



Sustainability report

ARTE®

Index

Introduction - p. 3

Strategy & Business Model - p. 4

- Our values
- Our mission & vision
- Our value chain
- Our stakeholders

About This Report - p. 8

- Scope
- Sector

Sustainability Governance Model - p. 10

- AMS bodies
- Roles & responsibilities
- Skills & expertise

Materiality Assessment - p. 11

- Methodology
- Material Sustainability matters

Sustainability Topic Environment - p. 12

- Climate change (E1)
- Water & marine resources (E3)
- Resource use & circular economy (E5)

Sustainability Topic Social - p. 23

- Own workforce (S1)
- Consumers and end users (S4)

Sustainability Topic Governance - p. 29

- Business conduct (G1)

Dear Reader,

Thank you for taking the time to read our sustainability report.

At Arte, we have always believed that true beauty is not only reflected in the final product, but also in the way it is created. With a vision that places design at the centre, **we consistently strive to integrate craftsmanship, quality, and sustainability into all our activities.** This approach is not coincidental, but a fundamental pillar of who we are and what we do.

One of the key challenges Arte is currently facing is compliance with the Corporate Sustainability Reporting Directive (CSRD). The CSRD requires companies to report according to the European Sustainability Reporting Standards (ESRS). These standards demand detailed information on sustainability practices and their impact on the environment and society. Preparing a CSRD-compliant report is a significant task that requires thorough preparation and accurate data collection.

Arte recognises that this new regulation presents a challenge, but we also see it as an opportunity to strengthen our sustainability initiatives and communicate more transparently with our stakeholders.

As part of our commitment to social responsibility, we are determined to promote a positive and sustainable combination of product, people, and the environment. The initiative we are taking towards our first CSRD compliant report (in 2026) marks an important step in our journey towards transparency and sustainability.

We see this not only as a report of what we have achieved and the new initiatives we are undertaking, but also as an invitation to all stakeholders to join us on this path towards a more sustainable future.

Steven & Philippe Desart



"Wallcoverings for the ultimate in refinement"

The Arte family business was born out of a vision for beauty. Arte is a designer, manufacturer and distributor of high-end wallcoverings, designing commercial, public and hospitality spaces. In 1981 it all started in Zonhoven (Belgium). Today, we are active in more than 90 countries, with over 115 partners worldwide.



Strategy & business model

Our values

———— Class, Elegance, Quality, Innovation

Since its establishment, Arte has always been passionate about beautiful wallcoverings. Arte wallcoverings offer the perfect solution for the most prestigious interiors, whether in a minimalist or avant-garde setting, or in a highly exclusive environment.

The extensive range of products ensures atmosphere and radiates elegance and refinement. Arte wallcoverings are suitable for both residential and commercial interiors. Inspiring Arte wallcoverings can be found all over the world. The core values that Arte pursues and that are embraced throughout the company are 'class, elegance, quality, and innovation', and these are worked on daily.



Strategy & business model

Our mission and vision

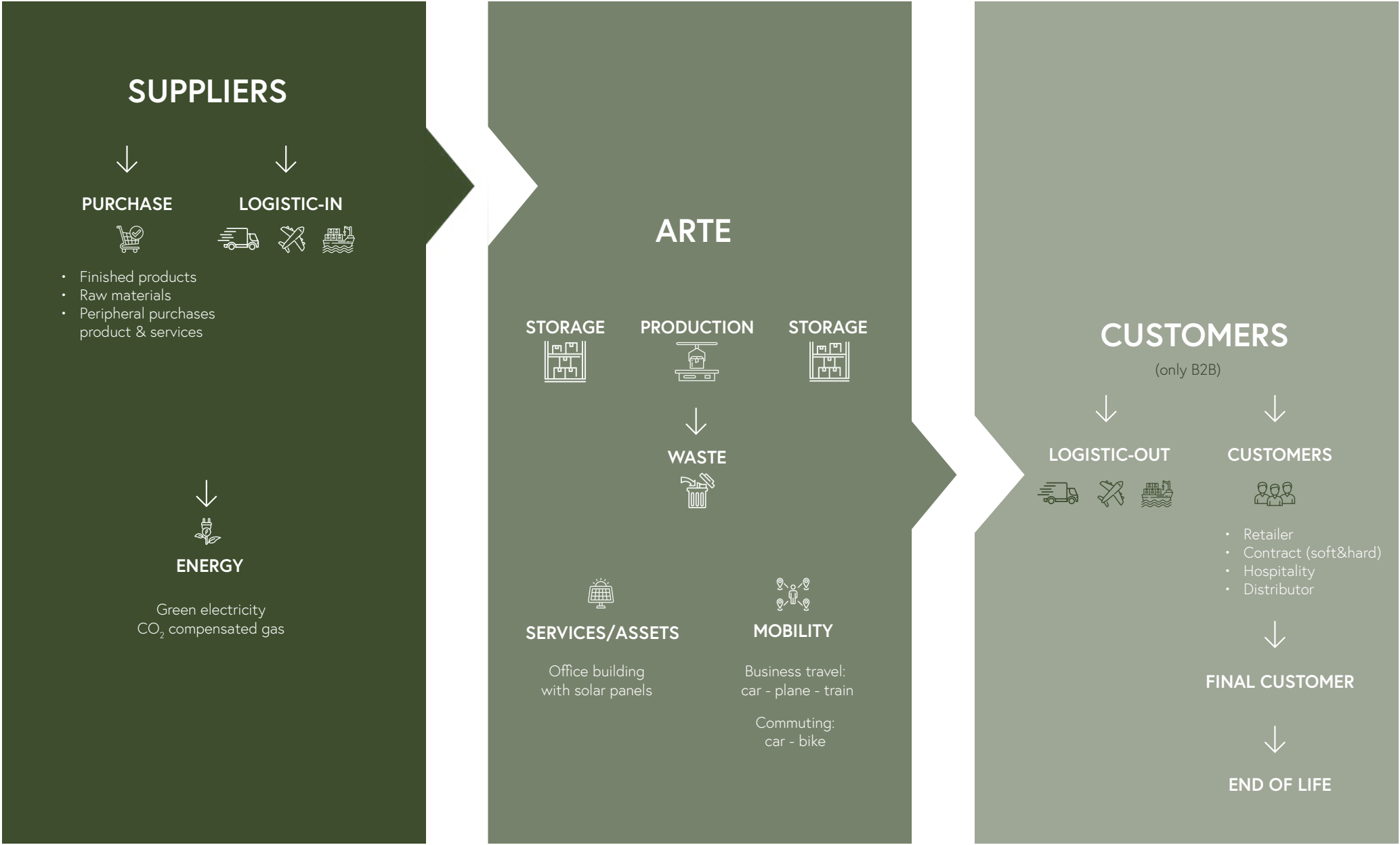
Through its love for sophisticated interiors and the finest materials, **Arte aims to be the world's most passionate trendsetter in high-quality, exclusive wallcoverings for demanding interior specialists and enthusiasts with taste.**

Arte develops and distributes innovative wallcoverings for beautiful residential and commercial interiors all over the globe. Arte is a proud trendsetter. It appeals to a demanding clientele with an affinity for luxury, on the lookout for something extra in sophisticated interiors, made from high-quality materials with groundbreaking design.

We believe that beauty is not only on the outside, but also on the inside. From a vision of beauty, Arte always strives to combine craftsmanship, quality and sustainability in all its activities. Therefore, in line with its sense of social responsibility, Arte is striving for a positive and sustainable combination of design, emotion, people and the environment.

Strategy & business model

Our value chain



Strategy & business model

Our stakeholders

Customers

Arte targets both the retail and the contract/residential market and this through a network of experienced and dedicated resellers, distributors, agents, specifiers and decorators or by direct sale. Sustainability communication is integral to our daily interactions, conducted through direct communication, website updates, email correspondence, and inclusion in our collection books.

Employees and other workers

Our workforce, both at headquarters and beyond, is central to our operations, aligning with our ethos of 'clean socially.' We prioritise their well-being and engage them through regular communication channels such as email, information screens, events, presentations, and social media.

Public authorities

We adhere to general regulatory requirements set by public authorities, including obtaining environmental permits.

Suppliers

We have been working with the same suppliers for a long time, which illustrates that durable relationships are the most important factor when it comes to managing our suppliers. We engage with our suppliers by verifying whether they possess relevant labels or certificates: however, this is not mandatory. This ensures alignment with our sustainability goals and encourages our suppliers to adopt responsible practices.

Consumers

Our commitment to sustainability extends to our end consumers, as we aim to provide products that are not only aesthetically pleasing but also clean, healthy, and durable.

We communicate with consumers by providing detailed product specifications on our website and through our partnerships with retailers and distributors. By offering transparent information, we empower consumers to make informed choices that align with their values.

Local communities and persons in vulnerable situations

We strive to minimise pollution levels of all kinds (noise, smell, harmful substances...). We engage with communities in our direct production environment by maintaining open communication channels to address any concerns. Additionally, we invest in relevant projects to offset our environmental impact and create positive social impact.

Financial institutions

As important stakeholders, we recognise the significance of communicating our sustainability efforts to financial institutions. By proactively addressing their sustainability requirements and concerns, we maintain a positive relationship with banks and ensure continued support for our business initiatives.

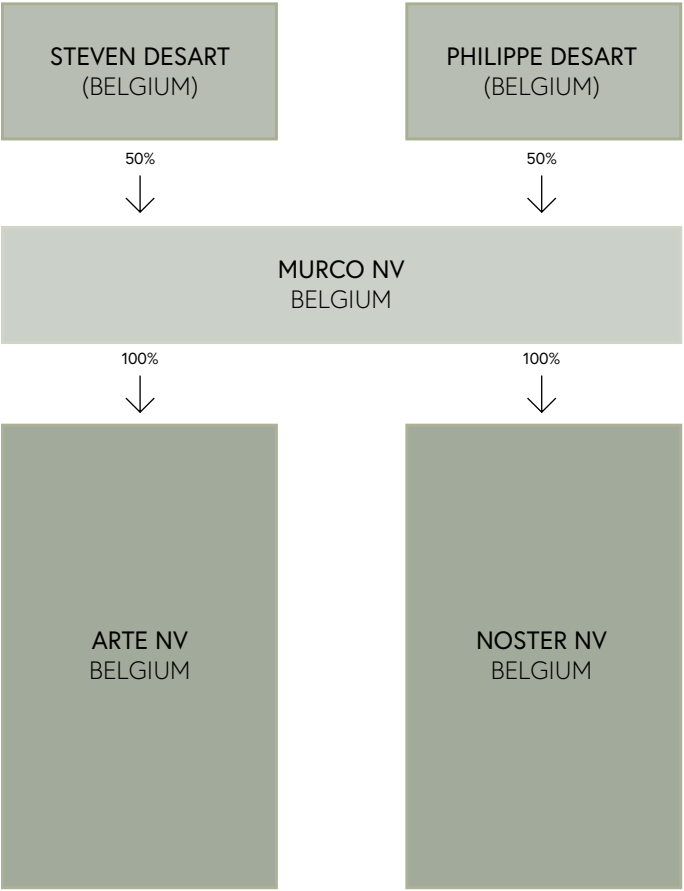
About this report

Scope

The figure presents an overview of the group structure of Arte NV as a part of Murco. Murco NV is the financial holding company that supports Arte NV through services like IT, finance, legal and HR. Arte NV is the daughter company that includes most of the group's activities, the creative heart of the group.

In establishing the report's scope, we ensure alignment with the ESRS guidelines, which require companies to report on a consolidated level, in line with financial reporting. Therefore, this report was established on a group level. Going forward, Arte will refer to our entire group.

It's important to note that we are currently in the process of gathering data for all metrics related to material topics across our various locations. We're actively extending our carbon footprint assessment to encompass our entire Group, aiming to report on data for the year 2025.



About this report

Sector

At Arte, as designers, producers, and distributors of wallcoverings, we acknowledge the role of our company in the broader interior design and construction sectors.

While our products extend beyond traditional construction materials, they remain integral components, enhancing both the aesthetic appeal and functionality of various spaces.

Arte's wallcoverings are closely tied to the construction industry. Even though our company is not directly involved in traditional construction work, we do play a big part in it.

Think of our products as essential elements for making spaces look good and feel cosy. **We prioritise meeting certain environmental standards and quality standards to ensure that our products have a low environmental impact and they are long lasting.**

We believe that by meeting these standards, we can have an impact in multiple sectors.

"We prioritize meeting environmental and quality standards to ensure that our products have a low environmental impact and are long lasting."



Sustainability Governance Model

Administrative, management and supervisory bodies (AMS) responsible for sustainability

The bodies primarily responsible for sustainability within the company are the Board of Directors and the Executive Committee. Additionally, the managers from the different departments play a significant role, mainly in communicating updates from the ground level to these bodies, facilitating decision-making based on these updates. And lastly there is the ESG Operational Team.

The composition of each group is discussed below.

The Board of Directors consists of three members, including Managing Directors Philippe and Steven Desart and Hans Wilmots (Chairman). Strategic decisions, including those concerning sustainability, are made by the Board of Directors. A meeting with the Board of Directors is held approximately every two months. While there are no fixed agenda topics, sustainability is often discussed given its numerous intersections with the company.

It is crucial that sustainability decisions align with the company's overall strategy, which is why it is regularly discussed at this level.

Furthermore, there is the Executive Committee responsible for the day-to-day operations of the company. Monthly meetings are held, and once again, while sustainability is not a fixed agenda item, it is almost always brought up in each meeting. There is consideration to categorise topics discussed during these meetings under the umbrella of sustainability to raise awareness among all employees about what falls under this term.

Additionally, there is the ESG Operational Team, led by the Legal Coordinator, who drives sustainability initiatives. The team consists of nine members from different departments, namely: Purchase & Logistics, Marketing, Sales, HR, Design, Operations and the owners. This team was specifically assembled to address ESG matters and to work towards a CSRD-compliant report.

AMS bodies: roles and responsibilities

The AMS bodies primarily receive input for board meetings from the operational level, where they are informed about daily operations. Managers gather this information and include it in the meeting agenda. The main responsibility of the Board, the Committee and management is to make decisions based on this information and effectively communicate them to the rest of the organisation.

AMS bodies: skills and expertise

Internally, the ESG team members are educated on sustainability through following a general sustainability workshop. Additionally, one of the members of the Executive Committee has followed more in-depth courses on sustainability.

Furthermore, Arte consults external experts about certain sustainability matters. More specifically for carbon assessment, CSRD reporting and general sustainability strategy guidance. These partnerships ensure that Arte remains up to date on the latest developments and best practices in the field.

Additionally, Arte demonstrates a proactive approach to learning by providing separate training sessions for employees and managers on specific topics, such as cybersecurity. This commitment to ongoing education emphasises Arte's dedication to continuous improvement and staying informed about developing issues relevant to sustainability.

Materiality assessment

Methodology

Over the past few years, sustainability has become one of the priorities of our organisation. We are increasingly aware of our impact, both environmentally and socially. Operating on an international scale, we are now confronted with new reporting obligations, particularly at the European level, including the CSRD and ESRS standards.

Following the release of this first sustainability report, we are now working towards full compliance with CSRD obligations. We are taking a step-by-step approach to meet these requirements, starting with establishing a Sustainability Team, familiarising them with CSRD, conducting an initial materiality assessment, completing ESRS disclosure requirements, and providing available data.

We were guided by experts from Sustinera to go through the entire reporting process. The initial step was to involve the right people from the Arte team, who would be part of the (temporary) Sustainability Team. To get all members at the same level, initial workshops were initiated to educate the members about ESG in general, about the CSRD* and other relevant frameworks.

During the first sessions all touchpoints with sustainability were identified. This was the first step towards identifying the topics for the materiality assessment.

Next, individual interviews were conducted to get more in-depth information about possibly material topics.

In addition to our internal assessment, we drew upon external sources of information to inform our materiality analysis. This included reviewing reports from competitors, industry benchmarks, and standards such as the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI).

By leveraging these external resources, we were able to gain a broader perspective on emerging sustainability issues and best practices within our industry.

This analysis served as a foundation for identifying and prioritising key sustainability topics to be addressed in our report.

It's important to note that our materiality analysis is an ongoing process, and we are continuously refining and expanding our understanding of material issues.

We are committed to further enhancing our materiality analysis to ensure that it fully aligns with the requirements of the ESRS and reflects the evolving needs and expectations of our stakeholders.

Materiality assessment

Material sustainability matters

An overview of the topics that are material to our organisation, resulting from a limited materiality assessment.

ESG - Environment

- Climate change (E1)
- Water and marine resources (E3)
- Resource use and circular economy (E5)

ESG - Social

- Own workforce (S1)

ESG - Governance

- Business conduct (G1)

*Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS):
Advancing the EU Green Deal

The CSRD, an EU directive, mandates transparent reporting on environmental, social, and governance (ESG) performance, aligning with the goals of the EU Green Deal. It expands reporting obligations to a wider range of companies, including listed entities, public interest entities, and those meeting specific financial criteria. Its aim is to provide investors and stakeholders with reliable ESG information, facilitating informed decision-making and comparability. Companies that fall within the threshold of the directive, have to adhere to the European Sustainability Reporting Standards (ESRS), established by the European Financial Reporting Advisory Group (EFRAG). ESRS fosters standardised reporting, enhancing data comparability and global reporting harmonisation.

Sustainability topic - ESG

Environment ^(E)

Climate change (E1)

Water & marine resources (E3)

Resource use & circular economy (E5)

In our daily lives, both individually and as a business, we are constantly reminded of the significance of our impact on the environment.

Although we are compliant with legislation and we try to minimise our impact, the importance of integrating environmental matters into our practices cannot be emphasised enough.

Our environmental policy addresses the following topics:
Climate change, Water & marine resources and Resource use & Circular economy.

Environment

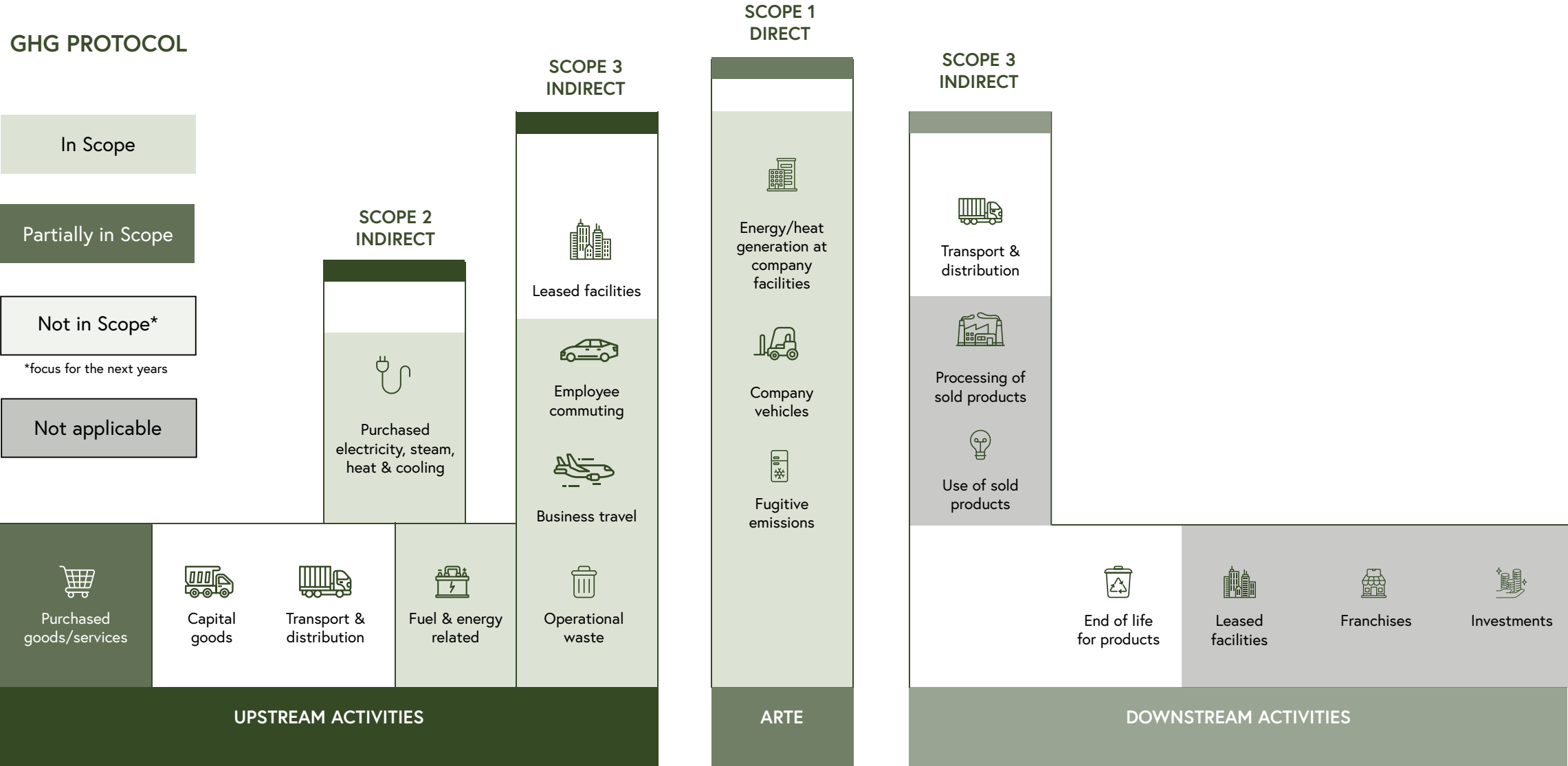
Climate change (E1)

Scope of our GHG emission

Starting from the year 2019, we have collected emissions data for our site in Zonhoven.

Following the Greenhouse Gas Protocol, scope 1 and 2 are covered entirely, whereas scope 3 is covered partially.

- The scope of the GHG emissions calculations:
- What was included in Scope 1 (direct emissions): energy & heat generation at company facilities, company vehicles, fugitive emissions.
 - What was included in Scope 2 (indirect emissions): purchased electricity, steam, heating and cooling for own use.
 - What was included in Scope 3 (indirect emissions): upstream activities: employee commuting, business travel, fuel and energy related activities, purchased goods and services (partially included), operational waste.



Environment

Climate change (E1)

Targets

In 2019, we established targets to reduce Scope 1, 2, and 3 emissions.

These targets, referred to as 'near-term targets', align with the minimal requirements according to SBTi (Science Based Targets initiative), ensuring our alignment with the scientific goal of limiting temperature rise to 1.5°C.

These targets are achievable with the modelled reduction plan, which integrates the assumption of 2% growth of the company. Year by year we aim for a minimal reduction of 4.2% between base year 2019 and target year 2030 to reach the outlined target.

The main message of our sustainability strategy is to reach carbon neutrality. We have set targets that are in line with 1.5°C scenarios no later than 2030.

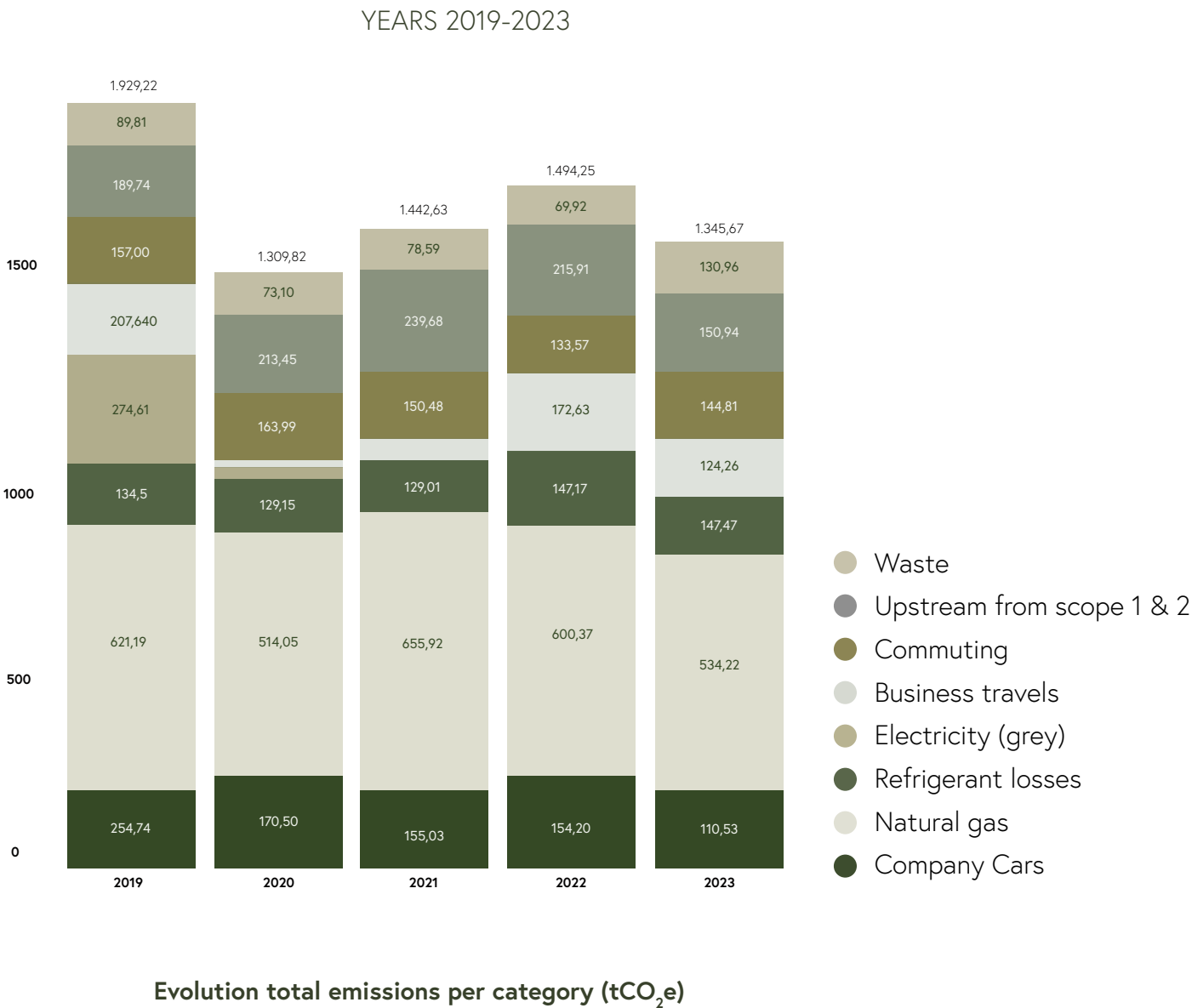
To reach our established targets we have defined several actions, considering 2% growth up until 2030, with a realistic adoption rate. This has resulted in a list of reduction actions, each with a separate reduction potential. This was the starting point to set out the roadmap for each scope, which is aligned with our overall emission reduction targets.

"Arte commits to reduce its absolute scope 1 & 2 emissions by 47% and absolute scope 3 emissions by 28% by 2030 from a 2019 base year."

Environment

Climate change (E1)

Carbon Footprint Results



Category (emissions in tCO ₂ e)	2019	2020	2021	2022	2023	Change vs 2022(%)
SCOPE 1	1.010	814	940	902	792	-12%
Natural gas	621	514	656	600	534	-11%
Company cars	255	171	155	155	111	-28%
Fugitive emissions	135	129	129	147	147	+0,2%
SCOPE 2	275	27	0	0,5	2	+420%*
Electricity	275	27	0	0,5	2	+420%
SCOPE 3	644	469	503	592	551	-7%
Purchased goods	4.642	4.419	5.359	4.163	6.541	+57%
Upstream scope 1&2	190	214	240	216	151	-30%
Commuting	157	164	151	134	145	+8%
Business travel	208	19	34	173	124	-28%
Transportation and distribution	-	2.974	2.800	2.628	-	-
Waste	90	73	79	70	131	87%
Total (silver scope)	1.929	1.310	1.443	1.494	1.346	-10%

*Scope 2 emissions increased due to the switch to electric company cars (emission shift from combustion in scope 1 to purchased grey electricity from public and at home charging in scope 2).

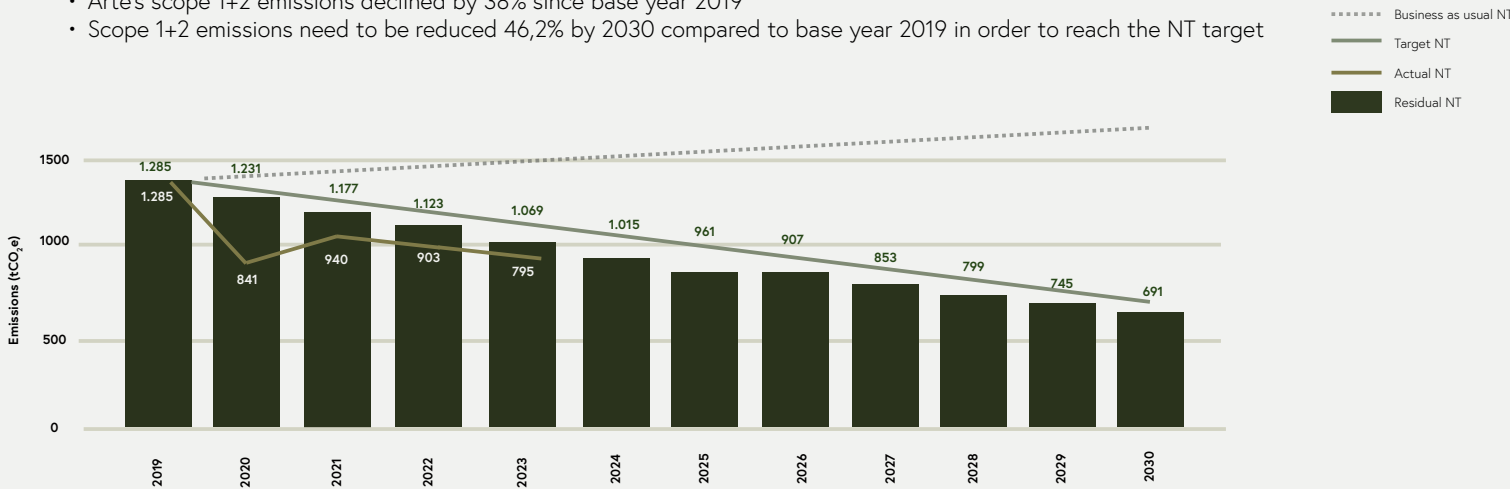
Environment

Climate change (E1)

Carbon Roadmap

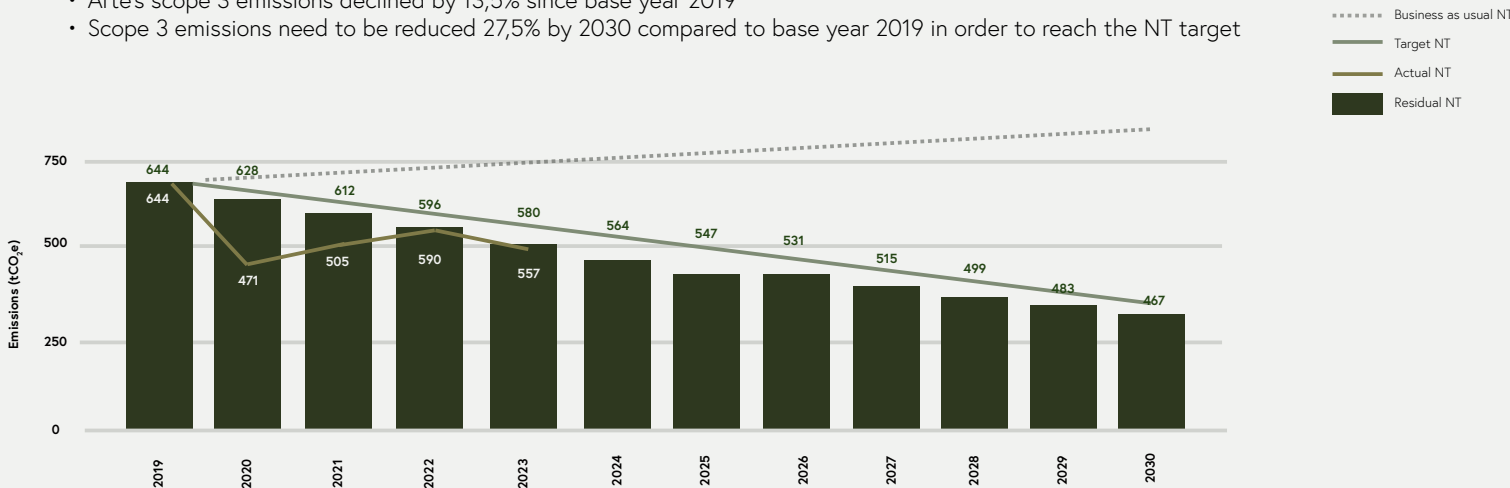
Evolution scope 1 & 2 emissions versus near term (NT) target

- Arte is well on its way to achieve its 2030 NT scope 1+2 science-based targets
- Arte's scope 1+2 emissions declined by 12% in 2023 vs 2022 (versus required 4,2% annual reduction)
- Arte's scope 1+2 emissions declined by 38% since base year 2019
- Scope 1+2 emissions need to be reduced 46,2% by 2030 compared to base year 2019 in order to reach the NT target



Evolution scope 3 emissions versus near term (NT) target

- Arte is on its way to achieve its 2030 NT scope 3 science-based targets
- Arte's scope 3 emissions declined by 13,5% since base year 2019
- Scope 3 emissions need to be reduced 27,5% by 2030 compared to base year 2019 in order to reach the NT target



Switch to green electricity

Switch to 100% green electricity in all buildings.
Realise solar capacity of more than 30% of total energy consumption.

Defossilisation

Shift from conventional to electric company cars.
Shift from conventional natural gas to biogas.
Shift from company car to bike or train by implementing a mobility budget.

Efficiency

Conduct an energy audit (for heating and electricity).
Reduce office heating temperature by 1 degree Celsius.

Residual Scope 1 and 2 emissions are due to mostly stationary combustion and fugitive emissions.

Commuting

Incentivise employees to use the bike or public transport via the "cafetariaplan" or bike allowances.

Business travel

Reduce business travel emissions by avoiding unnecessary flights, shifting short-distance travel to train and buying sustainable aviation fuel.

Waste

Avoid waste where possible and shift away from residual waste towards recycling. Recycling nonwoven membranes has a significant impact on future waste emissions.

Defossilisation

Shift from conventional to electric cars.

Environment

Climate change (E1)

Our CO₂ neutral label

Arte has been awarded the internationally recognised CO₂ Neutral Label by the independent climate expert CO₂logic, a division of South Pole. This prestigious label is earned through a rigorous annual audit of our comprehensive climate strategy.

The Silver Label includes Scope 1,2, and partial Scope 3 emissions (covering the categories business travel, commuting, operational waste, and upstream Scope 1 and 2 emissions) for the year 2023, calculated according to the GHG

Protocol methodology. The awarding of this label is verified by third-party certification, ensuring credibility and accountability in our carbon footprint reduction efforts.



Environment

Climate change (E1)

Actions

Renewable energy sources

In 2021 Arte installed 2.038 solar panels, good for an electricity production of 500.000 kWh per year. Since 2022, around 30% of our total energy consumption has been generated from this renewable energy source.

The remaining 70% of energy use is covered by bought green energy from certified European sustainable energy sources. We guarantee the green origin of our energy through power purchase agreements (PPA's), which is an energy contract between the consumer (Arte) and the power producer. This commitment extends to our natural gas consumption, where we rely on suppliers who guarantee the use of green natural gas through CO₂ compensation.

Investing in renewable energy is one of the most important parts of our GHG emissions transition plan, as electricity represents a large part of our emissions.

Business travel

As an international company with clients and suppliers spread worldwide, business trips are unavoidable. First of all, we aim to conduct as many online meetings as possible. However, given that our wallcoverings are a product that needs to be physically experienced, business travel remains essential for our sales and design team. For our design department, visiting our international branches and suppliers is essential not only to

thoroughly analyse and select materials but also to inspect the production process and working conditions. When travel to neighbouring countries is necessary, we prefer train travel. For longer distances, we strive to undertake missions, visiting multiple clients or suppliers simultaneously, to minimise the impact of our travel on our carbon footprint and the environment.

Employee commuting

We are actively transitioning our company fleet to electric vehicles, in line with our emission reduction targets. Moreover, we anticipate a natural shift towards electric options for employee commuting, particularly for those without company-owned vehicles.

In our efforts to promote eco-friendly transportation, we're incentivising bike usage through our 'cafeteria plan'. This initiative encourages employees to opt for biking, recognising it as a cost-effective and environmentally conscious alternative to car commuting. Also a bike allowance is provided for those employees who opt to cycle to work.

Transportation of goods

Logistics is a material topic for Arte. Certainly with regard to climate change, we have a big impact. While we have dedicated considerable effort to calculating our GHG emissions, our Scope

3 emissions are only partially accounted for. By 2025, we aim to complete these calculations. This will provide us with clear data making it possible to create a roadmap for minimising both upstream and downstream transport emissions and reducing their carbon intensity, ultimately advancing our journey towards carbon neutrality.

Small actions also count!

In addition to our comprehensive climate policies, we engage in smaller-scale initiatives that collectively support our sustainability goals. These include:

We switched to LED lighting in production facilities.

We introduced switching off drying ovens and other machines on the production line after finishing a reference or 'batch'. No unnecessary energy is wasted between references and at the end of the day.

On the B2B ordering platform, Arte actively encourages its customers to bundle orders as much as possible, which again leads to less transport and less CO₂.

Environment

Climate change (E1)

———— CO₂-compensation

In our journey towards carbon neutrality, we recognise the importance of reducing carbon emissions at the source. While transitioning to green energy sources is a significant step in this direction, we understand that this alone may not be sufficient to achieve our carbon neutrality goals.

As such, CO₂ compensation serves as an option to address residual greenhouse gas emissions that cannot feasibly be mitigated through other means. It is not intended to replace proactive emission reduction strategies but rather to complement them as part of our broader sustainability efforts.

Through thoughtful investments in certified and impactful climate projects, we aim to compensate for our remaining carbon footprint responsibly. These projects are carefully selected to ensure they align with our sustainability objectives and contribute positively to environmental and social outcomes.

In 2023, we invested in two distinct projects: Forest Farms in India and Genneia wind power in Argentina. Further details can be found in the 'Community Engagement' section. We strive to collaborate with climate projects that align closely with our business interests. In this instance, the forest farms are directly related to our wood supply.

By prioritising CO₂ compensation as a part of our sustainability strategy, we underscore our commitment to mitigating our environmental impact and advancing towards a more sustainable future. However, it is important to note that this action is taken only after considering all feasible options for emission reduction, reaffirming our dedication to proactive and holistic sustainability practices.



Environment

Water & marine resources (E3)

Our water management policy

We focus on practical measures to ensure responsible water use, treatment, and pollution prevention throughout our operations. We prioritise the use of municipal (tap) water over groundwater due to concerns regarding the stability of groundwater quality, which is needed for our inks.

Within our production processes, water consumption is monitored and limited to essential tasks like ink formulation and equipment cleaning. We prioritise the use of water-based inks to minimise solvent use and environmental risks.

To comply with discharge regulations, we have installed a physicochemical water treatment facility. This facility effectively removes ink particles from wastewater before it's discharged into the sewage system, reducing the risk of water pollution.

Additionally, we have implemented a rainwater collection system, namely two "wadis". This is a natural rainwater collection and infiltration system that facilitates infiltration into the soil for groundwater recharge. This water collection system is also a source of fire extinguishing water.

Actions

We regularly review and assess our water management practices to identify areas for improvement. This includes evaluating water usage, quality controls, and conservation measures to enhance efficiency and minimize environmental impact.



Environment

Resource use and circular economy (E5)

Resource inflows

At Arte we believe it's important to take a thoughtful approach to resource inflows. **By carefully selecting and sourcing materials that balance quality, durability, and environmental responsibility, we ensure that every component in our products supports a sustainable vision.** From the sturdy base layer that forms the foundation to the top layer that defines our distinctive aesthetic, each element reflects our dedication to responsible sourcing and minimal impact. Through these choices, along with our innovation in adhesives, inks and packaging, we strive to create products that are not only beautiful but also aligned with our values of environmental stewardship and resource efficiency.

Base layer

Our materials can be categorised into the "base" and the "top layer." The base (or backing), which provides a sturdy foundation, is always composed of paper, non-woven fabric or textile. Our number one priority is choosing a backing with the highest quality and durability.

To uphold the highest standards of environmental, social, and economic responsibility in sourcing our materials, particularly wood, we are striving towards procuring a higher amount of FSC-certified non-woven fabrics or paper. This commitment ensures that our products originate from forests managed in accordance with the most stringent sustainability criteria. In Zonhoven we already use 100% FSC-certified non-woven backing.

Furthermore, within our production process at Zonhoven, we aim to maximise the reuse of unprinted non-woven fabric.

Top layer

Next, we offer various options for the top layer. Here is an overview of the main categories:

- **Paper**
- **Natural products:** we source natural materials such as silk, grasses, shells, jute, and wood to align with our preference for a natural aesthetic. Moreover, these materials inherently have a low environmental impact.
- **Vinyl:** vinyl is known for its unique properties, including impact resistance, washability, water-resistant properties and an exceptionally long lifespan. It is also highly recyclable. This strong material has an average lifespan of 10 to 15 years. As a result, it is less likely to be damaged and therefore require replacement. Vinyl thus becomes a durable and valuable solution for wall decoration. This view is confirmed by Arte's vinyl partners, who can present all the required product certificates.
- **Polyester**
- **Wood**
- **Textiles**

Other resource inflows

Other materials that can be considered as important resource inflows are our adhesives and packaging:

- **Inks:** all of our inks are water-based, significantly reducing environmental impact as the use excessive solvents is prevented. Also, Arte chooses for inks that do not contain any heavy metals and cadmium-based stabilisers, both in house and when working with carefully selected suppliers.

- **Adhesives:** a few years ago, we transitioned to adhesives that are 40% water-based, as part of an internal innovation effort. This helps us to minimise the use of chemical substances, reflecting our commitment to minimising environmental impact. All of our adhesives are manufactured in Belgium through a close partnership, ensuring that they are well-suited to our finished product. We prioritise this local production for its quality and alignment with our values. The adhesives are packed in fully recyclable pots.
- **Packaging:** our packaging material consists of cardboard boxes with 50% recycled filling material and paper tape.
- Furthermore we can include other resource in flows, such as: office supplies, IT equipment, machinery, marketing materials and product samples.

Small actions also count!

In addition to our comprehensive resource policies, we engage in smaller-scale initiatives that collectively support our sustainability goals. These include:

- Printing for daily use is kept to a minimum through digital organisation and by giving each administrative employee two computer screens so they have a better digital overview of multiple documents simultaneously.
- Most of the promotional materials, such as brochures and sample cards, but also the collection books, are printed on FSC paper.

Environment

Resource use and circular economy (E5)

Reuse, upcycling & recycling

We recognise that the order in which certain circular or waste management principles are applied is important. Recycling is not the ultimate solution; it is merely one of the solutions that can reduce the need for new raw materials and give waste a new purpose.

Circularity

While we are still in the early stages of implementing circular principles within our company, we do apply several circular principles in our operations. For instance, our inks are reused where possible. When mixing inks, surplus amounts may occur.

Rather than being discarded as waste, these surplus amounts can be reused further in the production process. Similarly, in our non-woven fabrics, circular principles are applied. Unprinted non-woven backings are recycled internally.

Waste management

Overall, all our waste streams are carefully sorted according to legal regulations. In recent years, we have heavily invested in improving our waste and recycling unit, with a particular emphasis on clear communication regarding material sorting protocols.

Our operational staff undergo training to ensure accurate and efficient handling of waste. We partner with recognised waste management organisations to guarantee that our waste undergoes proper treatment and disposal.

Furthermore, we are dedicated to maximising resource efficiency through innovation. In addition to our efforts to reuse unprinted non-woven fabric, we have implemented a systemic collection process for non-woven fabric remains that were generated during production. Previously discarded as bulk waste, these remains are now segregated for recycling, minimising waste generation.

Small actions also count!

In the event of a production error, the product is not treated as waste. Instead, we try to find it a new purpose by, for example, selling it to staff at a discounted price or to wholesale buyers. We strive to repurpose collection books from discontinued collections, for example, donating them to colleagues or schools for crafting purposes.

Also the samples we provide to our customers are recovered remnants from the production process. Lastly, all of our electronic equipment is collected by a professional company, namely 'Out Of Use'. They are specialised in dismantling materials so that they can either be reused or recycled.



Sustainability topic - ESG

Social ^(S)

Own workforce (S1)

Consumers and end users (S4)

The number one priority in our organisation are our employees. The various actions and policies we implement for our own workforce are presented under the topics: Health and Safety, Right to disconnect and Employee Well-being.

Additionally, as we anticipate upcoming due diligence requirements, monitoring the rights and working conditions of individuals within our value chain grows increasingly important. While we are in the early stages, we are committed to collaborating with and supporting for our community, as highlighted in the section on Community Engagement.

Social

Own workforce (S1)

Health & safety

Ensuring a continuously safe and pleasant working environment is the foundation of the prevention policy within Arte, led by our safety advisors. This policy was developed based on the themes outlined in the welfare legislation and its derivatives.

These themes are implemented at Arte starting with the blank slate that a new colleague represents when joining the company. Besides the job description/job content, this figurative blank slate includes descriptions of the welfare and safety obligations and guidelines within Arte. This is then supplemented with tips & tricks to improve colleagues' well-being.

Given the different job roles, a distinction is made between labourers and office staff:

Labourers are informed about:

- Pre-employment medical supervision
- Evacuation procedures
- First aid
- Training on mobile work equipment
- Operation of machinery (either through safety instruction cards or other means)
- Sorting rules

Office staff are informed about:

- Evacuation procedures
- First aid
- Sorting rules
- Ergonomic office environment

Third parties are informed about:

A risk analysis is conducted for each third party, based on which the following documents are provided, completed, and signed:

- Arte's safety charter
- Agreement within the framework of welfare legislation
- Work permit
- Fire permit
- BA4/BA5 declaration

If necessary, the third party will also undergo the necessary internal training at Arte.

Regarding temporary workers and project staff, it should be noted that a workstation sheet is provided in advance, and they are also informed as described above for workers and office staff. In conclusion, at Arte, the focus primarily lies on the themes of Fire Prevention and Occupational Safety without losing sight of other relevant topics.

"Number one priority in
our organization, are our
employees."



Social

Own workforce (S1)

Right to disconnect

A key aspect of our well-being approach is the implementation of the Right to Disconnect, mandated by the law of 3 October, 2022. This right ensures that employees have the opportunity to disconnect from work-related communications outside of their designated working hours, promoting a healthy work-life balance.

Our management team is committed to **promoting employee well-being by raising awareness among employees and emphasising the importance of disconnecting from work.**

Our policy consists of a few general guidelines. We aim to educate our employees to recognise and proactively address any potential breaches of the policy. Deadlines are set realistically to prevent overburdening employees.

We encourage and guide our employees to use tools like an out-of-office assistant to signal to colleagues and clients that responses may be delayed. Additionally, there is always a backup arrangement during employees' holidays to manage urgent tasks or inquiries, enabling employees to disconnect fully.

In addition, we discourage professional contact outside of working hours, with exceptions made for urgent matters. With our weekend email protocol, we seek to limit responses to emails over the weekend, treating them as if received on Monday.

Our approach has been shown to be effective, as proven our low turnover rates.



Social

Own workforce (S1)

Employee well-being

The well-being of our employees is closely linked to the health and safety; however it is more than that. We believe that our low staff turnover is a result of our culture and actions.

Good physical and mental health is a valuable asset. Colleagues who are physically and mentally fit are less likely to be absent due to illness. They feel more motivated, have greater energy in the workplace, and experience less stress. They are more likely to feel happy and spread this positivity to their families, colleagues, and even to our customers and suppliers. This, along with fostering social connectedness, forms the cornerstone of ArteForYou.

ArteForYou (AFY) is a team of 'ARTEsians' committed to the well-being of their colleagues.

The core team of AFY ("Ambassadors") consists of ten enthusiasts who meet once a month to distribute and concretely develop the activities they planned at the beginning of the year. In the practical implementation, they can also rely on other enthusiastic colleagues, called the "Helping Hands".

We focus on the following domains: 'Sport & Exercise', 'Healthy Work Environment', 'Relaxation & Entertainment'. Furthermore we aim to bring a mix of small and larger initiatives to our colleagues.

The past years, the following initiatives were implemented:

- Monthly fruit distribution
- Poem displayed on our company screens for Poetry Day
- Workshop on flower arranging led by a colleague
- Easter egg hunt
- Bike-to-Work Day
- After Work Fridays from May to September. We have our own "drinks truck" that we open after work on Fridays (weather permitting) to kick off the weekend together.
- Staff party "Arte On Stage" in the style of "Genk on Stage," featuring our colleagues as performers
- "Dwars Door Hasselt" running event
- Week of Work Happiness featuring numerous daily activities
- "Guess the Sound" game
- Guessing game with peppernuts for Saint Nicholas Day
- Jenever walk
- Compliment Day



Social

Consumers and end users (S4)

Community engagement

As part of our commitment to carbon offsetting, Arte invests in certified projects that not only compensate for our remaining CO₂ emissions but also foster sustainable development and community benefits. Here are two key projects we support:

Project 1: Forest farms in India

The Forest Farms project aims to restore degraded land and improve the livelihoods of over 12,000 smallholder farmers across three Indian states: Odisha, Andhra Pradesh, and Chhattisgarh. Covering over 14,900 hectares, this afforestation and reforestation initiative focusses on planting eucalyptus forests.

By providing sustainable income streams and training in planting and nursery techniques, the project enhances local job opportunities and upskills workers. Annually, it mitigates 146,000 tonnes of CO₂e, contributing significantly to climate action. Additionally, it supports the UN's Sustainable Development Goals (SDGs) by addressing poverty, promoting decent work, and protecting life on land.

Project 2: Genneia wind power in Argentina

Harnessing Argentina's abundant wind resources, the Genneia Wind project is installing 71 state-of-the-art wind turbines across six wind farms, located near Buenos Aires and in the windy plains of Chubut. This project generates 900,000 MWh of clean, renewable electricity each year, reducing the country's reliance on fossil fuels and mitigating 384,000 tonnes of CO₂e annually.

It also creates green jobs and supports the development of resilient renewable energy infrastructure, propelling Argentina towards a low-carbon future. By aligning with the SDG's, this project promotes affordable and clean energy, decent work, and sustainable industrial innovation.

Through these initiatives, Arte not only offsets its carbon footprint but also contributes to broader environmental and socio-economic benefits, reinforcing our dedication to sustainable development and community well-being.



Sustainability topic - ESG

Governance ^(G)

Business Conduct (G1)

At Arte, our commitment to excellence extends beyond the quality of our wallcoverings; it encompasses every facet of our operations, including governance. We believe in doing things the right way from the start, with meticulous attention to detail.

In this section of our ESG report, we delve into why governance matters to Arte and what principles guide our approach. We explore our ethical commitment towards suppliers, our policies on whistleblowing, and our policies for ensuring privacy and cybersecurity.

Governance

Business conduct (G1)

———— Ethical commitment towards suppliers

In our sourcing policy, we recognise that certain products, such as silk, are obtained from environments with significantly different standards and working conditions.

To ensure responsible procurement practices, we take a practical approach. When considering new suppliers, representatives from Arte conduct on-site visits to evaluate working conditions and standards firsthand. While this approach is not formalised as a policy, it serves as a vital check, drawing on the intuition and experience of our managers.

Rather than relying solely on a formal code of conduct, we prioritise this hands-on assessment, finding it more convincing and in line with our values.

We view it as an ethical commitment to our suppliers, as **we aim to build trusting relationships and ensure healthy production environments and fair treatment of workers.** Additionally, maintaining strong and long-term partnerships with our suppliers is essential for mutual support and reliability. Through this approach, both Arte and our suppliers can depend on each other, fostering a sustainable and mutually beneficial relationship.

Governance

Business conduct (G1)

———— Whistleblowing procedure

At Arte, we prioritise transparency and integrity in all our business activities. To support this, we have implemented a Whistleblowing procedure that allows employees, suppliers, customers, and other stakeholders to report concerns about unethical behavior or misconduct. The aim is to create a safe and confidential way for individuals to raise issues related to ethical violations or breaches of internal policies.

The procedure allows reports to be submitted through multiple channels, including an online portal, email, written form, or in person. Reporters have the option to remain anonymous or disclose their identity. All reports are handled by designated managers through our secure Whistleblowing platform, where reporters can track the status of their submission to ensure transparency.

To maintain the highest standards, we regularly review and improve the policy based on feedback from reporters. This policy is integrated into Arte's labor regulations and reinforces our commitment to ethical business practices and sustainability.

A brief presentation is also available to employees for further clarification of the process.

Governance

Business conduct (G1)

Privacy & cybersecurity

At Arte, we place emphasis on privacy and cybersecurity as integral components of our governance framework. Our approach is rooted in a commitment to safeguarding the personal information of all stakeholders, including our employees.

To support our commitment, we have established a suite of policies and procedures designed to address cybersecurity and privacy concerns. Our IT Policy, along with training sessions, is part of our proactive approach. In case something would go wrong, we are ready to follow our cybersecurity policy to tackle any problems.

IT Policy

Our IT policy serves as foundational document outlining our organisation's overarching approach to information technology management.

This policy, which is an integral part of the employment regulations, covers both the employee's use of the internet (browsing, chatting, social media, etc.) and email as well as software and hardware, including the data managed through these systems. To regulate the use of the IT infrastructure, control measures can be taken when the policy is not respected. When implementing this monitoring system, the employer respects the employees' right to protection of their personal privacy.

As part of our IT policy, we have developed several guidelines, including guidelines for password management, access protocols for PCs, GDPR-compliant procedures for data breaches, processes for handling requests related to personal data and our smartphone policy. Every employee receives information on the IT policy and guidelines when joining our team.

Cybersecurity

We are currently developing a comprehensive cybersecurity plan set to be implemented in 2025. The aim of this plan is to respond efficiently and swiftly to any cyber incidents to prevent or minimise time, costs, and damage.

As part of this plan, we have established an Incident Response Team. Members of this team are tasked with taking appropriate action in the event of an incident, in accordance with the cybersecurity policy. They have received suitable training to effectively manage these situations. The policy outlines a complete step-by-step process, which will be communicated to all colleagues at Arte.

Awareness and Training

Central to our cybersecurity strategy is the promotion of awareness and education among our workforce, suppliers, and stakeholders. Through regular training sessions, we aim to encourage a culture of cybersecurity consciousness and emphasise the importance of safeguarding personal information.

Notably, our 'phishing academy' initiative serves as a practical example of our commitment to raising awareness and fostering vigilance against cyber threats.

By incorporating cybersecurity and privacy considerations into our governance framework, we demonstrate our commitment to responsible business conduct and the protection of stakeholder interests.



Sustainability report

ARTE®