

Beaulieu
International
Group



**Moving ahead.
Together.**

Annual Report
2020



Dear reader,

In 2020, our teams around the world put a tremendous amount of energy and passion into making B.I.G. a stronger, more unified industrial group. We will continue to do so in the years to come. This integration will benefit our employees as well as all our external stakeholders, from suppliers to clients to local communities.

Why we are positive we'll realise the ONE B.I.G. dream? A determination to achieve our goals, no matter the circumstances, has always been a key trait of our Group. To illustrate: even in 2020, an extraordinary year, we thrived. B.I.G. enters 'the new normal' with sound financials and a resilient, agile business model.

The future looks promising. If we continue to generate growth, manage costs, strengthen talent and invest in areas such as sustainability, innovation and digitalisation, we will succeed in our ambitions. It's great to be a part of this unique story and we hope we'll be able to write many more chapters together.

Board of Directors

Consolidated key figures

(in mio €)	2020	2019
Income Statement		
Turnover	1.736,8	1.855,6
Operating profit before non-recurring items	145,0	135,0
EBITDA	204,6	197,2
EBIT	126,7	123,4
Net result	87,1	83,4
Balance Sheet		
Equity	881,6	849,2
Net cash position	198,4	46,2
Total assets	1.237,5	1.255,2
Capital expenditure	51,0	78,1
Working capital	284,8	370,5
Capital employed	719,5	839,1
Ratios		
EBITDA on sales	11,8%	10,6%
Solvency - Equity ratio	71,2%	67,6%
ROCE	17,6%	14,7%



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B.I.G. at a glance

Sales

Polymers
681 million euro

Engineered Solutions
295 million euro

Flooring Solutions
845 million euro

Employees

Others
257

Polymers
303

Engineered Solutions
963

Flooring Solutions
3.177

Sales including intersegment sales

Key figures

TURNOVER
1.737 million euro
(-6,4%)

EBIT
126,7 million euro
(+2,7%)

EBITDA
204,6 million euro
(+3,7%)

NET RESULT
87,1 million euro
(+4,5%)

CASH FLOW
170,4 million euro
(+16,6%)

B.I.G. in numbers



Specialised in polymers,
engineered solutions
and flooring solutions



100% family-owned
industrial group



Founded in 1959 by
Mr. and Mrs. De Clerck



Headquarters
in Waregem, Belgium

4.700

employees

29

plants

20

sales offices and
distribution centres

16.000

unique customers in

140

countries

A global and versatile industrial group





Letter from our Management Committee

Dear clients,
business partners,
shareholders and
employees,

Let's start with the elephant in the room: 2020 was unlike anything we've ever seen. After a good start of the year, the economy came to a near standstill in early spring. Various industries plummeted, global supply chains were put to the test, consumer confidence fell to record lows and workforces faced major health and safety issues. In short, uncertainty abounded.

During this challenging period, B.I.G. proved to be extremely resilient. Thanks to our first-class employees and our remarkable agility, we managed to consolidate the gradual top-line growth we achieved in recent years.

Promising performances

Looking at the performance of our 3 business units (more info in chapter 1), Flooring Solutions came out on top in 2020. While some markets took big hits (e.g. hospitality and events), others started to boom, such as the residential market. Many people spent more time at home and gave their houses a long-overdue refurbishment with freed-up funds. Overall, we still saw an unfavourable sales trend compared to 2019, but this was fully compensated by lower material prices and an uninterrupted focus on innovation and product differentiation. The result: a profitable year for Flooring Solutions.

A similar conclusion can be made for Engineered Solutions. Sales volumes in various key markets, including automotive and contracting, were strongly impacted by the global pandemic. However, beneficial price conditions for polypropylene and excellent operational accomplishments softened the blow, while an upswing in demand for hygienic products stimulated sales. This led to an improved financial statement at the end of the year.

Our Polymers business unit managed to weather the crisis with its head held high. In a very competitive and volatile market, COVID-related demand – particularly in the United States – contributed to results that were above (market) expectations.

Company DNA bears fruit

Our resilient business model relies on 5 cornerstones, which together form the very core of our industrial group. We like to refer to them as the 5 I's of B.I.G.: Investing in the future, Innovation-driven growth, Intelligent diversification, Intrapreneurial spirit and Integrated workflows. By combining ambition with long-term strategies in all these areas, we are stronger than ever.

Important to note is that the 5 I's are closely intertwined. For example, we make it our mission to heavily invest in the development of our group. Not only with modern facilities and state-of-the art machinery, but also by attracting and engaging the right talent needed to realise our aspirations. These intrapreneurs stand at the cradle of groundbreaking innovations in various segments, such as sustainable yarns, high-tech artificial grass and digitally printed vinyl flooring. This again, allows us to further diversify our offering and our markets – and thus grow.

The numbers speak for themselves. About 4.700 employees develop and produce a breath-taking variety of products, from polypropylene for food containers to high-end Needle Felt carpet. And this for a client base of over unique 16.000 clients in 140 destinations. This accomplishment is something we cherish every day and deserves a bow.

“

*Our key takeaway from 2020?
We moved ahead in troubled
waters. And along the way, we
grew closer together as a Group.”*

Working and winning as a unified Group

Although our performance in 2020 was satisfying due to our resilience to crises, there's no time for complacency. Current megatrends, including resource scarcity, on-going technological breakthroughs and shifting economic power, will significantly alter the world we live and work in. Companies that proactively tap into these megatrends will have the upper hand.

This is one of the main reasons we launched our global transformation strategy ONE B.I.G. in 2020. We took the time to take a step back and question ourselves. What are we doing, for whom, how and why? This critical exercise showed us the way forward. The business translation of these new insights will lead to more efficient operations, increased customer loyalty and growth in our core markets – something we will achieve together, without silos.

This brings us to our most important resource: the men and women who practice what we preach on a daily basis. They are the true lifeblood of our Group.

In times of crisis, our employees went above and beyond to keep B.I.G. up and running. We would like to express our gratitude for their relentless efforts and positive spirit. A big thank you also goes out to our business partners and shareholders, who put their trust in us during unprecedented times.

We are looking forward to moving ahead with you. New horizons await.

Best regards,



Stephan Colle



Ludo Ruysen

Co-Presidents
On behalf of the Management Committee



Milestones

A selection of
the most remarkable
achievements of 2020

Group

ONE B.I.G.

Launch of ONE B.I.G.

At the start of our global transformation strategy ONE B.I.G., we asked ourselves where we should head. Or to put it otherwise, who we want to be for our stakeholders. That thought process led to these 6 ambitions:

- 1 **Being an employer of choice for passionate, honest and ethical employees**
- 2 **Achieving best-in-class performance and leadership in our core markets**
- 3 **Working and winning together as a unified group**
- 4 **Being a supplier of choice and capturing the correct value for our customer focus**
- 5 **Prioritising innovation, sustainability and a hands-on approach**
- 6 **Excelling in stakeholder value creation**



People

Talent first, compelling career journeys, internal mobility and succession planning.



Innovation

Discipline in the innovation pipeline, customer-centricity and a sharp agenda.



Sustainability

Structured approach, clear priorities and based on best practices.



Digitisation

Efficiency, exceptional customer experience and channel development.



B.I.G. vs COVID

The widespread outbreak of the coronavirus inspired many of our teams to undertake heart-warming initiatives:

- Our facility for upholstery fabrics in Romania used its experience to manufacture quality face masks.
- B.I.G. collected 15.000 face masks to donate to healthcare organisations in the province of our headquarters in Belgium.
- The Berry Ibérica team assisted in equipping the IFEMA exhibition halls in Madrid (Spain) with 38.000m² of vinyl flooring so it could serve as an emergency hospital for COVID-19 patients.
- Pinnacle, our US polymers facility, delivered high-performing material that was used to create containers for needle collection, pipette tips and other types of healthcare packaging.
- Along one of the main motorways in Belgium, B.I.G. placed an enormous banner in support of first-line health workers.
- We designed, developed and produced special Needle Felt carpet that helps maintain social distancing between people.
- Our Distriplast facility produced screens for social distancing at work, displays for safety messages, partition walls for test units, etc.

Sustainability and innovation grants

We received 3 subsidies from Flanders and the EU:

- for the further development of resource-efficient ways to create monomaterial for soft flooring.
- for the implementation of data science and artificial intelligence in our operations.
- for participation in the Circular Sustainable Flooring consortium (CiSuFlo), which consists of universities, peers and other organisations.

Flooring Solutions

Exceptional year for wood and laminate

Thanks to a booming residential market, our business unit Flooring Solutions managed to close the year with sales records in various domains. For example, our laminate, vinyl and parquet floors were big hits in European households, while we also raised the bar with cushion vinyl in Europe and Russia. These successes helped to compensate for less exciting sales figures in struggling sectors, such as tradeshow & event carpet, hospitality and automotive.

Cushion vinyl set to conquer new markets

In Russia, we launched a new project to produce budget-friendly cushion vinyl. With this offering, which falls under the Textura brand, we will target the rapidly developing African, Asian, Russian and Eastern European markets. This means that we started operating a second production line, dedicated to the project, in our Juteks facility.

In-line lamination technology

Our offering in luxury vinyl tiles will soon benefit from the recently established Wielsbeke In-Line Lamination project – also known as WILL. Our investments in in-line lamination technology help us to optimise the production process and, eventually, to become more competitive in an expanding market.

Breakthrough circular solutions

First introduced at the COP 25 Climate Conference in Spain, our recyclable event carpet Rewind has earned acclaim from all over the world. The latex-free product means a breakthrough for high-volume event carpet that is normally characterised by very short lifecycles. Based on the more recently launched Alterback project, our goal is to gradually introduce latex-free and fully recyclable solutions in all soft flooring segments. Extra motivation: B.I.G. is the world's first producer to receive a Cradle-to-Cradle Silver certification for Needle Felt.

Tuft on the rise

We significantly improved results in our Tuft divisions based on operational excellence initiatives and the diversification towards higher added value collections.

Engineered Solutions

Award-winning fibre technology

B.I.G. is constantly looking for ways to make its products and production processes more sustainable. A notable achievement on this front, is the creation of UltraBond. These unique thermal bonding fibres eliminate the need for latex or other chemical binders in nonwovens. The result: when using UltraBond instead of a latex-bonding solution, it's possible to obtain an energy saving of 93%. This is due to the fact that no water needs to be evaporated – a promising prospect for sectors such as healthcare, automotive, agriculture and geo-engineering.

New pilot line, new opportunities

In February 2020, Beaulieu Fibres International announced the completion of a brand-new pilot line in Terni (Italy), as well as the start-up of a multifunctional production line to boost capacity in the same facility. "The pilot line in particular opens new doors", says Maria Teresa Tomaselli, General Manager at Beaulieu Fibres International. "It will stimulate collaborative product development and long-term partnerships because of its potential to reduce the time-to-market of new products."

Higher resource efficiency

B.I.G. Yarns launched EgoCycle, a PA6 recycled content yarn designed with circular economy benefits and high performance for the carpet industry. Its main features:

- 75% recycled content yarn with no performance compromise.
- a circular, endlessly recyclable solution for contract, automotive and residential carpets.
- significant resource efficiency compared to virgin-based PA6 yarn: 58% reduction in fossil fuel use, 27% less energy consumption and 37% CO₂ emission reduction.

EgoCycle is made with recycled granulates derived from pre-consumer recycled and regenerated PA6, certified by Control Union for Global Recycled Standard (GRS) Certification.

Smart farming with Lumilys

Beaulieu Technical Textiles introduced the smart reflective groundcover Lumilys in North America and China. Lumilys enhances the colouring of fruit in a natural way, resulting in up to 25% more profitable harvests for local farmers. The groundcover can be used for various fruits, including apples, table grapes, apricots and peaches.

UltraBond won an INDEX20 Award in the category 'Sustainable raw material' and was highlighted in the UN Global Goals Yearbook 2020.

Polymers

Spike in production and sales

As an essential business during the global pandemic, our polymers facility in Louisiana (USA), Pinnacle, set an all-time record for both production and sales volumes. Moreover, Pinnacle opened a new sales office to better serve its client base.

Investments in top-notch equipment

Our polymers facility in France, Polychim Industrie, had a fruitful year as well. To improve our client service, we invested in new packaging equipment: 25-kilogram bags to ship PP products directly out of the production facility.

Production record for technical sheets

Our business unit for polymers set an all-time production record for technical sheets. These are used in different applications, such as signage, packaging and construction.

chapter 01

Our business units

Flooring Solutions

Engineered Solutions

Polymers

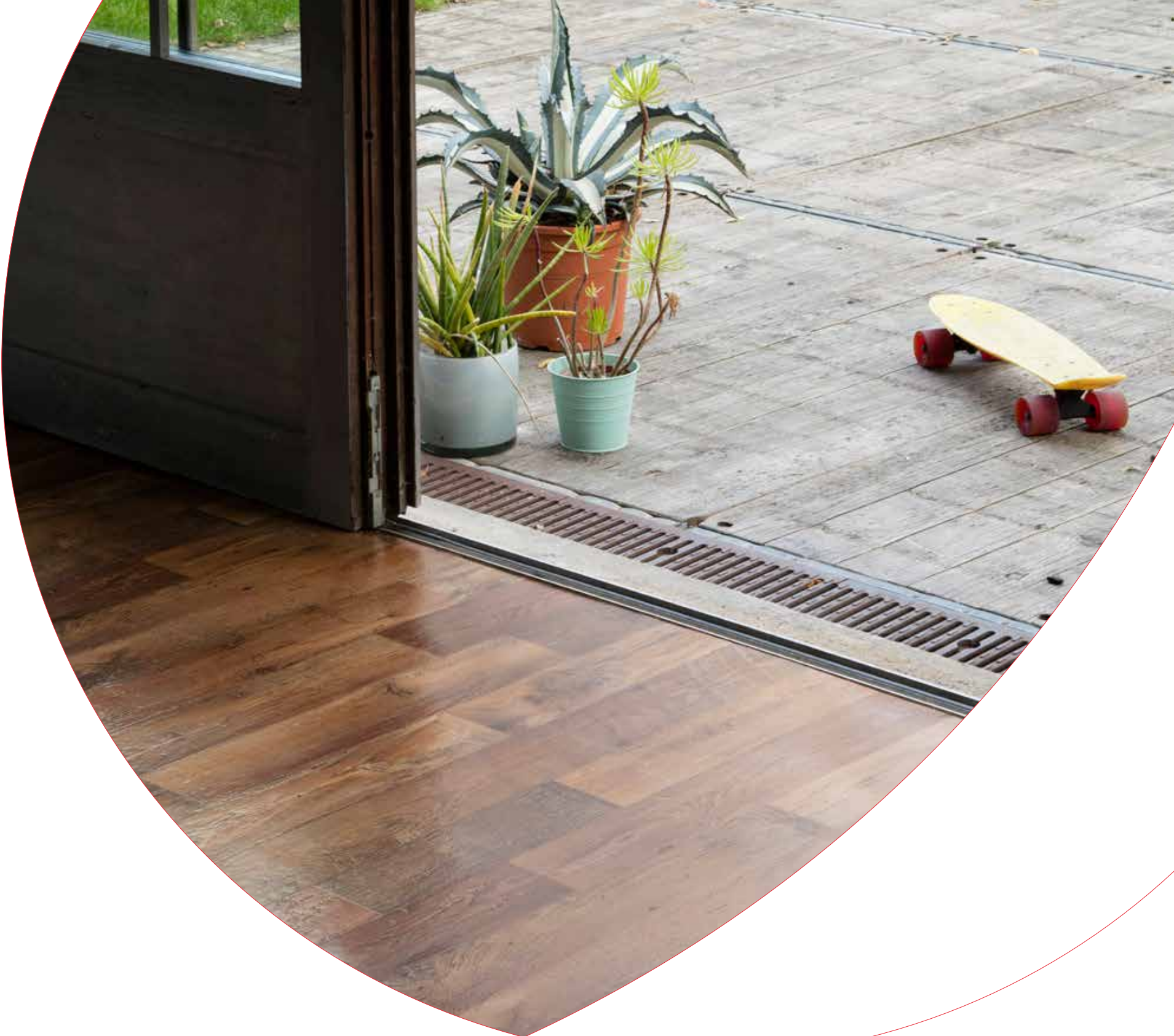
Flooring Solutions

We are the undisputed European leader in residential flooring, offering the widest product range on the market: from tufted carpet to vinyl, parquet and laminate collections. Moreover, we have acquired a prominent position in other sectors as well. Examples include Needle Felt carpet for automotive and event applications, and artificial grass for landscaping and sports. That diversity, together with a continuous focus on innovation, sustainability and a customer-centric approach, inspired a motivating performance in 2020.

Turnover share
46%

Employees
3.177

- Locations
- **Australia**
 - **Belgium**
 - **Canada**
 - **China**
 - **France**
 - **Norway**
 - **Poland**
 - **Russia**
 - **Slovenia**
 - **Spain**
 - **United States**



Masters in cushion vinyl,
hard and soft flooring

Inside out

“

Thanks to our agility, we see change as an opportunity, not a threat.”

What separates Beaulieu Flooring Solutions from the competition?

“Our diversified product and application range, our presence in various geographical markets, and our strong focus on customer service give us an undisputable competitive edge. When, due to mass cancellations of exhibitions and fairs, demand for Needle Felt dropped to historic lows, we soon noticed that the residential market started to flourish – with opportunities for soft, hard and resilient flooring. Being able to quickly respond to these fluctuations in demand has proven to be a strong asset. We may be big, but we’re also agile.”

Which trend from 2020 are you most proud of?

“Regardless of the challenges we faced, our teams stayed true to our promise: to deliver quality and top-notch customer service. Especially in resilient flooring and wood, but also in tuft, we realised excellent sales volumes – for some months even record numbers. We also accelerated our sustainability agenda by getting approval for a significant investment in the production of recyclable and energy-friendly soft flooring solutions (i.e. Alterback). Our 100%-recyclable event carpet Rewind has already earned a lot of attention and we’ve laid the groundwork for much more to come. Besides that, there was the commercial launch of our recently built cushion vinyl line in Russia and the commissioning of our LVT line in Cartersville, US.”

What are the focus points for the near future?

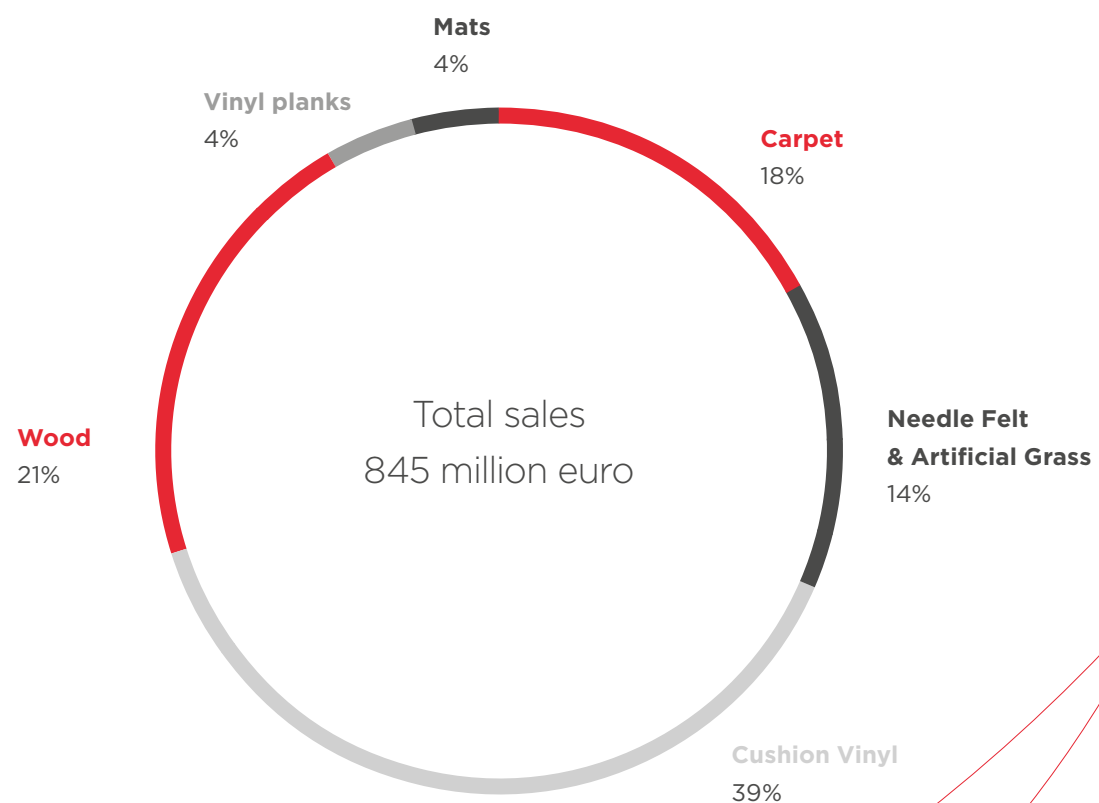
“The successful rollout of the functional excellence programs within the ONE B.I.G. project will be an important focus for 2021 as well as the commercial launch of the new in-line lamination products (new LVT line successfully commissioned at our Wielsbeke site). On-time and on-budget execution of the above mentioned Alterback project is also highly important. Pioneering with sustainable solutions will definitely stay on top of the agenda. Moreover, we’d like to invest in digital transformation: automating our B2B sales processes, setting up digital communication and sales channels with customers. Last but not least, we’re looking to increase our market shares in the US, Asia, Africa and the CIS countries in order to capitalise on our recent investments in North America, namely in Georgia and Canada.”

Wim Coppens,
VP of Flooring Solutions at B.I.G.

“

Our offering is greener than ever.”

10 specialised brands in 6 product ranges



Carpet



Wall-to-wall tufted carpet for the residential market with innovative designs and colours.

CARUS

Founded in 2009, Carus makes high-quality tufted wall-to-wall carpets for commercial use.

Needle Felt



Needle Felt products for the residential market as well as exhibition carpet and outdoor Needle Felt.

REAL

Durable Needle Felt for commercial environments, such as offices and public buildings, along with exhibition carpet, carpet tiles, runners and mats for residential use.

Artificial Grass



European-made, customisable artificial grass for landscaping, sports, decoration and other purposes.



A complete range of artificial grass products for almost any leisure or landscape application.

Vinyl



An extensive collection of cushion vinyl rolls, guided by the latest market trends and technology.



Based in Slovenia and Russia as one of the largest regional cushion vinyl producers.

Vinyl Planks



Innovative, easy-to-install laminate and vinyl floors with lifetime warranties for residential use.

Wood



Interior solutions for residential and commercial projects, including parquet flooring as well as wooden panels.

Mats



Mats mainly produces bathroom mats, car mats and residential mats in Belgium, Poland and China.

Engineered Solutions

Make no mistake: although this business unit is the smallest of the three when it comes to annual turnover, it has acquired a distinct reputation for innovation in the industry. As a leading semi-finished products provider, Beaulieu Engineered Solutions offers internal and external customers a broad selection of advanced fibres, yarns and technical textiles. Various cross-disciplinary R&D projects, pilot lines and sustained investments in state-of-the-art machinery are meant to keep the business unit at the top of its field – an illustration of the company's long-term vision.

Turnover share
16%

Employees
963

Locations
• **Belgium**
• **China**
• **France**
• **Italy**

Manufacturing excellence at work

Inside out

“

By listening to the market and proactively acting upon megatrends, we are shaping tomorrow's world.”

What separates Beaulieu Engineered Solutions from the competition?

“Due to decades of experience and technical know-how, we can turn even the most challenging customer questions into realities. Delivering reflective ground covers to improve fruit colouring? Done. Eliminating chemical binders in nonwovens? Absolutely. Producing new polyamide yarns to boost sustainability in the carpet industry? No problem. Our global customers know that they can count on us to make their ambitions come true – whatever these may be. This results in long-term partnerships and increasing market shares in various segments, such as geotextiles and hygiene.”

Which trend from 2020 are you most proud of?

“When COVID-19 broke out, the alarm bells went off in every boardroom across the globe. Businesses were temporarily shut down and employees put on furlough. But we managed to keep all facilities running throughout the year. Our employees went the extra mile and showed great resilience in times of uncertainty. In this way, we managed to handle spikes in demand for a number of products, from hygienic wet wipes to carpets for the recovering automotive industry. In other words, I'm most proud of the joint team effort to mitigate the effects of the crisis. We truly came together as one family.”

“

Our employees showed great resilience.”

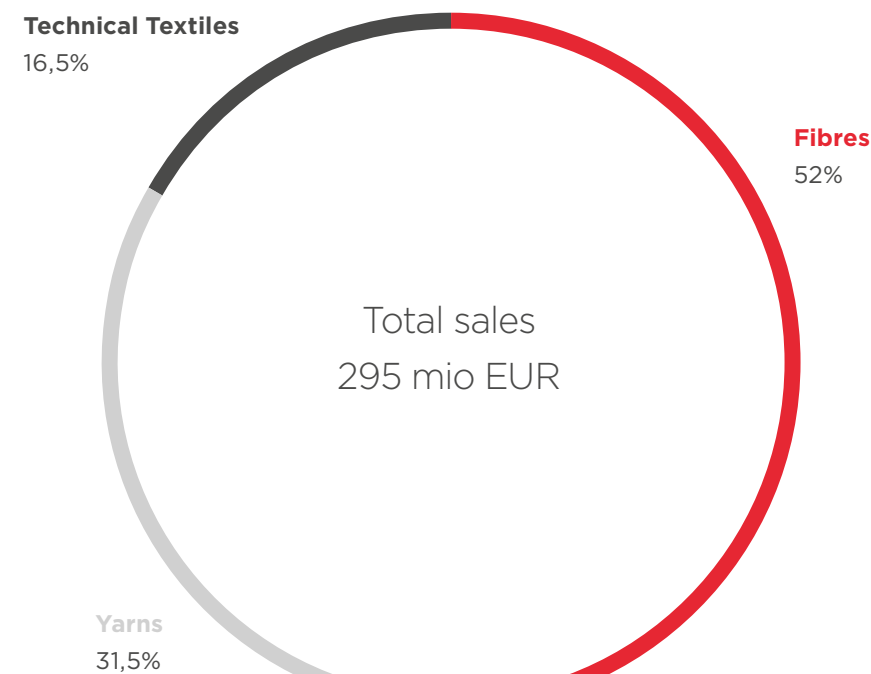
What are the focus points for the near future?

“Continuing to listen to the market and proactively acting upon megatrends, will be quintessential for our business. Sustainability, for example, has become top of mind for most clients. We're already leading the way with eco-friendly production processes for yarns and recyclable fibres, but we have plenty of other initiatives in store for the upcoming years. The end goal is to add value and thus grow in segments where we're already strong. I'm sure that if we show the same fighting spirit as we did in 2020, we will translate those targeted efforts into the desired results.”

Bo Oxfeldt,

VP of Polymers and Engineered Solutions at B.I.G.

3 specialised brands in 3 product ranges



Fibres

Beaulieu Fibres, Europe's largest producer of polyolefin and bicomponent fibres, has customers in many industries, including automotive, hygiene and wipes, geotextiles, flooring, filtration, upholstery and construction. Its production sites are situated in Belgium and Italy.



Yarns

Beaulieu Yarns specialises in high-performance polyamide and polypropylene yarns for the commercial, automotive and residential flooring market. This brand has two production facilities in Europe (Belgium and France) and one in China.



Technical Textiles

Beaulieu Technical Textiles is a producer of woven textiles, such as carpet backings, agrotexiles, geotextiles and industrial fabrics. It has two production sites: one in Belgium and one in China.

Polymers

At Pinnacle (Louisiana, USA) and Polychim Industrie (Dunkirk, France), we transform propylene into polypropylene granules for a wide variety of applications. Many day-to-day items, including garden furniture, cosmetic bottles, food containers, rugs and adhesive tape, can be traced back to our two facilities. At Distriplast (Dunkirk, France), we specialise in the extrusion of corrugated sheets for packaging, displays, building, etc. The business unit's foremost USP is undoubtedly customer intimacy, a tactic that led to impressive results in 2020. Both Pinnacle and Distriplast established production records, while Polychim Industrie largely mitigated the effects of the crisis.

Turnover share
37%

Employees
303

Locations
• **France**
• **United States**



We transform propylene
into polypropylene granules

Inside out

“

Our clients praise the accessibility of our decision-makers. They know they're being heard.”

What separates B.I.G. Polymers from the competition?

“Within the very competitive market of raw materials, we're a fairly modest player surrounded by large enterprises. That's why treating our clients as long-term partners is so important for us. Clients need to genuinely want to do business with us. If not, they'll go elsewhere. But they get a lot in return: direct lines of communication with decision-makers, vast expertise and a real prospect of co-development. Our highly stable client base and the results of our periodic satisfaction surveys all confirm that this focus on customer intimacy is the right way forward.”

Which trend from 2020 are you most proud of?

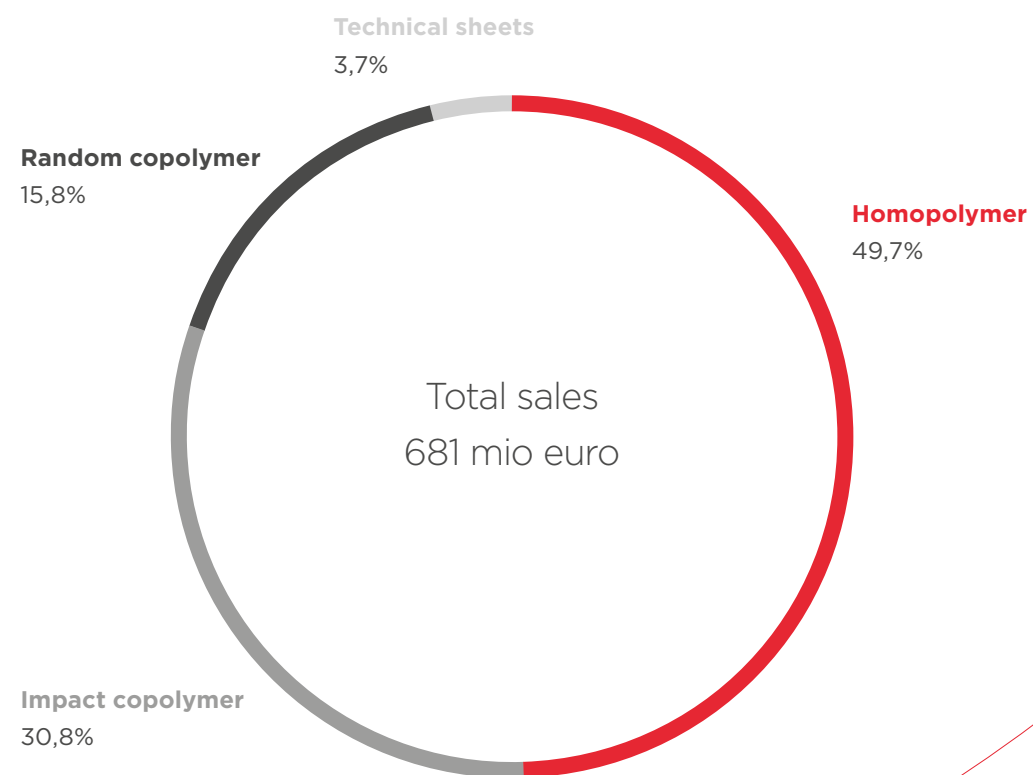
“The results are highly satisfying. Production and sales records were achieved in a year that was not only marked by a widespread pandemic, but also by the worst hurricane season on record in the United States. All employees stepped up to fulfil our role as an essential business. Delivering high-performing polypropylene for COVID-19 test kits, face masks and hospital gowns? Every challenge was met by hard work and perseverance. With the risk of sounding like a broken record: B.I.G. Polymers excelled because of its hands-on talent base.”

What are the focus points for the near future?

“We are not among the biggest players in the market, but we focus on maximising our value chain and increasing awareness as a supplier of choice. In other words, we aim to be even better at what we already do well within our market reach. On top of that, B.I.G. is accelerating its sustainability efforts. For our business unit, for example, this means preventing plastic pellets from being released into nature during production and transport processes. And more initiatives are taking form quickly.”

Deneice Bercegeay,
President of Pinnacle at B.I.G.

3 specialised brands in 4 product ranges



This American brand has the ability to produce 1,2 billion pounds of polypropylene a year. Pinnacle's homopolymers, impact copolymers and random copolymers are all proven performers for injection moulding, extrusion and other applications.



Since its foundation in 1990, Polychim Industrie in northern France has been specialising in the production of homopolymer polypropylene. Applications include BCF yarn, fibre, stretched tape, carpet backing, adhesive tapes and injection moulding.



Distriplast

Distriplast excels in the production of polypropylene (PP) technical sheets for packaging, signage and other applications. Continuous investments in product quality ensure that the products meet the highest standards.

Upholstery



Our stand-alone upholstery activities, performed under the name of Tessutica, result in quality upholstery fabrics for both residential and contracted clients. Tessutica is the Twin Company, proud parent of 2 Twin Brands: Beaulieu Fabrics and Ray Fabrics. The synergy between both brands originates from a long-standing tradition in weaving and exceptional, reputable know-how.

chapter 02

The I in B.I.G.

- Investing in the future
- Innovation-driven growth
- Intelligent diversification
- Intrapreneurial spirit
- Integrated workflows

Investing in the future

If anything, B.I.G. is a company that always keeps the bigger picture in mind. No rash decisions, but well-balanced growth paths in support of our mission. The fuel of this long-term approach? Continuous investments in all areas of our operations. We firmly believe that you reap what you sow, so we make sure to have sufficient seeds in the right places.

A glance at recent investments



Facilities



Machinery & equipment



Innovation & sustainability



Automation & digitalisation



People

Family gives direction

As a 100% family-owned company that goes back 62 years, we are not only well founded but also well run. Need proof? B.I.G. can present a strong balance sheet, is debt free and has prospered throughout the global pandemic. Much of this is thanks to the futureproof investments of the Board of Directors where the De Clerck family members maintain a steady hand.

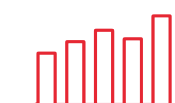
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In an extremely challenging year, we invested in extra production capacity and new talent. Our resilient business model didn't call for a more conservative reflex, so we stuck to our plans. We're positive that these latest investments will pay off in the next years. I'm looking forward to continuing my family's work and their long-term approach.”

Caroline De Clerck, Board Member at B.I.G.

A group with sound financials ...

Turnover



1.737
mio euro
(-6,4%)

2012 - 1.467 mio
2013 - 1.501 mio
2014 - 1.666 mio
2015 - 1.606 mio
2016 - 1.624 mio
2017 - 1.824 mio
2018 - 1.956 mio
2019 - 1.856 mio

... that's committed to investments with long-term impact.

Investments



51
mio euro

2015 - 138 mio
2016 - 148 mio
2017 - 98 mio
2018 - 135 mio
2019 - 78 mio

500+ million euro

Investments over
the last 5 years.

Innovation-driven growth

In times when the only constant is change, innovation has become more important than ever. Only those who can swiftly respond to emerging market needs and trends are bound to prosper. Well, that's right up our alley. Innovation has been embedded in all segments of our group for many years. Our structured, balanced and shared efforts help B.I.G. to create long-term, sustainable competitive advantage.

Structured

Our 4 innovation pillars:



People

Engage and develop technology-oriented talent.



Collaboration

Acquire expertise through internal and external collaboration.



Organisation

Implement smart models, processes and procedures.



Target

Target efforts on projects with the highest strategic potential.

“

A project that illustrates how our 4 innovation pillars blend perfectly together is digitally coloured parquet. We introduced this technique for cushion vinyl in 2016 and it was an instant hit with clients. We figured, why not do the same for parquet? The potential for new designs and colours is enormous. We set up collaborations with equipment builders and ink suppliers, adjusted our existing digital printing business model and put our in-house talent to work. The result: high-quality parquet with digital colours to boost sales and to lower the operational hurdle for running such a broad range of products. Together, we create long-term sustainable competitive advantage.”

Pol Lombaert, R&D Director at B.I.G.

Structured

No fewer than 100 employees are directly involved in R&D. About 65 of them work on (short-term) projects in our 3 business units, while our 35-strong Research Engineering & Development team (RED) is involved in cross-divisional long-term projects. This balanced and collaborative approach ensures a sound and continuous innovation output.

Shared

Innovation isn't the sole prerogative of our R&D teams. It has gradually been embraced by all B.I.G. employees. For us, innovation is an ideal way of bringing people together and tearing down silos. We've done so with success: cooperation, critical thinking and the urge to act upon new insights is an integral part of our DNA today.

10 million EUR

Invested annually in R&D at Group level.

40

High-value patent families, with 6 more to come in 2021.

100

Number of highly skilled employees in R&D.

20+

Innovation projects with external partners, such as Agfa-Gevaert and KU Leuven.

“In 2020, we introduced digitally coloured parquet to revamp our offering.”

Intelligent diversification

We are proud to say that B.I.G. doesn't depend on a single product line, industry, geographical area or a handful of key clients. Through well-considered actions, we've become a mature and diverse group that can easily absorb market volatility. Moreover, diversification allows us to discover growth strategies in both new and existing market segments.

Our diversification in numbers

15

Product portfolio

We offer 15 product groups spread over 3 complementary business units.

140

Geographical presence

Although Europe is our home market, we have clients in over 140 countries across the globe.

16.000

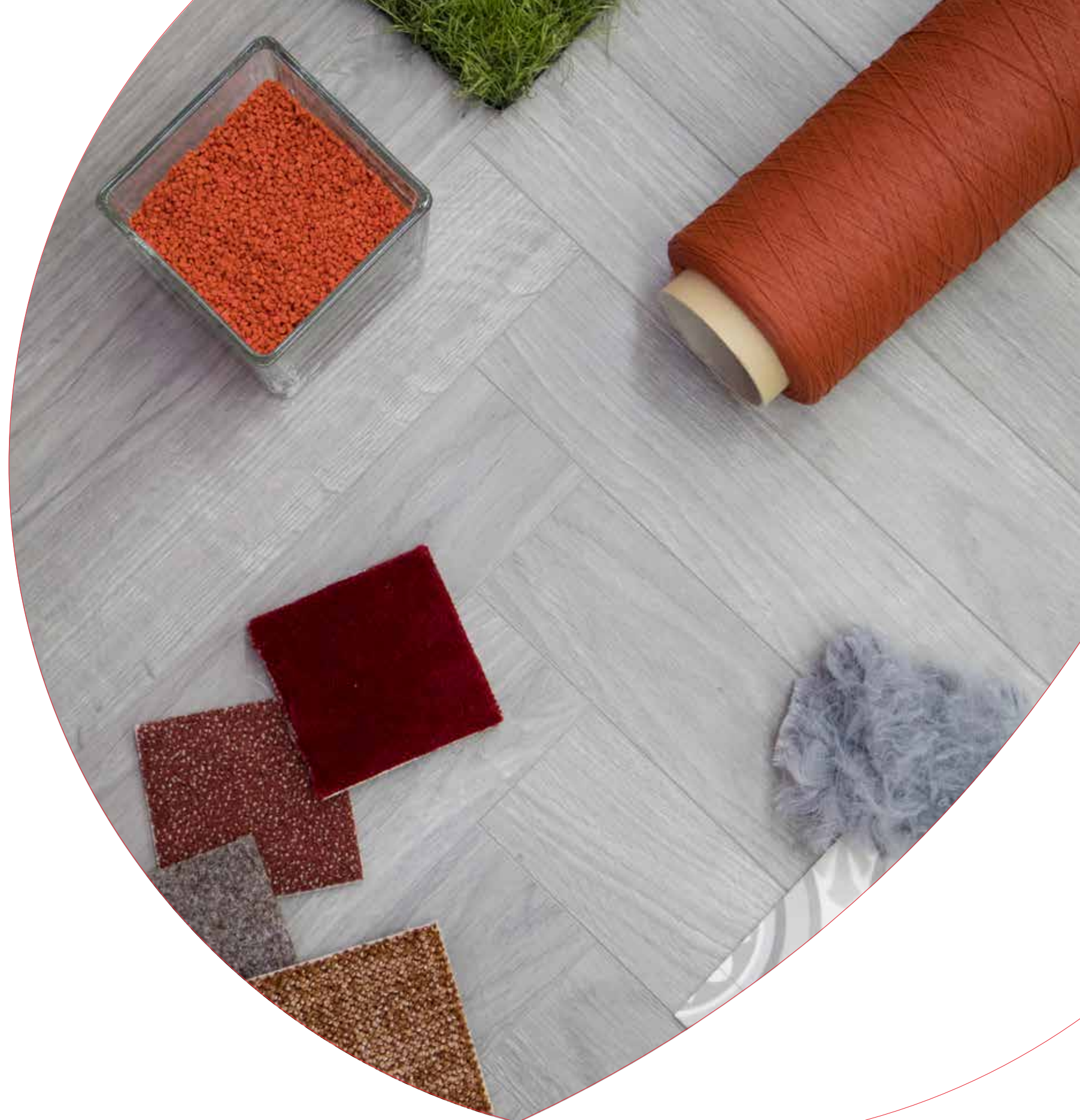
Client base

B.I.G. serves more than 16.000 unique customers.

8

Applications

Our 8 core markets include agriculture, automotive, commercial, construction, hygiene industrial, public and residential.



Peace of mind

The biggest advantage of our strong position in various markets is risk mitigation. A faltering industry or market will have a limited impact on our group, because other industries and markets will always provide a counterweight. In other words, external influences don't destabilise us easily.

“

If done irresponsibly, diversification can lead to lower investments in key activities or a loss of focus. Therefore, it's important to note that diversification is not a goal in itself. We only launch more products, destinations, markets, etc. after careful analysis of their potential for added value. One step at a time.”

Michael Finelli, Transformation Director at B.I.G.

Future prospects

Diversification, however, isn't just a survival strategy. For example, developing new products enables B.I.G. to boost its sales, to gain additional in-house expertise and to explore operational synergies. We look forward to tapping into new market trends and customer demands in the coming years.

From fibres for wipes ...



... to artificial grass for luxury hotels.



Intrapreneurial spirit

It's no secret: we love a good challenge. That's because we know we have the right talent in place to come out on top, from open-minded employees to critical-thinking managers. Together, they not only create ways to perform better, but they are also willing to take direct responsibility for it. This mentality has allowed B.I.G. to become an industry-leading player.

3 reasons why

#1 Engagement

With their passion, intrapreneurs inspire others to get involved and try new things.

#2 Ambition

Intrapreneurs don't sit back, but are determined to become the best versions of themselves.

#3 Progress

As change agents, intrapreneurs foster bottom-up innovative solutions to match the company's vision.

At B.I.G., we encourage the engaging, ambitious and progress-oriented attitudes of our employees by creating a stimulating environment. Open communication, a risk-tolerant culture and plenty of creative projects on all levels are just the tip of the iceberg.

“

Over the years, we've made intrapreneurship our top priority in HR. Why? It's simple: intrapreneurs take proactive steps to improve business operations and hit targets. This outspoken can-do mindset, combined with a policy to empower employees, is what defines our company and differentiates us from other companies.”

Pieter Lelieur, Chief HR Officer at B.I.G.

Young Engineers Programme

At any given moment, we employ between 15 and 30 young engineers in our dedicated development programme. They are selected based on their level of intrapreneurship and face a variety of challenges from day 1. With the objective of creating the technological leaders of tomorrow, we push them towards new horizons and enable them to sharpen their skills with on-going training and coaching.

“

Every year we welcome a fine selection of young engineers, who later progress to new positions within our group. Equally important: they give flooring solutions, engineered solutions and polymers a sexier image. While sharing their experiences within their networks. Through word of mouth, we've successfully attracted many new high-potentials in regions where technological talent is scarce.”

Bo Oxfeldt, VP Polymers & Engineered Solutions at B.I.G.



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Number of promising intrapreneurs (PhD's and MSc's) attracted since 2013, 20% of which are women.

As B.I.G. puts its talent first, 25 moved on to positions such as plant manager, operations manager, technology manager and R&D manager.

Integrated workflows

As a large-scale industrial group with a global reach, we constantly look for sensible synergies and other angles to achieve business optimisation. More concretely, we focus on a unified way of working (together), standardised structures and consistent performance assessments. The goal: to deliver the best possible products and services to our clients.

Vertical integration

We are masters in polymers, engineered and flooring solutions. Together, our business units control large parts of the flooring supply chain. For example, B.I.G. Polymers delivers premium polypropylene (PP) to B.I.G. Engineered Solutions, which in turn uses the PP to supply ready-to-use yarns and fibres for B.I.G. Flooring Solutions.

“

Vertical integration creates benefits for both B.I.G. and our clients. For us, it means increased in-house expertise, lower resource costs, reduced supplier dependence and the ability to offer a wider variety of products. For our clients, vertical integration results in a customisable offering and optimum quality assurance.”

Kris Vekeman, General Manager Needle Felt at B.I.G.

Horizontal integration

Over the years, our Group has acquired several businesses across the globe. This has helped us to expand in size, to diversify product offerings, to reduce competition and to explore new markets.

Recent acquisitions:



Australia
Beaulieu Australia



Belgium
Tissat / Ragolle Fabrics



Canada
Beaulieu Canada



Italy
Meraklon



Russia
Juteks / Opus



Spain
Doménech Hermanos

Turning integration into excellence

One of the main business growth plans in our global transformation strategy – also known as ONE B.I.G. – is functional excellence. We want our business units, brands and teams to grow even closer together by applying the same systematic performance enhancing programs.

These include:

Operational Excellence (Opex)
Procurement
Working Capital
Commercial Excellence (Comex)



chapter 03

Corporate Social Responsibility

People

Planet

Prosperity

Partnerships

Creating our own sustainability model

Corporate Social Responsibility

With the 17 Sustainable Development Goals (SDGs), the United Nations provide an ambitious agenda for improving our world by 2030 – laying out where we collectively need to go and how to get there. Well aware of the importance of businesses in this context, B.I.G. has made significant investments in the achievement of various goals, from sustainable communities to clean energy and responsible production.

In this chapter, we've clustered our initiatives in accordance with the 4 Ps of UN's sustainability agenda (People, Planet, Prosperity and Partnerships).

“

Achieving the UN sustainability agenda for 2030 will heavily depend on the commitment of businesses. As a global industrial group with activities in numerous markets, B.I.G. wants to lead by example.”

Peter Vandekerckhove, Chairman of the Board at B.I.G.



People

We believe in working together to perform better. Undoubtedly, 2020 has proven yet again that people are our most important asset. Under very difficult circumstances, our employees made the difference with their agility and fighting spirit. As a truly global company, we want to offer the best working conditions possible to our workforce. This means providing a safe, inspiring and inclusive workspace as well as offering continuous training and development opportunities. B.I.G. employs people in 17 countries around the world and of 48 nationalities.



People truly make a difference in challenging times. Sounds fluffy? For B.I.G. it doesn't: discretionary effort is the holy grail of employee engagement. The agility and fighting spirit of our people were decisive for B.I.G. and its customers in 2020."

Stephan Colle, Co-President at B.I.G.

Our key focus points

Safe workplaces

We take care of our employees by making sure everyone goes home safe and sound at the end of the day. From providing ergonomic workstations to implementing measures related to COVID-19, our safety efforts are meant to eliminate all potential risks. We always meet or exceed the legal requirements in our facilities, and we can prove it.



For example, in 2020, Beaulieu Canada obtained a certificate as a Healthy Enterprise from the Bureau de Normalisation de Quebec, while our Cushion Vinyl facility in Belgium celebrated a year without occupational accidents. These achievements are not exceptions for our Group.

A selection of our safety initiatives in 2020:

- Providing face masks, hand sanitiser dispensers, social distancing guidelines, circulation plans, etc. in all facilities.
- Informing our employees on new protocols and measures through info screens and other internal communication media.
- Extending virtual meeting rooms on our standard VC solution and rapid implementation of MS Teams for video conferencing.
- Facilitating teleworking with an ICT service desk, the scaling of Citrix servers and more laptops for employees.
- Documenting a standard way of working with a global implementation via our Back-to-Normal Guide.
- Reducing safety concerns with modified warpers (Beaulieu of Australia).
- Monitoring all safety indicators on a monthly basis.
- Implementing behaviour-based safety programs.

An inspiring and inclusive company culture

Together, we constantly analyse our approaches and look for ways to improve both in the short and the long term. We are committed to breaking down silos between teams and divisions to stimulate productive synergies. This open-mindedness, intrapreneurship, connection between colleagues and focus on results is the core of our distinct organisational culture. In short, we inspire each other and move ahead as one united Group. During that process,

everyone is treated equally, regardless of gender, ethnicity, age, sexual orientation, etc. Even more, we foster inclusive strategies that enable diversity to thrive.

A selection of our initiatives regarding company culture in 2020:

- Launching the ONE B.I.G. Program to align our excellence programs across all facilities.
- Joining a whopping 670 colleagues from BerryAlloc in a memorable team call during the global pandemic.
- Inspiring 100 colleagues from 7 countries at the first fully digital innovation days event.
- Welcoming office staff who work as volunteers on the Mats line during the pandemic (Mats Rizhao, China).
- Giving a stylish meal kit, including a refillable, insulated water bottle, to all our employees over the holiday period.

Transparent and strength-based career paths

We fully realise that we are only as strong as our employees are. More than ever, B.I.G. wants to become a talent-first organisation. Going forward, we want to nurture talent through career development and life-long learning. Training programs will not only include technical and job specific training, but also leadership and soft skills. To that end, we will launch a B.I.G. university in 2021. This will provide our employees with inspiration, know-how and peer support from colleagues and leaders. The goal: turning knowledge into action. In close cooperation with internal experts (both in business and in functional domains) and external institutes, we will build a training portfolio to make sure that we are equipped to meet the future demands of our customers and employees.

Planet

We recognise the need to continuously improve our environmental performance in our operations. From design to production and distribution: every phase of our supply chain offers opportunities to protect the planet. It is our mission to seize those opportunities to the fullest, creating long-term value for all stakeholders. Besides concentrating on our own operations, we offer eco-friendly products to our customers with an offering that is becoming greener by the day. This two-sided approach to sustainability is an integral part of our overall strategy.



Sustainability in all its aspects is alive and kicking within B.I.G., with initiatives coming from all organizational levels within the company.”

Wim Coppens, VP Flooring Solutions at B.I.G.

Our key focus points

Energy and resource efficient processes

Futureproof energy management is a major challenge for B.I.G. as most of our production processes consume large amounts of energy, especially extrusion and drying processes. Yet, we set ambitious goals for ourselves – with success! For example, our EgoBalance yarns enable a 75% reduction in total CO₂ emissions during production and a significant fossil resources saving by using sustainably certified renewable raw materials in the value chain – biomass, in this case. Our latex-free production process for Rewind, on the other hand, can save up to 20 million litres of water a year and is far less energy-intensive. Step by step, we reduce the environmental impact of our Group.

A selection of our initiatives regarding energy and resource efficiency in 2020:

- Reducing material needs through the smart application of foams in cushion vinyl.
- Optimising the size of clients' samples to avoid unnecessary waste.
- Increasing transport by train, sea, inland waterways, etc. as well as using cargo sharing.
- Monitoring water consumption and using recycled water when possible.
- Replacing old, fossil fuel-driven forklifts by electric forklifts.
- Reselling unpolymerized monomer to suppliers to reduce flaring.
- Sourcing energy through solar panels at various sites.
- Monitoring energy and implementing reduction programs

Circular solutions

If we wish to tackle the global climate emergency, products should be designed to maximise their value and minimise waste. Many of our innovation efforts centre around this axiom. One of the biggest achievements is the development of products enabling recyclable, monomaterial end products, such as our UltraBond fibres. These 100% polypropylene, 100% recyclable fibres are already used to produce Rewind, our eco-friendly event carpets. The further rollout of Rewind could prevent up to 120 million square metres of event carpet from ending up in incinerators or landfills every year. UltraBond fibres also have promising prospects for other markets, including geotextiles and water filtration.

A selection of our circular initiatives in 2020:

- Recycling yarns from marine plastic waste into a new collection of upholstery fabrics (Greencare), which can be recycled again.
- Working on a new product range incorporating 30% of recycled polypropylene (rPP) at our Distriplast facility.

- Recycling and regranulation of internal waste at Beaulieu Fibres International.
- Using renewable wood in laminate and parquet by BerryAlloc.
- Prioritising recycled paper in Tessutica marketing activities.
- Focusing on cradle-to-cradle design for our tuft activities.
- Producing compostable and (partly) biobased agrotextile.

Eco-friendly products

We want to help consumers to reduce their ecological footprints. First of all, we do this by offering them responsibly made and recyclable products. But we also look further than that, at how the use of the product benefits the consumer. Our artificial grass is a telling example. It's not only recyclable, but it also saves a lot of water and eliminates the need for fertilisers and pesticides. Or what about our Lumilys ground cover? Because of its reflective qualities, it naturally enhances the colouring of fruit, so farmers don't need to use chemicals on their crops. These 'green' products give us a competitive edge in a world where consumers increasingly give more importance to sustainability.

A selection of our initiatives regarding eco-friendly products in 2020:

- Producing dope dyed yarn, eliminating carpet dying (Beaulieu Yarns).
- Exploring the further application of our UltraBond solution (Beaulieu Fibres).
- Producing cushion vinyl that is 100% recyclable and can be used in LVT or other plastic products.
- Improving the durability of our cushion vinyl products.
- Offering flooring products with very low VOC emissions (good indoor air quality).
- Developing geotextiles with high tensile strength for low weight/low material use.
- Manufacturing Oekotex-certified fibres.

Prosperity

One of the reasons why we commit to the SDGs is because they support stable societies and markets – the pillars upon which business success is built. More concretely, we contribute to economic growth by empowering local communities, offering decent work, investing in state-of-the-art facilities and by being at the forefront of innovation in our core markets. Last but not least, we offer the market top-notch products that are backed by several certificates and quality labels. These forms of recognition inspire further growth.



“We are convinced that economic prosperity can happen in an environmentally sustainable way – something we put into practice on a daily basis.”

Emmanuel Colchen, General Manager Yarns at B.I.G.

Our key focus points

Flourishing communities

Local prosperity is something we actively pursue. In all our locations, we maintain good relations with business leaders, non-profit organisations, customers, governments and other stakeholders. To illustrate, we manage several charity programmes and we regularly count on the services of workshops for disadvantaged job seekers. However, it is especially the talent surrounding our facilities that attracts the bulk of our attention. They are the lifeblood of both their communities and our Group. So, we reach out to them from the very start. Each year, we give students the opportunity to enjoy a first work experience within our Group and explore their passions.

A selection of our local initiatives in 2020:

- Providing district heating with sawing dust in the communities of Meaulne (France) and Lyngdal (Norway) thanks to BerryAlloc.
- Outsourcing the production of our tuft sample books to sheltered workshops (AAROVA).
- Reducing odour nuisance and noise from our tuft facilities.
- Taking part in the Urban Regeneration program with Beaulieu Fibres International.
- Organising initiatives for The Warmste Week in Belgium.
- Donating 15.000 face masks to care institutions in Western Flanders, Belgium.
- Collecting food for local food banks (Pinnacle, US).
- Collecting toys for the Marine Toys for Tots program (Pinnacle, US).

A selection of our initiatives regarding infrastructure and innovation in 2020:

- Increasing efficiency and reducing safety concerns with modified warpers at Beaulieu of Australia.
- Inaugurating a new office for Opus Russia.
- Opening a new showroom for Juteks Russia.
- Preparing the new fibre brand Line of Beaulieu Fibres International Terni.
- Investing in new railcars to transport our polymers throughout the US.

Infrastructure and innovation

The goals of SDG 9 are cut out for us: to build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation. We own 29 plants and 20 sales offices and distribution centres, we deliver cutting-edge technological advances, and we dedicate about 10 million euros a year to innovation. With our recent and upcoming investments in new machinery, digitalisation and automation, our impact will only expand, while allowing employees to focus on what they do best: creating long-term sustainable competitive advantage for our Group. This will, in turn, lead to more growth and room for investments on a global level.

A glance at some of our certificates and quality labels



Many of our facilities are certified for adherence to the ISO standard for environmental management systems: Distriplast, Beaulieu Fibres International, Beaulieu Yarns, Beaulieu Technical Textiles, Cushion Vinyl and Tuft. In other words, we continuously improve the environmental performance of our activities in a systematic, effective and sustainable way.



We take quality seriously at Beaulieu Fibres International: 6 facilities have been certified for adherence to the ISO standard for quality management systems for the past 25 years, while our facility in Weihai (China) has been certified since 2016. Beaulieu Australia is ISO 9001 certified as well.



Energy management is a cornerstone of our operations. Our Distriplast and Tuft facilities can support that claim with a certification for the international standard ISO 50001.



Standard 100 by OEKO-TEX is a third-party certification system for textile products at all stages of production, which verifies that the item has been tested for harmful substances. Beaulieu Fibres International offers a range of fine PP fibres for use in the furniture and bedding industry, that are all OEKO-TEX compliant.



Our latex-free Rewind event carpet has achieved the 'Cradle to Cradle Silver'-certified status. Rewind spent almost a year in audit, during which period it was thoroughly assessed for 5 product qualities: material health, circular economy, renewable energy, water stewardship and social fairness.



All Beauflor vinyl products are compliant with stringent REACH regulations in the European Union, adopted to improve the protection of human health and the environment from the risks posed by chemicals, while enhancing the competitiveness of the EU chemicals industry.



The parquet floors by BerryAlloc are made from wood that comes exclusively from sustainably managed forests. This implies traceability and rigorous monitoring at every stage of production and marketing.



BREEAM is a European rating system for the sustainability of buildings. LEED is a similar system, but in the United States. BerryAlloc is certified for both.

Partnerships



If you want to go fast, go alone. If you want to go far, go together. Well, at B.I.G. we intend to go far. Therefore, we highly value sharing know-how, expertise and resources, both internally and externally. This allows us to make better products and reach a greater audience. Whether we work together with business partners, universities, research institutions, public authorities or other organisations, everyone has something to bring to the table. Our partnerships and alliances are always win-wins and inspire us to raise the bar whenever possible.

A selection of our key partners

Universities and knowledge institutes



The university of Leuven (Belgium) assists with extrusion expertise and in-depth rheology to enable a more goal-oriented development of our processes and to include more recycled content in our products. They also assist Beaulieu Technical Textiles in optimising the reflection of technical textiles.



Centexbel, the Belgian textile research and testing center, provides textile expertise that B.I.G. uses to create innovative and sustainable solutions.

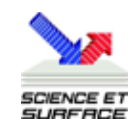


For all non-woven related matters, the Nonwovens Innovation & Research Institute (NIRI) helps us to improve product performance and resolve quality issues.

Laboratories



We partner up with the labs of the Agfa Gevaert Group to perform chemical analysis, to define the look and feel of our products, and to experiment with physical characteristics.



The French lab Science et Surface by SERMA Group investigates various interface phenomena between surfaces – insights that are crucial for product development.



Sectoral organisations



We closely work together with the International Standardization Organization (ISO), the European (EN) and the American (ASTM) standardization body to develop standards within our field.



VinylPlus is a voluntary sustainable development programme of the European PVC industry. Through our partnership, we drive PVC to being a more sustainable solution.



EDANA, the leading global association and voice of the nonwovens and related industries, offers a wide range of services that help B.I.G. to achieve its goals.



The European Association of Geosynthetic product Manufacturers (EAGM) is a valuable partner for both Beaulieu Technical Textiles and Beaulieu Fibres International.



The World Business Council for Sustainable Development (WBCSD) is a global network of over 200 member companies to accelerate the transition to a sustainable world.



Through our membership of the European industrial research management association (EIRMA), we manage to improve our IP and innovation methodologies and benchmark them with peers.



As part of the European Producers of Laminate Flooring (EPFL), we have access to a wealth of expertise and participate in standardisation for laminate flooring.



With Catalisti, the spearhead cluster for the chemical and plastics industry in Flanders, we set up open innovation projects and cooperations throughout the value chain.

Creating our own sustainability model

Why?

The 17 SDGs and the 5 related Ps (People, Planet, Prosperity, Partnerships and Peace) provide a recognisable framework for a wide variety of organisations. Not only companies, but also national governments, local authorities, non-profit organisations and many more. We feel, however, that a general framework falls somewhat short of our own unique aspirations. Sustainability is an integral part of B.I.G. and will gain even more importance in the years to come. Therefore, we decided to create a model that better reflects our sustainability approach.

Sustainability is key to our long-term strategy and therefore requires a tailored model.

How?

To define the pillars of our sustainability model, a dedicated workgroup interviewed over 20 internal stakeholders. What does sustainability mean for their division? Which initiatives do they already undertake? And where should we collectively head? The answers to these and other questions allowed us to capture the true vision of our people. We then translated their concerns and ambitions into 5 focus points, which are closely intertwined with B.I.G.'s DNA.

Human, connecting and sincere: our sustainability model in a nutshell.

What?

Our bottom-up approach culminated in these 5 sustainability pillars:

#1

We take responsibility for the environmental impacts generated in our operations.



> water



> energy



> waste

#2

We value our employees and the people around us.



> our workforce



> local communities

#3

We work towards a circular economy with the whole supply chain in mind.



> content in products



> packaging



> conduct code for suppliers



> circular solutions

#4

We take up responsibility for our climate impact.



> renewable energy



> CO₂ emissions

#5

We act with integrity and value open communication.



> communication plan



> B.I.G. policies and guidelines

Within B.I.G., we already have lots of initiatives in place for all 5 sustainability pillars.

chapter 4

Governance

Corporate governance statement	_____
Board of Directors	_____
Risk and audit committee	_____
Remuneration and nomination committee	_____
Management Committee	_____
Statement of business ethics	_____
External audit & control	_____

Corporate governance statement

The Board of Directors provides a strong governance framework for the Group, recognising that good corporate governance is essential to support management in their delivery of B.I.G.'s strategic objectives. Moreover, a solid governance framework is the starting point to operate a sustainable business for the benefit of all internal and external stakeholders.

It's important to note that the process of identifying, developing and maintaining excellent standards of corporate governance is a continuous and dynamic process. This allows for changes in the Group and its business, the composition of the Board of Directors and other developments to be reflected appropriately.

B.I.G. is committed to the principles of good corporate governance and employs a sound approach to managing and steering the Group in line with the best interests of our internal and external stakeholders. Our management structure and processes are designed to optimise the performance of the Group, while reducing the possible risks and impact of our activities. B.I.G. is managed by the Management Committee and the Board of Directors.



Board of Directors

Our Board of Directors sets the overall Group strategy, decides on major investments and monitors all corporate activities for the Group. Other duties include:

- providing direction for the Group (vision, mission and goals)
- establishing a policy-based governance system
- controlling the execution of the Group strategy by management
- being a sounding board for management during the execution of the strategy

Towards more balance

In 2019, the professionalism of B.I.G. took a big leap by appointing 4 external directors, all with substantial experience in business operations. They supplement the 4 family representatives to define the course for our Group during regular meetings. At least once a year, they organise a dedicated session to reflect on the Group's strategy.

The task of the 8 directors is clear: to pinpoint a vision to move ahead with, empower the business and install adequate control mechanisms.

Generational change

In January 2021, Francis De Clerck, director and family shareholder of Beaulieu International Group (B.I.G.), was succeeded by his daughter Caroline De Clerck on the Board of Directors. With this change, the entry of the third generation into the family business becomes a fact, ensuring stability and continuity.

Composition of the Board of Directors (January 2021)



Peter Vandekerckhove
Chairman

As a former CEO of KBL and Board member at BNP Paribas Fortis (among other top management positions), Peter Vandekerckhove is a tried and tested executive with vast experience in strategy and turn-arounds as well as people management. He joined the B.I.G. Board of Directors in 2019.



Luc De Clerck
Family representative

Luc De Clerck started his career in 1976 in France after his studies and was the former head of the Berry Floor Group. He is a B.I.G. Board member since 2005.



Francis De Clerck
Family representative

Francis De Clerck is the former head of the IDEAL Group, founded in 1991. He was a B.I.G. Board member from 2005 until 2021. He was succeeded in the Board by his daughter Caroline De Clerck as from 2021 on.



Stephan Colle
Co-President B.I.G. and family representative

Stephan Colle, a Master in International Hotel Management, is married to Ann De Clerck and resides in South Africa since 1983. He is the head of Belgotex International Group and has had a seat on the Board of B.I.G. for over 15 years.



Caroline De Clerck
Family representative

Caroline De Clerck holds a Master's degree in Commercial Sciences and has been active in Ideal Group since 2010. She worked in Germany for the automotive division of the Group and later became director of Ideal Group. In 2021, Caroline De Clerck became a Board member at B.I.G.

Risk and audit committee



Johan Lambrecht

Johan Lambrecht is a doctor in Economics and professor at the KU Leuven. Furthermore, he is director of the Studiecentrum voor Ondernemerschap (SVO) at Odisee Brussels and he has written over 300 publications in Belgium and abroad (books, articles in scientific and popular magazines, papers etc.).



Bart Deconinck

Bart Deconinck, a Master in Applied Economics and Master in Accountancy, started his career at EY and became Managing Director at Mees Pierson. He has an extensive track record in the start-up and management of international groups, particularly in the domain of mergers and acquisitions.



Jan Vander Stichele

Family representative

Jan Vander Stichele, a Master of Science in Electromechanical Engineering, has international experience in operational excellence, innovation, strategic management and sustainability. He is a board member in different companies, ranging from stock-listed companies and federations (Fevia) to smaller businesses.



Barbara De Saedeleer

Barbara De Saedeleer is Master in Business and Financial Sciences and holds a Degree in Marketing. Her career started in Corporate Banking with Paribas Bank Belgium, after which she became Regional Director Corporate Banking for East Flanders. In 2004, she joined Omega Pharma as Group Treasury Manager. She was appointed CFO of Omega Pharma and Member of the Executive Committee from 2007 until 2016. In 2017, she became Chief Investments and Operations Officer at Ghelamco until March 2021. She joined the B.I.G. risk and audit committee in 2017.

The Board of Directors created the risk and audit committee to assist and advise them on specific matters – a task that is executed according to the audit committee charter. For example, the committee monitors internal risk and control management systems, and reviews the Group's financial reporting and its statutory accounts. Above all, it ensures the consistency and reliability of the Group's accounts and all other financial information submitted to the Board of Directors.

The internal audit approach for B.I.G. consists of 4 pillars:

- strategic risk assessment
- process risk assessment
- internal audits
- follow-up of audit recommendations from the internal and external auditors

The risk and audit committee also meets on a regular basis with its statutory auditor, KPMG, to review and assess the conclusions and observations of the statutory audit of the Group.

Composition of the risk and audit committee (January 2021)



Barbara De Saedeleer,
Chair of the committee



Bart Deconinck



Ludo Ruysen

Remuneration and nomination committee

The remuneration and nomination committee prepares decisions of, submits proposals to, and provides advice and recommendations to the Board of Directors in all remuneration matters for all top-level professionals at B.I.G. The remuneration and nomination committee meets at least 4 times a year and whenever the performance of its duties requires.

The 8 responsibilities of the remuneration and nomination committee:

#1 Developing a transparent, fair and equilibrated remuneration policy for B.I.G. top-level professionals, that allows B.I.G. to attract, retain and motivate people with the right expertise and experience.

#2 Establishing comparable remuneration packages per level to facilitate possible rotation of top-level professionals within B.I.G.

#3 Optimising the external costs of the remuneration of top-level professionals, in particular by pooling certain employee benefits, insurances, etc.

#4 Supporting and reinforcing the company's long-term strategic goals in view of the companies' overall economic situation.

#5 Advising the CEO both on the operations and performance of all executive managers. The CEO, however, isn't present during his/her own evaluation.

#6 Nominating, for approval by the Board of Directors, candidates to fill vacancies if and when they arise.

#7 Performing a thorough analysis of the aspects that are related to succession planning.

#8 Assisting the Board of Directors in the appointment of the members of executive management upon recommendation of the CEO, unless otherwise decided by the Board of Directors.

Composition of the remuneration and nomination committee (January 2021)

The remuneration and nomination committee has a minimum of 3 and a maximum of 5 members. The chairman of the committee, who is appointed by the members, presides over the committee. At least one member of the remuneration and nomination committee is also a member of the Board of Directors.



Jan Vander Stichele



Annie Coppens



Pieter Lelieur

Management Committee

Our day-to-day management is entrusted to the B.I.G. Management Committee. The members include both Co-Presidents, the Chief Financial Officer (CFO) and the heads of our Business Units.

Composition of the Management Committee



Stephan Colle
Co-President



Ludo Ruysen
Co-President



Wim Coppens
Vice President
Flooring Solutions



Pieter-Jan Sonck
Chief Financial Officer



Bo Oxfeldt
Vice President Polymers
and Engineered Solutions



Statement of Business Ethics

B.I.G. is committed to conducting its business in accordance with all applicable laws, rules and regulations, and the highest ethical standards. This strong commitment is embodied in our Code of Business Conduct and Ethics and our Anti-Bribery Compliance Policy.

Both policies apply to all employees, directors, officers and internal consultants working for entities into which Beaulieu International Group NV has a controlling shareholding – either directly or indirectly. Moreover, all third parties working on behalf of B.I.G., such as agents, distributors and other representatives, are vetted pursuant to the provisions of these policies.

All B.I.G. policies and procedures are accessible by all employees on B.I.G.'s intranet portal. Also, during the on-boarding process, relevant policies and procedures are explained to new employees.

B.I.G. is committed to acting with integrity, and in compliance with all applicable national and international anticorruption and anti-bribery laws, including all relevant provisions of the Belgian Criminal Code, and as applicable, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and any other applicable anti-bribery laws enacted in the countries in which B.I.G. operates.

The purpose of the Group's Code of Business Conduct and Ethics is to help employees in making ethical and legal decisions when conducting B.I.G.'s business and performing their day-to-day duties. The Board of Directors is responsible for administering the policies, although it has delegated the day-to-day responsibility to the Group Legal Director. In addition, senior leadership confirms on a yearly basis that the business has been conducted with respect to our policies.

Conflicts of interest

Directors and members of the executive committee will cherish their independence of judgment at all times and will always act in the best interest of the Group. They will also, to the extent possible, ensure that they are free from any conflict of interests.

If a director or a member of the Management Committee has a direct or indirect conflicting pecuniary interest, the relevant director or member of the Management Committee will respectively inform the Chairman of the Board of Directors or Co-Presidents of the Management Committee. He or she will also abstain from participating in discussions of the Board of Directors or the Management Committee and in the voting process.

As disclosed in the statutory accounts, the Board of Directors applies the procedure defined by article 7:96 of the Belgian Code of Companies and Associations.

External audit and control

KPMG has been nominated in 2020 as the statutory auditor for B.I.G. and its subsidiaries as well as for the Group's consolidated accounts.

KPMG has issued an unqualified audit opinion on the statutory and consolidated financial statements of B.I.G. NV as of and for the year ended December 31, 2020.

chapter 05

Financial report

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1. Financial review

1.1. Key Figures 2020

“Our 2020 financial performance showed a remarkable resilience and resulted in a very solid business performance over the year in a very challenging market environment. Our EBITDA improved versus last year, whereby in the first half of the year we suffered from the impact of the COVID-19 lockdowns but fully regained momentum in the second half of the year, showing an EBITDA of 204,6 million EUR (11,8% on sales), up 4% yoy. On top, we strictly managed our working capital and capital expenditure spending in these uncertain times, which resulted in a strong free cash flow generation and further improvement of our liquidity position, showing a net cash of nearly 200 million EUR. A robust basis to cope with the short-term challenges and our long-term growth ambition.”

Pieter-Jan Sonck, Chief Financial Officer at B.I.G.

Consolidated key figures

(in mio €)	2020	2019
Income Statement		
Turnover	1.736,8	1.855,6
Operating profit before non-recurring items	145,0	135,0
EBITDA	204,6	197,2
EBIT	126,7	123,4
Net result	87,1	83,4
Balance Sheet		
Equity	881,6	849,2
Net cash position	198,4	46,2
Total assets	1.237,5	1.255,2
Capital expenditure	51,0	78,1
Working capital	284,8	370,5
Capital employed	719,5	839,1
Ratios		
EBITDA on sales	11,8%	10,6%
Solvency - Equity ratio	71,2%	67,6%
ROCE	17,6%	14,7%

Definitions (non-GAAP measures):

- EBIT= Profit before tax + interests + income from financial assets + non-recurring result
- EBITDA = EBIT + depreciations + write downs on stock/trade receivables + changes in provisions
- Net financial position = financial debts - cash and cash equivalents
- Working capital = inventories + trade receivables + other receivables + deferrals - trade payables - employee benefit obligations & tax payables - other current liabilities - accruals
- Capital Employed (CE) = Working capital + non-current assets
- Solvency - Equity ratio = Equity / Total Liabilities
- ROCE = EBIT / Capital Employed (CE) at balance sheet date end of year

1.2. Financial Highlights

Income statement

Our **consolidated sales** for 2020 amount to 1,7 billion in 2020, which represents a decline of 6% compared to last year. Despite having an overall organic sales growth of +2%, the lower consolidated sales is driven by on the one hand an adverse currency impact (-3%) related to the US Dollar and Ruble, and on the other hand a negative impact of -5% related to low raw material prices in our Polymer division, fully reflected and passed through in the sales prices.

Operating result of the Group before non-recurring items amounted to 145 million, improving by 7,4% or 10 million compared to 2019. Main elements that drive our strong profitability lift up, despite our lower sales and COVID-19 pandemic, are:

- Purchases decreased by 9%, from 1,1 billion in 2019 to 1 billion in 2020, mainly driven by the lower underlying propylene raw material prices in our Polymers segment and the in general lower raw material prices in the Flooring Solutions & Engineered Solutions segment impacting the margin positively.
- Overhead expenses decreased by 25 million. Whereof services & other goods expenses decreased by 16,4 million due to lower travel, marketing costs and other savings initiatives. The remuneration expenses decreased by 8,6 million, reflecting the measures to proactively mitigate the financial impact of Covid-19.
- The depreciations on our (in)tangible fixed assets remained stable on 67,9 million in 2020.
- We accounted for 5 million additional write-offs on our inventory & receivables to reflect the current market environment.

The **non-recurring operating result** had a net profit impact of +0,5 million, being the combined impact of the release of impairments and restructuring provisions for 9,1 million and the restructuring costs and expenses related to our ONE B.I.G. strategy for 8,6 million.

Interest income and expenses amounted to a net cost of 2,9 million, down by 5,5 million compared to 2019, mainly driven by less interest income on current assets and interest costs that are charged by banks on the positive cash balance, which further increased during the year due to the withdrawal of our credit line to proactively manage the covid-19 outbreak from a financial perspective.

The net **non-recurring financial result** for 2020 shows a net profit of 9,8 million, caused by a favorable foreign currency impact on an intercompany dividend.

Income taxes increased by 11,1 million mainly due to a non-recurring withholding tax expense of 12,6 million on an intercompany dividend.

The **net result** for the period thus totaled to 87,1 million, up with 3,7 million compared to 83,4 million in 2019.

Consolidated Balance sheet

The balance sheet total slightly decreased by 1 % at the end of 2020 amounting to 1.237,5 million compared to 1.255,2 million at the end of 2019.

Our largest asset class in value, the tangible fixed assets at the end of 2020 amounted to 400,8 million compared to 427,6 million at the end of 2019. All companies of the Group together invested 46,3 million in tangible fixed assets in 2019, which is below our depreciation level of 2020.

Working capital decreased substantially by 23% towards 284,8 million at the end of 2020 compared to 370,5 million at the end of 2019. The release in working capital was mainly caused by our decreased inventory by 70 million or 22 %, due to our continuous efforts to decrease inventory levels, very strong sales in Q4 lowering our inventory levels, combined with the lower underlying raw material prices. Our trade receivables increased by 9,7 million towards 263,2 million at the end of 2020 compared to 253,5 million at the end of 2019. The increase is mainly driven by the higher activity level in Q4 2020 compared to Q4 2019 and the strict control on the collections of our receivables.

The equity further strengthened towards 881,6 million at the end of 2020, driven by the positive net result of 84,1 million, partly offset by a significant adverse impact on the cumulative translation adjustment ("CTA") for an amount of 51,6 million. This significant negative translation adjustment impact was mainly caused by the weakening of the Ruble and US Dollar, and a one-off impact related to the intercompany dividend repatriation resulting in the recycling of CTA through our P&L.

Our net financial cash position further improved from 46,2 million at the end of 2019 to 198,4 million at the end of 2020 driven by a strong free cash flow.

Consolidated Cash Flow

During 2020 there was a strong focus on managing cash and preserving liquidity, resulting in a positive free cash flow of 170,4 million (excluding currency impact).

The EBITDA performance of 204,6 million was supported by a strong working capital release in 2020 by 62,9 million, resulting in a strong cash flow from operations of 219,1 million EUR.

Our capital expenditure for the year 2020 amounts to 51 million. The capex level in 2020 of 51 million EUR was significantly below our 5 year average of around 100 million, driven by strict capex containment measures during 2020 and the completion of certain expansion capex programs.

As a result of the strong financial performance in 2020, our liquidity and solvency ratios further improved in 2020, ending up with a cash balance of 253 million at the end 2020 and solvency of 71,2%.

Segment information

Polymers

Lower operational performance in a very competitive environment. However, Polymers performed better than market expectations

- Overall sales volumes were 11% higher than 2019 due to unexpected strong demand (mainly in the US) following force majeure situations at competitors due to hurricanes and COVID-19 related higher demand in the medical and packaging segment (e.g. food take-away).
- Low raw material prices were driving sales prices down resulting in an 8% sales decline.
- Overall margins were lower than 2019 following the market dynamics, but mitigated by an unexpected tightness in the market in the second half of the year.

Engineered Solutions

Strong operational performance and margin uplift more than compensated for the low sales volumes in key markets

- Demand in event carpet, contract and automotive significantly impacted by COVID-19 pandemic.
- For a part compensated by a strong demand in hygiene and carpet backing.
- Succeeded in compensating lost margin of lower volumes by improved raw material pricing conditions, productivity improvements and overhead cost reduction, resulting in a significant EBITDA margin uplift.

Flooring Solutions

Flooring Solutions leading the way and showing strong profitability uplift in 2020

- Overall, sales trend remained unfavorable (-5%).
- Huge drop in activity during Q2 and continuing low demand in the contract and event market.
- Strong growth in Residential segment as from Q3 and Q4, with resilient and hard flooring coming out on top.
- Despite the overall sales decline, profitability significantly improved boosted by favorable raw material prices and significant overhead cost reductions.
- Continued focus on uplifting our sales mix through investments in innovation, design and product differentiation also contributed to our increased profitability.

1.3. Outlook

On March 11, 2020, the World Health Organization declared COVID-19 as a pandemic. The Company's results of operations have not been significantly impacted. The extent of COVID-19's effect on the Company's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. The Company continues to analyze the potential impacts to its business operations. The Board of Directors is convinced that the financial strength of the Group and the access to credit facilities is sufficient to face these exceptional circumstances.

The further development of the Group's results also depends, amongst other things, on the following factors: Uncertain geopolitics and global economic evolution; Market conditions in some of our key segments, especially the polypropylene market conditions; Evolution and volatility of raw material prices (propylene, latex, PVC etc.); the evolution of the Euro against mainly the US Dollar, Russian Rouble and British Pound.

With our strong financial fundamentals and resilience shown during 2020, we are ready to cope with a gradual recovery from Covid-19 and expected inflation in underlying raw material prices during 2021.

1.4. Consolidated income statement

In thousand EUR	Notes	2020	2019
Turnover	3.4.	1.736.796	1.855.572
Raw materials, consumables and trade goods		-1.018.048	-1.123.122
Services and other goods		-284.029	-300.410
Remuneration, social sec. costs and pensions		-235.629	-244.204
Depreciations		-67.920	-67.784
Write downs stock and trade debtors		-4.972	166
Provisions for liabilities and charges		-965	-1.017
Other operating income		27.763	24.514
Other operating expenses		-8.030	-8.711
Operating profit before non-recurring items		144.965	135.004
Interest and other debt expenses		-4.891	-5.524
Income from financial assets		2.021	8.148
Depreciation goodwill		-4.055	-5.200
Other financial income		44.670	39.688
Other financial expense		-58.922	-46.107
Financial result before non-recurring items		-21.177	-8.994
Non-recurring operating income and expense	3.5.8.	502	-439
Non-recurring financial income and expense	3.5.8.	9.793	-6.316
Non-recurring results		10.295	-6.755
Profit before taxes		134.084	119.254
Income taxes (current and deferred)	3.5.9	-46.976	-35.862
Result for the period		87.108	83.392
Result for the period: attributable to		87.108	83.392
Share of the Group		3.032	4.351
Share of non-controlling interest		84.076	79.041

Note for the reader: The official BGAAP income statement has been represented to bring its presentation more in line with the Group's internal management reporting by clustering items of income and expenses by its nature.

As a result all non-recurring income and expenses (both operating and financial) are presented under a separate heading. In addition operating income line item 'changes in inventories of finished goods and work in progress' (43,3 Million EUR) has been presented under 'Raw materials, consumables, trade goods, finished goods and work in progress'; operating income line items 'fixed assets - own construction' (4,2 Million EUR) has been presented under 'other operating income'.

Additional information with regards to non-GAAP measures (EBIT and EBITDA):

In thousand EUR	2020	2019
Profit before taxes	134.084	119.254
+ Interest and other debt expenses	4.891	5.524
+ Income from financial assets	-2.021	-8.148
+ Non-recurring operating income and expenses	-502	439
+ Non-recurring financial income and expenses	-9.793	6.316
EBIT	126.659	123.385
+ Depreciations	67.920	67.784
+ Depreciation goodwill	4.055	5.200
+ Write downs stock and trade debtors	4.972	-166
+ Provisions for liabilities and charges	965	1.017
EBITDA	204.571	197.220

1.5. Consolidated balance sheet

In thousand EUR	Notes	2020	2019
Goodwill and intangible fixed assets	3.5.1.	32.071	39.145
Tangible fixed assets	3.5.2.	400.785	427.601
Financial fixed assets		1.778	1.806
Total Fixed Assets		434.634	468.552
Inventories		249.548	319.712
Trade receivables	3.5.3.	263.246	253.527
Other receivables	3.5.3.	16.193	21.127
Cash and cash equivalents		253.662	169.772
Deferred expenses and accrued income		20.187	22.554
Total Current Assets		802.837	786.691
Total Assets		1.237.471	1.255.243
In thousand EUR	Notes	2020	2019
Share capital		227.002	227.002
Retained earnings and Reserves		711.148	627.161
Translation Differences		-56.588	-5.003
Total Equity	3.5.4.	881.563	849.161
Non-controlling interest		8.241	10.300
Provisions for liabilities	3.5.5.	13.768	14.272
Deferred taxes		14.059	11.320
Total provisions and deferred taxes		27.827	25.592
Financial debts	3.5.6.	12.717	16.954
Other non-current liabilities	3.5.7.	189	189
Total non-current liabilities		12.906	17.144
Financial debts	3.5.6.	42.578	106.635
Trade payables	3.5.7.	189.893	183.047
Employee benefit obligations and Tax payables	3.5.7.	54.646	44.692
Other current liabilities	3.5.7.	1.706	1.868
Accrued charges and deferred income		18.111	16.805
Total current liabilities		306.934	353.047
Total Liabilities		1.237.471	1.255.243

1.6. Consolidated cash flow

In thousand EUR	Notes	2020	2019
Net result		87.108	83.392
Non cash Movements		69.072	87.621
Increase(-) / decrease (+) in working capital		62.889	51.104
Cash flow from operating activities		219.069	222.117
Additions of (in)tangible fixed assets (-)		-51.007	-78.133
Disposals of (in)tangible fixed assets (+)		2.356	402
Disposals of Financial fixed assets (+)		-	1.766
Cash flow from investing activities		-48.651	-75.965
Consolidated free cash flow		170.418	146.152
Dividends received / paid (+/-)		-5.097	-2.966
Net debt movements		-64.825	-50.218
Cash flow from financing activities		-69.921	-53.184
Net change in cash and cash equivalents		100.497	92.968
Cash and cash equivalents at the beginning of the year		169.772	72.216
Conversion difference on net cash		-16.607	4.588
Cash and cash equivalents at the end of the year		253.662	169.772

2. Notes to the selected financial information

2.1. General

Beaulieu International Group NV (the “Company” or “Group”) is a company headquartered in Belgium. The Company has its registered office at Kalkhoevestraat 16, 8790 Waregem with registration number 0442.824.497.

The total consolidated equity of the Company is 881.5 Million in 2020 compared to 849.2 Million EUR in 2019. This includes a share capital of 227 Million EUR, represented by 774.133 capital shares. The consolidated financial statements for the period beginning on January 1st, 2020 and ending on December 31st, 2020, from which the selected financial information has been derived, are subject to approval by the Shareholders meeting of the Company on May 25th 2021.

2.2. Basis of Accounting

The consolidated financial statements have been prepared in accordance with BGAAP, the Belgian Generally Accepted Accounting Principles. According to BGAAP, the historical cost principle is applied as measurement basis and the accounting policies have been applied consistently from year to year.

2.3. Functional and presentation currency

The consolidated financial statements are presented in euro, which is the Company’s functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.4. Use of judgements and estimates

In preparing the consolidated financial statements, management has made judgements and estimates that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

2.5. Significant Accounting Policies

2.5.1. Foreign currencies

Foreign currency translation

Each entity of the Group reports in its individual functional currency, i.e. the currency of the economic environment in which the entity operates. Therefore, the financial statements of foreign subsidiaries, with a financial currency different from EUR (USD, RUB, NOK, etc.), need to be converted in EUR, as follows:

- Assets and liabilities, except for shareholders’ equity, are translated at the official closing rate at the end of the period;
- Income and expenses are converted at an average rate for the year;
- Shareholders’ equity items are carried at their historical rates.

Translation gains and losses resulting from the difference between the average rates and the closing rates at the end of the year/period are incorporated in the shareholders’ equity under the heading “translation differences”.

Foreign currency transactions

Foreign currency transactions (amounts receivables and payables in foreign currencies) are recognized in the functional currency of each entity at a certain exchange rate during a certain period (i.e. different from the functional currency of the company). The exchange rate is applicable at the transaction date, meaning the date when the actual transaction is recognized. Gains and losses as a consequence from the settlement of foreign currency transactions and from the translation of monetary assets (see foreign currency translation) are reported in the income statement as a financial result.

2.5.2. Goodwill

The definition of goodwill entails the positive difference between the purchase price of a new participating interest and the net book value of the net assets obtained upon the acquisition. The positive consolidation differences are amortized on a straight-line basis over a period of 10 years. Positive consolidation differences are subject to impairment reviews, if economic conditions or technological developments have a negative impact on the future business value of the entity.

2.5.3. Intangible fixed assets

Intangible fixed assets comprise development costs; concessions, patents, licenses, know-how, trademarks and other similar rights; advance payments in respect of intangible fixed assets. The intangible assets are measured at acquisition cost. Intangible assets are amortized over their useful estimated economic life. Depreciation charges are calculated on a straight-line basis. Annual depreciation rates for intangible assets are as follows:

- Development costs of R&D projects: 20%
- Software: 20%
- Patents, licenses and other similar rights: useful life of the asset

An impairment loss will be recorded if the carrying amount of the intangible asset surpasses its recoverable amount.

2.5.4. Tangible fixed assets

The tangible fixed assets are carried at cost less any accumulated depreciation. Costs include all direct costs and costs incurred to bring the asset to its working conditions. On the other hand, borrowing costs (i.e. interests) are not included in the acquisition cost of the tangible fixed assets.

Tangible assets with a limited useful life are reduced to its estimated residual value by the systematic allocation of depreciation over the asset's useful life. The depreciation percentages are calculated on a straight-line basis. The Group has determined appropriate annual depreciation rules per type of asset. Annual depreciation rates for tangible fixed assets:

- Land: 0%
- Buildings: 5%
- Plant, machinery and equipment: 5%-10%
- Rail cars: 4%
- Vehicles and furniture: 20%
- Assets under construction & advance payments 0%

Extraordinary depreciations are recorded on tangible fixed assets when for economical or technical reasons the carrying value is higher than the useful value of the asset for the company.

2.5.5. Inventories

Inventories are measured at the lower of cost and net realizable value ("LOCOM") at balance sheet date. In determining the cost, the FIFO principle is used (First-In, First-Out). For manufactured inventories, cost means the full cost including direct and indirect production costs.

The net realizable value is equal to the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.5.6. Trade receivables

Trade receivables are measured at amortised cost, less the appropriate impairments for the unrecoverable amounts. At each reporting date, the Group assesses whether there exist receivables that need to be impaired. A trade receivable is impaired if it is possible that the entity will not, or will only partially, collect the amounts due.

2.5.7. Amounts payable within one year

The amount payables are recorded at amortised cost.

2.5.8. Deferred income/charges & accrued income/charges

Accruals and deferrals are used to assign income and charges to a correct period, i.e. the period where the accrual and deferral refers to. For instance, it comprises prepaid/accrued interests, rent, insurance premiums, commercial entrance fees, fair fees, etc.

2.5.9. Deferred taxes

Deferred taxes are the amount of income tax recoverable or payable in future periods. Furthermore, the Group does not recognize deferred tax assets in accordance with the prudence principle from BGAAP.

2.5.10. Provisions for liabilities and charges

Provisions are recognized if the following three conditions are met:

- It has a current legal or constructive obligation as a result of a past event;
- It is possible that an outflow of resources will be required to settle the obligation;
- A reliable estimate can be made of the amount that potentially have to be paid.

2.5.11. Revenue recognition

Revenue represent the net amounts invoiced to external customers of goods and services, excluding value added and sales taxes, and after deducting any volume discounts and rebates.

In case the customer has a right of return (e.g. buy back obligation in case of inadequate sales to end customer) adequate provisions for the estimated (future) costs involved should be accounted for (e.g. based on historical data).

2.5.12. Non-recurring income & expenses

Income and expenses that are not related to the ordinary course of operations or business are classified as non-recurring income and expenses in the consolidated income statement. Income and expenses to which this classification applies are (non-exhaustive):

- Income from the sale of land or business divisions;
- Costs of acquiring new entities;
- Income or expenses that are non-recurring by nature, such as settlements paid to non-business-related disputes, restructuring costs.

2.5.13. Non-controlling interest

Non-controlling interest are the shares of minority or non-controlling shareholders in the equity of subsidiaries, which are not fully owned by the Company.

3.4. Turnover By Segment

In thousand EUR	Consolidated third party sales	Consolidated sales
Polymers	612.849	680.749
Engineered Solutions	258.480	294.938
Flooring Solutions	845.094	845.154
Other	20.373	17.318
Intersegment	-	-101.363
CONSOLIDATED	1.736.796	1.736.796
TURNOVER 2020		
In thousand EUR	Consolidated third party sales	Consolidated sales
Polymers	660.646	738.750
Engineered Solutions	283.682	336.781
Flooring Solutions	889.525	889.567
Other	21.719	19.518
Intersegment	-	-129.043
CONSOLIDATED	1.855.572	1.855.572
TURNOVER 2019		

3.5. Balance Sheet Items

3.5.1. Goodwill & Intangibles

In thousand EUR	R&D	Concessions, patents and similar rights	Goodwill	Assets under construction	Consolidation Goodwill	Other	Total intangible fixed assets
ACQUISITION VALUE							
BALANCE ON 1 JANUARY 2019	15.653	74.022	1.528	0	107.910	4	199.117
Additions	1.322	4.153					5.475
Disposals and retirements (-)							0
Transfer to other asset categories		1.787					1.787
Effect of foreign currency exchange differences (+/-)		31					31
Other movements							0
BALANCE ON 31 DECEMBER 2019	16.975	79.993	1.528	0	107.910	4	206.410
Additions	1.066	3.861					4.927
Disposals and retirements (-)		24			607		631
Transfer to other asset categories		84					84
Effect of foreign currency exchange differences (+/-)		-2.388					-2.388
Other movements							0
BALANCE ON 31 DECEMBER 2020	18.041	81.526	1.528	0	107.303	4	208.402
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Balance on 1 January 2019	13.049	58.328	1.144	0	72.266	0	144.787
Depreciations recorded	1.280	6.765	93		14.340		22.478
Disposals and retirements (-)							0
Transfer to other asset categories							0
Effect of foreign currency exchange differences (+/-)			-1				-1
Other movements							0
BALANCE ON 31 DECEMBER 2019	14.329	65.093	1.236	0	86.607	0	167.265
Depreciations recorded	1.244	6.451	97		4.055	3	11.850
Disposals and retirements (-)		24			607		631
Transfer to other asset categories							0
Effect of foreign currency exchange differences (+/-)		-2.155	3				-2.152
Other movements							0
BALANCE ON 31 DECEMBER 2020	15.573	69.365	1.336	0	90.054	3	176.331
CARRYING AMOUNT							
BALANCE ON 31 DECEMBER 2019	2.646	14.900	292	0	21.303	4	39.145
BALANCE ON 31 DECEMBER 2020	2.468	12.161	192	0	17.248	1	32.070

3.5.2. Tangible Assets

In thousand EUR	Land & buildings	Plant machinery & equipment	Furniture & vehicles	Leasing, oth. similar rights	Oth. tangible assets	Assets under construction	Total tangible fixed assets
ACQUISITION VALUE							
Balance on 1 January 2019	328.262	1.129.082	64.609	687	3.465	47.187	1.573.292
Additions	11.664	21.405	3.015		2.384	34.064	72.532
Disposals and retirements (-)	54	6.934	2.542	271	40	1.796	11.637
Transfer to other asset categories	25.259	17.258	752		216	-45.272	-1.787
Effect of foreign currency exchange differences (+/-)	2.974	8.854	1.042	7	-1	849	13.725
Other movements			124				124
BALANCE ON 31 DECEMBER 2019	368.105	1.169.665	67.000	423	6.024	35.032	1.646.249
Additions	4.296	18.865	1.733		607	20.797	46.298
Disposals and retirements (-)	121	15.668	1.402	110	39	353	17.693
Transfer to other asset categories	8.139	28.125	1.127		6	-37.481	-84
Effect of foreign currency exchange differences (+/-)	-11.318	-28.302	-3.351	-3	-8	-3.412	-46.394
Other movements							0
BALANCE ON 31 DECEMBER 2020	369.101	1.172.685	65.107	310	6.590	14.583	1.663.761
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Balance on 1 January 2019	186.572	924.717	43.732	354	2.030	2	1.157.407
Depreciations recorded	10.485	47.378	4.777	99	290		63.029
Disposals and retirements (-)	53	6.946	2.551	196	19		9.765
Transfer to other asset categories	16.939	-17.525	601		-2		13
Effect of foreign currency exchange differences (+/-)	987	6.454	522	3	-2		7.964
Other movements							0
BALANCE ON 31 DECEMBER 2019	214.930	954.078	47.081	260	2.297	2	1.218.648
Depreciations recorded	9.951	36.838	4.642	49	513		51.993
Disposals and retirements (-)	120	14.705	1.413	68	39		16.345
Transfer to other asset categories							0
Effect of foreign currency exchange differences (+/-)	-4.121	-20.732	-1.851		-1		-26.705
Other movements							0
BALANCE ON 31 DECEMBER 2020	220.640	955.479	48.459	241	2.770	2	1.227.591
CARRYING AMOUNT							
BALANCE ON 31 DECEMBER 2019	153.175	215.587	19.919	163	3.727	35.030	427.601
BALANCE ON 31 DECEMBER 2020	148.461	217.206	16.648	69	3.820	14.581	400.785

In 2020, the tangible fixed assets carrying amount decreased by 27 Million EUR due to a higher depreciation level compared to the investments level in the year 2020. The decrease of the assets under construction by 20,4 Million EUR is related to the finishing of several projects in the year 2020. The biggest category of the tangible assets contains plant, machinery and equipment, with a share of approx. 55% of the total tangible assets.

3.5.3. Trade & Other Receivables

In thousand EUR	2020	2019
Trade receivables	245.281	232.931
Bills receivable	2.730	2.167
Income receivable	7.478	8.677
Advance payments	8.087	9.328
Write down / Advance payments (-)	-316	-104
Doubtful receivables	16.210	15.800
Write down / Doubtful receivables (-)	-16.224	-15.272
TOTAL TRADE RECEIVABLES	263.246	253.527
TOTAL OTHER AMOUNTS RECEIVABLE	16.193	21.127
TOTAL	279.439	274.654

The carrying amount of our trade & other receivables increased by 2% or 4,8 Million EUR in 2020 compared to 2019. The increase is mainly due to the higher activity level in Q4 2020 compared to Q4 2019, which resulted in higher trade receivables. The additional write downs on our doubtful receivables by 1 Million EUR are mainly related to an increased bad debt exposure in Russia.

3.5.4. Statement Changes in Equity

In thousand EUR	Capital	Reserves	Translation Differences	Total equity
BALANCE ON 1 JANUARY 2019	227.002	549.216	-21.381	754.837
Profit of the period		79.041		79.041
Change in translation differences			16.379	16.379
Dividends				0
Changes in consolidation scope				0
Other movements		-1.096		-1.096
BALANCE ON 31 DECEMBER 2019	227.002	627.161	-5.003	849.161
Profit of the period		84.076		84.076
Change in translation differences			-51.585	-51.585
Dividends				0
Changes in consolidation scope		-71		-71
Other movements		-18		-18
BALANCE ON 31 DECEMBER 2020	227.002	711.148	-56.588	881.563

In 2020, the total equity increased by 32,4 Million EUR or 3,8% to an amount of 881,6 Million EUR. The evolution is mainly caused by the profit of the period of 84,1 Million EUR and a negative translation differences impact of 51,6 Million EUR (mainly related to the adverse USD/RUB FX rate evolution).

3.5.5. Provision for Liabilities and Charges

In thousand EUR	2020	2019
Pensions and similar obligations	4.422	3.962
Taxes	4.246	4.396
Environmental liabilities	372	390
Other liabilities and charges	4.727	5.524
PROVISIONS FOR LIABILITIES	13.768	14.272

The overall provisions decreased by 0,5 Million EUR in 2020 compared to 2019 to 13,8 Million EUR in 2020, due to the decrease of all categories except "Pensions and similar obligations".

3.5.6. Financial debt

In thousand EUR	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Leasing and similar obligations	97	95	0	192
Credit institutions	105.904	13.958	0	119.862
Other loans	634	2.901	0	3.535
BALANCE ON 31 DECEMBER 2019	106.635	16.954	0	123.589
Leasing and similar obligations	71	24	0	95
Credit institutions	40.423	11.876	0	52.299
Other loans	2.084	817	0	2.901
BALANCE ON 31 DECEMBER 2020	42.578	12.717	0	55.295

The total financial debt decreased by 68 Million EUR in 2020 compared to 2019, reflecting the contractual repayments on the long term debt in North-America and repayment of short term debt in Europe. Debt towards credit institutions is partially secured.

3.5.7. Trade and Other Payables

In thousand EUR	2020	2019
Trade payables	189.893	183.047
TRADE PAYABLES	189.893	183.047
Remuneration and social security costs	37.592	36.274
Taxes & VAT payable	17.054	8.418
EMPLOYEE BENEFIT OBLIGATIONS AND TAX PAYABLES	54.646	44.692
Other non-current liabilities	189	189
Other current liabilities	1.706	1.868
OTHER LIABILITIES	1.895	2.057
TOTAL	246.435	229.797

In 2020, the total trade and other payables increased by 16,6 Million EUR to the total level of 246 Million EUR. The main drivers are taxes & VAT payables (increase of 8,5 Million EUR) and trade payables (increase of 6,9 Million EUR).

3.5.8. Non-Recurring income and expenses

In thousand EUR	2020	2019
NON-RECURRING OPERATING INCOME	9.142	8.472
Reversal of depreciation and impairments of (in)tangible fixed assets	8.100	
Reversal of provisions for extraordinary liabilities and expenses		3.419
Gains on disposal of intangible and tangible fixed assets		22
Other non-recurring operating income	1.042	5.031
NON-RECURRING OPERATIONAL EXPENSES	8.642	8.912
Depreciation and amortisation of (in)tangible fixed assets	89	3.502
Provisions for extraordinary liabilities and expenses (additions)	367	-678
Losses on realisation of intangible and tangible fixed assets	77	1.780
Other non-recurring operational expenses	8.109	4.308
NON-RECURRING FINANCIAL INCOME	13.259	2.921
Gains on disposal of financial fixed assets	1	1.766
Other non-recurring financial income	13.258	1.155
NON-RECURRING FINANCIAL EXPENSES	3.465	9.237
Gains on disposal of financial fixed assets		
Other non-recurring financial income	3.465	9.237
TOTAL	10.294	-6.756

The non-recurring operational and financial result substantially improved from a net loss of 6,7 Million EUR in 2019 to a net profit of 10,3 Million EUR in 2020.

The non-recurring operational result had a net profit impact of +0,5 Million EUR, being the combined impact of non-recurring operating income for 9,1 Million EUR, related to the release of impairments and a restructuring provision and non-recurring operating costs for 8,6 Million EUR, mainly driven by restructuring costs and expenses related to our Forward 2025 strategy for 8,6 Million EUR.

The net non-recurring financial result for 2020 shows a net profit of 9,7 Million EUR, caused by a favorable foreign currency impact on an intercompany dividend.

3.5.9. Deferred and Income tax

In thousand EUR	2020	2019
DEFERRED TAXES	-3.044	-30
INCOME TAXES	-43.932	-35.832
Income taxes	-45.393	-36.921
Adjustments of income taxes and WB of tax provisions	1.461	1.089
TOTAL	-46.976	-35.862

Our tax cost increased by 11,1 Million EUR in 2020, on the one hand due the deferred taxes increase by 3 Million EUR and an income taxes increase by 8,1 Million EUR. The income tax expense increase is mainly related to a non-recurring withholding tax cost on an intercompany dividend of 12,6 Million EUR.

3.6. Risks, uncertainties and contingencies

Like any other company, the Group is exposed to market operational and financial risks, that affect its assets and liabilities. The main market risks that the Group faces relate to variations in exchange rates (currency risk), interest rates, the accessibility of funds in order to operate (liquidity risk), the risk of default (credit risk) by third parties and variations in commodity prices (commodity risk). These risks are mitigated by business controls, organizational structure, management methods, and internal control systems of the Group. The Group mainly hedges the risks that affect the Group’s cash flow.

3.6.1. Exchange rate risk (currency risk)

Due to international operations that the different affiliates carry out, the Group is subject to exchange rate risk. It is exposed to both translational and transactional foreign exchange risk.

A translational currency risk arises when the financials of the foreign subsidiaries are converted into the Group’s presentation currency, the Euro. The main currencies are US Dollar, Russian Ruble and Norwegian Crown. Since there is no impact on the cash flows, the Group normally does not hedge against such risk.

The Group is further exposed to transactional currency exposure resulting from its investing (acquisitions, dividend payments), financing (financial liabilities in foreign currency) and operating activities (commercial activities with sales and purchases in foreign currencies):

- Currency risk resulting from investing activities is hedged if a material exposure arises.
- It is the Group’s policy that each entity needs to be financed in its functional currency. Any currency risk resulting from financing activities should therefore be fully hedged if market situation allows.

For the currency risk resulting from commercial activities, the Group has a hedging policy in place whereby following principles apply: firm commitments (transactions recorded on the balance sheet) need to be fully hedged, highly probable forecasted exposure (based on sales or purchase orders) needs to be hedged between 75 and 80%.

3.6.2. Interest rate risk

Interest rate risk arises from the fluctuation of short term and long term interest rates which may impact future cashflows of the Group. Given the current debt situation of the Group, the main interest rate risk on debt relates to the Chinese Renminbi denominated debt which is short term and at floating interest. The other material debt is denominated in US Dollar of which the long term portion (78% of the total USD denominated debt) is at fixed rate.

3.6.3. Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its short-term financial obligations as they come due. The Group is monitoring these obligations on an ongoing basis. To ensure liquidity and financial flexibility at all times, in addition to its available cash, the Group has several uncommitted short-term credit

lines at its disposal in the major currencies (Euro, Russian Ruble, Chinese Renminbi). These facilities are generally of the mixed type and may be used for advances, overdrafts, discounting. The Group has also a committed syndicated credit facility at its disposal of 200 Million EUR (130 Million EUR maturing May 2025, 70 Million EUR maturing May 2024) which may be extended till May 2026. At the end of 2020, no amounts were drawn on these credit lines.

3.6.4. Credit risk

The Group is exposed to credit risk from its operating activities. The company’s bad debt exposure depends on solvability of its clients, which is consequently dependent on the economic environment in which its customers operate. More than 90% of our outstanding receivables are covered by our external credit insurance agreements. In case the customer is not (sufficient) insured, the group uses a credit policy which considers the risk profiles of the customers in terms of the market segment to which they belong. Based on different characteristics (e.g. product sector, geographical area), a credit risk analysis is made of the different customers. An assessment is made regarding the coverage of the existing risk, which is being monitored on an ongoing basis. We believe the risk of non-recoverability to be small in view of the reputation and solvency of our clients, the diversification of our client portfolio, and the constant monitoring of our outstanding receivables.

3.6.5. Commodity risk

Commodity risk is the risk that future income fluctuates due to changes in the prices of commodities. The Group’s main commodity risks are linked to the price evolution. When possible, the commodity risk is mitigated through contractual agreements with suppliers. For Polymers, the Group is exposed to price fluctuations in the spread between propylene and polypropylene.

3.7. Financial Instruments

The Group only enters into financial derivatives when there exists either an underlying transaction or a forecasted exposure. Speculative positions are not allowed. At period end, the mark-to-market of the financial instruments is offset against the revaluation of the underlying transactions. In line with the prudence principle, any remaining unrealized loss is taken into result, unrealized gains are kept on the balance sheet.

Following table summarizes the situation end 2020:

Instrument	Notional volume	MtoM	Maturity
FX Forward	107,7 Mio EUR	-0,7 Mio EUR	Up to 1 year
FX Swaps	53,5 Mio EUR	-0,1 Mio EUR	Up to 1 year
Commodity Swaps	17MT	-2,6 Mio EUR	Up to 1 year

3.8. Commitments

In our polymers segment, we have significant purchase agreements for our raw materials: Polychim Industrie has an agreement for the annual purchase of minimum 160 thousand tons of propylene until the end of 2022. Pinnacle Polymers has an agreement for the annual purchase of minimum 397 thousand tons of propylene until the end of 2029. We have also entered into certain operating leases to finance certain buildings, fleet, rail carsetc. which are recorded off-balance sheet.

3.9. Key differences between BGAAP and IFRS

Financial statements prepared under the Belgian accounting framework have a mandatory predefined tabular presentation format, which comprises a balance sheet, income statement, and a limited number of disclosure notes. Under BGAAP, the consolidated financial statements do not include a cash flow statement. On the other hand, IFRS requires a complete set of financial statements, i.e. balance sheet, statement of profit or loss and other comprehensive income, statement of changes in equity, cash flow statement and more extensive disclosure notes than the notes under BGAAP. Furthermore, the classification of certain items within the balance sheet or income statement can vary between BGAAP and IFRS. For instance, under BGAAP expenses are always presented by nature whereas under IFRS these could be classified by function.

Leases (from the perspective of the lessee)

Under BGAAP, leases are required to be classified as either finance lease (on-balance) or operating leases (off-balance). A finance lease is deemed to exist when the sum of the minimum lease payments is equal to or greater than the lessor's investment in the leased asset, including related interest and other transaction costs.

IFRS does not make a distinction between finance and operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to finance lease accounting under BGAAP.

Deferred taxes

Under IFRS, deferred tax assets are recognized but only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unused tax losses and credits can be utilized. Under BGAAP the Company only recognizes deferred tax assets to the extent of the deferred tax liabilities.

3.10. Auditor's Report – KPMG

Beaulieu International Group NV has prepared its consolidated financial statements in compliance with the accounting principles applicable in Belgium ("BGAAP"). The financial information contained within this annual report has been derived from the audited consolidated financial statements of Beaulieu International Group NV for the fiscal year ending 31 December 2020 and supplemented with selected relevant financial information. The statutory auditor is KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Filip De Bock, has issued an unqualified audit opinion on the consolidated financial statements. The audited consolidated financial statements will be filed within one month after the shareholders meeting on May 25th, 2021 and will be available on the website of the National Bank (www.balanscentrale.be).

3.11. List of entities

Beaulieu International Group entity	Country of incorporation	% of ownership in 2020	% of ownership in 2019	Consolidation method
B.I.G. Finance Australia PTY LTD	Australia	100%	100%	I
B.I.G. Invest Australia PTY LTD	Australia	100%	100%	I
Beaulieu of Australia	Australia	100%	100%	I
Sterling Mill	Australia	100%	100%	I
B.I.G. Coördination Center NV	Belgium	100%	100%	I
B.I.G. Floorcoverings NV	Belgium	100%	100%	I
Beaulieu Fabrics NV	Belgium	100%	100%	I
Beaulieu Fibres International NV	Belgium	100%	100%	I
Beaulieu ICT NV	Belgium	100%	100%	I
Beaulieu Maintenance Services NV	Belgium	100%	100%	I
Beaulieu Services NV	Belgium	100%	100%	I
Beaulieu Technical Textiles NV	Belgium	100%	100%	I
Bercolease NV	Belgium	100%	100%	I
Berry Finance NV	Belgium	100%	100%	I
BerryAlloc NV	Belgium	100%	100%	I
BFS Europe NV	Belgium	100%	100%	I
Burchtdam NV	Belgium	100%	100%	I
Goed Ter Lembeek NV	Belgium	100%	100%	I
Ideal Fibres & Fabrics Wielsbeke NV	Belgium	100%	100%	I
Ideal Floorcoverings Wielsbeke NV	Belgium	100%	100%	I
Industrial Wood Flooring NV	Belgium	100%	100%	I
Interdeko NV	Belgium	100%	100%	I
Oostimmo NV	Belgium	100%	100%	I
Tessutica NV	Belgium	100%	100%	I
Beaulieu Canada LTD	Canada	100%	100%	I
Beaulieu Fibres & Yarns Weihai Co	China	100%	100%	I
Beaulieu Management Consulting (Shanghai) Co	China	100%	100%	I
Beaulieu Rihzao Floorcoverings Ltd	China	100%	100%	I
Beaulieu Technical Textiles Weihai Ltd Co	China	100%	100%	I
Shanghai Baoliyou Trading CO LTD	China	100%	100%	I
B.I.G. Floorcoverings France SAS	France	100%	100%	I
Beaulieu Finance France SA	France	100%	100%	I
Berry Wood SAS	France	99,48%	99,48%	I
Distriplast Flandre SAS	France	99,46%	99,46%	I
Ideal Fibres & Fabrics Comines SAS	France	99,48%	99,48%	I
Polychim Industrie SAS	France	99,00%	99,00%	I
Polychim SAS	France	99,00%	99,00%	I

Beaulieu International Group entity	Country of incorporation	% of ownership in 2020	% of ownership in 2019	Consolidation method
Beaulieu Investment Asia Co Limited	Hong-Kong	100%	100%	I
Tiane Holding LTD	Hong-Kong	100%	100%	I
Beaulieu Fibres International Terni SRL	Italy	100%	100%	I
Beaulieu Immobiliare Italia SRL	Italy	100%	100%	I
B.I.G. Flooring Kazakhstan LLP	Kazakhstan	100%	100%	I
Alloc A.S.	Norway	100%	100%	I
Fiboveien 26 AS	Norway	100%	100%	I
Beaulieu Polska	Poland	100%	100%	I
Tessutica Romania	Romania	100%	100%	I
OOO Juteks Russia	Russia	100%	100%	I
Opus TD OOO	Russia	100%	100%	I
Juteks d.o.o. Slovenia	Slovenia	100%	100%	I
Berry Iberica SA	Spain	100%	100%	I
Berry Tuft SAS	Spain	100%	100%	I
Doménech Hermanos	Spain	100%	100%	I
BerryAlloc AB	Sweden	100%	100%	I
Beaulieu Turkey Flooring Trading	Turkey	100%	100%	A
B.I.G. Floorcoverings UK Ltd.	UK	100%	100%	I
Beauflor USA LLC	USA	100%	100%	I
BIG USA Inc	USA	100%	100%	I
BIG USA Real Estate LLC	USA	100%	100%	I
Pinnacle Polymers LLC	USA	95,79%	95,79%	I
Polychim USA Inc	USA	99,00%	99,00%	I

I = Integral consolidation method

A = Acquisition value



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