

1. Introduction

As a manufacturing company that relies on natural resources and generates CO² emissions in our operations and value chain, we commit to reducing our environmental footprint and improving the environmental performance of our products and services.

2. Scope

This policy applies to all PGS Group entities (sawmills, pallet production, reconditioning, nail factory, pooling services, offices), employees, agency workers, contractors, and relevant business partners across the value chain.

The policy covers environmental impacts across our operations and value chain: upstream sourcing (notably wood and metals), inplant activities (sawmills, fabrication, repair and sorting, nail production), logistics and pooling services, and downstream product end-of-life pathways. It guides internal teams and sets expectations for suppliers and partners engaged with our sites and services.

3. Definitions & Abbreviations

EMS	Environmental management system
ESRS	European Sustainability Reporting Standards
COC	Chain of Custody
PEFC®	The Programme for the Endorsement of Forest Certification
FSC®	The Forest Stewardship Council
EUTR	EU Timber Regulation (Regulation (EU) No 995/2010)
EUDR	EU Deforestation Regulation (Regulation (EU) No 2023/1115)
GHG Protocol	The Greenhouse Gas Protocol
SBTi	Science-based Targets Initiative
Fasteners	Wire rod for the manufacturing of bulk and collated nails.
Recycled steel	Refers to gross steel scrap input.
QHSE	Quality, Health, Safety & Environmental Department
CSR	Corporate Social Responsibility Department

4. Our commitments: Qualitative Objectives

PGS Group commits to an Environmental Management System (EMS) that:

- **Protects the environment** by preventing pollution, using resources responsibly, and contributing to climate change mitigation, adaptation, energy efficiency and biodiversity protection.
- **Meets all compliance obligations** (permits, laws, and applicable standards) in every jurisdiction where we operate.
- **Continuously improves environmental performance** through the targets, monitoring, audits, and management review. We periodically review the materiality of environmental topics and associated risks in line with ESRS Environmental Standards (E1 Climate change, E2 Pollution, E3 Water and marine resources, E4 Biodiversity, E5 Resource use and circular economy).

- **Drives circularity** in line with our business model: prioritizing pooling, repair, reuse, responsible material recovery and recycling, minimizing waste to landfill; and designing products/services to extend life and with the principles of eco design in mind.
- **Sources timber responsibly** via robust due diligence and Chain of Custody (COC) systems (PEFC®/FSC®), in line with the EU Deforestation Regulation (EUTR/EUDR) requirements for deforestation free products.
- **Holds a PEFC® multisite certificate** covering all sawmill production entities, with annual audits. Newly acquired entities are certified within 12 months of joining the group.
- **Measures and manages GHG emissions across Scopes 1, 2, and 3** and sets targets based on the GHG Protocol, with consideration of SBTi principles. We enhance transparency by steadily improving data quality through platforms, validation, and tooling. A Climate Transition plan is in place, and implementation has started, aligned with annual reduction rates of –5,25% for Scope 1 & 2 and –3,13% for Scope 3 until 2030.
- **Engages people and partners**: through training, clear environmental procedures and operational practices and transparent reporting to stakeholders.
- **Have a waste management system** in place to sort, label and register correct waste streams on the sites operations.

5. Our commitments: Quantitative Targets

E1-Climate Change

- **E1-CC-01** Scope 1+2 absolute reduction vs FY2022: **–42% by 2030 ; –90% by 2050**.
- **E1-CC-02** Scope 3 absolute reduction vs FY2022: **–25% by 2030 ; –90% by 2050**.
- **E1-CC-03** Source renewable electricity: **95% by 2026**

Our targets and governance are guided by the **GHG Protocol** and informed by **the principles of the SBTi**, with the ambition to align with a 1.5 °C pathway by 2050.

E5-Circularity

- **G1-CIR-01** Timber purchases covered by our due diligence system: **100% annually**.
- **G1-CIR-02** Wood suppliers certified under PEFC® and/or FSC®: **minimum of 95% annually**.
- **G1-CIR-03** Wood products certified under PEFC® or FSC® claim: **minimum of 50% annually**.
- **E5-CIR-01** Maintain recycled steel content above the European sector average*.
- **E5-CIR-02** Average recycled steel content in all steel purchases for fasteners: **minimum of 95% annually**.

* According to the Worldsteel Association, the average recycled steel content in European wire rod is at 51.8% based on the most recent calculation from 2022.

6. Allocation of Responsibility

- **Executive Management Team** : confirms strategy and the materiality cycle; approves resources; empowers QHSE, CSR, procurement, the Energy & Efficiency Manager and Site Managers to deliver objectives/targets.
- **Sustainability Committee** : oversees progress on the sustainability strategy; monitors compliance with sustainability regulations; reviews environmental risks and opportunities; approves annual sustainability reporting.
- **QHSE & CSR teams**: maintain the EMS; define KPIs; coordinate targets/programs; assure training, internal audits, benchmark performance; drive continual improvement.
- **Site Managers & Operations** : implement procedures and controls for energy efficiency, waste minimization, water management, emissions control, and circularity; maintain permits; report data.
- **Procurement**: conducts supplier due diligence and third-party audits (incl. PEFC®/FSC® and EUDR checks); enforces responsible sourcing and Supplier Code of Conduct; drives supplier compliance and improvement.
- **Energy & Efficiency Manager**: leads group-wide energy management and efficiency programs, monitors savings opportunities and renewable integration, ensures compliance with energy legislation, and reports performance to the Sustainability Committee.
- **All employees & business partners** : act in line with this policy; report issues and improvement ideas.
- **Ownership & approval** : The Chief Executive Officer (CEO) and the Chief Operational Officer (COO) hold overall responsibility for this policy and its implementation and ensure progress towards our commitments.

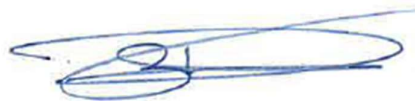
7. Policy Review

This policy is maintained as documented information, communicated internally (e.g., SharePoint, onboarding), and made available to interested parties (e.g., website or upon request). It is **reviewed at least annually** by the Sustainability Committee and through management reviews; it is updated on material changes (e.g., new regulations, strategy shifts, major events). Performance is verified by audits and benchmarking.

Gistel, January 14, 2026,



Luc Grauwet
Chief Executive Officer



Bart De Laender
Chief Operational Officer



Patricia Simoen
Responsible Corporate Social
Responsibility