

Modern Slavery and Human Trafficking Statement

Introduction

This statement sets out EGGER's actions to understand potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business nor that of its supply chains. This is the second statement made by EGGER, following the previous statement released on 31 January 2017.

As part of the wood-based panel industry, the organisation recognises that it has a responsibility to take a robust approach to slavery and human trafficking.

The organisation is committed to preventing slavery and human trafficking in its corporate activities, and to ensure that its supply chains are also free from slavery and human trafficking.

Organisational structure and supply chains

The EGGER Group, with its head office in St. Johann in Tirol, is one of the leading international wood-based materials manufacturers. Founded in 1961, the family-based company now has 18 production plants worldwide with approximately 8,100 employees. Global customers include those in the furniture industry, wood distribution, building markets and the DIY business.

This statement covers the specific activities of the following EGGER companies in the UK:

- EGGER (UK) Limited
- EGGER Forestry Limited
- Timberpak Limited
- Campact Limited

In the UK, EGGER is vertically integrated into its own supply chain:

- EGGER (UK) Limited produces wood-based panels primarily for the UK market from plants in both Northumberland and Ayrshire and is considered a leading supplier due to high quality, innovative products and cutting-edge design. Principle customers are furniture manufacturers, construction companies and distributors.
- EGGER Forestry Limited is primarily involved in the management, marketing and harvesting of woodlands and the subsequent supply of timber to EGGER (UK) Limited.
- Timberpak Limited is primarily involved in the procurement of waste wood for recycling at the EGGER (UK) Limited plants as well as providing a cost effective and environmentally friendly option for disposing of waste wood.
- Campact Limited produces resin and glue for supply to EGGER (UK) Limited which is then used in the manufacturing processes.

The ultimate parent company is EGGER Holzwerkstoffe GmbH, situated in Austria.

Relevant policies

The organisation continues to operate the following policies. These policies describe the organisation's approach to the identification of modern slavery risks and the steps to be taken to prevent slavery and human trafficking in its operations:

- **Whistleblowing policy:** The organisation encourages all its workers, customers and other business partners to report any concerns related to the direct activities or the supply chains of the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The organisation's whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation.
- **Employee code of conduct:** The organisation's code makes it clear to employees the actions and behaviour expected of them when representing the organisation. The organisation strives to maintain the highest standards of employee conduct, legal competence and ethical behaviour when operating and managing its supply chain.
- **Supplier code of conduct:** The organisation is committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers should, if necessary, be able to demonstrate that they provide safe working conditions, treat workers with dignity and respect, and act ethically and within the law in their use of labour. Serious violations of the organisation's supplier code of conduct will lead to the termination of the business relationship.
- **Subcontractors/Agency workers policy:** The organisation uses only specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency.

Due diligence

Within the UK, due to the vertical integration described, EGGER is able to better manage, be closer to, and be in more control of its supply chain and the activities involved.

In the UK, EGGER procure a supply of materials and subcontractor labour from wider Europe. Due to the geographical scope of the Group, the company is able to form closer relationships with these suppliers. With such multinational reach, the organisation has a local base of contact and can therefore manage and better control the risks of modern slavery.

Performance indicators

The organisation continues to review its key performance indicators (KPIs) in light of the introduction of the Modern Slavery Act 2015. As a result, the organisation will continue to promote further awareness of modern slavery and human trafficking and will continue its use of labour monitoring and payroll systems.

Training

All directors have been briefed on the importance of mitigating any incidences of modern slavery and human trafficking within the organisation and its supply chain. The directors are responsible for compliance within their respective departments. In the past year, this was further rolled out to all plant managers within the organisation.

Over the next year, training will be given to all department managers to further raise awareness of identifying and mitigating any incidences of modern slavery and human trafficking.

Board Approval

This statement has been approved by the organisation's directors, who will review and update it annually.

A handwritten signature in black ink, appearing to read "Bernd Steinlechner".

Bernd Steinlechner
Financial Director