



**DANZER'S POLICY
ON THINGS WE
CARE ABOUT:
THE 2021
SUSTAINABILITY
REPORT**



DANZER
Hardwood Excellence.

Content

Introduction	3
Content Overview	5
Worldwide Presence	6
A Portrait	9
Materiality, Stakeholders and Impacts	16
Precautionary Principle	18
Social Dialogue	18
Key Objective Negative (-) Carbon	20
SDG 15. Life On Land	20
SDG 13. Climate Action	23
SDG 12. Responsible Consumption & Production	25
SDG 7. Affordable and Clean Energy	26
SDG 9. Industry Innovation	28
Key Objective Fewer (<) Injuries	32
Freedom of Association	32
SDG 8. Decent Work & Economic Growth	33
SDG 3. Good Health & Well Being	35
Key Objective More (+) Training	37
SDG 5. Gender Equality	39
Information Management	40
SDG 16. Peace, Justice & Strong Institutions	41
Key Objective Conserve (<) Water	43
SDG 6. Clean Water & Sanitation	43
Global Compact. Local Pollution	45
Key Objective (0) Plastic	45
SDG 14. Life Below Water	45
Materials, Chemicals, Waste	46
Other Topics Non-Material	47
Collective Bargaining	47
Career Management & Training	47
Supplier Environmental Concerns	48
SDG 10. Reduced Inequalities	48
Supplier Social Concerns	48

SDG 11. Sustainable Cities & Communities	48
SDG 17. Partnerships for the Goals	49
Customer Health & Safety	49
Product End-of-Life	49
Spread Innovation	49
SDG 4. Quality Education	50
Anti-Competition	50
Looking Forward to 2022, 2023 and Beyond	51
List of Acronyms	52
GRI INDEX	53

This page is intentionally left blank.

Introduction



This is the third Danzer Sustainability Report based on the Global Reporting Initiative (GRI) with which we continue our efforts of transparency and accountability in line with our Danzer Values. The past years put a large strain on the organization with the effects of the global Covid-19 pandemic changing our mode of operation, our interactions with customers and suppliers, as well as profoundly changing the way we had to manage the business during shut-downs, disrupted value chains, and global transport challenges. One of the various effects has been a delay in the publication of a Danzer Sustainability Report.

A major team effort was needed to be able to continue operating our manufacturing facilities and serving our customers during these challenging times. With prudence, creativity, and a huge amount of commitment on all levels of the organization we were able to limit the negative impacts on the health of our employees as well as the financial stability of the organization.

This report follows the GRI approach, which is based on stakeholder interviews. These interviews inform us on our assessment of the materiality of our actions.

GRI 2-22 We are proud to work with wood, the only natural material that is sustainable, is a carbon sink, and that has unmatched physical and decorative properties. Wood products from Danzer are carbon negative (the trees absorb more carbon than our emissions for manufacturing). The energy for our manufacturing facilities is largely made from bio-mass boilers at all facilities worldwide. Our products are part of the solution to many challenges that mankind faces. Not only is Danzer wood carbon-negative by a factor of almost 6 – we all strive to improve the livelihood of people at home and at work. The use of hardwood for decorative applications for its natural beauty and biophilic design options enhances our indoor space where we spend more than 80% of our time alive.

Wood has a great future, hardwood in particular.

Being transparent about the way we conduct our business is an important issue at Danzer. Given our many contributions, we are glad that we can openly report on the many aspects of our ESG performance. We continue to be committed to further improvements.

In recent years, Danzer has been asked by stakeholders to provide policy statements on a wide variety of topics: from child labor to overtime to legal logging and many others. According to Miriam-Webster, a policy is *(1a) prudence or wisdom in the management of affairs*. GRI 2-23, 24 At Danzer, we manage our affairs with prudence and wisdom, and this guides our day-to-day actions to orient our entire community. We do not necessarily see the need to write everything down (as many of these matters are either common sense or that Danzer covers in its Values and Code of Conduct), but we do understand that some stakeholders may want to read specifics about Danzer policy. Here are Danzer's statements about its prudence in the management of the issues that Danzer (1) has influence over and (2) has the capacity to transform. We also added comments on issues that are not material in this way, but about which some stakeholders have inquired.

In this report we will explain our policy, our prudence in management, on the issues that stakeholders have asked us about in recent years. We will illustrate the state of our work where figures are relevant. In the following reports, for years 2022 onward, we will highlight the progress we have made in the issues deemed to be “material:” things that Danzer has an impact on and that Danzer can influence.

We are happy that you are taking the time to read more about our journey. We are proud of where we are today, but we have the ambition to keep on doing better.

Yours,

Hans-Joachim Danzer

Content Overview

- Covid impacted employment numbers and production time so 2021 is not a representative year, therefore trends are not illustrated as this would be misleading.



- This past decade has witnessed the first time that a singular specie, oak, has been in such high demand worldwide. The stress on the oak supply is severe and will have negative consequences for the supply chain and the forest.

- Danzer has set 5 Key Objectives for improvement: Negative (-) Carbon, Fewer (<) Injuries, More (+) Training, Less (<) Water, and Zero (0) Plastic.

- Climate change could begin to have an impact on log supply as invasive pests are hard to control, growth regions for certain species migrate, and fire impacts spread.

- **129.944,00 tons** of Carbon is stored in the production from the Melnik, Edinburgh and Williamsport facilities alone, whereas, all Danzer facilities emit **24.333,00 tons** of Carbon (excluding transportation).

- In Europe, more than 94% of the wood processed by Danzer is procured from local communities (areas within 500 miles or 805 km of the Danzer manufacturing location), while in North America, more than 99%.

- Since 2017, Danzer has been deploying significant resources in the development of the Danzer Line Scanner (DLS), a camera system with wood characteristic detection based on machine learning technology. Danzer believes that this technology is the base for the next major jump in yield from the forest to the living room.



- We know that turnover results in changes to the human and intellectual capital of the organization and can impact productivity. Danzer is facing the world wide phenomenon of labor shortage.

- Danzer has implemented state-of-the-art IT security systems and employee training to protect private employee, customer, and supplier data as well as its intellectual property.



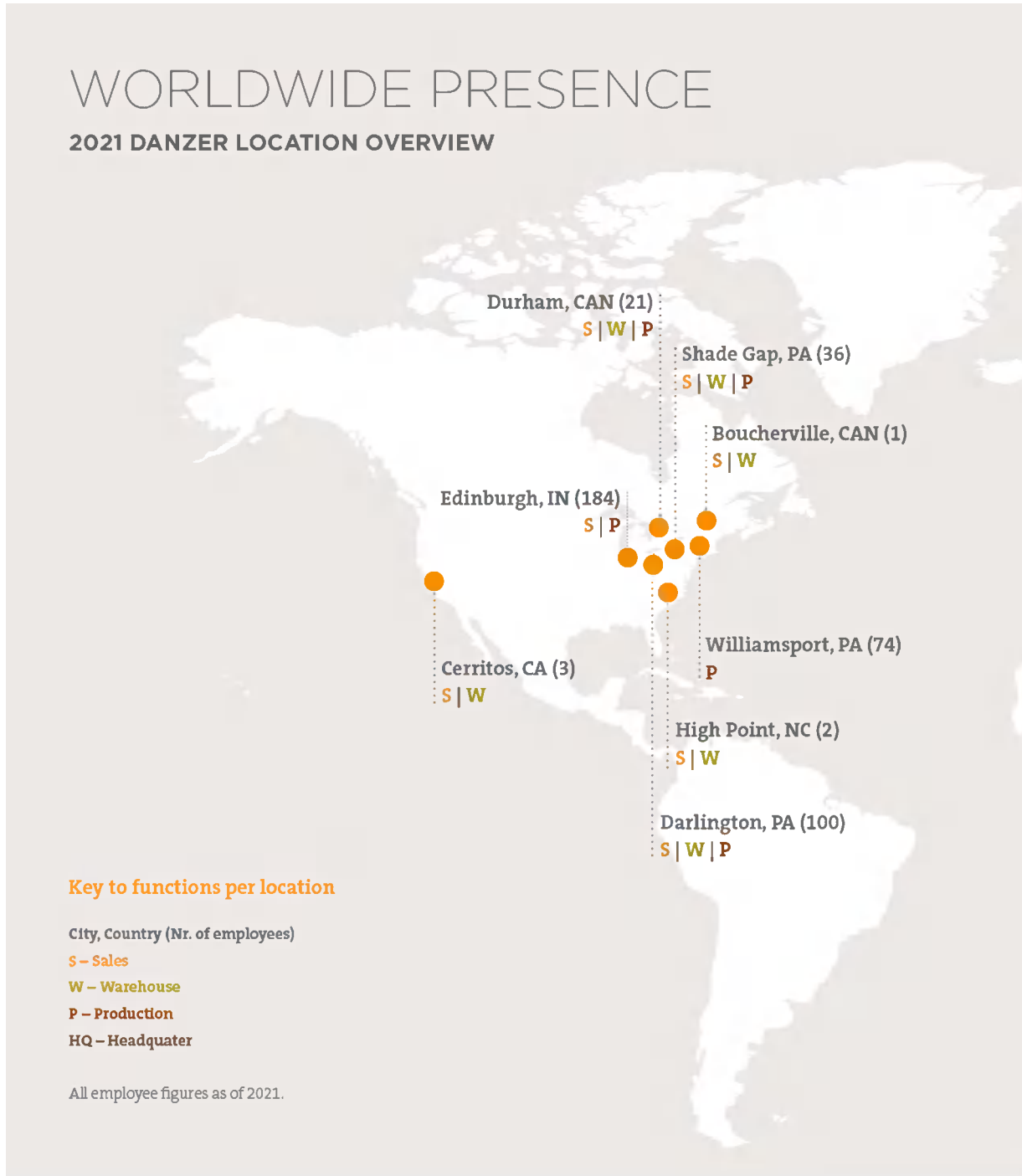
- Since the last report, Danzer Veneer Europe improved its log rail transport between log seasons 2020/21 and 2021/22 (June 30 – July 1) from 250 wagons to 850.

- The risk assessment found only a few confirmed incidents of attempted bribery or corruption in response to which Danzer employees took swift and consistent action to resist, in some cases, foregoing business.

Worldwide Presence

WORLDWIDE PRESENCE

2021 DANZER LOCATION OVERVIEW





A Portrait

Our policy, our prudence in the management of our affairs, is a journey to sustainably integrate all aspects of our business with the communities we work in and the environment we draw our resources from, also known as Corporate Social Responsibility (CSR) – it began when Karl Danzer started the business in 1932, has been going strong over 90 years, and will continue for the benefit of future generations in those communities and beyond.

GRI 2-1 As of December 2021, Danzer is a globally operating corporation headquartered in Austria, Europe, and globally the largest manufacturer of sliced wood for decorative purposes. DHAG is owned by the Karl Danzer Foundation, Liechtenstein and managed by the Danzer family in the third generation. The overall management of Danzer is conducted by Danzer Holding AG domiciled in Dornbirn, Austria. In Financial Year 2021, Danzer employed overall approximately 1,120 persons. This report is being published in 2023 and a new structure is in place as of January 2023.

The operations (see previous page), which are spread globally, are divided into production operations and sales offices, which serve customers directly. The production operations are grouped by product categories; from a production perspective there is one Vinterio plant, one 3D-Veneer plant, three veneer mills, two spliced-face plants and one lumber mill. The production entities within Danzer are situated closely to its resources and are therefore spread out in different hardwood regions. Along with this ownership model and Danzer's long-term relationships with its counterparties, the long-term perspective and sustainability shall be ensured.

GRI 2-2 The entities included in this sustainability reporting include the following manufacturing sites: Kesselsdorf (DE); Melnik, Raspanava (CZ); Edinburgh IN, Darlington, PA, Williamsport, PA, Shade Gap, PA (US); Durham (CA); the warehouse location in Grödig, (AT), the sales offices in Sydfaner (SE), and Maldon (UK). With the exception of sales and procurement information, which is Danzer-wide data, tables and graphs are limited to manufacturing operations with the other sites' data mentioned in the text. **GRI 2-6** Since the last report, Danzer sold the operations of Danzer Forestland (USA) and in Bradford, Pennsylvania (USA) and closed those in Souvans, France to focus on businesses for which it maintains competitive advantages.

GRI 2-3 Danzer completed comprehensive sustainability reports for the years 2014 and 2016 and then intermediate reports afterward on specific material topics (available at www.danzer.com/sustainability). Danzer's 2016 Sustainability Report, Doing Our Part, placed in the Top 10 in two categories (Materiality and Relevance and Openness and Honesty) among winners of the 11th annual CR Reporting Awards 2018. These awards recognize the very best in corporate responsibility reporting, and are the only independent, global annual awards in this field. This is the first report since the 2016 report which was distributed in June 2018. Danzer is already working to complete the 2022 report in December 2023 and the 2023 report in April 2024. **GRI 102-53** The Danzer contact person for this report can be reached at sustainability@danzer.com.



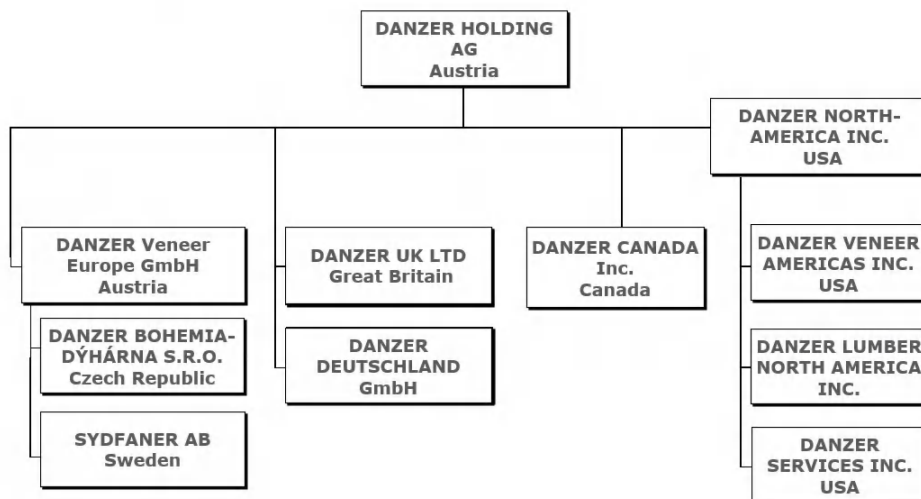
GRI 2-5 External assurance has not been acquired for this report as Danzer is using a new reporting platform. A qualified external party in Switzerland has been contracted to advise on the completeness of this report and conduct external assurance of the Danzer Sustainability Report 2022.

GRI 2-9 - 12 Organizational Chart.

LEGAL ORGANIZATION

December 2021

All 100% DANZER ownership and control



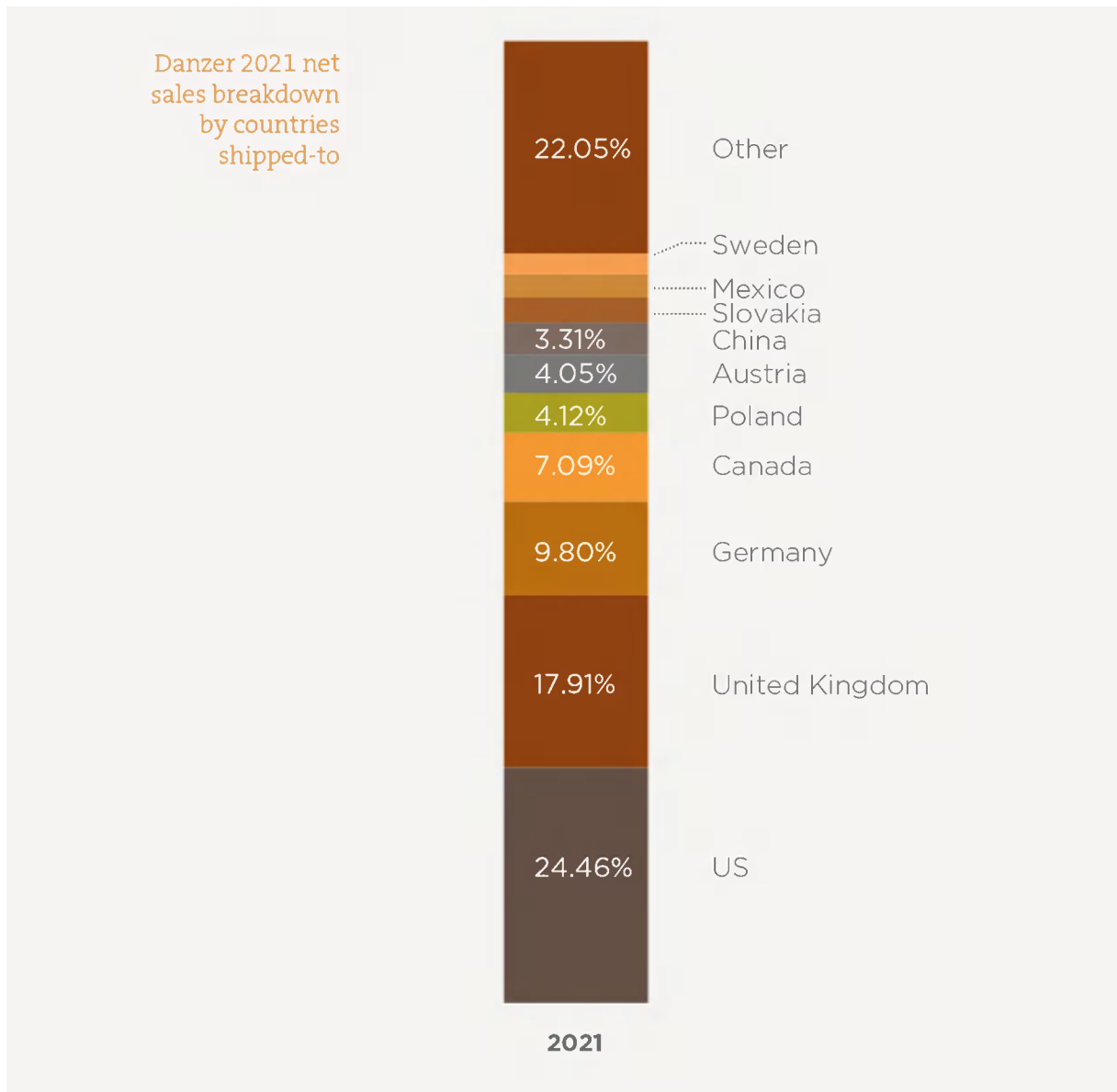
2-17,18 Danzer’s Sustainability and Compliance Counsel reports regularly to the Group Advisory Board (also called the Executive Board, pictured below) and provides annual reports to the Supervisory Board. These reports include updates on projects, including sustainability reporting, and the development of programs like the Code of Conduct and Anti-Bribery and Corruption(ABC). As the Danzer Code of Conduct states in the Corporate Governance section: *1. Danzer management is responsible for this Code of Conduct.*

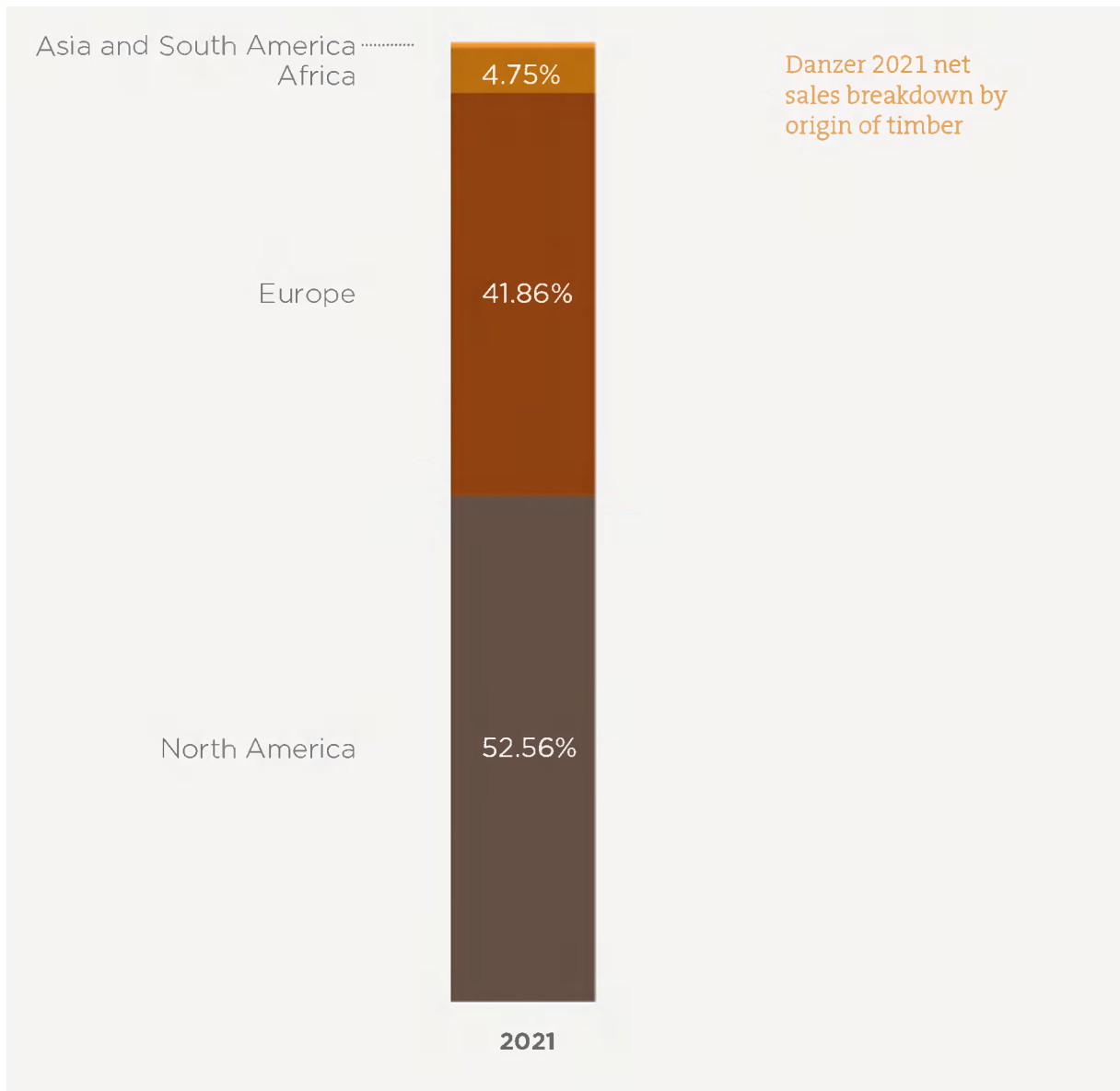


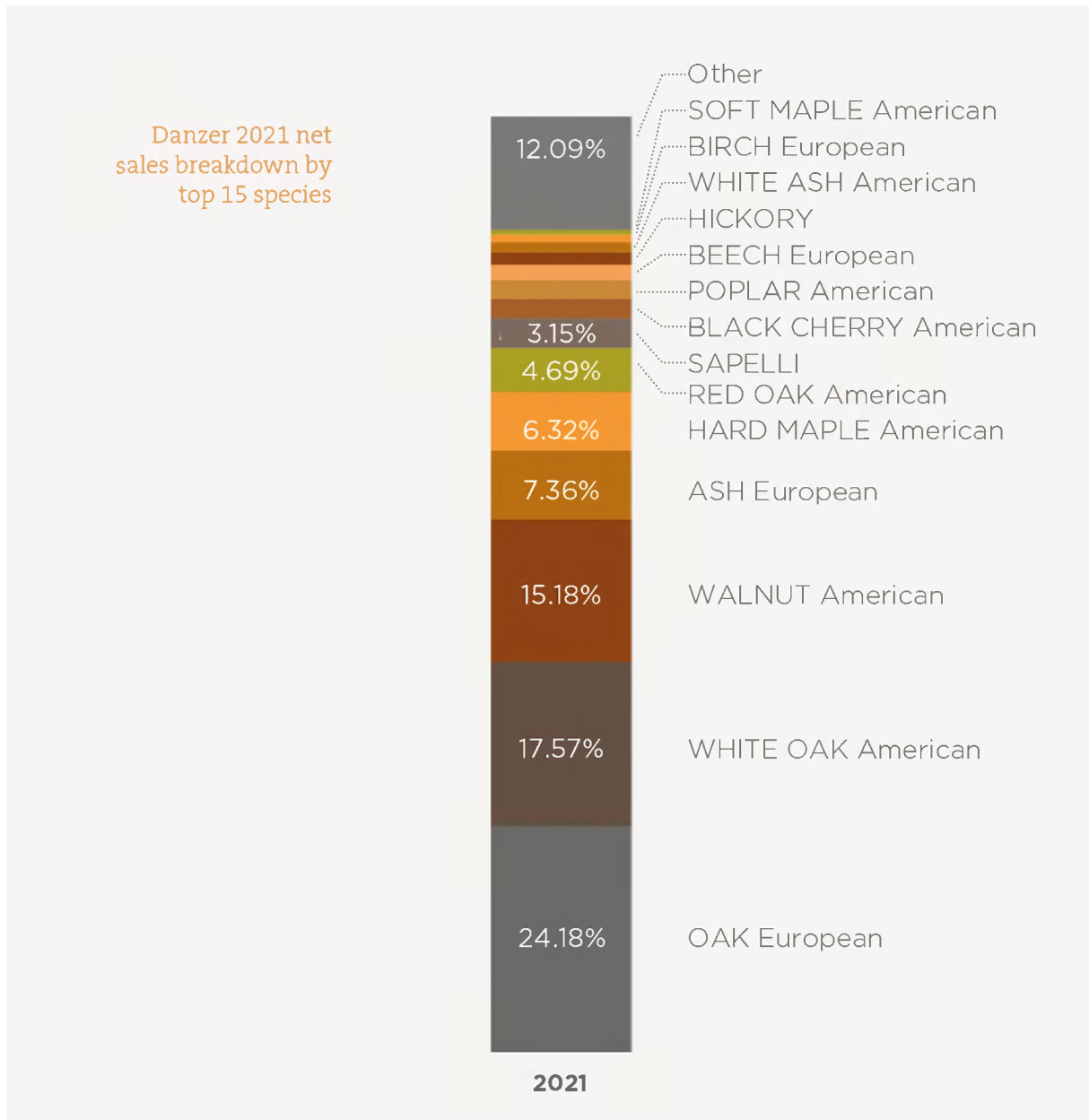
Executive Board members (left to right): Greg Lottes, Markus Pfister, Dan Sullivan (front), Eckart Schmitt, Rudi Heinzelmann, Hans-Joachim Danzer.

GRI 2-6 Danzer's product lines and services are illustrated in the graphics below. Danzer sold its products to 71 different countries worldwide; the top ten countries account for approximately 78% of Danzer's 2021 sales (see net sales breakdown figure below). The top 10 species account for more than 68% of Danzer's 2021 sales dominated by oak species (see figure showing the sales breakdown by species below). This past decade has witnessed the first time that a singular specie has been in such high demand worldwide. The stress on the oak supply is severe and will have negative consequences for the supply chain and the forest such as lower qualities, declined overall species mix in forests, higher prices for the global hardwood industry, as well as increased risks in the downstream supply chain of high risk oak varieties mixed with low risk oak. Danzer's sales are dominated by North American species 53% and European species 42%.

To visualize Danzer's production quantities: if total industrial wood harvest globally is the size of a wine barrel, then Danzer uses an ice cube of that barrel; from that ice cube, we sliced wood equal to a 1m wide band 1.5 times around Earth; from the same cube, we sold 3mm flooring to cover the floor space of 5 Willis Towers in Chicago (the third tallest building in the Western Hemisphere); and, Danzer sold hardwood lumber to fill 24 Olympic sized swimming pools. In addition, 500'000 luxury cars used Danzer (proprietary) patented products.







GRI 2-27 During the pandemic, key staff were required to do extraordinary tasks beyond their normal day-to-day work. Because of the lean staffing situation at all Danzer locations (an overall lack of available labor), emphasis on the Environmental & Safety Management System (ESMS) was reduced to compliance: ensure that we do everything necessary while exercising the Precautionary Principle to comply with all regulations to limit pollution of air, water and soil and to protect employees from harm. While the ESMS has many tools used to advance pollution prevention, the key tool relied on during these times was the Legal Table at each facility, which includes a schedule for all required reporting and regularly timed tasks, including inspections. Pollution Prevention and Safety Teams met as often as possible, if irregularly, during 2020-2021. Since the last report in 2016, the Danzer Sustainability and Compliance Team (see photo below) has expanded from five members to include representatives from every Danzer location covering environmental and safety subjects.



GRI 2-28 Since the last report, the following changes in memberships and support and leadership participation has changed as follows:

Name changes:

- UK Timber Trade Federation's Responsible Procurement Policy is now called Timber Development UK, Responsible Procurement Policy
- Forest Forever is now called Responsible Procurement Committee
- HPVA is now Decorative Hardwood Association, Member of Board of Directors and Chair of Marketing Division-

Additions:

- Canadian Hardwood Plywood Association (CHPVA) – Vice President of the Board of Directors
- Preferred by Nature
 - Alcumus Safe Supplier
 - Sedex, sustainable supply chain solutions (Danzer UK)
 - Eco Vadis
 - PennYork Lumbermen's Association

No Longer Members of (mostly due to sale of the Bradford operation):

- NHLA
- Center for Forest Products VT
- Wood CMA
- Allegheny Forest Alliance
- Empire SPPA
- Allegheny HUG

Materiality, Stakeholders and Impacts

Impacts of Danzer's operations in North America and Europe are reported annually to the Group Advisory Board (also called the Executive Board) members by subject who in turn report any significant concerns to the Supervisory Board. **GRI 2-11** The Danzer Executive Board is chaired by Danzer's CEO, Hans-Joachim Danzer who delegates major topics to the five other Executive Board members. Since the CEO reports to the Supervisory Board and answers for all ESG impacts, there is no conflict of interest on the Executive Board level. The Sustainability and Compliance Counsel reports to the CFO who delegates responsibility for reporting the status of impact management to the Executive Board at least once annually. In 2021, presentations were made to the Executive Board on relevant issues four times.

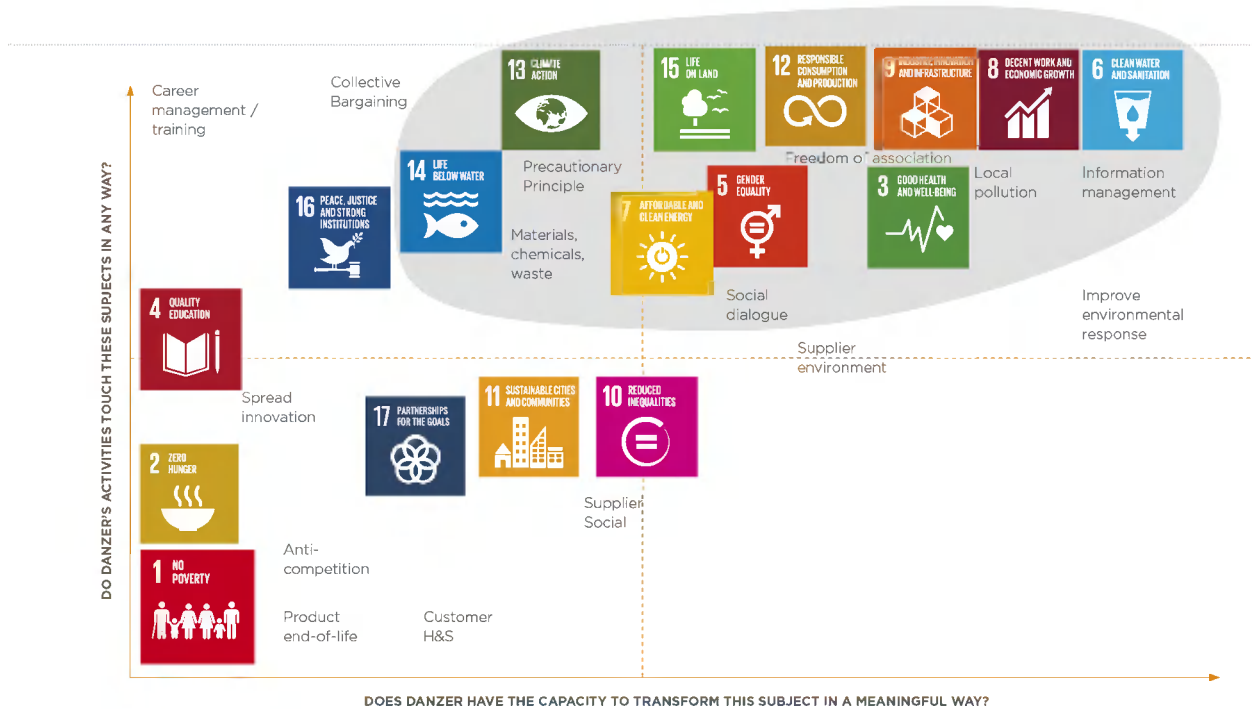
GRI 2-12 In practice, the Sustainability and Compliance Counsel alerts the Executive Board of immediate and upcoming matters of ESG relevance in time to take action, whether response or preparation (i.e. for upcoming regulation). She ensures that the Code of Conduct is in line with the Values and Mission established by the CEO with the Executive Board and obtains input and approval for all modifications. This holds true for all statements and policies related to sustainable development (i.e. sustainability language for sales and procurement contracts). Executive Board members ensure the active involvement of their relevant reports in the development of sustainability documents.

The Sustainability and Compliance Counsel is tasked with engaging stakeholders, including employees, customers, lenders, suppliers, communities, board members, and NGOs in impact awareness—specifically related to material issues. Her team of colleagues at each location ("S&C Team") supports these activities and follows a universal Communication Protocol to make sure any concerns brought to Danzer are handled effectively. The Counsel reports the results of stakeholder engagement back to the Executive Board.

The process of evaluating material issues began in 2021 and was concluded in 2022. This was an update of the materiality analysis completed in 2015-16 and involved impact assessment. For future sustainability reporting, the Danzer Executive Board will review the materiality matrix in the figure below and assign a partial or full review as necessary.

MATERIALITY MATRIX WORKSHOP 2

ARRANGE SDGS, CUSTOMER CONCERNS, GLOBAL COMPACT



GRI 2-13 The Supervisory Board entrusts responsibility for managing impacts on the economy, environment, and people to the CEO and in turn, the Executive Board members, who task their managers with specific tasks. The Sustainability and Compliance Counsel holds virtual meetings with the S&C team every six weeks to discuss progress, upcoming concerns, and to share information across the organization such as hazards, training techniques and success stories. The minutes of these meetings are sent to all managers of the S&C team for approval and are maintained on a Danzer-wide database.

GRI 2-14 Danzer is committed to reporting transparently with real numbers and true explanations. The Executive Board entrusts the management to supply the S&C team with the data they need, who in turn provide it to the S&C Counsel, who sends draft sections of the report to relevant managers for revision and approval before sending to the Executive Board for the same.

GRI 2-29, 3-1 Since the 2016 report, Danzer collected all issues that might be material to sustainability reporting from customer, community, supply chain, employee, ESG advocacy group inquiries; the UN Global Compact; and the UN Sustainable Development Goals (SDGs). *Materiality is defined by the GRI as: topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights.* These issues were arranged in a materiality matrix according to whether Danzer's activities touch the issue, or have an impact on this issue, in any way (y axis) and whether Danzer has the ability to transform the issue (x axis). More than 45 employees worldwide participated in arranging these aspects in the matrix **GRI 3-2** and identifying the corresponding impacts of each issue.

Next, the 17 issues that landed in the center to upper right of the matrix were divided among stakeholder groups: employees, customers, lenders, suppliers, communities, board members, and NGOs. Danzer

conducted a comprehensive impact analysis of each issue considering negative and positive impacts: the actual or potential nature, the scale, scope, irremedial character, and likelihood. The impact analysis for each material issue was reduced to an impact statement and representatives from each stakeholder group were interviewed about the importance of this issue, Danzer's performance, and improvement opportunities.

Precautionary Principle

Danzer's Policy: Danzer practices a "do no harm" attitude and understands that taking preventive measures makes good business sense. Danzer operations use a product/project evaluation form to evaluate risks before implementing new products or processes; maintains a Corrective Actions Database to demonstrate follow-through on concerns that arise; maintains a Communication Protocol to make sure concerns are addressed efficiently; and generally takes a solution-orientation. As the Danzer Code of Conduct reads, *4. Danzer employees make decisions with the future in mind. 5. Danzer employees help to discover environmental and safety challenges.* Stakeholder responses to the question about the importance of this material issue averaged 8.5 on a scale of 1-10 with 10 being critically important.



Social Dialogue

Danzer's Policy: Danzer engages the communities it operates in to manage issues such as noise, dust, employee health & safety, emergency preparedness, resource use, charities, and local fundraisers. **GRI 413-1** This process of stakeholder engagement goes on with local community members, including but not limited to employees, on an irregular basis on a variety of issues. Danzer prioritizes sustainable forestry management by its suppliers, thereby indirectly encouraging local community support where logging occurs. Danzer's Code of Conduct binds all employees to: *11. Danzer welcomes all stakeholders to voice their opinions.* Most stakeholders responded that, on a scale of 1-10, social dialogue is critically important (10), though a few felt less so (5).

GRI 3-2 Comparing the materiality matrix from the 2016 Danzer Sustainability Report and the updated Materiality Matrix, one can see that many more issues were added to the list of SDGs, sometimes these are subcategories to the big picture SDG items but were issues specifically called out by stakeholders. Notably, only one SDG moved to the less material quadrant of the matrix, SDG 11 Sustainable Cities, and two SDGs moved to the more material quadrant, SDG 14 Life Below Water and SDG 7 Clean and

Affordable Energy. These topics reflect the technological and scientific advancements with regard to plastic pollution and renewable energy.

GRI 2-25 Throughout this report, the remediation of negative impacts and the optimization of positive impacts will be explained for each material issue. Danzer has set 5 Objectives (Objectives and Key Results (OKRs), formerly called Key Performance Indicators (KPIs)) for improvement and has organized this report accordingly. This report will focus on where Danzer operations stood on these issues in 2021. The 2022 report will show progress and explain major steps. The 2023 report will start the process of demonstrating progress toward the OKRs.

Key Objective Negative (-) Carbon

NEGATIVE CARBON



Danzer’s key objective of negative carbon is linked to several material issues: SDG 15. Life on Land, SDG 13. Climate Action, SDG 12. Responsible Consumption & Production, SDG 7. Affordable and Clean Energy, and SDG 9. Industry Innovation. These topics are very broad and while they include carbon accounting improvements, they also address related topics such as biodiversity and production efficiencies. After accumulating information and starting projects in 2022, Danzer leadership will spend 2023 drilling down specific, results-oriented targets for each of the 5 OKRs.

SDG 15. Life On Land

15 LIFE ON LAND



The sale of Danzer Forest Land (see GRI 2-6d) impacted Danzer’s carbon footprint, only in so much as Danzer’s own property could no longer be considered an active carbon sink and therefore, as a buyer of merchantable timber, Danzer does not contribute directly to biodiversity improvements either.

The UN SDG 15 intention to "protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss," naturally includes the sequestration of carbon in forests as well as wood products.

Danzer’s Policy: As a consumer of hardwood logs, Danzer takes steps to eliminate the potential impacts of high grading, overuse, and other non-sustainable practices by insisting on sustainable forest management, which includes biodiversity and high conservation value (HCV) protections. Climate change could begin to have an impact on log supply as invasive pests are hard to control, growth regions for certain species migrate, and fire impacts spread. Danzer’s Code of Conduct states: *3. Danzer buys wood that is grown responsibly and cut legally.* A broad spectrum of stakeholders ranked the importance of this issue between 9 and 10, where 10 is critically important.

GRI 304 Protecting biological diversity is important for ensuring the survival of plant and animal species, genetic diversity, and natural ecosystems. In addition, natural ecosystems provide clean water and air, and contribute to food security and human health. Biodiversity also contributes directly to local livelihoods, making it essential for achieving poverty reduction, and thus sustainable development. These protections also ensure compliance with regulations like the European Timber Regulation (EUTR),

<https://www.danzer.com/en/company/supplier-information/requirements-for-suppliers>). Suppliers are assessed through an internal auditing process to identify and assess significant actual and potential negative environmental impacts. This process involves ensuring access to information (origin, species, product type), verifying certifications, conducting a supplier and product risk assessment, and finally collecting additional documents for risk mitigation. Suppliers to be assessed are prioritized according to area risk rating, certifications held, risk rating of species. Some examples of Danzer working with suppliers to mitigate actual or potential negative impacts include collecting additional origin documents on a high risk species of logs or products originating from high risk countries or regions. Danzer appreciates that FSC creates a structure in less predictable business environments as a starting point for our own work. For example, in 2019 Danzer became aware of stakeholders criticisms within the FSC system and reached out to stakeholder customers to jointly address the issue: we recognize that both FSC and Programme for the Endorsement of Forest Certification (PEFC) [Danzer PEFC CoC certificate SGSCH-PEFC-COC-110007](#) have limitations in certain situations so we complement them with our own efforts (e.g. precautionary approach, legality verification, Danzer Code of Conduct, short supply chains, intensive supplier engagement and support, supplier audits, etc.). We held meetings to discuss specific challenges to maintaining a supply of compliant timber, well established supply chains and supply chain integrity, especially as it relates to the situation and market shifts in certain countries; shared experiences; sought advice and discussed joint efforts to maintain supply integrity and credible timber supply.

Since the 2016 report, potential sourcing countries are either excluded from Danzer purchasing, because due diligence identified too much risk, or are/can be regionally included with additional mitigation measures. In 2019, two suppliers were excluded because of risk and trust concerns of mitigation solutions, even if FSC certified. Each supplier, one in Slovakia and one in Russia, would not supply the extra documentation Danzer required to verify the claims. Serbia and Bosnia had an export ban, and were therefore not of interest. In Asia, Myanmar could be a source of veneer teak, however, multiples evaluation never deemed the risk of illegality as being negligible, and is even more off limit nowadays officially due to the Military Regime's power. Danzer has not purchased teak in Myanmar for 15 years. Additionally, oak from China is excluded because of the potential of mixing with Russian or Mongolian Oak with European Oak.

GRI 308-1 100% of new suppliers were screened using our environmental criteria. **GRI 308-2** In 2021, no Danzer suppliers were removed from the supply chain for risk reasons or denied for risk reasons. Danzer Veneer North America and Danzer Lumber North America have been using the same import suppliers for many years with very few additions. Danzer Veneer North America also requires that the imported supply chain be at the very least FSC Controlled Wood or approved by the Sustainability & Compliance Director, Danzer Services prior to purchase to allow a thorough risk assessment of the purchase.

While Danzer does rely on FSC to ensure the credibility of sustainable sources, FSC does not escape criticism. Several supplier stakeholders acknowledged the comfort in the assurance and access to markets on the one hand but the frustration with the bureaucracy of paperwork, audits, and ever-changing requirements on the other hand. Supplier stakeholders also wanted to see more involvement by Danzer log buyers in helping suppliers identify what is considered "illegal" per EUTR, UKTR, and the US Lacey Act or "unsustainable."

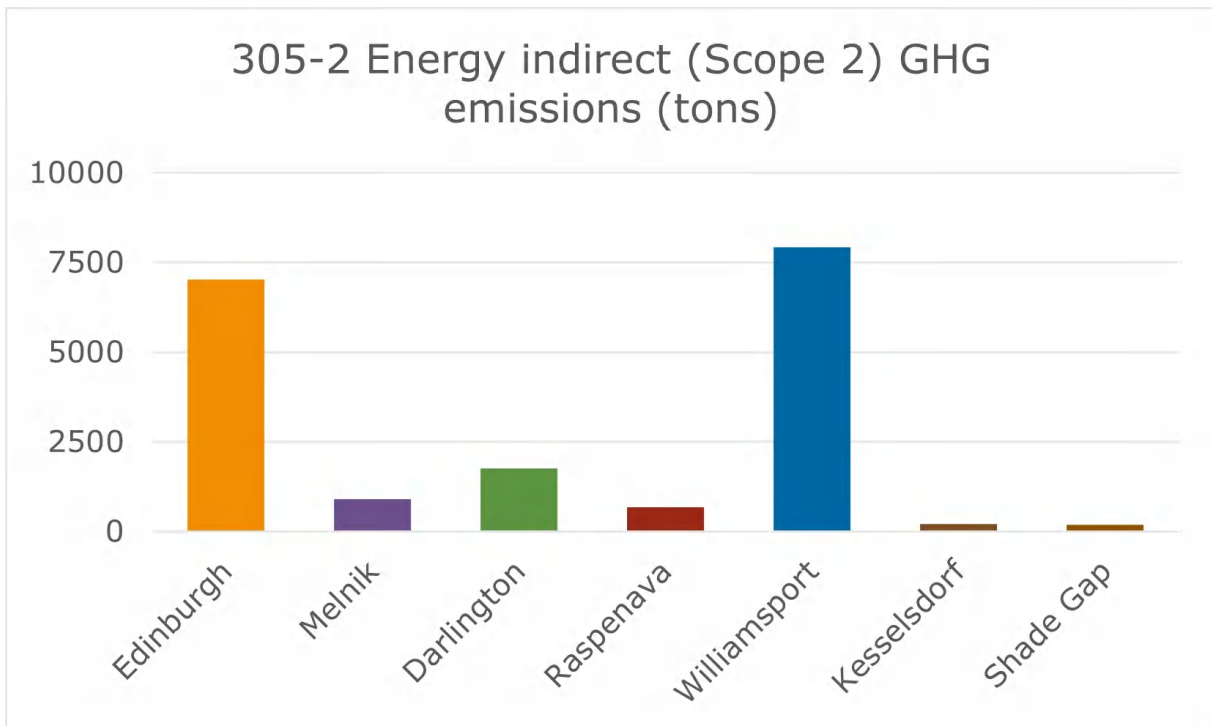
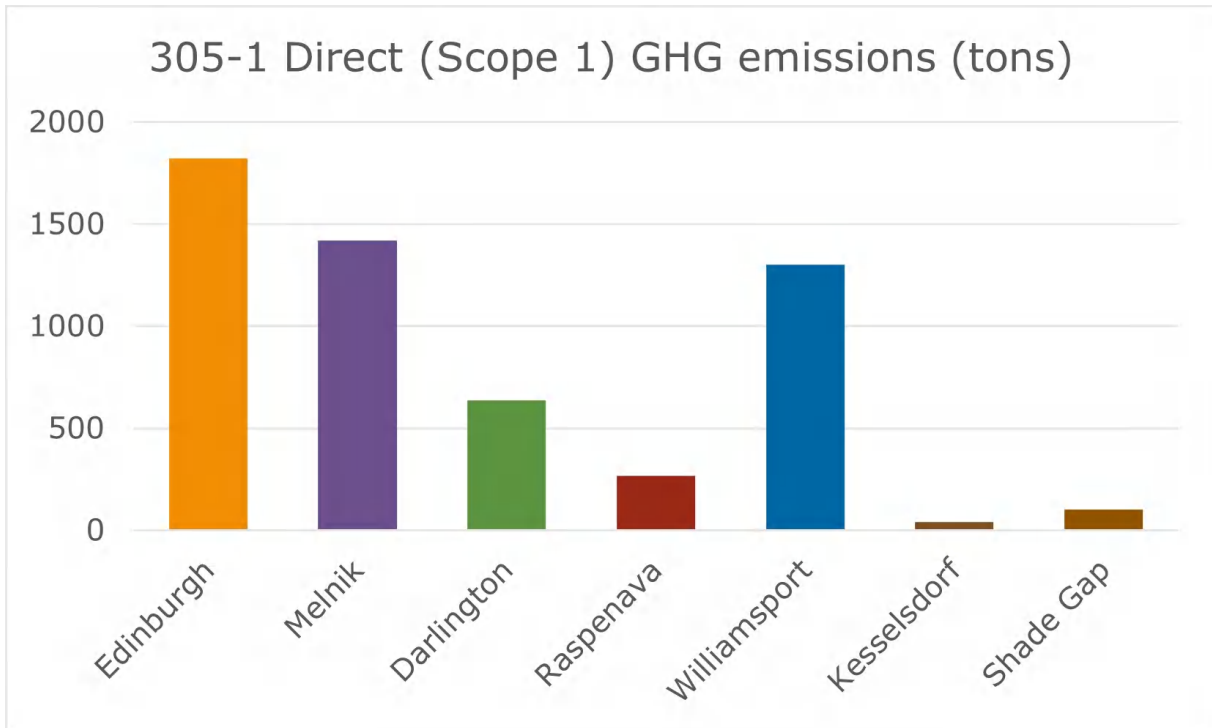
SDG 13. Climate Action

13 CLIMATE ACTION

Danzer's Policy: At Danzer, we realize that climate change will have an impact on forests, will increase the risk of heat stress at manufacturing operations, especially for outside work, will increase the risk of damage/interruption of operations from extreme weather events, and could result in longer transportation routes for raw materials and products. Danzer takes positive steps to prepare for these risks: emergency action planning, biofuel as heat energy and energy conservation. Additionally, Danzer is investigating clean energy providers and energy innovation within the manufacturing operations and conducting complete Life Cycle Assessments (LCA) for all products in order to provide customers with Environmental Product Declarations (EPDs).

Most stakeholders ranked this material issue critically important (10). Supplier stakeholders noted that Danzer could do more to communicate how climate change will affect species availability and harvesting seasons (less frost, shorter winters). Other stakeholders asked to see what Danzer was doing about reliance on fossil fuels.

GRI 305-1,2 Emissions from Danzer production locations in terms of CO₂ equivalents are illustrated in the following graphs. The baseline reporting year for this measurement is 2021 due to changes in carbon calculators. All Danzer production facilities, with the exception of the small operations in Kesselsdorf, use biogenic fuel (wood residue from operations) for process heat. Scope 1 and 2 emissions are reported here. Scope 1 emissions for the biofuel includes only greenhouse gases other than carbon because wood is considered a carbon neutral fuel. This is the latest state of emissions calculations (WRI/WBCSD GHG Protocol). Emissions from smaller operations were: 26 ton Scope 1 CO₂e and 5.5 ton Scope 2 CO₂e at Maldon, United Kingdom and 75.8 ton Scope 1 CO₂e and 40.9 ton Scope 2 CO₂e at Grödig, Austria. The Durham facility rents space in a larger building and its electricity consumption is not metered. They do not generate their own space heat.



In 2023, life cycle analysis will include transportation and raw material supplier carbon emissions for

GRI 305-3 Scope 3 and will include upstream and onsite Scope 3 GHG emissions. Environmental Product Declarations (EPDs) will be available in 2023 for all Danzer manufactured products (excluding trade products). It is not possible for Danzer to perform Scope 3 emissions downstream because many customers arrange their own shipping, the destination is not known to Danzer, and the ultimate end consumer is too varied or unknown to Danzer.

Since the last report, Danzer Veneer Europe improved its log rail transport between log seasons 2020/21 and 2021/22 (June 30 – July 1) from 250 wagons to 850. This project resulted in delivery delays and higher costs. Train transport is still problematic as an alternative to truck transport. Rail transport is not an option in North America. Danzer will complete a life cycle assessment update in 2023 that will identify specific opportunities to optimize transportation GHG emissions.

These numbers do not consider the fact that 1.7 kg Carbon is stored per kg of wood (source: TU Delft, <https://www.ecocostsvalue.com>). Danzer produces a material that stores significant Carbon for the life of the product. Specifically, **129.944,00 tons** of Carbon is stored in the production from the Melnik, Edinburgh and Williamsport facilities alone, whereas, all Danzer facilities together emit only **24.333,00 tons** of Carbon (excluding transportation). At the same time, all wood can be considered carbon neutral when it is assumed to be burned someday. Danzer makes products that will be used to make enduring products that will store carbon longer than this natural cycle. **Wood products can displace more fossil-fuel intensive construction materials such as concrete, steel, aluminum, and plastics, which can result in significant emission reductions (IPCC).** For a visual, consider that Danzer carbon sequestration in 2021 would amount to 4.000 standard semi-truck loads. This equals a traffic jam of 100km annually of Danzer carbon sequestration.

SDG 12. Responsible Consumption & Production

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Danzer’s Policy: At Danzer, there are potentials for water and energy overuse and solid and hazardous waste are consequences of production. Danzer is always looking for new ways to use less water and energy and less harmful ingredients like marking paints and glues, striving to do no harm. Danzer’s Code of Conduct affirms: *2. Danzer employees always look for ways to use more of the tree.*

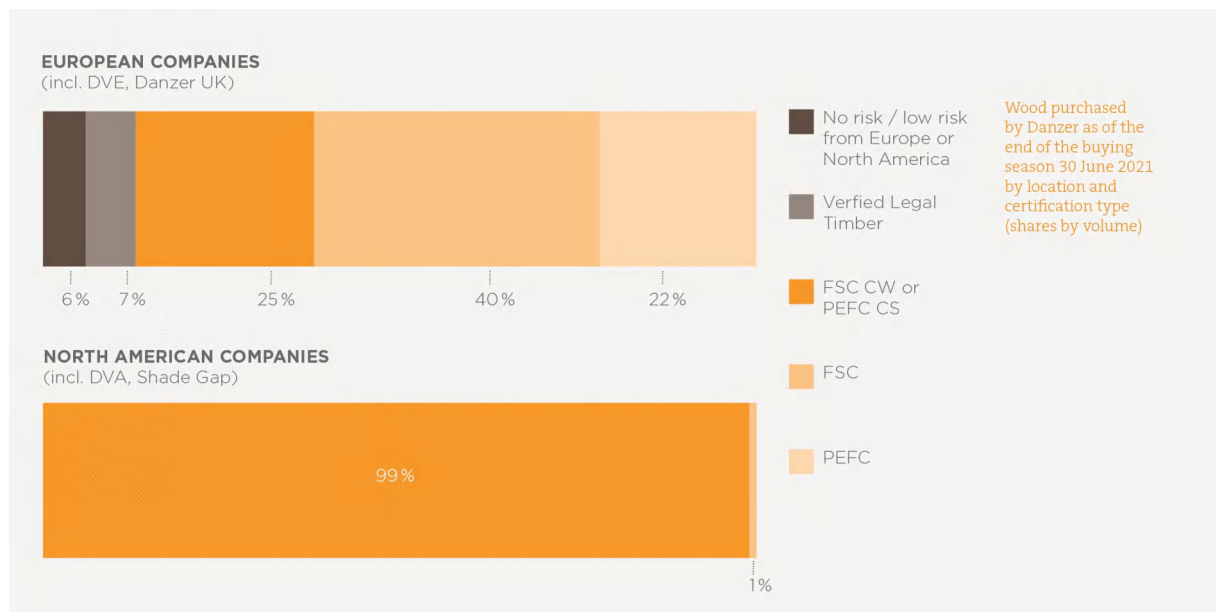
When it comes to responsible consumption, Danzer is at the forefront of innovating to use wood wisely by increasing efficiencies and maximizing yield to customer. With the natural resource, hardwood logs, being 50% of the cost structure, it is critical to the business to use this resource responsibly. **GRI 408-1, 409-1** Danzer’s responsible procurement policy is robust, and suppliers are held to standards of third-party certification and verification of sustainable forest management. Danzer’s Code of Conduct makes this clear: *5. Suppliers are held to the same standards as Danzer (including the prohibition of child labor and forced labor, trafficking of that labor).* This topic naturally includes prohibition of slavery. Specifically:

5.1 Danzer has established traceability and legality of all wood products supplied from third parties. In medium-to-high risk regions for corruption, illegality or forced labor, Danzer works proactively with third-party wood suppliers, requiring them to meet particular requirements. 5.2

Danzer practices due diligence toward socially and environmentally responsible supply chain management practices with annual risk assessments and audits of the supply chain. 5.3 If specific forced labor risks were identified, Danzer has a system in place to take corrective action and ensure management involvement. 5.4 Relevant procurement staff and management are trained according to identified risks to ensure Danzer does business only with suppliers who comply with this Code of Conduct.

GRI 204-1 Processing wood close to where it grows benefits local communities* by supporting job growth and technical know-how. In Europe, more than 94% of the wood processed by Danzer is procured from local communities, while in North America, more than 99%. Danzer’s Code of Conduct underlines this: *4. Danzer prefers to produce logs close to where they grow so that the local workforce is employed.*

*local in this context means: within 500 miles (805 km) of the production facility.



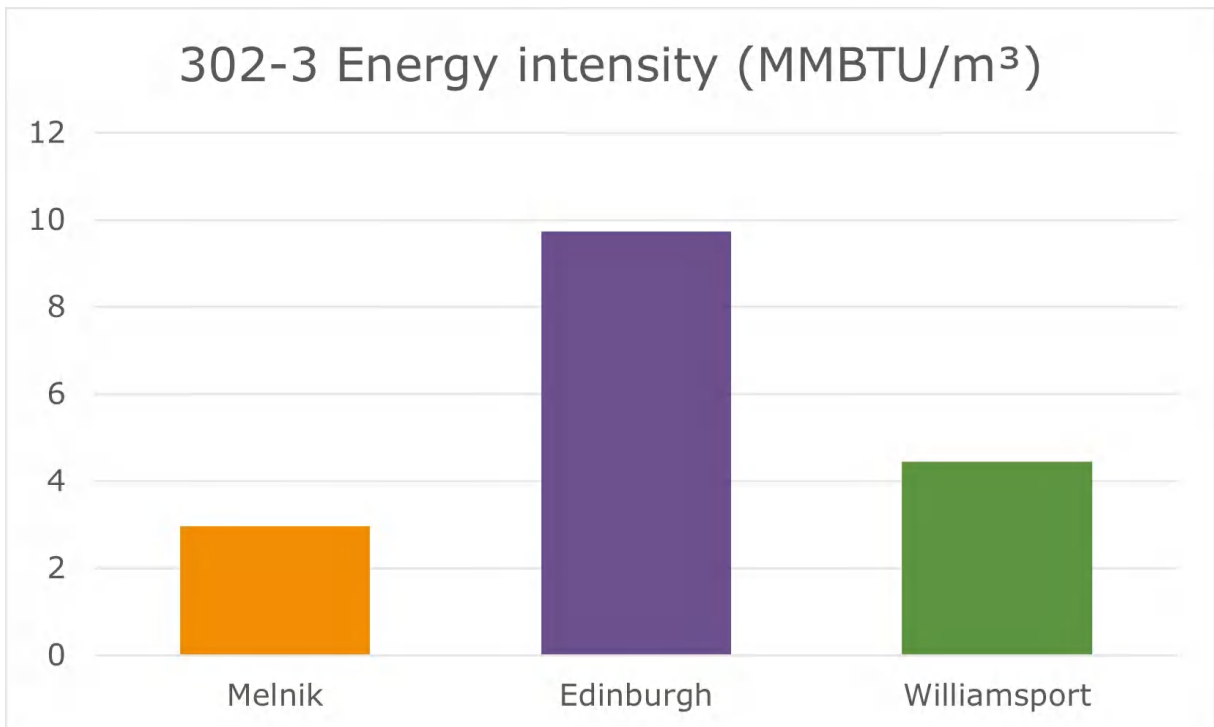
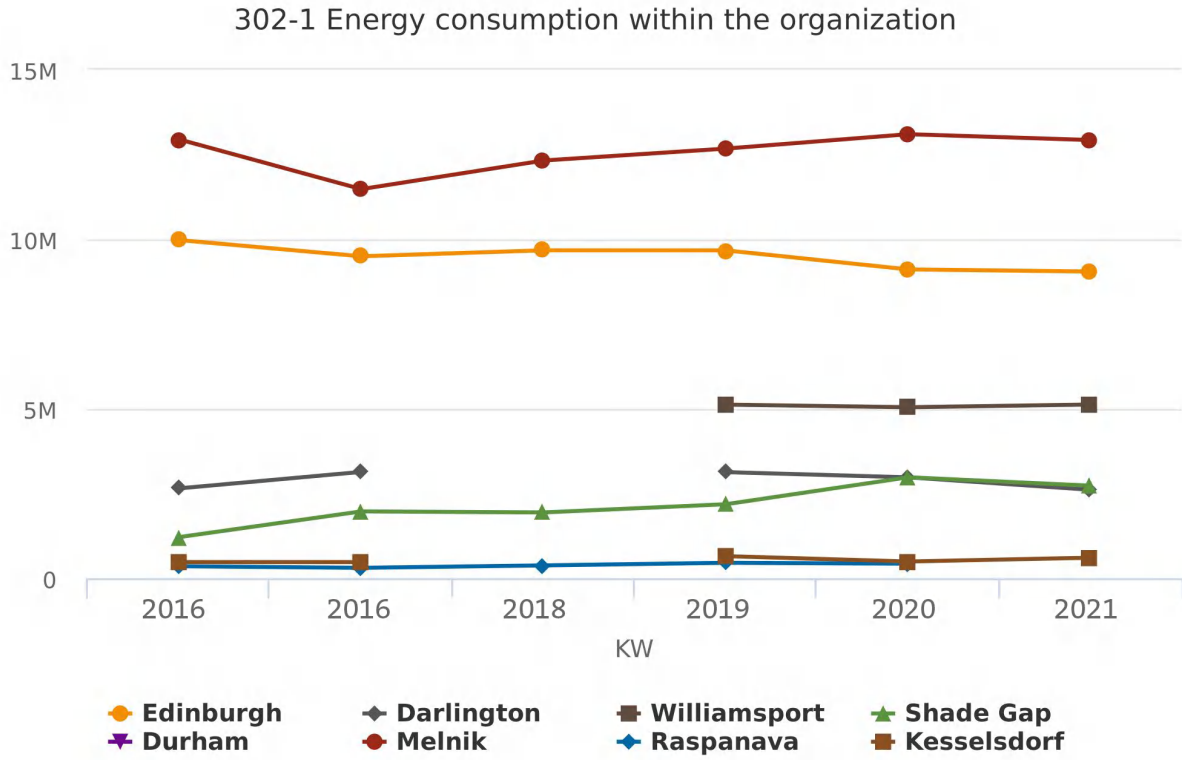
SDG 7. Affordable and Clean Energy

7 AFFORDABLE AND CLEAN ENERGY



GRI 302 Danzer’s Policy: Danzer relies on local energy sources for electricity, which can sometimes have an indirect influence on greenhouse gas emissions, especially in areas where the electricity grid is powered by coal. Danzer is continually improving its energy saving programs, is presently investigating measures like solar power and co-generation from its own biofuel boilers. Danzer continues to check availability of commercially available green energy suppliers in North America, while in Europe, Germany, Austria and the Czech Republic are part of the European Continental Synchronous Area, which is the largest synchronous electrical grid by connected power in the world.

GRI 302-3 Energy intensity (energy / product unit (m3))



The higher values for fuel usage at the facility in Edinburgh, USA are due, we think, to a number of factors. The preparation of this report brought this to our attention because it is compared to the similar facility in Melnik, CZ. The boiler is operating within its emissions limits and production efficiencies do not account for the difference in fuel consumption. Danzer is investigating the possible source for the difference, which may be that the bark is included in the fuel in Edinburgh, which has a lower heat content (BTU) value and higher weight. This would also explain the higher values for Scope 1 GHG emissions and Energy Intensity in this report. The 2022 will include a correction and/or an explanation.

SDG 9. Industry Innovation

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Danzer's Policy: Danzer is committed to finding new applications for wood to improve outcome at our factories and those of our customers, thereby allowing more wood to end up in the finished product. Danzer is always developing new processes including automation, AI, and digitalization to allow for optimized formatting, presentation to the customer, and overall optimization of log to product. Danzer produces close to the resource to provide for more local employment, avoid trade risks, and reduce environmental impact. All of these things make wood more sustainable, accessible and attractive. Stakeholders ranked the importance of this SDG between a low of 5 and a high of 10. Some wanted to know how the efficiency increases led to reduction of waste. One customer stakeholder commented, "*Innovation is important to be in business 10, even 5 years from now, resource, equipment, people,*" while another said, "*we don't expect innovation we expect constant quality for our requirements.*"

Danzer's Code of Conduct states: *1. Danzer is always inventing new ways to use wood smartly because wood is a good, modern material that is natural, healthy, and renewable.*

We believe, there is no wood wasted in wood manufacturing, just lower value uses. Since Danzer is using the most valuable, oldest trees that have seen the most extensive forestry, it is a *moral* obligation to increase yield from forest to the living room. By 2030, the United Nations goal is to retrofit industries to make them sustainable "with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes."

Since 2017, Danzer has been deploying significant resources in the development of the Danzer Line Scanner (DLS), a camera system with wood characteristic detection based on machine learning technology. Danzer believes that its scanner and detection algorithms are superior to scanners that can be bought by third-party equipment vendors. Danzer believes that this technology is the base for the next major jump in yield from the forest to the living room. This technology will enable Danzer to mass-produce customer-specific products. This will propel the overall yield to new levels. First, Danzer implemented this technology for its 3mm flooring decklayer program. Derivatives for other applications are being developed.

Danzer material efficiency project examples 2017–2021

Automatic Formatting of deck layers for engineered flooring based on DLS



EFFICIENCY SAVINGS

For efficiency reasons, deck layers are formatted (cut-to-size) in packs of 4–6 sheets. This does not allow to optimize the use. Danzer developed a scanning system that uses machine learning for defect recognition and then optimizes on a single sheet basis each individual lamella based on customer specifications.

LINK TO SDGs 9&12

Mass customization was a first for Danzer and the hardwood industry. We turn a commodity into a customized product, thereby optimizing the yield from tree to finished product.

Customer Input: Customers provided detailed descriptions of specifications that are the base for the single-sheet optimization. Hundreds of different specifications are used simultaneously to ensure that every single lamella is cut optimally. The more defects, the less the human eye and brain are capable of optimizing the yield.

Deck layer program for the engineered flooring industry extended



EFFICIENCY SAVINGS

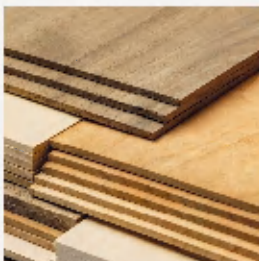
As the deck layer program expands, more truckloads of logs are saved from being turned into saw shavings and sawdust (over 750 less truck loads of logs needed in 2021 compared to the sawing process).

LINK TO SDGs 9&12

Reducing resource use, degradation and pollution along the whole lifecycle, while increasing quality of life.

Customer Input: Customers were crucial to the fine tuning of the deck layer production process. There is some interest of customers to take alternative thicknesses and widths to increase fiber usage.

Danzer pushes customers to use other species than Oak for flooring



EFFICIENCY SAVINGS

The popularity of Oak as a species for flooring constitutes a major pressure on the forests. Danzer has extended its production capabilities in thick decklayers to other species.

LINK TO SDGs 9&12

Species diversity in the use of hardwood allows for better forest management.

Customer Input: Customers have experimented with other species and produced trial-runs.

**Automatic Clipping Line
(Melnik, CZ)**

EFFICIENCY SAVINGS

Value improvement = 3.2%
Volume yield improvement = 2.2%. Camera and machine do a more consistent job extracting value from logs than the human eye and brain.

LINK TO SDGs 9&12

Reducing resource use, advancing technological capabilities.

Customer Input: In the future, we can produce sliced veneer to customer specs, delivering veneer that creates much less waste at the customers' facilities (also reducing the transportation of "waste").

Danzer cross-cutting technology produces Danzer 3D-Veneer cheaper

EFFICIENCY SAVINGS

Developed further to reduce the cost for inner-layers of 3D based chairs.

LINK TO SDGs 9&12

Doing more and better with less. Since the 2016 report, Danzer doubled the capacity.

Customer Input: Growth in 3D "Basic" is due to the fact that it is a direct substitute for plastic and the inability of other materials (metal, glass) to make the same shapes.

m³ measuring unit for all primary breakdown controlling, globally

EFFICIENCY SAVINGS

In order to gauge value and volume extraction more scientifically in the future, Danzer is adapting its entire reporting system to harmonize all log measurement to m³ without bark. Until now, regional measurements were used and these differ considerably (i.e. m³, middle/small end, MBF, Board feet (Doyle, international), bark/no bark). This has been implemented since the 2016 report.

Log scanning

EFFICIENCY SAVINGS

Danzer introduced danzerlogs.com in 2016 so that buyers could obtain a scan of the inside of a log before they buy it using an app.

LINK TO SDGs 9&12

Reducing resource use, advancing technological capabilities. With higher log costs, this technology becomes more important.

Customer Input: The app was taken offline because as yet, customers did not adopt this high-tech approach.

Thickness compensation at Danzer VS 4000 slicers

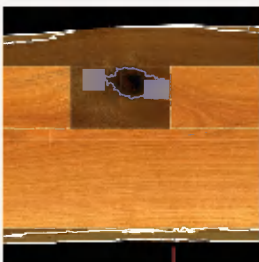
EFFICIENCY SAVINGS

Wood shrinks differently whether it is cut tangentially or radially. Every standard flitch in slicing has parts of each drying profile. The Danzer VS 4000 automatically adjust slicing thickness in the 0.001mm range to compensate different drying profiles. This profile is species specific.

LINK TO SDGs 9&12

By incorporating the different drying profiles into the primary breakdown process, Danzer saves waste for the customer and optimizes the use of the resource.

Customer Input: Danzer customers get a more uniform product, reducing waste in their process, allowing for a more industrial manufacturing concept and improving the overall product quality.

Danzer Line Scanner for measuring and later for digital pictures

EFFICIENCY SAVINGS

Using the DLS technology to scan every veneer bundle and make the pictures available to customers so that the customers can efficiently pick the product that is optimally suited for the final use.

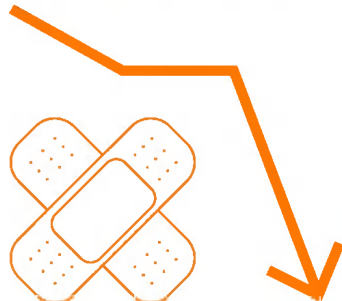
LINK TO SDGs 9&12

This is a base technology for applications beyond the automatic formatting line.

Customer Input: In the design and implementation of the virtual veneer inventory, customers of Danzer will be integrated in the project team.

Key Objective Fewer (<) Injuries

FEWER INJURIES



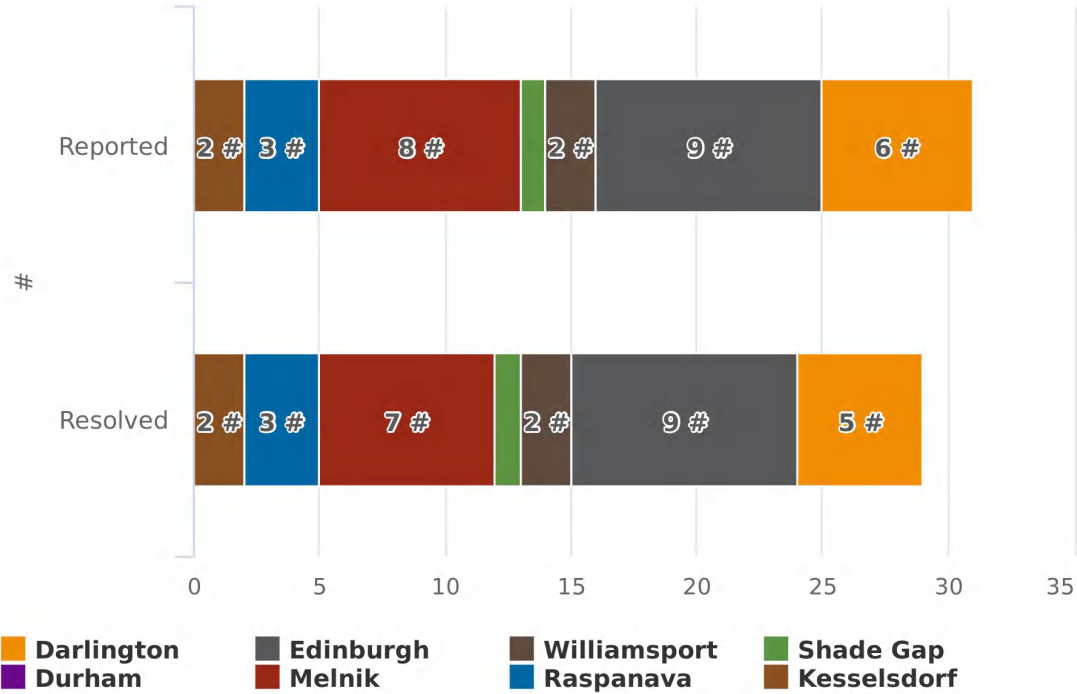
At Danzer, our key objective to generate fewer injuries means involving employees ever more in the process of continual improvement of workplace safety. Employees use communication tools and inspection forms to identify areas to make the workplace safer (see Freedom of Association). Policies and procedures are in place to make sure suggestions are followed-up on and a healthy work environment is maintained (see SDGs 8 and 3).

Freedom of Association

Danzer's Policy: the potential harm from lack of communication is well-known. For this reason, **GRI 407** employees are offered the space and time to assemble, to ask questions, and to resolve concerns. Danzer locations maintain involved Safety Teams, conduct inspections with a cross-functional group of employees, occasionally collects answers to questionnaires, gathers feedback, distributes meeting minutes, posts relevant information on bulletin boards, and operates a 3-step grievance mechanism and integrity line. Danzer's Code of Conduct reiterates these commitments: *1. Danzer employees bring concerns and ideas to their immediate supervisors or through the chain-of-command. 2. Danzer employees are free to gather to discuss improving the workplace.* Stakeholders ranked this material issue between 4 and 10, with one employee stakeholder stating, *"more time is needed Communicating with employees and employees communicating with each other,"* and another asked for, *"actions taken as result of (and results of) employee surveys."*

GRI 402, 2-16, 2-25 To ensure that employee concerns are addressed, two systems are used: a meeting minutes database, and/or a corrective actions database. All issues the Pollution Prevention and Safety Teams identify in their monthly meetings or are brought to the members' attention by another employee, are entered into the meeting minutes with a plan for action or a documented resolution. The Minutes are then sent by email to the production manager who comments and approves the minutes. Other, usually bigger concerns, are documented in the Corrective Actions Database according to the type of concern: Environment, Safety, Chain-of-Custody, Anti-Corruption, Harassment, Rights of People, Social/Community, or Legal Logging. Next a responsible person is assigned as well as an effectiveness reviewer and emails are sent to those individuals to complete the description of the corrective action and the effectiveness of the remediation. This is how Danzer ensures that matters of employee concerns are addressed to management and followed through on. **GRI 2-16, 2-25** The steps to the Grievance Mechanism are (1) report to your line supervisor, where things are usually resolved, then the facility manager, (2) if unresolved, report to the local Executive Board member, (3) call or email a confidential contact who will report to the CEO. Danzer has not had anyone use the confidential contact. The following table shows the response rate to concerns raised through the Corrective Actions Database.

2-25 Processes to remediate negative impacts



SDG 8. Decent Work & Economic Growth

8 DECENT WORK AND ECONOMIC GROWTH



Danzer’s Policy: the potential for work injuries and illness are the most severe scenarios Danzer would face. For this reason, Danzer implements a safety and health program and training to benefit employees and the surrounding communities. Discrimination and an uninformed workforce are a risk to any organization, so Danzer’s positive work environment where diversity is an asset and proactive communication prevents problems. Danzer’s grievance mechanism, integrity line, and corrective actions programs ensure that issues are addressed when they arise.

Danzer’s commitments are spelled out in its Code of Conduct which was influenced heavily by the Universal Declaration of Human Rights: *3. Danzer employees are provided with competitive pay, health care and social benefits. 4. Danzer employees are adults, or legal interns, who choose freely to work. 5. Danzer security providers are responsible and restrained. 6. People working for Danzer respect human rights. 7. Danzer teaches its employees so that they can move-up in the business. 12. Danzer treats its employees with fairness and dignity in terms of opportunities /development and noncompliance (with requirements).* The stakeholders we interviewed placed SDG 8 on the importance between 6 and 10 with requests to see information like, *“the practical use of the Grievance Mechanism,”* or *“key safety figures and serious injury data”* and a community stakeholder suggested that Danzer, *“participate in/sponsor community events so we can learn more about Danzer.”*

GRI 401: In North America, the Human Resource department has been working hand in hand with senior

management to grow the core workforce. New programs have been implemented recognizing employees for their milestone years of service, providing a career ladder demonstrating the opportunities for long term careers at Danzer as well as holding quarterly appreciation luncheons. Our open-door policy allows employees to freely discuss any issues, concerns or suggestions with their supervisors, HR or the management team. Improvements are continually being made to all facilities such as upgraded employee break areas both indoors and outside. Work schedules are designed to provide flexibility as well as an excellent work/life balance. Danzer provides a safe and clean working environment where all employees are treated as a part of the team.

In Europe, Danzer invests in the economic well-being of its employees to position Danzer as a competitive and attractive employer. It is important to Danzer to radiate a strong and enduring attraction for talents, to create strong and stable communities through motivated employees, to promote good relations with society and to achieve long-term employee retention.

Suppliers obligate themselves to protect their employees' rights under Danzer's procurement conditions. These concepts are covered in key instruments of the International Labour Organization, the Organization for Economic Co-operation and Development, and the United Nations. The biennial risk assessment of supply regions and suppliers has not to date revealed risks of employment law violations. **GRI 408 – 409** The risk assessment also revealed no risk of child labor in the Danzer supply chain worldwide, except for Mennonite areas in parts of the United States. Danzer's procurement professionals work directly with community leaders to ensure that children finish the required minimum of schooling and do not work in jobs classed as hazardous (i.e., sawmills, logging) before the age of 18.

GRI 2-8 When work is performed by contractors or sub-contractors, who are not employees according to applicable employment law, the contractors and sub-contractors sign Danzer's written contractor policy that outlines the rights and obligations of both parties and the independent contractors undergo site-specific safety training.

GRI 401-1 New employee hires and employee turnover Total number and rate of new employee hires during the reporting period, by age group, gender and region. In 2021, 176 employees were under the age of 30 years old, 577 between 30 and 50 years old and 367 greater than 50.

We know that turnover results in changes to the human and intellectual capital of the organization and can impact productivity. Turnover has direct cost implications either in terms of reduced payroll or greater expenses for the recruitment of employees. Danzer is facing the world wide phenomenon of a labor shortage and a generalized unwillingness among the available labor force to perform manual labor or shift work.

GRI 207-1

COUNTRY	TAXES PAID IN 2020 (THOUSAND €)	TAXES PAID IN 2021 (THOUSAND €)
US	704	79
Switzerland	36	-2
Great Britain	379	565
France	68	144
Czech Republic	149	41
Canada	4	0
Germany	1.547	1.661
Austria	1.439	1.533
TOTAL	4.326	4.021
DANZER DIRECT ECONOMIC VALUE GENERATED	2020 (THOUSAND €)	2021 (THOUSAND €)
Revenues	170.413	136.115
ECONOMIC VALUE DISTRIBUTED		
Operating costs, all other costs	-110.012	-83.353
Employee wages and benefits	-44.903	-42.456
Payments to providers of capital	-5.143	-6.402
Payments to government	-4.021	-4.326
Community investments	-117	-131
ECONOMIC VALUE RETAINED	6.217	553

SDG 3. Good Health & Well Being

3 GOOD HEALTH AND WELL-BEING



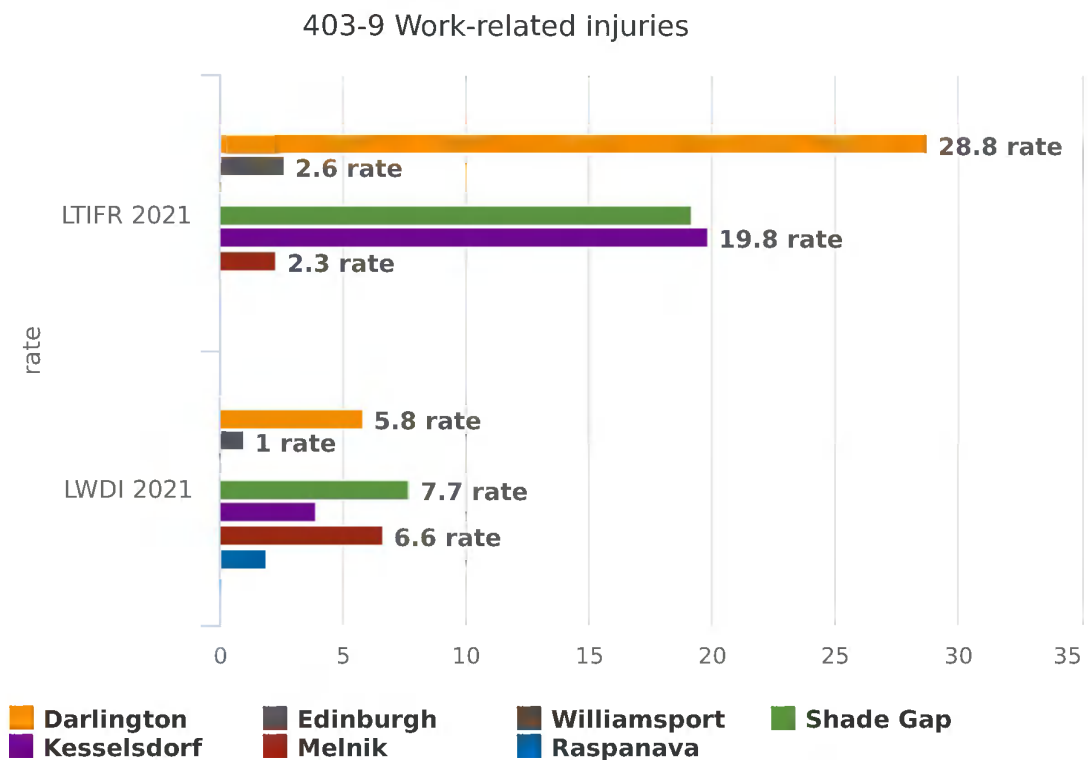
Danzer’s Policy: **GRI 403** the most likely potential impacts on the Danzer workforce’s health and well-being are physical injuries and hearing loss. Danzer provides better-than-average health care and/or insurance coverage, offers flexible work hours where possible, and involves all employees in its safety programs. The Danzer Code of Conduct emphasizes in several places: *9. Danzer employees help to set goals that are meaningful, and consistent with this code of Conduct. And at Environment, Health and Safety, 1. Danzer maintains healthy work conditions for employees. 2. Danzer employees work with supervisors to reduce risks to safety.*

When we interviewed Stakeholders about SDG 3, it was high on the importance scale at 7-10. Employee stakeholders saw the importance of work-life balance to combat stress and asked for examples of it at Danzer, one asked for gym memberships. The Danzer Wellness Program began in 2021 in Darlington, Pennsylvania with enthusiasm and increasing participation.

GRI 403-1 The occupational health and safety management system at Danzer is part of a larger system called the Environmental and Safety Management System or ESMS. Every location has 1-3 persons who dedicate a portion of their time to keeping the elements of the system in good order. The system is designed according to the ISO 14001:2015 standards of Plan, Do, Check, Act and includes: **GRI 403-2** hazard identification, risk assessment, and incident investigation in the form of safety inspections, reports, and incident investigations; **GRI 403-3** occupational health services are limited to testing for hearing loss for areas where the noise level exceeds 85 dB; **GRI 403-4** employee safety teams that aim to

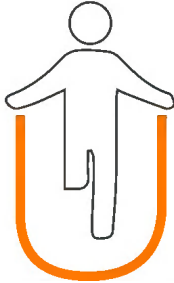
be cross-functional and influential in that they make the inspections and determine the corrective actions; and a [GRI 403-8](#) contractor policy that defines training required for work being done in the factory by 3rd parties.

[GRI 403-9](#) Two figures are used to indicate the severity of work related injuries: the LTIFR is the number of work injuries that result in a lost day per million hours worked and this is an internationally recognized rate, whereas the LWDI is the number of injuries that result in a lost day or restricted work per 200,000 hours worked. The figure below illustrates both numbers for Danzer facilities. The higher incident rates for the smaller facilities are skewed considering the low number of employees at these locations.



Key Objective More (+) Training

MORE TRAINING



In a sustainability report news from February 2019, Danzer reported that it began a “FUN” training program in which small cross-functional teams (including office and management staff) meet at least once per month for a short game (15 minutes) to reinforce safe behavior and good conduct. This collaborative learning program targeted training to specific risks. A behavioral approach to safety – that is, identifying at-risk behaviors and correcting them before injuries occur – is an essential part of this program. All North American locations launched the FUN program with notable enthusiasm and the Kesselsdorf, Germany location had just started the program. Unfortunately, the onset of the COVID pandemic in 2020 halted the FUN program entirely because people could not be distanced sufficiently. Danzer intends to re-start the FUN program Danzer-wide although staffing struggles make this a challenge.

GRI 403-5 Worker training subjects in the ESMS:

Subject / Level	Scope
Environmental and Safety Management System (ESMS) Training	Introduction to ESMS Database, MIA (Managing Aspects and Impacts) Plan and use and ongoing maintenance of all ESMS tools including
	Pollution Prevention Basics (air, water, soil) including radiation where applicable
Control of Hazardous Energy	High-level training including all regulators requirements: forms of energy, release of stored energy, lockout, tagout procedures
	Awareness training for machine operators: forms of energy, specific machine lockout & tagout procedures, potential injury
	Awareness training for all employees: forms of energy, potential injuries, lockout & tagout signs
Forklift	Operator training to include: operating procedures, safety hazards, environmental hazards, safe operating procedures, checklists, and pedestrian safety
	Awareness training to include safe operating procedures, checklists, and pedestrian safety
Accident Prevention / Safe Behaviors	Promotion of Behavioral Safety: identify and reinforce positive behaviors (lifting, PPE, attention to direction/handling/foot placement)
Pedestrian Safety	Attention to safe walk areas, forklift and other traffic (including trains)

First Aid Level 1	By First Aid professional
Fire Fighting Level 1	By Fire Safety professional
Emergency Response (inc. Evacuation, First Aid, Spills, Fire, Weather, Violence)	Awareness of proper actions to take in each situation for each location and job function
Workplace Violence Prevention (NA)	Specific training for office and plant supervision and management on sounding alarms, calling 911, and moving people to protected areas
	Awareness of appropriate actions to take given specific scenarios and alarms
Code of Conduct	Conducts specific to Production Operations
	Conducts specific to Sales and Warehouse (can also include risk assessment update by Slide Presenter)
	All Conducts (scenario-based training)
Hazardous Materials	Specific training for employees using hazardous materials on proper use, PPE, disposal, risks
	General training to understand and follow hazard labels, where to find MSD sheets, and what information they provide
Confined Space Entry	Specific training on how to identify a confined space, how to safely enter a confined space, and how to complete the paperwork
	General awareness of confined spaces: how to identify them (with or without signs) and that entry is by trained personnel only with the proper equipment
Personal Protective Equipment (PPE)	Identify which PPE is necessary for which situation, learn how & when to wear it, how to clean/store/care for it
Environmental and Safety Management System	Detailed training for coordinators on maintaining the system
	Awareness training for management and supervision on how to use forms and access procedures and other information
Anti-Bribery and Corruption Policy (ABC)	Distribution of policies ABC, GMIL and presentation on latest risk assessment
Grievance Mechanism and Integrity Line (GMIL)	Awareness of steps to take to report grievances or present solutions
Fall Protection	Awareness of when fall protection equipment is required and how to use it properly, clean, inspect, and store it
	General awareness of fall areas and restricted access and signage
Lifting Safety / Ergonomics	Specific training on work station set up to promote safe posture

	(also included in Safe Behaviors)
Chainsaw Safety	Operator training including video, PPE use and care, inspection and care of saw
	General awareness that only trained operators may use the chainsaws and the hazards of improper use
Welding and Hot Work	Operator training on Hot Work hazards, fire watch, permit system, and PPE
	General awareness of Hot Work Permit system and fire watch
Compressed Air Safety	Awareness of hazards of compressed air, proper use, PPE (could be combined with hazardous materials training)
Accident Prevention, Reporting, Investigation	How to conduct an accident investigation, report, and follow up with corrective actions
	How to report an accident
Heat Stress	How to identify heat stress symptoms, how to prevent heat stress, what to do if it develops
Radiation Safety	Specific program for operators of log scanner to include dangers, safe operating procedures, reporting, and PPE
	Awareness of restricted areas, signage, hazards
Chain-of-Custody	Basic recordkeeping and integrity procedures, purpose of the program, importance to customers
	Purpose and importance of the program
Safe Operating Procedures (SOPs)	When hired and anytime a new job is performed

SDG 5. Gender Equality

5 GENDER EQUALITY

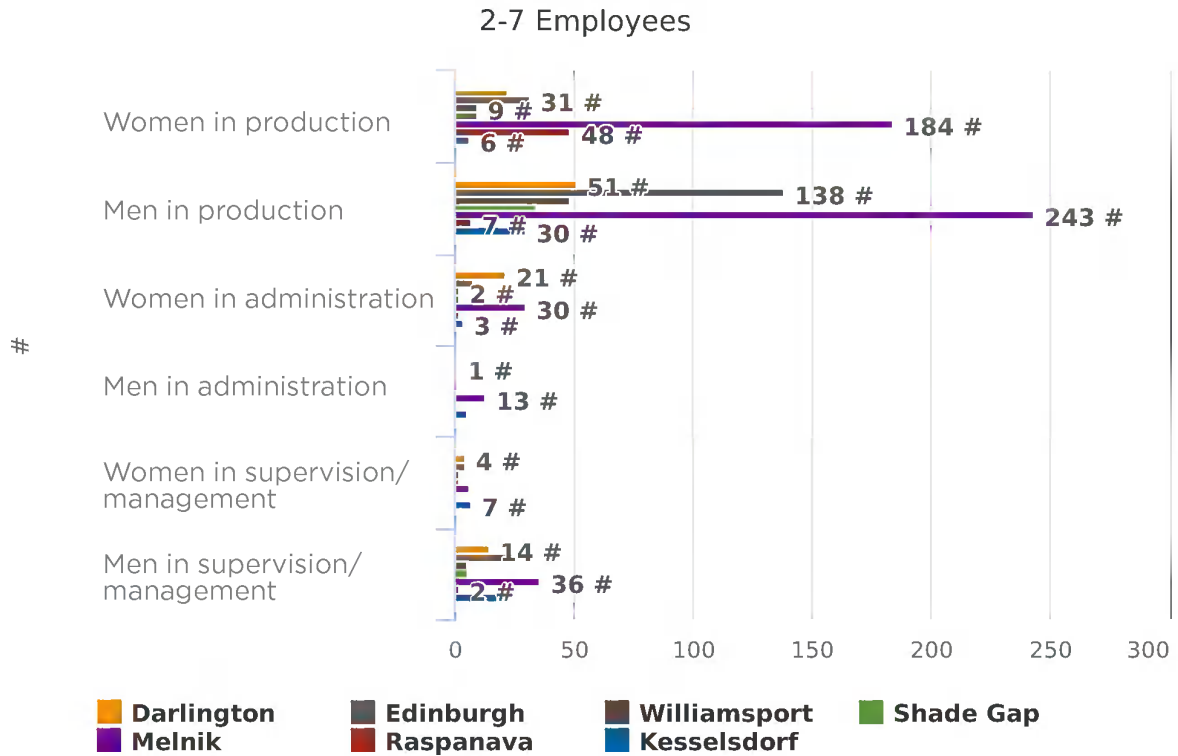


Danzer’s Policy: At Danzer, the likelihood of gender discrimination is low because the human resources professionals at Danzer seek equality through hiring practices, shift scheduling (family focus), recruiting emphasis, and internships. Danzer’s decades long practice of hiring from within and on-the-job training has allowed many women to take on more responsibility in the organization. Danzer’s executive level is stable, and all applicants are considered fairly when a vacancy needs to be filled. **GRI 405** Further, the Danzer Code of Conduct promises: *10. Danzer respects that local communities may have different cultures, customs & values. 13. Danzer employees work free from discrimination based on arbitrary characteristics. 14. Danzer employees work free of harassment, exploitation, abuse, and violence. 15. Employees with disabilities and family needs can expect flexibility.*

This issue, SDG 5, was consistently ranked at the importance level of 10 with only one stakeholder

suggesting a 2. Community stakeholders suggested, *“report Male/Female ratio for jobs including upper management,”* and *“further develop conditions for women in general for a better work-life balance (flexible working hours), expand home office and enable flexible arrangements.”*

It is notable that a former Supervisory Board member stated recently, *[Danzer] create[s] a work environment that is confident, supportive, reassuring and inclusive, for sure.*



Information Management

Danzer’s Policy: Danzer faces risks to breaches of its personal employee, customer, and supplier data as well as its intellectual property. For this reason, Danzer has implemented state-of-the-art information security systems and employee training to protect this information. In its Code of Conduct, Danzer affirms: *8. Danzer employees respect trade secrets and intellectual property. All stakeholders said that Information Management had an importance level of 10 without further comment or question.*

GRI 418-1 In February 2019, Danzer suffered a ransom attack that encrypted data. With the help of government agencies, Danzer was able to restore all data without paying a ransom. No data was misappropriated. Immediately, Danzer instituted several layers of protection from firewalls to user training, to prevent future events. Danzer arranged in 2021 for a third party provider of cyber awareness training for all computer users at Danzer, such as *Essential Phishing Awareness, Internet Security Awareness, and Cyber Security Awareness*. We are performing regularly scheduled IT penetration testing to assure our systems are protected against attacks.

In Europe in particular, Danzer has additional instruments for ensuring compliance with the Data

Protection Regulation: an external data protection officer supports Danzer and prepares an annual activity report with a status of implementation in the organization, which is submitted to the Executive Board and the Board of Directors.

SDG 16. Peace, Justice & Strong Institutions

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Danzer's Policy: Danzer has numerous suppliers and customers all over the globe. As such, the potential for corruption (i.e. bribery) in the supply chain is high. Danzer maintains a robust Anti-Bribery and Corruption (ABC) Policy, audits against it, and trains its procurement, sales and accounting personnel accordingly. The ABC policy is adjusted biennially based on the results of an internal risk assessment and evaluation. This underscores the Danzer Code of Conduct where it states: *2. Danzer employees understand that honest and fair business is good business. 3. Danzer employees obey the law, instructions and this Code of Conduct. 4. Danzer employees keep personal issues out of business decisions. 5. Danzer cooperates constructively with authorities and auditors to evaluate its operations. 6. Danzer makes contributions legally, ethically, with fairness and openness. 7. Danzer employees do not allow third parties to bribe on Danzer's behalf. 8. Danzer employees do not engage in bribery or corruption 9. Danzer keeps proper records. 10. Danzer employees help auditors to evaluate its operations.* All stakeholders ranked SDG 16 as a 10 on the importance scale and one asked for case studies on ABC and risk.

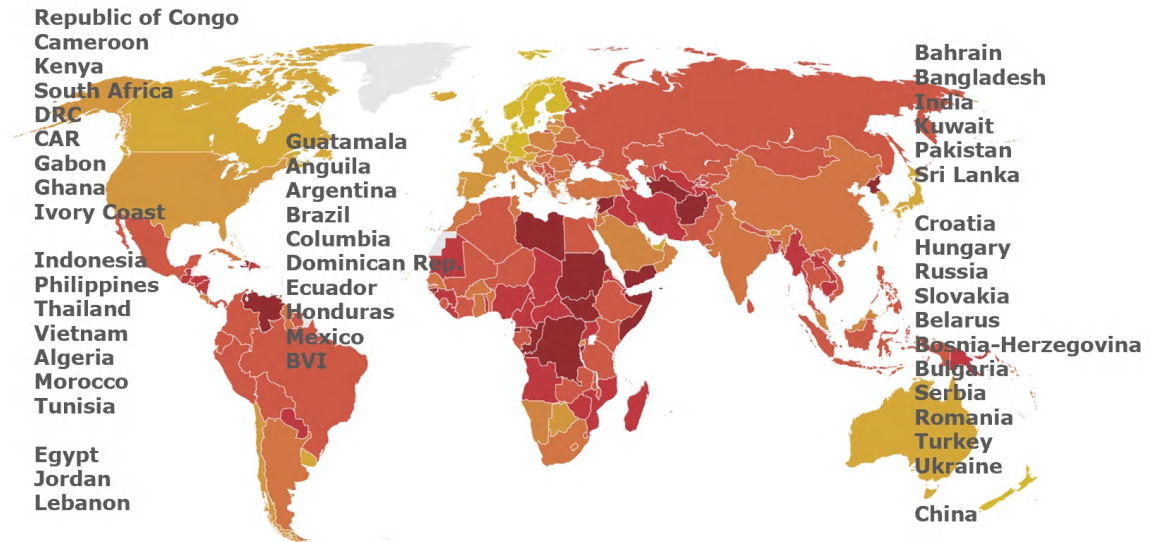
GRI 205-1 All operations are assessed for risks related to corruption. Significant risks related to corruption identified through the risk assessment were mostly geographically based using the Corruption Perceptions Index from Transparency International (see training slide below, the more red the area, the higher the risk) to start the process of evaluating every country or region where Danzer operates or conducts raw material procurement or sales activities.

205-2 100% of all affected employees are trained biennially and upon hiring. Affected employees in terms of the ABC policy are: human resources, IT, accounting and finance staff, procurement personnel (logs and factory), maintenance and engineering employees, sales staff, sustainability and compliance and management.

205-3 The risk assessment found only confirmed incidents of attempted bribery or corruption in response to which Danzer employees took swift and consistent action to resist, in some cases, foregoing business.

GRI 308 At this time, only raw material suppliers (logs and lumber) go through a Supplier Environmental Assessment (see Life on Land).

Very High-risk Countries Investigated For Forced Labor, Corruption Or Illegal Logging Where Danzer Works



Draw The Line At The Start For Clean Transactions

Positive Response By Danzer

- It was pointed out that where there is a fight for a consignment, the one not bribing loses. We must continue to push other organizations for a critical mass of anti-bribery commitments.
- People in the wood business know we are fighting corruption and bribery and do not ask anymore as they did 15 years ago. Refuse 1-3 times and they give up.
- 13 years ago, a salesperson was asked to double an invoice. After 3-5 refusals, they do not ask anymore. Once you are known in the market for being strict on this, no one will ask. This is the same everywhere.
- Products might be delivered to Country A but the invoice requested to be sent to Country B. If B is a "secrecy jurisdiction," a red flag is raised. First, question the value of the transaction. Find out the business reasons for the arrangement and, if payment will not be made from Country A, add a clause to a Sales Agreement asking the customer to confirm legal and tax arrangements are compliant. See the updated ABC Policy for more guidance.

Danzer Refuses To Participate In Corrupt Behavior

Excerpted from a Danzer training presentation.

Key Objective Conserve (<) Water

CONSERVE WATER



GRI 303 Access to fresh water is essential for human life and wellbeing, and is recognized by the United Nations (UN) as a human right, under Goal 6: 'Ensure availability and sustainable management of water and sanitation for all'. These targets aim, for example, to achieve universal access to safe and affordable drinking water, improve water quality, and address water scarcity.

SDG 6. Clean Water & Sanitation

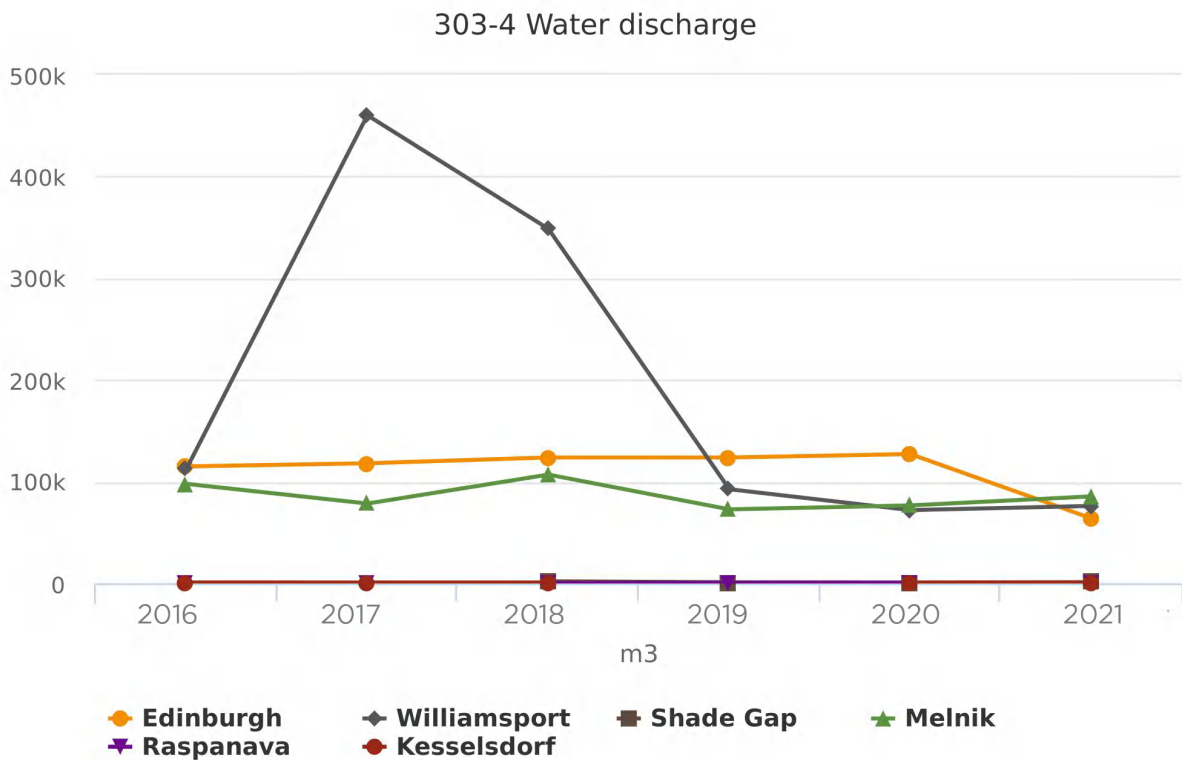
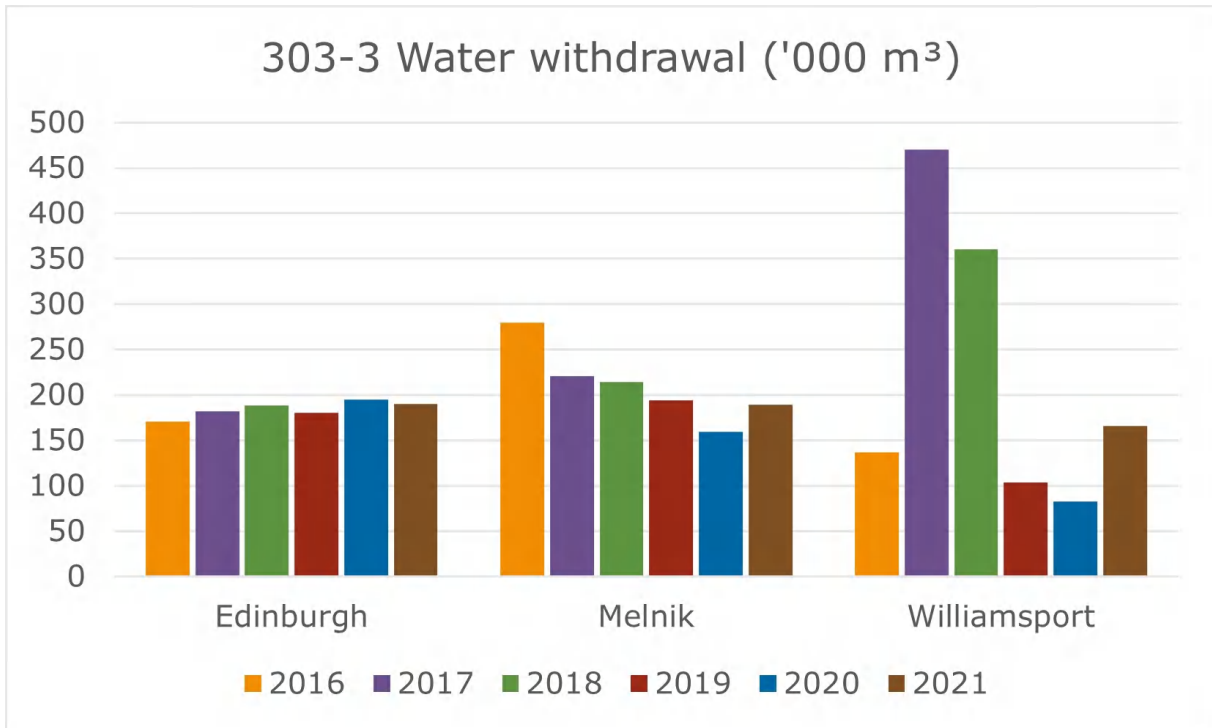
6 CLEAN WATER AND SANITATION



Danzer's Policy: the largest negative impacts on clean water and sanitation that are felt beyond Danzer's property are **GRI 303-1** water withdrawal for production processes, process water discharge and the potential for water wasting. **GRI 303-2** While each of these impacts are "highly likely" because water is used in processing, all are easy to prevent, manage or remedy. In the Danzer Code of Conduct, employees see their pollution prevention and mitigation roles: *3. Danzer employees protect the environment by caring for the air, water and soil in their jobs. 5. Danzer employees help to discover environmental and safety challenges. Stakeholders agree that SDG 6 is highly important (9-10). One community stakeholder suggested collecting rainwater for non-drinking water uses.*

At Danzer, positive impacts on clean water are due to water conservation activities and are felt beyond Danzer in the local watershed where water scarcity is something we keep in mind but is not threatening us immediately as all locations are classified as "low water stress."

GRI 306-2 Water for wet decking (keeping logs cool in the summer months with sprinkled water) and vats (cooking of logs) at Melnik is 100% recycled with low levels of make up water as seen in the following figures. The physical space and water supply situations at the other veneer mills limit the opportunities for such high-tech water treatment. Danzer continues to investigate achievable water use reductions. In 2019, an update to the 2016 Sustainability Report on the subject of water, identified excessive uses at one location (see 303-4). A water conservation practice was put in place upon the discovery. See more at https://www.danzer.com/images/danzer/Company/DSR-Update_09_Nov19.pdf.



Danzer’s Policy: Potential significant negative impacts of Danzer’s manufacturing and warehousing operations may include spills from oil storage areas or rolling stock and excess emissions from boiler stacks. **GRI 413-2** These are remedial, managed by prevention plans, and therefore not ranked as “highly likely” impacts. Actual local pollution impacts include trucking, wood dust and noise, which are remedial to a certain extent. Emergency Action Planning and training are critical to managing these impacts on the community. Local pollution varied in importance level from 5 to 10, even among community stakeholders. One community member suggested, *“Unfortunately, there is no rail connection, but the technology of e-mobility is not yet mature. Carpooling should be encouraged!”*

Danzer’s management has visited the question as to whether to become a signatory to the United Nations Global Compact on at least an annual basis. The members of the Executive Board commit to the 10 Principles of the Global Compact and verify that it is embedded in the Danzer Code of Conduct. Danzer has decided that becoming a signatory will take place only after verification of the Danzer Sustainability Report by a third party.

Key Objective (0) Plastic

ZERO PLASTIC



Eight to twelve million tons of plastics end up in the oceans every year. SDG 14, Life Below Water calls on us to prevent and significantly reduce marine pollution of all kinds. Half of all plastic waste intended for recycling (14 million tons/year) is exported by high-income countries. These waste streams are often mixed or contaminated, rendering them nearly impossible to recycle.

SDG 14. Life Below Water



Danzer’s Policy: Danzer’s operational impacts on life below water include the use of plastic packaging, waste that goes to landfills, small quantities of hazardous waste, oil spills from heavy moving equipment, marine shipping of product to customers, and transportation by road. Danzer seeks to improve water conservation while continuing to find ways to reduce the use of plastic and minimize waste overall. Stakeholders said the importance of SDG 14 is between 7 and 10 and commented: *“Get rid of plastic packaging,”* and, *“provide more information on plastic wrap disposal,”* and even, *“Packaging keeps the product safe!”*

In 2019, Danzer introduced a new plastic packaging, called oxi-plastic, that is biodegradable under industrial composting conditions. The packaging received mixed results. Thus began a dialogue within Danzer and among customers to customize packaging according to the specific needs of the customer. Some domestic customers for example, do not need any plastic wrapping of their veneer product. Danzer continues to find solutions to reduce, and wherever possible eliminate, plastic.

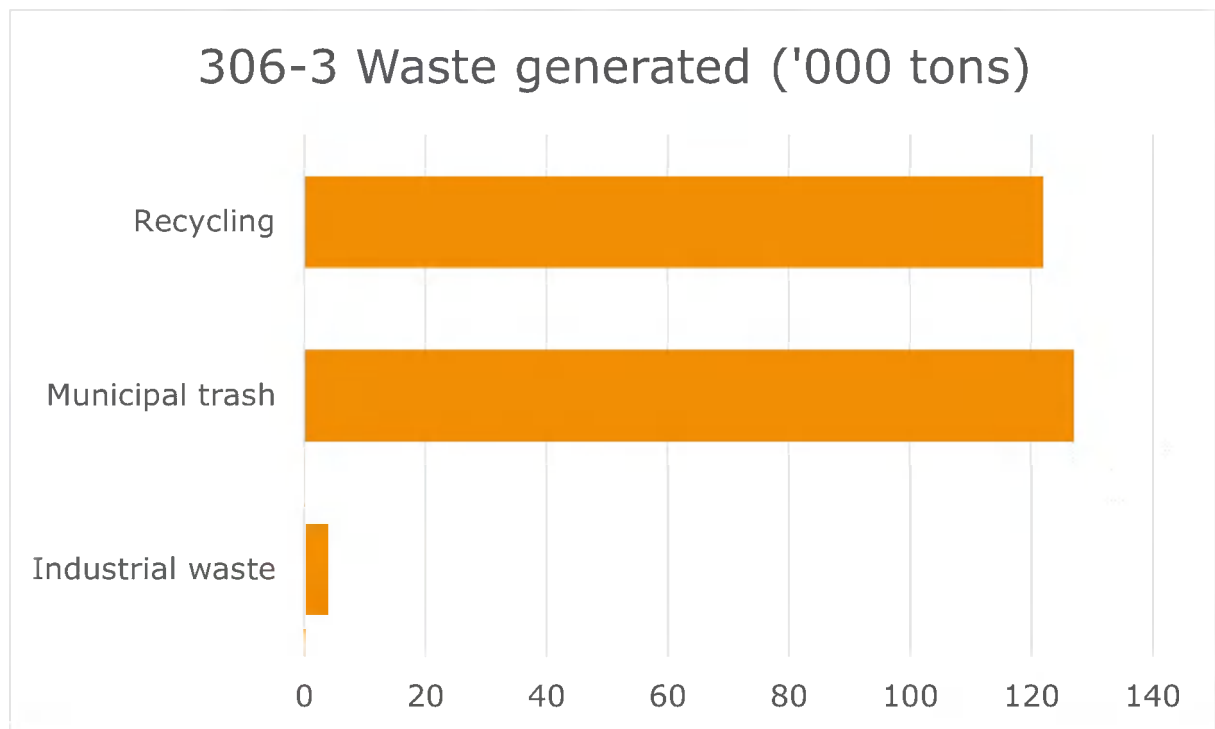
Materials, Chemicals, Waste

Danzer's Policy: Despite efforts to reduce waste to landfill and product packaging, these impacts go beyond Danzer's facilities and impact the communities of operations and customers. Stakeholders ranked the importance of this issue at 7-10 with one stakeholder saying, *"Danzer has a great approach but employees at all locations need to improve somewhat."*

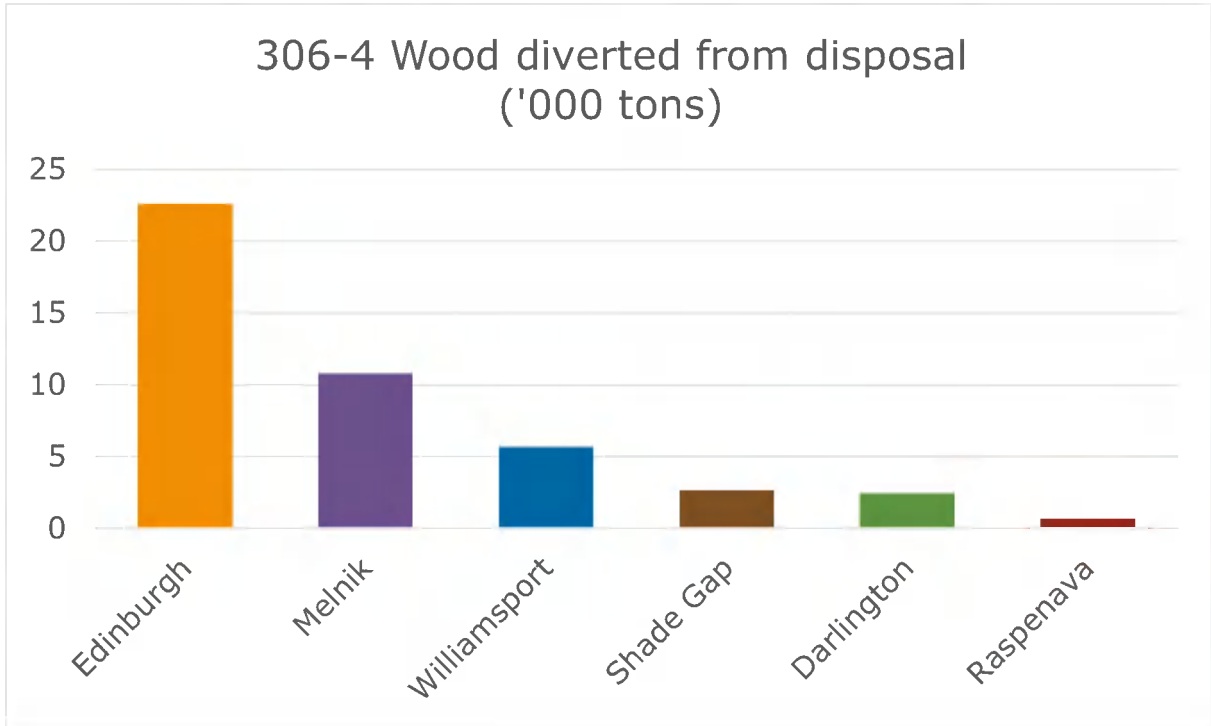
GRI 301-2 There is effectively zero recycled input in Danzer's products for obvious reasons: we are a primary breakdown manufacturer of the raw material wood. On rare occasions, "recycled" beams from old barns are sent to us to slice for specialized projects. Some fiber backings used in the 3D veneer process may have recycled content but this is a minor percentage of Danzer's overall production.

GRI 306-1,3 Danzer's volume of waste is primarily municipal trash (office, cafeteria, packaging), recycling materials (paper, carton and metals), and special industrial waste (i.e. grinding material, wood ash, coolant, used oil). The figure below shows the overall production of these waste categories at Danzer facilities in 2021.

GRI 306-3 There were no significant spills (>5 gallon or 19 liter) throughout Danzer in 2021.



GRI 306-4 Wood that is diverted from disposal for beneficial reuse includes wood used as biogenic fuel on-site, woody bark and debris from logyard and sawmill operations sold for mulch or compost, wooden pallets sold for reuse or biofuel, wood brickettes produced and sold as biofuel (Raspanava) and other woody byproduct sold or given away for animal bedding, biofuel, or other creative uses.



Other Topics Non-Material

GRI 7-1 The following topics were determined to be non-material to Danzer (see Materiality Matrix under Materiality, Stakeholders and Impacts) because Danzer's activities do not significantly touch these issues and Danzer does not have the capacity to transform these topics in a material way. Still, Danzer explains how this decision was reached.

Collective Bargaining

While Danzer does not deny employees their basic human right to bargain collectively with or without trade unions, Danzer aims to operate its businesses in such a way that trade union activities are unnecessary: because it is more efficient and beneficial to address all employee concerns on-the-spot and to engage employees in solution implementation than to introduce the layered hierarchy that trade unions often present. **GRI 407-1** All Danzer suppliers commit to Danzer's procurement conditions which include employee human rights to freedom of association through the commitment to the conditions of the Danzer Code of Conduct.

Career Management & Training

GRI 404 The crucial know-how in the hardwood slicing business, from procurement to production to sales, is not taught in any formal education program in any country Danzer operates in. The uniqueness of on-the-job learning makes Danzer keen to promote from within. The manufacturing floor is a center to recruit supervisory and management positions. In fact, all Executive Board members were promoted from within Danzer as well as everyone in the second level of management with the exception of a few administrative management positions. Even our Environmental Safety and Management System recruited enthusiastic colleagues from the factory floor and witnessed them rise up with their responsibilities and even transfer to other departments like product management. Specialized training is also required for fields like engineering, safety, environment, human resources, and first aid. Danzer on occasion finances the education for individuals who are interested in pursuing these fields.

Supplier Environmental Concerns

When Danzer's stakeholders speak about "Supplier" environmental concerns, they mean Danzer's raw material supply: logs, lumber and trade veneers. The integrated nature of environmental criteria in Sustainable Forest Management is something Danzer counts on when selecting suppliers of certified forest products. When hiring, on the rare occasion in North America, logging companies for standing timber jobs, Danzer ensures that the logging company is trained in best management practices to avoid water and soil degradation.

SDG 10. Reduced Inequalities

See SDG 5. It is in Danzer's interest to embrace diversity and equitable hiring. It is not in Danzer's interest to categorize people for the sake of proving that people are not categorized by arbitrary characteristics. This would defeat the purpose so Danzer does not break down employee figures in this detail for this report.

Supplier Social Concerns

GRI 414-1 New suppliers were screened using social criteria imbedded in The 10 FSC Principles <https://fsc.org/en/fsc-standards>. No **GRI 414-2** negative social impacts in the supply chain were found and so no corrective actions were taken.

SDG 11. Sustainable Cities & Communities

Danzer produces a sustainable product that we believe holds many solutions to today's environmental dilemmas: from carbon sequestration to healthy and productive indoor living spaces. We aim to increase the use of wood products in people's daily lives in support of SDG 11. Here is this summary from <https://planetark.org>:

Multiple physiological, psychological and environmental benefits have been identified for wooden interiors:

- *Improvements to a person's emotional state and level of self-expression*
- *Reduced blood pressure, heart rate and stress levels*
- *Improved air quality through humidity moderation*
- *Its use as a long-term store of carbon, helping to fight climate change*

SDG 17. Partnerships for the Goals

From this sustainability report to Danzer's individual actions, we believe that the hardwood industry is in partnership for the goals, individually and collectively. Only by doing our part, and recognizing our responsibility as a member of a community, will we advance the Sustainable Development Goals.

Customer Health & Safety

Our customers are informed about the risks of wood dust when using our product (see Safety Data Sheets at <https://www.danzer.com/en/company/corporate-responsibility/certificates-declarations>), they receive a Healthy Product Declaration for Danzer Specialty Products and Danzer is updating its Life Cycle Assessments and Environmental Product Declarations for all products (estimated to be finished in 2023).

Product End-of-Life

Danzer is not in a position to know what the end-of-life of its products are as we are a supplier of a raw material and not a finished product. Our primary breakdown materials are used for so many different products that our life cycle assessment is limited to cradle (forest) to gate (Danzer factory) analysis. It is up to the end product manufacturer to incorporate Danzer's lifecycle data into their own end-of-life product information. This is how LCAs were meant to be used. We can say that in general, wood products are re-usable, renewable, and even in the worst case compostable or usable as biofuel. **GRI 416-1** We do know from multiple studies, that surrounding your interior spaces with wood, reduces stress levels and even has the same psychological and physiological benefits as forest bathing. See 11. Sustainable Cities & Communities above.

Spread Innovation

When Danzer develops its own intellectual property, it invests in greater efficiencies (more tree to product) for the sake of the financial health of the company, its employees, the community, and customers. When Danzer develops best practices in the area of safety, responsible procurement, and product life cycle, we share these with the entire industry (see ANSI Legal Timber Due Diligence Standard, Danzer's Risk Assessment Preparation and Mitigation (RAMP) analysis, Life Cycle Assessment for examples). We collaborate with the automotive industry to create high end wooden dashboards that are used in place of Aluminum or plastic.

SDG 4. Quality Education

At Danzer's various locations, appropriate support for education may involve everything from engaging student trainees or interns, to supporting a local school project, to financing higher education for employees, or scholarships for local students. These are all indirect ways that Danzer supports SDG 4. Quality Education.

Anti-Competition

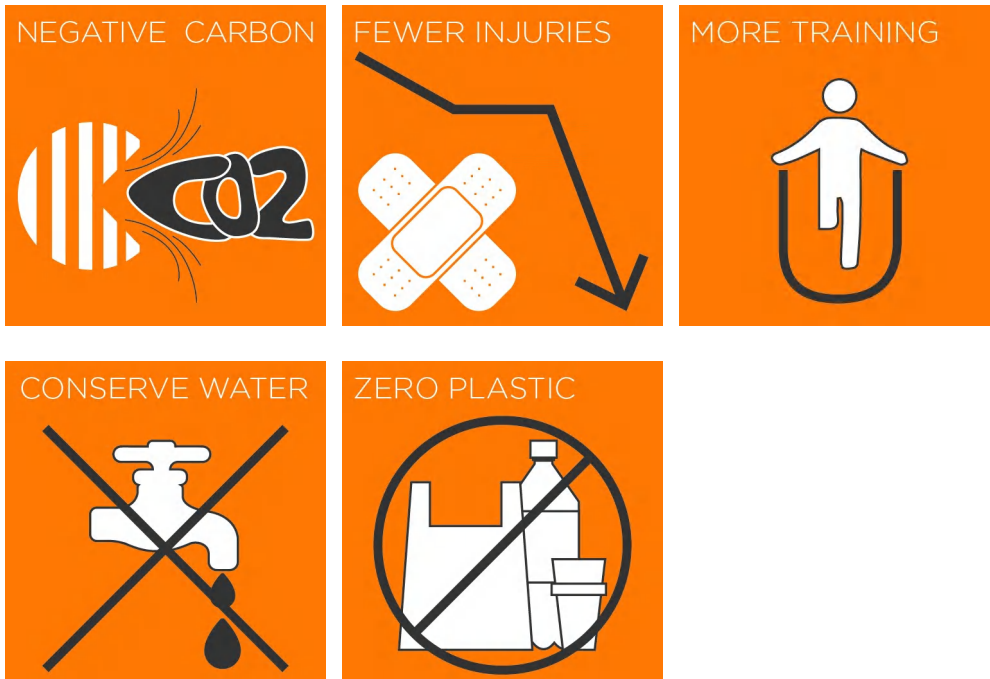
GRI 206-1 Anti-competitive behavior refers to actions of an organization or its employees that can result in collusion with potential competitors, with the purpose of limiting the effects of market competition.

This is not a relevant topic for Danzer for three basic reasons:

1. Danzer sells commodity products for which the prices are publicly listed;
2. Other Danzer products are proprietary, that is, protected by intellectual property and not subject to competition; and finally
3. Danzer's main product, veneer, has its price determined on a case-by-case basis because each log or sheet is unique, all sorting and grading is individualized and it is judged in value by the customer at the time of sale. Thus, prices are not comparable from one supplier to another.

Looking Forward to 2022, 2023 and Beyond

Danzer has a lot to look forward to as far as continual improvement of its Environmental, Social and Governance issues. This report identified improvements that need to be made. Some projects were already underway in 2022 and 2023 and will be updated in those reports which are expected by December 2023 and April 2024 respectively. Specifically: the Sustainability and Compliance team at Danzer is getting a handle on consistent data points and fill in some gaps when it comes to the Objectives and Key Results (OKRs) of Less (<) Water, Fewer (<) Injuries and More (+) Training; the OKR teams are tasked in 2023 with identifying information gaps, assessing the situation, identifying potential solutions and the key results, and then preparing a timeline for action. An energy saving and generation project was launched in early 2022 and will continue under the Negative (-) Carbon OKR (GHG reductions) and Danzer is working to stay ahead of implementing legislation in response to the Single Use Plastic Ban in Europe. We will find creative solutions for customers with the Zero (0) Plastic OKR team. (It should be noted that Danzer is using the modern term of Objectives and Key Results to replace the more antiquated, Key Performance Indicators.)



List of Acronyms

Acronym	Meaning
ABC	Anti-Bribery and Corruption
ANSI	American National Standards Institute
CSR	Corporate Social Responsibility
DLS	Danzer Line Scanner
DVA	Danzer Veneer Americas
DVE	Danzer Veneer Europe
EPD	Environmental Product Declaration
ESG	Environmental, social, and corporate governance
ESMS	Environmental and Safety Management System or ESMS
EUTR	European Timber Regulation
FSC	Forest Stewardship Council®
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
GMIL	Grievance Mechanism and Integrity Line
GRI	Global Reporting Initiative
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organization for Standardization
KPI / OKR	Key Performance Indicators / Objectives and Key Results
LCA	Life Cycle Assessment
LTIFR	Lost Time Injury Frequency Rate
LWDI	Lost Work Day Injury Rate
MIA	Managing Aspects and Impacts
OECD	Organization for Economic Co-operation and Development
OKRs	Objectives and Key Results
PEFC	Programme for the Endorsement of Forest Certification
PPE	Personal Protective Equipment
RAMP	Risk Assessment Preparation and Mitigation
SDGs	UN Sustainable Development Goals
SOP	Safe Operating Procedures (SOPs)
UDHR	Universal Declaration of Human Rights
UKTR	UK Timber Regulation
UN	United Nations
UNGC	United Nations Global Compact
WRI / WBCSD	World Resources Institute / World Business Council for Sustainable Development

In Accordance

Gri Indicator	Topic/Link	Page	Omissions	Comments	Assurance	Location
GRI 2: GENERAL DISCLOSURES 2021						
2-1	Organizational details	A Portrait				p. 9-15
2-2	Entities included in the organization's sustainability reporting	A Portrait				p. 9-15
2-3	Reporting period, frequency and contact point	A Portrait				p. 9-15
2-6	Activities, value chain and other business relationships	A Portrait				p. 9-15
2-7	Employees	SDG 5. Gender Equality				p. 39
2-8	Workers who are not employees	SDG 8. Decent Work & Economic Growth				p. 33-34
2-9	Governance structure and composition	A Portrait				p. 9-15
2-10	Nomination and selection of the highest governance body	A Portrait				p. 9-15
2-11	Chair of the highest governance body	A Portrait				p. 9-15
2-12	Role of the highest governance body in overseeing the management of impacts	A Portrait				p. 9-15
2-13	Delegation of responsibility for managing impacts	Materiality, Stakeholders and Impacts				p. 16-17
2-14	Role of the highest governance body in sustainability reporting	Materiality, Stakeholders and Impacts				p. 16-17
2-16	Communication of critical concerns	Freedom of Association				p. 32

2-17	Collective knowledge of the highest governance body	A Portrait	p. 9-15
2-18	valuation of the performance of the highest governance body	A Portrait	p. 9-15
2-22	Statement on sustainable development strategy	Introduction	p. 3-4
2-23	Policy commitments	Content Overview	p. 5
2-24	Embedding policy commitments	Introduction	p. 3-4
2-25	Processes to remediate negative impacts	Social Dialogue	p. 18-19
2-27	Compliance with laws and regulations	A Portrait	p. 9-15
2-28	Membership associations	A Portrait	p. 9-15
2-29	Approach to stakeholder engagement	Materiality, Stakeholders and Impacts	p. 16-17
2-30	Collective bargaining agreements	Collective Bargaining	p. 47

GRI 3: MATERIAL TOPICS 2021

3-1	Process to determine material topics	Materiality, Stakeholders and Impacts	p. 16-17
3-2	List of material topics	Materiality, Stakeholders and Impacts	p. 16-17
3-3	Management of material topics	Materiality, Stakeholders and Impacts	p. 16-17

GRI 200: ECONOMIC TOPICS

GRI 201: Economic Performance

GRI 103: Management Approach

GRI 202: Market Presence

GRI 103: Management Approach

GRI 203: Indirect Economic Impacts

GRI 103: Management Approach

GRI 204: Procurement Practices

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	SDG 12. Responsible Consumption & Production	p. 25
-------	---	--	-------

GRI 205: Anti-Corruption

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	SDG 16. Peace, Justice & Strong Institutions	p. 41-42
-------	---	--	----------

103-2	The management approach and its components	SDG 16. Peace, Justice & Strong Institutions	p. 41-42
-------	--	--	----------

205-1	Operations assessed for risks related to corruption	SDG 16. Peace, Justice & Strong Institutions	p. 41-42
-------	---	--	----------

205-2	Communication and training about anti-corruption policies and procedures	SDG 16. Peace, Justice & Strong Institutions	p. 41-42
-------	--	--	----------

205-3	Confirmed incidents of corruption and actions taken	SDG 16. Peace, Justice & Strong Institutions	p. 41-42
-------	---	--	----------

GRI 206: Anti-Competitive Behavior

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	Other Topics Non-Material Anti-Competition	p. 47 p. 50
-------	---	---	----------------

103-2	The management approach and its components	Other Topics Non-Material Anti-Competition	p. 47 p. 50
-------	--	---	----------------

103-3	Evaluation of the management approach	Other Topics Non-Material Anti-Competition	p. 47 p. 50
-------	---------------------------------------	---	----------------

GRI 300: ENVIRONMENTAL TOPICS

GRI 301: Materials

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	Materials, Chemicals, Waste	p. 46
		Key Objective (0) Plastic	p. 45

103-2	The management approach and its components	Materials, Chemicals, Waste	p. 46
		Key Objective (0) Plastic	p. 45

103-3	Evaluation of the management approach	Materials, Chemicals, Waste	p. 46
		Key Objective (0) Plastic	p. 45

301-1	Materials used by weight or volume	Materials, Chemicals, Waste	p. 46
-------	------------------------------------	-----------------------------	-------

GRI 302: Energy

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	SDG 7. Affordable and Clean Energy	p. 26-27
-------	---	------------------------------------	----------

103-2	The management approach and its components	SDG 7. Affordable and Clean Energy	p. 26-27
-------	--	------------------------------------	----------

103-3	Evaluation of the management approach	SDG 7. Affordable and Clean Energy	p. 26-27
-------	---------------------------------------	------------------------------------	----------

302-1	Energy consumption within the organization	SDG 7. Affordable and Clean Energy	p. 26-27
-------	--	------------------------------------	----------

302-2	Energy consumption outside of the organization	SDG 7. Affordable and Clean Energy	p. 26-27
-------	--	------------------------------------	----------

302-3	Energy intensity	SDG 7. Affordable and Clean Energy	p. 26-27
-------	------------------	------------------------------------	----------

302-4	Reduction of energy consumption	SDG 7. Affordable and Clean Energy	p. 26-27
-------	---------------------------------	------------------------------------	----------

GRI 303: Water

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	Key Objective Conserve (<) Water	p. 43
-------	---	----------------------------------	-------

103-2	The management approach and its components	Key Objective Conserve (<) Water	p. 43
-------	--	----------------------------------	-------

103-3	Evaluation of the management approach	Key Objective Conserve (<) Water	p. 43
-------	---------------------------------------	----------------------------------	-------

303-1	Water withdrawal by source	SDG 6. Clean Water & Sanitation	p. 43-44
-------	----------------------------	---------------------------------	----------

303-2	Water sources significantly affected by withdrawal of water	SDG 6. Clean Water & Sanitation	p. 43-44
-------	---	---------------------------------	----------

303-3	Water recycled and reused	SDG 6. Clean Water & Sanitation	p. 43-44
-------	---------------------------	---------------------------------	----------

GRI 304: Biodiversity

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	SDG 15. Life On Land	p. 20-22
-------	---	----------------------	----------

103-2	The management approach and its components	SDG 15. Life On Land	p. 20-22
-------	--	----------------------	----------

103-3	Evaluation of the management approach	SDG 15. Life On Land	p. 20-22
-------	---------------------------------------	----------------------	----------

304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SDG 15. Life On Land	p. 20-22
-------	---	----------------------	----------

304-2	Significant impacts of activities, products, and services on biodiversity	SDG 15. Life On Land	p. 20-22
-------	---	----------------------	----------

304-3	Habitats protected or restored	SDG 15. Life On Land	p. 20-22
-------	--------------------------------	----------------------	----------

304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	SDG 15. Life On Land	p. 20-22
-------	--	----------------------	----------

GRI 305: Emissions

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	Key Objective Negative (-) Carbon	p. 20
-------	---	-----------------------------------	-------

103-2	The management approach and its components	Key Objective Negative (-) Carbon	p. 20
-------	--	--------------------------------------	-------

103-3	Evaluation of the management approach	Key Objective Negative (-) Carbon	p. 20
-------	---------------------------------------	--------------------------------------	-------

305-1	Direct (Scope 1) GHG emissions	SDG 13. Climate Action	p. 23-24
-------	--------------------------------	------------------------	----------

305-2	Energy indirect (Scope 2) GHG emissions	SDG 13. Climate Action	p. 23-24
-------	---	------------------------	----------

305-3	Other indirect (Scope 3) GHG emissions	SDG 13. Climate Action	p. 23-24
-------	--	------------------------	----------

305-4	GHG emissions intensity	SDG 7. Affordable and Clean Energy	p. 26-27
-------	-------------------------	------------------------------------	----------

GRI 306: Effluents and Waste

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	Key Objective Conserve (<) Water	p. 43
		Key Objective (0) Plastic	p. 45

103-2	The management approach and its components	Key Objective Conserve (<) Water	p. 43
		Key Objective (0) Plastic	p. 45

103-3	Evaluation of the management approach	Key Objective Conserve (<) Water	p. 43
		Key Objective (0) Plastic	p. 45

306-1	Water discharge by quality and destination	SDG 6. Clean Water & Sanitation	p. 43-44
-------	--	---------------------------------	----------

306-2	Waste by type and disposal method	Materials, Chemicals, Waste	p. 46
-------	-----------------------------------	-----------------------------	-------

306-3	Significant spills	Materials, Chemicals, Waste	p. 46
-------	--------------------	-----------------------------	-------

306-4	Transport of hazardous waste	Materials, Chemicals, Waste	p. 46
-------	------------------------------	-----------------------------	-------

306-5	Water bodies affected by water discharges and/or runoff		
-------	---	--	--

GRI 307: Environmental Compliance

 GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	Global Compact. Local Pollution	p. 45
103-2	The management approach and its components	Global Compact. Local Pollution	p. 45
103-3	Evaluation of the management approach	Global Compact. Local Pollution	p. 45
307-1	Non-compliance with environmental laws and regulations	Global Compact. Local Pollution	p. 45

 GRI 308: Supplier Environmental Assessment

 GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	SDG 12. Responsible Consumption & Production	p. 25
103-2	The management approach and its components	SDG 12. Responsible Consumption & Production	p. 25
103-3	Evaluation of the management approach	SDG 12. Responsible Consumption & Production	p. 25
308-1	New suppliers that were screened using environmental criteria	SDG 12. Responsible Consumption & Production	p. 25
308-2	Negative environmental impacts in the supply chain and actions taken	SDG 12. Responsible Consumption & Production	p. 25

 GRI 400: SOCIAL TOPICS

 GRI 401: Employment

 GRI 103: Management Approach

 GRI 403: Occupational Health and Safety

 GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	SDG 3. Good Health & Well Being	p. 35-36
-------	---	---------------------------------	----------

103-2	The management approach and its components	SDG 3. Good Health & Well Being	p. 35-36
-------	--	---------------------------------	----------

403-1	Workers representation in formal joint management-worker health and safety committees	SDG 3. Good Health & Well Being	p. 35-36
-------	---	---------------------------------	----------

403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SDG 3. Good Health & Well Being	p. 35-36
-------	---	---------------------------------	----------

GRI 404: Training and Education

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	Key Objective More (+) Training	p. 37-38
-------	---	---------------------------------	----------

103-2	The management approach and its components	Key Objective More (+) Training	p. 37-38
-------	--	---------------------------------	----------

103-3	Evaluation of the management approach	Key Objective More (+) Training	p. 37-38
-------	---------------------------------------	---------------------------------	----------

404-1	Average hours of training per year per employee	Key Objective More (+) Training	p. 37-38
-------	---	---------------------------------	----------

404-2	Programs for upgrading employee skills and transition assistance programs	Key Objective More (+) Training	p. 37-38
-------	---	---------------------------------	----------

GRI 405: Diversity and Inclusion

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	SDG 5. Gender Equality	p. 39
-------	---	------------------------	-------

103-2	The management approach and its components	SDG 5. Gender Equality	p. 39
-------	--	------------------------	-------

103-3	Evaluation of the management approach	SDG 5. Gender Equality	p. 39
-------	---------------------------------------	------------------------	-------

405-2	Ratio of basic salary and remuneration of women to men.	SDG 5. Gender Equality	p. 39
-------	---	------------------------	-------

GRI 406: Non-discrimination

GRI 407: Freedom of Association and Collective Bargaining

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	Freedom of Association	p. 32
		Collective Bargaining	p. 47

103-2	The management approach and its components	Freedom of Association	p. 32
		Collective Bargaining	p. 47

103-3	Evaluation of the management approach	Freedom of Association	p. 32
		Collective Bargaining	p. 47

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Freedom of Association	p. 32
		Collective Bargaining	p. 47

GRI 408: Child Labor

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	SDG 8. Decent Work & Economic Growth	p. 33-34
		SDG 12. Responsible Consumption & Production	p. 25

103-2	The management approach and its components	SDG 8. Decent Work & Economic Growth	p. 33-34
		SDG 12. Responsible Consumption & Production	p. 25

103-3	Evaluation of the management approach	SDG 8. Decent Work & Economic Growth	p. 33-34
		SDG 12. Responsible Consumption & Production	p. 25

408-1	Operations and suppliers at significant risk for incidents of child labor	SDG 8. Decent Work & Economic Growth	p. 33-34
		SDG 12. Responsible Consumption & Production	p. 25

GRI 409: Forced or Compulsory Labor

 GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	SDG 12. Responsible Consumption & Production	p. 25
103-2	The management approach and its components	SDG 12. Responsible Consumption & Production	p. 25
103-3	Evaluation of the management approach	SDG 12. Responsible Consumption & Production	p. 25
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	SDG 12. Responsible Consumption & Production	p. 25

 GRI 413: Local Communities

 GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries		
103-2	The management approach and its components		
103-3	Evaluation of the management approach		

 GRI 414: Supplier Social Assessment

 GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	SDG 12. Responsible Consumption & Production	p. 25
103-2	The management approach and its components	SDG 12. Responsible Consumption & Production	p. 25
103-3	Evaluation of the management approach	SDG 12. Responsible Consumption & Production	p. 25

 GRI 415: Public Policy

 GRI 103: Management Approach

 GRI 416: Customer Health and Safety

 GRI 103: Management Approach

GRI 418: Customer Privacy

GRI 103: Management Approach

103-1	Explanation of the material topics and its boundaries	Information Management	p. 40
103-2	The management approach and its components	Information Management	p. 40
103-3	Evaluation of the management approach	Information Management	p. 40
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Management	p. 40

GRI 419: Socioeconomic Compliance

GRI 103: Management Approach

