

MORE FROM WOOD.



More from wood.
More transparency.
2020 / 2021



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Dear Readers,

We are very pleased to present the EGGER Group's fourth Sustainability Report. A special year lies behind us — marked by a global pandemic that also had a significant impact on our business activities. The protection of our employees and the continuation of our production have always been central issues. Especially in these challenging times, we are particularly keen to report on our progress in sustainability management.

Since joining the UN Global Compact in December 2019, we have been working steadily to integrate its ten principles into our business strategy, culture and processes. For the first time, this report includes our commitment to the United Nations Sustainable Development Goals (SDGs). We have undertaken an in-depth analysis and prioritisation of the SDGs. In this way, we have defined how we can link to the goals and sub-goals of the Agenda 2030 in our business activities in order to make the greatest possible contribution to achieving them.

In the past business year, we have once again been very concerned with the social and ecological impact of our activities. We have formulated additional strategic sustainability goals for our key topics and thus further concretised our ambitions. We would like to continue to evaluate this process in the future and make adjustments where necessary. In line with our high transparency standards, the report contains a clear pres-

entation of traceability of goal achievement. EGGER is committed to public accountability for its positive and negative environmental and social impacts. With this fourth Sustainability Report, we feel that we are achieving the high quality standards we set for ourselves as well as for our products and services.

We were able to improve our sustainability performance in a number of areas in the past financial year. This is underpinned by the achievement of Prime status in the ISS ESG Corporate Rating. We have initiated the endorsement of our revised Supplier Code of Conduct and will continue to do so until we reach our goal. Environmental information in product marketing was further developed with our fact-based sustainability indicators and Environmental and Health Datasheets for additional products.

In the coming years, we will further deepen the analysis of upstream and downstream CO₂ emissions. We would like to show the impact of our processes on the climate in even more detail by calculating the Scope 3 carbon footprint. In addition, we will update the materiality analysis in the coming financial year to ensure that we continue to address the topics that are material to our company's sustainability performance also in the future.



The Group Management, from left to right:
Walter Schiegl, Head of Production / Technology
Thomas Leissing, Head of Finances / Administration / Logistics and Spokesman of the Group Management
Ulrich Bühler, Head of Sales / Marketing

We are delighted to have you with us on this path.



Walter Schiegl Thomas Leissing Ulrich Bühler

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About the report

This is the fourth Sustainability Report of the EGGER Group.

Reporting period

The reporting period is in line with the EGGER financial year and runs from May 2020 to April 2021 (‘FY 2020/21’). For better illustration, the two previous years are also given. For some indicators, data are not available at financial year level, they refer to calendar years (January–December) and are marked accordingly.

Reporting cycle

The non-financial report is published annually together with the annual financial report.

Reporting standard & external audit

This report meets the requirements for a separate non-financial report pursuant to §267a UGB (Austrian Commercial Code) and was prepared in accordance with the GRI standards: ‘Core’ option.

An independent audit was conducted by KPMG Austria GmbH. The assessment with limited certainty can be found in the audit report in the annex.

Three separate annexes to the report make it easier to assign the report content to the requirements of NaDiVeG, GRI Standard and Global Compact.

Scope of the report


The report covers all fully consolidated companies of the EGGER Group as at 30 April 2021. The data on personnel relate to the entire EGGER Group and refer to full-time equivalents as an annual average. Consumption and environmental data refer to the fully consolidated companies of the four EGGER Decorative Products Divisions, the EGGER Flooring Products Division and the EGGER sawmill in Brilon. These cover 100% of the production volume of our decorative products, building products and flooring products. Relative environmental and energy indicators refer to the production volume of the primary products (sum of raw boards, timber and impregnates). For tables with a different calculation basis, this is disclosed via footnotes.

Language

In order to ensure the best possible readability, gender-specific double entries are not used. All references to persons thus apply equally to both genders. The report will be published in German and English, whereby in case of doubt the German-language version shall prevail.

Further information

Further information from the annual financial report can be found in several parts of the report. This can be downloaded at

 egger.com/credit-relations

INFO ON THE STRUCTURE OF THE TOPICS

The sustainability topics are divided into

- **Three thematic groups**
 - ➔ Product topics including supply chain, use and disposal
 - ➔ Production topics
 - ➔ Topics for employees, society and compliance
- **16 material topics**
 - ➔ Introductory page:
 - Overview
 - Potential opportunities and risks in an inside-out view (potential impact of EGGER business activities on society and the environment)
 - ➔ 8 Explanations of our approach (Description of those management approaches that relate to several sub-topics)
 - ➔ 41 Sub-topics
 - Attitude: Basic convictions and values
 - Approach: Management approaches
 - Target
 - Key performance indicators
 - Status: Assessment of current situation
 - Measures

Contact

umwelt@egger.com

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Company key figures



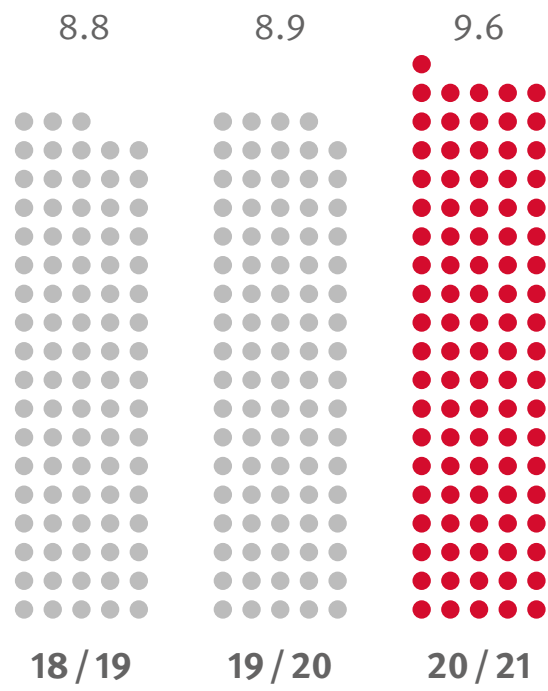
Number of employees

Average number of employees per financial year



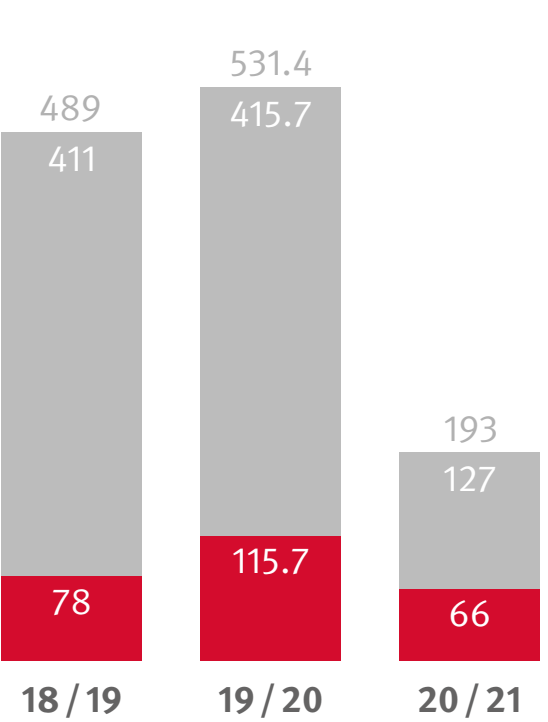
Production quantities wood-based materials

(incl. timber in million m³)



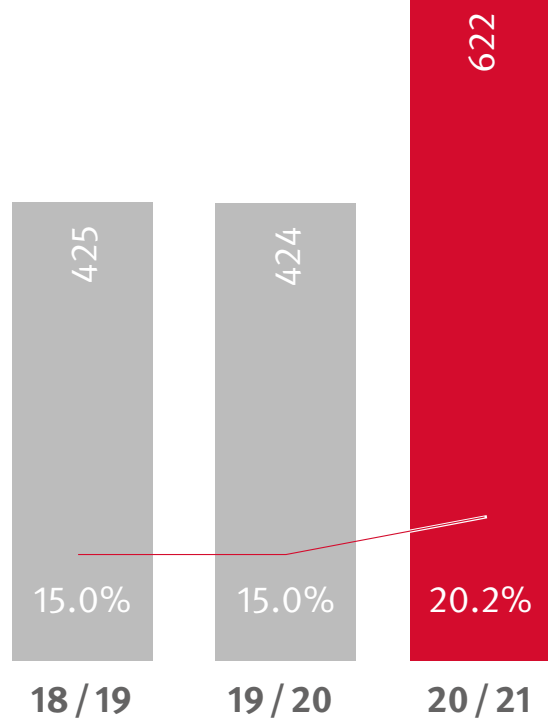
Investments and acquisitions

in EUR million



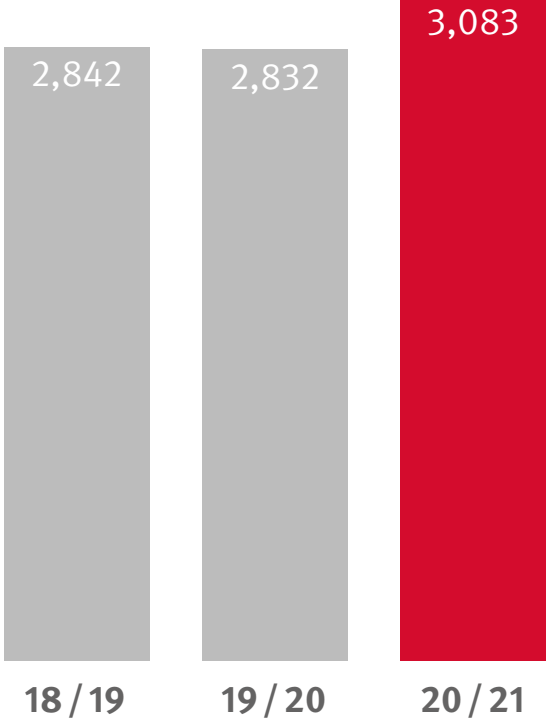
EBITDA

in EUR million; EBITDA margin in %



Revenue development

in EUR million



■ Growth investments, including acquisitions
■ Maintenance investments

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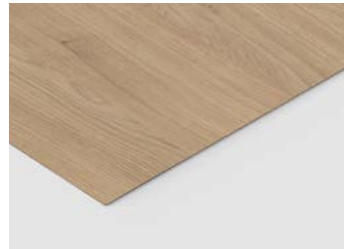




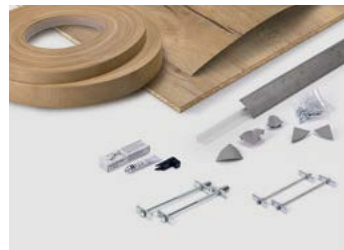
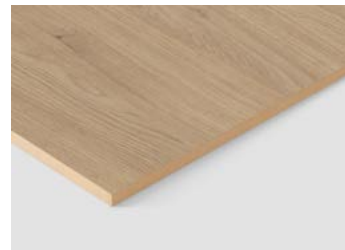


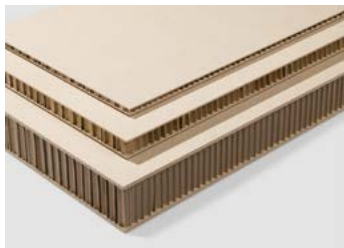









Company key figures

Our products




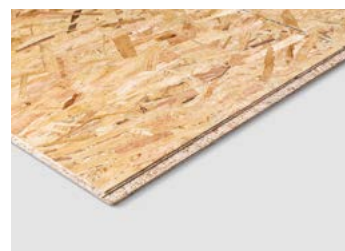

Who we are

Who trusts us



Furniture and interior design

					
Eurodekor melamine faced chipboards	PerfectSense lacquered boards	Laminates	Edging	Worktops	
					
Compact laminates	OSB Combiline - OSB-MDF composite board	Worktop accessories	Eurodekor melamine faced MDF boards	Eurodekor melamine faced OSB Combiline boards	
					
Eurolight Decor	Eurolight Lightweight boards	Splashback panels	Laminate bonded boards	Eurospan raw chipboards	
					
MDF Medium density fibreboards	Thin chipboards	Window sills	Thin MDF lacquered boards	Thin MDF boards	Furniture components

Building products

				
Timber fresh, dried, planed	OSB boards straight edge	OSB Tongue & Groove	Ergo Board	DHF Underlay board

Flooring

		
Laminate Flooring	Comfort Flooring	Design Flooring GreenTec

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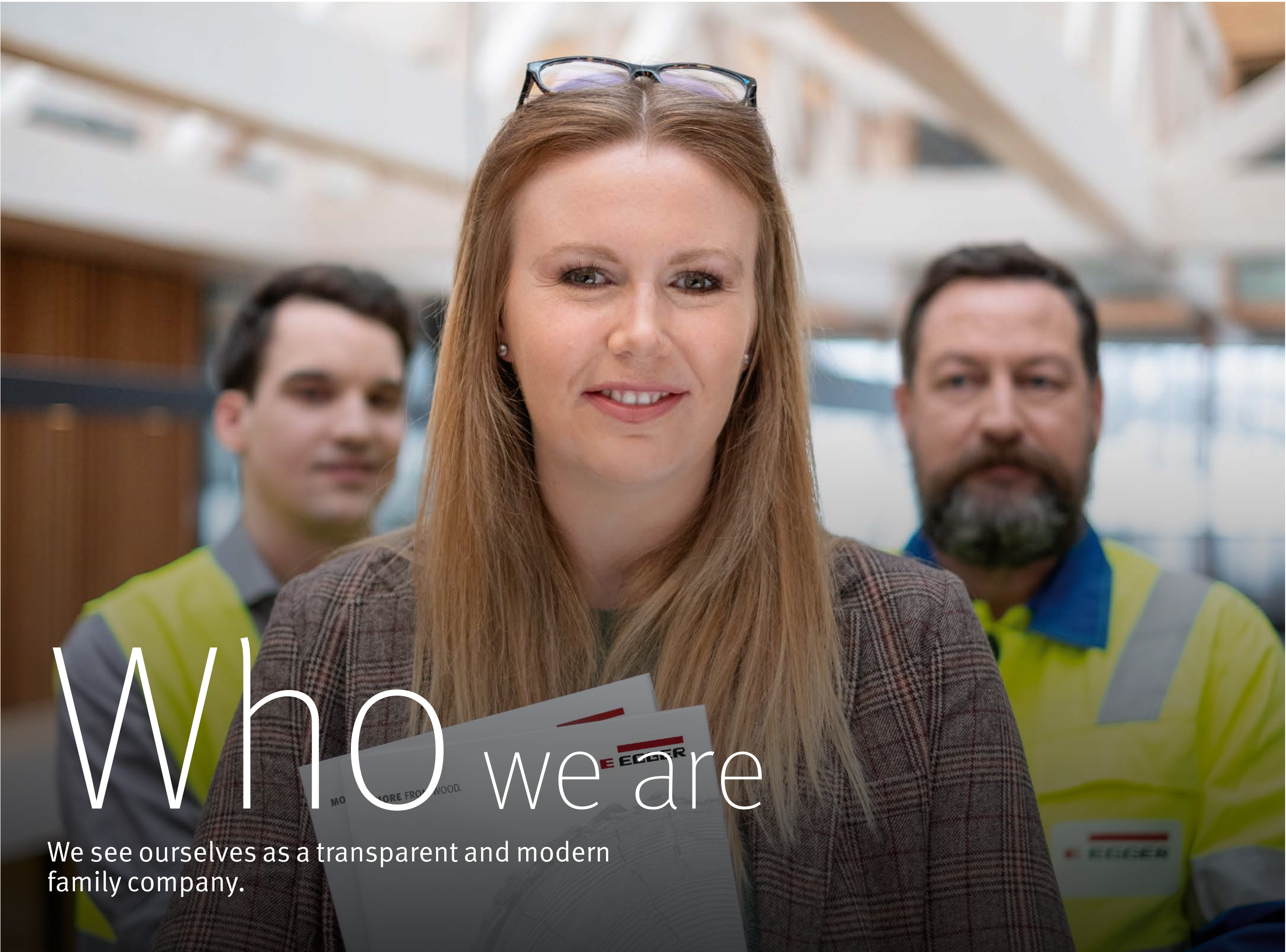
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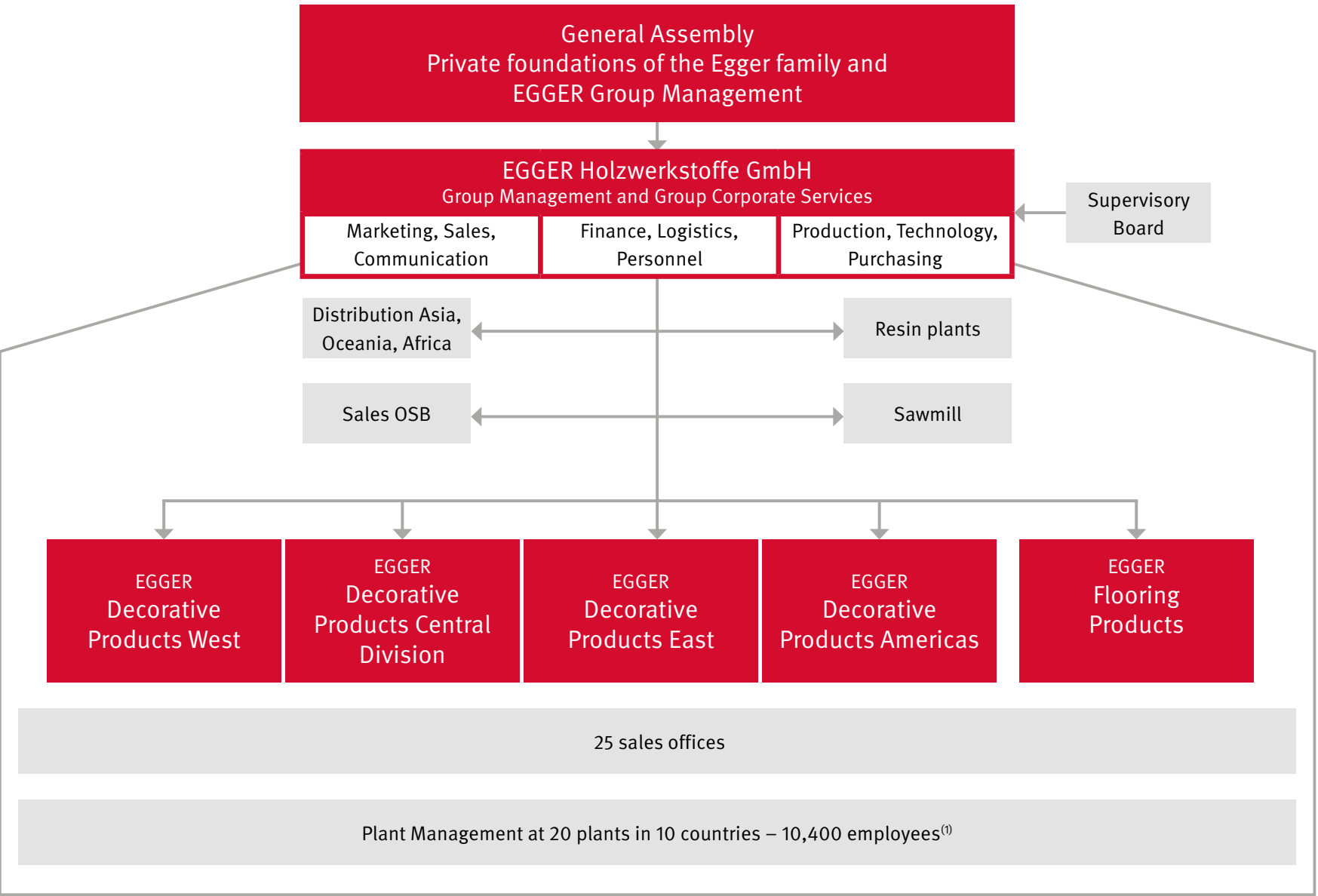
Organisational structure

The Egger Holzwerkstoffe GmbH is the parent company of our Group. It includes companies in Austria, Germany, France, Great Britain, Russia, Romania, Poland, Turkey, Argentina and the USA, as well as sales subsidiaries in Eastern Europe, Benelux, Scandinavia, Switzerland and Overseas (Asia, Australia and South America) that report directly to the respective country organisations. To ensure optimal market development and close proximity to our customers, we are organised by product areas, divisions, and markets. The largest product area is furniture and interior design. These products are produced and marketed by the EGGER Decorative Products West, Central, East and Americas divisions. There is also the flooring product area, which is organised in the EGGER Flooring Products Division. Outside the divisional structure there are four other units that are organised independently: the Brilon sawmill, the glue factories, the sales organisation for Asia, Oceania, Africa and the sales organisation for building products such as OSB boards and sawn timber products.

The members of the Managing Board (Group Management) of the parent company, EGGER Holzwerkstoffe GmbH, are Thomas Leissing (Speaker of the Managing Board, CFO, Finance / Administration / Logistics), Walter Schiegl (CTO, Production / Technology) and Ulrich Bühler (CSO, Sales / Marketing).

The Supervisory Board supports the Managing Board on strategic issues. In addition to the owners’ representatives Fritz Egger (Chairman) and Michael Egger, the Supervisory Board also includes Dr. Robert Briem, Univ.-Prof. Dr. Ewald Aschauer (Chairman of the Audit Committee; independent), Michael Stiehl (independent) and Alfred Wurmbrand (independent). The full Supervisory Board is responsible for issues involving the remuneration and appointment of members to the Managing Board. Cooperation between the Managing Board and Supervisory Board takes place in the form of quarterly Supervisory Board meetings that include ongoing budget and investment monitoring as well as monthly reporting.

We rely on management teams for the direction of our organisational units, whereby the individual responsibilities cover production and technology, sales and marketing, logistics as well as finance and administration. This structure applies to the Group management, divisional management and the regional plant management. In addition, Corporate Services managers are responsible for the following areas: technology, production, procurement, marketing, communications, sales controlling, IT, logistics, human resources, accounting, treasury, legal and tax.



Simplified organisational structure of the EGGER Group

(1) 10,433 employees (headcount) as of 30/04/2021



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Growth based on our own performance

10,233 ⁽¹⁾ employees work for the EGGER group. We have grown significantly in recent years. Our employee numbers have almost doubled since 2010. We are growing in particular through investments in existing plants and the construction of new plants such as in Lexington, NC (US).

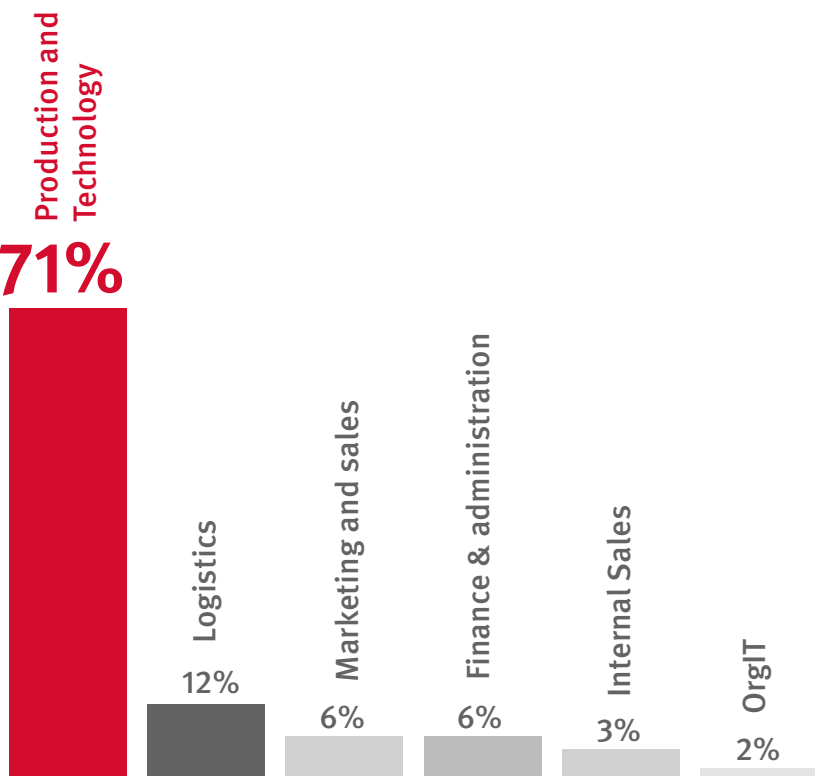
(1) Annual average FTE

10,233



Six areas – one team

71% of our employees work in the areas of technology and production. 12% of them work in logistics. Six per cent are each employed in Marketing and Sales, as well as Finance and Administration. Three per cent work in internal sales and two per cent are in OrgIT.



77 Nations



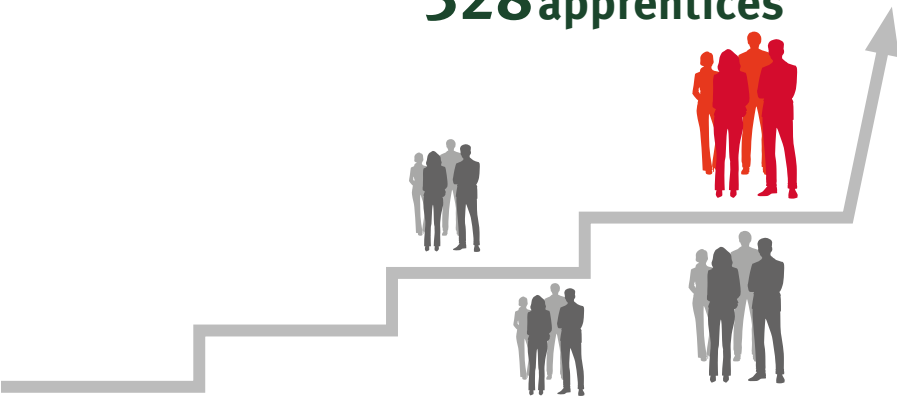
Diversity and internationality

The diversity of our employees shows: In the last 60 years we have developed into an internationally active company. Currently, members of 77 nations work for EGGER. The nationalities of the countries in which our plants are located account for the largest proportions. With our sales offices we are active in many countries worldwide, including Australia, Taiwan and Vietnam.

Young generation with future prospects

Currently 328 apprentices are on their way to becoming skilled workers. Most of them are completing their training in German-speaking countries. We are currently rolling out the training format across other countries and are also training new specialists in Argentina, for example. In addition, 448 pupils and students completed an internship with us last year. By offering both apprenticeships and internships, we remain an attractive employer for the younger generation and offer opportunities for the future.

328 apprentices



Ø 39.7 years



10+ years EGGER

Experience and new impetus

On average, our colleagues are 39.7 years old and have been working for EGGER for more than 10 years. 27% of our employees have been with us for less than three years, bringing a breath of fresh air and new impetus. They learn a lot from their more experienced colleagues. After all, 41% of our employees have been part of our team for more than ten years.



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Sales and production locations

- Production sites
- Sales locations
- 1

St. Johann in Tirol **AT**
- 2

Wörgl **AT**
- 3

Unterradlberg **AT**
- 4

Brilon **DE**
- 5

Bevern **DE**
- 6

Gifhorn **DE**
- 7

Bünde **DE**
- 8

Marienmünster **DE**
- 9

Wismar **DE**
- 10

Hexham **UK**
- 11

Barony **UK**
- 12

Rambervillers **FR**
- 13

Rion des Landes **FR**
- 14

Shuya **RU**
- 15

Gagarin **RU**
- 16

Rădăuți **RO**
- 17

Gebze **TR**
- 18

Concordia **AR**
- 19

Biskupiec **PL**
- 20

Lexington, NC **US**

1

Tours **FR**

2

Kortrijk **BE**

3

Tistrup **DK**

4

Kriens **CH**

5

Treviso **IT**

6

Šenčur **SI**

7

Varaždin **HR**

8

Hradec Králově **CZ**

9

Poznań **PL**

10

Budapest **HU**

11

Smederevo **RS**

12

Sofia **BG**

13

București **RO**

14

Vilnius **LT**

15

Minsk **BY**

16

Kiev **UA**

17

Moscow **RU**

18

Almaty **KZ**

19

Shanghai **CN**

20

Tokyo **JP**

21

New Delhi **IN**

22

Santiago de Chile **CL**

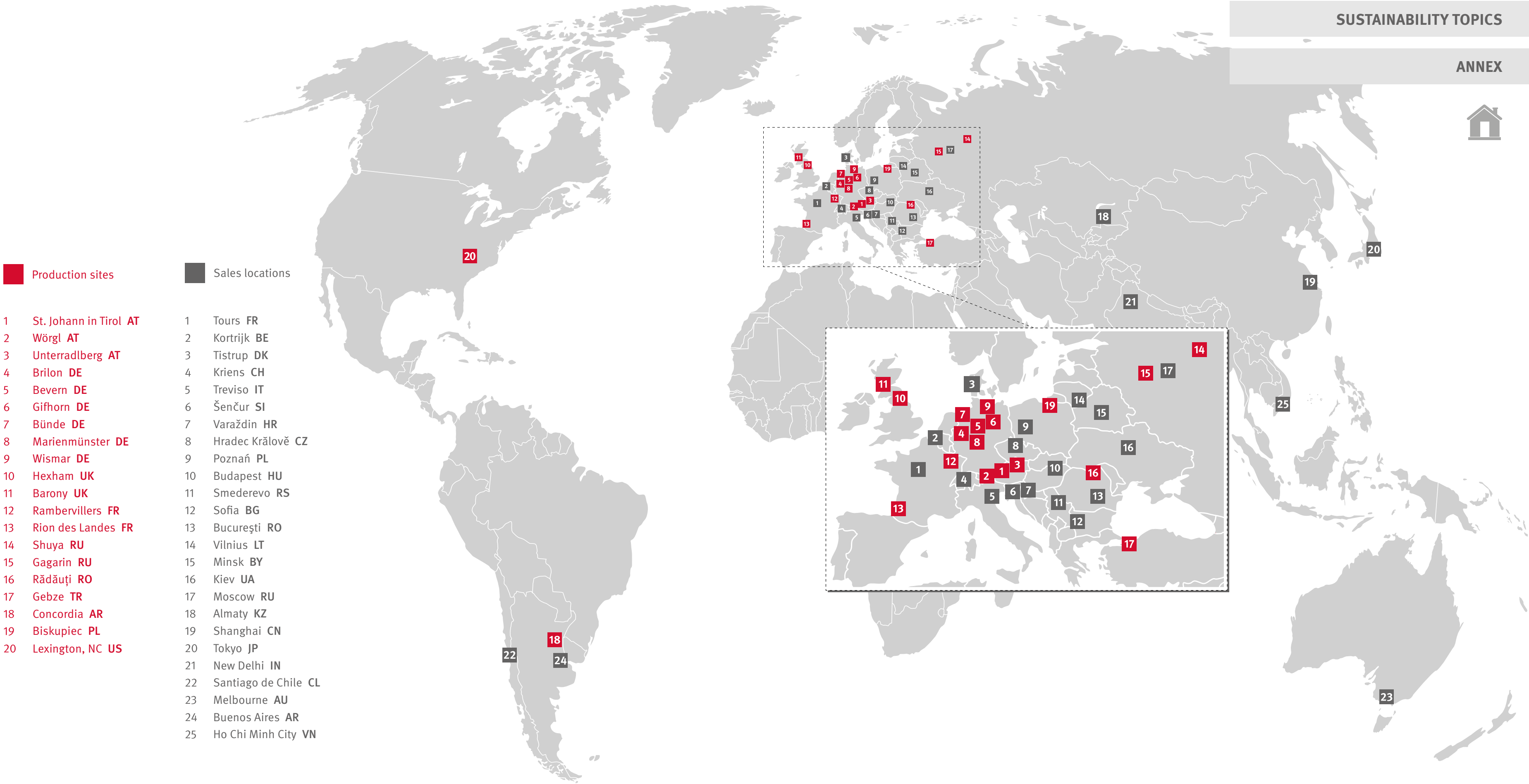
23

Melbourne **AU**

24

Buenos Aires **AR**

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Ho Chi Minh City **VN**

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Product areas



Furniture and interior design

Customers can obtain our decor variety for trendy furniture and interior design in decor and material combination on classic chipboard and MDF boards, Eurolight lightweight boards, OSB Combiline and laminate, among others. Matching edges complete the range. PerfectSense lacquered boards, with matt or high-gloss surfaces, seduce with their visual perfection and offer high levels of durability and resistance to micro-scratches.

Flooring

Feel at home with our floors. Whether classic floorboards or innovative decors and textures – with high quality flooring we always create a pleasant indoor climate. Three specialised product categories, the Design Flooring GreenTec, the Comfort Flooring and the Laminate Flooring, offer the perfect floor covering for a wide range of requirements – whether for public or private spaces.

Building products

Anyone who wants to build sustainably with wood will find a wide range of OSB installation and straight-edged boards, DHF underlay boards, Ergo Board extension boards and sawn timber. With our environmentally friendly products for structural timber construction, we also provide excellent individual solutions for demanding projects. The continuously monitored product quality guarantees clean and fast processing.



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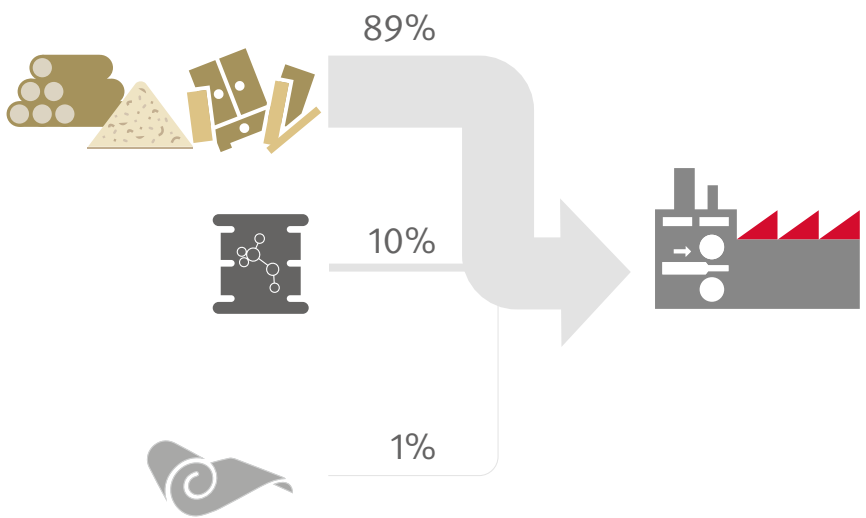
Our raw materials and suppliers

The three most important categories of material are wood, chemicals and paper. Every year, we procure around 12 million tonnes of these, worth around EUR 1.1 billion. Wood is used to make chips, fibres and strands, the core components of our boards. Chemical precursors are necessary both for the production of glue as a binder for the raw boards and for the production of impregnating resin for the decorative surfaces. We need raw and decorative paper for the production of coating material.

Purchased raw materials by quantity

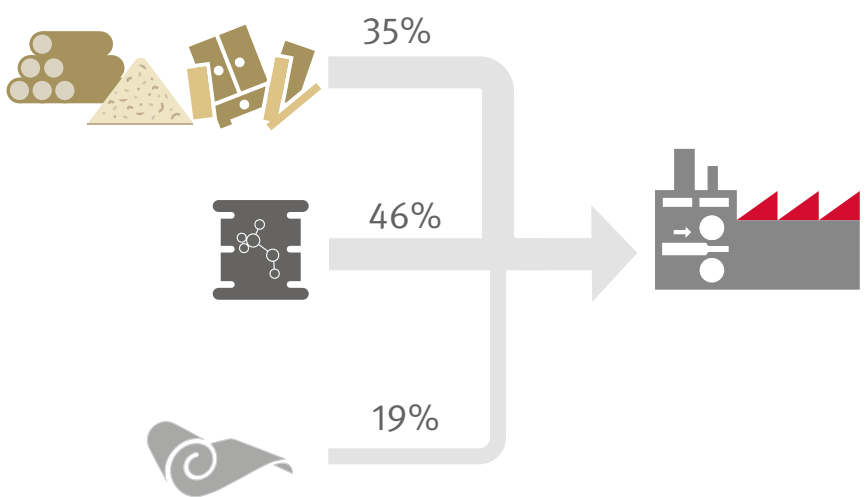
	Percentage
total	100%
of which wood ⁽¹⁾	89%
of which chemicals	10%
of which paper	1%

(1) air dry



Purchased raw materials by cost

	Percentage
total	100%
of which wood	35%
of which chemicals	46%
of which paper	19%



Wood

Consolidated, over 3,000 partner companies supply us with wood. We divide it into three main groups: Roundwood, sawmill by-products and waste wood. Our wood-based material plants and our sawmill currently procure roundwood from around 1,400 suppliers. Sawmill by-products are supplied by about 1,200 companies, waste wood by about 1,000 recycling companies.

Chemicals

The most important chemical raw materials are UF and MUF glues, UF and MF impregnating resins, melamine and urea. 40% of the company's glue and impregnating resin requirements are covered by its own resin plants in Wismar (DE), Rădăuți (RO) and Hexham (UK), 60% are purchased from companies in the chemical industry. In total, about 200 suppliers supply us.

Paper

As for paper supply, we buy directly from companies in the decorative paper industry. We purchase 97% of these special papers from about 30 suppliers in Central Europe.

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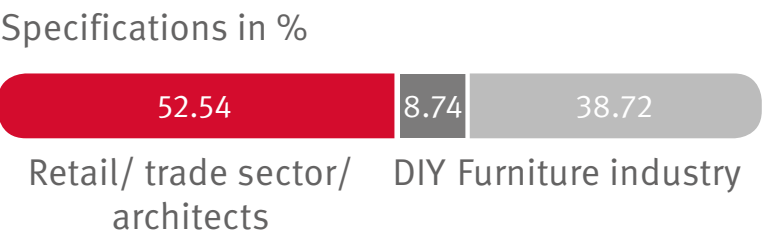
Our raw materials and suppliers

Our customers

Our customers

Our products can be found in many areas of private and public life — in kitchens, bathrooms, offices, living and sleeping rooms, but also in shop and restaurant equipment, in trade fair construction or in the commercial sector. Our direct and indirect customers include the furniture and wood industry, wood and building material specialised retailers, DIY markets, architects and fabricators.

Turnover distribution by customer



Customers by sales channel / branch



Industry

This includes customers from the furniture industry and industrial customers involved in wood construction.

Retail

Comprises specialised retailers that sell to fabricators, planners and architects, as well as smaller to medium-sized industrial companies.

DIY

Comprises DIY market chains and DIY stores directly selling to consumers.



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- Stakeholder approach
- Materiality analysis
- Sustainability strategy

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SUSTAINABILITY MANAGEMENT

The following chapter deals with these questions: In which structure is our sustainability management anchored? Which topics are essential for our core business? What goals are we aiming for and where are we in achieving them? Which Sustainable Development Goals do we have an influence on, which do we prioritise?



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Principles, commitments and memberships

Corporate philosophy

The EGGER Group offers its customers innovative solutions around the natural material wood. Their goal is to be the leading brand for solutions around living and working with wood. In doing so, EGGER acts with future generations in mind and assumes ecological, economic and social responsibility.

Mission, Vision, Principles

 egger.com/philosophy

Code of Conduct

The EGGER Group's Code of Conduct is based on its values, mission statement and company goals. It must be observed by all employees.

Download the Code of Conduct

 egger.com/compliance

External initiatives we have joined

- ColorNetwork
- FSC® (Forest Stewardship Council®), FSC-C017963
- IBU (Institut für Bauen und Umwelt)
- PEFC™ (Programme for the Endorsement of Forest Certification), PEFC / 06-38-171
- UN Global Compact

Memberships to promote research, development and standardisation

- Christian Doppler Research Society – Austria
- CEN (European Committee for Standardisation)
- EHD (Trägerverein Institut für Holztechnologie Dresden) – Germany
- ISO (International Standardisation Organisation)
- NCASI (National Council for Air and Stream Improvement) – USA
- Wood K+ (Kompetenzzentrum Holz GmbH) – Austria

Memberships in associations and interest groups

- BAV (Federal Association of Waste Wood Processors and Recyclers) – Germany
- CEFIC (European Chemical Industry Council)
- DeSH (German Sawmill and Timber Industry Association)
- EPF (European Panel Federation)
- UIPP (Union des Industries de Panneaux de Process) – France
- VHI (Association of the German Wood-based Materials Industry)
- WPIF (Wood Panels Industry Federation) – United Kingdom
- EPLF (Verband der Europäischen Laminatbodenhersteller e.V.)
- Professional Association of the Wood Industry – Austria
- IV (Federation of Austrian Industry) – Austria
- Herstellerverband Haus & Garten e.V. – Germany, Austria, Switzerland
- MMFA (Verband der mehrschichtig modularen Fußbodenbeläge e.V.) – EU
- SPPDwP (Main Association of the Polish Wood Panel Industry) – Poland

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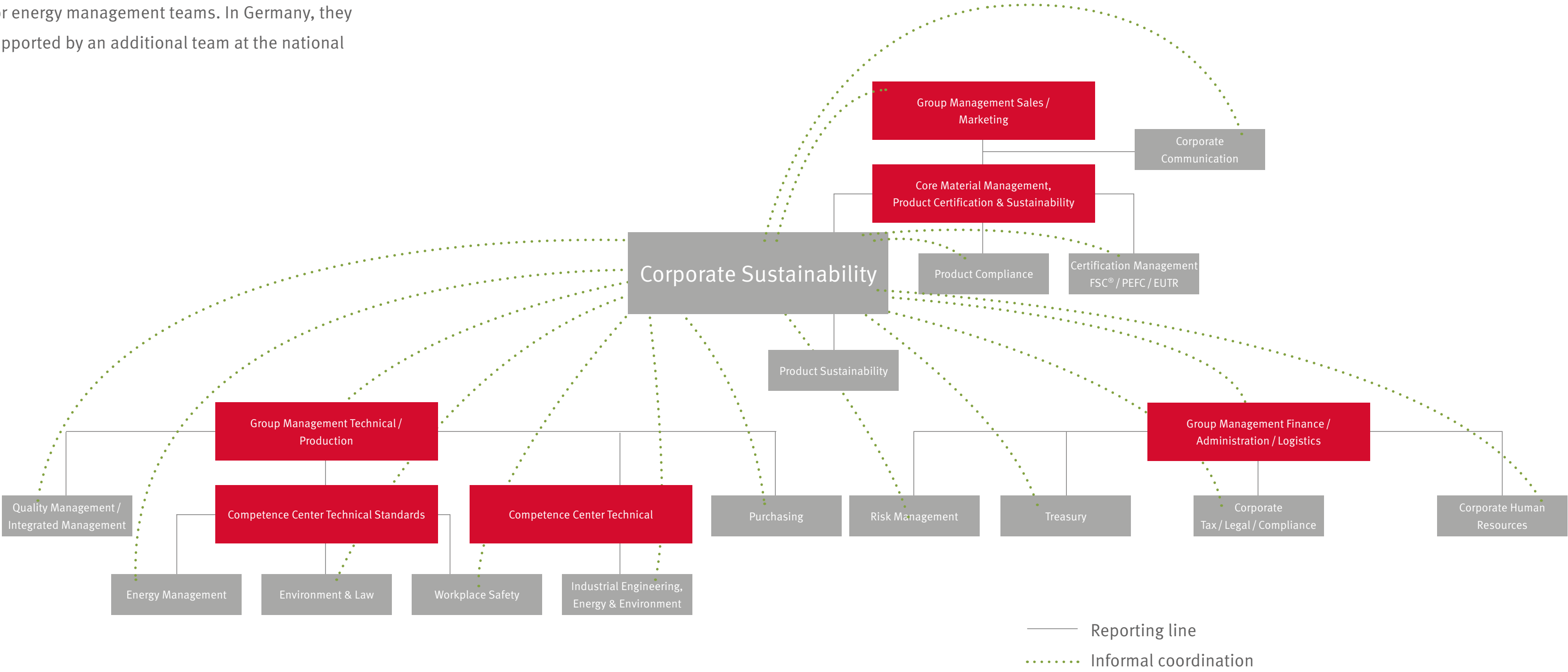
Sustainability governance

The central coordination unit "Corporate Sustainability" functions at Group level. It bundles methodological competence across established frameworks and regulations that measure the sustainability performance of companies. The organisational chart shows how it fits into the company, once with the formal reporting line and once with the main horizontal coordination lines.

In addition, all plants have their own environmental and/or energy management teams. In Germany, they are supported by an additional team at the national level.

An interdepartmental committee, the Sustainability Strategy Committee, meets at least once a year, or more often if necessary, and develops recommendations for the Group Management.

As the highest governance body, Group Management is responsible for strategic and operational sustainability-related decisions.



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EGGER Management System

EGGER has an integrated management system and thus fulfils its commitment to continuous improvement and ensures knowledge of and compliance with clearly defined requirements in all areas. The EGGER Management System (EMS) is basically structured according to the high-level structure of ISO 9001:2015. All the management systems used are combined in the EMS. Common topics from the different standards are dealt with as a topic within the framework of the EMS, individual specifications are handled in special processes. The highest possible integration of the topics creates synergies.

Context of the organisation

The environment that affects EGGER and the management system is examined in more detail in a context analysis. For this purpose, we conduct a PESTEL and stakeholder analysis in which the various factors influencing the organisation and the requirements of our stakeholders are identified and assessed. At Group level, the analysis is updated annually as part of the Management Review. At plant level, the analysis is expanded and refined to include local stakeholders and locally relevant issues. Opportunities and risks are derived from the influencing factors and the current status is reviewed. If the need for additional measures arises, these are systematically documented and their implementation monitored in the EMS.

Scope of the integrated management system

As part of the EMS, the requirements of different norms and standards are addressed. These are, among others:

- ISO 9001: Quality management
- ISO 14001: Environmental management
- ISO 50001: Energy management
- ISO 45001: Work safety
- Fire protection
- ISO 38200: Supply chain of wood and wood-based products

In addition, all relevant procedures and processes in all areas of work are regulated by the EMS and, in particular, by controlled documents.

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Certified plants

Country	Location	Quality	Environment	Energy	Work safety
Austria	St. Johann in Tirol	ISO 9001	ISO 14001	–	–
	Wörgl	ISO 9001	ISO 14001	–	–
	Unterradlberg	ISO 9001	ISO 14001 + EMAS	–	–
Germany	Brilon	ISO 9001	ISO 14001	ISO 50001	–
	Brilon sawmill	ISO 9001	ISO 14001	ISO 50001	ISO 45001
	Bevern	ISO 9001	ISO 14001	ISO 50001	–
	Gifhorn	ISO 9001	ISO 14001	ISO 50001	ISO 45001
	Bünde	ISO 9001	ISO 14001	ISO 50001	–
	Marienmünster	ISO 9001	ISO 14001	ISO 50001	–
	Wismar	ISO 9001	ISO 14001	ISO 50001	–
UK	Hexham	ISO 9001	ISO 14001	ISO 50001	ISO 45001
	Barony	ISO 9001	ISO 14001	ISO 50001	–
France	Rambervillers	ISO 9001	ISO 14001	ISO 50001	–
	Rion des Landes	ISO 9001	ISO 14001	ISO 50001	–
Russia	Shuya	ISO 9001	–	–	–
	Gagarin	ISO 9001	–	–	–
Romania	Rădăuți	ISO 9001	ISO 14001	–	–
Turkey	Gebze	ISO 9001	–	–	–
Argentina	Concordia	ISO 9001	ISO 14001	–	ISO 45001
Poland	Biskupiec	–	–	–	–
USA	Lexington	–	–	–	–

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Stakeholder approach

Interest groups are synonymously referred to as stakeholders. The stakeholder approach is chosen to avoid overly internalised views.

Stakeholder involvement

We capture stakeholder interests through different approaches (see table).

Stakeholder identification is based on the externally supported process from the first materiality analysis in 2017. In the previous year, we grouped the stakeholders into ten groups.

Relevance of the stakeholders

The x-axis shows the level of interest of a stakeholder in EGGER, while the y-axis shows the stakeholder's importance in relation to its influence on EGGER. The valuation was carried out in the previous year and taken over unchanged.

Type of stakeholder group	Stakeholder group	Instruments & interval for the integration of interests
internal	Owners	formal meetings 1x per month in the extended Group Management circle Ongoing informal contact via an office workstation at the headquarters in St. Johann in Tirol
internal	Supervisory Board	Formal Board meeting 1x per quarter
internal	Employees	annual appraisal with manager, 3-yearly employee opinion survey by independent provider
external	Suppliers	ongoing informal contact via central purchasing departments (chemicals, paper, technology) and decentralised wood purchasing (timber)
external	Customers	ongoing informal contact via personal sales service visits, internal sales team, hotlines and service centres, customer portal on the website; traceability of interests via CRM system; systematic customer satisfaction analysis (every 3–5 years)
external	Public & civil society	at operating plants: regular open days, plant tours by appointment; for greenfield investments and significant structural and operational changes: early stakeholder dialogue by means of information events and the offer to visit existing comparable plants.
external	Neighbours & Citizens' Initiatives	at operating plants: regular open days, guided plant tours by appointment and an incident management system to record complaints from residents; in the case of greenfield investments and significant structural and operational changes: early stakeholder dialogue with information events and the offer to visit existing comparable locations
external	Banks, investors and capital market	informal contact via Treasury department; regular banking days
external	Authorities & legislators	Official reports in intervals between online reports (live) and 3 years
external	NGOs	ongoing informal contact through responses to inquiries; structured dialogue formats via industry NGO forums organised by associations

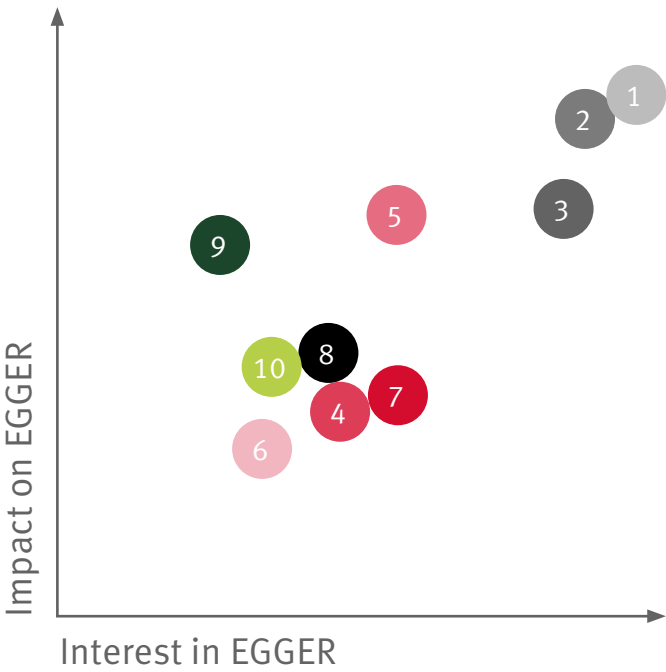


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- 2 Supervisory Board
- 3 Employees
- 4 Suppliers
- 5 Customers
- 6 Public & civil society
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Materiality analysis

The materiality analysis determines the topics that are essential for the company's sustainability performance. In the materiality matrix, materiality is presented in two dimensions:


- Significant impacts of the company's business activities and business relationships on society and the environment
- Relevance of the topics for the stakeholders

Only material topics are dealt with in the Sustainability Report.

Methodology

The materiality analysis is updated every two years. The results of the 2019 / 20 materiality analysis were adopted unchanged. The survey and evaluation of sustainability issues is described in detail in the last sustainability report:

Sustainability Report 2019 / 20

 egger.com/sustainability



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Materiality analysis

Relevance of the sustainability topics for the stakeholders

Topic group	Topic	Stakeholders	Average value	Public / civil society / end users	Citizens' initiatives, NGOs	Neighbours	Owners, Supervisory Board	Employees	Suppliers	Customers (excl. end customers)	Banks, investors, capital market	Authorities & legislators
Product responsibility	Products from renewable raw materials		2.3	3.0	2.0	2.0	3.0	2.0	2.0	3.0	2.0	2.0
Product responsibility	Use of wood from sustainable sources & recycled material		2.3	2.5	2.5	1.8	2.5	2.0	2.5	2.5	2.3	2.0
Product responsibility	Health safety of products		2.4	3.0	3.0	1.0	2.0	2.5	2.0	3.0	3.0	2.0
Product topics	Clear rights of withdrawal and fast processing of complaints		1.3	1.0	1.0	1.0	2.0	1.0	1.0	3.0	1.0	1.0
Product responsibility	Durability / recyclability of the products		1.8	2.0	1.5	1.0	1.5	2.0	2.0	2.5	2.0	1.5
Responsible production	Material efficiency and waste prevention		1.8	1.5	2.0	1.5	2.5	2.0	1.5	1.5	1.5	2.0
Responsible production	Climate protection, energy efficiency, renewable energy in production		1.8	1.8	2.3	1.8	2.0	1.0	1.8	1.8	1.8	2.0
Responsible production	Plant emissions (pollutants, noise and odour)		2.0	2.5	3.0	3.0	1.5	2.0	1.0	1.0	1.0	3.0
Responsible production	Water cycle and rainwater utilisation		1.7	2.0	2.5	2.5	1.0	1.5	1.0	1.0	1.0	2.5
Corporate Social Responsibility	Occupational health and safety		2.1	2.7	1.7	2.3	2.0	2.0	1.7	1.7	2.0	2.7
Corporate Social Responsibility	Equal opportunities and diversity		1.4	1.5	1.5	1.0	2.0	1.5	1.0	1.5	1.0	2.0
Corporate Social Responsibility	Further training and promotion opportunities		1.5	1.3	1.0	1.3	2.3	2.0	1.0	2.0	1.3	1.3
Corporate Social Responsibility	Employee satisfaction		1.5	2.0	1.5	1.3	2.0	1.8	1.0	1.5	1.5	1.3
Corporate Social Responsibility	Business ethics / Business compliance		2.4	2.3	2.5	1.5	3.0	1.0	2.5	2.5	3.0	3.0
Corporate Social Responsibility	Data protection		2.4	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Corporate Social Responsibility	Tax transparency / Tax erosion and profit shifting		1.8	2.0	3.0	1.0	2.0	1.0	1.0	2.0	2.0	2.0
Corporate Social Responsibility	Regional value creation		2.0	2.7	2.0	2.7	2.0	2.0	1.7	2.0	1.3	2.0
Corporate Social Responsibility	Working conditions in the supply chain		1.7	1.0	2.0	1.0	2.0	1.0	2.5	2.0	2.0	2.0

Importance of the topic for the stakeholder

- 1

minor importance
- 2

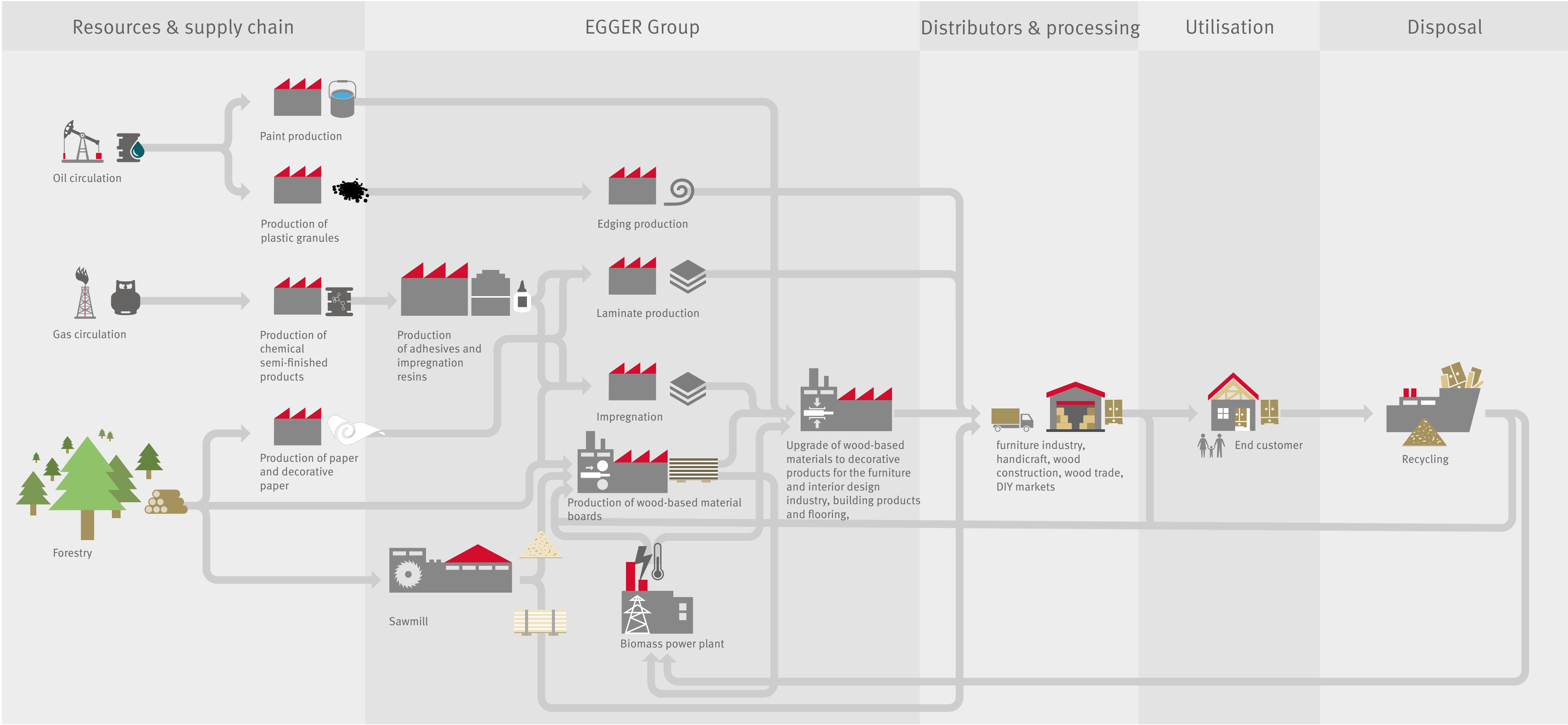
great importance
- 3

very large importance

MORE FROM WOOD.



Value creation chain



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Materiality matrix

The **x-axis** of the materiality matrix shows **the impact of a topic**. The further right on the axis, the greater the potential environmental and social impacts of the business activity and business relations is assessed for this topic.

The **y-axis** represents the **relevance of a topic** for the stakeholders. The higher up on the y-axis of the materiality matrix a topic is, the more important EGGER's actions in this area are for our stakeholders.



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Our contribution to the Sustainable Development Goals

At EGGER, we are committed to promoting all 17 Sustainable Development Goals (SDGs). We place a narrower focus on the ten following goals. Five SDGs are additionally given high strategic priority. In the

chart, the goals are sorted according to the relative influence EGGER has on their achievement.



Evaluation of the SDGs according to influence

In order to assess our impact, an internal workshop was conducted in the past business year. We have defined the impact as the sum of the potential negative impact and our contribution to achieving the respective SDG.



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Our contribution to the Sustainable Development Goals

The links between the goals and sub-goals of the Agenda 2030 and EGGER's corporate goals are shown below. The sustainability topics in the report describe our contribution to achieving the SDGs and the key performance indicators that can be used to assess progress.

Goal / subgoal		Key links between SDGs and EGGER	Contribution and progress see topic / subtopic
	3	Healthy living and promotion of well-being	<ul style="list-style-type: none">Our approach to product transparency and eco-labellingIndoor air quality and product transparencyHealthy workplaces / Health protectionHealth promotion
	5.1 5.5	Ending discrimination against women, participation of women in economic life, opportunities for leadership	<ul style="list-style-type: none">Diversity of age, gender, nationalityEqual treatment of employees
	6.3 6.4	Water recycling and water-use efficiency	<ul style="list-style-type: none">Our environmental and energy managementWater consumption and rainwater utilisationClean waste water
	7.2 7.3	Renewable energy and energy efficiency	<ul style="list-style-type: none">Our environmental and energy managementUse of renewable energyEnergy efficiency
	8.2 8.4 ⁽¹⁾ 8.5 8.6 8.8	Economic productivity, resource efficiency in consumption and production ⁽¹⁾ , safe working environments, vocational training and decent work	<ul style="list-style-type: none">Company key figuresOur management system for occupational health and safetyWork safetyEqual treatment of employeesApprenticeshipEmployee representationLong-term cooperation / employee turnoverOur commitment to the UN Global CompactWorking conditions in transport logisticsWorking conditions in the wood supply chain
			(1) Contribution and progress see SDG 12



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Our contribution to the Sustainable Development Goals

Goal / subgoal	Key links between SDGs and EGGER	Contribution and progress see topic / subtopic
<div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div> <div>9.2 9.4 ⁽²⁾</div>	Employment in industry, modern infrastructure, environmentally sound technologies and industrial processes ⁽²⁾	<div><div>▪ Company key figures</div><div>▪ Our employees</div></div> <div>(2) Contribution and progress see SDGs 6, 7, 12, 13</div>
<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div> <div>12.2 12.5 12.6 12.8</div>	Efficient use of natural resources, reducing waste, sustainable practices and sustainability information	<div><div>▪ Our approach to product transparency and eco-labelling</div><div>▪ Use of materials from renewable raw materials</div><div>▪ Carbon storage: From forest to wood product</div><div>▪ Use of recycled material / cascading use</div><div>▪ Recyclability</div><div>▪ Our environmental and energy management</div><div>▪ Waste prevention</div></div>
<div><div>13</div><div>CLIMATE ACTION</div></div> <div>13</div>	Action to combat climate change	<div><div>▪ Our approach to product transparency and eco-labelling</div><div>▪ Carbon storage: From forest to wood product</div><div>▪ Our environmental and energy management</div><div>▪ Climate protection / CO₂ emissions</div></div>
<div><div>15</div><div>LIFE ON LAND</div></div> <div>15.2</div>	Sustainable management of all forest types	<div><div>▪ Our due diligence system for tracing the origin of wood</div><div>▪ Use of wood from sustainable forest management</div></div>
<div><div>16</div><div>PEACE AND JUSTICE, STRONG INSTITUTIONS</div></div> <div>16.5</div>	Reducing corruption	<div><div>▪ Our due diligence system for tracing the origin of wood</div><div>▪ Our compliance strategy</div><div>▪ Prevention of corruption</div></div>



Sustainability goals


Resources & supply chain



We take responsibility for the supply chain. We promote regional value creation and ensure a sustainable timber origin.


- Signature of the EGGER Supplier Code of Conduct by 95% of the most relevant suppliers by 2025
- Increase the proportion of recycled wood to at least 25% by 2025
- Share of fresh wood from regional sources increases to 90% by 2025
- Certified share of fresh wood remains at a minimum of 60%

EGGER Group & economic environment



We take our social responsibility seriously. We promote decent, safe work by satisfied employees and ensure good training and diversity.

- Share of external and contract workers remains below 15%
- Zero serious occupational accidents by 2025
- Health rate remains at least 97%
- Offer all employees the possibility for occupational disease screening by 2025 and motivate them to participate in preventive medical check-ups
- 80% of management position replacements with internal candidates
- Annual appraisal for all employees and adjusted appraisal for all by 2025
- Employer attractiveness index remains above 70%
- Apprenticeship quota remains at least 3%
- Improving the quota of women among industrial employees and in management positions by 2025



We ensure environmentally-friendly production. We promote climate protection and a circular economy and increase resource efficiency.


- Reduction of specific fossil greenhouse gas emissions by 15% by 2030 from 2018 levels
- Reduction of specific energy consumption by 10% by 2030 from 2018
- Reduction of specific waste (residual waste) by 10% by 2025 from 2018
- Identification of plants with water stress and more detailed water balances by 2023

We comply with laws and agreements and motivate others to do the same.

- All managers, sales and purchasing staff complete antitrust law training at least every 2 years
- Timber purchased from verified legal sources remains at 100%

Further processing, use & disposal of the products

We provide sustainable products. We promote sustainable consumption and healthy living.



- Environmental declarations for 95% of products by 2025
- Continuation of research into alternative, formaldehyde-free binders
- Life cycle assessment screening for the recycling of MDF panels until 2023

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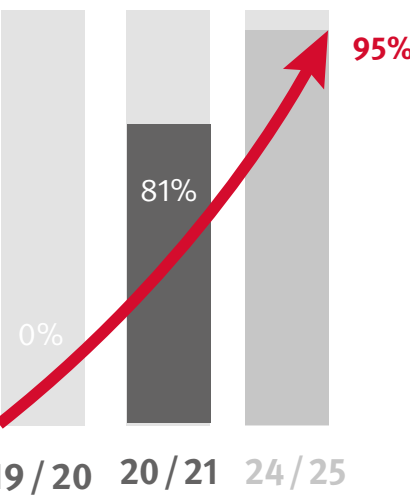
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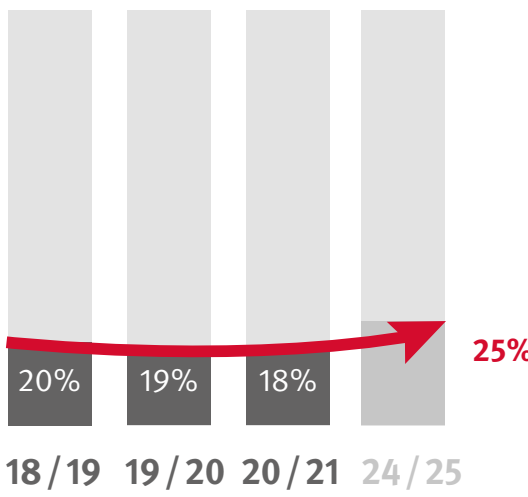
Status of goal achievement

Responsibility for the supply chain

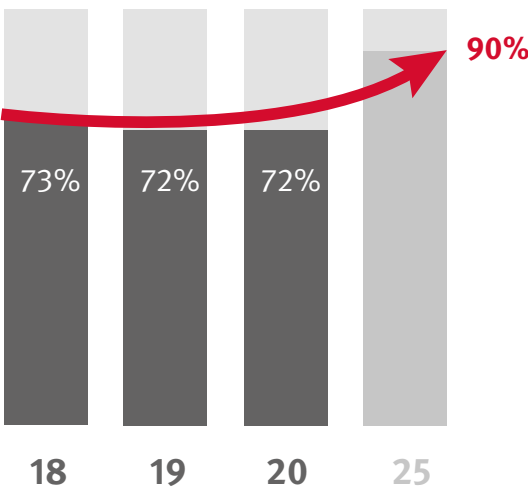
Signature
Supplier Code of Conduct



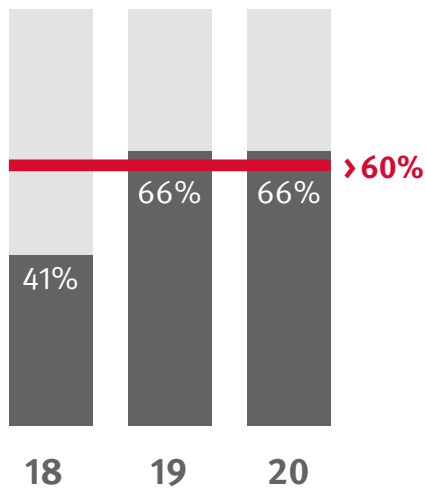
Recycled content
in the wood



Purchasing wood from
the regional environment

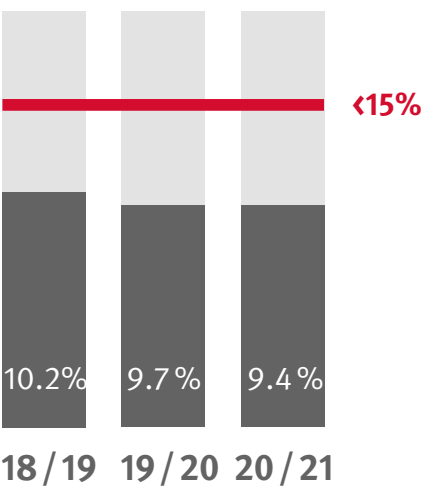


Fresh wood from
certified sources

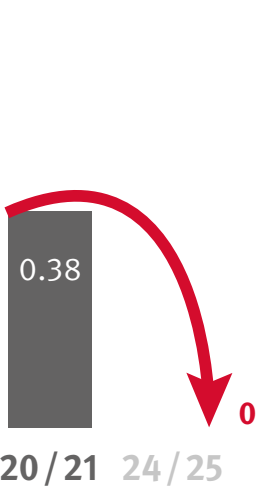


Social responsibility

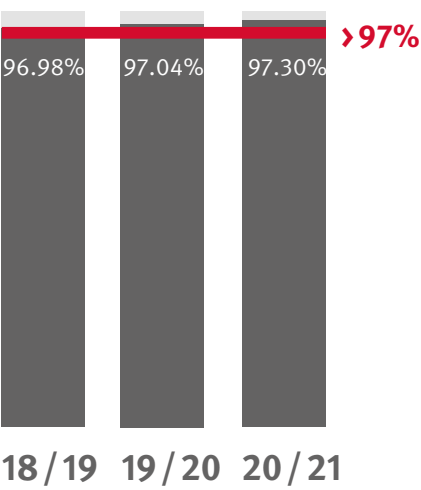
External staff and loan
workers



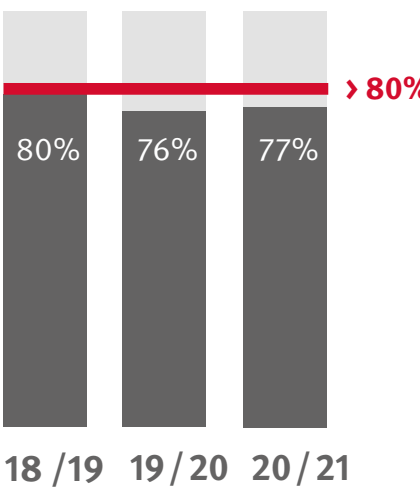
‘Vision Zero’:
Zero serious
occupational accidents



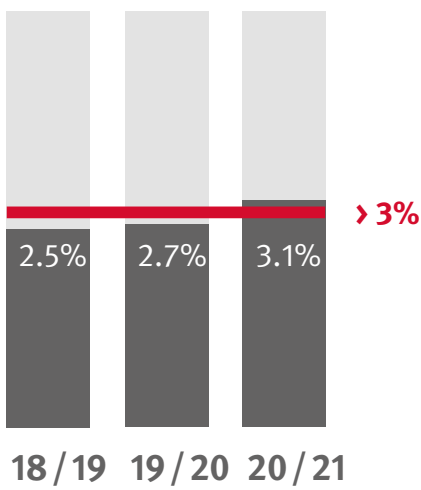
Health rate



Management positions
filled with internal
candidates



Apprenticeship
quota



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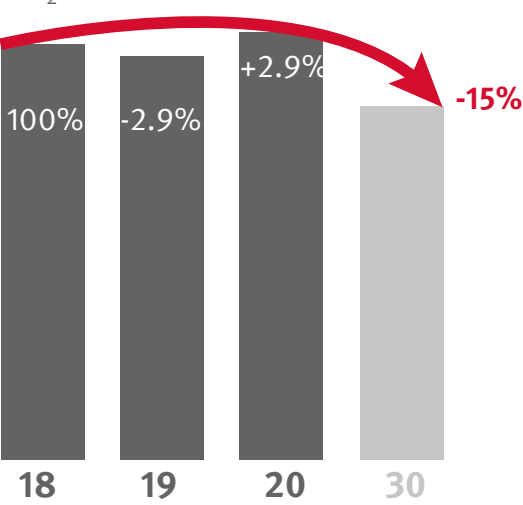
Status of goal achievement

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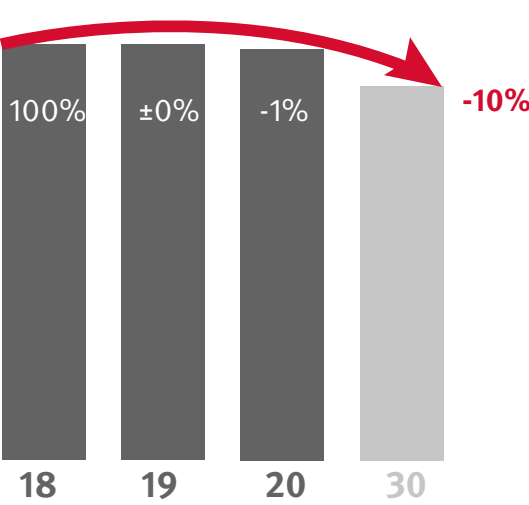
Status of goal achievement

Environmentally friendly production

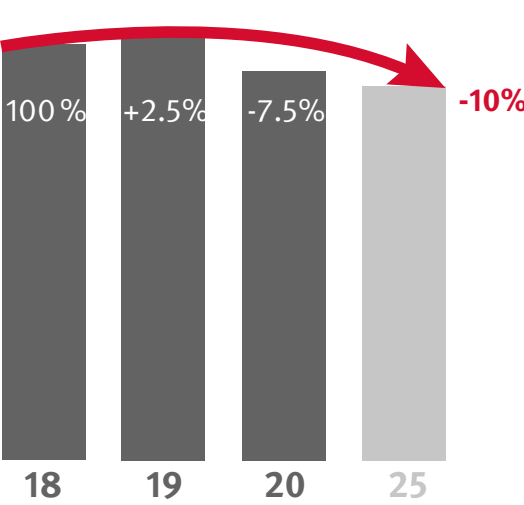
Specific fossil CO₂ emissions



Specific energy consumption

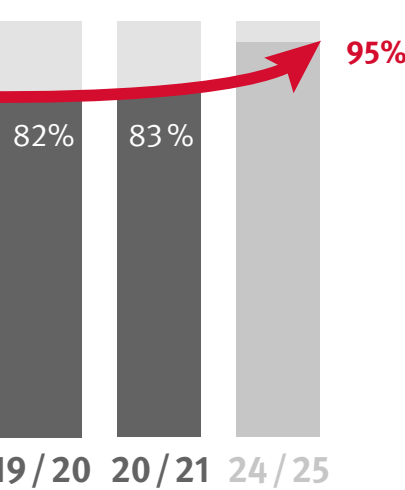


Specific waste (residual waste)



Sustainable products

Products with environmental declarations



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Product responsibility

- Our approach to product transparency and eco-labelling
- Products from renewable raw materials
- Use of wood from sustainable sources & recycled material
- Health safety of products
- Durability / recyclability of the products

Responsible production

- Our environmental and energy management
- Material efficiency and waste prevention
- Climate protection, energy efficiency, renewable energies in production
- Plant emissions (pollutants, noise and odour)
- Water cycle and rainwater utilisation

Corporate social responsibility

- Occupational health and safety
- Equal opportunities and diversity
- Further education and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

SUSTAINABILITY TOPICS

The materiality analysis has identified 16 particularly relevant topics for EGGER. We divide these into three areas: Environmental topics are dealt with in the areas of ‘Product responsibility’ and ‘Responsible production’. Social and economic topics are bundled in the third area ‘Corporate social responsibility’.



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Product responsibility

Our approach to product transparency and eco-labelling

Products from renewable raw materials

Use of wood from sustainable sources & recycled material

Health safety of products

Durability / recyclability of the products

Responsible production

Our environmental and energy management

Material efficiency and waste prevention

Climate protection, energy efficiency, renewable energies in production

Plant emissions (pollutants, noise and odour)

Water cycle and rainwater utilisation

Corporate social responsibility

Occupational health and safety

Equal opportunities and diversity

Further education and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Product responsibility



The topics in this chapter cover the entire product life cycle: from raw material extraction to the product’s use phase to disposal.

How we ensure sustainable products

The approach at a glance:

- Our approach to product transparency and eco-labelling

The material topics:

- Products from renewable raw materials
- Use of wood from sustainable sources & recycled material
- Health safety of products
- Durability / recyclability of the products

Further supply chain topics are covered in these chapters:

- Regionally purchased wood
- Our commitment to the UN Global Compact

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Durability / recyclability of the products

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Climate protection, energy efficiency, renewable energies in production

Plant emissions (pollutants, noise and odour)

Water cycle and rainwater utilisation

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Occupational health and safety

Equal opportunities and diversity

Further education and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Our approach to product transparency and eco-labelling

EGGER stands for full product transparency and a verifiable, factual representation of environmental properties. To this end, we pursue various approaches. Special document formats are the self-declared EHD (Environmental and Health Datasheet) and the externally verified EPD (Environmental Product Declaration). In addition, various Type I ecolabels and a set of self-developed sustainability indicators (Eco Facts) round off the environmental marketing.

The EHD shows at a glance how the product contributes to the most important building certification systems and eco-labels.

The EPD contains the results of a cradle-to-gate life cycle assessment. This data enables planners, designers and architects to make informed product comparisons from an environmental perspective. Our EPDs are verified by the Institut für Bauen und Umwelt (IBU).

A special Type I ecolabel is the TÜV ProfiCert Interior. The certification of healthy living covers several building certification systems and their requirements for product emissions.

We update our EPDs to the latest calculation methods and data every 5 years. The information in our EHDs is checked annually. Applications for and renewals of Type I eco-labels shall be evaluated individually on a market-specific basis.



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Climate protection, energy efficiency, renewable energies in production

Plant emissions (pollutants, noise and odour)

Water cycle and rainwater utilisation

Corporate social responsibility

Occupational health and safety

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Overview of products with eco-label



Product / Product group	Certified with Type I eco-label					Declared with verified Type III eco-label
						
Eurodekor	—	—	—	✓	—	✓
Eurodekor MDF	—	—	—	✓	—	✓
PerfectSense Lacquered Boards	—	—	—	—	—	✓
Eurospan	—	—	—	—	—	✓
MDF	—	—	—	—	—	✓
OSB	—	—	—	✓	—	✓
DHF	—	—	—	—	—	✓
Laminate	—	—	—	—	—	✓
Compact laminate	—	—	—	—	✓	—
OSB Combiline	—	—	—	✓	—	—
Thin MDF lacquered	—	—	—	✓	—	—
Timber	—	—	—	—	—	✓
Laminate flooring	✓	✓	✓	—	✓	✓
Comfort flooring	✓	✓	✓	—	✓	—
Design Flooring GreenTec	✓	✓	—	—	✓	—

Download the EPDs

 egger.com/environment

 ibu-epd.com

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Products with eco-labels by share of sales



Financial year	2018 / 19	2019 / 20	2020 / 21
Number of EGGER products ⁽¹⁾	39	42	38
Share ⁽²⁾ with type I eco-label ⁽³⁾	13%	60% ⁽⁸⁾	34% ⁽⁹⁾
Share ⁽²⁾ with type II environmental declaration ⁽⁴⁾	14%	58%	67%
Share ⁽²⁾ with type III eco-label ⁽⁵⁾	78%	80%	81%
Share ⁽²⁾ in total ⁽⁶⁾	— ⁽⁷⁾	82%	83%

(1) Product areas Decorative, Flooring, Building
(2) Share of these products in all products, by turnover
(3) Blauer Engel for flooring (RAL UZ 176), M1, Greenguard Gold, TÜV ProfiCert Interior Standard, TÜV ProfiCert Interior Premium
(4) Environmental and Health Datasheet / self-declared environmental claims according to ISO 14021
(5) Independently verified Environmental Product Declaration (EPD) according to ISO 14025, EN 15804 and IBU-PCR (as of 10/05/2021)
(6) Type I, type II or type III eco-label
(7) No data available
(8) Data deviates from previous year's report due to re-evaluation
(9) Changed calculation method, value not comparable with previous year

Our strategic goal is to have an appropriate environmental declaration for 95% of Decorative, Flooring and Building products by 2025. This can be either Type I, II or III and is measured by sales share.

An EPD is available for 81% of the products. This high value shows how important product transparency is for EGGER. As of 10/05/2021 ⁽¹⁾, nine existing EPDs were updated to the latest requirements of EN 15804+A2 and another product was declared with an EPD for the first time (PerfectSense Lacquered Boards).

The environmental product declarations were increased to a share of 67% (+16% compared to the previous year).

The key figure for the proportion of product groups for which a Type I eco-label is available has fallen sharply from 60% to 34%. This is due to a new calculation method in which we distinguish the product categories in more detail. The number of eco-labels themselves remained stable compared to the previous year.

In the coming years, we will further increase the EPD share, the share of products with a TÜV ProfiCert Interior as well as the number of environmental product declarations with Environmental and Health Datasheets (EHD) in order to achieve the strategic goal.

(1) This reporting date differs from the rest of the report, being ten days outside the financial year. Due to delays in the verification process, for which the EPDs were already submitted in the middle of the financial year, this is justifiable in our view.

Download the EHDs



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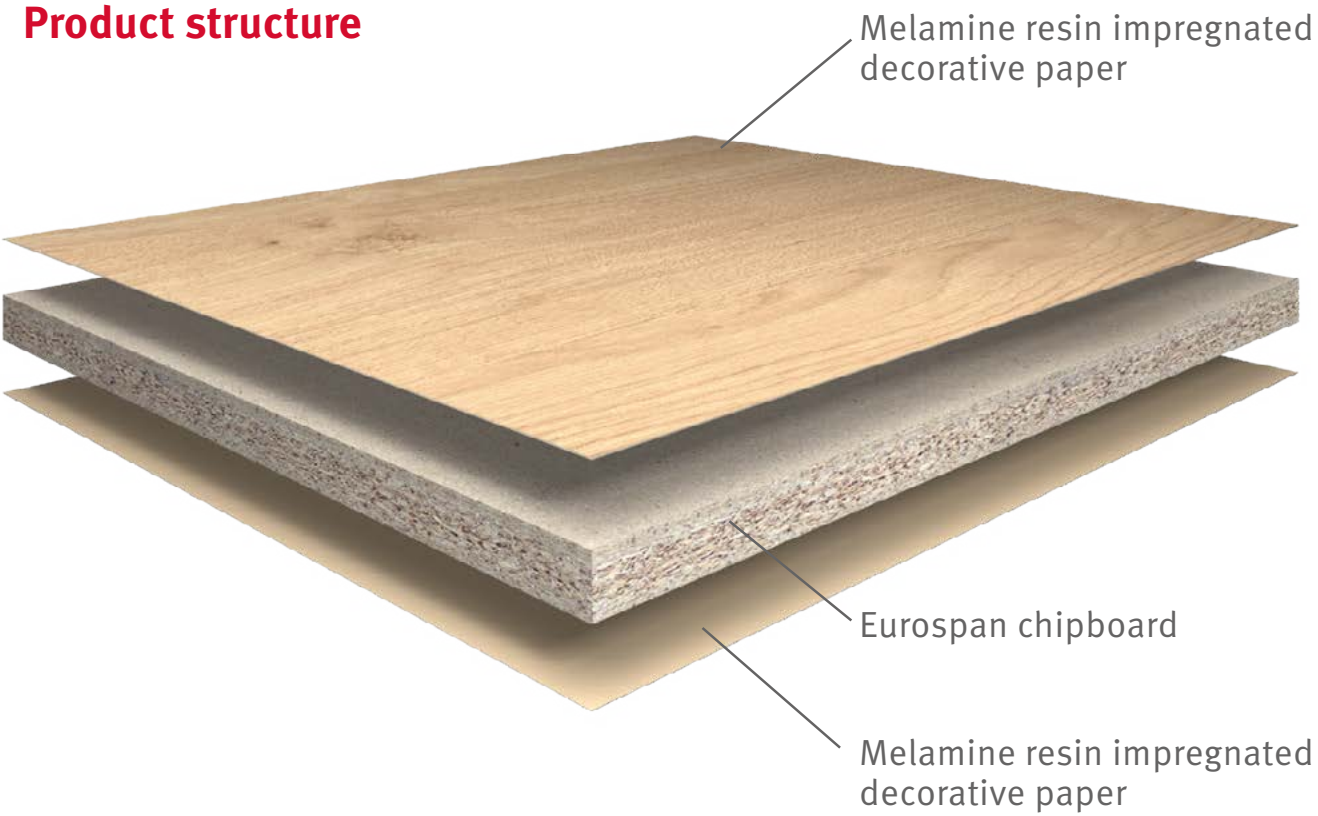
EGGER international

Best Practice

The EGGER sustainability indicators: Product transparency at a glance

True to the corporate mission ‘More from wood’, it is important for us to act sustainably, conserve resources and promote climate protection. The fact-based sustainability indicators (Eco Facts) show what EGGER products specifically contribute to the implementation of this promise. They make the environmental performance of the individual products transparent and easy to understand. These indicators are available for all product areas – furniture and interior design, building products and flooring – and thus provide customers with a sound basis for decision-making. They illustrate the contribution that EGGER products make to climate protection, the bioeconomy and the circular economy. They are communicated via the product information pages on www.egger.com and in all marketing and communication elements of product campaigns.

Product structure



More Transparency:



–13.3 kg CO₂ / m²



85 % material from renewable resources



27 % recycled material
32 % by-products from the sawmill industry



69 % regional wood origin



100 % verified legal wood origin
61 % of that certified

Sustainability indicators using the example of Eurodekor melamine faced chipboard

*The sustainability indicators for our furniture and interior design products can be found on the respective product page at www.egger.com/products-interior

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The bioeconomy, a prominent resource-saving approach, states: It is better to use raw materials that regrow within a time frame of a generation than raw materials that take millions of years to regenerate. In order to understand the progress towards bioeconomy, materials are categorised into two groups:

- Materials **from renewable raw materials** are mainly made from wood, plant fibres or microorganisms, such as paper.
- Materials derived **from fossil raw materials** are mainly produced from natural gas or petroleum, like most plastics, foils, synthetic resins and synthetic fibres.

Opportunities and risks

Wood-based materials from EGGER combine both worlds: Wherever possible, the renewable raw material wood is used and, whenever necessary, combined with the characteristics of synthetic materials. Our products consist to approx. 90% of wood. By using wood from sustainable sources, carbon is bound in the product. Compared to products made of purely fossil and mineral raw materials, this is an opportunity for sustainable consumption and a way to combat global warming. The remaining 10% of our products are mainly binding agents, impregnating resins, waxes and additives. As with all synthetic materials, there is a potential risk of unsustainable use of fossil raw materials.

We consider the material use of fossil raw materials to be justifiable as long as they are used to manufacture durable products. The surface of the melamine-resin-coated Eurodekor board owes its resistant properties to impregnation with synthetic resin, which promotes durability. Recycled wood can also be used thanks to fossil-based binders, which prolongs the carbon storage effect.



How we promote the bioeconomy and carbon storage

The sub-topics in this chapter:

- Use of materials from renewable raw materials
- Carbon storage: From forest to wood product

Further topics on resource conservation can be found in these chapters:

- Use of wood from sustainable forest management
- Use of recycled material / cascading use
- Material efficiency and waste prevention



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Use of materials from renewable raw materials



Attitude

We have set SDG 12 as a strategic priority. With this, we commit to achieving the efficient use of natural resources (SDG 12.2).



Approach

EGGER sees itself as a supplier of wood-based products that offers its customers optimum quality, design and advice for the required application area. In addition to the high proportion of renewable raw materials in our products, this also includes the use of fossil-based raw materials and intermediate products.

EGGER also develops wood-based products for applications where synthetic products dominate. For example, the wood-based EGGER Design Flooring GreenTec can be used as an alternative to PVC floors made from 100% fossil-based materials.



Goal

We are continuously working on material and process optimisation to reduce the amount of synthetic binders and resins required. In order to research alternative products, we actively seek dialogue with external research partners and other industries along the value chain.

85% of all materials used in the manufacture of our products are made of renewable raw materials



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Use of materials from renewable raw materials

Share of renewable raw materials in all EGGER products



Financial year	2018 / 19	2019 / 20	2020 / 21
Material use in million t ⁽¹⁾	6.3	6.5	7
of which renewable raw materials (share) ⁽²⁾	5.6 (88%)	5.7 (88%)	6.1 (85%)
of which fossil raw materials (share) ⁽³⁾	0.7 (12%)	0.8 (12%)	1.1 (15%)

(1) Material used in the manufacture of products in the Decorative, Flooring, Building product areas, excluding water, i.e. absolute dry in the case of wood, solid content in the case of glue and resin.

(2) Wood, paper, cardboard

(3) All other materials



Status

The share of materials from renewable resources is stable well above 80%. We see no acute need for action to replace the synthetic materials.

The alternatives known so far are either associated with an ‘environmental burden shift’ (i.e. they only contribute to a shift of environmental impact instead of a reduction), or they are not industrially scalable. We see this as a mandate to continue researching into alternative raw materials.

Past measures

- Integration of sustainability indicators (Eco Facts) into internal and external product communication implemented (communication of the proportion of renewable materials in the product with the help of advertisements, product brochures, website, newsletter, webinars, e-learning).
- Increase of the share of renewable raw materials by 8 for Eurodekor Flammex through new product structure
- Publication of EHDs for 4 additional products in the past financial year

Future measures

- Further increase in product transparency: Creation of EHDs for additional products



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Attitude

We have set SDG 12 and 13 as a strategic priority. In doing so, we commit to ensuring that people have relevant information for sustainable development (SDG 12.8), as well as to taking action on climate change (SDG 13).



Approach

Wood-based products generally store more CO₂ than their production process emits. CO₂ balance sheets are part of the life cycle assessments that we calculate for our products. We have them externally verified and publish them as EPDs.

The potential impact on the climate is given in CO₂ equivalents in the indicator ‘Global Warming Potential (GWP 100)’. Such a **cradle-to-gate CO₂** footprint is available for all major products. It indicates how much the extraction of raw materials, the production of preliminary products, transport to the factory and the manufacture of the product at EGGER in total pollute the climate over 100 years. At values below zero, more carbon is bound in the wood than is emitted by production and upstream chain. This applies to all wood-based materials, since wood binds a lot of carbon and the production takes place predominantly with renew-

able energies. Products that contain a lot of synthetic resin and little wood or paper, such as laminates, have a value above zero.



Goal

Our wood-based products already have a good carbon footprint. We want to maintain it.



Status

Designers, architects and building planners can make well-founded, environmentally optimised decisions based on our life cycle assessment data. We want to maintain the high proportion of EPDs.

Carbon storage in our products

Financial year	2018 / 19	2019 / 20	2020 / 21
CO ₂ bound in our products in million t of CO ₂ eq. ⁽¹⁾	5.8	5.9	6.5

(1) Calculated from the global warming potential of ten EGGER wood-based products (raw and coated) and EGGER laminate according to the EPD (GWP 100, cradle-to-gate, module A1-A3) as of 12.05.2021, multiplied by the sales volume of these products FY 2020 / 21

Past measures

- Publication of nine EPDs aligned with the requirements of EN 15804:2020 (including more detailed information on the CO₂ footprint).
- Publication of a first EPD for the product PerfectSense Lacquered Boards.
- Sustainability indicators (Eco Facts) were integrated into internal and external product communication (including communication of the CO₂ footprint)

Future measures

- EPDs for the products Comfort and Design Flooring GreenTec
- Updating the EPD for Eurolight Dekor to the new specifications



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Use of wood from sustainable sources & recycled material

Sustainable management means harvesting resources carefully and using them wisely. A sustainable supply of raw materials pays attention to regionality and sustainable forest management in the procurement of primary raw materials and maximises the proportion of secondary raw materials, i.e. recycled material, in the sense of circular economy.

Opportunities and risks

In the supply chain of wood products there is a fundamental risk of illegal logging, especially in risk areas for corruption. Ecological risks include the loss of biodiversity through the destruction of nature reserves and deforestation. The unsustainable use of wood entails the risk of negative impacts on forest ecosystems, e.g. through soil erosion and the loss of forest areas through clearing. Alien species may also be introduced by forestry contractors. Social risks in the wood supply chain arise from the violation of labour or safety regulations and from the violation of traditional or civil rights. Particularly in densely populated areas, even with sustainable forest management, timber harvesting carries the risk of temporarily disrupting the forest's recreational function for society.

Our close relationships with wood suppliers and the growing proportion of verified and certified deliveries within our chain of custody represent an opportunity. We also make a contribution to the conservation of resources through the increasing use of wood from co-products and recycled material.

How we ensure sustainable wood use

The approach at a glance:

- Our due diligence system for tracing the origin of wood

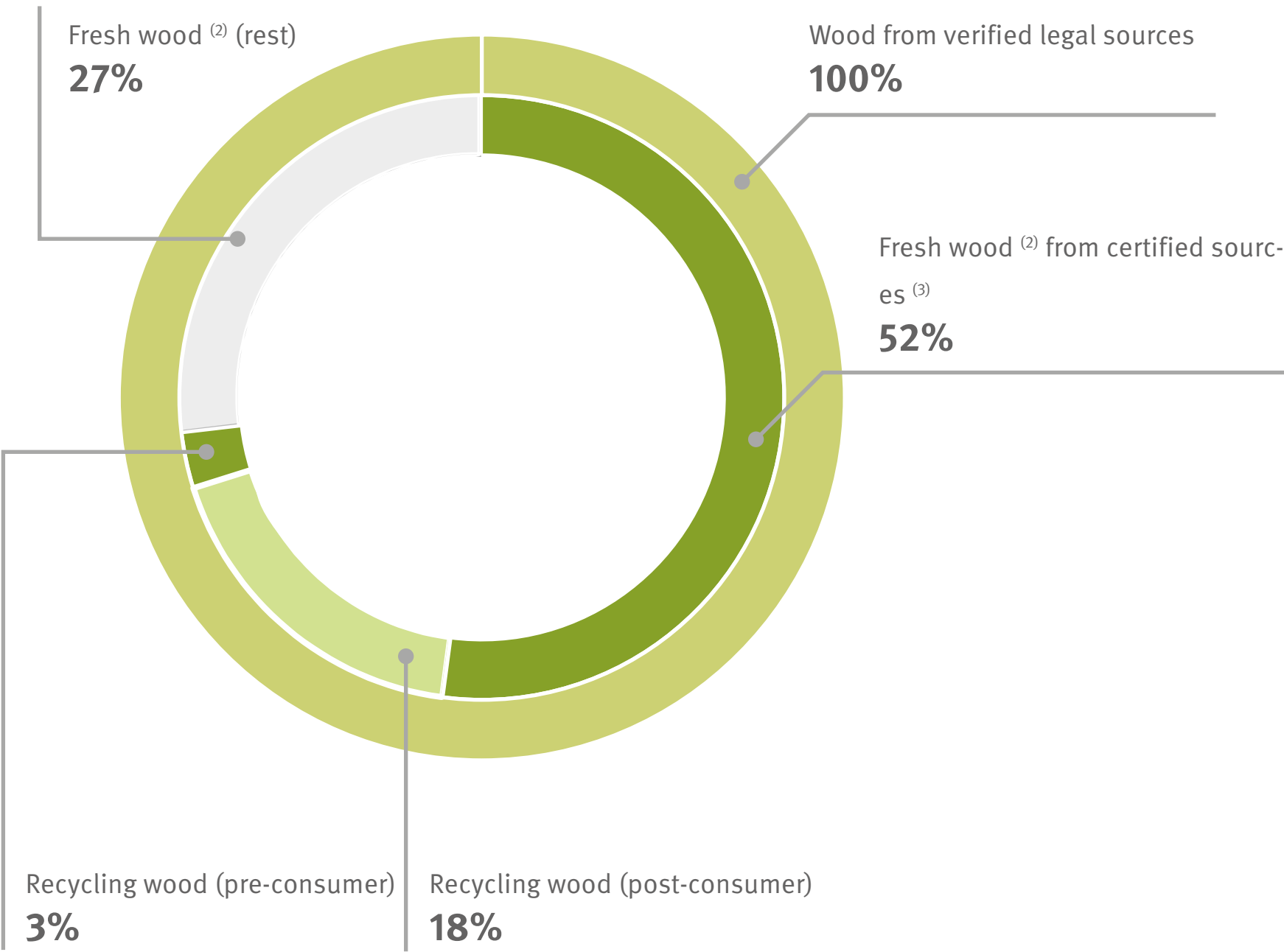
The sub-topics in this chapter:

- Direct relationship with suppliers
- Use of wood from sustainable forest management
- Use of recycled material / cascading use

Further topics on the supply chain can be found in the chapters:

- Regionally purchased wood
- Working conditions in the supply chain

Total wood use ⁽¹⁾



(1) Wood used in the production of EGGER wood-based materials (weighted average of all chipboard, thin chipboard, MDF, thin MDF and OSB boards). 100 % = 6 million tonnes absolute dry
(2) Fresh wood = roundwood + co-products
(3) Fresh wood share of wood use = 79%, of which 66 % certified = 52%; Certified = ISO 38200 certified (FSC® + PEFC™ certified)

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Our Wood Purchasing Policy states that it is a matter of course to comply with national and European laws, when it comes to the sustainable procurement of wood. At EGGER, we have a **zero-tolerance policy** when it comes to illegal logging. We support the fight against illegal logging within the scope of our possibilities since sustainable forestry is in our own best interest.

Our **strategic goal** is: We proactively limit the risk of purchasing illegally harvested timber through a certified due diligence system and maintain a 100% share of verified timber in our purchases.

Our **Due Diligence System (DDS)** was developed with internal and external experts. It is based on the ISO 38200 COC standard for the supply chain of wood and wood-based products.

A recognised **monitoring organisation** according to Article 8 of the EU Timber Regulation (EUTR) additionally monitors the proper application of our due diligence system as a market participant for all high-risk supply chains and mills.

In countries with increased risk and poor indicators of corruption ⁽¹⁾ and in the case of non-transparent supply chains, our timber purchasing department either uses

certifications (e.g. FSC®, PEFC™, ISO 38200) as risk mitigants or verifies the legality of the supply through its own auditing of the supply chain or additional evidence.

(1) e.g. Corruption Percentage Index (CPI) < 50; World Justice Project Rule of Law Index < 0.5; Environmental Performance Index (EPI) <50

INFO

How new wood suppliers are verified at EGGER

- 1) Creation of master data: Supplier specifies its certifications
- 2) Risk assessment questionnaire: Supplier must confirm that no protected tree species are supplied and disclose the following data:
 - Indication of the certification of the forest area
 - Origin of wood by country and region
 - Supply chain depth
 - Number of upstream suppliers
 - Confirmation of legality

In the case of complex supply chains or remaining specific risk after initial assessment, we request

- additional information (e.g. lease agreements, logging licenses, tax registration or delivery documents from the supply chain).
- 3) In the case of low risk and proof of legality, the wood purchasing department classifies the supplier's deliveries into an EGGER risk group:
 - EAC: Material is legal and meets the requirements of all COC standards (FSC®, PEFC™, ISO 38200)
 - ECS: Material is legal and meets the requirements of certain COC standards (PEFC™ and ISO 38200)
 - ELS: Material is legal and meets the requirements of ISO 38200

This classification is recorded in SAP and shown transparently on all timber transfer documents.

If the proof of legal origin cannot be credibly provided, EGGER rejects the wood.

Suppliers who deceive EGGER about the legality or origin of wood or make false statements will be excluded and reported to the competent authority in the event of intentional or intended criminal acts.



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Our DDS is guided – in addition to the respective legal requirements – by the relevant standards for sustainable forest management:

- FSC®: Standards FSC-STD-40-004 and FSC-STD-40-005
- PEFC™: Standard PEFC ST 2002:2013
- ISO 38200:2018 – COC standard for the supply chain of wood and wood-based products

Proportion of verified wood within the scope of our due diligence

Financial year	2018 / 19	2019 / 20	2020 / 21
Percentage of wood deliveries classified as 'verified' within the scope of our due diligence according to ISO 38200	– (1)	100%	100%

(1) no data available

All wood-based products are made from legally logged wood and labelled **100% verified according to ISO 38200**. In previous years and in the past financial year, no proceedings were pending for violations of EUTR or other national legislation governing the legality of the origin of wood, and no penalties were imposed on EGGER.

In the past financial year, state audits of EUTR due diligence at our plants in Brilon (DE) and Rădăuți (RO) and the external auditing of the EGGER Group according to all known COC standards by the certifier SGS (CH) were successfully completed. In addition, a review of

the FSC® auditing of our certifier SGS (CH) was carried out by ASI Assurance Services International GmbH. The plants in Wismar (DE), Biskupiec (PL), Hexham (UK) and the group staff in St. Johann (AT) were audited as part of our FSC® group certificate.

All external audits were without objections. All internal and external audits could be carried out as scheduled, despite COVID-19 and the accompanying travel regulations, either physically or as a remote audit.

The state achieved is a **unique selling point in the industry**. In order to maintain it high and at the same

time optimise the administrative effort, we will also examine new digital solutions.

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Direct relationship with suppliers



Attitude

The primary goal in wood purchasing is to supply our production facilities with the required quantity and quality of wood as a raw material, taking into account economic and sustainability aspects. To this end, we are developing direct, high-quality business relationships with our suppliers, service providers and carriers.



Approach

We focus on business relationships with raw wood suppliers who have direct access to the wood (no intermediary traders). In this way, we secure the timber supply in the long term and can react immediately to changing supply situations. The **low supply chain depth** makes the overall process very transparent and helps to minimise any risks to the environment and society. In addition, both sides participate directly in the value creation process and jointly exploit optimisation potential. The procurement strategy is defined in a Group-wide guideline for EGGER Wood Purchasing. It is accessible and binding for all employees in the EMS. We ensure that the goals are achieved by defining the strategy, defining the responsibilities and regular controlling. The key figure of the supply chain depth is regularly discussed in the half-yearly meetings be-

tween the operationally responsible Wood Purchasing and the Corporate Services Wood Purchasing.

Directly purchased wood

Calendar year	2018	2019	2020
Wood purchased in million at ⁽¹⁾	6.1	6.0	6.6
of which direct-ly purchased (share) ⁽²⁾	4.6 (76%)	5.2 (87%)	5.9 (89%)

Financial year	2018 / 19	2019 / 20	2020 / 21
Wood purchased in million at ⁽¹⁾	— ⁽³⁾	— ⁽³⁾	6.9
of which direct-ly purchased (share) ⁽²⁾	— ⁽³⁾	— ⁽³⁾	6.2 (90%)

(1) Total volume of wood purchased (wood-based materials incl. sawmill): Roundwood, sawmill by-products and waste wood in million absolute dry tonnes
(2) From the forest owner and self-producer, from the sawmill, from the recycling wood collection or processing site
(3) No data available



Goal

The guiding principle is to procure wood primarily through direct business relationships.



Status

In the past financial year, we were able to further increase the share of directly procured timber volumes. In future, we want to raise individual plants with significantly lower values to this level in order to keep the average value within the Group stable.

Past measures

- No additional measures were implemented in the past financial year

Future measures

- No further measures are currently planned



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Attitude

We have set SDG 15 as a strategic priority. In doing so, we commit to promoting the sustainable use of terrestrial ecosystems and the sustainable management of forests (SDG 15, SDG 15.2).



Approach

Our "Principles for Sustainable Forestry and Wood Purchasing at EGGER" set out six criteria that our wood sources must comply with from an ecological and socio-economic perspective. Every wood delivery is verified by EGGER or third parties and is transparently traceable. In this way, we ensure that physically only standard-compliant and legal wood is used.

As a company that purchases wood, we usually have no direct influence on sustainable forest management. Therefore, when purchasing from risky countries and regions we focus on wood from certified sources ("certified" according to ISO 38200). The well-known certification systems for sustainable forest management FSC® and PEFC™ are equally evaluated by us as proof that the wood originally comes from certified and sustainably managed forests. Upon customer request, we display the certification on the sales documents.

Our manufacturer's declaration on wood origins discloses the wood origin and shows the proportion of certified wood by product group and supplier plant (calculated and monitored according to ISO 38200).

At least annual internal and external audits ensure compliance with ISO 38200 and the data quality of the indicators. In Romania and Russia, each site is externally audited annually.

See also

Our due diligence system for tracing the origin of wood

Download the Principles for Sustainable Forest Management and Wood Purchasing

egger.com/environment

Download the „Manufacturer Declaration Timber Origin”

egger.com/environment



Goal

Our strategic goal is that at least 60% of the fresh wood we use comes from certified sources. This includes FSC® and PEFC™ certified sources.

66% of the purchased fresh wood is certified

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Certification share in fresh wood

Calendar year	2018	2019	2020
Share of certified wood deliveries ⁽¹⁾	41% ⁽²⁾	66% ⁽²⁾	66% ⁽³⁾
Financial year	2018 / 19	2019 / 20	2020 / 21
Share of certified wood deliveries ⁽¹⁾	–	–	66% ⁽⁴⁾

(1) Share of fresh wood deliveries (roundwood and sawmill by-products), absolute dry, classified as "certified" within the scope of our due diligence according to ISO 38200
(2) Results including Biskupiec plant, excluding Lexington and EGGER Forestry
(3) Results excluding EGGER Forestry
(4) Conversion to financial year, exclusive EGGER Forestry



Status

In the past business year, we set ourselves the strategic goal of maintaining the certified share of fresh wood at at least 60%. This mark was reached for the first time in the previous year and was kept stable in the past financial year.

Past measures

- Completion of the recertification of the EGGER Group according to FSC® and PEFC™-COC standard and certification according to ISO 38200 in the previous year
ASI Compliance Assessment passed
- Launch of the ‘Blockchain for the Supply Chain’ project (see future actions)
- Goal set that at least 60% of the fresh wood used will continue to come from certified sources

Future measures

- Comparison of IT-based compliance management systems to increase transparency in the supply chain
- Creation of a pilot blockchain for a fully traceable timber supply chain in cooperation with regional stakeholders at the Brilon site (DE) under the leadership of the FH Südwestfalen



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Attitude

We have set SDG 12 as a strategic priority. In doing so, we commit to ensuring sustainable consumption and production patterns and achieving the efficient use of natural resources (SDG 12, SDG 12.2).



Approach

For the production of wood-based materials, EGGER uses not only primary but also secondary, i.e. recycled raw materials:

- Co-products from industrial wood processing steps, e.g. wood chips, sawdust, shavings, splinters, chipped wood
- Residues from the furniture industry (= pre-consumer recycled material), i.e. production residues from customers, furniture parts or chipboard of third choice
- Recycled waste wood (= post-consumer recycling material), i.e. wood assortments already disposed of by the end customer, e.g. pallets and transport boxes made of solid wood, untreated wood from construction sites, furniture, interior doors, floorboards

Waste wood is processed, cleaned of impurities and used in chipboard production.

Procurement takes place from qualified specialist companies in a defined overall process (purchasing, quality control, complaints management). Legal requirements, such as the Waste Wood Ordinance in Germany, are applied. For product monitoring for impurities, see

Control of pollutants in products

In addition, the wood-processing plants generate by-products and wood residues, which EGGER also refines into wood-based materials or, if material recycling is no longer possible for quality reasons, uses them to produce heat and green electricity, see

Use of renewable energy

In terms of backward integration, EGGER also operates independent waste wood recycling companies and takes back panel cuttings from customers. Internal guidelines ensure that only harmless and suitable pre- and post-consumer recycled material enters our production.

Ten of the total of 14 chipboard plants in the Group process waste wood.

63% of the used wood comes from by-products or recycling

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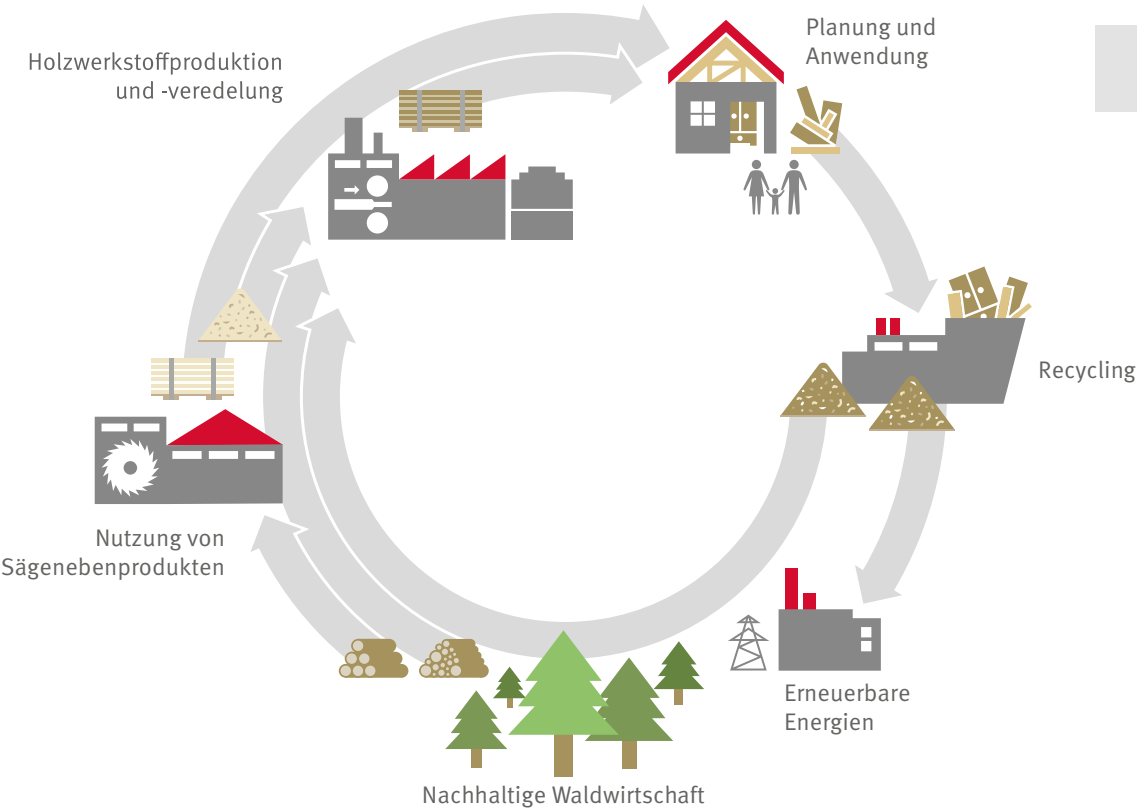
Goal

Our strategic goal is: We aim to increase the share of post-consumer recycled material in all wood used to make our products to at least 25% by 2025.



Status

The mix of wood used is relatively constant. The slight decrease in the share of recycled wood is due to the new sites in Biskupiec (PL) and Lexington, NC (US), where we are only starting this step by step. In the coming years, we will increase the share of recycled wood thanks to investments in the recycled wood collection and processing infrastructure in order to achieve the strategic goal by 2025.



Past measures

- Construction of a new recycling collection site in Warsaw (PL)
- Expansion of the collection infrastructure in Romania and Poland to increase the share of recycled wood
- Optimisation of the throughput of existing plants for the processing of recycled wood

Future measures

- Construction and commissioning of further recycling collection sites in Poland
- Expansion of the collection infrastructure to increase the share of recycled wood from local sources
- Expansion and optimisation of existing plants for the preparation of recycled wood for chip-board production

Recycling mix in the wood used

Financial year	2018 / 19	2019 / 20	2020 / 21 ⁽²⁾
Wood use total in million at ⁽¹⁾	5.6	5.7	6.0
of which roundwood	37%	40%	37%
of which are co-products	41%	39%	42%
of which is pre-consumer recycling wood	2%	2%	3%
of which is post-consumer recycling wood	20%	19%	18%

(1) Wood used in the production of EGGER wood-based materials (weighted average of all chipboard, thin chipboard, MDF, thin MDF and OSB boards). At = absolute dry tonnes
(2) From financial year 2020 / 21 new calculation method

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Health safety of products



Health is one of the major topics of our time. On the one hand, medical advancements are leading to a higher life expectancy, on the other hand, people today are exposed to other environmental influences than before due to modern lifestyles. An average resident of Central Europe spends up to 90 per cent of their time indoors. Healthy rooms are therefore a basic prerequisite for health and performance.

Opportunities and risks

Wood-based materials consist of wood chips or wood fibres, which are pressed with the addition of binding agents. These binding agents, like the coating of raw-boards, consist of different raw chemicals, including resins, paints or printing inks. Potentially, all raw materials and intermediate products can pose a health hazard. There is a risk of chemical contamination of waste wood through impregnation and painting, which in the past may have contained heavy metals or the now banned organic chlorine compounds such as PCP.

The greatest influences on good indoor air are climatic factors, such as temperature and air humidity, which depend primarily on the ventilation system used and user behaviour. If a room is not ventilated enough, it can lead to an accumulation of moisture and substances of health concern in the interior. If the moisture from the occupants' breath, from showering and cooking is not sufficiently removed, mould will develop. Yet the emissions of volatile compounds from building products and furniture can also affect the quality of indoor air. The chemical substances that can accumulate when the air exchange rate is too low are mainly volatile compounds, such as formaldehyde, volatile organic compounds (VOCs) and radon. Opportunities arise from our commitment to full product transparency and from independently tested products. By means of audit reports and accompanying consulting services, we support planners in the selec-

tion of suitable products for each area of application and room situation in order to minimise the risk of exceeding the guideline values for indoor air.

This is how we ensure harmless products

The approach at a glance:

- Our quality management

The sub-topics in this chapter:

- Control of pollutants in products
- Indoor air quality and product transparency

This chapter is related to this topic:

- Our approach to product transparency and eco-labelling



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Our quality management

The creation of standard-compliant products and the orientation towards the needs of our customers are clearly defined by our mission statement, the guiding strategy and the Code of Conduct. This explicitly includes the fulfilment of customer requirements, legal and official requirements. For our products we ensure conformity with international product standards. We have committed ourselves to continuous improvement, backed up by a certified management system.

Product supervision

The control of formaldehyde emission is carried out in the factory's own laboratories during ongoing production. Different test methods are specified for the definition of the formaldehyde emission class. Since the plant inspections can differ from these test methods, correlation factors with limit values are stored in the ERP system. The correlation factors are determined internally or externally, depending on the emission class, and updated in the event of procedural changes.

Complaints Management

In the production process, a unique identification number of each production order and the time stamp enable the traceability of material batches, plant parameters and test results. Complaints are handled by a complaint management system.

For details see

➔ Additional information in the GRI Content Index

An important feature for measuring the satisfaction of our customers is the indicator ‘complaint rate to sales’.

In the past financial year, we were again able to significantly reduce the complaint rate. We achieved our goal of keeping complaint costs below 0.22% of turnover.

Complaint rate

Financial year	2018 / 19	2019 / 20	2020 / 21
Share ⁽¹⁾ of complaint costs ⁽²⁾ to sales ⁽³⁾	0.34%	0.28%	0.19%

(1) Rate = Total complaint costs * 100 / actual turnover SD unconsolidated
(2) Complaint costs for FY 2020 / 21 amount to EUR 7.2 million and include costs for completed complaints including logistics costs and a flat-rate processing fee per report. Complaint costs include complaints from internal and external customers.
(3) Actual turnover SD unconsolidated for FY 2020 / 21 = EUR 3,762.7 million

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Attitude

EGGER takes the responsibility to ensure its products are safe very seriously. That is why we check our products, the supply chain and the internal value chain for substances of concern with independent institutes.



Approach

EGGER follows the scientific discussions on relevant substances and topics, such as the health assessment of indoor air. Our central product compliance department coordinates and acts in coordination with product and quality management.

Internal and external product audits form a robust assessment basis. A large part of the testing is done on a voluntary basis.

Health assessment of materials in contact with food

Our decorative products can come into contact with food. There is a risk that substances can migrate from products or packaging materials into food and thus into the body.

When checking for food safety, each product is examined individually for possible migrating substances, migration is checked and, if necessary, the health impact of the measured substances evaluated. In addition to the material migrations, sensory effects are also evaluated.

Of the existing twelve EGGER product groups for furniture and interior design with decorative surfaces, nine have been certified according to the requirements for food contact materials. This includes all products that can come into contact with food in their intended use, e.g. as kitchen furniture or on supermarket shelves.

Monitoring of products in which waste wood is used

We test recycled raw materials to be used in chipboard production when they enter the plant. We also regularly test finished commercial products for the content of heavy metals, fluorine, PCP, PCBs (7 congeners) and chlorine. At all ten sites that use post-consumer recycled wood, we have these tests carried out by an independent testing laboratory. This gives us a good picture of the product quality in relation to the limit values of the German Waste Wood Ordinance, even at sites where there are no legal requirements.

Further tests

Further tests include, for example, the migration of certain elements according to EN 71-3, the content of heavy metals (e.g. lead, cadmium), tests for PCP / lindane or tests for polyaromatic hydrocarbons (PAH), free monomers and photoinitiators in paints and plasticisers (bisphenols, phthalates).

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Control of pollutants in products



Goal

The guiding principle is to design and review the use of recycled material in such a way that the entry of concentrations of substances that are hazardous to health can be excluded.



Status

100% of our sites that use post-consumer recycled material conduct product monitoring. We also carry out additional voluntary checks on emissions and ingredients. In recent years, we have intensified the precautionary testing of our products.

We want to maintain the level we have reached and continue to meet the requirement to ensure that the material composition of our products is harmless to health with the necessary care.

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Attitude

We regularly and honestly communicate about our characteristics and ingredients, accurately verify the requirements of our customers, and provide support when there is a query.

We place a focus on SDG 3. In doing so, we commit to ensuring healthy lives for all people and promoting their well-being.



Approach

We have tests conducted by independent institutes to substantiate our claims about the safety of our products. In the area of product emissions, these are mainly tests for formaldehyde according to various national and supra-regional standards (E1, E 05, CARB / TSCA, F****) as well as screening emission tests, so-called VOC measurements.

VOC measurements are currently not legally binding, but due to their high relevance for indoor air quality they are often part of certification systems and voluntary label requirements. We disclose the ingredients and results of VOC tests and have the products certified by an independent body, e.g. TÜV ProfiCert Interior, see

→ Our approach to product transparency and eco-labelling



Goal

In the case of formaldehyde emissions, our aim is to ensure that the declared emission class is observed without fail. In the case of VOCs, we also want to systematically expand the database in order to be able to make even more well-founded statements on emissions in customer consulting. We are also continuing research into alternative, formaldehyde-free binding agents.

Produced rawboards according to emission class*

Financial year	2018 / 19	2019 / 20	2020 / 21
Volume of all produced rawboards in million m³ ⁽¹⁾	8.2	8.3	9.0
of which boards of formaldehyde emission class E1	69%	54%	44%
of which formaldehyde-reduced or formaldehyde-free glued boards ⁽²⁾	31%	46%	56 %

(1) chipboard, MDF, OSB, DHF, thin chipboard and thin MDF boards
(2) Sum of E 05, TSCA / CARB2 and JIS F****



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Status

The proportion of formaldehyde-reduced and formaldehyde-free glued boards is continuously increasing. The big jump in the share of formaldehyde-reduced glued boards is due to the tightening of the German Chemicals Prohibition Ordinance. In the course of this, we have not only switched rawboard production in Germany, but also, as a precautionary measure, the entire production of raw and coated boards in all plants of the EGGER Decorative Products Division Centre from E1 to E05 since 1.1.2020.

Characterised by increasing legal requirements and customer demands, interest in the subject of VOC emissions is growing. We can already make reliable statements on this for our decorative engineered wood products, and the use of the findings from VOC tests will be further expanded in the coming years.

The approach of implementing a supplier query as a single solution for material compliance in the supply chain has been discarded. Instead, a new ‘Product Compliance Project’ was launched in the past financial year to ensure material and product compliance from the raw material to the product claim.

Past measures

- Central laboratory with new test chambers in Unterradlberg (AT) put into operation last year
- Integration of VOC test results from certified systems, such as TÜVcert, into product communication implemented
- Start of a cross-divisional evaluation of our product compliance landscape (follow-up project to the supplier query)

Future measures

- Further expansion of the central laboratory
- Establishment of a Group-wide process for product compliance

56% of produced rawboards fulfil more strict values than the formaldehyde class E1 stipulated in Europe

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Durability / recyclability of the products

Environmentally friendly products are often equated with durable products: The longer you can use a product, the fewer new products have to be produced overall and resources used.

After the expiration of the use phase, a product should be as uncomplicated to recycle as possible and ideally serve as a raw material for a new product life.

Opportunities and risks

A product is durable if it retains its function in the intended area of application for as long as possible. One opportunity for this lies in our comprehensive documentation and consulting services, which make it possible to optimise the technical properties of a product for its useful life. However, products in the construction, furniture, interior design and flooring sectors are sometimes not replaced due to a loss of function, but rather due to changed aesthetic demands. End users themselves have the greatest leverage for extending the service life – by deciding on a timeless design when selecting a product, by placing trend demands behind functional demands, or by gently modernising existing products with new details.



This is how we ensure the right products for each application and correct disposal

The sub-topics in this chapter:

- Durable products
- Recyclability

Further topics can be found in the chapters:

- ➞ Use of recycled material / cascading use
- ➞ Indoor air quality and product transparency

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Durable products



Attitude

EGGER ensures a high product quality and formulates the technical characteristics of its products in a clear and transparent way. Our products comply with international product standards. The cornerstones of our work include reliable quality, design and technical competence, specialised consulting, as well as services for sales support. All our services are based on current and future customer needs.



Approach

Our range of services is tailored to the different customer target groups of our product areas.

EGGER flooring products are available for various use classes or areas of application. When installed in private living areas, the warranty period is between 7 and 25 years. When installed in commercially used rooms, a guarantee period of 5 years applies, provided the installation is carried out by a commercial floor layer. The processing instructions on our website also contain instructions on how to carefully replace individual damaged floorboards.

In the case of decorative products, durability is defined by international and national, as well as industry and application-specific requirements. The perfor-

mance of the products is documented transparently. In this way, customers are given the best possible advice on use and usage properties when selecting products. The documented knowledge is available on-line. The professional finishing of the products ensures the best possible and long-lasting results.

Construction products are assigned to certain technical classes in European harmonised standards, for which different technical requirements apply. Which EGGER products meet which requirements is shown in the performance declarations of the products. With the help of these performance declarations, including use classes, utility classes and durability, customers can determine the right product for the respective application. If the product is used properly, installed professionally, and maintained and serviced appropriately (use class conditions), the conditions for a long product life are fulfilled.



Goal

To us, quality means fulfilling defined requirements in everything we undertake. We have committed ourselves to continuous improvement, backed up by a certified management system.



Status

Our quality and complaint management is on a solid level, see

Our quality management

Our quality standards are well implemented in practice, the products correspond to the stated product characteristics and these are prepared transparently and in a way that is appropriate for the target group. We take digitisation as an incentive to constantly question our service offerings and expand them in line with the times.



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Recyclability



Attitude

We strive to continuously improve environmental performance for our activities, products and services.

We have set SDG 12 as a strategic priority. With this, we also commit to reducing waste generation through recycling and providing relevant information to raise awareness on sustainable development (SDG 12.5, SDG 12.8).



Approach

Solid wood products such as timber and all chipboard based products are already recyclable and can be recycled under economic conditions. Architects, furniture designers, fabricators and floor layers can support recyclability by using detachable joints or floating floors.

We offer information on proper disposal and recommendations for recycling in Environmental Health Datasheets (EHDs) as well as Environmental Product Declarations (EPDs).



Goal

We want to find out whether recycling MDF boards is environmentally advantageous compared to producing MDF from fresh resources. By 2023, we will conduct a life cycle assessment screening for all potentially scalable technical processes.

67% of our products
can be materially recycled after use



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Recyclability of the EGGER product portfolio

Financial year	2018 / 19	2019 / 20	2020 / 21
EGGER standard products ⁽¹⁾	100%	100%	100%
of which recyclable ⁽²⁾	70%	68%	67%
of which not recyclable ⁽³⁾	30%	32%	33%

(1) Products for furniture and interior design, building products, flooring; including externally sold preliminary and intermediate products such as glue and paper; excluding flooring retail goods, samples and advertising material

(2) The following products are recommended for recycling according to the ÖWAV sorting guide: chipboard, Eurodekor chipboard, thin chipboard, Eurolight, OSB Combiline, prefabricated furniture components, OSB, worktops, wood retail goods and timber. Share by turnover.

(3) The following products can be tolerated in small quantities in the waste wood stream, but are recommended for thermal recovery according to the ÖWAV sorting guide: MDF, HDF, PerfectSense MDF, thin MDF lacquered, profiled mouldings, flooring, impregnation, laminates, edges, decorative paper and film, binding agents and resins. Share by turnover.



Status

Two-thirds of our products are already readily recyclable in practice. In the next few years, we will investigate the possibilities of MDF recycling more closely in order to potentially also use post-consumer MDF in the production of new MDF boards.

Currently, the desired homogeneous product quality and the energy and water requirements for separating and cleaning the fibres are still a challenge.

Past measures

- Increase the number of products for which a recommendation for disposal is given in EPD or EHD
- Start of data collection for LCA screening of MDF made from recycled fibres

Future measures

- Further EHDs for our products
- Calculation and evaluation of LCA screening of MDF from recycled fibres and start of first trials on a pilot plant for defibration of post-consumer MDF



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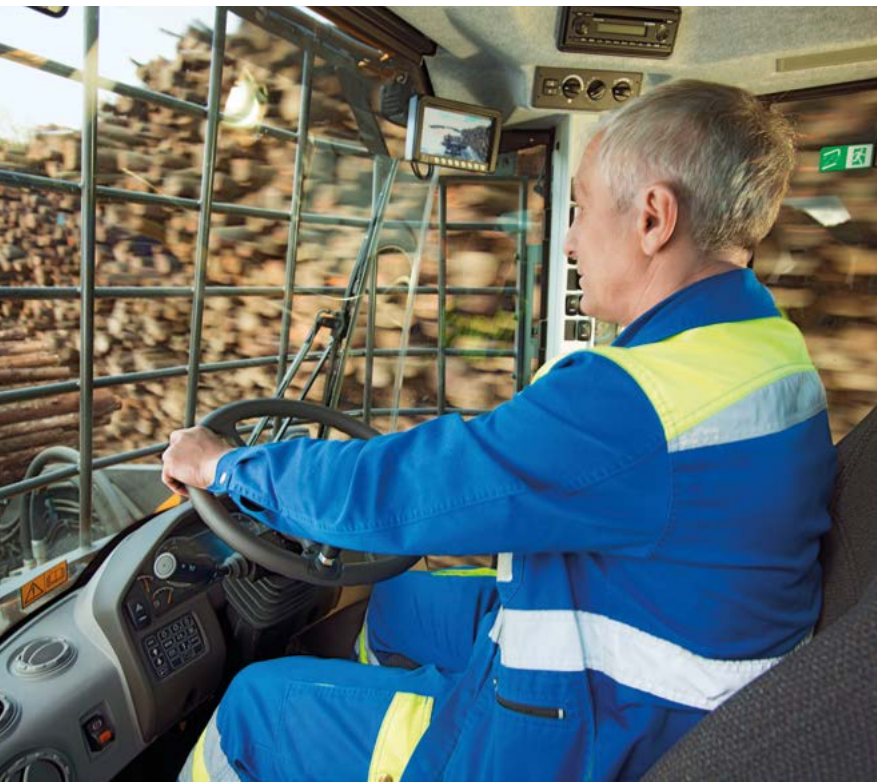
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Responsible production



The topics in this chapter concern the effects of production activities on the environment. It is necessary to this end to avoid waste, to use energy as efficiently as possible and from renewable sources, and to permanently restrict emissions to the environment, primarily in air and water, to a sustainable level. In addition, global climate protection is an essential current challenge for responsible production.

How we ensure environmentally friendly, efficient production

The approach at a glance:

- Our environmental and energy management

The material topics:

- Material efficiency and waste prevention
- Climate protection, energy efficiency, renewable energies in production
- Plant emissions (pollutants, noise and odour)
- Water cycle and rainwater utilisation

Product-related environmental topics and social aspects of responsible production can also be found in the chapters:

- Product responsibility
- Occupational health and safety



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Our environmental and energy management



Energy and environmental management begins at EGGER with **state-of-the-art technologies**. Our plants are equipped with modern waste water, noise protection and air pollution control systems and modern combustion systems and drive units.

Our **environmental management system** ensures the efficient implementation of environmental goals and the integration of environmental aspects into work processes. Its goal is to ensure compliance with legislation, to avoid or reduce negative operational environmental impact, and to continuously improve environmental performance. We pursue environmental goals systematically and consistently in order to use resources and energy responsibly.

We initially established our **energy management** in Western and Central Europe. Alongside environmental management, it forms a second pillar for reducing the use of resources, expanding renewable energies and, in particular, reducing the use of energy and thus reducing greenhouse gases.

In order to best respond to the specific requirements of a site, each of the EGGER plants draws up its own **individual energy and/or environmental programme** with additional site-specific energy and/or environmental goals in addition to the Group's energy and environmental goals. The energy and environmental goals and the corresponding energy and environmen-

tal programmes are the results of the plant's internal Plan-Do-Check-Act processes and from the analysis of environmental aspects, significant energy consumers, energy and environmental key figures and also the internal suggestion scheme.



We use the respective established **international management standards** (see p. 21: Overview of certified sites). EGGER locations with an environmental management system are certified according to the **ISO 14001** standard. Energy management at the majority of the plants is covered by the **ISO 50001** standard and the regular energy audits. In the future, an **operational energy management system** will be established at all EGGER sites as a minimum standard.

Legal compliance

The legal provisions, national and regional regulations as well as local conditions are very diverse within the EGGER Group. The regular assessment of compliance with legal requirements, the continuous inspection of the implementation of obligations and the entire administration and documentation is carried out with the help of software.

Continuous improvement

Every year, each site defines energy and environmental goals and the measures to achieve them. The continual improvement process (CIP) is managed in the EMS. See

EGGER Management System

Increasing energy efficiency and reducing energy costs

The goal of an energy management system according to ISO 50001 is to improve energy-related performance and the associated reduction of greenhouse gases and environmental impact. In addition, energy costs are to be reduced.

The basis for all goals is a comprehensive energy assessment that analyses and evaluates current energy consumption. The resulting savings potentials are examined and implemented if the conditions are met.

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The audit system and our status at certification

We perform random system checks with internal and external audits to ensure its effective operation. Based on this, we report to the management and agree on the further course of action via a management review.

For further details see

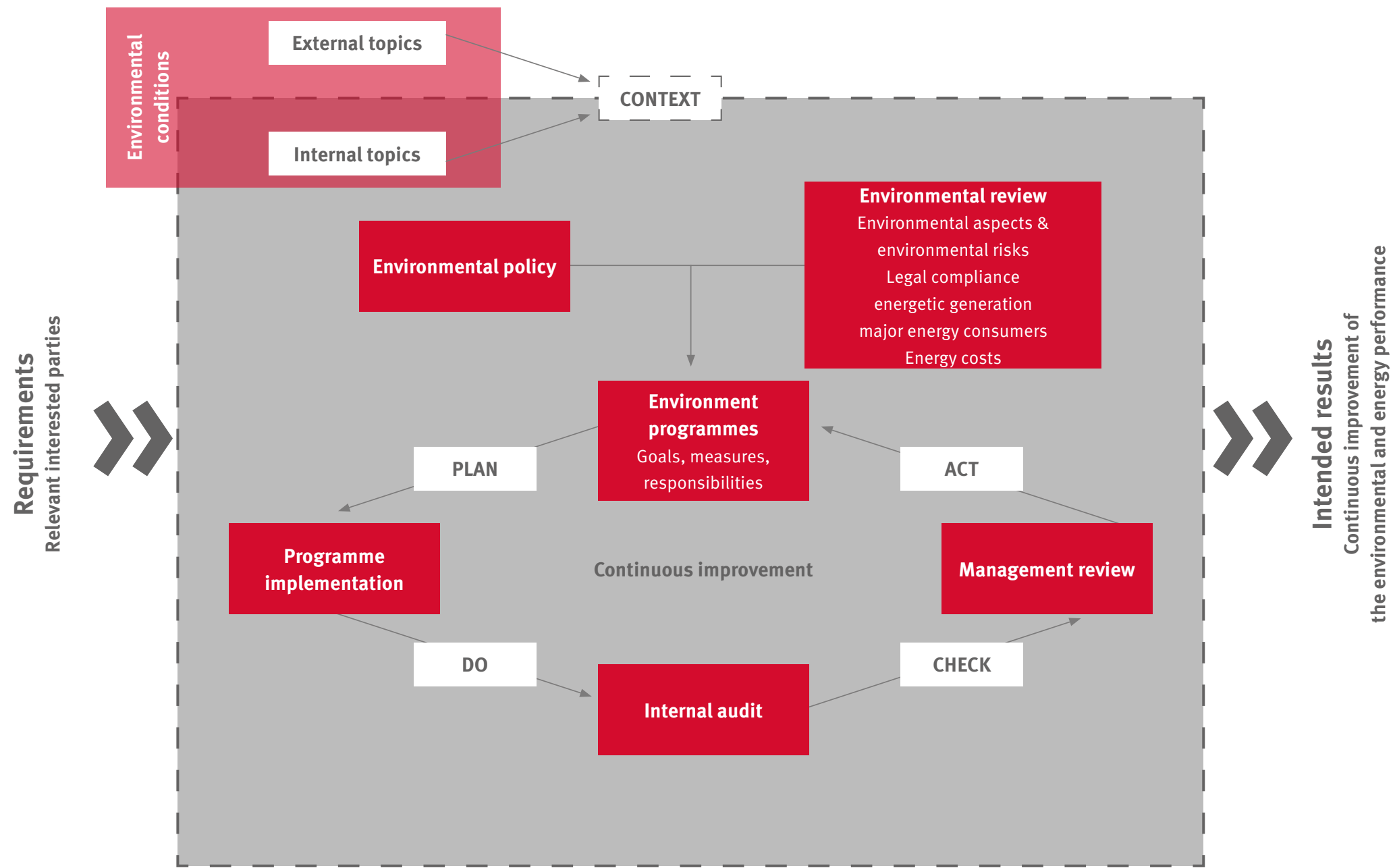
➔ Additional information in the GRI Content Index

Integration of stakeholder interests

The context and stakeholder analysis within the integrated management system also takes into account environmental conditions, e.g. extreme weather events such as flooding or heavy rainfall, air quality, water quality, local impacts of climate change or resource availability.

For further details see

➔ EGGER Management System



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Share of sites with environmental and energy management system

Financial year	2018 / 19	2019 / 20	2020 / 21
EGGER production plants	20	20	20
of which covered by integrated management system (share) ⁽¹⁾⁽⁵⁾	20 (100%)	20 (100%)	20 (100%)
of which covered by an externally certified environmental management system ⁽²⁾ (share) ⁽⁵⁾	15	15	15 (81%)
of which sites with regular energy audits ⁽³⁾ (share) ⁽⁵⁾	14	14	14 (76%)
of which covered by an externally certified energy management system ⁽⁴⁾ (share) ⁽⁵⁾	10	10	10 (50%)

(1) The integrated management system of the EGGER Group (EGGER Management System) also includes environmental management
(2) According to ISO 14001
(3) According to ISO 50001, EN 16247 or the Romanian transposition of the European Energy Efficiency Directive
(4) According to ISO 50001
(5) Share by production quantity of primary products.

At our sites already certified to ISO 14001, we will push ahead with the full integration of the management systems in the next few years. Further sites are to receive a certified environmental management system; the Biskupiec (PL) site is currently being prepared for certification.

In the area of energy management systems, we will create a Group-wide standard as the basis for an operational energy management system, even at sites without ISO 50001 certification.



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To achieve the maximum potential from the raw material wood, we subscribe to the concept of cascading use. In this context, only wood that cannot be recycled should be used thermally. Thanks to largely closed loops in the production process, the volume of waste in the production of wood-based materials is minimal. Waste is mainly generated during finishing steps (e.g. painting), during edge production or from packaging of supplied pre-products, as well as during machine maintenance.

Opportunities and risks

The greatest potential risk from a macroeconomic perspective is the scarcity of resources. The danger is that material flows do not result in the production of usable goods, but end up as by-products, rejects or waste.

Landfilling of waste not only contributes to resource scarcity, but also potentially to the loss of natural or populated areas. Waste can also cause direct environmental risks if it is improperly stored or disposed of. Hazardous waste is produced at EGGER, for example, in the form of used oil from machinery or when cleaning oil separators.

Opportunities for a resource-efficient production method arise from the material cycles at EGGER, which allow cascading and thus optimal use, especially of wood residues. The Group's integrated sites achieve this without additional transport routes. With a growing degree of refinement, the potential waste of primary raw materials increases. EGGER's good industrial and logistical base is an opportunity to prevent damage

to produced goods, thereby reducing waste and using resources efficiently throughout the entire value chain. The increasing degree of automation in material handling, both at new locations and through investment in existing sites, is making a particular contribution to this.

How we ensure efficient use of resources

The sub-topics in this chapter:

- Resource efficiency
- Waste prevention

Further topics on the material cycle can be found in the chapters:

- ➔ Use of recycled material / cascading use
- ➔ Recyclability

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For the use of secondary raw materials see

➔ Recycling mix in the wood used

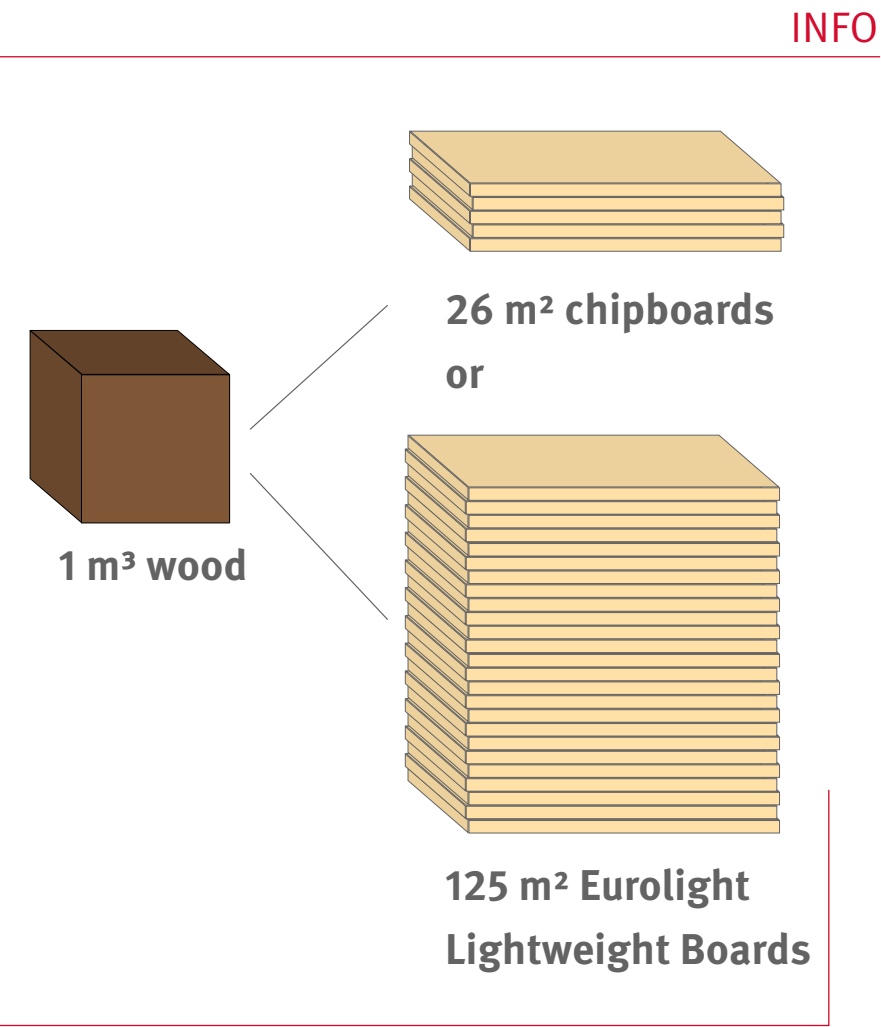
We use the wood dust generated in production as a source of energy for the site's own power plants, see

➔ Renewable energy infrastructure

Internal logistics is a major lever for optimising material efficiency. How we prevent damage in the process, see

➔ Environmentally friendly logistics

Furthermore, EGGER develops technologies that permit the conservation of wood. For example, the Eurolight Lightweight Board requires much less material than a comparable, solid board with the same thickness:



Ideas for optimising the use of raw materials:

- Ash is produced during energy generation in our biomass heating and power plants. We want to keep the amount of ash produced as low as possible. That is why we pre-sort the production residues that serve as fuel. Effects of this: Additional re-screening of the ash is no longer necessary, the amount of ash decreases and the energy efficiency of the boilers increases.
- We use the rejects from production as packaging material.
- We sell on metals that we recover from the processing of recycled wood and packaging waste from preliminary products. They are used elsewhere as secondary raw materials.



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St. Johann in Tirol, Austria
Rambervillers, France

Best Practice

Continuous optimisation:
New environmentally friendly cleaning agent for
edge gluing machines

In order for the edges on EGGER furniture components to be glued on with high quality, a thorough cleaning process is necessary during processing. For this purpose, four different industry-standard chemical agents were in use prior to the implementation of the project. Due to their solvent-based nature, these agents require special transport and storage conditions. The agents have now been replaced by a single agent that delivers the same results, but at the same time brings decisive advantages: This alternative agent is water-based. Storage, transport and handling by staff are absolutely safe. It is not flammable. It also offers a distinct advantage in the application itself: The previously used cleaning agents were atomised with compressed air 3.5 bar via nozzles by means of a compressor. The application system for the new cleaning agent works via a pressure vessel with only 0.5 bar. Less compressed air and thus less energy is needed to apply the new agent. It is applied precisely to the adhesive joint with special nozzles. Therefore, significantly less cleaning agent is needed for the cleaning process.



Instead of **4 chemicals** now **1 water-based agent** fulfils all functions.

The new agent is **environmentally friendly and non-hazardous** in use.

60% fewer cleaning agents needed for the cleaning process

Reduction of compressed air consumption leads to a **reduction in electricity demand.**

The new agent is already in use on **edge gluing machines** in St. Johann in Tirol (AT) and Rambervillers (FR).

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Attitude

We keep our waste volume at the plant level as low as possible.

We have set SDG 12 as a strategic priority. In doing so, we are committed to significantly reducing waste generation through prevention, reduction and recycling (SDG 12.5).



Approach

Our environmental management system provides for an ongoing reduction in the volume of waste. To this end, we appoint trained waste officers for each plant and draw up waste concepts. The waste officers prepare and review waste balances at plant level and submit them to the Group.

At all ISO 14001-certified sites, the impact of our waste generation is assessed as a separate environmental aspect. The assessment takes place including upstream and downstream environmental aspects, i.e. for our own production processes as well as over the entire life cycle. Our waste is only handed over to certified disposal companies. This is also checked annually in the course of audits.



Goal

Our strategic goal is to reduce the specific volume of residual waste (in relation to the production of primary products) by 10% by 2025, relative to the base year 2018.

Specific waste

Calendar year	2018 ⁽⁴⁾	2019 ⁽⁴⁾	2020
Waste total in kg/m ³ ⁽¹⁾	23.01	28.35	23.61
of which non-hazardous in kg/m ³ ⁽²⁾	22.44	27.63	22.76
Residual waste in kg/m ³ ⁽³⁾	0.40	0.41	0.37
of which hazardous in kg/m ³ ⁽²⁾	0.57	0.72	0.86

(1) Total waste generation (kg of waste disposed of externally) in relation to the production volume of primary products (rawboards and impregnates manufactured at 16 (until 2019) or 17 (from 2020) Group sites).
(2) Allocation of waste streams to hazardous and non-hazardous depending on the legal situation in the country of origin.
(3) Sites at which a clear allocation of municipal waste is not possible due to the infrastructure of the disposal companies are not taken into account.
(4) Deviation from the value reported in the previous year. For 2020, a more detailed data collection was also carried out retrospectively for the historical data.



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Waste by disposal method

Calendar year ⁽¹⁾	2018		2019		2020	
	hazardous	non-haz-ardous	hazardous	non-haz-ardous	hazardous	non-haz-ardous
Preparation for reuse	0.1	0.0	0.1	0.0	0.1	0.0
Recycling	0.0	8.6	0.0	8.6	0.0	8.9
Other recovery processes	0.0	2.8	0.1	5.0	0.0	4.6
Incineration (with energy recovery)	0.1	2.9	0.1	6.2	0.1	3.2
Incineration (without energy recovery)	0.1	0.1	0.1	0.1	0.1	0.1
Landfilling	0.2	7.2	0.4	7.1	0.6	5.4
other disposal methods	0.0	0.8	0.0	0.7	0.0	0.5
Not assignable	0.0	0.0	0.0	0.0	0.0	0.1
Total	0.6	22.4	0.7	27.6	0.9	22.8

(1) Total waste generation (kg of waste disposed of externally) in relation to the production volume of primary products (rawboards and impregnates manufactured at 16 (until 2019) or 17 (from 2020) Group sites.



Status

The amount of non-hazardous waste has decreased and is at the same level as 2018. The main reason for the increase in 2019 was wood bark at the Gagarin site (RU). This has been put to internal use since 2020.

Another reason for the reduction in the amount of non-hazardous waste is the reclassification of ash from our biomass power plants at three sites from non-hazardous to hazardous waste. This increased the amount

of hazardous waste overall and is also reflected in the increase in the amount of waste sent to landfill.

New in this Sustainability Report is an overview of the disposal methods. The development of residual waste has been declining over the last few calendar years. The reason for this is the implementation of various packages of measures within the framework of our environmental programme. In relation to our strategic

Past measures

- In the previous year, the strategic goal for 2025 was formulated to reduce the volume of residual waste. In the past financial year, plant-specific measures were derived, awareness-raising measures on waste separation were implemented and the analysis of waste flows separated by disposal method was completed.
- At the Wismar (DE) site, electrical fuses are collected separately via a non-profit association (raw materials are processed, social projects are promoted) and IBC containers are introduced that can remain in the economic cycle via a take-back system.
- Workshops on waste in production were held at the Rion des Landes (FR) site.

goal of reducing specific residual waste volumes by 10% by 2025, we have already achieved a reduction of 7.5% in 2020 compared to the base year 2018.

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Future measures

- Continuation of awareness-raising measures for waste separation at the plants
- Reduction of textile waste generated for cleaning purposes at the Rădăuți (RO) site.
- Commissioning of a sludge press at the Rion des Landes (FR) site

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Gebze, Turkey

Best Practice

Automated colour mixing for edging: Waste reduction and improved recyclability of the paint

The Gebze plant manufactures high-quality edging products. To ensure that the edging perfectly matches the respective desired pattern of its coreboard, its colouring and the colour recipe required for it are essential. Now, a project has been implemented that aims to optimise the colour mixing process. This process was previously characterised by manual steps and visual checks, which caused increased consumption of raw colour and waste. The colour mixing process was now largely automated and digitalised. With the help of a colour reader, the desired colours can be coded and mixed as required. This leads to a much more accurate result and a far more efficient use of resources. Another significant advantage is the improved recyclability of ink. Unused ink from production is stored and reused according to the colour codes.



Since the start of the project in January 2020, **180,000 kilo-grams of waste per year** can be avoided.

The use of **raw paint** has been reduced from **50.4 grams per square metre of edging to 38.2 grams.**

The **share of reused colour** in the colour mixing process was increased to an **average of 77%.**

The **process time** was significantly reduced, resulting in **energy savings.**



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Manufacturing companies, as major energy consumers, have a special responsibility for combating global warming. It is necessary to keep the emission of greenhouse gases as low as possible or reduce them. Climate responsibility lies at several levels: Direct CO₂ emissions must be reduced through lower heat and electricity consumption, and the remaining demand must be covered by the largest possible share from renewable energy sources.

Climate-relevant emissions at EGGER are mainly caused by combustion processes for the generation of heat. Relevant combustion plants are both the large biomass boilers, as well as smaller burners that are operated with wood dust or natural gas.

Wood from sustainably managed forests is a biogenic fuel, which in principle is climate neutral. The use of wood is an opportunity to limit climate change.

Fossil CO₂ emissions may also occur during transport and processing steps. Our logistics are very transport-centric. EGGER ships 8 million tonnes of raw materials and finished products every year, which corresponds to approximately 400,000 full lorry loads. 90% of our transports are carried out by lorry. The potential for CO₂ and cost savings is relevant for every transport.

Opportunities and risks

A potential risk is that the emission of fossil CO₂ will accelerate global warming. As a major energy consumer, EGGER is also exposed to the potential risk of resource scarcity being exacerbated by inefficient energy use.

Opportunities for the sensible use of energy arise from the fact that EGGER operates many facilities for the generation of renewable energy from biomass and wood dust. Within the framework of energy management, measures to improve energy efficiency are taken on an ongoing basis. The use of combined heat and power generation and the operation of district heating networks promote the maximum utilisation of energy sources and contribute to the conservation of resources and climate protection.

In transport logistics, the choice of climate-friendly means of transport sometimes presents us with conflicts of interest between logistical, cost and ecological optimisation. Common to all goals is to achieve the highest possible utilisation of the means of transport. Thanks to our good industrial base, we also contribute to climate protection in our internal logistics. In addition to alternative drives for forklifts, it is above all an optimised flow of goods in the plant that helps to reduce CO₂ emissions.



How we create efficient, climate-friendly energy and transport processes

The sub-topics in this chapter:

- Use of renewable energy
- Energy efficiency
- Climate protection / CO₂ emissions
- Environmentally friendly logistics

A further chapter on the topic CO₂ can be found at

➔ Carbon storage: From forest to wood product

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Use of renewable energy



Attitude

By generating energy in our own biomass power plants, we promote the sustainable use of raw materials.

We place a focus on SDG 7. We are thus committed to significantly increasing the share of renewable energy in the global energy mix (SDG 7.2).



Approach

In order to promote the decoupling from fossil fuels, we are pushing integrated energy concepts in our plants. They have the highest efficiency and low energy production costs. Energy generation from renewable energies primarily covers our own needs. The energy supply for third parties (district heating) creates additional synergies and increases the overall utilisation level of our energy concepts.

Our processes are structured in resource-conserving cycles, so that we mainly use wood-based fuels as renewable energy sources. The biomass is thermally utilised at the place of occurrence and consequently causes no additional environmental impact from traffic. Predominantly residual wood and dust from the processing which cannot be used in production serve as fuels here. Biomass power plants generate electrical energy and heat through the combustion of biomass.



Goal

Our goal is to continuously improve ourselves in terms of energy optimisation for our activities, products, and services.

Renewable energy infrastructure at EGGER

Location	Use of wood dust as an energy source for hot gas	Own biomass heating station/boiler	Own biomass power plant	Production of district heating for external customers
St. Johann in Tirol (AT)	✓	✓	–	✓
Wörgl (AT)	✓	–	–	–
Unterradlberg (AT)	✓	–	✓	✓
Brilon (DE)	✓	–	✓	–
Bevern (DE)	–	✓	–	–
Gifhorn (DE)	–	–	–	–
Bünde (DE)	–	✓	–	–
Marienmünster (DE)	–	✓	–	–
Wismar (DE)	✓	–	✓	–
Hexham (UK)	✓	✓	–	–
Barony (UK)	✓	–	–	–
Rambervillers (FR)	✓	–	✓	–
Rion des Landes (FR)	✓	✓	–	–
Shuya (RU)	✓	–	–	–
Gagarin (RU)	✓	✓	–	–
Rădăuți (RO)	✓	–	✓	–
Gebze (TR)	–	–	–	–
Concordia (AR)	✓	✓	–	–
Biskupiec (PL)	✓	✓	–	–
Lexington, NC (US)	✓	–	–	–



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Use of renewable energy



Total energy consumption

Calendar year	2018	2019	2020
Total energy consumption in GWh ⁽¹⁾⁽²⁾	8,274	8,484	8,567

(1) Total of all energy sources (fuels) and inputs (electricity), less energy sold, of all EGGER sites (incl. wood-based material production and finishing, glue production, Timberpak).

(2) Updated calculation for the period 2018-2020 due to improved evaluations and standardised procedures.

Fuel consumption

Calendar year	2018	2019	2020
Total fuel consumption in GWh ⁽¹⁾⁽⁴⁾	7,219	7,350	7,400
of which from fossil sources total in GWh ⁽²⁾	1,434	1,430	1,518
of which again natural gas in GWh	1,300	1,286	1,384
of which again heating oil and diesel in GWh	100	108	100
of which again liquefied petroleum gas in GWh	33	35	34
of which from renewable sources total in GWh (share) ⁽³⁾ ⁽⁴⁾	5,785 (80%)	5,920 (81%)	5,882 (79%)

(1) Data for all EGGER locations (incl. wood-based materials production and finishing, glue production, Timberpak)

(2) Conversion factors to energy content according to GHG protocol

(3) Consumption of waste wood and residual wood. Exclusive geothermal / ambient heat for individual administration buildings. In addition to externally supplied waste wood also waste wood from internal sources, e.g. wood dust from saw aggregates and bark. Note: Waste and residual wood can contain small non-biogenic components, which come from glues and edges, for example. In this calculation, old and residual wood is completely allocated to renewable sources without further distinction

(4) Updated calculation for the period 2018–2020 due to improved evaluations and standardised procedures.

Purchased and sold energy

Calendar year	2018	2019	2020
Purchased energy total in GWh ⁽¹⁾	1,487	1,516	1,564
of which elec- tricity in GWh ⁽²⁾	1,487	1,516	1,564
Purchased energy total in GWh ⁽¹⁾⁽³⁾	432	381	397
of which elec- tricity in GWh	305	245	266
of which heat in GWh	127	136	131

(1) Data for all EGGER locations (incl. wood-based materials production and finishing, glue production, Timberpak)

(2) Heat, cold and steam are generated in-house. Only electricity is purchased externally.

(3) Update of electricity sold in 2018 and 2019. The balance was adjusted.

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Use of renewable energy



Status

With complex energy concepts and the consistent use of wood-based fuels, we were able to maintain the share of renewable fuels at a high level of over 75%. Compared to the previous year, we recorded a decrease of 2 percentage points. Unfortunately, due to the challenging conditions of the Corona pandemic, our plants were not always able to produce at full capacity and had more start-ups and shut-downs than usual. This meant that more natural gas had to be used as a fossil fuel. In addition, with the start-up of our plant in Lexington, NC (US), and with increasing production volumes at our Biskupiec (PL) site, we experi-

enced peaks in natural gas consumption. These effects are largely of a temporary nature, so that we will reach our high level again in the future. To this end, we will continue to focus on the energy concepts of our existing plants.

79% of our fuels
are reneweable

Past measures

- Potential analysis for optimising energy production and increasing the use of renewable energies at the Unterradlberg site (AT)
- Optimisation and expansion of the use of energy from biomass at the Marienmünster and Bevern sites (DE)

Future measures

- Potential analysis for increasing the share of renewable energy in our own production and for feeding it into the local district heating network at the St. Johann in Tirol site (AT)



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Energy efficiency



Attitude

We always want to set new and higher standards and energy optimisations and continuously reduce unnecessary energy consumption by increasing energy efficiency.

We are also committed to increasing energy efficiency (SDG 7.3) through our focus on SDG 7.



Approach

The production of wood-based materials is an energy-intensive production process. For this reason, we have intensified the use of renewable energies in all plants and introduced an energy management system in accordance with ISO 50001 at 10 locations to date, which we are constantly developing further.

At other sites, ISO 14001 certification covers the topic of energy.

Our energy management system contains strategic goals that follow both economic and the ecological interests. The focus of the management system is on improving the specific energy use in the manufacture of our products. For details see

→ Our environmental and energy management

The EU IED Directive (Industrial Emissions Directive) in conjunction with the applicable BREF documents defines further approaches to energy management for our industry.

Energy intensity

Calendar year	2018 ⁽⁴⁾	2019 ⁽⁴⁾	2020
Energy consumption / production volume total in kWh/m ³ ⁽¹⁾⁽²⁾	935	931	926
of which from renewable sources ⁽¹⁾⁽²⁾⁽³⁾	70%	70%	69%

(1) Energy consumption of EGGER locations (incl. wood-based materials production and finishing, glue production, Timberpak)
(2) Production volume = total of m³ of produced rawboard + m³ of produced timber+ m³ impregnate
(3) Includes all wood-based energy sources (waste wood and residual wood). Exclusive geothermal/ambient heat for individual administration buildings. In addition to externally supplied waste wood also fuel from internal sources, e.g. wood dust from saw aggregates and bark. Note: Waste and residual wood can contain small non-biogenic components, which come from glues and edges, for example. In this calculation, old and residual wood is completely allocated to renewable sources without further distinction
(4) Updated calculation for the period 2018–2020 due to improved evaluations and standardised procedures.



Goal

Our strategic goal is to lower the specific energy consumption (energy use per m³ rawboard) by 10% by 2030 compared to 2018.



Status

Energy efficiency was improved by 0.5% compared to the previous year. Since 2018, the base year for our

strategic sustainability goal, an improvement of just under 1% has been achieved. We are thus within the scope of our goal planning. We were able to increase energy efficiency primarily through replacement and new investments in modern technology. This includes energy-efficient firing and production systems and machines. In addition to the consistent modernisation of our production plants and the cross-sectional technologies for energy conversion, the focus in the future will also be on the continuous improvement and further development of our energy-relevant processes.



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Energy efficiency

Past measures

- Implementation of the management dashboard at the first Group sites
- Potential analysis for the modernisation and optimisation of the existing energy supply at the Unterradlberg (AT) site
- Optimisation of the compressed air generation and impregnation process at the Rion des Landes site (FR)

Future measures

- Application of the management dashboard at all sites
- Concept planning for the renewal and optimisation of energy generation and conversion at the Gifhorn site (DE)
- Renewal and optimisation of process cooling at the Wismar site (DE)
- Renewal and optimisation of a boiler plant at the Bevern (DE) site.

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Climate protection / CO₂ emissions



Attitude

We are proactively working on the implementation of European and national climate goals.

We have set SDG 13 as a strategic priority. In doing so, we are committed to taking immediate action to fight against climate change and its effects.



Approach

At our sites, greenhouse gases are generated almost exclusively in energy conversion processes. We can advance climate protection through appropriate energy concepts and energy generation plants. We continuously analyse and evaluate energy consumption (electricity and thermal energy from the combustion plants) as part of our energy management. Every increase in the share of renewable energy and every saving of energy supports the goals set for the reduction of fossil CO₂ emissions. See

→ Use of renewable energies

→ Energy efficiency



Goal

Our strategic goal is to reduce specific fossil greenhouse gas emissions (CO₂-equivalent Scope 1 per m³ rawboard) by 15% by 2030 compared to 2018.

Only 14% of our direct CO₂ emissions are fossil



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Climate protection / CO₂ emissions

CO₂ emissions per m3 of rawboard



Calendar year	2018	2019	2020
Specific fossil share in tCO ₂ / m ³ ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾	0.034	0.033	0.035
Specific biogenic share in tCO ₂ / m ³ ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁵⁾	0.222	0.232	0.219

(1) tCO₂ = direct CO₂ emissions generated at the site (Scope 1)
(2) m³ = sum of primary products produced (chipboard, MDF, OSB, timber, impregnates)
(3) Fossil = from combustion of natural gas, liquid gas, diesel
(4) Biogenic = from combustion of wood
(5) Updated calculation for the period 2018-2020 due to improved evaluations and standardised procedures.

CO₂ emissions

Calendar year	2018	2019	2020
Fossil CO ₂ emission in tCO ₂ (Scope 1) ⁽¹⁾⁽²⁾⁽⁵⁾	304,240	297,836	319,354
Indirect CO ₂ emission from external electricity generation in tCO ₂ (Scope 2) ⁽³⁾	573,621	545,190	599,819
Biogenic CO ₂ emission in tCO ₂ (Scope 1) ⁽²⁾⁽⁴⁾⁽⁵⁾	1,964,575	2,119,068	2,021,635

(1) CO₂ emission of the combustion plants of all EGGER sites incl. wood-based material production and refinement, glue production, Timberpak. Fossil = from the combustion of natural gas, diesel, liquid gas
(2) Emission factors according to the GHG Protocol (diesel, liquid gas and, for locations outside the EU ETS, also natural gas, fuel oil and biomass) and own empirically determined data according to the specifications of the European emissions trading system (renewable fuels, natural gas and fuel oil for locations within the EU ETS)
(3) Basically calculated according to site-based method (purchased energy x emission factor according to IEA 2017). For EGGER sites in AT, DE, FR and RO application of market-based method (emission factor from supplier).
(4) Biogenic = from combustion of wood
(5) Updated calculation for the period 2018–2020 due to improved evaluations and standardised procedures.



Status

In 2020, we were not able to maintain the specific fossil greenhouse gas emissions (Scope 1) of the previous year and deteriorated slightly. This is due to a shift in our energy production towards natural gas, which we increasingly used for the start-up at the Lexington, NC (US) site, as well as to increase the production volume at the Biskupiec (PL) site. With the further optimisation of our energy concepts and the consistent switch to electric vehicles, we are striving to return to the trend of reducing fossil greenhouse gases in line with our

strategic goal in the coming years. In absolute terms, 86% of our direct CO₂ emissions already come from CO₂-neutral biogenic sources.

In the previous year, we had our CO₂ emissions estimated with the help of a life cycle assessment screening along the entire value chain. According to this, only just under one fifth of our fossil CO₂ balance falls into Scope 1, while four fifths occur upstream in Scope 3. The largest share of CO₂ in the upstream chain is ac-

Past measures

- Calculation of Scope 2 emissions expanded to include market-based method (where available)
- Estimation of emissions to Scope 3
- Expansion of heat supply from biomass at the Bevern (DE) site to reduce the use of natural gas

Future measures

- Modelling of Scope 3 emissions based on real data



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Environmentally friendly logistics



Attitude

Environmentally friendly logistics systems contribute to the sustainable use of raw materials. With integrated plants we optimise our investments and create synergies in the use of raw materials, logistics, and organisation.



Approach

Operating logistics systems in an environmentally friendly way affects both the infrastructure and the efficient utilisation and choice of suitable means of transport. Our approaches in transport logistics are to keep transport routes as short as possible, to use as many efficient means of transport as possible and to train drivers in our own fleets. In internal logistics, we optimise transport routes and gradually switch to alternative drive types. For details see

➔ Additional information in the GRI Content Index

Plants with rail connection

Location	Loading is connected to the railway network
St. Johann in Tirol (AT)	✓
Wörgl (AT)	✓
Unterradlberg (AT)	✓
Brilon (DE)	✓
Bevern (DE)	–
Gifhorn (DE)	–
Bünde (DE)	–
Marienmünster (DE)	–
Wismar (DE)	✓
Hexham (UK)	–
Barony (UK)	–
Rambervillers (FR)	–
Rion des Landes (FR)	✓
Shuya (RU)	✓
Gagarin (RU)	✓
Rădăuți (RO)	✓
Gebze (TR)	–
Concordia (AR)	–
Biskupiec (PL)	✓
Lexington, NC (US)	✓



Goal

The following guiding principles apply here: Wherever logistically and economically possible, use rail and sea freight, especially for interplant transport and long distances. If only lorry transport is possible, achieve best utilisation. Check rail connections when building new plants. In internal logistics, continuously switch from gas and diesel forklifts to electric forklifts. Generally use electric forklifts at new sites.

Type of transport

Financial year	2018 / 19 ⁽⁵⁾	2019 / 20 ⁽⁵⁾	2020 / 21
Transports in million tonnes ⁽¹⁾⁽²⁾	7.2	7.4	8.1
of which by lorry	89.0%	88.8%	89.1%
of which by rail	3.0%	2.1%	2.4%
of which by container ⁽³⁾	7.2%	8.4%	7.6%
of which by plane	0.0%	0.0%	0.0%
of which by ship ⁽⁴⁾	0.8%	0.7%	0.9%

(1) Outgoing transports of all EGGER production sites
(2) The sum of the individual shares is more than 100%. This is due to the multiple recording of transport quantities within combined transports (such as lorry-rail or rail-lorry)
(3) Includes approx. 1–5% rail / lorry and approx. 95–99% ship –no separate evaluation possible
(4) Inland vessels and sea freight
(5) Deviation from previous year's report. New calculation method was also applied retroactively.



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Lorry capacity utilisation

Financial year	2018 / 19	2019 / 20	2020 / 21
Load factor by weight ⁽¹⁾	88.2%	87.2%	87.4%

(1) Weighted average of all transports based on the ratio of the actual transport weight per lorry to the legal maximum weight per lorry in the respective country

Electric vehicles in the EGGER motor vehicle fleet

Calendar year	2018 ⁽²⁾	2019	2020
Number of forklifts in the EGGER Group ⁽¹⁾	747	651	650
of which electrically driven (share)	229 (31%)	171 (26%)	166 (25.5%)
Number of cars in the EGGER Group ⁽¹⁾	772	767	837
of which electrically driven (share)	41 (5%)	44 (6%) ⁽³⁾	63 (9.6 %) ⁽³⁾

(1) Status as of the last day of the calendar year in own fleet
(2) Until 2018 aggregated count of forklifts and lift trucks. From 2019 only forklifts, excluding lift trucks, from 2020 excluding pallet trucks and lift trucks
(3) Incl. five plug-in hybrid vehicles in 2019 and nine in 2020



We continuously optimise internal logistics and test the latest technologies. For forklifts, for example, new lithium-ion batteries make it possible to drive longer distances with higher tonnages per forklift, which is why the absolute number of electric forklifts is decreasing. We completed the evaluation of whether heavy forklifts should be replaced by electric forklifts in principle in the past financial year. We came to the conclusion that forklifts over eight tonnes, regardless of their drive, should generally be questioned and only used after a dedicated risk assessment in order to improve occupational safety.

We also save on intralogistic transports by using automated high-bay warehouses and crane storage systems and direct connection to the production facilities.

We are striving to make more use of our rail connections and loading capacities, but this is not always compatible with the necessary flexibility and adherence to delivery times. We commissioned two new rail connections in Biskupiec (PL) and Lexington, NC (US) in the past financial year. Road transport will therefore continue to play an important role. It is all the more important for us to utilise the existing capacities to the

maximum, e.g. by reloading incoming lorries. We have completed corresponding projects in four plants and are working on the fifth in the past financial year. We will continue to work on our continual improvement process.

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Past measures

Transport logistics:

- Introduced reporting to increase lorry utilisation for return loads
- Goals for lorry utilisation formulated
- Cross-divisional analysis for further optimisation of lorry utilisation completed (four Six Sigma projects at plant level and further Group projects)
- Optimisation of the key figures system for tracking average weights also completed at Group level
- Monitors for truck drivers with estimated remaining waiting time until loading introduced to avoid running engines

Intralogistics:

- Construction or expansion of automated warehouses at the Lexington, NC (US), and Biskupiec (PL) sites, introduction of a driverless forklift system at the Gifhorn (DE) site
- Start of rail transports at the Biskupiec (PL) site and test of the first full trains from the Lexington, NC (US) site

Mobility:

- Expansion of the electric car charging point infrastructure for employees and visitors at further locations

Future measures

Transport logistics:

- Optimisation of the operational handling of container processes for even more accurate analysis
- Deepening cooperation with our freight forwarders and carriers on the topic of green logistics
- Optimisation of container transport from the Concordia (AR) site to the port
- Increase of the rail share in inter-plant traffic
- Continuous optimisation of the waiting times of the lorries

Intralogistics:

- Ongoing replacement of all light forklifts (<8 t) by electric forklifts
- Procurement of electric forklifts in all new plants
- Automated high-bay warehouse for raw chipboard at the Brilon site (DE)



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Biskupiec, Poland

Best Practice

Focus on environmentally friendly logistics:
Commissioning of the railway connection in Biskupiec

EGGER focuses on environmentally friendly logistics systems. When building new plants the aim is to implement rail connections. At the Biskupiec plant – opened in 2019 – rail transport began operations in the past financial year. Initially, glue deliveries from the plant in Wismar were switched to rail. In the meantime, some of the chipboard produced in Biskupiec is also transported by rail. An essential advantage of rail transport is the reduction in lorry journeys and the associated reduction in CO₂ emissions. As a result, the volume of traffic in the surrounding communities can be reduced. Large volumes can be transported by rail that would otherwise require a large number of trucks. Recent years have not been characterised by the development of railway infrastructure in Poland. The railway siding at the Biskupiec plant is one of only a few such projects. EGGER is thus underpinning its efforts to further expand rail transport in the future – especially on long routes and in inter-plant transport.



In **July 2020**, the **first rail transport** arrived at the Biskupiec plant.

All major EGGER locations have **rail connections**. Also in the newest plant in **Lexington, NC (US)**, there has been rail transport since April.

By the end of March 2021, **26,473 tonnes of glue** were delivered from the **German plant in Wismar** in 31 trains with a total of 472 wagons. More than **1,000 lorry drives were replaced** in this way.

There are approximately 800 km between the EGGER plants Wismar and Biskupiec. On this route, **886 tonnes of CO₂-equivalents** were saved as compared to the alternative transport by lorry (Well-to-Wheel value: calculation according to EcoTransIT World with the tonnage of 26,473 tonnes).

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Plant emissions (pollutants, noise and odour)



The term environmental emissions covers impurities that are released from technical processes into the environment, especially in air and water. Typical sources of emissions in the wood-based materials industry are dryers, energy generation facilities and crushing processes. When drying wood, wood ingredients such as formaldehyde, VOC and dust are released. Combustion of wood and natural gas produces fuel-typical exhaust gases such as NOx, CO and dust. In addition, noise and dust are generated from business and road traffic and mechanical processes. The merging of industrial and residential areas also makes the topic of noise and odour emissions more important.

Opportunities and risks

The local environment at the site is exposed to the potential risk of pollution from emissions from production processes. Dust, noise and odour also carry the risk of disturbing neighbouring residential areas and ecosystems.

Our good industrial and logistical basis contributes to a low-emission production method. We are continuously working on technical process optimisation to prevent emissions through optimal operating conditions. Our structured environmental management, competent in-house technologists and close cooperation with technology suppliers, combined with modern environmental technology, contribute to environmentally compatible business.

This is how we ensure good air in the vicinity of the plants

The sub-topics in this chapter:

- Emissions from combustion and drying processes
- Noise and odour emissions

Further topics can be found in the chapters:

- Climate protection / CO₂ emissions
- Clean wastewater

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Emissions from combustion and drying processes



Attitude

We not only comply with the laws, regulations, and other requirements that we have committed to, but we also constantly aim towards setting new and higher standards. Our aim is to avoid environmental pollution as far as possible.



Approach

EGGER operates all facilities according to the statutory requirements and the state of the art. In accordance with national legislation, we monitor emissions from incineration and drying processes at our sites. There are specialists trained for this at all sites. The annual assessment of the environmental aspects of each plant will include, inter alia, the assessment of air emissions, among others, following an assessment of the potential for environmental degradation and, if action is required, the inclusion of measures in the environmental programme of the plants.

PRTR

The Pollutant Release and Transfer Register is a European law for the disclosure of certain emissions. Eight EGGER production sites fall within the scope of the law and prepare an NOx balance sheet.

NOx

NOx is the generic term for a group of gases which contain different amounts of nitrogen and oxygen, for example nitrogen monoxide (NO) and nitrogen dioxide (NO₂). Nitrogen oxides are produced during the incomplete combustion of biomass and other fuels.

VOCs

VOC (volatile organic compounds) is the collective term for organic, i.e. carbonaceous, substances that change into the gas phase by evaporation at room temperature, i.e. are volatile. During the drying of wood, for example, terpenes and aldehydes from the wood are released into the air. At the sites subject to PRTR, VOC emission measurements are taken selectively at the emission points of the wood dryers. We do not calculate a Group-wide key figure for emissions from drying processes.



Goal

EGGER strives to further reduce emissions from combustion processes. Emissions from drying processes at our plants will continue to comply with legal requirements.

NOx emissions

Calendar year	2018	2019 ⁽²⁾	2020
NOx emissions in kg/m ³ ⁽¹⁾	0.34	0.37	0.36

(1) kg of emitted NOx from the eight sites subject to PRTR (St. Johann in Tirol, Unterradlberg, Brilon, Wismar, Hexham, Rădăuți, Rambervillers, Rion des Landes) in relation to the production volume of primary products (rawboards and impregnates).
(2) For 2019, the value for the Brilon site was subsequently corrected.



Status

NOx emissions from sites subject to PRTRs are at a stable level below the respective NOx local limits. To ensure optimal combustion conditions in our boilers, we will continue to implement optimisation projects. EGGER complies with the limit values for VOCs prescribed in the various countries. This is regularly checked by the relevant authorities. In addition, we have a functioning legal compliance system at the ISO 14001 certified plants, which is checked by external auditors.

Past measures

- Optimisation of the first boiler at the Brilon site (DE) completed.

Future measures

- Optimisation of the second boiler at the Brilon site (DE)
- Optimisation of the two flue gas cleaning systems at the Unterradlberg site (AT)
- Optimisation of the OSB dryers at the Wismar site (DE)

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Noise and odour emissions



Approach

Noise measurements are carried out at the plants at regular intervals to ensure that the prescribed limits are observed.

Both noise and odour are assessed at ISO 14001 certified sites as separate environmental aspects in the environmental aspect evaluation for each process at the plant. In the case of critical assessments, we take measures to reduce the impact of these environmental aspects.

For residents' complaints that may relate to noise or odour nuisance, EGGER has had a centrally defined process since 2020. Responsible employees register incoming complaints transparently in a central database system and define measures for processing.

We do not calculate a Group-wide key figure for noise or odour emissions.



Goal

EGGER strives to further reduce odour and noise emissions.



Status

Our central reporting system enables the plants to learn from each other in order to further reduce burdens on their surroundings. The tool is to be used across the board in the next few years.

Past measures

- Implementation of the Incident Management System
- Periodic noise audits by external specialists: e.g. at the Rădăuți (RO), Rion des Landes (FR) and Gagarin (RU) sites

Future measures

- Optimisation of plant layouts for noise protection during the construction of new plants
- Studies to limit noise pollution for direct neighbours at the Rion des Landes site (FR)



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Water cycle and rainwater utilisation

In more and more regions of the world the supply of water is challenging. EGGER also relies on the availability of good quality water at its plants. Water and wastewater are a particularly relevant aspect in the production of MDF boards, which are manufactured at the plants in Brilon, Bevern, Wismar (DE), Gagarin (RU) and Concordia (AR).

Opportunities and risks

MDF production is a major water consumer. Especially in areas with water stress, there is a potential risk of water scarcity in macroeconomic terms. The enrichment of water with nutrients and pollutants also poses a potential risk if it is discharged into the environment as wastewater and can then damage water ecosystems through over-fertilisation and pollution.

Opportunities for resource efficiency arise from EGGER's good industrial base. All major MDF producing sites in the Group ⁽¹⁾ have established water cycles and treat their wastewater on site.

(1) >200,000 m³ of MDF production per year.



How we ensure water efficiency and clean wastewater

The sub-topics in this chapter:

- Water consumption and rainwater utilisation
- Clean wastewater



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Water consumption and rainwater utilisation



Attitude

We place a focus on SDG 6. We are thus committed to the sustainable management of water and to significantly increasing the efficiency of water use (SDG 6, SDG 6.4).



Approach

EGGER uses water as process water for the treatment of wood chips in MDF production or for exhaust air purification. In addition to water from public supplies, we also use rainwater and groundwater.

As part of our environmental management system, we make optimal use of existing resources, identify potential savings and continuously reduce water consumption. At all ISO 14001-certified sites, the impact of our water use is assessed as a separate environmental aspect. The assessment takes place including upstream and downstream environmental aspects, i.e. for our own production processes as well as over the entire life cycle. The environmental officers at the plants track water consumption as a key performance indicator. Transparent water balances at the sites show consumption and potential savings. The treatment and purification of rainwater and process water makes reuse possible. This recycling reduces the use of fresh

water.



Goal

We want to better understand the environmental impact of our water use. By 2023, we will identify plants in areas affected by water stress and increase the level of detail in our water balances.



Status

The process water is used several times at many sites. It is processed several times by internal treatment facilities and then reused in the process (recirculation).

Both drinking water and surface and groundwater volumes were stable in 2020 compared to the previous year. Our Biskupiec (PL) site was included in the data for the first time in 2020. Against this backdrop, the unchanged volume of water withdrawn should be interpreted positively.



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Water consumption

Calendar year	2018 ⁽²⁾	2019 ⁽²⁾	2020
Total water withdrawal in m ³ ⁽¹⁾	4,431,522	4,727,228	4,769,592
of which surface water	596,138	613,207	610,224
of which groundwater	2,996,476	3,148,691	3,193,057
of which water from third parties	838,908	965,330	966,311

(1) Total amount of water withdrawn from 16 (until 2019) or 17 primary production sites of the Group (from 2020)
(2) This year, the level of detail of the query to our sites was increased. This resulted in changes to the historical data.

Past measures

- Formulation of the goal for 2023
- Research of methodological approaches to the definition of water stress
- Use of a plant well for groundwater monitoring at the Gagarin site (RU)

Future measures

- Raise awareness among employees on the topic of water consumption
- Identify sites affected by water stress
- Increasing the level of detail in our water balances
- Automatic cleaning of the pump room of the rainwater retention basin at the Rădăuți site (RO)
- Expansion of the rainwater retention basin to save city water at the Wismar site (DE)
- Test series to reduce water consumption during cleaning activities at the Rion des Landes (FR) site



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Rădăuți, Romania

Best Practice

Careful use of water:
New filters enable resource-saving cycle

EGGER advocates the responsible use of water as a precious resource. Processes are constantly being optimised in order to make the best possible use of existing resources, to identify potential savings and to reduce water consumption. This was also the goal of the improvement project in the glue plant at the Rădăuți site in Romania. In the context of glue and impregnating resin production, regular cleaning of the equipment with high-pressure water is required. This removes deposits inside. EGGER tries to work in water cycles wherever possible. The water from the cleaning process is reused in glue and resin production. So far, however, it has not been possible to reuse the entire quantity, as in some cases there was not enough storage space available. Depending on the weather, a considerable amount of rainwater was already stored. Therefore, the conditions were created so that the water from the cleaning process could also be used for another production process – the production of urea solution. New filters were installed for this purpose. Through this step, the water from the cleaning process can be completely recycled in production.



200 tonnes of water are needed for each high-pressure cleaning procedure.

The cleaning process takes place every 6 to 12 weeks – depending on the product recipe.

New filters allow a closed cycle.

60 tonnes of water needed previously to be disposed of per year. 100% of the water from the cleaning process can now be re-used.

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Attitude

With SDG 6.3, we also commit to improving water quality globally by reducing pollution and increasing recycling.



Approach

We distinguish between rainwater treatment and process water treatment. Rainwater is treated and used in production as cooling and process water – preferably to compensate for water-steam cycle losses in the power plants. The wastewater from the production is also processed and used for steam generation.

Wastewater is pre-treated at all five MDF-producing sites ⁽¹⁾.

We carry out various processes (e.g. flocculation, ultra-filtration, reverse osmosis) to pre-treat the wastewater before it leaves the plant premises. Surplus, pre-treated wastewater is delivered to the municipal wastewater treatment facilities. The pre-treatment significantly reduces the load on these sites. Four of the five sites ⁽²⁾ have established a cycle and reuse the treated water at the site.

In order to protect the groundwater and promote the regeneration of groundwater, the following principles are also followed at plants with dry production processes:

- Sealing of the storage places for wood and collection and treatment of the lumberyard rainwater.
- Local infiltration of uncontaminated rainwater (e.g. from roof surfaces)
- Partial discharge of the uncontaminated rainwater into receiving water

(1) Brilon, Wismar, Bevern (DE), Concordia (AR) and Gagarin (RU)
(2) Brilon, Wismar (DE), Concordia (AR) and Gagarin (RU), which in total represents 93% of the Group's MDF production volume

Past measures

- Expansion of water treatment at the Rădăuți (RO) site.
- Modernisation of the wastewater system at the Shuya (RU) site.



Goal

The wastewater from our plants will further comply with legal requirements. EGGER strives to further reduce the amount of wastewater.



Status

There are wastewater treatment systems in all plants where a high proportion of wastewater is produced due to the product manufactured there. These are primarily MDF-producing plants. No further measures are planned on the basis of the standard already achieved.

Future measures

- Commissioning of new rainwater treatment facilities at the Gagarin site (RU)



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Sustainability is often linked to local and global environmental topics. However, these only make up part of the holistic approach, they are part of the ecological pillar of sustainability. The other part is the socio-economic level, i.e. culture, society and economy. In this area, too, every company has to face up to its responsibilities.

Social topics were also identified for EGGER as part of the materiality analysis. These include both internal and external topics. Internal topics mainly concern our employees. The external topics concern EGGER as a market participant in the respective economic environment and as a social player in the region.

How we take our social responsibility seriously

The material topics:

- Occupational health and safety
- Equal opportunities and diversity
- Further training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Further topics with socio-economic aspects can be found in the chapters:

- ➔ Use of wood from sustainable sources & recycled material
- ➔ Health safety of products

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Occupational health and safety

EGGER is aware of its responsibility as a family employer: The company’s employees are its most valuable component – their well-being and health are respected accordingly.

In this way, we contribute to the prevention of work-related illnesses (health protection), focus on the prevention of accidents at work (occupational safety) and contribute to the long-term and comprehensive maintenance of the health of our employees (health promotion). In addition, we are doing our part to protect employees from COVID-19.

Opportunities and risks

Risks to the health and integrity of employees arise from the handling of plant and heavy machinery – especially in the areas of logistics, work in the danger zone of plant, maintenance and cleaning work. Contact with hazardous substances, dust, noise and vibrations poses a health risk, especially in the case of chronic exposure. Besides night work and stress, Covid-19 is a factor that can have a negative impact on health.

Opportunities arise from awareness-raising measures for occupational safety and when safe behaviour in the company is also transferred to the private lives of employees. We contribute to a healthy lifestyle by offering voluntary courses for sports and exercise, a wide range of catering and health promotion awareness measures.

In the wake of the COVID-19 pandemic, opportunities

arose from informing staff about the potential impact of the disease. Offering FFP2 protective masks and COVID-19 rapid tests also resulted in health promotion opportunities that extended far beyond the employees' working environment.

How we ensure safe workplaces and healthy employees

The approach at a glance:

- Our management system for health and safety at work

The sub-topics of this chapter:

- Healthy workplaces / health protection
- Work safety / Accident rates
- Health promotion

Further topics on the protection of employees are in chapter:

- Employee satisfaction



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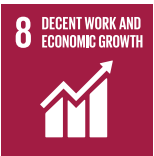
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Our management system for occupational health and safety



Our sites are kept up to date with the latest technology (fire protection, safety technology, environmental technology) and continuously improved. This is verified with the help of external and internal audits and, when necessary, conditions are adapted.

Every employee is expected to provide support in our efforts to create safe working conditions. All employees must know and follow the safety guidelines and regulations relevant to them. We are aware that occupational safety starts with each individual employee and that setting an example plays a central role.

The management system for occupational health and safety covers all areas and locations of the EGGER Group and is based on the internationally recognised system standard ISO 45001. Valid and binding basic rules for safe and accident-free work have been formulated and introduced for all locations. These rules affect not only the employees in the plants, but everyone who enters a plant of the EGGER Group. In this way, we keep the risks for all persons at EGGER as low as possible in daily work practice.

Safety and health assessment procedures have been introduced in the operational areas and workplaces. The goals in the area of occupational safety are tested annually for their degree of fulfilment. The effectiveness of the management system is audited annually in an integrated manner with the other management systems.

The EGGER Safety Board, which is convened every six months, serves as a central body for top management responsibility. Within this framework, goals are defined, key figures are discussed, measures and, if necessary, corrective measures are determined. For more information see

➔ Additional information in the GRI Content Index

Share of sites with management system

Financial year	2018 / 19	2019 / 20	2020 / 21
EGGER production plants	20	20	20
of which covered by the EGGER management system for health and safety (share) ⁽¹⁾	20 (100%)	20 (100%)	20 (100%)
of which covered by an externally certified management system ⁽²⁾ (share) ⁽¹⁾	1	3	4 (19%)

(1) Measured by share in the production volume of primary products
(2) According to OHSAS 18001 or ISO 45001

All production sites have a management system for occupational health and safety. The number of ISO 45001-certified sites was increased to four in the past financial year. We will continue to have more locations certified in future.

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St. Johann in Tirol, Austria

Best practice

Conversion of the warehouse for laminate rolls: Continuous improvements ensure occupational safety and waste prevention

Health protection in the workplace and responsible production are central topics for EGGER. Therefore, processes are constantly reviewed and developed. For example, numerous measures were implemented in the laminate roll warehouse in St. Johann that achieved decisive improvements in the areas of work safety and waste avoidance. The new storage rack for laminate rolls, which was commissioned in July 2020, is the centrepiece of the concept. This is a custom-made product that was designed and implemented based on an internal idea with a supplier. In this rack, around 3,800 rolls can be stored horizontally at a height of up to 6.26 m and picked individually. The rolls are stored and removed by means of an electric narrow-aisle forklift. What is now a process supported by the latest technology previously involved a great deal of manual effort on the part of the staff. In the old shelving system, the rolls were stored vertically. Since all subsequent steps require lying rolls, they had to be folded down by hand, which was ergonomically unfavourable. In addition, this step resulted in considerable damage to the material – the result was a high level of waste. An interplay of numerous measures in the entire warehouse process could significantly improve the use of resources and prevent accidents.



More than 400 days without accident

could be recorded **by the end of April**. Numerous work steps that previously required manual strength have been made more **ergonomic** – thanks to technical support in the form of lifting systems, for example. This has prevented numerous accidents.

Approximately **240,000 m² laminate** are **saved per year** thanks to the improvements **brought to waste**.

Around 70,000 m² of plastic film are also **saved per year**, as each roll of laminate is no longer individually wrapped on delivery from the EGGER plant in Gifhorn (DE).

EGGER laminates are used, for example, **for the production of worktops, window sills or laminated bonded boards**.

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Attitude

EGGER is actively committed to protecting its employees and their health. This also and especially concerns the protection of our employees from the effects and dangers of the COVID-19 pandemic. We want to continuously improve our performance in the area of health protection.

We focus on SDG 3. In doing so, we commit to ensuring a healthy life for all people of any age and promoting their well-being.



Approach

The basis for the assessment of safety and health at the workplace is the legally required ‘workplace evaluation’ or ‘workplace-related risk assessment’. The production managers and safety specialists conduct these annually for all workplaces.

At all locations we offer

- occupational health care and counselling by occupational physicians or company doctors
- preventive medical examinations by the company's own occupational physicians as well as within the framework of priority actions with the support of external agencies
- free flu vaccinations
- free FFP2 masks and Covid-19 rapid testing facilities
- Safety supervision in the company by the safety specialist
- technical-ergonomic measures for physically heavy work
- operational integration management, e.g. integration after prolonged absence or illness
- personal protective equipment adapted to the workplace conditions
- ergonomically adaptable work equipment and work surfaces in the plant and office



Goal

We will create the possibility for all employees to be examined for occupational diseases by 2025 and motivate employees to participate in preventive medical check-ups.



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Work-related hazards that pose a risk of illness

Identified hazards in the order of the number of jobs potentially affected:

- Night work
- Noise
- Dust
- Contact with formaldehyde
- Climatic conditions, e.g. heat
- Contact with PMDI (polymer diphenylmethane diisocyanate)



Status

Workplace evaluations are carried out across the board and throughout the Group. Measures are derived from the evaluations and implemented. The effectiveness of the measures is reviewed annually. We want to maintain this situation.

Past measures

- Continuation of health check-ups of employees
- Sensitising employees to ergonomics and health protection at the home office workplace

Future measures

- Resumption of workplace health promotion measures after the pandemic
- Expansion of physiotherapy services in our plants after the pandemic
- Increasing the number of ergonomic office workplaces in the course of new office construction or office renovations

INFO

Our approach to preventing the spread of Covid-19

We have responded to the pandemic starting in March 2020 with the following measures to protect our employees:

- Home office, where possible
- Provision of FFP2 masks and disinfectants for all employees
- Extensive and free quick test options
- Strict separation of shifts (formation of permanent teams)
- Office and meeting room occupancy limited
- Training video on safe behaviour
- Information through notices, stickers and displays
- Temperature measurements at the plant entrances
- Cancellation of business trips
- Cancellation of all events
- Visiting ban for external persons
- Support national vaccination programmes (offer vaccination in plants where possible).
- Regular local and Group-wide information for our employees on info screens and the intranet

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Comprehensive package of measures:
Protection of employees in the Corona pandemic

Maintaining the health of all employees is a top priority for EGGER. After the outbreak of the Corona pandemic, extensive measures were therefore immediately taken to protect employees. EGGER quickly set up crisis teams at Group, divisional and plant levels. These experienced teams were responsible for implementing government-mandated and self-developed measures in the enterprises and for reacting quickly to changing conditions. All employees were continuously and transparently informed about current developments. The working conditions were adapted so that the employees could be protected in the best possible way. Spacing regulations, hygiene measures and the creation of permanent teams to minimise contacts were core elements. Office activities were moved to the home office as far as possible. EGGER has always endeavoured to apply the highest possible safety standards. Some measures were implemented early and for the entire group, even before they were defined as mandatory by individual national governments. For example, EGGER has been providing free FFP2 masks at all locations since the beginning of 2021. In addition, comprehensive Corona quick test facilities have been created in all plants, which employees can make use of in their working hours. The number of infections in the plants was consistently kept low with all these measures.



Testing facilities in all 20 plants: around 62,000 tests were carried out across the Group in the past financial year.

FFP2 masks are available for employees in all 20 plants.

Support of national vaccination programmes in all locations where it was already possible.

On-going updates from the Group Management concerning the situation since the beginning of the pandemic



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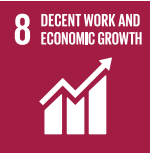
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Attitude

We keep the risks for our employees as low as possible in daily work practice and continuously improve our performance in the area of occupational safety.

We have made SDG 8 a strategic priority. In doing so, we commit to promoting safe working environments for all workers (SDG 8.5).



Approach

EGGER has a central reporting system for unsafe conditions, near misses and occupational accidents as well as a management system for occupational safety. In order to prevent accidents, we continuously optimise all physical processes with regard to occupational safety (facilities, forklift traffic, passenger traffic, access restrictions, technical aids, etc.). In addition, we are driving forward the anchoring of a new occupational safety awareness, safety thinking and safe action among all employees and managers, e.g. through behaviour-related safety training. Occupational safety indicators are part of the calculation basis for the variable remuneration of the top three management levels. In recent years, a 15% annual reduction in accidents has been targeted to reach the milestone of no more than 10 accidents per 1 million hours worked.



Goal

As part of the ‘Vision Zero’, we are aiming for zero occupational accidents in the long term. Our strategic goal by 2025 is zero serious occupational accidents (defined according to GRI 2018 403-9 a ii).

Work-related injuries

Financial year	2018 / 19	2019 / 20	2020 / 21
Accident rate ⁽¹⁾ internal	20.38	17.00	11.81
Accident rate ⁽¹⁾ external ⁽²⁾	20.84	18.32	11.07
of which serious accidents ⁽³⁾ internal	— ⁽⁵⁾	— ⁽⁵⁾	0.38
of which serious accidents ⁽³⁾ external ⁽²⁾	— ⁽⁵⁾	— ⁽⁵⁾	0.00
of which deaths ⁽⁴⁾ internal	0	0.06	0
of which deaths ⁽⁴⁾ external ⁽²⁾	0 ⁽⁶⁾	0	0

(1) Accidents per 1 million working hours with injury grade ≥ NACA II (includes work accidents requiring medical treatment beyond first aid and other ‘documentable work-related injuries’, according to GRI 2018 403)

(2) Excl. guests for whom no working hours are available

(3) Occupational accidents with high-consequence injuries according to GRI 2018 403-9

(4) Fatal occupational accidents due to work-related injuries

(5) No data available. The definition of high-consequence injuries in accordance with GRI 2018 403-9 was introduced in FY 2020 / 21. The definition used in the previous year (injury level NACA III-VI) results in a serious accident rate of 0.49, compared to 0.73 in the previous year and 0.52 in FY 2018 / 19.

(6) In FY 2018 / 19, there were two fatal occupational accidents caused by external persons. As the hourly basis required to calculate the accident rate is not available, they could not be taken into account in the calculation.



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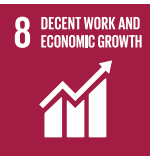
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Occupational safety training

Financial year	2018 / 19	2019 / 20	2020 / 21
Participants in e-learning ⁽¹⁾	0	1,984	2,530

(1) e-Learning newly introduced in FY 2019 / 20 and rolled out so far at the St. Johann in Tirol, Wörgl, Wismar, Brilon, Gifhorn, Marienmüstern and Bevern plants. In addition, face-to-face training courses were held at all locations, for which an evaluation of the number of participants will follow in the next report.



Status

The number of accidents in the past financial year was again reduced by about 30% compared to the previous year. This development confirms that the increased focus on occupational safety and health protection in the past two years was correct. Our ‘Vision Zero’, the prevention of fatal and serious occupational accidents, spurs us on to further improvements. We have conducted numerous awareness-raising trainings in the past financial year. We will continue to adhere to this – a cultural change takes time. The intensive training sessions for managers, the Safety Leadership Induction Workshops, were largely completed and are continuing. We have also introduced e-learning for all staff. Almost 2,000 employees have already been trained online on the topic of occupational safety.

Past measures

- Continuation and expansion of behaviour-based safety training
- Occupational safety targets as part of the variable remuneration of the top three management levels
- ISO 45001 certification of the EGGER sawmill in Brilon (DE)
- E-learning offers for occupational safety further expanded
- Other Group standards for safe work (e.g. personal protective equipment, incoming goods of chemical raw materials, work clothing, rescue chain, COVID-19 guideline)
- Introduction of a system for documenting legally relevant qualifications and instructions
- Inclusion of the topic of ‘occupational safety’ in staff appraisals

Future measures

- ISO 45001 certification of the glue plants in Rădăuți (RO) and Hexham (UK)
- Implementation of the behaviour-based safety training at other sites
- Expansion of the e-learning offer for industrial employees
- Maintenance of COVID measures
- Widespread introduction of the new workwear



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Wörgl, Austria

Best practice

Reduction of the number of accidents:
Behavioural safety training programme

Work safety is a top priority for EGGER. Risks for employees should be kept as low as possible in daily work practice, unnecessary hazards avoided and health protection continuously improved. To this end, a comprehensive training programme based on the behavioural approach was introduced in 2018. Most training programmes deal exclusively with following rules. This neglects the fact that a large proportion of occupational accidents are caused by unconscious action errors and that there cannot and should not be rules for every single action. This is where the workshops came in. The awareness was created that every colleague can contribute decisively to more safety with their behaviour, is a role model with their actions and bears responsibility. In order to optimise the safety culture, it is essential that all hierarchical levels are involved from the beginning. All employees and managers from the technical area took part in the programme. Leaders have a central role model function. The aim of the workshops was to transform unconscious action errors into safe unconscious action patterns that are applied in everyday work and to anchor them there in a sustainable way. In Wörgl, the number of accidents could thus be significantly reduced. This successful concept has already been introduced in large parts of the EGGER Group or is in the planning stage.



Start:
at the plant in Wörgl (AT)
in November 2018

Duration of
the intensive
accompaniment:
approx. 2 years,
followed by ongoing
initiatives on the topic
of work safety

Goal: Unconscious
action errors are
eliminated and safe
action patterns are
practised

In 2 years, accidents
were reduced by **70%**
at this location

Zero accidents in
Wörgl in **February 2021**

Comprehensive **roll-
out plans**
of the programme to
additional plants of the
EGGER Group

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Attitude

EGGER is actively committed to protecting its employees and their health.

We focus on SDG 3. In doing so, we commit to ensuring a healthy life for all people of any age and promoting their well-being.



Approach

In all EGGER plants, health management offers numerous activities for healthy nutrition and exercise, such as fruit days, sports courses and counselling services. Our staff restaurants offer freshly prepared meals every day.

Since 2010, the ‘EGGER runs’ programme has offered employees the opportunity to take part in running events and do good at the same time. For every kilometre covered, EGGER donates 5 euros to charitable organisations. All participants receive running clothing with EGGER branding (initial fitting free of charge) and EGGER pays any entry fees. In the meantime, we can look back on donations amounting to over 1,400,000 EUR (as of December 2020). To protect the health of our employees during the COVID pandemic, we implemented a large number of

measures at all EGGER sites. Our clear goal of protecting employees and maintaining production at the sites has led us to initiate hygiene measures well in advance of the authorities' recommendations. Weekly management reporting on the number of infected staff as well as staff in quarantine has also given us an up-to-date overview of the situation.



Goal

We want to continue to maintain the current level of health management. Our strategic goal is to maintain the health rate to at least 97%.



Status

The health rate from previous years was also maintained in the past financial year. Despite the safety regulations and contact restrictions, we have carried out health promotion measures at all sites to the extent possible. The measures have focused on the prevention of COVID infections. Here, too, we were able to rely on our good cooperation with company doctors and medical professionals. Our commitment in Austria

is confirmed with the seal of approval for workplace health promotion. In Hexham (UK) we received the Better Health at Work Award for our health management for the third time in a row and for our Scottish site in Barony (UK) we were able to achieve the Gold Award – Health Working Live.

The successful ‘EGGER runs’ programme was organised in two digital running events due to the pandemic. Participants were connected via a running app and were able to track the performance of their colleagues, even though all runners were participating in different locations all over the world.

Health promotion

Calendar year	2018	2019	2020
EGGER runs kilometres total	30,365	32,848	27,491
Total number of runners	1,145	1,100	805

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Health rate

Financial year	2018 / 19	2019 / 20	2020 / 21
Health rate EGGER Group total (in %) ⁽¹⁾	96.98	97.04	97.30

(1) Target hours minus absence hours due to illness and accident; data according to the time management module of the ERP system, which includes all locations of the group

Company doctors and medical staff

Financial year	2018 / 19	2019 / 20	2020 / 21
Number of occupational medicine staff in the EGGER Group ⁽¹⁾	— ⁽³⁾	34	39
of which in AT	— ⁽³⁾	3	3
of which in DE	— ⁽³⁾	6	8
of which in UK	— ⁽³⁾	2	2
of which in FR	— ⁽³⁾	2	4
of which in RU	— ⁽³⁾	9	10
of which in RO	— ⁽³⁾	1	2
of which in TR	— ⁽³⁾	2	4
of which in AR	— ⁽³⁾	7	5
of which in PL	— ⁽³⁾	0 ⁽²⁾	0
of which in US	— ⁽³⁾	2	1

(1) Number of doctors and medical staff of the company
(2) Supervision by a contracted doctor outside the plant
(3) No data available, query started in FY 2019 / 20

Past measures

- Realisation of two international virtual running events in the past financial year
- Introduction of occupational psychology counselling hours in Austria
- We implemented numerous measures to protect the health of our employees during the COVID pandemic (see info box on p. 96)

Future measures

- Improving the reporting of local health promotion measures
- Continuation of the virtual EGGER runs event twice a year

Our employees have covered **27,491 kilometres** as part of ‘EGGER runs’



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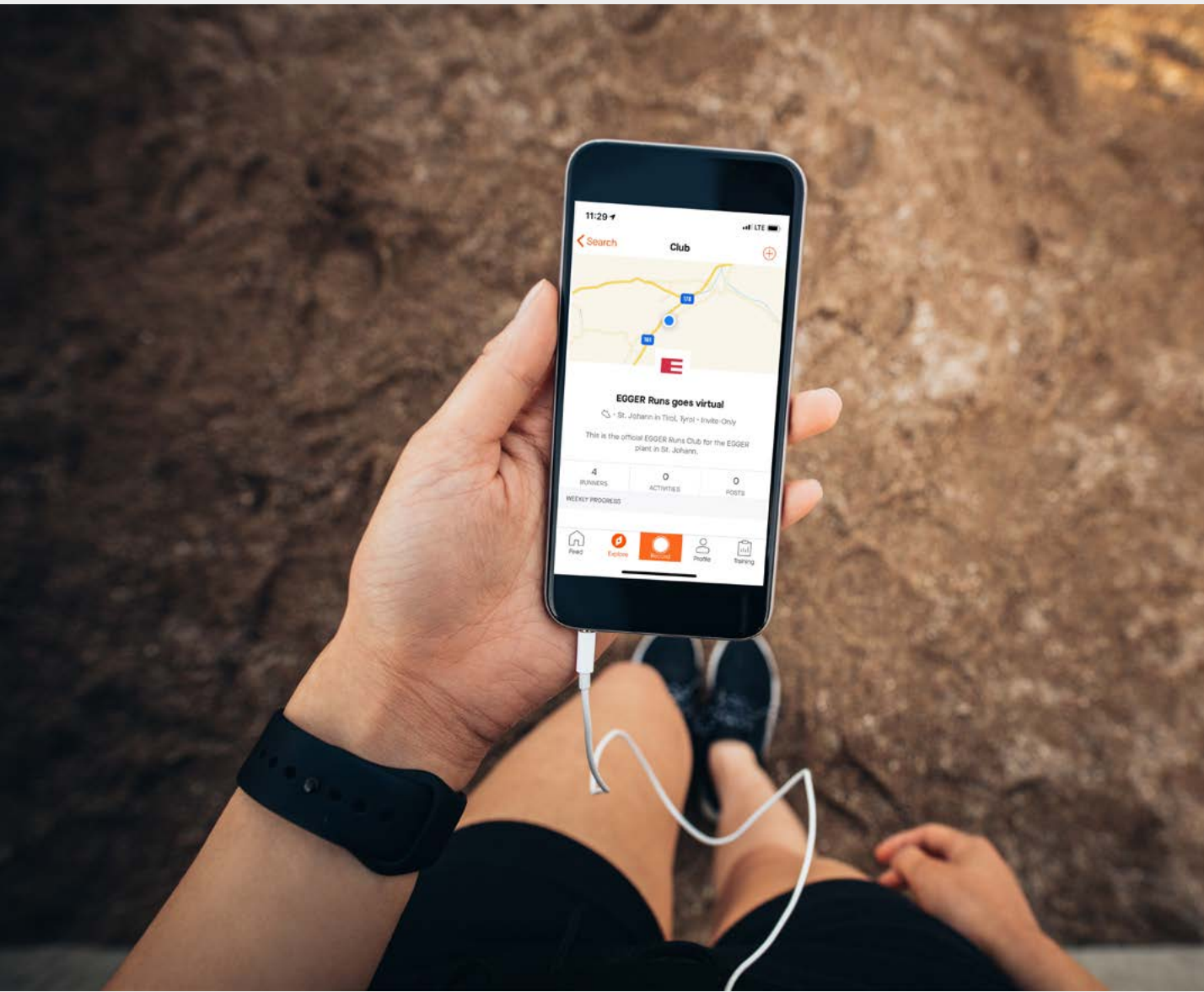
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EGGER international

Best practice

EGGER runs goes virtual for the first time:
Doing good for yourself and for others

EGGER actively cares for the health of its employees. Since 2010, EGGER runs has been a popular and established initiative that encourages employees to engage in sporting activities and do good at the same time. For every kilometre that employees run in official running events, the company gives EUR 5 to charitable organisations or families in need in the regions where the plants are located. Due to the pandemic, a large number of running events were cancelled worldwide, including the internal plant runs. EGGER was therefore concerned to facilitate a safe running event and to continue the Group-wide health measure. For this purpose, a new concept was developed and for the first time EGGER runs took place virtually. Participants were connected via a running app and were able to track the performance of their colleagues, even though all runners were participating in different locations all over the world. This ensured team spirit despite the distance.



2 virtual runs:
September 2020 and
March 2021

EGGER donates **per
kilometer EUR 5** for
charitable causes

All kilometres are
counted which the
participants have
collected when
**running or
during Nordic
Walking**

Each of both runs
included more than
600 colleagues

In total both virtual runs covered more than **14,000
kilometres** and an **amount of donations of EUR
70,800** was obtained

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Equal opportunities and diversity

In our human resources work, we consciously focus on diversity. By this we mean that employees with different cultures, personalities, talents and experience work together as a team. They thus reflect the international nature and diversity of our markets, our customer structure and our business environment.

Opportunities and risks

Industry, and in particular the wood sector, is a male-dominated sector, which carries the potential risk of discrimination against women. Opportunities lie in the fact that EGGER also offers women the possibility to start and pursue a career in the technical field. Opportunities also lie in the mixed age structure of the workforce and the part-time offers for older workers. An opportunity for growing intercultural understanding lies in the promotion of international exchange.

How we ensure equal opportunities and diversity

The sub-topics of this chapter:

- Diversity of age, gender, nationality
- Equal treatment of employees



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Attitude

We are striving for a higher proportion of women in all areas of the company. We rely on a balanced ratio of local and international managers. We particularly appreciate experience, its passing on and long-term cooperation.

We put a focus on SDG 5. In doing so, we commit to ensuring women's full and effective participation and equal opportunities in leadership roles at all levels of decision-making (SDG 5.5).



Approach

Like many companies in western industrialised countries, we too are confronted with the consequences of demographic change. With our strategic human resources planning, we recognise demographic risks at an early stage and counteract them in a targeted manner with our own training programmes, succession planning and our 'Start Up' programme for young talent. We also promote a knowledge-sharing culture, making it easier for new employees to get started.

Global development programmes promote cross-functional and cross-location networking. We promote the international exchange of employees and offer profes-

sional support for deployment and business trips. We offer intercultural training and language courses. Seconded specialists and managers for the development of new locations will be replaced by local employees in the medium term.

Long years of service are rewarded with the anniversary bonus introduced in 2017 and at anniversary celebrations. Due to the pandemic, the anniversary celebrations were postponed or local alternatives with food vouchers were found. For certain activities or projects, it is also possible to continue working for a limited number of hours after retirement. Age-appropriate working models are already available in the office and outside of shift work. In future, we will also expand age-appropriate working models for continuous shift work.



Goal

By 2025, we will improve the quota of women among industrial employees and in management positions throughout the company.



Status

The quota of women in the past financial year was at the previous year's level. The quota of women in management positions has slightly increased. The age structure also remains stable.

The diversity of our employees' nationalities shows that EGGER has grown since 1961 into an international, open company where growth is possible through common goals and understanding of different cultures. Especially in Corporate Services, the number of nationalities remains high.

Our employees are made up of
77 nationalities total

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Women's quota

Financial year	2018 / 19	2019 / 20	2020 / 21
Women’s quota total (in %) ⁽¹⁾	16.0	16.2	16.0
of which in technology, production, logistics	8.4	8.5	8.5
of which in IT, sales and marketing, finance / adminis- tration	53.6	53.9	53.8

(1) Quota based on the annual average headcount

Women's quota in leadership

Financial year	2018 / 19	2019 / 20	2020 / 21
Women's quota in management positions overall (in %) ⁽¹⁾	17.5	16.9	18.2
of which in technology, production, logistics	7.8	7.4	8.4
of which in IT, sales and marketing, finance/administra- tion	34.7	34.7	36.1

(1) Quota based on the annual average headcount

Age structure of the workforce

Financial year ⁽¹⁾	2018 / 19	2019 / 20	2020 / 21
< 30 y.o.	21	20	21
30–50 y.o.	59	59	59
> 50 y.o.	19	20	21

(1) Quota based on the annual average headcount. Due to rounding effects, the total does not always add up to 100%. Figures in %

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Nationalities

Financial year	2018 / 19	2019 / 20	2020 / 21
Total number of nationalities	73	77	77
Number of nationalities in Corporate Services ⁽¹⁾	23	26	25

(1) Corporate Services: Central corporate functions

Past measures

- Virtual closing of the third round of the international development programme ‘Start Up’ for newcomers
- Introduction of a mentor system within the framework of ‘Start Up’, in which colleagues of different ages support newcomers in their everyday working life
- Launch of an analysis of gender and salary distribution in the Austrian workforce with a working group to promote gender equality. The project is funded by the Federal Ministry of Labour, Family and Youth and with funds from the European Social Fund (ESF).

Future measures

- Increased offer of networking events for women in business
- Implementation of the junior management programme ‘Startklar’ with a disproportionate share of women
- Development of age-appropriate working models



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Attitude

We do not accept discrimination based on sex, skin colour, religion or sexual orientation.

With Principle 6 of the United Nations Global Compact, we advocate the elimination of discrimination in respect of employment and occupation.

With SDG 5, we commit to achieving gender equality and ending all forms of discrimination against women (SDG 5.1).

We have made SDG 8 a strategic priority. In doing so, we commit to achieving decent work for all women and men, including young people and people with disabilities, and equal pay for work of equal value (SDG 8.5).



Approach

Our local wage models as well as our salary policy ensure equal treatment of employees. Remuneration is based on responsibility, knowledge and individual performance. Our employees have access to employer benefits regardless of their employment status.



Integration of severely disabled persons

Financial year	2018 / 19	2019 / 20	2020 / 21
Total number of severely disabled persons employed ⁽¹⁾	173.0	166.0	179.0

(1) Annual average headcount

EGGER employees can contact an external whistleblowing office, even anonymously, if they suspect or are informed of compliance violations. This also applies in the event of a suspicion or indication of discrimination. You can find more details on this in the chapter

Business ethics



Goal

We collect the views on equal treatment of all employees in the 2021 Employee Opinion Survey.



Status

For participants in strategic development programmes, we pay attention to gender and nationality balance. In our development programme ‘Start Up’ (start: Summer 2021), for example, 47% women will participate, and in our junior management programme ‘Startklar’, 8 of our 10 EGGER countries will be represented.

Past measures

- Establishment of an ombudsman's office for reports of suspected violations of legal or internal regulations, such as in the case of discrimination against employees
- Implementation of compliance e-learning for all new employees
- Distribution of the Code of Conduct to all new employees as part of the induction process

Future measures

- Human resources staff are sensitised to ‘equal opportunities in staffing’.
- Expansion of communication with the ombudsman's office

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Further training and promotion opportunities

For us, future-oriented human resource management means consistently investing in own training programmes, even if the state system in some countries does not provide for this.

Qualified and motivated employees are an important prerequisite for our success. Recognising the talents of our employees, developing them and retaining them in competition with other companies is therefore a material part of our strategy.

All training and further education courses are located on the EGGER Campus. Our employees can develop their skills both at their own location and via e-learning. This not only creates new knowledge, but also valuable networks, exchange and a common understanding.

Opportunities and risks

Potential risks for all companies lie in a lack of awareness of the educational mandate for their own employees. Opportunities arising from EGGER's activities result from the wide range of training courses for specialists and managers, from the career programmes and the promotion of young talent.



How we provide good education, training and internal careers

The sub-topics of this chapter:

- Apprenticeship
- Further development / promotion of internal careers
- Training

Further topics on employee development can be found in the chapter:

➞ Employee satisfaction



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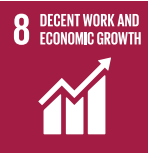
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Apprenticeship



Attitude

We continue to develop our own apprenticeships, establish them in the new production plants, and reinforce them in the existing plants.

We get to know our future employees during summer jobs, internships, and thesis projects, and thus ensure their link to us early on.

With SDG 8.6, we commit to reducing the proportion of young people who are out of work and not in education or training.



Approach

We have established apprenticeship programmes at 16 out of 20 locations. Recruiting apprentices and thus securing the next generation of skilled workers was and remains one of our focus topics and continues to be an integral part of our philosophy.

Every year, we plan places for summer jobs, internships and final theses for 10% of the positions at all locations. Every two years, as part of strategic human resources planning, we determine the need for junior staff resulting from upcoming retirements, fluctuation and organisational changes.

Apprentice

Financial year	2018 / 19	2019 / 20	2020 / 21
Total number of new apprentices entering the programme ⁽¹⁾	113	134	166
Number of all apprentices (all years of training)	245	277	328
Trainee ratio (in %), (trainees in relation to total employees)	2.5	2.7	3.1

(1) Quota based on the annual average headcount

Quotas for summer jobs, internships, theses

Financial year	2018 / 19	2019 / 20	2020 / 21
Use of pupils and students in relation to the total number of employees (in %) ⁽¹⁾	6.2	5.5	4.3

(1) Quota based on the annual average headcount



Goal

Our strategic goal is to maintain the apprenticeship quota to at least 3% of the total workforce.



Status

The number of apprentices increased significantly – thus we achieved our goal of a training quota of 3% for the first time Group-wide.

In 2020 / 21, we were only able to partially fulfil our claim in the area of summer jobs, internships and theses due to the COVID situation and the associated hygiene measures and distance regulations. All promised internships were held on to as far as possible.

Past measures

- Start of the training programme for young newcomers in Argentina
- Apprenticeship numbers were increased significantly, no posts for apprentices were cut due to the pandemic

Future measures

- Launch of the training programme in Poland and Russia
- Standardisation of technical training across all plants



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EGGER Group

Best practice

The EGGER apprenticeship programme:
Developing young professionals of tomorrow
as a long-term strategy

The dedicated and qualified employees of the EGGER Group make an essential contribution to the success of the company with their commitment. The holistic training of tomorrow's skilled workers is a core element of forward-looking human resources work. To this end, EGGER consistently invests in its own apprenticeship programmes – even in countries where state systems do not provide for this. Young employees receive targeted, competence-oriented training that prepares them for a career in the EGGER Group. The training forms a strong foundation for a successful future in the company. The teaching includes several components: In addition to the practical training in the company, guided by EGGER colleagues, apprentices have the opportunity to participate in further training such as language courses, but also in measures for personal development. The EGGER trainers focus on cohesion, motivation and enjoyment of the work. They provide the apprentices with the necessary expertise and support them in their professional and personal development. With this practice-oriented approach, skilled workers are trained in diverse, future-proof professions. The training system was also introduced at EGGER's newest plant in Lexington, NC (US), as early as 2018 – even before the plant opened.



328 apprentices
are on their way to
becoming experts.

16 of 20 plants
offer apprenticeships
– additional plants are
being planned

In September 2020
the plant in Concordia
(AR) also started the
apprenticeship
programme.

EGGER offers training in the departments of
Technology / Production, Finance / Administration,
Logistics, Sales, IT and Sales / Marketing. In the
Brilon (DE) location only we offer more than 10
different apprenticeships.

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Further development / Promotion of internal careers



Attitude

We prefer suitable internal candidates to external ones and facilitate internal specialist and management careers. We recognise and utilise the potential of our employees and, on the basis of the job description, each employee receives training and further training in line with their needs. Managers are responsible for succession planning.



Approach

With a new digital form of the appraisal and the job description, we create clarity regarding the goals and strengths as well as further development goals of each individual employee since 2018. The personal exchange between line supervisor and employee is key in this regard. The new Talent Management System provides support in this regard and provides an overview, which is something that must be discussed at least once a year.

We inform employees about vacancies on the intranet and on notice boards. The strategic development programme ‘Startklar’ specifically promotes internal high potentials. The specialist career path ‘EGGER STEP’ has so far existed in the areas of marketing, logistics and IT and is being successively expanded.



Goal

Our strategic goal is to fill at least 80% of management positions with internal candidates.



Status

For our production start-up in Lexington, we have filled some management functions externally and are therefore slightly below the strategic goal of at least 80%.

In the Corona crisis, we are increasingly relying on digital training. We will continue to work continuously to offer our employees prospects. In addition to the increasingly broad range of offered training courses at the EGGER Campus, we also provide a platform for defining development measures in the form of employee appraisals. Due to the pandemic, the virtual education and training offer in particular is increasingly used during the year and thus partly recorded in the development plan – as a result, the number is declining.

Internal staffing of management positions

Financial year	2018 / 19	2019 / 20	2020 / 21
Total internal appointments to management functions (in %) ⁽¹⁾	80.3	75.8	77

(1) In the financial year newly filled management positions with internal candidates, excluding Poland and USA as greenfield investments

Appraisal

Calendar year	2018 ⁽²⁾	2019	2020
Ratio of employees with appraisal to total employees ⁽¹⁾	–	36.4%	37.2%
Average number of defined development measures per employee	–	2.3	2.1

(1) Quota based on the average headcount of the calendar year
(2) No data available



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Further development / Promotion of internal careers

Past measures

- Implementation of annual succession planning for around 200 management positions
- Improvement of the talent management system with regard to input for succession planning
- Introduction of an international career concept (‘EGGER STEP’)
- Digital implementation of the 2-day leadership conference for top management with information and development offers
- Conversion of training measures to virtual (including the programmes ‘Startklar’ and ‘Start Up’)
- Cross-national virtual leadership training for Austria and Germany

Future measures

- Start of the 8th round of the ‘Startklar’ management trainee programme
- Start of the 4th round of the ‘Start Up’ programme
- Implementation of a global training concept for sales with a focus on digitalisation in sales
- Roll-out of the career concept ‘EGGER STEP’ in all departments and countries

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Training



Attitude

We expect high performance and support our employees through specific training and information programmes.



Approach

The EGGER Campus offers appropriate training for all employees. In the annual staff appraisal, training needs are specifically recorded in the development plan and their implementation is followed up. With e-learning we cover 50% of the training needs. In the past financial year, we increasingly provided digital learning opportunities and offered additional exchange platforms and webinars. Our internal training offensive EGGER Kompakt ensures interdisciplinary exchange and strengthens the understanding of all employees for the value creation process.



Goal

All employees who have been employed for at least one year have an appraisal interview with their manager at least once a year. Our goal is to also introduce an adapted appraisal interview for all industrial employees by 2025.

Participation in training

Financial year	2018 / 19	2019 / 20	2020 / 21
Number of participations in seminars / congresses / continuing education and e-learning ⁽¹⁾	14,076	16,587	14,031
of which face-to-face training (in %)	77.9	66	35
of which e-learning (in %)	22.1	34	65
Participation per employee in face-to-face training	1.3	1.3	0.5

(1) On e-learning: Included are all e-learning courses from the EGGER Campus Online, which require a knowledge check at the end or generate a certificate of completion.



Status

In the past financial year, an appraisal interview was held with more than 37% of our employees to coordinate employee development in our talent management system. Furthermore, we are pursuing the goal of including industrial employees in it by 2025.

Our intranet already offers information, services and systems to employees with PC workstations and at terminals. We want to make these accessible to all employees with a mobile strategy by the end of 2021. Campus Online (digital learning management system) was introduced from 2018 and has since provided a good overview of the education and training opportunities. In the past financial year, we were also able to integrate Argentina, Turkey and Poland into this system. In the 2020 / 21 financial year, the pandemic led to a large number of training measures being implemented digitally and face-to-face formats only taking place to a limited extent or as virtual training.

Past measures

- Campus Online was rolled out in Argentina, Poland and Turkey
- Provision of standard e-learning offers (e.g. personality development, language training)
- Introduction of IT security e-learning consisting of several modules in all countries
- Occupational safety e-learning further expanded
- Comprehensive documentation of all legally required training in the system
- Establishment of a central service centre for the topic of e-learning in the organisation

Future measures

- Expanding the mobile version of our intranet through a ‘bring your own device’ strategy
- Further establishing a learning culture with digital aspects
- Introduction of Group-wide feedback on our learning platform
- Expansion of the internally created e-learning portfolio



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Employee satisfaction



The satisfaction of our employees is the basis of our successful business. In this chapter, we present our approaches to work-life balance, employee representation, long-term employment, good leadership and employee benefits.

Opportunities and risks

Satisfied and loyal employees are the most important building block for the success of a company. Risks can arise from a lack of work-life balance or other factors that have a negative impact on employee satisfaction. We see all measures to create and maintain good working conditions as an opportunity. Employee satisfaction is reflected in low staff turnover.

How we ensure satisfied employees

The sub-topics in this chapter:

- Work-life balance
- Employee representation
- Long-term cooperation
- Employee benefits

Other topics relevant to employee satisfaction can be found in the chapters:

- Occupational health and safety
- Equal opportunities and diversity
- Further training and promotion opportunities



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Work-life balance



Attitude

We offer modern working time models that make it possible to balance family and professional life. In the administration and sales area we enable home office and mobile working within clear guidelines.



Approach

We make reductions in working hours (retirement, part-time and parental leave as well as leaves of absence) as well as home office and mobile working possible in consultation with the supervisor and depending on the task in the company. There are clear rules that provide for a separation between work and private life and ensure rest.

We offer non-shift employees a flexible flexitime framework that allows them to organise their private and professional lives individually. We enable employees to return to work after the birth of a child with the desired working hours and in the same or a comparable position (depending on parental leave or local regulations).



Goal

We will measure the use of home office and new forms of work in the office workforce from the coming financial year and derive from this the need for new office concepts for the future.



Status

In the pandemic, employees who can also carry out their work in a home office took advantage of this opportunity. A significant progress in digitisation could thus be initiated. The proportion of parental leave has remained at a similar level.

Parental leave

Financial year	2018 / 19	2019 / 20	2020 / 21
Total parental leave to total number of employees (in %) ⁽¹⁾	2.1	2.2	2.1

(1) Quota based on the annual average headcount. This figure refers to all employees on parental leave in the respective financial year.

Past measures

- Intensive conversion to home office to protect our employees and their families

Future measures

- Expansion of holiday care services also at other locations after the pandemic
- Revision of the Flexitime Directive for Austria

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Employee representation



Attitude

We are in an appreciative and regular exchange with employee representatives.

We promote Principle 3 of the United Nations Global Compact and uphold the freedom of association and the effective recognition of the right to collective bargaining.

With SDG 8, we also commit to protecting labour rights (SDG 8.8).



Approach

The local works councils represent the interests of our employees and are in close dialogue with the respective management and personnel management. Measures are proposed and implemented on the initiative of our employee representatives.

Our Code of Conduct includes a commitment to sincere and fair dialogue with our employee representatives and respect for freedom of association. For communication with new employees, see

➡ Our compliance strategy



Goal

We are not pursuing a strategic goal here.

The European EGGER Forum (EEF) is the association of the works councils of all sites in the EU and meets twice a year with the Group Management to discuss cross-site topics. Similar facilities also exist in the countries themselves.

Together with the respective management, the employee representatives can support employees or their families in emergency situations through a disaster fund.

To recognise many years of cooperation, in the 2020/21 financial year approximately EUR 5.8 million were paid out as part of the anniversary bonus

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Employee representation



Status

We promote exchange between our European works councils, due to the pandemic we have changed the meeting format to virtual at a higher frequency. In this way, we promote dialogue among our employee representatives even in challenging times.

Our anniversary bonus was already introduced for the entire EGGER Group in the previous financial year on the initiative of our employee representatives. Thus, after 25 years of service, employees receive two gross monthly salaries as an anniversary bonus. In the 2020 / 21 financial year, anniversary bonuses in the Group amounted to EUR 5.831 million.

Past measures

- National and international meetings of employee representatives have been switched to virtual formats

Future measures

- Continuation of national and international regular meetings of European workers' representatives

Employee representation

Financial year	2018 / 19 ⁽¹⁾	2019 / 20	2020 / 21
Number of works councils (of which exempted)			
in AT	–	21 (3)	21 (3)
in DE	–	56 (7)	56 (7)
in UK	–	13 (0)	13 (0)
in FR	–	25 (0)	25 (0)
in RU	–	0 (0)	0 (0)
in RO	–	8 (0)	8 (0)
in TR	–	14 (0)	14 (0)
in AR	–	3 (0)	3 (0)
in PL	–	4 (0)	4 (0)
in US	–	0 (0)	0 (0)

(1) No data available



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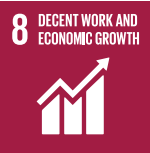
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Attitude

Permanent employment is the usual form of employment at EGGER. Fixed-term contracts as well as temporary work are only used to enter the company or for temporary extra work.

With SDG 8.8, we also commit to promoting safe working environments for all workers, especially those in precarious employment.



Approach

Loan workers receive the same equipment and training as permanent employees (e.g. work clothes, safety training) and are taken on after 18 months at the latest. In the case of internal restructuring measures, we avoid layoffs wherever possible and, together with the employees, look for alternative internal employment. Every three years, we survey employee satisfaction throughout the Group by means of the Employee Opinion Survey. Approximately 90 questions are asked. Four of these are included in the Employer Attractiveness Index, on the topics of pride in the company, recommending the company as an employer and personal assessment of attractiveness.



Goal

Here we pursue two strategic goals: We keep the percentage of external and agency workers below 15% and the Employer Attractiveness Index above 70%.

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Status

The EGGER Group is growing. We have built up staff primarily for the start of production in Lexington, NC (US).

We were able to keep employer-related fluctuation below the previous year's level by using holiday and overtime reductions as well as country-specific short-time working models. Employee-related turnover increased slightly primarily due to higher turnover in the USA and Turkey.

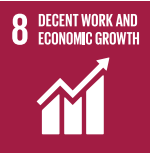
The share of external employees and temporary workers in the 2020 / 21 financial year is 0.3 percentage points below the previous year's level at 9.4% and thus continues to decline. The Employer Attractiveness Index survey has been postponed until September 2021 due to the pandemic.

Past measures

- During the COVID pandemic: Holiday and overtime reduction as well as the benefits of country-specific short-time work models

Future measures

- Conduct the 2021 Employee Opinion Survey among all employees



Internal and external employees

Financial year	2018 / 19	2019 / 20	2020 / 21
Total number of employees ⁽¹⁾	10,591	10,999	11,296
of which EGGER internal	9,506	9,928	10,233
of which external ⁽²⁾	1,085	1,071	1,063

(1) Quota based on average annual FTEs
(2) External staff = a) temporary employees / agency workers who are sent by their employer to work for EGGER. There is no employment contract between the seconded employee and EGGER. b) Service and work contract (outsourcing) under the premise that the service is provided 100% on the EGGER plant premises, recurring and planned. This includes, for example, the gateway, cleaning and security services.

New and replacement staff

Financial year	2018 / 19	2019 / 20	2020 / 21
Total number of newly recruited employees ⁽¹⁾	1,533	1,612	1,457
of which reappointments	69%	65%	75%
of which new appointments	31%	35%	25%

(1) Quota based on the annual average headcount

Staff turnover

Financial year	2018 / 19	2019 / 20	2020 / 21
Employee turnover (number and rate) ^{(1) (2)}	– (5.2%)	– (4.3%)	556 (4.8%)
Employer-related turnover rate (number and rate) ^{(1) (3)}	– (3.3%)	– (3.8%)	423 (3.6%)

(1) Quota based on the annual average headcount
(2) Employee-related turnover: voluntary departure of the employee
(3) Employer-related turnover: Termination + expiring fixed-term contracts



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Employee benefits



Attitude

We pay our employees fairly and appropriately.



Goal

We are not pursuing a strategic goal here.



Approach

Our compensation models are based on expertise, performance, and market conditions. We continue to develop our remuneration models (qualification pyramid, benchmarks, variable remuneration, bonus system) to ensure fair remuneration.

Defined HR officers advise managers and further develop local wage and salary models.

In all countries, employees receive an annual salary adjustment, even though we are often not bound by collective agreements.



Status

In the 2020 / 21 financial year, EUR 3.5 million was paid out as a COVID bonus to industrial employees. For the coming financial year, a further EUR 5.5 million has been set aside as a COVID bonus for all employees for payment in May 2021.

Past measures

- Payment of a COVID bonus to our industrial employees
- Use of short-time work in some countries in the first months of the pandemic
- Establishment of a compensation & benefits network with managers from all countries to expand expertise in the HR area

Future measures

- Ongoing adaptation of our wage models to market conditions
- Piloting of a new variable remuneration for the sales force
- Payment of a COVID performance bonus for all employees



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Business ethics

As a large company, EGGER has a special responsibility to comply with legal standards and its own values. We have the ambition to comply with all regulations as a fair economic actor. This includes in particular respecting free competition, preventing corruption, protecting personal data and, due to participation in the capital market, complying with its rules. As a globally active company, export control and compliance with trade sanctions also play an important role.

Opportunities and risks

Some of our sites are located in areas with an increased risk of corruption and bribery. The concentration of wood-based material manufacturers in some markets entails the risk of anti-competitive collusion. We see digitalisation as a great opportunity to improve our service offering, but it also increases the risk of data protection breaches. A further risk is the violation of trade sanctions.



How we ensure legal conformity

The approach at a glance:

- Our compliance strategy

The sub-topics of this chapter:

- Fair competition
- Prevention of corruption
- Capital market compliance
- Data protection
- Export control & sanctions

Further compliance-related topics can be found in the chapters:

- Health safety of products
- Our due diligence system for tracing the origin of wood
- Our environmental and energy management
- Tax transparency



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Our compliance strategy



EGGER is committed to legal compliance. This is reflected in the EGGER Code of Conduct, which applies throughout the Group. We undertake to comply with all legal, official or licensing requirements of the countries in which EGGER is active.”

The Code of Conduct is based on the values, the mission statement and the corporate goals. It contains clear standards of behaviour. The signatories are the owners, the Group Management and the Board of Directors.

EGGER is also committed to the United Nations Global Compact sustainability initiative and the principles laid down therein. Further information on the Global Compact can also be found in the chapter

→ Working conditions in the supply chain

In order to implement the corporate ethic and anchor responsible thinking and action among all employees in the long term, EGGER brings together a comprehensive set of measures in a compliance system to prevent, detect and react to compliance violations. In it, we focus on antitrust law, corruption prevention and the protection of personal data. Employees are trained in e-learning and face-to-face events. A strict dual control principle ensures compliance with the regulations. Processes are improved where this proves necessary, taking into account (in individual cases also external) audits or due to individual events. In addition, an overarching compliance organisation guideline with

organisational specifications was developed in the past financial year. Overall, EGGER takes a risk-based approach.

The Code of Conduct is available on our website and on the intranet in all Group languages. It has been part of the onboarding process since the past financial year. New employees sign that they have read and understood the Code of Conduct. Line supervisors have a special obligation to observe the Code of Conduct in everything they do.

We also expect our business partners to comply with the law and make this clear in the EGGER Supplier Code of Conduct. This was adapted in the course of our accession to the Global Compact and also includes its ten principles. The Supplier Code of Conduct is also available on our website. For the progress in the query process, see chapter

→ Working conditions in the supply chain

All EGGER employees are also expressly requested to report circumstances that indicate a violation of the Code of Conduct or our guidelines. Every employee can report this to their superior, to the EGGER legal department or to the whistleblower office set up in the past financial year with an external lawyer of confidence. Such referral can also be done anonymously. Further information is provided in the new guideline on whistleblowing and the whistleblowing office. Rules on any internal investigations can be found in our overarching

Compliance Policy. An anonymised annual report on all information received by the whistleblowing unit during the financial year is also submitted to the management.



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Attitude

EGGER is committed to a market organisation that relies on competition. We strictly prohibit anti-competitive conduct, such as cartel agreements with competitors, suppliers or customers.



Approach

All employees must strictly comply with competition and in particular cartel law requirements that are applicable in their country. EGGER has a Group-wide guideline on antitrust law. The guide as well as face-to-face and online trainings, some of which also include a performance check, help employees to ensure fair and correct conduct in antitrust competition.

We also expect our suppliers to behave fairly and with integrity in competition and, in particular, to comply with competition and antitrust laws.



Goal

The guiding principle is that all employees must at all times conduct themselves in accordance with the law and the company's values and comply with legal and internal regulations. Internal procedures for the prevention and detection of violations shall be continuously improved.

We also aim to ensure that all managers, sales and purchasing staff receive antitrust training at least every two years.

Proceedings for antitrust violations

In the past financial year, one case was closed. EGGER has made a penalty payment of EUR 4.7 million. EGGER employees in Romania did not initiate the identified violations, but failed to stop the offending processes. As a result, and also in view of EGGER Romania's active participation in the clarification of the facts, the authority asserted grounds for reduction in the amount of the penalty payment. The basis for their calculation is the most recent total turnover of the company, in accordance with Romanian antitrust law. The subordinate importance of the purchasing volumes of EGGER Romania, which are the subject of the identified misconduct, has a diminishing effect in the overall view. In addition, the Romanian Competition Authority has considered it positive that the company is pursuing its own competition law compliance programme.

In the previous years 2018 / 19 as well as 2019 / 20, no proceedings were concluded and no penalty was imposed.

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Fair competition

Fair competition training

Financial year	2018 / 19 ⁽¹⁾	2019 / 20	2020 / 21
Number of employees for whom participation in the on-line training has been identified as relevant	–	1,406	461
Participants in online training (quota of participants / relevant participants)	–	930 (72%)	421 (91%)
Participants in classroom training	–	476	594 ⁽²⁾

(1) No data available
(2) Due to the pandemic, most of the trainings took place as webinars.



Status

In the past financial year, a penalty payment was made due to proceedings initiated by Romanian authorities in 2016 for a matter that occurred in the past. EGGER has informed its employees about the outcome of the proceedings and, at the same time, has once again pointed out to the employees that the regulations of competition and, in particular, anti-trust law applicable in the respective country must be strictly observed. In addition, the employees were reminded of EGGER's values as a family business. EGGER has taken this as an opportunity to further intensify training programmes on competition law for all employees who are in contact with customers, suppliers or competitors in particular.

No new proceedings have been added since the last

financial year and no further fines have been announced. This shows that EGGER is on the right track with its risk-based approach and is consistently pursuing its guiding principle.

The online training courses on fair competition were successfully completed by the majority of the relevant employees. We will continue to pursue the goal of raising awareness.

Past measures

- Internal publication of a new compliance organisation guideline
- Mandatory participation in the e-learning compliance course for every new employee (staff member) implemented
- Whistleblower office established with an external lawyer of confidence

Future measures

- No further measures planned

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Attitude

EGGER refuses any kind of corruption. Illegal business practices will not be tolerated in any form. No employee may offer, promise or grant other persons, in the context of a business activity, unjustified advantages or approve such advantages. This also applies to accepting such unjustified advantages. EGGER also defends itself against accompanying offences of corruption, such as money laundering.

We promote Principle 10 of the United Nations Global Compact and stand against all forms of corruption, including extortion and bribery.

We put a focus on SDG 16. In doing so, we commit to significantly reducing corruption and bribery in all its forms (SDG 16.5).



Approach

Donations (gifts, payments, etc.) may only be initiated by employees if they are for a generally accepted purpose and if they correspond to normal practices and internal guidelines. Such donations must be proportionate and properly recorded in the accounts. No donations may be initiated that could be perceived to be bribery. This also applies to accepting such gifts. However, it must always be ensured that no legal conditions are violated and that a business decision is not influenced.

Donations and sponsorship may only be granted by EGGER in compliance with relevant legislation and applicable internal guidelines. In a new Group-wide compliance guideline on donations and sponsoring, concrete criteria for the awarding are transparently listed. Political parties, candidates or office holders are excluded from donations, as is support for religious causes and top-level sport. It is specified that EGGER will focus on promoting and supporting the areas of health, social welfare, education and environmental protection. Every sponsorship should be made clear to the public. Only the managers of the respective companies may decide with regard to granting donations and

sponsorship.

Furthermore, EGGER has a Group-wide guideline on the prevention of corruption. For information on corruption risks in wood purchasing, see also

→ Our due diligence system for tracing the origin of wood

Corruption proceedings

In the past financial year, no proceedings for corruption were pending, no proceedings were concluded and no fines were imposed. Also in the previous years 2018 / 19 as well as 2019 / 20, no proceedings were concluded and no penalty was imposed.



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Goal

The guiding principle is that all employees must at all times conduct themselves in accordance with the law and the company's values and comply with legal and internal regulations. Internal procedures for the prevention and detection of violations are continuously improved.



Status

EGGER is on the right track with its risk-based approach and the guiding principle is consistently followed.

Past measures

- Internal publication of a new compliance organisation guideline
- Internal publication of a new Group-wide compliance guideline on donations and sponsorship
- Mandatory participation in the e-learning compliance course for every new employee (staff member) implemented
- Establishment of a whistleblower position with an external lawyer of confidence – also for possible corruption cases
- Adaptation of the Code of Conduct to the requirements of the Global Compact

Future measures

- Offer a new e-learning on the topic of corruption prevention
- Drawing up a risk analysis for the prevention of money laundering



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Attitude

EGGER is also committed to legal compliance when it comes to capital market compliance.



Approach

With our guideline on capital market compliance, we show that we take the legal regulations for the capital market seriously and prevent possible violations. The guideline also aims to ensure that EGGER meets the expectations of the capital market in the conduct and organisation of a capital market-oriented company. Information on this is also provided on our website in the ‘Compliance’ section.



Goal

The guiding principle is that all employees must at all times behave in a manner that is in accordance with the law and the values of the company and comply with the legal and internal regulations. We want to continuously improve internal procedures for the prevention and detection of violations.



Status

We take measures to raise awareness of capital market compliance.

Confirmation of the duties of insiders

All persons who have been included in the insider list and who have been instructed about this and about their duties have signed this instruction.

Past measures

- Internal publication of a new compliance organisation guideline
- Whistleblower office established with an external lawyer of confidence – also for violations of capital market law
- One insider was newly included in the insider register and instructed about their inclusion and their duties.

Future measures

- No further measures planned



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Attitude

EGGER complies with the data protection regulations and treats personal data as well as all documents and information about business transactions strictly confidentially.



Approach

To protect sensitive data, we use state-of-the-art and appropriate information technology and have implemented standardised IT processes. For this purpose, EGGER uses a certified information security management system.

There is also a Group-wide guideline on data protection. This is partly supplemented by local guidelines. The guidelines as well as an online training and partly local face-to-face trainings help our employees to behave in a data protection compliant manner. The online training also covers basic aspects of data security. We provide internal FAQs on certain data protection aspects.



Goal

The guiding principle is that all employees must at all times conduct themselves in accordance with the law and the company's values and comply with legal and internal regulations. Internal procedures for the prevention and detection of violations are continuously improved.



Status

The number of participants in the online training is significantly lower than in the previous two financial years. In the past financial year, only new employees were trained. Since neither in the past financial year nor in the two previous years any data protection incidents were reported, nor have any penalties become known, the guiding principle is being consistently pursued and EGGER is on the right track with its risk-based approach.

Data protection training

Financial year	2018 / 19	2019 / 20	2020 / 21
Participants of the online training	1,229	1,828	435

Past measures

- Internal publication of a new compliance organisation guideline
- Whistleblowing office – also for any intentional data protection violations – established with an external lawyer of confidence

Future measures

- Promote Group-wide coordination of data protection issues and introduce an electronic data protection management tool

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Attitude

EGGER pledges to comply with all legal, regulatory or permit conditions of the countries where EGGER is active.



Approach

Export declarations within the European Union are processed by a central customs software using a Single Authorisation for Simplified Procedures (SASP). The foreign trade data (customs tariff number, preferential origin) are managed centrally.

A software-based approach is used for sanctions list verification, which enables the comparison of customer and supplier master data, employee and applicant data with sanctions lists. To prevent violations, the uniform handling of potentially critical hits is regulated in a guideline.



Goal

The guiding principle is that all employees must at all times conduct themselves in accordance with the law and the company's values and comply with legal and internal regulations. Internal procedures for the prevention and detection of violations are continuously improved.



Status

The software for checking sanctions lists has been in regular operation since the past financial year and a process for dealing with hits has been introduced. Thus, we assume that due diligence is applied to ensure compliance with sanctions lists.

In the past financial year, no proceedings for violations of sanctions lists were pending, no proceedings were concluded and no penalties were imposed. Also in the two previous years, no proceedings were concluded and no penalty imposed.

Past measures

- Software for sanctions list review went live and also used in HR

Future measures

- No further measures planned





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Tax transparency

The business activities of the EGGER Group generate worldwide taxes and duties that flow into numerous government budgets. In the past financial year, the EGGER Group paid more than EUR 310 million in taxes and levies to the state budgets.

Fundamentally, national tax laws have not always been designed for the increasingly complex structure of globally operating companies. To prevent the erosion of the tax base and the shifting of profits, state and supranational actors are increasingly focusing on closing tax loopholes.

Opportunities and risks

One potential risk is that companies may overshoot the legal limit in optimising their tax rate and fail to meet their tax obligations properly. An opportunity for social prosperity lies in companies that make their contribution to tax revenue.

How we contribute to tax revenue

The approach at a glance:

- Our tax strategy

The sub-topics of this chapter:

- Tax compliance
- Our tax payments



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Our tax strategy

The company management, the Board of Directors, and the owner family are committed to complying with all applicable laws worldwide (Code of Conduct).

Especially for tax law, this commitment to tax honesty can be found in the Tax Controlling Directive. In this guideline, the entire tax function of the EGGER Group, together with the management bodies and the responsible employees, commits itself to legally compliant conduct with regard to tax obligations, to tax reliability and to the avoidance of improper and abusive arrangements.

Any employee within or outside the tax function may at any time raise concerns about the handling of tax matters with the tax department, his own supervisor or the commercial management and report his concerns. Since the past financial year, the whistleblower system at an external lawyer of confidence has also been available for such notifications.

As a rule, EGGER does not exert any direct political influence on tax legislation in individual countries. Where it appears appropriate or necessary, EGGER participates in measures taken by industry associations.

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Tax compliance

The two essential components of our tax strategy are transparency vis-à-vis and cooperation with the tax authorities and the economically correct allocation of profits while avoiding profit reduction and profit shifting.

Transparency and cooperation

The tax function of the EGGER Group must ensure that all taxes and duties are always declared and paid in the correct amount and on time.

The tax department of the EGGER Group fully supports the OECD's approach to co-operative compliance, and therefore strives for an open, co-operative and relevant approach to the tax authorities in all countries. For this reason, the EGGER Group also participates in the accompanying inspection in Austria.

The Tax Compliance Management System (TCMS) set up for participation in the accompanying inspection in Austria was audited by an independent tax consulting firm to determine its appropriateness and certified without reservation. This TCMS for Austria was used

as a model for the successful implementation of corresponding systems for Poland, Germany and Great Britain in the past financial year.

Profit reduction and profit shifting

The EGGERGroup fully supports the OECD's BEPS project and its implementation. BEPS stands for Base Erosion and Profit Shifting, profit reduction and profit shifting.

The tax departments of the EGGER Group support the core business and should avoid atypical arrangements motivated purely by tax law. In principle, the EGGER Group only establishes companies in countries where value added is actually generated by the core business of the EGGER Group. In particular, the EGGER Group avoids establishing companies in states that are regarded as ‘tax havens’.

With its transfer prices, the EGGER Group reflects the actual economic circumstances of the business relationships between its affiliated companies. The determination of transfer prices within the EGGER

Group is based on the international requirements of the OECD, the EU and national legislators. All parties involved throughout the Group must comply with the requirements of the internal transfer pricing directive. This policy implements the above requirements and ensures that intra-group transactions always comply with the arm's length principle and that the usual and accepted methods for determining transfer prices are applied. In addition, this guideline, which applies throughout the Group, is intended to ensure that the necessary documentation with country-by-country report, master file and local files is available.

No functions were relocated in the past financial year and the transfer pricing concept was not changed.

Past measures

- Introduction of a formal TCMS in the UK and Poland

Future measures

- Introduction of a formal TCMS in Turkey
- Participation in the pilot project on horizontal monitoring in Poland (application in the past financial year)

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The EGGER Group is not only a taxpayer of direct taxes, such as corporation tax, but also of numerous indirect taxes such as VAT.

In addition, the EGGER Group is also liable to deduct tax. The EGGER Group, for example, channels payroll taxes (such as income tax) and the capital gains tax to the respective tax authorities. In economic terms, the beneficiaries of these payments bear the tax burden. Nevertheless, the EGGER Group's function as a ‘payer’ of these taxes and levies is of great importance to the state budgets.

If, for a company in a certain country, the balance of a tax payable and a corresponding refund claim led to a refund, the tax payment was reported as zero for this tax.

Taxes collected include all taxes and parafiscal payments collected by the EGGER Group on behalf of the tax authorities as well as VAT and similar sales-related taxes paid by the EGGER Group. The economic burden of such taxes ultimately rests with the contractor or the purchaser or end user.

State support is often provided in the form of subsidies that are not taken into account in the presentation of the tax contribution.

Total taxes and duties

State	Total taxes and duties paid in EUR million		
	2018 / 19	2019 / 20	2020 / 21
Austria	46.37	28.36	42.49
Germany	53.27	58.64	59.38
UK	44.92	44.25	53.42
France	27.99	22.95	41.96
Romania	11.15	13.21	21.02
Russia	22.96	25.53	26.03
Turkey	5.75	6.21	6.24
Poland	5	4.75	19.55
USA	0.8	3.42	6.52
Argentina	25.83	21.65	20.63
Total	244.04	228.98	297.23

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Taxes paid as a taxpayer ⁽¹⁾

	Corporate income tax and similar taxes on income			Local charges			Other taxes and duties, including customs duties			Total taxes paid as taxpayer		
State	2018 / 19	2019 / 20	2020 / 21	2018 / 19	2019 / 20	2020 / 21	2018 / 19	2019 / 20	2020 / 21	2018 / 19	2019 / 20	2020 / 21
Austria	24.66	4.96	0.00	2.67	2.82	2.83	2.85	3.85	22.60	30.18	11.63	25.43
Germany	18.26	19.31	14.93	0.32	0.35	0.56	5.86	3.96	4.16	24.44	23.63	19.65
UK	7.99	7.16	7.26	0	0	0.00	2.01	2.66	3.78	9.99	9.82	11.04
France	3.57	0.49	10.30	3.1	2.86	2.71	2.77	3.06	3.48	9.44	6.41	16.49
Romania	2.88	3.24	4.40	0	0	0.00	4.4	5.07	3.84	7.28	8.31	8.25
Russia	0.39	4.34	5.81	0.12	0.05	0.11	18.66	15.33	3.97	19.17	19.73	9.89
Turkey	3.89	3.83	5.55	0	0	0.00	0.38	0.77	0.68	4.27	4.6	6.24
Poland	0.23	0.67	1.08	0.16	0.1	0.00	0.65	0.38	1.57	1.05	1.15	2.65
USA	0	0	0.00	0.05	0.22	1.51	0.2	0.93	2.17	0.25	1.15	3.68
Argentina	2.53	0.01	0.00	0.83	0.68	0.72	1.64	1.25	1.21	5	1.94	1.93
Total	64.4	44.02	49.34	7.25	7.07	8.45	39.43	37.26	47.47	111.08	88.36	105.25

(1) Taxes paid by EGGER Group companies as taxpayers. Figures in EUR million



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Taxes paid as tax debtor ⁽¹⁾

State	Wage tax and other wage-related taxes			Value added tax and similar taxes and duties			Other taxes and duties			Total amount of taxes paid as a tax debtor		
	2018 / 19	2019 / 20	2020 / 21	2018 / 19	2019 / 20	2020 / 21	2018 / 19	2019 / 20	2020 / 21	2018 / 19	2019 / 20	2020 / 21
Austria	14.40	15.16	14.79	1.79	0.95	1.37	0.00	0.62	0.89	16.19	16.73	17.06
Germany	19.71	21.02	22.03	8.91	13.84	17.47	0.21	0.16	0.23	28.83	35.01	39.73
UK	4.75	4.72	12.11	30.17	29.70	30.27	0.00	0.00	0.00	34.92	34.43	42.38
France	0.20	0.68	0.57	18.35	15.86	24.90	0.00	0.00	0.00	18.55	16.54	25.47
Romania	0.96	1.05	6.61	1.74	3.53	5.80	1.17	0.33	0.37	3.87	4.91	12.78
Russia	0.06	1.65	4.58	3.72	4.15	11.55	0.00	0.00	0.01	3.78	5.80	16.14
Turkey	1.46	1.60	0.00	0.00	0.00	0.00	0.02	0.01	0.00	1.48	1.61	0.00
Poland	0.48	3.60	3.93	3.45	0.00	12.82	0.02	0.00	0.15	3.95	3.61	16.90
USA	0.16	2.10	2.83	0.06	0.18	0.00	0.34	0.00	0.00	0.55	2.28	2.83
Argentina	0.00	1.95	2.10	20.74	17.74	16.59	0.08	0.02	0.01	20.83	19.71	18.70
Total	42.18	53.54	69.55	88.93	85.95	120.77	1.84	1.13	1.66	132.96	140.62	191.98

(1) Taxes paid by companies of the EGGER Group as tax debtors for other taxpayers. Figures in EUR million

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EGGER thinks globally and acts locally. We produce at 20 locations in ten countries worldwide and respond to the respective regional conditions and needs with a decentralised organisation and local managers (plant managers). We see ourselves as a good neighbour and an active member in the regional environment of our plants, and as such we aspire to have a positive effect in the long term on the respective local economy and local communities.

Our plants also have a positive influence on economic development at their locations through the use of local suppliers and local infrastructure like hotels and restaurants. Purchasing products and services in the regions around our plants is a solid concern for us and also makes the most economic sense.

Opportunities and risks

A potential risk to the social environment of our plants is noise and odour nuisance. Conflicts of use can arise during the harvesting of timber in our supply chain.

The opportunities lie in the social and local economic value created by our investments and presence. This includes employing staff and managers from the local area and using local infrastructure. We support local charitable organisations and initiatives through donations. Especially when it comes to the raw material wood, we can integrate local and regional suppliers well and offer them a long-term source of income.

How we support the regions of our plants

The sub-topics of this chapter:

- Donation activity
- Regionally purchased wood

Other topics that have an influence on regional value creation can be found in the chapters:

- Noise and odour emissions
- Use of wood from sustainable sources & recycled material
- Direct relationship with suppliers

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Attitude

EGGER has the welfare of the local community at heart. The company is not only an employer in the regions of the respective production sites, but also part of the local community. We are committed to the areas of health, social affairs, education and environmental protection.



Approach

EGGER takes a local approach to the topic of donations: The achievement of these expectations is incumbent upon the locally responsible Plant Managers in accordance with our decentralised organisational structure. They represent EGGER in the regional environment. Regular donations are made at all locations.

The Compliance Guideline on Donations and Sponsorship defines the globally valid standard. We only support organisations or activities that focus on health, social welfare, education and environmental protection. Any endorsements involving political parties, candidates or office holders are excluded. Religious purposes and elite sport are also excluded from these benefits.



Goal

The guiding principle is to have a long-term positive impact on the local community concerned and thus on the region as a whole.

Donations and sponsorship

Financial year	2018 / 19 ⁽²⁾	2019 / 20 ⁽³⁾	2020 / 21
Donations and sponsorship in EUR ⁽¹⁾	–	937,356	1,526,802
of which in the area of health	–	270,293	619,683
of which in the area of social affairs	–	490,854	395,560
of which in the area of education	–	168,791	216,194
of which in the area of environmental protection	–	7,418	295,365

(1) Definition according to Compliance Guideline on Donations and Sponsorship
(2) No data available due to new survey guideline
(3) Data of the year 2019 / 20 were re-evaluated based on the new guideline



Status

For the first time in this report, donations and sponsorship amounts are broken down into the four focus areas in which EGGER is involved. EGGER takes its responsibility for local communities and regions seriously. Donations and sponsorships were increased in the 2020 / 21 financial year (+63%). The largest share in the past financial year was accounted for by the health sector.

Past measures

- Extensive activities in the areas of health, social welfare, education and environmental protection with a focus on local needs: including support for hospitals (Rădăuți, RO), support for organisations for people with learning disabilities and dementia (Hexham, UK), continuation of the reconstruction of the city park (Gagarin, RU), equipment for schools (Rădăuți, RO), purchase of bird nesting boxes for local forests (Biskupiec, PL)
- Internal communication of the Group-wide Compliance Guideline for Donations and Sponsorship

Future measures

- Group-wide continuation of donation activities

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Rădăuți, Romania

Best practice

Digitisation of education: EGGER supports pupils in times of homeschooling with IT equipment

EGGER sees itself as part of the local community at the respective locations. The well-being of local people is close to the company's heart. One focus area that EGGER is committed to is the promotion of education. Due to the Corona pandemic, many children could no longer go to school as usual. Home schooling was suddenly on the agenda. However, this requires the appropriate technical equipment to be able to participate in the learning units. EGGER has therefore launched the ‘Digitisation of Education’ project in Romania, supporting children and young people around the Rădăuți site with urgently needed equipment. Students were given tablets and teachers were provided with laptops and other tools. In addition, a computer laboratory at a primary school was brought up to the latest technical standard. It was EGGER's concern to stand by pupils and parents during this challenging time and to create better teaching conditions.



More than EUR **78,000** were made available for the project “Digitisation of education”.

215 tablets were distributed to **pupils** to enable them to participate in homeschooling.

Teachers received **40 laptops, 4 interactive whiteboards, 4 multi-function printers and 1 video projector.**

EGGER supports **educational institutions for different ages.** In total, EGGER has made available **in 2020 approximately EUR 130,000** to improve conditions in kindergartens, schools and high schools in the region around the plant in Rădăuți.

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Regionally purchased wood



Attitude

Our Principles for Sustainable Forest Management and Timber Purchasing state: We protect the climate and natural resources by purchasing as regionally as possible in the immediate vicinity of the plant.



Approach

We are specifically promoting cooperation with suppliers from the region and are committed to procuring wood mainly from within a radius of 150 km around our plants. The implementation of these guidelines is incumbent upon the locally responsible Plant and Purchasing Managers in accordance with our decentralised organisational structure.

The Group-wide Wood Purchasing Guideline is the central document for the job description of the employees of the Wood Purchasing Department. The operative wood procurement in the respective plants is responsible for the implementation of the strategy.



Goal

Our strategic goal is to procure 90% of our fresh wood from the regional environment (max. 150 km road distance) by 2025. It includes sawmill by-products and roundwood when delivered by truck and conveyor belt.

73% of the fresh wood is bought regionally

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Regionally purchased wood

Regionally purchased fresh wood

Calendar year	2018	2019	2020
Share of fresh wood from regional proximity ⁽¹⁾	73%	72%	72%
Financial year	2018 / 19	2019 / 20	2020 / 21
Share of fresh wood from regional proximity ⁽¹⁾	— ⁽²⁾	— ⁽²⁾	73%

(1) Percentage of fresh wood deliveries by truck and conveyor belt originating from within 150 km of all fresh wood deliveries (weighted average). The radius refers to the distance travelled. The reference point for roundwood is the distance between the forest and the plant, for residual sawdust the distance between the sawmill and the plant.

(2) No data available, from 2020 data source changed to financial year



Status

The proportion of wood purchased regionally remains stable at the level of previous years. We have achieved our basic goal of buying predominantly regionally. We did not achieve a further increase for the following reasons:

- The procurement of wood for the Rădăuți (RO) plant remains difficult due to the difficult market conditions.
- Since the capacity expansion at the Gagarin plant (RU) with the start-up of MDF production, the procurement radius has been expanded.
- At the Concordia (AR) site, the procurement goal cannot be achieved due to the geographical location (forests along the Rio Uruguay).

- In Poland, the forestry authority (which owns 80% of the forest) markets the roundwood centrally via internet auctions. Active control with regard to the transport distance is therefore not possible.

Over the next few years, we will take further measures to achieve the 90% goal by 2025.

Past measures

- Internal publication of the revised Wood Purchasing Guideline
- Reduction of wood procurement from Central Europe, stronger focus on domestic market at the Rădăuți (RO) location.
- Block train logistics for long-distance procurement of roundwood (beetle wood) from eastern France at the Rion des Landes (FR) site.

Future measures

- Expansion of own forest leasing activities in the immediate vicinity of the plant (maximum transport distance 50 km) at the Gagarin site (RU)
- Development of further railway concepts in wood purchasing for long-distance procurement in various countries



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Rion des Landes, France

Best practice

Wind storm complicates regional procurement:
Solution comprehensively thought

EGGER is committed to purchasing regional wood in the immediate vicinity of the plant. In those cases where this is not possible, the company strives to find climate-friendly solutions. For the French plant in Rion des Landes, regional wood procurement was made more difficult by environmental influences. When storm Klaus raged in 2009, there was considerable forest damage in the immediate vicinity of the plant. After the resulting damaged wood had been utilised, a wood shortage was the result, which will continue until at least 2024. The demand cannot be met by regional procurement alone. At the same time, there are currently major calamities some distance away in the north-east of France, which are not fully in demand locally. These come as a result of the spreading bark beetle infestation. Infested trees should be felled quickly to contain further spread. The plant in Rion can make use of this wood. There are more than 800 km between the reference point and the plant. To overcome this distance, EGGER chose a solution that was as climate-friendly as possible: transport by rail. Wood is now regularly delivered to Rion by rail. This can save CO₂ emissions compared to the alternative, more cost-effective transport by lorry. In 2021, timber transport on this route is to be expanded even further.



Since **the end of 2019** wood from the **north-east of France**, has been transported by rail to Rion in the south-west.

In 2020, **15,000 absolute dry tonnes of wood** were transported on **20 trains**.

For **the amount** transported in one train, **it would take about 40 lorries**.

Meanwhile, **3 trains per month** are used on this route. This currently covers **20% of the Rion plant's demand for softwood roundwood**. This corresponds to **6% of the plant's total purchase volume**.

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Working conditions in the supply chain

We divide our suppliers into four main groups: technology, chemistry, wood and paper. Chemicals, wood and paper are used in the product and are therefore particularly important. The transport sector is also relevant to the issue of working conditions, as each plant has about 250 transports going in and out every day, most of which are carried out by external transport companies.



Opportunities and risks

Potentially, any longer supply chain carries the risk of human rights violations or working conditions that do not meet the minimum standards of the International Labour Organisation (ILO). Our chemical and paper suppliers are large companies based in OECD countries that have ratified all ILO standards. Here we have no reason to assume that human rights are being systematically violated or that working conditions are poor.

In the wood supply chain, the risk of dangerous and precarious working conditions exists, especially during harvesting. Here we use the established Chain-of-Custody standards for the wood supply chain, which also examines social aspects. The increasing proportion of certified timber, the high proportion of direct relationships with suppliers and our strong due diligence system are an opportunity for better working conditions, especially in countries at risk for corruption.

In the transport sector, the challenge is to ensure good working conditions without, for example, increased driver checks causing delays or increasing costs.

How we promote good working conditions in the supply chain

The approach at a glance:

- Our commitment to the UN Global Compact

The sub-topics of this chapter:

- Working conditions in transport logistics
- Working conditions in the wood supply chain

Further supply chain topics can be found in the chapters:

- Our raw materials and suppliers
- Our due diligence system for tracing the origin of wood
- Direct relationship with suppliers
- Use of wood from sustainable forest management



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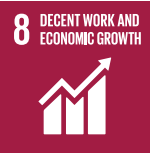
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Our commitment to the UN Global Compact



We are committed to the 10 principles of the UN Global Compact, among others:

Human rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: the elimination of all forms of forced and compulsory labour,
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

EGGER supports the ten principles of the Global Compact as a ‘Signatory’. We promote principles in the areas of human rights, labour standards, environmental protection and anti-corruption. This sustainability report serves as a progress report on our efforts to implement the ten principles. A separate appendix is provided to facilitate the assignment to the ten principles:

Global Compact Communication on Progress

In the past financial year, we published a revised version of the EGGER Code of Conduct and the Supplier Code of Conduct, which now includes all the principles of the Global Compact. The process of having the Supplier Code of Conduct endorsed by our suppliers has been started. In the first year, we have already achieved a confirmation rate of over 80% and are thus well on track to reach the goal in 2025.

In addition to the chemical and paper suppliers, all fresh wood suppliers have also confirmed the Supplier Code of Conduct in writing at least once a year since the last financial year. The query was integrated into the due diligence system in wood purchasing, see chapter

Our due diligence system for tracing the origin of wood

As a strategic goal, we aim to have 95% of paper and chemical suppliers (by purchase value) confirm in writing by 2025 at the latest that they comply with the EGGER Supplier Code of Conduct and thus commit to promoting the ten principles of the UN Global Compact.

Confirmation of the Supplier Code of Conduct

Financial year	2018 / 19 ⁽²⁾	2019 / 20 ⁽²⁾	2020 / 21
Number of paper and chemicals suppliers	–	–	322
of which signatories of the EGGER Supplier Code of Conduct ⁽¹⁾ (share by turnover)	–	–	71 (81%)
of which committed to their own Code of Conduct (share by turnover)	–	–	5 (4%)
Rest (share by turnover)	–	–	246 (15%)

(1) Supplier has confirmed in writing to accept the EGGER Supplier Code of Conduct or is already a supporter of the Global Compact itself
(2) No data available, query started in FY 2020 / 21

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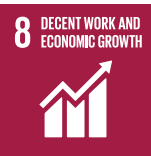
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Working conditions in transport logistics



Attitude

Occupational safety and employee protection is anchored in EGGER's mission statement. We always set an example for our suppliers and encourage them to follow suit.

We are committed to promoting the Global Compact areas of 'Human Rights' and 'Labour Standards', for details see:

→ Our commitment to the UN Global Compact

With SDG 8, we commit to promoting decent work for all.



Approach

In the summer of 2019, we conducted two anonymous satisfaction surveys across the Group, one with the freight companies and one directly with the truck drivers. The freight forwarders evaluated the cooperation with EGGER dispatchers as well as the process flows. Of the 265 carriers surveyed, 97% said they were satisfied. The drivers assessed the site infrastructure, work safety, the personal contact of EGGER employees and waiting times. Of the 985 drivers surveyed, 81% said they were satisfied overall. ⁽¹⁾

Based on the survey results, the plant and division

management decided on measures for improvement. This includes, for example, the gradual introduction of yard management systems to reduce waiting times and the renewal of sanitary facilities in our parking lots. The survey is likely to be repeated to check whether the measures taken are effective.

In Germany, our transport departments conduct an annual survey of transport companies to check compliance with the minimum wage law and the cabotage regulation for transit through Germany.

(1) Satisfied = sum of the answers 'rather satisfied', 'very satisfied' and 'extremely satisfied' in relation to 'overall satisfaction'.



Goal

The guiding principle is to become the most attractive shipper in the respective region.



Status

The survey of the previous year showed that overall satisfaction is high, which confirms that our employees are living our commitments and that we are in good shape. There is still potential for optimisation in individual areas, for which initial measures were implemented in the past financial year or planned for the coming financial year. We would like to repeat the survey in 2022.

Past measures

- Refurbishment of the sanitary facilities at the lorry parks at the Rambervillers (FR) and Rion des Landes (FR) sites.
- Reduction of lorry downtimes when loading finished goods
- Optimisation of the path markings to the loading bays implemented, monitors with the estimated waiting time until the start of loading introduced
- Introduction of the Yard Management System at the Hexham (UK) and Gifhorn (DE) sites

Future measures

- Refurbishment of sanitary facilities or creation of new sanitary facilities with showers at the lorry parking areas at further locations
- Raising safety awareness through further boards and path markings
- Introduction of the yard management system at further locations
- 'Smart lashing solutions' for faster and safer load securing

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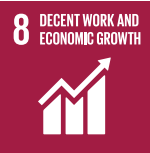
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Working conditions in the wood supply chain



Approach

As part of our due diligence in the procurement of sustainable timber, we pay attention to the working conditions in the supply chain as described in the ILO Declaration on Fundamental Principles and Rights at Work.

Building and developing long-term relationships with our suppliers is the basis for creating shared value and improving working conditions at our suppliers, especially in structurally weak countries. Through long-term cooperation with our suppliers we have a solid basis for good working conditions. We aim to pay a fair, market-driven price for our timber and pursue long-term supplier management.

All countries in which EGGER purchases wood have committed themselves to comply with all 8 ILO conventions and to enact national laws to protect employees. Every supplier of fresh wood is contractually obliged to comply with the ILO working conditions. Should the respective legislator demand stricter standards beyond this, these must be met. If EGGER carries out its own logging, we use checklists to check with our contractors whether the employees wear personal protective equipment and are legally employed. Within the framework of ISO 38200 and with purchasing certified wood, we ensure that our suppliers comply with national occupational health and safety laws with due diligence.

See also:

→ Our due diligence system for tracing the origin of wood

→ Direct relationship with suppliers

→ Use of wood from sustainable forest management



Goal

The guiding principle is to create transparency in our supply chain by sourcing as directly and regionally as possible. We support our suppliers to improve the working conditions in our supply chain if we identify deficits.

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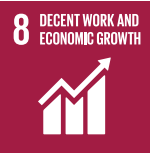
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Working conditions in the wood supply chain



New timber suppliers screened according to social criteria

Financial year	2018 / 19	2019 / 20	2020 / 21
Proportion of suppliers audited for compliance with our principles ⁽¹⁾ out of all timber suppliers	100%	100%	100%

(1) EGGER's 'Principles for Sustainable Forest Management and Wood Purchasing' include the exclusion of wood from areas where traditional or civil rights are violated and the exclusion of wood that violates any of the ILO Core Conventions as described in the ILO Declaration on Fundamental Rights and Principles at Work. This is audited as part of our ISO-38200 certified due diligence system.



In our purchasing areas all ILO conventions have been ratified by the respective state. In addition, our risk assessment of suppliers also includes a confirmation of the principles, which include two social principles. In risk regions where government controls are still weak, we are increasingly relying on the purchase of certified timber and the associated external auditing of suppli-

ers. We will continue to pay fair, market-driven prices for our timber, pursue long-term supplier management and improve working conditions in high-risk regions by purchasing certified timber.

Past measures

- Revision of the timber supplier self-declaration. Suppliers now confirm in writing compliance with the EGGER Supplier Code of Conduct
- Launch of the ‘Blockchain for the Supply Chain’ project (see future measures)

Future measures

- Comparison of IT-based compliance management systems to increase transparency in the supply chain
- Creation of a pilot blockchain for a fully traceable timber supply chain in cooperation with regional stakeholders at the Brilon site (DE) under the leadership of the FH Südwestfalen



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APPENDIX

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Statement by the company’s legal representatives

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→ [Global Compact Progress Report](#)

Glossary A–I

AT	Unit of measurement for the mass of one tonne of absolute dry wood (absolute dry tonne).
BEPS	Base Erosion and Profit Shifting
BREF	Best Available Techniques reference documents
CARB 2	Formaldehyde emission class (California Air Resources Board Phase 2)
CFO	Chief Financial Officer
CO	Gas (carbon monoxide)
CO2	Gas (carbon dioxide)
COC	Chain of custody
CRM	Customer Relationship Management
CSO	Chief Sales Officer
CTO	Chief Technology Officer
DDS	Due diligence system
DHF	Vapour-permeable wood fibreboard
DIN	German Industry Standard
DIY	Do it yourself
E05	Industrial marking for wood-based panels that comply with the revised German Chemicals Prohibition Ordinance. The limit value of E05 is about half as high as that of E1.
E1	European emission class for formaldehyde
EAC	EGGER-internal designation of a specific risk group for the origin of wood (EGGER Audit Controlled)
ECS	EGGER-internal designation of a certain risk group for the origin of wood (EGGER Controlled Sources)
EEF	European EGGER Forum
EHD	Environmental and Health Datasheet
ELS	EGGER-internal designation of a certain risk group for the origin of wood (EGGER Legal Sources)
EMAS	Voluntary EU eco-management and audit scheme
EMS	EGGER Management System
EN	European standard
EN 71-3	European standard Safety of toys – part 3: Migration of specific elements

EN 15804	European standard for environmental product declarations of construction products
EN 16247	European standard for energy audits
EPD	Environmental Product Declaration
ERP	Enterprise Resource Planning
ESF	Social Fund of the European Union (European Social Fund)
ESG	Environmental and social performance and organisational structure of corporate management (environment, social, governance)
ETS	EU system for CO ₂ emissions trading (Emissions Trading System)
EUTR	European Timber Regulation
F****	Japanese emission class for formaldehyde
FSC®	Voluntary system for sustainable forest management, chain-of-custody and product labelling (Forest Stewardship Council®)
FTE	Full Time Equivalent
GHG	Greenhouse Gas
GRI	Sustainability reporting standard (Global Reporting Initiative)
GWP	Global Warming Potential
HDF	High-Density Fibreboard
IBC	Intermediate Bulk Container
IBU	The German programme operator for EPDs (Institute for Building and Environment)
IBU-PCR	Part of the IBU Programme Rules (see IBU, see PCR)
IEA	International Energy Agency
IED	Industrial Emissions Directive
ILO	UN special organisation for labour rights (International Labour Organisation)
ISO 9001	International Quality Management System Standard
ISO 14001	International Environmental Management System Standard
ISO 14021	International standard for environmental product declarations
ISO 14025	International standard for the verification of environmental product declarations
ISO 38200	International system standard for the controlled chain of custody of wood
ISO 45001	International Occupational Health and Safety Management System Standard

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ISO 50001	International Energy Management System Standard
ISS ESG	ESG division of the rating provider Institutional Shareholder Services Inc.
IT	Information technology
KPI	Key Performance Indicator
CIP	Continual improvement process
LPG	Liquified Petroleum Gas
M1	Finnish label for the classification of emissions from building materials
MF	Melamine Formaldehyde
MDF	Medium Density Fibreboard
MUF	Melamine Urea Formaldehyde
NACA	National Advisory Committee for Aeronautics
NACA-Score	Rating system for the severity of injuries and illnesses
NaDiVeG	Sustainability and diversity improvement act (Austrian implementation of the EU Non-financial reporting directive)
NO	Gas (nitrogen monoxide)
NO2	Gas (nitrogen dioxide)
NOx	Collective term for nitrogen monoxide and nitrogen dioxide
OECD	Organisation for Economic Cooperation and Development
OHSAS 18001	UK Occupational Safety Management System Standard
OSB	Oriented Strand Board
ÖWAV	Austrian Water and Waste Management Association
ÖWAV sorting guide	ÖWAV-Working aid 60: Guideline for waste wood sorting
PAH	Substance group: Polyaromatic hydrocarbons
PCB	Substance group: Poly-chlorinated biphenyls
PCP	Substance: Penta-chlorophenol
PCR	Set of rules for environmental product declarations of a certain product category (Product Category Rule)
PDCA	Cycle of management systems for continuous improvement (Plan-Do-Check-Act)
PEFC™	Voluntary system for sustainable forest management, chain-of-custody and product labelling (Programme for the Endorsement of Forest Certification)

PMDI	Binding agent (polymeric diphenylmethandisocynat)
PP	Plastic (polypropylene)
PRTR	Pollutant Release and Transfer Register
PVC	Plastic (polyvinyl chloride)
RAL UZ 176	Voluntary eco-label Blauer Engel for low-emission floor coverings, panels and doors made of wood and wood-based materials for interiors
SASP	Single Authorisation for Simplified Procedures
SDG	Sustainable Development Goals of the United Nations
TCMS	Tax Compliance Management System
TSCA Title VI	Toxic Substances Control Act
UF	Urea Formaldehyde
UGB	Austria's Corporate code
UN	United Nations
VOCs	Volatile organic compounds

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GRI Content Index

In its structure, this Sustainability Report follows the material topics that were developed in line with the GRI standard.

The GRI Content Index provides an overview of where in this report the content can be found.


Download the GRI Content Index

 GRI Content Index

NaDiVeG Annex

The NaDiVeG Annex provides an overview of which parts of this report contain the content specified by the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) for the non-financial report. With the NaDiVeG, the European CSR guideline was implemented in Austria and anchored in the Company Code.

Download the NaDiVeG Annex

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This non-financial report for the 2020 / 21 financial year was approved and released for publication on 15 July 2021.

St. Johann in Tirol, on 15 July 2021

The Managing Board



Thomas Leissing
(Speaker of the Group Management,
CFO, Finance / Administration / Logis-
tics)

Walter Schiegl
(CTO, Production / Technology)

Ulrich Bühler
(CSO, Sales / Marketing)



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To the management of EGGER Holzwerkstoffe GmbH

This English language independent assurance report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation nor for any errors or misunderstandings that may derive from the translation.

Independent Assurance Report on the Non-financial Reporting according to § 267a UGB

We have performed an independent limited assurance engagement on the combined consolidated non-financial report according to [§267a UGB] (“NFI report”) for the financial year 2020, which has been published as Nachhaltigkeitsbericht 2020 / 2021 of

EGGER Holzwerkstoffe GmbH, St. Johann in Tirol

(referred to as "Egger" or "the Company").

Management's Responsibility

The Company's management is responsible for the proper preparation of the NFI report in accordance with the reporting criteria. The Company applies the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option “Core” as reporting criteria.

The Company’s management is responsible for the selection and application of appropriate methods for non-financial reporting (especially the selection of significant matters) as well as the use of appropriate assumptions and estimates for individual non-financial disclosures, given the circumstances. Furthermore, their responsibilities include the design, implementation and maintenance of systems, processes and internal controls that are relevant for the preparation of the sustainability report in a way that is free of material misstatements – whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to state whether, based on our procedures performed and the evidence we have obtained, anything has come to our attention that causes us to believe that the Company’s NFI report is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option “Core” in all material respects.

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance (“reasonable assurance engagement”), thus providing reduced assurance. Despite diligent engagement planning and execution, it cannot be ruled out that material misstatements, illegal acts or irregularities within the non-financial report will remain undetected.

The procedures selected depend on the auditor's judgment and included the following procedures in particular:

- A risk assessment, including a media analysis, on relevant information on the Company’s sustainability performance in the reporting period;
- Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of disclosures on environmental, social and employees matters, respect for human rights, anti-corruption as well as bribery, including the consolidation of data;
- Inquiries of personnel at the group level, who are responsible for providing, consolidating and implementing internal control procedures relating to the disclosure of concepts, risks, due diligence processes, results and performance indicators;

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- Inspection of selected internal and external documents, in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of the local data collection, validation and reporting processes as well as the reliability of the reported data through a sample survey of the site in Brilon (Deutschland);
- Analytical evaluation of the data and trend of quantitative disclosures regarding the GRI Standards listed in the GRI-Index, submitted by all locations for consolidation at the group level;
- Evaluation of the consistency of the Austrian Sustainability and Diversity Improvement Act (§267a UGB) and the GRI Standards, Option “Core” to disclosures and indicators of the NFI report, which apply to the Company;
- Evaluation of the overall presentation of the disclosures by critically reading the NFI report.

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to audit future-related disclosures, prior year figures, statements from external sources of information, expert opinions or references to more extensive external reporting formats of the Company. Disclosures audit-

ed within the scope of the annual financial statement were assessed for correct presentation (no content examination).

Conclusion

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NFI report of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option “Core” in all material respects.

Restriction on use

Because our report will be prepared solely on behalf of and for the benefit of the principal, its contents may not be relied upon by any third party, and consequently, we shall not be liable for any third party claims. We agree to the publication of our audit certificate together with the NFI report.

General Conditions of Contract

Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.

Linz, 16.07.2021

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Ulrich Pawlowski

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MORE FROM WOOD.

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Global Compact Communication on Progress

The Global Compact Communication on Progress annex provides an overview where the relevant content for the Global Compact COP can be found. In its annual Communication on Progress, EGGER testifies that the company is working to implement the 10 principles of the UN Global Compact and is taking concrete measures in the area of corporate responsibility and sustainability.

Download the Global Compact Progress Report

 Global Compact Progress Report



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