

# DOING OUR PART

Update to the Danzer Sustainability Report 2016,  
November 2019

## Water Resource Stewardship



Hardwood Excellence.



In June 2017, Danzer published its second Sustainability report: *Doing Our Part*. Prior to a next full report, Danzer is preparing subject-specific updates to its Sustainability Report to demonstrate how Danzer is doing our part toward the UN Sustainable Development Goals (SDGs) published in 2015; a personal commitment to operate business in a way that is responsible for the resources we share with the communities we operate in.

This is an update on the segment *Water Resource Stewardship* found in the Danzer Sustainability Report 2016: *Doing Our Part*, p.51. The data presented here was updated between October 2018 and June 2019. This is a GRI referenced claim, meaning the orange letter references starting with GRI indicate the Global Reporting Initiative Sustainability Reporting Standards were consulted.



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[SDG6] The UN Sustainable Development Goal 6: *Ensure availability and sustainable management of water and sanitation for all*, is important to Danzer because having access to drinking water, protecting and improving surface and ground water quality, and avoiding water scarcity are important issues to the communities Danzer operates in, especially when our shared water resource is such a critical component of the production process (steam and heat).

[GRI 103] During the years 2018-2019, environmental and safety coordinators at Danzer’s production facilities worldwide spent much energy to update the Environmental and Safety Management System, an internal database for maintaining all documentation of Danzer’s efforts to identify environmental and safety aspects of the operations, evaluate their impacts, prevent any harm, and mitigate impacts where they exist. [GRI 303-1] Figure 1 shows a flow chart that helps Danzer employees identify water impacts:

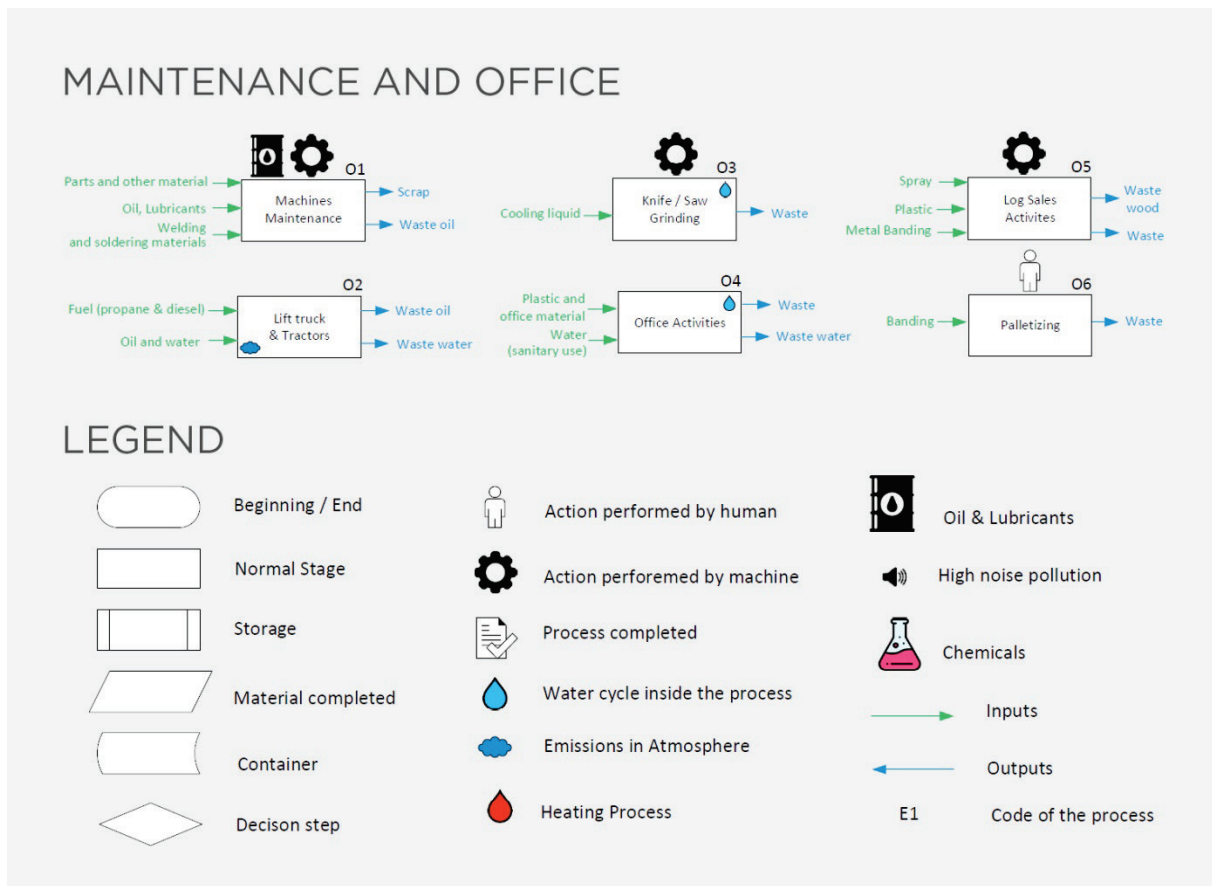


Figure 1: Partial ESMS flow chart, Danzer veneer mill, Edinburg, IN

The Managing Impacts & Aspects plan is used to evaluate the impact of each water flow identified. Each activity is looked at for its aspects (i.e. emissions to air, releases to local streams or groundwater, waste generated, energy consumption, noise, chemical exposure, or other safety hazards). Next the impact of each aspect is assessed and a procedure put in place to minimize or eliminate that impact.

Because water is a shared resource, environmental and safety coordinators interviewed local stakeholders in the water supply and discharge chain: wastewater treatment plant operators and community leaders. Their concerns and comments are quoted throughout this document. Overall, some suggestions were given to improve discharged water quality, but no present problems were noted by the respondents. These suggestions, as well as a careful review of the consumption and discharge data, led to the establishment of specific goals at individual facilities to reduce water consumption and improve discharge quality.

“The town is not aware of any negative issues with [...] Danzer’s water consumption. Town officials appreciate the cleanliness of the log yard, which reduces the risk of contamination [...] of the shared system. Because the town sits on a large aquifer, Danzer might consider utilizing well water for any water consumption that wouldn’t require filtration (vat water).”

A town official, Edinburgh, IN, USA (Q2 2019)

[GRI 303-2] Danzer manages water discharge-related impacts at its veneer and lumber operations by carefully maintaining discharge permits with the local authorities. Regular monitoring reports are completed for relevant and background contaminants - most significantly color, total suspended solids, and biological oxygen demand. These permits are updated every few years with sample data that the regulatory authorities use in models of the receiving stream to set appropriate limits.

“Our goals should be to reduce:

- Water consumption
- Waste generation through better sorting”

Danzer manager, Kesselsdorf, Germany (Q2 2019)

[GRI 303-3] The Aqueduct Water Risk Atlas by the World Resource Institute shows that the Pennsylvania Danzer locations in the Ohio and Susquehanna River Watersheds are at low stress levels (Bradford, Darlington, Williamsport, and Shade Gap). The Edinburgh, Indiana location in the New Albany Shale Aquifer and the Melnik, Czech Republic location in the Elbe Basin are both at medium-high stress levels. The following graphic illustrates the water withdrawal levels at all Danzer production locations over time.

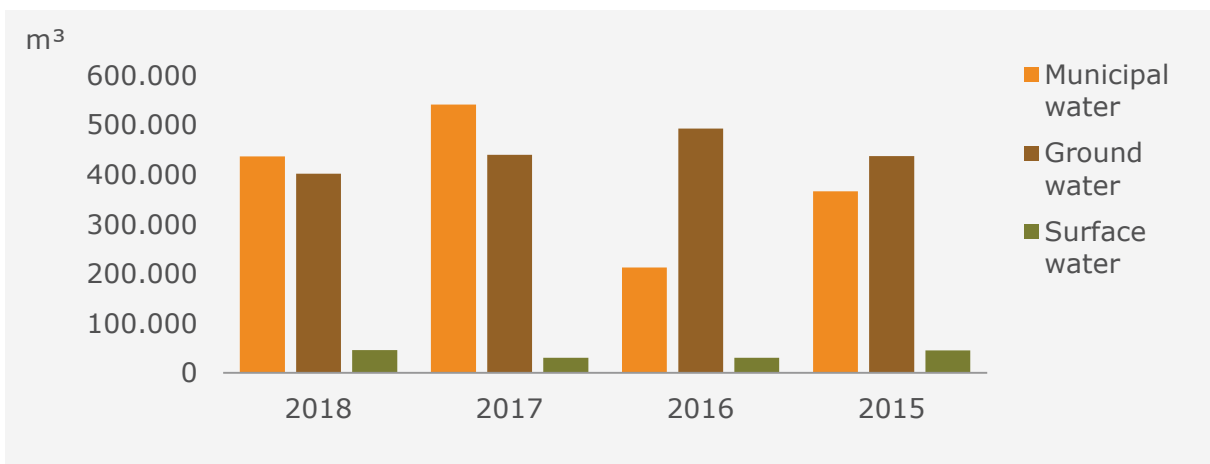


Figure 2: Global water withdrawal among Danzer production facilities

A cross-production site water withdrawal comparison revealed excessive municipal water withdrawal at the Williamsport location. Closer examination showed that municipal water was being used for a seasonal process that didn't require it. Action was immediately taken to at least halve the consumption from that process in 2020. The Edinburgh location is working towards a similar adjustment.

[GRI 393-4] Once the changes are implemented, there will be a significant drop in the 2020 Danzer water withdrawal and discharge numbers. Figure 3 illustrates the discharges to surface water among Danzer's production facilities over time.

**“Danzer does a good job in their relationship with the Waste Water Treatment Plant and its requirements and expectations. It is evident that the employees involved are properly trained.”**

A Town Official, Edinburgh, IN, USA (Q2 2019)

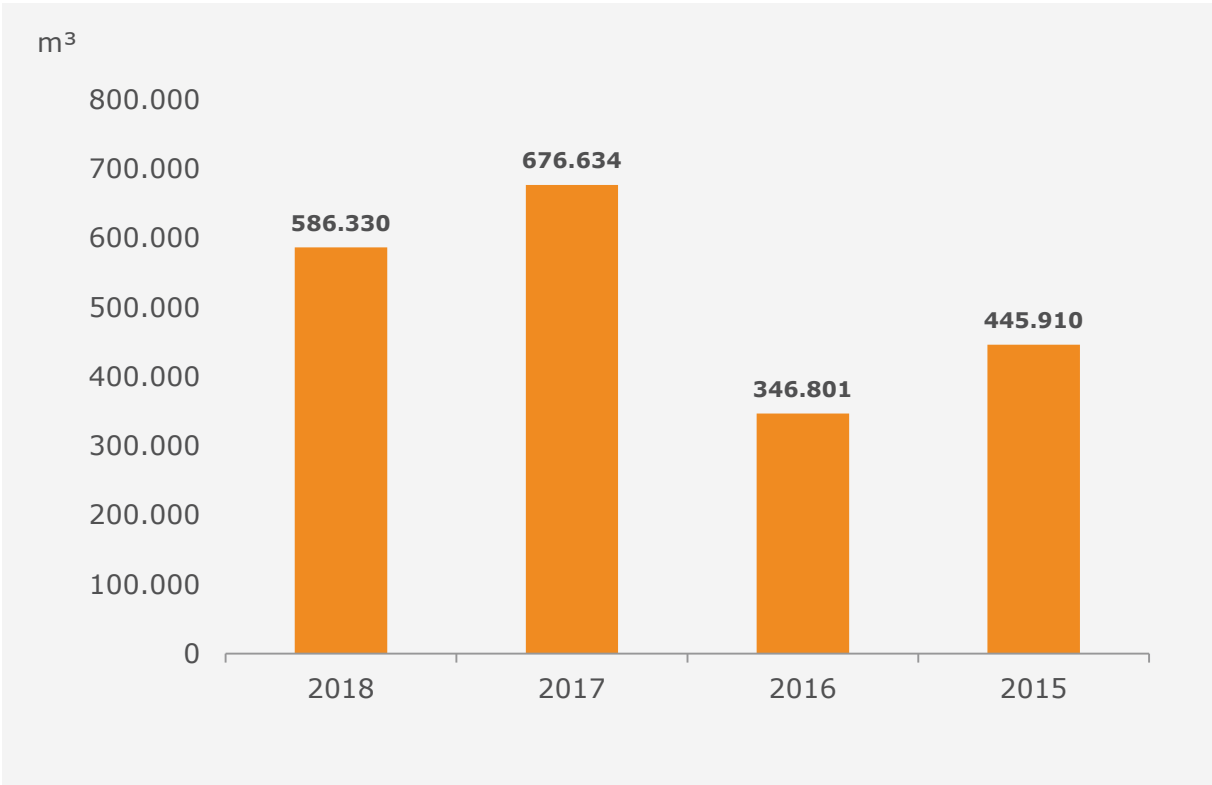


Figure 3: Global surface water discharges among Danzer production facilities\*

\* Remaining data inconsistencies among facilities do not allow reporting of total sewer discharges and losses to evaporation. This limitation will be overcome with 2019 data collection.

SDG 15, Life on Land, makes it clear that water and land resources are linked: “We are all part of the planet’s ecosystem and we have caused severe damage to it through ... land degradation.” Land degradation can be caused by solid pollutants as well as liquid spills.



[GRI 306-1] On September 27, 2019, the management of Danzer’s Bradford, PA sawmill signed a Consent Assessment of Civil Penalty with the Pennsylvania Department of Environmental Protection (DEP) that included a penalty for violations to a permit to discharge log yard water runoff to the Rutherford Run stream. Upon receiving the notification of violation in July 2018, local Danzer management engaged local, regional and international Danzer staff. Discharge from log yard wet decking operations had elevated levels of woody debris and soil which produced an observable change of color, odor, turbidity and deposited sediment into Rutherford Run. The deterioration of the hard surface of the log yard over the 20 years the facility has operated, contributed to elevated solids content.

[GRI 306-2] Mr. Bukowski, General Manager, commented that, “we employed an engineering, mechanical solution to address the solids in our process water. A new surface on the log yard would also be beneficial, but the cost is prohibitive given the current hardwood lumber market conditions.” He continued, “through our collaboration with the DEP we learned a lot about improving our environmental footprint, and ultimately it resulted in the implementation of a solution that directly addressed the issue at hand.” A water recycling system for Bradford was moved from a previous Danzer facility in Tioga, Pennsylvania and put to reuse.

The Melnik location has a collection and treatment system in place to reuse water in both the log yard and vat systems. Danzer’s environmental and safety coordinators are meeting quarterly to discuss the optimization of all facilities through exchange of experiences.

[GRI 306-3] Over the course of 2015 to 2016, no other facility reported a spill or leak of contaminated water.



**Our operating system makes it possible to monitor the volumes of water taken in order to identify possible drift, moreover, our log irrigation system operates in a closed circuit.**

*A Production Manager, Souvans, France (Q2 2019)*

Further, the Sustainability and Compliance Team at Danzer is investigating beneficial reuse and/or land application opportunities for log yard debris (bark/dirt/stones), boiler ash, and woody sludge from recycling or cooking systems. A trial is tentatively planned for 2020 in Bradford, Pennsylvania.

While solid waste quantities remained relatively consistent across companies, Danzer started using a new plastic material to wrap its products in 2019 that will likely reduce plastic waste for customers. Danzer chose oxo-biodegradable LDPE film for product packaging because: it is re-usable, it can be recycled with conventional plastics and contains recycled plastic; if landfilled, it will degrade in the presence of oxygen; if landfilled, in the absence of oxygen, it will behave like conventional plastic and will not generate methane; in the absence of oxygen, it will not degrade and biodegrade to produce methane; and if littered, it becomes biodegradable in the open environment much faster than ordinary plastic. Further, it can be recycled the same as equivalent LDPE products and if otherwise landfilled or incinerated, it will act as normal plastic.

**We are currently working to**

- **sort waste better**
- **optimize processes to reduce plastic waste**

*An engineer, Kesselsdorf, Germany Q2 2019*

At Danzer, we Do Our Part to influence those Sustainable Development Goals that are linked to our business of bringing the sustainable natural product wood into people's lives in beautiful and clever ways.