

MORE FROM WOOD.



More from wood.
More transparency.

2021 / 2022



ABOUT US

- 4 Preface**
- 5 About the report**
- 6 What we do**
- 7 Company key figures
- 8 Our products
- 9 Who we are**
- 10 Organisational structure
- 11 Our employees
- 12 Sales and production locations
- 13 Product areas
- 14 Who trusts us**
- 15 Our raw materials and suppliers
- 16 Our customers



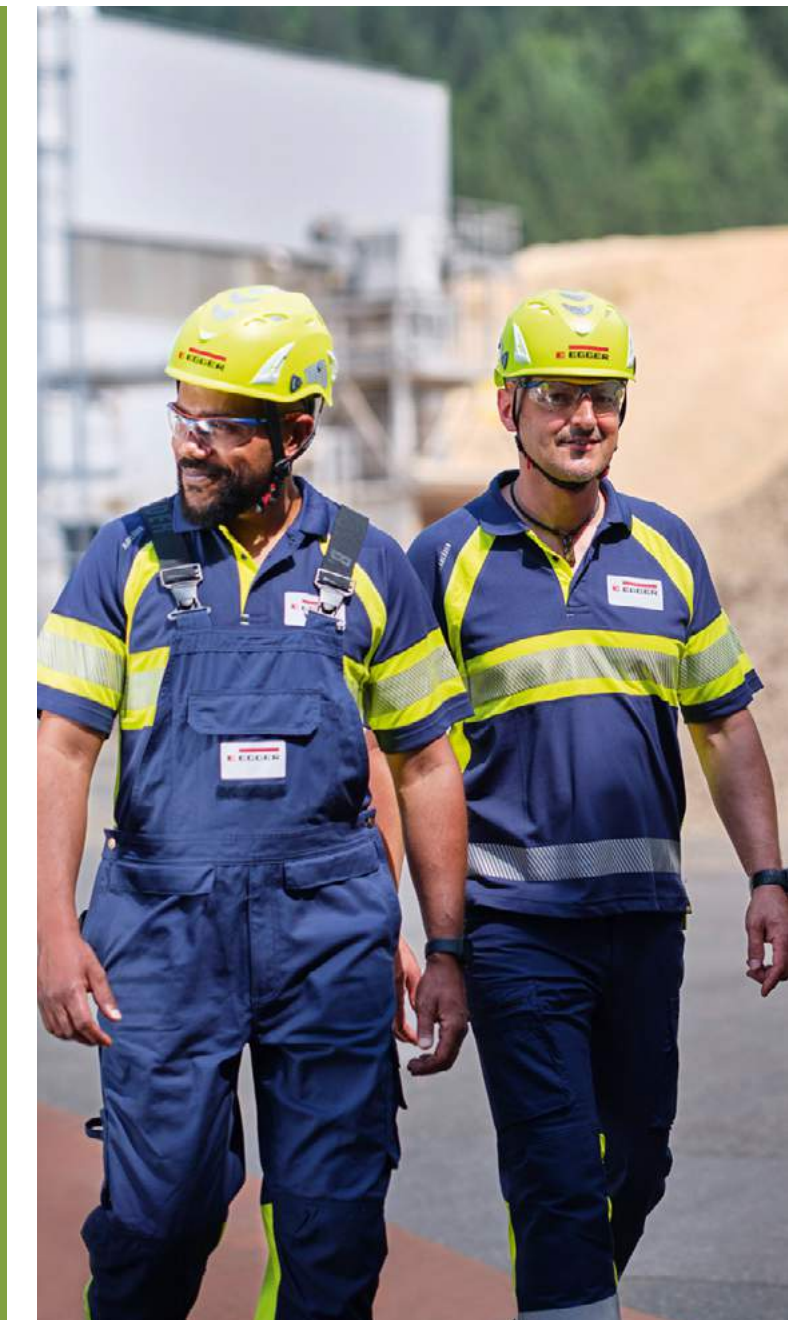
SUSTAINABILITY MANAGEMENT

- 18 Corporate philosophy**
- 19 Principles, commitments and memberships**
- 20 External awards**
- 21 Sustainability governance**
- 22 EGGER Management System**
- 23 Certified plants**
- 24 Stakeholder approach**
- 26 Value creation chain**
- 27 Materiality analysis**
- 32 EU Taxonomy Regulation**
- 34 Contribution to the SDGs**
- 37 Sustainability goals**
- 38 Status of goal achievement**



SUSTAINABILITY TOPICS

- 41 Product responsibility**
- 42 Our approach to product transparency and eco-labelling**
- 45 Products from renewable raw materials**
- 46 Use of materials from renewable raw materials
- 48 Carbon storage: From forest to wood product
- 49 Use of wood from sustainable sources & recycled material**
- 50 Our due diligence system for tracing the origin of wood
- 53 Direct relationships with suppliers
- 54 Use of wood from sustainable forest management
- 56 Use of recycled material / cascading use
- 58 Health safety of products**
- 59 Our quality management
- 60 Control of pollutants in products
- 62 Indoor air quality and product transparency
- 65 Durability / recyclability of the products**
- 66 Durable products
- 67 Recyclability
- 69 Responsible production**
- 70 Our environmental and energy management**
- 73 Material efficiency and waste prevention**
- 74 Resource efficiency
- 75 Waste prevention
- 78 Climate protection, energy efficiency, renewable energies in production**
- 79 Use of renewable energy
- 82 Energy efficiency
- 84 Climate protection / CO₂ emissions
- 89 Environmentally friendly logistics
- 93 Plant emissions (pollutants, noise and odour)**
- 94 Emissions from combustion and drying processes
- 95 Noise and odour emissions
- 96 Water cycle and rainwater utilisation**
- 97 Water consumption and rainwater utilisation
- 99 Clean wastewater
- 100 Corporate Social Responsibility**
- 101 Occupational health and safety**
- 102 Our management system for occupational health and safety
- 104 Healthy workplaces / health protection
- 106 Work safety / accident rates
- 109 Health promotion
- 111 Equal opportunities and diversity**
- 112 Diversity of age, gender, nationality
- 115 Equal treatment of employees
- 116 Further training and promotion opportunities**
- 117 Apprenticeship
- 118 Further development / promotion of internal careers
- 120 Training
- 121 Employee satisfaction**
- 123 Work-life balance
- 125 Employee representation
- 127 Long-term cooperation / employee turnover
- 129 Employee benefits
- 130 Business ethics**
- 131 Our compliance strategy
- 133 Fair competition
- 135 Prevention of corruption
- 137 Capital market compliance
- 138 Data protection
- 139 Export control & sanctions
- 140 Tax transparency**
- 141 Our tax strategy
- 142 Tax compliance
- 143 Our tax payments
- 146 Regional value creation**
- 147 Donation activity
- 149 Regionally purchased wood
- 152 Working conditions in the supply chain**
- 153 Our commitment to the UN Global Compact
- 154 Working conditions in transport logistics
- 155 Working conditions in the wood supply chain



ANNEX

- 158 Glossary**
- 161 GRI Content Index**
- 161 NaDiVeG Annex (Austrian Sustainability and Diversity Improvement Act)**
- 162 Statement by the company's legal representatives**
- 163 Audit report**
- 165 Global Compact Progress Report**

ABOUT US

Preface

About the report

What we do

Company key figures

Our products

Who we are

Organisational structure

Our employees

Sales and production locations

Product areas

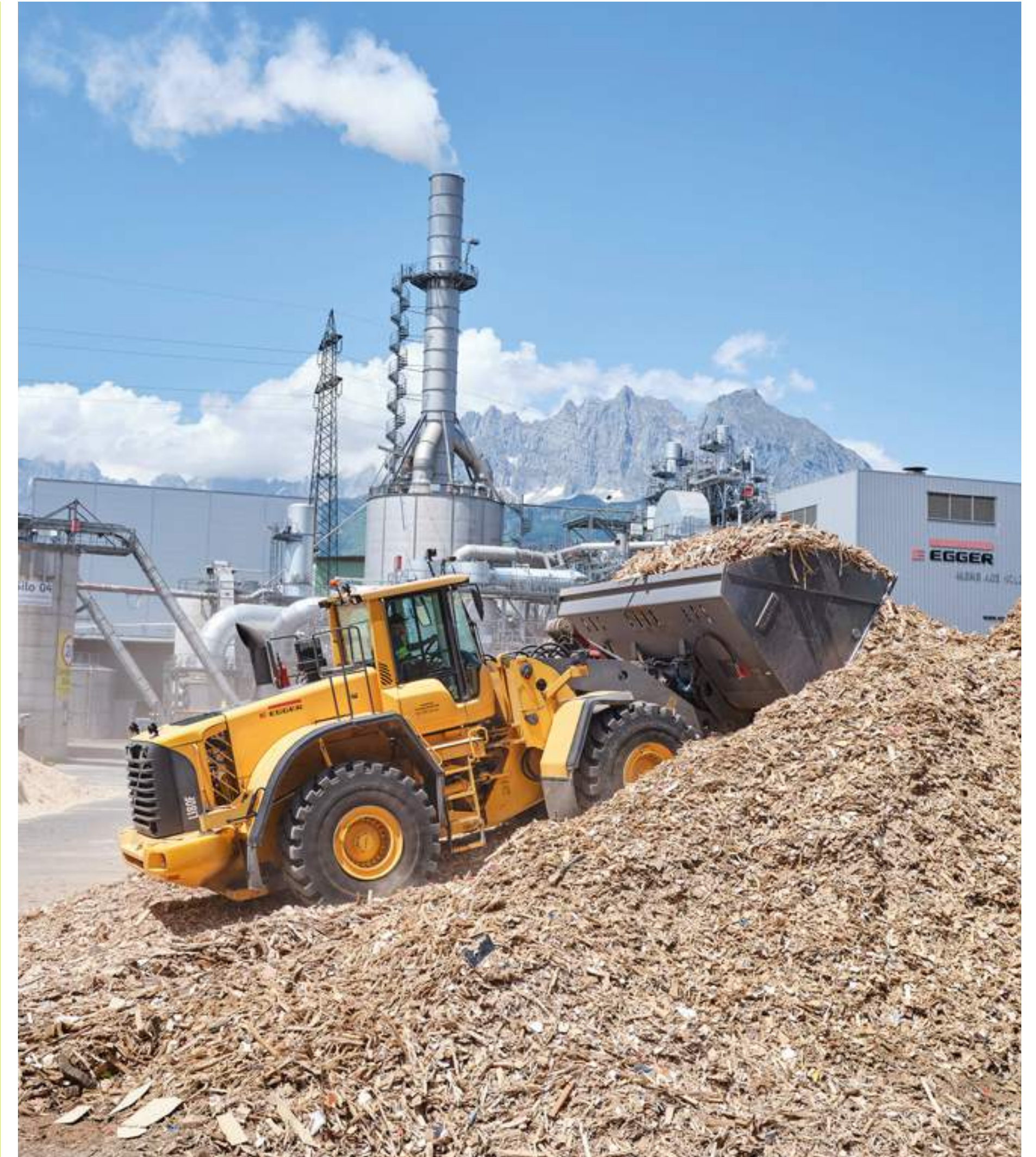
Who trusts us

Our raw materials and suppliers

Our customers

SUSTAINABILITY MANAGEMENT

ABOUT US



ABOUT US

Preface

About the report

What we do

Who we are

Who trusts us

SUSTAINABILITY MANAGEMENT

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



Dear Readers,

We are very pleased to present the EGGER Group's fifth Sustainability Report. Another special year lies behind us – in addition to the corona pandemic, the serious developments on the energy and raw materials markets as well as the conflict in Ukraine have had an influence on our business activities. All of us at EGGER are following the events in Ukraine and are deeply affected by the dramatic situation. Our thoughts are with all those who are suffering and with all those who are worried about their family, friends or acquaintances.

Especially given this challenging background, it is very important for us to present our progress in sustainability management via this report. In the past financial year, we have again analysed in depth the social and ecological impact of our activities. We are openly committed to public accountability. We are constantly guided by our commitment to the ten principles of the UN Global Compact and the United Nations Sustainable Development Goals (SDGs), which we continue to incorporate into our business strategy and processes.

To this end, we updated our materiality analysis in the past financial year to ensure that we continue to address the issues that are material to our sustainability performance.

In this context, we were particularly concerned to gain even clearer insights into the views of our key internal and external stakeholders. Therefore, we collected these for the first time in the form of a stakeholder dialogue.

For the first time, we are disclosing key figures in this report in accordance with the EU Taxonomy Regulation. For this purpose, in accordance with the requirements for the year of first application, we have reviewed our sales, operating and capital expenditure for taxonomy eligibility.

Our sustainability goals are evaluated annually and specified as necessary. In line with our high transparency standards, you will find the degree to which we have achieved our goals clearly presented in this year's report.

We have our sustainability performance evaluated annually by external analysts. In the past financial year, we were able to maintain our prime status in the ISS ESG Corporate Rating. We were also awarded the silver medal by EcoVadis. We are pleased with these awards, but at the same time we take these analyses as an opportunity to identify and continuously reduce the potential negative impact of our business activities on



The Group Management, from left to right: Frank Bölling (Chief Supply Chain Officer); Thomas Leissing (Chief Financial Officer and Speaker of the Group Management); Ulrich Bühler (Chief Sales Officer); Hannes Mitterweissacher (Chief Technology Officer)

society and the environment.

Likewise, the results of the Scope 3 carbon footprint are now available. Based on this, we would like to increase the dialogue with our stakeholders and work on joint solutions. Our goal is to continuously reduce climate-impacting emissions. We will therefore focus on developing a strategy towards climate neutrality for EGGER.

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

Frank Bölling

Thomas Leissing

Ulrich Bühler

Hannes Mitterweissacher

ABOUT US

Preface

About the report

What we do

Who we are

Who trusts us

SUSTAINABILITY MANAGEMENT

About the report

This is the fifth Sustainability Report of the EGGER Group.

Reporting period

The reporting period is in line with the EGGER financial year and runs from May 2021 to April 2022 (FY 2021 / 22). 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 engagement with limited assurance 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 30.04.2022. 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 (West, Central, East, Americas), the EGGER Flooring Products Division and the EGGER Building Products Divisions. These comprise 100% of the production quantity 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 in the footnotes.

Language

In order to ensure the best possible readability, gender-specific multiple entries are not used. All references to persons thus apply equally to all 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 report 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)
- 40 Sub-topics
 - Attitude: Basic convictions and values
 - Approach: Management approaches
 - Goal
 - Key performance indicators
 - Status: Assessment of current situation
 - Measures

Contact

umwelt@egger.com

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



MORE FROM WOOD.



ABOUT US

Preface

About the report

What we do

Company key figures

Our products

Who we are

Who trusts us

SUSTAINABILITY MANAGEMENT

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



What we do

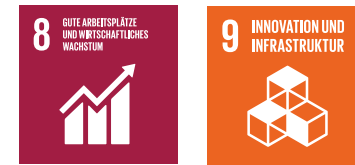
We are the leading brand for wood-based solutions.

ABOUT US

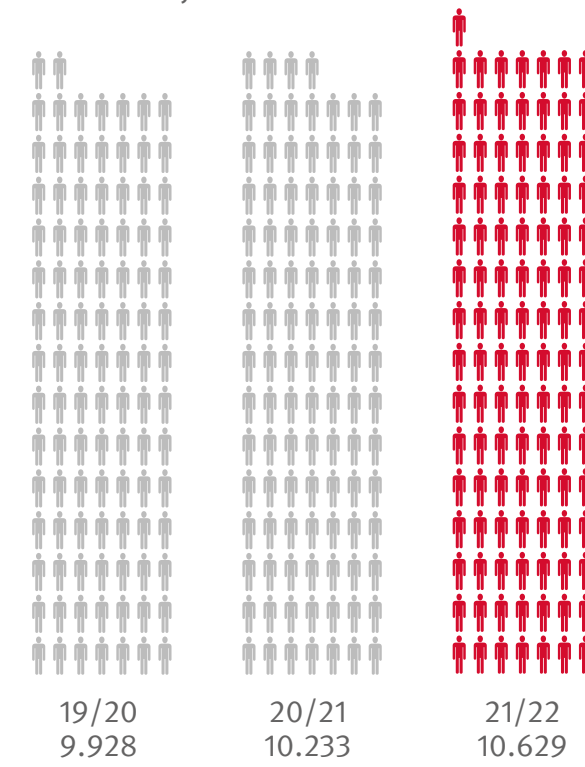
- Preface
- About the report
- What we do
 - Company key figures
 - Our products
- Who we are
- Who trusts us

SUSTAINABILITY MANAGEMENT

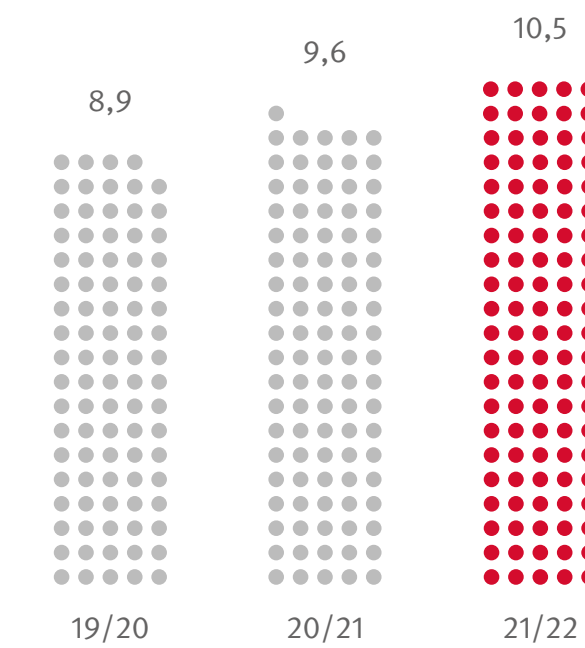
Company key figures



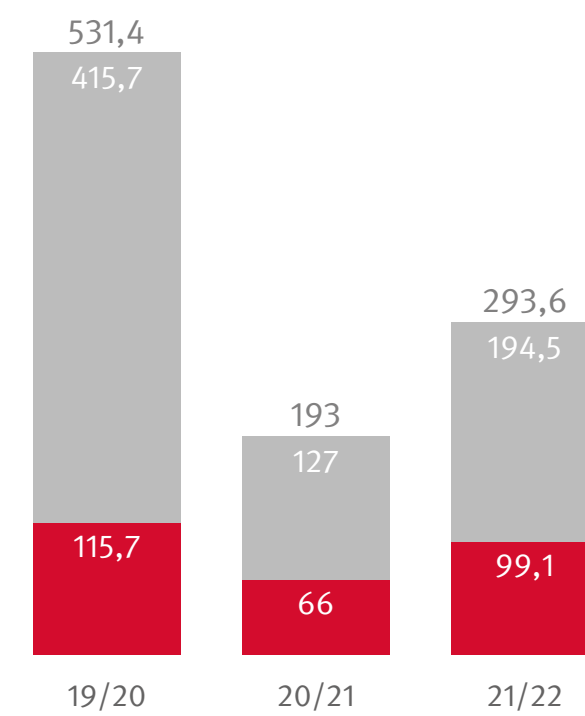
Number of employees
average number of employees per financial year



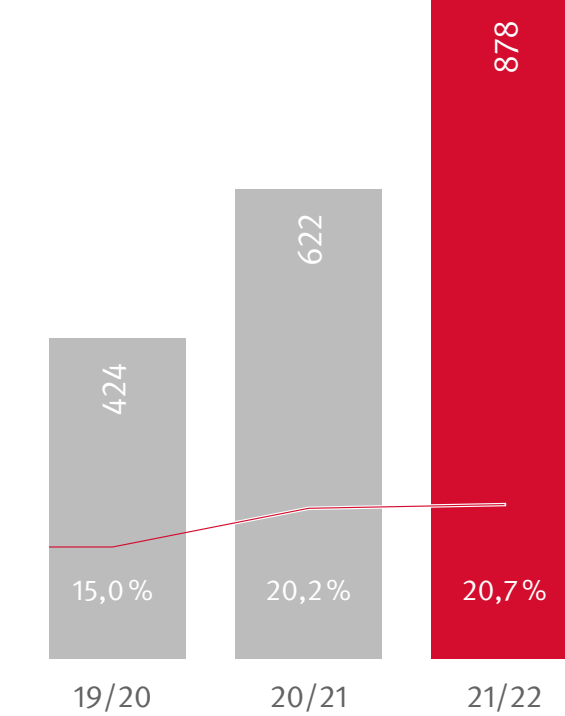
Production quantities wood-based materials
incl. timber in million m³



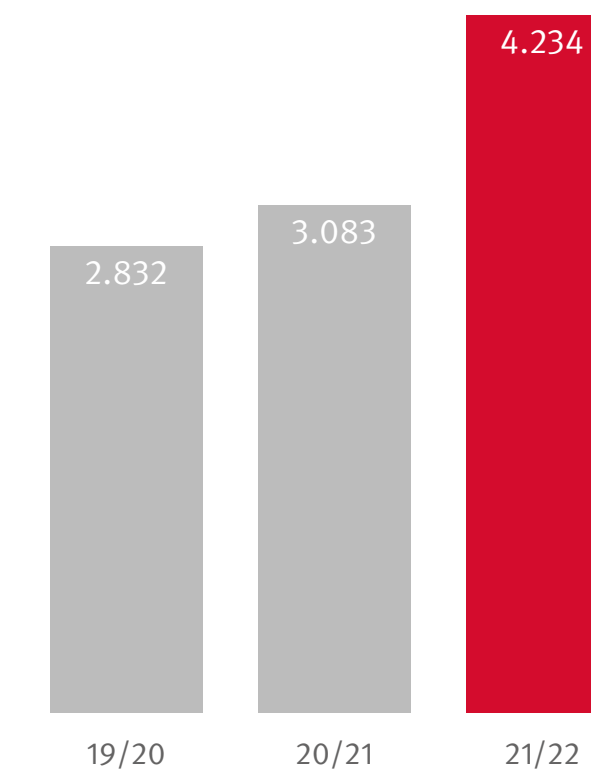
Investments and acquisitions
in EUR million



EBITDA
in EUR million; EBITDA margin in %



Revenue development
in EUR million



■ Growth investments, including acquisitions
■ Maintenance investments

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS
- ANNEX



ABOUT US

Preface

About the report

What we do

Company key figures

Our products

Who we are

Who trusts us

SUSTAINABILITY MANAGEMENT

Furniture and interior design



Eurodekor melamine faced chipboards



PerfectSense Lacquered Boards



Laminates



Edging



Worktops



Compact laminates



Laminate bonded boards



Worktop accessories



Eurodekor melamine faced MDF boards



Thin chipboards



Eurolight decor



Eurolight Lightweight boards



Splashback panels



Furniture components



Eurospan raw chipboards



MDF Medium Density fibreboards



Thin MDF Lacquered boards



Thin MDF boards

Construction products



OSB Boards straight-edged



OSB Flooring boards



Ergo Board Extension Board



DHF Underlay board



Timber fresh, dried, planed

Flooring



Laminate Flooring



Comfort Flooring



Design Flooring GreenTec

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



ABOUT US

Preface

About the report

What we do

Who we are

Organisational structure

Our employees

Sales and production locations

Product areas

Who trusts us

SUSTAINABILITY MANAGEMENT



Who we are

We see ourselves as a transparent and modern family company.

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



ABOUT US

- Preface
- About the report
- What we do
- Who we are
 - Organisational structure
 - Our employees
 - Sales and production locations
 - Product areas
- Who trusts us

SUSTAINABILITY MANAGEMENT

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 various sales companies in Eastern Europe, Benelux, Scandinavia, Switzerland and overseas (Asia, Australia and South America), which are assigned to individual divisions. In order 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. The third product area comprises structural building products such as OSB boards and timber products, whose marketing and manufacture is bundled in the EGGER Building Products Division. This was newly established on 1 May 2021. Outside the divisional structure, there are other units that are organised independently: the resin plants and the sales organisation for Asia, Oceania, Africa.

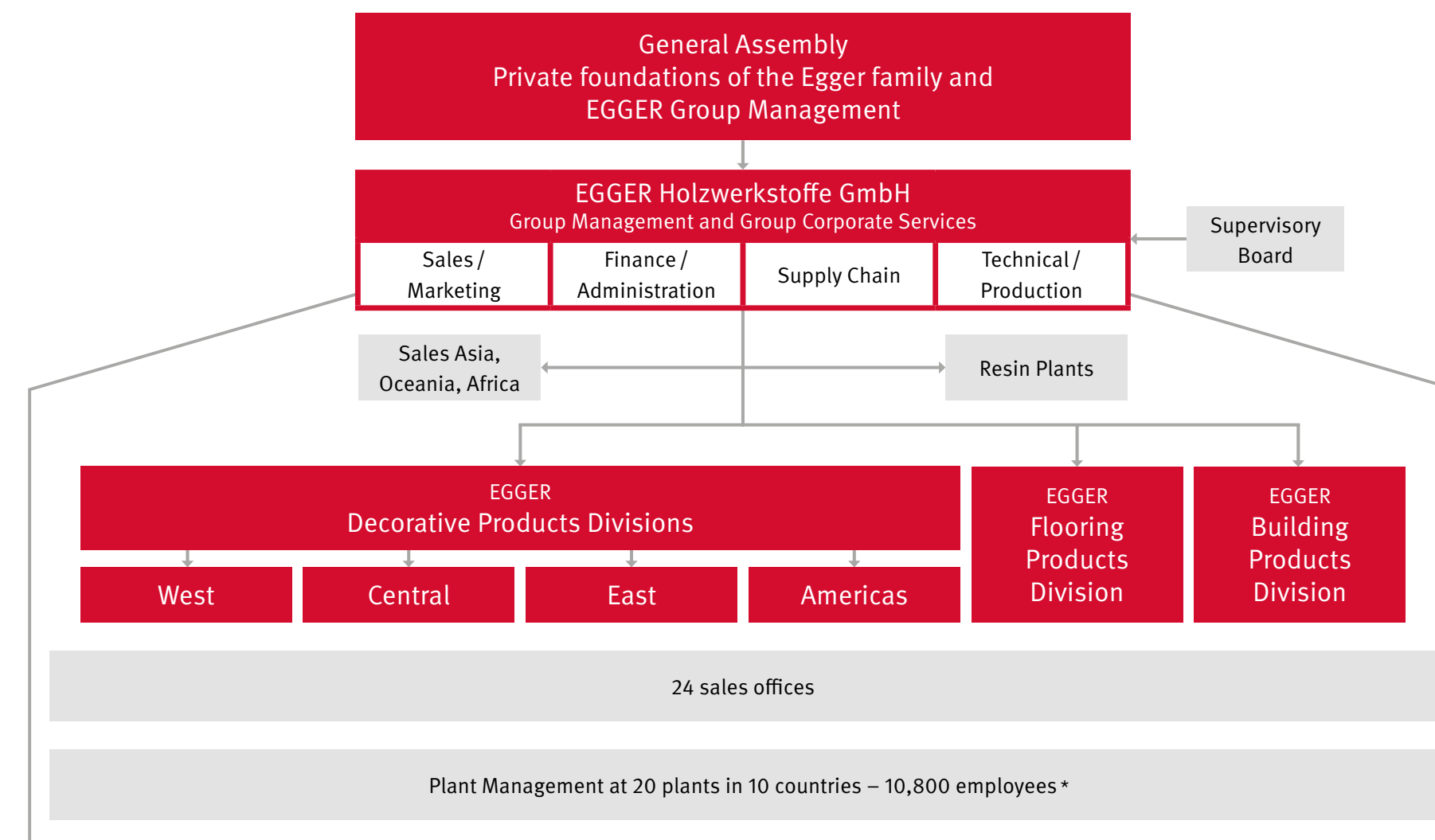
The management (Group Management) of the ultimate parent company, Egger Holzwerkstoffe GmbH, consisted in the 2021 / 22 financial year of Thomas Leissing (Speaker of the Group Management, CFO, Finance / Administration / Supply Chain Management), Walter Schiegl (CTO, Technology / Production) and Ulrich Bühler (CSO, Sales / Marketing). The new financial year starting on 1 May 2022 brought new appointments to

the Group Management. Walter Schiegl left the Group Management and will join the Supervisory Board in September 2022. He will be succeeded in his previous function by Hannes Mitterweissacher. An additional person will join the Group Management: Frank Bölling will be responsible for the supply chain management.

In strategic matters, our management is advised by the Supervisory Board. In addition to the owner representatives Fritz Egger (Chairman of the Board) and Michael Egger, other members of the Board are Dr. Robert Briem, Univ.-Prof. Dr. Ewald Aschauer (Chairman of the Audit Committee; independent), Michael Stiehl (independent) and Alfred Wurmbbrand (independent). Matters relating to remuneration and the nomination of the management are handled by the entire Supervisory Board.

Management's cooperation with the Supervisory Board is organised through quarterly Board meetings, including ongoing budget and investment monitoring, and monthly reporting.

We rely on management teams to manage our organisational units. One person each is responsible for technology and production, sales and marketing, supply chain management as well as finance and administration. This also applies for Group Management, division management and regional plant management. In addition, Corporate Services managers are responsible for the areas of technology, production, purchasing, marketing, communications, sales governance, IT, supply chain management, human resources, accounting, treasury, legal and tax.



Simplified organisational structure of the EGGER Group 01.05.2022

*FTE as at the reporting date 30.04.2022

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



- ABOUT US
 - Preface
 - About the report
 - What we do
 - Who we are
 - Organisational structure
 - Our employees
 - Sales and production locations
 - Product areas
 - Who trusts us
- SUSTAINABILITY MANAGEMENT

Our employees 9 INNOVATION UND INFRASTRUKTUR

Growth based on our own performance

Our plants have 10,629 ⁽¹⁾ employees. We have grown significantly in recent years. Our employee numbers have approximately doubled since 2010. We are growing in particular through investments in existing plants and the construction of new plants such as most recently in Lexington, NC (USA).

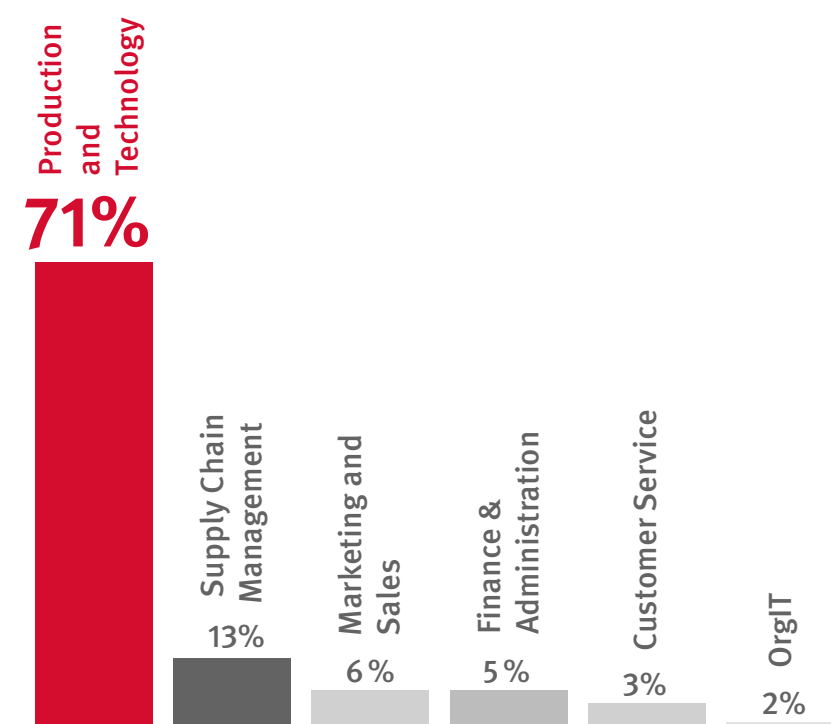
10,629

(1) Average FTE of the year



Six areas – one team

71% of our employees work in the areas of technology and production. 13% of them work in the supply chain management. Six percent are employed in Marketing and Sales and five percent in Finance and Administration. Three percent work in internal sales and two percent are in OrgIT.



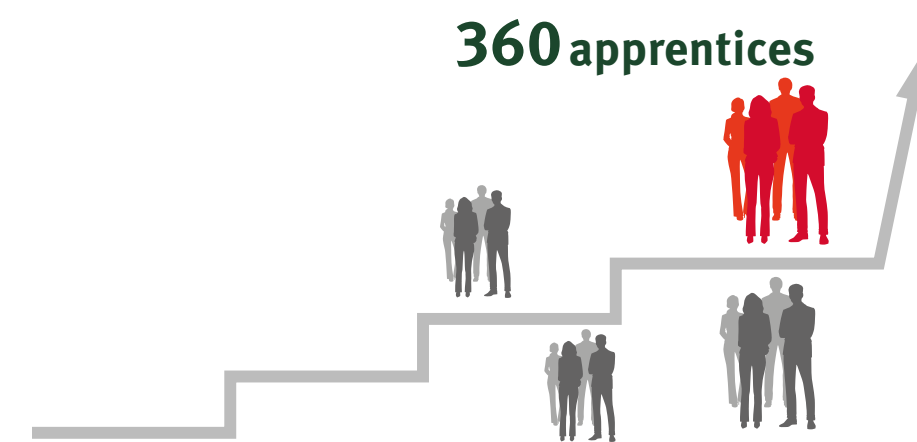
82
Nations

Diversity and internationality

The diversity of our employees shows: Over a period of more than 60 years we have developed into an internationally active company. Currently, members of 82 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 360 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 in the future we will also train new specialists in Poland, for example. In addition, 586 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.



Ø **40** years
10+ years EGGER

Experience and new impetus

On average, our colleagues are 40 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, 37% of our employees have been part of our team for more than ten years.

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS
- ANNEX



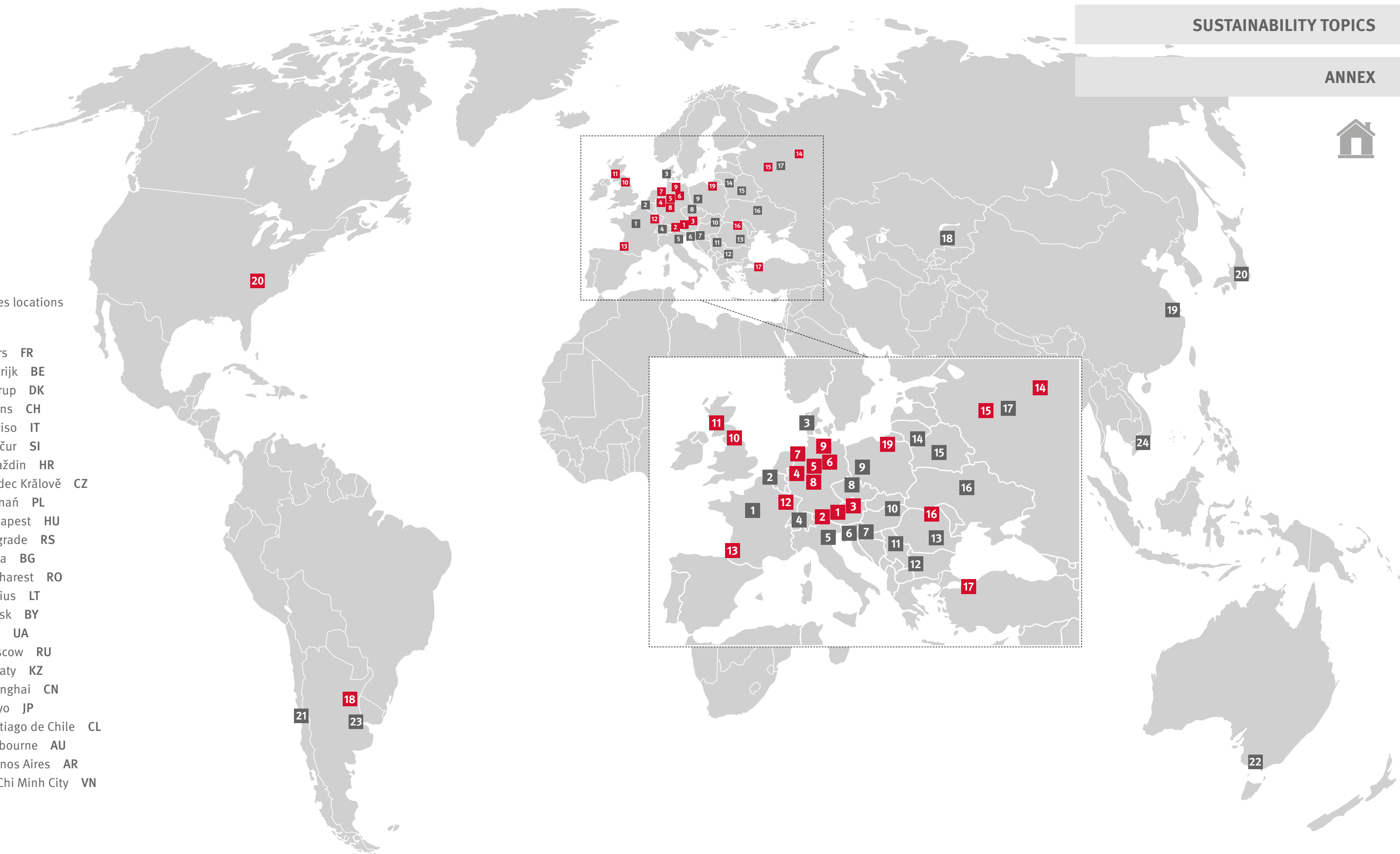
ABOUT US

- Preface
- About the report
- What we do
- Who we are
 - Organisational structure
 - Our employees
 - Sales and production locations
 - Product areas
- Who trusts us

SUSTAINABILITY MANAGEMENT

Sales and production locations

- | | |
|---|---|
| <ul style="list-style-type: none"> ■ Production sites | <ul style="list-style-type: none"> ■ Sales locations |
|---|---|
-
- | | |
|--|---|
| <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 Belgrade RS 12 Sofia BG 13 Bucharest RO 14 Vilnius LT 15 Minsk BY 16 Kyiv UA 17 Moscow RU 18 Almaty KZ 19 Shanghai CN 20 Tokyo JP 21 Santiago de Chile CL 22 Melbourne AU 23 Buenos Aires AR 24 Ho Chi Minh City VN |
|--|---|



ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



ABOUT US

Preface

About the report

What we do

Who we are

Organisational structure

Our employees

Sales and production locations

Product areas

Who trusts us

SUSTAINABILITY MANAGEMENT

Product areas



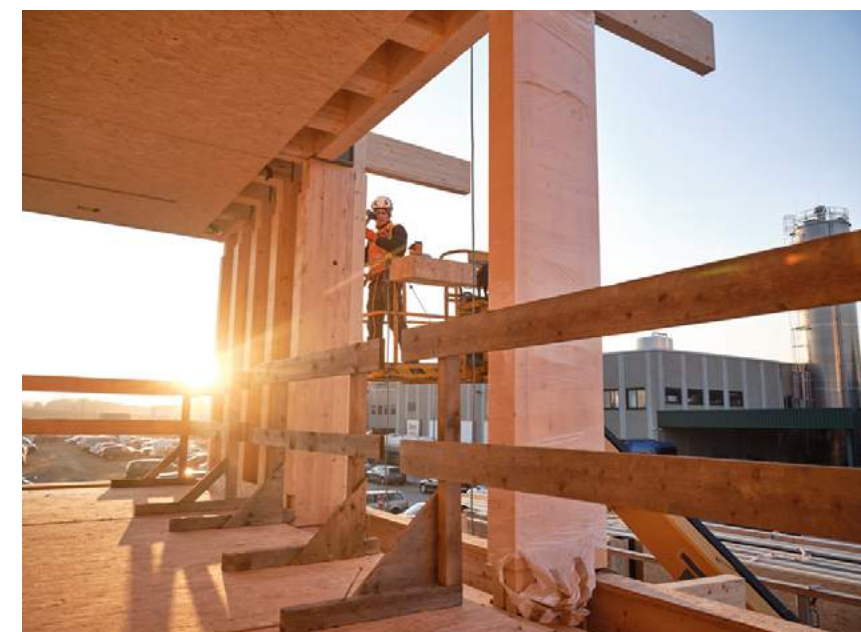
Furniture and interior design

Customers can obtain our decor variety for trendy furniture and interior design in decor and material combination on classic chipboard and MDF boards, Euro-light lightweight boards and laminate, among others. Matching edges complete the range. PerfectSense Lacquered Boards with matt, high-gloss or matt-textured surface impress with visual perfection and an appealingly natural feel.



Flooring

Feel at home with our floors. Whether classic flooring boards 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 timber. With our environmentally friendly products for wood construction, we also provide excellent individual solutions for demanding projects. The continuously monitored product quality guarantees clean and fast processing.

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



MORE FROM WOOD.



ABOUT US

Preface

About the report

What we do

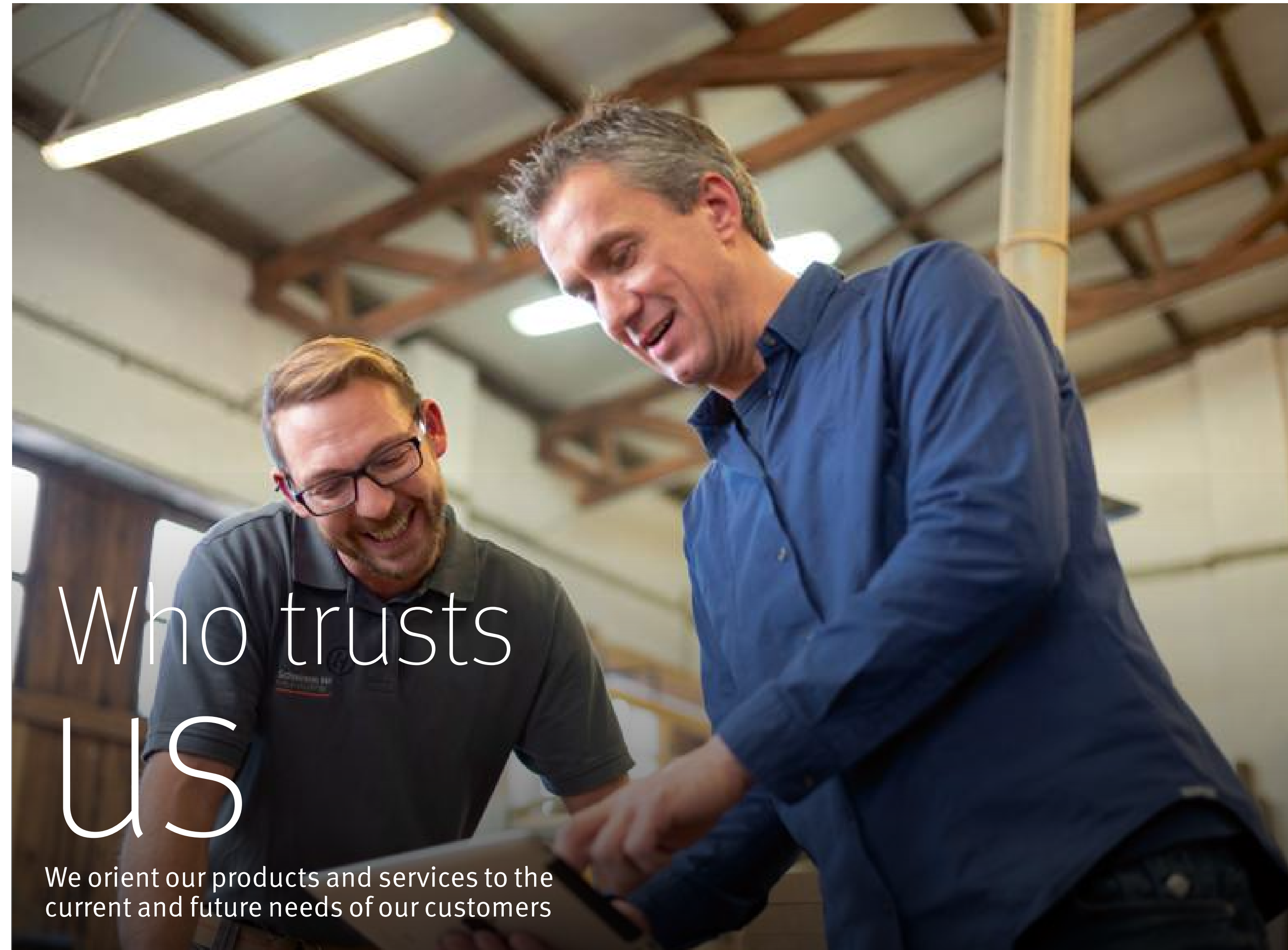
Who we are

Who trusts us

Our raw materials and suppliers

Our customers

SUSTAINABILITY MANAGEMENT



Who trusts US

We orient our products and services to the current and future needs of our customers

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



ABOUT US

Preface

About the report

What we do

Who we are

Who trusts us

Our raw materials and suppliers

Our customers

SUSTAINABILITY MANAGEMENT

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



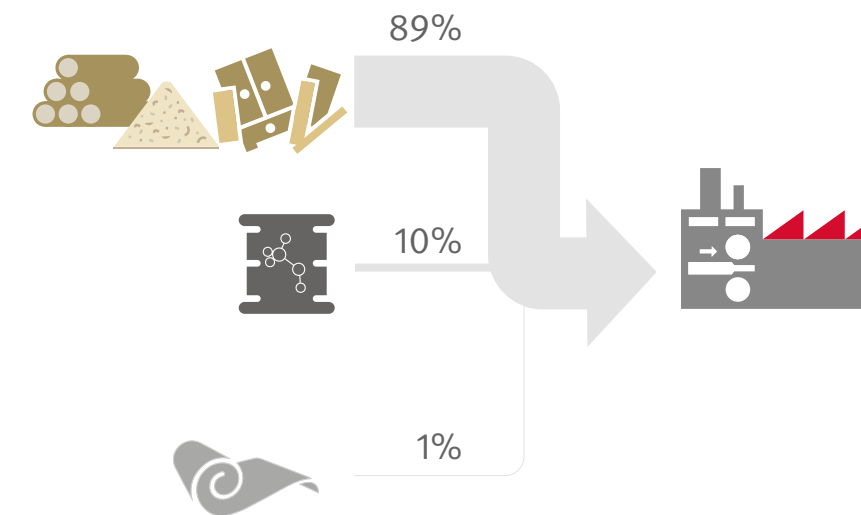
Our raw materials and suppliers

The three most important material items are wood, chemicals and paper. Over the past year, we have procured around 13.5 million tonnes of these, worth around EUR 1.6 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

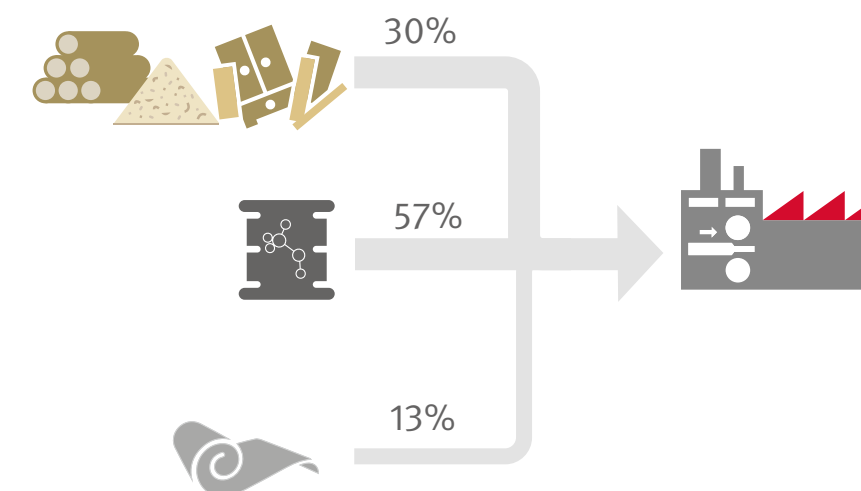
	Percentage
total	100%
of which wood ⁽¹⁾	89%
of which chemicals	10%
of which paper	1%

(1) air-dry



Purchased raw materials by cost

	Percentage
total	100%
of which wood	30%
of which chemicals	57%
of which paper	13%



Wood

Consolidated, over 3,400 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 1,500 suppliers. Sawmill by-products are supplied by about 1,300 companies, waste wood by about 1,100 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 decor paper industry. We purchase 97% of these special papers from about 27 suppliers in Central Europe.

ABOUT US

Preface

About the report

What we do

Who we are

Who trusts us

Our raw materials and suppliers

Our customers

SUSTAINABILITY MANAGEMENT

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



Our customers

Our products can be found in many areas of private and public life — in kitchens, bathrooms, offices, living and bedrooms, 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

Specifications in %



Customers by sales channel / industry



Industry

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

Retail

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

DIY

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

SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

SUSTAINABILITY MANAGEMENT

EGGER is committed to public accountability for its environmental and social impact, both positive and negative. With this Sustainability Report, we estimate that we are also achieving the quality standards we set for our products and services in our corporate reporting.

The following chapter contains important methodological principles that form the basis for the EGGER Group's sustainability management: our corporate philosophy, commitments and memberships, as well as awards that we have been able to obtain. This is followed by information on the structural location of our sustainability management in the organisation, our stakeholder approach and the updated materiality analysis. The status of the implementation of the EU Taxonomy Regulation, our contribution to the SDGs and our strategic sustainability goals are explained.



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

Corporate philosophy

Our Vision

“We are the leading brand for wood-based solutions.”

We produce in Europe and America and market our products worldwide. We have always built long-term and cooperative relationships with our customers and suppliers. Together we optimise the use of the valuable resource wood and create added value for all parties involved. To achieve this, we use the latest technology, continuously optimise our processes, automate and digitalise the workflows in our production and supply chain.

Our mission

“Creating more from wood.”

For us, the needs of our customers are the focus. Through constant customer proximity and open communication, we ensure a holistic view of the customer. In doing so, we rely on networked processes and digital channels.

Together with our customers we are constantly developing and offering them innovative and complete product and service solutions around the natural material wood.

Our quality standard includes the entire value chain from order creation to delivery to the customer. This promise is the basis of all our customer relationships.

Our drive

“Passion for a unique resource.”

St. Johann in Tirol (AT) in 1961: Fritz Egger Sr. is successfully running the Egger family’s St. Johann operations, consisting of the Brunnhof farm and a sawmill. He decides to recycle the wood scraps that accumulate in the sawmill instead of simply throwing them away. He turns the seemingly worthless by-product into something new – in the first chipboard plant under the name EGGER.

Our values

“Quality, respect and progress guide our actions.”

Our values stand for our actions. Progress, respect and quality are our constant companions. They shape everything we do along the entire value chain. Our customers, suppliers and employees know what they can expect from us.

Continuous further development to ensure progress is a matter of course for us. We set ourselves new goals and create perspectives for ourselves and our partners. We treat each other with respect and show each other trust, personal appreciation and openness. We are committed to each other and to great results, and we go to work with enthusiasm. Our claim is to offer consistently high quality in all areas.

Our team

“We are open, inquisitive and tackle things instead of just talking about them.”

More than 10,000 colleagues worldwide have a lot in common. We create more from wood and drive innovation. Together we motivate, encourage and strengthen each other. We contribute our talents and experience and treat each other with respect. Together we have grown steadily, but we have not forgotten our roots – nor our core values as a family company. It is this strong foundation that allows us to be so successful.

Our responsibility

“We act with future generations in mind and assume ecological, economic and social responsibility.”

As one of the leading wood-based material manufacturers, we are aware of our responsibility towards the environment and society: Foresighted action geared to future generations has always been our practice. We meet this challenge and transparently disclose who we are, what we do and how we act.



SUSTAINABILITY MANAGEMENT

Corporate philosophy

Principles, commitments and memberships

External awards

Sustainability governance

EGGER Management System

Certified plants

Stakeholder approach

Value creation chain

Materiality analysis

EU Taxonomy Regulation

Contribution to the SDGs

Sustainability goals

Status of goal achievement

SUSTAINABILITY TOPICS

Principles, commitments and memberships

External initiatives we have joined

- ColorNetwork
- FSC® (Forest Stewardship Council®), FSC C017963
- PEFC (Programme for the Endorsement of Forest Certification), PEFC/06-38-171
- IBU (Institut für Bauen und Umwelt)
- 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
- Ost-Ausschuss der Deutschen Wirtschaft e.V.

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability objectives
- Status of goal achievement

SUSTAINABILITY TOPICS

External awards

Over the past financial year, EGGER was able to obtain two awards in sustainability ratings: Prime status in the ISS ESG Corporate Rating and the EcoVadis silver medal.



The ISS ESG Corporate Rating provides a highly relevant, material, sector-specific and forward-looking assessment of a company's environmental, social and governance performance. For the second time, it awarded the EGGER Group Prime status, which is reserved for the best companies in their respective industries.

ISS ESG follows a scientifically based rating concept. Non-financial information from the areas of environment, social affairs and governance is taken into account. The assessment of a company's sustainability performance is based on around 100 criteria that are specifically selected for each industry.



EcoVadis, one of the world's largest providers of sustainability ratings, awarded EGGER the silver medal for the second time. This puts us in the top 25 percent of all companies evaluated across all industries.

The evaluation focuses on 21 criteria, which are subdivided into four subject areas: Environment, Labour and Human Rights, Ethics and Sustainable Procurement.



- SUSTAINABILITY MANAGEMENT**
- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance**
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

- SUSTAINABILITY TOPICS**

Sustainability governance

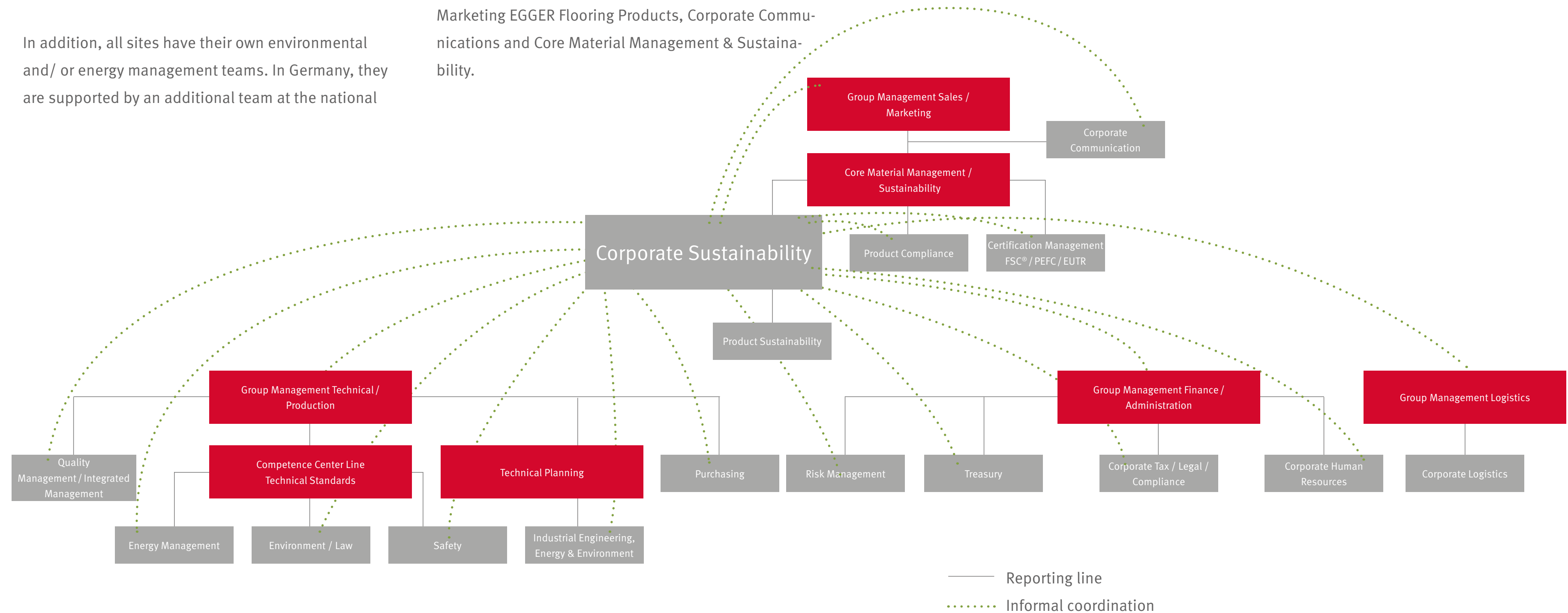
The central coordination unit (Corporate Sustainability) functions at Group level. It bundles methodological competence via established frameworks and regulations that measure the sustainability performance of companies. The adjacent organisational chart (this has already been adapted to the new organisational chart with the start of the 2022 / 23 financial year) shows their position in the company with the formal reporting line and the most important horizontal coordination lines.

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

level. A cross-departmental committee, the Sustainability Strategy Committee, meets at least once a year, or more often if necessary, and develops recommendations for the Group Management.

The Sustainability Strategy Committee is made up of one Group manager from each of the departments Energy Management, Environmental Management / Technical Law, Safety, Treasury, Legal & Compliance, Corporate HR, Competence Center Chemistry, Sales & Marketing EGGER Flooring Products, Corporate Communications and Core Material Management & Sustainability.

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



- ABOUT US
- SUSTAINABILITY MANAGEMENT**
- SUSTAINABILITY TOPICS
- ANNEX



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System**
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

EGGER Management System

EGGER has an integrated management system to fulfil its commitment to continuous improvement and ensures knowledge of and compliance with clearly defined requirements in all areas. The EGGER Management System (EMS) is 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 the 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, we regulate all relevant procedures and processes in all work areas via the EMS, in particular through guided documents.



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants**
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

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	—
	Resin plant “LTPro”	—	—	ISO 50001	—
UK	Hexham	ISO 9001	ISO 14001	ISO 50001	ISO 45001
	Resin plant “Campact”	—	—	—	ISO 45001
France	Barony	ISO 9001	ISO 14001	ISO 50001	—
	Rambervillers	ISO 9001	ISO 14001	ISO 50001	—
Russia	Rion des Landes	ISO 9001	ISO 14001	ISO 50001	—
	Shuya	ISO 9001	—	—	—
Romania	Gagarin	ISO 9001	—	—	—
	Rădăuți	ISO 9001	ISO 14001	—	—
Turkey	Resin plant “Technologia”	—	—	—	ISO 45001
	Gebze	ISO 9001	—	—	—
Argentina	Concordia	ISO 9001	ISO 14001	—	ISO 45001
Poland	Biskupiec	ISO 9001	ISO 14001	—	—
USA	Lexington	—	—	—	—

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach**
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

Stakeholder approach

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

Stakeholder categories

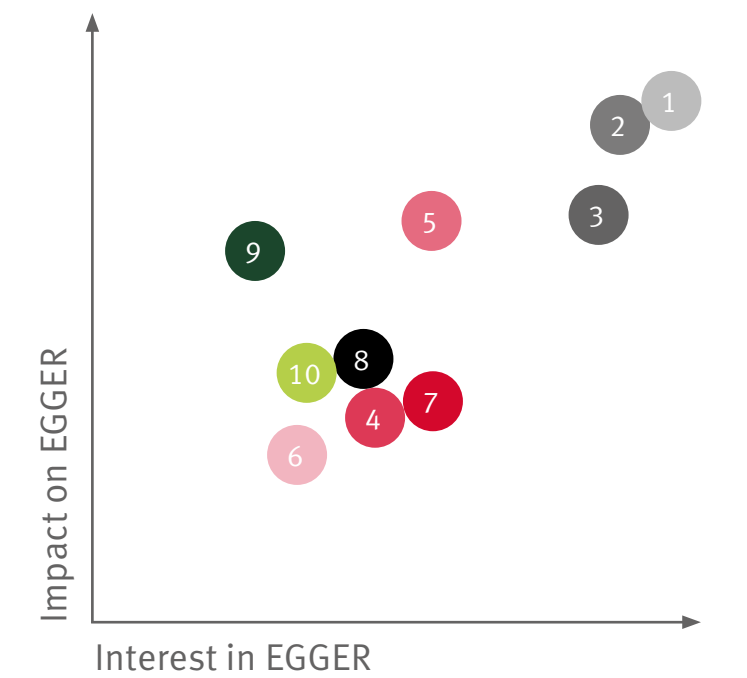
We capture stakeholder interests through different approaches (see table). Stakeholder identification is based on the externally supported process from the first materiality analysis in 2017. In 2020, we grouped

the stakeholders into ten groups. In this year's internal workshop on materiality analysis (see chapter "Internal workshop"), the stakeholder categories were discussed again. It was decided to combine the groups "Public & Civil Society" and "Neighbours & Citizens' Initiatives", as the interest claims overlap strongly and the instruments of engagement are identical. The content on "Instruments & Interval for Interest Engagement" was subject to an update.

The interest and influence of the stakeholder groups within the company is still in the same proportion as can be seen in the graph on the bottom right. This was taken over unchanged from the previous year's report. The two groups "Public & Civil Society" and "Neighbours & Citizens' Initiatives" were still considered separately here.

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 supervisory board meeting 1x per quarter
internal	Employees	annual appraisal with line supervisor, 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); newsletter (e.g. information about new products)
external	Public & civil society Neighbours & citizens' initiatives	At sites in operation: regular open-door days, plant tours by appointment; In the case of greenfield investments and significant structural and operational changes: early stakeholder dialogue by means of information events and the offer to visit existing comparable sites; Incident management system for recording residents' complaints
external	Banks, investors and capital market	regular, institutionalised, face-to-face dialogues and bank days of the CFO and Group Treasury Department with core banks; ongoing informal communication with credit analysts on ESG and business-related topics; Monitoring of the development of regulatory requirements in the ESG area through exchange with consultants and in professional associations; formalised information to the broad investor and capital market via EGGER Credit Relations website;
external	Authorities & legislators	Emissions notifications of the power plants via online reporting system to local authorities at the sites; in the event of changes at the site: Dialogues with local authorities; regular contact with local authorities for mandatory inspections
external	NGOs	ongoing informal contact through enquiry responses; structured dialogue formats via industry-NGO forums organised by associations

- ABOUT US
- SUSTAINABILITY MANAGEMENT**
- SUSTAINABILITY TOPICS
- ANNEX



- 1 Owners
- 2 Board of Directors
- 3 Employees
- 4 Suppliers
- 5 Customers
- 6 Public & civil society
- 7 Neighbours & citizens' initiatives
- 8 Banks, investors and capital market
- 9 Authorities & legislators
- 10 NGOs

SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

Stakeholder approach

Responding to the demands and interests of stakeholders has a variety of objectives. In the internal workshop conducted as part of the materiality analysis, the Sustainability Strategy Committee was asked to name objectives for stakeholder engagement. A selection of these objectives can be found below:

- Identification of the demands on the company and their development as a basis for decision-making on corporate orientation
- Promotion of open communication
- Identification of potential risks
- Avoidance of operational blindness
- Creation of clarity
- Creation and strengthening of trust

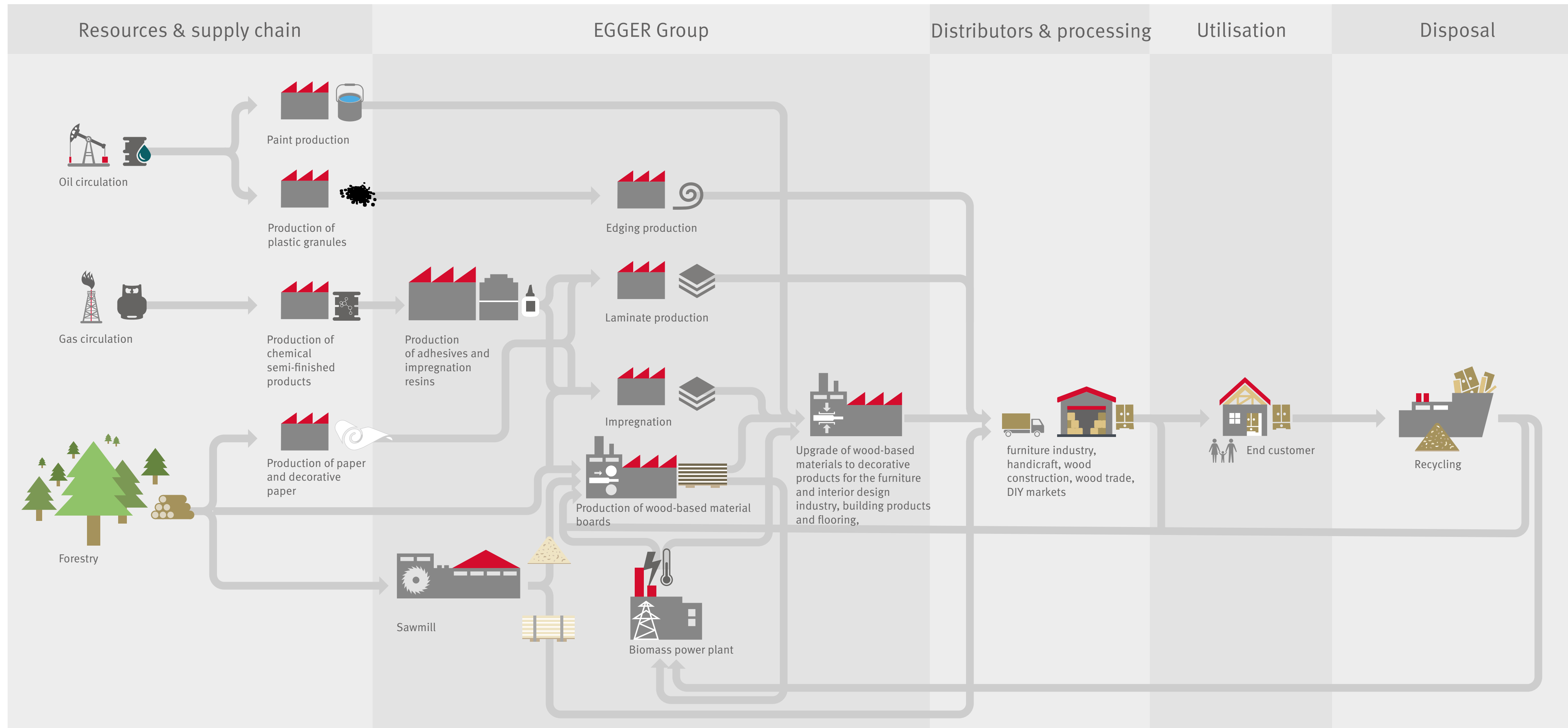
The type of stakeholder engagement depends on the group and ranges from personal dialogues to major events to which the respective target group is invited. For details on the tools and intervals of stakeholder engagement, see the table on the previous page.



MORE FROM WOOD.



Value creation chain



ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
 - Internal workshop
 - Stakeholder workshop
 - Materiality matrix
 - Changes to the sustainability topics
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

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.

Survey of sustainability topics

All material topics, which were identified in 2017 and combined into 16 (previously 18) topics in 2019, were surveyed again in the past financial year in two separately held digital or hybrid formats.

In the **internal workshop**, the Sustainability Strategy Committee determined the impact of the company's business activities and business relationships on society and the environment.

In the subsequent **stakeholder workshop** (held in two sessions in German and English), both internal and external stakeholders elicited the relevance of the sustainability topics for their demands on the company.

No topics were added, and none of the material topics were classified as no longer material. Thus, there are still 16 material topics covered in this report.



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
 - Internal workshop
 - Stakeholder workshop
 - Materiality matrix
 - Changes to the sustainability topics
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

Internal workshop

The task at the beginning of the hybrid workshop for the members of the Sustainability Strategy Committee was to reflect on the development of the business and the environment compared to two years ago, when the last materiality analysis was prepared.

The central questions were:

- Has anything changed at our sites?
- Do we have new products or markets?
- Are there new controversies?
- Are there new scientific findings?
- Are there significant trends that have an impact on the assessment?

Method

For the reassessment of the material topics, we followed the new GRI 3: Material Topics 2021 Standard.

The basis for assessing the extent of impact of each of our material topics was a detailed **description** and any detailed follow-up of the topic.

The second step was to determine whether the topic has an **actual** (already occurred) or **potential impact** on the environment or society and to determine the probability of occurrence, using a scale of 0-5. Here, “0” stands for a probability of occurrence in 500 years, and “5” starting now (= actual).

The **severity of impact** completed the assessment. It is divided into scale, scope and irremediable character.

Severity of impact

The severity of impact is determined for actual societal impact by the mean value between the scale (How severely is the quality of life of the respective stakeholder reduced? Scale of 0-5: “0” = no impact; “5” = permanent impact, e.g. lifelong disability) and the scope (How many people are affected? Scale of 0-5: “0” = no people; “5” = the general population). If the impact is irremediable, the severity has been increased by +1, whereas if the impact is remediable, the rating remains unchanged.

In the case of actual environmental impact, the severity is defined only by the scale (How much is the environment affected and what is the significance of this impact? Scale of 0-5: “0” = no environmental impact; “5” = global environmental impact, e.g. high CO₂ emissions). The influence of the irremediable character behaves in the same way as for societal impact.

For potential impact, i.e. those that could theoretically occur but have not yet done so, the probability of occurrence is included in the mean value.

Procedure

Each positive and negative impact of all 16 sustainability topics was discussed by the committee and ranked according to all the characteristics described above. For each topic, it was decided whether the negative or

positive impact was more pronounced. The severity of either the positive or negative impact was taken into account in the final assessment. The aggregation to final severity was carried out according to the four-eyes principle (corporate sustainability department together with the external sustainability consultant).

Result

The result of the workshop was a ranking of the material issues according to the significance of their impact on the environment and society. This represents the x-axis of the materiality matrix.



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
 - Internal workshop
 - Stakeholder workshop
 - Materiality matrix
 - Changes to the sustainability topics
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

Stakeholder workshop

The participants were selected subjectively based on the expertise of those colleagues who are in close and regular contact with the respective stakeholder group. In the German-speaking workshop, the internal stakeholders were represented by the **owner representative** Michael Egger jun., the **supervisory board member** Ewald Aschauer and an **employee** of the Unterradlberg (AT) site. The external participants consisted of one representative from the **suppliers** group, one from the **public, civil society, neighbours & citizens' initiatives group**, one from the **banks, investors and capital market** group and one from the **authorities & legislators** group. For the English-language meeting, two representatives of the **customers** were invited to enable a larger round of discussions. An NGO representative was not present this year.

The aim of this workshop was to identify the relevance of each material issue from a stakeholder perspective.

Method

The corporate sustainability department asked the participants four questions, all of which were relevant to the 16 material topics. To answer questions 1 and 2, the corporate sustainability department and the external sustainability consultant presented prepared definitions for the 16 material topics. The answers were given by means of an online voting tool.

1. How satisfied are you with EGGER's commitment to the topic (1-16)? (Scale 0-5, where "0" = not at all; "5" = extremely satisfied).

2. How important is it to you that EGGER is committed to topic (1-16)? (Scale 0-5, where "0" = negligible; "5" = extremely important)

Questions 3 and 4 were open-ended:

3. In your view, which topics are the five most important?

4. If a topic is important to you and EGGER is still doing too little in your view, what would your suggestions be?

Procedure

The aggregated value of the relevance of the topic for the interests of the stakeholder is composed of the results of question 2 and question 3.

The mean value was formed from the individual results of the query on how important it is (question 2) that EGGER is involved in the respective topic. The question about the top 5 topics (question 3) was analogously converted to a scale of 0-5 (number of answers corresponds to a value between 0 and 5, whereby the topic that was mentioned most often received "5" and topics that were never mentioned received "0").

The mean of these two results corresponds to the value for the y-axis of the materiality matrix.

The delta from question 1 and 2 shows us which topics require us to catch up. Through question 4, we received feedback from our stakeholders on the areas in which they would see potential for improvement at EGGER. All suggestions were discussed with the specialist departments and their feasibility evaluated.

Result

By ranking the material issues of the stakeholders, a ranking of relevance could be achieved, which is reflected on the y-axis of the materiality matrix.



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
 - Internal workshop
 - Stakeholder workshop
 - Materiality matrix**
 - Changes to the sustainability topics
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

- ABOUT US
- SUSTAINABILITY MANAGEMENT**
- SUSTAINABILITY TOPICS
- ANNEX

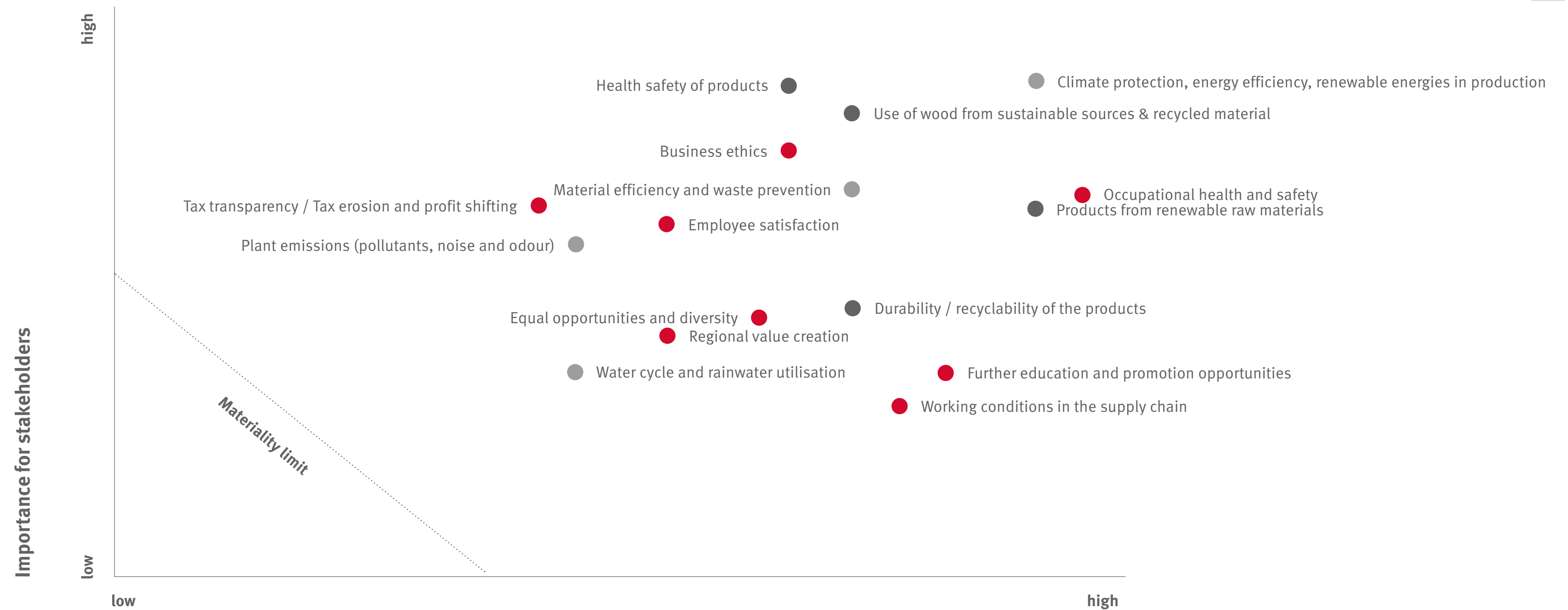


Materiality matrix

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 impact 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.

Based on the internal workshop and the stakeholder workshop, the following matrix was created:



Significance of the economic, ecological and social impact

Topic group
 ● Product responsibility ● Responsible production ● Corporate Social responsibility

SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
 - Internal workshop
 - Stakeholder workshop
 - Materiality matrix
 - Changes to the sustainability topics
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

Changes to the sustainability topics

In view of the methodological adjustment, a direct quantitative comparison of the results of 2019 /20 with those of 2021 /22 is limited. However, the position of the topics **within** the matrix can be compared with the last survey.

Major developments

It has become apparent that the following topics are of greatest interest to our stakeholders:

- Use of wood from sustainable sources & recycled material
- Health safety of products
- Climate protection, energy efficiency, renewable energies in production

The topics whose impact was rated as particularly high are:

- Climate protection, energy efficiency, renewable energies in production
- Occupational health and safety
- Products from renewable raw materials

The two topics “Climate protection, energy efficiency, renewable energies in production” and “Material efficiency and waste prevention” have gained in importance both for stakeholders and for the Sustainability Strategy Committee. “Regional value creation” , on the other hand, has become less important. The remaining

13 essential topics remain at about the same level in the matrix as two years ago.

The high importance of “Climate protection, energy efficiency and renewable energies” was also reflected in the feedback from stakeholders when asked where they would still see room for improvement. Most suggestions were made in the areas of “Energy” and “Recycling”.

All suggestions were discussed with the departments as well as with the Group Management regarding their feasibility. Afterwards, the participants received feedback from the corporate sustainability department on their suggestions.



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation**
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

EU Taxonomy Regulation

Within the framework of the Action Plan for Financing Sustainable Growth, the redirection of capital flows towards sustainable investments is a key objective. Against this background, the EU Taxonomy Regulation 2020/852 has been in force since mid-2020.

As a uniform classification system, the Taxonomy Regulation defines which economic activities are considered “environmentally sustainable” in the EU. This requires a distinction between taxonomy eligibility and taxonomy alignment.

Taxonomy eligibility and taxonomy alignment

The first step is to check whether an economic activity is described in the Delegated Act and is thus taxonomy-eligible. Only taxonomy-eligible economic activities can be considered “environmentally sustainable” if certain criteria are met. Accordingly, in the second step, it must be evaluated whether the technical assessment criteria mentioned are fulfilled in order to be classified as taxonomy-aligned.

For the financial year 2021 /22, only the shares of taxonomy-eligible and non-taxonomy-eligible economic activities in turnover as well as investments (CapEx) and operating expenses (OpEx) have to be disclosed in accordance with Article 8 of the EU Taxonomy Regulation, pursuant to a relief granted by the EU.

For the financial year 2022 /23, as a further step, taxonomy alignment must be ensured by fulfilling technical screening criteria in order to be able to classify the economic activity as “environmentally sustainable”.

Implementation

Due to the constantly evolving regulations and the associated uncertainties of interpretation, EGGER has chosen a restrictive approach to identify taxonomy-eligible economic activities. In addition, the extended requirements and regulatory developments, may lead to changes in regard to the qualification of economic activities.

EGGER is obliged according to Art. 8 Z 1 in conjunction with § 267a UGB EGGER to fulfil the requirements of the EU Taxonomy Regulation. For this purpose, EGGER has analysed the economic activities in the company and checked whether these correspond to the description in Annex I (significant contribution to climate change mitigation) or Annex II (significant contribution to climate change adaptation) of Delegated Regulation (EU) 2020/852 and can thus be declared as taxonomy eligible.

Turnover, capital and operating expenses related to these economic activities can be declared as taxonomy-eligible. In principle, all fully consolidated Group companies are included in this consideration with re-

gard to their turnover, capital and operating expenses. The amounts used for the calculation of the turnover, CapEx and OpEx KPIs are accordingly based on the figures reported in the consolidated financial statements.

Key performance indicators (KPIs)

Turnover KPI

The economic activities underlying the EGGER business model (production of wood-based materials) are not yet covered by the EU Taxonomy Regulation. Therefore, no significant turnover could be identified and no taxonomy-eligible turnover could be determined. The total turnover of EUR 4,234.3 million for the financial year 2021 /22 can be taken from the consolidated income statement (see annual financial report / (7) revenues and segment reporting).



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation**
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

EU Taxonomy Regulation

CapEx KPI

The CapEx KPI indicates the share of capital expenditure that is related to a taxonomy-eligible economic activity or relates to the acquisition of products and services from a taxonomy-eligible economic activity.

The basis of capital expenditure are the total additions (before amortisation, impairment and revaluation) of intangible assets and property, plant and equipment including additions of rights of use in accordance with IFRS 16 (see Annual Financial Report / Notes to the consolidated financial statements / (17) Property, plant and equipment & intangible assets). The sum of additions reflecting taxonomy-eligible investments forms the numerator of the CapEx KPI.

Based on the descriptions of investment projects, an analysis of taxonomy eligibility was performed by matching them with the economic activities described in Annex I (Significant Contribution to Climate Change Mitigation) and Annex II (Significant Contribution to Climate Change Adaptation) of the Delegated Regulation of (EU) 2020/852.

Financial year	2021 / 22	
	Absolute CapEx Mio. EUR	Relative CapEx %
Taxonomy-eligible capital expenditure	70.94	24.2%
Non-taxonomy-eligible capital expenditure	222.68	75.8%
Total capital expenditure	293.62	100.0%

OpEx KPI

The OpEx KPI indicates the share of operating expenditure as defined by the EU taxonomy that is associated with taxonomy-eligible economic activities or the purchase of products from a taxonomy-eligible economic activity.

Operating expenses are based on direct, non-capitalised costs for building renovation measures, short-term leases, maintenance and repair of property, plant and equipment, and research and development costs. The sum of the operating expenses that contribute to the achievement of the environmental goals forms the numerator of the OpEx KPI.

Financial year	2021 / 22	
	Absolute OpEx Mio. EUR	Relative OpEx %
Taxonomy-eligible operating expenses	42.61	24.8%
Non-taxonomy-eligible operating expenses	129.20	75.2%
Total amount of taxonomy-relevant operating expenses	171.74	100.0%

To determine the denominator, the accounts reflecting direct, non-capitalised costs for research and development expenses, building renovation measures, short-term leasing, maintenance and repair expenses were considered. The numerator results from an analysis of the assets related to the expenses recognized in the above accounts in terms of their taxonomy eligibility using Annex I (Significant contribution to climate change mitigation) and Annex II (Significant contribution to climate change adaptation) of the Delegated Regulation of (EU) 2020/852.



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

- ABOUT US
- SUSTAINABILITY MANAGEMENT**
- SUSTAINABILITY TOPICS
- ANNEX



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 and the five SDGs are 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 during the financial year 2020 / 21. We have defined the impact as the sum of the potential negative impact and our contribution to achieving the respective SDG.



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation
- Contribution to the SDGs**
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

Our contribution to the Sustainable Development Goals

The points of connection 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 the contribution we are making to achieving our goals and the key figures that can be used to assess progress.

Goal / subgoal	Key points of reference from the SDGs for 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-labelling Indoor air quality and product transparency Healthy workplaces / health protection Health promotion
5.1 5.5	Ending discrimination against women, participation of women in economic life, assumption of leadership roles	<ul style="list-style-type: none"> Diversity of age, gender, nationality Equal treatment of employees
6.3 6.4	Water recycling and water use efficiency	<ul style="list-style-type: none"> Our environmental and energy management Water consumption and rainwater utilisation Clean waste water
7.2 7.3	Renewable energy and energy efficiency	<ul style="list-style-type: none"> Our environmental and energy management Use of renewable energy Energy 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 figures Our due diligence system for tracing the origin of wood Resource efficiency Our management system for occupational health and safety Work safety Equal treatment of employees Apprenticeship Employee representation Long-term cooperation / employee turnover Our commitment to the UN Global Compact Working conditions in transport logistics Working conditions in the wood supply chain

(1) Contribution and progress see SDG 12

- ABOUT US
- SUSTAINABILITY MANAGEMENT**
- SUSTAINABILITY TOPICS
- ANNEX








SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

Our contribution to the Sustainable Development Goals

Goal / subgoal	Key points of reference from the SDGs for EGGER	Contribution and progress see topic / subtopic
 9.2 9.4 ⁽²⁾	Employment in industry, modern infrastructure, environmentally sound technologies and industrial processes ⁽²⁾	<ul style="list-style-type: none"> ▪ Company key figures ▪ Our employees <p><small>(2) Contribution and progress see SDGs 6, 7, 12, 13</small></p>
 12.2 12.5 12.6 12.8	Efficient use of natural resources, reducing waste, sustainable practices and sustainability information	<ul style="list-style-type: none"> ▪ Our approach to product transparency and eco-labelling ▪ Use of materials from renewable raw materials ▪ Carbon storage: From forest to wood product ▪ Use of recycled material / cascading use ▪ Recyclability ▪ Our environmental and energy management ▪ Waste prevention
 13	Climate action to combat climate change	<ul style="list-style-type: none"> ▪ Our approach to product transparency and eco-labelling ▪ Carbon storage: From forest to wood product ▪ Our environmental and energy management ▪ Climate protection / CO₂ emissions
 15.2	Sustainable management of all forest types	<ul style="list-style-type: none"> ▪ Our due diligence system for tracing the origin of wood ▪ Use of wood from sustainable forest management
 16.5	Reducing corruption	<ul style="list-style-type: none"> ▪ Our due diligence system for tracing the origin of wood ▪ Our compliance strategy ▪ Prevention of corruption

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



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
- Regional share of fresh wood increases to 90% by 2025
- Certified share of fresh wood remains at a minimum of 60%

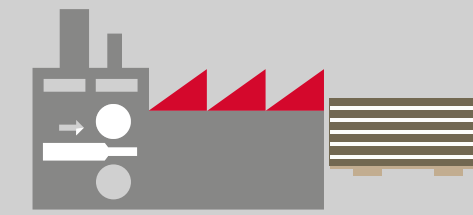


EGGER Group & economic environment

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 occupational disease screening to all employees by 2025 and motivate them to participate in screening.
- 80% of management positions are filled 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 in the commercial sector 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 sites 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



SUSTAINABILITY MANAGEMENT

- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement**

SUSTAINABILITY TOPICS

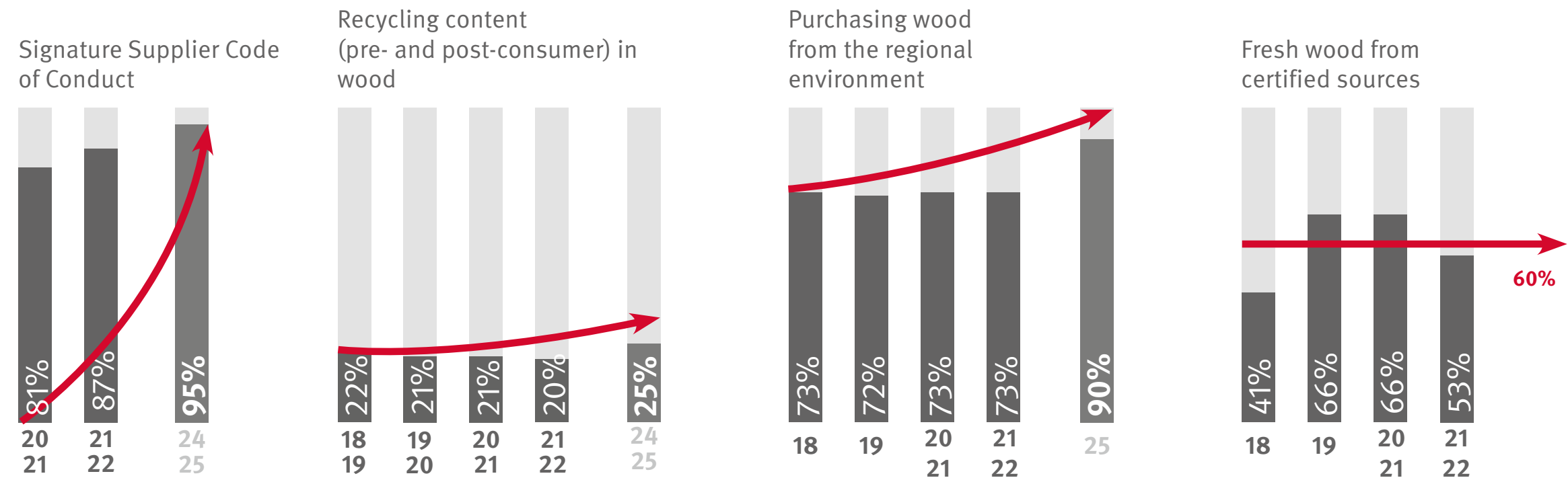
- ABOUT US
- SUSTAINABILITY MANAGEMENT**
- SUSTAINABILITY TOPICS
- ANNEX



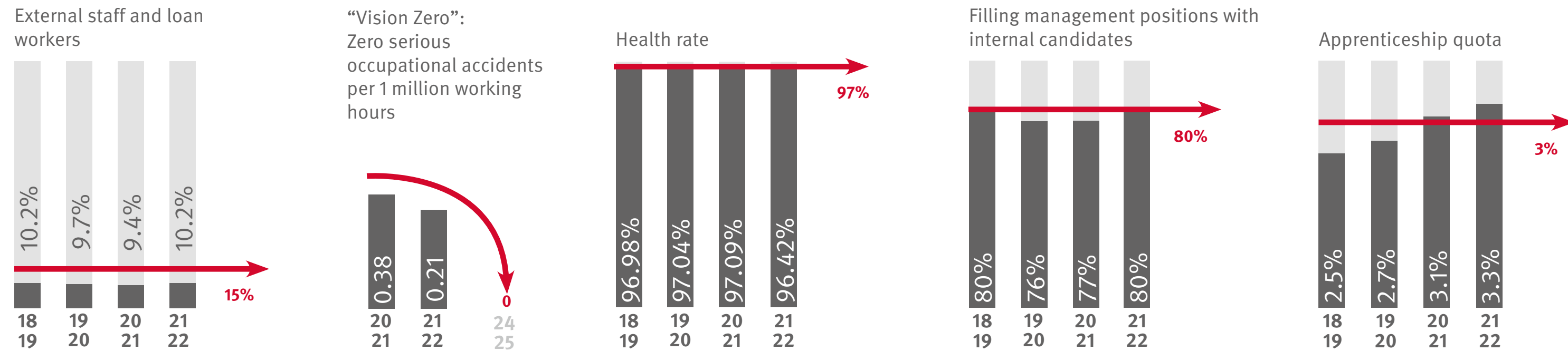
Status of goal achievement

Starting with the first year of the key figures survey, a maximum of three consecutive reporting years are shown, as well as the value for the target. The trend line is to show if we are on the right track. A horizontal line indicates if we want to maintain this value.

Responsibility for the supply chain



Social responsibility



SUSTAINABILITY MANAGEMENT

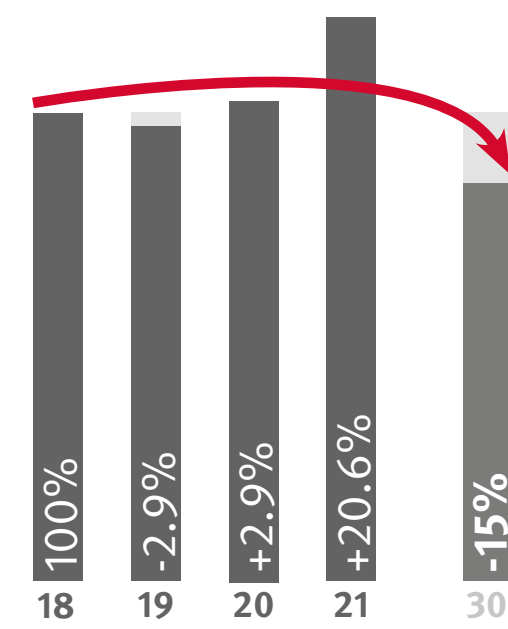
- Corporate philosophy
- Principles, commitments and memberships
- External awards
- Sustainability governance
- EGGER Management System
- Certified plants
- Stakeholder approach
- Value creation chain
- Materiality analysis
- EU Taxonomy Regulation
- Contribution to the SDGs
- Sustainability goals
- Status of goal achievement

SUSTAINABILITY TOPICS

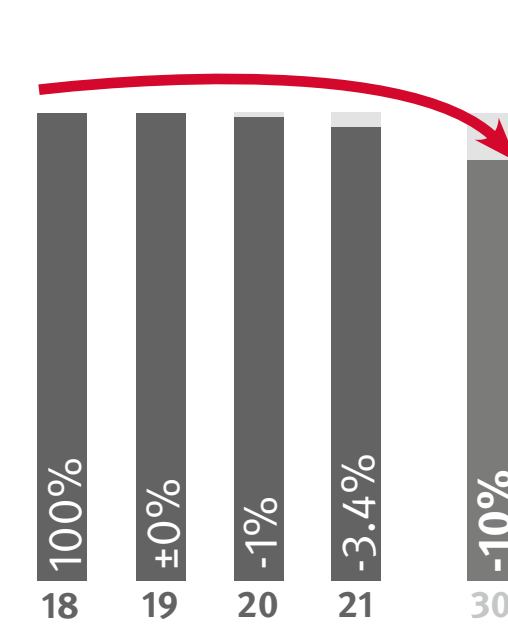
Status of goal achievement

Environmentally friendly production

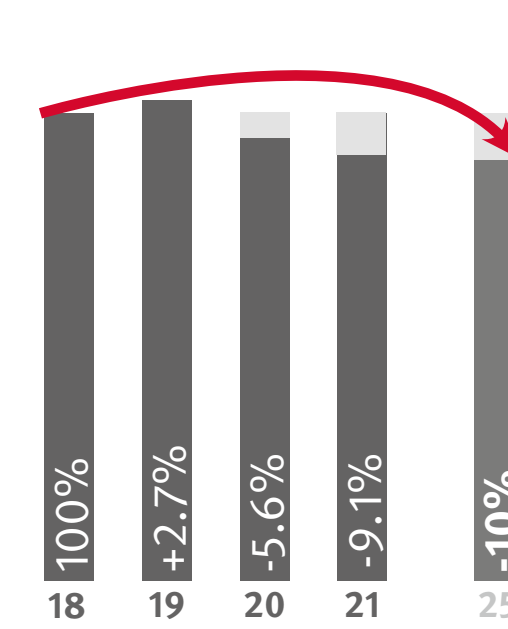
Specific fossil CO₂ emissions (Scope 1 and 2)



Specific energy consumption

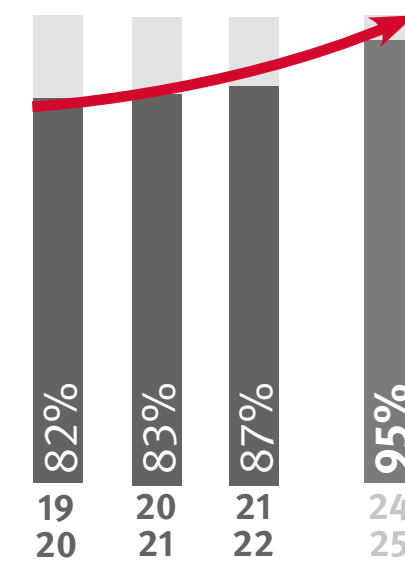


Specific waste (residual waste)



Sustainable products

Products with environmental declarations



ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

SUSTAINABILITY TOPICS

The materiality analysis confirmed 16 particularly relevant topics for EGGER, which are divided 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”.



SUSTAINABILITY TOPICS

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 training 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's 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



SUSTAINABILITY TOPICS

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 training 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 (EcoFacts) 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 environmental performance 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.



SUSTAINABILITY TOPICS

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 training 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

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	—	—	—	—	✓	—
Timber	—	—	—	—	—	✓
Laminate flooring	✓	✓	✓	—	✓	✓
Comfort Flooring	✓	✓	✓	—	✓	✓
Design Flooring GreenTec	✓	✓	—	—	✓	✓

Download the EPDs

egger.com/environment

ibu-epd.com

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

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 training 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



Products with eco-labels by share of sales

Financial year	2019 / 20	2020 / 21	2021 / 22
Number of EGGER products ⁽¹⁾	42	38	40
Share ⁽²⁾ with type I eco-label ⁽³⁾	60%	34%	33%
Share ⁽²⁾ with type II environmental declaration ⁽⁴⁾	58%	67%	67%
Share ⁽²⁾ with type III eco-label ⁽⁵⁾	80%	81%	83%
Share ⁽²⁾ in total ⁽⁶⁾	82%	83%	87%

(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
 (6) Type I, type II or type III eco-label

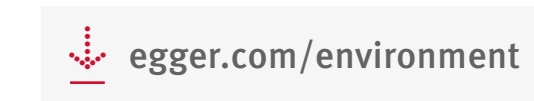
Our strategic goal is to have an appropriate environmental declaration for 95% of Decorative, Flooring and Building products by 2025. This can be either Type I, II or III and is measured by turnover share.

An EPD is available for 83% of the products. This high value shows how important product transparency is for EGGER. All EPDs published and updated since 2021 have been prepared according to the latest requirements of EN 15804+A2. The global warming potential is now evaluated in more detail in various subcategories, for example the proportion of greenhouse gas emissions from fossil and biogenic sources can now be differentiated.

The proportion of all products with a Type I, Type II or Type III Ecolabel was increased from 83% to 87% last year. We achieved this by expanding Type I & Type II eco-labels, led by our EHDs and TÜV PROFICERT. Although the turnover-related indicator for the share of product groups for which a Type I or Type II eco-label is available decreased or stagnated, the absolute number increased.

In the coming years, we will further increase 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.

Download the EHDs



SUSTAINABILITY TOPICS

Product responsibility

Our approach to product transparency and eco-labelling

Products from renewable raw materials

Use of materials from renewable raw materials

Carbon storage: From forest to wood product

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Products from renewable raw materials

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:

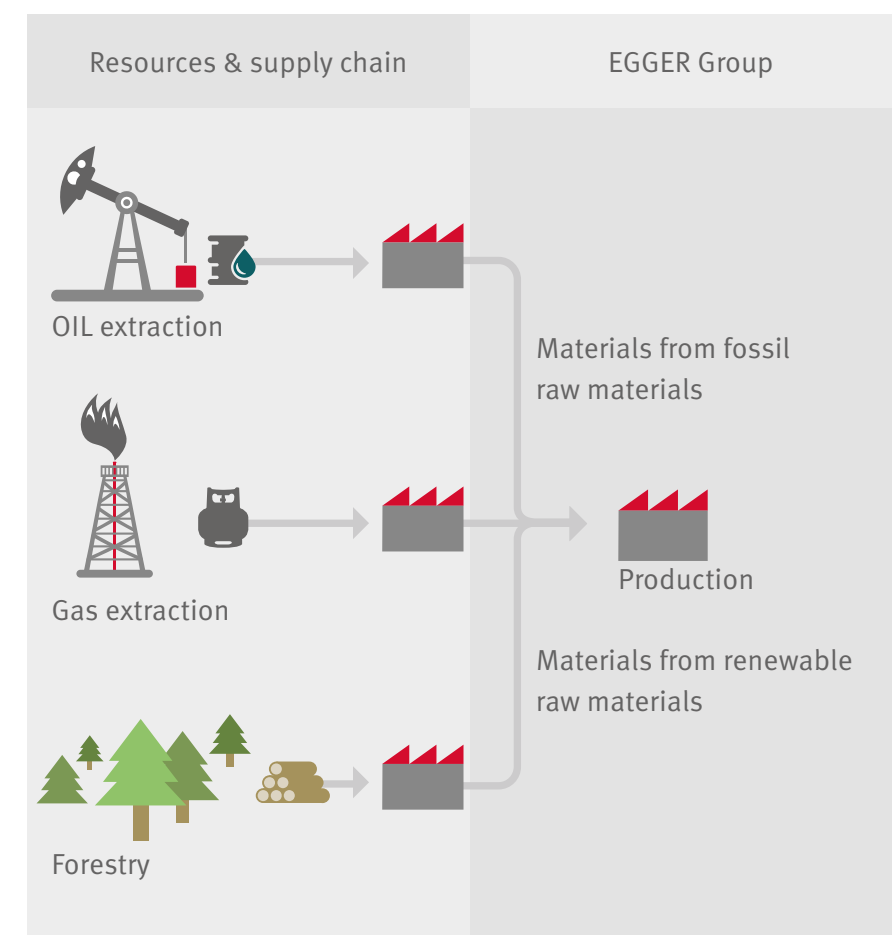
- Materials **from renewable raw materials** are mainly made from wood, plant fibres or microorganisms, such as paper.
- Materials derived **from fossil raw materials** are mainly produced from natural gas or petroleum, like most plastics, foils, synthetic resins and synthetic fibres.

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 fight climate change. 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 Eurodekor melamine faced board owes its resistant properties to impregnation with synthetic resin, which promotes durability. Recycled wood can also be used thanks to fossil-based binding agents, which prolong 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



SUSTAINABILITY TOPICS

Product responsibility

- Our approach to product transparency and eco-labelling
- Products from renewable resources
 - Use of materials from renewable raw materials
 - Carbon storage: From forest to wood product
- 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

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).



Goal

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



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.

88% of all materials used in the manufacture of our products are made of renewable raw materials



SUSTAINABILITY TOPICS

Product responsibility

Our approach to product transparency and eco-labelling

Products from renewable resources

Use of materials from renewable raw materials

Carbon storage: From forest to wood product

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Use of materials from renewable raw materials



Share of renewable raw materials in all EGGER products

Financial year	2019 / 20	2020 / 21	2021 / 22
Material use in million t ⁽¹⁾	6.5	7.2	7.7
of which renewable raw materials (share) ⁽²⁾	5.7 (88%)	6.1 (85%)	6.7 (88%)
of which fossil raw materials (share) ⁽³⁾	0.8 (12%)	1.1 (15%)	0.9 (12%)

(1) Material used in the manufacture of products in the Decorative, Flooring, Building product areas, excluding water, i.e. absolutely 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 and well above 80%. We see no acute need for action to replace the synthetic materials.

The alternatives to synthetic binding agents known so far do not meet our high requirements for product emissions and quality. They are not industrially scalable or often only shift environmental burdens instead of reducing them. We see this as a mandate to continue to actively explore the large-scale usability of alternative raw materials that are available on the market.

Past measures

- Integration of our sustainability indicators (EcoFacts) comprehensively in internal and external product communication across the board; transparent communication of the share of renewable resources in the product with the help of advertisements, product brochures, website, newsletters, webinars and e-learning
- Publication of EPDs for two additional products in the past financial year
- Publication of EHDs for six additional products in the past financial year

Future measures

- Further increase in product transparency: Preparation of EHDs for additional products as well as certification according to TÜV PROFICERT of further products



SUSTAINABILITY TOPICS

Product responsibility

Our approach to product transparency and eco-labelling

Products from renewable resources

Use of materials from renewable raw materials

Carbon storage: From forest to wood product

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Carbon storage: From forest to wood product



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 usually store more CO₂ than their production emits. CO₂ balance sheets are part of the environmental performance 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 plant 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 renewable 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	2019 / 20	2020 / 21	2021 / 22
CO ₂ bound in our products in million t of CO ₂ eq. ⁽¹⁾	5.9	6.5	6.9

(1) Calculated from the global warming potential of 12 EGGER wood-based products and EGGER laminate according to the EPD (GWP 100, cradle-to-gate, module A1-A3), multiplied by the sales volume of these products in FY 2021 / 22.

Past measures

- Publication of two new EPDs for the products Comfort and Design Flooring GreenTec, which have been aligned to the specifications of EN 15804:2020 (including more detailed information on the CO₂ footprint).
- Sustainability indicators (EcoFacts) were increasingly integrated into internal and external product communication (including communication of the CO₂ footprint)

Future measures

- EPD for the PerfectSense Texture Lacquered Boards
- Improvement of the CO₂ footprint of the Comfort and Design Flooring GreenTec products as part of an EcoDesign project
- Updating the EPDs for Eurolight Decor to the new specifications

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

Product responsibility

- Our approach to product transparency and eco-labelling
- Products from renewable resources
- Use of wood from sustainable sources & recycled material**
 - Our due diligence system for tracing the origin of wood
 - Direct relationship with suppliers
 - Use of wood from sustainable forest management
 - Use of recycled material / cascading use
- 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

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 a negative impact 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

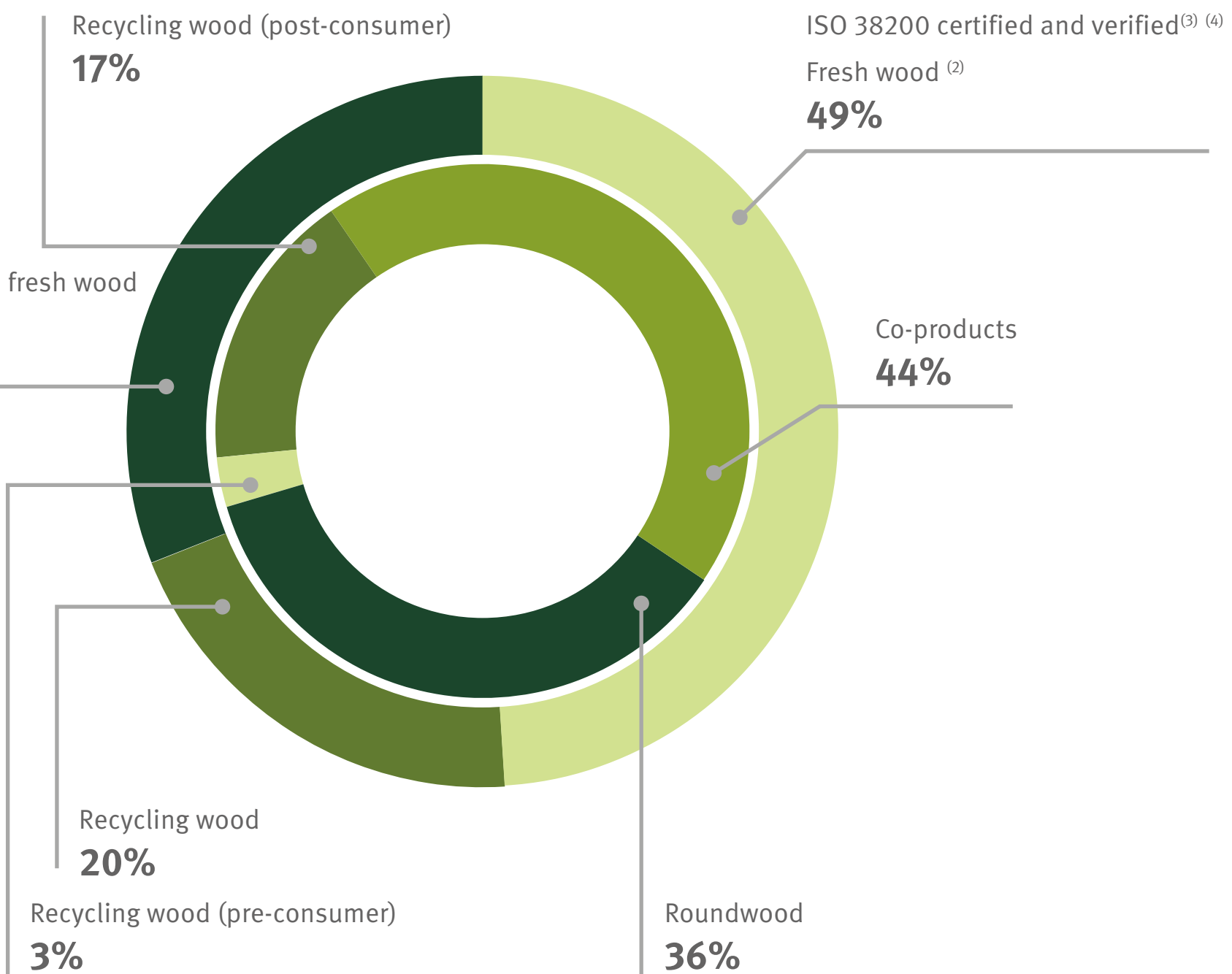
The sub-topics in this chapter:

- 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) Recycling components used in wood production of EGGER wood-based materials (weighted average of all chipboard, thin chipboard, MDF, thin MDF and OSB boards). 100% = 6.7 million tonnes absolutely dry, excluding sawmill
 (2) Fresh wood = roundwood + co-products
 (3) Fresh wood share of wood use = 80%, of which 49% certified = 40%; Certified = ISO 38200 certified (FSC® + PEFC certified)
 (4) ISO 38200 verified = assessed by experts as controlled and standard-compliant material; ISO 38200 certified and verified = assessed by experts as controlled and standard-compliant material and additionally FSC or PEFC certified

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

Product responsibility

- Our approach to product transparency and eco-labelling
- Products from renewable resources
- Use of wood from sustainable sources & recycled material
 - Our due diligence system for tracing the origin of wood
 - Direct relationship with suppliers
 - Use of wood from sustainable forest management
 - Use of recycled material/ cascading use
- 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Our due diligence system for tracing the origin of wood



Our Wood Purchasing Policy states that it is a matter of course for the sustainable procurement of wood to comply with national and European laws. 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 wood through a certified due diligence system and maintain a 100% share of verified wood in our purchases. We categorically ex-

clude wood from controversial sources.

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 plants.

In countries with increased risk and poor indicators of corruption ⁽¹⁾ and in the case of non-transparent supply chains, our wood 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

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).

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

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

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: The 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

In the case of specific risks, we actively support our suppliers with certification and sustainability topics (e.g. occupational safety).

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.

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

Product responsibility

Our approach to product transparency and eco-labelling

Products from renewable resources

Use of wood from sustainable sources & recycled material

Our due diligence system for tracing the origin of wood

Direct relationship with suppliers

Use of wood from sustainable forest management

Use of recycled material/ cascading use

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Our due diligence system for tracing the origin of wood



Our DDS is guided (in addition to the respective legal requirements) by the relevant supply chain standards for sustainable forest management:

- FSC® Standards
- PEFC standard
- ISO 38200:2018 – COC standard for the supply chain of wood and wood-based products

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 there were no pending proceedings, violations or penalties regarding the legality of the wood used at international and national level.

In the past financial year, a government audit of the EUTR duty of care at our Biskupiec (PL) plant and the external auditing of the EGGER Group according to the new COC standards by the certifier SGS (CH) were successfully completed.

The plants Rambervillers (FR), Hexham (UK), Barony including EGGER Forestry (UK), Rădăuți (RO), Gagarin (RU), Shuya (RU), Brilon (DE), Unterradlberg (AT) and St. Johann in Tirol (AT) were externally audited as part of our COC certificates.

Due to the Brexit, a new UKTR Monitoring Agreement was concluded with SGS for all cases of first entry into

the United Kingdom.

All external audits were without objections. All internal and external audits could be carried out as scheduled by our COC and DDS experts physically or as a remote audit despite COVID-19 and the limited travel possibilities.

The state achieved is a **unique selling point in the industry**. In order to meet future requirements and optimise the administrative effort, we used digital solutions to obtain information from our suppliers.

EGGER uses the following systems for obtaining information from suppliers and auditing the supply chains:

- Active participation in an EU-funded blockchain project in Brilon (DE).
- iAuditor (supply chain and internal audits in all plants)
- SAP Ariba (supplier management software)



SUSTAINABILITY TOPICS

Product responsibility

Our approach to product transparency and eco-labelling

Products from renewable resources

Use of wood from sustainable sources & recycled material

Our due diligence system for tracing the origin of wood

Direct relationship with suppliers

Use of wood from sustainable forest management

Use of recycled material / cascading use

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Our due diligence system for tracing the origin of wood

Special topic: Impact of the Russia-Ukraine conflict



Attitude

As a matter of principle, we exclude wood from controversial and illegal sources. Within the framework of our EGGER DDS, we evaluate every wood purchase according to our own risk criteria and legal requirements.



Approach

Due to the conflict in Ukraine, wood from Russia is classified as controversial in terms of the EUTR/UKTR and the PEFC and FSC® standards. In addition, EU sanctions have been imposed on wood-based products.

We have therefore decided to stop importing wood products from Russia and Belarus into the EU and UK. Despite the challenging situation, our two Russian plants Gagarin (RU) and Shuya (RU) are in production. As long as the conflict continues, only the Russian market as well as Belarus and the so-called -stan states will be supplied by Russia.



Goal

Our goal is to maintain the due diligence system even in times of crisis and in conflict areas. Our top priority is to comply with all sanctions.



Status

We had to surrender our FSC® and PEFC-COC certificates of the Russian plants. Compliance with due diligence for the sustainable procurement of wood in the two Russian plants continues to be audited and guaranteed with the valid ISO 38200 standard.

Our leasehold forest in Gagarin (RU) remains certified according to FSC® and PEFC forest management standards.

The social and economic challenges of supplying our plants and maintaining our due diligence system are very high, but are implemented responsibly by our local employees.

Past measures

- Ongoing development of comprehensive knowledge of sanctions
- Establishment of an internal compliance structure to ensure sanction-compliant actions
- Adaptation of the management structure and the decision-making and approval processes to the current sanctions regulations
- No purchasing in “Armed Conflict Regions” according to the EUTR definition
- Conclusion of a UKTR monitoring contract for all cases of first import into the UK
- Adaptation of certification management in line with FSC® and PEFC requirements

Future measures

- Permanent screening of sanction developments
- Increased monitoring of compliance and sustainability issues by the Russian sites



SUSTAINABILITY TOPICS

Product responsibility

Our approach to product transparency and eco-labelling

Products from renewable resources

Use of wood from sustainable sources & recycled material

Our due diligence system for tracing the origin of wood

Direct relationship with suppliers

Use of wood from sustainable forest management

Use of recycled material/ cascading use

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

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

Directly purchased wood

Calendar year	2019	2020	2021
Wood procurement in million AT ⁽¹⁾	6.0	6.6	— ⁽³⁾
of which directly purchased (share) ⁽²⁾	5.2 (87%)	5.9 (89%)	— ⁽³⁾
Financial year	2019 / 20	2020 / 21	2021 / 22
Wood procurement in million AT ⁽¹⁾	— ⁽³⁾	6.9	7.7
of which directly purchased (share) ⁽²⁾	— ⁽³⁾	6.2 (90%)	6.8 (89%)

(1) Total volume of wood purchased (wood-based materials incl. sawmill): Roundwood, sawmill by-products and waste wood in million absolutely dry tonnes
 (2) From the forest owner (direct) and self-producer (semi-direct), from the sawmill (direct), from the recycled wood collection (direct) or processing site (semi-direct). We summarise the direct and semi-direct purchasing volumes under the term "direct", as these two positions differ significantly from indirect procurement (classic trader structures). Our strategic goal in wood purchasing is to exclude trader structures as far as possible.
 (3) No data available due to changeover to financial year



Goal

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



Status

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

Past measures

- No additional measures were implemented in the past financial year

Future measures

- Increase in the share of directly procured wood volumes in plants with significantly lower values



SUSTAINABILITY TOPICS

Product responsibility

Our approach to product transparency and eco-labelling

Products from renewable resources

Use of wood from sustainable sources & recycled material

Our due diligence system for tracing the origin of wood

Direct relationship with suppliers

Use of wood from sustainable forest management

Use of recycled material / cascading use

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Use of wood from sustainable forest management



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 high risk 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).

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.

53% of the purchased fresh wood is certified



SUSTAINABILITY TOPICS

Product responsibility

Our approach to product transparency and eco-labelling

Products from renewable resources

Use of wood from sustainable sources & recycled material

Our due diligence system for tracing the origin of wood

Direct relationship with suppliers

Use of wood from sustainable forest management

Use of recycled material / cascading use

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Use of wood from sustainable forest management



Certification share in fresh wood

Calendar year	2019	2020	2021
Share of certified wood deliveries ⁽¹⁾	66% ⁽²⁾	66% ⁽³⁾	- ⁽⁵⁾
Financial year	2019 / 20	2020 / 21	2021 / 22
Share of certified wood deliveries ⁽¹⁾	- ⁽⁵⁾	66% ⁽⁴⁾	53%

(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 (PL), excluding Lexington, NC (US) and EGGER Forestry (UK)
 (3) Results excluding EGGER Forestry (UK)
 (4) Conversion to financial year, exclusive EGGER Forestry (UK)
 (5) No data available due to conversion to financial year
 (6) ISO 38200 certified and verified (FSC 20% and PEFC 33%)



Status

In the past financial year, we set ourselves the strategic goal of maintaining the certified share of fresh wood at the level of at least 60%. However, the certified share was lower. Due to the decision of FSC® and PEFC, the certificates of Russian and Belarusian suppliers were withdrawn as a result of the current conflict.

In addition, our new plant in Lexington, NC (US), where we do not process certified wood, significantly increased production this financial year. EGGER's principle is to purchase as regionally as possible. The availability of certified wood in the immediate vicinity of the plant in Lexington, NC (US), is very limited.

All information on sustainable forestry can be found [here](#).



Past measures

- Change to GFA (Society for Agricultural Projects) as FSC® and PEFC certifier in the forest leased by EGGER in Gagarin (RU).
- Removal of the certificates of all wood and paper suppliers from Russia and Belarus from our inventory management. Certified purchasing is no longer possible there.

Future measures

- Increased use of the sustainability indicator “EGGER sourcing sustainable wood” as product labelling and in marketing
- Recertification of the EGGER leasehold forest in Gagarin (RU) according to the FSC® Core Labour Requirements and PEFC forest standard.
- Risk assessment and control still via ISO 38200 certified EGGER DDS
- Audit and query of certification by IT supported by SAP Ariba and iAuditor



SUSTAINABILITY TOPICS

Product responsibility

Our approach to product transparency and eco-labelling

Products from renewable resources

Use of wood from sustainable sources & recycled material

Our due diligence system for tracing the origin of wood

Direct relationship with suppliers

Use of wood from sustainable forest management

Use of recycled material / cascading use

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Use of recycled material / cascading use



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 (Altholz Verordnung) 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.

64% of the used wood comes from by-products or recycling



SUSTAINABILITY TOPICS

Product responsibility

Our approach to product transparency and eco-labelling

Products from renewable resources

Use of wood from sustainable sources & recycled material

Our due diligence system for tracing the origin of wood

Direct relationship with suppliers

Use of wood from sustainable forest management

Use of recycled material / cascading use

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Use of recycled material / cascading use



Goal

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

Past measures

- Start of construction of another recycling collection site in Gdansk (PL)
- Expansion of the collection infrastructure in Romania and Poland to increase the share of recycling wood
- Start of recycled wood procurement and processing at the Lexington, NC (US) site
- Optimisation of the flow rate of existing plants for the processing of recycling wood

Future measures

- Expansion of collection infrastructure in our purchasing markets to increase recycling wood from local sources
- Establish recycling collection site in North Carolina (US)
- Expansion and optimisation of existing facilities for recycling wood processing in the chipboard production plants



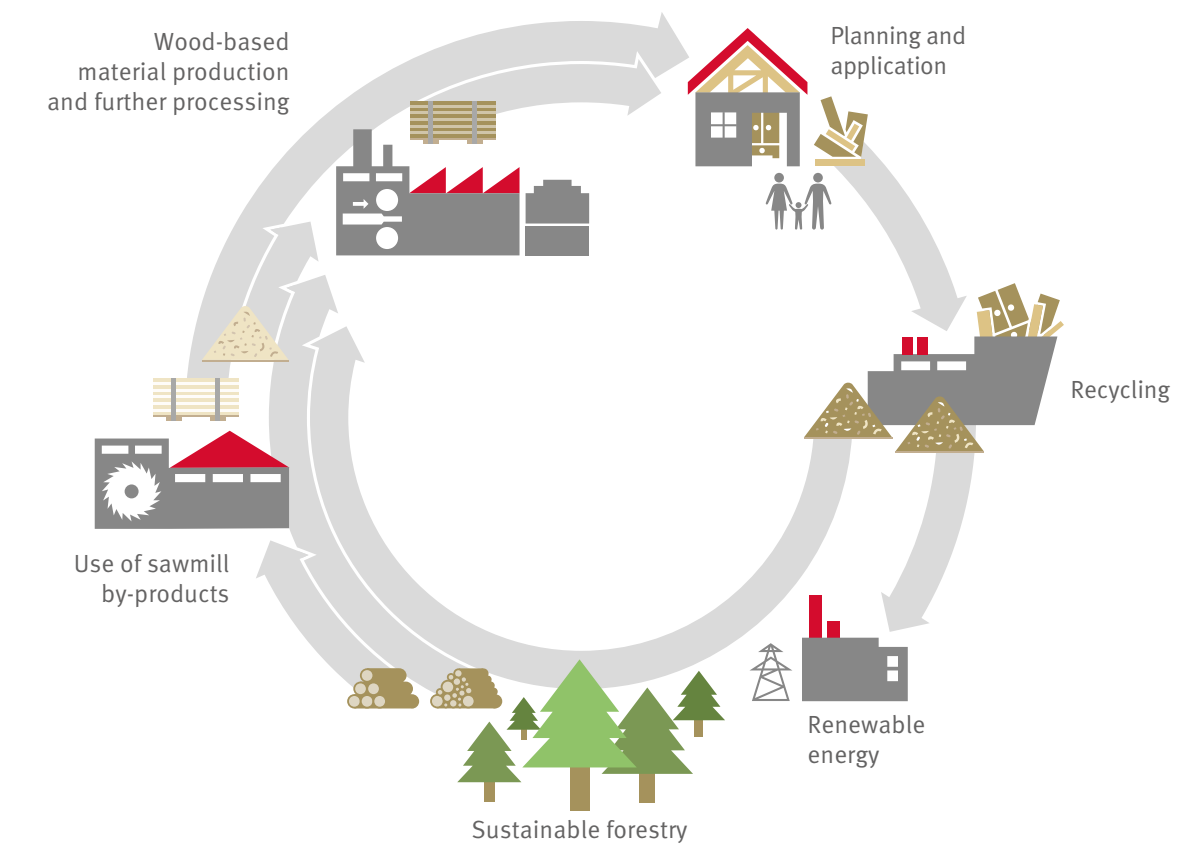
Status

The wood mix used is relatively constant, with a slight increase in the amount of recycling wood despite a challenging market environment (including increasing demand for waste wood from energy recyclers due to the coal phase-out).

The recycling wood volumes in Romania and Poland could also be significantly increased in total (+ 7% compared to the previous financial year) by intensifying the procurement activities. In addition, the construction of the recycling collection site in Warsaw (PL) was completed; only the commissioning permit is still pending.

Since the past financial year, our target refers to both pre-consumer and post-consumer recycling material. The reason for this is that **both** recycling raw materials lead to a saving in fresh wood. In addition, separate control on the part of the purchasing department is not always 100%.

In the coming years, we will be able to increase the volume of recycling wood thanks to major investments in both the recycling wood collection and processing infrastructure as well as in the system technology in the plants, and thus come closer to the strategic goal.



Recycling mix in the wood used

Financial year	2019 / 20	2020 / 21 ⁽²⁾	2021 / 22
Wood use total in million at ⁽¹⁾	5.7	6.0	6.7
of which roundwood	40%	37%	36%
of which co-products	39%	42%	44%
of which recycled	21%	21%	20%
of which is pre-consumer recycling wood	2%	3%	3%
of which is post-consumer recycling wood	19%	18%	17%

⁽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

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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**
 - Our quality management
 - Control of pollutants in products
 - Indoor air quality and product transparency
- 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Health safety of products



Health is one of the major issues 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. An average resident of Central Europe spends up to 90 percent of their time indoors. Thus, indoor air has a great influence on 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. The coating of rawboards consists of different raw chemicals, including resins, paints or printing inks. Potentially, all raw materials and intermediate products can pose a health hazard. In the case of waste wood, there is a risk of chemical contamination by wood preservatives used in the past, which were allowed to contain heavy metals or organic chlorine compounds that are banned today, 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 concern for health 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 if the air exchange rate is too low are, for example, CO₂, formaldehyde or volatile organic compounds (VOC).

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 selection 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



SUSTAINABILITY TOPICS

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

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

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

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	2019 / 20	2020 / 21	2021 / 22
Share ⁽¹⁾ of complaint costs ⁽²⁾ to sales ⁽³⁾	0.28%	0.19%	0.16%

(1) Rate = Total complaint costs * 100 / actual turnover SD unconsolidated
 (2) Complaint costs for FY 2021 / 22 amount to EUR 8.0 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 2021 / 22 = EUR 5,122.0 million

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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
 - Our quality management
 - Control of pollutants in products**
 - Indoor air quality and product transparency
- 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Control of pollutants in products



Attitude

EGGER takes the responsibility to ensure its products are safe very seriously. That is why we carry out tests in the quality departments of the plants and have independent institutes check our products, the supply chain and the internal value chain for substances of concern.



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. 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 into food and thus into the body.

When testing for food safety, each product is examined individually for possible migrating substances. Migration is tested and, if necessary, the health impact of the measured substances are assessed. In addition to the material migrations, sensory effects are also evaluated. This means that the taste of the food must not be changed by contact with our products.

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.

If there are no legal requirements for the sites, we use the limit values of the German Waste Wood Ordinance as a guide and thus get a good picture of the product quality.

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).



SUSTAINABILITY TOPICS

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
 - Our quality management
 - Control of pollutants in products
 - Indoor air quality and product transparency
- 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Control of pollutants in products



Goal

The guiding principle here is to ensure a product that is harmless to health according to the current regulations.



Status

100% of our sites that use post-consumer recycled material conduct product quality assurance. 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 our products are harmless to health with the necessary care.



SUSTAINABILITY TOPICS

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
 - Our quality management
 - Control of pollutants in products
 - Indoor air quality and product transparency
- 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Indoor air quality and product transparency



Attitude

We communicate emission properties and ingredients transparently, check our customers' requirements individually and provide support when problems arise.

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, E1E05, 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	2019 / 20	2020 / 21	2021 / 22
Volume of all produced rawboards in million m ³ ⁽¹⁾	8.3	9.0	9.6
of which boards of formaldehyde emission class E1	54%	44%	40%
of which formaldehyde-reduced or formaldehyde-free glued boards ⁽²⁾	46%	56%	60%

⁽¹⁾ chipboard, MDF, OSB, DHF, thin chipboard and thin MDF boards
⁽²⁾ Sum of E1E05, CARB / TSCA and F****



SUSTAINABILITY TOPICS

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
 - Our quality management
 - Control of pollutants in products
 - Indoor air quality and product transparency
- 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Indoor air quality and product transparency



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 from financial year 2019 / 20 to 2020 / 21 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 laminated boards in all plants of the EGGER Decorative Products Division Centre from E1 to E1E05 since 1.1.2020.

Influenced by the theme of healthy living, interest in VOC emissions from products is increasing. 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 “Product Compliance Project” launched two years ago, which aims to ensure material and product compliance from raw material to product claim, is still being implemented.

Past measures

- Expansion of certified products according to TÜV PROFiCERT Interior

Future measures

- Further expansion of the central laboratory in Unterradlberg (AT)
- Establishment of a Group-wide process for material and product compliance

60% of produced rawboards fulfil more strict values than the formaldehyde class E1 stipulated in Europe



SUSTAINABILITY TOPICS

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

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

EGGER international

Best practice

Healthy Living: TÜV certification of our products

To guarantee the health safety of our products and to evaluate the effect of product emissions on the quality of indoor air, EGGER tests its products and has independent institutes carry out measurements. All of our products fall below the limits for the European formaldehyde class E1. Some meet more stringent requirements of national laws, for example in the USA, Germany or Japan. To make statements on the overall emission in addition to the individual substance evaluation of formaldehyde, we have started to have our products additionally tested for “Healthy living” suitability. An ever-increasing number of our products are now already certified according to the V1.3 award criteria set out by “TÜV PROFiCERT-product Interior”. This certificate guarantees independent auditing of our plants, testing of our products and comparison with legal and voluntary limits on product emissions. The tests are carried out according to so-called measuring chamber methods. In doing so, an attempt is made to simulate the use of a piece of furniture at home by reproducing holes and milling of a piece of furniture on the laminated board by means of partially open edges.

For EGGER customers, certification according to “TÜV PROFiCERT-product Interior” means that they are purchasing demonstrably “healthy living” products that have been tested for harmful substances. At the same time, they fulfil compliance with international emission requirements, such as those of the BREEAM or LEED building certification systems. This means that our products can be used in international projects that impose such requirements.



Each certificate consists of an **initial certification** that must be confirmed by annual audits.

By July 2022, **19 products** from eight EGGER plants had already been certified according to **TÜV PROFiCERT**.



SUSTAINABILITY TOPICS

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

- Durable products
- Recyclability

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

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 and less 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 sector are sometimes not replaced due to a loss of function, but rather due to changed aesthetic demands. One risk is thus the waste of resources due to an unnecessarily short useful life, imposed by trends.

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



SUSTAINABILITY TOPICS

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

Durable products

Recyclability

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

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 classes of use 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 warranty period of 5 years applies, provided the installation is carried out by a commercial floor installer. 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 performance 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 online. 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 classes of use, 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 (class of use 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.



SUSTAINABILITY TOPICS

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

Durable products

Recyclability

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

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 installers 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).

The recycling of MDF fibreboards is currently not yet achievable.



Goal

The guiding principle is to continuously improve our environmental protection performance for our activities, products and services. In addition, we want to further promote the recycling of MDF fibreboard.

69% of our products can be materially recycled after use



SUSTAINABILITY TOPICS

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
 - Durable products
 - Recyclability

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Recyclability



Recyclability of the EGGER product portfolio

Financial year	2019 / 20	2020 / 21	2021 / 22
EGGER standard products ⁽¹⁾	100%	100%	100%
of which recyclable ⁽²⁾	68%	67%	69%
of which not recyclable ⁽³⁾	32%	33%	31%

(1) Products for furniture and interior design, building products, flooring; including externally sold preliminary and intermediate products such as glue and paper; excluding flooring and wood 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 Comiline, prefabricated furniture components, OSB, worktops 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

More than 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.

Initial laboratory-scale tests have shown us that the recycling of MDF boards is possible, compared to the production of MDF from fresh resources, with even lower water and energy consumption.

Past measures

- Increase the number of products for which a recommendation for disposal is given in EPD or EHD
- Start of initial trials on a pilot plant for the defibration of post-consumer MDF with collection of resource consumption data in order to create a data basis for a life cycle assessment.

Future measures

- Continuation of the trials to analyse the technical properties of MDF boards with recycled content
- Validation of resource consumption (water and energy) in the recycling of MDF on a larger technical scale

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

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 on 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



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

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 programmes are the results of the

plants 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 make use of the respective established **international management standards** (see chapter “Certified locations”). 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.



SUSTAINABILITY TOPICS

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

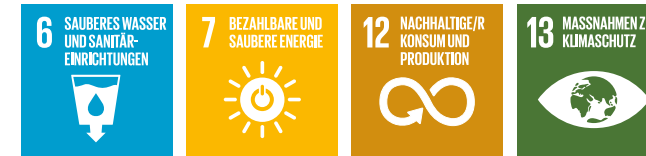
Responsible production

- 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Our environmental and energy management



The audit system and our status at certification

We check the system randomly 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

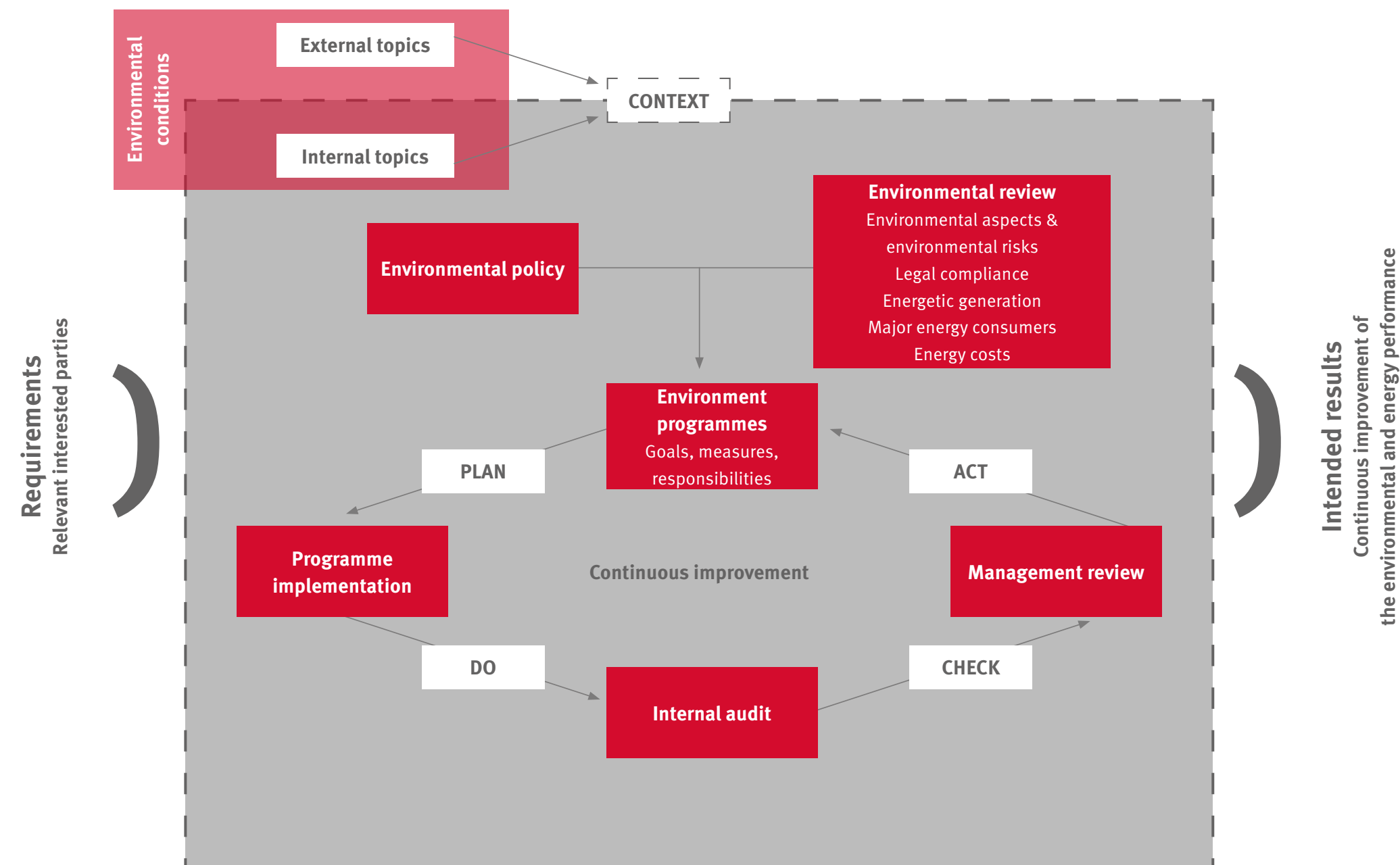
→ Additional information in the GRI Content Index

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



- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Our environmental and energy management



Share of sites with environmental and energy management system

Financial year	2019 / 20	2020 / 21	2021 / 22
EGGER production plants	20	20	20
of which covered by integrated management system ⁽¹⁾	20	20	20
of which covered by an externally certified environmental management system ⁽²⁾	15	15	16
of which sites with regular energy audits ⁽³⁾	14	14	14
of which covered by an externally certified energy management system ⁽⁴⁾	10	10	10

(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

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. In August 2021, the Biskupiec (PL) site was successfully certified. The Gebze (TR) site is currently being prepared for certification.

In the area of energy management systems, a management system according to ISO 50001 is currently being introduced at the Gebze (TR) site. The site will be certified by the end of 2022. In addition, we will continue to create and expand a Group-wide standard as the basis for an operational energy management system, even at sites without ISO 50001 certification.



SUSTAINABILITY TOPICS

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**
 - Resource efficiency
 - 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Material efficiency and waste prevention



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 rejects 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



SUSTAINABILITY TOPICS

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
 - Resource efficiency
 - 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Resource efficiency



SDG 8.4 describes the goal of improving resource efficiency in consumption and production step by step. With our ideas for optimised raw material use, we are making a contribution to achieving this goal.

For the use of secondary raw materials see

→ Recycling mix in the wood used

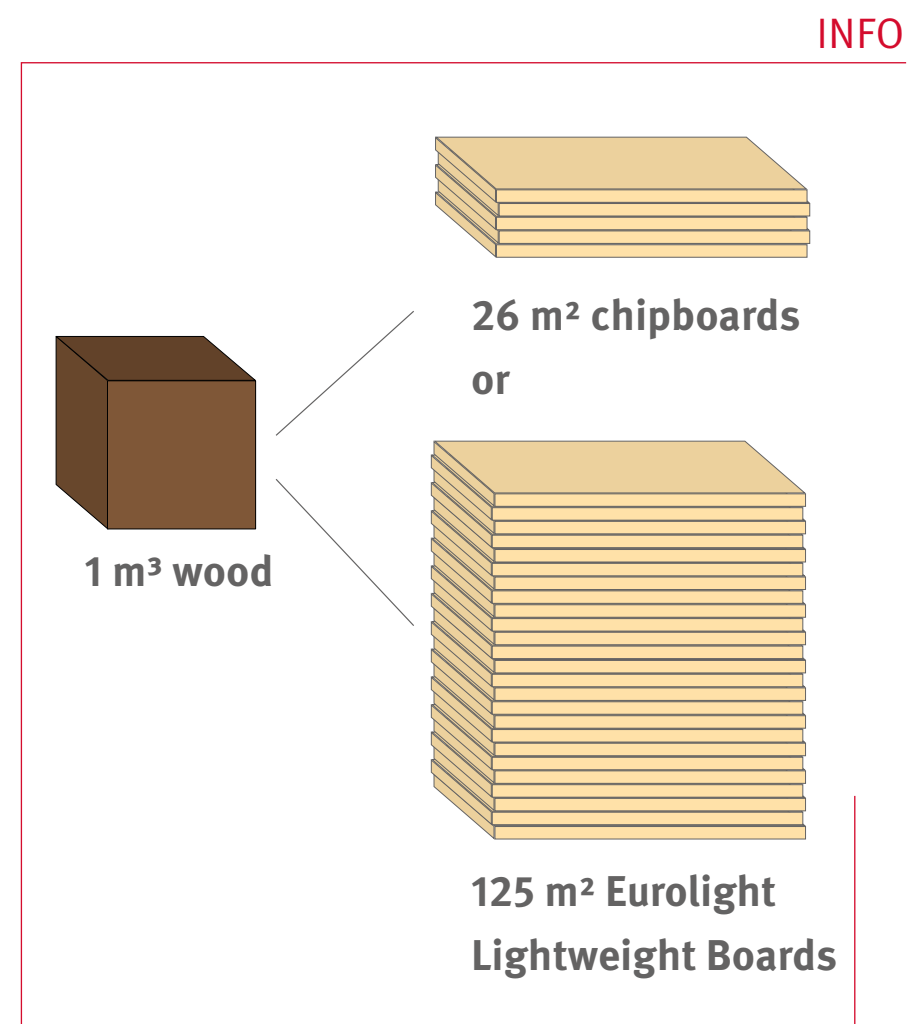
We use the wood dust generated in production as a source of energy for the site's own power plants, see

→ 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.

INFO

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

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
 - Resource efficiency
 - 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Waste prevention



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) (5)}	2019 ⁽⁴⁾	2020 ⁽⁴⁾	2021
Waste total in kg/m ³ ⁽¹⁾	26.82	26.42	22.02	19.63
of which non-hazardous in kg/m ³ ⁽²⁾	26.07	25.75	21.21	18.39
Residual waste in kg/m ³ ⁽³⁾	0.44	0.45	0.41	0.40
of which hazardous in kg/m ³ ⁽²⁾	0.74	0.67	0.81	1.24

(1) Total waste generation (kg of waste disposed of externally) in relation to the production volume of primary products (rawboards, impregnates and timber 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 2021, a more detailed data collection was also carried out retrospectively for the historical data.

(5) The value of the base year 2018 remains in the table.

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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
 - Resource efficiency
 - 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Waste prevention



Waste by disposal method

Calendar year ⁽¹⁾	2019 ⁽²⁾		2020 ⁽²⁾		2021	
	hazardous	non-hazardous	hazardous	non-hazardous	hazardous	non-hazardous
Preparation for reuse	0.0	0.0	0.0	0.0	0.1	0.0
Recycling	0.0	8.0	0.0	8.3	0.1	7.4
Other recovery operations	0.1	4.6	0.0	4.3	0.0	4.0
Incineration (with energy recovery)	0.1	5.7	0.1	3.0	0.1	0.8
Incineration (without energy recovery)	0.1	0.1	0.1	0.1	0.1	0.1
Landfilling	0.3	6.6	0.5	5.0	0.7	4.2
Other disposal methods	0.0	0.6	0.0	0.4	0.0	0.4
Not assignable	0.0	0.0	0.0	0.1	0.1	1.5
Total	0.7	25.8	0.8	21.2	1.2	18.4

(1) Total waste generation (waste disposed of externally) in relation to the production volume (kg/m³) of primary products (rawboards, impregnates and timber manufactured at 16 (until 2019) or 17 (from 2020)) Group sites)
 (2) Deviation from the value reported in the previous year. For 2021, a more detailed data collection was also carried out retrospectively for the historical data.



Status

The amount of non-hazardous waste has decreased compared to 2020 (-13.3%), while the amount of hazardous waste has increased (+53.1%). This is due to a reclassification of individual waste streams from non-hazardous to hazardous waste. The reclassification, especially of ash from our biomass power plants, has also resulted in an increase in the quantities sent to landfill.

The development of residual waste has been positive in recent years. The amount of municipal waste has again slightly decreased compared to the previous year. This is due to comprehensive awareness-raising measures to increase the separation rate at the plants.

In relation to our strategic goal of reducing specific residual waste volumes by 10% by 2025, we have

Past measures

- Raising awareness of waste separation at the sites
- Analysis of textile waste generated for cleaning purposes at the Rădăuți (RO) site.

Future measures

- Continuation of awareness-raising measures for waste separation at the plants (ongoing)
- Changeover of cleaning cloths to a more durable model to reduce textile waste at the Rădăuți site (RO) following the successful example at the Biskupiec site (PL).
- Commissioning of a sludge press at the Rion des Landes (FR) site was postponed to 2022
- Installation of two sink-float basins for better waste separation of recycled wood at the Unterradlberg site (AT)

achieved a reduction of -9.1% in 2021 compared to the base year 2018.

There were slight changes in the quantities of the individual disposal methods, however, as in the previous year, the majority of our waste is reprocessed for recycling or recycled directly (approx. 60%).



SUSTAINABILITY TOPICS

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
 - Resource efficiency
 - 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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Gebze, Turkey

Best practice

Effective waste saving: Reuse of waste PVC & ABS powders

A wide range of different PVC and ABS edging is produced at the EGGER plant in Gebze (TR). Several test runs are necessary before the right colour tone is achieved. These produce waste that is not allowed for trading and previously had to be disposed of. In order to save on this, we first identified the sources of waste and investigated possible minimisation. However, it is unavoidable that a certain amount of production waste is generated. For this material, we examined the extent to which reuse or recycling instead of disposal is feasible.

One of the results was that the waste produced during edging production can be reused by adding it directly to the raw material. Today, we collect, separate, screen and categorise our edging production waste at the Gebze (TR) site and produce powder from it. The powder is assigned to one of six possible colour groups by a dedicated colour detector, which is then used again as required in production.



Approximately **200 tonnes of ABS powder** have been recycled since September 2021 (as of May 2022).

The processed powder can be stored in the sorting area for **a longer period of time** and is used again in production as soon as there is a demand.

Between January 2022 and April 2022, this measure had already resulted in **over 60 tonnes of PVC powder** being reused.

After the successful test run with ABS edging (project began in September 2021), we extended the measure **to include our PVC edging** in January 2022.

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

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**
 - Use of renewable energy
 - Energy efficiency
 - Climate protection / CO₂ emissions
 - Environmentally friendly logistics
- Plant emissions (pollutants, noise and odour)
- Water cycle and rainwater utilisation

Corporate social responsibility

- 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

Climate protection, energy efficiency, renewable energies in production

Manufacturing companies, as major energy consumers, have a special responsibility for combating climate change. 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 is very transport-centric. EGGER ships 8.7 million tons of raw materials and finished products every year, which corresponds to approximately 435,000 full lorry loads for a 20-tonne lorry. 88% 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 consum-

er, 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 objectives is to achieve the highest possible utilisation of the means of transport. A potential risk in transport logistics is the congestion of the rail network in Germany. Transports that are usually carried out by rail have to be handled by lorries.

Thanks to our good industrial base, we also contribute to climate protection in our internal logistics by optimising the flow of items throughout the plant and minimising forklift truck usage in turn reducing 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



SUSTAINABILITY TOPICS

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

Use of renewable energy

Energy efficiency

Climate protection / CO₂ emissions

Environmentally friendly logistics

Plant emissions (pollutants, noise and odour)

Water cycle and rainwater utilisation

Corporate social responsibility

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

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. For us, electricity generation by means of photovoltaic systems is a source of renewable energy production.

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. Biomass heating plants generate heat that is needed to heat thermal oil for presses and to generate hot gas for dryers. This in turn saves us the fossil fuel natural gas.



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 plant / 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)	✓	–	–	–



SUSTAINABILITY TOPICS

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

Use of renewable energy

Energy efficiency

Climate protection / CO₂ emissions

Environmentally friendly logistics

Plant emissions (pollutants, noise and odour)

Water cycle and rainwater utilisation

Corporate social responsibility

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

Use of renewable energy



Total energy consumption

Calendar year	2019	2020	2021
Total energy consumption in GWh ^{(1) (2)}	8,484	8,567	9,580

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

(2) Updated calculation for the period 2019–2020 due to improved evaluations and standardised procedures.

Fuel consumption

Calendar year	2019	2020	2021
Total fuel consumption in GWh ^{(1) (4)}	7,350	7,400	8,317
of which from fossil sources total in GWh ⁽²⁾	1,430	1,518	2,094
of which again natural gas in GWh	1,286	1,384	1,949
of which again heating oil and diesel in GWh	108	100	110
of which again liquefied petroleum gas in GWh	35	34	35
of which from renewable sources total in GWh (share) ^{(3) (4)}	5,920 (81%)	5,882 (79%)	6,223 (75%)

(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 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 2019–2020 due to improved evaluations and standardised procedures.

Purchased and sold energy

Calendar year	2019	2020	2021
Purchased energy total in GWh ⁽¹⁾	1,516	1,564	1,679
of which electricity in GWh ⁽²⁾	1,516	1,564	1,679
Sold energy total in GWh ⁽¹⁾⁽¹⁾	381	397	416
of which electricity in GWh	245	266	266
of which heat in GWh	136	131	150

(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 2019. The balance was adjusted.

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

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

Use of renewable energy

Energy efficiency

Climate protection / CO₂ emissions

Environmentally friendly logistics

Plant emissions (pollutants, noise and odour)

Water cycle and rainwater utilisation

Corporate social responsibility

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

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 4 percentage points. The decrease is due on the one hand to very high system utilisation at all sites and on the other hand to the ongoing commissioning of the Lexington, NC (US) site and the full utilisation of the Biskupiec (PL) site, which started operation in mid-

2019. Absolute fuel use from biomass has increased significantly, but natural gas consumption has developed disproportionately to biomass use over the same period. In the medium term, both in Lexington, NC (US) and in Biskupiec (PL), the use of biomass to supply heat to the site will take a central position. In addition, significant projects to increase the share of renewable energies will be implemented at our Austrian sites in St. Johann in Tirol (AT) and Unterradl-

berg (AT). At the Gifhorn (DE) site, the first larger-scale photovoltaic system (>300 kWp) will be installed on a newly constructed hall.

Past 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)

Future measures

- Optimising energy production and increasing the use of renewable energies at the Unterradlberg (AT) site
- Increasing the share of renewable energy in the company's own production and for feeding into the local district heating network at the St. Johann in Tirol (AT) site.
- Potential analysis for heat recovery of the glue and impregnating resin system at the Wismar site (DE)

75% of our fuels are renewable



SUSTAINABILITY TOPICS

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
 - Use of renewable energy
 - Energy efficiency**
 - Climate protection / CO₂ emissions
 - Environmentally friendly logistics
- Plant emissions (pollutants, noise and odour)
- Water cycle and rainwater utilisation

Corporate social responsibility

- 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

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 objectives 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) (5)}	2019 ⁽⁴⁾	2020	2021
Energy consumption / production volume total in kWh / m ³ ^{(1) (2)}	935	931	926	903
of which from renewable sources ^{(1) (2) (3)}	70%	70%	69%	65%

(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.

(5) The value of the base year 2018 remains in the table.



Goal

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

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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

- Plant emissions (pollutants, noise and odour)
- Water cycle and rainwater utilisation

Corporate social responsibility

- 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

Energy efficiency



Status

Specific energy consumption has decreased by –2.5% compared to the previous year, which means an increase in energy efficiency. Since 2018, the base year for our strategic sustainability goal, energy consumption has been reduced (–3.4%). 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. In the future, it will also be possible to reduce the heat requirement in wood drying with the consistent increase in the proportion of recycled wood use. An increased recycling content will also have a positive influence on the natural gas demand of the sites concerned.

In addition to the consistent modernisation of our production facilities 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-intensive processes. The successful implementation of various small and medium-sized saving projects also contributes to the positive development of the energy intensity of our products. Due to the current high energy prices, energy saving projects are increasingly coming into focus.

Past measures

- Implementation of the management dashboard at other Group 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.

Future measures

- Optimisation and application of the energy and environmental management dashboard at all sites
- Renewal and optimisation of energy generation and conversion at the Gifhorn site (DE)
- Implementation of the ISO 50001 energy management system at the Gebze site (TR)
- Optimisation of energy and heat demand for impregnation and wood preparation at the Rion des Landes site (FR)
- Renewal and optimisation of chip drying at the Brilon site (DE)
- Increase in the proportion of recycled wood at the Lexington, NC (US), Hexham (UK) and Bevern (DE) sites in order to further reduce the heat requirement for wood drying

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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
 - Use of renewable energy
 - Energy efficiency
 - Climate protection / CO₂ emissions
 - Environmentally friendly logistics
- Plant emissions (pollutants, noise and odour)
- Water cycle and rainwater utilisation

Corporate social responsibility

- 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

Climate protection / CO₂ emissions



Attitude

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

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.



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.



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 goal set for the reduction of fossil CO₂ emissions. See

→ Use of renewable energies

→ Energy efficiency

Only 16% of our direct
CO₂-emissions are fossil



SUSTAINABILITY TOPICS

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

Use of renewable energy

Energy efficiency

Climate protection / CO₂ emissions

Environmentally friendly logistics

Plant emissions (pollutants, noise and odour)

Water cycle and rainwater utilisation

Corporate social responsibility

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

Climate protection / CO₂ emissions



CO₂ emissions per m³ of rawboard

Calendar year	2018 ⁽⁶⁾	2019	2020	2021
Specific fossil share in tCO ₂ / m ³ ^{(1) (2) (3) (5)}	0.034	0.033	0.035	0.041
Specific biogenic share in tCO ₂ / m ³ ^{(1) (2) (4) (5)}	0.222	0.232	0.219	0.210

(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.
 (6) The value of the base year 2018 remains in the table.

CO₂ emissions

Calendar year	2018 ⁽⁶⁾	2019	2020	2021
Fossil CO ₂ emission in tCO ₂ (Scope 1) ^{(1) (2) (5)}	304,240	297,836	319,354	430,277
Indirect CO ₂ emission from external electricity generation in tCO ₂ (Scope 2) ⁽³⁾	573,621	545,190	555,566	598,697
Biogenic CO ₂ emission in tCO ₂ (Scope 1) ^{(2) (4) (5)}	1,964,575	2,119,068	2,021,635	2,225,057

(1) CO₂ emission of the combustion plants of all EGGER locations 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 locations 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.
 (6) The value of the base year 2018 remains in the table.



SUSTAINABILITY TOPICS

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
 - Use of renewable energy
 - Energy efficiency
 - Climate protection / CO₂ emissions
 - Environmentally friendly logistics
- Plant emissions (pollutants, noise and odour)
- Water cycle and rainwater utilisation

Corporate social responsibility

- 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

Climate protection / CO₂ emissions



Past measures

- Modelling of Scope 3 emissions based on real data and creation of the Corporate Carbon Footprint
- Further electrification of the motor vehicle fleet

Future measures

- Development of a climate protection strategy
- Obtain supplier-specific information for purchased glue, resin and melamine to improve data quality
- Assessment of the Corporate Carbon Footprint (Scope 1+2+3) as part of the sustainability strategy
- Optimising energy production and increasing the use of renewable energies at the Unterradlberg (AT) site
- Further electrification of the EGGER motor vehicle fleet in the area of cars and forklifts
- Potential analysis of fuel switch to biomass for the most important fossil energy consumers of the EGGER Group.



The specific fossil CO₂ emissions of our primary products have increased by +17.1% compared to the previous year and are thus significantly above the baseline of 2018 (+20.6%). The significant increase in our specific fossil CO₂ emissions is due to the continued high utilisation of our production sites. Biomass forms the basis of the local heat supply at many EGGER Group sites. However, the heat supply on the basis of biomass is not always all-encompassing, so that the proportion of heat supply on the basis of fossil fuels increases in the case of permanent, very high capacity utilisation. In addition, at some locations natural gas as a fuel generally accounts for a high proportion of the heat supply. At newer locations in particular, the heat supply based on biomass continues to intensify in conjunction

with an increase in the proportion of recycled materials. In addition, the electrification of our motor vehicle fleet gradually continues in order to make a significant contribution to CO₂ reduction.

With the current development of market prices for natural gas and CO₂ certificates, the focus is on an increased, more efficient use of biomass for heat and power generation. To this end, a potential analysis of the most important energy generation plants is being implemented as a first step.

With the quantification of Scope 3 emissions and thus a complete picture of our Corporate Carbon Footprint, we can now make a comprehensive statement on our CO₂

emissions. We have been calculating the CO₂ emissions from Scope 1 and Scope 2 since 2017. The modelling shows that fossil emissions from Scope 3 account for the highest share of total fossil emissions (Scope 1+2+3) at around 70%. Fossil emissions from Scope 2 (external provision of electricity) amount to about 20%. Direct emissions at our plants (Scope 1) represent about 10% of our total fossil emissions.



SUSTAINABILITY TOPICS

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
 - Use of renewable energy
 - Energy efficiency
 - Climate protection / CO₂ emissions
 - Environmentally friendly logistics
- Plant emissions (pollutants, noise and odour)
- Water cycle and rainwater utilisation

Corporate social responsibility

- 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

Climate protection / CO₂ emissions



Scope 3 carbon footprint

In the past financial year, we calculated our upstream and downstream carbon footprint for the first time in cooperation with a specialised external service provider. The calculation was carried out in accordance with the GHG Protocol, ISO 14040/44 and the UNEP-SETAC Guidance on O-LCA EF 3.0 characterisation model (corresponds to EN 15804+A2 without biogenic carbon).

The database was composed of:

- raw materials (wood-based and non-wood-based).
- packaging
- raw material transport
- energy consumption
- business travel
- employee commuting
- capital goods
- downstream transport

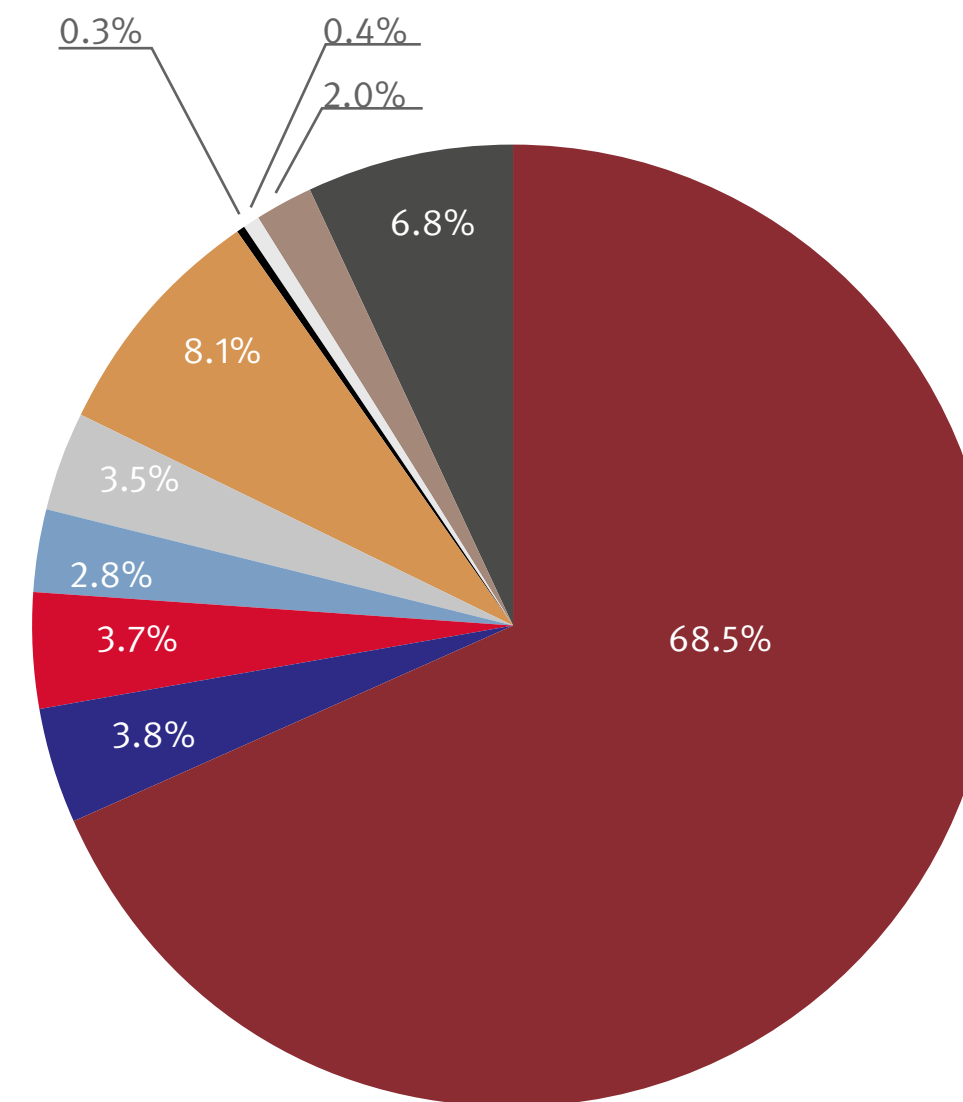
The consultancy was in constant contact with the corporate sustainability department to gather data. This made it possible to identify the most significant drivers.

Approximately 75% of Scope 3 emissions are due to indirect greenhouse gas emissions from the upstream supply chain of wood- and non-wood-based (= chemical) raw materials. Non-wood-based raw materials account for a share of about 70%. UF glue (urea formaldehyde), melamine, MF glue (melamine formaldehyde) and urea are decisive here. Downstream transport

accounts for approximately 8% of the Scope 3 carbon footprint. Based on the screening, emissions from business travel and employee commuting contribute less than 1%.

The figure on the right shows the hotspots of the Scope 3 carbon footprint (graphic adapted from Daxner & Merl, Corporate Carbon Footprint Scope 3 Emissions of the EGGER Group, Project Report, 2022).

The findings from the Corporate Carbon Footprint are of central importance for our future climate protection and sustainability strategy. The next step is to further improve the data quality. In addition, we will get in touch with our suppliers to work on joint approaches to solutions.



Hotspot analysis of the EGGER Scope 3 carbon footprint

- Non-wood-based raw materials (68.5%)
- Downstream transport (8.1%)
- Wood-based raw materials (6.8%)
- Packaging (3.8%)
- Energy consumption (3.7%)
- Raw material transport (3.5%)
- Waste (2.8%)
- Capital goods (2%)
- Business travel (0.4%)
- Employee commuting (0.3%)

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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

Plant emissions (pollutants, noise and odour)

Water cycle and rainwater utilisation

Corporate social responsibility

- 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

Climate protection / CO₂ emissions



Scope 3 CO₂ emissions per m³ rawboard

Calendar year	2020
Specific fossil share in tCO ₂ / m ³ ⁽¹⁾	0.242
Specific biogenic share in tCO ₂ / m ³ ⁽¹⁾	0.001

⁽¹⁾ The company's Scope 3 footprint includes the potential environmental impact resulting from the following activities: Indirect GHG emissions in the upstream supply chain of purchased energy, indirect GHG emissions from the production of purchased intermediate products and their transportation, auxiliary materials and packaging materials, screening of indirect GHG emissions from capital goods, screening of potential emissions from waste treatment, screening of emissions from the transportation of products abroad, business travel and employee commuting.

Scope 3 CO₂ emissions

Calendar year	2020
Fossil CO ₂ emissions in tCO ₂ eq. ⁽¹⁾	2,241,353
Biogenic CO ₂ emission in tCO ₂ eq. ⁽¹⁾	10,177

⁽¹⁾ The company's Scope 3 footprint includes the potential environmental impact resulting from the following activities: Indirect GHG emissions in the upstream supply chain of purchased energy, indirect GHG emissions from the production of purchased intermediate products and their transportation, auxiliary materials and packaging materials, screening of indirect GHG emissions from capital goods, screening of potential emissions from waste treatment, screening of emissions from the transportation of products abroad, business travel and employee commuting.



SUSTAINABILITY TOPICS

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
 - Use of renewable energy
 - Energy efficiency
 - Climate protection / CO₂ emissions
 - Environmentally friendly logistics
- Plant emissions (pollutants, noise and odour)
- Water cycle and rainwater utilisation

Corporate social responsibility

- 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

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. An 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)	–
Mariemünster (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: Where logistically and economically possible, rail and sea freight should be used, especially for interplant transport and long distances. If only lorry transport is possible, the best utilisation must be achieved. The rail connection for the construction of new plants must be examined. An internal logistics, the switch from gas and diesel forklifts to electric forklifts should be made on an ongoing basis. Electric forklifts should generally be used at new locations.

We currently have no quantitative goals for rail use, as availability is very market-dependent. In Lexington, NC (US), we have switched many shipments from lorry to rail this financial year. We have set annual goals for lorry weight utilisation until 2025.

Type of transport

Financial year	2019 / 20 ⁽⁵⁾	2020 / 21	2021 / 22
Transports in million tonnes ^{(1) (2)}	7.4	8.1	8.7
of which by lorry	88.8%	89.1%	87.5%
of which by rail	2.1%	2.4%	3.6%
of which by container ⁽³⁾	8.4%	7.6%	8.1%
of which by plane	0.0%	0.0%	0.0%
of which by ship ⁽⁴⁾	0.7%	0.9%	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

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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

- Plant emissions (pollutants, noise and odour)
- Water cycle and rainwater utilisation

Corporate social responsibility

- 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

Environmentally friendly logistics

Lorry capacity utilisation

Financial year	2019 / 20	2020 / 21	2021 / 22
Load factor by weight ⁽¹⁾	87.2%	87.4%	89.0%

⁽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	2019	2020	2021
Number of forklifts in the EGGER Group ⁽¹⁾	651	650	687
of which electrically driven (share)	171 (26%)	166 (25.5%)	194 (28%)
Number of cars in the EGGER Group ⁽¹⁾	767	837	883
of which electrically driven (share)	44 (6%) ⁽²⁾	63 (9.6%) ⁽²⁾	92 (10%) ⁽²⁾

⁽¹⁾ Status as of the last day of the calendar year in own motor vehicle fleet
⁽²⁾ Incl. five plug-in hybrid vehicles in 2019, nine in 2020 and three in 2021



Status

We continuously optimise internal logistics and test the latest technologies.

The number of forklifts increased compared to last year as data availability from the plants is steadily improving.

In addition, rental or loaner lorries were included, and loading capacities were expanded. The share of electric forklifts has increased. When purchasing new

forklifts or replacing forklifts with combustion engines, only electric forklifts are to be purchased if possible.

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. A positive example of transport by rail is Lexington, NC (US). In the past financial year, about 30% of the goods there were transported by rail. One reason for this is the better transport conditions

(possibility of transporting larger quantities, cheaper than by lorry). The use of rail is also being increased in inter-plant transport from Biskupiec (PL) and Unterradlberg (AT). For example, a block train (approx. 2,000 m³) runs every fortnight instead of 65 lorries. This quantity will be increased by autumn and extended to include deliveries from Rădăuți (RO).



SUSTAINABILITY TOPICS

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
 - Use of renewable energy
 - Energy efficiency
 - Climate protection / CO₂ emissions
 - Environmentally friendly logistics
- Plant emissions (pollutants, noise and odour)
- Water cycle and rainwater utilisation

Corporate social responsibility

- 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

Environmentally friendly logistics

Past measures

Transport logistics:

- Reporting to increase lorry utilisation for return loads has been used for one year.
- Objectives for lorry utilisation have been formulated and adjusted annually, thereby achieving ongoing improvements in lorry utilisation
- Cross-divisional analysis and measures to further optimise lorry utilisation in Brilon (DE)
- Commissioning of a modern tractor unit for trailer manipulation in Brilon (DE)
- Introduction of yard management at the Wismar plant (DE)
- Approval for the construction of the internal railway line to the log yard in Biskupiec (PL)
- Expansion of rail capacities between Biskupiec (PL) and Unterradlberg (AT)

Intralogistics:

- Construction or expansion of the automated warehouse at the Brilon (DE) site
- Introduction of an additional driverless forklift system at the Gifhorn site (DE)
- Container process handling optimised for better analyses
- Commissioning of the laser cutting system for less waste in production in St. Johann in Tirol (AT)
- Pilot of a forklift simulator for staff training for efficient warehouse operations in Rambervillers (FR)

Mobility:

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

Future measures

Transport logistics:

- Intensification of the cooperation with our forwarders and hauliers on the topic of alternative lorry drives
- Increase of the rail share in inter-plant traffic
- Continuous optimisation of the waiting times of the lorries
- Launch of a pilot project for hydrogen-powered lorries and yard management rollout in St. Johann in Tirol (AT)
- Expansion of a new warehouse and thus reduction of external warehouses in Gebze (TR)
- Optimisation of the operational handling of container processes for even more accurate analysis
- Optimisation of container transport from the Concordia (AR) site to the port
- Expansion of rail capacities between Biskupiec (PL) and Rădăuți (RO) - two block trains already in spring 2022
- Securing transport capacities between Brilon (DE) and Unterradlberg (AT) by using the railway - From spring 2023 for the project period of the short-cycle press conversion in Brilon (DE)

Intralogistics:

- Ongoing replacement of all light forklifts (<8t) by electric forklifts
- Procurement of electric forklifts in all new plants
- Relocation of the order picking warehouse and shortened transport routes in St. Johann in Tirol (AT)
- Optimisation of warehouse space utilisation through narrow-aisle racking system and forklift in Gebze (TR)



SUSTAINABILITY TOPICS

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

- Plant emissions (pollutants, noise and odour)
- Water cycle and rainwater utilisation

Corporate social responsibility

- 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

EGGER international

Best practice

Systematic filling: Optimised utilisation of our lorry transports

Due to the geographical location of the EGGER plants and the strong networking of the sites with each other, the company is dependent on inter-plant transport by lorry despite the rail connection. In order to make the journeys as efficient and sustainable as possible, we continuously improve the loading of the lorries. This is done by compiling the product structure per lorry transport, with the aim of optimising the respective loading. With transparent planning processes in the background, we can also completely exclude empty runs at some locations. For example, when a lorry arrives at plant, the load for that vehicle has already been planned for the onward journey. This planning reduces unnecessary idle times for the haulage companies and their drivers.

Pioneers for several years are the plants Rion des Landes (FR) and Rambevillers (FR), Unterradlberg (AT) and St. Johann in Tirol (AT) as well as Brilon (DE). Since 2020, the concept has been rolled out to the other larger EGGER locations in Europe. In doing so, the respective local conditions, for example the tare weight of the lorry trailers and the specific product portfolio at the site, are taken into account. According to these conditions, we have defined target values for each plant until the end of 2025.



Target values **by 2025 for an average lorry loading weight** were defined for all participating plants.

The front-runner among the European plants is **Unterradlberg (AT)**. Here, an average of over 23 tonnes is loaded on an ongoing basis.

17 of the 20 EGGER locations are already participating in the project and are continuously working on optimising their lorry loading.

In March 2022, all EGGER plants participating in the project were able to demonstrate an **average lorry loading of at least 20 tonnes**.



SUSTAINABILITY TOPICS

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)

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

Water cycle and rainwater utilisation

Corporate social responsibility

- 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

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 NO_x, 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 an 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



SUSTAINABILITY TOPICS

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)
 - Emissions from combustion and drying processes
 - Noise and odour emissions
- Water cycle and rainwater utilisation

Corporate social responsibility

- 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

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 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. Nine EGGER production sites fall within the scope of the law and prepare a NO_x balance sheet.

NO_x

NO_x 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	2019 ⁽²⁾	2020 ⁽²⁾	2021
NO _x emissions in kg / m ³ ⁽¹⁾	0.33	0.32	0.32

⁽¹⁾ kg of emitted NO_x from the nine PRTR-obligated sites (St. Johann in Tirol, Unterradlberg, Brilon, Wismar, Hexham, Rădăuți, Rambervillers, Rion des Landes, since 2021 also Biskupiec) in relation to the production volume of primary products (raw boards, impregnates and sawn timber).

⁽²⁾ Deviation from the value reported in the previous year. For 2021, a more detailed data collection was also carried out retrospectively for the historical data



Status

The NO_x emissions of the sites subject to PRTR are, as in the previous year, at a constant level. They are below the respective local NO_x limits. 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 EPOC control of the OSB dryers at the Wismar site (DE)
- Optimisation of the flue gas cleaning system of boiler 2 at the Unterradlberg site (AT)
- Implementation of an EPOC optimisation project of the second boiler at the Brilon site (DE)

Future measures

- Optimisation of the flue gas cleaning system of boiler 1 at the Unterradlberg site (AT)
- Analysis of the fire situation by means of the camera of boiler 1 at the Wismar site (DE) for further optimisation of CO emissions
- Conversion of the two thermal oil boilers at the Unterradlberg (AT) site from natural gas to steam from the biomass power plant to reduce direct CO₂ emissions
- Conversion of the short-cycle press boiler at the Rion des Landes (FR) site to a more efficient boiler to reduce emissions

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

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)
 - Emissions from combustion and drying processes
 - Noise and odour emissions
- Water cycle and rainwater utilisation

Corporate social responsibility

- 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

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 as separate environmental aspects at sites with ISO 14001 certification for each process where necessary. 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. In the past financial year, there was only one neighbour notification on the topic of noise, and none on the topic of odour.

Past measures

- Optimisation of plant layouts for noise protection during the construction of new plants (ongoing)

Future measures

- Survey and analysis of noise emissions at the Gagarin site (RU)
- Studies to limit noise pollution for direct neighbours at the Rion des Landes site (FR)



SUSTAINABILITY TOPICS

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**
 - Water consumption and rainwater utilisation
 - Clean wastewater

Corporate social responsibility

- 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

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



SUSTAINABILITY TOPICS

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
 - Water consumption and rainwater utilisation
 - Clean wastewater

Corporate social responsibility

- 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

Water consumption and rainwater utilisation



Attitude

We are focussing 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.

In order to better understand the environmental impact of our water use, we have tried to identify plants located in areas affected by water stress. This was assessed using the WRI Aqueduct Water Risk Atlas.

The analysis showed that the EGGER plant in Gebze (TR) is the most affected by water stress of all the sites. Based on this analysis, Gebze (TR) was the only site with an index > 3 and was thus classified as “high” (affected by water stress). A detailed water balance was prepared for the Gebze (TR) site (see next page). An environmental management system according to ISO 14001 is currently being introduced at this site.



Goal

We have already achieved the goal of identifying plants in areas affected by water stress by 2023 and increasing the level of detail in our water assessments this year. We continue to pursue the guiding principle of reducing water consumption and exploiting saving potentials.

At the Gebze (TR) plant, which is particularly affected by water stress (according to the WRI Aqueduct Water Risk Atlas), an environmental management system in accordance with ISO 14001 is to be certified in summer 2022. This is to ensure continuous monitoring of water key figures at the site.



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).

The total water withdrawal volume has increased compared to the previous year. This is due to the fact that the Lexington, NC (US) site is in full production for the first time this year and therefore the data was included in the statistics. In terms of the amount of primary products produced, the quantity of groundwater extracted has decreased significantly compared to 2019. Surface water and water from third parties decreased slightly in the same period. Against this background, the development of the amount of water withdrawn should be interpreted positively.



SUSTAINABILITY TOPICS

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
 - Water consumption and rainwater utilisation
 - Clean wastewater

Corporate social responsibility

- 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

Water consumption and rainwater utilisation



Water consumption

Calendar year	2019	2020	2021
Total water withdrawal in m ³ ⁽¹⁾	4,727,228	4,769,592	5,048,422
of which surface water	613,207	610,224	719,351
of which groundwater	3,148,691	3,193,057	3,209,201
of which water from third parties	965,330	966,311	1,119,871

(1) Total amount of water withdrawn from 16 (until 2019) or 17 primary production sites of the Group (from 2020)

Water balance of Gebze (TR) - site with high water stress

Calendar year	2019 ⁽²⁾	2020	2021
Total water withdrawal in m ³ ⁽¹⁾	–	57,435	45,957
of which surface water	–	–	–
of which groundwater	–	–	–
of which water from third parties	–	57,435	45,957

(1) Total amount of water abstracted at sites in areas of high water stress, according to WRI Aqueduct Water Risk Atlas (Gebze (TR)).

(2) No records are available at the site for 2019 on the amount of water withdrawn.

Past measures

- Identifying sites affected by water stress
- Increasing the level of detail in our water balances
- Regular external cleaning of the pump room of the rainwater retention basin at the Rădăuți (RO) site.
- Expansion of the rainwater retention basin to save city water at the Wismar site (DE)

Future measures

- Raising awareness among employees on the topic of water consumption (ongoing)
- Test series to reduce water consumption during cleaning activities at the Rion des Landes (FR) site
- Introduction of an environmental management system according to ISO 14001 at the Gebze site (TR)



SUSTAINABILITY TOPICS

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
 - Water consumption and rainwater utilisation
 - Clean wastewater

Corporate social responsibility

- 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

Clean wastewater



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, ultrafiltration, 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 pro-

cesses:

- Sealing of the storage yards for wood and collection and treatment of the logyard 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

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



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

- No further measures are currently planned

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Corporate Social Responsibility



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 dimension of sustainability. The other dimension is socio-economic such as cultural, societal and economical for which every company bares responsibility.

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 education 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

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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

- Our management system for occupational health and safety
- Healthy workplaces / health protection
- Work safety / accident rates
- Health promotion

Equal opportunities and diversity

Further training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Occupational health and safety

EGGER is aware of its responsibility as an 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 continue to do 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 shift work and stress, COVID-19 is a factor that can have a negative impact on health.

Opportunities arise from awareness-raising measures for occupational health and 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, COVID-19 tests and vaccinations 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 occupational health and safety

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



SUSTAINABILITY TOPICS

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

- Our management system for occupational health and safety
- Healthy workplaces / health protection
- Work safety / accident rates
- Health promotion

Equal opportunities and diversity

Further training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

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 health and 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 health and 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 man-

agement systems.

The EGGER Safety Board, which is convened every six months, serves as a central body for top management responsibility. This committee is made up of representatives of the Group Management, the Heads of the Technology and Supply Chain Divisions, the Management of the Competence Centre and of the Competence Centre Safety as well as representatives of HR and Quality Management. 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

All production sites have a management system for occupational health and safety. The number of ISO 45001-certified sites remains at four. In addition, the resin plants “Campact” in Hexham (UK) and “Technologia” in Rădăuți (RO) were certified according to ISO 45001. We will continue to have more locations certified in future.

Share of sites with management system

Financial year	2019 / 20	2020 / 21	2021 / 22
EGGER production plants	20	20	20
of which covered by the EGGER management system for occupational health and safety (share) ⁽¹⁾	20 (100%)	20 (100%)	20 (100%)
of which covered by an externally certified management system ⁽²⁾ (share) ⁽¹⁾	3	4 (19%)	4 (19%)

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

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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

- Our management system for occupational health and safety
- Healthy workplaces / health protection
- Work safety / accident rates
- Health promotion

Equal opportunities and diversity

Further training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

EGGER internationally

Best practice

**High-tech support:
Drones at the log yard**

Using modern technology and special software, inventory taking at the log yards of EGGER's Hexham (UK) and Barony (UK), Lexington, NC (US) and Wismar (DE) plants is now carried out with the help of drones. This change benefits the safety and health of the employees: Thanks to the drones, no one has to enter the log yard to take inventory anymore. The risk of accidents has thus been significantly reduced, as the people concerned no longer need to be near the moving vehicles in the log yards. Following a successful trial in Hexham (UK) in 2019 with an external company, it was decided to purchase our own drones for the Hexham and Barony (UK) plants and complete the necessary training and testing for our small team of "remote pilots".

The in-house drone flights were launched in the UK in early 2020 with great success. The first flights in Wismar (DE) and Lexington, NC (US) took place in January 2022. The drones can be programmed with customised flight routes and take photos of the log, sawdust, hackchips and recycling wood piles every few seconds. The photos are then evaluated by an external service provider and merged into a single map with high-precision 3D images and volumetric data. Previously, inventory quantities were recorded and documented manually at the end of each month. As a result of this project, we were able to increase the frequency of the inventory from monthly to weekly and collect and document more accurate information about each batch.



The drones fly their programmed routes safely at a height of **60 metres**.

With a 4K camera pointed straight down (standard or heat sensor view), the drones take photos of our log yards **every few seconds**.

After **launching in our UK plants in 2019**, the first flights took place in Wismar (DE) and Lexington, NC (US) in January 2022.

The successful concept will gradually be **transferred to other plants**.

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

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

- Our management system for occupational health and safety
- Healthy workplaces / health protection**
- Work safety / accident rates
- Health promotion

Equal opportunities and diversity

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

Healthy workplaces / health protection



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 are focussing 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.



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.

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 vaccination
- free FFP2 masks, COVID-19 testing possibilities and vaccinations
- safety supervision in the company by the safety specialist
- technical-ergonomic measures for physically heavy work
- operational integration management, e.g. integration after long absence or illness
- personal protective equipment adapted to workplace conditions
- ergonomically adaptable work equipment and work surfaces in the plant and office

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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

- Our management system for occupational health and safety
- Healthy workplaces / health protection**
- Work safety / accident rates
- Health promotion

Equal opportunities and diversity

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

Healthy workplaces / health protection



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. We also create the conditions for all employees to be examined for occupational diseases.

Past measures

- Offer of personalised hearing protection and safety goggles

Future measures

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

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 testing possibilities
- 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



SUSTAINABILITY TOPICS

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**
 - Our management system for occupational health and safety
 - Healthy workplaces / health protection
 - Work safety / accident rates**
 - Health promotion
- Equal opportunities and diversity
- Further training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Work safety / accident rates



Attitude

We keep the risks for our employees as low as possible in daily work practice and continuously improve in the area of occupational health and 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 health and safety. To prevent accidents, we continuously optimise all physical processes in terms of occupational health and safety (facilities, lorry, forklift, wheel loader and personnel traffic, access restrictions, technical aids, etc.). In addition, we are driving forward the anchoring of a new health and safety awareness, safety thinking and safe action among all employees and managers, e.g. through behaviour-related safety training. Occupational health and safety indicators are part of the calculation basis for the variable remuneration of the top three management levels. Group-wide, we have set ourselves a milestone of a maximum of 10 accidents per 1 million working hours.



Goal

As part of the “Vision Zero”, we are aiming for zero occupational accidents in the long term. Our strategic goal by 2025 is therefore to have no more serious occupational accidents (defined according to GRI 2018 403-9 a ii).

Work-related injuries

Financial year	2019 / 20	2020 / 21	2021 / 22
Accident rate ⁽¹⁾ internal	20.77	14.89	11.29
Accident rate LTIR ⁽²⁾ internal	16.99	11.57	9.08
Accident rate ⁽¹⁾ external ⁽³⁾	17.31	29.00	10.76
Accident rate LTIR ⁽²⁾ external ⁽³⁾	17.00	12.86	8.53
of which occupational accidents with serious consequences ⁽⁴⁾ internal	– ⁽⁶⁾	0.38	0.21
of which occupational accidents with serious consequences ⁽⁴⁾ external ⁽³⁾	– ⁽⁶⁾	0.00	0.00 ⁽⁷⁾
of which deaths ⁽⁵⁾ internal	0.06	0	0
of which deaths ⁽⁵⁾ external ⁽³⁾	0	0	0 ⁽⁸⁾

(1) Occupational accidents per 1 million working hours (defined according to GRI 403: Occupational health and safety 2018)
 (2) Lost Time Injury Rate (accidents ≥ 1 day lost per 1 million hours worked)
 (3) Excl. guests for whom no working hours are available
 (4) Occupational accidents with serious consequences according to GRI 2018 403-9
 (5) Fatal occupational accidents due to work-related injuries
 (6) No data available. The recording of occupational accidents with serious consequences in accordance with GRI 2018 403-9 was introduced in FY 2020 / 21.
 (7) Accidents involving external persons with serious consequences occurred in FY 2021 / 22. As the hourly basis required to calculate the accident rate is not available, it could not be taken into account in the calculation.
 (8) One fatal occupational accident occurred in FY 2021 / 22. As the hourly basis required to calculate the accident rate is not available, it could not be taken into account in the calculation.



SUSTAINABILITY TOPICS

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**
 - Our management system for occupational health and safety
 - Healthy workplaces / health protection
 - Work safety / accident rates**
 - Health promotion
- Equal opportunities and diversity
- Further training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Work safety / accident rates



Occupational health and safety training

Financial year	2019 / 20	2020 / 21	2021 / 22
Participants in e-learning ⁽¹⁾	1,984	2,530	4,595

⁽¹⁾ E-learning introduced in FY 2019 / 20 and rolled out so far at St. Johann in Tirol (AT), Wörgl (AT), Wismar (DE), Brilon (DE), Gifhorn (DE), Marienmüstern (DE) and Bevern (DE).



Status

Last year, we were able to implement a reduction of –24% in the number of accidents (internal accident rate) and thus reached the milestone of a maximum of 10 accidents per 1 million working hours (internal accident rate LTIR).

This development confirms that the increased focus on occupational health and safety in the past two years was correct. Our “Vision Zero”, the prevention of fatal and serious occupational accidents, spurs us on to further improvements. This necessity was clearly demonstrated to us in the past financial year: Tragically, there was a fatal work accident involving an external lorry driver.

In the past financial year, we implemented numerous training courses to further raise awareness. We will continue to do so in the future – a cultural change takes time. The intensive training for managers (Safety Leadership Induction Workshops) was completed. A refresher programme to further consolidate the contents was started. In addition, we continued to roll out the e-learning on occupational health and safety for all employees.

The accident figures were also recalculated for the past years in order to fully comply with the GRI 403 standard. To ensure comparability with other companies, we have also calculated and listed the LTI rate.

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 EGGER resin plants in Rădăuți (RO) and Hexham (UK).
- E-learning offers for occupational health and safety further expanded
- Further Group standards for safe working
- Roll out the system for documenting legally relevant qualifications and instructions

Future measures

- ISO 45001 certification of the resin facility in Wismar (DE)
- Continuation of Behaviour-Based Safety Training at our sites
- Expansion of the e-learning offer for industrial employees
- Maintenance of COVID-19 measures
- Continued issuance of new work clothes



SUSTAINABILITY TOPICS

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

- Our management system for occupational health and safety
- Healthy workplaces / health protection
- Work safety / accident rates
- Health promotion

Equal opportunities and diversity

Further training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

EGGER internationally

Best practice

Strengthening of the safety culture: Start of EGGER Safety Week

Occupational health and safety is a top priority for EGGER.

In order to maintain anchor safe working in the organisation, it is necessary to create awareness that every colleague can decisively contribute to more safety with his or her behaviour, is a role model with his or her actions and bears responsibility. Another activity on this path is the introduction of the EGGER Safety Week on the occasion of the World Day for Safety and Health at Work, on 28 April. For one week, colleagues in all 20 plants were able to participate in a wide range of training and information events on safety-related topics. Fire safety exercises, training on first aid for injured persons, information events on safety equipment, safety tours with the respective plant management on the plant premises or information offers on the limited field of vision from the driver's cabins of lorries or forklifts were on the agenda. The offer comprised a mix of theoretical and practical units, depending on the Corona protection measures applicable at the various EGGER sites. Numerous employees took advantage of the offer of the 1st EGGER Safety Week. One central topic for EGGER was the focus of all activities: the safety and health of each individual employee.



The **1st Group-wide Safety Week** took place from 26 to 30 April 2021 on the occasion of the World Day for Safety and Health at Work.

Different activities on the topic of occupational health and safety were implemented in all **20 plants**.

The successful concept was continued with the **2nd EGGER Safety Week 2022** and is planned to be held annually from now on.

The 2nd EGGER Safety Week was held under the motto **“Safe at work and at home”**.

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

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
 - Our management system for occupational health and safety
 - Healthy workplaces / health protection
 - Work safety / accident rates
 - Health promotion
- Equal opportunities and diversity
- Further training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Health promotion



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

Health management offers numerous advisory services at all EGGER locations as well as campaigns for healthy nutrition and exercise, such as fruit days and sports courses. Our employee restaurants offer freshly prepared meals and a balanced diet 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 EUR to charitable organisations. All participants receive high-quality running clothing with EGGER branding and EGGER pays any entry fees incurred, including for virtual running events. In the meantime, we can look back on donations amounting to over EUR 1,600,000 (as of December 2021).

To protect the health of our employees during the COV-

ID-19 pandemic, we implemented a large number of measures at all EGGER sites. Our distinct goal of protecting employees and maintaining production at the sites has led us to initiate extensive preventive measures. 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. Local action plans were derived from these and implemented.



Goal

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



Status

The health rate from previous years decreased slightly in the past financial year due to the pandemic.

Despite the safety regulations and contact restrictions, we have carried out health promotion measures at all sites to the highest standard. The measures have fo-

cused on the prevention of COVID-19 infections. During this time we also had good relationships with company doctors and medical professionals.

During the pandemic the successful "EGGER runs" programme was organised digitally and will continue to be done so in the future. This will help strengthen the international community within EGGER. Participants are connected via a running app and can thus follow the performance of their colleagues, although all runners participate in different locations all over the world.

Health promotion

Calendar year	2019	2020	2021
“EGGER runs” kilometres total	32,848	27,491	39,505
Total number of runners	1,100	805	1,034

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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**
 - Our management system for occupational health and safety
 - Healthy workplaces / health protection
 - Work safety / accident rates
 - Health promotion
- Equal opportunities and diversity
- Further training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Health promotion



Health rate

Financial year	2019 / 20	2020 / 21	2021 / 22
Health rate EGGER Group total (in %) ⁽¹⁾	97.04	97.09	96.42

⁽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	2019 / 20	2020 / 21	2021 / 22
Number of occupational medicine staff in the EGGER Group ⁽¹⁾	34	39	33
of which in AT	3	3	3
of which in DE	6	8	5
of which in UK	2	2	0 ⁽²⁾
of which in FR	2	2	2
of which in RU	9	10	10
of which in RO	1	2	1
of which in TR	2	4	4
of which in AR	7	5	4
of which in PL	0 ⁽²⁾	0 ⁽²⁾	0 ⁽²⁾
of which in US	2	1	2

⁽¹⁾ Number of doctors and medical staff within the company
⁽²⁾ Supervision by a contracted doctor outside the plant

Past measures

- Holding two international virtual running events as part of “EGGER runs” in September 2021 and May 2022.
- Offer of occupational psychological counselling in 19 plants
- Extensive range of health-promoting measures at our sites, such as quitting smoking, back fitness courses, digital lectures and consultations
- Implementation of the first virtual health week at all locations in Austria
- Implementation of numerous measures to protect employees in the COVID-19 pandemic (see infobox on p. 105)

Future measures

- Continuation of reporting on local health promotion measures
- Resumption of running events and continuation of the virtual “EGGER runs” event twice a year

Our employees have covered **39,505 kilometres** as part of “EGGER runs”

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

Product responsibility

- Our approach to product transparency and eco-labelling
- Products from renewable raw materials
- Use of wood from sustainable sources & recycled material
- Health 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**
 - Diversity of age, gender, nationality
 - Equal treatment of employees
- Further training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

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. However EGGER offers various opportunities for women to start and pursue careers including those in the technical field. In addition, EGGER value the benefits of a mixed age workforce and provide opportunities of part-time working hours for older workers. EGGER also promotes international exchange throughout the business which provides the opportunity to grow inter-cultural understanding.

How we ensure equal opportunities and diversity

The sub-topics of this chapter:

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



SUSTAINABILITY TOPICS

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

Diversity of age, gender, nationality

Equal treatment of employees

Further training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Diversity of age, gender, nationality



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 are focussing 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 service with the company is rewarded with an anniversary bonus which is paid on the employees anniversary date. The anniversary bonus was introduced into the company in 2017. For example, employees who have been with the company for 10 years receive half a gross monthly salary, and those who have been with the company for 25 years receive two gross monthly salaries as an anniversary bonus. 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 the 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 company as a whole and in management positions was at the previous year's level in the past financial year. The quota of women in the areas of technology, production and supply chain management was slightly increased. In our development programme "Start Up" (start: Summer 2021), for example, 47% women are participating, and in our junior management programme "Startklar", which will start again in June 2022, 5 of the 18 participants will be women.

The age structure of our employees 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 **82 nationalities** total



SUSTAINABILITY TOPICS

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
 - Diversity of age, gender, nationality
 - Equal treatment of employees
- Further training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Diversity of age, gender, nationality



Women's quota

Financial year	2019 / 20	2020 / 21	2021 / 22
Women's quota total (in %) ⁽¹⁾	16.2	16.0	16.2
of which in technology, production, logistics	8.5	8.5	8.9
of which in IT, sales and marketing, finance/administration	53.9	53.8	53.9

⁽¹⁾ Quota based on annual average headcount

Women's quota in leadership

Financial year	2019 / 20	2020 / 21	2021 / 22
Women's quota in management positions overall (in %) ⁽¹⁾	16.9	18.2	18.2
of which in technology, production, logistics	7.4	8.4	8.4
of which in IT, sales and marketing, finance/administration	34.7	36.1	36.7

⁽¹⁾ Quota based on the annual average headcount

Age structure of the workforce

Financial year ⁽¹⁾	2019 / 20	2020 / 21	2021 / 22
< 30 y.o.	20	21	20
30–50 y. o.	59	59	58
> 50 y.o.	20	21	21

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



SUSTAINABILITY TOPICS

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
 - Diversity of age, gender, nationality
 - Equal treatment of employees
- Further training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Diversity of age, gender, nationality



Nationalities

Financial year	2019 / 20	2020 / 21	2021 / 22
Total number of nationalities	77	77	82
Number of nationalities in Corporate Services ⁽¹⁾	26	25	24

⁽¹⁾ Corporate Services: Central corporate functions

Past measures

- Completion of the fourth round of the “Start Up” international development programme for newcomers
- Completion of the eighth round of the junior management programme “Startklar” with a majority of women
- Completion of an analysis of gender and salary distribution in the Austrian workforce with a working group to promote gender equality.

Future measures

- Increased offer of networking events for women in business
- Launch of the ninth round of the programme for future executives “Startklar” with a majority of women
- Development of age-appropriate working models



SUSTAINABILITY TOPICS

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
 - Diversity of age, gender, nationality
 - Equal treatment of employees
- Further training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Equal treatment of employees



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. All employees have equal access to employer benefits, regardless of the extent of their employment and the employment relationship. EGGER employees can contact an external ombuds 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.



Integration of severely disabled persons

Financial year	2019 / 20	2020 / 21	2021 / 22
Total number of severely disabled persons employed ⁽¹⁾	166	179	178

(1) Annual average headcount

You can find more details on this in the chapter

→ Business ethics



Goal

The goal from the previous year's report to conduct a survey of all employees' views on the issue of equal treatment was completed with the Employee Opinion Survey. A new strategic goal focus is on the issue of reporting discrimination cases. We set ourselves the goal of following up on all cases of discrimination received via the whistleblowing system (ombuds office), HR, managers or works council.



Status

For participants in strategic development programmes, we pay attention to gender and nationality balance. The number of severely disabled employees in the company has decreased.

Past measures

- Survey of views on equal treatment in the 2021 Employee Opinion Survey
- Conduct e-learning on equality for all HR staff
- Selected employees in the HR department were sensitised to "equal opportunities in staffing".
- 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

- Increased communication measures on the topic of equality in our internal channels
- Auditing of communication with the ombuds office



SUSTAINABILITY TOPICS

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 training and promotion opportunities

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

Employee satisfaction

- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Further training and promotion opportunities

For us, future-oriented HR management means consistently investing in our own young talent programmes for pupils and students, 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. We also offer cross-country and cross-divisional development programmes. This not only creates new knowledge, but also valuable networks, exchange and a common understanding.

Opportunities and risks

A potential risk may lie in not preparing employees adequately for their future roles. Opportunities arising from EGGER's activities result from the wide range of training courses for specialists and line supervisors, from the career programmes and the promotion of future executives.



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



SUSTAINABILITY TOPICS

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 training and promotion opportunities
 - Apprenticeship
 - Further development / promotion of internal careers
 - Training
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Apprenticeship



Attitude

We continue to establish our own apprenticeship programmes at the new production plants and expand them at the existing plants.

We get to know our future employees through summer jobs, internships and final theses, thus retaining them at an early stage. We strive for long-term cooperation with the future executives trained by us.

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 sites. 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.



Goal

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



Status

The number of apprentices continued to increase – thus we once again achieved our goal of an apprenticeship quota of 3% Group-wide.

In 2021 / 22, we were only able to partially fulfil our claim in the area of summer jobs, internships and theses due to the COVID-19 situation and the associated hygiene measures and social distancing regulations.

Past measures

- Establishment of the apprenticeship programme in Poland and Russia and search for new apprentices

Future measures

- Start of the first apprenticeship year for trainees in Poland and Russia
- Standardisation of technical training across all locations
- Examination of how the apprenticeship programme was introduced in Turkey

Apprentices

Financial year	2019 / 20	2020 / 21	2021 / 22
Total number of new apprentices entering the programme ⁽¹⁾	134	166	142
Number of all apprentices (all years of training)	277	328	360
Apprenticeship ratio (in %), (apprentices in relation to total employees)	2.7	3.1	3.3
Retention rate after apprenticeship (in %)	65	64	82

⁽¹⁾ Annual average headcount

Quotas for summer jobs, internships, theses

Financial year	2019 / 20	2020 / 21	2021 / 22
Use of pupils and students in relation to the total number of employees (in %) ⁽¹⁾	5.5	4.3	5.5

⁽¹⁾ Quota based on annual average headcount



SUSTAINABILITY TOPICS

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 training and promotion opportunities
 - Apprenticeship
 - Further development / promotion of internal careers
 - Training
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

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 induction and further training in line with their needs. Managers are responsible for succession planning.



Approach

With our employee appraisal and the vacancy description, we create clarity about the goals and strengths as well as further development wishes of each individual employee. Employees and line supervisors jointly review the past year, discuss successes and special challenges, and exchange views on the extent to which the respective expectations were met or not met. Our 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.

On this essential topic, we pursue an additional goal: All employees who have been employed for at least one year have an appraisal interview with their line supervisor at least once a year. Our goal is to also introduce an adapted appraisal interview for all industrial employees by 2025.



Status

In the past financial year, we were able to fill 80% of our management positions internally. We have thus achieved our strategic goal of at least 80%.

We want to maintain this level. In the past financial year, we carried out annual succession planning for all management positions Group-wide for the first time.

In the calendar year 2021, an appraisal was held with 37.6% of our employees to coordinate employee development using our Talent Management System. Furthermore, we are pursuing the goal of including industrial employees in it by 2025. The appraisal is a central platform for determining development measures.

Internal staffing of management positions

Financial year	2019 / 20	2020 / 21	2021 / 22
Total internal appointments to management functions (in %) ⁽¹⁾	75.8	77	80

⁽¹⁾ New management positions filled with internal candidates during the financial year

Appraisal

Calendar year	2019	2020	2021
Ratio of employees with appraisal to total employees ⁽¹⁾	36.4%	37.2%	37.6%

⁽¹⁾ Quota based on the average headcount of the calendar year



SUSTAINABILITY TOPICS

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 training and promotion opportunities

Apprenticeship

Further development / promotion of internal careers

Training

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Further development / promotion of internal careers

Past measures

- Launch of the eighth round of the “Startklar” programme for future executives.
- Implementation of two modules of the fourth round of the “Start Up” entry-level programme
- Implementation of a global training concept for sales with a focus on digitalisation in sales
- Implementation of annual succession planning for all management positions Group-wide

Future measures

- Implementation of the two-day leadership conference for top management with information and development offers
- Continuation of the strategic development programmes “Startklar” and “Start Up”
- Further roll-out of the career concept “EGGER STEP” in all departments and countries
- Establishment and communication of the global internal job market

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
 - Apprenticeship
 - Further development / promotion of internal careers
 - Training

- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Training



Attitude

We enable lifelong learning with our training opportunities and strengthen our employees in their current and future tasks.



Approach

The EGGER Campus offers appropriate training for all employees. In the annual appraisal, training needs are specifically recorded in the development plan and their implementation is followed up. We cover 50% of the training needs with e-learning. 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

We work continuously to offer our employees prospects. We set a goal to keep the average number of training hours per employee above 10 hours per year.

Participation in training

Financial year	2019 / 20	2020 / 21	2021 / 22
Training hours per employee ⁽¹⁾	– ⁽⁵⁾	7.01	10.96
Training hours “Digital” ⁽²⁾	– ⁽⁵⁾	11,037	6,982
Training hours “E-learning” ⁽³⁾	– ⁽⁵⁾	6,306	12,344
Training hours “Face-to-face” ⁽⁴⁾	– ⁽⁵⁾	55,793	99,909

⁽¹⁾ Total number of training hours (digital, e-learning and face-to-face) divided by the total number of employees
⁽²⁾ All completed training hours from virtual face-to-face training (e.g. via Webex)
⁽³⁾ All completed training hours from e-learning (self-directed learning content)
⁽⁴⁾ All completed training hours from face-to-face training
⁽⁵⁾ No data available



Status

We continue to pursue our goal of offering all employees an annual appraisal. The training of our employees is a key concern for us, which is why we have set a specific goal for training hours.

In the 2021 / 22 financial year, we were able to offer more face-to-face formats again, depending on the respective pandemic situation. We continue to focus on digital training in parallel. Group-wide reporting was changed for better evaluation and comparability. The increase in training hours per staff member is due, among other things, to increased training of new employees who had to acquire the necessary qualifications.

In the future, subject-specific training organised outside of HR development in the respective departments will be recorded by a complete report to HR.

Past measures

- Expansion of the internally created e-learning portfolio
- Strengthening of communication and expansion of the offer of digital learning content
- Expansion of leadership training (e.g. conducting an appraisal, communication)
- Introduction of Group-wide standard feedback for face-to-face training

Future measures

- Access to EGGER Campus Training also for industrial employees
- Expanding the mobile version of our intranet through a “Bring your own device” strategy
- Further establishing a learning culture with digital aspects

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities

Employee satisfaction

- Work-life balance
- Employee representation
- Long-term cooperation / employee turnover
- Employee benefits

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

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 measures to create and maintain good working conditions as an opportunity. Employee satisfaction finds expression in a turnover rate that is below the average for the respective labour market.

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



SUSTAINABILITY TOPICS

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 training and promotion opportunities

Employee satisfaction

- Work-life balance
- Employee representation
- Long-term cooperation / employee turnover
- Employee benefits

Business ethics

- Tax transparency
- Regional value creation
- Working conditions in the supply chain

EGGER international

Best practice

Every opinion counts: the 2021 Employee Opinion Survey

EGGER is actively involved in the satisfaction of its employees. For this reason, a survey has been conducted at regular intervals by the independent geva-institut since 2014. The third survey supported by the institute took place in autumn 2021. The survey asked for personal opinions about one's own work, about the manager and about EGGER as a company. The geva-institut then created reports for the entire company, as well as for individual locations and organisational units. These reports contain only summarised, anonymous data.

The results at Group-wide and local level were presented to the manager and announced internally in December 2021. Based on the findings, concrete measures are derived and implemented in each individual plant. In addition, EGGER promotes a cross-plant exchange on the most relevant topics and offers workshops to identify measures. The topics range from conflict management to appreciation and open communication to work-life balance. The results of the latest survey in autumn 2021 showed that the vast majority of employees feel very strongly connected to the company and its values.



9,210 people took part in the survey. This is **84%** of employees.

More than 3/4 reported that they are absolutely satisfied with their work situation.

4 out of 5 are proud of working for EGGER.

67% of those employed believe that employees at EGGER are seen as an important part of the company.



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
 - Work-life balance
 - Employee representation
 - Long-term cooperation / employee turnover
 - Employee benefits
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

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 supervisors 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 were able to implement our goal from the last report to measure the home office use of our employees. Our future goal provides for: We will regularly review our working time models with regard to the requirements of the labour market and our internal processes.



Status

In the pandemic, employees who can also carry out their work in the home office took advantage of this opportunity. Home office should continue to be made possible for employees. Since the past financial year, we have been recording the use of home office across the Group and will evaluate it regularly from now on. Our evaluation showed that our employees spent 22% of their working days in the home office.

The proportion of parental leave remained at the previous year's level. Our Employee Opinion Survey shows that the majority of employees are satisfied with the shift model and working hours; a need for action was only identified in Germany.

Past measures

- Survey of satisfaction with working hours and shift models in our Employee Opinion Survey
- Revision of the Flexitime Directive for Austria without core working hours
- Introduction of a Group-wide evaluation on the use of home office
- “New Work” pilot project on new office concepts at the St. Johann in Tirol (AT) site

Future measures

- Expansion of holiday care services also at additional locations after the pandemic
- Review of shift models in Germany
- Introduction of a home office policy at other locations after the pandemic

Use of home office

Financial year	2019 / 20	2020 / 21	2021 / 22
Home office days in % of all working days (in %) ⁽¹⁾	– ⁽²⁾	– ⁽²⁾	22

⁽¹⁾ Only includes employees with time records
⁽²⁾ No data available

Parental leave

Financial year	2019 / 20	2020 / 21	2021 / 22
Total parental leave to total number of employees (in %) ⁽¹⁾	2.2	2.1	2.1

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



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
 - Work-life balance
 - Employee representation
 - Long-term cooperation / employee turnover
 - Employee benefits
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

St. Johann in Tirol, Austria

Best practice

“New Work”: A new way of working together

“New Work” describes the change that is currently taking place in the working world - due to digitalisation and the changing needs of employees. In the IT and HR departments at the EGGER headquarters in St. Johann in Tirol (AT), there have been “New Work” pilot areas since October 2021. The insights gained from this are being evaluated and form the basis for a comprehensive evaluation of the extent to which this new approach can potentially be continued in other plants. At EGGER, the idea of “Activity Based Working” is central. In the conception phase, members of the respective teams analysed which activities they carry out during which part of their working hours. On this basis, a separate “New Work” concept was developed that meets the respective individual needs. Depending on the activity, the workplace undergoes changes. Additional flexibility for a better work-life balance is created by the possibility of home office. The managers from the teams were invited to an exchange of experiences in order to support each other - for example in dealing with leadership at a distance when team members work in a home office. The new flexitime policy for all employees at EGGER in Austria, which has been in force since 1 January 2022, supports this change towards a modern and flexible working world. Core working hours are no longer required and flexitime gives employees the opportunity to better adapt their working hours to their respective needs. The greater freedom also requires a greater sense of responsibility on the part of everyone involved in order to better reconcile private and professional interests.



The workplaces of **more than 100 employees** from the IT and HR departments at the headquarters in St. Johann in Tirol (AT) were redesigned in this pilot project according to the “New Work” concept.

The conversion work on the ground floor and the first two floors began in mid-August 2021 and was **completed in October 2021**.

The objective is to promote **exchange**, stimulate **creativity** and at the same time provide **places of retreat** for focused work.

Since 1 January 2022, a new, more flexible flexitime policy without core working hours has applied to all employees at EGGER in Austria.

The “New Work” concept is also to be introduced at **other locations**, for example in the newly constructed maintenance, forum and office building at the Rambervillers plant (FR).



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
 - Work-life balance
 - Employee representation
 - Long-term cooperation / employee turnover
 - Employee benefits
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

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. The company actively involves the employee representatives in projects concerning the workforce.

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 locations in the EU and in the UK and meets twice a year with the Group Management on cross-location 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.



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
 - Work-life balance
 - Employee representation
 - Long-term cooperation / employee turnover
 - Employee benefits
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

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.

In the 2021 / 22 financial year, new workwear was introduced throughout the Group in close consultation with the employee representatives.

Past measures

- Selection and introduction of new workwear throughout the Group via the employee representatives.
- National and international meetings of the employee representatives continued in virtual format

Future measures

- Continuation of national and international regular meetings of European employee representatives

Employee representation

Financial year	2019 / 20	2020 / 21	2021 / 22
Number of works councils (of which exempted)			
in AT	21 (3)	21 (3)	21 (3)
in DE	56 (7)	56 (7)	56 (7)
in UK	21 (0)	21 (0)	22 (0)
in FR	25 (0)	25 (0)	25 (0)
in RU	0 (0)	0 (0)	0 (0)
in RO	8 (0)	8 (0)	8 (0)
in TR	14 (0)	14 (0)	14 (0)
in AR	3 (0)	3 (0)	3 (0)
in PL	4 (0)	4 (0)	3 (0)
in US	0 (0)	0 (0)	0 (0)



SUSTAINABILITY TOPICS

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 training and promotion opportunities

Employee satisfaction

Work-life balance

Employee representation

Long-term cooperation / employee turnover

Employee benefits

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Long-term cooperation / employee turnover



Attitude

Permanent employment is the usual form of employment at EGGER. Fixed-term contracts as well as loan employment 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 and fixed-term employees are put on an equal footing with permanent employees and receive the same equipment and training as permanent employees. For example, they receive work clothes and safety training. Loan workers 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%.



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
 - Work-life balance
 - Employee representation
 - Long-term cooperation / employee turnover**
 - Employee benefits

- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Long-term cooperation / employee turnover



Status

The proportion of loan workers and external employees in the 2021 / 22 financial year is again below the previous year's level. The proportion of loan workers will continue to decrease, as we take on loan workers earlier due to the labour market situation.

Employee-related turnover has increased slightly primarily due to higher turnover in Germany, Austria, UK and Argentina. This clearly shows the competition in the labour market. It makes it all the more important that we identify and implement targeted measures from the Employee Opinion Survey. In addition, measures are being taken to minimise early turnover.

In the past financial year, we invited all our employees to participate in our Employee Opinion Survey once again. The response rate was 84%. Our objective of keeping the employer attractiveness index above 70% was again achieved with a value of 80%.

Past measures

- Conduct the 2021 Employee Opinion Survey among all employees

Future measures

- Group-wide evaluation of reasons for turnover and identification of measures
- Reducing early turnover through improvements in the selection and induction process

Internal and external employees

Financial year	2019 / 20	2020 / 21	2021 / 22
Total number of employees ⁽¹⁾	10,999	11,296	11,832
of which EGGER internal	9,928	10,233	10,629
of which loan workers external ⁽²⁾	528	466	491
of which labour contracts external ⁽³⁾	543	598	713

(1) Quota based on average annual FTEs
 (2) loan workers external who are sent by their employer to work for EGGER. There is no employment contract between the assigned employees and EGGER.
 (3) Labour contracts external, on 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	2019 / 20	2020 / 21	2021 / 22
Total number of newly recruited employees ⁽¹⁾	1,612	1,457	1,612
of which reappointments	65%	75%	75%
of which new appointments	35%	25%	25%

(1) Quota based on the annual average headcount

Staff turnover

Financial year	2019 / 20	2020 / 21	2021 / 22
Employee turnover (number and rate) ^{(1) (2)}	481 (4.3%)	556 (4.8%)	618 (5.1%)
Employer-related turnover rate (number and rate) ^{(1) (3)}	424 (3.8%)	423 (3.6%)	327 (2.7%)

(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

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
 - Work-life balance
 - Employee representation
 - Long-term cooperation / employee turnover
 - Employee benefits

- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Employee benefits



Attitude

We pay our employees fairly and appropriately.



Approach

Our wage and salary 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. Our anniversary bonus rewards long-term loyalty by paying out a bonus to employees who have been with the company for 10 years or more.

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

In all countries, employees receive an annual salary adjustment, even though in many places we are not subject to collective bargaining agreements, to compensate for the loss of purchasing power at least once a year.

At our plant locations, we offer attractive benefits that are available to all employees. In addition to local benefits, these include the offer of private health and pension insurance.



Goal

We review the level of our wages and salaries at least once a year using several local salary benchmarks.



Status

In the 2021 / 22 financial year, EUR 5.5 million was paid out to all employees as a COVID performance bonus, and anniversary bonuses of EUR 4.6 million were also paid to long-serving employees. Looking at the results of the Employee Opinion Survey, it can be stated that our employees are satisfied with the benefits. Due to increased inflation and competition in the labour market, we are increasingly reviewing our wage and salary models. Therefore, we are putting this issue on the agenda as a strategic goal.

Past measures

- Adjustment of wage models in three plants in Germany and the USA
- Increase in contributions for private pension insurance in the UK
- Piloting of a new variable remuneration for the sales force
- Payment of a one-time COVID performance bonus for all employees

Future measures

- Ongoing analysis of our wage and salary models and adjustment where necessary
- Ongoing analysis of our benefits and adjustment if necessary
- Payment of a one-time anniversary bonus on the occasion of the 60th company anniversary
- Piloting of a new variable remuneration for the sales force



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction

Business ethics

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

Tax transparency

- Regional value creation
- Working conditions in the supply chain

Business ethics

As a large company, EGGER has a special responsibility to comply with legal standards and its own values. We are dedicated 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 also 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. Due to increasing political tensions worldwide, the violation of trade sanctions also represents an increasing risk.



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



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics

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

Tax transparency

Regional value creation

Working conditions in the supply chain

Our compliance strategy



EGGER is committed to legal compliance. This is reflected in the EGGER Code of Conduct, which applies throughout the Group. In it, we declare that we are committed to “comply with all legal, regulatory or licensing requirements of the countries in which EGGER operates.” EGGER follows a risk-based approach in the compliance system described here.

Code of Conduct

The Code of Conduct is based on the values, the mission statement and the corporate goals. It includes clear standards of conduct to which employees must adhere in their daily business activities. The signatories are the owners, the Group Management and the supervisory board. The Code of Conduct is available on our website as well as on the intranet in all Group languages (German, English, Spanish, French, Russian, Romanian, Turkish and Polish) and is brought to the attention of new employees during the onboarding process. They confirm in writing that they have read and understood it. Managers have a special obligation to observe the Code of Conduct in everything they do. In the past financial year, the Code of Conduct was revised and now includes the explicit prohibition of facilitation payments as well as the instruction to employees to contact their supervisors in case of conflicts of interest.

EGGER is 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**

Compliance training

At EGGER, employees are trained extensively in e-learning and face-to-face events. In the training concept, role-based compulsory training courses on the above-mentioned risky compliance topics (data protection, antitrust law and soon also for anti-corruption) have been set up throughout the Group. The mandatory group of participants defined Group-wide may not be undercut locally, but may be expanded. Group-wide minimum requirements, such as mandatory repetitions at least every three years, and minimum contents are defined for these trainings. Independent of these topic-specific training courses, every employee with own computer account is obliged to complete a basic e-learning course on compliance during onboarding and at regular intervals thereafter. In the past financial year, the system for tracking staff training was also further automated and the reporting format for compliance training was adapted to other existing reporting formats.

Guidelines & reporting

Guidelines exist for the compliance topics mentioned above and are accessible to all employees on the intranet. A strict dual control principle ensures compliance with the regulations. Processes are improved if a need for improvement arises from internal or external audits or due to individual events. An overarching organisational guideline defines the requirements for the organisation, tasks and objectives of the compliance function and compliance services at EGGER. It also contains rules for any internal investigations. In the past financial year, this organisational guideline was supplemented by the requirement of a formalised annual compliance report to the highest management level.

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities**
- Employee satisfaction**
- Business ethics**

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

Tax transparency

Regional value creation

Working conditions in the supply chain

Our compliance strategy



EGGER ombuds office

All EGGER employees are also expressly encouraged to report circumstances that indicate a breach of the code of conduct or our guidelines. In particular, there is an ombuds office in which reports can also be submitted anonymously. Whistleblowers from within the company are comprehensively protected against reprisals in the employment relationship and harassment at the workplace by keeping their identity secret and by the compliance function following up on the tips, while respecting confidentiality, in particular the person of the whistleblower. In the past financial year, the ombuds office was opened to third parties via access on the EGGER website. Further information, also on confidentiality and the protection of the whistleblower, can be found in the whistleblower policy and the FAQ list on the intranet.

Suppliers' Code of Conduct

We also expect our business partners to comply with the law and make this clear in the EGGER Supplier Code of Conduct. This was also revised in the past financial year and includes reference to the ten principles of the UN Global Compact as well as the 17 Sustainable Development Goals of the United Nations. We expect our suppliers to comply with applicable laws and the regulations in the Code of Conduct along the entire supply chain.

A significant change is that indications of misconduct can be reported to the ombuds office via the link on the EGGER website. In addition, obligations for suppliers were included in order to comply with increased due diligence duties deriving from supply chain obligations. Suppliers are required to ensure adequate occupational health and safety management. Harassment, abuse and extortion in the workplace must not be tolerated. Working hours and remuneration must comply with applicable laws, agreements and industry standards. All applicable local laws and regulations must be followed with respect to hazardous materials, chemicals and substances. The Supplier Code of Conduct must be noted and accepted as binding.

The EGGER 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



- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
 - Our compliance strategy
 - Fair competition
 - Prevention of corruption
 - Capital market compliance
 - Data protection
 - Export control & sanctions
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Fair competition



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 all employees should conduct themselves in accordance with the law, EGGER company values 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, no proceedings for antitrust law violations were pending, no proceedings were concluded and no fines were imposed. In the 2020 / 21 financial year, one case was concluded and a penalty payment was made. We commented on this in detail in last year's Sustainability Report. On the part of the competition authority, our competition law compliance programme in particular was assessed as positive. In the previous year 2019 / 20, no proceedings were concluded and no penalty payment was imposed.



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
 - Our compliance strategy
 - Fair competition
 - Prevention of corruption
 - Capital market compliance
 - Data protection
 - Export control & sanctions
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Fair competition

Fair competition training

Financial year	2019 / 20	2020 / 21	2021 / 22
Number of employees for whom participation in the online training has been identified as relevant	1,406	461	629
Participants in online training (quota of participants / relevant participants)	930 (72%)	421 (91%)	545 (87%)
Participants in classroom training	476	594 ⁽¹⁾	436 ⁽¹⁾

⁽¹⁾ Due to the pandemic, most of the trainings took place as webinars.



Status

In the past financial year, no penalties were assessed or paid and no proceedings were pending. The guiding principle of behaving in a legally compliant manner and continuously implementing improvements in the process is consistently pursued. This also shows that EGGER is as a rule on the right track with its risk-based approach. The 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

- Assessment of antitrust law risks from a Group perspective in a strategic risk assessment
- Addition of annual compliance reporting to the highest management level to the Compliance Organisational Guideline
- Translation of the Group-wide guideline on anti-trust law into all Group languages and roll-out of publication on the intranet
- Opening of the ombuds office to third parties in addition to employees

Future measures

- Creation of a concept for continuous, uniform communication on compliance “top down” within the Group (keyword: “Tone from the Top”)
- Publication of an interactive quiz on antitrust law on the intranet



SUSTAINABILITY TOPICS

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 training and promotion opportunities

Employee satisfaction

Business ethics

Our compliance strategy

Fair competition

Prevention of corruption

Capital market compliance

Data protection

Export control & sanctions

Tax transparency

Regional value creation

Working conditions in the supply chain

Prevention of corruption



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 are focussing on SDG 16. In doing so, we commit to significantly reducing corruption and bribery in all its forms (SDG 16.5).



Approach

The EGGER Code of Conduct and, in even more detail, the Group-wide guideline on the prevention of corruption regulate the permissibility of donations in business transactions. Donations may only be initiated or accepted by employees if they are intended for a generally accepted purpose and comply with customary practices and internal guidelines, whereby an absolute limit of no more than EUR 100 has been set. It is always necessary to ascertain that no legal conditions are violated and that a business decision will not be 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 managing directors of the respective companies may decide with regard to granting donations and sponsorship.

For information on how to deal with corruption risks, see also

➔ **Our due diligence system for tracing the origin of wood**

To keep employee awareness high, EGGER created in the past financial year a Group-wide e-learning on anti-corruption, which will be successively rolled out in all Group languages and be part of the compliance training concept.

To further reduce the risk of corruption and money laundering, we have revised our Group-wide cash management policy.

This now stipulates that, as a matter of principle, electronic transfers are to be used and cash transactions are to be avoided.

Subject to local laws that may set lower limits, no company in the EGGER Holzwerkstoffe Group may make or receive cash transactions in excess of a maximum amount of EUR 5,000.

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
 - Our compliance strategy
 - Fair competition
 - Prevention of corruption
 - Capital market compliance
 - Data protection
 - Export control & sanctions
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Prevention of corruption



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 2020 / 21 as well as 2019 / 20, no proceedings were concluded and no penalty was imposed.



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

- Evaluation of corruption risks from a Group perspective in a strategic risk assessment
- Addition of annual compliance reporting to the highest management level to the Compliance Organisational Guideline
- Translation of the Group-wide guideline on corruption prevention into all Group languages and roll-out of publication on the intranet
- Opening of the ombuds office to third parties in addition to employees
- Creation of a Group-wide e-learning on anti-corruption
- Supplementing the cash management guideline with guidelines for cash transactions

Future measures

- Creation of a concept for continuous, uniform communication on compliance “top down” within the Group (keyword: “Tone from the Top”)
- Successive roll-out of the anti-corruption e-learning (bribery) into all Group languages



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
 - Our compliance strategy
 - Fair competition
 - Prevention of corruption
 - Capital market compliance
 - Data protection
 - Export control & sanctions

Tax transparency

Regional value creation

Working conditions in the supply chain

Capital market compliance



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. The guideline contains, among other things, information on the compliance officer for capital market law as well as guidelines on the prohibition of insider trading, on dealing with insider information and on directors' dealing. An insider list is maintained and updated as required. Persons who are included in the insider list are instructed about their duties and sign the receipt of this instruction.

The "Compliance" section of our website, which was completely revised in the past financial year, also provides information on our handling of capital market law. The previously separate activity report of the compliance officer for capital markets law has been included in the annual reporting on compliance topics

introduced by the revision of the Compliance Organisational Guideline.



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. Internal procedures for the prevention and detection of violations are continuously improved.



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

- Inclusion of the reporting on capital market law in the general annual reporting on compliance topics introduced by the revision of the Compliance Organisational Guideline.
- Opening of the ombuds office to third parties in addition to employees
- Inclusion of new insiders in the insider list and instruction on the inclusion and obligations.

Future measures

- No further measures planned



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
 - Our compliance strategy
 - Fair competition
 - Prevention of corruption
 - Capital market compliance
 - Data protection
 - Export control & sanctions
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Data protection



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. To this end, EGGER uses a certified information security management system and there is also a Group-wide guideline on data protection. This is partly supplemented by local guidelines. The guidelines as well as a Group-wide e-learning and partly local face-to-face trainings help our employees behave in a data protection compliant manner. The topic of data security is already briefly addressed in the e-learning on data protection. The e-learning “Information Security at the Workplace”, which must be completed by all employees who have their own computer account, provides further knowledge on data security. FAQs are made available internally on certain aspects of data protection law.



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

In the past financial year, a Group-wide project to review and improve the implementation of data protection requirements from the General Data Protection Regulation was successfully completed. The structural and procedural organisation for data protection topics was changed to improve Group-wide coordination. The e-learning on data protection was successfully completed by the majority of relevant employees and we will continue to pursue the objective of raising awareness. We refrained from introducing an electronic data protection management tool because it was too complex for our needs.

Data protection training

Financial year	2019 / 20	2020 / 21	2021 / 22
Participants of the online training	1,828	435	2,629

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.

Past measures

- Assessment of data protection risks with an external data protection consultant
- Successful completion of a Group-wide project on structural and procedural organisation in data protection
- Addition of annual compliance reporting to the highest management level to the Compliance Organisational Guideline
- Translation of the Group-wide guideline on data protection into all Group languages and roll-out of publication on the intranet
- Opening of the ombuds office to third parties in addition to employees

Future measures

- No further measures planned



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
 - Our compliance strategy
 - Fair competition
 - Prevention of corruption
 - Capital market compliance
 - Data protection
 - Export control and sanctions
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Export control & sanctions



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

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.

Future measures

- Mandatory e-learning “Sanction Regulation Basics” for internal sales, purchasing organisation, plant management and division management



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics

Tax transparency

- Our tax strategy
- Tax compliance
- Our tax payments

Regional value creation

Working conditions in the supply chain

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 420 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. In order to prevent the erosion of tax bases and profit shifting, governmental and supranational actors such as the OECD, with its work on Pillar I and II, are increasingly focusing on closing tax loopholes and ensuring a global minimum level of taxation.

Opportunities and risks

Companies that contribute to tax revenues through tax honesty and transparency also use their opportunity to contribute to and participate in societal prosperity, for example in infrastructure, the education system and security. However, in the case of business optimisations that go beyond what is permissible under tax law, there is a risk that tax obligations will not be duly met.

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



SUSTAINABILITY TOPICS

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 training and promotion opportunities**
- Employee satisfaction**
- Business ethics**
- Tax transparency**
 - Our tax strategy**
 - Tax compliance**
 - Our tax payments**
- Regional value creation**
- Working conditions in the supply chain**

Our tax strategy

In the EGGER Code of Conduct, the Group Management, the supervisory board, and the owner family commit themselves to comply with the applicable laws worldwide.

Especially for tax law, this commitment to tax honesty can be found in the Tax Controlling Directive. In this directive, 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.

Every employee within and outside the tax function can contact the tax department, his/her own superior, the commercial management or the externally established ombuds office at any time with concerns about the handling of tax matters and report concerns. EGGER itself 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.



- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
 - Our tax strategy
 - Tax compliance
 - Our tax payments
- Regional value creation
- Working conditions in the supply chain

Tax compliance

Cooperation with the tax authorities, tax transparency and the correct allocation of profits while avoiding profit reduction and profit shifting are the main pillars of our tax strategy. Therefore, we do not operate subsidiaries, permanent establishments or sales offices in any of the twelve countries listed by the EU as black tax havens (<https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/>). With regard to the ten countries on the EU's grey list of tax havens, we operate production facilities in Turkey and Russia. These countries have committed to complying with international standards, but have signed fewer than twelve agreements in total.

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. To this end, we fully support the OECD's approach to co-operative compliance and strive to deal with tax authorities in all countries in an open, co-operative and substantive manner. For this reason, the EGGER Group also participates in the accompanying inspection in Austria. We are intensely pursuing the initiation of and participation in further horizontal monitoring projects in the various

countries. The Tax Compliance Management System (TCMS) set up in Austria was audited for adequacy and effectiveness in a follow-up audit by an independent tax consulting firm and was certified without reservation. This TCMS was used as a blueprint for the successful implementation of corresponding systems for a large number of countries. Currently, a fully comprehensive TCMS is being implemented in Turkey.

Profit reduction and profit shifting

The EGGER Group fully supports the OECD's BEPS (Base Erosion and Profit Shifting) initiatives and their comprehensive implementation. 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.

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, necessary documentation is available via a country-by-country report, a master file and local files. No functions were relocated in the past financial year and the transfer pricing concept was not changed.

<p>Past measures</p> <ul style="list-style-type: none"> ▪ Adequacy and effectiveness review of the TCMS for Austria 	<p>Future measures</p> <ul style="list-style-type: none"> ▪ Introduction of a formal TCMS for Turkey and France ▪ Participation in the Horizontal Monitoring Pilot Project in Poland
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- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
 - Our tax strategy
 - Tax compliance
- Our tax payments**
- Regional value creation
- Working conditions in the supply chain

Our tax payments

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

In addition, the EGGER Group is also liable to deduct tax. For example, we remit payroll taxes of our employees and capital gains tax to the respective tax authorities. In economic terms, the beneficiaries of these payments bear the tax burden. Nevertheless, our function as a “payer” of these taxes and levies is of great importance to government 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		
	2019 / 20	2020 / 21	2021 / 22
Austria	28.36	42.49	73.64
Germany	58.64	59.38	80.88
UK	44.25	53.42	79.80
France	22.95	41.96	29.10
Romania	13.21	21.02	24.04
Russia	25.53	26.03	51.20
Turkey	6.21	6.24	6.49
Poland	4.75	19.55	28.61
USA	3.42	6.52	10.82
Argentina	21.65	20.63	35.99
Total	228.98	297.23	420.56



SUSTAINABILITY TOPICS

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Our tax strategy

Tax compliance

Our tax payments

Regional value creation

Working conditions in the supply chain

Our tax payments

Taxes paid as a taxpayer ⁽¹⁾

State	Corporate income tax and similar taxes on income			Local charges			Other taxes and duties, including customs duties			Total taxes paid as taxpayer		
	2019 / 20	2020 / 21	2021 / 22	2019 / 20	2020 / 21	2021 / 22	2019 / 20	2020 / 21	2021 / 22	2019 / 20	2020 / 21	2021 / 22
Austria	4.96	0.00	29.96	2.82	2.83	2.98	3.85	3.73 ⁽²⁾	3.95	11.63	25.43	53.90
Germany	19.31	14.93	31.87	0.35	0.56	0.77	3.96	4.16	4.17	23.63	19.65	36.81
UK	7.16	7.26	12.94	0	0.00	0.00	2.66	3.78	5.18	9.82	11.04	18.13
France	0.49	10.30	11.03	2.86	2.71	1.32	3.06	3.48	1.92	6.41	16.49	14.27
Romania	3.24	4.40	3.56	0	0.00	0.00	5.07	3.84	2.32	8.31	8.25	5.88
Russia	4.34	5.81	13.35	0.05	0.11	0.10	15.33	3.97	6.64	19.73	9.89	20.09
Turkey	3.83	5.55	0.00	0	0.00	0.00	0.77	0.68	0.81	4.6	6.24	0.81
Poland	0.67	1.08	1.29	0.1	0.00	0.00	0.38	1.57	3.44	1.15	2.65	4.73
USA	0	0.00	0.00	0.22	1.51	2.56	0.93	2.17	1.51	1.15	3.68	4.07
Argentina	0.01	0.00	2.42	0.68	0.72	1.00	1.25	1.21	2.39	1.94	1.93	5.81
Total	44.02	49.34	103.42	7.07	8.45	8.73	37.26	47.47	52.34	88.36	105.25	164.49

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

⁽²⁾ Social security contributions have been historically excluded for 2020 / 21.

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
 - Our tax strategy
 - Tax compliance
 - Our tax payments**
- Regional value creation
- Working conditions in the supply chain

Our tax payments

Taxes paid as a 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		
	2019 / 20	2020 / 21	2021 / 22	2019 / 20	2020 / 21	2021 / 22	2019 / 20	2020 / 21	2021 / 22	2019 / 20	2020 / 21	2021 / 22
Austria	15.16	14.79	16.52	0.95	1.37	1.77	0.62	0.89	1.46	16.73	17.06	19.75
Germany	21.02	22.03	22.62	13.84	17.47	20.78	0.16	0.23	0.68	35.01	39.73	44.08
UK	4.72	12.11	12.51	29.70	30.27	49.16	0.00	0.00	0.00	34.43	42.38	61.68
France	0.68	0.57	0.28	15.86	24.90	14.55	0.00	0.00	0.00	16.54	25.47	14.83
Romania	1.05	6.61	8.16	3.53	5.80	9.51	0.33	0.37	0.49	4.91	12.78	18.16
Russia	1.65	4.58	6.89	4.15	11.55	24.21	0.00	0.01	0.00	5.80	16.14	31.11
Turkey	1.60	0.00	5.64	0.00	0.00	0.00	0.01	0.00	0.04	1.61	0.00	5.68
Poland	3.60	3.93	4.52	0.00	12.82	19.08	0.00	0.15	0.27	3.61	16.90	23.87
USA	2.10	2.83	6.64	0.18	0.00	0.10	0.00	0.00	0.00	2.28	2.83	6.75
Argentina	1.95	2.10	2.71	17.74	16.59	27.47	0.02	0.01	0.00	19.71	18.70	30.18
Total	53.54	69.55	86.49	85.95	120.77	166.65	1.13	1.66	2.93	140.62	191.98	256.07

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

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency

Regional value creation

- Donation activity
- Regionally purchased wood
- Working conditions in the supply chain

Regional value creation

EGGER thinks globally and acts locally. We produce at 20 sites 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 relationships with suppliers



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
 - Donation activity
 - Regionally purchased wood
- Working conditions in the supply chain

Donation activity



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 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	2019 / 20 ⁽²⁾	2020 / 21	2021 / 22
Donations and sponsorship in EUR ⁽¹⁾	937,356	1,526,802	2,141,649
of which in the area of health	270,293	619,683	326,513
of which in the area of social affairs	490,854	395,560	1,093,698
of which in the area of education	168,791	216,194	496,295
of which in the area of environmental protection	7,418	295,365	225,143

⁽¹⁾ Definition according to Compliance Guideline on Donations and Sponsorship
⁽²⁾ Data of the year 2019 / 20 was re-evaluated based on the guideline for the 2020 / 21 report



Status

EGGER takes its responsibility for local communities and regions seriously. Donations and sponsorships were further increased in the 2021 / 22 financial year (+40% compared to the previous year). At 51% of the total amount, the largest share in the past financial year was in the social sector. EGGER is particularly committed to protecting and supporting those in particular need at the respective locations.

Past measures

- Extensive health, social, educational and environmental activities focusing on local needs: including support to hospitals (Biskupiec, PL), support to cancer research organisations (Rion des Landes, FR), construction of playgrounds (Rădăuți, RO), equipment for schools (Rădăuți, RO), support to environmental organisations (Hexham, UK)

Future measures

- Group-wide continuation of donation activities

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
 - Donation activity
 - Regionally purchased wood
- Working conditions in the supply chain

Rădăuți, Romania

Best practice

Part of the local community: EGGER supports children with developmental delays and their families

The well-being of the people around the respective locations is close to EGGER's heart which is why we undertake regular fundraising activities at all locations. One of those focus areas in which EGGER is strongly committed is the social sector. At the beginning of 2022, EGGER entered into a partnership with the Association for Intervention in Autism Suceava (AIAS) in Romania, bringing the ImPACT programme to the region. This is an internationally recognised programme for parents of children with autism spectrum disorders (ASD) and associated social communication delays. ImPACT teaches parents strategies they can use to help their child develop social, communication and play skills during daily routines and activities. Parents receive specific theoretical as well as practical instruction in both group and individual sessions between parent and child, under the guidance of the specialised trainers. In addition, a comprehensive counselling service is available and the accompanying financial burden is alleviated. ImPACT is the first programme of its kind to be implemented in the northern part of Romania. Within this framework, EGGER supports families around the site Rădăuți (RO). Specialised support for affected families is otherwise hardly available and difficult to access, especially for lower-income families. With this initiative, EGGER is trying to make everyday life a little easier for parents and children.



The **ImPACT programme** is aimed at children with developmental delays and their families.

The **first course supported by EGGER** as part of the ImPACT programme started on **17 January 2022** and **lasted 6 months**.

Two additional courses have already been planned. EGGER will make available **EUR 15,000** for each.

For the first course, **EGGER makes EUR 18.000 available** – in addition to the programme, this also allowed for the proper set-up of the space. **27 children** and their parents take part in the programme.

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
 - Donation activity
 - Regionally purchased wood
- Working conditions in the supply chain

Regionally purchased wood



Attitude

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



Goal

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



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 purchasing department in the respective plants is responsible for the implementation of the strategy.

73% of the fresh wood is bought regionally



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
 - Donation activity
 - Regionally purchased wood
- Working conditions in the supply chain

Regionally purchased wood

Regionally purchased fresh wood

Calendar year	2019	2020	2021
Share of fresh wood from regional proximity ⁽¹⁾	72%	72%	– ⁽²⁾

Financial year	2019 / 20	2020 / 21	2021 / 22
Share of fresh wood from regional proximity ⁽¹⁾	– ⁽²⁾	73%	73%

(1) Percentage of fresh wood deliveries by lorry 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:

- Overall, there has been a significant increase in demand for wood as a raw material, especially in the area of energy use, partly due to the phase-out of coal combustion in order to protect the climate. In addition, the supply of wood has become scarcer due to the discontinuation of Belarus as a wood supplier to the EU since autumn 2021.
- The sanction measures imposed in connection with the conflict in Ukraine are also associated with an import ban on raw wood from Russia and Belarus to the EU. This will make the procurement markets in Europe even more challenging in the short and medi-

um term.

- The loss of the spruce tree species in Central Europe since 2018 (due to storm damage and subsequent beetle calamities favoured by drought) will lead to a lower timber supply in this region in the medium term.
- The consequences of climate change with increasing frequency of extreme weather events are already leaving clearly visible traces in the forests today (declining vitality, stock losses, etc.) and will pose major challenges for wood procurement in the medium and long term.

Against this background, it seems necessary to review the current key figure in order to face future challenges and to set realistic and achievable goals.

Past measures

- Regular reporting of the key figure in half-yearly and strategy meetings of the wood purchasing department
- Development of railway concepts in wood purchasing for long-distance procurement in various countries, including first wood block trains at our Biskupiec (PL) site and extension of the runtime of the roundwood block train for the Rion des Landes (FR) plant

Future measures

- Establishment of a regular block train for the procurement of recycling wood at the Rădăuți plant (RO)
- Review and, if necessary, adjustment of the strategic key figure in relation to realistic objectives
- Reduction of the share of fresh wood

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
 - Donation activity
 - Regionally purchased wood
- Working conditions in the supply chain

Rion des Landes, France

Best practice

**Regional value creation:
Close partnership with forest owners in Rion des Landes (FR)**

In 2011, storm “Klaus” generated a great deal of storm wood in the area around Rion des Landes (FR). Despite intensive reforestation efforts, not enough forest has grown back yet. To support on-site thinning in the region, minimise transport distances and ensure the long-term regional supply of our raw materials, EGGER has concluded special contracts with municipal and private forest owners in the surrounding area: For the owners, the sale is secured at a fair price. With the option of partial pre-financing, the owners can cover costs incurred for forestry work, if necessary, even before the wood is sold. The first contract was signed in 2020 with the local council of Rion des Landes (FR), where one of the two French EGGER plants is located.

The ten-year contract covers an area of 1,000 hectares. Every year, 4,600 tonnes are expected to be harvested. A second contract covering the same term and area was signed with a private owner in December 2021. A harvest of about 3,000 tonnes per year is expected. At least two more such contracts are expected to be signed by the end of 2022. This model is to be expanded in future years and extended to cover other regions.



Philippe Cotte (Division Director Technical / Production EDP West) and Laurent Civel (Mayor of Rion) at the signing of the contract

The first contract was signed in **2020**, the second one followed in **2021**. At least two more are expected to be signed by the end of 2022.

During the validity period of the contract, EGGER harvests **tress that are between 12 and 40 years old.**

With this contract, EGGER has further strengthened its relationship with the **Rion des Landes (FR)** municipality.



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation

Working conditions in the supply chain

- Our commitment to the UN Global Compact
- Working conditions in transport logistics
- Working conditions in the wood supply chain

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



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain
 - Our commitment to the UN Global Compact
 - Working conditions in transport logistics
 - Working conditions in the wood supply chain

Our commitment to the UN Global Compact



We are committed to the ten 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 as well as for
- 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 Progress Report

In the past financial year, we revised both the EGGER Code of Conduct and the Supplier Code of Conduct and published the new versions at the beginning of the 2022 / 23 financial year. All ten principles of the UN Global Compact are included. The process of having the Supplier Code of Conduct endorsed by our suppliers was continued. In the second year, we were again able to achieve an endorsement rate of over 80% (measured against turnover) and are thus well on the way to achieving the objective 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 2020 / 21 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	2019 / 20 ⁽²⁾	2020 / 21	2021 / 22
Number of paper and chemicals suppliers	–	322	336
of which signatories of the EGGER Supplier Code of Conduct ⁽¹⁾ (share by turnover)	–	71 (81%)	80 (87%)
of which committed to their own Code of Conduct (share by turnover)	–	5 (4%)	4 (3%)
Rest (share by turnover)	–	246 (15%)	256 (10%)

⁽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

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain
 - Our commitment to the UN Global Compact
 - Working conditions in transport logistics
 - Working conditions in the wood supply chain

Working conditions in transport logistics



Attitude

Occupational health and 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 2019, we conducted two anonymous satisfaction surveys across the Group, one with the freight companies and one directly with the lorry drivers. The hauliers evaluated the cooperation with EGGER dispatchers as well as the process flows. Of the 265 hauliers surveyed, 97% said they were satisfied. ⁽¹⁾ The drivers assessed the site infrastructure, occupational health and safety, the personal contact of EGGER employees and waiting times. Of the 985 drivers surveyed, 81% said they were satisfied overall. ⁽¹⁾



Goal

The guiding principle is to become the most attractive shipper in the respective region.

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.

We comply with all legislation on fair pay for our transport partners.

(1) Satisfied = sum of the answers 'rather satisfied', 'very satisfied' and 'extremely satisfied' in relation to 'overall satisfaction'.



Status

The survey showed that overall satisfaction is high, which confirms that our employees are living according to 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 2023, as the COVID 19 situation still prevented us from doing so during the financial year.

Past measures

- Continuous reduction of lorry downtimes when loading finished goods
- Optimisation of further route markings to the loading bays
- Introduction of monitors with the estimated waiting time until loading starts
- Introduction of the yard management system at the Wismar site (DE)

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



SUSTAINABILITY TOPICS

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 training and promotion opportunities

Employee satisfaction

Business ethics

Tax transparency

Regional value creation

Working conditions in the supply chain

Our commitment to the UN Global Compact

Working conditions in transport logistics

Working conditions in the wood supply chain

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 eight 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 timber, 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 relationships 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.

- ABOUT US
- SUSTAINABILITY MANAGEMENT
- SUSTAINABILITY TOPICS**
- ANNEX



SUSTAINABILITY TOPICS

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 training and promotion opportunities
- Employee satisfaction
- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain**
 - Our commitment to the UN Global Compact
 - Working conditions in transport logistics
 - Working conditions in the wood supply chain

Working conditions in the wood supply chain



New timber suppliers screened according to social criteria

Financial year	2019 / 20	2020 / 21	2021 / 22
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.



Status

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 suppliers.

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 or checked timber.

Past measures

- Confirmation of the Supplier Code of Conduct by all suppliers within the framework of our EGGER DDS
- Internal and external auditing within the framework of ISO 38200 and the FSC® Core Labour Requirements
- Comparison of IT-based compliance management systems to increase transparency in the supply chain

Future measures

- Active cooperation for the 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
- Risk assessment and evaluation of the legal requirements for working conditions



ANNEX



ANNEX

Glossary

→ GRI Content Index

→ NaDiVeG Annex

Statement by the company's legal representatives

Audit report

→ Global Compact Progress Report

Glossary A–H

ABS	Acrylonitrile butadiene styrene (plastic)
AIAS	Association for Intervention in Autism Suceava
ASD	Autism Spectrum Disorders
AT	Unit of measurement for the mass of one tonne of absolutely dry wood (absolutely dry tonne).
BEPS	Base Erosion and Profit Shifting (BEPS)
BREEAM	Building Research Establishment Environmental Assessment Method
BREF	Best Available Techniques reference documents
BY	Belarus
C	Carbon
CapEx	Capital Expenditures
CARB 2	Formaldehyde emission class (California Air Resources Board Phase 2)
CFO	Chief Financial Officer
CO	Gas (carbon monoxide)
CO ₂	Gas (carbon dioxide)
CO ₂ eq.	CO ₂ equivalent: Unit of measurement to standardise the climate impact of the different greenhouse gases
COC	Chain of custody
CPI	Corruption Percentage Index
CRM	Customer Relationship Management
CSO	Chief Sales Officer
CSR	Corporate Social Responsibility
CTO	Chief Technology Officer
DDS	Due diligence system
DHF	Vapour-permeable wood fibreboard
DIY	Do it yourself
E1E05	Industrial labelling for wood-based materials which, as raw boards, meet the requirements of the German Chemicals Prohibition Ordinance
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 Declaration
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	EPD (environmental product declaration)
EPI	Environmental Performance Index
EPOC	Energy Production and Optimization Control
ERP	Business Resource Planning (Enterprise Resource Planning)
ESG	Environmental and social performance and organisational structure of corporate management (environment, social, governance)
ETS	EU Emissions Trading System
EU IED	EU Industrial Emissions Directive
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
GFA	Gesellschaft für Agrarprojekte (certification company)
GHG	Greenhouse Gas
GRI	Sustainability reporting standard (Global Reporting Initiative)
GWh	Gigawatt hour
GWP	Global Warming Potential
HDF	High-Density Fibreboard

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



ANNEX

Glossary

→ GRI Content Index

→ NaDiVeG Annex

Statement by the company's legal representatives

Audit report

→ Global Compact Progress Report

Glossary H–S

HR	Human Resources
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
IFRS	International Financial Reporting Standards Foundation
ILO	UN special organisation for labour rights (International Labour Organisation)
ISAE 3000	International Standard on Assurance Engagements 3000
ISO 9001	International Quality Management System Standard
ISO 14001	International Environmental Management System Standard
ISO 14021	International standard for environmental supplier 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
ISO 50001	International Energy Management System Standard
ISS ESG	ESG division of the rating provider Institutional Shareholder Services Inc.
IT	Information technology
LCA	Life Cycle Assessment
LTIR	Accident frequency
LEED	Leadership in Energy and Environmental Design
Short-cycle press	Short-cycle press
CIP	Continual improvement process
kWp	Kilowatt Peak: Peak power of photovoltaic modules
M1	Finnish label for the classification of emissions from building materials
MF	Melamine formaldehyde
MDF	Medium Density Fibreboard
MUF	Melamine Urea Formaldehyde
NACA-Score	Rating system for the severity of injuries and illnesses

NaDiVeG	Sustainability and diversity improvement act (Austria)
NFI	Non-financial information
NGOs	Non-Governmental Organisation
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
OpEx	Operational Expenditures
OSB	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)
PEFC	Voluntary system for sustainable forest management, chain-of-custody and product labelling (Programme for the Endorsement of Forest Certification)
PESTEL Analysis	Strategic analysis tool for assessing the impact of external factors (political, environmental, economic, social, technical, ecological, legal) on the company
PMDI	Binding agent (polymeric diphenylmethandisocyanat)
PRTR	Pollutant Release and Transfer Register
PVC	Plastic (polyvinyl chloride)
RAL UZ 176	Voluntary eco-label Blue Angel for low-emission floor coverings, panels and doors made of wood and wood-based materials for interiors
RC	Recycling
SASP	Single Authorisation for Simplified Procedures
SDG	Sustainable Development Goals of the United Nations
SGS	Societe Generale de Surveillance (certification company)

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



ANNEX

Glossary

→ GRI Content Index

→ NaDiVeG Annex

Statement by the company's legal representatives

Audit report

→ Global Compact Progress Report

Glossary T–W

TCMS	Tax Compliance Management System
TSCA Title VI	Toxic Substances Control Act
UA	Ukraine
UF	Urea Formaldehyde
UGB	Corporate code
UKTR	UK Timber Regulation
UN	United Nations
UNEP-SETAC Guidance	Guidance for Life Cycle Assessments of the UN Environment Programme
VOCs	Volatile organic compounds
WRI	World Resources Institute

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



ANNEX

Glossary

→ GRI Content Index

→ NaDiVeG Annex

Statement by the company's legal representatives

Audit report

→ Global Compact Progress Report

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](#)

 [NaDiVeG Annex](#)

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



ANNEX

Glossary

→ GRI Content Index

→ NaDiVeG Annex

Statement by the company's legal representatives

Audit report

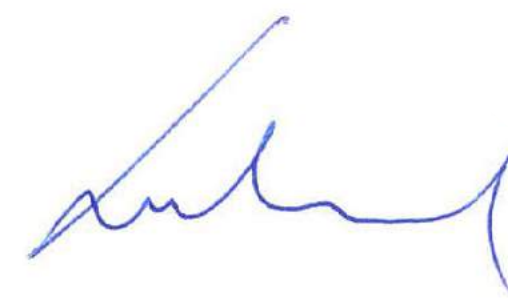
→ Global Compact Progress Report

Statement by the company's legal representatives

This non-financial report for the 2021 / 22 financial year was approved and released for publication on 14 July 2022.

St. Johann in Tirol, 14 July 2022

The Managing Board



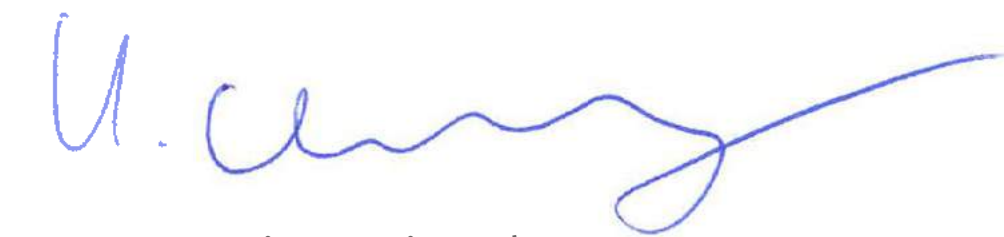
Thomas Leissing
(Chief Financial Officer and Speaker of
the Group Management)



Frank Bölling
(Chief Supply Chain Officer)



Ulrich Bühler
(Chief Sales Officer)



Hannes Mitterweissacher
(Chief Technology Officer)

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



ANNEX

Glossary

→ GRI Content Index

→ NaDiVeG Annex

Statement by the company's legal representatives

Audit report

→ Global Compact Progress Report

Audit report

Independent Assurance Report on the Non-financial Reporting § 267a UGB

We have performed an independent limited assurance engagement on the consolidated non-financial report according to § 267a UGB (“NFI report”) for the financial year 2021/22, which has been published as Nachhaltigkeitsbericht 2021/22 of

Egger Holzwerkstoffe GmbH,
Sankt Johann,
(referred to as "Egger" or "the Company").

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, the provisions of Article 8 of the Regulation (EU) 2020/852 as amended and the supplementing delegated Regulation (EU) 2021/2178 (hereafter “EU Taxonomy Regulation”) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option “Core” in all material respects.

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. In addition, the company prepares disclosures in accordance with the EU Taxonomy Regulation, which are published as part of sustainability reporting. 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.

Emphasis of Matter

We refer to the disclosures in section [x] of the non-financial statement, related to Article 8 of the EU Taxonomy Regulation, in which the legal representatives have set out their understanding of the regulations and the delegated legislation adopted in this regard. Both the disclosures as well as the delegated legislation issued in this regard are based on wordings and terms that are subject to significant uncertainties in their interpretation and for which there are no authoritative sources available for clarification. The legal representatives are responsible for the selection of these interpretations as well as their reasonability. Due to the inherent risk that ambiguous legal terms may be inter-

preted differently, an assessment of legal conformity with regulations is subject to uncertainties. Our conclusion is not modified in respect of this matter.

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 (§§ 243b and 267a UGB), the legal requirements of the EU Taxonomy Regulation 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

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



ANNEX

Glossary

→ GRI Content Index

→ NaDiVeG Annex

Statement by the company's legal representatives

Audit report

→ Global Compact Progress Report

Audit report

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:

- Inquiries of personnel at the group level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting thresholds of the Company;
- 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 and also includes 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;
- 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 processes for local data collection, validation and reporting, as well as the reliability of the reported data through a (remotely conducted) survey performed on a sample basis at the site in Wismar.

- 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 of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the EU Taxonomy Regulation 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.

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 consequent-

ly, we shall not be liable for any third party claims. We agree to the publication of our assurance certificate and NFI report. However, publication may only be performed in its entirety and as a version that has been certified by us.

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.

Vienna, 14th July 2022

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
qualified electronic signature
Mag. Ulrich Pawlowski
Wirtschaftsprüfer
(Austrian Chartered Accountant)

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX



ANNEX

Glossary

→ GRI Content Index

→ NaDiVeG Annex

Statement by the company's legal representatives

Audit report

→ Global Compact Progress Report

Global Compact Progress Report

The annex to the Global Compact Progress Report provides an overview of the places in the report where the content that the Global Compact stipulates for the progress report can be found. In its annual Communication on Progress report, 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

ABOUT US

SUSTAINABILITY MANAGEMENT

SUSTAINABILITY TOPICS

ANNEX

