

MORE FROM WOOD.



More from wood.
More transparency.
2022/2023



ABOUT US

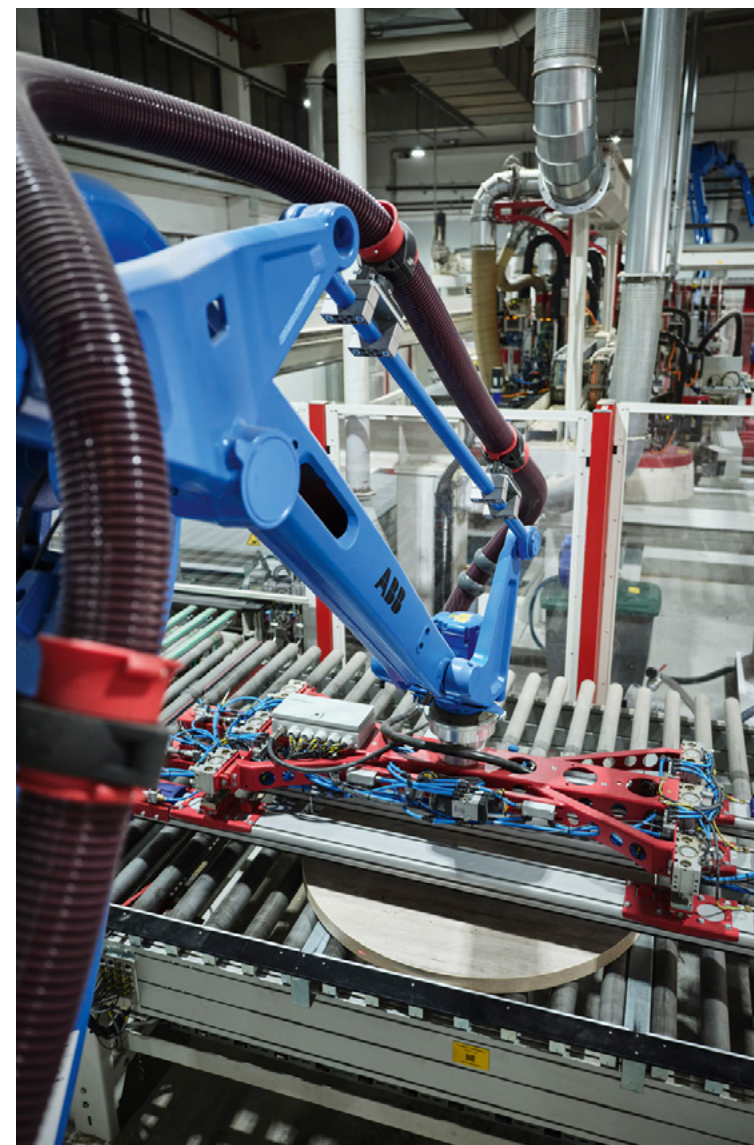
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Dear Readers,

We are pleased to present the EGGER Group's sixth Sustainability Report and the progress we are making in sustainability management. We are clearly committed to comprehensive accountability concerning the social and environmental impact of our business activities. We are constantly guided by our commitment to the ten principles of the UN Global Compact as well as the United Nations Sustainable Development Goals (SDGs), which we would like to further contribute to achieving through our business activities.

The EGGER Group has continued to grow in the past financial year. We acquired a 60% stake in the Italian wood-based materials producer SAIB and can now manage the Caorso (IT) plant as the 21st plant of the EGGER Group.

For the second time, we are disclosing key figures in this report in accordance with the EU Taxonomy Regulation. For this purpose, in accordance with the requirements, we have checked our turnover, operating and capital expenditure not only for taxonomy eligibility but also for taxonomy alignment.

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

We have our sustainability performance evaluated annually by external analysts. In the past financial year, we were once again able to maintain our prime status in the ISS ESG Corporate Rating. In addition, we were awarded the silver medal by EcoVadis for the fourth time in a row. We are pleased with these awards. At the same time, however, the analyses also show further potential to continuously reduce the possible negative impact of our business activities on society and the environment.

Our goal is to continuously reduce climate-impacting emissions. In doing so, we not only want to reduce greenhouse gases in the sphere we affect, but also include our upstream and downstream activity chain in our ambitions. We see the biggest levers in fossil raw materials - i.e. glues and impregnating resins - as well as transport.

In an effort to ensure as meaningful a database as possible, we are conducting another Scope 3 emissions assessment in summer 2023. The Corporate Carbon Footprint for the calendar year 2022 will act as the basis for our climate goal, which we will set on a scientifically sound basis. In the next report, we will present our short-, medium- and long-term goals and the measures to achieve them.

We encourage our business partners to participate in



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

the reduction of climate-impacting emissions, because we all share the responsibility to leave a liveable planet to future generations.

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

Thomas Leissing Hannes Mitterweissacher Frank Bölling Michael Egger Jr.

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About the report

This is already the sixth Sustainability Report of the EGGER Group, with corporate headquarters in St. Johann in Tirol, Austria.

Reporting period

The reporting period coincides with the EGGER financial year and covers the months of May 2022 to April 2023 (FY 2022/23). For better illustration, the two previous years are also given. For some indicators, data are not available at financial year level, they refer to calendar years (January-December) and are marked accordingly.

Reporting cycle

The Sustainability Report is published annually together with the Annual Financial Report at the Annual Press Conference, this year on 27 July 2023.

Reporting standard & external audit

This report fulfils the requirements for a separate non-financial report pursuant to § 267a UGB (Unternehmensgesetzbuch - Austrian Commercial Code) and has been prepared in accordance with the GRI Standard. An independent audit was conducted by KPMG Austria GmbH. The engagement with limited assurance can be found in the audit report in the Annex. Two separate Annexes to the report make it easier to assign the report content to the requirements of the NaDiVeG and the GRI Standard. The Communication of Progress of the UN Global Compact has been digitised and is therefore no longer part of the Annex, but is publicly available on the UN Global Compact website.

Scope of the report

The report includes all fully consolidated companies (see also chapter (44) of the annual financial report) of the EGGER Group as of 30 April 2023. For tables with a different calculation basis, this is disclosed in the footnotes.

The first-time inclusion of a subsidiary in the report occurs from the time of acquisition. Accordingly, the data of our 21st plant in Caorso (IT) are included in the Group key figures from January to April 2023. Due to the different data basis, this is not possible for all key figures. If the Caorso (IT) plant is included in the respective key figure, this is made clear in the footnotes. Companies accounted for using the equity method (minority interests) are not included in the report.

The data on personnel relate to the entire EGGER Group and refer to full-time equivalents as an annual average. Consumption and environmental data refer to the fully consolidated companies of the four divisions EGGER Decorative Products (West, Central, East, Americas), the division EGGER Flooring Products and the division EGGER Building Products. These comprise 100% of the production volume of our decorative products, building products and flooring products. In addition, our own glue production is included. Recycling locations (Timberpaks) are not included.

Relative environmental and energy indicators refer to the production volume of the primary products (sum of raw boards, timber and impregnates). This approach

can ensure that all material topics are covered.

Language

In order to address all people equally, the technique of inclusive wording is used as far as possible in this report. This also applies to all chapter and subchapter designations. Exceptions are terms that refer to legal persons and not to people. In their case, the masculine personal designation is used. The report will be published in German and English, whereby in case of doubt the German-language version shall prevail.

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Further information

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

Contact

environment@egger.com

 egger.com/credit-relations

INFO ON THE STRUCTURE OF THE TOPICS

The sustainability topics are divided into

▪ **Three thematic groups**

- Product topics including supply chain, use and disposal
- Production topics
- Topics for employees, society and compliance

▪ **16 material topics**

- Introductory page:
 - Overview
 - Potential opportunities and risks in an inside-out view (potential impact of EGGER business activities on society and the environment)
- 8 Explanations of our approach
(Description of those management approaches that relate to several sub-topics)
- 41 Sub-topics
 - Attitude: Basic convictions and values
 - Approach: Management approaches
 - Goal
 - Key performance indicators
 - Status: Assessment of current situation
 - Measures

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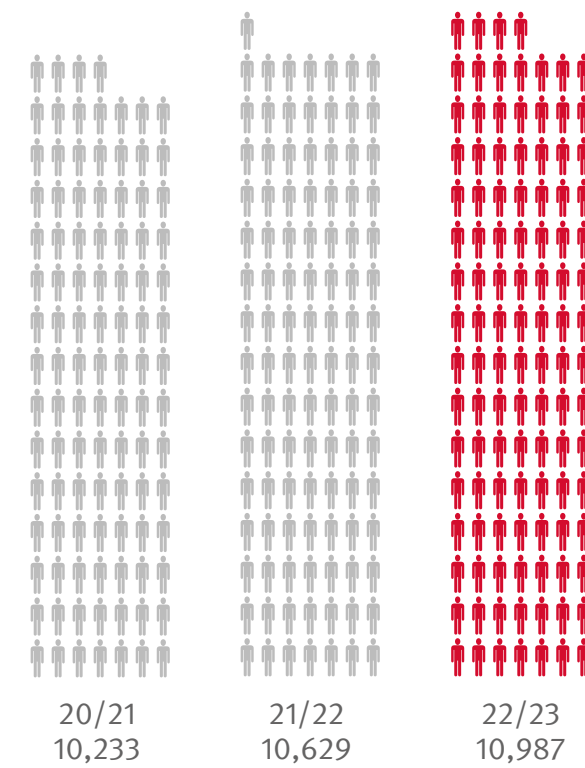
What we do

We are the leading brand for wood-based solutions.



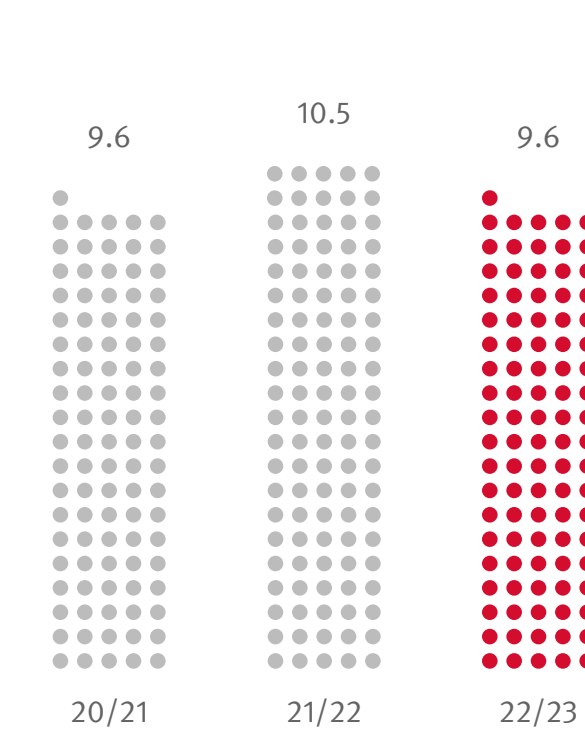
Company key figures

Number of employees average number of employees per financial year ⁽¹⁾

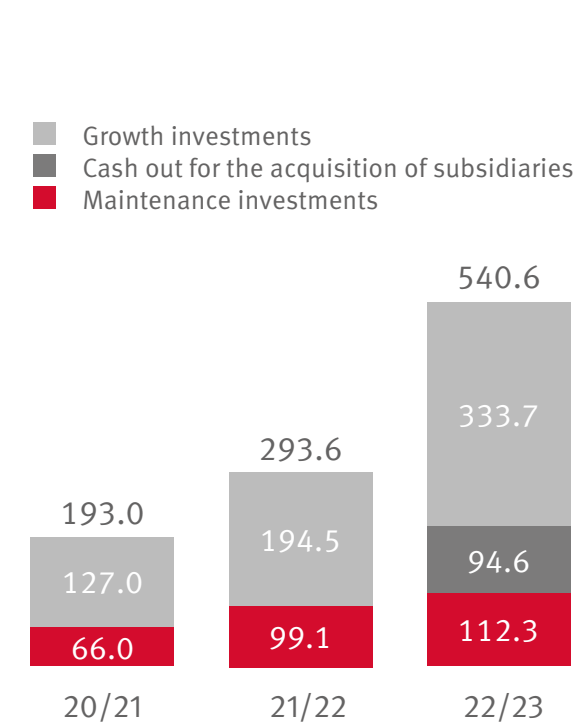


(1) Including the Caorso (IT) location from January to April 2023

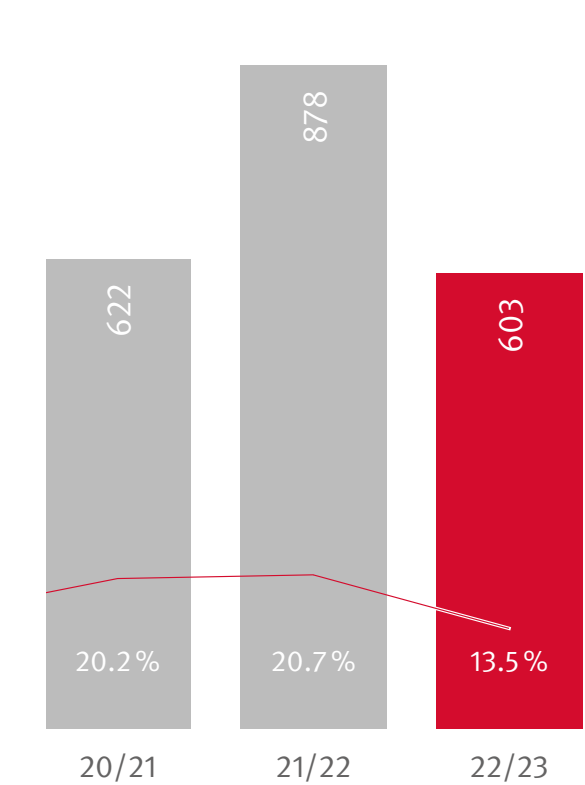
Production quantities wood-based materials incl. timber in million m³



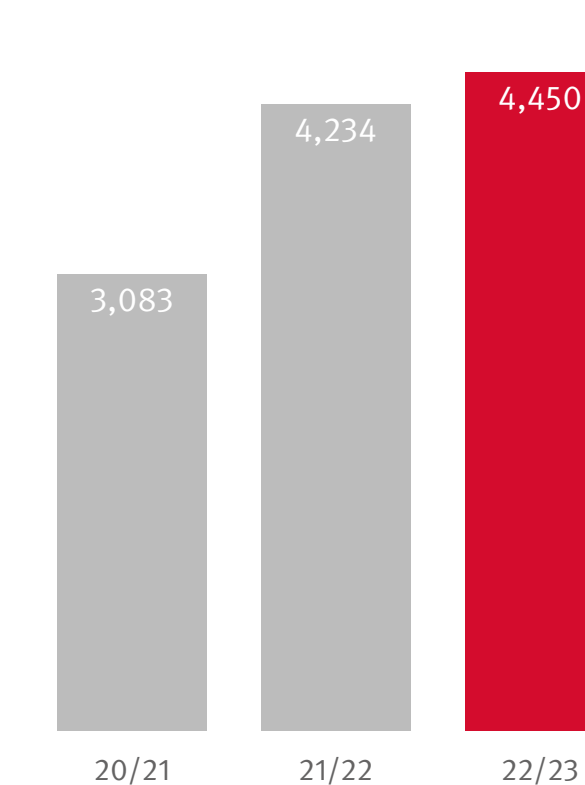
Investments and acquisitions in EUR million



EBITDA in EUR million; EBITDA margin in %



Turnover development in EUR million



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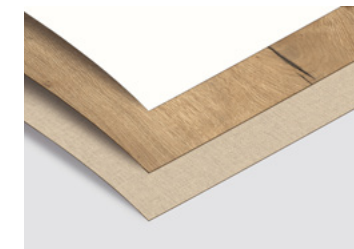
Furniture and interior design



Eurodekor chipboard laminated



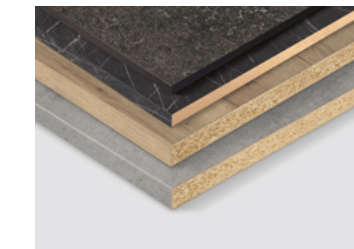
PerfectSense® Lacquered Boards



Laminates



Edging



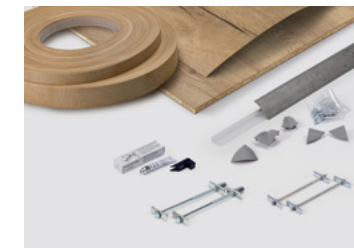
Worktops



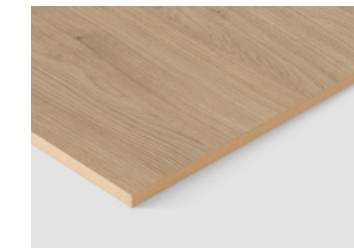
Compact laminates



Laminate bonded boards



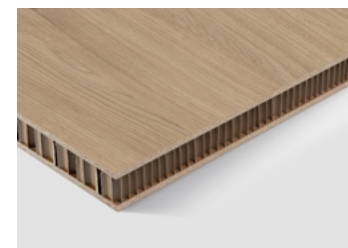
Worktop accessories



Eurodekor MDF laminated



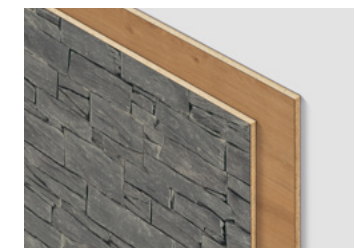
Thin chipboards raw



Eurolight Faced Lightweight Boards



Eurolight Lightweight Boards raw



Splashback panels



Furniture components



Eurospan Chipboards raw



MDF raw



Thin MDF lacquered



Thin MDF raw

Construction products



OSB Boards straight-edged



OSB Flooring boards



Ergo Board Extension Board



DHF Underlay board



Timber fresh, dried, planed



DecoWall

Flooring



Laminate Flooring



Comfort Flooring



Design Flooring GreenTec

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Who we are

We see ourselves as a transparent and modern family company.

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Organisational structure

The **EGGER Holzwerkstoffe GmbH** is the parent company of our Group. This includes companies in Austria, Germany, France, Great Britain, Russia, Romania, Poland, Italy, Turkey, Argentina and the USA as well as various sales companies in Eastern Europe, Benelux, Scandinavia, Switzerland, South America and Asia, which are organisationally assigned to individual divisions.

In order to ensure optimal market development and close proximity to our customers, we are organised by product areas, divisions, and markets. The largest product area is Furniture and Interior Design (wood-based material products as well as accessories for decorative furniture and interior design). These products are produced and marketed in the EGGER Decorative Products divisions. In addition, there is the Flooring product area, which is organised in the EGGER Flooring Products division and produces and markets Laminate flooring as well as Comfort and Design flooring. The third product area comprises structural building products such as OSB boards and timber products, whose marketing and manufacture is bundled in the EGGER Building Products Division.

The **management (Group Management)** of the ultimate parent company, Egger Holzwerkstoffe GmbH, consists of Dr. Thomas Leissing (Speaker of the Group Management, CFO, Finance/Administration), Frank Bölling (CSO, Logistics), Michael Egger Jr. (CSO, Sales/Marketing) and Hannes Mitterweissacher (CTO, Technology/Production).

In strategic matters, our management is advised by the **Supervisory Board**. In addition to Fritz Egger (Chairman of the Supervisory Board), other members of the Supervisory Board are Dr. Robert Briem, Univ.-Prof. Dr. Ewald Aschauer (Chairman of the Audit Committee; independent), Michael Stiehl (independent), Alfred Wurmbrand (independent) and, since September 2022, Walter Schiegl. Matters relating to remuneration and the nomination of the management board are handled by the entire Board.

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

We rely on **management teams** to manage our organisational units. One person each is responsible for technology and production, sales and marketing, 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 Technology, Production, Quality Management, Purchasing, Marketing, Communication, Sales Controlling, IT, Logistics, Human Resources, Accounting, Treasury, Legal & Taxes.

Management of the organisation's impact on the economy, the environment and people

The effects of EGGER's business activities are determined in the materiality analysis at least every two years. Fields of action are derived from this and discussed with the specialist departments. Goals are defined and measures agreed. The management of the individual sustainability aspects is the responsibility of the Group managers of the respective specialist departments in coordination with the Corporate Sustainability department.

More on this topic

➔ Sustainability governance

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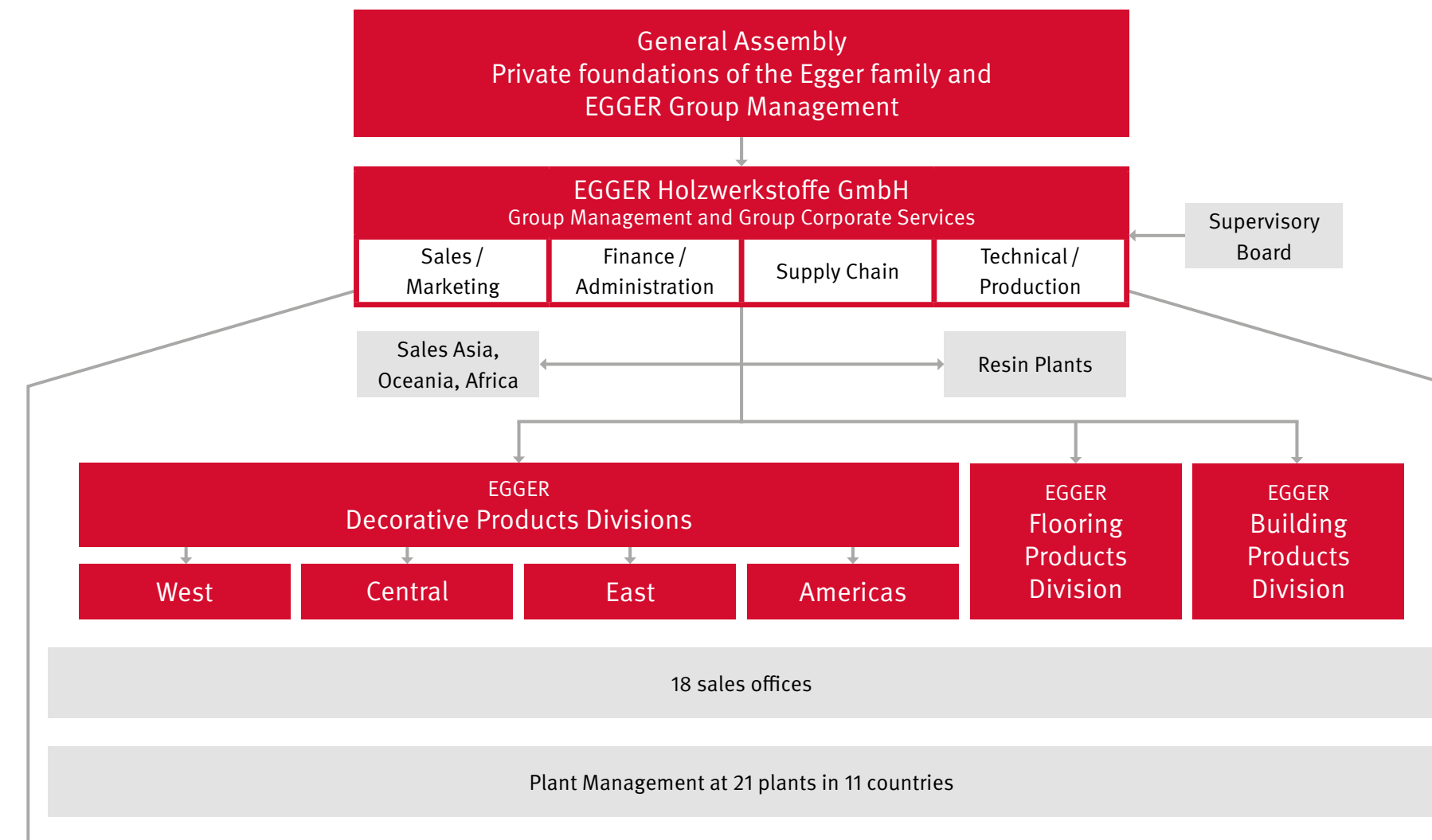


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Organisational structure



Simplified organisational chart of the EGGER Group
30.04.2023

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Our team



Growth based on our own performance

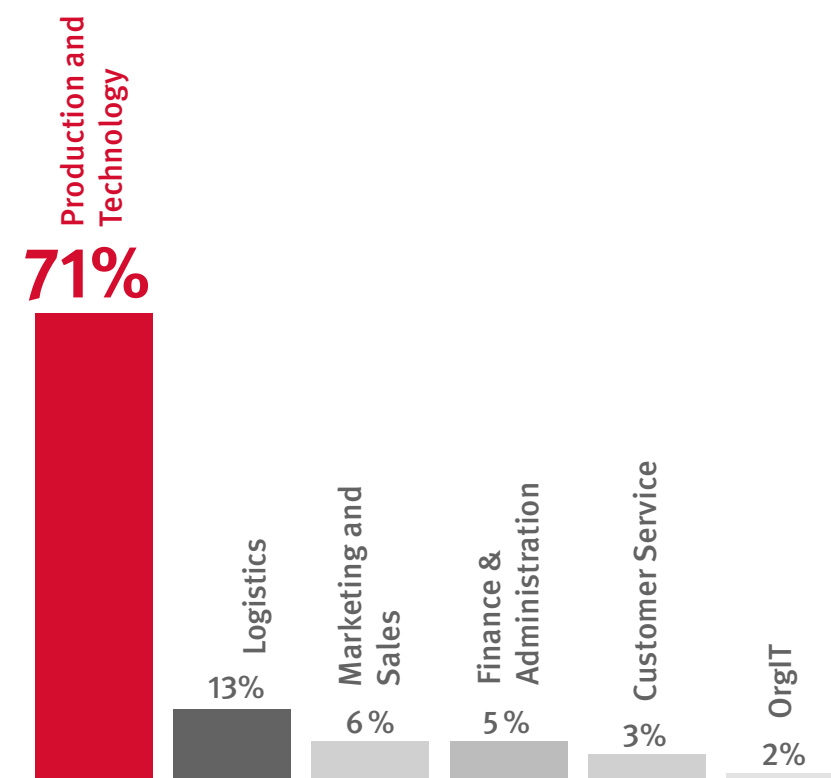
Our plants have 10,912 ⁽¹⁾ employees. We have grown strongly in recent years, especially through investments in existing plants and the construction of new plants.

(1) Average FTE of the year, excluding Caorso (IT)



Six areas – one team

71% of our employees work in the areas of technology and production. 13% of them work in Logistics. 6% are employed in Marketing and Sales and 5% in Finance and Administration. 3% work in internal sales and 2% are in OrgIT.

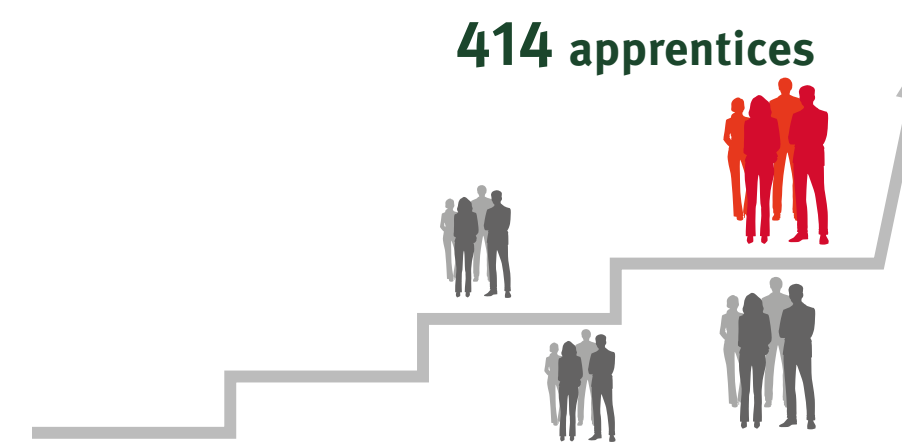


Diversity and internationality

The diversity of our teams shows: Over a period of more than 60 years we have developed into an internationally active company. Currently, members of 88 nations work for EGGER. The nationalities of the countries in which our plants are located account for the largest proportions. With our sales offices we are active in many countries worldwide, including China, Vietnam and Japan.

Young generation with future prospects

Currently 414 apprentices are on their way to becoming skilled workers. Most of them are completing their apprenticeship in German-speaking countries. We are continuously rolling out the apprenticeship format to other countries. In addition, 582 pupils and students completed an internship with us last year. By offering both apprenticeships and internships, we remain an attractive employer for the younger generation and offer opportunities for the future.



Experience and new impetus

On average, our team members are 40 years old and have been working for EGGER for more than 10 years. 26% of our employees have been with us for less than 3 years, bringing a breath of fresh air and new impetus. They learn a lot from their more experienced colleagues. After all, 38% of our staff have been part of our team for more than 10 years.

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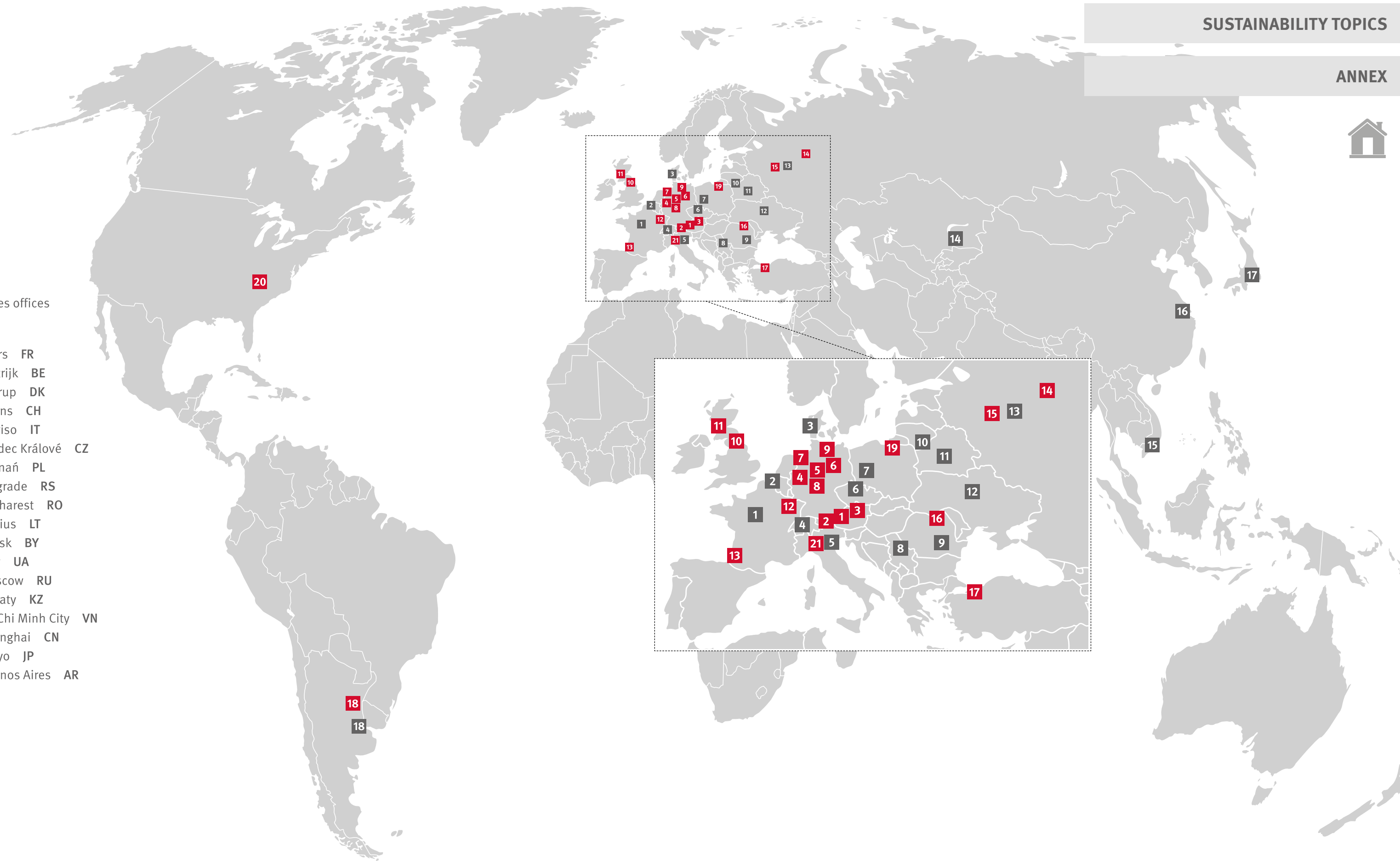
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Sales and production locations

- | | |
|---|---|
| <ul style="list-style-type: none"> ■ Plants | <ul style="list-style-type: none"> ■ Sales offices |
|---|---|
-
- | | |
|--|--|
| <ul style="list-style-type: none"> 1 St. Johann in Tirol AT 2 Wörgl AT 3 Unterradlberg AT 4 Brilon DE 5 Bevern DE 6 Gifhorn DE 7 Bünde DE 8 Marienmünster DE 9 Wismar DE 10 Hexham UK 11 Barony UK 12 Rambervillers FR 13 Rion des Landes FR 14 Shuya RU 15 Gagarin RU 16 Rădăuți RO 17 Gebze TR 18 Concordia AR 19 Biskupiec PL 20 Lexington, NC US 21 Caorso IT | <ul style="list-style-type: none"> 1 Tours FR 2 Kortrijk BE 3 Tistrup DK 4 Kriens CH 5 Treviso IT 6 Hradec Králové CZ 7 Poznań PL 8 Belgrade RS 9 Bucharest RO 10 Vilnius LT 11 Minsk BY 12 Kyiv UA 13 Moscow RU 14 Almaty KZ 15 Ho Chi Minh City VN 16 Shanghai CN 17 Tokyo JP 18 Buenos Aires AR |
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Product areas



Furniture and interior design

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



Flooring

The range includes the right floor for every room size and interior design, for every type of use and look. Three different floor types, a variety of decors and formats can offer inspiration and be excellently combined with each other and with furniture and interior design products.



Building products

Anyone who wants to build with wood will find a wide range of OSB installation and straight-edged boards, DHF underlay boards, timber as well as the EGGER DecoWall. With our environmentally friendly products for wood construction, we also provide excellent individual solutions for demanding projects.

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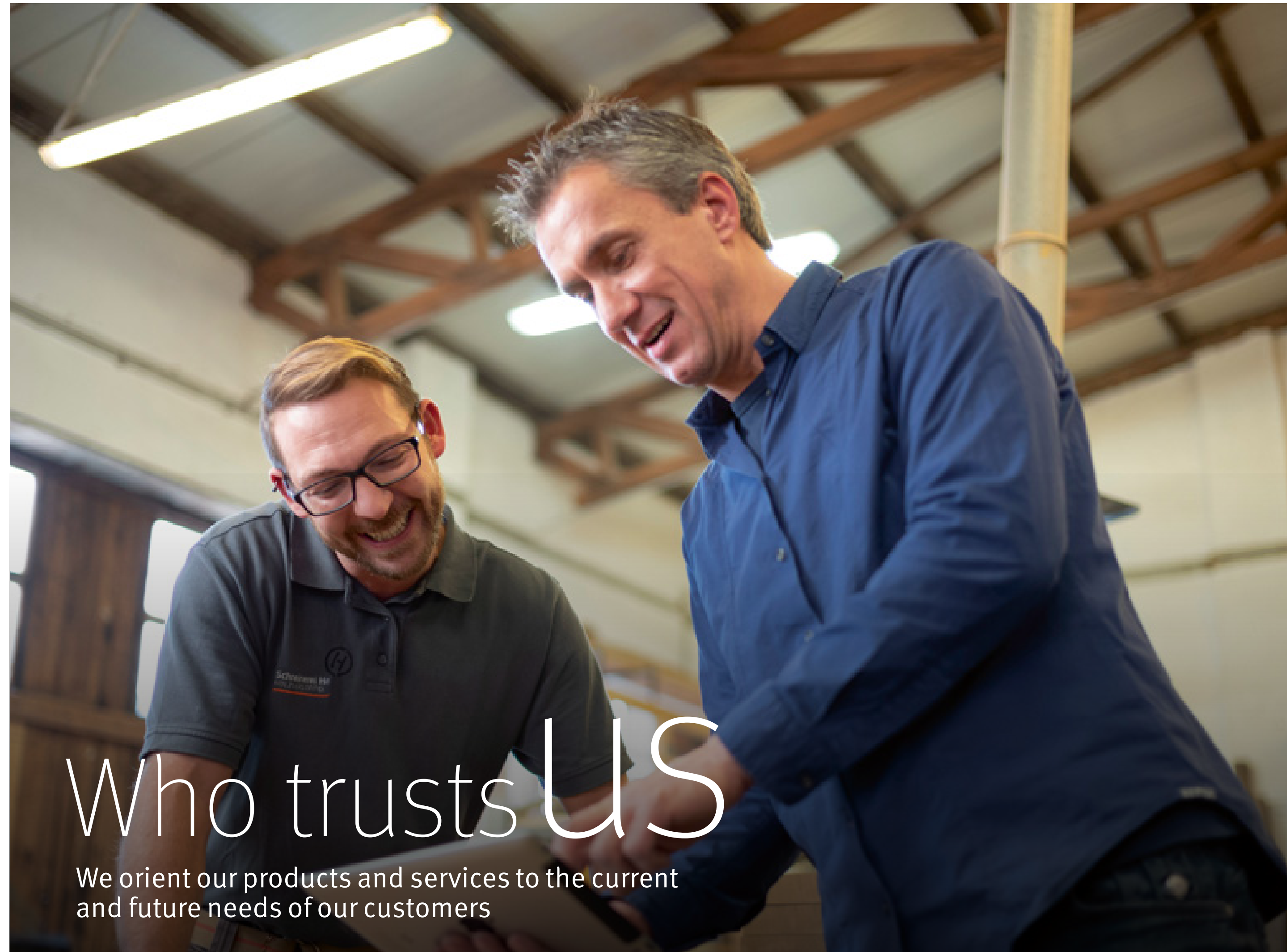
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We orient our products and services to the current and future needs of our customers

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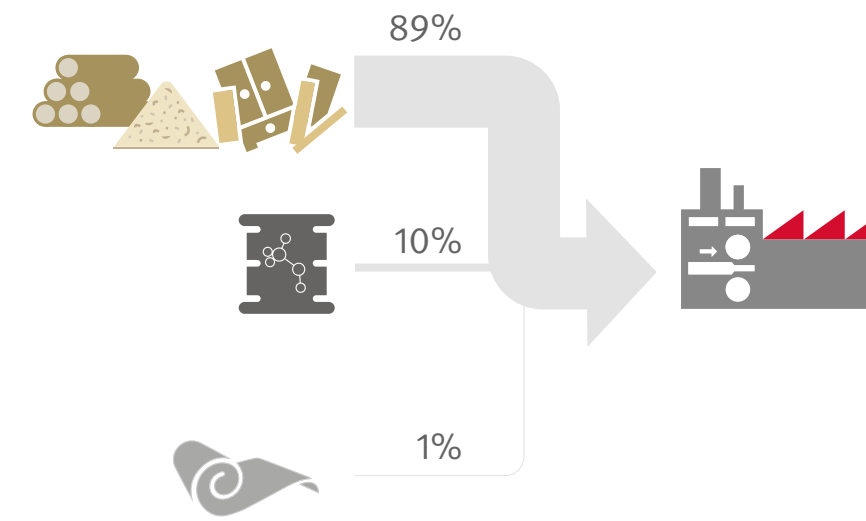
Our raw materials and suppliers

The three most important material items are wood, chemicals and paper. Over the past year, we have procured around 11.5 million tonnes of these, worth around EUR 1.8 billion. Wood is used to make chips, fibres and strands, the core components of our boards. Chemical precursors are necessary both for the production of glue as a binder for the raw boards and for the production of impregnating resin for the decorative surfaces. We need raw and decorative paper for the production of coating material.

Purchased raw materials by quantity

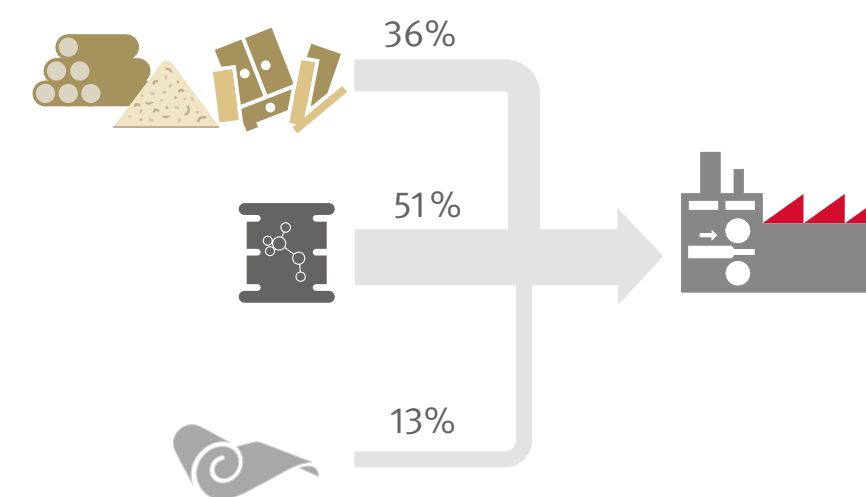
	Percentage
total	100%
of which wood ⁽¹⁾	89%
of which chemicals	10%
of which paper	1%

(1) air-dry



Purchased raw materials by cost

	Percentage
total	100%
of which wood	36%
of which chemicals	51%
of which paper	13%



Wood

Consolidated, over 3,450 partner companies supply us with wood. We divide it into three main groups: Roundwood, sawmill by-products and waste wood/recycling. Our wood-based material plants and our sawmill currently procure roundwood from around 1,500 suppliers. Sawmill by-products are supplied by about 1,350 companies, waste wood by about 1,150 recycling companies.

Chemicals

The most important chemical raw materials are UF and MUF glues, UF and MF impregnating resins, melamine and urea. 40% of the company's glue and impregnating resin requirements are covered by its own resin plants in Wismar (DE), Rădăuți (RO) and Hexham (UK), 60% are purchased from companies in the chemical industry. In total, there are 272 suppliers supplying us

Paper

As for paper supply, we buy directly from companies in the decor paper industry. For our European and American locations, we procure approximately 97% of these special papers from approximately 30 suppliers in Europe. Since the EU export sanction for decor paper came into force in April 2022 and the transitional period expired in July 2022, the Russian locations have been sourcing 100% of their decor paper from suppliers in the Russian Federation and Asia.

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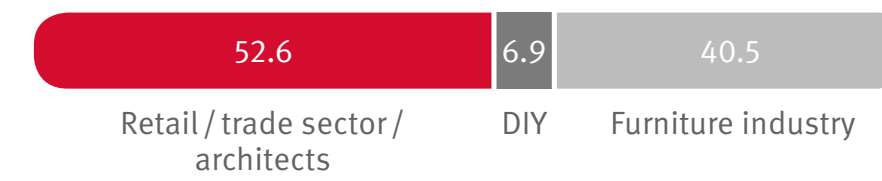
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Our customers

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

Turnover distribution by customer

Specifications in %



Customers by sales channel/industry



Industry

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

Retail

This includes specialised retailing, which sells the products to craftspeople, planners and architects as well as to small to medium-sized industrial companies.

DIY

This includes DIY market chains and DIY stores selling to do-it-yourselfers.



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EGGER is committed to public accountability for its environmental and social impact, both positive and negative.

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



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Corporate philosophy

Our Vision

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

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

Our mission

“Creating more from wood.”

For us, the focus is on the needs of our customers. Through loyal customers and open communication, we ensure a holistic view of the customer. In doing so, we rely on networked processes and digital channels. Together with our customers, we are constantly developing and offering innovative and complete product and service solutions surrounding the natural material wood. Our quality standard includes the entire value chain from order entry to delivery to the customer. This promise is the basis of all our customer relationships.

Our drive

“Passion for a unique resource.”

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

Our values

“Quality, respect and progress guide our actions.”

Our values stand for our attitude. Progress, respect and quality are our constant companions. They shape everything we do along the entire value chain. Our customers, suppliers and employees know what they can expect from us. Continuous further development is a matter of course for us. We set ourselves new goals and create perspectives for ourselves and our partners. We treat each other with respect and show each other trust, personal appreciation and openness. We are committed to each other and to great results, and we go to work with enthusiasm. Our claim is to offer consistently high quality in all areas.

Our team

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

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

Our responsibility

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

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

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Principles, commitments and memberships

External initiatives we have joined

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

Memberships to promote research, development and standardisation

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

Memberships in associations and interest groups

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



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External awards

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



ISS ESG is one of the leading rating agencies in the sustainable investment segment. For the third time, it awarded the EGGER Group Prime status, which is reserved for the best companies in their respective industries.

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



EcoVadis, one of the world's largest providers of sustainability ratings, awarded EGGER the silver medal for the fourth time already. This puts us in the top 25 per cent of all companies assessed across all sectors.

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



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Sustainability governance

Corporate Sustainability

Since the past financial year, the central Corporate Sustainability coordination unit has been managed as a separate department within the Corporate Accounting/Controlling division in the reporting line of the CFO. At the time of publication of the report, the Corporate Sustainability department consists of two full-time employees and one part-time employee. At the Group level, framework conditions and regulatory requirements of the European Union for sustainable corporate development are prepared and anchored in the company.

Product Sustainability

Product sustainability topics (e.g. EPD, PCF, alternative glues, ...) are driven by a separate Group-wide position, Product Sustainability. All plants also have their own environmental and/or energy management teams. In Germany, there is a team at the regional level.

Sustainability Board

The existing Sustainability Strategy Committee has been developed further. This has resulted in the Sustainability Board. The composition was optimised and the tasks were specified. The central field of action is the factually sound preparation of sustainability topics as a basis for decisions by the Group Management. As CFO and Speaker of the Group Management, Thomas Leissing acts as a link between the Sustainability Board and the Group Management, but is not a member of the Board himself. Ulrich Bühler is a member and chairs the Sustainability Board.

As a former member of the Group Management, he has many years of corporate experience and extensive market knowledge. Other members of the Board include the colleagues from Corporate and Product Sustainability, the Group functions Corporate HR, Transport Logistics, Competence Centre (Technology and Production), Quality Management and Supply Chain. They cover the following topics: Framework conditions and laws for sustainable development, transport logistics, the purchase of raw materials such as wood, glue, paper and energy, customer requirements for products and responsibility for employees and society. The Board meets regularly, either physically or online.

The Corporate Sustainability department coordinates the agendas of the Sustainability Board. One of the focal points is the development of a strategy to reduce climate-impacting greenhouse gas emissions (GHG), the elaboration of associated science-based climate goals and an action plan for achieving the goals. The climate strategy is to be adopted by autumn 2023 and then implemented.

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



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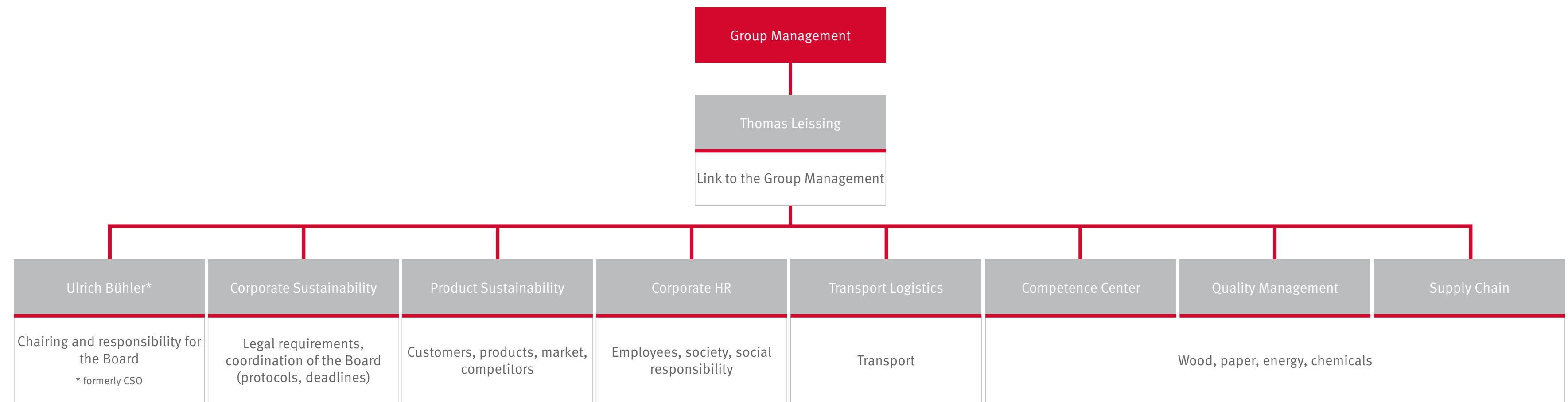
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Sustainability governance

The simplified schematic representation shows the composition, areas of expertise and responsibilities of the Sustainability Board. The topics covered by the positions are listed below.

Tasks of the Sustainability Board:

- Monitoring the framework conditions at EU level that are set for a transformation process of the economy through concrete CO₂-reducing measures, technical innovations and specific climate solutions towards net zero (e.g. Green Deal, CSRD, ESRS, ...).
- Tracking customer requirements (decarbonisation along the supply chain, requirements for their purchased products e.g. recycling wood content, Product Carbon Footprint)
- Preparing facts for decision-making and development of decision proposals (e.g. climate goals)
- Informing the plant and division managers about the decisions made.



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EGGER Management System

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

Context of the organisation

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

Scope of the integrated management system

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

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

In addition, we regulate all relevant procedures and processes in all work areas via the EMS, in particular through guided documents.



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Certified plants

Country	Location	Quality	Environment	Energy	Work safety/accident rates
Austria	St. Johann in Tirol	ISO 9001	ISO 14001	--	--
	Wörgl	ISO 9001	ISO 14001	--	--
	Unterradlberg	ISO 9001	ISO 14001 + EMAS	--	--
Germany	Brilon	ISO 9001	ISO 14001	ISO 50001	--
	Brilon sawmill	ISO 9001	ISO 14001	ISO 50001	ISO 45001
	Bevern	ISO 9001	ISO 14001	ISO 50001	--
	Gifhorn	ISO 9001	ISO 14001	ISO 50001	ISO 45001
	Bünde	ISO 9001	ISO 14001	ISO 50001	--
	Marienmünster	ISO 9001	ISO 14001	ISO 50001	--
	Wismar	ISO 9001	ISO 14001	ISO 50001	--
	Resin plant "LTPro"	ISO 9001	ISO 14001	--	ISO 45001
	Hexham	ISO 9001	ISO 14001	ISO 50001	ISO 45001
UK	Resin plant "Campact"	ISO 9001	ISO 14001	--	ISO 45001
	Barony	ISO 9001	ISO 14001	ISO 50001	--
	Rambervillers	ISO 9001	ISO 14001	ISO 50001	--
France	Rion des Landes	ISO 9001	ISO 14001	ISO 50001	--
	Shuya	ISO 9001	--	--	--
Russia	Gagarin	ISO 9001	--	--	--
	Rădăuți	ISO 9001	ISO 14001	--	--
Romania	Resin plant "Technologia"	ISO 9001	ISO 14001	--	ISO 45001
	Gebze	ISO 9001	ISO 14001	ISO 50001	--
Turkey	Gebze	ISO 9001	ISO 14001	ISO 50001	--
Argentina	Concordia	ISO 9001	ISO 14001	--	ISO 45001
Poland	Biskupiec	ISO 9001	ISO 14001	--	--
USA	Lexington	ISO 9001	ISO 14001	--	--
Italy	Caorso	ISO 9001	ISO 14001	--	--



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Stakeholder approach

Responding to the demands and interests of stakeholders has a variety of goals. In the internal workshop conducted as part of the materiality analysis in the financial year 2021/22, the Sustainability Strategy Committee was asked to name goals for stakeholder engagement. A selection of these goals can be found below:

- Identification of the demands on the company and their development as a basis for decision-making on corporate orientation

- Promotion of open communication
- Identification of potential risks
- Avoidance of operational blindness
- Creation of clarity
- Creation and strengthening of trust

For details on the tools and intervals of stakeholder engagement, see the table below.

The stakeholder analysis and a workshop to identify material topics for our stakeholders will take place again in the financial year 2023/24.

Stakeholder categories

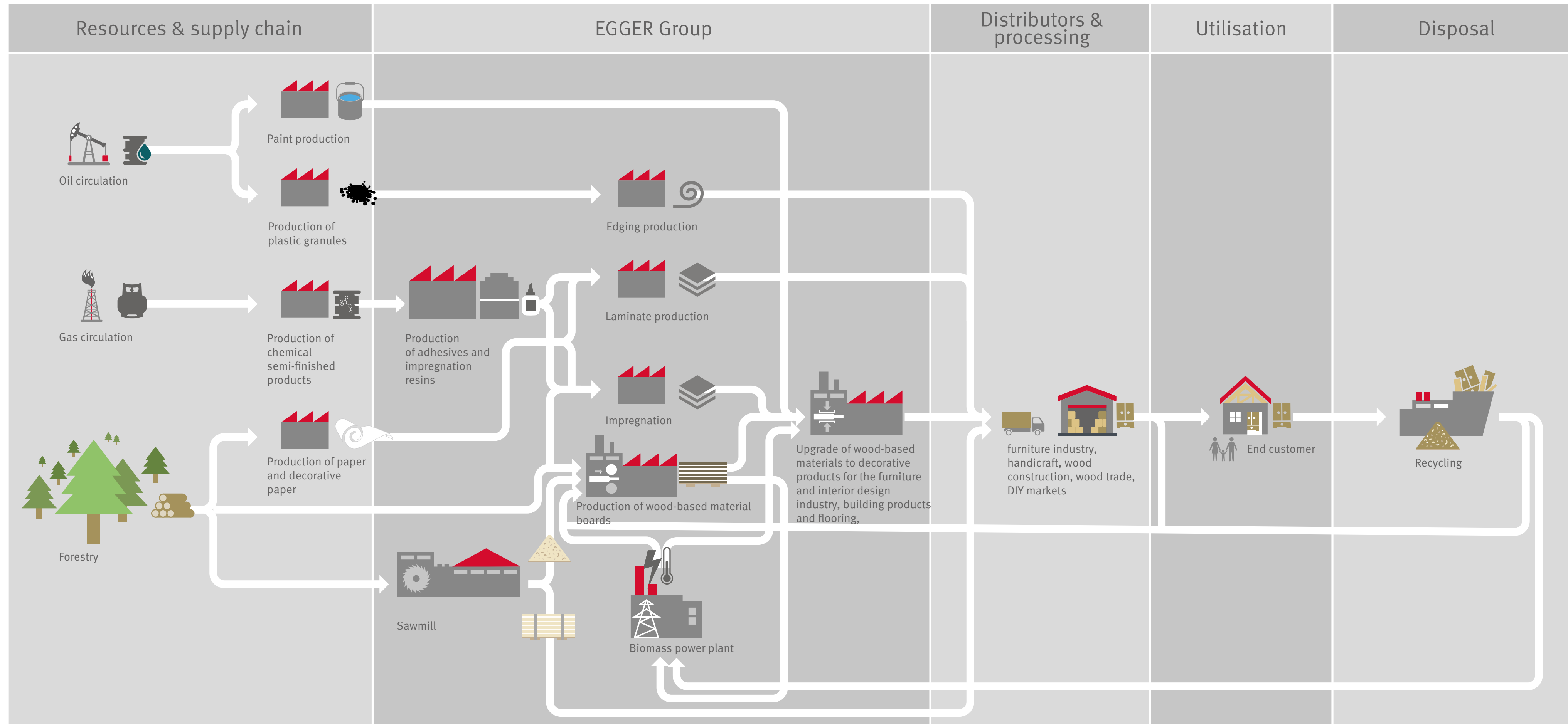
We record stakeholder interests through different approaches:

Type of stakeholder group	Stakeholder group	Instruments & interval for the integration of interests
internal	Owners	formal meetings once a month in the extended Group Management circle; ongoing informal contact via an office workstation at the headquarters in St. Johann in Tirol
internal	Supervisory board	formal supervisory board meeting 1x per quarter
internal	Employees	annual appraisal with line supervisor, 3-yearly employee opinion survey by independent provider
external	Suppliers	ongoing informal contact via central purchasing departments (chemicals, paper, technology) and decentralised wood purchase
external	Customers	ongoing informal contact via personal sales service visits, internal sales team, hotlines and service centres, customer portal on the website; traceability of interests via CRM system; systematic customer satisfaction analysis (every 3-5 years); newsletter (e.g. information about product novelties)
external	Public & civil society Neighbours & citizens' initiatives	at operating plants: regular open days, plant tours by appointment; for greenfield investments and significant structural and operational changes: early stakeholder dialogue by means of information events and with the offer to visit existing comparable plants; incident management system for recording residents' complaints
external	banks, investors and capital markets	regular, institutionalised, face-to-face dialogues and bank days between the CFO and the Group Treasury department and core banks; ongoing informal communication with credit analysts on ESG and business-relevant topics; monitoring of the development of regulatory requirements in the ESG area through exchanges with consultants and in professional associations; formalised information to the broad investor and capital market via EGGER Credit Relations website
external	Authorities & legislators	emissions notifications of the power plants via online reporting system to local authorities at the plants; in case of changes to plant: Dialogues with local authorities; regular contact with local authorities for mandatory inspections
external	NGOs	ongoing informal contact through responses to inquiries; structured dialogue formats via industry NGO forums organised by associations

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Activity chain



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Materiality analysis

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

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

Only material topics are dealt with in the Sustainability Report.

Survey of sustainability topics

All material topics, which were identified in 2017 and combined into previously 16 topics in 2019, were surveyed again in the financial year 2021/2022 in two separately held digital or hybrid formats. In the **internal workshop**, the Sustainability Strategy Committee determined the impact of the company's business activities and business relationships on society and the environment. In the subsequent **stakeholder workshop** (held in two sessions in German and English), both internal and external stakeholders elicited the relevance of the sustainability topics for their demands on the company.

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

For the financial year 2023/24, the identification of material topics is planned within the meaning of a double materiality analysis. This will not only analyse the impact of the company on society and the environment (inside-out), but also the financial impact of the sustainability topics on the company (outside-in).



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Internal workshop

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

The central questions were:

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

Method

For the assessment of the material topics, GRI 3: Material Topics 2021 served as the standard. The basis for assessing the extent of impact of each of our material topics was a detailed description and any detailed follow-up of the topic. The second step was to determine whether the topic has an actual (already occurred) or potential impact on the environment or society and to determine the probability of occurrence, using a scale of 0-5. Here, “0” stands for a probability of occurrence in 500 years, and “5” starting now (= actual).

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

Severity of impact

The severity of impact is determined for actual societal impact by the mean value between the magnitude (How severely is the quality of life of the respective stakeholder reduced? Scale of 0-5: “0” = no impact; “5” = permanent impact, e.g. lifelong disability) and the extent (How many people are affected? Scale of 0-5: “0” = no people; “5” = the general population). If the impact is irreversible, the severity has been increased by +1, if the impact is reversible, the rating remains unchanged. In the case of actual environmental impact, the severity is defined only by the magnitude (How much is the environment affected and what is the significance of this impact? Scale of 0-5: “0” = no environmental impact; “5” = global environmental impact, e.g. high CO₂ emissions). The influence of reversibility behaves in the same way as for societal impact. For potential impact, i.e. those that could theoretically occur but have not yet done so, the probability of occurrence is included in the mean value.

Procedure

Each positive and negative impact of all 16 sustainability topics was discussed by the committee and ranked according to all the characteristics described above. For each topic, it was decided whether the negative or positive impact was more pronounced. The severity of either the positive or negative impact was taken into account in the final assessment. The aggregation to final severity was carried out according to the four-eyes principle (corporate sustainability department together with the external sustainability consultant).

Result

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



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Stakeholder workshop

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

Method

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

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

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

Questions 3 and 4 were open-ended:

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

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

Procedure

The aggregated value of the relevance of the topic for the interests of the stakeholder is composed of the results of question 2 and question 3. The mean value was formed from the individual results of the query on how important it is (question 2) that EGGER is involved in the respective topic. The question about the top 5 topics (question 3) was analogously converted to a scale of 0-5 (number of answers corresponds to a value between 0 and 5, whereby the topic that was mentioned most often received "5" and topics that were never mentioned received "0"). The mean of these two results corresponds to the value for the y-axis of the materiality matrix. The delta from question 1 and 2 shows us which topics require us to catch up. Through question 4, we received feedback from our stakeholders on the areas in which they see potential for improvement at EGGER. All suggestions were discussed with the specialist departments and their feasibility evaluated.

Result

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



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Materiality matrix

The x-axis of the materiality matrix shows the potential impact of business activities and business relationships on the environment and society. The y-axis represents the relevance of a topic for the stakeholders. **The following topics are of most interest to our stakeholders:** Use of wood from sustainable sources & recycled

material, health safety of products and climate protection, energy efficiency, renewable energies in production. **Particularly highly rated were the impact of:** climate protection, energy efficiency, renewable energies in production, occupational health and safety and prod-

ucts made from renewable raw materials.

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



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EU Taxonomy Regulation

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

As a uniform classification system, the Taxonomy Regulation defines which economic activities are considered “environmentally sustainable” in the EU. This requires a distinction between taxonomy eligibility and taxonomy alignment. EGGER is obliged, according to Art. 8 Z 1 of the EU Taxonomy Regulation in conjunction with § 267a UGB, to fulfil the requirements of the EU Taxonomy Regulation.

Taxonomy eligibility and taxonomy alignment

The first step is to check whether an economic activity is described in the Delegated Act and is thus taxonomy-eligible. Only taxonomy-eligible economic activities can also be considered “environmentally sustainable” if certain criteria are met. Accordingly, in the second step, it must be evaluated whether the required technical screening criteria and minimum social standards are fulfilled in order to be classified as taxonomy-aligned. The technical screening criteria are met if the economic activity makes a significant contribution to one of the total of six environmental goals defined by the EU and at the same time does not significantly compromise any other environmental goal. The existing due diligence process is analysed to ensure compliance with the minimum social standards.

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

For the financial year 2022/23, as a further step, taxonomy alignment must be ensured in order to be able to classify the economic activity as “environmentally sustainable”. Relevant for the assessment are the requirements for environmental goals I (significant contribution to climate change mitigation) and II (significant contribution to climate change adaptation).

Realization

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

For this purpose, EGGER has analysed all economic activities in the company and checked whether these correspond to the description in Annex I (significant contribution to climate change mitigation) or Annex II (significant contribution to climate change adaptation) of Delegated Regulation (EU) 2020/852 and can thus be declared as eligible for taxonomy. Turnover, capital

and operating expenses related to these economic activities can be declared as taxonomy-eligible.

The next step is to examine the taxonomy-eligible economic activities to determine whether they meet the technical screening criteria and minimum social standards.

In order to verify the technical screening criteria, each economic activity identified as relevant is examined to determine whether it makes a significant contribution to one of the two environmental goals and at the same time does not significantly impair any other environmental goal.

A centralised audit approach was chosen to ensure a consistent assessment across the Group.

In order to assess the required technical screening criteria, the individual economic activities at each location were checked for compliance with the criteria. One focus was the climate risk and vulnerability assessment to evaluate the criteria for climate change adaptation. For this purpose, climate risks were identified in cooperation with an experienced insurance service provider, future scenarios were developed and, if necessary, adaptation solutions were evaluated. No climate risk assessment based on a scenario analysis was carried out for the company SAIB, which was newly acquired during the financial year.

The verification of compliance with the minimum social standards was carried out for each EGGER plant and



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is fulfilled at each plant. The review of all criteria was carried out by selected, qualified and project-related employees from the corporate divisions Technology and Production, Fleet Management, HR and Finance department.

In principle, all fully consolidated Group companies are included in this consideration with regard to their turnover, capital and operating expenses. The amounts used for the calculation of the turnover, CapEx and OpEx KPIs are accordingly based on the figures reported in the consolidated financial statements.

Key figures

turnover KPI

The economic activities underlying the EGGER business model (production of wood-based materials) are not yet covered by the EU Taxonomy Regulation. Therefore, no significant turnover could be identified and no taxonomy-eligible turnover could be determined. The total revenue for the financial year 2022/23 of EUR 4,449.7 million (FY 21/22: EUR 4,234.3 million) can be taken from the income statement in the consolidated financial statements of Egger Holzwerkstoffe GmbH (see Annual Financial Report/chapter (7) and segment reporting).

CapEx KPI

The CapEx KPI indicates the share of capital expenditure that is related to a taxonomy-eligible and taxono-

my-aligned economic activity or relates to the acquisition of products and services from a taxonomy-eligible or taxonomy-aligned economic activity. The basis of capital expenditure is the total additions (before amortisation, impairment and revaluation) of intangible assets and property, plant and equipment including additions of rights of use in accordance with IFRS 16 of EUR 633.0 million (see Annual Financial Report/Notes to the consolidated financial statements/(17) Property, plant and equipment & intangible assets). The numerator of the CapEx KPI is in each case the sum of the additions that reflect taxonomy-eligible or taxonomy-aligned investments. A uniquely assigned investment application number per investment ensures that an addition is only counted once.

Identified taxonomy-aligned economic activities are:

- 4.1 Electricity generation using photovoltaic technology
- 4.9 Transmission and distribution of electricity
- 4.24 Production of heat/cool from bioenergy
- 5.5 Collection and transport of non-hazardous waste in source segregated fractions
- 5.9 Material recovery from non-hazardous waste
- 7.3 Installation, maintenance and repair of energy efficiency equipment
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and park-

ing spaces attached to buildings)

- 7.7 Acquisition and ownership of buildings

The following reporting sheet shows the CapEx KPI broken down by taxonomy eligibility, taxonomy alignment, economic activities and environmental goals.

OpEx KPI

The OpEx KPI indicates the share of operating expenditure as defined by the EU taxonomy that is associated with taxonomy-eligible and taxonomy-aligned economic activities or the purchase of products from a taxonomy-eligible and taxonomy-aligned economic activity. The basis for the operating expenses is the sum of direct, non-capitalised costs for building renovation measures, short-term leases, maintenance and repair of property, plant and equipment as well as research and development costs amounting to EUR 198.0 million. The sum of the operating expenses that contribute to the achievement of the environmental goals forms the numerator of the OpEx KPI.



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To determine the denominator, the accounts reflecting direct, non-capitalised costs for research and development expenses, building renovation measures, short-term leasing, maintenance and repair expenses were considered. The numerator results from an analysis of the assets related to the expenses recorded in the above accounts in terms of their taxonomy eligibility or taxonomy alignment. Clearly assigned cost centre or order numbers as well as relevant operating expenses assigned below them ensure that double counting is not possible. Here, too, a uniquely assigned investment application number per investment ensures that an addition is only counted once.

Identified taxonomy-aligned economic activities are:

- 5.5 Collection and transport of non-hazardous waste in source segregated fractions
- 5.9 Material recovery from non-hazardous waste
- 7.7 Acquisition and ownership of buildings

The following reporting sheet shows the OpEx KPI broken down by taxonomy eligibility and taxonomy alignment, economic activities and environmental goals.



EU Taxonomy Regulation Reporting Sheet Turnover

Economic activities	No.	NACE Code	Absolute turnover	Proportion turnover	Criteria for a significant contribution						DNSH criteria ("No significant impact")					Minimum protection	Taxonomy-aligned turnover - Proportion, year 2022/23	Taxonomy-aligned turnover - Proportion, year 2021/22	Category Enabling activities	Category Transitional activities
					Climate protection	Climate change adaptation	Water and marine resources	circular economy	environmental pollution	Biological variety and eco systems	Climate change adaptation	Water and marine resources	circular economy	environmental pollution	Biological variety and eco systems					
			in EUR million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-eligible activities																				
A.1. Ecologically sustainable activities (taxonomy-aligned)																				
Turnover ecologically sustainable activities (taxonomy-aligned) (A.1)			0	0.00%																
A.2 Taxonomy-eligible but not ecologically sustainable activities (non taxonomy-aligned activities)																				
Turnover of taxonomy-eligible but not ecologically sustainable activities (non taxonomy-aligned activities) (A.2)			0	0																
Total (A.1 + A.2)			0	0.00%																
B. Non taxonomy-eligible activities																				
Turnover of non taxonomy-eligible activities			4,449.7	100.00%																
Total (A+B)			4,449.7	100.00%																

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EU Taxonomy Regulation Reporting Sheet CapEx

Economic activities	No.	NACE Code	Absolute CapEx	Proportion CapEx	Criteria for a significant contribution						DNSH criteria ("No significant impact")					Taxonomy-aligned CapEx - Proportion, year 2022/23	Taxonomy-aligned CapEx - Proportion, year 2021/22	Category Enabling activities	Category Transitional activities	
					Climate protection	Climate change adaptation	Water and marine resources	circular economy	environmental pollution	Biological variety and eco systems	Climate change adaptation	Water and marine resources	circular economy	environmental pollution	Biological variety and eco systems					Minimum protection
			in EUR million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-eligible activities																				
A.1. Ecologically sustainable activities (taxonomy-aligned)																				
Electricity generation using photovoltaic technology	4.1	D 35.11	1.2	0.19%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	0.19%	N/A		
Transmission and distribution of electricity	4.9	D 35.12	0.4	0.07%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	0.07%	N/A	E	
Production of heat/cool from bioenergy	4.24	D 35.30	2.6	0.42%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	0.42%	N/A		
Collection and transport of non-hazardous waste in source segregated fractions	5.5	E 38.11	7.4	1.18%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	1.18%	N/A		
Material recovery from non-hazardous waste	5.9	E 38.32	19.5	3.08%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	3.08%	N/A		
Installation, maintenance and repair of energy efficiency equipment	7.3	F 43	0.3	0.05%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	0.05%	N/A	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	F 43	0.7	0.11%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	0.11%	N/A	E	
Acquisition and ownership of buildings	7.7	L 68	4.4	0.70%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	0.70%	N/A		
CapEx ecologically sustainable activities (taxonomy-aligned) (A.1)			36.6	5.78%	5.78%	0.00%	0.00%	0.00%	0.00%	0.00%							5.78%			
A.2 Taxonomy-eligible but not ecologically sustainable activities (non taxonomy-aligned activities)																				
Electricity generation from bioenergy	4.8	D 35.11	0.6	0.09%																
Transmission and distribution of electricity	4.9	D 35.12	1.5	0.24%																
Production of heat/cool from bioenergy	4.24	D 35.30	0.7	0.11%																
Construction, expansion and operation of effluent collection and treatment systems	5.3	E 37	1.1	0.17%																
Collection and transport of non-hazardous waste in source segregated fractions	5.5	E 38.11	1.4	0.23%																
Material recovery from non-hazardous waste	5.9	E 38.32	3.0	0.47%																
Carriage by motorbikes, passenger cars and light commercial vehicles	6.5	H 49.39	25.1	3.96%																
Rail infrastructure	6.14	H 49.20	4.0	0.62%																
Installation, maintenance and repair of energy efficiency equipment	7.3	F 43	0.9	0.14%																
Acquisition and ownership of buildings	7.7	L 68	144.0	22.74%																
Data processing, hosting and related activities	8.1	J 63.11	6.3	1.00%																
CapEx of taxonomy-eligible but not ecologically sustainable activities (non taxonomy-aligned activities) (A.2)			188.6	29.79%																
Total (A.1 + A.2)			225.1	35.57%													5.78%			
B. Non taxonomy-eligible activities																				
CapEx of non taxonomy-eligible activities			407.8	64.43%																
Total (A+B)			633.0	100.00%																



EU Taxonomy Regulation Reporting Sheet OpEx

Economic activities	No.	NACE Code	Absolute OpEx	Proportion OpEx	Criteria for a significant contribution						DNSH criteria ("No significant impact")					Minimum protection	Taxonomy-aligned OpEx -	Taxonomy-aligned OpEx -	Category Enabling activities	Category Transition-
					Climate protection	Climate change adaptation	Water and marine resources	circular economy	environmental pollution	Biological variety and eco systems	Climate change adaptation	Water and marine resources	circular economy	environmental pollution	Biological variety and eco systems		Proportion, year 2022/23	Proportion, year 2021/22		al activities
			in EUR million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. Taxonomy-eligible activities																				
A.1. Ecologically sustainable activities (taxonomy-aligned)																				
Collection and transport of non-hazardous waste in source segregated fractions	5.5	E 38.11	0.5	0.24%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	0.24%	N/A		
Material recovery from non-hazardous waste	5.9	E 38.32	0.3	0.17%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	0.17%	N/A		
Acquisition and ownership of buildings	7.7	L 68	0.5	0.27%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	0.27%	N/A		
OpEx ecologically sustainable activities (taxonomy-aligned) (A.1)			1.3	0.68%	0.68%	0.00%	0.00%	0.00%	0.00%	0.00%							0.68%			
A.2 Taxonomy-eligible but not ecologically sustainable activities (non taxonomy-aligned activities)																				
Production of heat/cool from bioenergy	4.24	D 35.30	15.4	7.77%																
Electricity generation from bioenergy	4.8	D 35.11	0.7	0.33%																
Transmission and distribution of electricity	4.9	D 35.12	1.8	0.91%																
Collection and transport of non-hazardous waste in source segregated fractions	5.5	E 38.11	0.1	0.04%																
Material recovery from non-hazardous waste	5.9	E 38.32	8.6	4.36%																
Freight transport by rail	6.2	H 49.20	0.7	0.33%																
Carriage by motorbikes, passenger cars and light commercial vehicles	6.5	H 49.39	11.0	5.55%																
Acquisition and ownership of buildings	7.7	L 68	12.5	6.31%																
OpEx of taxonomy-eligible but not ecologically sustainable activities (non taxonomy-aligned activities) (A.2)			50.7	25.60%																
Total (A.1 + A.2)			52.0	26.28%													0.68%			
B. Non taxonomy-eligible activities																				
OpEx of non taxonomy-eligible activities			146.0	73.72%																
Total (A+B)			198.0	100.00%																

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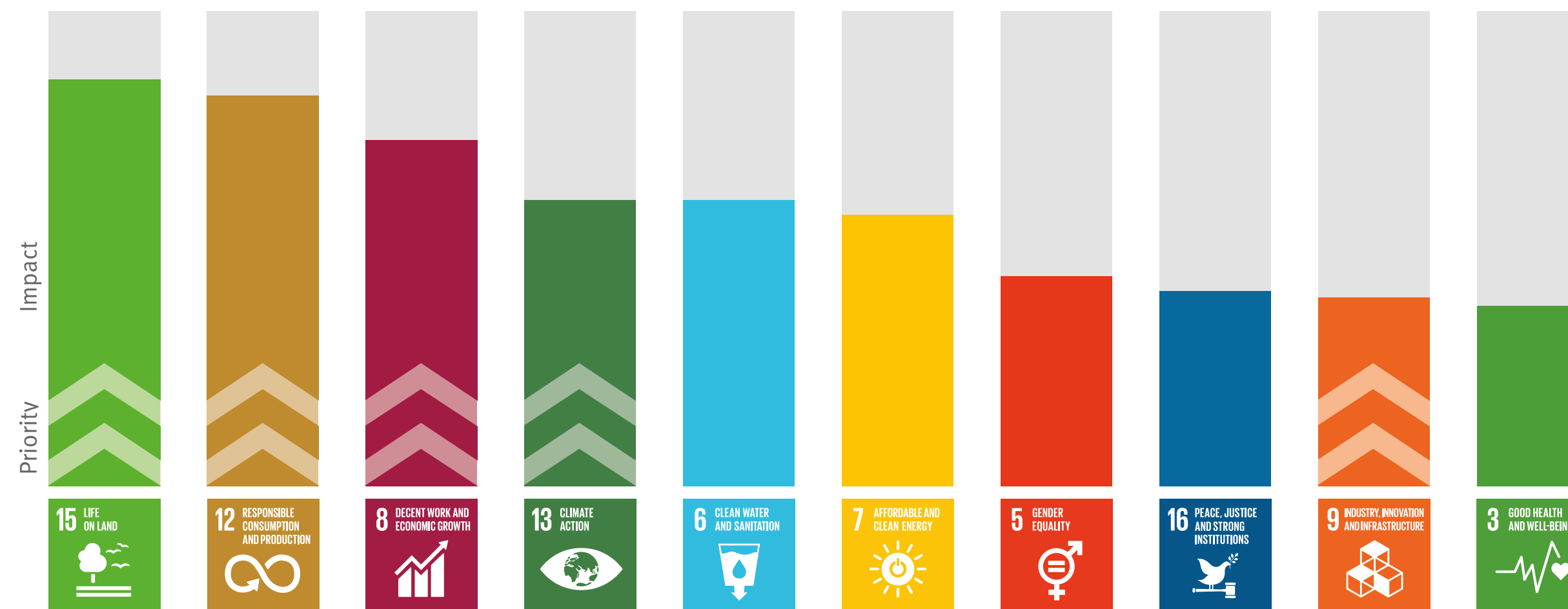
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Our contribution to the Sustainable Development Goals

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

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



Evaluation of the SDGs according to influence

In order to assess our impact, an internal workshop was conducted during the financial year 2020/21. We have defined the impact as the sum of the potential negative impact and our contribution to achieving the respective SDG.



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Our contribution to the Sustainable Development Goals

The points of connection between the goals and sub-goals of the Agenda 2030 and EGGER's corporate goals are shown below. The sustainability topics in the report describe the contribution we are making to achieving our goals and the key figures that can be used to assess progress.

Goal/subgoal	Key points of reference from the SDGs for EGGER	Contribution and progress see topic/subtopic
3	Healthy living and promotion of well-being	<ul style="list-style-type: none"> Our approach to product transparency and eco-labelling Indoor air quality and product transparency Healthy workplaces and health protection Health promotion
5.1 5.5	Ending discrimination against women, participation of women in economic life, assumption of leadership roles	<ul style="list-style-type: none"> Diversity of age, gender, nationality Equal treatment of employees
6.3 6.4	Water recycling and water use efficiency	<ul style="list-style-type: none"> Our environmental and energy management Water consumption and rainwater utilisation Clean waste water
7.2 7.3	Renewable energy and energy efficiency	<ul style="list-style-type: none"> Our environmental and energy management Use of renewable energy Energy efficiency
8.2 8.4 ⁽¹⁾ 8.5 8.6 8.8	Economic productivity, resource efficiency in consumption and production ⁽¹⁾ , safe working environments, vocational apprenticeship and decent work	<ul style="list-style-type: none"> Company key figures Our due diligence system for tracing the origin of wood Resource efficiency Our management system for occupational health and safety Work safety/accident rates Equal treatment of employees Education Employee representation Long-term cooperation and fluctuation Our commitment to the UN Global Compact Working conditions in transport logistics Working conditions in the wood supply chain

(1) Contribution and progress see SDG 12

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Our contribution to the Sustainable Development Goals

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

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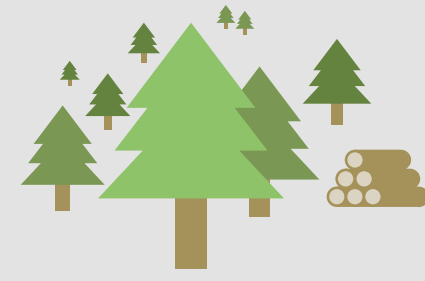
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Sustainability goals

Resources & supply chain



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

- Signature of the **EGGER Supplier Code of Conduct** by **95%** of the most relevant suppliers by 2025
- Increase of the **proportion of recycled** wood to at least **25%** by 2025
- **Regional** proportion of **wood purchase** reaches at least **75%** by 2030
- **Certified** proportion of fresh wood remains at a minimum of **60%**

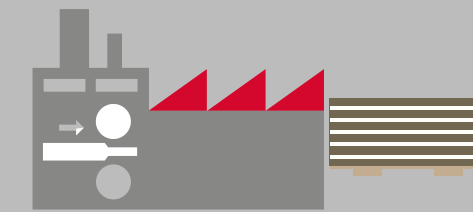


EGGER Group & economic environment

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

- Share of **external** and loan workers remains **below 15%**
- **Zero** serious **work accidents** by 2025
- **Health quota** remains **at least 97%**
- Offer occupational disease screening to all employees by 2025 and motivate them to participate in **screening**
- **80%** of management positions are filled with **internal** candidates
- Annual **appraisal** for all employees and adjusted appraisal for all by 2025
- **Employer attractiveness index** remains **above 70%**
- **Apprenticeship quota** remains **at least 3%**
- Improving the **quota of women** in the commercial sector and in management positions by 2025

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



- **Reduction** of specific **fossil greenhouse gas emissions** by **15%** by 2030 from 2018
- **Reduction** of specific **energy consumption** by **10%** by 2030 from 2018
- **Reduction** of specific **waste** (residual waste) by **10%** by 2025 from 2018

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

- All line supervisors and employees in sales and purchasing complete at least every 2 years an **antitrust law training**
- Timber purchased from verified **legal sources** remains at 100%

Further processing, use & disposal of the products

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



- **Environmental declarations** for **95%** of products by 2025
- Continuation of **research** into alternative, formaldehyde-free **glues**



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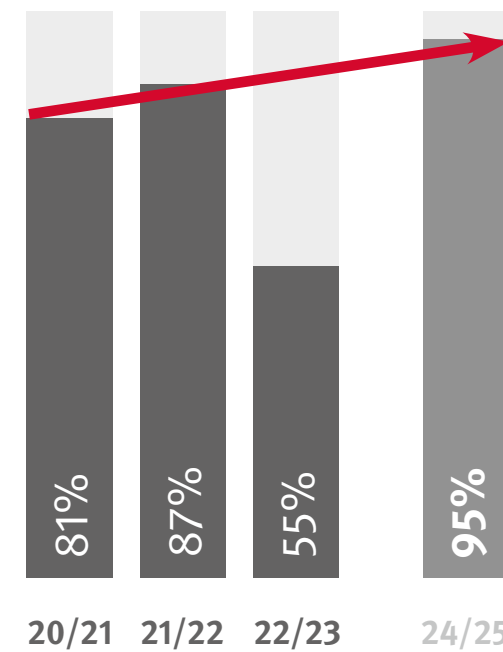


Status of goal achievement

Three consecutive reporting years (values rounded) and the value for the goal year are shown. If the goal refers to a base year, this is also shown. The trend line is to show if we are on the right track. A horizontal line indicates that a certain value should be maintained.

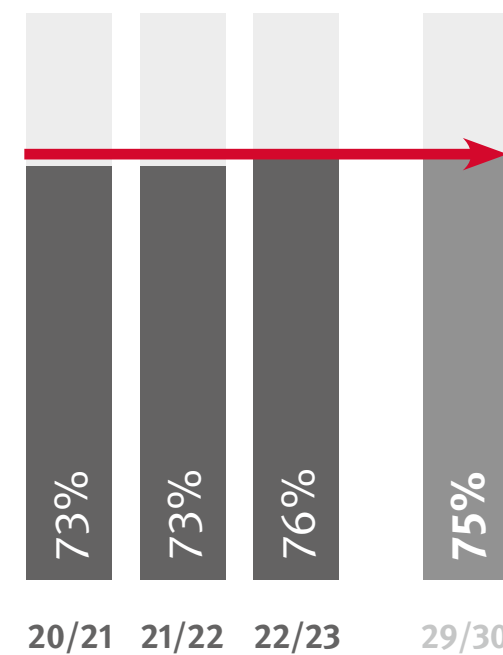
Responsibility for the supply chain

Signature EGGER Supplier Code of Conduct



The reasons for the decrease can be found in chapter "Working conditions in the supply chain" on p. 157.

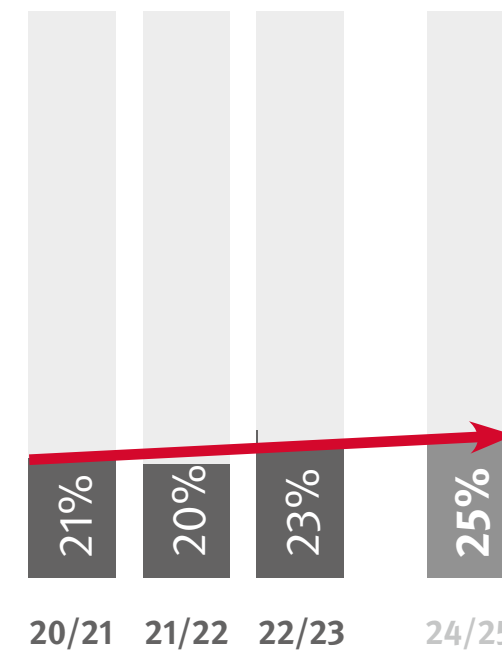
Purchasing wood from the regional environment



This goal was adjusted and achieved in the past financial year. ✓

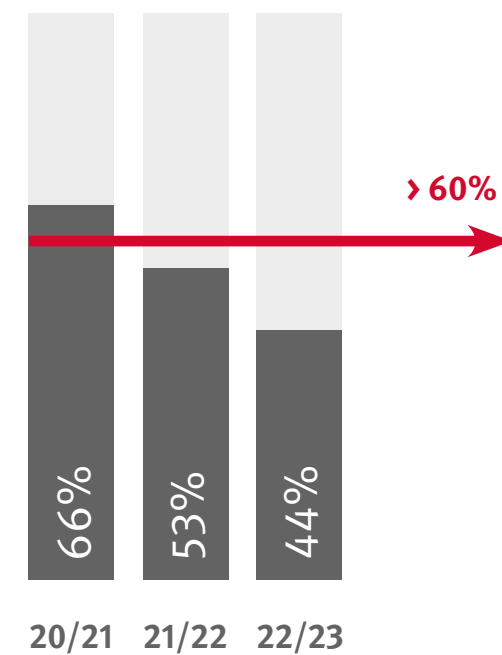
More information can be found on p. 155.

Recycling content (pre- and post-consumer) in wood



For more information see chapter "Use of recycled material and cascading use" on p. 64

Fresh wood from certified sources



The certified proportion has been declining since the Russia-Ukraine crisis. For more information, see p. 62.

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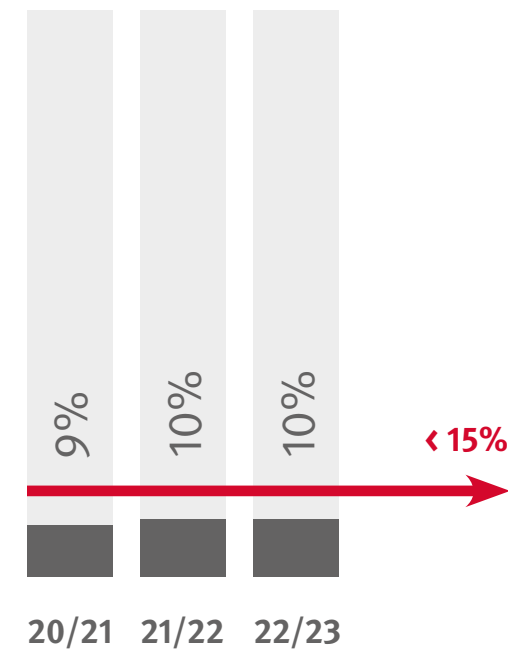
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Status of goal achievement

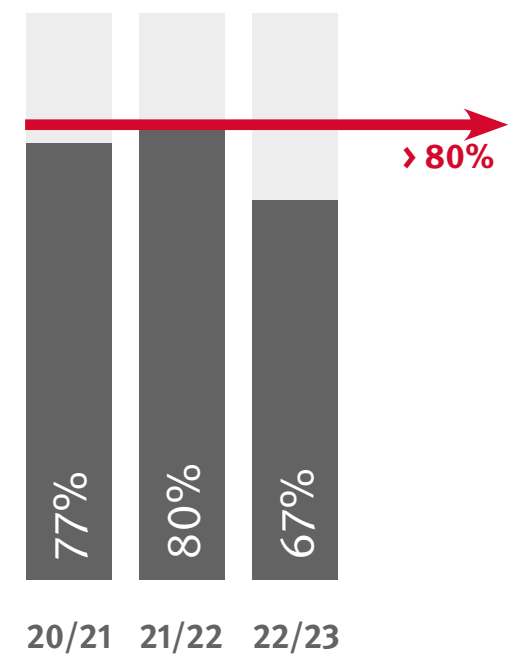
Social responsibility

External employees and loan workers



The share can be kept under 15%. More information can be found on p. 132.

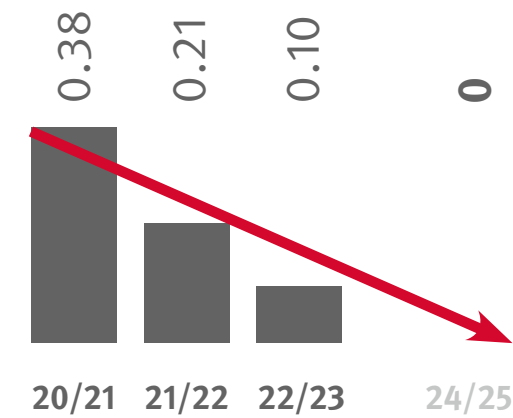
Open management positions filled with internal candidates



Unfortunately, we clearly missed this goal. For more information, see p. 122

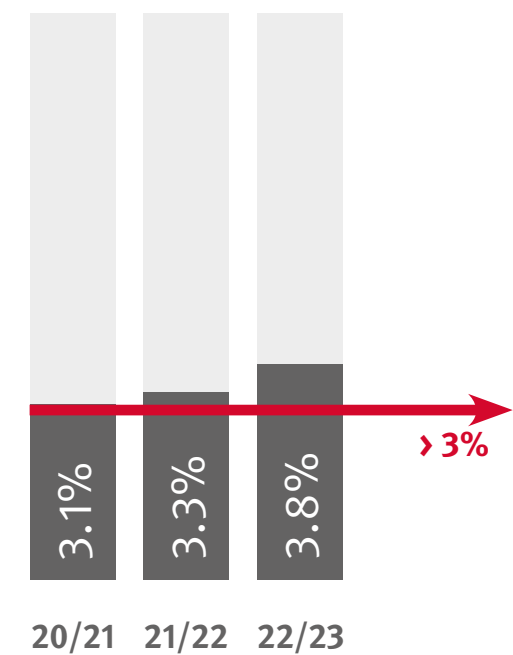
"Vision Zero":

Our goal is zero serious occupational accidents.



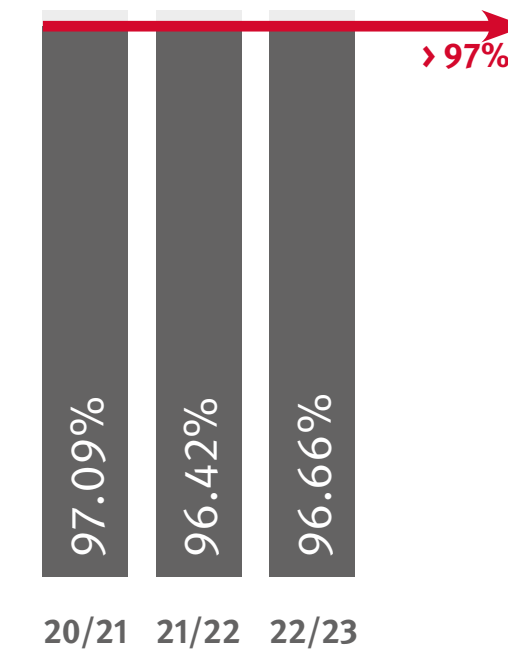
For more information, see p. 109.

Apprenticeship quota



We can maintain our goal of an apprenticeship quota of over 3%. For more information, see p. 121

Health quota



The health quota is close to the post-pandemic goal of 97%. For more information, see p. 113

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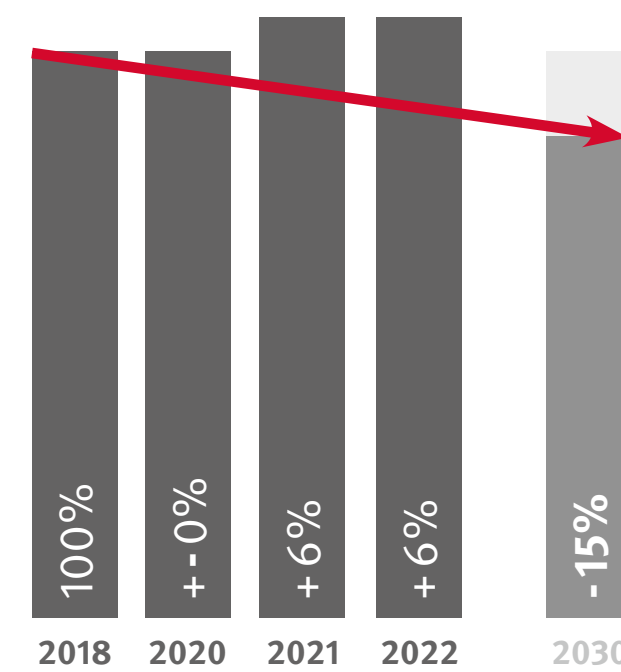
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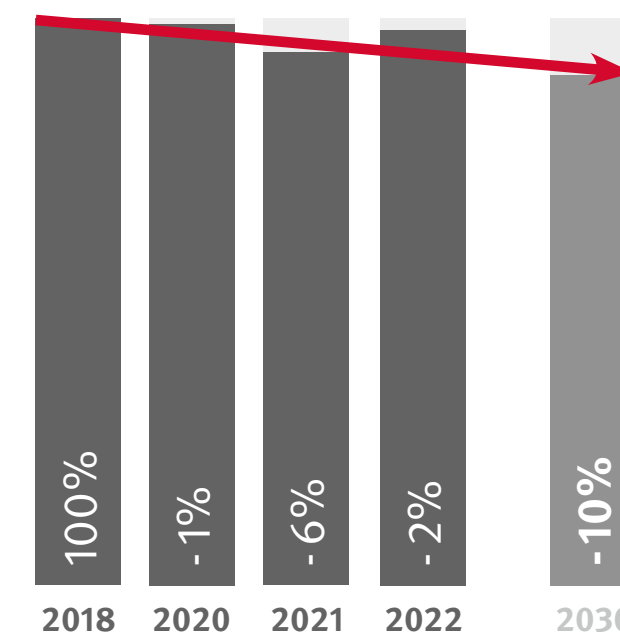
Environmentally friendly production

Specific fossil CO₂ emissions (Scope 1)



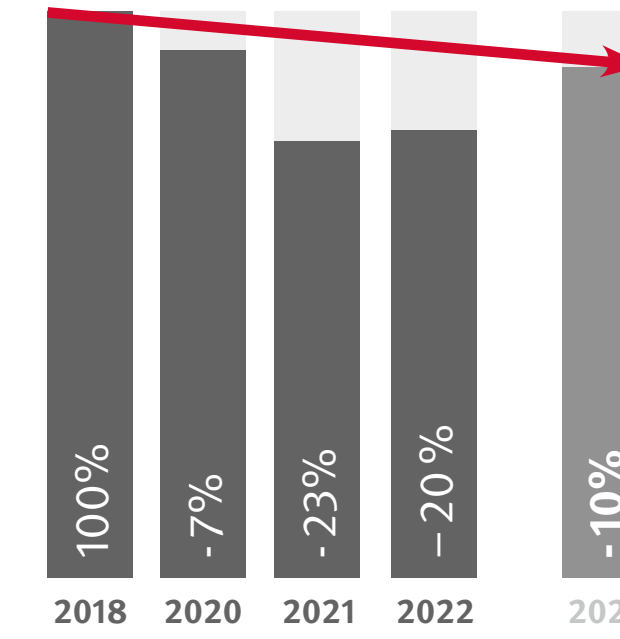
We continue to deviate from our emissions reduction goal. Reasons for this and further information can be found on p. 92.

Specific energy consumption (kWh/m³)



Energy consumption per m³ of production volume is decreasing. Find our ambitions on p. 90.

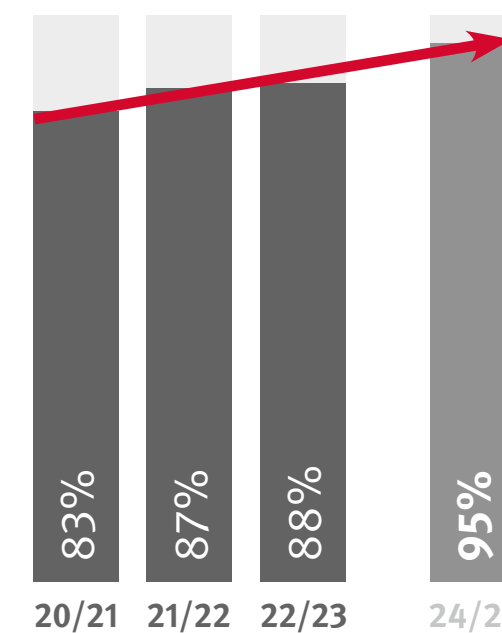
Specific residual waste (kg/m³)



The goal was reached. ✓
Find more information on p. 82.

Sustainable products

Products with environmental declarations



We were able to increase the proportion of products with environmental declarations. For more information, see p. 51.

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SUSTAINABILITY TOPICS

We classify our material topics in three areas: Environmental topics are dealt with in the areas of “Product responsibility” and “Responsible production”. Social and economic topics are bundled in the third area “Corporate Social Responsibility”.



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Product responsibility

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

How we ensure sustainable products

The approach at a glance:

- Our approach to product transparency and eco-labelling

The material topics:

- Products from renewable raw materials
- Use of wood from sustainable sources and recycled material
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Further supply chain topics are covered in these chapters:

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



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Our approach to product transparency and eco-labelling



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

The EHD shows at a glance how the product contributes to the most important building certification systems and eco-labels. The EPD contains the results of a cradle-to-gate environmental performance assessment. This data enables planners, designers and architects to make substantiated product comparisons from an environmental perspective. Our EPDs are verified by the Institut für Bauen und Umwelt (IBU). A special Type I ecolabel is the TÜV PROFICERT Interior. The healthy living certification covers several building certification systems and their requirements for product emissions.

We update our EPDs to the latest calculation methods and data every 5 years. The information in our EHDs is adjusted if our product properties have changed or if building or environmental labels mentioned in the EHDs have undergone a version update. Applications for and renewals of Type I eco-labels are evaluated individually on a market-specific basis.



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Our approach to product transparency and eco-labelling

Overview of products with eco-label



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

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Download the EPDs

egger.com/environment

ibu-epd.com

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Products with eco-labels by share of sales

Financial year	2020/21	2021/22	2022/23 ⁽⁷⁾
Number of EGGER products ⁽¹⁾	38	40	40
Share ⁽²⁾ with type I eco-label ⁽³⁾	34%	33%	35%
Share ⁽²⁾ with type II environmental declaration ⁽⁴⁾	67%	67%	71%
Share ⁽²⁾ with type III eco-label ⁽⁵⁾	81%	83%	84%
Share ⁽²⁾ in total ⁽⁶⁾	83%	87%	88%

(1) Products for furniture and interior design, building products, flooring; including externally sold preliminary and intermediate products such as glue and paper; excluding merchandise, samples, advertising material and other revenues
 (2) Share of these products in all products, by turnover
 (3) Blauer Engel for flooring (RAL UZ 176), M1, Greenguard Gold, TÜV PROFICERT Interior Standard, TÜV PROFICERT Interior Premium
 (4) Environmental and Health Datasheet/environmental supplier declaration according to ISO 14021
 (5) Independently verified Environmental Product Declaration (EPD) according to ISO 14025, EN 15804 and IBU-PCR
 (6) Type I, type II or type III eco-label
 (7) The values include the Caorso (IT) plant from January to April 2023.

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

An EPD is available for 84% of the products. This high value shows how important product transparency is for EGGER. All EPDs published and updated since 2021 have been prepared according to the latest requirements of EN 15804+A2. The global warming potential is now evaluated in more detail in various subcategories. For example, the share of greenhouse gas emissions from fossil and biogenic sources can now be differentiated.

The share of all products with a Type I, Type II or Type III Ecolabel slightly increased last year from 87% to 88%. In the coming years, we will further increase the share

of products with a TÜV PROFICERT Interior as well as the number of environmental product declarations with Environmental and Health Datasheets (EHD) in order to achieve the strategic goal.

Download the EHDs



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Products from renewable raw materials

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

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

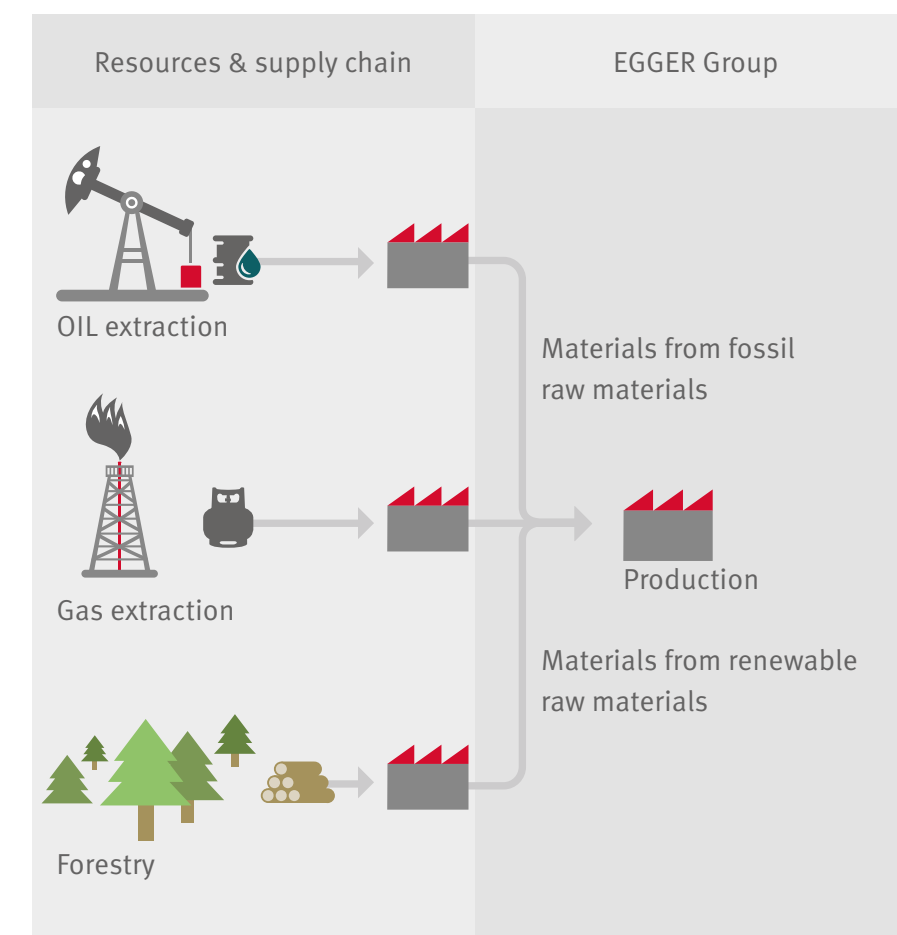
Opportunities and risks

Our products consist of approximately 88% wood and paper. By using wood from sustainable sources, carbon is bound in the product. Compared to products made of purely fossil and mineral raw materials, this is an opportunity for sustainable consumption and a way to fight climate change.

Risks can be limited resource availability due to climatic changes, which also cause a price increase. The material use of wood also competes with energy use, which also exerts pressure on the availability and subsequently the price of raw materials.

The remaining 12% of our products are mainly binding agents, impregnating resins, waxes and additives. They ensure that even non-sawable wood types as well as recycling wood can be transformed into a durable and resistant product.

However, we know from our internal LCA analyses that these fossil raw materials are responsible for a large part of the climate-damaging emissions along the supply chain. In total, the carbon storage effect in our products exceeds the fossil emissions that occur. However, resources from fossil sources are not permanently compatible with a long-term orientation towards climate-friendly net-zero production, which focuses on greenhouse gas reduction (see chapter "Climate protection, energy efficiency, renewable energies in production").



How we promote the bioeconomy and carbon storage

The sub-topics in this chapter:

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

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

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



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Use of materials from renewable raw materials



Attitude

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



Approach

EGGER sees itself as a supplier of wood-based products that offers its customers optimum quality, design and advice for the required application area. In addition to the high proportion of renewable raw materials in our products, this also includes the use of synthetic raw materials and pre-products. They must guarantee the high requirements for durability and resistance of our products. However, they do not necessarily have to come from fossil resources. We do not use bio-based alternative products for which we do not have any environmental data, such as a LCA or a Product Carbon Footprint.

EGGER also develops wood-based products for areas of application in which products from fossil resources dominate.

For example, the wood-based EGGER Design Flooring GreenTec can be used as an alternative to PVC floors, which consist of 100% fossil-based materials.



Goal

Our declared goal is the use of non-fossil glues. We are actively looking for climate-friendly alternatives to the fossil glues and resins we use. In the coming financial year, we want to start using glues with a reduced CO₂ footprint in the production of raw boards.

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



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Use of materials from renewable raw materials



Share of renewable raw materials in all EGGER products

Financial year	2020/21	2021/22	2022/23 ⁽⁴⁾
Material use in million t ⁽¹⁾	7.2	7.6	7.0
of which renewable raw materials (share) ⁽²⁾	6.1 (85%)	6.7 (88%)	6.2 (88%)
of which fossil raw materials (share) ⁽³⁾	1.1 (15%)	0.9 (12%)	0.8 (12%)

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

(2) Renewable raw materials are wood, paper and cardboard.

(3) All other materials fall under this category.

(4) The values include the Caorso (IT) plant from January to April 2023.



Status

The decrease in absolute material use is due to the overall decrease in production volume in the past financial year. The share of materials from renewable raw materials is stable and well above 80%. The previously known alternatives to fossil glues did not meet our high requirements for product emissions and quality or only shifted environmental burdens instead of reducing them.

We are in concrete dialogue with our glue suppliers and want to start the production of core boards with GHG-reduced glues as soon as we have all the sustainability certificates.

Past measures

- Transparent communication of the proportion of renewable materials in the product with the help of EcoFacts in advertisements, product brochures, newsletters, webinars, e-learning programmes and on the website.
- Publication of an EPD for PerfectSense Lacquered Chipboards

Future measures

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

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Carbon storage: From forest to wood product



Attitude

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



Approach

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

The potential impact on the climate is given in CO₂ equivalents in the indicator “Global Warming Potential (GWP)”. This indicator is further subdivided in the EPD results into the fossil and biogenic share as well as emissions resulting from land use change.

Such a detailed cradle-to-gate CO₂ footprint is available for 84% of the products sold by share of sales. As “GWP total”, it indicates how strongly the extraction of the raw materials, the production of the pre-products, the transport to the plant and the production of the product at EGGER influence the climate. At values below zero, more carbon is bound in the wood than is emitted by production and upstream chain. This applies to all wood-based materials, since wood binds a

lot of carbon and the production takes place predominantly with renewable energies. Products that contain a lot of synthetic resin and little wood or paper, such as laminates, have a value above zero.



Goal

Our wood-based products already have a negative total CO₂ footprint (GWP total). We intend to further reduce the fossil emissions within the CO₂ footprint.



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Carbon storage: From forest to wood product



Status

Compared to previous years, the absolute amount of carbon sequestered in our products decreased. This is due to the decrease in the total production quantity. We want to maintain the high proportion of EPDs. Based on the results of our internal product EcoDesign studies, glues were identified as the most significant influencing variables on the CO₂ footprint and examined in detail in another internal analysis. The announced update of the EPD for Eurolight Decor has therefore been postponed.

Past measures

- Publication of a new EPD for PerfectSense Lacquered Chipboard in accordance with the requirements of EN 15804:2020 (including detailed information on the CO₂ footprint).

Future measures

- Preparation of EPDs for the products Eurolight Decor as well as for three flooring board types for the UK
- Update of the existing EPD for laminate flooring to the new requirements of EN 15804+A2
- Preparation of Product Carbon Footprints according to ISO 14067 for more detailed or plant-specific product groups

Carbon storage in our products

Financial year	2020/21	2021/22	2022/23 ⁽²⁾
CO ₂ bound in our products in million t of CO ₂ eq. ⁽¹⁾	6.5	6.9	6.4

(1) The key figure is determined from the global warming potential of 14 EGGER wood(-based material) products and EGGER laminate according to EPD (GWP total, cradle-to-gate, module A1-A3), multiplied by the sales volume of these products in the given financial year.
 (2) The values include the Caorso (IT) plant from January to April 2023.



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Use of wood from sustainable sources and recycled material



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

Opportunities and risks

In the supply chain of wood products, there is a fundamental risk of illegal logging, especially in corruption risk areas.

Ecological risks deriving from the non-sustainable use of wood are the loss of biodiversity through the destruction of nature reserves and deforestation. A general risk is the negative impact on forest ecosystems, e.g. through soil erosion and the loss of forest areas through clearing. Alien species may also be introduced by forestry contractors.

Wood from unsustainably managed forests or from

suppliers that have been criticised can be associated with reputational damage for the company, for example through negative media reports. The company is also exposed to the risk of having to terminate business relationships due to supplier misconduct and having to look for new sources of supply. This also costs time and money.

Social risks in the wood supply chain arise from the violation of labour or safety regulations and from the violation of traditional or civil rights. Particularly in densely populated areas, even with sustainable forest management, timber harvesting carries the risk of temporarily disrupting the forest's recreational function for society.

Our close relationships with wood suppliers and the monitored supply chain provide an opportunity. We also make a contribution to the conservation of resources through the increasing use of wood from by-products and recycled material.

How we ensure sustainable wood use

The approach at a glance:

- Our due diligence system for tracing the origin of wood

The sub-topics in this chapter:

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

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

- ➔ Regionally purchased wood
- ➔ Working conditions in the supply chain



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Our due diligence system for tracing the origin of wood



Our Wood Purchasing Policy (VRG 217) states that it is a matter of course for the sustainable procurement of wood to comply with national and European laws. At EGGER, we have a **zero-tolerance policy** when it comes to illegal logging. We support the fight against illegal logging within our means and promote fair working conditions in our supply chains.

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

exclude wood from controversial sources.

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

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

In countries with increased risk and poor indicators of corruption ⁽¹⁾ and in the case of non-transparent supply chains, our wood purchasing department either uses **certifications** (e.g. FSC®, PEFC, ISO 38200) as risk mitigants or verifies the legality of the supply through its own auditing of the supply chain or additional evidence.

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

INFO

How new wood suppliers are verified at EGGER

1) Creation of master data: Supplier specifies its certifications

2) Risk assessment questionnaire: Supplier must confirm that no protected tree species are supplied and disclose the following data:

- Indication of the certification of the forest area
- Origin of wood by country and region
- Supply chain depth
- Number of upstream suppliers
- Confirmation of legality

In the case of complex supply chains or remaining specific risk after initial assessment, we request additional information (e.g. lease agreements,

logging licenses, tax registration or delivery documents from the supply chain).

3) In the case of low risk and proof of legality, the wood purchasing department classifies the supplier's deliveries into an EGGER risk group:

- EAC: The material is legal and meets the requirements of all COC standards (FSC®, PEFC, ISO 38200)
- ECS: Material is legal and meets the requirements of certain COC standards (PEFC and ISO 38200)
- ELS: Material is legal and meets the requirements of ISO 38200

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

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

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

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

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

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

All wood-based products are made from legally logged wood and labelled 100% verified according to ISO 38200. In previous years and also in the past financial year, there were no pending proceedings, violations or penalties regarding the legality of the wood used at international and national level.

All external audits in the EGGER Group according to COC and DDS standards were successfully completed in a compliant manner. The FSC® audit by SGS (CH) in Romania was additionally checked by the ASI, the internal control authority of the FSC®, without any objections.

Externally, the plants in Bünde (DE), Wismar (DE), Hexham (UK), Barony including EGGER Forestry (UK), Rădăuți (RO), Brilon (DE), and St. Johann in Tirol (AT) were audited as part of our COC certificates.

Also this year, SGS successfully audited the existing UKTR Monitoring Agreement for all cases of first entry into the United Kingdom.

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

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

The due diligence system will be adapted to the new European Deforestation Regulation.

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Special topic:
Impact of the Russia-Ukraine conflict



Attitude

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



Approach

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

We therefore do not import wood products from Russia and Belarus into the EU and UK. Despite the challenging situation, our two Russian plants Gagarin (RU) and Shuya (RU) are in production. Only the Russian market and some neighbouring markets outside the European Union are supplied from Russia.



Goal

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



Status

We had to surrender our FSC® and PEFC-COC certificates of the Russian plants. Both plants have been certified according to the Russian Forest Etalon standard. This ensures compliance with due diligence in Russia within the scope of our legal possibilities.

In addition to the plants, our leasehold forest in Gagarin (RU) is also certified according to the Forest Etalon standard.

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

Past measures

- Permanent screening of sanction developments
- Transfer responsibility of compliance and sustainability topics to the Russian plants in accordance with legal requirements.

Future measures

- Ongoing monitoring of developments and events
- Adaptation of the DDS to the EU Deforestation Regulation



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Direct relationship with suppliers



Attitude

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



Approach

We focus on business relationships with suppliers who have direct access to the wood (no intermediary traders). In this way, we secure the timber supply in the long term and can react immediately to changing supply situations. The aspect "direct supply relationships" was included in the mission of the Wood Purchasing Strategy published in June 2023. From 2023/24, supply chain depth will also be part of the supplier rating.

The low supply chain depth makes the overall process transparent and helps to minimise any risks to the environment and society. In addition, both sides participate directly in the value creation process and jointly exploit optimisation potential. The procurement strategy is defined in a Group-wide guideline for EGGER Wood Purchasing. It is accessible and binding

for all employees in the EMS. We ensure that the goals are achieved by defining the strategy, defining the responsibilities and regular controlling. The key figure of the supply chain depth is regularly discussed in the half-yearly meetings between the operationally responsible Wood Purchasing and the Corporate Services Wood Purchasing.



Goal

The guiding principle is to procure wood primarily through direct business relationships. Our goal in wood purchasing is to exclude trader structures as far as possible.



Status

At 93%, the share of direct business relationships from the previous financial year has been exceeded and is at a very high level.

Directly purchased wood

Financial year	2020/21	2021/22	2022/23 ⁽³⁾
Wood procurement in million AT ⁽¹⁾	6.9	7.7	7.2
of which directly purchased (share) ⁽²⁾	90%	89%	93%

(1) The total volume of wood purchased (wood-based materials incl. sawmill) is made up of roundwood, sawmill by-products and waste wood in million absolutely dry tonnes.
 (2) This includes wood purchased from the forest owner (direct) and self-producer (semi-direct), from the sawmill (direct), from the recycling wood waste (direct) or processing side (semi-direct). We summarise the direct and semi-direct purchasing volumes under the term "direct", as these two positions differ significantly from indirect procurement (classic trader structures).
 (3) The values include the Caorso (IT) plant from January to April 2023.

Past measures

- No additional measures were implemented in the past financial year

Future measures

- Sharpening of the key figure in the course of the regular revision of the procurement strategy in wood purchasing and inclusion in the future supplier assessment



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Use of wood from sustainable forest management



Attitude

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



Approach

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

As a company that purchases wood, we usually have no direct influence on sustainable forest management. We therefore focus on wood from certified sources when purchasing in high-risk countries and regions (“certified” according to ISO 38200). The well-known certification systems for sustainable forest management FSC® and PEFC are equally evaluated by us as proof that the wood originally comes from certified and sustainably managed forests.

Upon customer request, we display the certification on the sales documents.

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

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

See also

→ Our due diligence system for tracing the origin of wood

Download the Principles for Sustainable Forest Management and Wood Purchasing

egger.com/environment

Download the “Manufacturer Declaration Timber Origin”

egger.com/environment



Goal

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

44% of the purchased fresh wood is certified



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Use of wood from sustainable forest management



Certification share in fresh wood

Financial year	2020/21	2021/22	2022/23
Share of certified fresh wood deliveries ⁽¹⁾	66%	53% ⁽²⁾	44% ⁽³⁾

(1) This is the share of all fresh wood deliveries (roundwood and sawmill by-products) that has been classified as "certified" in accordance with ISO 38200 as part of our due diligence. Data in absolute dry; including sawmill;

(2) ISO 38200 certified and verified (FSC 20% and PEFC 33%)

(3) ISO 38200 certified and verified (FSC 16% and PEFC 27%)



Status

In the past financial year, the certified proportion has decreased again. The Russian and Belarusian suppliers are still not able to obtain certification according to FSC® and PEFC standards. In Russia, the Forest Etalon standard has become established as a replacement for this. Some of EGGER's suppliers in Russia and our Russian plants have already been certified according to this standard.

In Poland, the state forest is in the process of giving up its FSC® certification. For the proof of sustainable forest management, we are increasingly relying on ISO 38200 as a neutral standard in combination with the EUDR. The requirements for sustainable forest management will be covered by the EUDR in the future. This European legislation is also intended to increase transparency in the supply chain.

We meet our goal of at least 60% of fresh wood used to come from certified sources in most plants (see VRG270).

With regard to new plants, such as Lexington, NC (US), and sourcing regions where the certification percentage is low, e.g. Argentina and Eastern Europe, we will revise the goal to focus on recycling. Recycling wood is considered a certified material in the sense of the FSC® and PEFC standards, but has not been included in the formulated goal so far.

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



EGGER sourcing sustainable wood

Past measures

- Inclusion of our Concordia (AR) plant in the FSC® Group certificate
- Recertification of the EGGER leasehold forest in Gagarin (RU) according to the FSC® Core Labour Requirements and PEFC forest standard (delivery of certificate, see p. 60).
- Audit and query of certification by IT supported by SAP Ariba and iAuditor

Future measures

- Increased use of the sustainability indicator "EGGER sourcing sustainable wood" as product labelling and in marketing
- Risk assessment and control still via ISO 38200 certified EGGER DDS
- Inclusion of the Lexington, NC (US) plant in the FSC® and ISO 38200 Group certificate.
- Inclusion of the Concordia (AR) plant in the PEFC and ISO 38200 Group certificate



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Use of recycled material and cascading use



Attitude

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



Approach

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

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

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

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

→ Control of pollutants in products

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

→ Use of renewable energy

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

12 of the total of 15 chipboard plants in the Group process waste wood.



Goal

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

65% of the used wood comes from co-products or recycling



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Use of recycled material and cascading use



Status

In the past financial year, we further approached our goal of a 25% proportion of recycling wood. Thanks in part to the majority shareholding in the Italian wood-based materials manufacturer SAIB in Caorso (IT), which uses only recycling wood, the proportion of recycling wood was increased by 3 percentage points

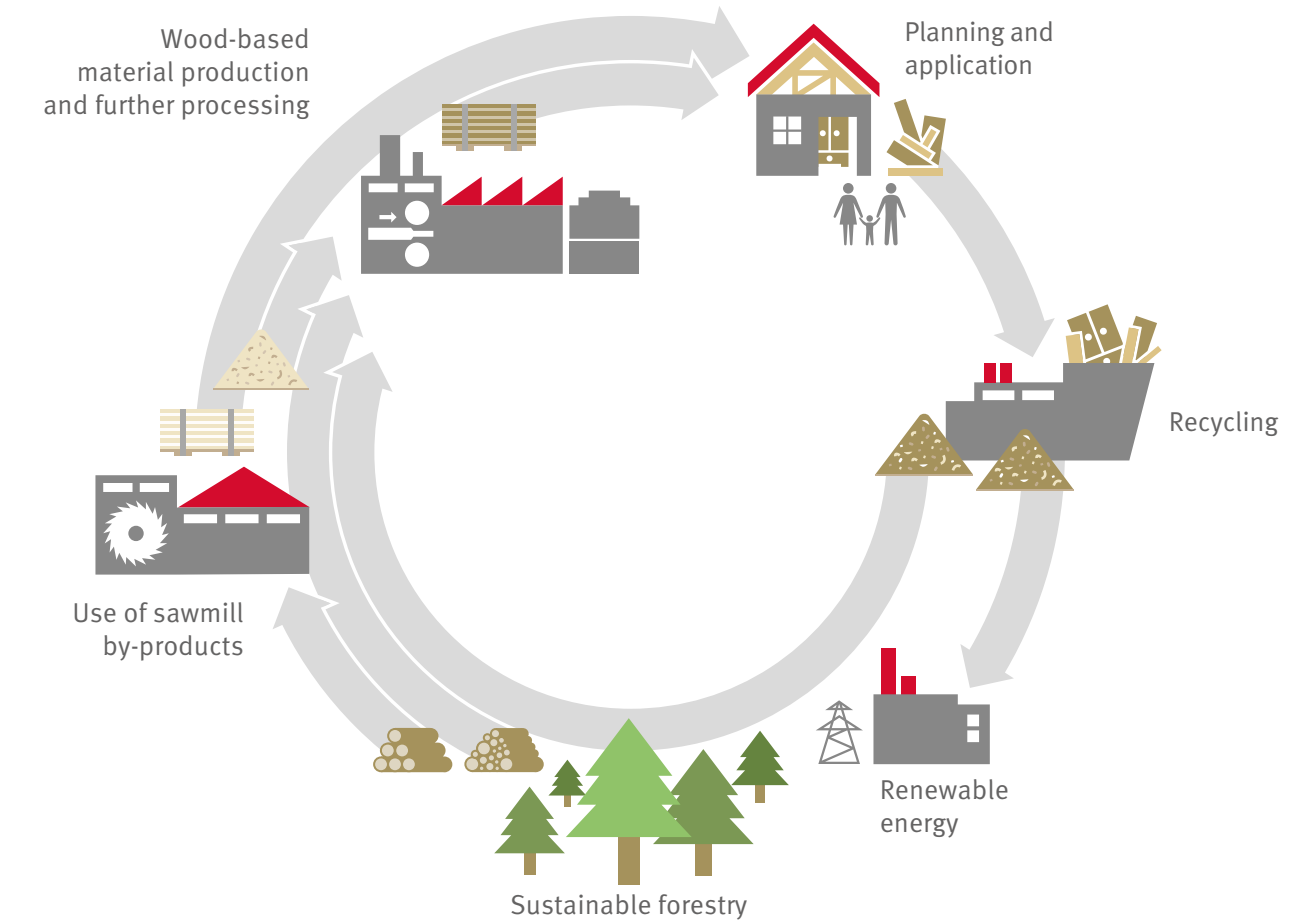
compared to the previous year and now stands at 23%. We were able to increase the proportion of wood from the circular economy by one percentage point to 65%. This percentage includes the wood use from co-products and recycling.

Past measures

- Commissioning of the recycling plant in Warsaw (PL)
- Takeover of the recycling plant in Charlotte, NC (US)
- Commissioning of new collection locations in Brasov and Arad (RO)
- Commissioning of new recycling plants in Leeds (UK)
- Expansion of the recycling plant in Hexham (UK)
- Commissioning of the Cleaning Tower in St. Johann in Tirol (AT)
- Commissioning of the recycling plant in Lexington, NC (US)
- Takeover of the recycling plant in Overath (DE)
- Commissioning of recycling plant in Bevern (DE)

Future measures

- Expansion of the collection infrastructure for recycling wood in our purchasing markets in order to increase the amount of recycling wood in our production
- Expansion and optimisation of existing plants for the processing of recycling wood in the chip-board production plants
- Revision of the goal definition



Recycling mix in the wood used

Financial year	2020/21	2021/22	2022/23 ⁽²⁾
Wood use total in million AT ⁽¹⁾	6.0	6.7	6.2
of which roundwood	37%	36%	35%
of which are co-products	42%	44%	42%
of which recycled	21%	20%	23%
of which is pre-consumer recycling wood	3%	3%	3%
of which is post-consumer recycling wood	18%	17%	20%

⁽¹⁾ Recycling components used in wood production of EGGER wood-based materials (weighted average of all chipboard, thin chipboard, MDF, thin MDF and OSB boards). AT = absolutely dry
⁽²⁾ The values include the Caorso (IT) plant from January to April 2023.

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Health safety of products



Health is one of the major topics of our time. On the one hand, medical advancements are leading to a higher life expectancy, on the other hand, people today are exposed to other environmental influences than before. On average, people in Central Europe spend up to 90% of their time indoors. Thus, indoor air has a great influence on health and performance.

Opportunities and risks

Wood-based materials consist of wood chips or wood fibres, which are pressed with the addition of binding agents. The coating of rawboards consists of different raw chemicals, including resins, paints or printing inks. Potentially, all raw materials and pre-products can pose a health hazard. In the case of waste wood, there is a risk of chemical contamination by wood preservatives used in the past, which were allowed to contain heavy metals or organic chlorine compounds that are banned today, such as PCP.

Potential risks for the company are illnesses that are clearly attributable to the company's products. Lawsuits, reputational damage, fines or penalties would be potential consequences.

The greatest influences on good indoor air are climatic factors, such as temperature and air humidity, which depend primarily on the ventilation system used and user behaviour. If a room is not ventilated enough, it can lead to an accumulation of moisture and substances of concern for health in the interior. If the moisture from the occupants' breath, from showering and cooking is not sufficiently removed, mould will develop. Yet the emissions of volatile compounds from building products and furniture can also affect the quality of indoor air. The chemical substances that can accumulate if the air exchange rate is too low are, for example, CO₂, formaldehyde or volatile organic compounds (VOC).

Opportunities arise from our commitment to full product transparency and from independently tested products. By means of audit reports and accompanying consulting services, we support planners in the selection of suitable products for each application area and room situation in order to minimise the risk of exceeding the guideline values for indoor air.

This is how we ensure harmless products

The approach at a glance:

- Our quality management

The sub-topics in this chapter:

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

This chapter is related to this topic:

- ➔ Our approach to product transparency and eco-labelling



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Our quality management

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

Product supervision

The control of formaldehyde emission is carried out in the plant's own laboratories during ongoing production. Depending on the formaldehyde emission class requirements, the respective prescribed test methods are used. Product-specific correlations, which are managed centrally, are used to calculate the emission at delivery. The correlation factors are determined internally as well as verified externally and updated in case of procedural changes.

Our strict quality assurance process allows us to continuously monitor formaldehyde levels and implement clearly defined measures in the event of an exceedance, such as downgrading or scrapping the board. It is not permitted to deliver products that are outside the specifications or limit values.

This quality assurance process and thus our products are also monitored by external institutes in addition to our internal testing. This is done at least once per product group and year, for TSCA products even four times

a year. No certificates have ever been withdrawn, nor have any penalties been imposed on EGGER products.

Complaints Management

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

For details see

➔ [Additional information in the GRI Index](#)

An important feature for measuring the satisfaction of our customers is the indicator “complaint quota to sales”.

Complaint rate

Financial year	2020/21	2021/22	2022/23
Share ⁽¹⁾ of complaint costs ⁽²⁾ to sales ⁽³⁾	0.19%	0.16%	0.19%

(1) Rate = Total complaint costs * 100/actual turnover SD unconsolidated
 (2) Complaint costs for FY 2022/23 amount to EUR 9.95 million and include costs for completed complaints including logistics costs and a flat-rate processing fee per report. Complaint costs include complaints from internal and external customers.
 (3) Actual turnover SD unconsolidated for FY 2022/23 = EUR 4,449.7 million

In the past financial year, the complaint quota was at the level of 2020/21. Nevertheless, we again achieved our goal of keeping complaint costs below 0.22% of sales.

We are constantly monitoring our KPIs. If there is an increase, the processes in question are critically analysed and improved if necessary. We use the value and frequency of the complaint quota to identify levers for improvement. This guarantees that our quality level and thus also customer satisfaction remain at a continuous level. The effectiveness of the measures is then in turn determined by the KPIs (complaint quota).

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Control of pollutants in products



Attitude

EGGER takes the responsibility to ensure its products are safe very seriously. We carry out tests in the quality departments of the plants and have independent institutes check our products, the supply chain and the internal value chain for substances of concern. We place a focus on SDG 3. In doing so, we commit to ensuring healthy lives for all people and promoting their well-being.



Approach

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

Health assessment of materials in contact with food

Many of our decorative products are used in food contact applications. There is a risk that substances can migrate from products into food and thus enter the body. When testing for food safety, each product is examined individually under worst-case scenarios for possible migrating substances. Migration is tested and, if nec-

essary, the health impact of the measured substances are assessed. In addition to the material migrations, sensory effects are also evaluated. This means that the taste of the food must not change as a result of contact with our products. All our products that may come into contact with food in their application, for example as kitchen furniture or shelving in a supermarket, are tested and evaluated according to these criteria.

Monitoring of products in which waste wood is used

We test recycled raw materials used in chipboard production when they enter the plant. We also regularly test our finished commercial products for the content of heavy metals, fluorine, PCP, PCBs (7 congeners) and chlorine. At all twelve sites that use post-consumer recycling wood, we have these tests carried out by an independent testing laboratory. If there are no legal requirements for locations, we are guided by the limits of the German Waste Wood Ordinance and the standard of the European Panel Federation (EPF).

Further tests

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

and plasticisers (bisphenols, phthalates).



Goal

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



Status

100% of our sites that use post-consumer recycling material conduct product assurance. We also carry out additional voluntary checks on emissions and ingredients, which we have deepened in recent years. We want to maintain the level we have reached and continue to meet the requirement to ensure that our products are harmless to health with the necessary care.



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Indoor air quality and product transparency



Attitude

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

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



Approach

We have tests conducted by independent institutes to substantiate our claims about the safety of our products. In the area of product emissions, these are mainly tests for formaldehyde according to various national and supra-regional standards (E1, E1E05, CARB/TSCA, F****) as well as screening emission tests, so-called VOC measurements.

VOC measurements are currently not legally binding, but due to their high relevance for indoor air quality they are often part of certification systems and voluntary label requirements.

We disclose the ingredients and results of VOC tests and have the products certified by an independent body, e.g. TÜV PROFICERT Interior, see

→ Our approach to product transparency and eco-labelling



Goal

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

Produced rawboards according to emission class

Financial year	2020/21	2021/22	2022/23 ⁽³⁾
Volume of all produced rawboards in million m ³ ⁽¹⁾	9.0	9.6	9.1
of which boards of formaldehyde emission class E1	44%	40%	38%
of which formaldehyde-reduced or formaldehyde-free glued boards ⁽²⁾	56%	60%	62%

⁽¹⁾ chipboard, MDF, OSB, DHF, thin chipboard and thin MDF boards
⁽²⁾ Sum of E1E05, CARB/TSCA and F****
⁽³⁾ The values include the Caorso (IT) site from January to April 2023.

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Indoor air quality and product transparency



Status

The proportion of formaldehyde-reduced and formaldehyde-free glued boards is continuously increasing. Due to the tightening of the German Chemicals Prohibition Ordinance, we have, for example, changed the entire board production in the EGGER Decorative Products Central Division to comply with the E05 emission standard, which is only relevant in Germany. This affects not only raw board sales, but also products which are laminated at EGGER. Caorso (IT) is exempt from this regulation.

Influenced by the topic of healthy living, interest in VOC emissions from products is increasing. We can already make reliable statements on this for our decorative wood-based products, and the use of the findings from VOC tests will be further expanded in the coming years.

The “Product Compliance Project”, which aims to ensure material and product compliance from raw material to product statement, is still being implemented.

Past measures

- Expansion of certified products according to TÜV PROFICERT Interior

Future measures

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

62% of produced rawboards fulfil more strict values than the formaldehyde class E1 stipulated in Europe



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Durability and recyclability of the products

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

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

Opportunities and risks

A product is durable if it retains its function in the intended area of application for as long as possible. One opportunity for this lies in our comprehensive documentation and consulting services, which make it possible to optimise the technical properties of a product for its useful life.

However, long-lasting products could be financially disadvantageous for the company, as consumers are less likely to buy new products.

Products in the construction, furniture, interior design and flooring sector are sometimes not replaced because of a loss of function, but rather due to changed aesthetic demands. One risk is thus the waste of resources due to an unnecessarily short useful life, imposed by trends.

End users themselves have the greatest leverage for extending the service life – by deciding on a timeless design when selecting a product, by placing trend demands behind functional demands, or by gently mod-

ernising existing products with new details.

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

The sub-topics in this chapter:

- Durable products
- Recyclability

Further topics can be found in the chapters:

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



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Durable products



Attitude

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



Approach

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

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

In the case of decorative products, durability is defined by international and national, as well as industry

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

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



Goal

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



Status

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

→ Our quality management

Our quality standards are well implemented in practice through compliance with technical standards and a quality management system according to ISO 9001. The products correspond to the stated product characteristics and these are prepared transparently and in a way that is suitable for the target group. We take digitisation as an incentive to constantly question our service offerings and expand them in line with the times.



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Recyclability



Attitude

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

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



Approach

Solid wood products such as timber and all chip-board-based products are already recyclable and can be recycled under economic conditions. Architects, furniture designers, fabricators and flooring installers can support recyclability by using detachable joints or floors installed floatingly.

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

The recycling of MDF fibreboards is currently not yet state of the art.



Goal

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

71% of our products can be materially recycled after use



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Recyclability



Recyclability of the EGGER product portfolio

Financial year	2020/21	2021/22	2022/23 ⁽³⁾
EGGER standard products ⁽¹⁾	100%	100%	100%
of which recyclable ⁽²⁾	67%	69%	71%
of which not recyclable ⁽²⁾	33%	31%	29%

⁽¹⁾ Products for furniture and interior design, building products, flooring; including externally sold preliminary and intermediate products such as glue and paper; excluding merchandise, samples, advertising material and other revenues
⁽²⁾ Share according to sales
⁽³⁾ The values include the Caorso (IT) site from January to April 2023.



Status

More than two-thirds of our products are already readily recyclable in practice. These include: chipboard, Eurodekor chipboard, thin chipboard, Eurolight, OSB Combiline, furniture components, OSB, worktops and timber (also recommended according to ÖWAV sorting guidelines). MDF, HDF, PerfectSense MDF, thin MDF lacquer, profile mouldings, flooring, impregnate, laminates, edging, decorative paper and film, binding agents and resins are tolerated in small quantities in the waste wood stream, but recommended for thermal recycling.

Our edging is 100% recyclable. However, when installed, it is firmly bonded to a core board and, according to the current state of technology, it is removed from the recycling process for chipboard and not recy-

clad. For this reason, the edging we produce is counted as a non-recyclable product in the course of calculating the key figures.

We aim to use post-consumer MDF in the production of new MDF boards in the future. Initial laboratory-scale trials have already been successfully completed. We are now working in cooperation with an equipment manufacturer on the conceptual design of our own pilot facility for the digestion of used fibreboard.

Past measures

- Trials on MDF recycling at external test facilities with special consideration of resource consumption
- Experiments to analyse the technical properties of MDF boards with recycled content

Future measures

- Continuation of trials to analyse the technical properties of MDF boards with recycled content at a further location
- Continuation of trials on MDF recycling at external test facilities
- Design of own pilot facility for the recycling of post-consumer MDF boards

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Responsible production

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

How we ensure environmentally friendly, efficient production

The approach at a glance:

- Our environmental and energy management

The material topics:

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

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

- ➔ Product responsibility
- ➔ Occupational health and safety



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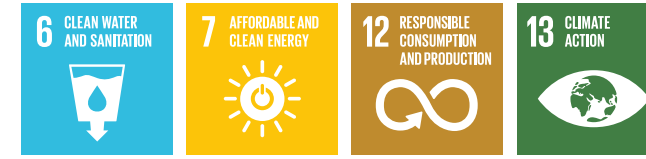
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Our environmental and energy management



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

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

We initially established our **energy management** in Western and Central Europe. Alongside environmental management, it forms a second pillar for reducing the use of resources, expanding renewable energies and, in particular, reducing the use of energy and thus reducing greenhouse gases. In addition to the Group's energy and environmental goals, in order to best respond to the specific requirements of a plant, each of the EGGER plants draws up its own **individual energy and/or environmental programme** with plant-specific goals. The energy and environmental programmes are the results of the intra-plant Plan-Do-Check-Act processes and the analysis of environmental aspects, significant energy consumers, KPIs and also the internal suggestion scheme.

The context and stakeholder analysis within the integrated management system also takes into account environmental conditions, e.g. extreme weather events such as flooding or heavy rainfall, air quality, water quality, local impacts of climate change or resource availability. We make use of the respective established international management standards (see chapter "Certified locations"). EGGER locations with an environmental management system are certified according to the ISO 14001 standard.

Energy management at the majority of the plants is covered by the ISO 50001 standard and the regular energy audits. In the future, an operational energy management system will be established at all EGGER sites as a minimum standard.

Legal compliance

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

Continuous improvement

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

➔ EGGER Management System



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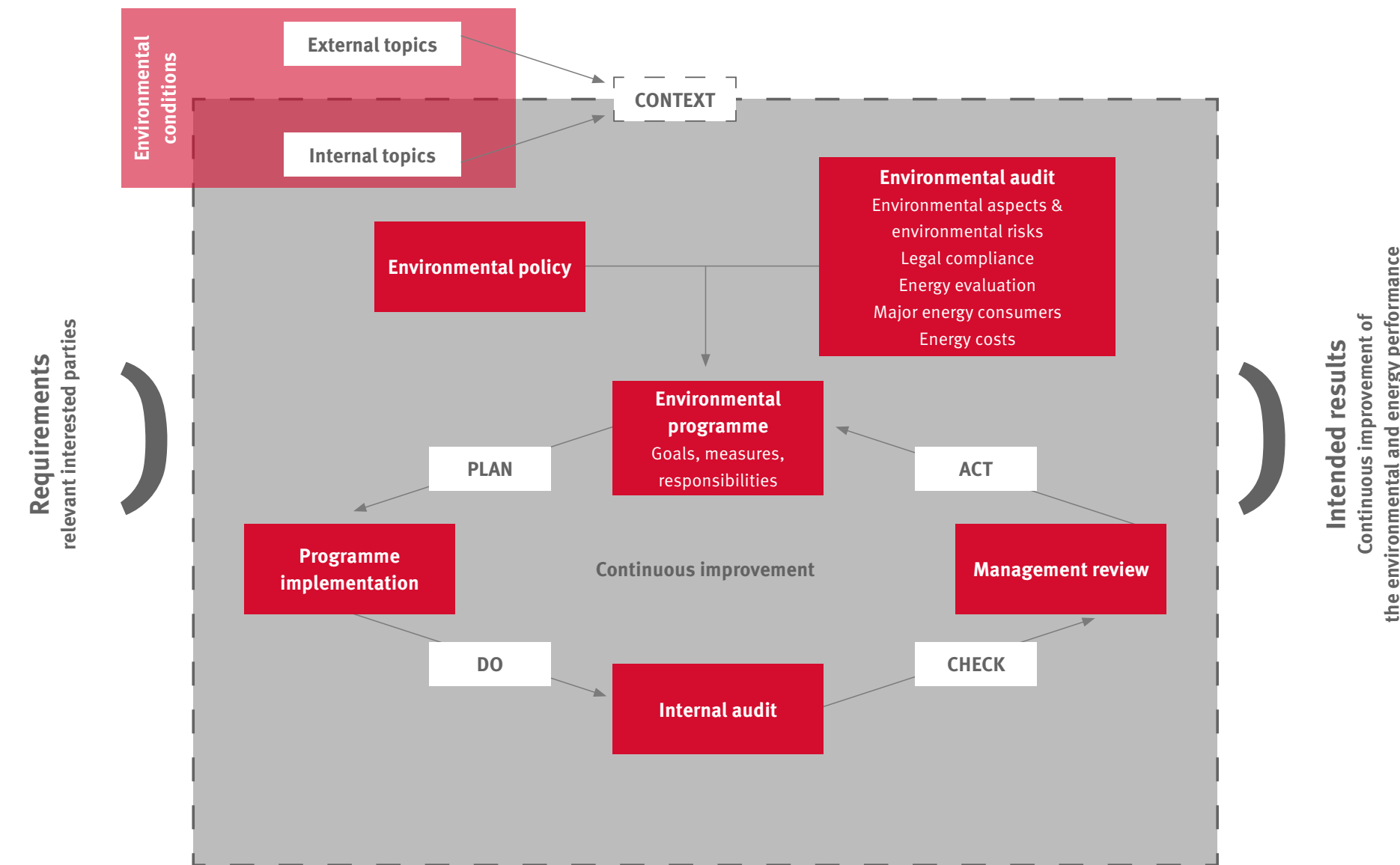
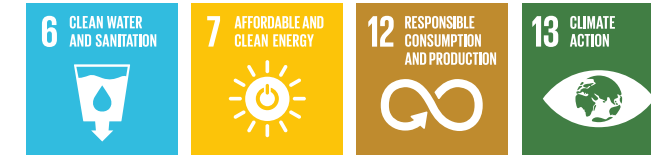
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Our environmental and energy management



Increasing energy efficiency and reducing energy costs

The goal of an energy management system according to ISO 50001 is to improve energy-related performance and the associated reduction of greenhouse gases and environmental impact. In addition, energy costs are to be reduced. The basis for all goals is a comprehensive energy assessment that analyses and evaluates current energy consumption. The resulting savings potentials are examined and implemented if the conditions are met.

The audit system and our status at certification

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

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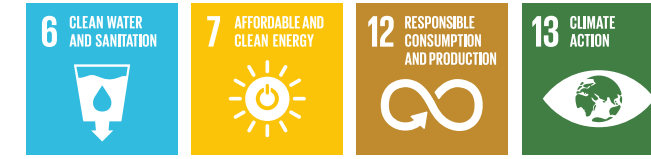
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Our environmental and energy management



Share of sites with environmental and energy management system

Financial year	2020/21	2021/22	2022/23 ⁽⁵⁾
EGGER production plants	20	20	21
of which covered by integrated management system ⁽¹⁾	20	20	20
of which covered by an externally certified environmental management system ⁽²⁾	15	16	19
of which sites with regular energy audits ⁽³⁾	14	14	17
of which covered by an externally certified energy management system ⁽⁴⁾	10	10	11

(1) The integrated management system of the EGGER Group (EGGER Management System) also includes environmental management.
 (2) According to ISO 14001
 (3) According to ISO 50001, EN 16247 or the Romanian transposition of the European Energy Efficiency Directive
 (4) According to ISO 50001
 (5) The values include the Caorso (IT) plant from January to April 2023.

At our sites already certified according to ISO 14001, we will push ahead with the full integration of the management systems in the next few years. In addition, a certified environmental management system was introduced at the Gebze (TR) and Lexington, NC (US) plants in the past financial year. Our new plant in Caorso (IT) is already certified according to ISO 14001.

In the area of energy management systems, the Gebze (TR) plant was successfully introduced to the ISO 50001 management system in February 2023.

We continue to work on expanding our externally certified plants.



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Material efficiency and waste prevention



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

Opportunities and risks

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

scarcity, but also potentially to the loss of natural or populated areas. Waste can also cause direct environmental risks if it is improperly stored or disposed of. Hazardous waste is produced at EGGER, for example, in the form of used oil from machinery or when cleaning oil separators.

Opportunities for a resource-efficient production method arise from the material cycles at EGGER, which allow cascading and thus optimal use, especially of wood residues. The Group's integrated sites achieve this without additional transport routes. With a growing degree of refinement, the potential waste of primary raw materials increases. Efficient use of resources along the entire value chain is achieved by preventing damage to produced goods, thereby reducing waste. The increasing degree of automation in material handling,

both at new locations and through investment in existing sites, is making a particular contribution to this.

How we ensure efficient use of resources

The sub-topics in this chapter:

- Resource efficiency
- Packaging material
- Waste prevention

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

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



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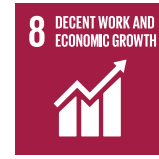
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Resource efficiency



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

For the use of secondary raw materials see

→ Recycling mix in the wood used

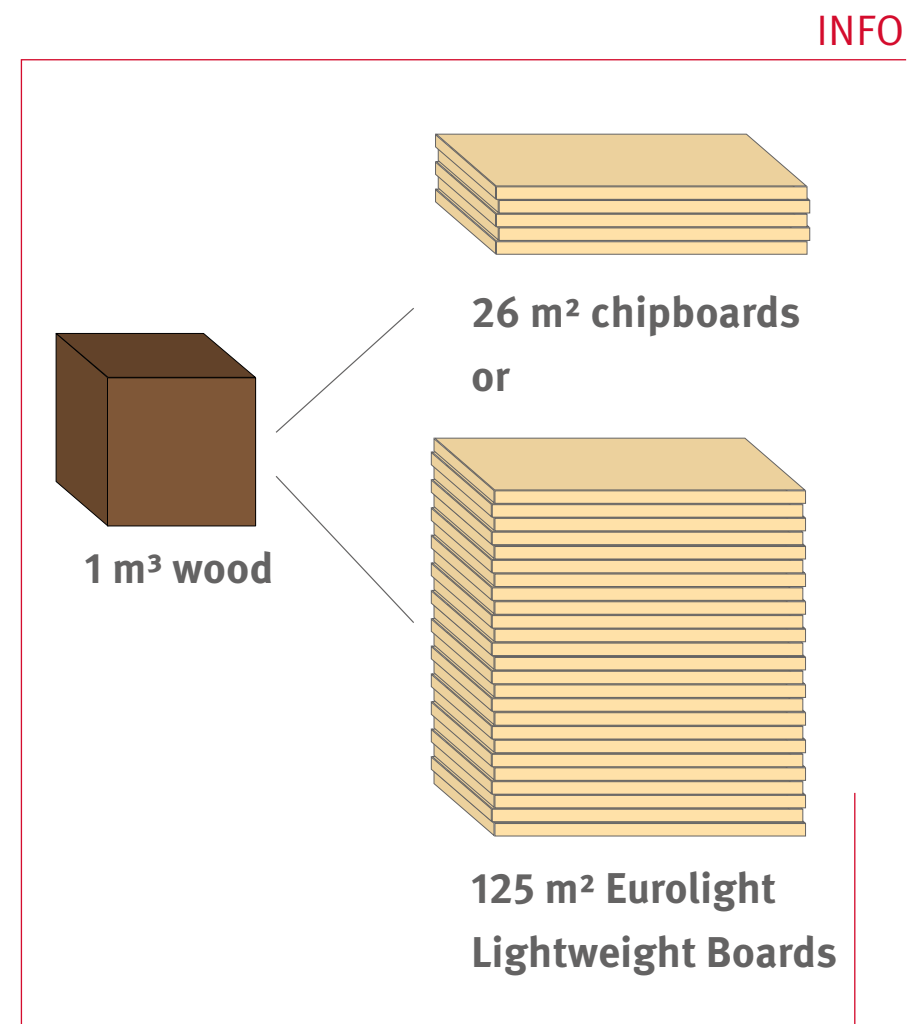
We use the wood dust generated in production as a source of energy for the site's own power plants, see

→ Renewable energy infrastructure

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

→ Environmentally friendly logistics

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



Optimising the use of raw materials:

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

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Packaging material



Attitude

For us, responsible use of resources also includes the conscious use of packaging materials. Packaging must protect our high-quality products from damage during transport and ensure safe transport. We mainly use cardboard, wood and recycled PET straps for the packaging. Very sensitive products are sealed additionally in a thin PE shrink film.

We have set SDG 12 as a strategic priority. We are thus committed to evaluating the amount of waste generated by our packaging in order to be able to take appropriate measures.



Approach

Basic packaging standards are defined for the individual product groups and documented within the framework of our quality management. Minor deviations from this standard are possible in order to take specific customer needs into account.



Goal

We want to ensure the full recyclability of our packaging in the future. We want to further increase the recycled content of the plastics we still use. Where possible, we want to use bio-based plastics in order to increase the proportion of renewable raw materials in our packaging material.

Use of packaging material	2020 ⁽²⁾	2021 ⁽²⁾	2022
Calendar year			
Total purchased packaging material in t ⁽¹⁾	–	–	60,147
of which use of recycled material in %	–	–	32%
of which recyclable material in %	–	–	100%
of which share of renewable raw materials in %	–	–	54%
of which reusable in %	–	–	10%

(1) Purchased packaging material includes pallets, hoops, edging protectors, cardboard boxes and films. This does not include cover boards from in-house production.
 (2) No data available for 2020 and 2021.

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Packaging material



Status

Our packaging is predominantly transport packaging and not end customer packaging. The flooring products are an exception here. The amount of packaging is already limited to what is absolutely necessary. In the past financial year, sustainability indicators for packaging materials of the EGGER Group were collected for the first time. All purchased packaging materials are recyclable. The use of recycled material is 32%. This is currently realised through the high recycled content of the PET straps and cardboard packaging used. The share of renewable raw materials is 54% - this is the share from wood and cardboard. A total of 10% of the packaging material is recyclable, these are the widely used Euro pallets.

Future measures

- Testing of market-available bio-based plastics for usability
- Replacement of steel strapping with strapping made from recycled PET

100% of our purchased packaging material is recyclable



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Waste prevention



Attitude

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

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



Approach

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

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



Goal

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

Specific waste

Calendar year	2018 ⁽⁵⁾	2020 ⁽⁴⁾	2021 ⁽⁴⁾	2022
Waste total in kg/m ³ ⁽¹⁾	26.82	19.38	17.83	20.45
Share of hazardous waste ⁽²⁾	3%	4%	7%	8%
Share of non-hazardous waste ⁽²⁾	97%	96%	93%	92%
Residual waste in kg/m ³ ⁽³⁾	0.44	0.41	0.34	0.35

(1) Total volume of waste (kg of externally disposed waste) in relation to the production volume of primary products (rawboards, impregnates and timber produced at 17 Group plants).
 (2) Percentage distribution of waste streams to hazardous and non-hazardous, depending on the legal situation in the country of origin
 (3) Sites at which a clear allocation of municipal waste is not possible due to the infrastructure of the disposal companies are not taken into account.
 (4) There is a deviation from the value reported in the previous year. For 2021 and 2020, a change in the volume flows was retroactively corrected for two plants.
 (5) The value of the base year 2018 remains in the table.



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Waste prevention

Waste after disposal (specific)

Calendar year ⁽¹⁾	2020 ⁽²⁾		2021 ⁽²⁾		2022	
	hazardous	non-hazardous	hazardous	non-hazardous	hazardous	non-hazardous
Processing for reuse	0.0	0.0	0.1	0.0	0.0	0.0
Recycling	0.0	8.3	0.1	7.4	0.1	8.0
Other recovery operations	0.0	3.0	0.0	2.2	0.0	2.7
Incineration (with energy recovery)	0.1	1.7	0.1	0.8	0.1	0.4
Incineration (without energy recovery)	0.1	0.1	0.1	0.1	0.1	0.5
Landfilling	0.5	5.0	0.7	4.2	0.3	5.4
Other disposal methods	0.0	0.4	0.0	0.4	0.9	1.0
Not assignable	0.0	0.1	0.1	1.5	0.0	0.9
Total	0.8	18.6	1.2	16.6	1.6	18.9

(1) Total volume of waste (externally disposed waste) in relation to the production volume (kg/m³) of primary products (rawboards, impregnates and timber produced at 17 Group plants)
 (2) There is a deviation from the value reported in the previous year. For 2021 and 2020, a change in the volume flows was retroactively corrected for two plants.

Waste after disposal (absolute)

Calendar year ⁽¹⁾	2020 ⁽²⁾		2021 ⁽²⁾		2022	
	hazardous	non-hazardous	hazardous	non-hazardous	hazardous	non-hazardous
Processing for reuse	459.3	0.1	853.5	437.3	416.4	38.4
Recycling	367.3	76,403.2	1,517.2	78,301.0	1,464.2	78,815.5
Other recovery operations	171.1	27,446.7	180.8	23,854.9	354.0	26,414.0
Incineration (with energy recovery)	777.8	15,488.8	1,096.5	8,309.7	955.9	3,816.8
Incineration (without energy recovery)	560.5	785.6	618.1	841.4	556.4	4,495.2
Landfilling	5,032.1	46,224.6	7,881.6	44,487.0	2,884.3	53,197.2
Other disposal methods	15.1	3,973.8	154.3	4,286.8	8,770.3	10,026.7
Not assignable	29.5	658.7	844.4	15,576.6	145.5	8,704.7
Total	7,412.7	170,981.7	13,146.4	176,094.5	15,546.9	185,508.5

(1) Total waste generation (externally disposed waste) of the primary production sites (incl. the resin plants) in tonnes [t] by disposal method.
 (2) There is a deviation from the value reported in the previous year. For 2021 and 2020, a change in the volume flows was retroactively corrected for two plants.



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Waste prevention



Status

The amount of total waste has increased compared to 2021 (+14.7%). The reason for this is mainly construction activities at various locations (new buildings and conversions). This mainly concerns the non-hazardous waste. Hazardous waste has also increased slightly, which is due to a reclassification of individual waste streams from non-hazardous to hazardous waste. The reclassification, especially of ash from our biomass power plants, has also resulted in an increase in the quantities sent to landfill. In total, in the calendar year 2022, the primary production plants transferred 15,547 t of hazardous waste and 185,509 t of non-hazardous waste to external disposal companies.

The development of residual waste has been positive in recent years. This is due to awareness-raising measures to increase the separation quota at the plants. The amount of municipal waste is relatively constant compared to the previous year. In relation to our strategic goal of reducing specific residual waste volumes by 10% by 2025, we have already achieved a reduction of -19.9% in 2022 compared to the base year 2018. The goal of the plants is identical to the strategic goal of the Group. As not all have reached this goal yet, it remains in place for the time being.

The quantities of the individual disposal methods have changed slightly, but as in the previous year, more

than half of our waste is reprocessed for recycling or recycled directly (approximately 53%).

Past measures

- Raising awareness of waste separation at the plants (ongoing)

Future measures

- Optimisation of wood purchasing criteria to improve quality and reduce waste at Concordia (AR) plant
- Introduction of separate waste collection at the Shuya (RU) plant to increase the recycling quota
- Conversion of cleaning cloths to a more durable model to reduce textile waste at the Rădăuți (RO) plant following the successful example at the Biskupiec (PL) plant was postponed to 2023
- Commissioning of a sludge press at the Rion des Landes (FR) plant: planned implementation 2023
- Installation of two sink-float basins for better waste separation of recycled wood at the Unterradlberg (AT) plant was postponed to 2023



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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. Climate responsibility lies at several levels: Direct CO₂ emissions must be reduced through lower heat and electricity consumption, and the remaining demand must be covered by the largest possible share from renewable energy sources.

Climate-relevant emissions at EGGER are mainly caused by combustion processes for the generation of heat. Relevant combustion plants are both the large biomass boilers, as well as smaller burners that are operated with wood dust or natural gas. Wood from sustainably managed forests that can no longer be used for material purposes is a biogenic fuel that is in principle climate neutral. The use of wood is an opportunity to contribute to climate protection.

Fossil CO₂ emissions may also occur during transport and processing steps. Our logistics is very transport-centric. EGGER ships 8 million tons of raw materials and finished products every year, which corresponds to approximately 400,000 full lorry loads for a 20-tonne lorry. 88% of our transports are carried out by lorry. The potential for CO₂ and cost savings is relevant for every transport.

Opportunities and risks

Raw materials of fossil origin such as glue and fossil fuels such as natural gas are finite resources. They are associated with the potential risk of accelerating global warming through the emission of fossil CO₂. As a company that is currently still partly dependent on these fossil resources, EGGER faces the risk of being forced by regulations to switch to renewable resources and to reduce emissions. If the latter does not happen, fines may be the consequence. Furthermore, EGGER, as a major energy consumer, is also exposed to the potential risk of worsening resource scarcity due to inefficient energy use.

Opportunities for the sensible use of energy arise from the fact that EGGER operates plants for the generation of renewable energy from biomass or wood dust at every location with the exception of Gebze (TR) and Gifhorn (DE). Within the framework of energy management, measures to improve energy efficiency are taken on an ongoing basis. The use of combined heat and power generation and the operation of district heating networks promote the maximum utilisation of energy sources and contribute to the conservation of resources and climate protection.

In transport logistics, the choice of climate-friendly means of transport sometimes presents us with conflicts of interest between logistical, cost and ecological optimisation. Common to all goals is to achieve the highest possible utilisation of the means of transport.

A potential risk in transport logistics is the congestion of the rail network in Germany. Transports that are usually carried out by rail have to be handled by lorries.

Within internal logistics, in addition to alternative drives for forklifts, it is above all an optimised flow of items in the plant that helps to reduce CO₂ emissions.

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

The sub-topics in this chapter:

- Use of renewable energy
- Energy efficiency
- Greenhouse gas emissions
- Environmentally friendly logistics

A further chapter on the topic CO₂ can be found at:

➔ **Carbon storage: From forest to wood product**



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Use of renewable energy



Attitude

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

We place a focus on SDG 7 and strategic priority on SDG 13. We are thus committed to significantly increasing the share of renewable energies in the global energy mix (SDG 7.2) and to integrating climate protection measures into planning (SDG 13.2).



Approach

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

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

as fuels here. Biomass power plants generate electrical energy and heat through the combustion of biomass. Biomass heating plants generate heat that is needed to heat thermal oil for presses and to generate hot gas for dryers. This in turn saves us the fossil fuel natural gas.

Stakeholder analyses have identified photovoltaic plants as a possible and important potential for EGGER. Power generation by means of photovoltaic systems is therefore another important source of renewable energy generation for us.



Goal

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



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Use of renewable energy



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 (combined heat and power)	Production of district heating for external customers
St. Johann in Tirol (AT)	✓	✓	-	✓
Wörgl (AT)	✓	-	-	-
Unterradlberg (AT)	✓	-	✓	✓
Brilon (DE)	✓	-	✓	-
Bevern (DE)	-	✓	-	-
Gifhorn (DE)	-	-	-	-
Bünde (DE)	-	✓	-	-
Marienmünster (DE)	-	✓	-	-
Wismar (DE)	✓	-	✓	-
Hexham (UK)	✓	✓	-	-
Barony (UK)	✓	-	-	-
Rambervillers (FR)	✓	-	✓	-
Rion des Landes (FR)	✓	✓	-	-
Shuya (RU)	✓	-	-	-
Gagarin (RU)	✓	✓	-	-
Rădăuți (RO)	✓	-	✓	-
Gebze (TR)	-	-	-	-
Concordia (AR)	✓	✓	-	-
Biskupiec (PL)	✓	✓	-	-
Lexington, NC (US)	✓	-	-	-
Caorso (IT)	✓	-	-	-



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Use of renewable energy



Total energy consumption

Calendar year	2020 ⁽²⁾	2021 ⁽²⁾	2022
Total energy consumption in GWh ⁽¹⁾⁽¹⁾	8,517	9,345	9,032

(1) Total of all energy sources (fuels) and inputs (electricity), less energy sold, of all EGGER plants (incl. wood-based material production and finishing, glue production, Timberpak)
 (2) There are deviations from the reported values in the previous year. For the past years 2020-2021, the balance limit and the consumptions were corrected.

Fuel consumption

Calendar year	2020 ⁽⁴⁾	2021 ⁽⁴⁾	2022
Total fuel consumption in GWh ⁽¹⁾	7,351	8,082	7,800
of which from fossil sources total in GWh ⁽²⁾	1,469	1,859	1,636
of which again natural gas in GWh	1,346	1,728	1,499
of which again heating oil and diesel in GWh	88	96	108
of which again liquefied petroleum gas in GWh	34	35	29
of which from renewable sources total in GWh (proportion) ⁽³⁾⁽⁴⁾	5,882 (80%)	6,223 (77%)	6,164 (79%)

(1) Data include all EGGER plants (incl. wood-based materials production and finishing, glue production).
 (2) The conversion factors to the energy content correspond to the GHG protocol.
 (3) The value includes all wood-based fuels (waste wood and residual wood) excluding geothermal and ambient heat for individual administrative buildings. In addition to externally supplied waste wood, fuel from internal sources is also utilised, e.g. wood dust from saw aggregates and bark. Note: Waste and residual wood can contain small non-biogenic components, which come from glues and edges, for example. In this calculation, old and residual wood is completely allocated to renewable sources without further distinction
 (4) There are deviations from the reported values in the previous year. For the past years 2020-2021, the balance limit and the consumptions were corrected.

Purchased and sold energy

Calendar year	2020	2021	2022
Purchased energy total in GWh ⁽¹⁾	1,564	1,679	1,650
of which electricity in GWh ⁽²⁾	1,564	1,679	1,650
Sold energy total in GWh ⁽¹⁾	397	416	418
of which electricity in GWh	266	266	270
of which heat in GWh	131	150	148

(1) Data include all EGGER plants (incl. wood-based materials production and finishing, glue production).
 (2) Heat, cold and steam are generated in-house. Only electricity is purchased externally.

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Use of renewable energy



Status

With complex energy concepts and the consistent use of wood-based fuels, we increased the proportion of renewable fuels to 79%. Compared to the previous year, we were able to record an increase of 2 percentage points. This increase is mainly due to lower plant utilisation. Our energy and heat generation comes primarily from biomass, so that the need for fossil fuels (natural gas) could be significantly reduced with lower plant utilisation.

In addition, the EGGER Group's first photovoltaic system was commissioned at the Gifhorn plant in June 2023. Since the previous year, we have intensively reviewed our existing energy concepts and firing systems and continue to evaluate them on an ongoing basis in order to identify corresponding potential for intensifying the use of renewable energies. In this context, for example, an internal potential analysis for photovoltaic systems was also prepared. The results of the analyses

and studies are incorporated into the revision of our sustainability goals. The planning and approval process for increasing the proportion of renewable energy at the St. Johann (AT) plant is well advanced. However, technical implementation will only take place in 2 to 3 years.

Past measures

- Potential analysis for heat recovery of the glue and impregnating resin system at the Wismar (DE) site
- Installation of a photovoltaic system (330 kWp) at the Gifhorn (DE) plant.
- Optimisation of energy generation and increase in the use of renewable energies at the Unterradlberg (AT) plant: full commissioning in the 4th quarter of 2023 (delivery delays).

Future measures

- Concept development for energy and heat supply at the Caorso (IT) plant based on biomass fuel
- Construction of a photovoltaic plant at the Gebze (TR) plant with an output of approximately 1,000 kWp
- Feasibility studies for further photovoltaic plants at the Gifhorn (DE) and Gebze (TR) plants as well as for plants in Biskupiec (PL) and Brilon (DE)

79% of our fuels are renewable



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Energy efficiency



Attitude

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

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



Approach

The production of wood-based materials is an energy-intensive production process. For this reason, we have intensified the use of renewable energies in all plants and introduced an energy management system in accordance with ISO 50001 at 11 locations to date, which we are constantly developing further. At other plants, ISO 14001 certification covers the topic of energy.

Our energy management system contains strategic goals that follow both economic and the ecological interests. The focus of the management system is on improving the specific energy use in the manufacture of our products. We want to make the best possible use of our resources. We achieve this, for example, by increasing efficiency or reducing energy losses.

For details see

→ Our environmental and energy management



Goal

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

Energy intensity

Calendar year	2018 ^{(4) (5)}	2020 ⁽⁵⁾	2021 ⁽⁵⁾	2022
Energy consumption/production volume total in kWh/m ³ ⁽¹⁾⁽²⁾	933	921	881	919
of which from renewable sources ⁽¹⁾⁽²⁾⁽³⁾	70%	71%	68%	70%

(1) Energy consumption of EGGGER locations (incl. wood-based materials production and finishing as well as glue production)

(2) Production volume = total of m³ of produced rawboard + m³ of produced timber + m³ impregnate

(3) The value includes all wood-based fuels (waste wood and residual wood) excluding geothermal and ambient heat for individual administrative buildings. In addition to externally supplied waste wood, fuel from internal sources is also utilised, e.g. wood dust from saw aggregates and bark. Note: Waste and residual wood can contain small non-biogenic components, which come from glues and edges, for example. In this calculation, old and residual wood is completely allocated to renewable sources without further distinction

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

(5) There are deviations from the reported values in the previous year. For the past years 2018-2021, the balance limit and the consumptions were corrected.

70% of energy used ⁽¹⁾ comes from renewable sources

⁽¹⁾ electricity and heat, whereby electricity includes electricity consumed by the company itself from its own biomass power plants and purchased green electricity

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Energy efficiency



Status

Specific energy consumption increased by +4.3% compared to the previous year, as the increased energy efficiency from 2021 was partially dampened by lower plant utilisation. Since 2018, the base year for our strategic sustainability goal, energy consumption has been reduced (-1.5%). We are thus below the corridor of our goal planning, but are confident of reaching the planned corridor again.

Positive effects result from replacement and new investments in modern technology. The investments in recycling technology at the Lexington, NC (US) and Bevern (DE) plants are not yet visible in the key energy efficiency figures due to the timing, but they create the basis for further improving efficiency.

In addition to the consistent modernisation of our production facilities and the cross-sectional technologies for energy conversion, the focus in the future will also be on the continuous improvement and further development of our energy-intensive processes. Here, for example, a project for heat recovery of significant amounts of energy is planned at the Wismar (DE) plant.

Past measures

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

Future measures

- Implementation of heat recovery in the glue and impregnating resin facility in Wismar (DE), project duration approximately 2 years
- Optimisation of the energy and heat demand at another impregnation facility at the Rion des Landes (FR) plant
- Conceptual design of a cooling system based on waste heat at the Gifhorn (DE) plant
- Increasing the proportion of recycling wood at the Brilon (DE) plant in order to further reduce the heat requirement for wood drying
- Replacement of a conventional compressor with a highly efficient compressor at the Brilon (DE) plant
- Further external certifications according to ISO 50001



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Greenhouse gas emissions



Attitude

We are proactively working on the implementation of the European Green Deal, which aims to create a transition to a modern, resource-efficient and competitive economy. Among other things, this envisages a reduction of greenhouse gas emissions to net zero by 2050. Net zero means an actual reduction of emissions until an unavoidable proportion remains, which has to be neutralised by e.g. technologies capturing GHG from the atmosphere.

We are decidedly against the acquisition of "climate protection certificates" outside our value chain. Since last financial year, we have therefore been developing a Group-wide climate strategy to reduce greenhouse gas emissions within all three of our Scopes (direct, indirect through energy purchases, upstream and downstream). Until the final adoption of ambitious climate goals, we are sticking to our specific goal for Scope 1 emissions.

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



Approach

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

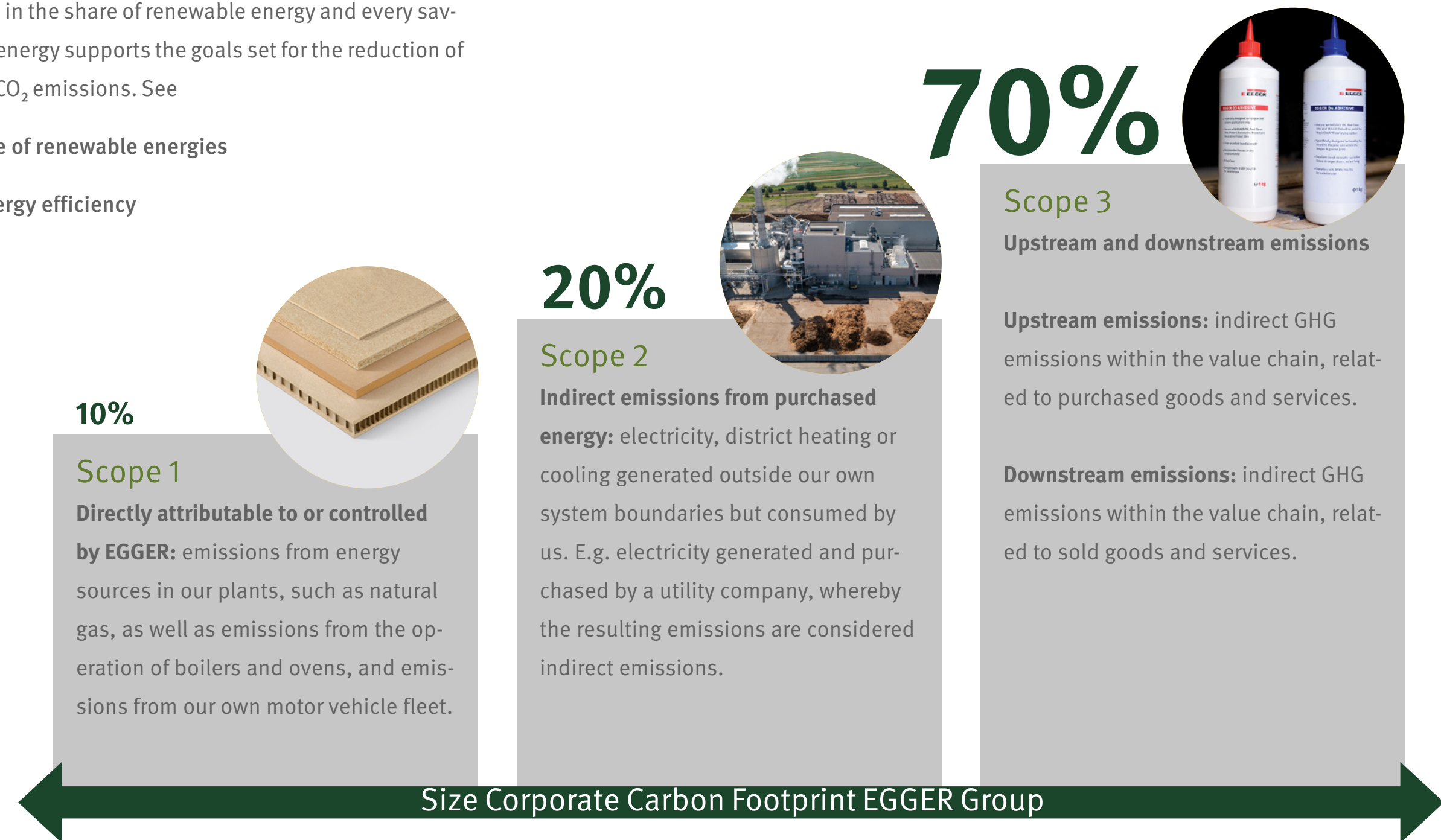
→ Use of renewable energies

→ Energy efficiency



Goal

Our strategic goal is to reduce specific fossil greenhouse gas emissions (CO₂-equivalent Scope 1 per m³ rawboard) by 15% by 2030 compared to 2018. We are currently in the process of developing a Group-wide climate strategy, from which new goals will be derived. Action plans will then be developed for these goals.



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Greenhouse gas emissions

CO₂ emissions per m³ of rawboard

Calendar year	2018 ^{(6) (7)}	2020 ⁽⁷⁾	2021 ⁽⁷⁾	2022
Scope 1: Specific fossil share in tCO ₂ /m ³ ⁽¹⁾⁽²⁾⁽³⁾	0.034	0.034	0.036	0.036
Scope 1: Specific biogenic share in tCO ₂ /m ³ ⁽¹⁾⁽²⁾⁽⁴⁾	0.222	0.219	0.210	0.215
Scope 3: Specific fossil share in tCO ₂ /m ³ ^{(3) (5)}	–	0.244	–	–
Scope 3: Specific biogenic share in tCO ₂ /m ³ ⁽⁵⁾	–	0.001	–	–

(1) tCO₂ = direct CO₂ emissions generated at the plant (Scope 1)
 (2) m³ = sum of primary products produced (chipboard, MDF, OSB, timber, impregnates)
 (3) Fossil = from combustion of natural gas, liquid gas, diesel
 (4) Biogenic = from combustion of wood
 (5) The company's Scope 3 footprint includes the potential environmental impact resulting from the following activities: Indirect GHG emissions in the upstream supply chain of purchased energy, indirect GHG emissions from the production of purchased intermediate products, their transportation, auxiliary materials and packaging materials, screening of indirect GHG emissions from capital goods, screening of potential emissions from waste treatment, screening of emissions from the transportation of products abroad, business travel and employee commuting.
 (6) The value of the base year 2018 remains in the table.
 (7) There are deviations from the reported values in the previous year. For the past years 2018-2021, the balance limit and the consumptions were corrected.

CO₂ emissions

Calendar year	2018 ^{(6) (7)}	2020 ⁽⁷⁾	2021 ⁽⁷⁾	2022 ⁽⁷⁾
Scope 1: Fossil CO ₂ emission in tCO ₂ ⁽¹⁾⁽²⁾	303,442	310,052	385,420	350,903
Scope 1: Biogenic CO ₂ emission in tCO ₂ ⁽²⁾⁽⁴⁾	1,964,575	2,021,635	2,225,057	2,111,782
Scope 2: Indirect CO ₂ emission from external electricity generation in tCO ₂ ⁽³⁾	573,621	554,894	593,075	578,877
market-based	583,649	557,049	573,754	560,793
location-based	572,010	576,516	636,148	672,588
Scope 3: Fossil CO ₂ emissions in tCO ₂ eq. ⁽⁵⁾	–	2,241,353	–	–
Scope 3: Biogenic CO ₂ emission in tCO ₂ eq. ⁽⁴⁾⁽⁵⁾	–	10,177	–	–

(1) CO₂ emissions of the combustion plants of all EGGGER plants incl. wood-based material production and refinement, glue production; fossil = from the combustion of natural gas, diesel, liquefied gas
 (2) Emission factors according to the GHG Protocol (diesel, liquid gas and, for locations outside the EU ETS, also natural gas, heating oil and biomass) and own empirically determined data according to the specifications of the European emissions trading system (renewable fuels, natural gas and heating oil for locations within the EU ETS)
 (3) The emissions in Scope 2 were calculated using the market-based and plant-based method. Values from the plant-based method were used only for plants without market-based data. The information on CO₂ emissions comes from the suppliers, the Climate Transparency Report 2021-2022 (Production fuel mix factor), AIB European Residual Mixes 2018-2022 and United States Environmental Protection Agency's (EPA) eGrid database 2022.
 (4) Biogenic = from combustion of wood
 (5) The company's Scope 3 footprint includes the potential environmental impact resulting from the following activities: Indirect GHG emissions in the upstream supply chain of purchased energy, indirect GHG emissions from the production of purchased intermediate products, their transportation, auxiliary materials and packaging materials, screening of indirect GHG emissions from capital goods, screening of potential emissions from waste treatment, screening of emissions from the transportation of products abroad, business travel and employee commuting.
 (6) The value of the base year 2018 remains in the table.
 (7) There are deviations from the reported values in the previous year. For the past years 2018-2021, the balance limit and the consumptions were corrected.



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Greenhouse gas emissions



Status

The specific fossil CO₂ emissions of our primary products in Scope 1 have not changed compared to the previous year. This means we are still below our goal corridor, but we plan to significantly reduce specific fossil CO₂ emissions in the coming years through appropriate investments. This includes, for example, optimising hot gas generation at the Wismar (DE) plant.

The investments and measures to increase renewable energies and energy efficiency will contribute to the reduction of GHG emissions. In addition, the electrification of our motor vehicle fleet gradually continues in order to make a significant contribution to CO₂ reduction.

Scope 2 emissions will continue to decrease thanks to new in-house photovoltaic power generation plants and purchased electricity from renewable sources. In addition to the direct use of green electricity, the political framework conditions are also a driver towards renewable energies.

In Scope 3, we will examine appropriate measures to reduce upstream and downstream emissions.

For the year 2020, we were able to make a statement on the Corporate Carbon Footprint for the first time and thus gain an overall picture of our emissions (see diagram on p. 93). The shares of our total fossil emissions are made up of:

10% in Scope 1, 20% in Scope 2 and 70% in Scope 3. The emissions are limited to fossil emissions, as biogenic emissions can be included as zero in the balance under certain conditions. To prove that these conditions are met, we will aim to balance biogenic carbon flows in the next financial year.

We have decided to have a new Scope 3 evaluation carried out for the year 2022, which will act as the base year for setting short-, medium- and long-term climate goals. At the time of publication, the evaluation is still in preparation. It will also be verified by a third party. A potential analysis for realistic GHG reduction goals in all three scopes is being prepared at the time of reporting.

Past measures

- Optimisation of energy generation and increase in the use of renewable energies at the Unterradlberg (AT) plant - full commissioning in Q4 2023 (delivery delays)



Future measures

- Preparation of the Scope 3 balance sheet for 2022
- Calculation of the Corporate Carbon Footprint for 2022
- Further electrification of the motor vehicle fleet (forklifts and cars)
- Optimisation of logistical processes and transport capacities at the log yard at the Wismar (DE) plant
- Optimisation of hot gas generation with wood dust to further reduce natural gas demand at the Wismar (DE) plant
- Preparation of a biogenic carbon balance



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Environmentally friendly logistics



Attitude

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



Approach

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

Plants with rail connection

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



Goal

The following guiding principles apply here: Where logistically and economically possible, rail and sea freight should be used, especially for inter-plant transport and long distances. If only lorry transport is possible, the best utilisation must be achieved. The rail connection for the construction of new plants must be examined. In internal logistics, we are constantly switching from gas and diesel forklifts to electric forklifts. Electric forklifts are generally used at new locations.

We currently have no quantitative goals for rail use, as availability is very market-dependent. We have set annual goals for lorry weight utilisation until 2025.

Type of transport

Financial year	2020/21	2021/22	2022/23 ⁽⁵⁾
Transports in million tonnes ⁽¹⁾⁽²⁾	8.1	8.7	8.0
of which by lorry	89.1%	87.5%	88.3%
of which by rail	2.4%	3.6%	3.9%
of which by container ⁽³⁾	7.6%	8.1%	7.1%
of which by plane	0.0%	0.0%	0.0%
of which by ship ⁽⁴⁾	0.9%	0.9%	0.7%

(1) Outgoing transports of all EGGGER production plants
 (2) The sum of the individual shares is more than 100%. This is due to the multiple recording of transport quantities within combined transports (such as lorry-rail or rail-lorry).
 (3) Container transport includes approximately 1-5% rail/lorry and approximately 95-99% ship. A separate evaluation is not possible.
 (4) Inland vessels and sea freight are considered together here.
 (5) The values include the Caorso (IT) plant from January to April 2023.

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Lorry capacity utilisation

Financial year	2020/21	2021/22	2022/23
Load factor by weight ⁽¹⁾	87.4%	89.0%	89.3%

⁽¹⁾ The value corresponds to the weighted average of all transports based on the ratio of the actual transport weight per lorry to the legal maximum weight per lorry in the respective country.

Electric vehicles in the EGGER motor vehicle fleet

Calendar year	2020	2021	2022
Number of forklifts in the EGGER Group ⁽¹⁾	650	687	690
of which electrically driven (share)	166 (25.5%)	194 (28.2%)	246 (35.6%)
Number of cars in the EGGER Group ⁽¹⁾	837	883	920
of which electrically driven (share)	63 (9.6%)	92 (10.4%)	110 (12.0%)

⁽¹⁾ The figure corresponds to the status on the last day of the calendar year in the company's own motor vehicle fleet.



Status

We continuously optimise internal logistics and test the latest technologies.

The number of forklifts increased compared to last year as data availability from the plants is steadily improving. In addition, rental or loaner machines were included, and loading capacities were expanded. The proportion of electric forklifts has increased. When purchasing new forklifts or replacing forklifts with combustion engines, only electric forklifts are to be purchased if possible.

We are striving to make more use of our rail connec-

tions and loading capacities, but this is not always compatible with the necessary flexibility and adherence to delivery times. In Lexington, NC (US), transport by rail is progressive. There, about 30% of the goods are transported by rail. One reason for this is the better transport conditions (possibility of transporting larger quantities, cheaper than by lorry).



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Past measures

Transport logistics:

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

Intralogistics:

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

Future measures

Transport logistics:

- Pilot projects for the use of hydrogen or electrically powered tractor units by haulage companies in Germany and Austria
- Yard Management rollout in Rambervillers (FR) and Rion des Landes (FR)
- Continuous review of necessary updates in software and hardware in all plants with Yard Management
- Writing to all haulage companies in Germany and requesting their climate goals and measures
- Examination of possible fields of application of already available alternative drives in our transport chains



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Plant emissions (pollutants, noise and odour)



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

Opportunities and risks

The local environment at the plant is exposed to the potential risk of pollution from emissions from production processes. Dust, noise and odour also carry the risk of disturbing neighbouring residential areas and ecosystems. Environmental pollution around the plant can lead to complaints from local residents, which in turn has a negative impact on the company's reputation. If emissions exceed limits, this can lead to problems with authorities and damage the company financially.

We are continuously working on technical process optimisation to prevent emissions through optimal operating conditions. Our structured environmental management, competent in-house technologists and close cooperation with technology suppliers, combined with modern environmental technology, contribute to envi-

ronmentally compatible management.

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

The sub-topics in this chapter:

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

Further topics can be found in the chapters:

- Greenhouse gas emissions
- Clean wastewater

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Emissions from combustion and drying processes



Attitude

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



Approach

EGGER operates all facilities according to the legal requirements and the state of the art. In accordance with national legislation, we monitor emissions from incineration and drying processes at our plants. There are specialised persons for this at all locations. In the annual assessment of environmental aspects, air emissions are evaluated, among other things, and if there is a need for action, measures are included in the environmental programme of the plants.

PRTR

The European Pollutant Release and Transfer Register (E-PRTR) informs the public about pollutant emissions from large plants, among other things. Nine EGGER production plants fall under this information obligation regarding NO_x emissions and prepare a balance sheet.

NO_x

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

VOCs

VOC (Volatile Organic Compounds) is the collective term for organic substances, i.e. substances containing carbon, which are gaseous at room temperature. For example, terpenes and aldehydes are released when wood is dried. VOC emission measurements are taken periodically at the plants subject to PRTR. We do not calculate a Group-wide KPI for emissions from drying processes.



Goal

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

NO_x emissions

Calendar year	2020	2021	2022
NO _x emissions in kg/m ³ ⁽¹⁾	0.32	0.32	0.32

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



Status

The NO_x emissions of the plants subject to PRTR are at a constant level, as in the previous year. They are below the respective local NO_x limits. This is regularly checked by the responsible authorities. In addition, we have a functioning legal compliance system at the ISO 14001-certified plants, which is checked by external auditors.

Past measures

- Analysis of the fire situation by means of the camera of boiler 1 at the Wismar (DE) plant for further optimisation of CO₂ emissions
- Conversion of the short-cycle press boiler at the Rion des Landes (FR) plant to a more efficient boiler to reduce NO_x emissions.

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Future measures

- Optimisation of the exhaust gas cleaning system at the Unterradlberg (AT) plant was postponed to 2023
- Project to improve press exhaust air purification at the Barony(UK) plant
- Conversion of the two thermal oil boilers at the Unterradlberg (AT) plant from natural gas to steam from the biomass power plant to reduce direct CO₂ emissions (ongoing): final implementation 2023
- Overarching regulation to optimise energy efficiency and improve emissions for biomass boilers at the Unterradlberg (AT) and Wismar (DE) plants.

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Noise and odour emissions

Approach

Noise measurements are carried out at the plants at regular intervals to ensure whether the compulsory limits are observed.

Both noise and odour are considered as separate environmental aspects for each process at ISO 14001 certified plants. In the case of critical assessments, we take measures to reduce the impact of these environmental aspects.

EGGER has a centrally managed database system for residents' complaints. Responsible employees register incoming complaints and define measures for handling them.

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

Goal

EGGER complies with the legal requirements regarding odour and noise emissions. A Group-wide goal has not been set. Odour and noise emissions vary greatly depending on the location and are monitored locally in the plants.

Status

Our central reporting system enables the plants to learn from each other in order to further reduce burdens on their surroundings. In the calendar year 2022, the central recording system received two reports from residents on the subject of noise and none on the subject of odour.

Past measures

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

Future measures

- No measures are currently planned.



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Water cycle and rainwater utilisation

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

Opportunities and risks

The climate crisis is leading to water shortages in certain regions. Since water supply is essential for an industrial company, drought or water scarcity pose risks for the company. These must be counteracted by appropriate measures such as recycling production water or water-saving measures.

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

Opportunities for resource efficiency arise at EGGER from the fact that all major MDF-producing plants in the Group ⁽¹⁾ have established water cycles and treat their wastewater on site.

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



How we ensure water efficiency and clean wastewater

The sub-topics in this chapter:

- Water consumption and rainwater utilisation
- Clean wastewater



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Water consumption and rainwater utilisation



Attitude

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



Approach

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

As part of our environmental management system, we make optimal use of existing resources, identify potential savings and continuously reduce water consumption.

In all ISO 14001-certified plants, the impact of our water use is assessed as a separate environmental aspect. The assessment takes place for the entire life cycle of our products including upstream and downstream processes and our own production processes. The environmental officers at the plants continuously track water consumption as a KPI. Transparent water balances at the plants show consumption and potential savings.

In order to better understand the environmental impact of our water use, we have identified plants located in areas affected by water stress. This was assessed using the WRI Aqueduct Water Risk Atlas. Based on this analysis, Gebze (TR) was the only plant affected by water stress ("high" index). A detailed water balance was prepared for the Gebze (TR) plant (see next page). A certified environmental management system was introduced at this plant in August 2022. Thus, water consumption is continuously monitored by KPIs and measures are implemented.



Goal

EGGER follows the guiding principle of reducing water consumption and efficiently using local savings potential.



Status

The process water is used several times at many plants. It is processed several times by internal treatment facilities and then reused in the process (recirculation). The total water withdrawal volume has fallen to the level of 2020 compared to the previous year. Among other things, this is due to the lower production volume in 2022 compared to 2021. At the Gebze (TR) plant, water monitoring was intensified through the introduction of an environmental management system in accordance with ISO 14001.



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Water consumption and rainwater utilisation

Water withdrawal

Calendar year	2020	2021	2022
Total water withdrawal in m ³ (1)	4,769,592	5,048,422	4,735,226
Proportion of surface water	13%	14%	14%
Proportion of groundwater	67%	64%	65%
Proportion of water from third parties	20%	22%	21%

(1) This is the total amount of water withdrawn from primary production plants in the Group.

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

Calendar year	2,020	2021	2022
Total water withdrawal in m ³ (1)	57,435	45,957	43,068

(1) The Gebze (TR) plant obtains 100% of its water from third parties.

Past measures

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

Future measures

- Project for a backwash clarification system at the sand filter facility at the Gebze (TR) plant to save water



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Clean wastewater



Attitude

EGGER is committed to improving water quality globally by reducing pollution and increasing recycling (SDG 6.3).



Approach

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

Wastewater is pre-treated at all five MDF-producing plants⁽¹⁾. We implement different processes to pre-treat wastewater before it leaves the plant premises. Surplus, pre-treated wastewater is delivered to the municipal wastewater treatment facilities. The pre-treatment significantly reduces the load on these plants. Four of the five plants⁽²⁾ have established a cycle and reuse the treated water at the plant.

In order to promote and protect the existence and replenishment of groundwater, we also follow the following principles at locations with dry production processes:

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

(1) Brilon, Wismar, Bevern (DE), Concordia (AR) and Gagarin (RU)

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

Past measures

- No measures were planned last year



Goal

The wastewater from our plants will further comply with legal requirements. EGGER aims to continuously check the waste water parameters.



Status

There are wastewater treatment systems in all plants where a high proportion of wastewater is produced due to the product manufactured there. These are primarily MDF-producing plants. At many plants, internal parameters are also checked in addition to the legally prescribed measurements of the waste water quality.

Future measures

- New type of wastewater discharge to improve emissions at the Rion des Landes (FR) plant

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Corporate Social Responsibility



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

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

How we take our social responsibility seriously

The material topics:

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

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

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

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Occupational health and safety

EGGER is aware of its responsibility as employer: The company's employees are its most valuable element – their well-being and health are respected accordingly. In this way, we contribute to the prevention of work-related illnesses (health protection), focus on the prevention of accidents at work (occupational health and safety) and contribute to the long-term and comprehensive maintenance of the health of our employees (health promotion).

Opportunities and risks

Handling equipment and heavy machinery - especially in the area of logistics, when working in the danger zone of equipment as well as during maintenance and cleaning work or in dangerous areas in the factory such as the log yard - poses a potential safety risk for employees. Serious accidents primarily affect the injured person and his or her environment. If the accident is due to workplace conditions, it can have financial and reputational consequences for the company.

Contact with hazardous substances, dust, noise and vibrations poses a health risk, especially in the case of chronic exposure. Shift work and stress can have a negative impact on health.

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

tion awareness measures.

How we ensure safe workplaces and healthy employees

The approach at a glance:

- Our management system for occupational health and safety

The sub-topics of this chapter:

- Healthy workplaces and health protection
- Work safety and accident rates
- Health promotion

Further topics on the protection of employees are in chapter:

- Employee satisfaction



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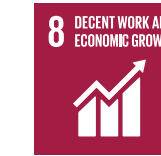
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Our management system for occupational health and safety



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

The entire team is committed to supporting us in our efforts to create safe working conditions to the best of our knowledge. All employees must know and follow the safety guidelines and regulations relevant to them. We are aware that occupational health and safety starts with each individual employee and that setting an example plays a central role.

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

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

The EGGER Safety Board, which is convened every six months, serves as a central body for top management responsibility. This committee is made up of representatives of the Group Management, the Division Directors Technical/Production and Logistics, the Management of the Competence Centre, of the Competence Centre Safety as well as representatives of HR and Quality Management. Within this framework, goals are defined, key figures are discussed, measures and, if necessary, corrective measures are determined. For more information see

➔ [Additional information in the GRI Index](#)

All production plants except the one in Caorso (IT), which is the 21st plant to become part of the EGGER Group since December 2022, have a management system for occupational health and safety. This plant will subsequently be included in the system in the course of the integration.

In the future, we will also have other plants certified according to ISO 45001: In FY 2023/24, this is planned for the Unterradlberg (AT) and EGGER Holzwerkstoffe Brilon (DE) plants.

Share of plants with management system

Financial year	2020/21	2021/22	2022/23
EGGER production plants	20	20	21 ⁽⁴⁾
of which covered by the EGGER management system for occupational health and safety (share) ⁽¹⁾	20 (100%)	20 (100%)	20 (96%) ⁽⁴⁾
of which covered by an externally certified management system ⁽²⁾ (share) ⁽¹⁾	4 (19%)	4 (19%)	4.5 (23%) ⁽³⁾

(1) The proportion of covered plants is measured according to the proportion of production volume of primary products.
 (2) Certified according to OHSAS 18001 or ISO 45001.
 (3) The increase of 0.5 results from the inclusion of the resin plant in Wismar, but not the location.
 (4) The values include the Caorso (IT) plant from January to April 2023.

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Healthy workplaces and health protection



Attitude

EGGER is actively committed to protecting its employees and their health. This also relates in particular to the protection of our team against illnesses arising from the work process. We want to continuously improve our performance in the area of health protection.

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

Approach

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

At all locations we offer

- occupational health care and counselling by occupational physicians and company doctors
- preventive medical examinations by the company's own occupational physicians as well as within the framework of priority actions with the support of external agencies

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

Goal

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

Status

Workplace evaluations are carried out across the board and throughout the Group. Measures are derived from the evaluations and implemented. The effectiveness of the measures is reviewed annually. We want to maintain this situation. We are also creating the conditions for all employees to be examined for occupational diseases in the future.

Past measures

- Increase in the number of ergonomic office workplaces as part of the new building in Rambervillers (FR).
- Resumption of workplace health promotion measures after the pandemic
- Expansion of physiotherapy services in our plants after the pandemic

Future measures

- Increasing the number of ergonomic office workplaces in the course of new office construction or office renovations
- Intensification of occupational integration management in Austria and Germany
- Continuation of reporting on local health promotion measures

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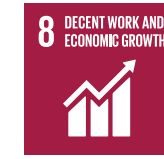
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Work safety and accident rates



Attitude

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

We have made SDG 8 a strategic priority. In doing so, we commit to promoting safe working environments for all workers (SDG 8.8).



Approach

EGGER has a central reporting system for unsafe conditions, near misses and occupational accidents as well as a management system for occupational health and safety. In addition to the owners, who ascribe central relevance to the topic of occupational safety in terms of the company's orientation, the most important stakeholders include the employees. These are sensitised through ongoing communication via internal channels. EGGER's position on the subject of occupational safety can be found in the Code of Conduct (Chapter 8). Accidents that require three days of downtime or more must be reported to the authorities in most countries. Lessons learned are implemented via Group Standards or directly via the incident communication of the respective plant.



Goal

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

In order to prevent accidents, we continuously optimise all physical processes with regard to occupational safety (facilities, truck, forklift, wheel loader and passenger traffic, access restrictions, technical aids, etc.). In addition, we are driving forward the anchoring health and safety awareness, safety thinking and safe action among all team members and managers, e.g. through behaviour-related safety training. Occupational health and safety indicators are part of the calculation basis for the variable remuneration of the top three management levels. Group-wide, we have set ourselves a milestone of a maximum of 10 accidents per 1 million working hours.



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Product responsibility

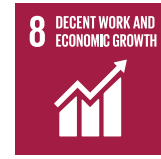
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Work safety and accident rates

Work-related injuries

Financial year	2020/21	2021/22	2022/23
Accident rate ⁽¹⁾ internal	14.89	11.29	12.70
Accident rate LTIR ⁽²⁾ internal	11.57	9.08	9.50
Accident rate ⁽¹⁾ external ⁽³⁾	29.00	10.76	6.33
Accident rate LTIR ⁽²⁾ external ⁽³⁾	12.86	8.53	4.87
of which occupational accidents with serious consequences ⁽⁴⁾ internal	0.38	0.21	0.10
of which occupational accidents with serious consequences ⁽⁴⁾ external ⁽³⁾	0.00	0.00 ⁽⁶⁾	0.00
of which deaths ⁽⁵⁾ internal	0	0	0.05
of which deaths ⁽⁵⁾ external ⁽³⁾	0	0 ⁽⁷⁾	0

(1) The quota was defined according to GRI 2018 403 as occupational accidents per 1 million hours worked.
 (2) LTIR stands for Lost Time Injury Rate (accidents ≥ 1 day lost per 1 million hours worked) .
 (3) Excluding guests for whom no working hours are available; the number of fatalities and accidents of external persons is reported in the GRI Index.
 (4) Occupational accidents with serious consequences are defined according to GRI 2018 403-9.
 (5) Fatal occupational accidents due to work-related injuries
 (6) Accidents involving external persons with serious consequences occurred in FY 2021/22. As the hourly basis required to calculate the accident rate is not available, they could not be taken into account in the calculation.
 (7) One fatal occupational accident occurred in FY 2021/22. As the hourly basis required to calculate the accident rate is not available, it could not be taken into account in the calculation.



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8 DECENT WORK AND ECONOMIC GROWTH

Work safety and accident rates

Occupational health and safety training

Financial year	2020/21	2021/22	2022/23
E-learning participants ⁽¹⁾	2,530	4,595	1,759

⁽¹⁾ E-learning was introduced in FY 2019/20 and has so far been rolled out at the St. Johann in Tirol (AT), Wörgl (AT), Unterradlberg (AT), Wismar (DE), Brilon (DE), Gifhorn (DE), Marienmünster (DE) and Bevern (DE) plants.



Status

Last year, we were able to approximately maintain the accident rate, there was an increase of about +5% (accident rate LTIR internal). We have defined milestones for the future. We have fallen further below the milestone of a maximum of 10 accidents per 1 million working hours (internal accident rate LTIR). The accident rate for external employees was significantly reduced.

The tragic fact that a fatal occupational accident occurred at our Lexington, NC (US) plant in March 2023 shows us that we need to further increase our focus on occupational health and safety. Accident handling is regulated and implemented through Group standards or incident communication at the respective plant.

Our “Vision Zero”, the prevention of fatal and serious occupational accidents, spurs us on to further improvements.

In the past financial year, we also implemented numerous training courses to further raise awareness. In total, there were over 18,000 training sessions for lorry drivers and other external specialists. We will continue to do so in the future – a cultural change takes time.

The intensive training for line supervisors (Safety Leadership Induction Workshops) will be offered again next year. The intensive training for Health & Safety Managers has already been carried out.

The e-learning for all employees was completely revised and will be rolled out again in the coming reporting year. Participation in e-learning has decreased, but more face-to-face training took place again.

Past measures

- ISO 45001 certification of the EGGER resin plant in Wismar (DE)
- Distribution of the new work clothes

Future measures

- ISO 45001 certification of the Unterradlberg (AT) and EGGER Holzwerkstoffe Brilon (DE) plants
- Continuation of Behaviour-Based Safety Training at our plants
- Expansion of the e-learning offer for industrial employees

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Health promotion

Attitude

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

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

Approach

Health management offers numerous advisory services at all EGGER locations as well as campaigns for healthy nutrition and exercise, such as fruit days and sports courses. Our restaurants for employees offer freshly prepared meals and a balanced diet every day.

Since 2010, the “EGGER runs” programme has offered employees the opportunity to take part in running events and do good at the same time. For every kilometre covered, EGGER donates 5 EUR to charitable organisations. All participants receive high-quality running clothing with EGGER branding and EGGER pays any entry fees, including those for virtual running events.

In the meantime, we can look back on donations amounting to over 1,759,805.40 EUR (as of May 2023).

Goal

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

Status

The health quota from previous years has hardly changed in the past financial year. The goal of at least 97% was just missed. After the pandemic, many preventive and health management measures could again take place on site. Many of our plants organised family and health days for all employees and their families last year.

The successful "EGGER runs" programme will be continued digitally and in presence to strengthen the international sense of belonging. Participants are connected via a running app and can thus follow the performance of their colleagues, although all runners participate in different locations all over the world. Since May 2023, we have also been participating in the virtual run with the "Wings for Life" initiative.

The number of occupational health workers in the EGGER Group has decreased following the pandemic, as the effort required for screening, documentation and supervision of employees dealing with COVID-19 has fallen sharply.

In countries where the health quota is too low, we are aiming for a targeted programme of measures in the coming months.

Health promotion

Calendar year	2020	2021	2022
"EGGER runs" kilometres total	27,491	39,505	26,233
Total number of runners	805	1,034	883

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Health promotion

Health rate

Financial year	2020/21	2021/22	2022/23
Health rate EGGER Group total (in %) ⁽¹⁾	97.09	96.42	96.66

⁽¹⁾ The value is calculated from target hours minus absence hours due to illness and accidents. The data comes from the time management module of the ERP system, which includes all Group locations.

Company doctors and medical staff

Financial year	2020/21	2021/22	2022/23
Number of occupational medicine staff in the EGGER Group ⁽¹⁾	39	31	29
of which in AT	3	3	3
of which in DE	8	5	5
of which in UK	2	0 ⁽²⁾	0 ⁽²⁾
of which in FR	2	2	2
of which in RU	10	10	9
of which in RO	2	1	0 ⁽²⁾
of which in TR	4	4	4
of which in AR	5	4	5
of which in PL	0 ⁽²⁾	0 ⁽²⁾	0 ⁽²⁾
of which in US	1	2	1

⁽¹⁾ Number of company doctors and medical staff within the company
⁽²⁾ Employees shall instead be cared for by a contracted doctor outside the plant.

Past measures

- Implementation of two international virtual running events as part of "EGGER runs" in September 2022 and May 2023 (together with the "Wings for Life" initiative) and support for participation in running events
- Offer of occupational psychological counselling in 19 plants as well as expansion of the offer also for care counselling at individual locations
- Extensive range of health-promoting measures at our plants, such as quitting smoking, back fitness courses, digital lectures and consultations

Future measures

- Continuation of reporting on local health promotion measures
- Analysis of illnesses with health insurance companies in Austria and Germany and derivation of targeted measures as well as training for line supervisors

Our employees have covered **26,233 kilometres** as part of "EGGER runs"



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Equal opportunities and diversity



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

Opportunities and risks

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

How we ensure equal opportunities and diversity

The sub-topics of this chapter:

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



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Diversity of age, gender, nationality



Attitude

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

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



Approach

Like many companies in western industrialised countries, we too are confronted with the consequences of demographic change. With our strategic human resources planning, we recognise demographic risks at an early stage and counteract them in a targeted manner with our own training programmes, succession planning and our "Start Up" programme for young talent. We also promote a knowledge-sharing culture, making it easier for new employees to get started. Global development programmes promote cross-functional and cross-location networking. We promote international exchange within the team and offer professional support for secondments and business trips. We offer



Goal

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



Status

The women quota in the company as a whole and in management positions was at the previous year's level in the past financial year. We were able to slightly increase the women quota in the areas of technology, production and logistics. In our development programme "Start Up", for example, 65% of participants were women, and in our programme for future executives "Startklar", launched in June 2022, 5 of the 18 participants are women.

The age structure of our employees remains stable. The diversity of our team's nationalities shows that EGGER has grown since 1961 into an international, open company where growth is possible through common goals and understanding of different cultures. In our staff departments, more employees were successfully integrated last year through internal tenders from other EGGER countries.

Our employees are made up of **88 nationalities** in total



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Diversity of age, gender, nationality

Women quota

Financial year	2020/21	2021/22	2022/23
Women quota total (in %) ⁽¹⁾	16.0	16.2	16.5
of which in technology, production, logistics	8.5	8.9	9.1
of which in IT, sales and marketing, finance/administration	53.8	53.9	54.4

⁽¹⁾ The quota refers to the headcount on average for the year.

Women quota in leadership

Financial year	2020/21	2021/22	2022/23
Total women in management positions (in %) ⁽¹⁾	18.2	18.2	18.1
of which in technology, production, logistics	8.4	8.4	7.8
of which in IT, sales and marketing, finance/administration	36.1	36.1	36.7

⁽¹⁾ The quota refers to the headcount on average for the year.

Age structure of the workforce

Financial year ⁽¹⁾	2020/21	2021/22	2022/23
< 30 y.o.	20.6	20.5	20.3
30-50 y. o.	58.6	58.2	57.9
> 50 y.o.	20.8	21.3	21.8

⁽¹⁾ The quota refers to the headcount on average for the year. Due to rounding effects, the total does not always add up to 100%. Figures in %



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Diversity of age, gender, nationality



Nationalities

Financial year	2020/21	2021/22	2022/23
Total number of nationalities	77	82	88
Number of nationalities in Corporate Services ⁽¹⁾	25	24	22

⁽¹⁾ Corporate Services has central corporate functions.

Past measures

- Completion of the ninth round of the international programme for future executives "Startklar" with a high proportion of women.
- Training of all communication officers as well as recruiters in Austria and Germany on inclusive wording as well as gradual implementation on all channels
- Increased offer of networking events for women in business

Future measures

- Unconscious bias training for line supervisors and staff in the HR department
- Increased communication of existing examples and best practices
- Development of flexible working models



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Equal treatment of employees



Attitude

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

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

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

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

Approach

Our local wage models as well as our salary policy ensure equal treatment of employees. Remuneration is based on responsibility, knowledge and individual performance. All team members have equal access to employer benefits, regardless of their level of employment or employment status. EGGER employees can contact an external ombuds office, even anonymously, if they suspect or are informed of compliance violations. This

also applies in the event of a suspicion or indication of discrimination. You can find more details on this in the chapter

→ Business ethics

Goal

We set ourselves the goal of following up on all cases of discrimination received via the whistleblowing system (ombuds office), HR, managers or works council.

Status

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

Inclusion of people with severe disabilities

Financial year	2020/21	2021/22	2022/23
Total number of persons with severe disabilities employed ⁽¹⁾	179	178	176

⁽¹⁾ The number refers to the headcount on average for the year.

Past measures

- Implementation of compliance e-learning for all new team members
- Distribution of the Code of Conduct to all new employees as part of the induction process

Future measures

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

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Further training and promotion opportunities



For us, future-oriented HR management means consistently investing in our own young talent programmes for pupils and students, even if the state system in some countries does not provide for this.

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

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

Opportunities and risks

If employees are not continuously trained in their field of work and their social skills, the company runs the risk of losing its attractiveness as an employer and being overtaken by the competition. There is also the risk of a reduction in employee motivation, which in turn can have negative effects for the company.

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

How we provide good education, training and internal careers

The sub-topics of this chapter:

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

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

- ➔ Employee satisfaction



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Apprenticeship

Attitude

We continue to establish our own training programmes at the new production plants and expand them at the existing plants. We get to know our future junior employees through summer jobs, internships and final theses, thus binding them to us at an early stage. We strive for long-term cooperation with the future junior staff trained by us.

With SDG 8.6, we commit to reducing the proportion of youth not in employment, education or training.

Approach

We have established apprenticeship programmes at 19 out of 21 plants. Recruiting apprentices and thus securing the next generation of skilled workers was and remains one of our focus topics and continues to be an integral part of our philosophy.

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

Goal

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

Status

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

The allocation of summer jobs, internships and theses has returned to pre-pandemic levels at many plants. At some plants we see challenges in recruiting junior staff.



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Apprenticeship

Apprentices

Financial year	2020/21	2021/22	2022/23
Total number of new apprentices entering the programme ⁽¹⁾	166	142	237
Number of all apprentices (all years of training)	328	360	414
Training ratio (in %), (trainees in relation to total employees)	3.1	3.3	3.8
Take over into fixed contract after successfully finished apprenticeship (in %)	64	82	77

⁽¹⁾ The numbers are based on the annual average headcount.

Quota of summer jobs, internships, diploma theses

Financial year	2020/21	2021/22	2022/23
Use of pupils and students in relation to the total number of employees (in %) ⁽¹⁾	4.3	5.5	5.3

⁽¹⁾ The quota is based on the annual average headcount.

Past measures

- Start of the first apprenticeship year for trainees in Poland and Russia

Future measures

- Standardisation of technical training across all locations
- Examination of how the apprenticeship programme was introduced in Turkey
- Expansion of the apprenticeship workshop and number of apprentices in Austria



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Further development and promotion of internal careers



Attitude

We prefer suitable internal candidates to external ones and facilitate internal specialist and management careers. We recognise and use the potential of our employees. Based on the job description, employees receive needs-oriented onboarding and training. Managers are responsible for succession planning.



Approach

With our appraisal and job description, we create clarity about the goals and strengths as well as further development wishes of each individual employee. Employees and line supervisors jointly review the past year, discuss successes and special challenges, and exchange views on the extent to which the respective expectations were met or not met. Our Talent Management System provides support in this regard and provides an overview, which is something that must be discussed at least once a year. We inform employees about vacancies on the intranet and on notice boards. The strategic development programme "Startklar" promotes internal high potentials in a targeted manner. The specialist career path "EGGER STEP" already exists in many areas and is being successively expanded.



Goal

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

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



Status

In the past financial year, we were able to fill 67% of our management positions internally. We have thus not achieved our strategic goal of at least 80%. Through targeted internal advertising of management positions and consistent succession planning, we want to improve this value again.

In the calendar year 2022, an appraisal was held with 38.5% of our employees to coordinate development using our Talent Management System. Furthermore, we are pursuing the goal of including industrial employees in it by 2025. The appraisal is a central platform for determining development measures.

Internal staffing of management positions

Financial year	2020/21	2021/22	2022/23
Total internal appointments to management functions (in %) ⁽¹⁾	77	80	67

⁽¹⁾ In the financial year newly filled management positions with internal candidates

Appraisal

Calendar Year	2020	2021	2022
Ratio of employees with appraisal to total employees ⁽¹⁾	37.2%	37.6%	38.5%

⁽¹⁾ The quota is based on the average headcount of the calendar year.



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Further development and promotion of internal careers

Past measures

- Completion of the ninth round of the programme for future executives "Startklar" and the fourth round of the "Start Up" programme for young talent
- Further roll-out of the career concept "EGGER STEP" in the entire purchasing and finance division
- Implementation of the two-day leadership conference for top management with information and development offers
- Establishment and communication of the global internal job market

Future measures

- Continuation of the strategic development programmes "Startklar" and "Start Up"
- Further roll-out of the career concept "EGGER STEP" in IT and production as well as intensified training of line supervisors
- Succession planning for managers and key positions with increased consideration of demographic aspects
- Advertisement of management positions in the global internal job market
- Further roll-out of the appraisal for industrial employees

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Training



Attitude

We enable lifelong learning with our training opportunities and strengthen our employees in their current and future tasks. We identify training needs based on appraisals and annual interviews with line supervisors. In addition, central staff departments notify us of Group-wide training needs, some of which are required by law or company policy.



Approach

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



Goal

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

Participation in training

Financial year	2020/21	2021/22	2022/23
Training hours/employee ⁽¹⁾	7,01	10.96	11.43
of which workers	– ⁽⁵⁾	– ⁽⁵⁾	5.53
of which employees	– ⁽⁵⁾	– ⁽⁵⁾	17.42
of which managers	– ⁽⁵⁾	– ⁽⁵⁾	25.80
Training hours “Digital“ ⁽²⁾	11.037	6.981	3.038
Training hours “E-Learning“ ⁽³⁾	6.306	12.344	9.082
Training hours “Presence“ ⁽⁴⁾	55.793	99.909	115.274

(1) Total training hours (both digital, e-learning and presence) divided by total amount of employees
 (2) All completed training hours from virtual classroom trainings (e.g. via Webex) are combined.
 (3) All completed training hours from E-Learnings (self-paced content) are added together.
 (4) The value includes all completed training hours from classroom trainings.
 (5) No data are available.



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Training



Status

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

In the financial year 2022/23, we were again able to offer more face-to-face formats and are focusing on digital training in parallel. We place a special focus on the onboarding of new employees and the training of line supervisors at all levels. The increase in training hours per employee is due, among other things, to increased training of new employees who had to acquire the necessary qualifications. In the future, subject-specific training organised outside of HR development in the respective departments will be recorded by a complete report to HR.

Past measures

- Expansion of the internally created e-learning portfolio
- Targeted measures for the onboarding of new employees (e.g. introductory events, breakfast with the plant management)
- Expansion of leadership training (e.g. conducting an appraisal, communication)
- Expansion of the mobile version of our intranet through a "Bring Your Own Device" strategy in Austria, UK, USA and Germany

Future measures

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



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Employee satisfaction



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

Opportunities and risks

Satisfied and loyal employees are the most important building block for the success of a company. Risks can arise from a lack of work-life balance, differences in the relationship with the manager or a lack of satisfaction with remuneration and fringe benefits.

There is a risk that employees who are dissatisfied with their work and the working environment will leave the company. This leads not only to the loss of a worker, but above all to the loss of experience and knowledge. For the company, this means a financial loss, because the search for and induction of new employees involve time and costs.

We see all measures to create and maintain good working conditions as an opportunity and are therefore guided by the results of the Employee Opinion Survey and external benchmarks. Employee satisfaction finds expression in a turnover rate that is below the average for the respective labour market.

How we ensure satisfied employees

The sub-topics in this chapter:

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

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

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



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Work-life balance



Attitude

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



Goal

Our future goal provides for: We will regularly review our working time models with regard to the requirements of the labour market and our internal processes.



Approach

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



Status

The option of being able to carry out their activities temporarily from a home office is now established for many employees.

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

Since the financial year 2021/22, we have been recording the use of home offices throughout the Group. Our evaluation showed that our employees spent 14% of their working days in a home office. Due to the abolition of contact restrictions, the proportion of home office days has decreased slightly, even though employees with office workplaces are still offered the option of home office. The proportion of parental leave has increased slightly. Parents in Austria in particular mentioned a need for support during holiday periods, which we will work on more intensively in the coming financial year. The findings from the first pilot project on making shift work more flexible will also be taken up in other pilot areas in the coming financial year.



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Work-life balance

Use of home office

Financial year	2020/21	2021/22	2022/23
Homeoffice days in % of total working days ⁽¹⁾	– ⁽²⁾	22	14

⁽¹⁾ Only staff employees on time management system are included.
⁽²⁾ No data are available for the year.

Parental leave

Financial year	2020/21	2021/22	2022/23
Total number of employees that took parental leave	224	225	261
of which female	131	104	134
of which male	93	121	127

Past measures

- Pilot project to make shift models more flexible in Wismar (DE).
- Survey on work-life balance in Germany and Austria and derivation of areas of action
- Expansion of holiday care services in France and UK (in addition to Austria)
- Expansion of paid leave in USA
- Introduction of a home office policy at other locations after the pandemic

Future measures

- Examination of working time flexibility measures such as sabbaticals and part-time management
- Initiation of a pilot project to make shift models more flexible in Austria



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Employee representation



Attitude

We are in a respectful and regular exchange with employee representatives.

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

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



Approach

The local works councils represent the interests of our employees and are in close dialogue with the respective management and personnel management. Measures are proposed and implemented on the initiative of our employee representatives. The company actively involves the workers' representatives in projects concerning staff. Our Code of Conduct includes a commitment to sincere and fair dialogue with our employee representatives and respect for freedom of association. For communication with new employees, see

→ Our Compliance Strategy



Goal

We are not pursuing a strategic goal here.

The EGGER Europa Forum (EEF) is the association of the works councils of all locations in the EU and in the UK and meets twice a year with the Group Management on cross-location topics. Similar facilities also exist in the countries themselves.

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



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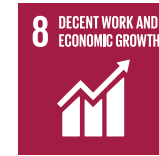
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Employee representation



Status

In 2003, the EEF committee (EGGER EUROPA FORUM) was established and since then it has been offering an international platform for the exchange of experience and knowledge between European EGGER works councils (including UK). After the pandemic, personal meetings were held again in Biskupiec (PL) in October 2022 and in Unterradlberg (AT) in March 2023. The material topics were the challenging economic situation, higher inflation and the election of the new chairperson of the EEF committee, as the predecessor retired.

Past measures

- Selection and introduction of new workwear throughout the Group via the workers' representatives.
- National and international meetings of the workers' representatives resumed locally

Future measures

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

Employee representation

Financial year	2020/21	2021/22	2022/23
Number of works councils (of which exempted)			
in AT	21 (3)	21 (3)	21 (3)
in DE	56 (7)	56 (7)	60 (7)
in UK	21 (0)	22 (0)	22 (0)
in FR	25 (0)	25 (0)	25 (0)
in RU	0 (0)	0 (0)	0 (0)
in RO	8 (0)	8 (0)	8 (0)
in TR	14 (0)	14 (0)	14 (0)
in AR	3 (0)	3 (0)	3 (0)
in PL	4 (0)	3 (0)	4 (0)
in US	0 (0)	0 (0)	0 (0)



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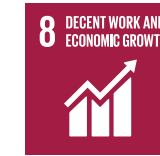
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- Equal opportunities and diversity
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 - Work-life balance
 - Employee representation
 - Long-term cooperation and fluctuation**
 - Employee benefits
- Business ethics
- Tax transparency
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Long-term cooperation and fluctuation



Attitude

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

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



Approach

Loan workers and fixed-term employees are put on an equal footing with permanent employees and receive the same equipment and training as permanent employees. For example, they receive work clothes and safety training. Loan workers are taken on after 18 months at the latest. In the case of internal restructuring measures, we avoid layoffs wherever possible and, together with the employees, look for alternative internal employment.

Every three years we survey employees throughout the Group to determine their satisfaction. Approximately 90 questions are asked. Four of these are included in the Employer Attractiveness Index, on the topics of pride in the company, recommending the company as

an employer and personal assessment of attractiveness. Between the surveys, pulse surveys have been conducted since 2022 to collect employees' opinions on improvement measures from the survey.



Goal

Here we pursue two strategic goals: We keep the percentage of external and agency workers below 15% and the Employer Attractiveness Index above 70%. This will be collected Group-wide starting with the next Employee Opinion Survey at the beginning of 2025.



Status

The proportion of loan workers and external workers in the financial year 2022/23 is again below the previous year's level and amounts to 10%, which means that our goal of below 15% has been achieved. The proportion of loan workers will continue to decrease, as we take on loan workers earlier due to the labour market situation. Employee-led turnover has decreased slightly due to improvements in remuneration and benefits. Measures to improve staff selection and onboarding

continue to take place in order to minimise early turnover as well as the increased employer-led turnover. Following the Employee Opinion Survey conducted by the independent geva-Institut in autumn 2021, pulse surveys on the implemented improvement measures were carried out in this financial year in order to measure satisfaction in an even more targeted manner.



SUSTAINABILITY TOPICS

Product responsibility

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

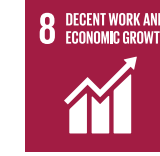
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Long-term cooperation and fluctuation



Past measures

- Conducting the Employee Opinion Survey 2021 with all employees and subsequent pulse surveys from 2022 onwards.

Future measures

- Group-wide evaluation of reasons for turnover and identification of measures
- Reducing early turnover through improvements in the selection and induction process
- Implementation of further measures from the Employee Opinion Survey

Internal and external employees

Financial year	2020/21	2021/22	2022/23
Total number of employees ⁽¹⁾	11.296	11.832	12.116
of which EGGER internal	10.233	10.629	10.912
of which external agency workers ⁽²⁾	466	491	366
of which service contracts external ⁽³⁾	598	713	838

(1) The number is based on annual average FTEs.

(2) External agency workers are those who are sent by their employer to work for EGGER. There is no employment contract between the seconded employee and EGGER.

(3) Service contracts external (outsourcing) are concluded on the premise that the service is provided on a recurring and planned basis 100% on the EGGER plant premises. This includes, for example, the gateway, cleaning and security services.

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Total number of employees ⁽¹⁾	11.296	11.832	12.116
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SUSTAINABILITY TOPICS

Product responsibility

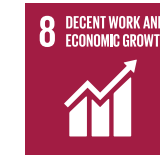
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Long-term cooperation and fluctuation

Fluktuation

Financial year	2020/21	2021/22	2022/23
Employee-related turnover (number and rate) ^{(1) (2)}	560 (5,3%)	678 (6,2%)	579 (5,1%)
Employer-related turnover rate (number and rate) ^{(1) (3)}	422 (4,0%)	381 (3,5%)	476 (4,2%)

(1) The quota is based on the annual average headcount.
 (2) Employee-related fluctuation is the voluntary departure by employees.
 (3) Employer-related fluctuation is composed of terminations and expiring temporary contracts.

New and replacement staff

Financial year	2020/21	2021/22	2022/23
Total number of newly recruited employees ⁽¹⁾	1.457	1.612	1.604
of which reappointments	75%	75%	76%
of which new appointments	25%	25%	24%

(1) The quota is based on the annual average headcount.



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Employee benefits



Attitude

We pay our employees fairly and appropriately.



Approach

Our wage and salary models are based on expertise, performance, and market conditions. We continue to develop our remuneration models (qualification pyramid, benchmarks, variable remuneration, bonus system) to ensure fair remuneration. Our anniversary bonus rewards long-term loyalty by paying out a bonus to employees who have been with the company for 10 years or more. Defined HR officers advise managers and further develop local wage and salary models.

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

Procedure for determining remuneration

In November of the previous year, we receive remuneration benchmarks for all employees from global remuneration consultants such as KornFerry Hay, WTW as well as local, reputable providers. This forms the basis for the salary analyses that are prepared for all employ-

ees outside of the salary models by February. By April, the individual salary adjustments are collected from management and approved by the Group Management at the beginning of May. Identical processes are also in place in the divisions and plants.

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



Goal

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



Status

In the financial year 2022/23, EUR 5.6 million was paid out to all employees as a Corona success bonus, and anniversary bonuses of EUR 6.1 million were also paid to long-serving employees.

Looking at the results of the Employee Opinion Survey, it can be stated that our employees are satisfied with the benefits. Due to increased inflation and competition in the labour market, we are increasingly reviewing

our wage and salary models and have therefore included this topic as a goal.

Past measures

- Adjustment of wage models in Germany and the USA
- Piloting of a new variable remuneration for the sales force
- Payment of a one-time anniversary bonus on the occasion of the 60th company anniversary
- Payment of an inflation premium in Germany, Romania, Poland and Italy

Future measures

- Ongoing analysis of our wage and salary models and adjustment where necessary
- Ongoing analysis of our benefits and adjustment if necessary
- Revision of the wage models in Turkey and Austria



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Business ethics

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

Opportunities and risks

Some of our plants are located in areas with an increased risk of corruption and bribery. The concentration of wood-based material manufacturers in some markets also entails the risk of anti-competitive collusion. We see digitalisation as a great opportunity to improve our service offering, but it also increases the risk of data protection breaches. Due to increasing political tensions worldwide, the violation of trade sanctions also represents an increasing risk, as this can lead to both financial and reputational damage.

How we ensure legal conformity

The approach at a glance:

- Our Compliance Strategy

The sub-topics of this chapter:

- Fair competition
- Prevention of corruption
- Capital market compliance
- Data protection
- Foreign trade law

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

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



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Our Compliance Strategy



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

Code of Conduct

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

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

Working conditions in the supply chain

Compliance training

At EGGER, employees are trained extensively in e-learning and face-to-face events. The training concept includes Group-wide role-based mandatory training on the above-mentioned risky compliance topics (data protection, antitrust law, bribery prevention). The number of mandatory participants defined for the entire Group may not be undercut locally, but may be expanded. Group-wide minimum requirements, such as mandatory repetitions at least every three years, and minimum contents are defined for these trainings. Independent of these topic-specific training courses, every employee with own computer account is obliged to complete a basic e-learning course on compliance during onboarding and at regular intervals thereafter.

Our existing reporting system ensures transparency, as we share and communicate the data at different levels in the company (HR, Legal & Compliance, Management). To ensure that all required trainings are completed within a reasonable timeframe, our completion quota of each training is regularly monitored.

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Our Compliance Strategy



Compliance training

Effective date	30/04/2021	30/04/2022	30/04/2023
Completion quota Antitrust law (e-learning) in % (goal 90%)	83	95	97
Completion quota Antitrust law (face-to-face training) in % (goal 80%)	56 ⁽²⁾	66 ⁽²⁾	86
Completion quota Compliance (e-learning) in % (goal 90%)	21	91	95
Completion quota GDPR (e-learning) in % (goal 90%) ⁽¹⁾	66	70	94
Completion quota Bribery prevention (e-learning) in % (goal 90%)	— ⁽³⁾	— ⁽³⁾	94

⁽¹⁾ GDPR stands for General Data Protection Regulation. It is a training on data protection and data security.

⁽²⁾ Due to the pandemic, most of the trainings took place as webinars.

⁽³⁾ The training was only published in Q3 2022.

Guidelines & reporting

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

EGGER whistleblowing system (ombuds office)

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

were investigated and feedback was provided to the whistleblowers.



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Our Compliance Strategy



Supplier Code of Conduct

We also expect our business partners to comply with the law and make this clear in the EGGER Supplier Code of Conduct. This contains the reference to the ten principles of the UN Global Compact as well as the 17 Sustainable Development Goals of the United Nations. We expect our suppliers to comply with applicable laws and the regulations in the Code of Conduct along the entire supply chain. Information on misconduct can also be reported by our suppliers to the whistleblowing office via the link on the EGGER website.

Suppliers are required to ensure adequate occupational health and safety management. Harassment, abuse and extortion in the workplace must not be tolerated. Working hours and remuneration must comply with applicable laws, agreements and industry standards. All applicable local laws and regulations must be followed with respect to hazardous materials, chemicals and substances. The Supplier Code of Conduct must be noted and accepted as binding.

The EGGER Supplier Code of Conduct is also available on our website. For the progress in the query process, see chapter

[Working conditions in the supply chain](#)



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Fair competition



Attitude

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



Approach

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



Goal

The guiding principle is that all employees must at all times conduct themselves in accordance with the law and the company's values and comply with legal and internal regulations. Internal procedures for the pre-

vention and detection of violations shall be continuously improved.

It is also our goal that all line supervisors and employees in sales and purchasing complete antitrust law training at least every two years.



Status

In the past financial year, no penalties were assessed or paid and no proceedings were pending. The guiding principle of behaving in a legally compliant manner and continuously implementing improvements in the process is consistently pursued. This also shows that EGGER is as a rule on the right track with its risk-based approach. In recent months, a variety of training courses on antitrust law have been offered. The method mix of e-learning and face-to-face training responds to the needs of the target groups. 86% of the employees selected on the basis of their job were able to present a valid training certificate for the face-to-face training on "antitrust law" at the end of the financial year.

The details of this key figure can be found in the chapter "Our Compliance Strategy (Compliance Training)". We will continue to pursue the goal of raising aware-

ness. No further measures are currently being pursued.

Proceedings for antitrust violations

There were no proceedings for antitrust violations in the past financial year. In the financial year 2021/22, there were also no pending proceedings for antitrust violations, no proceedings were concluded and no fines were imposed. In the 2020/21 financial year, one case was concluded and a penalty payment was made.

Past measures

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



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Prevention of corruption



Attitude

EGGER refuses any kind of corruption. Illegal business practices will not be tolerated in any form. No member of staff may offer, promise or grant other persons, in the context of a business activity, unjustified advantages or approve such advantages. This also applies to accepting such unjustified advantages. EGGER also defends itself against accompanying offences of corruption, such as money laundering. All Supervisory Board members are informed about our anti-corruption policy and procedures. Training regarding corruption prevention is planned for the Audit Committee for summer 2023.

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

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



Approach

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

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

Only the managing directors of the respective companies may decide with regard to granting donations and sponsorship. For information on how to deal with cor-

ruption risks, see also

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

Group-wide e-learning on bribery prevention will be successively rolled out in all Group languages and will be part of the compliance training concept.

The Group-wide cash management guideline stipulates that electronic transfers are to be used as a matter of principle and cash transactions are to be avoided. Subject to local laws that may set lower limits, no company in the EGGER Holzwerkstoffe Group may make or receive cash transactions in excess of a maximum amount of EUR 5,000.



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Prevention of corruption



Goal

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



Status

EGGER is on the right track with its risk-based approach and the guiding principle is consistently followed. Apart from the roll-out of the Group-wide e-learning on bribery prevention, no further future measures are planned.

Past measures

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

Corruption proceedings

In the past financial year, just like in 2021/22 and 2020/21, there were no corruption proceedings. No cases were concluded and no penalties were imposed.



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Capital market compliance



Attitude

EGGER is also committed to legal compliance in the capital market.



Approach

With our guideline on capital market compliance, we show that we take the legal regulations for the capital market seriously and prevent possible violations. The guideline also aims to ensure that EGGER meets the expectations of the capital market in the conduct and organisation of a capital market-oriented company. The guideline contains, among other things, information on the compliance officer for capital market law as well as guidelines on the prohibition of insider trading, on dealing with insider information and on directors' dealing. An insider list is maintained and updated as required. Persons who are included in the insider list are instructed about their duties and sign the acknowledgment of this instruction. Information on our handling of capital market law is also provided on our website in the "Compliance" section.



Goal

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



Status

We take measures to raise awareness of capital market compliance. In December 2022, however, the perpetual bond was repaid early. Since then, we are no longer covered by capital market regulations.

No further future measures are currently planned.

Confirmation of the duties of insiders

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



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Data protection



Attitude

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



Approach

To protect sensitive data, we use state-of-the-art and appropriate information technology and have implemented standardised IT processes. To this end, EGGER uses a certified information security management system. There is also a Group-wide data protection guideline. This is partly supplemented by local guidelines. The guidelines as well as a Group-wide e-learning and partly local face-to-face trainings help our employees behave in a manner that complies with data protection. Data security is also briefly addressed in data protection e-learning. The e-learning “Information Security at the Workplace”, which must be completed by all employees who have their own computer account, provides further knowledge on data security. FAQs are made available internally on certain aspects of data protection law.



Goal

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



Status

In the past financial year, just as in 2021/22 and 2020/21, no data protection incidents were reported, nor have any fines become known. The guiding principle is consistently pursued and EGGER is on the right track with the risk-based approach. 94% of all selected employees were able to present a valid training certificate for the e-learning "Data Protection/GDPR" at the end of the financial year. The details of the key figure can be found in the chapter "Our Compliance Strategy (Compliance Training)".

No further future measures are planned.



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 - Fair competition
 - Prevention of corruption
 - Capital market compliance
 - Data protection
 - Foreign trade law

Tax transparency

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Foreign trade law



Attitude

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



Approach

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

Due to the restrictive measures taken by the European Union and other countries as a result of Russia's actions, the compliance management system for export control has been extensively revised and significant measures were taken to prevent violations of foreign trade law. In particular, the export control guidelines were comprehensively revised and partly rewritten to prevent violations and ensure uniform handling of potentially critical business transactions.

In order to avoid violations of sanctions, master data of customers and suppliers are automatically checked by software for presence on sanctions lists for each transaction in the ERP system. Via the same software,

data of employees and applicants can be checked for presence on sanctions lists on an ad hoc basis. Potentially critical hits are checked in a process defined in a guideline and the necessary measures are taken based on the result.

In order to avoid violations of embargoes, service relationships with customers, suppliers and affiliates in the affected countries are continuously reviewed and terminated if necessary. In this context, detailed instructions for action on the various embargoes are prepared for the affected departments, the measures are explained and discussed, and implementation is checked through audits. Movements of goods are automatically checked in the ERP system by software for presence of the respective customs tariff numbers in embargo lists in order to prevent prohibited movements of goods.



Goal

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



Status

In the past financial year, proceedings were initiated against an affiliate for violations of foreign trade law. In the proceedings, the affiliate is accused of having supplied the chemical triethanolamine, which is classified as a dual-use item, to another affiliate without the necessary authorisation.

In 2021/22 and 2020/21, no proceedings for the violation of foreign trade law were opened, conducted or concluded and no fines were imposed.

Past measures

- Employees were instructed how to act in order to rule out any possible violations.

Future measures

- Ongoing updating of the instructions for action
- Mandatory e-learning "Sanction Regulation Basics" for internal sales, purchasing organisation, plant management and division management



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- Our tax principles
- Our tax payments

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Tax transparency

Due to our worldwide engagement we are generating taxes and duties in numerous countries. In the financial year 2022/23, we paid more than EUR 420 million in taxes and duties to the state budgets. To prevent the erosion of tax bases and profit shifting, governmental and supranational actors (OECD, EU) are increasingly focusing on closing tax loopholes and ensuring a minimum global taxation.

We fully support this approach towards “paying a fair share” and tax equality. At the same time we are facing the increasing compliance challenges which go in line with approaches like Pillar I and II, and pipeline projects like BEFIT.

Opportunities and risks

Companies that make their contribution to tax revenue through tax honesty and transparency, at the same time take advantage of their opportunity to contribute to and participate in the wellbeing of society, for example in the infrastructure, the education system and security.

In the case of business optimisations that go beyond the extent permitted by tax law, there is a risk that the tax obligations will not be duly met.

How we contribute to tax revenue

The sub-topics in this chapter:

- Our tax strategy
- Our tax principles
- Our tax payments



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Our tax strategy

We act not only as a taxpayer but also as a tax withholding agent for more than 80 companies in 25 different countries worldwide. Full compliance with the relevant tax laws is part of our business principles. All major business units have local tax departments staffed with professionals. Their professional development and continuous learning as well as a continuous exchange with internal stakeholders are crucial for our success.

The main goal of the tax organisation is to support the operating business at all times and in the best possible way in all tax matters. To achieve this goal the tax organisation ensures the following strategic priorities:

- existence of an effective and appropriate tax risk management system
- compliance with tax regulations, our Code of Conduct and our sustainability goals
- optimisation of tax exposure composed of Effective Tax Rate, Current Tax Rate and Cash Tax
- securing our role as a responsible taxpayer
- delivery of accurate and timely information on tax positions in accordance with our daily operational requirements
- continuous improvement and harmonization of tax processes

We control and limit our tax risks through a tax risk management and tax governance system.

We communicate openly meaningful tax information in a transparent way to sustain a credible long-term reputation with tax authorities. The complete, accurate and timely preparation and submission of all required tax returns is subject to clear internal rules and processes. This is equally true for the correct and timely payment of taxes.

As tax is also a cost, we optimise it based on our business goals and needs. Each business transaction is structured in the most tax efficient way without creating artificial or purely tax driven structures. When applying the law, we consider both the plain text of the law and the intention of the law. We constantly aim for security in our tax positions and seek internal or external advice to review and validate our position where appropriate. In cases in which our assessment and that of the authorities do not match, we give early notice of possible divergent opinions in order to prevent misunderstandings.

If we seek decisions from tax authorities to confirm applicable tax treatment, we do so on the basis of full disclosure of all relevant facts and circumstances. In accordance with our Code of Conduct we have committed ourselves to trustworthy and transparent communication with all stakeholders. Therefore we strongly support the OECD approach to enhanced relationship and co-operative compliances.

Past measures

- Positive conclusion of the application phase for Horizontal Monitoring in Poland
- Introduction of a formal TCMS for Turkey and France
- External audit of the tax compliance management system in Germany, UK and Poland

Future measures

- Continuous external and internal audits of the tax control system based on our audit plan

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Our tax principles

Derived from our Tax Strategy we apply our tax principles ⁽¹⁾ throughout the Group to all our internal and outsourced tax processes.

Accountability & Governance

We consider taxes to be a central part of our corporate responsibility and entrepreneurial actions, which is why they are monitored by the Group Management. In addition, the Group Management is responsible for the tax strategy. Responsibility for tax risk management is clearly delegated. We put mechanisms in place to ensure awareness of and adherence to our tax strategy and principles and provide opportunities (for example: ombuds office) for everyone inside and outside the Group to raise confidentially any topics of concern. We have clear procedures regarding tax risk management and conduct risk assessments before undertaking tax planning on material business transactions. We report at least annually to the group management on tax risks and adherence to the tax strategy. Our tax strategy and policies apply to all our local tax practices and to all subsidiaries and entities.

Compliance

We comply with the tax laws of the countries in which we operate and pay the correct amount of tax at the right time. We prepare and file all tax returns required, providing complete, accurate and timely disclosures to all relevant revenue authorities. Our tax planning is based on reasonable interpretations of applicable law and is aligned with the substance of the economic and commercial activity of our business. We aim for certainty on tax positions, but in cases where tax law is unclear or subject to interpretation, we evaluate the likelihood and where appropriate seek an external opinion, to ensure that our position will most likely be upheld. We use the arm's length principle, pricing in line with best practice guidance issued by the OECD, and apply it consistently across our business.

We ensure that the required transfer pricing documentation is in place with the country-by-country report, a master file and local files. No functions were relocated in the past financial year and the transfer pricing concept was not changed.

Business Structure

We will only use business structures that are driven by commercial considerations, are aligned with our business activity and which have genuine substance. The Group makes transparent which entities are owned worldwide and discloses the shareholders. We do not use so-called “tax-havens” in order to avoid taxes on activities which take place elsewhere. Entities which are based in low or nil-rate jurisdictions exist for substantive and commercial reasons. We pay tax on profits according to where value is created within the normal course of business we do not use artificially fragmented structures or contracts to avoid establishing a tax presence in jurisdictions where we do business. Our tax principles extend to our relationships with employees, customers and contractors. We will not engage in arrangements whose sole purpose is to create a tax benefit which is in excess of what is reasonably understood to be intended by relevant tax rules. Exceptions for engagements in tax heavens can be made if there is a valid business reason for the engagement as it is for Russia and Turkey, where there are plants.

⁽¹⁾ We strongly support the responsible tax principles published by The B Team.

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On 14 February 2023 ⁽¹⁾ the EU published an update of the "List of non-cooperative jurisdictions for tax purposes" (Black List ⁽²⁾), where Russia was included. The EU justifies the inclusion as follows: "Russia was included in the list after the Code of Conduct group screened Russia's new legislation adopted in 2022 against the good tax governance criteria of the code and found that Russia had not fulfilled its commitment to address the harmful aspects of a special regime for international holding companies (criterion 2.1). In addition, dialogue with Russia on matters related to taxation came to a standstill following the Russian aggression against Ukraine." Furthermore Turkey is part of the so called grey-list⁽³⁾ because the country has not established an automatic exchange of tax information with the EU.

Relationship with Authorities

We strive to build cooperative relationships with tax authorities based on mutual respect, transparency and trust. We follow established procedures and channels for all dealings with tax authorities, government officials, ministers and other third parties, in a professional, courteous and timely manner. We are open and transparent with tax authorities and respond to enquiries from the relevant tax authority in a straightforward and timely manner. We strive to build a relationship of cooperative compliance with tax authorities where both parties engage in a proactive

(1) Additional information is available [here](#)
 (2) Additional information is available [here](#)
 (3) Additional information is available [here](#)

and constructive dialogue. Where there are misunderstandings of fact or law, we will seek to work with tax authorities to identify the topics and explore options to resolve any misunderstandings or disagreements.

Tax incentives

Where we claim tax incentives offered by government authorities, we seek to ensure that they are transparent and consistent with legal or regulatory frameworks. Where we accept tax incentives offered by a government authority to support investment, employment and economic development, we will seek to implement these in the manner intended by the relevant legal, regulatory or administrative framework. We will only use tax incentives where they are aligned with our business and operational goals and where they require economic substance. We will make data available for governments to assess the revenue and economic impacts of specific tax concessions where appropriate.

Transparency

We regularly inform our stakeholders about:

- Publication of a tax strategy
- Disclosure of our tax risk management strategy
- Explanation of our approach to dealing with tax authorities
- Regular update on our progress and material topics related to our tax strategy and principles.
- Overview of our Group structure
- Annual information explaining our overall tax quota
- Information on the taxes we pay at the country level and information on our economic activity

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Our tax payments

We are not only taxpayer of direct taxes, such as corporate tax, but also numerous indirect taxes, such as value added tax. In addition, we are a significant tax withholding agent. For example, we pay our employees’ payroll taxes and capital gains tax to the respective tax authorities.

In economic terms, the beneficiaries of these payments bear the tax burden. Nevertheless, our function as a “payer” of these taxes and levies is of great importance to government budgets.

If, in the case of a company in a particular country, the balance of a tax payment and a corresponding refund claim results in a refund, the tax payments for this tax are reported as zero.

Taxes collected include all taxes and tax-like payments collected by us on behalf of tax authorities, as well as value added tax and similar sales-related taxes paid. The economic burden for such taxes lies with the employee, buyer or end consumer.

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

Total taxes and duties ⁽¹⁾

State	Total taxes and duties paid in EUR million		
	2020/21	2021/22	2022/23
Austria	23.62 ⁽²⁾	53.64 ⁽²⁾	54.34
Germany	59.38	80.88	124.33
UK	53.42	79.80	84.84
France	41.96	29.10	21.09
Romania	21.02	24.04	30.77
Russia	26.03	51.20	30.73
Turkey	6.24	6.49	14.52
Poland	19.55	28.61	27.48
USA	6.52	10.82	11.25
Argentina	20.63	35.99	28.83
Total	278.37 ⁽²⁾	400.57 ⁽²⁾	428.19

⁽¹⁾ The figures are presented without information from our plant in Caorso (IT) acquired during the reporting year.
⁽²⁾ There was a mathematical correction in the previous year's value.



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Taxes paid as a taxpayer ^{(1) (2)}

State	Corporate income tax and similar taxes on income			Local charges			Other taxes and duties, including customs duties			Total taxes paid as a taxpayer		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Austria	0.00	26.96 ⁽⁴⁾	26.52	2.83	2.98	3.25	3.73 ⁽³⁾	3.95	4.33	6.56 ⁽⁴⁾	33.89 ⁽⁴⁾	34.10
Germany	14.93	31.87	77.22	0.56	0.77	0.46	4.16	4.17	5.13	19.65	36.81	82.81
UK	7.26	12.94	11.34	0.00	0.00	0.00	3.78	5.18	5.92	11.04	18.13	17.26
France	10.30	11.03	6.39	2.71	1.32	1.99	3.48	1.92	2.14	16.49	14.27	10.52
Romania	4.40	3.56	16.72	0.00	0.00	0.00	3.84	2.32	1.66	8.25	5.88	18.38
Russia	5.81	13.35	5.48	0.11	0.10	0.04	3.97	6.64	6.61	9.89	20.09	12.13
Turkey	5.55	0.00	5.29	0.00	0.00	0.00	0.68	0.81	2.04	6.24	0.81	7.33
Poland	1.08	1.29	1.93	0.00	0.00	0.00	1.57	3.44	1.28	2.65	4.73	3.21
USA	0.00	0.00	0.00	1.51	2.56	2.79	2.17	1.51	1.37	3.68	4.07	4.15
Argentina	0.00	2.42	0.17	0.72	1.00	1.01	1.21	2.39	1.97	1.93	5.81	3.15
Total	49.34	103.42	151.07	8.45	8.73	9.54	28.59 ⁽⁴⁾	32.33 ⁽⁴⁾	32.44	86.38 ⁽⁴⁾	144.49 ⁽⁴⁾	193.04

(1) Taxes paid by companies of the EGGER Group as taxpayers; figures in EUR million.

(2) The figures are presented without information from our plant in Caorso (IT) acquired during the reporting year.

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

(4) There was a mathematical correction in the previous year's value.

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Our tax payments

Taxes paid as a tax debtor ^{(1) (2)}

State	Wage tax and other wage-related taxes			Value added tax and similar taxes and duties			Other taxes and duties			Total amount of taxes paid as a tax debtor		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Austria	14.79	16.52	17.46	1.37	1.77	1.88	0.89	1.46	0.91	17.06	19.75	20.25
Germany	22.03	22.62	23.86	17.47	20.78	17.38	0.23	0.68	0.28	39.73	44.08	41.52
UK	12.11	12.51	13.82	30.27	49.16	53.76	0.00	0.00	0.00	42.38	61.68	67.58
France	0.57	0.28	0.67	24.90	14.55	9.90	0.00	0.00	0.00	25.47	14.83	10.57
Romania	6.61	8.16	9.44	5.80	9.51	2.51	0.37	0.49	0.44	12.78	18.16	12.39
Russia	4.58	6.89	5.62	11.55	24.21	12.92	0.01	0.00	0.07	16.14	31.11	18.61
Turkey	0.00	5.64	2.02	0.00	0.00	4.93	0.00	0.04	0.23	0.00	5.68	7.18
Poland	3.93	4.52	5.41	12.82	19.08	18.45	0.15	0.27	0.41	16.90	23.87	24.26
USA	2.83	6.64	7.08	0.00	0.10	0.01	0.00	0.00	0.00	2.83	6.75	7.09
Argentina	2.10	2.71	1.63	16.59	27.47	24.05	0.01	0.00	0.00	18.70	30.18	25.69
Total	69.55	86.49	87.02	120.77	166.65	145.79	1.66	2.93	2.34	191.98	256.07	235.19

(1) Taxes paid by EGGER Group companies as tax debtors for other taxpayers, in EUR million.
 (2) The figures are presented without information from our plant in Caorso (IT) acquired during the reporting year.



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Regional value creation

EGGER thinks globally and acts locally. We produce in 21 plants in eleven countries worldwide and respond to the respective regional conditions and needs with a decentralised organisation and local managers (plant managers). We see ourselves as a good neighbour and an active member in the regional environment of our plants, and as such we aspire to have a positive effect in the long term on the respective local economy and local communities.

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

Opportunities and risks

A potential risk to the social environment of our plants is noise and odour pollution. Conflicts of use can arise during wood harvesting in our supply chain. A potential risk for EGGER is the lack of acceptance by local residents, which can lead to complaints.

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

How we support the regions of our plants

The sub-topics of this chapter:

- Donation activity
- Regionally purchased wood

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

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



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Donation activity



Attitude

EGGER has the welfare of the local community at heart. The company is not only an employer in the regions of the respective production plants, but also part of the local community. This claim is also expressed in our commitment to donations. We support the regions around our plants in a targeted manner according to respective local needs, namely in the areas of health, social welfare, education and environmental protection.



Approach

EGGER takes a local approach to donations: The achievement of these expectations is incumbent upon the locally responsible plant managers in accordance with our decentralised organisational structure. It represents EGGER in the regional environment. Regular donations are made at all locations. The Compliance Guideline on Donations and Sponsorship defines the globally valid standard. We only support organisations or activities that focus on health, social welfare, education and environmental protection. Any support concerning political parties, candidates or office holders is excluded. Religious purposes and elite sport are also excluded from these benefits.



Goal

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



Status

EGGER takes its responsibility for local communities and regions seriously. Donations and sponsorships were further increased in the 2022/23 financial year (+31% compared to the previous year). At 44% of the total amount, the largest share in the past financial year was in the social sector. EGGER is particularly committed to protecting and supporting those in particular need at the respective locations.

In the wake of the devastating earthquake in south-eastern Turkey and large parts of Syria in February 2023, EGGER quickly began to provide support measures. The focus here is on aid projects aimed at meeting basic housing needs. A total donation of EUR 1 million was announced to alleviate the suffering of the people in the affected region. EGGER products are being used to build and equip temporary houses.

Past measures

- Extensive activities in the areas of health, social welfare, education and environmental protection with a focus on local needs: including support for cancer research organisations (Hexham, UK), support for children with developmental delays (Rădăuți, RO), support for hospitals (Biskupiec, PL), support for schools (Rădăuți, RO).

Future measures

- Group-wide continuation of donation activities

Donations and sponsorship

Financial year	2020/21	2021/22	2022/23 ⁽²⁾
Donations and sponsorship in EUR ⁽¹⁾	1,526,802	2,141,649	2,808,818
of which in the area of health	619,683	326,513	355,761
of which in the area of social affairs	395,560	1,093,698	1,227,942
of which in the area of education	216,194	496,295	884,548
of which in the area of environmental protection	295,365	225,143	340,567

⁽¹⁾ Definition according to our Compliance Policy on Donations and Sponsorship
⁽²⁾ The values include the Caorso (IT) plant from January to April 2023.

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

Regionally purchased wood



Attitude

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



Approach

We specifically promote cooperation with suppliers from the region. In the course of the strategy revision concerning wood purchasing, a change was made to the definition of "regionality" and the goal was made more precise. In the process, greater attention was paid to local differences in the various procurement markets, e.g. due to geographical factors. The new goal definition is anchored in the EGGER Group's Wood Purchasing Policy. This guideline is the central document for the task description of wood purchasing employees. In accordance with our decentralised organisational structure, implementation of the strategic goals is the responsibility of the respective locally responsible plant and purchasing managers.



Goal

Our new strategic goal with regard to regionally purchased wood is: By 2030, we want to procure at least 75% of the wood quantities from the regional environment. This applies to all modes of transport.

Regional procurement is defined as follows: For our plants in Argentina, Russia and Romania, a radius of up to 300 km around our plants applies; for all other plants, the radius is up to 150 km.

All volumes procured from our own recycling collection points (Timberpak) count as regionally sourced, regardless of the distance to the respective plant, as the procurement radius of the Timberpak locations is on average a maximum of 50 km.

76% of the wood is purchased regionally



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Regionally purchased wood

Regionally purchased fresh and recycling wood

Financial year	2020/21	2021/22	2022/23 ⁽³⁾
Share of wood purchased from regional environment ⁽¹⁾	73% ⁽¹⁾	73% ⁽¹⁾	76% ⁽²⁾

⁽¹⁾ Regionally purchased applies to the proportion of fresh wood deliveries (by lorry and conveyor belt) originating from within a radius of 150 km in all fresh wood deliveries (weighted average). The radius refers to the distance travelled. The reference point for roundwood is the distance between the forest and the plant, for residual sawdust the distance between the sawmill and the plant. The calculation was made in terms of volume in absolute dry.

⁽²⁾ Here, what counts is the proportion of fresh wood and recycling wood deliveries (irrespective of the mode of transport) originating from regional procurement in all fresh wood and recycling wood deliveries (weighted average). Regional procurement is defined as follows: For our plants in Argentina, Russia and Romania, a radius of up to 300 km around our plants applies; for all other plants, the radius is up to 150 km. The radius refers to the distance travelled. The reference point for roundwood is the distance between the forest and the plant, for sawmill residues the distance between the sawmill and the plant, and for recycling wood between the point of origin and the plant.

⁽³⁾ The values include the Caorso (IT) plant from January to April 2023.



Status

Based on the new calculation, the current proportion of regional wood procurement is 76%. We are thus 1 percentage point above the newly set goal of at least 75% wood from regional procurement by 2030. The key figure is regularly reported in strategy and half-yearly meetings of the wood purchasing department.

In the course of revising the goal, the product groups used in the evaluation have changed. Previously, only fresh wood was included; as of FY 2022/23, all wood assortments are included in the key figure.

The establishment of a regular block train at the Rădăuți (RO) plant was discontinued for cost reasons, thus also the supply of wood from long distances.

Past measures

- Railway concept: Extension of the track system at the Biskupiec (PL) plant to the log yard for optimised handling of wood delivery volumes by rail.

Future measures

- Presentation and explanation of the new key figure at the EGGER Wood Purchasers' Conference in June 2023
- Creation of a roadmap on plant level (local wood purchasing) for the implementation of the goal for the respective plant



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Working conditions in the supply chain

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



Opportunities and risks

Potentially, any longer supply chain carries the risk of human rights violations or working conditions that do not meet the minimum standards of the International Labour Organisation (ILO).

Risks for companies lie in the damage to their own reputation if business is done with suppliers whose working conditions do not meet the standard. Through the implementation of the Act on Corporate Due Diligence Obligations in Supply Chains, suppliers are assessed according to their risk profile (countries, industry) and preventive or remedial measures are defined.

Our strategic partners and main suppliers in the chemicals and paper sector are large companies based in OECD countries that have ratified all ILO standards.

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

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

How we promote good working conditions in the supply chain

The approach at a glance:

- Our commitment to the UN Global Compact

The sub-topics of this chapter:

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

Further supply chain topics can be found in the chapters:

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



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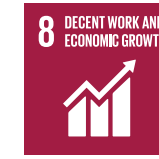
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Our commitment to the UN Global Compact



We are committed to and promote the ten principles of the UN Global Compact. Among others, these are as follows:

Human rights

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

Labour standards

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

Both the EGGER Code of Conduct and the Supplier Code of Conduct include all ten principles of the UN Global Compact. The process of having the Supplier Code of Conduct endorsed by our suppliers was continued. In the third year, the percentage of signatories of the EGGER Supplier Code of Conduct decreased, but the percentage of suppliers with their own Code

of Conduct increased. Thus, the overall percentage is about the same as in previous years. Due to major challenges in the supply chain, high energy costs and sanctions, we had to look for new supply sources in some cases. This had an impact on the demand for and confirmation of the Supplier Code of Conduct, especially in chemical purchasing. In the new financial year, we will again strictly adhere to obtaining confirmations from our suppliers. In addition, we are better organised for supplier management.

In addition to the chemical and paper suppliers, all fresh wood suppliers have also confirmed the Supplier Code of Conduct in writing at least once a year since 2020/21 financial year. The query was integrated into the due diligence system in wood purchasing, see chapter

Our due diligence system for tracing the origin of wood

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

Due diligence along the supply chain

The Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) has been in force since January 2023, which also regards our Group's plants. It concerns the avoidance of environmental and human

rights risks along the supply chain. It also regulates how violations on the part of suppliers are dealt with and which remediation mechanisms are established. For the implementation of this country-specific regulation and subsequently of the Corporate Sustainability Due Diligence Directive (CSDDD), resources and structures were created in the company to set up a corresponding due diligence process in all purchasing departments. In addition to wood and paper purchasing, which already operates a very comprehensive due diligence system, the other purchasing departments will gradually adapt to the high standard. The new regulations result in additional requirements that must also be implemented in our company.

Confirmation of the Supplier Code of Conduct

Financial year	2020/21	2021/22	2022/23
Number of paper and chemicals suppliers	322	336	314
of which signatories of the EGGER Supplier Code of Conduct ⁽¹⁾ (share by turnover)	71 (81%)	80 (87%)	54 (55%)
of which committed to their own Code of Conduct (share by turnover)	5 (4%)	4 (3%)	19 (30%)
Rest (share by turnover)	246 (15%)	252 (10%)	241 (15%)

⁽¹⁾ The supplier has confirmed in writing its acceptance of the EGGER Supplier Code of Conduct or is already a supporter of the Global Compact itself.

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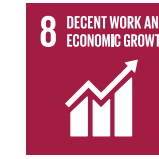
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Working conditions in transport logistics



Attitude

Occupational health and safety and protection of employees are anchored in EGGER's mission statement. We always set an example for our suppliers and encourage them to follow suit.

We are committed to promoting the Global Compact areas of 'Human Rights' and 'Labour Standards', for details see:

→ Our commitment to the UN Global Compact

With SDG 8, we commit to promoting decent work for all.



Approach

In order to ensure holistic approaches for the further optimisation of working conditions for the EGGER Group, the LogSafety team was established at the end of 2022. This is a committee of experienced logistics plant managers from various plants as well as work safety officers and motor vehicle fleet management. This team reviews the risk assessment of the plants from a Group perspective at fixed intervals and defines new minimum standards that are adapted in the existing procedural guidelines. These standards form the basis for all plants with a view to ensuring the working conditions of all external and internal employees in the



Goal

direct logistics environment. The LogSafety team also reports to the Safety Board.

The primary goal is to achieve zero accidents at work and further improve working conditions for external and internal employees in line with our "Vision Zero". The guiding principle remains to become the most attractive shipper in the respective region.



Status

Reviews of the correct securing of our products during transport were carried out on the routes, among other things by means of driving tests in the presence of external testing companies. The personal protective equipment for external and internal logistics employees now includes a helmet in addition to a high-visibility waistcoat and safety shoes. By means of a new survey of all forwarders in FY 2023/24, we want to check whether the most recently introduced measures are also visible to our partners and thus whether we are perceived more attractively as a shipper.

Past measures

- Renovation of the sanitary facilities or creation of new sanitary facilities with showers at the lorry parking areas in St. Johann (AT).
- Raising safety awareness through additional signposting and path markings (ongoing)
- Introduction of the Yard Management System in Wismar (DE) and St. Johann (AT)
- "Smart lashing solutions" for faster and safer load securing

Future measures

- Refurbishment of sanitary facilities or creation of new sanitary facilities with showers at the lorry parking areas at further locations
- Introduction of the Yard Management System in Rion des Landes and Rambervillers (FR)



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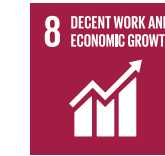
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Working conditions in the wood supply chain



Attitude

As part of our ISO 38200, FSC and PEFC certified due diligence system for sustainable wood procurement, we pay attention to the working conditions in our supply chain as described in the ILO Declaration on Fundamental Principles and Rights at Work. Work safety and employee protection are anchored in our mission statement. We always set an example for our suppliers and encourage them to follow suit.

We are committed to promoting decent work through SDG 8.



Approach

As part of our due diligence in the procurement of sustainable wood, we pay attention to the working conditions in the supply chain as described in the EU Supply Chain Act and the ILO Declaration on Fundamental Principles and Rights at Work.

Building and developing long-term relationships with our suppliers is the basis for creating shared value and improving working conditions at our suppliers, especially in structurally weak countries. Through long-term cooperation with our suppliers we have a solid basis for good working conditions. We aim to pay a fair,

market-driven price for our wood and pursue long-term supplier management.

All countries in which EGGER purchases wood have committed themselves to comply with all eight ILO conventions and to enact national laws to protect employees. Every supplier of fresh wood is contractually obliged to comply with the ILO working conditions. Should the respective legislator demand stricter standards beyond this, these must be met. If EGGER carries out its own logging, we use checklists to check with our contractors whether the employees wear personal protective equipment and are legally employed. Within the framework of ISO 38200 and with the purchase of certified wood, we ensure that our suppliers comply with the national laws for occupational health and safety with due diligence.

See also:

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



Goal

The guiding principle is to create transparency in our supply chain by sourcing as directly and regionally as possible. We support our suppliers to improve the working conditions in our supply chain if we identify deficits.



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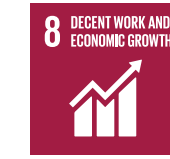
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Status

In our purchasing areas all ILO conventions have been ratified by the respective state. In addition, our risk assessment of suppliers also includes a confirmation of the principles, which include two social principles. In risk regions where government controls are still weak, we are increasingly relying on the purchase of certified wood and the associated external auditing of suppliers.

We will continue to pay fair, market-driven prices for our wood, pursue long-term supplier management and improve working conditions in high-risk regions by purchasing certified or checked wood. We have regular supplier meetings where one topic is social conditions in the wood supply chain. For example, in April of the past financial year, such discussions took place at our

plant in Rădăuți (RO). The focus was on topics such as work safety and fair working conditions.

Past measures

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


Future measures

- Active cooperation for the creation of a pilot blockchain for a fully traceable wood supply chain in cooperation with regional stakeholders at the Brilon (DE) plant under the leadership of the FH Südwestfalen
- EGGER also conducts occupational safety training with our wood suppliers in Romania.



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Glossary A–FE

ASI	Internal control authority of the FSC® (Assurance Services International)
AT	Unit of measurement for the mass of one tonne of absolutely dry wood (absolutely dry tonne).
BEFIT	Initiative aiming to create a common set of rules for company taxation in the EU (Business in Europe: Framework for Income Taxation)
BEPS	Base Erosion and Profit Shifting
BREF	Best Available Techniques reference documents
BY	Belarus
C	Carbon
CapEx	Capital Expenditures
CARB 2	Formaldehyde emission class (California Air Resources Board Phase 2)
CFO	Chief Financial Officer
CO	Gas (carbon monoxide)
CO ₂	Gas (carbon dioxide)
CO ₂ eq.	CO ₂ equivalent: Unit of measurement to standardise the climate impact of the different greenhouse gases
COC	Chain of custody
CPI	Corruption Percentage Index
CRM	Customer Relationship Management
CSCO	Chief Supply Chain Officer
CSDDD	Corporate Sustainability Due Diligence Directive
CSO	Chief Sales Officer
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
CTO	Chief Technology Officer
DDS	Due diligence system
DHF	Vapour-permeable wood fibreboard
DIY	Do it yourself
DNSH	a criterion of the EU taxonomy which states that no significant environmental damage is caused (do no significant harm)
E05	German emission class for formaldehyde

E1E05	Industrial labelling for wood-based materials which, as raw boards, meet the requirements of the German Chemicals Prohibition Ordinance
E1	European emission class for formaldehyde
EAC	EGGER-internal designation of a specific risk group for the origin of wood (EGGER Audit Controlled)
ECS	EGGER-internal designation of a certain risk group for the origin of wood (EGGER Controlled Sources)
EEF	Association of works councils of all plants in the EU and UK (European EGGER Forum)
EHD	Environmental and Health Data Sheet of a given product
ELS	EGGER-internal designation of a certain risk group for the origin of wood (EGGER Legal Sources)
EMAS	Voluntary EU eco-management and audit scheme
EMS	EGGER Management System
EN	European standard
EN 71-3	European standard on the safety of toys – part 3: Migration of specific elements
EN 15804	European standard for environmental product declarations of construction products
EN 16247	European standard for energy audits
EPD	Environmental Product Declaration
EPF	European Panel Federation
EPI	Environmental Performance Index
ERP	Enterprise Resource Planning
ESG	Environmental and social performance and organisational structure of corporate management (environment, social, governance)
ESRS	European Sustainability Reporting Standards
ETS	EU Emissions Trading System
EU IED	EU Industrial Emissions Directive
EUDR	EU Deforestation Regulation
EUTR	European Timber Regulation
F****	Japanese emission class for formaldehyde
FAQ	Frequently Asked Questions
FE	Functional unit

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Glossary FH–PCB

FH	University of applied sciences
FSC®	Voluntary system for sustainable forest management, chain-of-custody and product labelling (Forest Stewardship Council®)
FTE	Full Time Equivalent
GDPR	General Data Protection Regulation
BY	Financial year
GRI	Sustainability reporting standard (Global Reporting Initiative)
GWh	Gigawatt hour
GWP	Global Warming Potential
HDF	High-Density Fibreboard
Wood purchasing	EGGER internal abbreviation for wood purchasing
HR	Human Resources
IBU	German programme operator for EPDs (Institute for Building and Environment)
IBU-PCR	Part of the IBU Programme Rules (see IBU, see PCR)
IEA	International Energy Agency
IFRS	International Financial Reporting Standards Foundation
ILO	International Labour Organisation
ISAE 3000	International Standard on Assurance Engagements 3000
ISO 9001	International Quality Management System Standard
ISO 14001	International Environmental Management System Standard
ISO 14021	International standard for environmental product declarations
ISO 14025	International standard for the verification of environmental product declarations
ISO 14067	International standard for quantifying the carbon footprint of products
ISO 38200	International system standard for the controlled chain of custody of wood
ISO 45001	International Occupational Health and Safety Management System Standard
ISO 50001	International Energy Management System Standard
ISS ESG	ESG division of the rating provider Institutional Shareholder Services Inc.
IT	Information technology

LkSG	German Act on Corporate Due Diligence Obligations in Supply Chains
LTIR	Lost time Injury Rate
KJ	Calendar year
KornFerry Hay	Job evaluation system
Short-cycle press	Short-cycle press
CIP	Continual improvement process
kWp	Kilowatt Peak: Peak power of photovoltaic modules
LOTO	An occupational safety procedure in which equipment is disconnected from its energy sources during maintenance (Lockout-Tagout System).
M1	Finnish label for the classification of emissions from building materials
MF	Melamine formaldehyde
MDF	Medium-Density Fibreboard
MUF	Melamine Urea Formaldehyde
NACA-Score	Rating system for the severity of injuries and illnesses
NaDiVeG	Sustainability and diversity improvement act (Austria)
NFI	Non-financial information
NGOs	Non-Governmental Organisation
NO	Gas (nitrogen monoxide)
NO2	Gas (nitrogen dioxide)
NOx	Collective term for nitrogen monoxide and nitrogen dioxide
ODS	Ozone Depleting Substances
OECD	Organisation for Economic Cooperation and Development
OHSAS 18001	UK Occupational Safety Management System Standard
OpEx	Operational Expenditures
OSB	Oriented Strand Board
ÖWAV	Austrian Water and Waste Management Association
ÖWAV sorting guide	ÖWAV working aid 60: Guideline for waste wood sorting
PAH	Substance group: Polyaromatic hydrocarbons
PCB	Substance group: Poly-chlorinated biphenyls

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Glossary PCF–W

PCF	Product Carbon Footprint
PCP	Substance: Penta-chlorophenol
PCR	Set of rules for environmental product declarations of a certain product category (Product Category Rule)
PE	Thermoplastic material (polyethylene)
PEFC	Voluntary system for sustainable forest management, chain-of-custody and product labelling (Programme for the Endorsement of Forest Certification)
PESTEL analysis	Strategic analysis tool for assessing the impact of external factors (political, environmental, economic, social, technical, ecological, legal) on the company
PET	Thermoplastic from the polyester family (polyethylene terephthalate)
PMDI	Binding agent (polymeric diphenylmethandisocyanat)
PRTR	Pollutant Release and Transfer Register
PVC	Plastic (polyvinyl chloride)
RAL UZ 176	Voluntary eco-label Blue Angel for low-emission floor coverings, panels and doors made of wood and wood-based materials for interiors
RC	Recycling
SASP	Single Authorisation for Simplified Procedures
SDG(s)	Sustainable Development Goals of the United Nations
SGS	Societe Generale de Surveillance (certification company)
THG	Greenhouse Gas
TSCA Title VI	Toxic Substances Control Act
UF	Urea Formaldehyde
UGB	Austrian Commercial Code
UKTR	UK Timber Regulation
UN	United Nations
VOCs	Volatile Organic Compounds
WRA	UK Wood Recycler's Association
WRI	World Resources Institute
WTW	Consulting firm for data-driven, evidence-based solutions in the areas of employees, risk and capital

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In its structure, this Sustainability Report follows the material topics that were developed in line with the GRI standard. The GRI Index provides an overview of the contents.

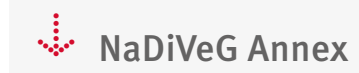
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NaDiVeG Annex

The NaDiVeG Annex provides an overview of which parts of this report contain the content specified by the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) for the non-financial report. With the NaDiVeG, the NFRD was implemented in Austria and anchored in the Austrian Commercial Code.

[Download the NaDiVeG Annex](#)



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This non-financial report for the 2022/23 financial year was approved and released for publication on 13 July 2023.

St. Johann in Tirol, 13 July 2023

The Managing Board

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

Frank Bölling
(Chief Supply Chain
Officer)

Michael Egger Jr.
(Chief Sales Officer)

Hannes Mitterweissacher
(Chief Technology Officer)

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To the Group Management of Egger Holzwerkstoffe GmbH, St. Johann in Tirol

Report on the independent audit of the non-financial corporate reporting pursuant to § 267a UGB

We have performed the limited assurance engagement on the consolidated non-financial report pursuant to section 267a of the Austrian Commercial Code (hereafter 'NFI Report') for the financial year 2022/23, referred to as the Sustainability Report 2022/23, of the

Egger Holzwerkstoffe GmbH, St. Johann in Tirol (hereinafter also referred to as 'Egger' or the 'Company').

Evaluation

Based on our audit procedures and the evidence obtained, nothing has come to our attention that causes us to believe that the NFI Report of the Company is not prepared, in all material respects, in accordance with the legal provisions of the Sustainability and Diversity Improvement Act (§ 267a UGB), the provisions pursuant to Article 8 of Regulation (EU) 2020/852 as amended and the supplementary Delegated Regulation (EU) 2021/2178 (hereinafter "EU Taxonomy Regulation"), and the GRI Standards in the current version (option "in accordance with").

Responsibility of the legal representatives

The proper preparation of the NFI Report in accordance with the reporting criteria is the responsibility of the company's legal representatives. The Company applies the legal provisions of the Sustainability and Diversity Improvement Act (§ 267a UGB) as well as the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI Standards) in the current version in the option "in accordance with" as reporting criteria. In addition, the company prepares information in connection with the EU Taxonomy Regulation, which is published as part of the sustainability reporting. The responsibility of the Company's legal representatives includes the selection and application of appropriate non-financial reporting methods (in particular the selection of material topics) and the use of assumptions and estimates for individual sustainability disclosures that are reasonable in the given circumstances. On the other hand, the responsibility includes designing, implementing and maintaining systems, processes and internal controls relevant for the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

Our responsibility is to express an opinion, based on our audit procedures and the evidence we have obtained, as to whether any matters have come to our attention that cause us to believe that the NFI Report of the company is not prepared, in all material respects, in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§

267a UGB), the legal requirements of the EU Taxonomy Regulation and the GRI Standards in the current version (option "in accordance with"). We conducted our audit in accordance with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. Those standards require that we comply with our professional duties, including independence requirements, and plan and perform the engagement, taking into account the principle of materiality, to express our assessment with limited assurance. In an audit to obtain limited assurance, the audit procedures performed are less extensive than in an audit to obtain reasonable assurance, and accordingly less assurance is obtained. Despite conscientious planning and performance of the engagement, it cannot be excluded that material errors, illegal acts or irregularities in the non-financial reporting may remain undetected.

The procedures selected depend on the auditor's judgement, and included in particular the following activities:

- Interviewing employees responsible for the materiality analysis at Group level to gain an understanding of the procedure for identifying material sustainability topics and corresponding reporting limits of the company;
- Risk assessment, including a media analysis, of relevant information on the company's sustainability performance in the reporting period;



ANNEX

Glossary

→ GRI Index

→ NaDiVeG Annex

Statement by the company's legal representatives

Audit report

Audit report

— Assess the design and implementation of systems and processes for the collection, processing and monitoring of data on environmental, social and labour topics, respect for human rights and the fight against corruption and bribery, including the consolidation of data;

— Surveys of employees at Group level who are responsible for the identification and consolidation as well as the implementation of internal control procedures with regard to the disclosures on concepts, risks, due diligence processes, results and performance indicators;

— Inspection of selected internal and external documents to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;

— Assessment of the local data collection, validation and reporting processes as well as the reliability of the reported data through a sample survey at the Rădăuți (Romania) site;

— Analytical assessment of the data and trends in quantitative data for the GRI Standards listed in the GRI Index, which were reported by all plants for consolidation at Group level;

— Assessment of the consistency of the requirements of the Sustainability and Diversity Improvement Act applicable to the Company (§ 267a UGB), the EU Taxonomy Regulation as well as the GRI Standards in the

current version ("in accordance with" option) with the disclosures and key figures in the NFI Report;

— Assessment of the overall presentation of the information by critically reading the NFI report.

The subject matter of our engagement is neither an audit nor a review of financial statements. Similarly, neither the detection and clarification of criminal offences, such as embezzlement or other breaches of trust and regulatory offences, nor the assessment of the effectiveness and efficiency of the management is the subject of our mandate. In addition, our engagement does not extend to the review of future-oriented statements, prior-year figures, statements from external documentation sources and expert opinions, or references to more detailed corporate reporting formats of the Company.

Restriction of use

As our report is prepared exclusively on behalf of and in the interest of the client, it does not form the basis for any possible reliance by third parties on its contents. Claims by third parties can therefore not be derived from this. We agree to the publication of our audit certificate together with the NFI report. However, this may only be done in the complete version certified by us.

Terms and conditions

With regard to our responsibility and liability towards the company and towards third parties, point 7 of the

General Conditions of Contract for the Public Accounting Professions applies.

Innsbruck, 13 July 2023

KPMG Austria GmbH
accounting firm and tax consultancy

