified 2024 report completed by KPMG.

During 2024 we carried out the following audits:

- **ISO 14001/9001/45001** external audits
- **SEDEX SMETA** (Sedex Members Ethical Trade Audit)
- **TERS UIF** (Temporary Employer / Employee Relief Scheme Unemployment Insurance Fund), Department of Labour
- **IT Audits** (Information Technology), carried out by KPMG
- **IT Penetration Test**, carried out by Armata Major Hazard Installation (MHI) Risk Assessment, finalised in 2025
- **Automatic Sprinkler Inspection Bureau** (ASIB) Audit – 12th Edition of Sprinkler Compliance

Channels for the Reporting of Unethical Behaviour

In cases of perceived or actual breaches of ethical behaviour, we provide several channels for reporting and investigation. Procurement issues are reported directly to our Chief Financial Officer. Reports may be anonymous, but our Supplier Code of Conduct requires that they provide sufficient information and evidence to conduct an investigation.

Employees have multiple channels to report unethical behaviour, including unfair discrimination, through designated leaders like our Employee Relations Specialist, Chief People and Performance Officer, CEO, or management, with the Employment Equity Committee handling cases defined under the Employment Equity Act. In support of our "better together" value, we invite communication through trained coordinators, mentors, WhatsApp groups, and anonymous suggestion boxes or the Deloitte Tip-offs Anonymous Hotline. Employees can escalate concerns through our formal grievance procedure, which is communicated during induction and detailed in the Employee Handbook.

Whistleblower reports received through the **Deloitte Tip-offs Anonymous Hotline** or internal channels follow a structured investigation process involving the CEO, Executive Committee, and the Employee Relations Specialist. Behavioural concerns are managed by The People Team through corrective coaching, ensuring confidentiality, fairness, and appropriate remediation. This tiered approach enables efficient escalation, maintains accountability at executive level, and reinforces our commitment to ethical conduct and improvement.

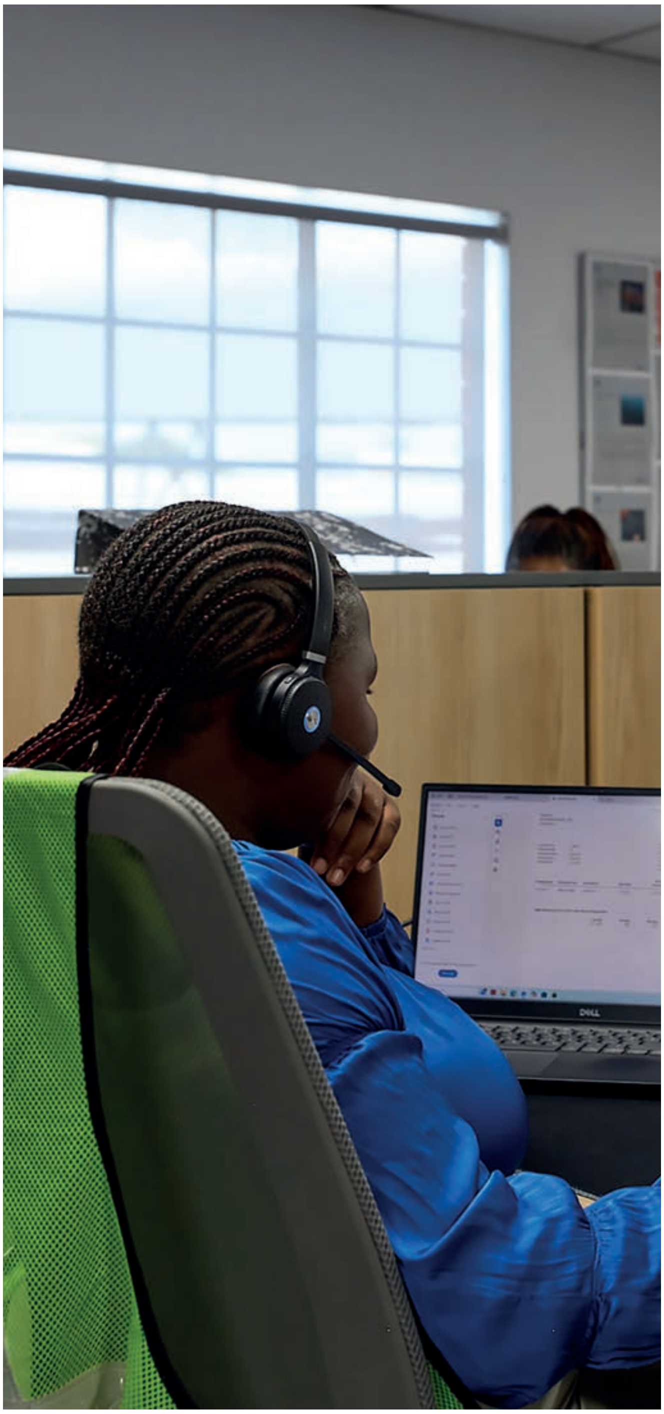
Deloitte Tip-offs Anonymous Hotline

Our subscription to the independent Deloitte Tip-offs Anonymous Hotline helps us maintain a healthy and transparent working environment. All stakeholders, especially employees, can report unethical activity anonymously:

- Anyone can call the Free Call telephone number, email, or website below independently run and managed by Deloitte.
- Trained operators respond to calls in English 24/7 and all 11 official South African languages between 8:00 and 17:00, all year long.
- Operators interview callers, probing for specific acts to record and gain clarity.
- The information is analysed, sanitised, and forwarded to our designated senior officials to decide on the actions.
- The Tip-off report will never reveal the identity or gender unless requested by the complainant.

We encourage people to report unethical issues to Deloitte:

Free Call RSA: **0800 205 215**
Email: **b-honest@tip-offs.com**
Website: **www.tip-offs.com**

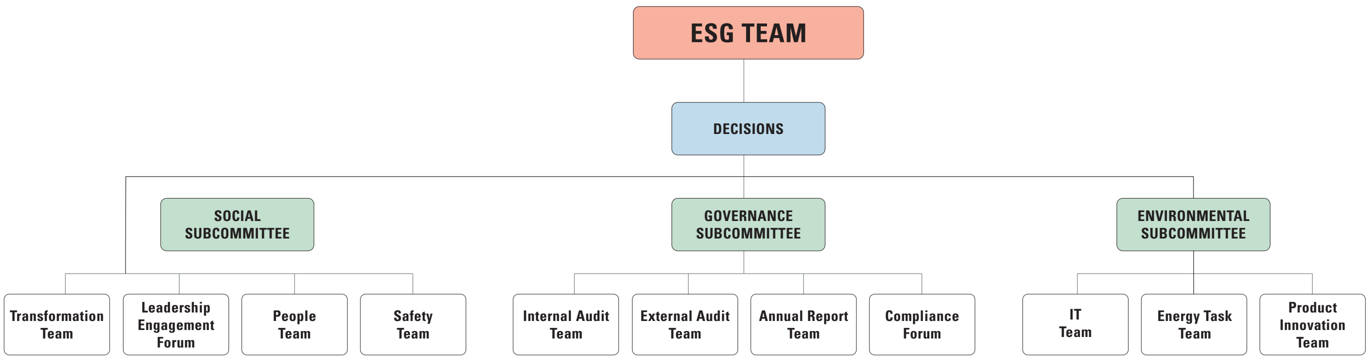


Risk Management

The Board oversees risk but delegates implementation to capable leaders in the Executive Committee and senior management. Selected for their risk management abilities, these managers ensure a comprehensive response. This structure establishes a robust, enterprise-wide system combining strategic Board oversight with qualified management's operational execution. Furthermore, in 2024 the ESG Leadership Team was established to guide ESG Integration into business strategy, operations and investments and to oversee the associated risks.

ESG Leadership Team

Forming our ESG Leadership Team in 2024 has strengthened our sustainability governance, aligning financial objectives with our ESG commitments by following global reporting standards. Composed of executives, managers, and employees, they are divided into task teams for balanced oversight and meet quarterly. Having sustainability lead core operations bridges governance and execution, reinforcing accountability and ethical practices. This dedicated decision-making forum maintains accountability while driving progress forward. Their projects and initiatives include: Operational Excellence (OPEX), Diversity, Equity and Inclusivity (DEI), Internet of Things (IoT) deployed across the factory, Performance Management and Theory of Constraints (TOC) to improve business operations.



Transparency and Reporting

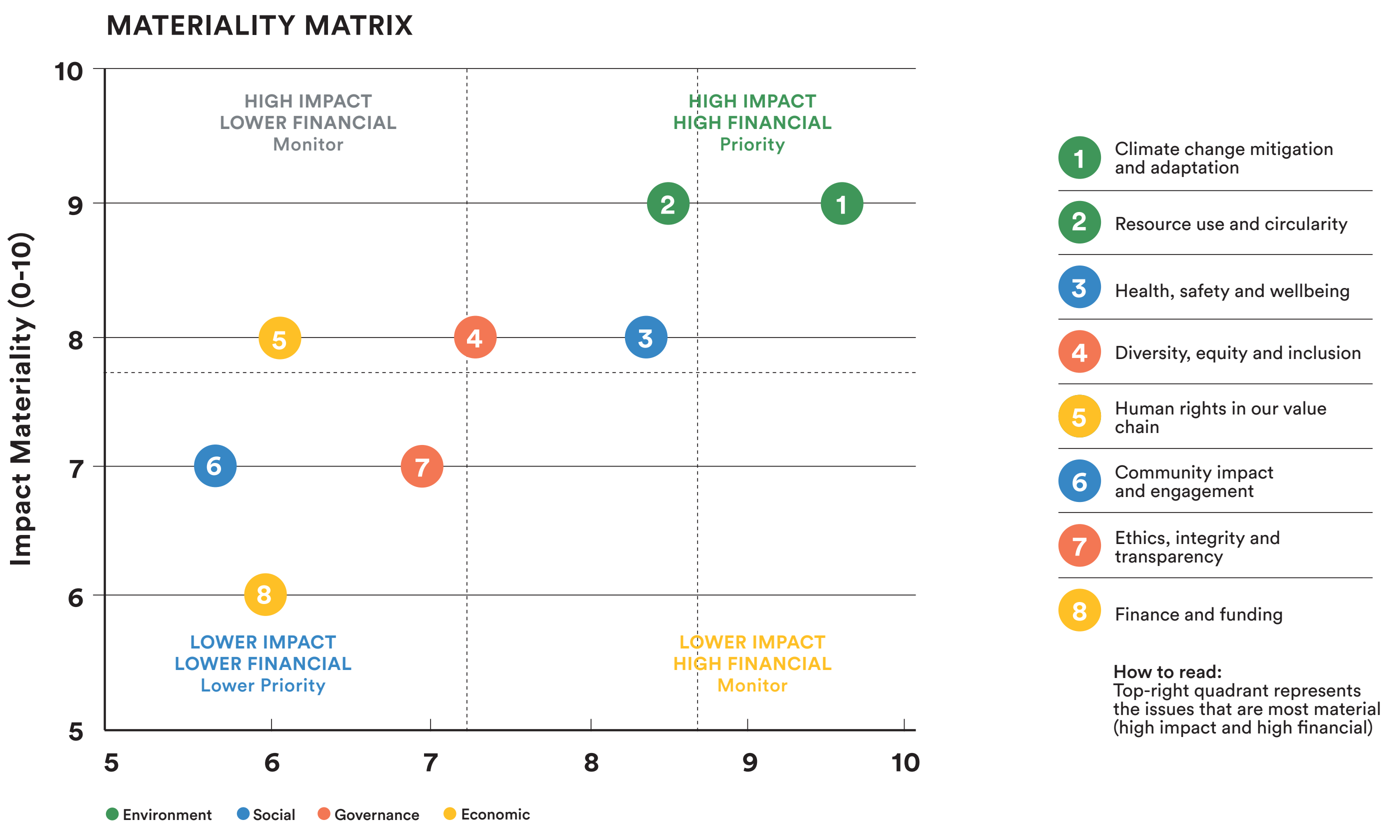
Materiality Assessment

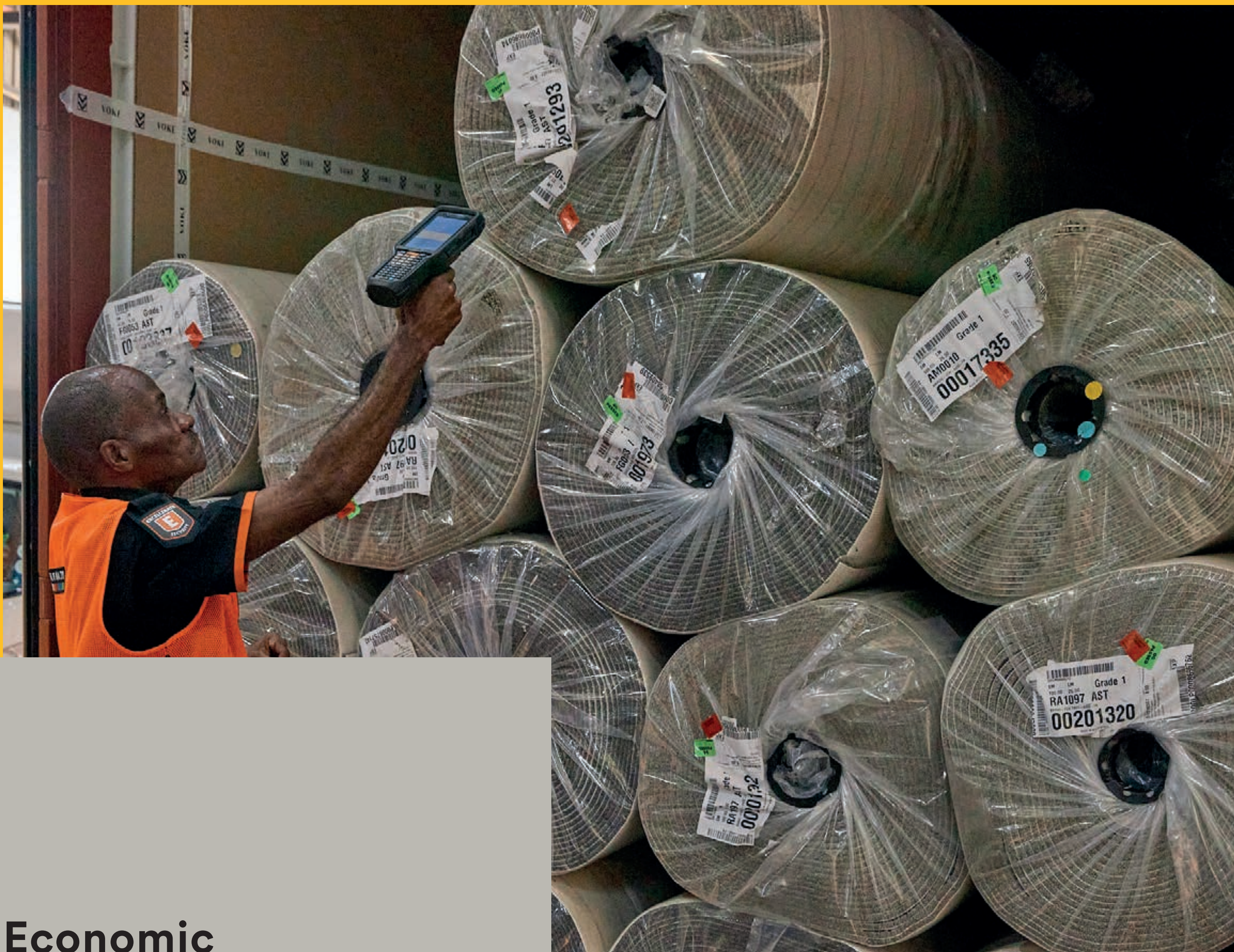
Our material ESG topics have clear goals and reporting, from cutting carbon emissions and improving worker safety, to reducing risks and creating value. Our leadership team is accountable for these targets with regular progress reviews. This translates into real actions that strengthen our business and contribute positively to society and the environment.

We conducted a comprehensive double materiality assessment in 2024, using the Impact Materiality and Financial Materiality lenses to identify and evaluate impacts on the value chain. This dual-lens approach gives balanced consideration to ESG factors alongside their financial implications.

Technology, Data Privacy and Security

Over 2024, we experienced no data breaches or data loss. This reflects the strength and maturity of our data privacy and security practices. We invested in advanced tools and technologies to meet full compliance with global and regional data protection regulations, including the Protection of Personal Information Act (POPIA) and the General Data Protection Regulation (GDPR). We built cybersecurity awareness across the organisation, with targeted training initiatives aimed at a security-first culture. To measure, monitor and improve our progress, we introduced key performance indicators aligned with the Centre for Internet Security (CIS) Controls framework, as well as Microsoft best practices.





Economic

Belgotex™

We need to be value creators producing consistent business profit while being aware of our impact on the local economy and creating economic opportunities within the value chain.

ECONOMIC KEY FIGURES 2024

ANNUAL TURNOVER

R1 016 571 664

ECONOMIC VALUE DISTRIBUTED

R953 000 000

LOCAL PROCUREMENT

R370 306 473

CAPEX

R16 105 578

SALES EXPORTED

31%

Resilient Performance and Shared Economic Value

We delivered a strong financial performance in 2024, closing ahead of budget and generating over **R1 billion in revenue.** More than **R953 million** in economic value was distributed to employees, suppliers, government and communities, with just over 50% of operating expenses allocated to local procurement. Continued investment in innovation, systems, people and supplier partnerships supports long-term competitiveness and inclusive growth. We focused on operational efficiency and resilience, leveraging energy optimisation, internal recycling, and sustainable investment in manufacturing capabilities to manage costs, support long-term value creation, and prepare for future market and energy transition risks.

Our economic performance is connected to the strength of South Africa's industrial and economic landscape, and we have a responsibility to contribute positively to this environment. However, to strengthen our resilience and unlock new growth opportunities we are proactively expanding into export markets. Our goal is to reach a balanced position where 50% of our output serves international markets, enhancing long-term stability and value creation.

Although financial performance in 2024 was strong, long-term economic resilience can be improved by reducing reliance on fossil fuels and mitigating energy price volatility. Further clarity is needed on measurable returns from sustainability and innovation investments, including how these contribute to profitability, competitiveness, and value creation over time. In other words, how will economic performance benefit from a deeper integration of sustainability into capital allocation, procurement, management of energy costs, production variability, and supply chain dependencies.

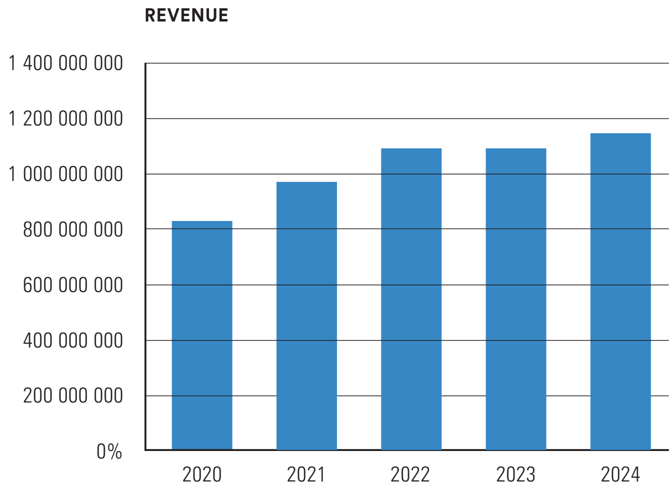
Financial Performance

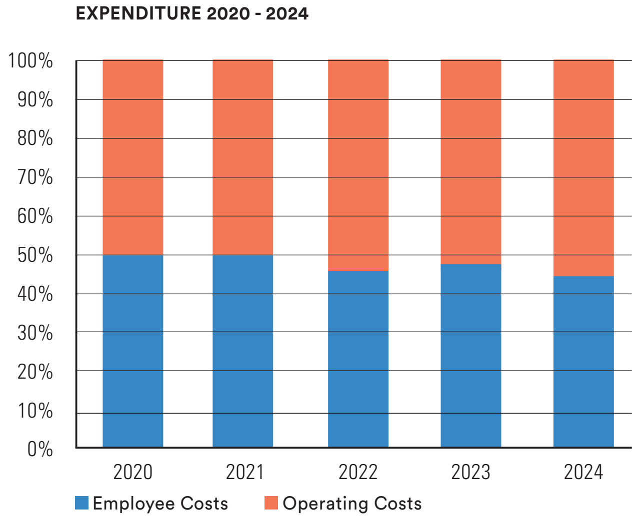
Economic Performance

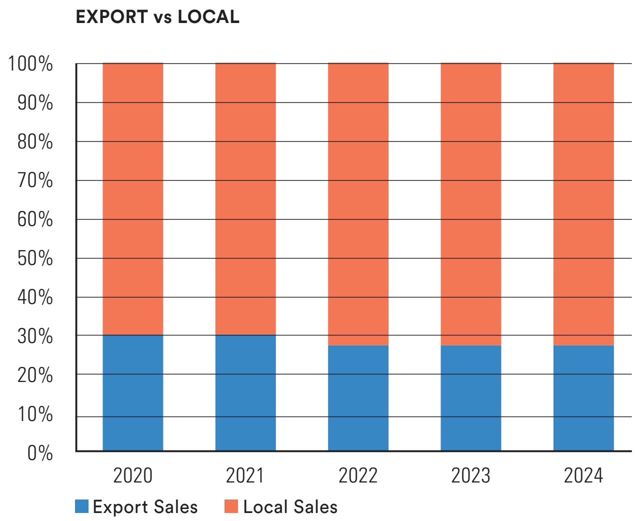
Business performance for 2024 closed on a strong note with yearly sales beating the estimated budget and the local market showing signs of recovery. While exports faced challenges, we anticipate a gradual improvement in 2025. Exports to the international market assist in de-risking our business by earning foreign revenue. With the success of 2024 as our foundation, we are well-positioned for a growth phase in 2025 and we're therefore ambitious about our profit targets.

Investment

Our 2024 capital investment focused on long-term sustainability and resilience. Major investments are reviewed at executive level and, where required, in collaboration with international head office board members, ensuring disciplined governance. We invested in expanding our solar energy generation. We invested in global soft flooring manufacturing sustainability and design trends, while prioritising local production and limiting imports. We broadened our product offering to support market diversification and growth while meeting a growing demand for hard flooring.







Economic Value Distributed

We create and share significant economic value across our stakeholder network, as reflected in the table below. In 2024, we generated over R1 billion in revenue and distributed more than R953 million through operating costs, employee wages and benefits, community investments, payments to government, and returns to providers of capital. With R63 million in value retained, these figures demonstrate our commitment to driving economic resilience, supporting livelihoods, and contributing meaningfully to South Africa's socio-economic landscape.

Local Procurement & Supply Chain

Local procurement increased by 14% in 2024 to R370 306 473 spent on local suppliers of packaging, maintenance and service equipment, and PPE to boost operational efficiency with a reduced environmental footprint. We strengthened partnerships with local suppliers to support community upliftment and reinforce a more resilient value chain. We introduced Service Level Agreements with key suppliers and aligned subcontractor management with SMETA and ETI principles. Supplier evaluations now include environmental and sustainability criteria, and engagement with transporters is underway to reduce Scope 3 Green House Gas emissions.

Supplier vetting and SLAs began at the end of 2024, with an improvement tracking tool to be implemented in 2025, supporting alignment with the Sustainable Development Goals and the SMETA 7-pillar audit.

This approach builds resilient, community-focused supply chains rooted in transparency, ethical trade, and improvement. Local procurement and strengthened supplier relationships reduce our operational impacts, while benchmarking improved transparency, sustainability, and ethical value chain management in the textile industry.

Economic Value Distributed		
	Unit	**2024**
Community investments	ZAR	11 158 840
Employee wages and benefits	ZAR	210 174 820
Operating costs	ZAR	354 459 590
Local procurement	ZAR	370 306 473
Payments to providers of capital	ZAR	7 141 148
Total economic value distributed	**ZAR**	**953 240 871**
Economic value retained	ZAR	63 240 793
Economic value generated: Revenue	ZAR	1 016 571 664

Innovation and Product Development

A Culture of Innovation

At our Pietermaritzburg plant, we drive sustainability innovation within a diverse manufacturing portfolio that includes tufted and needle punch broadloom carpets, modular carpets, artificial grass, and responsibly sourced vinyl products, including LVT, cushion vinyl, and specialised medical-grade, low-electrostatic, non-slip, and VCT solutions. Improvements in materials, processes, energy-efficient machinery, and new technologies reduce environmental impact while enhancing product performance. Belgotex Grass, Belgotex Sports ranges and wholesale distribution through Likewise Trading also support innovation.

Product development focuses on comfort, convenience, stain resistance, advanced design capability, operational efficiency, health benefits, and eco-consciousness. Our 2024 investments in energy-efficient equipment, improved operational practices, employee training on responsible chemical storage and waste reduction, and fibre recycling initiatives embed environmental stewardship across operations. Recyclable packaging, transparent sourcing and sustainable logistics strengthen competitiveness and alignment with ethical consumer expectations.

By supplying local markets and exporting to Brazil, Europe, Africa, India, the Middle East, Australia, and New Zealand, we scale sustainable innovation across our value chain, encouraging suppliers, subcontractors, and logistics partners to adopt more sustainable, circular, and environmentally responsible practices worldwide.

Our 2024 product and manufacturing innovations include:

1. **Advanced Manufacturing Techniques**
   Implementation of cutting-edge, efficient, and cost-effective manufacturing processes across residential and commercial product lines, enhancing quality and production capability.

2. **Fusion Back Backing**
   A soft backing innovation that improves carrying and handling, reduces damage to skirtings, and simplifies installation.

3. **FlipTile (DIY Flooring Solution)**
   A customisable DIY product suitable for rug and wall-to-wall applications, enabled by Atom Shape cutting technology and designed for easy replacement and flexibility.

4. **Yarn Innovation (Performance & Design)**
   Introduction of Solution Dyed Nylon (SDN) yarns with enhanced softness, texture, and expanded colour variety, including new 1380 and 1100 Denier options with tri-colour aesthetics and bulkier textures.

5. **New Product Collections**
   Launch of our first Flat Weave rug collection, offering three colourways and nine new designs, including a natural-look indoor-outdoor rug.

6. **Technological Capacity Expansion**
   Installation of new tufted tile machines to meet growing demand and increase production capacity.

7. **Strategic Partnership with MONN**
   Collaboration with MONN, a South African carpet manufacturer to sustain production levels of custom woven Axminster products using Belgotex yarns and introducing 100% SDN Woven Axminster Cut Pile broadloom to the Southern Hemisphere market.

We have integrated sustainability goals into our design, manufacturing, and product development processes, with a focus on recyclability and responsible production:

1. **Recycling Content in Yarn and Raw Materials**: The technical development department is researching and identifying raw materials that use recycled content to lower environmental impact. The end goal is to create products that can be disassembled, reused, or recycled completely.
2. **Closed-Loop Product Design**: We aim to create products that are recyclable at the end of their life cycle. Manufacturing materials and processes need to be carefully considered for recycling or repurposing and reducing waste and environmental impact.
3. **Disassembly**: We are designing products that can be disassembled, ensuring that each material (yarn or backing) can be recycled separately, without contamination.
4 **Collaborative Development of Product Processes**: The design team and the technical development department collaborate continuously on improving raw materials and product processes. This methodical research and development phase achieves the highest product sustainability standards.

Product Quality and Safety

We uphold the highest standards of product quality and safety across our manufacturing processes. To ensure rigorous quality control, we operate an in-house quality control laboratory at our factory, where all products undergo performance, durability, and specifications compliance testing. We then validate product integrity through certification processing at independent, accredited laboratories to ensure that our products meet quality standards and are fit for their intended applications. Accredited laboratories test for VOC (Volatile Organic Compound) emissions to verify that they prioritise health, indoor air quality, and environmental safety. This third-party verification demonstrates our unwavering commitment to delivering safe, high-quality products that customers can trust.

From recyclable raw materials to advanced yarn processing techniques, our sustainability work is driven by research, market insight, collaboration, product quality and safety, and strategic investment in new technologies and materials. This maintains us as a forward-thinking leader in sustainable, high-performance flooring solutions locally and internationally

B_

Social

OUR PEOPLE GROW WHEN OUR BUSINESS GROWS WHEN

Belgotex

Belgotex™

We need to be social custodians ensuring employees, customers, suppliers and community well-being, by championing a more inclusive society.

OUR 2024 SOCIAL IMPACT

563 Employees

ACROSS OPERATIONS SUPPORTED BY A WORKFORCE WITH 30% FEMALE REPRESENTATION AND 94% ACI REPRESENTATION

52 504 Training Hours

WITH 245 EMPLOYEES TRAINED ACROSS 33 LEARNING PROGRAMMES DURING THE REPORTING PERIOD

R11.16 Million

INVESTED IN SOCIO-ECONOMIC DEVELOPMENT BENEFITTING 494 ENTREPRENEURS AND COMMUNITY BENEFICIARIES THROUGH MULTIPLE DEVELOPMENT INITIATIVES

80 YES

PARTICIPANTS SINCE 2020 WITH 27 PERMANENTLY ABSORBED INTO THE BUSINESS

People, Safety and Community Impact

People and communities are central to value creation. With over 500 employees, we invest in health and safety, fair labour practices, skills development and transformation. We have enabled more than 52 000 training hours, supported by leadership development, bursaries, and youth employment initiatives.

Community investment through The Go Group supports education, skills and enterprise development. Employee well-being remains a priority, so we increased medical surveillance, health and safety awareness campaigns, critical safety controls, and promoted healthier lifestyles.

In 2024, our commitment to corporate social responsibility deepened by integrating social considerations into operations. This aligns local norms, regulatory standards, and community needs. Our sustainability strategy includes fair labour practices, health and safety, diversity, the prevention of discrimination including for subcontracted workers on our premises, and setting goals to enhance employee satisfaction, retention, and overall well-being. With 563 permanent and temporary employees in South Africa, we cultivate equity, fair wages, and compliance with national legislation and international ILO labour conventions. We focus on meaningful community engagement and ethical supply chain practices, transparent social metrics, and ongoing collaboration with The Go Group, our non-profit shareholder.

The People Team, a dynamic collective comprising HR, The Go Group, and the Transformation Team, leads growth, culture, and inclusion across Belgotex. They champion The People Journey, from an employees' recruitment to development, performance and wellness, while embedding diversity, equity, and transformation goals.

Going forward, we are focussed on reducing occupational health incidents, strengthening preventative health and safety measures, expanding skills development, and implementing awareness programmes to support long-term well-being and resilience. Furthermore, a priority remains leadership capability, well-being, and inclusive growth for young and vulnerable groups.

Diversity and Inclusion

EMPLOYEES AND DIVERSITY 2024

Employees: **563**
Female representation: **30%**
ACI representation: **94%**
Employee Turnover rate: **4%**

B-BBEE Score Card: **Level 2**
YES Employees 2024: **18**
YES Employees absorbed in 2024: **8**
YES Employees since 2020: **80 with 27 absorbed**

Employee Data and Demographics

We track and report workforce data, including gender, employment status (full-time, part-time, and temporary workers), and regional distribution. In 2024, women represented 30% of our workforce, and we continue to promote gender diversity.

Employee Headcount by Gender			
	2024	**2023**	**2022**
Total	563	570	648
Female	169	153	198
Male	394	417	450

Employment Type, Gender and Race											
Equity Gender Description	Female					Male					**Total**
Equity Employment Type Description	African	Coloured	Indian	White	**Total**	African	Coloured	Indian	White	**Total**	
Permanent	**90**	**13**	**21**	**9**	**133**	**174**	**13**	**120**	**22**	**329**	**462**
Temporary	**36**				**36**	**60**		**3**	**2**	**65**	**101**
Total	**126**	**13**	**21**	**9**	**169**	**234**	**13**	**123**	**24**	**394**	**563**

Employee Turnover, Benefits and Pay Equity

In 2024, we reported a stable workforce with a 4% turnover rate. We commit to offering healthcare, retirement plans, disability cover, funeral cover, and parental leave where, if possible, employees returning from parental leave can access flexible working arrangements. All employees, including those who work off-site, are covered under our Workman's Compensation programme.

PSG Wealth assists with healthcare needs, providing options for two medical schemes: Discovery Health and Bonitas Medical Fund with annual presentations to inform employees about benefit changes and contribution increases.

Bargaining Council employees are members of the Textile Provident Fund, administered by Ensimini Financial Services. Contributions cover Group Life Assurance, Disability benefits, and Funeral cover. Non-Bargaining Council employees in full-time equivalent (FTE) positions belong to the Ensimini Umbrella Retirement Fund, receiving coverage for Group Life Assurance and Permanent Health Insurance, along with funeral benefits from SAFRICAN Insurance. Both have a retirement age of 65 and members can also opt for voluntary cover at preferential group rates.

Regular wage reviews assess pay disparities and in 2024, we completed a pay parity review to ensure equal compensation of the same roles. Manufacturing employee wages are set above the national minimum wage, and the Bargaining Council ensures the regular grading of positions at the plant level, with a focus on gender inclusivity. All senior and executive management are recruited locally.

Diversity, Equity and Inclusion (DEI)

Our employees are treated with respect and dignity at work. Diversity enhances innovation and success, and ours is an inclusive culture where everyone, regardless of race, gender, age, disability, sexual orientation, or background contributes to our business goals. While working on our DEI Charter, we realised that we have significant work ahead to meet our goals. For now, we are focused on the following:

_ **Psychological Safety**: Employees feel safe to express their thoughts and concerns without fear, which encourages creativity, growth, and innovation.
_ **Diversity**: Employees' diverse backgrounds and experiences enrich and improve our ability to serve customers and communities.
_ **Equity**: By removing barriers to advancement and growth, our recruitment, hiring, and promotion processes are based on merit, qualifications, and potential. We actively seek diverse candidates and ensure equal consideration for all, particularly those from historically disadvantaged backgrounds, in line with the Broad-Based Black Economic Empowerment Act.
_ **Inclusion**: Our goal is that everyone feels a sense of belonging and can contribute without fear of discrimination, harassment, or bias.
_ **Human Dignity and Ethics**: We prioritise respect, fairness and human dignity in all our actions. Our interactions and decision-making uphold high ethical standards, rejecting exploitation or human rights violations.

Youth Employment Service (YES) Programme

The nationwide Youth Employment Service (YES) Programme commenced in 2018, to connect youth to real work experience opportunities to earn a living and build skills for the future, and simultaneously helping businesses make a positive, lasting impact in a practical and effective way. We have been implementing the YES Programme since 2020 with 80 young people taking part and 27 being absorbed into full time employment at Belgotex.

During 2024 we supported 18 young graduates with semi-skilled technical, commercial and support work experiences including in engineering (mechanical and electrical), finance, logistics, IT, planning, quality, design, marketing and channel development. Most placements commenced in April 2024, with contracts running for 12 months, ensuring sustained skills development rather than short-term internships. In 2024, 8 participants were absorbed into ongoing employment.

Training and Development

SKILLS AND DEVELOPMENT 2024

Training Hours: **52 504 hours**
Courses on offer: **33**
Employees trained: **245**
Better Together trainees: **119**
Tertiary Institute bursary programme: **8**

We prioritise performance management training and individual growth plans, in addition to mandatory skills training as a key driver of sustainable performance.

Personal development training covers requests from department leaders and supports employees to work competently and meet ever-changing business objectives and systems. We offer leadership development programmes to current and aspiring leaders. In 2024, 8 employees were on a Bursary Programme at a tertiary institution. The total number of training hours recorded in 2024 was 52 504 to train 245 employees. These hours included 33 different courses covering health and safety, technical and operational skills, supervisory development, compliance training and role-specific upskilling, delivered through internal and external providers. This structured approach ensured broad employee reach across occupational levels while supporting their growth, regulatory compliance, and operational excellence.

The People Journey

In 2024, we implemented a performance management framework called The People Journey. This SMETA (SEDEX Members Ethical Trade Audit) framework covers labour standards, health and safety, business ethics, and environmental management, and guides The People Journey to deliver meaningful impact through collaboration, empowering individuals, and creating a thriving diverse, equitable and inclusive space, and sustainably successful business environment.

The People Journey is based on the Occupational Intelligence methodology and empowers every employee with an internal locus of control, aligning their efforts with our performance objectives. It includes high-touch interactions to set performance expectations; two annual performance reviews; performance improvement plans; individual growth plans; and learning plans. Monthly goals are reviewed during the Operational Excellence engagement. These interactions, along with appropriate learning, development, psychometrics, mentorship and coaching, help each employee achieve their goals.

Better Together Programme

Facilitated by The Go Group, we offer our employees training and mentorship on personal finance and budgeting. In 2024, 119 Belgotex employees were taken through the programme.

Operational Intelligence (OI) appraisal levels describe and track employee responses to tasks set in a classroom context. Comprehensive Training Modules included: Training the Brain; Budgeting and Record Keeping; Debt Management; Conflict and Stress Management; Focusing on Solutions and Overcoming Challenges; String Tooling and Vision Boarding; Work Readiness; and Being Self-Employed.

Health, Safety and Well-Being

OCCUPATIONAL HEALTH AND SAFETY 2024

Mortalities: **0**
Injuries on Duty: **8**
Hours lost: **60 days**
Occupational Health Diseases: **0**

Primary Health Care (Alcohol and Drug tests): **29**
Primary Health Consultations: **346**
Primary Health Counselling: **219**
Contribution to Medication: **R91 034.45**

OCCUPATIONAL HEALTH AND SAFETY

Our Occupational Health and Safety (OHS) Management System, OHSAS 18001 and ISO 45001, was initially certified in 2018 and 2019 and recertified in 2021 and 2024. It complies with legal standards and international safety benchmarks while protecting all employees, contractors, non-employee workers, and visitors. Our complex high-risk production processes demand rigorous safety protocols, comprehensive training, and proactive hazard identification to minimise work injuries or illness. Monthly injury, health and safety audit reports and corrective actions from incidents and near misses create transparency. Regular employee and safety representative engagement fosters a culture of safety, well-being, productivity, and long-term operational resilience.

Employee Risk Identification, Prevention and Mitigation

We take a systematic approach to employee risk management, conducting regular assessments to identify workplace hazards and implement preventative measures in high-risk heavy machinery use and chemical handling areas. In 2024 we implemented an improved datasheet for Risk Assessments.

In 2025 we will be reevaluating risk management by introducing:

- New/movement of existing machinery and employees, incident investigation, submission of near misses and safety suggestions.
- Risk mitigation through awareness and hierarchical controls: elimination, substitution, engineering controls, administrative controls and personal protective equipment (PPE).

Occupational Health Services

We provide comprehensive, company-paid occupational health services, including random drug tests (post-IOD, rumours, behavioural changes), regular doctor (twice weekly) and counsellor (weekly) visits, and an on-site clinic with a full-time OH Nurse offering basic, free medication and health testing (BP, sugar). We conduct required alcohol and drug tests, counselling, and consultations, with 21 alcohol and 8 drug tests carried out in 2024.

Worker Participation

Our employees are encouraged to participate in representative health and safety committees. They meet regularly to discuss safety concerns, review incident reports, and recommend improvements to the OHS system. Management has an open-door policy for these concerns. SHE representatives, nominated across the workforce, are trained to identify and report hazards for a safer work environment.

Training covers general safety protocols and job-specific risks, like machinery safety, chemical handling, and emergency response. Specific training on spill response, emergency coordination, lockout-tagout process, and noise-induced hearing loss occurred. Supervisory training and managers' workshops focused on leaders' health and safety roles.

PROCESSES AND POLICIES FOR HAZARD REPORTING

We promote safety with clear, reprisal-free processes for employees to report hazards and near misses, ensuring every report is promptly investigated and integrated into our broader safety management system for assessment and correction. This approach has improved workplace safety and reduced accident frequency, especially through identifying and addressing potential hazards early, preventing incidents before they occur.

Work-related Incidents, Hazards and Actions

Operating as a Major Hazardous Installation (MHI) within strict regulatory frameworks that require heightened discipline and proactive risk management, we commit to identifying, disclosing, and managing work-related hazards to safeguard employee and non-employee's health and safety. We comprehensively track and report all work-related incidents (injuries, fatalities, damage, environmental, and security). High-consequence injuries and incidents are systematically documented, analysed, and investigated for hazard-mitigation strategies reinforcing our commitment to a safe, compliant, and responsive working environment. Data is reviewed in monthly management meetings and quarterly SHE Committee Meetings to identify trends and implement preventative measures for continued effectiveness. In 2024, there were 0 mortalities, 5 minor injuries and 3 Lost Time Injuries recorded.

To maintain a safe working environment, the following control measures are enforced:

- **A zero-tolerance policy for drugs and alcohol**, so all individuals are fit for duty.
- **Permit-to-work system introduced in 2024**, which strictly regulates activity involving the generation of sparks, open flames or heat. These tasks are confined to isolated designated areas.
- **Regular emergency response drills** prepare employees to respond swiftly and effectively to any incident.

Work-related Illness

Our comprehensive medical surveillance programme includes pre-employment, annual, and exit medical examinations, with tracking of work-related ill health including respiratory conditions linked to chemical exposure and toxic fumes and noise-induced hearing loss monitored through audiograms. Risk mitigation measures like personal protective equipment are implemented where required, and in 2024, zero occupational health diseases were recorded.

We increased the frequency of health and safety awareness campaigns to one every two months, reintroduced the Lockout/Tagout (LOTO) procedure with a dedicated LOTO station to reinforce employee safety and bodily integrity, and launched a year-long health challenge to promote healthy lifestyles at work and beyond.

Labour Practices and Human Rights

LABOUR PRACTICES AND HUMAN RIGHTS 2024

- National Textile Bargaining Council – Carpet Sector: **55% of employees**
- Union Members SACTWU: **29% of employees**
- Union Members: NUMSA: **3.4% of employees**

Our sustainability commitment is centred on labour and human rights, reflecting the importance of our large and skilled workforce and our responsibility to our value chain. Employee turnover, occupational health and safety, and regulatory compliance are addressed through comprehensive policies that treat all employees, contractors, and supply chain workers fairly to strengthen satisfaction, retention, and productivity. We have strict standards reinforced through SMETA against child labour, forced labour, and unsafe working conditions, and regular assessments to ensure fair wages and responsible practices. In 2024, we expanded our employee welfare initiatives with enhanced protective equipment, strengthened health and safety training for production and installation workers, and increased mental health support.

LABOUR STANDARDS, HUMAN RIGHTS AND FAIR EMPLOYMENT PRACTICES

We adhere to South African labour legislation, including the Basic Conditions of Employment Act that prevents exploitation and promotes economic development, social justice, labour peace, and workplace fairness for employers, workers, trade unions, and employer organisations. We also comply with International Labour Organisation (ILO) conventions to ensure fair labour practices. A formal disciplinary code sets out procedures for employee misconduct or inadequate performance with the intent to correct behaviour rather than punish.

We aim to ensure that all workers across our supply chain are treated with dignity and respect through robust national and international human rights and labour policies. These are regularly reviewed, supported by ongoing human rights training for employees and contractors, and enforced through the disciplinary process where violations occur. We address confirmed breaches severely and place trust in the CCMA and Labour Court to uphold principles of fairness and justice.

Our People Policies are informed by the following eight Labour Practice frameworks, audits and guidelines and fair labour practices while aiming to be more inclusive and transparent about the barriers to meet these.

1. Basic Conditions of Employment
2. The ETI Codes
3. International Labour Laws
4. OHS Act
5. Collective Bargaining Agreements
6. Employment Equity
7. Sedex Members Ethical Trade Audit (SMETA)
8. Broad-based Black Economic Empowerment

There is no child or forced labour at Belgotex and we adhere to international labour standards prohibiting child labour and forced labour. We regularly audit our supply chain to ensure compliance, and we take corrective actions if any violations are identified.

COLLECTIVE BARGAINING AND FREEDOM OF ASSOCIATION

We uphold the right to freedom of association and collective bargaining with 55% of our workforce covered by a collective bargaining agreement with the National Textile Bargaining Council - Carpet Sector. Additionally, 57% of our employees are union members, with 51% belonging to SACTWU and 6% to NUMSA. We regularly discuss and agree on working conditions and terms of employment with trade unions. Wage increases are negotiated annually at the bargaining council level, and we have clear protocols to address disputes and ensure employees' rights are respected.

Raising Awareness on Labour Issues

Employee representation across various engagement platforms is a key priority for us to raise awareness around important labour issues and ensure they are addressed. These include:

1. **Transformation Team**: They drive our goals for improving operations, sustainability, and workplace inclusivity in a supportive environment that promotes fairness and equal opportunities.
2. **Leadership Engagement Forum**: Union representatives meet with leaders monthly to address key issues, and with Executive participation twice a year.
3. **ESG Leadership Team**: Comprising employees from different departments and levels, this committee focuses on ESG objectives.
4. **Masibambane**: This initiative occurs on the factory floor, where focus groups discuss business performance and key topics to foster a cohesive and transparent work environment.
5. **Employee Wellness**: Our Holistic Wellness Programme supports employees' overall well-being by addressing physical, mental, emotional, and financial health. By prioritising holistic wellness, we empower our employees to achieve personal and professional fulfilment.
   Key areas include:
   - Physical Well-being: Access to fitness programmes and health screenings.
   - Mental and Emotional Health: Counselling services and stress management workshops.
   - Financial Wellness: Budgeting advice and financial planning sessions.
   - Work-Life Balance: Flexible work arrangements and employee support networks.

Community Engagement

SOCIO-ECONOMIC DEVELOPMENT IMPACT 2024

Investment into SED: **R11 158 840**
Total beneficiaries / entrepreneurs: **494**
ECD Centres Created: **3**
ECD Employees and Children benefitted: **262**

Criss Cross Enterprises: **21**
Rug Vendors: **54**
Floorcovering Programme Beneficiaries: **157**
Yarn recycled: **865.55kg**

As a multi-generational family business proudly based in South Africa, our legacy is measured by the positive opportunities created in the communities we call home. We recognise that business success and social progress must advance together. This is institutionalised through our non-profit shareholder, The Go Group, who delivers development programmes aligned with our core business values.

The Go Group Foundation, previously known as The Belgotex Foundation, is a registered Non-Profit Company (NPC) and Public Benefit Organisation (PBO) which cultivates personal growth and equips individuals to be responsive, responsible, and resilient contributors to society through enterprise, leadership, and social transformation.

Together, we have selected programmes that create value, delivering measurable social impact while supporting our business objectives. We track quantitative outcomes and qualitative impact stories to refine our approach. Community engagement sustains and strengthens our social license to operate, develops future industry talent, and builds local economic resilience.

COMMUNITY DEVELOPMENT

Through The Go Group, we engage with neighbouring communities to identify practical projects that support facility upgrades, assisting schools, providing environmental awareness programmes, and empowering people with useful skills training. Together, we build relationships by listening, being open and fair, and making sure our actions deliver real benefits for the community.

This approach includes:

1. **Stakeholder-Driven Programme Design**
   Our programmes are co-designed with industry partners, local communities, and employees to create relevant and practical solutions aligned with community needs and business goals.
2. **Feedback as a Driver of Impact**
   We gauge programme effectiveness, refine priorities, and ensure initiatives remain responsive to evolving needs through community feedback.
3. **Proactive Community Impact Managem**ent
   We assess risks and opportunities early and invest in skills development and mentorship to help communities benefit from our activities, guided by clear social and environmental standards.
4. **Support for Local Infrastructure and Services**
   We fund early childhood partnerships and strengthen health, education and entrepreneurship.

Using this approach, we work with The Go Group to implement structured programmes, including:

- **Enterprise & Supplier Development Initiatives**: we support local entrepreneurs and small businesses in disadvantaged communities by offering skills training, mentorship, and access to procurement opportunities.
- **Community Upliftment Projects**: we offer school refurbishments, food security programmes, and clean water access in vulnerable areas.
- **Employment Equity and Skills Development**: We invest in local talent development through bursaries, apprenticeships, and on-the-job training.
- **Environmental Stewardship:** We engage with communities and local stakeholders on conservation and waste reduction projects to decrease our environmental footprint.
- **Transparency & Accountability**: We commit to transparency regarding our human rights and community policies, including regular ESG performance reporting, internal audits, and third-party assessments.

We are involved with the following The Go Group programmes:

Early Childhood Development Programme

In 2024, three Early Childhood Development (ECD) centres graduated, positively impacting the lives of 262 employees and children. We set up educational structures as safe spaces for learners, following the Department of Education standard supported by the Grow App which provides quality digital education and assistance for children with different abilities to thrive.

The programme has two direct goals:
- Children receive a solid educational start
- ECD centre principals are equipped with uplifting entrepreneurial opportunities

Criss Cross

CrissCross eco-conscious handcrafted items originate from The Go Group's Textile Conversion Programme and are made by local South African artisans using crochet techniques and repurposed Belgotex carpet yarn. In 2024 alone, the project enabled the recycling of 865.5 kg of yarn. In 2024, 21 artisans crafted CrissCross rugs and accessories for online store and retail orders.

The programme has two goals:
- Develop technical skills and sustainable income for women
- Decrease waste from our operations

Rug Vendor Programme

Unemployed individuals in surrounding communities receive Better Together personal development training to develop financial literacy, conflict resolution and communication. With these skills, they buy discounted Belgotex products to sell for profit, enabling participants to create their own income streams. In 2024 we enabled 54 entrepreneurs.

The programme has three goals:
- Create income for the unemployed
- To reduce waste using factory product off cuts
- Provide flexibility to vendors to buy and sell when they want to

Floorcoverings Programme

The Floorcoverings Programme trains candidates to establish and run a viable flooring business either as installers, or enterprise owners (those who employ the installers). Our support empowered 157 candidates in 2024. This Construction Education & Training Authority (CETA) accredited programme has three phases:

1. Phase 1 Carpet: Base preparation and carpet installation training
2. Phase 2 Vinyl: Technically advanced training offered to installers who have mastered phase 1
3. Phase 3 Grass: Training offered to a small number of enterprises that are interested in installing artificial turf for landscaping.

The programme has three goals:
- Develop technical skills
- Allocate funds for viable businesses
- Recommend successful contractors

STAKEHOLDER ENGAGEMENT

We commit to being a good neighbour wherever we operate. By collaborating with our employees, suppliers, customers, communities, and business partners we can understand how our business affects people, the environment, our products, and services. We share certifications and information about health, safety, labour standards, and environmental care to the public and we partner with local and national organisations to improve our operations. We regularly contact trade unions, suppliers, customers, community organisations, and environmental partners to maintain clear communication.

Our policies support well-being by respecting human rights, preventing harm, and dealing quickly and fairly with concerns raised by communities or workers and making a positive contribution.

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Environment

Belgotex™

To sustain value, we need to be environmental stewards, treading as softly as we can, by exploring and innovating toward alternative raw material inputs, while improving production, transport, floor covering, and how we reclaim it.

OUR 2024 ENVIRONMENTAL IMPACT

93 275.88 tCO_2e

TOTAL GHG EMISSIONS RECORDED IN 2024, INCLUDING SCOPE 1, 2 AND 3 EMISSIONS

1.1 MW

OF INSTALLED RENEWABLE SOLAR ENERGY CAPACITY, REPRESENTING A 52.3% INCREASE YEAR-ON-YEAR

80.8% of Total Waste

DIVERTED FROM LANDFILL, WITH 1 719 TONNES RECYCLED OR REUSED

97% of Hazardous Waste

RECYCLED AND REUSED, WITH ONLY 3% SENT TO LANDFILL

9 890 kL

OF EFFLUENT DISCHARGED WATER FILTERED AND TREATED (26% OF TOTAL)

Reducing impact while strengthening operational resilience

Operating in a context of energy insecurity and water scarcity, we prioritised practical, data-driven environmental action. Key initiatives included energy efficiency projects, expanded solar generation, improved emissions tracking, responsible water consumption, landfill reduction, and circular product and process innovation. These actions reduce environmental impact while lowering operational risk, supporting alignment with climate science and international standards, and reinforcing progress toward circularity, long-term zero-waste and decarbonisation goals.

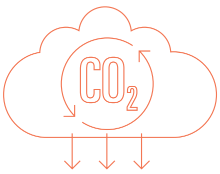
Our 2024 Environmental Impact

Our environmental activities are guided by the material impact of climate change, regulatory obligations, stakeholder expectations, and long-term business resilience. Our substantial energy demand and associated greenhouse gas (GHG) emissions, compel us toward a low-carbon transition. Since our raw material sourcing and manufacturing to energy use, logistics, and end-of-life product disposal impact the environment, proactive stewardship is essential.

Environmental performance shows progress but also highlights gaps. Total GHG emissions increased significantly in 2024, particularly across Scope 3, indirect emissions, calling for stronger supply chain engagement, logistics optimisation, and low-carbon material alternatives. Decarbonisation projects (energy efficiency upgrades, coal replacement, compressor optimisation) were postponed to 2026, placing pressure on our SBTi commitments.

Going forward, we are accelerating progress toward zero waste to landfill, improving waste segregation and recovery, reducing fossil fuels reliance, expanding renewable energy generation and circular product design, strengthening water risk management, and closing remaining data gaps to support lifecycle assessments and emissions reduction targets.

OVERARCHING ENVIRONMENTAL GOALS BY 2030



ENERGY AND EMISSIONS:

- Reduce Scope 1 & 2 GHG emissions to 55.7% (against 2021 baseline of 35 853 tCO2e)
- Reduce Scope 3 GHG emissions to 51.60% (against 2021 baseline of 67.42%)
- Increase renewable energy to 15%
- Reduction of Fossil Fuel usage by 15%

WATER STEWARDSHIP:

- Reduce Municipal Water Usage to 50%
- Optimisation of Effluent Treatment Processes to include water recycling for process use

WASTE:

- Zero waste to landfill
- Increase Recycling & Reuse Rate to 100%


A
B
Inspired
and made
in Africa.
Belgotex

Energy and Emissions

ENERGY & EMISSIONS IMPACT 2024

- GHG Emissions: 93,275.88 tCO_2e (+47.6% vs 2023)
  - GHG Scope 1 (Operational Control) Emissions: 5 490 .26 tCO_2e (+ 8.2% vs 2023)
  - GHG Scope 2 (Location Based) Emissions: 17 812.28 tCO_2e (+ 17.7% vs 2023)
  - GHG Scope 3 (Value Chain) Emissions: 69 949.41 tCO_2e (+ 63.1% vs 2023)
- Renewable Energy (Solar Electricity) Installed Capacity savings: 1.1 MW (+52.3% vs 2023)
- Production Energy Savings: 1.2 MWH per annum (+7.5% vs 2023)
- Electricity usage: 15,268,315 kWh (+4% versus 2023)
- LPG usage: 1 136 962 kg (+6% versus 2023)

Energy & Emissions Frameworks & Reporting Mechanisms
Our emissions accounting is grounded in the following energy and emissions reporting:

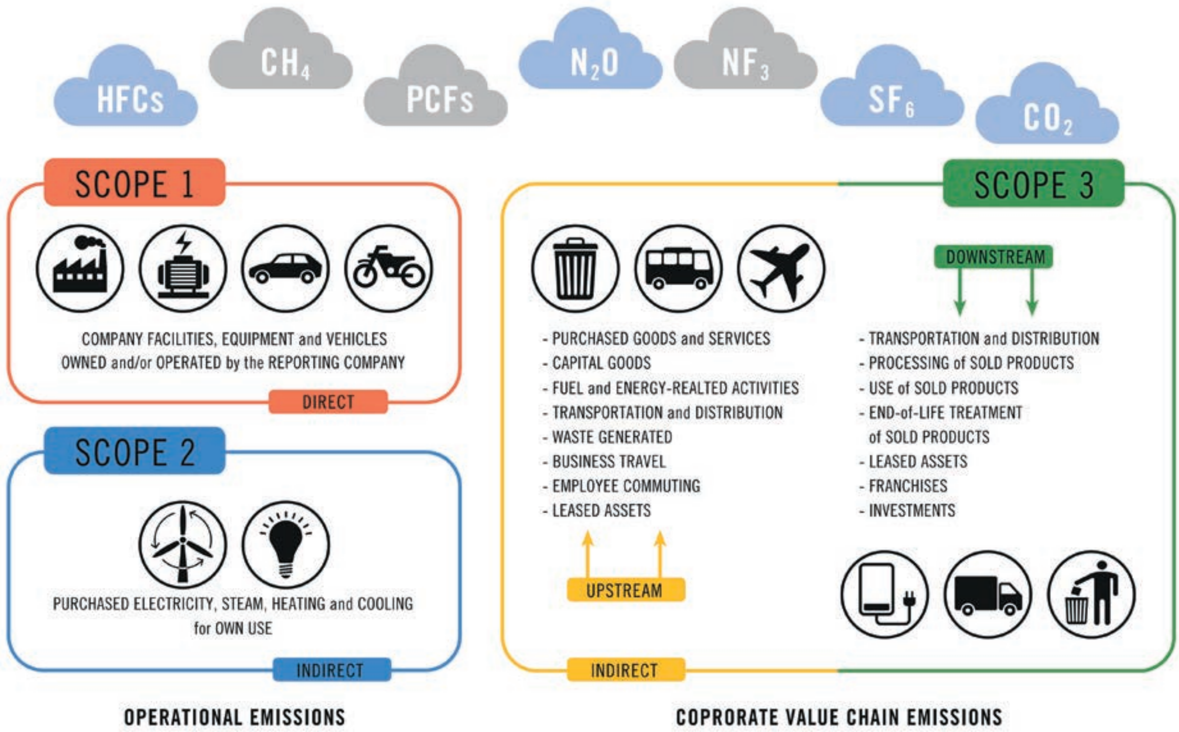
1. Greenhouse Gas (GHG) Protocol
The GHG Protocol is the primary framework to measure and report Scope 1, 2, and 3 emissions in line with global best practice (including ISO 14064:2018). It provides structured guidance on defining operational boundaries, selecting emissions factors, and collecting accurate data. Reporting displays relevance, completeness, consistency, transparency, and accuracy, providing a credible and comprehensive account of our carbon footprint.

2. Carbon Disclosure Project (CDP)
CDP is a global platform for transparency, enabling businesses to identify climate risks, strengthen governance, align with stakeholder expectations, and access climate-related finance. Although we are not currently a full CDP participant, we provide disclosures on request and are assessing full participation in future cycles to reinforce our commitment to improvement and accountability.

3. Science-Based Targets initiative (SBTi)
Through the SBTi, we align our emissions-reduction goals with climate science and the Paris Agreement's 1.5°C trajectory. We have committed to reducing Scope 1 (direct) and 2 (indirect) emissions by 55.7% and lowering Scope 3 (indirect) emissions by 51.60% per tonne of product sold by 2030 (against a 2021 baseline). Progress is achieved through energy-efficiency, renewable energy expansion, supplier engagement, and annual emissions tracking in line with SBTi requirements. Our SBTi reporting shaped our environmental progress and was submitted in July 2025.

4. Carbon Footprint Overview
Our annual carbon footprint assessment covers direct operational emissions (Scope 1), indirect emissions from purchased electricity (Scope 2), and value-chain emissions (Scope 3). This overview identifies major emissions sources and highlights opportunities for reduction, forming the basis for improvement and strategic climate action.

EMISSION SCOPES AND CATEGORIES

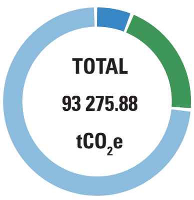


EMISSIONS

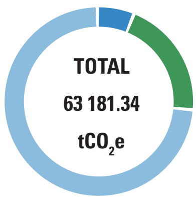
2024 Gross GHG Emissions

Our total GHG emissions increased to 93 275.88 tCO_2e in 2024, a 47.6% rise from 2023, with increases recorded across Scope 1, Scope 2, and Scope 3. Scope 1 emissions grew by 8.2%, due to significantly higher fuel use in mobile combustion. Scope 2 emissions rose by 17.7%, reflecting greater electricity consumption amid increased production activity and reliance on an unstable national grid. Scope 3 emissions saw the largest increase at 63.1%, driven by higher raw material procurement, more intensive upstream transportation, and greater energy-related value chain impacts. The rise reflects increased operational activity, supply chain expansion, and energy-reliability challenges in South Africa. These combined factors elevated our direct, indirect, and value chain emissions.

GHG Emissions (2024)



2024
Scope 1 - 5.89%
Scope 2 - 19.10%
Scope 3 - 74.99%
Outside of scopes - 0.03%



2023
Scope 1 - 8.03%
Scope 2 - 23.95%
Scope 3 - 67.89%
Outside of scopes - 0.13%

Emissions (tCO_2e)	2024		2023	
Total	**93 275.88**	+47%	**63 181.34**	-39.2%
Scope 1	**5 490.26**	+8.2%	**5 072.79**	-28.0%
On-site renewable energy generation	0		0	
Fugitive emissions	113.90	+0.0%	113.90	-21.8%
Mobile combustion	804.48	+187.9%	279.44	-40.5%
Stationary combustion	4 571.88	-2.3%	4 679.45	-27.2%
Scope 2	**17 812.28**	+17.7%	**15 132.38**	-47.5%
Purchased electricity (location based)	17 812.28	+17.7%	15 132.48	-47.5%
Scope 3	**69 949.41**	+63.1%	**42 890.97**	-36.9%
Capital goods	312.57	-72.6%	1 142.57	+102.2%
End-of-life treatment of sold products	13 590.55	-0.8%	13 706.13	+70.1%
Processing of sold products	208.94	-91.3%	2 402.94	-44.9%
Downstream transportation and distribution	552.43	+123.0%	247.72	-33.4%
Upstream transportation and distribution	4 766.46	+130.7%	2 065.81	-4.5%
Employee commuting	230.49	-37.8%	370.64	+61.5%
Business travel	244.66	-45.3%	447.06	+124.6%
Waste generated in operations	814.47	-48.4%	1 579.25	+26.9%
Purchased goods and services	44 097.34	+174.3%	16 077.22	-60.8%
Fuel and energy-related activities not in Scope 1 or 2	5 131.49	+5.8%	4 851.65	-50.6%
Outside of scopes	**23.94**	-71.9%	**85.10**	+248.2%
Non-Kyoto gases (Ozone-Depleting Substances)	23.94	-71.9%	85.10	+248.2%

Belgotex's Scope 3 GHG inventory covers 11 of the 15 categories, with the key emission hotspots in Scope 3 being:

Category 1
Purchased goods and Services

Category 3
Fuel and Energy-related activities

Category 5
Waste generated in operations

Category 12
End-of-life treatment of sold products

Emissions to Air and Soil

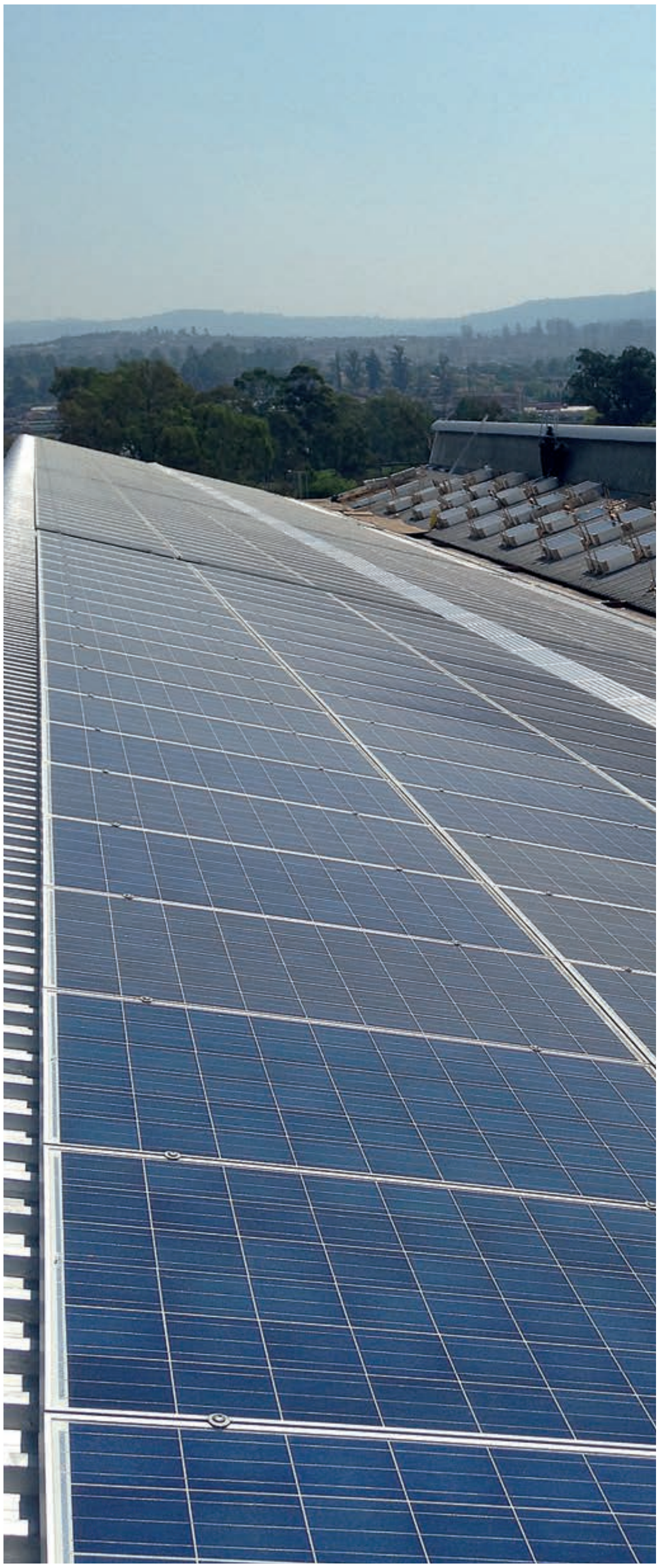
Air pollution, water contamination, and soil pollution harm ecosystems, communities, and agricultural land, therefore, managing our manufacturing emissions is essential for environmental and health protection, meeting legal requirements, and supporting business sustainability. We manage emissions risks by preventing pollution at source with improved production processes and close monitoring. During 2024, our site-level action plans focused on prioritising reduction, reuse, and recycling, maintaining full legal compliance, and ensuring transparent reporting.

Air Pollution

We manage air emissions through an ongoing monitoring programme that measures key pollutants, including volatile organic compounds (VOCs), nitrogen oxides (NOx), particulate matter, and sulphur dioxide (SO_2). Where possible, lower-emission raw materials like cleaner coal, are used to reduce environmental impact. In 2024, we refurbished our first Solar project and increased capacity from 1 MW to 2.1 MW through new and advanced technology. The completed system will generate a total of 3.1 MW, contributing approximately 15% reduction of overall electricity consumption away from fossil fuel sources. Together with a transition from LPG to electric forklifts, we are limiting air pollution and emissions toward cleaner and more sustainable operations.

Soil & Ground Contamination

To protect soil and prevent ground contamination, we apply strict waste and chemical management practices across the site. Waste is segregated and disposed of through certified service providers, while chemicals are stored safely in bunded areas to prevent leaks. Spill-prevention measures, including spill kits in all production departments ensure rapid response should incidents occur. These controls support compliance with environmental regulations and safeguard ecosystems.



ENERGY

Our primary source of energy consumption is our 140,000 m² Pietermaritzburg manufacturing facility, making energy a material issue for our environmental and economic performance. Since we started our "Green Journey" in 1991, we have focused on energy efficiency, reducing consumption and operating costs, and managing risks. Guided by ISO 14001:2015 and in preparation for ISO 50001:2018, we invested in cleaner production technologies, renewable energy alternatives, and operational improvements to balance manufacturing excellence with cost savings and sustainability objectives.

An advanced real-time energy monitoring system tracks and reports across electricity, steam, and cooling to identify inefficiencies and delivers measurable energy, cost, and environmental savings. By analysing consumption by utility, we develop targeted reduction strategies for high-use compressors, heating, and cooling systems, including new OEM technologies and energy recovery solutions. Electricity for 2024 was reported as 15 268 315 kWh, showing a 4% increase versus 2023 despite a 41.24% increase in yarn/fibre production.

Energy Management

We are partially reliant on fossil fuels, including coal and oil-based products, which contributed to our 2024 carbon emissions. Lowering our emissions include improving coal boiler efficiency and performance through regular, thorough maintenance, alongside broader energy optimisation. A structured energy management system supports this work through a "production versus energy" datasheet linked to a monthly database that tracks LPG, water, electricity, nitrogen, and coal consumption per unit of output, enabling trend analysis and improvement.

In 2024, LPG consumption totalled 176 233.824m². We implemented the conversion of our LPG-powered forklifts to electric units and the optimisation refurbishment of burner systems across three backing plant thermal oil boilers, two open-flame burners, and the bitumen tile line thermal oil boiler.

These upgrades improved air-to-fuel ratios, resulting in more efficient LPG combustion and steam generation, while introducing new technology in preparation for 2025. A compressor optimisation project has been deferred to 2026. Clear and up-to-date documentation, effective corrective actions, regular training, and internal audits offer continual improvement.

Renewable Energy

Central to our sustainability strategy is our on-site solar photovoltaic (PV) system installed in 2016 to supply a growing share of operational energy needs. We monitor progress against a proportion of energy derived from renewable sources aligned with global sustainability goals. In 2024, we expanded our capacity through the refurbishment and upgrade of our original 1 MW solar installation, integrating advanced technology to increase capacity by a further 2.1 MW and bringing total on-site solar generation capacity to 3.1 MW by the end of 2025.

This improvement has contributed approximately 7.5% to the reduction in production electricity consumption, with a long-term target of achieving up to a 15% - 20% reduction. The solar energy contribution towards factory production was in the region of 7.5% per annum, showing an increase from 14.3 MWh in 2023 to 15.59 MWh in 2024.

Energy Types:

1. **Electricity (Municipal):**
   - **Baseline:** Currently using 5 100 kVA per month off an available notified demand of 7 000 kVA supplied by the Municipality
   - **2024:** Upgrading and expanding solar power from 1 MW to 2.1 MW.
     - Installed Renewable Energy Savings: 52.3%
     - Production Energy Savings in kWh: 7.5%
   - **Future Plan**: To generate an additional 1.1 MW bringing a total of 3.1 MW by the end of 2025, reducing production reliance on grid electricity by 15%.

2. **Coal:**
   - **Baseline**: 220 tonnes per month (2023)
   - **2024**: Reduced usage by 85.6 tonnes per month down to 134.4 tonnes per month through better maintenance and controls.
   - **Future Plan**: Plans to reduce the usage of coal will commence in 2025 by exploring the opportunity to decrease the boiler capacity.

3. **LPG (Liquefied Petroleum Gas)**:
   - **Baseline**: Using an average of 14 686.15 cubic meters per month.
   - **2024**: LPG-powered forklifts were replaced with electric forklifts to cut down LPG consumption.
   - **Future Plan**: To decommission the LPG tank and decrease the capacity of LPG on site by 50%.

Water Stewardship

WATER STEWARDSHIP IMPACT 2024

- **Water Consumption**:
  - Municipality: 38 042 KL (+ 17% vs 2023 - 32 483KL)
- **Water Discharge**:
  - Filtered & Treated Effluent Discharged Water: 9 890 KL (26% of total)

As an energy and water-intensive manufacturing business, reducing our water consumption, water recycling, and effluent discharge are key to our water management strategy and aligns us with ISO 14001:2015 environmental standards and others to ensure sustainable water management.

Efficient water use is particularly important since our water resources are often limited. We are investigating a reverse osmosis water recycling project involving a capacity of $5m^3/hr$ in compliance with SANS 241 specifications to mitigate water shortages and contamination, while ensuring local and international environmental compliance. Our future water recycling initiatives will explore reducing water consumption and reintroducing water harvesting.

Water Consumption

Our goal is to improve water efficiency and reduce overall water consumption while maintaining production quality. Water use is monitored as a key performance indicator, ensuring efficiency specifically with water recycling in cooling towers and boilers. Water consumption from Municipal sources increased by 17% in 2024 to 38 042 KL.

Going forward water harvesting and recycling will be reassessed for reintroduction with the view to substantially reducing water production consumption.

Water Discharge

We carefully manage water emissions through daily effluent testing that monitors conductivity, pH, Chemical Oxygen Demand (COD), total dissolved solids, and colour to ensure all discharges meet municipal requirements. A filtration and treatment system installed in 2017 further reduces contaminants to SANS 241 specifications before water enters the municipal sewage system. Compliance and performance are independently verified monthly by uMngeni-uThukela Water. In 2024, 9 890 KL (26%) of total water was filtered and treated to meet municipal standards for safe release. A minor water incident involving a bag of blue rubber in the dam was identified and managed, with water treated to ensure safe discharge.

Looking ahead to 2030, we plan to strengthen water treatment, control and operational resilience with a factory-wide reverse osmosis water treatment plant.

Waste and Circularity

WASTE IMPACT 2024

- Waste Generated: 2 127 tonnes
- Recycling Rate: 80.8%
- Waste diverted from landfill: 1 719 tonnes (80.8%)
- Waste to Landfill: 408 tonnes (19.2%)
- General Waste, difficult to recycle: 152.94 tonnes (7.2%)
- Hazardous waste: 361.76 tonnes (17%)
  - Hazardous waste recycled & reused: 350.91 tonnes (97%)
  - Hazardous waste to landfill: 10.85 tonnes (3%)
- Non-Hazardous waste: 1 766 tonnes (83%)
  - Non-Hazardous waste recycled & reused: 1 130.39 tonnes (64%)
  - Non-Hazardous waste to landfill: 635.85 tonnes (36%)

Waste management is a key focus for us due to the scale of our manufacturing and our commitment to circularity. We aim to achieve zero waste to landfill by 2030 by preventing waste at source, increasing reuse and recycling, and minimising disposal. Waste is categorised, tracked, and managed through a combination of internal systems and accredited third-party service providers, with recycling, reuse, and recovery prioritised ahead of landfill disposal. Regular monitoring and reporting support transparency, compliance, and improvement.

Waste Strategy and Systems

In 2023, we adopted a more targeted waste management approach, appointing a specialised waste service provider to improve oversight and recycling outcomes. This improved visibility of waste streams helped identify high-generation areas, leading to pilot initiatives focused on waste reduction and improved recycling rates. Waste tracking includes departmental reporting, weighbridge verification for incoming and outgoing materials, and data from service providers to confirm end-of-life outcomes. These systems enable targeted reduction initiatives and informed decision-making.

Waste Generation and Performance

Over the 2024 reporting period, we generated 2 127 tonnes of waste in our Pietermaritzburg operations. A total of 80.8% (1 719.42 tonnes) of all waste was diverted from landfill through recycling, reuse, or internal reprocessing, versus 193.5 tonnes in 2023, while 19.2% (408.08 tonnes) was landfilled, a 33% decrease vs 2023, including 7.2% (152.94 tonnes) which is classified as unrecyclable general waste to material complexity, contamination, or operational constraints. Of the total to landfill, 83% was deemed non-hazardous and 17% hazardous waste.

These results show that we have made significant progress toward zero waste to landfill. Improvements in waste segregation, process efficiency, and alternative treatment solutions will close the remaining gap. Classifying waste streams across our sites and eliminating waste at source helps us turn waste into a resource, not a cost. We do so by reducing yarn cutting losses through optimising cutting patterns, increasing rework loops for off-spec products, internal re-use and closed loop systems, ensuring yarn offcuts are consistently reused in underlay, and reintroducing production trial waste into non-critical product lines.

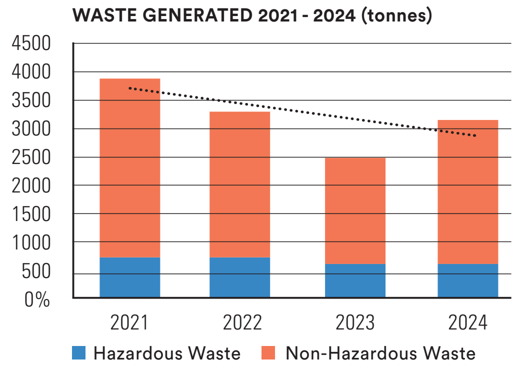
Recycling and Circularity Initiatives

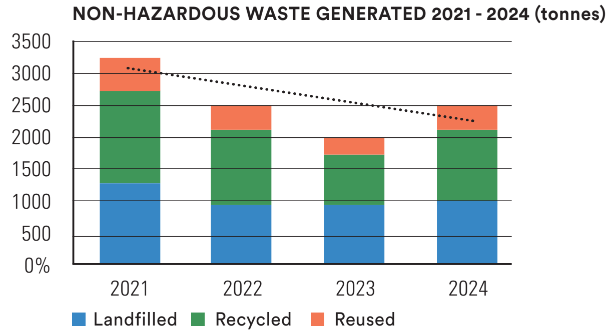
We use an ISO 14001:2018 certified environmental management system to identify, manage, and reduce post-production waste, with internal recycling forming a core pillar of our zero waste to landfill ambition. Internally, we recycle yarn cuttings and extruded materials, including advanced pelletising and reuse of nylon production waste, while broader recycling streams cover metals, packaging, yarn, and textiles. Cardboard packaging and yarn carrier cones are reused, and usable materials are donated for reuse through The Go Group. Product design incorporates recycled content and improving recyclability and durability, while ongoing research explores solutions for difficult waste streams and waste-to-value opportunities through post-industrial material conversion. Performance is tracked through KPIs such as recycling rates, landfill diversion, and revenue from recovered materials, with the current recycling rate at 80.8% amounting to 1 719 tonnes of waste.

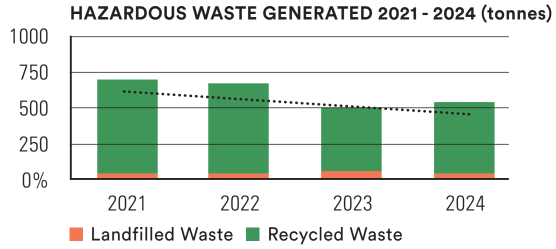
Internal recycling diverts material away from landfill by reintegrating production waste back into manufacturing processes. In 2023, 650.8 tonnes of material from yarn recovery and advanced polymer recycling was internally recycled. In 2024, 418.74 tonnes were diverted from landfill. The year-on-year variation reflects production volume changes, material availability, product mix, manufacturing schedules, and operational factors like maintenance downtime, rather than any reduction in commitment. These dynamics highlight opportunities to improve segregation at source, feedstock quality, and recovery efficiency.

Looking ahead, we're aiming to prevent contamination with clearly labelled waste segregation through colour-coded bins and targeted operator training; increasing equipment utilisation and reducing downtime through planned maintenance. Optimising recovery technologies by improving EREMA feedstock quality, will result in the cleanliness, polymer purity, moisture level, and physical consistency of plastic waste supplied to the recycling system. This directly influences processing efficiency, recycled pellet quality, and overall internal recycling performance free from cross-contamination.

We're aiming to further engage recyclers to expand accepted waste streams, implement supplier take-back schemes, increase recycled content, recycle off-spec materials, and reduce offcuts. These actions should increase diversion volumes as production stabilises, supporting and accelerating progress toward a more circular and resilient manufacturing model with zero waste to landfill by 2030.







Hazardous Waste Diversion

In 2024, 97% of hazardous waste was diverted from landfill, with only 3% disposed of. Boiler ash, generated from onsite combustion processes, accounted for approximately 99% of hazardous waste diverted and was supplied to brick and block manufacturers, where it is blended with cement, decreasing the need for virgin materials, reducing the weight of the blocks and improving product strength. Smaller hazardous streams (less than 1%) included electronic and chemical waste. Electronic waste primarily included spent fluorescent light tubes and LED components that were processed by authorised e-waste recyclers, recovering glass, metals, and plastics for new products. The removal of chemical waste, produced through cleaning and maintenance activities, was managed by licensed hazardous waste recyclers who employed distillation and separation techniques to recover reusable components for industrial processes or other product manufacturing. Only 10.85 tonnes of hazardous waste, mainly contaminated oil, rags, chemicals, and containers, were sent to landfill.

Non-Hazardous Waste Diversion and Reuse

Approximately 64% of non-hazardous waste was diverted from landfill through recycling and reuse programmes. Cardboard, paper, plastics, metals, wood, and textiles were sorted onsite and processed internally or by accredited partners. Cardboard and paper were recycled into new paper products, plastics into recycled feedstock, scrap metals were melted into new metal products, wood waste was repaired, reused or chipped, and textiles were repurposed into new applications or used as padding in furniture.

Reuse was prioritised over energy-intensive recycling wherever possible. Needle punch backing offcuts, surplus backing, and carpet offcuts were repurposed through partnerships with The Go Group to be used as rugs, underlays, automotive insulation, and alternative flooring solutions, extending material lifecycles and reducing reliance on virgin resources.

In 2024, 635.85 tonnes of non-hazardous waste were sent to landfill, primarily consisting of bitumen tile strip waste, latex filter cake, and general commercial waste. Reducing these remaining landfill streams remains a priority area for future waste reduction and innovation efforts.

Sustainable Materials

By embedding circular economy principles across product design, manufacturing, and sourcing we are also adopting more sustainable materials. Recycled fibres and yarns, the reuse of materials via bitwinder and yarncut operations, the repurposing of packaging on the factory floor, and process efficiency improvements to reduce environmental impact. Reducing, reusing and recycling with responsible sourcing were priorities in 2024.

Efforts focussed on increasing recycled nylon and polypropylene content, producing Green Underlay from production waste, launching the automotive insulation and successfully trialling our first bitumen-free tiles for launch in 2025.

These innovations include the use of infrared technology to bond carpet backings and processes that eliminate the need for bitumen. Innovation is further driven by ongoing research into recycled yarns, PET alternatives, product durability, recyclability, and end-of-life solutions, supported by life cycle assessments. Industry partnerships reinforce our leadership in circular and sustainable flooring solutions.

An example is the ProBac Backing for Tufted Tiles which will be launching in 2025. This will be a lighter, latex-bonded recycled polyester backing (300g) that eliminates bitumen, is easier to cut, and delivers a lower environmental footprint without compromising performance.

Initiatives where we are driving sustainable innovation include:

1. Processing Opportunities

- **Streamlined Yarn Processing**
  Development of yarn systems that bypass traditional processing by extruding yarns directly to tufters, reducing waste, energy use, and unnecessary manufacturing steps.
- **Commercial Solution Dyed Nylon (SDN) Yarn with Reduced Processing**
  Introduction of Solution Dyed Nylon (SDN) yarn for commercial applications requiring fewer processing steps, lower energy consumption, and reduced production costs.

2. Research, Design & Development

- **Sustainable Yarn and Recycled Content Innovation**
  Development of lower-impact yarns for residential and commercial markets, incorporating recycled and repurposed raw materials while maintaining performance, durability, aesthetics, and functionality.
- **Circular Product Design**
  Integration of recyclability, end-of-life considerations, and design for disassembly into product development, enabling separation of yarn and backing for effective recycling and reduced waste.
- **Collaborative Sustainable Development**
  Ongoing collaboration between design and technical development teams to improve raw materials, processes, and overall sustainability outcomes through structured research and development.


Belgotex

Environmental Compliance

INTEGRATED MANAGEMENT SYSTEMS

We are dedicated to operational excellence through certification to three ISO standards:

- **ISO 9001:2015 (Quality Management)**: Ensuring consistent product quality and customer satisfaction through robust quality control systems
- **ISO 14001:2015 (Environmental Management)**: Systematically reducing our environmental impact and driving sustainable operations
- **ISO 45001:2018 (Occupational Health & Safety)**: Protecting worker well-being through proactive safety management

These certifications validate our **integrated approach** to quality, sustainability and workplace safety. They provide the framework for:

- Continuous improvement in all operational processes
- Compliance with global best practices, and
- Risk-based management of quality, environmental and safety impacts.

Our management system certifications are regularly audited and reviewed to align with our ESG commitments and voluntary sustainability reporting, while being practical tools for responsible business practices. ISO 9001 certification is retained through three-yearly external audits, supported by effective quality management system implementation, internal audits, corrective actions, and a strong focus on improvement. Looking ahead to 2030, we plan to implement an internal non-conformance reporting (NCR) system and a fully integrated management system encompassing ISO 9001, ISO 14001, and ISO 45001. This framework will enhance management, improve corrective action, and strengthen training, and support improvement across quality, environmental, occupational health and safety.

PRODUCT AND SERVICE INFORMATION

Certifications
Product Certification progress is tracked through the completion and submission status of Supplier Material Declarations (SMDs), the publication of the ESG report, and the advancement of GreenRate and LCARate assessments per product category. Products are monitored against key milestones, including supplier Safety Data Sheets (SDS) and SMD, internal validation, third-party assessment, and certification submission.

GLOBAL GREEN TAG

Environmental Product Declarations (EPDs) Certification
Global GreenTag Environmental Product Declarations (EPDs) are third-party verified, ISO 14025 and EN 15804-aligned reports that provide transparent, life-cycle-based environmental data, including carbon, energy, water and material impacts. The EPDs support accurate Scope 3 emissions reporting, substantiate sustainability claims, guide product innovation, and enable customers and project teams to make informed low-carbon choices, earn green building credits such as LEED and BREEAM, and meet growing demand for environmentally responsible products.

Product Health Declaration (PHD) Certification
The GreenTag Product Health Declaration™ (PHD) discloses chemical hazards and the human health impacts of final products used in homes and workplaces. Recognised by the WELL™ Building Standard and compliant with LEED® Product Disclosure Credits, it supports healthier material choices.

GreenRate Level A Certification
Global GreenTag GreenRate is an independent, life-cycle-based product rating system that provides designers, specifiers, and consumers with clear, third-party verified guidance for responsible product selection based on verified sustainability performance, including sourcing, ethical labour, supply chain practices, and health and environmental impacts.

Lifecycle Assessment Rate (LCARate) Certification
Global GreenTag's LCARate™ is an advanced, life-cycle-based certification that assesses products from raw material extraction to end-of-life, combining a clear "Net Positive" consumer rating with detailed technical outputs such as EPDs. It focuses on health impacts, ecotoxicity, carbon footprint, and circular-economy potential to enable manufacturers to benchmark cradle-to-grave sustainability and strengthen green market positioning. Two of our

Sustainability Coordinators have completed LCA training, but Product LCAs have yet to be completed. By 2030, our focus is on improving data availability, expanding internal capability, allocating resources, and progressing through the full LCA process, with regular progress and gap reviews.

In 2024, we had the following **Global GreenTag certifications** for three of our commercial Carpet products and two of our vinyl tile offerings:

- **SDX Tufted Bitumen Backed Carpet Tile**
  - GreenRate Level A and LCARate Silver
  - Environmental Product Declaration (EPD)
  - Product Health Declaration (PHD) Platinum
- **SDX Tufted Broadloom Carpet**
  - GreenRate Level A and LCARate Silver
  - Environmental Product Declaration (EPD)
  - Product Health Declaration (PHD) Platinum
- **Structured Needlepunch Commercial Carpet**
  - GreenRate Level A and LCARate Gold
  - Environmental Product Declaration (EPD)
  - Product Health Declaration (PHD) Platinum

Our vinyl offering has the following Global GreenTag certification:

- **Belgotex Luxury Vinyl Tiles (within 2.5mm)**
  - GreenRate Level A
- **Belgotex High Density Core (HDC) Ridged** Board Click Luxury Vinyl Tile
  - GreenRate Level A

CARPET & RUG INSTITUTE (CRI)

Green Label Plus Certification
Green Label Plus is a Carpet & Rug Institute (CRI) certification that identifies carpet, adhesive, and cushion products with the lowest chemical emissions, supporting healthier indoor air quality. Products are independently tested by the Underwriters Laboratories (UL) to meet stringent low-emission standards, giving architects, specifiers, and facility managers confidence in environmentally responsible product choices.

We have VOC test reports from The Carpet and Rug Institute for our Middle East market on one carpet product:

- **SDX Tufted Bitumen Backed Carpet Tile**
  - Green Label Plus certification requirements have been met.

Contact Details

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Facebook: The Go Group
Instagram: The.Go.Group
LinkedIn: The Go Group NPC

GRI Index

ESG Section	ESG Topic	GRI Standard	Disclosure Reference	Page Number
	About this Report	GRI 2: General Disclosures 2021	2-3	13
	About this Report	GRI 2: General Disclosures 2021	2-1, 2-6	13
Governance	Board Oversight & Diversity	GRI 2: General Disclosures 2021	2-9	18
	Ethics & Compliance	GRI 205: Anti-corruption 2016	205-2, 205-3	21
	Risk Management	GRI 2: General Disclosures 2021	2-13	23
	Risk Management	GRI 3: Material Topics 2021	3-3	24
Economic	Financial Performance	GRI 201: Economic Performance 2016	201-1	28
	Economic Value Distributed	GRI 201: Economic Performance 2016	201-1	29
	Local Procurement & Supply Chain	GRI 204: Procurement Practices 2016	204-1	29
	Innovation & Product Development	GRI 203: Indirect Economic Impacts 2016	203-1	30
	Innovation & Product Development	GRI 416: Customer Health and Safety 2016	416-1	31
Social	Diversity & Inclusion	GRI 405: Diversity and Equal Opportunity 2016	405-1	35
	Training & Development	GRI 404: Training and Education 2016	404-1, 404-2	37
	Health, Safety & Well-being	GRI 403: Occupational Health and Safety 2018	403-1, 403-2, 403-9	38
	Labour Practices & Human Rights	GRI 401: Employment 2016	401-1	40
	Labour Practices & Human Rights	GRI 402: Labour/Management Relations 2016	402-1	40
	Labour Practices & Human Rights	GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	40
	Community Engagement	GRI 413: Local Communities 2016	413-1	42
	Stakeholder Engagement	GRI 2: General Disclosures 2021	2-29	44
Environment	Energy & Emissions	GRI 302: Energy 2016	302-1, 302-3, 302-4,	54
		GRI 305: Emissions 2016	305-1, 305-2, 305-3, 305-4, 305-5, 305-7	52
	Water	GRI 303: Water and Effluents 2018	303-1, 303-2, 303-4, 303-5,	56
	Waste & Circularity	GRI 306: Waste 2020	306-1, 306-3, 306-4, 306-5	57
	Sustainable Materials	GRI 301: Materials 2016	301-1, 301-2	60
	Environmental Compliance	GRI 307: Environmental Compliance 2016	307-1	62

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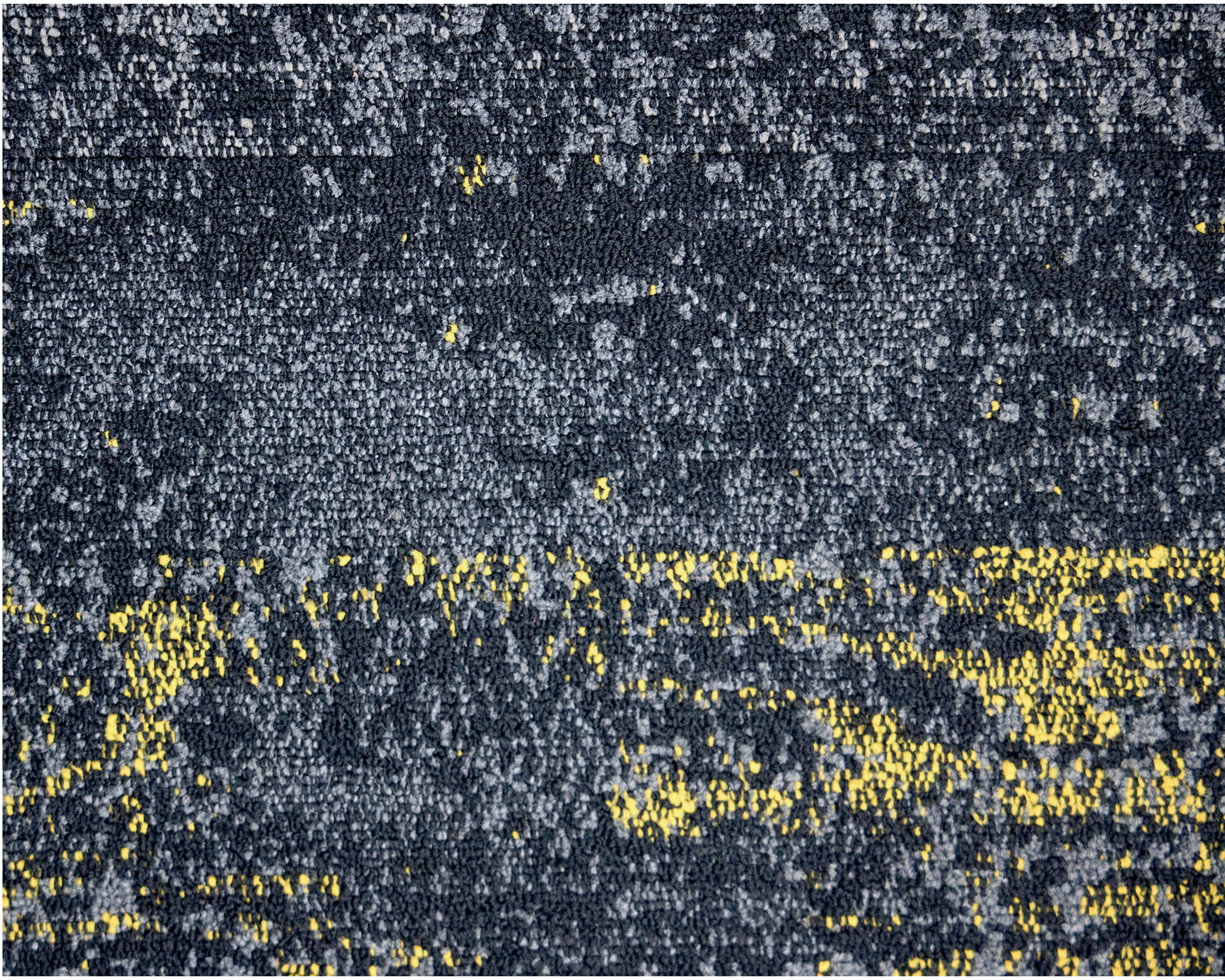

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