

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The following statement according to ÅRL §99a is a part of directors' report in the Report and Financial statements 30. September 2024.

### *Statement according to ÅRL § 99a*

#### ***Business model***

The principal activities of the Company are the production of Particleboard according to customer specific specifications and the market demand in general.

The boards are primarily produced by wood, which is sourced from sustainable sources.

The customer segment covers the furniture, home/kitchen and building industry sectors primarily in Denmark, Scandinavia and western Europe. The Company has established a long-term cooperation with a few large buyers which drive a major part of the sales income.

Sustainability has an increased focus and is integrated strategically through our circular production. The use of recycled wood is over 90%. The calculation for use of recycled wood is Recycled wood/Total wood used.

#### ***Policy***

The Group's environmental policy is to be constantly aware of the environment and to ensure it makes its contribution to safeguarding and improving the environment in which it operates. This is achieved through.

- Continued investment in sustainable and recycled raw materials, renewable energy and environmentally friendly products.
- Striving to reduce carbon emissions through substitution of fossil fuels with sustainable alternatives, including Combined Heat and Power units (which use recycled wood as an energy source), photovoltaic plants, wind farms and conversion of Forklift Truck fleets to electric.
- Introduction of advanced technologies to minimize emissions and energy waste in the production process. Kronospan always selects the most appropriate filter technology for each installation, operating BAT practices and ensuring low emission levels.
- Only certified timber is used, which must come from forests that have been labelled as sustainable through the FSC and PEFC, ensuring that all timber used is from verified and managed forests.

#### ***Materiality assessment***

Kronospan closely monitors its own impact on the surrounding world, just as we also have a strong focus on how changes in society around us can have an impact on our company.

These two focus points form the framework for our materiality assessment, which is our prioritization of the efforts that we have chosen to implement.

In our management system we have an environmental- and energy policy with goals for Environment, Energy and working environment. Besides that, we have procedures to secure that the policies are followed.

Based on a concrete assessment of the materiality, we as a company have chosen to focus on the following areas:

- Safety and working environment
- Environment and climate / sustainability
- Energy management
- Risk Management

### ***Safety and working environment***

Safety first is an important rule for Kronospan ApS. Number of days since last accident are monitored and there is high focus on getting the highest number of days possible. We are taking accidents very seriously and aim at a situation with no accidents at all. As at 30 09 24 there has been 19 days since last accident

The working environment, including the psychological work environment, is a high priority and is also a focus area in the years to come.

Development of the employees' professional competencies and interpersonal skills is given high priority and is realized through on-the-job training as well as attendance at internal and external courses. In addition, we need to encourage the development of young people and employ them as apprentices and trainees. The number of apprentices increased from 4% of employees to 6% during the year. Goal is 10% of employees.

### ***Environment and climate / sustainability***

Whilst the wood- based panel industry captures 1 tonnes of CO<sub>2</sub> for every m<sup>3</sup> wood consumed (<https://www.trae.dk/leksikon/lagring-af-co2-i-traeprodukter/>), reducing energy consumption is an important focus of the company's efforts to further reduce the impact on environment. This is an on-going process and involves active co-operation with The Danish Energy Agency ("DEA").

The Company is ISO 14001 certified for Environmental Management.

### ***Recent projects***

The Company has been working on optimizing water consumption and further energy optimization projects.

In 2020 there were established a surface water treatment plant to meet the environmental requirements for surface water.

Regarding emissions into the atmosphere, the Company has achieved excellent results using a WESP- filter.

A bag filter for the energy plant has been established in 2020 to enable the company to comply with future environmental threshold requirements.

In 2022 the company invested in a balance cooler to secure stable energy production in power plant 5 and in 2023 a SCR plant (catalyst) was installed to reduce the NO<sub>x</sub> emission values.

In 2023-24 the build up of a steam turbine has started and we expect connection to grid and startup production of electricity to own usage, at the beginning of 2025.

### ***Energy management***

As already mentioned, the Company has been working on several projects during the year. Energy saving will remain strategic in any new projects undertaken by the Company in the forthcoming years. The company is ISO 50001 certified for Energy-Management.

### ***Risk Management***

It is Kronospan policy that all members of the group conduct structured registrations and follow up in order to achieve safe workplaces. This goal has been introduced at Kronospan Aps, and our target is to have an annual improvement, which may be measured in smaller number of accidents, break downs and fires. The means to achieve the annual improvement is placing responsibility for the plant with the employees, which as a side benefit gives the employees greater satisfaction at work.

### ***The Ten principles of the UN Global Compact***

The company comply to the ten principles of the UN Global Compact

#### **Human Rights – principle 1 and 2**

Kronospan supports and respects the protection of the internationally declared human rights, as set out in the UN Declaration of Human Rights and in ILO conventions and recommendations. Kronospan thus has an inherent focus on respect for human rights, and Kronospan's management therefore assesses that the adoption of formal policies will not affect efforts at this area.

#### **Labour – Principle 3, 4, 5, and 6**

Our personnel policy applies to all employees in the organization and the group management has the ultimate responsibility for the overall personnel policy. The individual sub-areas in the personnel policy is reviewed annually, and activities are followed up in the management system and reported systematic. Our policy to counteract harassment, for IT security and similar strategic measures is included as part of the guidelines in our personnel policy (COC), and is compulsory course material for all employees upon employment and ongoing in our internal training program.

In addition, the group and its business partners respect and follow internationally declared human rights. Kronospan follows national legislation for all employees. This also includes the individual's freedom to be a member of associations as well as participate in collective bargaining.

The company supports the principle of equal opportunities for all individuals and accepts no form of discrimination, forced or child labor.

The employees are our most important resource - therefore a good working environment is the prerequisite for that we can develop and maintain a high level of service to our customers, suppliers and partners, characterized by efficiency and high quality.

We value initiative, flexibility and commitment with respect and recognition for developing and maintain an open, safe, and trusting collaboration throughout the organization. That is why we encourage co-influence, co-determination, and responsibility on both the strategic, tactical and operational level.

It is crucial for us that each employee gets the opportunity to develop his or her personal and professional skills. Through our internal training academy, Kronovision, we continuously update our employees with the latest knowledge and "best practice" in their respective fields. We do it because we believe that competence development contributes to creating a good and sustainable organization, which has the necessary know-how to create good results.

#### **Environment – Principle 7, 8, and 9**

Kronospan has developed an environmental policy that includes the environment, energy and work environment.

It describes the company's constant focus on the environment, as well as its willingness and ability to increase the share of recycling in raw materials and reduce CO2 emissions by substituting fossil fuels with fuels from renewable energy sources. Further that the company introduces technological improvements to minimize emissions and reduce energy waste, as well as optimize filters and systems to achieve the best possible purification methods for air and water.

With the circular approach to the manufacture of chipboard, Kronospan is leading the way in the production towards a future with low CO2 emissions and finished goods as CO2 storage.

#### **Anti-Corruption – Principle 10**

The company do not accept any form of corruption and bribery. The company evaluate the risk of being involved in such cases to be very low.

The group has a corruption guideline and are strictly opposed to any kind of active and passive bribery.

The Kronospan Management Rules outline clear prohibitions as well as instructions regarding the handling of any presents or invitations.

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