MORE FROM WOOD.

EGGER

Egger Holzwerkstoffe GmbH
Sustainability report 2017 / 2018

Contents


EGGER

1.
Preface

Dear Readers,

We are pleased to be able to present our first sustainability report to you! For us as a family business which is both steeped in tradition and innovative, long-term orientation is a matter of course and at the same time our most important guiding principle. Forward-thinking action, which is also geared to future generations, is based on ecological, economic and social sustainability and has always been our established practice.
All our business decisions are oriented towards the long term. This is the case, for example, for investments in plants and the associated responsibility for our employees and the local communities. Only thanks to a reasoned and long-term investment strategy have we been able to become one of the leading wood-based material manufacturers in Europe through our own efforts and win the trust of partners and customers from all over the world.
Forward-thinking, future-oriented action also applies to the careful use of resources, in particular with our most important raw material wood. Like in nature, we also organise our processes in cycles that conserve resources. Our closed material cycle, integrated plants and the cascading use of wood take centre stage.

In this way, we fully exploit the potential of the valuable raw material. Finally, our long-term focus is also reflected in our relationships with our customers, suppliers, partners and employees. Along with the high quality of our products and services, the quality of relationships is extremely important to us. We are committed to a fair relationship and unconditional dependability and see this attitude affirmed in the many long-standing customer, supplier and employee relationships.
All these and many more sustainability indicators are presented in a transparent manner in this report. This bundling and systematic consideration of all our sustainability activities helps us to identify and treat the key issues of our stakeholder groups and to even more consistently manage our services for the environment and society. In this respect, we see this first sustainability report as the cornerstone for comprehensive and transparent reporting of our services and potentials in terms of sustainability. On this basis, we want to continuously develop our sustainability management over the next few years. Wholly in the spirit of longevity.

Walter Schiegl Thomas Leissing Ulrich Bühler


LIEBHERR
934

2.

About the report

The present report is an initial report of the EGGER Group.

Reporting period:
The reporting period is in line with the EGGER financial year and runs from May 2017 to April 2018. For better illustration, wherever possible, the two previous years are also indicated. Some indicators refer to calendar years (January-December) and are marked accordingly.
Other deviating periods are also specified accordingly.

Reporting cycle:
Annual update

Reporting standard:
This report meets the requirements for a separate non-financial report in accordance with §267a of the Austrian Commercial Code (UGB). For a quick assignment of the contents to the requirements of the Austrian Sustainability and Diversity Improvement Act, see chapter Overview of NaDiVeG.
This report was inspired by the GRI Standard. For a quick assignment of the contents to the GRI 2016 indicators see chapter GRI Content Index.

Scope of the report:
The report refers to all production plants of the EGGER Group as of 30/04/2018. The Concordia plant (Argentina), which was acquired by EGGER on 1 October 2017, has not yet been incorporated in this report. The reason for this is that the Concordia system integration has not been fully completed due to the acquisition in the course of the year. Nor are the greenfield projects in Biskupiec (Poland) and Lexington, NC (USA), which are still under construction or in planning, taken into account.

The new plants have already been taken into account in some information and indicators: In the overview of all markets and production plants (chapter “Markets and production plants”), in the overview of the certified management systems as well as in the disclosure of the total number of employees.

Language and readability:
In order to ensure the best possible readability, gender-specific duplications have been omitted in this report. Each entry is thus gender-neutral and comprehensible to both men and women.
The report will be published in German and English, whereby in case of doubt the German-language version shall prevail.

Contact:
environment@egger.com


Siempelkamp
EGGER

3. Corporate profile

Value chain

Organisational structure

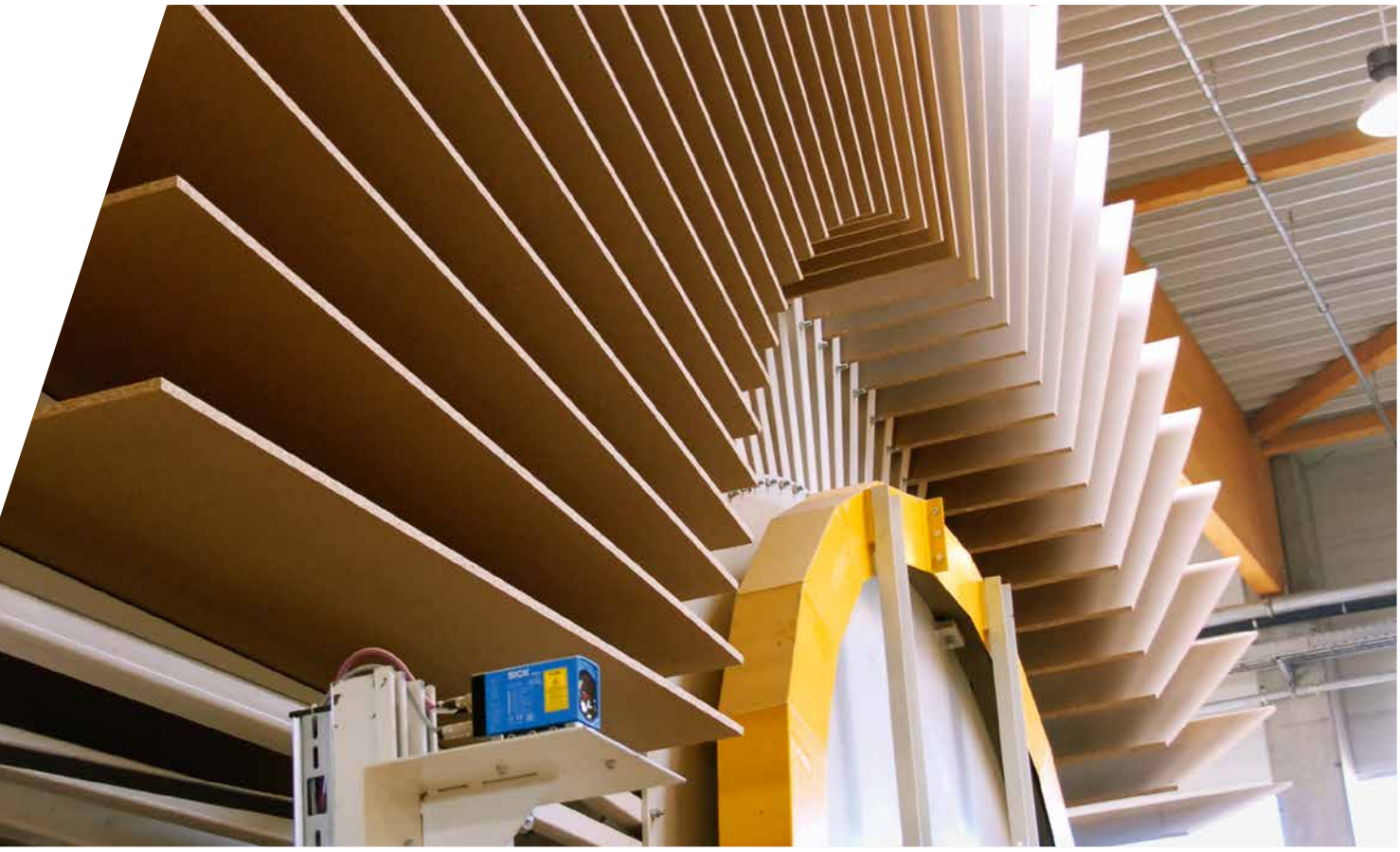
Company key figures

Future viability of the business model

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 company now has 18 production plants worldwide with roughly 9,200 employees. Global customers include those in the furniture industry, wood distribution, hardware stores, and the DIY business.

EGGER products are found in many areas of private and public life, including kitchens, bathrooms, bedrooms, offices, hotels and shops. EGGER is a full-range supplier for the furniture and interior design industry, for wood construction and wood-based flooring (laminate, Comfort and Design flooring) industries. Following the guiding principle “More from wood”, the Tyrolese wood-based materials producer offers a comprehensive product range of coreboards made of wood-based materials (chipboards, OSB boards and MDF boards) under the EGGER umbrella brand. Most of the base materials are upgraded with trendy decors and surfaces. EGGER also produces timber and planed wood in its own sawmill in Brilon (DE). In the past financial year, the production quantity for rawboards including sawn timber amounted to 8.5 million m³ (257.8 million cubic feet).

In order to strengthen its existing market position, EGGER is continuously working on the further development of its product portfolio. One of the focal points is the regular development of new, on-trend decors and surfaces. Additionally, EGGER highlights its claim to be the leading wood-based materials manufacturer with numerous new developments.

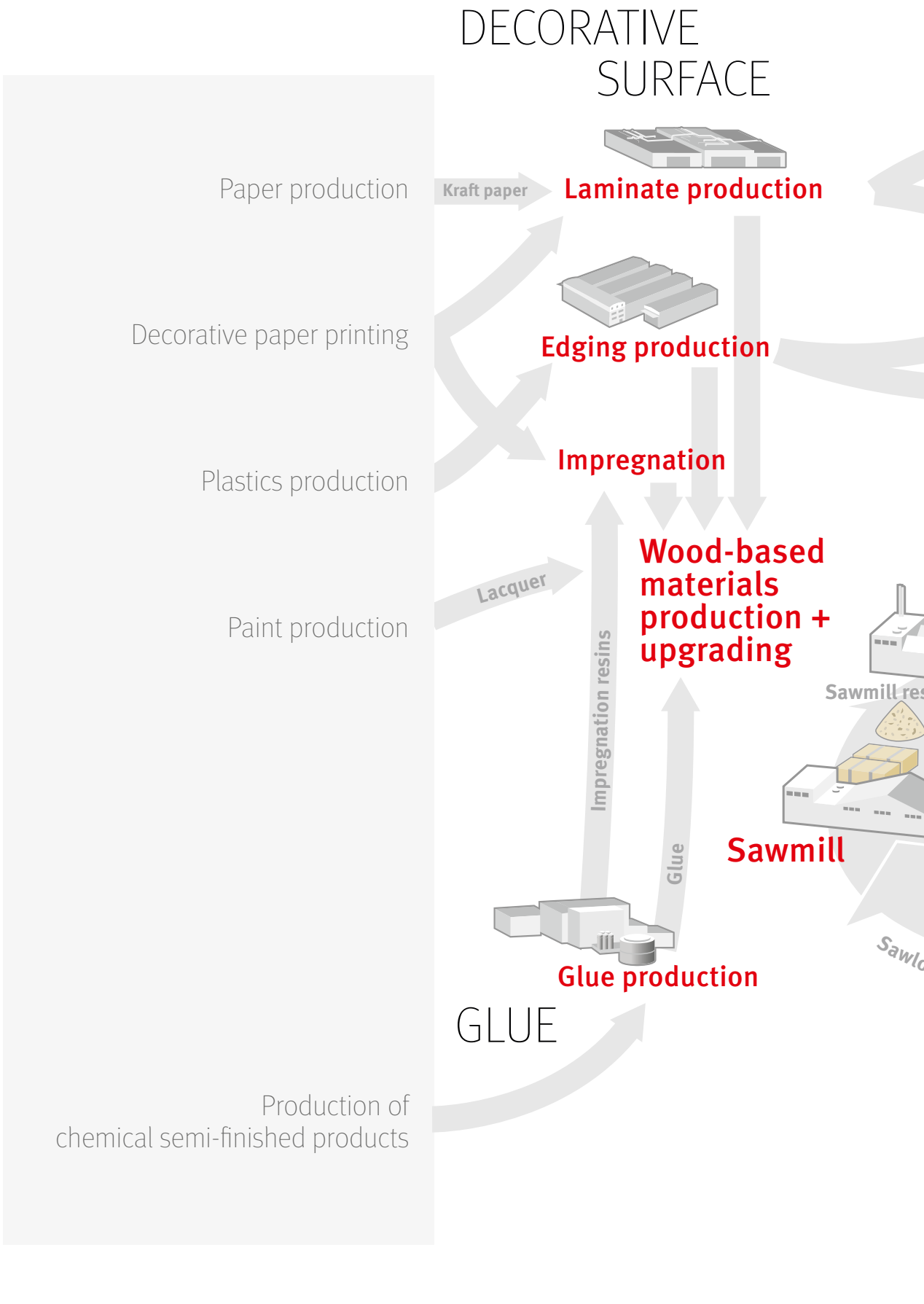


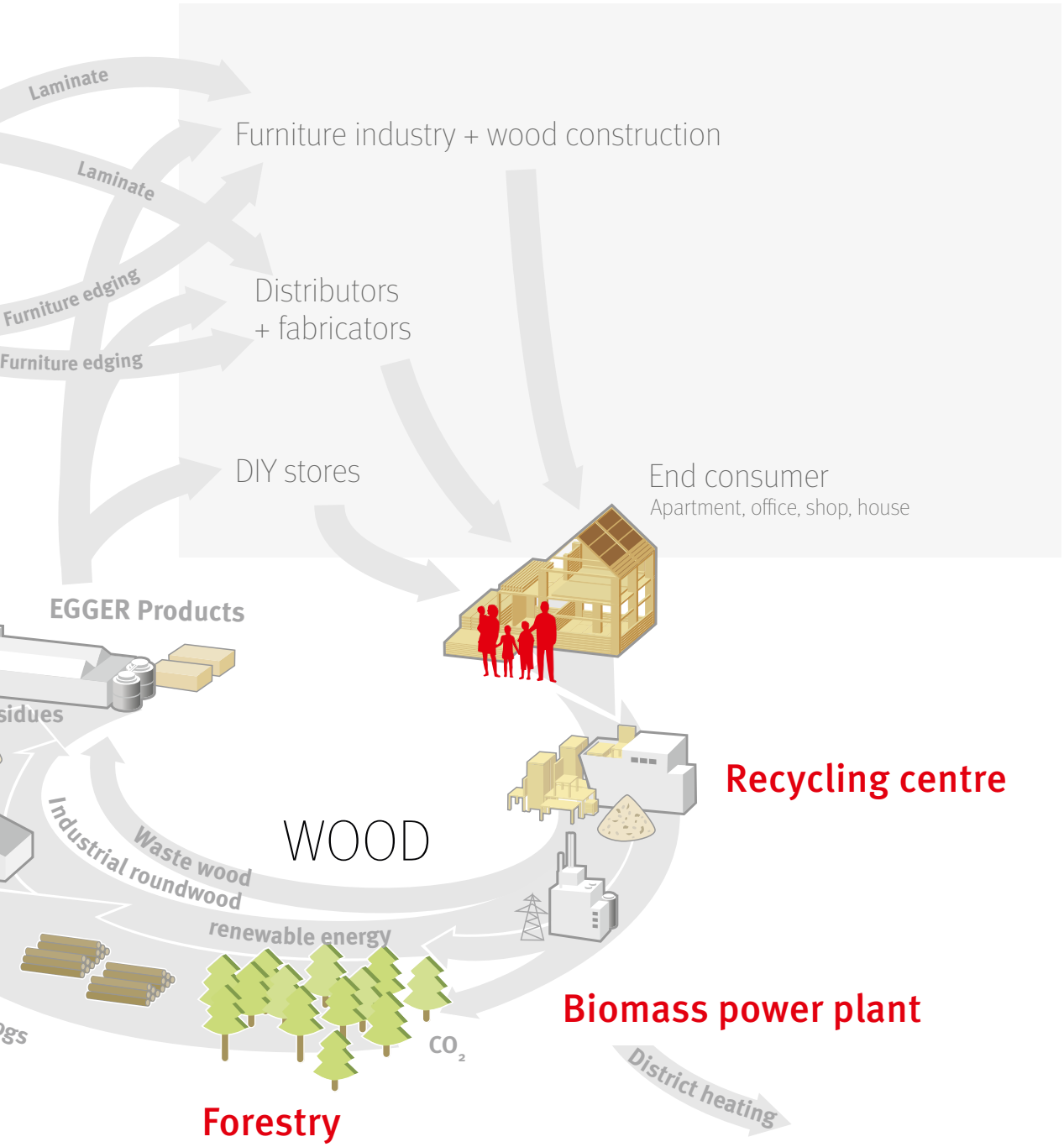
The new flooring range EGGER Design flooring, the product category PerfectSense lacquered boards in Gloss and Matt, the compact laminate in the EGGER matching decors set, the two-sided Feelwood synchronised pore surface on all core materials, as well as the Comfort technology as flooring solution for quiet, warm, and robust floors.

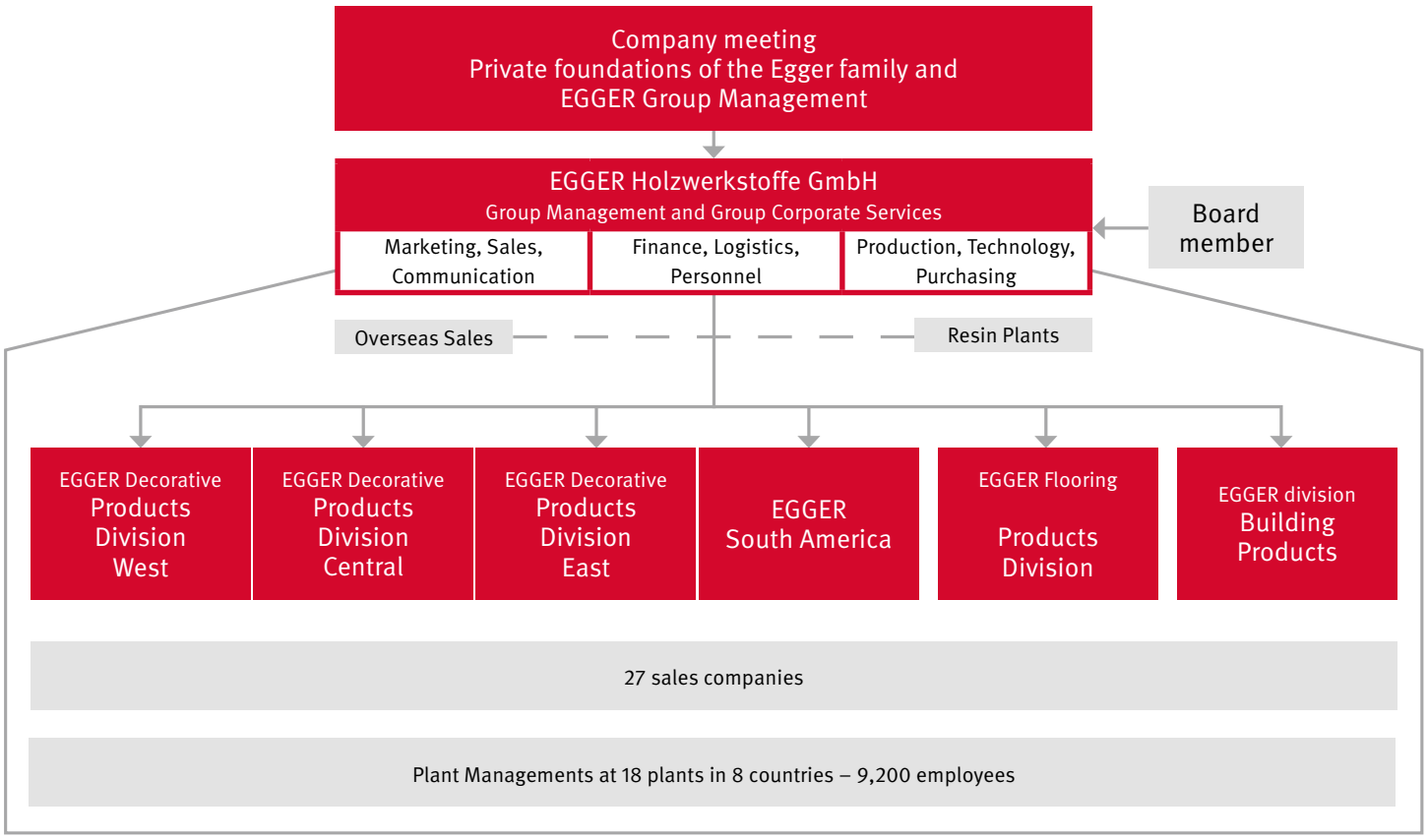
Sustainable forestry and environmentally friendly production are key concerns for EGGER. All plants are certified according to the PEFC and FSC® CoC-standards. In its plants, EGGER counts on the integrated production of wood-based materials. This results in the optimum utilisation of the raw material wood – from the production of wood and wood-based materials to its use in company-owned biomass power plants to produce energy and electricity.
The environmental and sustainability awareness of EGGER is also reflected in its products. Since all EGGER products are made from the renewable resource wood, they are naturally CO_2-neutral and therefore especially environmentally friendly. But EGGER goes one step further in the development of its products: With its honeycomb technology, the Eurolight lightweight board reduces the consumption of valuable raw materials.

In terms of sustainability along the entire value chain, EGGER is a leader in the wood-based materials industry. EGGER was the first European wood-based materials manufacturer to publish internationally recognised and independently verified EPDs (environmental product declarations) for all base products. EPDs provide neutral information on the environmental impact of a product, including raw material extraction, transport and production. The EPDs are used in the certification process of buildings and facilitate to chose the products with the lowest environmental impact for a certain function in the building context.

Value chain


DECORATIVE SURFACE
Paper production
Kraft paper
Laminate production
Decorative paper printing
Edging production
Plastics production
Impregnation
Paint production
Lacquer
Wood-based materials production + upgrading
Impregnation resins
Glue
Sawmill
Glue production
GLUE
Production of chemical semi-finished products


Laminate
Laminate
Furniture edging
Furniture edging
Furniture industry + wood construction
Distributors
+ fabricators
DIY stores
End consumer
Apartment, office, shop, house
EGGER Products
sidues
Recycling centre
WOOD
Industrial roundwood
Waste wood
renewable energy
Biomass power plant
CO2
District heating
Forestry
Material or energy flow
abc Processing step at EGGER
abc Processing step outside of EGGER
ABC Group of raw materials
Limit EGGER / Non-EGGER


Company meeting
Private foundations of the Egger family and
EGGER Group Management
EGGER Holzwerkstoffe GmbH
Group Management and Group Corporate Services
Marketing, Sales, Communication
Finance, Logistics, Personnel
Production, Technology, Purchasing
Board member
Overseas Sales
Resin Plants
EGGER Decorative Products Division West
EGGER Decorative Products Division Central
EGGER Decorative Products Division East
EGGER South America
EGGER Flooring Products Division
EGGER division Building Products
27 sales companies
Plant Managements at 18 plants in 8 countries – 9,200 employees

Organisational structure

The EGGER Holzwerkstoffe GmbH is the ultimate parent company of our Group. This includes companies in Austria, Germany, France, Great Britain, Russia, Romania, Poland, Turkey and Argentina 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.

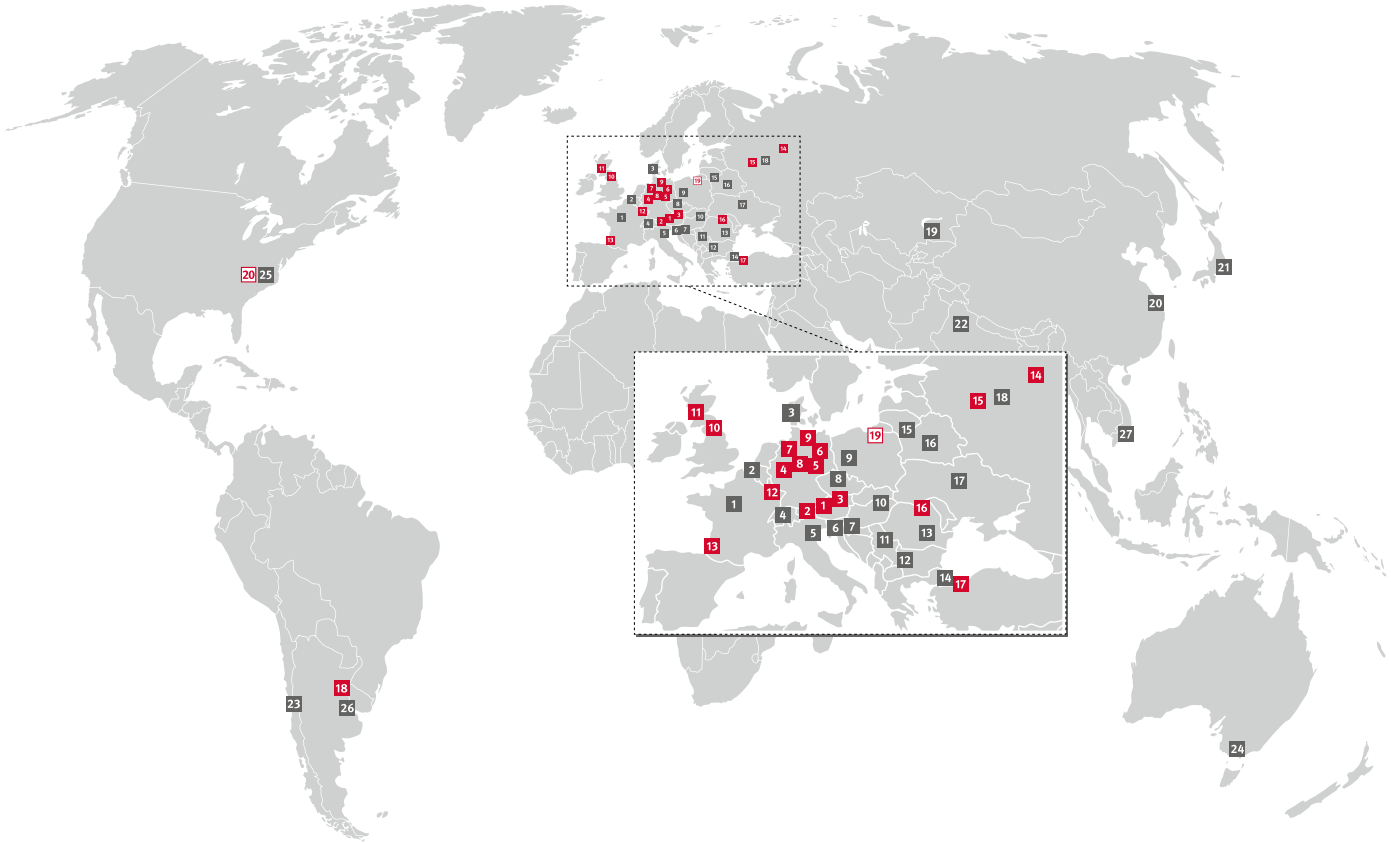
The management (Group Management) of the ultimate parent company, EGGER Holzwerkstoffe GmbH, consists of Thomas Leissing (Management Speaker, CFO, Finances, Logistics, Human Resources and IT), Walter Schiegl (CTO, Production, Technology and Purchasing) and Ulrich Bühler (CSO, Marketing, Sales and Communication).

In strategic matters, our management is advised by the board of directors. Cooperation between management and board of directors is organised by means of periodic board of directors meetings, budget and investment meetings, as well as monthly reporting.
For the management of organisational units, EGGER relies on management teams.
Each person is responsible for an area, whether it be production and engineering, marketing and sales, logistics 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 engineering, production, procurement, marketing, communications, sales controlling, IT, logistics, human resources, accounting, treasury, legal and tax.

Markets and production plants

EGGER thinks globally and acts locally. We produce at 18 plants in eight countries worldwide and sell our products worldwide. Thereby, we see ourselves as an international company with Tyrolean roots. Our main focus here is on the European market, but also on strategic export markets outside Europe. A global distribution network, efficient logistics, 27 sales offices and an international network of retail partners in over 90 countries ensure the systematic development of markets.

In order to ensure optimal market development and close proximity to our customers, our organisational structure is based on divisions and markets. The largest organisational area is the “EGGER Decorative Products” division, which has a regional structure in West, Central and East. Wood-based products as well as accessories for decorative furniture and interior design are manufactured and sold under its umbrella. In addition, there are the two divisions “EGGER Flooring Products”, which produces and markets laminate flooring, Comfort flooring and Design flooring, and EGGER Building Products for construction materials like OSB boards and sawn timber products.



sales locations

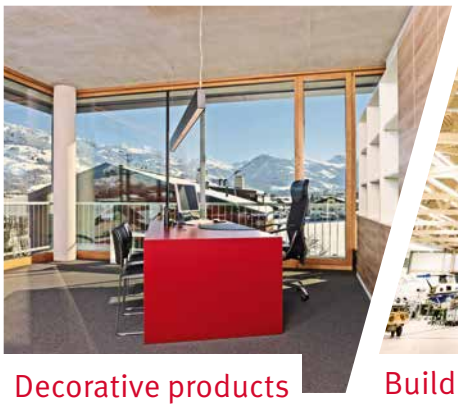
1 Tours (FR)
2 Kortrijk (BE)
3 Tistrup (DK)
4 Kriens (CH)
5 Treviso (IT)
6 Šenčur (SI)
7 Varaždin (HR)
8 Hradec Králově (CZ)
9 Poznań (PL)
10 Budapest (HU)
11 Smederevo (RS)
12 Sofia (BG)
13 București (RO)
14 Gebze (TR)
15 Vilnius (LT)
16 Minsk (BY)
17 Kiev (UA)
18 Moscow (RU)
19 Almaty (KZ)
20 Shanghai (CN)
21 Tokyo (JP)
22 New Delhi (IN)
23 Santiago de Chile (CL)
24 Melbourne (AU)
25 Lexington, NC (US)
26 Buenos Aires (AR)
27 HoChi Minh City (VN)

production plants

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)

In planning/under construction

19 Biskupiec (PL)
20 Lexington, NC (US)



Decorative products

Building Products

Flooring Products

We also arrange our customer groups into the following sales channels/sectors:

Industry

Comprises large customers from the furniture industry and industrial customers of wood construction.

Retailer

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

DIY

Comprises DIY store chains and DIY stores selling to do-it-yourselfers.

Our products

Furniture and interior design

Eurospan
Raw chipboard

Eurodekor
Melamine-faced boards

PerfectSense HighGloss/Matt
Lacquered boards

Thin chipboards

MDF boards

Thin MDF lacquered

HDF boards

Laminates

Laminate bonded boards

Compact laminates

OSB Combiline

Furniture components

Eurolight
Lightweight boards

Worktops

Front elements

Window sills

Thin chipboard
Support edging

ABS, PMMA, PVC, and PP edging

Building products

Timber

fresh, dried and planed

OSB
Straight edging

OSB
Tongue and groove

Ergo Board

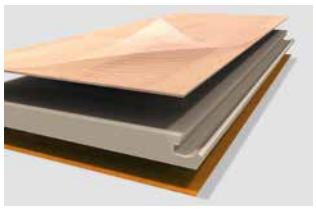
Eurospan rawboard

DHF
Vapour-permeable wood fibreboard

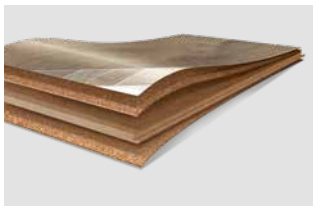
Eurospan flooring boards

Peel Clean Xtra

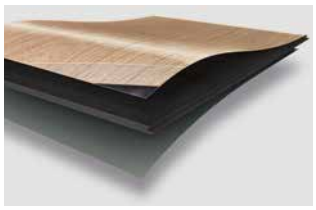
Flooring



Laminate flooring



Comfort floors



Design floors

Skirting
to match the flooring decor

Company key figures

Thanks to its healthy growth, its innovative products and its high quality standards, EGGER has a solid basis. The roughly 9,200 dedicated and highly qualified employees make a significant contribution to our being one of the leading European companies in the wood-based materials industry.

As a family company with a strong shareholder's equity base, we are able to finance investments in our growth largely from our own resources. We use borrowed funds very selectively and only to a limited extent. All this makes us a top-performing and sustainable partner.

Number of employees

Average number of employees per financial year

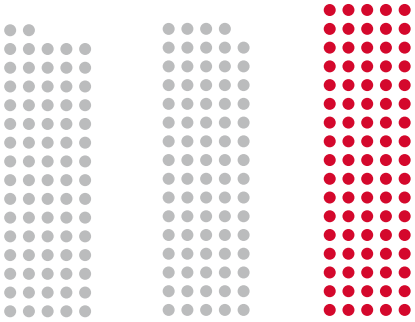
15/16
7,785

16/17
8,145

17/18
8,765

Production capacities wood-based materials

(incl. sawn timber in million m³)



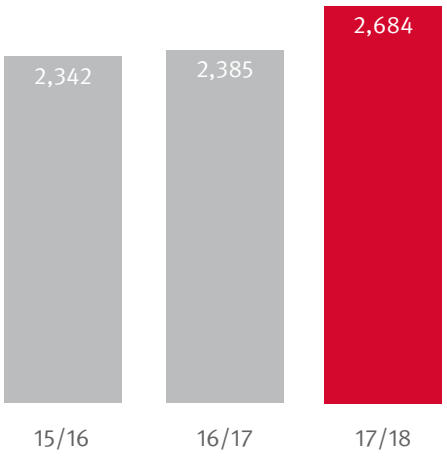
15/16
7.7

16/17
7,9

17/18
8.5

Revenue development

(Million €)

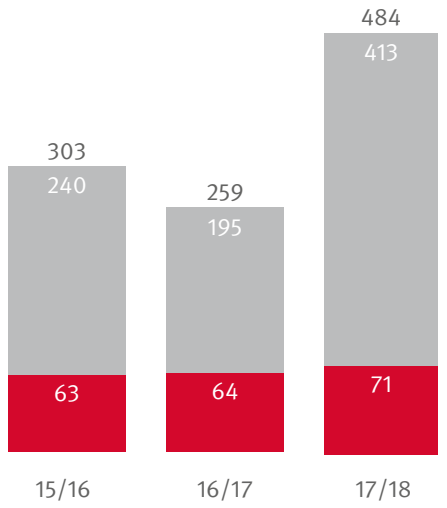


Turnover distribution by customer

Specifications in %

Investments and acquisitions

in EUR million



Growth investments, including acquisitions:
Maintenance investments

Future viability of the business model

The claim is defined in the EGGER corporate vision: “To be the leading brand for wood-based solutions.” The corporate group is geared towards an international growth strategy which is profitable in the long term. Only a leading market position and sound profitability can create the potential for investments and further growth.
In doing so, EGGER strives to achieve crisis resistance to the greatest possible extent through strategies that are constantly adapted to changes in the industry, in the competitive environment and in the political framework conditions by means of a structured process. All strategies are based on the pillars of internationality, innovation, integration and identification as well as on the financial objectives defined in the guiding strategy.

International presence Innovation integration Identification

EGGER creates sustainable, international growth through its own efforts and preserves its independence.

At the same time, the sustainable security and further development of the company for passing it on to the next generation are at the forefront of the family business in all decisions.
Short- and medium-term objectives in all areas are always geared towards overarching strategic goals and are in each case adapted to a changing business environment. In order to secure its strategic objectives, EGGER has clear financial objectives that provide the framework for the affordability and profitability of investments and management decisions. Within the framework of annual rolling strategic medium-term planning, specific objectives and measures as well as investment priorities for the next five financial years are defined and planned throughout the Group.

EGGER value management guarantees the sustainable increase of the corporate value. The value management principles are derived from the guiding strategy and the corporate objectives defined there. Within the framework of value management, EGGER is committed to systematic and sustainable value creation with medium to long-term orientation. This goal is linked to establishing a balance between the interests of owners, customers, suppliers and employees.

Increasing the value of the company requires consequent actions that are based on our value management. Concrete value drivers must be identified with regard to value creation through optimisation and growth and implemented at all levels in daily business. All line supervisors and employees in relevant areas are trained at regular intervals in the context of training courses and workshops on value-oriented thinking, arithmetic, action and leadership, thus enabling them to make their decisions accordingly.

Entrepreneurial activities are always connected with opportunities and risks. The major objectives of the **risk management system** are to protect the company's continued existence and to safeguard a sustainable increase in its value. The central elements of the risk management system are systematic risk controlling and the internal control system (ICS) with Group-wide guidelines and standards, external auditing by certified chartered accountants, regular internal audits and standardised reporting, as well as defined planning and controlling processes as the main components.

4.

Sustainability management

Principles

Governance

Process orientation

Risk-based thinking

Environmental management

Plants with certified management systems

Principles

- At EGGER we see **sustainability, quality and respect** as essential parts of our corporate culture and as indispensable prerequisites for our business success.
- When dealing with colleagues, customers, suppliers and authorities, all of the roughly 9,200 EGGER employees must always act **in compliance with the law and with integrity**, with professionalism and fairness.
- We are committed to a **competitive** market organisation. We strictly oppose anti-competitive behaviour and all forms of corruption. We obtain orders **fairly**, based on the quality and price-performance ratio of our distinguished products and services.
- EGGER's core values include the **respect** for the customs and traditions of countries in which we are active. We promote the employment of qualified employees and line supervisors from the **surrounding area** of our plants and make our contribution to support the respective regions. To this end, we support projects and organisations in the fields of social issues, education, health and the environment.
- We are expressly committed to **fair employment conditions**. All relevant regulations in the respective employment country are followed by us as an employer.
- We expect our employees to **treat each other and third parties with respect**. We do not tolerate any harassment or discrimination at the workplace.

- We **promote** the internal and external training of our employees and foster **an open corporate culture**, allowing and encouraging all employees to contribute their opinions and improvement proposals for the company.
- We **inform** our employees with regard to our strategic and operational objectives in order to achieve these together, and provide the **resources** needed for implementation.
- We actively take care of the **protection** and **health** of our employees. We comply with the laws, regulations and other requirements concerning work safety and health protection and are also constantly aiming to set new and higher standards.
- **The protection of the environment**, the **conservation of natural resources** and the **use of efficient energy production** are especially important to us. We contribute proactively to the realisation of European and national **climate objectives**.
- 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 and resource optimisation. It is our objective to prevent environmental pollution, to continuously reduce unnecessary energy consumption by increasing energy efficiency and to steadily improve our performance in the area of **environmental protection** and **energy optimisation** for our activities, products and services.
- These principles are laid down in the EGGER **mission statement** as well as in the **Code of Conduct** for all employees. They are proactively communicated and appropriate behaviour is demanded. **Awareness** is raised, **knowledge** is built and correct **conduct** is nurtured through special and regular events for our employees. Guidelines on many topics are available to our employees. In key areas, compliance with the Code of Conduct is supervised by our internal audit system.

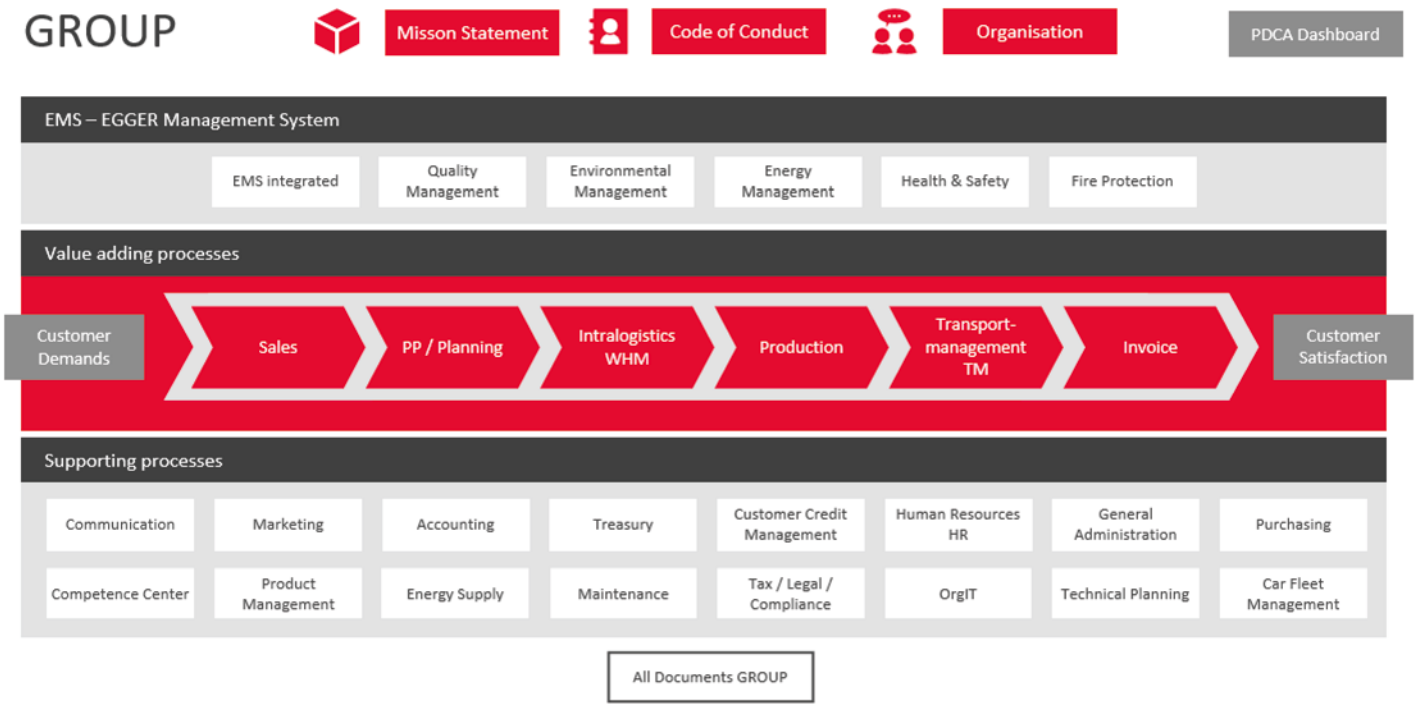
Governance

In order to comply with the obligation of continual improvement and to be aware of and comply with clearly defined requirements in all areas, EGGER has developed an integrated management system. The EMS, EGGER Management System, is fundamentally based on the high-level structure of ISO 9001: 2015. The systems for quality management, environmental management, energy management, fire protection and work safety are grouped together 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 is sought in order to exploit synergies.

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
- Work safety
- Fire protection

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



Process orientation

The EGGER management system is constructed in a process-oriented manner. The processing of the core topics of the integrated management system is supported by an online platform.

Procedures are described in the form of guidelines and controlled documents. Process descriptions are developed for defined processes within the framework of the EMS.

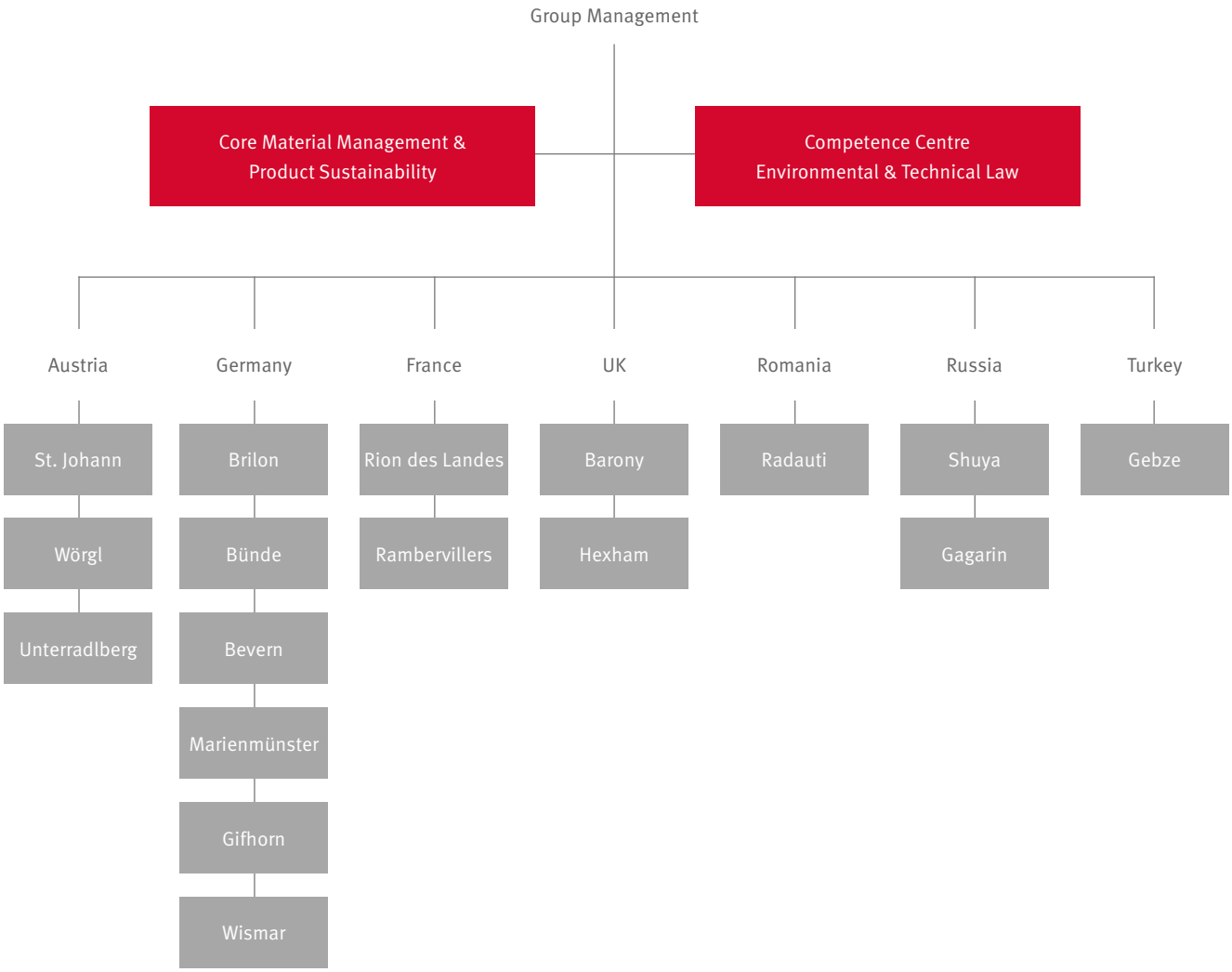
Risk-based thinking

Risks and opportunities are constantly raised, especially in the case of internal and external audits and quality circles, and handled with appropriate measures. The EMS system supports the tracking and communication of deviations, information, risks and opportunities. This takes the form of “findings” taking into account the requirements of the matrix certification to relevant plants of the EGGER Group. There, the findings are checked for relevance, the exchange of knowledge and an efficient process of continual improvement are ensured. This is technically supported by the “Audit & Action Management” within the scope of the EMS.

Environmental management

In addition to the structural handling, the specific contact persons have a special role to play.
At EGGER, there are full-time experts who deal with environmental issues on two levels:

- Group level
- Plant level



Plants with certified management systems

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	–
	Bevern	ISO 9001	ISO 14001	ISO 50001	–
	Gifhorn	ISO 9001	ISO 14001	ISO 50001	–
	Bünde	ISO 9001	ISO 14001	ISO 50001	–
	Marienmünster	ISO 9001	ISO 14001	ISO 50001	–
	Wismar	ISO 9001	ISO 14001	ISO 50001	–
UK	Hexham	ISO 9001	ISO 14001	ISO 50001	–
	Barony	ISO 9001	ISO 14001	ISO 50001	–
France	Rambervillers	ISO 9001	ISO 14001	ISO 50001	–
	Rion des Landes	ISO 9001	ISO 14001	ISO 50001	–
Russia	Shuya	ISO 9001	–	–	–
	Gagarin	ISO 9001	–	–	–
Romania	Radauti	ISO 9001	ISO 14001	–	–
Turkey	Gebze	ISO 9001	–	–	–
Argentina	Concordia	ISO 9001	ISO 14001	–	OHSAS 18001

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

5. Stakeholder interests and materiality analysis

Stakeholder approach

Materiality matrix

Selection of the material topics

To record all topics of relevance for the sustainable development of EGGER, a materiality analysis was carried out, as is common practice in sustainability assessment. This analysis limits which topics are essential to the company's sustainability performance and which are not. The materiality is presented in two dimensions: On the one hand, whether the company's core business has a major impact on society and the environment, and, on the other hand, whether the issues are particularly relevant for the stakeholders. Together, these two dimensions find their way into the materiality matrix, which ultimately draws a materiality limit – key topics are dealt with in the sustainability report, but not insignificant ones.

Stakeholder approach

Interest groups are called stakeholders in new German, both terms are to be understood synonymously. One of the key objectives of the stakeholder approach is to avoid views that are too internally influenced, so-called “operational blindness”.

When selecting the method for recording stakeholder interests, EGGER entrusted itself with external sustainability consulting. The procedure described hereafter for the stakeholder analysis was accompanied by the Denkstatt GmbH.

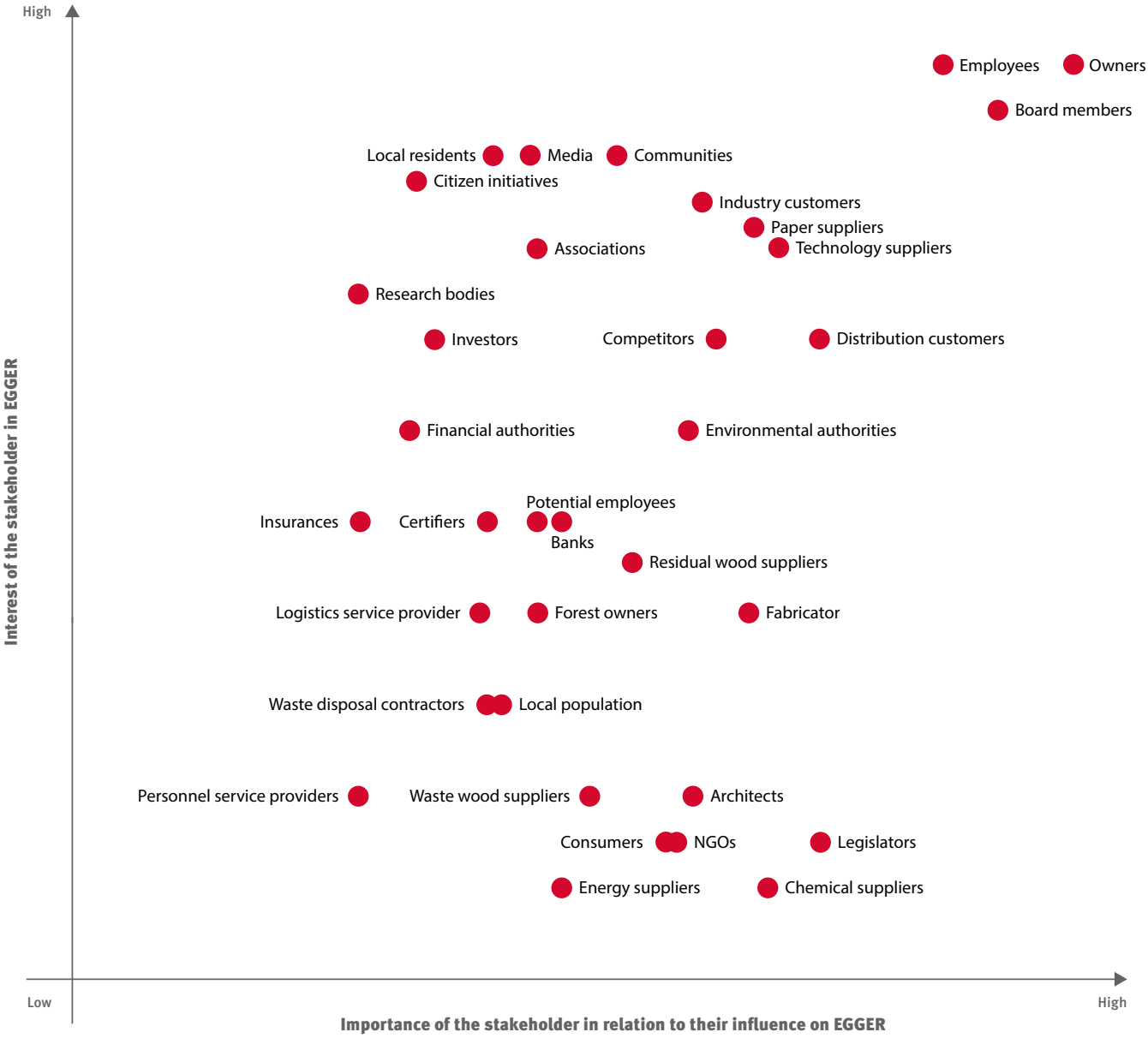
Determination of stakeholders

In an open panel discussion, relevant stakeholders were listed on cards as a first step. As a second step, the axes of the stakeholder matrix were defined: The Y-axis shows the level of interest of a stakeholder in EGGER, while the X-axis shows the stakeholder's importance in relation to its influence on EGGER. The positioning of each stakeholder on the Y-axis “Stakeholder interest in EGGER” took place in an open discussion moderated by Denkstatt. Positioning on the X-axis “Importance of the stakeholder in relation to its influence on EGGER” is based on the assessment of the persons represented in the workshop and was subsequently refined with the assessment of the EGGER Group Management.

Determination of topics relevant to stakeholders

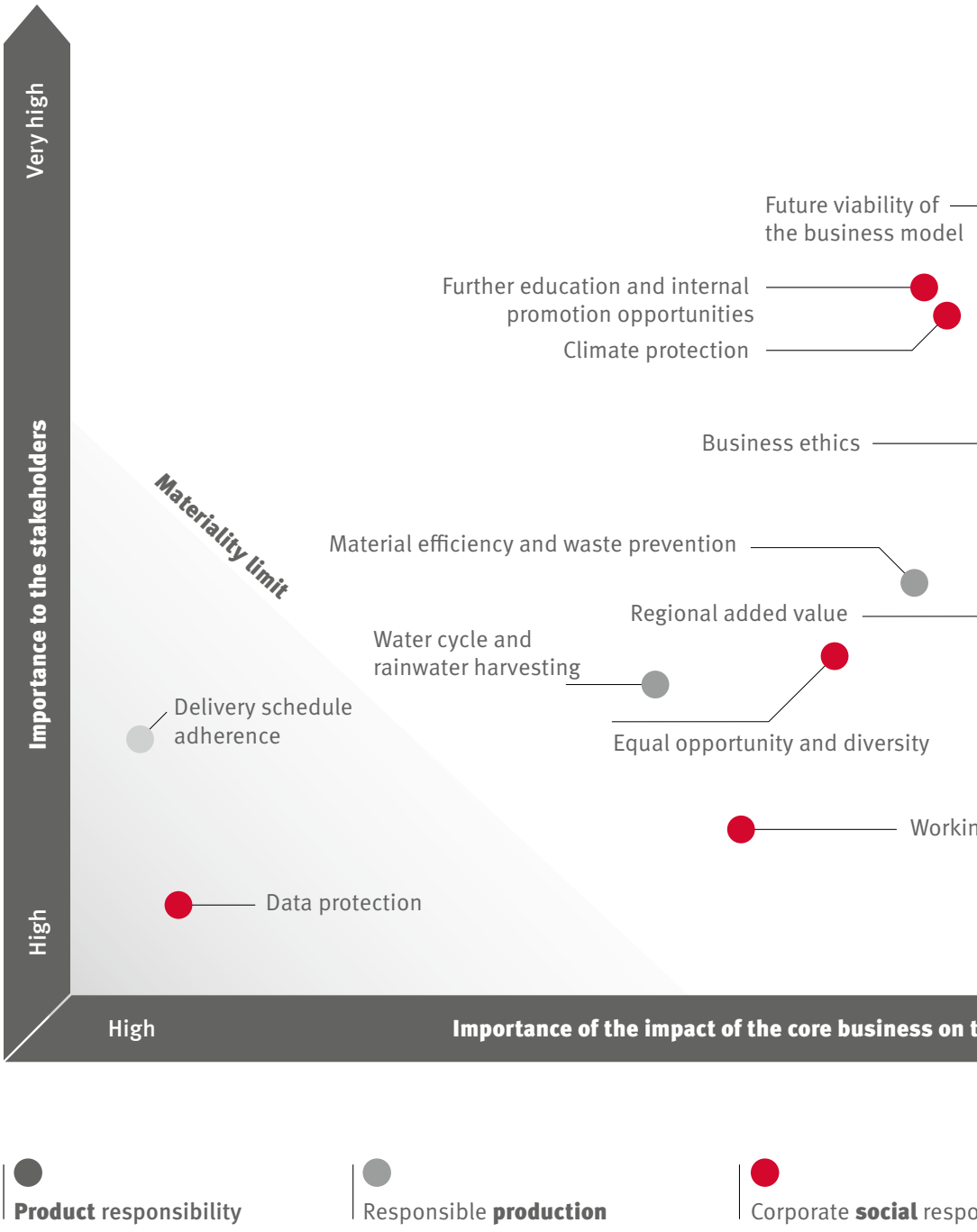
The stakeholders’ interests were worked out and derived from a simulation of a partnership dialogue. Further workshops were held in order to identify which topics are relevant for the respective stakeholders. Participants were invited to these workshops, who themselves are either stakeholders or who are in close, regular contact with the relevant stakeholder. Each stakeholder workshop began with the development of a common understanding of sustainability. The next step was to empathise with the respective stakeholder. From a stakeholder perspective, those topics have been expressed in writing in a free formulation that is important to the

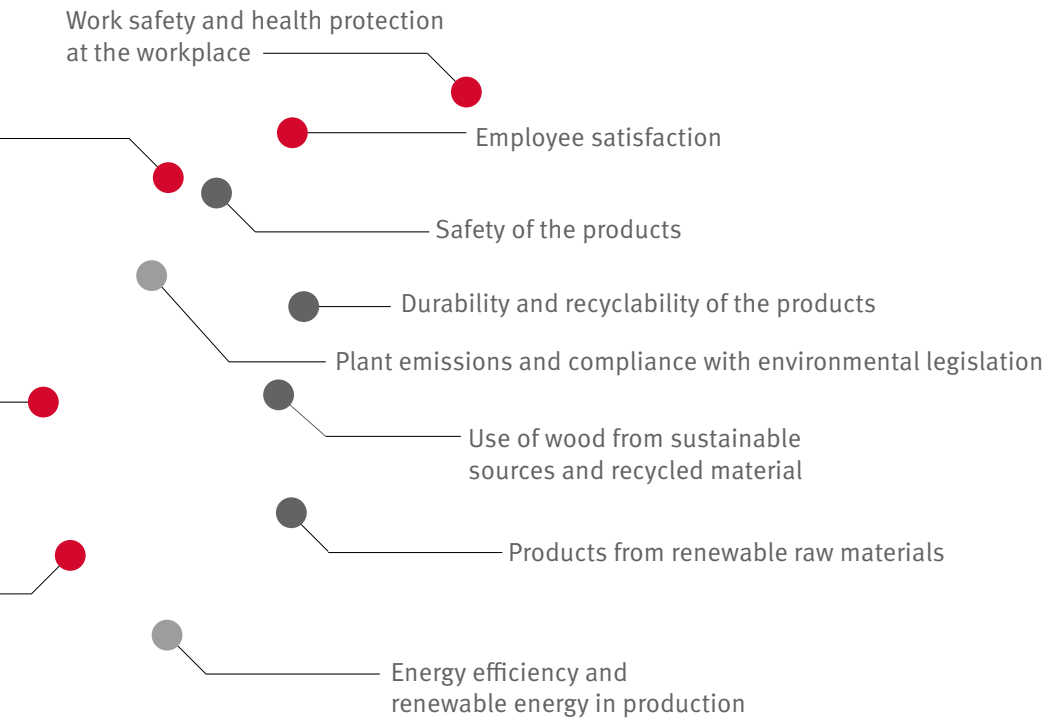
Relevance of the stakeholders



stakeholder in terms of sustainability and its relationship with EGGER. As a countercheck for these first results, a list of topics based on a search of common sustainability topics in other manufacturing companies and the wood industry sector was handed out in the workshop. Based on this list, the stakeholders or their representatives were able to readjust the topics relevant to them and finalise their selection of topics. As a result of the workshops, each stakeholder had a choice of the 10 most important topics and an assessment of each topic in terms of the importance of the topic to the stakeholder. In order to bring the importance of sustainability issues, bundled across all stakeholders, on a uniform scale, a manual assessment was performed with the aid of two IT-based approaches. For a simpler understanding similar topics have been bundled so that now 19 topics are represented in the matrix.

Materiality matrix





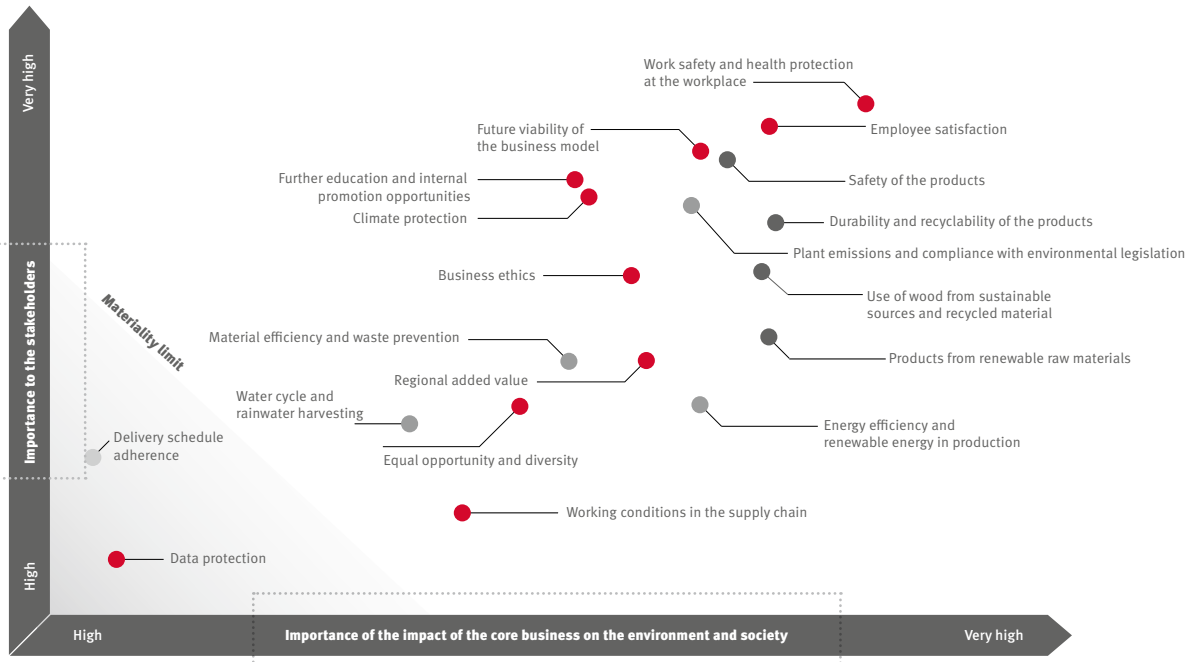
g conditions in the supply chain

he environment and society Very high

nsibility

Relevance of the topics for the stakeholders

The Y-axis of the materiality matrix represents the relevance of the topics to our stakeholders. The further up the Y-axis of the materiality matrix a topic is, the more important the issue is for our stakeholders. Only topics of “great” or “very great” importance were selected.



Impact of topics on society and the environment

The X-axis of the materiality matrix represents the impact of a topic. The further to the right on the axis, the greater the impact of EGGER's core business on the environment and society. In order to assess the impact, competent employees with a cross-departmental focus were asked for their assessment. These values were retrospectively refined with the assessment of the Group Management. Each assessment was included equally in the assessment, so that ultimately the average value defines the position of a topic on the X-axis.

Selection of the material topics

By means of the materiality analysis, 19 major topics could be identified that are now presented in the materiality matrix. This illustration shows the upper right quadrant of the materiality analysis: topics with low or medium importance are thus already eliminated from the selection and are not shown, the matrix only contains topics with “high” or “very high” importance.
The two topics “data protection” and “delivery schedule adherence” are outside the materiality limit for the purposes of the sustainability report. They were considered not significant and are not covered in this report, but have been included in the diagram for transparency. The 17 material topics, however, are discussed in detail in the report.

The following topics were identified as material and can be found in the sustainability report in the eponymous chapter:

- Work safety and health protection at the workplace
- Durability and recyclability of the products
- Employee satisfaction
- Products from renewable raw materials
- Use of wood from sustainable sources and recycled material
- Safety of the products
- Plant emissions and compliance with environmental legislation
- Regional added value
- Business ethics
- Climate protection
- Further education and internal promotion opportunities
- Material efficiency and waste prevention
- Equal opportunity and diversity
- Working conditions in the supply chain
- Water cycle and rainwater harvesting

The following topics were identified as material and can be found in the sustainability report in a different structure:

- **Future viability of the business model:**
  There are different interpretations of the term “future viability”. As a rule, sustainability experts see the future as a time horizon of a number of generations of people. In this sense “future viability” is not a sustainability issue of its own, but results as the checksum of all other essential topics. These are covered in the following chapters. On the other hand, business experts see the future as a period between 3 and 30 years. The chapter “Future viability” in the section “Corporate profile” refers to this consideration.
- **Energy efficiency and renewable energy in production:**
- **Climate protection:**
  These two topics are summarised in the report due to their content proximity in the chapter “Climate protection, energy efficiency, renewable energies in production”

The following topics have been identified as not significant for purposes of the sustainability report. They cannot be found in the sustainability report.

- **Data protection:**
  Although data protection aspects are relevant for the management of customer and employee data, they only play a subordinate role in terms of the impact of EGGER's core business
- **Delivery schedule adherence:**
  Although delivery reliability is relevant for economic sustainability, especially for the stakeholder “customer”, it only plays a subordinate role in terms of the impact of EGGER's core business

6. Product responsibility

Products from renewable raw materials

Use of wood from sustainable sources & recycled material

Safety of the products

Durability/recyclability of the products

Product responsibility

At least since the “Club of Rome” brought the limits to growth into a broad social debate, it can no longer be denied that the resources available on earth are limited. The challenge, then, is to economise in a profitable and growth-oriented manner, to make available offers for contemporary satisfaction of consumption needs, while being aware of and respecting the limits of our planet. In order to move towards this objective, many concepts and management approaches for economic actors have developed in the meantime. Some focus on the company as a whole, others are broken down by production plants, while others look at products.

As part of the materiality analysis for EGGER, topics that are particularly relevant have been presented in detail for both products and the company. The topics at the company level can be found in the following chapters of the report. The product themes are presented here and cover the entire life cycle of a product. This begins with the raw material extraction phase, i.e. using renewable raw materials, sustainably managing forests, closing gaps in value chains and using recycled materials. In the manufacturing phase of the product many aspects come into play, which are covered in detail in the chapter “Responsible production". In the use phase of a product, the safety of the product and its durability come into focus. After the use phase comes the disposal, and here the cycle closes with the question of how well the product can be utilised materially or thermally.

It is not trivial to assess all of this for one product. In order that every interested customer and every environmental expert can make their own impression of materials used by EGGER, EGGER stands for full product transparency and a verifiable, factual representation of environmental characteristics. Here, EGGER selects different approaches for different products.

The semi-finished products of EGGER will subsequently be, for example, further processed into pieces of furniture or construction elements. An eco-label only makes sense for this end product. Nonetheless, stakeholders also require environmental information for semi-finished products. EGGER provides this in two ways: On the one hand, the self-declared environmental and health data sheet, which enables EGGER to process all information in a product-specific and flexible way. It provides customers, certifiers and project managers with tailor-made information according to their requirements. On the other hand, the externally verified EPD (Environmental Product Declaration) including a cradle-to-gate LCA, which is prepared according to the high standards of international LCA and verified by the independent expert council of the German Institute Construction and Environment (IBU). In addition to the LCA, EPDs for EGGER products also contain information on ingredients, product manufacturing processes and pollutant tests.

Regarding flooring products, EGGER manufactures the final product itself. In addition to the approaches outlined above, EGGER has therefore had its flooring certified with classic Type I eco-labels, such as the German “Blue Angel” for Low-Emission Floor Coverings, Panels and Doors for Interiors made of Wood and Wood-Based Materials (DE-UZ 176)” or the Finnish emission class M1.

Products and product groups for which an independently verified EPD is available:

- EGGER DHF
- Eurodekor
- Eurodekor MDF
- EGGER MDF
- EGGER OSB
- Laminate
- EGGER Laminate Flammex
- EGGER Laminate MICRO
- EGGER laminate with coloured core
- EGGER timber fresh
- EGGER timber planed
- EGGER timber dry
- EGGER Eurolight Lightweight Boards coated
- EGGER Eurolight Lightweight Boards raw
- Eurospan rawboard

INFO

Download the EPDs

→ *www.egger.com/environment*

→ *www.ibu-epd.com*

Products with Type I eco-label

product	Label		Label	
EGGER Laminate flooring	Blue Angel	www.blauer-engel.de/uz176	M1	
EGGER Comfort flooring	Blue Angel	www.blauer-engel.de/uz176	M1	
EGGER Design flooring	Blue Angel	www.blauer-engel.de/uz176	M1	

Products made from renewable raw materials

A prominent approach to “resource conservation” is “bioeconomy”.
An old assurance is actually behind this: It is better to use raw materials that regrow in the time horizon of a generation than resources that take millions of years to regenerate. In order to understand the progress towards bioeconomy, materials are categorised into two groups: On the one hand, materials made from renewable raw materials are mainly made of wood, vegetable fibres or micro-organisms, e.g. paper. On the other hand, materials derived from fossil resources are mainly produced from natural gas or petroleum, like most plastics, foils, synthetic resins and synthetic fibres.

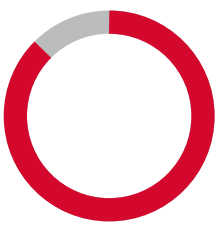
Wood-based materials from EGGER combine the best of both worlds: Wherever possible, the renewable raw material wood is used and, whenever necessary, combined with the indispensable characteristics of synthetic materials which, for example, make a surface water repellent and easy-care. This is how a chipboard from EGGER consists of approx. 90 % natural wood chips. Binding agents, wax and additives derived from fossil resources make up the remaining 10 % of the board. The surface of the melamine-resin-coated Eurodekor board owes its resistant properties to impregnation with synthetic resin, also fossil – however printed paper is impregnated with it.

Proportion of renewable materials in all EGGER products*

Financial year	2015/16	2016/17	2017/18
Materials made from renewable raw materials (wood, paper, cardboard)	88.2 %	87.9 %	88.1 %
Materials made from fossil raw materials (all remaining materials)	11.8 %	12.1 %	11.9 %

*Material used in the production of EGGER standard products (products for furniture and interior design, building products, flooring) (proportion by mass, without water [in the case of wood absolutely dry, in the case of glue solid content])

Financial year 2017/18



88.1 % of materials made from renewable raw materials

11.9 % of materials made from fossil raw materials

The proportion of materials from renewable raw materials is stable at just under 90 %. Slight fluctuations can be attributed to changes in the proportion of MDF in rawboard production and the expansion of refining capacities (lamination lines). EGGER does not pursue a quantitative target for the proportion of renewable raw materials in the entire product portfolio. Rather, the company sees itself as a supplier of wood-based products that offers its customers optimum quality, design and service for the required application area. This also includes the use of fossil-based raw materials and pre-products. EGGER is driving forward the development and market launch of wood-based products, even for application areas in which synthetic materials have previously dominated. This includes the EGGER Design floor, which contains a higher proportion of fossil-based materials than classic laminate flooring, but can be used as an alternative to PVC floors made from 100 % fossil-based materials.

The fact that **renewable alternative materials for binding agents** are not yet competitive remains a challenge. In addition to the processing characteristics and cost disadvantages compared to the established, fossil-based products, the biggest obstacle to widespread use is the lack of availability on an industrial scale.

EGGER will continue to be actively involved in the research of renewable raw materials with a special focus on the possibility of industrial scaling and keeping an eye on the shift of environmental impacts (e.g. from industry to agriculture).

Researching
alternative materials

The research focus "Raw materials and resource efficiency" focuses on the best possible selection and use of the primary materials and equipment used. In addition to the raw material wood and possibly other renewable raw materials that can be used for the manufacture of wood-based materials, new binding agents and coating materials are also being researched in this area. For the optimisation of the equipment used, the focus is on the operation of production facilities which saves the most resources possible as well as the highest possible efficiency of energy generation plants.

In the past financial year, in this research focus, for example, the following project has been worked on:

Lignin as a binding agent component

In the course of this project, which EGGER is conducting together with the pulp industry and WoodKplus, suitable lignin from black liquor is to be precipitated on a laboratory and pilot plant scale and converted into a co-binding agent for PMDI. Building on this work, the objective is to use certain lignin fractions, which are currently only used thermally, as binding agent components on an industrial scale.
On the one hand, this makes it possible to provide wood-based materials that release no emissions of formaldehyde, and on the other hand, it succeeds in reducing the proportion of synthetic raw materials, in the best case it can

even save them completely. The pulp industry is involved in the development of procedures for providing liginin variants and their deodorisation. The WoodKPlus team is working on the topics of lignin characterisation and modification. The employees of the Chemical Competence Centre of the EGGER Group are developing usable binding agent formulations from the lignin components pretreated by the project partners, their combination with PMDI and the appropriate application technology.
In addition, they check their suitability by manufacturing and testing laboratory-produced sample boards.

Use of wood from sustainable sources & recycled material

The amount of resources that are present in the environment is limited. First, sustainable management means harvesting these resources with care, and second, using them wisely. In order for the supply of wood to be truly sustainable, it is not enough to procure wood responsibly only as a primary raw material. Recycling also counts as sustainable use. The idea of utilising material in the best possible way across all stages of the value chain has also operated under the term circular economy in recent years. In the wood sector, this has been discussed for a long time and, in particular in the wood-based material sector, is actually practised under the keywords “cascading use of wood”. The objective of cascading use is to gradually utilise any material that arises as a by-product in the manufacture of wood products, ensuring the highest quality of material use. Material use means using a material for the manufacture of new products instead of just burning it to generate energy (that would be the counterpart: energy use). A sustainable supply of raw materials therefore has to meet the challenge of observing regional origin and sustainable forest management in the procurement of primary raw materials and, in the context of the circular economy, maximising the proportion of secondary raw materials in all raw materials used.

Sustainable forestry

EGGER pursues several approaches in order to reduce the ecological pressure that inevitably arises from the use of resources. The company uses various sources for its most important raw material wood. The primary resources of sawlogs and industrial roundwood come as wood from the forest. The locations of our rawboard plants were chosen to enable as much regional wood as possible to be used. At EGGER, wood within a radius of 150 km around the rawboard plants is considered “regional”. But even if it is regional: Wood can only be climate-friendly and renewable if the forest is managed sustainably. By means of the Due Diligence System (DDS) for the procurement of wood and paper, EGGER can guarantee its customers that the purchased wood originates from legally and sustainably managed forests within the meaning of the EU Timber Regulation (VO) 995/2010 (EUTR). In addition, the DDS at EGGER is also based on the strict FSC® and PEFC standards in the currently valid version. The conformity of the purchased wood is verified by internal and external auditing by expert and experienced auditors.

Transparent information on wood origins

- *Principles for uncertified wood origins*
- *Declaration about the origin of the wood used*
- *FSC® certificate*
- *PEFC certificate*

www.egger.com/environment

It is the policy of EGGER to exclude the following sources in the case of non-certified wood origins:

– Illegally harvested wood

– Wood originating from regions where traditional or fundamental civil rights are contravened

– Wood originating from uncertified forests with a high protection value

– Wood from genetically modified trees

– Wood originating from forests that will be converted into plantations or into non-forestry uses

– Wood violating the ILO Core Conventions, as described in the ILO Declaration on Fundamental Principles and Rights at Work

In addition to the quantity, price and quality of the delivered wood, the origin and the ecological footprint of the purchased wood are also important for EGGER in order to protect the natural resources of the forest.

EGGER does not buy or process exotic woods according to CITES (Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora).

The company's own due diligence system ensures that EGGER complies with the legal provisions applicable to the procurement of wood at the respective plants.

The DDS not only depends on the legal provisions, but also on the applicable standards for sustainable forest management.

For FSC®, these standards are FSC-STD-40-004 (version 3-0) and FSC-STD-40-005 (version 3-1)

For PEFC this is the standard PEFC ST 2002:2013

All plants are certified in accordance with the COC (Chain-of-Custody) Standards of PEFC and FSC®.

Further information on sustainability and forest certification can be found on our website www.egger.com/environment

Chain of custody systems

FSC®

The Forest Stewardship Council® is a global not-for-profit organisation that acts as a platform for the standardisation of responsibly managed forests, both environmentally and socially. The FSC® is governed by a diverse range of members, such as environmental groups, representatives of indigenous peoples, trade unions and companies from the forestry and wood sector. The FSC® aims at establishing a consensus between all stakeholders on responsible forest management, and implement the consensus through forest management standards, chain of custody standards and mechanisms for the marketing of compliant products.

PEFC

The "Programme For The Endorsement of Forest Certification Schemes" is an international forest certification system. It is the world's largest independent organisation active in ensuring and continuously improving sustainable forest management while guaranteeing ecological, social and economic standards. To ensure that small family forestry operations could obtain certification, PEFC chose an approach based on local workgroups and forestry reports. The forestry operations of the respective region are audited on a sampling basis at regular intervals. New objectives are set for the continual improvement of sustainable forest management that ensure ecological, social and economic standards.

EUTR

The EU Timber Regulation (in detail: "Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market") regulates the control of wood sources in addition to FSC® and PEFC. The EUTR requires the market participant who trades in wood or wood products for the first time, to develop and apply a due diligence system. The purpose of the regulation is to ensure, subject to various evaluation principles, that the wood or wood products in question do not come from illegal harvesting or critical sources.

What is recycling wood?

Wood types which accumulate as residue in the manufacture of timber in the sawmill are grouped together under sawmill residues or co-products. These include, for example:

- *Hackchips*
- *Sawdust*
- *Wood shavings*
- *Slabs*
- *Capping pieces*

Pre-consumer recycled materials mainly include the production residues of customers which cannot be used directly as packaging material:

- *Furniture parts, off cuts or chipboards of third selection*

Waste wood, recycling wood or post-consumer recycled material stand for wood types that have already been used and disposed of by the end customer, thus collected after their use phase as waste wood. Waste wood includes, for example

- *Pallets and transport boxes made from solid wood*
- *Untreated wood from construction sites (construction timber, cable drums)*
- *Furniture*
- *Internal doors*
- *Floor boards*

Recycling

Beyond the procurement of fresh raw materials, it is also important to recycle existing residues in a meaningful way. To what extent wood-based materials from EGGER contribute to cascading use and thus to the circular economy is clearly shown in the graphs on page 59. For the production of wood-based materials, EGGER uses not only primary but also secondary, i.e. recycled raw materials. Here, a distinction is made between different types of recycled raw materials:

- By-products from industrial woodworking steps, so-called co-products
- Residues from the furniture industry, so-called pre-consumer recycling wood
- Recycled waste wood, so-called post-consumer recycled material, which has already performed a function at the end customer

EGGER ensures that recycled material is only purchased from qualified disposal specialists. Suitable recycled wood is processed there and used for chipboard production.

In addition, many of our own by-products and residues accumulate at the plants, which EGGER refines into materials or, if recycling is no longer possible, uses energetically to produce heat and green energy. Also, board cuts are taken back from customers and serve as raw material in the production cycle.

EGGER processes waste wood from furniture, pallets, wooden packaging and harmless components of construction and demolition timber. Guidelines on the material acceptance of recycling wood ensure that only harmless and suitable waste wood reaches the plants. At the plant, the material is additionally visually inspected.

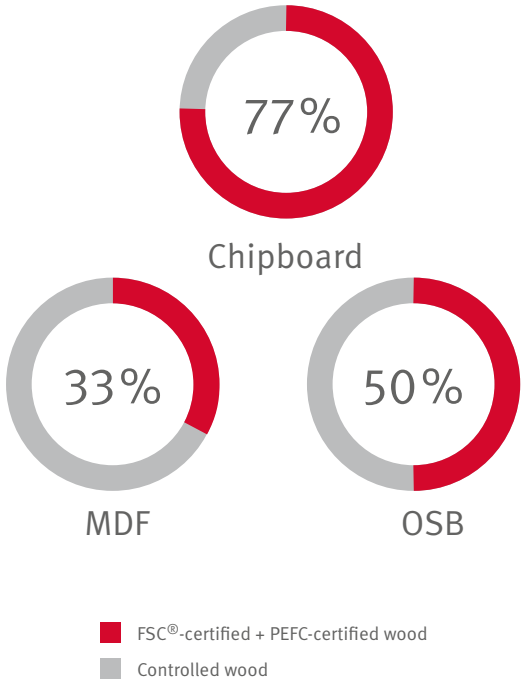
A great deal of technical effort is required in order to produce high-quality finished chips. In chip preparation, other contaminants such as metals, non-ferrous metals, sand, stones and plastic are removed from the material flow.

Proportion of certified wood in EGGER products*

	2015	2016	2017
Chipboard	75 %	76 %	77 %
MDF	39 %	38 %	33 %
OSB	26 %	46 %	50 %

*Proportion of certified wood in the purchase of all wood used in EGGER products (certified = total FSC®-certified + PEFC-certified wood)

Both certified as well as non-certified proportions are controlled according to EUTR, FSC® and PEFC standards.



EGGER neutrally advocates both systems, FSC® and PEFC. Depending on the certification of the forests around the respective plant, EGGER tries to improve the certification proportion in its value chain. The objectives of certification and regional origin are sometimes incompatible. As EGGER wants to source both regionally as well as from sustainable sources, long transport distances to procure certified material do not make sense in terms of the CO_2 footprint.

For **chipboards**, EGGER can already point to its very good certification proportion of over 70 %. This must be consolidated and further expanded. Here, the use of recycling as a certifiable material plays an important role.

For **MDF boards** the objective is to continuously increase the certification proportion to a level around 70 %. Due to the commissioning of a new MDF plant in Gagarin (RU), the certification proportion has declined. Since there are no certified state forests in the region around the Gagarin plant, EGGER has taken the certification into its own hands and initiated with the most established forest leaseholers an FSC® and PEFC forest group certificate with approx. 88,000 ha. Thus, the certification proportion for MDF boards should rise again in the coming years. This is important to meet customer demand for certified materials. In addition to forest certification in Gagarin, discussion forums aimed at this were also conducted with forest owners around the Wismar plant (DE), where MDF boards are also produced.

For **OSB boards**, EGGER has managed to increase its certification proportion in the last 3 years. Although the certification proportion for OSB boards may seem relatively low, most of the wood comes from FSC® and PEFC certified forests. However, the COC supply chain is interrupted by uncertified suppliers and the wood cannot be considered a certified receipt. For uncertified suppliers, the need for COC certification pursuant to FSC® and PEFC is urged.

Particularly for smaller uncertified forest owners it is not always attractive to join one of the FSC® or PEFC certification systems. The increasing administrative burden associated with the new forest and COC standards is a relatively high entry barrier for them.

All in all, the current situation must be considered critical, because more complicated standards do not directly lead to an improvement in forest

management. Often, smaller suppliers choose not to be FSC® or PEFC certified, as they see both systems as limiting their landed property and additional costs often cannot be passed on to the market due to the high level of competition in the timber industry. It is to be expected that in Central European countries with an already good certification proportion of significant figures the supply chain will break and proportions will be lost.

Recycling mix in the wood used*

Nine of the total of eleven chipboard plants in the group process waste wood.

Financial year	2015/16	2016/17	2017/18
Total wood use	100 %	100 %	100 %
– of which is roundwood	38 %	41 %	37 %
– of which are co-products	38 %	38 %	39 %
– of which is pre-consumer recycling wood	2 %	2 %	4 %
– of which is post-consumer recycling wood	21 %	19 %	21 %

*Recycling rates in wood use for the production of EGGER wood-based materials (weighted average of all chipboards, thin chipboards, MDF, thin MDF and OSB boards)

Wood use in financial year 2017/18

The mix of wood fractions used is relatively constant. EGGER does not pursue a quantitative target for the use of recycled wood. Wherever the technical possibilities and economic framework conditions permit, the recycling rate is increased to such an extent that the desired product quality is not impaired.

Safety of the 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 due to modern lifestyles. An average resident of Central Europe spends up to 90 percent of their time indoors.* Comfortable living spaces and pleasant offices are therefore a prerequisite for health and performance.
The question of which influences people are exposed to in the interior plays an important role, and thus also the question of the health assessment of **indoor air**. This is all the more important given that a high level of health protection is required, especially in the living environment, with special consideration being given to vulnerable groups at risk, such as children, pregnant women, elderly or sick people. 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. Yet the **emissions of volatile compounds from building products and furniture** can also affect the quality of indoor air.

The increasingly dense construction style in recent decades can reduce the energy loss of modern buildings to a minimum, but also reduces the exchange of air. Compared to earlier construction styles, the building does not self-ventilate. The exchange of indoor air is therefore only possible to a small extent without a suitable ventilation system. This can lead to an accumulation of moisture and substances of health concern in interior spaces. If the moisture is not sufficiently dissipated from the occupants' breath or from showering and cooking, mould forms. The chemicals that can accumulate when the exchange of air is too low are mainly volatile compounds, e.g. formaldehyde, volatile organic compounds (VOCs), very volatile organic compounds (VVOCs), radon or microbiological volatile organic compounds (MVOCs). These substances presumably play an important role in two environmentally-related syndromes that describe medical symptom patterns, namely Multiple Chemical Sensitivity (MCS) and Sick Building Syndrome (SBS). The causes of these syndromes are, however, inconsistent and not sufficiently clarified.

The requirements for the emissions of building products, especially wood-based materials, have changed significantly in recent decades. For example, the permissible limit value for wood-based materials for the emission of formaldehyde in a test room of 3 ppm (early 1990s) was reduced to an emission standard of a maximum of 0.1 ppm imposed by the industry itself (E1). Many furniture manufacturers and voluntary labels for building products have also recognised the signs of the times and are placing stringent demands on the wood-based materials industry which cover both the emissions and the ingredients of these products.

EGGER is responding to these requirements through the continuous further development of its products and the optimisation of raw materials used. In addition to the technical properties, health-relevant product properties are also checked by means of **recognised inspections** and tested by **independent institutes**. This enables EGGER to provide suitable products for a wide range of applications.

Control of pollutants in products

Wood-based materials consist to a large extent of wood chips or wood fibres, which are pressed together with the addition of binding agents. These **binding agents**, like the coating of rawboards, consist of different raw chemicals, including resins, paints or printing inks. Due to these raw materials different substances enter into the products which must be evaluated for health. The wood proportions of EGGER wood-based materials proportionally consist of recycled wood, for example, from disposed goods such as furniture, pallets or packaging material as well as non-saleable goods from our own production. **Waste wood** can be contaminated by impregnations and paints, which in the past could contain heavy metals or the organic chlorine compound PCP which today is banned.

EGGER is aware of its responsibility as a supplier to strictly control the application of the raw materials used. This control must be carried out both through the raw material suppliers and through the value chain at EGGER.

The supply chain and the pre-products used at EGGER are examined for the following substances that are considered problematic in wood-based materials, and corresponding manufacturer's declarations are drawn up:

– halogenated organic compounds

– polyaromatic hydrocarbons

– wood preservatives

– asbestos

– substances listed in REACH Annex XVI

– substances listed as SHVC (substances of very high concern)

The use of recycled material in principle carries the risk of contamination by harmful substances, for example heavy metals or wood preservatives used in the past, such as polychlorinated biphenyls (PCBs), PCP or lindane.
The goods receipt of recycled material is therefore already checked on the log yard in accordance with strict specifications. EGGER also commissions **voluntary, independent material inspections** in order to exclude contamination from recycled material and to reveal and remedy nonconformities in the recycling process.
These inspections include the determination of the content of arsenic, lead, cadmium, chromium, copper, mercury, chlorine, fluorine, pentachlorophenol and polychlorinated biphenyls, which are tested for compliance with the German Waste Wood Ordinance (AltholzV). These inspections are carried out in all plants where recycled material is used.
In order to substantiate the statements on the safety of EGGER products, various tests are carried out by independent institutes, such as the Wilhelm-Klauditz Institute in Braunschweig or the TÜV Rheinland. These tests include formaldehyde, volatile organic compounds (VOCs), migration of certain elements according to EN 71-3, testing for PCP/lindane or testing for polyaromatic hydrocarbons (PAHs).
A large number of the tests take place on a voluntary basis in order to implement responsibility for the product safety beyond the statutory rules.
The Product Compliance Manager and Product Sustainability Manager positions have been created to assess the ingredient requirements of products. In these positions, all information on pollutant-relevant topics, as well as effects and assessment of ingredients on the indoor air are pooled.

EGGER's current and future objective is to ensure the health safety of the products. To achieve this objective, EGGER defines four requirements that need to be appropriately controlled and that are subject to a continual improvement process.

Health safety

Quality assurance:

EGGER ensures compliance with the guaranteed product-specific characteristics through internal inspections and independent controls. In order to avoid nonconformities in quality management and thus effects on the customer, quality management at EGGER has been certified according to ISO 9001.

Application of products:

EGGER actively informs customers about suitable products for specific application areas and has defined contact persons for technical, ecological and health issues. In addition, EGGER pro-actively develops documents for certification processes in order to facilitate these processes for the customer and collect data internally for the relevance of such requirements. Ecological aspects, such as the CO_2 balance or the use of recycled material, can be found in the Environmental Product Declarations (EPD).

Raw materials:

The raw materials are selected taking into account the requirements of our customers. In order to inform the customer about the ingredients in the best possible way, they are communicated transparently, e.g. in the product-specific EPDs or the recipe-specific Environment and Health Data Sheets (EHD). This information is made available pro-actively on the EGGER homepage.

Current state of the art:

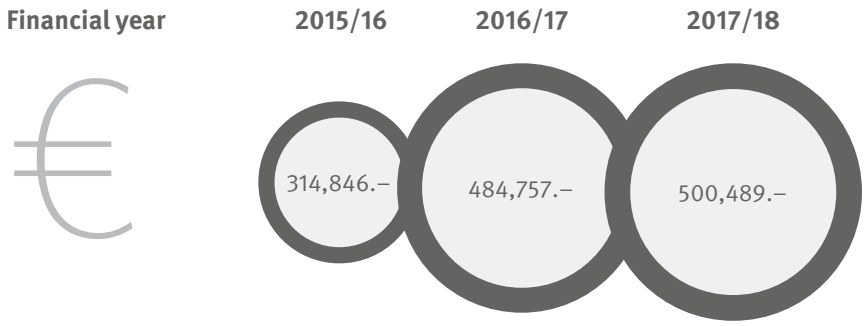
Health safety is an issue that is subject to constant change. Due to new scientific findings and research the context and the data situation are changing. This is why EGGER is pursuing discussions on relevant substances and topics, such as the health assessment of indoor air, and is implementing these findings in product development. Changes in statutory requirements are also implemented as soon as possible in product development and actively communicated to the customer.

INFO

Wood protection ≠ Wood protection

EGGER standard products are not treated with chemical wood preservatives as harmful organisms do not survive the pressure and heat during the manufacturing process. Only in the case of special products for the Australian market is an additive used, which is clearly identified in the product name: OSB boards with the additional designation H2 contain termite protection, OSB boards with the additional designation H3.1 a fungicide. EGGER standard products without this addition are untreated. EGGER actively participates in standardisation, e.g. in DIN 68800 "Wood protection". The objective is to strengthen the knowledge of structural-constructive wood protection in order to reduce the use of preventive-chemical wood protection in wood-based materials and wood products to the necessary minimum.

Expenditure on product testing by independent institutes*



*Expenditure for externally commissioned product tests on formaldehyde, VOC, heavy metals. The totals include individual tests of technical characteristics, like for CE marking and fire characteristics, since these are commissioned at the same institutes

In addition to the internal tests, which are carried out daily in the laboratories of the production plants, EGGER has approximately **350 regular pollutant tests carried out on 139 different products** by independent external institutes within the scope of a group supervision contract. Random checks are also carried out on the basis of customer requests or internal optimisation trials. The sharp increase in expenditure on external product testing shows that EGGER takes the concerns of end customers seriously. EGGER will continue to pursue the state of the art and carry out precautionary tests in order to have a sound basis for competent and factual advice.

Emissions of products into the indoor air

The health impact of volatile compounds and their role in civilisation diseases such as allergies, Sick Building Syndrome or MCS (Multiple Chemical Sensitivity) have already been briefly explained in the previous chapter. Since these volatile compounds are of primary interest in the wood-based materials industry, EGGER's handling of these substances will be discussed in more detail in this chapter. Consumer awareness of the subject, in particular VOCs (volatile organic compounds) and formaldehyde, has increased in recent times thanks to media coverage and publications from various institutes.
VOCs are volatile organic compounds that contribute to indoor air quality. They include natural substances in wood that are responsible for its characteristic odour. In addition, there are also VOCs that emit from the used binding agents and coatings of wood-based materials.

Wood and wood-based materials are largely similar in their VOC emission behaviour. Since wood-based materials are compressed at up to 200°C, the concentration of aldehydes and carboxylic acids may increase.
Formaldehyde is a natural compound that occurs in wood, smoked fish, and fruit, among others. However, the substance is classified by the European Chemicals Agency as “probably carcinogenic” to humans (category 1B). The effect on humans depends on how high the concentration of free formaldehyde is in the air you breathe. If the indoor air concentration remains below 0.08 ppm, taking into account all the adverse and easing influencing factors, it is considered by the World Health Organization (WHO) to be harmless to health.

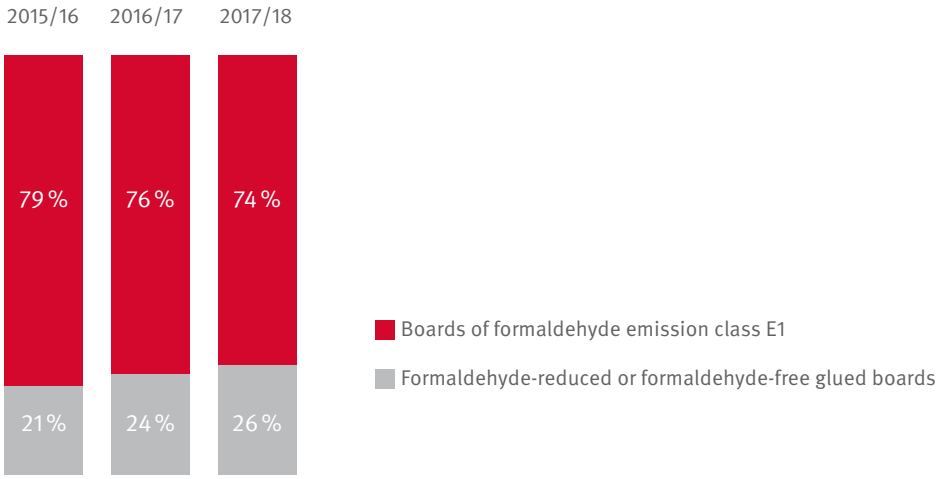
Product monitoring

Formaldehyde is strictly regulated in wood-based materials. Hereto, there are many national and international statutory requirements, as well as voluntary standards, which are usually below the statutory limit values.
EGGER offers products according to different formaldehyde standards, such as E1 (European standard), TSCA Title VI (USA), CARB P2 (California), F**** (Japan) or the voluntary EPF standard.

Compliance with the formaldehyde emission class is ensured by means of continuous internal quality controls and monitored by regular inspections by external testing institutes. In the reporting period these were:

- Wilhelm-Klauditz Institute, Braunschweig, DE
- FCBA, Champs-sur-Marne, FR
- EPH Dresden, DE

Produced rawboards according to emission classes*



*Volumes of all produced rawboards (chipboards, MDF, OSB, DHF, thin MDF boards) according to emission class.
Formaldehyde-reduced = sum of EPF-S, CARB 2 / TSCA and JIS F****.

There are clear requirements and regulations for formaldehyde emissions. EGGER's objective is to offer products with corresponding formaldehyde emission classes for all relevant markets and areas of application and to reliably comply with the respective emission class. Furthermore, EGGER attaches great importance to competent advice, which enables customers to use the right product depending on the application area and room situation. EGGER does not produce any boards from the potentially questionable emission class E2. A significant proportion of EGGER's products are used in furniture manufacture, and for this purpose the board surfaces are coated and the sides edged. In this application, products manufactured from emission class E1 boards produce formaldehyde emissions on the order of natural wood. Thus, this emission class is harmless to health for the vast majority of all applications. The increasing proportion of formaldehyde-reduced and formaldehyde-free glued products can be attributed on the one hand to a change in the law in the USA, and on the other hand to the increasing importance of the precautionary principle among planners, especially in the commercial sector, in certified buildings and in public tenders.
The regulation of VOCs is not yet as advanced as with formaldehyde, but is largely based on voluntary requirements and country-specific classification systems. It remains a challenge to hold the debate on good indoor air on a factual level. The emission of furniture and building products in the raw state is in practice only a small influencing factor on the indoor air quality. The range of application of the products, the shading and ventilation conditions and the user conduct are the biggest influencing factors.
Nevertheless, EGGER also voluntarily tests products for which there is no legal obligation, e.g. according to the German AgBB scheme, in order to collect reliable information about the emission of VOCs of different products in different applications and to make it available to planners.

Research on formaldehyde-free systems

As part of the research focus on environment and emissions, ways of improving products and production processes with regard to their environmental sustainability and, in particular, their emission behaviour are being explored. In the field of products, the finished product and beyond that the entire life cycle including its recycling is considered. With regard to the production processes, all environmental and emission-relevant process steps, such as drying, press, power plant, impregnation and coating, are the focus of research work.
In the past financial year, EGGER tested alternative binding agents in two projects whose systems work without the addition of formaldehyde. Both projects aim to test and optimise these formaldehyde-free binding agent systems for their industrial application. Experiments with both variants in the technical department of the TechCenter Unterradlberg showed their fundamental suitability for the production of chipboard.
Likewise, successful experiments have already been carried out on a production facility. However, the tested systems are not yet suitable for industrial use.

Durability/recyclability of the products

If you ask people what characteristics an “environmentally friendly” product should fulfil, many people first of all mention the topic of durability. The idea behind it is understandable – the longer you can use a product, thus the longer the service life of a product is, the fewer new products have to be manufactured overall, the less raw materials and energy are used and the less waste is produced.

But at some point, every use phase ends and the recyclability comes to the fore. After the expiration of the use phase, a product should be as uncomplicated to utilise as possible and ideally serve as a raw material in a new product life. EGGER’s stakeholders also see the issue of manufacturing durable products and recyclability as key challenges for sustainable business.

Durable products

EGGER ensures a high product quality and formulates the technical characteristics of its products in a clear and transparent way. In doing so, the wood-based material manufacturer fulfils its responsibility of providing its direct customers with exactly the right product for the planned application area. The basic requirement for a durable product is that it retains its function for as long as possible in the intended area of application. As a rule, products in the construction, furniture, interior design and flooring sectors are not replaced due to a loss of their function, but rather due to changed aesthetic demands. They simply go out of style, because even buildings and interiors are subject to the zeitgeist. End users themselves thus have the greatest lever for extending their useful life by means of so-called sufficiency strategies – whereby they already opt for a timeless design during product selection, prioritise the functional requirements over the trend requirements or make the existing products more modern.

Durability approaches for flooring

EGGER flooring products are available for various use classes or areas of application. For installation in the private living area of EGGER PRO and HOME collections, the guarantee periods are between 15 and 30 years, depending on the use class. For EGGER BASIC laminate flooring (entry-level products), a guarantee of between 7 and 13 years applies in the private living area, depending on the use class and material thickness. For installation in commercial areas, there is no guarantee for EGGER HOME Comfort Flooring, for all other products 5 years.

All EGGER flooring is in use classes 31, 32 and 33. The quality category and classification are based on the European standards EN 13329 for DPL laminate flooring and EN 16511 for MMF (multi-layered modular flooring, e.g. EGGER HOME Comfort and EGGER Design Flooring), which characterise the application area of a floor. A selection of the service offerings with which we enable our customers to have a suitable choice and application:

- Installation instructions in the packaging
- Laying videos on social media
- Technical information, processing, care and use instructions at www.egger.com
- Tips for selecting the perfect flooring at www.egger.com
- Competent applications engineering team
- Training for dealers, planners, flooring installers
- EGGER App

Durability approaches in the case of products for furniture and interior design

For decorative products, EGGER guarantees the required durability by complying with international and national as well as industry and application-specific requirements.
The performance of the products is documented transparently. With this transparency, the aim is to advise customers as best possible in the choice of the respective product in terms of use and performance characteristics.
The documented knowledge is available online and thus ensures the best possible and durable results with professional further refinement of the products.

Specifically, EGGER supports its customers' product knowledge with:

- E-learning portals
- Technical data sheets
- Processing instructions
- Design advisor
- Competent specification representatives and salespersons
- Reliable availability statements
- Trend-oriented product and design development

Durability approaches in the case of building products

In Europe-wide harmonised standards, building products are assigned to specific technical classes for which different technical requirements apply. Which EGGER products meet which requirements is shown in the performance declarations of the products. These performance declarations allow you to deduce the right product for your area of application, in terms of use classes, application classes and durability. In order to ensure that customers can navigate through the often complex information situation and find the right product for their intended application, EGGER also offers various service offerings in the building products sector:

- Technical processing instructions at www.egger.com
- Application advice via technical hotline and email
- Wood construction planning handbook
- Construction catalogue app
- Brochures and technical data sheets at www.egger.com
- Training for distributors, planners, fabricators

If the product is used properly, professionally installed, appropriately serviced and maintained (use class conditions), e.g. by ensuring permanently effective weather protection, nothing stands in the way of a long product life.

Recyclability

Solid wood products such as timber and all chipboard-based products are already recyclable and can be materially recycled under economic conditions, as the chapter “Use of recycled material” shows. Recyclability now takes the opposite perspective: How well can the product that we manufacture be subsequently recycled? The challenge here is that the sphere of influence of a manufacturer on subsequent product disposal is generally low. Products go into worldwide sales with every market and region having a different infrastructure. Thus, it depends on this infrastructure whether recycling works or not.

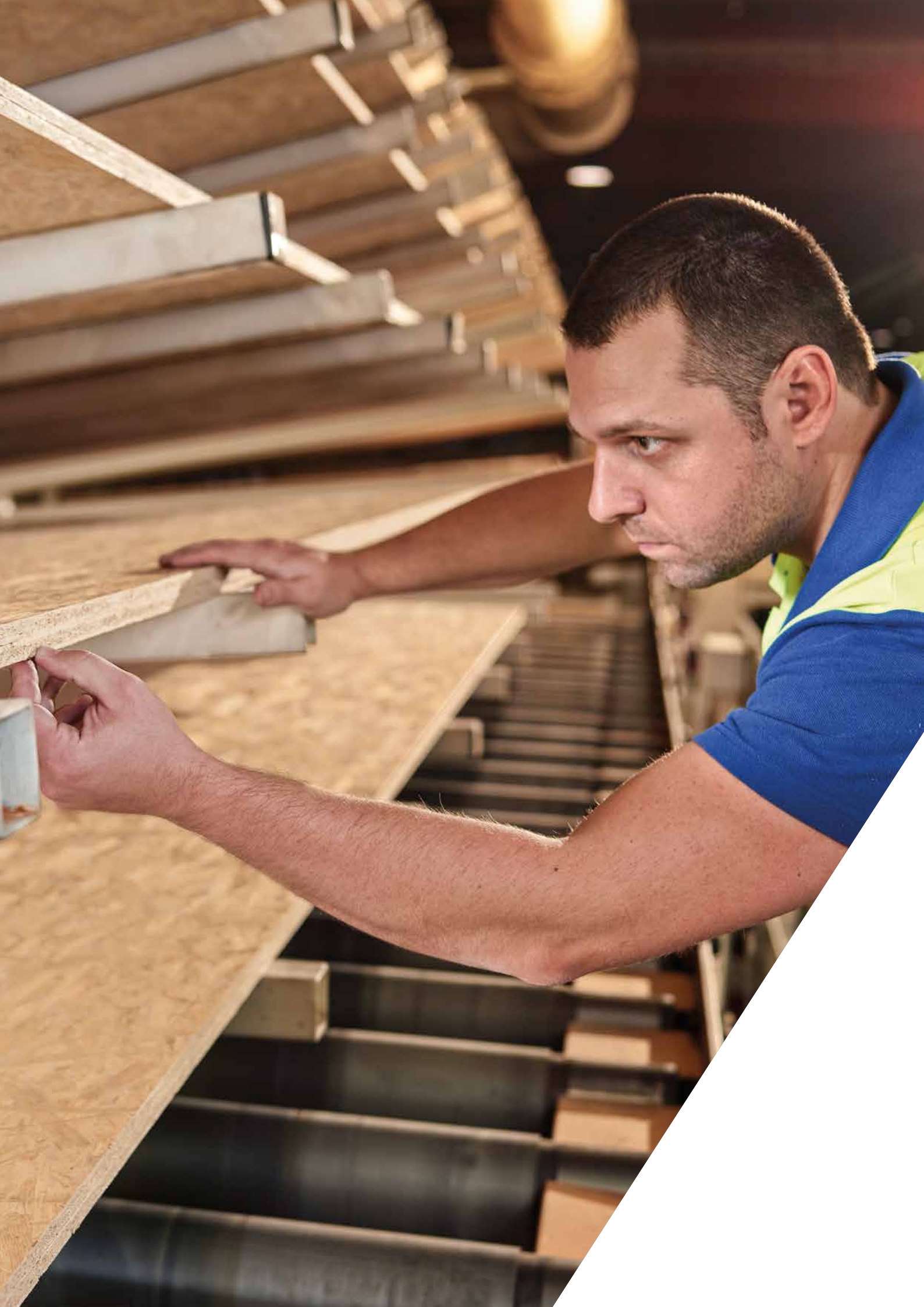
For example, it raises the question as to whether or not there are disposal companies in a region that accept and process wood fractions separately, and whether there are users who collect the waste wood for recycling from such disposal companies. If this is not the case, the chances of recycling waste wood are poor. Architects, furniture designers, fabricators and floor layers also have a great lever for favourable usability, for example by doing away with full-surface bonding and instead using separable joints or laying flooring as a floating installation.

Recyclability of the EGGER product portfolio*

Financial year	2015/16	2016/17	2017/18
Proportion of materially recyclable products	73 %	71 %	70 %
Remaining proportion	27 %	29 %	30 %

*Proportion of EGGER standard products (products for furniture and interior design, building products, flooring), which are readily recyclable under favourable economic framework conditions, in the sales of all EGGER standard products.
Materially recyclable = chipboard, Eurodekor, thin chipboard, Eurolight, furniture components, OSB, timber.
Remaining = MDF, HDF, PerfectSense, thin MDF lacquered, flooring, laminates, edging.

The proportion of recyclable products in sales has fallen slightly, but remains at a high level. This is due to the growing proportion of MDF boards in rawboard production. EGGER promotes the recycling of MDF, but up to now use in chipboard production has only been possible to a small extent. Use as a recycling raw material for the production of new MDF boards is hampered by high demands on a homogeneous product quality on the one hand, and by the energy requirement for the separation of the fibres on the other hand. However, post-consumer MDF is suitable for thermal utilisation due to its high calorific value. With its growing proportion in the recycling stream, increased efforts to recycle MDF will make sense in the future.



7. Responsible production

Environmental management

Material efficiency and waste prevention

Climate protection, energy efficiency, renewable energies in production

Plant emissions (pollutants, noise and odour) and compliance with environmental legislation

Water cycle and rainwater harvesting

Industrial companies are always caught between the conflicting priorities of contributing towards added value on the one hand, which they make above all as an employer for a large number of people, and the effects of their production activity on the environment on the other hand. The incentives to reduce these latter external effects accordingly are generally not of a business nature. Instead, it is more about industrial companies assuming a wider responsibility. Thus, various initiatives for management systems have come about in order to bring these environmental impacts into line with regulatory requirements and to anchor their reduction systematically in the consciousness of the management of a production plant. At the beginning of the 1990s, the EMAS regulation laid the foundation for the uniform management of the environmental impact of participating companies throughout Europe. EMAS was one of the first international approaches to systematic environmental management. Since then, numerous international standards for management systems have been established with the objective of systematically contributing to ecologically and socially responsible production. As with all manufacturing companies, the materiality analysis by EGGER has created many challenges that must be taken into consideration directly at the production plant. This includes not only efficient management of human resources and costs, but also resources such as materials, energy and water. It is necessary to avoid waste, to use energy as efficiently as possible and from renewable sources, and to permanently restrict emissions to the environment, primarily in air and water, to a sustainable level. Besides locally effective emissions, climate protection, which has a global impact, is a challenge for responsible production methods.

FROM THE CORE VALUES

Our environment

The sustainable use of raw materials is one of EGGER's highest priorities. We achieve this by generating energy in our own biomass power plants, by using the state-of-the-art manufacturing technology and environmentally-friendly logistics systems.

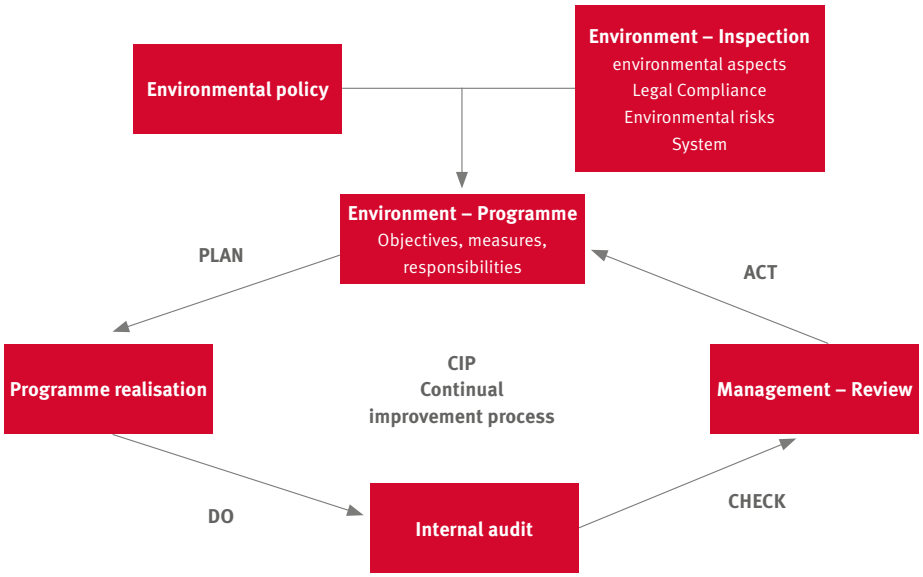
Environmental management

Environmental management at EGGER starts with state-of-the-art technologies: The plants are equipped with cutting-edge waste water, noise protection and air pollution control systems. The Argentinian plant Concordia, which was acquired in 2017, will gradually be brought into line with the EGGER standard. The EGGER **environmental management system** runs through the entire company, enabling efficient implementation of environmental objectives and the integration of environmental aspects into work processes. The objective of the **EGGER environmental management** is to ensure compliance with legislation, to prevent or reduce negative environmental impact on the company and to continuously improve environmental performance. In doing so, environmental management systems form the basis for the systematic and consistent pursuit of environmental objectives in order to use resources and energy responsibly.
Continual improvement is the basis of our environmental management system. In other words, EGGER not only strives to improve its operational **environmental impact**, but also looks beyond its own horizons. Both direct and indirect environmental aspects are collected and evaluated over the entire life cycle of the products.

Thus, optimisation potentials can be identified, the environmental programme can be specifically adapted for maximum effect and targeted measures can be taken.
The EGGER environmental management system is based on the well-known **Plan-Do-Check-Act** control system.

In order to be able to respond best to the requirements specific to a plant, **each of EGGER's plants** prepares its **environmental programme and its environmental objectives individually** and adapted to the plant. The environmental objectives and the environmental programme are results of the intra-plant Plan-Do-Check-Act processes and result from the in-depth analysis of the environmental aspects, environmental indicators as well as the internal suggestion system.
Each plant has an environmental manager who is responsible for implementing and adapting the environmental management system. Taking **into account** the **different local, regional, national and EU-wide circumstances**, as well as the Group-wide environmental policy and guiding strategy, the environmental programme and thus also the environmental objectives are **redefined annually by each individual plant** and measures are taken to achieve these.

Control system environmental management system at EGGER



Legal Compliance

A key point in environmental management is compliance with legal regulations and ongoing monitoring of their implementation. EGGER is now represented in nine countries. 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 supported by software. Policies, as well as duties and, if necessary, measures, deadlines, persons responsible etc., are defined and regularly reviewed by the environmental manager of the respective plant. Every year, the legal database is updated by an external legal advisor.
Compliance with legal obligations in the production plant or on the site is checked by means of internal and external audits. In the case of deviations, corrective actions are set, with deadlines and responsible persons included in the CIP (continual improvement process) programme. The results of the legal compliance review are included in the legal compliance review report and in the management review.

Stakeholders

Stakeholder interests are also involved in the framework of our environmental management system. The interests and requirements of our stakeholders are important to us and are taken into account in our decisions. In case of major changes in the plants we are in direct contact with residents. They are informed in advance and have the opportunity to provide their input directly at information events.

Audit system

The system is checked at random with internal and external audits. Based on this, reporting to the management and the coordination of the further course of action take place by means of a management review. Regular internal and external audits ensure that the management system is operated effectively. An internal audit takes place annually at each location. Within the framework of the environmental audit, all company areas are monitored and checked for compliance with ISO 14001. External audits are organised as matrix audits, thus each year a specific number of plants are audited on behalf of the Group. Each internal audit, as well as external audits, is conducted as an integrated audit. The auditing team consists of colleagues from other plants of the EGGER Group.

Objectives

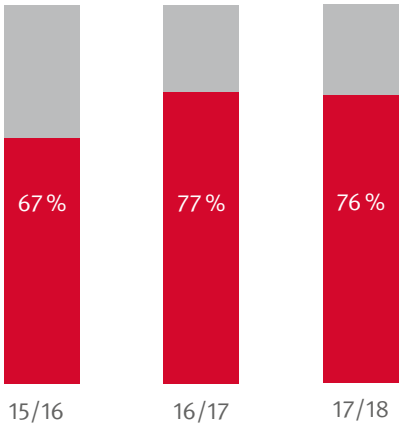
The plant-specific planned objectives and measures are maintained in the continual improvement process of the plants and progress recorded there. The environmental objectives are redefined annually by each individual plant and measures are taken to achieve these. Since 2017, as part of the integrated management system, the CIP lists have been jointly managed for quality, environment and energy in a metadata system specially designed for EGGER.
In the past financial year, strategic environmental objectives were set at Group level for the first time, which will be successively implemented in the individual plants.

Here are some examples of measures implemented at the individual plants:

Topic	Plant	Implemented environmental measures
Water cycle	Wismar	Optimisation of the water treatment in the exhaust air purification system of the dryer. By increasing the number of reverse osmosis facilities, more rainwater can now be purified and city water can be saved.
	Brilon	Integrated surface sewage system Surface and production waste water can be returned optimally to the water cycle. Rainwater is treated in a multi-stage membrane separation facility and is clean enough for seepage. The power plant water can be fully made available from the reprocessing.
Energy efficiency	Brilon	New, more effective drainage in the MDF facility. Wood fibres are mechanically dewatered before drying and energy is saved during drying.
	Brilon	Second heating network at the plant. Waste heat from power generation can be used in the MDF and chipboard production lines.
Climate protection	Unterradlberg	Increase in the electric forklift rate
	Brilon	Conversion of the hot gas generator in the MDF dryer to wood dust
Waste avoidance	St. Johann	Digital archiving in sales Germany
Low emissions	Wismar	Integrated control of the biomass boiler

Proportion of employees at ISO 14001-certified plants

Proportion of employees whose plant is ISO 14001-certified to all employees (excluding Concordia and Biskupiec), by financial year



The slight decrease is due to an increase in the number of employees, while the number of certified plants remained stable compared to the previous year. EGGER is satisfied with the intermediate status achieved and will prioritise the full integration of the various management systems at the existing certified plants over the next few years.

Material efficiency and waste prevention

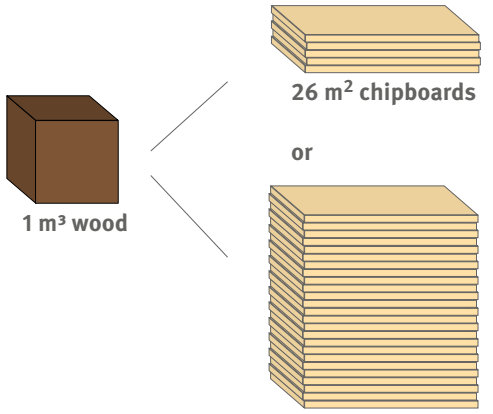
> *The growth of the global economy is burdening the earth's resources in a way that is unsustainable in the long term. This situation will soon be exacerbated in light of a world population of almost nine billion people. […]*
> *For this reason, the EU is focusing on "resource efficiency" – the use of resources in a more sustainable way. Raw materials such as water, minerals and wood must be handled more efficiently throughout their entire life cycle from initial extraction to final disposal. Lower dependency on limited resources makes us less vulnerable to supply shortages and fluctuating market prices. Green technologies and renewable energies, eco-industries and recycling promise relief here.*
> *Europe 2020, the EU growth strategy, aims to transform the EU into a smart, sustainable and inclusive economy. One of the key elements of this initiative is the roadmap to a resource-saving Europe, which points the way to a more sustainable economy.*

Source: European Commission

Resource efficiency

The **sustainable use of raw materials and resource efficiency** is EGGER's top priority. The company achieves this through resource-efficient processing technologies, the generation of energy in company-owned biomass power plants and eco-friendly logistics systems which, for example, use rail traffic for transport.
EGGER optimises the use of wood. To achieve the maximum potential from raw materials, EGGER subscribes to the **concept of cascading use**. The rule is: material before thermal use.
From the production of solid wood in the sawmill to the production of wood-based materials, the raw material wood is fully utilised. All residual wood from manufacturing is used in our own operations for **refinement processes** and thus always finds added value. Only wood that is not recyclable is used thermally.
In addition, EGGER develops technologies that permit the **economic use** of wood. For example, the Eurolight Lightweight Board requires much less material than a comparable, solid board with the same thickness:

Worktops, for example, (each with 38 mm thickness) can be manufactured from one cubic metre of wood:



Waste avoidance

Thanks to closed cycles in the production process, waste generation at EGGER can be kept very low. By using mostly natural resources, which, if not materially recyclable, are used thermally in company-owned biomass power plants, the amount of waste is minimal.

The use of raw materials is continually optimised at EGGER. An example of this can be seen in the energy production in our own biomass power plants. Here, the production residues, which are

supplied for thermal utilisation, are better sorted. Thus, the additional rescreening of the ash can be omitted. This leads to a reduction in the amount of ash and increases the efficiency of the boiler.

With the successful management of an environmental management system, EGGER has the right framework conditions to make the best possible use of existing resources, to recognise potential savings and to continuously reduce waste generation. As part of this process, waste management officers are appointed and waste concepts created for each plant in order to continuously improve the use of resources and thereby achieve lower volumes of waste.
One successfully implemented example of materials management at EGGER is the reject boards arising in production, which are then in turn used as packaging materials. The metal and packaging waste recovered in the processing of recycling wood can also be resold and used as secondary raw materials.

Specific waste*

Calendar year	2015	2016	2017
Non-hazardous waste [kg/m³]	19.84	20.51	21.65
Hazardous waste [kg/m³]	0.34	0.32	0.39

* kg of waste disposed of externally in relation to the production volume of primary products (rawboards and impregnates). Allocation of waste streams to hazardous and non-hazardous depending on the legal situation in the country of origin.

Thanks to closed cycles in production, specific waste volumes are at a low level. The increase is due to the design of the indicator. In order to avoid double counting of production quantities, the primary production is taken as a reference point, i.e. the production of impregnates and rawboards. In doing so, the development of refining capacities, which are not taken into account in the indicator, has a negative impact.
As part of the 5S method (sorting out, putting in order, cleaning, standardising, self-discipline) introduced in all plants in recent years, uniform waste collection systems have been established in the facilities, thereby further increasing the separation of waste. The 5S method pursues the objective of either eliminating or minimising waste through a structured workplace organisation. This also ensures single-origin separation, disposal and potential secondary use in waste collection.
In addition, EGGER has formulated strategic group objectives in the context of the integrated management system 2017, according to which a further increase in the separation rate of waste in all plants is to be achieved.

Climate protection, energy efficiency, renewable energies in production

Manufacturing companies, as major energy consumers, have a special responsibility for climate change. It is necessary to keep the emission of greenhouse gases as low as possible or reduce them. In the process, climate responsibility can be localised at several levels: Reducing direct emissions means, on the one hand, reducing the consumption of heat and electricity, and, on the other hand, covering the remaining demand with the largest possible proportion of renewable energy sources. Even though in the case of logistics and mobility close attention is now being paid to electrical alternatives, this consumption is small compared to industrial production processes, especially with regard to their heat requirements.

Energy from biomass

Some EGGER plants offer ideal conditions for biomass power generation as well as district heating supplies with a high degree of overall efficiency.

The biomass is thermally utilised at the place of occurrence and consequently causes no additional environmental impact from traffic. Furthermore, the generated heat is used directly on site as process heat throughout the year and as internal and external district heating. Predominantly residual wood and dusts from the processing which cannot be used in production serve as fuels here.

Biomass power plants (Brilon, Wismar, Unterradlberg, Radauti and from 2018 also Rambervillers) and biomass heating plants (St. Johann, Rion des Landes, Hexham and Gagarin) are operated at all major plants of the Group. Biomass power plants generate electrical energy and heat through the combustion of biomass. In contrast, biomass heating plants generate heat for thermal oil heating for the presses, in St. Johann also for district heating and for producing hot gas for drying. This in turn saves natural gas as a fossil energy source.

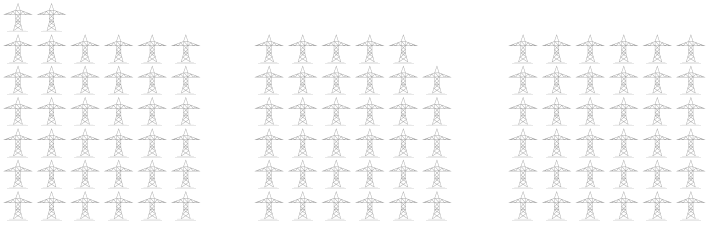
The technical units for heat generation and supply in the EGGER Group are continuously aligned with the state of the art in order to be able to exploit the potential for efficient energy conversion as well as facility safety. This is why many boiler facilities have been renewed over the last 15 years, or even replaced by more efficient or renewable fuel-fired boilers. As a result, modern, highly efficient biomass boiler facilities and/or hot gas generators can be found in almost all plants.
Also, in the future the use of renewable energy as well as the residues which are no longer materially usable for thermal energy use will be forced.
The respective regional and national framework conditions are incorporated into the decision making process on pure heat generation or combined power and heat generation.
The further development of energy conversion facilities or even complete energy supply concepts is being intensified, inter alia, with newly created capacities in the EGGER Competence Centre, which is responsible for research and technology development. In the future, as in recent years, a key aspect will be the optimisation of the processes between energy generation and energy consumption.

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	✓	✓		✓
Wörgl	✓			
Unterradlberg	✓		✓	✓
Brilon	✓		✓	
Bevern		✓		
Gifhorn				
Bünde		✓		
Marienmünster		✓		
Wismar	✓	✓		
Hexham	✓	✓		
Barony	✓			
Rambervillers	✓		✓	
Rion des Landes	✓	✓		
Shuya	✓			
Gagarin	✓	✓		
Radauti	✓		✓	
Gebze				

Energy produced from biomass

Generated electricity
Electrical energy generated by the company's own power plants and fed into the grid



2015
383,493 MWh

2016
352,705 MWh

2017
359,164 MWh

The amount of electricity generated corresponds to the consumption of more than 65,000 households (4-person household with 5500 kWh/year)

Energy efficiency

With the certainty that Europe will continue to be heavily dependent on energy imports and of a changing environment due to rising environmental impact, European policy has further stepped up the climate protection target already set out in the United Nations Framework Convention on Climate Change – the Kyoto Protocol.
In March 2007, the European Council opted for the achievement of a 20-20-20 target by 2020:

- Reduction of greenhouse gas emissions by 20 %
- Increase in the proportion of renewable energies in EU-wide final energy consumption by 20 %
- Increase in energy efficiency by 20 % in each case on the basis of the year 1990

Consequently, the topic of “energy efficiency” is also at the forefront of political interest.
For the production industry in general and especially for the wood-based materials industry, many new framework conditions have arisen in this period due to the availability and pricing of fossil energy sources but also due to various legislations – in particular for the promotion of renewable energies.

Energy management

In order to be equal to both the economic and political challenges, EGGER has been focusing on the issue of energy for several years already. The production of wood-based materials, in particular chipboard, medium-density fibreboard (MDF) and oriented strand boards (OSB) are energy-intensive production processes.

Against this background, the use of renewable energies was intensified at EGGER and the company's energy management and energy management system introduced and continuously developed in accordance with DIN EN ISO 50001. The human resources were expanded and an additional position at the group level was created for energy management, energy efficiency and energy purchase.
Further approaches that the wood-based material sector pursues with regard to energy management can be found in the IED Directive in conjunction with the other applicable BREF documents (Industrial Emissions Directive). These guidelines are also being accelerated by the EU.
EGGER is currently pressing ahead with the introduction and further development of energy management systems in accordance with ISO 50001 and the associated requirements of other standards and policies at all plants in Germany (six plants), Great Britain (two plants) and France (two plants). For these ten plants, the management systems are being harmonised and collectively further developed.
In the context of the implementation of the management system in accordance with ISO 50001, requirements and explanations regarding the state of the art in the series of standards are generally applicable. These include ISO 50003, ISO 50004, ISO 50006 and ISO 500015.
In each individual energy management system as well as in the combined system, strategic objectives are formulated which follow EGGER's economic as well as ecological interests. Therefore, a major focus is on the extensive use of renewable energies in conjunction with the reduction of fossil greenhouse gas emissions. A second focus is the increase in power efficiency in production.
The achievement of these strategic objectives is subject to regular monitoring.
Resulting from this, suitable measures are developed and implemented. The level of goal achievement is regularly discussed with the responsible employees in order to increase their motivation and awareness.

The focus with regard to energy savings in recent years has been on measures in the area of compressed air generation and consumption, on the optimisation of idle times, the increase in the proportion of renewable energy sources in the biomass sector and technological further development towards greater material and energy efficiency in production.
In addition, a Group-wide standard has been developed in the procurement and design of facilities and machines (e.g. LED lighting, highly efficient motors, etc.), which is not only valid for plants with ISO 50001 certification. This standard is to be further developed and kept in line with the state of the art.
Also such projects with lighthouse character are envisaged.
The energy management systems at the plants in France and Great Britain are still very "young", in some instances only a few months old, and therefore only a very conditional statement is currently possible to improve energy use.

Best Practice
Energy management at EGGER in Germany

The management performance indicators for monitoring the strategic objectives have matured differently in the EGGER Group. In the following, taking the example of the six German plants, it is described in more detail which take on a pioneering role here. The objectives for EGGER in Germany include a reduction in CO_2 emissions in accordance with the TEHG by 25 % by 2020 compared to 2013. In addition, the objective has been set in order to increase power efficiency in production by 5 % by 2020.
The focus is on the following topics for realising the objectives:

- Increase in the proportion of renewable energies from 85 to 93 %
- Reduction of gas consumption
- Reduction of heat requirement
- Efficiency increase of combustion plants
- Optimisation of engine systems: Fans, pump systems, compressors, drive motors
- Process optimisation/technology

Renewable heat energy GER*

	2013	2014	2015	2016	2017
Renewable proportion	84.8 %	84.2 %	87.2 %	89.9 %	89.1 %
Development of the renewable proportion in comparison to base year 2013		-0.5 %	2.4 %	5.1 %	4.3 %

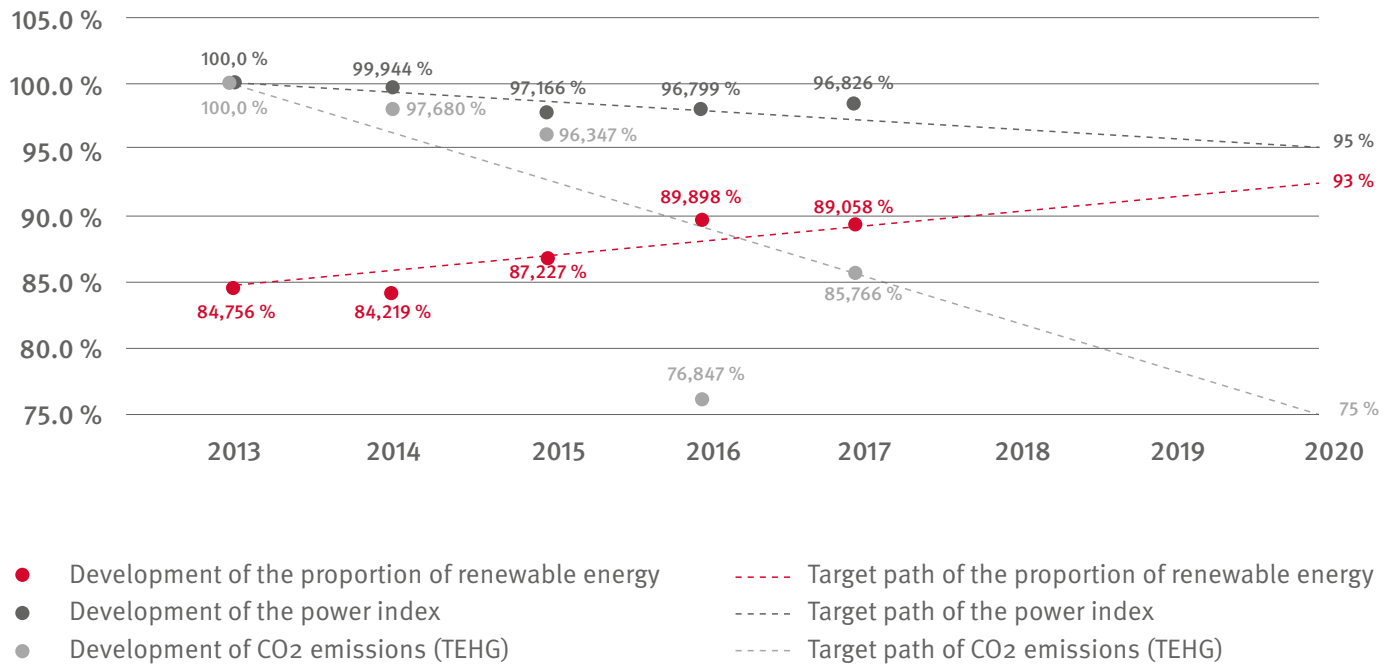
*Proportion of renewable energy in total heat production

Power efficiency GER*

	2013	2014	2015	2016	2017
Power index	100 %	99.9 %	97.2 %	96.8 %	96.8 %
Improvement of power efficiency compared to base year 2013		0.1 %	2.8 %	3.2 %	3.2 %

*For the evaluation of the power efficiency of all German plants, an index was developed based on power consumption in relation to production volumes

Energy objectives GER



The proportion of renewable energy in the heat generation of the German plants has, after a continuous increase from 2014 to 2016, fallen slightly for the first time last year. As a result, CO_2 emissions have risen again according to the German “TEHG” (Greenhouse Gas Emissions Trading Act). The reason for this is, on the one hand, a fluctuating composition of the energy sources, in particular concerning the proportion of fossil material in the supplied waste wood. On the other hand, conflicts of objectives arose in the optimisation of other framework conditions in the production plants. For example, measures to improve the material efficiency led to a lower amount of residues for thermal utilisation. In order to bring the proportion of renewable energies back onto the target path, i.e. to achieve a proportion of 93 % by 2020, further projects in waste wood processing were launched in the reporting period which aim to improve the biomass supply.

The power efficiency or power index of the German plants remain unchanged compared to the previous year at approx. 96 %. The fact that no improvement was achieved here is on the one hand due to the trend towards more individualised products and smaller quantities in production, and on the other hand to the implementation of stricter statutory requirements for air emissions. The implementation of customer requests and the necessary changes to the processes of the combustion and drying facilities in order to comply with the limit values compensated for the energy savings during the reporting period. The target level of 95 % by 2020 remains within reach, however.

Best practice

Environmentally friendly logistics

In addition to optimisation in the production area, environmentally friendly logistics concepts are another building block of EGGER's environmental protection. Wherever possible, the company connects its plants to the rail network. The choice of means of transport, load optimisation and packaging material recovery systems also make valuable contributions.

Road traffic is the main cause of nitrogen oxides. Around 95 % of NOx emissions are attributed to it. Around two-thirds of this is attributed to heavy goods vehicles. Although nitrogen oxide emissions have declined considerably since 1990, traffic is still the main cause, especially in urban areas. (Austrian Federal Environment Agency, 2016)

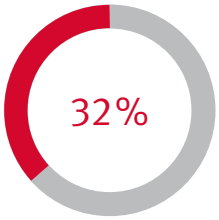
EGGER is increasingly focusing on the use of electrically powered vehicles in its fleet. Electric vehicles cause no NOx or fine dust during operation. They are locally emission-free, which makes them particularly attractive for use in high-traffic areas. Furthermore, electric vehicles hardly cause any noise emissions compared with conventional vehicles, especially at low speeds, which can contribute to a significant reduction in noise.

The switch from fossil fuel-powered forklift trucks to electrically powered forklift trucks is a strategic objective in the plants. The forklift fleets of the individual plants are currently being converted.

Electric vehicles in the EGGER motor vehicle fleet

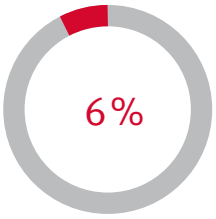
	2017
Number of forklift trucks in the EGGER Group	657
Of which are electrically powered	213
Number of cars in the EGGER Group	527
Of which are electrically powered	30

Proportion of electric forklift trucks



Conventional forklift trucks (ICE)
Electric forklift trucks (BEV)

Proportion of electric cars



Conventional cars (ICE)
Electric cars (BEV)

Plant emissions (pollutants, noise and odour) and compliance with environmental legislation

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 comminution processes. When drying natural wood, wood ingredients such as formaldehyde, VOC and dust are released. Combustion of wood and natural gas produces fuel-typical exhaust gases such as NOx, CO and dust. In addition, noise and dust are generated from business and road traffic and mechanical processes.

EGGER operates all facilities according to the statutory requirements and the state of the art. In the context of the EGGER environmental management system, emissions and limit values in the plants are monitored in accordance with statutory provisions. During the annual assessment of the environmental aspects of the individual plants, noise emissions, emissions to the air and odour emissions, inter alia, are assessed following an assessment of the potential for environmental degradation and, if action is required, measures are included in the plant environmental programme (see Environmental Management Systems).

Selected environmental aspects from the environmental management system

Noise emissions	Assessment of the potential for environmental degradation due to noise development
Air emissions – greenhouse gases	Assessment of the contribution to environmental problems upon emission of air pollutants affecting the climate
Air emissions – other	Assessment of the contribution to environmental problems and keeping of limit values upon emission of air pollutants not affecting the climate
Odour	Assessment of possible nuisance through odours

Specific CO_2 emissions according to production country*

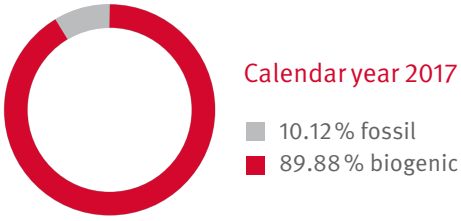
Calendar year	2015	2016	2017
Austria [kg CO_2/m^3]	23	26	24
Germany [kg CO_2/m^3]	31	25	29
France [kg CO_2/m^3]	4	5	7
UK [kg CO_2/m^3]	29	52	33
Romania [kg CO_2/m^3]	34	30	29

*Carbon dioxide emissions (direct, fossil) per cubic metre of production quantity of the primary facilities (rawboards and impregnates).
The table only contains values from plants which are participating in European CO_2 emissions trading scheme. The total emissions of these plants are related to the production volume of their primary facilities in order to avoid double counting in the refinement process.

The table shows that only a few fossil energy sources are used, thus very little fossil CO_2 is emitted directly. This already low level can be attributed to the sometimes large annual fluctuations. In Austria, Great Britain and Romania, CO_2 emissions were further reduced despite the good basic value. In Germany and France they have increased. In Germany this is attributable to a change in the composition of the available fuel mix, which contained a higher proportion of fossil fuels compared to the previous year. In France, auxiliary boilers and auxiliary burners powered by natural gas were increasingly used during the construction of the new biomass boiler at Rambervillers. Also due to the weather conditions with heavy rainfall increased gas consumption was necessary for the chip drying.

Origin of the CO_2 emissions

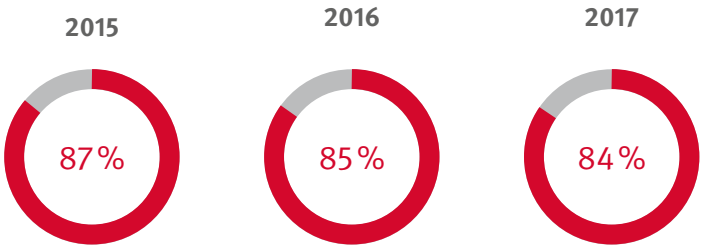
Calendar year	2015	2016	2017
Fossil proportion	9.86 %	10.34 %	10.12 %
Biogenic proportion	90.14 %	89.66 %	89.88 %



*Direct carbon dioxide emissions of biogenic or fossil origin. The table only contains values from plants participating in the European CO_2emissions trading scheme. These plants represent over ¾ of the production volume of the EGGER Group (see next page).

In the group average (across all plants subject to emissions trading), about 90 % of CO_2 emissions are of biogenic origin. Biogenic CO_2 emission means that no more CO_2 is emitted than the plant material has absorbed from the atmosphere in its growth and stored in the biomass. The distribution of biogenic and fossil emissions is stable, at a high level and demonstrates the high degree of expansion of the biomass energy infrastructure.

Production volumes in the CO_2 emissions trading*



*Proportion of the production volume that is produced in the plants participating in the CO_2 emissions trading, after m^3 production quantity of the primary facilities (rawboards and impregnates)

European CO_2 emissions trading (ETS) is an EU climate policy scheme with the objective of reducing greenhouse gas emissions at the lowest possible cost to the economy whereby a limited number of emission permits are issued and subsequently traded in the market. It is implemented in 31 states and obliges the operators of large-scale facilities of the energy industry and the energy-intensive industry to take part in emissions trading.
Whether a facility is affected or not depends on the plant (inside or outside these 31 states) and on the performance of the energy generation facilities. At EGGER plants, which generate 84 % (2017) of the total production volume of the Group, are participating in the ETS (see figure). Based on this, the CO_2 emission figures shown are representative of the entire EGGER Group.

INFO

Optimisation of the combustion processes

Within the research focus "environment and emissions", the project BOP – burner optimisation was worked on in the past financial year:
The objective of the project is to test novel measuring systems for improved monitoring of the biomass boilers operated in the EGGER Group and to find their optimal positioning. On the basis of further measurement data, the EPOC system, which is used for the higher-level regulation of energy generation facilities, is to be further improved.

At the Wismar plant, the new control system has already been launched in the biomass power plant and contributes to optimum operation. Summer and winter operation as well as the performance of all consumers of the produced process heat are integrated into the regulation and taken into account. The new control system has significantly improved emission values without having to install additional end-of-pipe technologies. The optimisation also contributes to optimum fuel utilisation with increased energy and combustion efficiency and allows maximum utilisation of the combustion performance.

Water cycle and rainwater harvesting

Water

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. Above all, water and waste water is a relevant aspect in the production of MDF boards made in Brilon, Bevern, Wismar (all DE) and Gagarin (RU). In MDF production, the woodchips are cleaned and then cooked and defibrated. Waste water is released during this treatment process. EGGER uses water in MDF production for the processing of woodchips, as process water or for waste air purification. In addition to water from public utilities, rainwater and groundwater are also used for production.

Water management

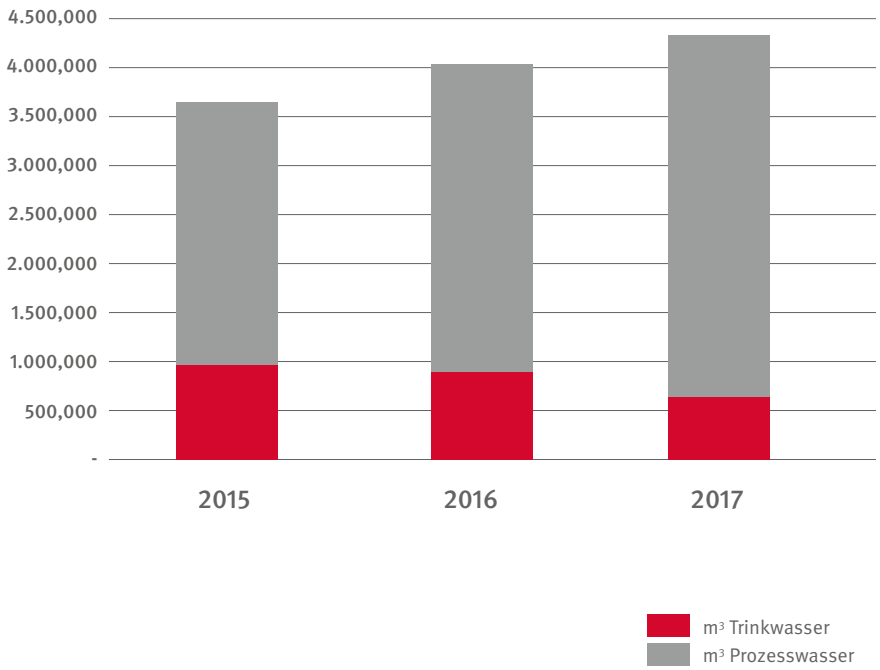
Sustainable water management is a topic in the EGGER environmental management system. For this reason, the protection of water as a resource is also a fundamental task for the company.

Protecting groundwater
It is not only drinking water from the public waterworks, but also groundwater from company-owned wells that is used in the production of MDF boards. In order to protect groundwater and promote the regeneration of groundwater, the following principles are pursued:
– Sealing of storage yards for wood and collection or treatment of the log yard rainwater.
– Local seepage of uncontaminated rainwater (e.g. from roof surfaces) to promote groundwater regeneration at the plants. Partial discharge of the uncontaminated rainwater into receiving water.

Reducing consumption
In the first step, EGGER has established transparent water balances at its plants. Thus, consumers and potential savings can be identified. Within the framework of the corporate philosophy and the environmental management system, EGGER has committed to continuous improvement. The treatment/purification of rainwater and process water makes reuse possible. This recirculation reduces the amount of fresh water used.

Minimising pollution
A distinction is made between rainwater treatment and treatment of process water. The rainwater is processed and used in production. The processed water is used as cooling and process water – preferably to compensate for water-steam cycle losses in power plants. The waste water from the production is also processed and used for steam generation. Surplus, pre-treated waste water is delivered to the municipal waste water treatment facilities. This pretreatment significantly relieves the municipal waste water treatment facilities.

Water consumption in the EGGER Group



Due to the upcoming tightening of the exhaust air limit values, exhaust air scrubbers are installed in some plants. Reducing the exhaust air pollution may result in increased water consumption as the air pollutants are washed out with water. EGGER accepts the increase in water consumption for the reduction of emissions, thermal degradation of air pollutants is not an option for EGGER. However, the water in these systems is cleaned and recirculated to minimise consumption. The use of drinking water has been significantly reduced, the process water is used multiple times in many plants. It is processed several times by internal treatment facilities and then reused in the process (recirculation). This reduced drinking water use by about 40 %.

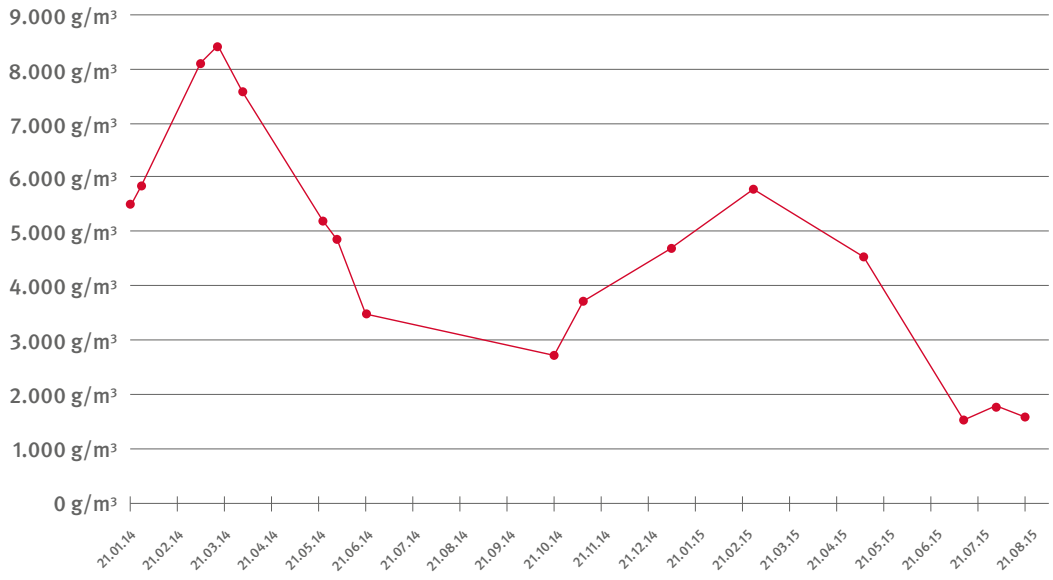
Best practice

Water project at the Brilon plant

At the Brilon plant the waste water is cleaned in an internal treatment facility. Thus, the water can be used several times and the fresh water consumption is reduced.

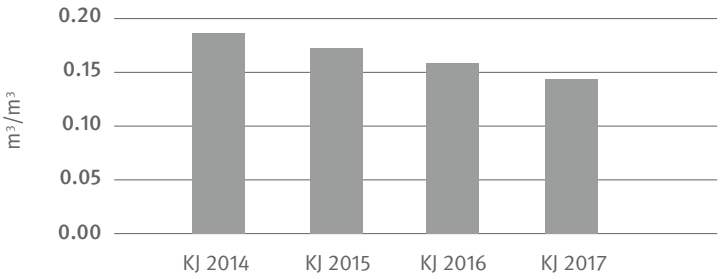
The first cleaning stage forms an ultrafiltration. This retains particles and undissolved hydrocarbons, such as oil. The second cleaning stage forms a reverse osmosis. This retains dissolved substances and ions. This processing ensures that no impurities flow from the production of EGGER to the seepage. The water seeped close to the plant serves to regenerate groundwater. By recirculating the processed water the use of fresh water can be reduced.

EGGER, Brilon plant



COD pollution of the waste water during commissioning of the internal waste water treatment (COD = chemical oxygen demand)

Water consumption in the Brilon plant per m³ of finished product (wood-based materials)



8. Corporate social responsibility

Work safety and health protection at the workplace

Equal opportunity and diversity

Further education and promotion opportunities

Employee satisfaction

Business ethics

Regional added value

Working conditions in the supply chain

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

Our values as a family company

> “Respect, trust, partnership and loyalty define our everyday actions.”

For EGGER, social issues were therefore identified in the context of the materiality analysis in addition to the relevant product and production issues, which were already dealt with in detail in the previous chapters. These include both internal and external topics.
The internal topics mainly concern the currently roughly 9,200 EGGER employees.
In addition to the owners and the board of directors, they are the most relevant stakeholder group of the company (see chapter stakeholder approach).

As a responsible employer, EGGER has the task of protecting employees' health and ensuring work safety. Furthermore, it is necessary to offer employees further education and internal promotion opportunities, to promote equal opportunities and diversity in the workforce, to facilitate a fair balance between work and private life, and thus to achieve high employee satisfaction. The latter in turn leads to greater loyalty and is important for the sustainable management of EGGER. In the company we know that success only comes about with the right people. This stance must be aligned with for every aspect of our work and dealings with all issues relevant to employees.
The external topics, conversely, relate to EGGER as a market participant in the respective economic environment and as a social actor in the respective, above all, regional social environment. The claim in the market environment is that the company as a fair economic actor respects free competition, prevents corruption and strengthens the regional economy. The practised corporate ethics are therefore crucial. Relating to society as a whole, the training of future workers, good working conditions in the supply chain and voluntary social commitment contribute to sustainable economic activity.
As a whole, it is therefore about taking responsibility not only for one’s own products and processes, but also for the people involved. EGGER’s most important management approaches and services are documented in the chapter “Responsibility for employees and society".

Work safety and health protection at the workplace

Work safety

"Respect" is one of the fundamental values of the family company EGGER – including the self-evident fact that work safety and health protection are top priorities. EGGER is aware of its great responsibility as a family employer in this respect:
The company's employees are its most valuable component – their well-being and health are respected accordingly.

> "We pay attention to the protection and health of our employees"
>
> (Point 7 – EGGER "Code of Conduct")

Focus management

In the course of 2017, EGGER standardised work safety reporting across the entire Group and switched to international comparative values. As a result, no complete figures are available for this year. However, it can be extrapolated that the accident rate (≥ 1 day of absence) of the EGGER Group in 2017 was around 40 accidents per 1,000 employees or around 20 accidents per million working hours. There were also two fatal accidents at work during the reporting period – one at the Rion des Landes plant (F) and one at the Barony plant (UK).

Knowing that severe work accidents can only be avoided sustainably by reducing the total number of accidents, EGGER has launched an ambitious programme to halve the accident rate:

- In-depth data collection and benchmarking across all plants to identify best practices and derive and implement standards for the entire Group
- Establishment of an EGGER Safety Board (at top management level) in order to be able to quickly make Group-wide safety decisions
- Defining and communicating 10 basic safety rules for all employees and all areas of the Group
- Defining individual safety programmes for each individual plant to achieve Group-wide safety goals

- Implementation of an internal Security Officer for each plant of the Group
- Annual meeting of all Security Officers of the Group with internal and external experts on work safety – “EGGER Safety Days”
- Open, active exchange of information on safety within the Group to promote an open safety culture
- Integration of the topic of work safety as a benchmark in every production meeting
- Start of a pilot project on the topic of “work safety management” at the Gifhorn plant with the objective of gaining experience for a Group-wide rollout – “safe@EGGER”

Investments

EGGER operates many highly automated and mechanised production facilities – these are accorded a high priority in the area of work safety. The objective of investing in high-quality technology is thus to keep up with state-of-the-art safety technology throughout the Group and to implement new technologies. Here are some flagship projects from the comprehensive investment programme of the reporting period:

- Reconceptualisation of the ventilation system in the production area at the Unterradlberg plant – A pilot project to gain experience in dealing with new occupational exposure limits and new substance classifications
- Start of pilot projects for the automation-supported increase in safety of lift trucks and industrial trucks: “Comnovo®” & “Easy Key®”
- Creation of pedestrian and traffic route markings to increase plant traffic safety
- Start of a development project for flameless pressure relief of screening machines – explosion protection
- Automated warehouse management – Automation to reduce manipulation processes by industrial trucks and thus reduce the risk to persons
- Yard management – Creation and implementation of Group standards through electronic process monitoring to safely carry out work in the area of plant logistics

EGGER sees the accidents of the past as a clear mission to become better. The measures and investments mentioned above are intended to achieve the ambitious objective of halving the accident rate.

Health management & health protection at the workplace

EGGER attaches great importance to the health of its employees. Special health management offers are intended to raise awareness that health has value and prevention is important. EGGER thereby gives its employees suggestions for promoting and preserving their health.
The company's objective is always to find possibilities to reduce the accident rate and sickness figures. This is also anchored in the annual management objectives. In addition to manager training courses for healthy leadership, company doctors look after the employees in all plants on site. Employees with office workplaces also have their own workshops dealing with stress and ergonomics at the workplace. With the EGGER headquarters completed in 2015 as the central administration building at the St. Johann plant, EGGER has set new standards for this:
Optimal lighting, height-adjustable workplaces and the ubiquity of the material wood create the necessary ergonomic frame.

EGGER wants to be able to offer this standard Group-wide in the long term, so the office building currently under construction at the emerging plant location in North Carolina, USA, is in no way inferior to the headquarters' modernity and ergonomics.
In addition, joint sporting activities also promote cooperation in the company. At the various EGGER plants, the health management offers numerous activities for healthy nutrition and exercise, such as fruit days, sports courses and counselling services. The campaign "EGGER runs" should also be mentioned here: Here, EGGER offers its employees the opportunity to participate in running events while at the same time doing good.
Last but not least, all employees benefit from the healthy cuisine: The staff restaurants offer freshly prepared meals every day.

Sickness rate

Financial year	2015/16	2016/17	2017/18
Sickness rate	2.6 %	2.8 %	2.8 %

The sickness rate describes the proportion of illness-related absences from the total working time of all employees in the annual average. The low rate of previous years was maintained in the past financial year. EGGER sees justification for this, inter alia, in the active operational health management. The company will adhere to these measures already taken and will continue to expand the programme in order to maintain this level in the future. In Austria, we have repeatedly been awarded the quality seal for workplace health promotion for this commitment.

Best practice

Fighting and team spirit on touring skis

Every year in January, the ski tour “Schattberg Race” takes place in the Austrian winter sports resort Saalbach-Hinterglemm as part of the Mountain Attack. For the past eight years, the Schattberg Race has also been a fixture for many EGGER employees. On the initiative of Thomas Leissing, EGGER Group Management Finance/ Administration, employees from the entire Group are purposefully encouraged to participate in the event. Since then, around 100 EGGER employees from various countries accept this invitation and face the sporting challenge of overcoming 1,015 vertical metres and climbing gradients of up to 70 % on touring skis. Above all, they are motivated by the charitable cause: Thomas Leissing is personally donating 50 euros to a social purpose for each successful summit victory of the EGGER participants. In January 2018, a donation of 5,000 euros was handed over to the SOS Clearing House in Salzburg.
In addition to health promotion and the charitable concept for the employees, the project also has the nice side benefit in this informal atmosphere of expanding their network to colleagues from different plants.

The participants of the Schattberg Race 2018 at the award ceremony: pure group dynamics!

Equal opportunity and diversity

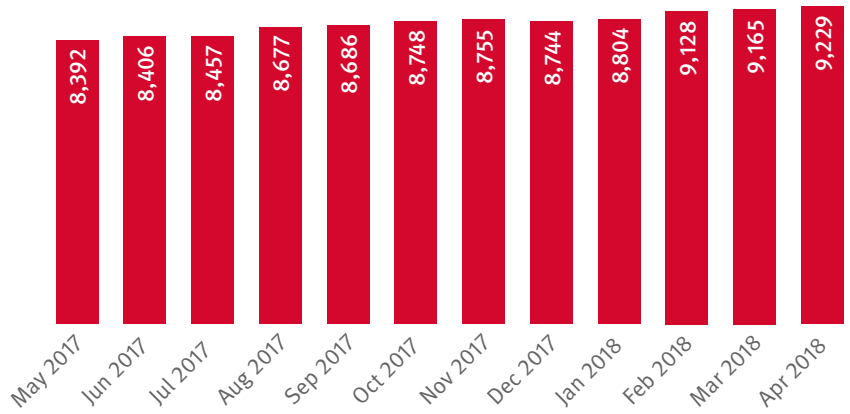
Equal opportunity

In accordance with its guiding strategy, EGGER sees itself as a modern and transparent family company. Respect, trust and respectful interaction characterise the corporate culture. The principles of EGGER's personnel policy offer all employees the same rights and opportunities regardless of age, gender, culture, religion, background or other diversity characteristics. Based on these principles, no form of discrimination is tolerated.

Diversity

Not least due to the growth of the company in various parts of the world, EGGER is an international company and wants to increasingly rely on local employees and line supervisors in the respective plants, in order to be able to take into account the local understanding of the market and the region from a group perspective. Temporary secondments of employees to international locations should ensure that the company's guidelines and cultural differences are harmonised and that the Group-wide feeling of togetherness is strengthened in a natural and authentic way. EGGER has successfully implemented this course so far and intends to stick to it in the future. Corresponding plans for the new plants under construction or planned in Poland and North Carolina, USA, are in full swing. With regard to gender distribution, EGGER is fundamentally committed to achieving a higher proportion of women in its workforce. A concrete measure to increase the number of women in management roles and positions at EGGER is to enable female employees to pursue appropriate career development paths at an early stage.

Employee numbers*

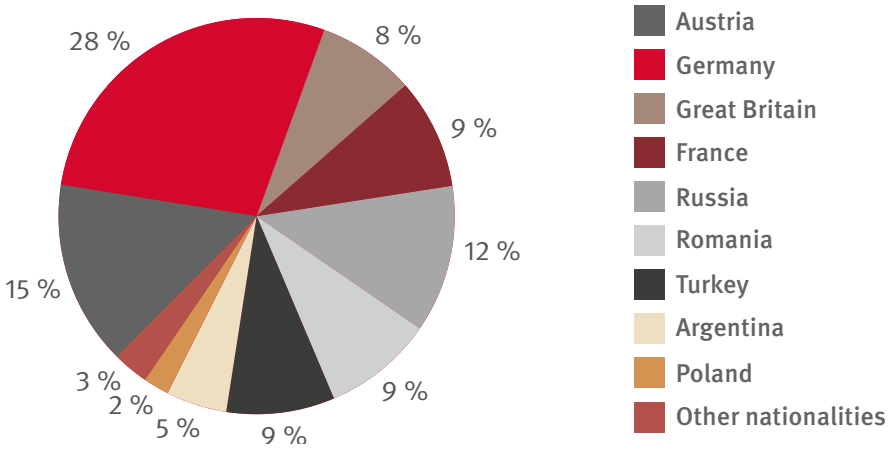


*Number of own employees in the EGGER Group in full-time equivalents. In addition to the specified number of own employees, EGGER also employs around 1,000 external employees (loan workers and other external employees, in annual average).

The increase in the area of its own employees is attributable to investments in existing plants and in particular the integration of the Concordia plant in Argentina, as well as the construction of a new plant in Biskupiec, Poland.

Nationality

EGGER's international workforce is comprised of 64 different nationalities.
83 % of all employees work in the areas of technology/production and logistics, 17 % in finance, human resources, IT, sales and marketing.

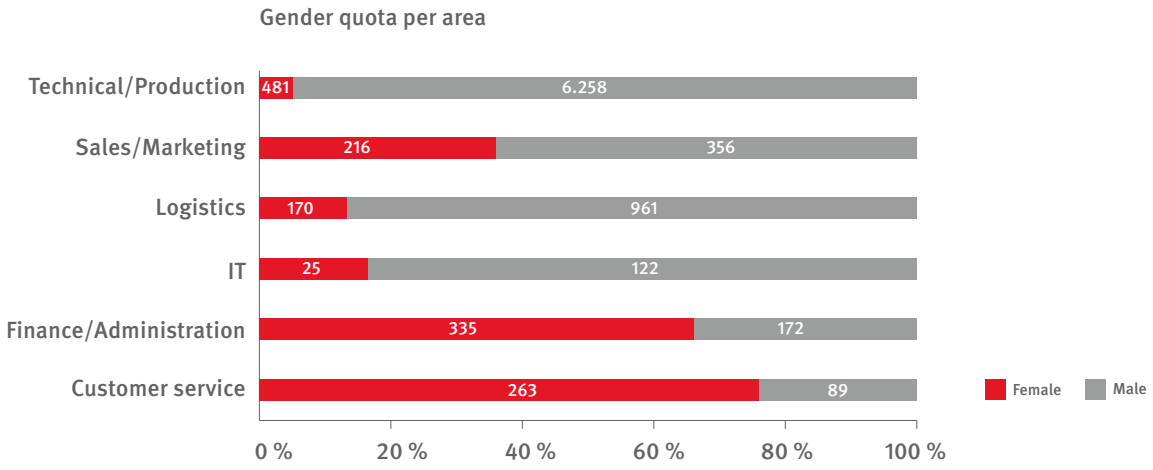


Age and employment with the company

Financial year	2015/16	2016/17	2017/18
Average age of workforce	n.a.	39.1 years	39.3 years
Average employment with the company	n.a.	9.5 years	9.5 years

These indicators show the average age of the workforce and the average length of employment with the company in years. These figures pertain exclusively to employees in Argentina. Compared to the previous year, these two indicators have remained fairly constant, with a slightly higher average age. This shows us that the company has struck a good balance between the recruitment of young talent and long-term retention of experienced colleagues. This should also be maintained in the future.

Quota of women



Financial year	2015/16	2016/17	2017/18
Proportion of women in the total workforce	15 %	16 %	16 %
Proportion of women in classic employee functions	53 %	54 %	53 %
Proportion of women in management positions	11 %	11 %	12 %

Best practice

EGGER Kompakt, a training programme with vision – from employees for employees

In May 2016, the Group-wide internal training programme “EGGER KOMPAKT” was launched. Its objective is to facilitate interdisciplinary knowledge transfer and to develop a knowledge culture within the company.

There are nine EGGER KOMPAKT modules offered in each country and plant. The programme is aimed at all of the roughly 9,200 employees. By networking with colleagues, they should gain insights and understanding of the tasks and services of the various areas in addition to the content learned. All modules are led by in-house trainers and follow a didactic concept to inspire all employees alike, regardless of nationality, age or company affiliation. The personal exchange on the topics and their value are of great importance. International representatives from China and the USA, inter alia, met for this purpose in St. Johann. It was quite a challenge for the EGGER KOMPAKT concept, but finally the reconciliation of the most diverse needs and types of learning in different areas, functions, plants and countries was achieved.

After 346 training sessions in the financial year 17/18 and 5867 participations, the programme was rated as positive by 93 % of participants and can therefore be regarded as a complete success. Group-wide common understanding was encouraged. By getting to know different departments and needs, processes become more transparent and comprehensible. This is reflected in better cooperation and communication, especially between international plants and departments.

Further education and promotion opportunities

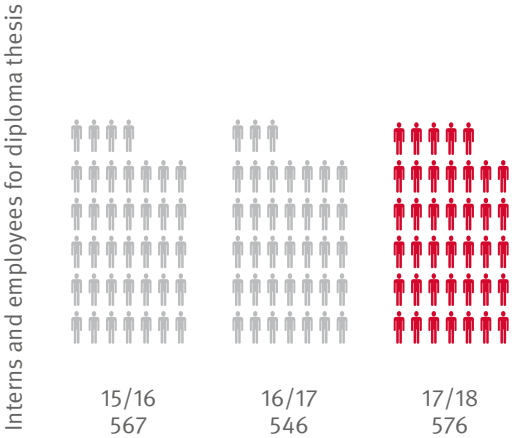
Further development

At EGGER, we view the further development of our employees as a central management responsibility and have anchored this goal in our management principles. It is in line with EGGER's sustainable HR work to bind employees to the company and point out development opportunities to them. This also safeguards succession planning, especially for key positions.

Apprenticeship

Our objective is to train specialists and line supervisors from within our own company. That is why we train our trainees in **22 training occupations**. We ensure the further development of our young employees through ongoing feedback from the instructors and accompanying, needs-based training measures (communication training, team building or language courses). Most of our plants also have training workshops where the apprentices can practice basic skills and prepare for examinations. Our numerous direct **personnel marketing measures**, such as attending various trade fairs, open days, school visits, parents evenings, etc., have not only brought us into focus as an attractive training company in Austria and Germany. In countries such as Romania, France and Great Britain, there is no comparable state education system.
Therefore, we see the challenge as persistent in the creation and maintenance of structures and framework conditions for the training of employees. Likewise, the early involvement of seasonal workers, interns and diploma students is an important basis for us in sustainable personnel development. Valuable practical experience is the first step towards a permanent job with EGGER.

Training at EGGER



Although the number of trainees decreased slightly, we were able to give more interns a first insight into the professional world at EGGER. The early acquisition of future employees remains an integral part of our philosophy.

Best practice

EGGER trainee forest Brilon

EGGER is helping in the reforestation of the forest near Brilon. Every year, all new trainees plant their own tree in the spirit of sustainability. This not only helps to overcome the storm damage caused by the storm “Kyrill” in 2007, but also creates sensitivity and connection to the forest and wood as a product among the young trainees.

The initiative was inaugurated by the planting of 30 Douglas-firs by the trainees, which is now repeated annually. The local district management stands by their side with help and advice. Thus, the EGGER trainee forest grows year on year, whereby each of the trees individually symbolises the start of a new phase of life for the trainees. They are given the exact coordinates to be able to find the tree later.
With the trainee forest, EGGER is contributing to the reforestation of the forest in the “Kyrill-Tor”.

Personnel development and promotion of internal careers

The EGGER CAMPUS was developed to bundle all further education activities in a single place in the future. In this context, the further development of all employees should be promoted in a more targeted manner and coordinated Group-wide. The EGGER CAMPUS currently consists of the following components:

With nine modules along the company's value-added chain, the internal training programme

EGGER KOMPAKT was set up by employees for employees. Thereby, EGGER aims to ensure the interdisciplinary exchange of knowledge and experience and strengthen the customer orientation of all employees. With around 100 internal trainers and a structured training concept, EGGER KOMPAKT had a very successful start in May 2016 in all countries.

In order to obtain a comprehensive picture of the development status and needs of all employees, annual appraisals are carried out in all plants and areas. **The new EGGER Talent Management** now supports line supervisors and employees. The new digital and revised form of the appraisal provides more clarity via the objectives and strengths of each individual employee.

In future, appropriate development programmes will be introduced via the Talent Management system, and employees with the corresponding potential will not only be developed more efficiently, but will also be promoted to suitable positions.

EGGER attaches great importance to filling management positions internally and offers the following measures for targeted development for management careers:

Start Up: Start Up is a 12- to 18-month specialist trainee programme for the targeted development of future executives at EGGER. In the programme, there are approximately 20 participants from different countries and specialist departments such as Logistics, Engineering, Finance, HR, Sales and Distribution.

Startklar: The programme for potential and emerging managers concentrates on promoting interpersonal and business skills with an international focus. Group-wide teams comprised of potential future executives complete several basic training courses over an 18-month period and together implement a concrete project. In this context, the participants develop leadership behaviour competencies and learn how to strategically work in networks.

Impuls: Impuls is training for managers who are new in their position, to deepen their existing management knowledge and to acquire up-to-date management methods. International workshops emphasise existing management approaches used all over the Group and aim at developing important competencies.

Spirit: The strategically oriented “Spirit” management training takes place every two years for managers from all divisions of the company. They discuss existing company objectives and management systems, generate new specialist knowledge and expand their own leadership competencies during this two-day meeting.

The **management training programmes “Impuls” and “Spirit”** build on each other and are aimed particularly at divisional and plant management as well as line supervisors in corporate management. In addition, there is a fully developed training programme and line supervisor days for newly appointed and experienced line supervisors to develop leadership skills in all countries.

The active participation of the employees is testimony to the offers in the EGGER Campus: In the last financial year, 1442 trainings took place with a total of 11895 participations. Participants claim to have a better understanding of the adjacent areas of their work and to have learned something new. The training programme is also well received outside the company: In Germany, **EGGER KOMPAKT** ranked first for the **HR Excellence Award in the corporate category of knowledge management**. The development measures are also having an effect: Approximately 80 % of EGGER line supervisors have been promoted from within the company.


Creciendo juntos
Развиваться вместе
Gemeinsam wachsen
Growing together
Wspólny rozwój
Evoluons ensemble
Birlikte Gelişelim
Ne dezvoltăm împreună
EGGER
EGGER

Best Practice
International EGGER trainees with social footprint

Participants in the EGGER trainee programme Start Up are operationally involved in their own specialist department from the point of their entry, but also undergo an individual development plan including job sensing. Here, it is important that they consolidate the learned content from local and international trainings directly in exchange with colleagues and above all in their daily work. For EGGER, it is important to give young professionals their own motivating area of responsibility right from the start. This goes beyond traditional graduate programmes in which trainees move from department to department. Start Up EGGER thereby helps to quickly incorporate young professionals at EGGER into the respective department with the help of a structured individual development plan and to prepare them for international and interdisciplinary interface functions. In addition, the programme provides a positive contribution to long-term employee retention. Sustainable networks emerge and a culture of knowledge transfer is thus promoted in the long term. In order to consolidate this knowledge acquired in the programme, the Start Up participants also receive an external Task: At the end of the 12-month programme, they work on a social project in small groups that will have a positive effect on the regional environment of an EGGER plant – in the current programme this is the region around the Radauti plant in Romania. The particular challenge here: The social project will be carried out without an allocated budget. Creativity, intercultural competence, teamwork and project management skills are thus in demand. And incidentally, these projects also raise awareness for the regions of the EGGER plants and leave a positive social footprint where it is most needed.

Employee satisfaction

The satisfaction of our employees is very important to us and is considered as the basis of our successful business. Each individual can contribute their opinion and count on appropriate measures for problem solving.

Employer branding

In the 2017/18 financial year, EGGER continued to drive forward its employer branding and recruitment initiatives, thereby building on its strengths. In addition to the traditional media for recruitment, EGGER is increasingly focusing on online media. The presence on social media channels, such as Facebook, LinkedIn or Instagram, has also been broadened. The relationship with local educational institutions, such as schools and universities, is particularly important.

Work-life balance

We at EGGER regard family and leisure time as an equally important part of life as work and careers. Therefore, in addition to the core working hours, employees in non-shift operation are offered flexible working hours designed to facilitate individual compatibility of private and professional life. It is therefore also in the company's interest to respond to desires for partial retirement and parent part-time and to find models that are satisfactory for both the company and its employees. Furthermore, we strive accordingly to support the families of the employees with various offers. In the summer of 2018, for instance, a one-week EGGER Summer Kids Camp will take place in St. Johann to help care for children during the long summer holidays. Together with a team of trained and experienced teachers, the company offers varied and quality child care. This course is to be held and further developed in the future.

Employee motivation

In order to best adapt the company's services to the needs and wishes of the employees, it is important to involve the entire workforce in future development. On the basis of the motto “Shaping the future together – Your opinion counts!”, a Group-wide Employee Opinion Survey was also conducted at the beginning of 2018.
In order to achieve the objective of being the best employer in the respective local labour market, EGGER wants to identify improvement requirements and actively work on changes.
This ensures that life is breathed into the EGGER guiding strategy. Departments and teams find that the results of the Employee Opinion Survey are heeded and reflected on. This also encourages a high level of participation in the survey.

Making the future together – Your opinion counts

The EGGER Employee Opinion Survey is conducted regularly, Group-wide and for all employees. It is of course anonymous and confidential and is supported by an external partner, the geva-Institut.
EGGER formulates a comprehensive picture of how the company is perceived as an employer through various topic-based questionnaires. In this way, for instance, results on the image of the company among the workforce in the evaluation are of great value.
The individual areas of the survey are prioritised on the basis of their relevance with regard to employee motivation and satisfaction, and appropriate measures are taken to address possible weaknesses.
In the future, EGGER intends to further increase its good participation rate and noticeably put into practice the employees' wishes for change. Further details on the results of the Employee Opinion Survey and the resulting measures can be found in the following chapters.

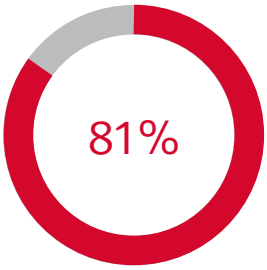
Applicants and awards

The steady rise in applications shows that we are on the right course with our target group-oriented, authentic candidate approach. This is also proven by various employer awards, such as the fourth place in “Great Place to Work” in Austria or the “Fair Company” seal in Germany. Our career website registers roughly 5,500 clicks per month. More than 100 schools and universities visited our plants in 2017 and in doing so gained an insight into the world of work at EGGER.

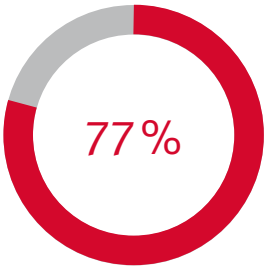
Participation in Employee Opinion Survey and recommendation as an employer

The fact that these many measures have a positive effect on employee satisfaction is already evident from the high participation rate of 86 % in the Employee Opinion Survey. This above-average rate guarantees representativeness and at the same time forms the basis for an effective alignment for the future. On the image of the company, 82 % indicate that they consider EGGER to be environmentally friendly, and 83 % are proud to work for EGGER. Furthermore, 81 % would recommend EGGER as an employer.

Employer attractivity index



Motivation index



Employee turnover

Financial year	2015/16	2016/17	2017/18
Employee turnover	3.5 %	3.3 %	4.3 %

The turnover rate denotes the percentage proportion of exits based on a dismissal on the part of the employee based on the average number of employees.
Despite a small increase in the previous year, turnover at EGGER is still at a low level. It thus reflects the positive results of our Employee Opinion Survey. Its results and findings are used to continue to develop targeted measures that satisfy the wishes and expectations of employees.

Best Practice

EGGER employees run for a good cause

An activity that promotes team spirit and at the same time builds a bridge from health management to social commitment is the Group-wide initiative “EGGER runs”, which has been going since 2010. For every kilometre run by an EGGER employee in a public running event the company donates five euros to charity. The joy of sports and the ability to raise funds for good causes are at the centre of this project. The money goes to local social institutions at the respective plants.

The initiative is decidedly aimed not merely at the many top athletes among the workforce, but above all at all fun runners, Nordic walkers and hikers. In the end, it's not the total number of kilometres of a single runner that counts, but the sum total of the participants and the team spirit!
Entry is simple: The activity is supervised by the local HR department and continuously promoted via internal media. Interested employees can contact their respective contact person, receive high-quality running wear in EGGER branding and, as an additional motivation, EGGER assumes any entry fees. Since the initiative began in 2010, together EGGER employees have managed to cover 198,184 km at fun runs, charity runs and own plant runs. This is the same as running around the world almost 5 times! Also, since the start of the initiative 5 euros have been donated to charity for each kilometre run. Now, we can look back on a donated sum of nearly 990,920 euros.
In 2017 too, employees once more achieved fantastic results at numerous running events in all EGGER countries. The 1,191 EGGER runners who took part in “EGGER runs” completed 30,356 km in the past year – that is more than 700 marathons in total! As a result, we have “run up” a total of approximately 151,779 euros for good causes in the past year alone.

Business ethics

Since its creation in 1961, EGGER has been a steadily growing and internationally active family business. A clear stance in terms of sustainability, quality and respect has always been an integral part of the corporate culture and an indispensable prerequisite for business success. The trustworthiness exemplified by the company founder and the owners – in other words, being unconditionally faithful to their word – still has a decisive influence on the fundamental ethical values of EGGER and the daily actions of all employees.
Transparent values apply within the corporate group. EGGER conducts itself with integrity, respect and fairness towards its employees, business partners and third parties as well as the public and carries out its global business in compliance with all applicable national and international regulations.

In order to implement this corporate ethic and anchor responsible thinking and action among all employees in the long term, EGGER brings together a comprehensive set of measures in a compliance system to prevent, detect and react to compliance violations. The topics of antitrust law, the prevention of corruption and the protection of personal data are predominantly addressed and employees are trained in both e-learning and classroom sessions. Compliance with these rules is ensured through a strict dual control principle and processes, where it proves to be necessary taking into account regular audits or due to individual events, improved.

Code of Conduct
EGGER has a Code of Conduct that applies to all employees across the Group and is based on the values, mission statement and corporate objectives. The EGGER Code of Conduct includes clear standards of conduct that must be observed by all employees. The owners, the Group Management and the Board of Directors are committed to this Code of Conduct and strongly count on the support of all employees towards its successful implementation in business activities. Line supervisors are especially taken up on their promise of making sure that the Code of Conduct is observed by all, whatever they do.
www.egger.com

For purposes of its implementation, this Code of Conduct has been communicated to all EGGER employees and is available on the Internet and the Intranet. Problem awareness, knowledge and correct conduct are communicated through regular organised events for employees. Guidelines on many topics are available to our employees in the Intranet.
EGGER employees are expressly called upon to point out situations which suggest violation of the Code of Conduct or our guidelines. This can be done by any employee with their superior or EGGER's legal department. Such referral can also be done anonymously. Under no circumstances will there be disciplinary proceedings against an employee due to making a referral, even if it turns out to be unfounded.

Suppliers' Code of Conduct
EGGER expects that not only all employees within the company, but also suppliers share these compliance principles.
EGGER's Code of Conduct for suppliers makes it clear to its suppliers that the same minimum requirements are also imposed on their conduct and obliges suppliers to comply with applicable laws and other regulations.
www.egger.com

Cartel Law Guideline
Every EGGER employee must know and comply with all relevant cartel law stipulations. An in-house Cartel Law Guideline and regular training help ensure proper conduct pursuant to cartel legislation.

Corruption Prevention Guideline
EGGER is strictly opposed to any kind of active and passive bribery. The in-house Corruption Prevention Guideline outlines clear prohibitions, as well as instructions regarding the handling of gifts and invitations.

Guideline Capital Market Compliance
With the Guideline on Capital Market Compliance, EGGER shows investors that the legal requirements of the capital market are taken seriously by EGGER and any violations are prevented. The Guideline is also intended to make sure that EGGER fulfils expectations of the capital market regarding conduct and the organisation of a company.

Data protection statement
EGGER takes the protection of personal data very seriously. The data protection statement discloses how and why EGGER collects and uses personal data from third parties, and how those concerned can exercise their rights in relation to EGGER. The personal data of EGGER employees will only be collected and used to the extent necessary for the performance of the employment relationship or approved and supported by the responsible employee representatives.

Objectives, measures, current status

EGGER's objective is not to commit violations in these key areas of compliance and to continuously improve its internal procedures for preventing and detecting violations. In particular, a risk-based approach seeks to raise the necessary awareness of the importance and content of these areas among employees by means of training and guidelines.
In the past financial year, in addition to various antitrust training courses, the guideline on capital market compliance was adapted to the amended regulations of the applicable capital markets law and a project started in 2016 carried forward to adapt all processes and systems as well as our data protection statement to the more stringent requirements of the General Data Protection Regulation.
In the past financial year, no significant violations were announced or reported.
No sanctions were imposed on companies or against bodies and employees of EGGER Group companies for such violations or proceedings initiated against them.
Regular inquiries to the responsible legal departments for the assessment of planned issues or contracts regarding their compatibility with applicable regulations show at the same time that employee awareness of the importance of these key areas of compliance exists.
Upon issuance of the EGGER Perpetual Bond in March 2018, to the best of our knowledge, all necessary disclosures on proprietary trading of line supervisors were made to the compliance officer of the EGGER Group without any further request.
These results demonstrate that EGGER is on the right path with its risk-based approach. This will therefore be pressed ahead with and, in particular, training measures with changing priorities will be pursued. According to priorities in recent years, in particular in cartel and capital market law, priorities will be set in data protection and data security in the coming financial year as part of the introduction of the General Data Protection Regulation.

Regional added value

EGGER thinks globally and acts locally. We manufacture worldwide at 18 plants in eight countries and with decentralised organisation and local responsible persons (plant managers) pay close attention to the respective regional conditions and needs.
We see ourselves as a good neighbour and an active member in the regional environment of our production plants, and as such we aspire to have a positive effect in the long term on the respective local economy and local communities.

In our corporate mission statement, which enshrines the core values and corporate principles and is communicated to all employees, we have defined our corporate responsibility and our contribution to regional added value:
In accordance with our fixed core values we embrace the culture and customs of the countries in which we operate. In doing so, the family company EGGER integrates itself as an integral part of the respective surrounding area and encourages the employment of qualified employees and line supervisors from the regions near the Group's plants.
We exercise social responsibility at the local level. In this context, we are committed to the fields of social issues, education and environmental protection.
Our plants also have a positive long-term influence on economic development at their locations through the use of local suppliers and local infrastructure like hotels and restaurants.
We are intensifying our cooperation with suppliers from the region in a targeted manner and proclaim in our wood purchasing strategy that we obtain wood predominantly from within a radius of 150 km around our plants.
The implementation of these guidelines is incumbent upon the locally responsible Plant Managers in accordance with our decentralised organisational structure. They represent EGGER in the respective regional environment.
To that effect, our in-house policy for the awarding of donations and gifts in a not-for-profit manner is designed with regional responsibility in mind. Donations of up to 10,000 euros per year can be made independently by the Plant Management (local management). It also states that we exclusively support organisations or activities that focus on social issues, education and environmental issues.

We can only partially quantify our overall contribution to regional added value. It is very difficult to quantify good neighbourliness and the openness to dialogue and the involvement of all relevant local stakeholders, but in any case this is proven by a variety of activities.

Plant visits

We see ourselves as an open and transparent family company. In this respect, it is natural for us to open our plant gates to various visitor groups and to make our activities tangible for them. In addition to customers and suppliers, these are predominantly pupils and students who get to know EGGER as an employer, as well as residents of the surrounding localities.
At most plants we offer regular plant tours. Specially trained employees lead these guided tours and thus demonstrate EGGER's production processes and business model. At the main plant in St. Johann in Tirol alone, some 13,000 people take part in plant tours each year.
At many plants, family days are held annually to give the relatives of our employees an understanding of their working environment. Likewise, events such as “open days” are organised and regular tours of the plant are also made possible time and again for non-company persons by prior arrangement. In this way, the local residents around our plants have the opportunity to get to know our family company EGGER and to gain an insight into our activities.

Stakeholder dialogue

At EGGER, we have discovered that the early, active and ongoing involvement of stakeholders leads to greater acceptance and support of our activities. We especially take this into account for larger construction projects, such as plant expansions or greenfield investments.


28a

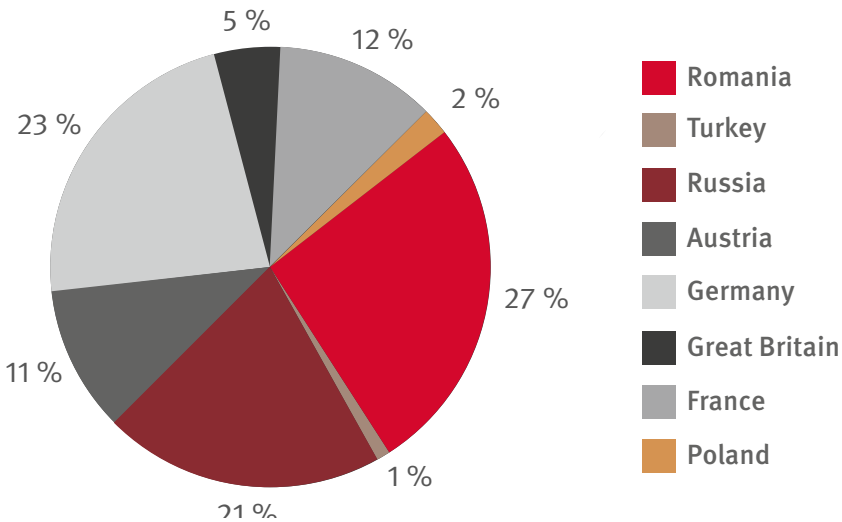
Best Practice
Community Building new plant Biskupiec

We are currently building a chipboard plant in Biskupiec, in the Warmia-Masuria region in north-eastern Poland. Work began in September 2017. Construction work is progressing on schedule and the first board is to be produced by the end of 2018. Aware that the construction of an industrial production plant could cause concern or at least raise questions among the inhabitants of Biskupiec, we have made efforts to seek dialogue with all regional stakeholders and in particular the broader public. We wanted and want to be open to citizens and to introduce ourselves as a new member of the community Biskupiec and to integrate well.
In order to get in contact with the local stakeholders, we have held weekly information events since April 2017, in addition to regular meetings with the relevant public officials. Depending on the weather, these took place in our office premises or in summer in the city's main square. Many citizens took advantage of this opportunity to get to know EGGER, ask questions and also discuss the possibilities of cooperation – as an employee or supplier. What's more, EGGER representatives participated in meetings of the local economy and local authorities.
We actively get involved in all important events taking place in the city of Biskupiec: On the Family and Children's Day, we held workshops for children, while at the annual city festival we presented our company and our products with the EGGER Truck. As well as this, we sponsored a sailing competition, a local business fair, the local fire department, an organisation for disabled persons, a children's sports club and the local hospital. Pupils had the opportunity to get to know EGGER at educational fairs as well as on visits to the construction site. Thus, in just a few months we have succeeded in developing a solid network and raising great awareness of EGGER in the local community. This work will be continued in the future with suitable measures.

Donation activity

The EGGER mission statement lays down its commitment as a company to the fields of social issues, education and environmental protection. This commitment, alongside the personal involvement of many colleagues, is understood as the provision of financial resources for appropriate institutions and organisations. EGGER donated a total of 572,800 euros (previous financial year: 658,100 euros) for relevant purposes in the previous financial year 2017/2018. Around 48 % of the amounts donated spent on Russia and Romania, where donations were mainly focused in 2017/2018. As an international company, EGGER is aware that it has a particularly high degree of responsibility for the well-being of the local community, especially in underdeveloped regions where some of the plants are located, specifically in Eastern Europe. In this respect, donation activity is focused on these regions.

Donation shares in financial year 2017/2018



Best Practice
EGGER Foundation in Romania

Regarding our Radauti plant in north-eastern Romania, we have identified specific needs of local communities regarding educational facilities, medical care, cultural circumstances and environmental protection in the region around our Radauti plant. In 2016, we launched the “EGGER Foundation” in order to be able to do justice to them and to fulfil our responsibility.
The “EGGER Foundation” is an autonomous, non-political and independent organisation funded by EGGER Romania in order to benefit the region. The purpose of the foundation is to develop and implement projects that aim to promote living conditions, health care, access to education and culture, as well as an intact environment in the Radauti region.
To identify and serve the true needs of the population, the foundation embraces suggestions from both the community and public officials.

The foundation structure consists of a board of directors, a consultative council (honorary members), a secretary and volunteers.
In the previous financial year, for example, the physics classrooms of five higher-education schools were equipped with laboratory facilities and technical equipment. A “legal education“ project provided roughly 2,500 schoolchildren with information materials on civil rights and relevant legal aspects of social life.
The ongoing project “First aid saves lives” both supplies first-aid kits to educational and youth institutions and trains children and adolescents in first aid. At the end of the first implementation period, around 1,100 pupils will have completed such courses.
All of the foundation’s activities and projects are made available at www.fundatiaegger.ro.

Regional procurement

A further indicator of EGGER's contribution to the respective regional added value is the purchasing of products and services in the regions around the plants. For the company, this is a distinct concern and it also makes the most economic sense to cooperate to the greatest extent possible with local or regional producers and service providers. This effort is particularly great for the purchase of wood, EGGER's most important raw material. In this respect, a Group guideline stipulates that wood is to be purchased predominantly within a radius of less than 150 km.

Regionally purchased roundwood*

Calendar year	2015	2016	2017
	74 %	74 %	70 %

*Proportion of the roundwood deliveries which originate from within a radius of 150km around the rawboard plant, for all roundwood deliveries

EGGER is constantly pursuing the objective of procuring 90 % of the roundwood from the local surrounding area of the rawboard plant. Unfortunately, no progress was made during the reporting period – the rate dropped to 70 %. There are various reasons for this: In Romania, for example, there were difficult framework conditions, such as the border barriers to Ukraine. In Gagarin (RU), the plant expansion necessitated an increased demand for raw materials. In addition, there were extreme climate-related events such as windthrow. After such damaging events it is important, in addition to economic aspects, also to ensure the protection of the forest for quick regeneration.
Nevertheless, EGGER is sticking to its objective of 90 % and is taking daily wood purchasing measures to achieve this. The most important measure is the continuous development of long-term partnerships with suppliers in the local area.

Working conditions in the supply chain

Successful supply chain management is a prerequisite for a company's economic success. At the same time, taking the supply chain into account extends the area of corporate responsibility. In doing so, companies share responsibility for the labour and environmental impacts of the production of goods which they purchase as raw materials, semi-finished or finished products.

Thus, in order to be able to describe one's own production and own products as “sustainable”, suppliers must also comply with the relevant requirements. At EGGER this especially concerns the purchase of the most important raw material, wood, and in particular the working conditions at wood suppliers.

Management approaches in the wood supply chain

In the context of our due diligence system for sustainable forestry, we also pay attention to health protection, work safety and social affairs concerning our suppliers based on the ILO (International Labor Organization) statement on fundamental principles and rights at work (1998).

If EGGER purchases wood in countries that have not signed the ILO core conventions, the company increasingly relies on ISO, FSC®, or PEFC certification standards. In case of uncertified suppliers in these risk areas, we carry out a risk assessment

and for critical suppliers audit the random sample criteria listed below. Our suppliers must plausibly demonstrate that:

- they do not prevent employees from joining together, selecting their representatives and negotiating with the employer,
- forced labour is not availed,
- workers under the legal minimum age, under the age of 15 or still required to attend compulsory education, whichever is the highest, are not employed,
- they do not deny workers equal employment opportunities and equal treatment,
- the working conditions do not endanger work safety or health,

If a supplier demonstrably fails to comply with statutory minimum labour or health protection requirements despite repeated requests, this will lead to the exclusion of this supplier by EGGER.

9. Overview of NaDiVeG

In its structure, this sustainability report follows the main topics that were developed in line with the GRI standard. The following table provides an overview, which parts of this report contain the content specified by the Austrian Sustainability and Diversity Improvement Act (NaDiVeG). With the NaDiVeG, the European CSR directive was implemented in Austria and anchored in the Austrian Company Code.

Overview of NaDiVeG

Contents of the reporting in accordance with § 267a sections 2 and 3 of the Austrian Commercial Code (UGB)		Chapter in this report	Page
Description of the business model		▪ Corporate profile	14-27
Environmental issues	Concepts, outcomes of concepts, non-financial performance indicators	▪ Low plant emissions ▪ Durability/recyclability of the products ▪ Use of wood from sustainable sources & recycled material ▪ Products from renewable raw materials ▪ Climate protection, energy efficiency, renewable energies in production ▪ Water cycle and rainwater harvesting ▪ Material efficiency and waste prevention	47-95
Social and employee issues	Concepts, outcomes of concepts, non-financial performance indicators	▪ Work safety and health protection at the workplace ▪ Equal opportunity and diversity ▪ Further education and internal promotion opportunities ▪ Employee satisfaction ▪ Regional added value ▪ Working conditions in the supply chain	97-131
Respect for Human Rights	Concepts, outcomes of concepts, non-financial performance indicators	▪ Working conditions in the supply chain	130-131
Combating corruption and bribery	Concepts, outcomes of concepts, non-financial performance indicators	▪ Business ethics	120-122
Significant risks likely to have negative impacts on the issues	Significant risks, risk management and applied due diligence processes	▪ Sustainability risks	135-137

Sustainability risks

Topics and issues in accordance with § 267a sections 2 and 3 of the Austrian Commercial Code (UGB)	Significant risks likely to have negative impacts on the environment and society	Risk management at EGGER and applied due diligence processes	Outcomes see chapter
Environmental issues	▪ Risk of contributing to climate change by emitting greenhouse gas emissions ▪ Risks of negative impact on forest ecosystems by suppliers ▪ Risk of negative impact on aquatic ecosystems ▪ Risk of inadequate storage and treatment of hazardous waste ▪ Risk of reducing biodiversity through surface sealing	▪ Code of Conduct ▪ Guiding strategy ▪ Environmental objectives of the plants ▪ ISO management systems ISO 14001 & ISO 50001 ▪ 90-60-90 Wood purchasing directive ▪ FSC® and PEFC certifications	▪ Business ethics ▪ Corporate profile ▪ Environmental management ▪ Regional added value ▪ Use of wood from sustainable sources & recycled material
Environmental issues	**Supply chain** Loss of biodiversity due to: **a)** Illegal felling or trade in illegal wood or illegal forest products **b)** Destruction of special conservation values in forests by forest companies **c)** Substantial transformation of forests into plantations or areas with non-forestry use **d)** Introduction of genetically modified organisms in forest companies	▪ Principles for uncertified wood origins ▪ EGGER multi-site certification in accordance with ISO, FSC® and PEFC standards ▪ Due diligence system for the supply chain in accordance with EUTR, FSC® and PEFC standards ▪ Monitoring of our plants and supply chain by specialised and experienced internal and external auditors	▪ Use of wood from sustainable sources & recycled material
Social and employee matters	**Use phase of the products** Sensory impairment of indoor air quality due to incorrect product application	▪ Advice for users ▪ Customer service ▪ Discounted training for fabricators participating in the customer loyalty programme ▪ Product compliance and sustainability team	▪ Durability and recyclability of the products ▪ Health safety of the products

Topics and issues in accordance with § 267a sections 2 and 3 of the Austrian Commercial Code (UGB)	Significant risks likely to have negative impacts on the environment and society	Risk management at EGGER and applied due diligence processes	Outcomes see chapter
Social and employee issues	**Supply chain** Violation of the ILO core conventions in our supply chain	▪ Principles for uncertified wood origins ▪ EGGER multi-site certification in accordance with ISO, FSC® and PEFC standards ▪ Due diligence system for the supply chain in accordance with EUTR, FSC® and PEFC standards ▪ Monitoring of our plants and supply chain by specialised and experienced internal and external auditors	▪ Use of wood from sustainable sources & recycled material ▪ Working conditions in the supply chain
Social and employee issues	**Plant development** Significant economic or ecological factors that cause the closure of a plant have a negative impact on employees (job losses) and partners (order losses).	▪ Long-term focus ▪ Sustainable investment decisions ▪ Integrated locations ▪ High technical standards	▪ Regional added value ▪ Organisational structure ▪ Employee satisfaction ▪ Business ethics
Social and employee issues	**Health and safety risks at the workplace** Health and safety risks for employees and others working at EGGER	▪ Work safety management ▪ Investments in safe working environments ▪ health management ▪ State-of-the-art technology ▪ Environmental management	▪ Work safety and health protection at the work-place ▪ Environmental manage-ment
Social and employee issues	**Safety risks** to the local population due to extreme weather events or other reasons causing abnormal operating conditions	▪ State-of-the-art technology ▪ Environmental Management	▪ Environmental Manage-ment
Social and employee issues	**Diversity at the workplace**Discrimination due to age, gender, cultural background, sexual orientation	▪ Code of Conduct ▪ Core values	▪ Equal opportunity and diversity

Topics and issues in accordance with § 267a sections 2 and 3 of the Austrian Commercial Code (UGB)	Significant risks likely to have negative impacts on the environment and society	Risk management at EGGER and applied due diligence processes	Outcomes see chapter
Respect for human rights	**Supply chain** Violations of traditional or civil rights in the timber harvest	▪ Principles for uncertified wood origins ▪ EGGER multi-site certification in accordance with ISO, FSC® and PEFC standards ▪ Due diligence system for the supply chain in accordance with EUTR, FSC® and PEFC standards ▪ Monitoring of our plants and supply chain by specialised and experienced internal and external auditors	▪ Use of wood from sustainable sources & recycled material ▪ Working conditions in the supply chain
Combating corruption and bribery	**Economic relations** Corruption and bribery undermine people's trust in the capability of the state to protect the population, the economy and the community, thereby endangering our state system in the long term.	Our general dual control principle hinders fundamentally improper conduct. Training and anti-corruption guidelines ensure problem awareness among our employees. Specifically, we avoid bribery through the following measures: ▪ Prohibition of cash transactions ▪ Prohibition and technical prevention of payments without accounting records ▪ Independent payment approval processes according to treasury guidelines	▪ Business ethics

10.

GRI content index

GRI standard	GRI disclosure no.	Reference to the chapter	Page	Remark

General Disclosures

GRI 102: General Disclosures 2016

Organisational profile

	102-1 Name of the organisation	Corporate profile	Title 11	
	102-2 Activities, brands, products, and services	Corporate profile	12-27	
	102-3 Location of headquarters	Corporate profile	14	
	102-4 Location of operations	Corporate profile	20	
	102-5 Ownership and legal form	Corporate profile	19	
	102-6 Markets served	Corporate profile	19-21	
	102-7 Scale of the organisation	Company key figures	24-25	See also finance report, chapter “2 Profit, financial and asset situation”
	102-9 Supply chain	Value-added chain	16-17	
	102-10 Significant changes to the organisation and its supply chain	About the report	11	See also finance report, chapter “1.3.7 Current business development 2017 / 2018”, “1.3.9 Production” and “2.2.4 Investments”
	102-11 Precautionary Principle or approach	Future viability of the business model, product responsibility	26-27 46-73	
	102-14 Statement from senior decision-maker	Preface	7	
	102-15 Key impacts, risks, and opportunities	Overview of NaDiVeG, sustainability risks	134 135-137	

Ethics and Integrity

	102-16 Values, principles, standards, and norms of behaviour	Principles	30-31	
	102-17 Mechanisms for advice and concerns about ethics	Business ethics	120-122	

Governance

	102-18 Governance structure	Corporate profile – Organisational structure, sustainability management – Governance	18-19 32-35	

GRI standard	GRI disclosure no.	Reference to the chapter	Page	Remark
Stakeholder Engagement				
	102-40 List of stakeholder groups	Stakeholder approach	38-41	
	102-42 Identifying and selecting stakeholders	Determination of stakeholders	40-41	
	102-43 Approach to stakeholder engagement	Determination of stakeholders	40-41	
	102-44 Key topics and concerns raised	Relevance of the topics for the stakeholders	42-45	Disclosure of topics as a result of the entire stakeholder analysis, without assignment of individual topics to individual stakeholders
Reporting Practice				
	102-45 Entities included in the consolidated financial statements	–		See finance report, chapter “Consolidated companies”
	102-46 Defining report Content and topic boundaries	Selection of the main topics	40-45	
	102-47 List of material topics	Materiality matrix	45	
	102-50 Reporting period	About the report	11	
	102-52 Reporting cycle	About the report	11	
	102-53 Contact point for questions regarding the report	About the report	11	
	102-54 Claims of reporting in accordance with the GRI Standards	About the report	11	
	102-55 GRI content index	GRI Content Index	140-155	
	102-56 External assurance	–	–	Report was not externally audited

Topic-specific disclosures

GRI 201: Economic Performance 2016

Management Approach Disclosures

	103-1 Explanation of the material topic and its boundary	Corporate profile – Company key figures, regional added value	24-27 123-129	
	103-2 The management approach and its components	Corporate profile – Company key figures, regional added value	24-27 123-129	
	103-3 Evaluation of the management approach	Corporate profile – Company key figures, regional added value	24-27 123-129	

GRI Standard	GRI disclosure no.	Reference to the chapter	Page	Remark
Topic-specific disclosures				
	201-1 Direct economic value generated and distributed	Corporate profile – Company key figures	24-27	See also finance report, chapter "1.3.7 Current business development 2017 / 2018" and 2.1.2 "Profit development"
	201-1 Direct economic value generated and distributed	Regional added value	123-129	
GRI 203: Indirect Economic Impacts 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Regional added value	123-129	
	103-2 The management approach and its components	Regional added value	123-129	
	103-3 Evaluation of the management approach	Regional added value	123-129	
Topic-specific disclosures				
	203-1 Infrastructure investments and services supported	Regional added value, sustainability risks	123-129 136	
GRI 204: Procurement Practices 2016				
Management Approach Disclosures				
	204-1 Proportion of spending on local suppliers	Regional added value	123-129	
		Regional added value	123-129	
		Regional added value	123-129	
Topic-specific disclosures				
	204-1 Proportion of spending on local suppliers	Regional added value	129	"Procurement budget used for significant locations of operation that is spent on suppliers local to that operation": Specified not by value, but by quantity, for roundwood deliveries "The organisation's geographical definition of 'local'": 150 km radius from rawboard production plant "Definition used for 'significant locations of operation'": Rawboard production plants

GRI Standard	GRI disclosure no.	Reference to the chapter	Page	Remark
GRI 205: Anti-corruption 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Business ethics	120-122	
	103-2 The management approach and its components	Business ethics	120-122	
	103-3 Evaluation of the management approach	Business ethics	120-122	
Topic-specific disclosures				
	205-3 Confirmed incidents of corruption and actions taken	Business ethics	122	
GRI 206: Anti-Competitive Behaviour 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Business ethics	120-122	
	103-2 The management approach and its components	Business ethics	120-122	
	103-3 Evaluation of the management approach	Business ethics	120-122	
Topic-specific disclosures				
	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Business ethics	122	
GRI 301: Materials 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Products from renewable raw materials	50-51	
	103-2 The management approach and its components	Products from renewable raw materials	50-51	
	103-3 Evaluation of the management approach	Products from renewable raw materials	50-51	
Topic-specific disclosures				
	301-1 Materials used by weight or volume	Products from renewable raw materials	50-51	No disclosure of absolute weight or volume, but disclosure of the proportion of renewable/non-renewable, based on calculation
	301-2 Recycled input materials used	Recycling mix in the wood used	59	

GRI Standard	GRI disclosure no.	Reference to the chapter	Page	Remark
GRI 302: Energy 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Climate protection, energy efficiency, renewable energies in production	82-89	
	103-2 The management approach and its components	Climate protection, energy efficiency, renewable energies in production	82-89	
	103-3 Evaluation of the management approach	Climate protection, energy efficiency, renewable energies in production	82-89	
Topic-specific disclosures				
	302-1 Energy consumption within the organisation	Climate protection, energy efficiency, renewable energies in production	82-89 83	"Total fuel consumption": No disclosure of the absolute energy usage, but disclosure of the composition of the heat consumption in terms of renewable/non-renewable "electricity sold"
	Disclosure 302-3 Energy intensity	Climate protection, energy efficiency, renewable energies in production	82-89	Only disclosure of energy intensity, relative power consumption, distribution of energy consumption for heat and electricity; Only for the best practice example of energy management at EGGER in Germany
	Disclosure 302-4 Reduction of energy consumption	Climate protection, energy efficiency, renewable energies in production	82-89	Disclosure only for EGGER Germany, disclosure only relative
GRI 303: Water 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Water cycle and rainwater harvesting	93-95	
	103-2 The management approach and its components	Water cycle and rainwater harvesting	93-95	
	103-3 Evaluation of the management approach	Water cycle and rainwater harvesting	93-95	
Topic-specific disclosures				
	Disclosure 303-1 Water withdrawal by source	Water cycle and rainwater harvesting	93-95	Disclosure only for drinking water and process water

GRI Standard	GRI disclosure no.	Reference to the chapter	Page	Remark
GRI 304: Biodiversity 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Use of wood from sustainable sources & recycled material	53-39	
	103-2 The management approach and its components	Use of wood from sustainable sources & recycled material	53-39	
	103-3 Evaluation of the management approach	Use of wood from sustainable sources & recycled material	53-39	
Topic-specific disclosures				
	Disclosure 304-2 Significant impacts of activities, products and services on biodiversity	Use of wood from sustainable sources & recycled material	53-39	Disclosure of the wood purchasing principles, which refer to the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
GRI 305: Emissions 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Environmental management, plant emissions (pollutants, noise and odour) and compliance with environmental legislation	76-79 90-92	
	103-2 The management approach and its components	Environmental management, plant emissions (pollutants, noise and odour) and compliance with environmental legislation	76-79 90-92	
	103-3 Evaluation of the management approach	Environmental management, plant emissions (pollutants, noise and odour) and compliance with environmental legislation	76-79 90-92	
Topic-specific disclosures				
	Disclosure 305-1 Direct (Scope 1) GHG emissions	Environmental management, plant emissions (pollutants, noise and odour) and compliance with environmental legislation – Origin of the CO_2 emissions	76-79 90-92	"Biogenic CO_2 emissions in metric tons of CO_2 equivalent": No absolute disclosure, but relation of the proportions of fossil/ biogenic CO_2 emissions for plants participating in emissions trading

GRI Standard	GRI disclosure no.	Reference to the chapter	Page	Remark
	Disclosure 305-4 GHG emissions intensity	plant emissions (pollutants, noise and odour) and compliance with environmental legislation – Specific CO_2 emissions by country of production	90-92	
	Disclosure 305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	Environmental management, plant emissions (pollutants, noise and odour) and compliance with environmental legislation	76-79 90-92	No absolute disclosure, but qualitative description of emissions, sources of emissions and management approaches
GRI 306: Effluents and Waste 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Environmental management, Material efficiency and waste prevention	76-79 80-81	
	103-2 The management approach and its components	Environmental management, Material efficiency and waste prevention	76-79 80-81	
	103-3 Evaluation of the management approach	Environmental management, Material efficiency and waste prevention	76-79 80-81	
Topic-specific disclosures				
	Disclosure 306-2 Waste by type and disposal method	Material efficiency and waste prevention – Specific waste	80-81	"Total weight of hazardous & non-hazardous waste": No absolute disclosure, but specific waste quantity in relation to the production volume of primary products
GRI 307: Environmental Compliance 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Environmental management	76-79	
	103-2 The management approach and its components	Environmental management	76-79	
	103-3 Evaluation of the management approach	Environmental management	76-79	
Topic-specific disclosures				
	Disclosure 307-1 Non-compliance with environmental laws and regulations	Environmental management – Legal compliance	76-79	

GRI Standard	GRI disclosure no.	Reference to the chapter	Page	Remark
GRI 308: Supplier Environmental Assessment 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Use of wood from sustainable sources & recycled material – Sustainable forestry	53-59	
	103-2 The management approach and its components	Use of wood from sustainable sources & recycled material – Sustainable forestry	53-59	
	103-3 Evaluation of the management approach	Use of wood from sustainable sources & recycled material – Proportion of certified wood in EGGER products	53-59	
Topic-specific disclosures				
	Disclosure 308-1 New suppliers that were screened using environmental criteria		–	"Percentage of new suppliers that were screened using environmental criteria": No quantitative information
	Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken	Use of wood from sustainable sources & recycled material – Proportion of certified wood in EGGER products	53-59	No quantitative information within the meaning of GRI; topic partially covered by proportion of certified wood (FSC®/PEFC)
GRI 401: Employment 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Equal opportunity and diversity, Employee satisfaction	104-107 115-119	
	103-2 The management approach and its components	Equal opportunity and diversity, Employee satisfaction	104-107 115-119	
	103-3 Evaluation of the management approach	Equal opportunity and diversity, Employee satisfaction	104-107 115-119	
Topic-specific disclosures				
	Disclosure 401-1 New employee hires and employee turnover	Equal opportunity and diversity, Employee satisfaction	107 118	Partial disclosure: Average employment with the company Employee turnover

GRI Standard	GRI disclosure no.	Reference to the chapter	Page	Remark
GRI 403: Occupational Health and Safety 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Work safety and health protection at the workplace	100-103	
	103-2 The management approach and its components	Work safety and health protection at the workplace	100-103	
	103-3 Evaluation of the management approach	Work safety and health protection at the workplace	100-103	
Topic-specific disclosures				
	Disclosure 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Work safety and health protection at the workplace	100-103	Disclosure as extrapolation of the accident rate per 1,000 employees and per 1 million working hours and disclosure of the sickness rate
GRI 404: Training and Education 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Further education and promotion opportunities	109-114	
	103-2 The management approach and its components	Further education and promotion opportunities	109-114	
	103-3 Evaluation of the management approach	Further education and promotion opportunities	109-114	
Topic-specific disclosures				
	Disclosure 404-2: Programmes for upgrading employee skills and transition assistance programmes	Further education and promotion opportunities – personnel development and promotion of internal careers	111	
	Disclosure 404-3: Percentage of employees receiving regular performance and career development reviews	Further education and promotion opportunities – personnel development and promotion of internal careers	111-112	All employees receive a system-supported employee appraisal every year. Job descriptions are maintained in the system for all commercial employees; the intervals and the discussion process still take different forms for commercial employees; currently, the implementation of a uniform approach is being undertaken

GRI Standard	GRI disclosure no.	Reference to the chapter	Page	Remark
GRI 405: Diversity and Equal Opportunity 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Equal opportunity and diversity	104-108	
	103-2 The management approach and its components	Equal opportunity and diversity	104-108	
	103-3 Evaluation of the management approach	Equal opportunity and diversity	104-108	
Topic-specific disclosures				
	Disclosure 405-1: Diversity of governance bodies and employees	Equal opportunity and diversity	104-108	Disclosure of gender, age, nationality
GRI 414: Supplier Social Assessment 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Working conditions in the supply chain, Use of wood from sustainable sources & recycled material	130-131 53-59	
	103-2 The management approach and its components	Working conditions in the supply chain, Use of wood from sustainable sources & recycled material	130-131 53-59	
	103-3 Evaluation of the management approach	Working conditions in the supply chain, Use of wood from sustainable sources & recycled material	130-131 53-59	
Topic-specific disclosures				
	Disclosure GRI 414-1: New suppliers that were screened using social criteria		–	No quantitative information within the meaning of GRI
	Disclosure GRI 414-2: Negative social impacts in the supply chain and actions taken	Use of wood from sustainable sources & recycled material – Proportion of certified wood in EGGER products	53-59	Topic partially covered by proportion of certified wood (FSC®/PEFC)

GRI Standard	GRI disclosure no.	Reference to the chapter	Page	Remark
GRI 416: Customer Health and Safety 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Health safety of the products	60-68	
	103-2 The management approach and its components	Health safety of the products	60-68	
	103-3 Evaluation of the management approach	Health safety of the products	60-68	
Topic-specific disclosures				
	Disclosure GRI 416-1: Assessment of the health and safety impacts of product and service categories	Health safety of the products	65-67	No disclosure within the meaning of GRI; Disclosure of the rawboards produced by emission class and disclosure of the total expenditure for external product tests for harmful substances
GRI 419: Socioeconomic Compliance 2016				
Management Approach Disclosures				
	103-1 Explanation of the material topic and its boundary	Business ethics	120-122	
	103-2 The management approach and its components	Business ethics	120-122	
	103-3 Evaluation of the management approach	Business ethics	120-122	
Topic-specific disclosures				
	GRI disclosure 419-1: Non-compliance with laws and regulations in the social and economic area	Business ethics	120-122	

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