

More Transparency is the New Green“

HDH ISO 38200 Workshop - EGGER Group –Werner Zwingmann
22.11.2021



EGGER at Glance

Fact sheet

Facts & Figures
2020 / 2021 business year



Our customers:



Furniture and interior design



Flooring



Building products

Products for furniture and interior design



Eurodekor melamine-resin-coated chipboard



PerfectSense Lacquered Boards



Laminates



Edging



Worktops



Compact laminates



OSB Combiline – OSB–MDF composite board



Worktop accessories



Eurodekor melamine-resin-coated MDF boards



Eurodekor melamine-resin-coated OSB Combiline boards



Eurolight decor



Eurolight lightweight boards



Splashback panels



Laminate bonded boards



Eurospan raw chipboard



MDF Medium Density Fibreboard



Thin chipboards



Window sills



Thin MDF lacquered boards



Thin MDF boards



Furniture components

Building products



Sawn timber
fresh, dried, planed



OSB straight edge
Oriented Strand Board



OSB tongue and groove
Oriented Strand Board



EGGER Ergo Board



EGGER Roofing Board



DHF vapour-permeable wood
fibreboard



Eurospan rawboard



Eurospan flooring boards



Peel Clean Xtra



EGGER Protect



MEHR AUS HOLZ.



Naturally EGGER.



Sustainability at EGGER

More from wood means more transparency.

Products



We provide sustainable products.

Production



We ensure environmentally-friendly production.

Employees & society



We take our social responsibility seriously.

Our commitment to the Global Compact

WE SUPPORT



EGGER has ...

... expressed its support for the 10 principles of the United Nations Global Compact in the areas of human rights, labour standards, environmental protection and anti-corruption.

Our commitment to the SDGs



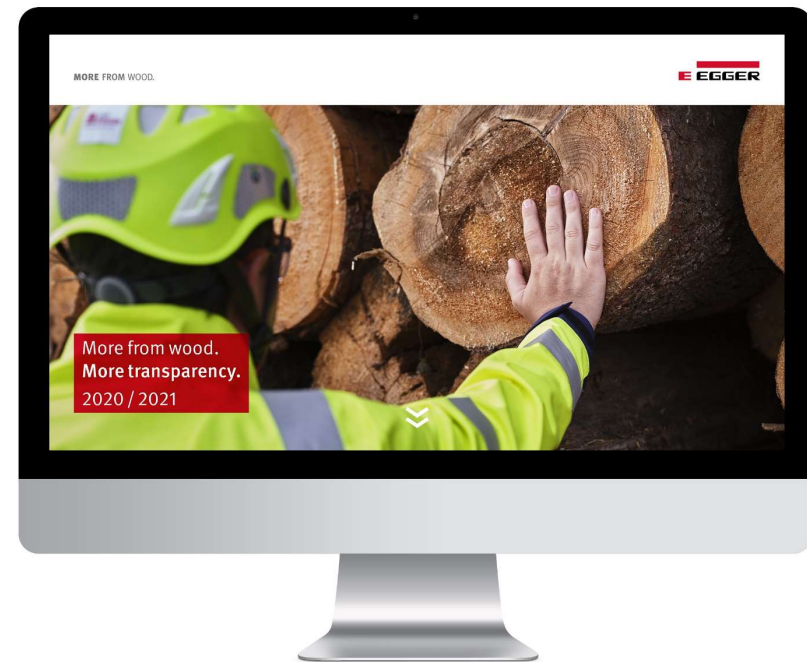
EGGER has ...

... committed itself to the United Nations Sustainable Development goals (SDGs).

More transparency

Sustainability Report
available online

www.egger.com/sustainability



External assessment of our sustainability performance



ISS ESG Corporate Rating:
Prime status (= highest rating)
Leading rating agency in the sustainable investment segment



EcoVadis rating
Silver medal (= top 25 %)
World's largest provider of sustainability ratings

Sustainable wood sourcing @ EGGER

SDG 15 Life on Land is **one** Target in our Sustainability Strategy



Sustainable wood procurement

Same principles @ all EGGER Plants



EGGER supports all recognized Forest certification schemes to promote sustainable forest management in the scope of FAO Global Sustainable Development Goals (SDG 15.2)

1. EGGER Legal Sources - 100% from verified and controlled legal sources

2. Regional Wood purchase – 90% should come from near distances less than 150 km

3. Saving natural Resources

a) Cascade Usage of wood (Recycling) and Coproducts

b) If we buy virgin wood then we prefer wood from certified sustainable sources

Sustainable Wood Sourcing

CoC – from Chain of Custody to Chain of Commitments

Revision of Chain of Custody is needed!! In many purchase countries we see no real improvement in sustainable Forest Management

Question: What would the chain of custody system look like, if we moved away from product-related "chain of custody" statements and replaced them with organization-related sustainability KPIs?

FSC® and PEFC™ have their core competences in sustainable forest management.

Previous COC systems say little about the overall sustainability of the product and the supplier.

- Most of the products that are labelled as certified are mix products and also contain non-certified or other certified wood.
- COC Mix labels are no physical guarantee to ensure wood from certified forests (Controlled Wood).
- Different forest management standards in the purchasing countries makes it difficult to compare the sustainability footprint in the forest (see picture).
- In case of poor availability, long transport distances are usually accepted (CO2 footprint?).



Pic: certified State Forest in UK

Sustainable Wood Sourcing

CoC – availability of certified products in General

The availability of certified products for producers depends on various factors:

- Availability of certified Forests in purchase region
- Suppliers holding a COC Certificate
- Feasibility and practicability of COC and CW Standards (NRAs)

| Country | Forest Area FSC (ha) | FSC FM certificates | FSC CoC certificates | Forest Area PEFC (ha) | PEFC CoC certificates |
|----------------|----------------------|---------------------|----------------------|-----------------------|-----------------------|
| ARGENTINA | 472.467 | 11 | 122 | 301.852 | 15 |
| AUSTRIA | 587 | 2 | 313 | 3.283.695 | 531 |
| FRANCE | 73.434 | 9 | 825 | 5.685.552 | 2.071 |
| GERMANY | 1.439.349 | 56 | 2.272 | 8.050.000 | 1.736 |
| POLAND | 6.668.481 | 17 | 2.342 | 7.155.637 | 204 |
| ROMANIA | 2.838.323 | 34 | 824 | | 32 |
| RUSSIA | 57.150.580 | 246 | 893 | 30.872.652 | 89 |
| UNITED KINGDOM | 3.061.236 | 25 | 2.231 | 1.536.452 | 1.010 |
| UNITED STATES | 14.228.377 | 92 | 2.328 | 34.693.818 | 233 |

What does it mean for the producers and customers?

=> Example If you purchase a FSC® Mix Credit certified Chipboard in Austria or Germany it physically contains Recycling (claim contributing) and mostly PEFC certified fresh wood from the local purchase region.

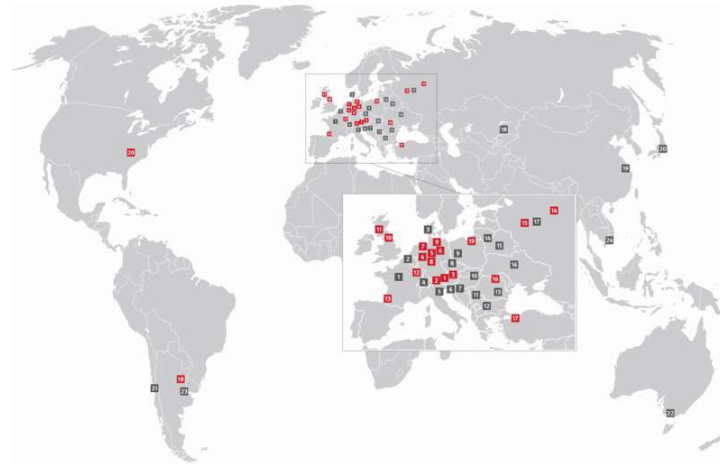
Mix Products and COC Standards (Credit Method) offer a certain possibility for Green Washing

Sustainable Wood Sourcing

Implementation of ISO38200 in our EGGER Group (Multisite)

EGGER needs to fulfill several customer requests at the Point of Sales

- public procurement guidelines
- private procurement guidelines
- Ecolabels and Green Building



With ISO 38200 we can set one common standard for Sustainable Wood Sourcing
ISO 38200 is applicable for all wood and paper based EGGER Products
With ISO we can define common Key Performance Indicators (KPIs) which are additionally verified by an experienced 3rd party for our stakeholders

Sustainability indicators of our products

Our Environmental performance indicators verified with ISO 38200



Wood-based materials are climate-friendly

They bind more carbon dioxide than they emit during production.

- » **CO2 footprint of our products**



We use wood from verified and certified sources

We are committed to sustainable forest management and control of our supply chains.

- » **Proportion of the wood used that is verified and certified according to ISO 38200**



We conserve natural resources

We act in cycles and make the best possible use of existing wood.

- » **Proportion of recycling material and by-products**



We focus on short distance transportation

Our used roundwood is mainly procured regionally.

- » **Proportion of the wood purchased within a maximum radius of 150 kilometres**



Wood-based materials grow back

Unlike fossil raw materials, wood is a renewable resource.

- » **Proportion of the material used from renewable raw materials**

Our sustainability indicators

Example: Eurodekor melamine-resin-coated chipboard



Would you like to know more? www.egger.com/ecofacts

Experiences – Advantages and Weaknesses

point of view EGGER

Advantages:

- Wood from different certified forests can be added to ISO38200 certified => regional wood sourcing.
- Applicable for all wood and paper based products
- ISO standard not a profit oriented organization
- Easy implementation into existing ISO management systems
- Standard is clear and understandable
- ISO38200 can be adapted to the company strategy for sustainable wood sourcing
(verified, certified, recycled and specified)

Weaknesses:

- New standard, awareness will increase
- Flexibility in declaration on sales documents need more coordination in B2B supply chain
- Allows credit method => greenwashing
- Only a Few certification bodies accredited
- Lack of acceptance and participation of NGOs so far

Opportunities – Recommendations

Point of view EGGER

Opportunities:

- Very good availability of cert. material despite different forest certifications or standards.
- ISO can create a common approach of sustainable wood sourcing in B2B (verified/certified/recycled/specified SDGs)
- ISO 38200 audited due diligence system create trust through more transparency
- Smaller companies can be integrated into the supply chain, free from ideology or politics

Recommendations:

- We want to encourage to use ISO 38200 standard for communicating goals on sustainable wood sourcing.
- Use rolling percentage method => as chain of commitment, do not allow greenwashing
- Describe your goals SMART and transparent for customers.
- ISO standard has a big potential, but needs to be further developed by neutral body

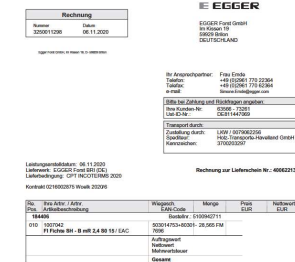
Full Transparency from us...

- The life cycle assessment of our products is published in so-called EPDs - "Environmental Product Declarations".
- EHD - "Environmental and Health Datasheet": Ingredients classified by contribution to the circular economy and contribution to the bio-economy.
- Manufacturer declaration on wood origin – with all ISO38200 sustainable wood sourcing indicators 3rd party verified by SGS CH

Tab. 1: Timber origins according to product groups and production sites

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | | | | | |
|--|--------------|------------|---------------------|--------------------------|----------------------------|-------------------------|-------------------|--|-----------------------|--|--------------------------------------|--------------------------------|-------------------|-----------------------------|-------------|--|---------------------|
| Material name as defined in Annex I of the Regulation (EEC) no. 2658/87 and Harmonized Tariff Code (e.g. UK Trade tariff Code) | Manufacturer | Plant | Plant material In % | Recycled material In % * | Co-products content In % * | Circular economy In % * | Roundwood In % ** | Average share of certified wood In % *** | Regionality In % **** | Traceability of material In % ***** | EGGER More Sustainable Sources ***** | IWAY minimum requirement ***** | Country of origin | Region | Origin In % | Special Use Designation US LaceyAct (applicable Tree species, see Table 2) | |
| | | | | | | | | | | | | | | | | Genus Designation | Species Designation |
| Chipboard 4410, 4418, 9403 | EGGER | St. Johann | 68% | 46% | 36% | 82% | 18% | 82% | 77% | 100% verified according to ISO 38200 DDS | 97% | on request | AT Austria | all regions | 67% | special | Composite, Recycled |
| | | | | | | | | | | | | | CZ Czech Rep. | all regions | 0% | | |
| | | | | | | | | | | | | | DE Germany | all regions | 20% | | |
| | | | | | | | | | | | | | IT Italy | southern Tyrol and Trentino | 1% | | |
| | | | | | | | | | | | | | SI Slovenia | all regions | 3% | | |

- And at least we offer a ISO 38200 declaration on sales documents upon customer request

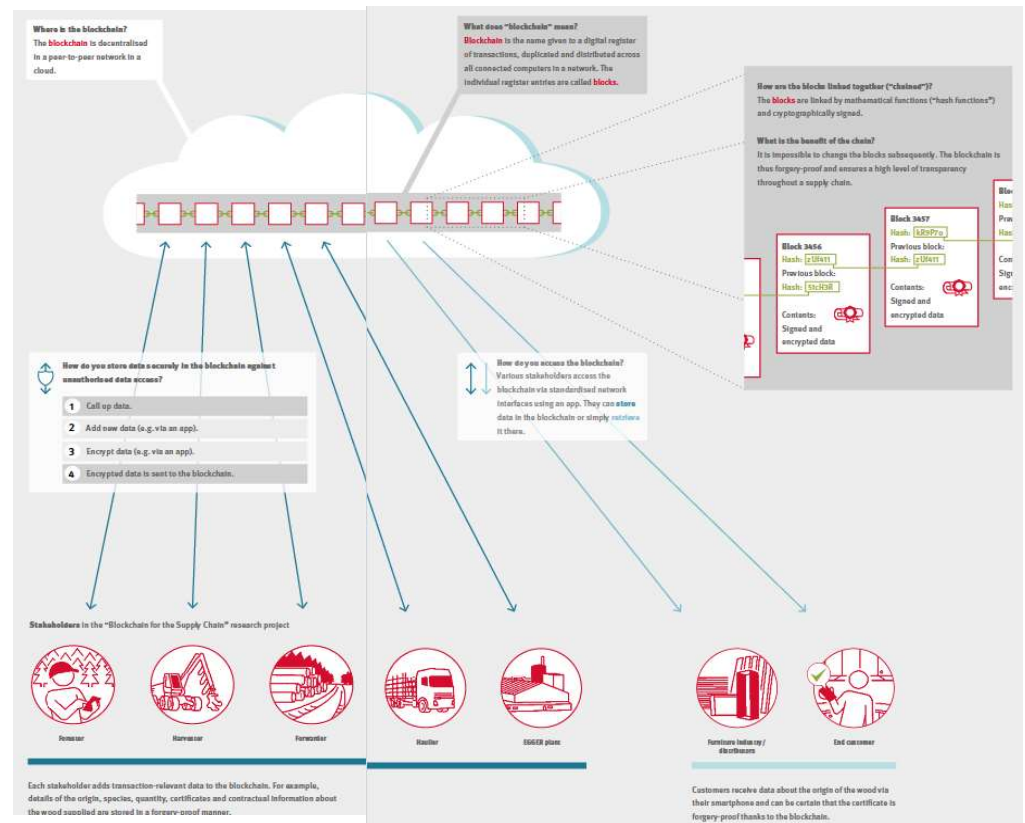


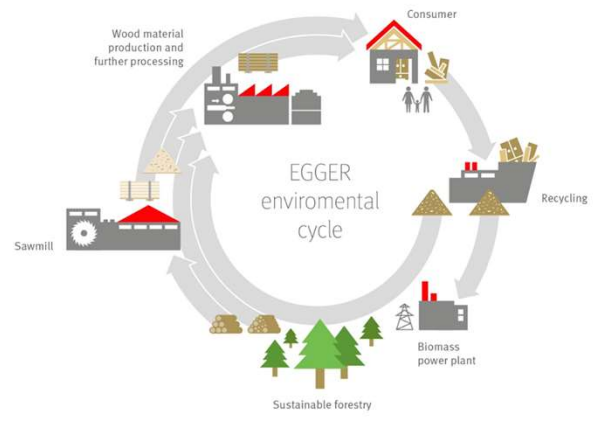
Full Transparency from us...

Outlook 2030:

All applicable customers in the COC have access to transparent data in a public ISO 38200 3rd party verified blockchain.

- Access to
- Information about wood origin
- Certifications
- Technical information
- Application of products





Thank you!

Transparency and circular economy is the best solution to face our mayor problems:

