

INAUGURAL

SUSTAINABILITY REPORT

 SWISS KRONO



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Welcome

DEAR READERS,

Welcome to our SWISS KRONO Inaugural Sustainability Report. An important milestone for our entire Group, but also for me personally, as I am in charge of this topic within SWISS KRONO Group.



On the following pages, we would like to emphasize that we are aware of our responsibility in the context of sustainability. That we have an obligation to contribute to socially relevant issues such as climate change, respect for human rights, equality, and the responsible use of resources.

At SWISS KRONO, we have clearly anchored our objectives regarding sustainability in our Group's vision: "We aim to be a global leader in circular materials for living spaces." Circularity is the key concept that combines minimizing environmental impact with economic growth—the first touches at the core of the global challenge our generation is facing, and the latter is the driving force securing every enterprise's future.

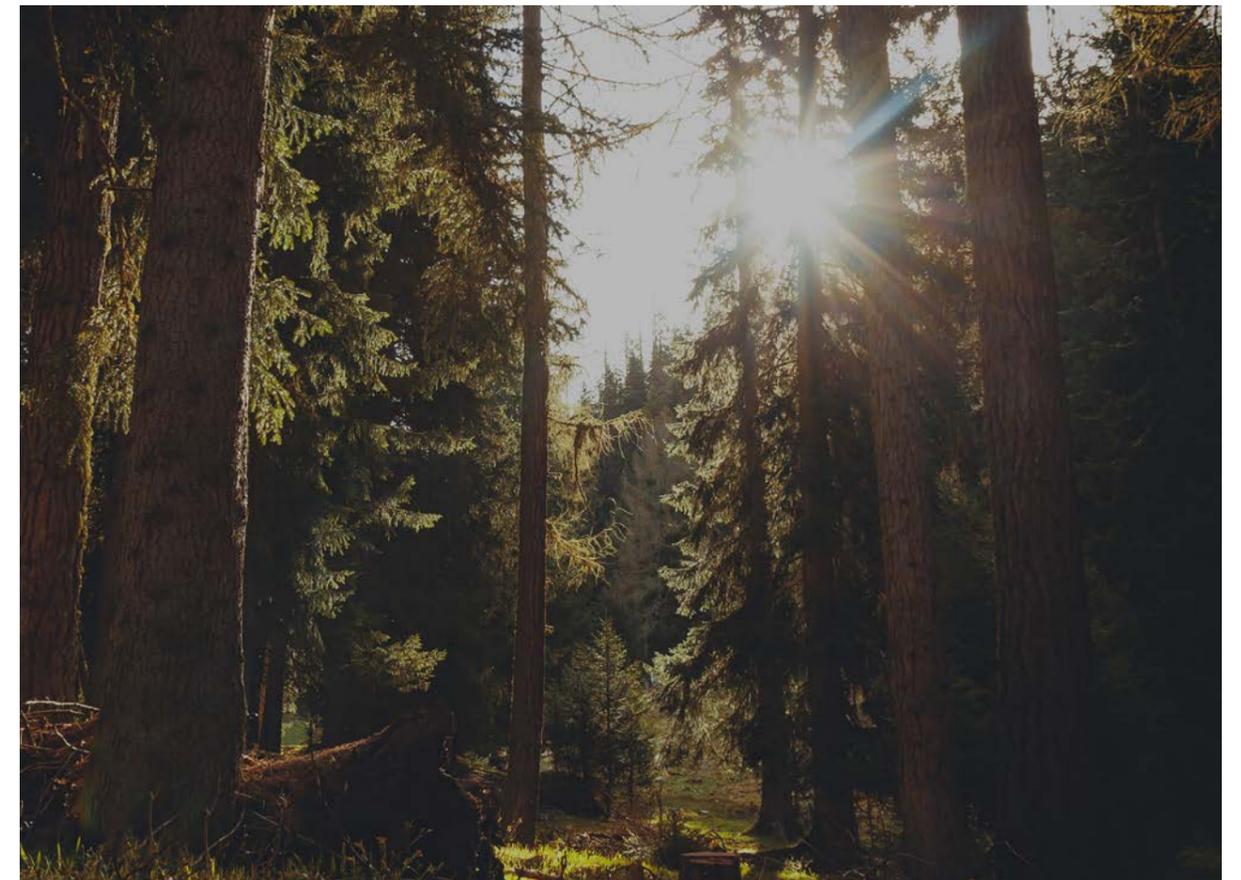
We are convinced that we can only be successful in the long term if we succeed in taking into account and harmonizing all needs: those of our customers, our employees, our business partners, our society and those of the environment.

To achieve this, we are constantly exploring new ways to extend the life cycle of wood-based materials by increasing their durability and recycled content while maintaining the same high quality and safety standards, just as we did when our group was founded almost 60 years ago.

Let us now look specifically at the 2021/2022 financial year, in which we took important steps to sharpen and improve SWISS KRONO's sustainability profile.

Among other things, we...

- calculated our CO₂ emissions for Scopes 1, 2 and 3.
- started the Green Energy project at our site in France with the aim of significantly reducing CO₂ emissions. This project allows us to reduce fossil fuel use and significantly increase energy efficiency with new low-temperature dryers.
- supported various projects in local and global communities. This includes small projects such as ecological education campaigns for children and young people from local schools, including tree planting at our site in Zary, Poland, as well as supporting international projects.
- partnered with the NGO Habitat For Humanity. In the course of 2022, we were involved in two projects, one in Nepal and the other in Ukraine immediately after the war against Ukraine began.
- strengthened our social responsibility and launched various initiatives to promote diversity, health, and further training for our employees. Our internal development program JUMP (Junior Management Program) and SKILL (SWISS KRONO International Leadership Labs) were successfully carried out.



However, the most important initiative was to support and accommodate the families of our Ukrainian colleagues at our sites in Hungary, Poland and Germany. SWISS KRONO is a family business and has always felt a strong commitment to its employees.

The examples mentioned in our sustainability report show that we have already made efforts in the past to fulfill our responsibility as a company in the context of sustainability. However, we also know that further efforts are needed to additionally improve our sustainability performance and address global challenges such as climate change, shortage of resources and social inequality. While this report focuses on the status quo in the 2021/2022 financial year, we will go into more detail on our goals, ambitions and measures in the following reports, which will now be published annually.

We cordially invite you to accompany us on this journey, be it with general feedback, specific suggestions or even criticism. The exchange with you enables us to continuously improve our sustainability management in the interests of all.

Gunnar Thielecke
Head of Group Sustainability Management
SWISS KRONO Group

SWISS KRONO at a Glance

SWISS KRONO Group ranks among the globally leading manufacturers of wood-based materials, specializing in sustainable, innovative solutions in the categories of Flooring, Interiors and Building Materials. SWISS KRONO stands for regenerative materials to create living and working worlds. As a preferred partner, SWISS KRONO enables its customers to grow with green building materials.

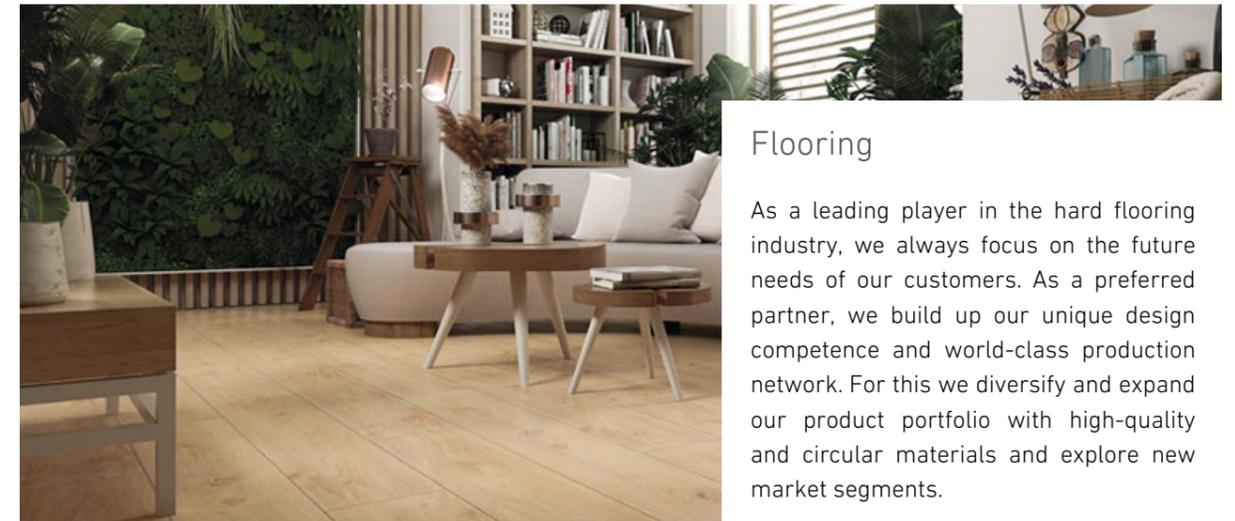
Founded in 1966 as a family business, SWISS KRONO Group is headquartered in Lucerne, Switzerland. We employ over 4,100 people at 9 production sites in seven countries around the globe, and generated sales of CHF 2.0 billion in fiscal year 2021 / 2022.

The materials we produce include waterproof resilient flooring, laminate flooring, particle board (PB), melamine-faced chipboard (MFC), medium-density fibreboard (MDF), high-density fibreboard (HDF), oriented strand board (OSB), and high-pressure laminate (HPL).

4.4 million m³ of sustainable, wood-based products were delivered to our more than **2,400 partners** in over **120 countries** worldwide.

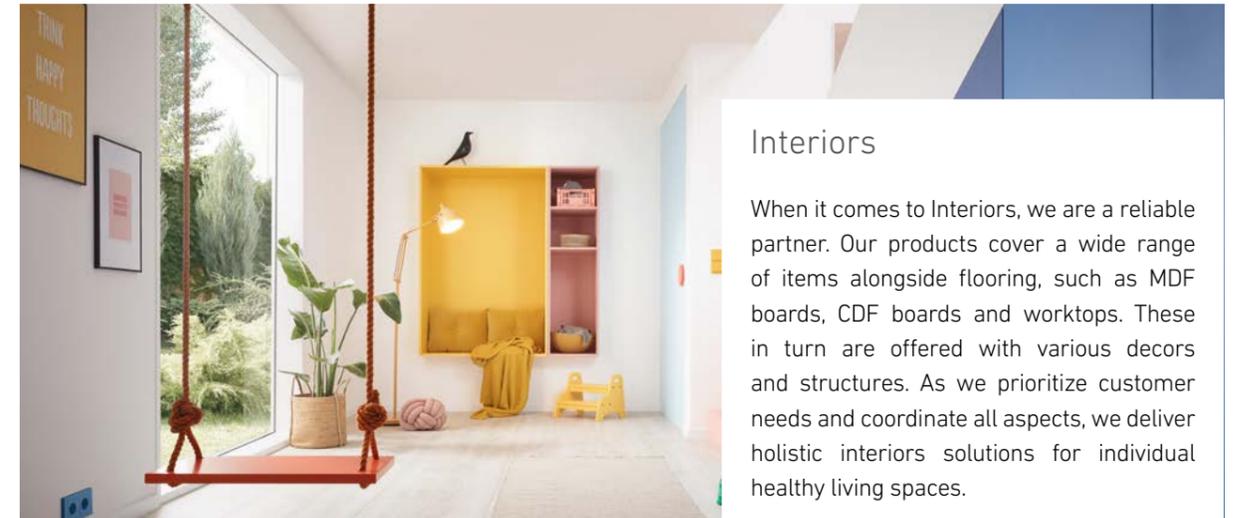


OUR THREE BUSINESS SEGMENTS



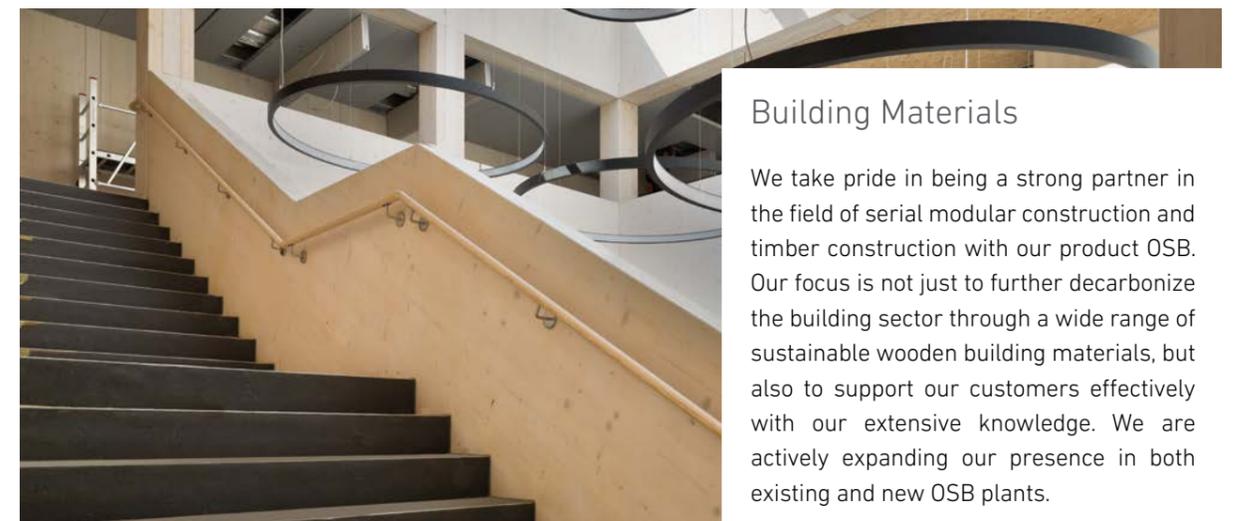
Flooring

As a leading player in the hard flooring industry, we always focus on the future needs of our customers. As a preferred partner, we build up our unique design competence and world-class production network. For this we diversify and expand our product portfolio with high-quality and circular materials and explore new market segments.



Interiors

When it comes to Interiors, we are a reliable partner. Our products cover a wide range of items alongside flooring, such as MDF boards, CDF boards and worktops. These in turn are offered with various decors and structures. As we prioritize customer needs and coordinate all aspects, we deliver holistic interiors solutions for individual healthy living spaces.



Building Materials

We take pride in being a strong partner in the field of serial modular construction and timber construction with our product OSB. Our focus is not just to further decarbonize the building sector through a wide range of sustainable wooden building materials, but also to support our customers effectively with our extensive knowledge. We are actively expanding our presence in both existing and new OSB plants.

A SHORT TIMELINE OF OUR HISTORY

We are globally local: From our Swiss founding, we've expanded to 9 production plants that supply almost two thirds of all countries—121 of 194.



- 1966
Ernst Kaindl founds the company in Menznau, Switzerland.
- 1987
Production starts in France and Hungary (the latter produced particle board from 1987–2011).
- 1992
Production starts in Germany, focused on flooring.
- 1994
Production starts in Poland.
- 1999
Production starts in South Carolina, USA.
- 2000
Three production sites open in Ukraine.
- 2001
Expansion of our German site to process MDF/HDF and OSB.
- 2016
Our site in Hungary reopens to specialize in OSB.
- 2024
First group-wide Sustainability Report published

OUR ORGANIZATION

Our Board of Directors

- Dr. Reto Müller**
Chairman of the Board
- Georg Benes**
Member of the Board
- Marco Syfrig**
Member of the Board
- Peter Wijnbergen^[1]**
Member of the Board

Our Executive Committee

- Martin Brettenthaler^[2]**
CEO / President of the Executive Committee
- Roland Kovacic**
Chief Technology Officer
- Beat Stebler**
Chief Financial Officer
- Georg Mäder**
Chief Sales & Marketing Officer
- Max von Tippelskirch**
Chief Strategy & Communications Officer

Our General Managers

Individual SWISS KRONO Group locations are managed by the following general managers^[3]:

<p>Roger Braun SWISS KRONO Switzerland</p>	 <p>Menznu, Switzerland</p>	<p>Erik Christensen SWISS KRONO USA</p>	 <p>Barnwell, USA</p>
<p>Marcin Luty SWISS KRONO Poland</p>	 <p>Zary, Poland</p>	<p>Orsolya Kázmér SWISS KRONO Hungary</p>	 <p>Vásárosnamény, Hungary</p>
<p>Hendrik Hecht SWISS KRONO Germany</p>	 <p>Heiligengrabe, Germany</p>	<p>Andrzej Zajac SWISS KRONO Ukraine</p>	 <p>Broschniv-Osada, Ukraine</p>
<p>Vincent Adam SWISS KRONO France</p>	 <p>Sully-sur-Loire, France</p>	 <p>Kamianka-Buska, Ukraine</p>	 <p>Solonytsivka, Ukraine</p>

1 Mr. Wijnbergen has been CEO of the SWISS KRONO Group since February 2024
 2 Mr. Brettenthaler left the company with effect from February 2024
 3 Our location in Sharya, Russia is excluded from the scope of this report

Why wood is important to us

SWISS KRONO Group has always had a close connection to wood as a material: Ernst Kaindl founded the "AG für Holzindustrie" in Menznau, Switzerland back in 1966, laying the foundations for a group that has developed into one of the world's leading manufacturers of wood-based materials over the decades.

WOOD: A GIFT OF NATURE

Wood is a versatile and natural raw material that has been used by people for thousands of years to build houses or design interiors. In short: to create an environment in which people feel comfortable.

Compared to other building materials such as concrete and steel, wood has one property that they do not have: it is renewable. Even though there are other renewable raw materials, wood occupies a special position because it is:

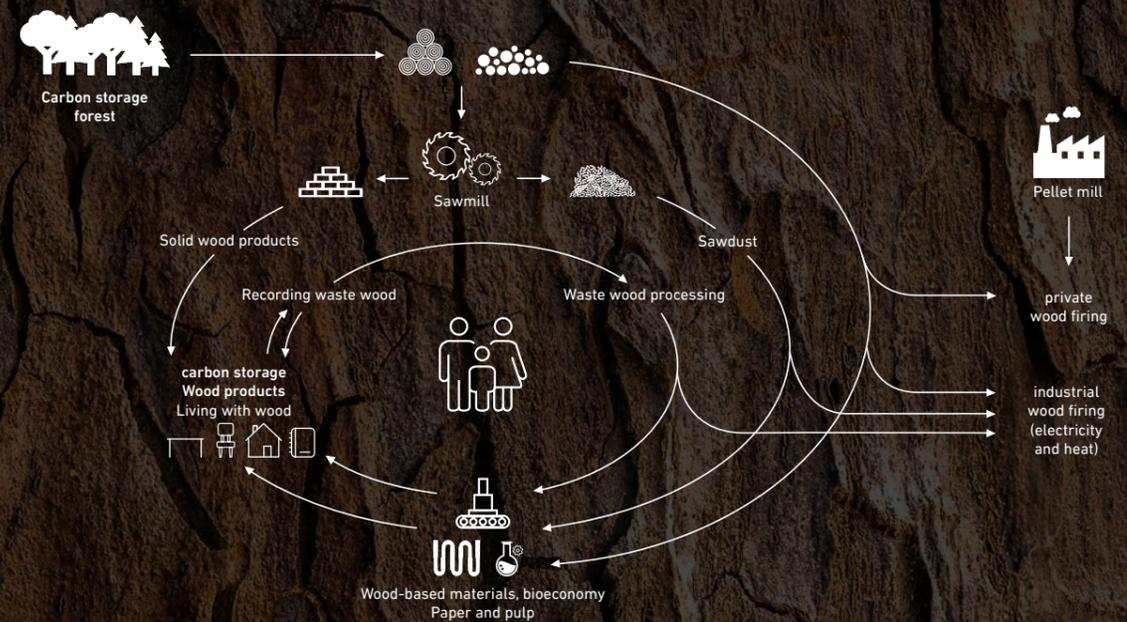
- **Sustainable:** If forestry is practiced responsibly and sustainably, i.e. only as many trees are cut as new trees grow, then the resource is preserved.
- **Climate-friendly:** As they grow, trees absorb CO₂ from the atmosphere and store the carbon (C) in their wood cells for the entire life of the tree. At the same time, vital oxygen (O₂) is released into the atmosphere by the trees. The use of wood products helps to reduce the carbon content in the atmosphere and reduces the greenhouse effect. This effect is particularly significant in the construction industry, as wood products remain in place for a long time and the carbon contained in the wood remains bound for the long-term, beyond the life of the trees.

- **Versatile:** Different types of wood and their properties can be used for a wide range of applications, from building materials to furniture and paper. Wood fulfills fire and sound insulation requirements, is comparatively light, and still has good static values.
- **Recyclable:** Wood can be recycled and reused.
- **Aesthetic:** Wood has a natural beauty and gives rooms a warm and appealing atmosphere.
- **Durable:** Wood products have a long service life if they are properly cared for.
- **Energy-efficient:** The processing of wood generally requires less energy compared to other building materials such as concrete or steel.

The responsible use of wood as a valuable resource is extremely important to SWISS KRONO Group. The aim of sustainable development in general, but also of the SWISS KRONO strategy, is to develop and demonstrate measures that allow economic development without restricting the well-being and long-term survival of future generations.

We have a strong interest in ensuring that our wood-based materials are durable, with thermal recycling only taking place after multiple uses. This cascading use makes a significant contribution to climate and resource protection.

Principle of cascade use



It is particularly efficient to use wood in cascades, first as a material for the manufacture of products and only then as an energy source.

Cascade use of wood

Cascade use pursues the goal of using raw materials or products made from them in successive steps for as long as possible and as efficiently as possible to increase the overall benefit. Only at the end of the product life cycle is the raw material used to generate energy. The approach aims to increase the value of wood, reduce waste, and promote the sustainable use of resources.

Wood should therefore be used several times and at as many stages of use as possible. If the wood finds a new use after its original use, this is referred to as waste wood recycling. A waste product then becomes a secondary raw material.

Circular economy/circularity

The circular timber economy aims to achieve the comprehensive and sustainable use of wood resources in a closed-loop system. At the heart of this approach is the idea of designing, producing, and using wood products in such a way that they are preserved for as long as possible (ideally indefinitely) in various phases of the product life cycle. The products manufactured in this way are therefore not replaced or thrown away, but are given a new function again and again.

WHY (OUR) WOOD-BASED MATERIALS CAN BE A SOLUTION TO THE CHALLENGES IN THE CONSTRUCTION SECTOR

The construction sector is one of the most raw material-intensive sectors of the economy:

- 90% of all mineral raw materials used are used to manufacture building materials and products.
- More than half of all wood-based materials are used in the construction industry. The construction industry is therefore the most important area of application for wood products.

As buildings in turn are responsible for around 40% of energy consumption and 36% of greenhouse gas emissions in Europe, the entire construction sector has a major responsibility.

For wood-processing companies, however, this situation also offers the opportunity to be part of the solution and significantly reduce greenhouse gas emissions in the construction industry: If we succeed in replacing the traditional, non-renewable materials of concrete and steel with an increased use of wood, this will not only have a positive effect on climate protection, but will also help to increase overall economic resource efficiency.

As a Swiss family business, we reflect the raw material we process: SWISS KRONO Group has been developing wood-based materials a little further every day for almost 60 years. We offer proven solutions where consistency is required, and new ones where something new is needed. We think long-term, in generations and not in quarters, and are deeply convinced that our wood-based materials and the consistent substitution of energy-intensive materials with a disadvantageous CO₂ balance can contribute to reducing greenhouse gas emissions and to climate protection as a whole and are therefore indispensable for achieving the targets of the Paris Climate Agreement.



We are committed to sustainability

We invite you to follow our sustainability journey, while we help our customers grow with green building materials.

INNOVATION FOCUS ON SUSTAINABILITY

Certified Low Emissions

We have set a new standard in the industry with our BE.YOND product lines, which are certified for low chemical emissions that exceed all common standards. The use of BE.YOND boards helps achieve LEED green building certifications.

RESPONSIBLE SOURCING

100% of sites have FSC and/or PEFC

100% of SWISS KRONO's sites are certified by FSC and/or PEFC, and 78% of all SWISS KRONO wood is locally sourced. At our Poland plant, we produce over 70% of glues used in our products.

OPTIMIZING ENERGY MANAGEMENT

76% renewable thermal energy

We recycle non-usable manufacturing waste into biomass energy, which takes care of 76% of our thermal energy use. We're also pioneering the use of surplus heat to supply the drying process at our Germany and Poland plants.

DESIGNING LONG LASTING PRODUCTS

50 years verified product life

Our OSB and coated particle board are designed to last at least 50 years with correct use. Our laminate flooring products have a minimum service life of 20 years.

SUBSTITUTING FOSSIL FUELS

-35,000 tons of CO₂/year

In 2022, we launched the Green Energy project in our France plant (€100 million investment that will avoid 35,000 t of fossil CO₂ per year), with further projects planned in Germany, Poland, Hungary, and Switzerland.

IMPROVING RECYCLED CONTENT

1 MILLION Up to 1 million tons of recycled wood/year

We are launching a recycled wood hub at our Poland plant and expanding facilities in Switzerland and France, allowing us to process up to 1 million tons of recycled wood each year.



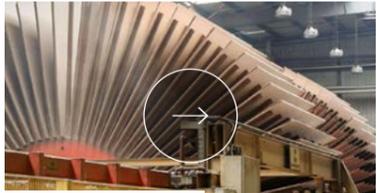
“ We aim to be a global leader in circular materials for living spaces

This is our vision, which serves as a compass and motivates us in our daily actions to contribute to a sustainable and more eco-friendly future. It serves as a compass that guides our actions and encourages us to make conscious decisions that benefit both present and future generations.

To gain a clear understanding of the opportunities and risks facing SWISS KRONO Group, we conducted a comprehensive materiality analysis. We held in-depth interviews and surveys with our employees, customers, supplier partners, communities at our sites, NGOs, associations and initiatives, as well as our owner to identify the most relevant topics for our sustainability strategy. We identified eight topics (seven of which are covered in this report) that are highly relevant and material to the present and future of our company.



Our Sustainability Strategy

FOCUS	POSITIONING	MATERIAL TOPICS*		
<p>CARING FOR OUR PLANET</p>	<p>SWISS KRONO is aware of its responsibility in the conscious use of sustainable wood and natural resources. We are committed to reducing our impact on the environment to a minimum and to provide our contribution to preserve the planet for future generations.</p>	 <p>Resource Use & Circular Economy</p>	 <p>Climate Change</p>	
<p>CARING FOR OUR CUSTOMERS</p>	<p>At SWISS KRONO, we put our customers at the center of our business. To fulfil their needs and expectations, we develop high-quality, innovative and sustainability-oriented products at an excellent price-performance ratio.</p>	 <p>Consumers & End-Users</p>	 <p>Product Design & Lifecycle Management</p>	 <p>Innovation & Digitization</p>
<p>CARING FOR OUR PEOPLE</p>	<p>SWISS KRONO as a family-owned company truly believes that people are the heart and soul of our business. We are committed to providing supportive and empowering work environments to our colleagues that prioritize safety and growth of their unique talents and abilities.</p>	 <p>SWISS KRONO Group's Workforce</p>		
<p>CARING FOR A RESPONSIBLE BUSINESS</p>	<p>SWISS KRONO is committed to being an accountable business by sourcing wood and other resources responsibly, engaging with the right suppliers and adhering to the full degree of compliance and integrity within our own operations and supply chain.</p>	 <p>Responsible Supply Chain & Procurement</p>	<p>Business Conduct**</p>	

* Further information on our materiality analysis and methodology can be found in the [appendix](#).

** Business Conduct will be presented in more detail as a material topic in the next report.

CARING FOR OUR PLANET

SWISS Krono lives up to its responsibility to use wood and other natural resources consciously. We are committed to reducing our impact on the environment to a minimum and to doing our part to preserve the planet for future generations.

MATERIAL TOPICS

Resource Use & Circular Economy

Climate Change



Highlights

We are making a contribution to a more sustainable world. We demonstrate this in our products, in our production and in our activities in associations.

IN OUR PRODUCTION



3 sites use over 90% renewable energy from waste biomass, mostly from our own production. All sites use more than 50% biomass in thermal energy mix



Biomass accounts for 76% of our thermal energy use overall

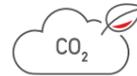


Certified Energy Management systems help us to increase energy efficiency in our plants in Germany, Poland and France.

IN OUR PRODUCTS



Minimum service life of 20 years for laminate flooring



Over 70% of glues we use are produced at SWISS KRONO Poland; we have active partnerships to create low-carbon resins



3 planned expansions or new recycling plants at our sites to improve availability of recycled content

“ We use similar technology worldwide and we follow internationally and nationally recognized product standards to produce sustainable and wood-based products. Many of our products have externally audited certifications.



Gunnar Thielecke, Head of Group Sustainability, SWISS KRONO

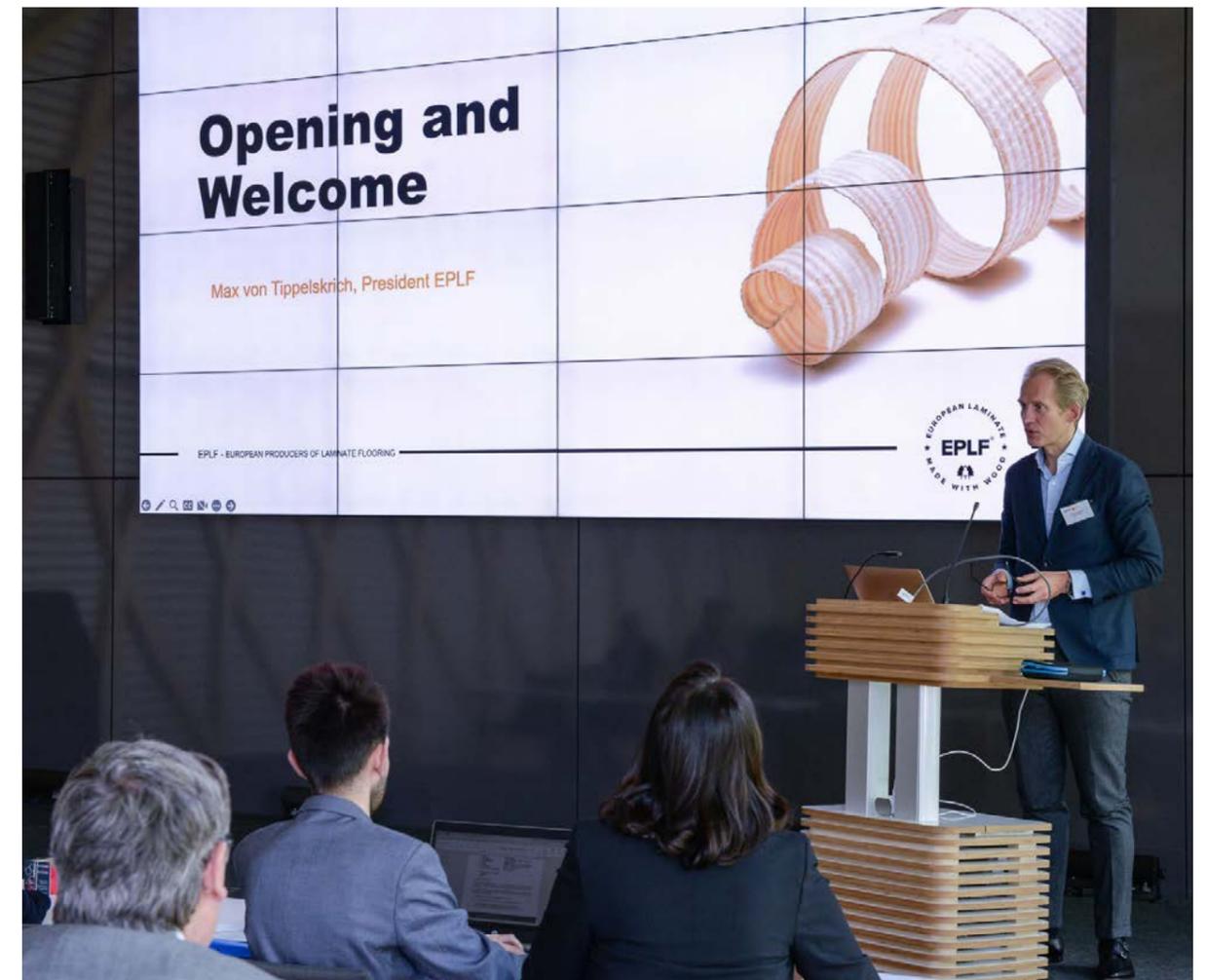
OUR ENGAGEMENT IN ASSOCIATIONS

The work we do to reduce the carbon footprint of the engineered wood sector goes beyond our own company. The SWISS KRONO Group is a member of various associations and organizations to actively shape the future of the industry.

- **EPF:** European Panel Federation (Chairman: Martin Brettenthaler, CEO SWISS KRONO)
- **EPLF:** European Producers of Laminate Flooring (Chairman of the Board: Max von Tippelskirch, CSCO SWISS KRONO)
- **NALFA:** North American Laminate Flooring Association (President: Barbara June, SWISS KRONO U.S.)
- **MMFA:** Multilayer Modular Flooring Association (SWISS KRONO as active member)
- **CPA:** Composite Panel Association and Composite Wood Council North America

To achieve more impact, faster, we have joined a cross-sectoral coalition group of 14 EU trade associations for wood-based products and supported by EU forest owners and managers. The members of this coalition represent 3% of the EU's GDP, €520 billion in turnover, and 20% of its manufacturing companies.

Our goal is to work with the EU institutions towards creating an enabling policy environment to mitigate climate change. [Learn more about our coalition for a better EU bioeconomy.](#)



MATERIAL TOPIC

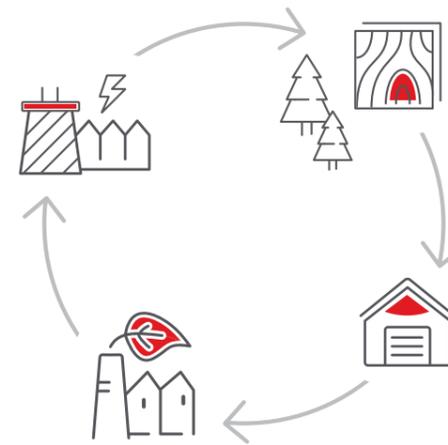
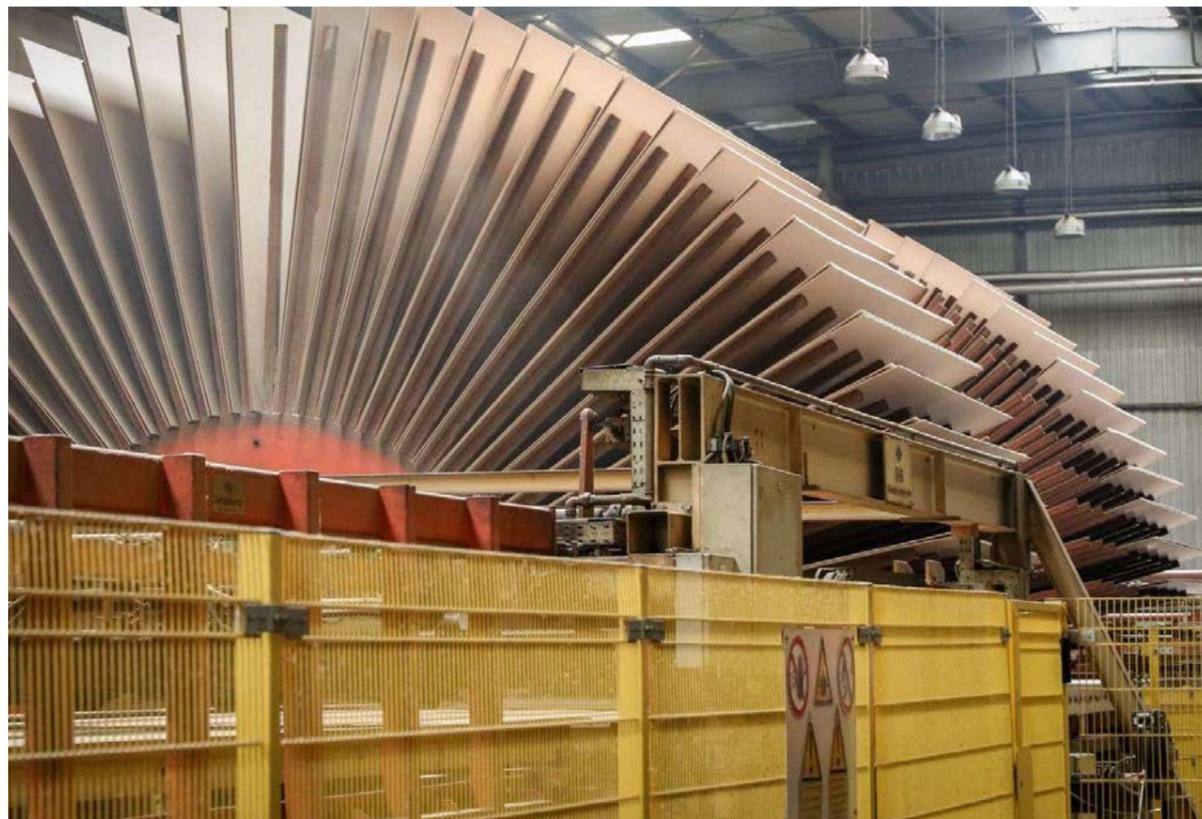
Resource Use & Circular Economy

SUSTAINABLE RESOURCE MANAGEMENT

Wood is an important and renewable natural resource. However, high demand, poor management practices (like clear cutting), and the impacts of climate change (like forest fires) make it increasingly scarce.

Our vision is to be a global leader in circular materials for living spaces—it’s both in our own interest and responsibility to ensure wood materials remain available to create the sustainable, healthy living spaces of tomorrow.

To support a more circular economy, we are consistently 1. optimizing our use of energy and water resources, 2. conserving wood material through the cascade use method, 3. improving our waste management and recycling processes, and 4. increasing the durability of our products so that they sequester carbon for as long as possible.



Cascade Use at SWISS KRONO

In order to consume as much of the tree as possible, our plants make use of both coarse and fine wood particles during manufacturing.

1. Use as much of the tree as possible
2. Reserve raw material for later stages
3. Use remaining biomass for heat/energy generation
4. Recycle the wood or use reclaimed, nonrecyclable wood for heat/energy generation.

OUR APPROACH

1. Optimize

Our environmental management systems make use of lean processes so that we can continually optimize resource consumption. We keep raw material, water, and energy consumption as low as possible to reduce our need for fossil fuels to a bare minimum.

2. Cascade

This method helps us minimize resources and waste by using raw materials as sparingly as possible across several stages. It’s closely tied with our efforts to improve recycling capacity and supports our journey to optimize workflows for less overall waste.

3. Recycle

We currently include up to 70% recycled material in our particle board products, but that is only one product segment. In line with our circularity goals, we’re improving waste management processes so that we can increase the proportion of recycled wood fibers and materials in products like MDF, where it is technologically more challenging to include recycled fibers.

We’re happy to say that the principle of cascade use has found its way into a legislative text of the European Union for the first time in the new Renewable Energy Directive (“RED III”).

4. Increase longevity

Designing wooden building materials to have longer lifespans allows the wood to sequester carbon for a longer period without emitting it into the atmosphere, i.e. after disposal in a landfill or being incinerated. We use only the highest-quality raw inputs and manufacture for durability.

Examples

- Our MAGNUMBOARD OSB product has a useful life of at least 50 years
- Our laminate flooring carries a minimum service life of 20 years
- COREPEL flooring meets the DEC standard for “durable ecological composite” materials

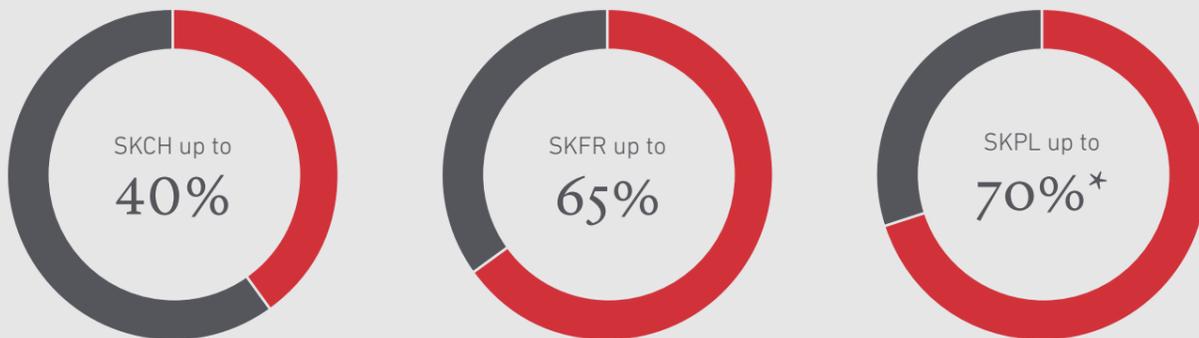


CASE STUDY

Recycling is part of our business

Use of recycling wood is important as it helps reduce the demand for new raw materials, conserve natural resources and minimizes waste that would otherwise end up in landfills. By using waste wood in products we contribute to sustainability efforts and reduce environmental impact. We carefully process the material so that it can then be reused in our products while still guaranteeing high quality. We use up to 65% recycled wood in our particle board products. We are working on expanding our recycled wood capacities and investing in new facilities.

Use of recycled wood in our particle board products



We process recycled wood from a few different sources. First, we use on-site production waste and waste wood that is left over after our cascade use. We also buy recycled wood both to process into recycled content for our products and to reuse as thermal material to power our production.

The supply of recycled wood is sufficient in Switzerland, France and Germany in the medium term. Until the market has caught up, recycled wood in Poland will be supplied from Germany.

Shortly before publishing this report, our Recycling Plant in Menznau, Switzerland was destroyed by a fire on August 9, 2023. There are plans to construct a new plant. We will include more information in future reports.

SWISS KRONO POLAND EXPANDS ITS RECYCLING CAPACITY

To ensure supplies of wood remain high into the future, SWISS KRONO is investing in state-of-the-art recycling facilities. A modern recycling center is currently being planned at SWISS KRONO Poland, which will have a capacity of up to 30 tons of raw material per hour.

Specialized recycling companies that sort used furniture, floors, and demolition wood will remove nails and sand from the wood materials and deliver it to the Poland plant.

At our on-site recycling center, the reclaimed wood will be thoroughly cleaned on a new, automated line to remove metals, plastics and stones. This clean wood will be transformed into wood chips for use in panel production.

Finally, the recycling plant will return recovered metals and plastics to the Selective Collection of Municipal Waste (PSZOK) for further processing and use. Thanks to the new recycling center, SWISS KRONO can replace up to 100,000m³ of forest wood with recycled material in our products—a milestone towards environmental protection and a circular economy.

The center will be built in 2024 and go into operation in 2025 after a year of construction.



MATERIAL TOPIC

Climate Change

As a producer of wood-based building materials, we aim to be part of the solution to climate change. The carbon-sink effect of our wood products is a natural first advantage.

Our commitment to mitigate the impacts of our operations on climate change has two parts: improving energy management and reducing greenhouse gas emissions in three categories: Scope 1 (direct, owned emissions), Scope 2 (indirect, purchased energy), and Scope 3 (indirect, supply chain emissions).

Our total emissions across our operations (excluding our Russian site) is 2.52 M tCO₂e for fiscal year 2021 / 2022.

Our Scope 3 emissions are the main source of emissions. Most of our emissions come from purchased goods and services as well as upstream transportation and distribution.

Due to the size of our business and the large-scale production of building materials, transportation is an important area of emissions. We strive to optimize transportation and use rail transportation whenever possible.

We also use a large amount of resin (mostly from our own production), which requires both fossil-based raw materials and energy. SWISS KRONO is addressing this problem by switching to renewable energy sources and developing low-carbon resins together with suppliers like BASF. In some cases, we produce necessary materials on-site, like with the glue factory at our Polish site in Zary.

Wood drying is an energy-intensive part of our industrial process. As part of our cascade use method, we reuse production waste (offcuts, quality defects) either as raw material or for recycling in our own biomass plants to create thermal energy. We have started a process to replace all our fossil boilers with exclusively biomass, whether it is from our industrial waste or not.



Emissions in tCO₂e, 2021 / 2022

■ Scope 1 emissions	155 k tCO₂e (6.2%)
■ Scope 2 emissions	481 k tCO₂e (19.1%)
■ Scope 3 emissions	1,882 k tCO₂e (74.7%)

¹ excluding the Russian plant

CASE STUDY

Collaboration with BASF on biobased resins to reduce the CO₂ footprint of our products

Reducing CO₂ is a major focus of our Sustainability Strategy. Currently, our highest source of CO₂ emissions are fossil-based resins and glues that we produce internally or purchase from external suppliers.

To achieve a significant reduction in our carbon footprint, we need to find solutions to reduce our Scope 3 emissions from our value chain. Because purchased glues fall into this category, we are working on different approaches:

- Developing adaptations to reduce the use of glue during production, and in our product design, without affecting product properties.
- Optimizing our energy supply so we can produce more of our own glue.
- Developing new glues with lower CO₂ emissions.

While we have not found solutions for all approaches yet, one promising pathway is the development of new glues.

Thanks to our strategic, cross-industry partnership with our supplier BASF, we can pioneer innovative new products. SWISS KRONO Group is the first manufacturer of wood-based materials to use Kauramin® BALANCE, a new biomass-balanced amino resin offered by BASF, in the production of our biocomposite product COREPEL Evolution (because this product was introduced in 2023, we will share more details in our 2022/2023 report).

This is significant because amino resins are the most important binder in wood-based materials production. Both Kauramin® BALANCE and Kaurit® ZERO are pushing progress forward with the inclusion of recycled materials and the use of renewable energy.

[Learn more about our cross-industry collaboration with BASF.](#)

“ We are pleased to offer the first CO₂-reduced binders for the first CO₂-reduced flooring. SWISS KRONO and BASF combine the topics of innovation and sustainability. They are part of the DNA of both companies.



Dr. Jens Aßmann, Vice President Amino Resins & Nitrogen Based Chemicals, BASF SE

ENERGY MANAGEMENT

According to our stakeholders, energy management is the materiality topic SWISS KRONO Group has the most influence on. In a world where energy prices are volatile, we have already begun to increase our energy efficiency, shift away from natural gas, and invest in renewable energy projects at our plants. Considering our industry, we view biomass as an important renewable energy source.

When it comes to energy management, we first incorporate as much raw and recycled wood material as possible into our products. Then, we make use of

the leftover, non-recyclable biomass as an organic feedstock for our biomass plants, which can create thermal energy and some even electric energy in addition. In this way, we reduce waste while recovering energy to power our production.

All of our production plants can process biomass into energy, accounting for 76% of our thermal energy needs. Most locations have a biomass to fossil fuel ratio of 70:30 and above.



CASE STUDY

A glue factory that brings innovative energy use and CO₂ savings

Producing wood-based panels requires glues and resins to hold materials together. When it comes to supply chain efficiency and environmental impact, this introduces a few challenges; for example, how to source necessary raw materials, any emissions created during transport and production as well as energy for processes and their origin.

At SWISS KRONO, we are always trying to bring the supply chain a little closer to us. In the case of nearly 70% of the required glues are produced by ourselves. The supply chain is as close as it could possibly be—right on site at the SWISS KRONO Poland plant, where we also produce around 1,600,000 m³ of wood-based materials each year.

Since the factory began operating in 1999, it has undergone several expansions to improve production processes, storage capacity, and energy efficiency. Two highlights include updates made to allow for cascade production of glue in 2005 and the installation of a steam turbine for better waste heat utilization in 2009. These expansions have also increased production capacity from 200,000 tons of glue per year in 1999 to 400,000 in 2024. Today, 44 employees work at the glue factory, to ensure a steady supply of this important material for our production.

High-temperature chemical reactions and reactor cooling at the plant create thermal energy, and we've worked continuously over the years to utilize this surplus heat to improve energy efficiency. Gunnar Geppert, member of the management board of SWISS KRONO Poland, developed an innovative idea to use energy cycles. This allows us to redirect thermal waste energy towards drying raw material at the Poland plant, which accounts for 35–40% of energy needed and increases energy efficiency. Various technical improvements at the plant have also reduced our gas consumption to 10% of its original level, a cost-effective measure that saves energy and greenhouse gas emissions.

In FY 2021/2022, SWISS KRONO Poland used about 30% of the glue plant's production volume, while 37% was used by sister sites in Germany, Switzerland, and Ukraine. We supplied the remaining 33% to external customers. To reduce environmental impact, we transported more than 60% of outbound volume by train. All raw materials are delivered by train directly to the plant.

“ We are proud to have made a significant contribution to the reduction of natural gas consumption for drying energy by using the process realized and patented by SWISS KRONO to use of low-temperature waste heat from the absorption process. Thus, we have significantly reduced our Poland plant's CO₂ footprint.



Gunnar Geppert, Technical Director, SWISS KRONO Poland

HOW SWISS KRONO IS OPTIMIZING ENERGY MANAGEMENT

SWISS KRONO Germany's award-winning waste heat utilization concept

Processing wood into MDF and OSB boards at SWISS KRONO Germany is an energy-intensive process, both electrically and thermally. To make energy use at the plant more efficient, we developed an innovative waste heat concept that optimizes the existing drying process in OSB production and will significantly reduce energy consumption over time.

The pioneering idea involves installing a heat pump that enables the utilization of previously unused waste heat from the biomass cogeneration plant. The heat pump raises the low-temperature waste heat from 40° to 83° Celsius (from 104° to 181.4° Fahrenheit), and thus to a high enough temperature for reuse in OSB drying. "Our aim was to find ways of saving energy in order to significantly and sustainably reduce our own gas consumption and CO₂ emissions," says Hendrik Hecht, General Manager at SWISS KRONO Germany.

This project concept was unique in Germany, attracting the attention of The Federal Ministry for the Environment and Building (BMUB), which supported its implementation with 1.864 million euros from the Environmental Innovation Programme. First implemented in 2015, the project ultimately earned SWISS KRONO the Brandenburg Energy Efficiency Award. This innovation was later applied to the Poland plant (see below).

In the waste heat utilization project's first year, it saved 12,300 MWh of primary energy and reduced CO₂ emissions by 2,700 tons. In each following year, the project saves 31,100 MWh of energy and 6,600 tons of CO₂ emissions.

Using waste heat to improve wood dryer efficiency

The SWISS KRONO Poland team discovered bottlenecks in the OSB dryer process: it was struggling to dry OSB strands from 50% to 2% moisture content. Using the example set by SWISS KRONO Germany, the plant saw a unique opportunity to reuse waste heat from the on-site glue factory to improve efficiency.

The team installed a STELA dryer BTU production capacity system to the existing dryer for a double-stack configuration that uses waste heat to pre-dry strands. This reduced electrical consumption to less than 30kWh, and thermal consumption to under 1.05 MWh, per ton of water—a big boost for energy efficiency, production capacity, and operating costs.

New lighting reduces energy consumption & emissions

SWISS KRONO worked with Luxon LED to replace nearly 4,500 luminaries in the Poland plant, which is expected to reduce energy consumption by 5,435 MWh per year. The project will also reduce CO₂ emissions by 4,500 tons per year, which is equal to the annual CO₂ emissions from 5,465 combustion-engine passenger cars.

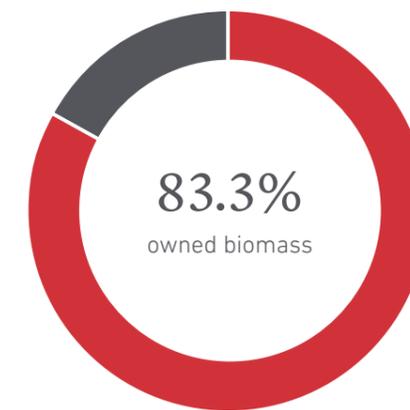
In addition to reducing emissions, the new lighting improves working conditions and increases safety at the plant, brightening up the working atmosphere for SKPL employees.



The sufficiency of raw materials and energy has always been part of SWISS KRONO's philosophy. We strive for a fossil carbon free world. The next generation of products we have developed and positioned on the market, such as BE.YOND, are high-quality biocomposite products with a significantly lower carbon footprint.



Prof. Dr. Joachim Hasch, Head of SWISS KRONO Innovation - Center: R&D, Technology



Origin of biomass

Owned biomass ⁽¹⁾	83.3%
Purchased biomass	16.7%

¹ Production waste that cannot be recycled in the production process

Share of Biomass vs. Fossil fuel usage per site (based on GWh/a)



Most of our biomass is unusable waste wood from our own production.

* Biomass use will be expanded significantly with the start of the new energy plant on site



CASE STUDY

SKFR Green Energy project to reduce fossil fuel consumption by 120 GWh per year

SWISS KRONO France has joined forces with Dalkia, a specialist in energy performance for low-carbon industry, and Meridiam, a leader in biomethane production and biomass energy recovery, to decarbonize its plant.

The ground-breaking ceremony for this project took place in Sully-sur-Loire in September 2022. The project involves building a biomass energy plant that will power new, low-temperature OSB dryers. Because OSB is a key material in the development of wood construction, we expect that thermal energy generation using biomass will allow our France plant to increase OSB capacity to approximately 550,000 m³/year.

The biomass plant also allows us to significantly reduce energy consumption and dust emissions in line with European regulations (BREF). Thanks to the biomass unit, SWISS KRONO France will replace between 80–95% of the gas previously consumed at the site (120 GWh/year) with biomass, avoiding approximately 35,000 tons of fossil fuel-related CO₂e and reducing energy consumption for drying by 5–10%. This project is a two-time winner of the France Relance plan.

Facts

- Reduces fossil fuel consumption by 120 GWh/a (previously provided by gas)
- Basis for capacity expansion of OSB press
- 35,000 t of fossil CO₂ avoided per year thanks to the biomass unit
- 5% to 10% reduction in energy requirements thanks to the low temperature dryers
- Between 80% and 95% of the gas consumed by the site replaced by biomass
- More than €100 million of investment
- 2 times winner of the France Relance plan
- To be commissioned in 2024
- Joint Venture between SWISS KRONO France and Dalkia

Results

- Reducing dust emissions, in line with European regulations (BREF)
- Reduction of energy consumption
- Active participation in the decarbonization of the industry



CARING FOR OUR CUSTOMERS

At SWISS KRONO, we put our customers at the center of our business. To fulfil their needs and expectations, we develop high-quality, innovative and sustainability-oriented products at an excellent price-performance ratio.

MATERIAL TOPICS

Consumers & End Users

Product Design & Lifecycle Management

Innovation & Digitization



Highlights

Our activities are focused on our customers and their individual requirements. Customer centricity is the core value of our innovation process for products and services.



Opening of showroom in Löhne to present our products to Customers in the region



Launched our Customer Portal to enable a paperless order process for our customers



More than 2.000 visitors at our Summer Roadshow 2022 with the SWISS KRONO MAGNUMBOARD® OSB Show module visiting customers and fairs



Start of our digital printer at SKDE to create customized and varied designs for floors and interiors



Received the award for the best laminate flooring supplier from our US customer Floor & Décor in recognition of our product and service performance



SWISS KRONO Switzerland was awarded with the IHZ Innovation award 2022 for the product COREPEL recognizing the superior product characteristics and waterproof technology

THE SWISS KRONO WAY OF DOING THINGS

The SWISS KRONO Group has a unique combination of regional expertise and global presence to supply our customers with high-quality products.

On the one hand, we are successful locally by utilizing our extensive knowledge of regional markets and the trusting partnerships we have built up over the years. On the other hand, we work together efficiently by sharing and utilizing the technological knowledge, engineering skills and investment power within the Group.

The following five values are an essential part of our corporate culture, which also provides benefits for our customers:

- **RESPONSIBLE:** The SWISS KRONO Group trusts in the abilities of every employee, in the plants and in the respective Group functions. Each individual employee can contribute to the success of the company.
- **PRAGMATIC:** A pragmatic and uncomplicated way of thinking within the Group ensures targeted and quick decisions in the interests of our customers.
- **COLLABORATIVE:** We involve all our stakeholders by listening, expressing our views openly and finding the best solutions together.
- **AMBITIOUS:** We maintain the highest standards in order to offer our customers the best quality products.
- **SUCCESSFUL:** Even though each plant competes for its own leading position in the market and in the Group, we are united in our pursuit of success.

How SWISS KRONO defines customer-centricity

At SWISS KRONO, our aim is to build long-term partnerships with our customers. We consider our customers' wants and needs before our own and build our service levels around these simple core principles.

For more than 50 years, the family company SWISS KRONO Group has been associated with products of the highest quality with an outstanding price-performance ratio. Our pursuit of consistent quality involves not only product characteristics, but our specific combination of products and services.

First, SWISS KRONO Group controls all production steps for most products, from selecting suitable wood through to finishing in-house. Second, we implement standardized processes according to ISO Standards at our production sites. Finally, we see digitization as a key driver to achieve multiple goals, from improving the services provided to our customers to increasing efficiency and adding value to our production technology.

Producing more than 4.4 million m³ of wood based-products with defined quality standards is a challenge and requires a close working relationship with our suppliers. We are aware of our responsibility not only in our part of the value chain, but also in our supply chain, and we carefully select our suppliers to ensure our standards are being met. All our production sites are FSC- and/or PEFC-certified to promote sustainable forestry, and we are consistently adding to our wide range of Environmental Product Declarations so that our customers can make informed decisions.

In line with the "SWISS KRONO WAY OF DOING THINGS," we share experiences between regional organizations on a regular basis and transfer successful new developments to other markets. This philosophy is a big part of our winning formula for innovation.





CASE STUDY

Customer-focused showroom opened in Löhne, Germany

On August 25, 2022, we inaugurated a new 90 m² showroom at IDF34 in Löhne, a city considered the metropolis of kitchens. IDF stands for “Innovation / Design / Friends.” The showroom, which we call Decor and Trend World, is part of a permanent exhibition that makes our product range available for customers and will serve as a location for team meetings, customer events and more.

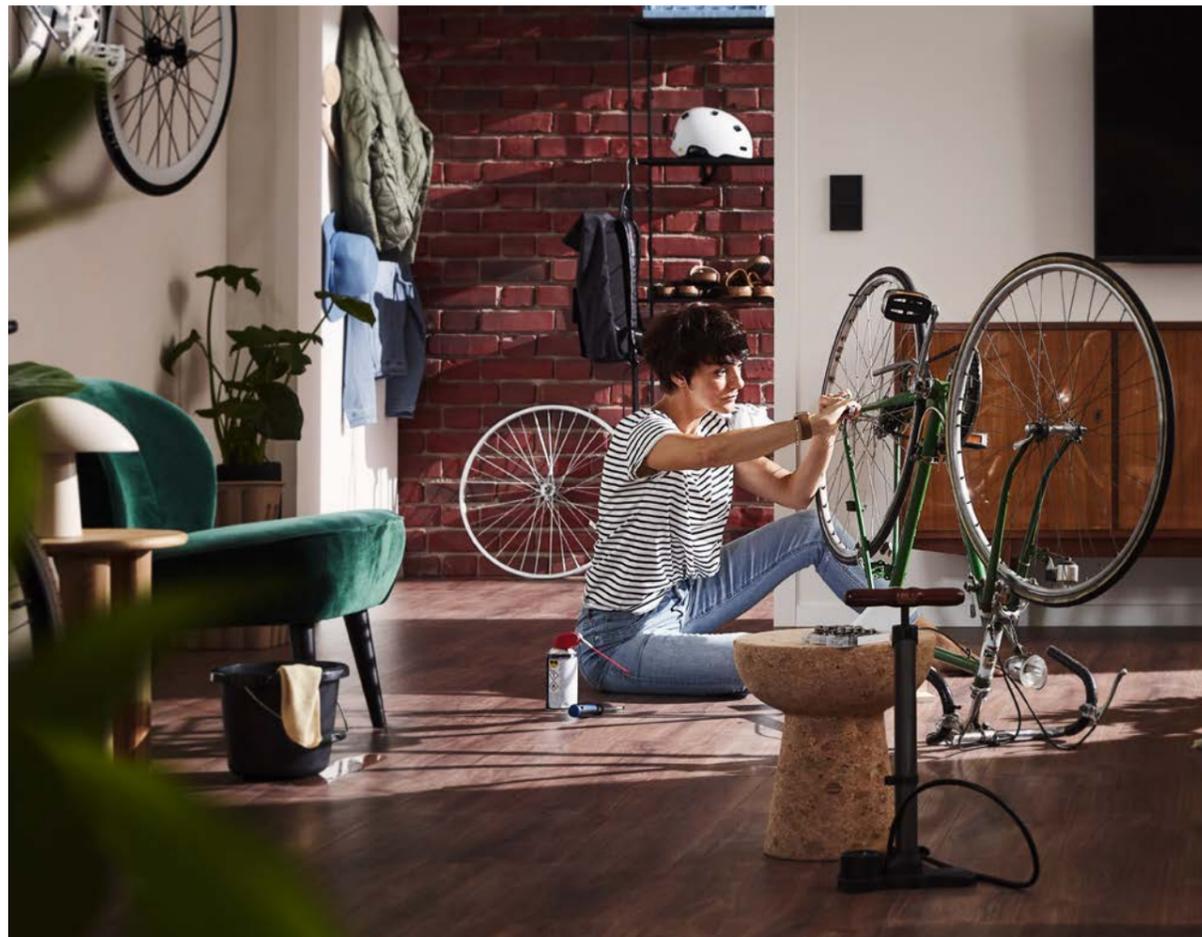


MATERIAL TOPIC

Consumers & End Users

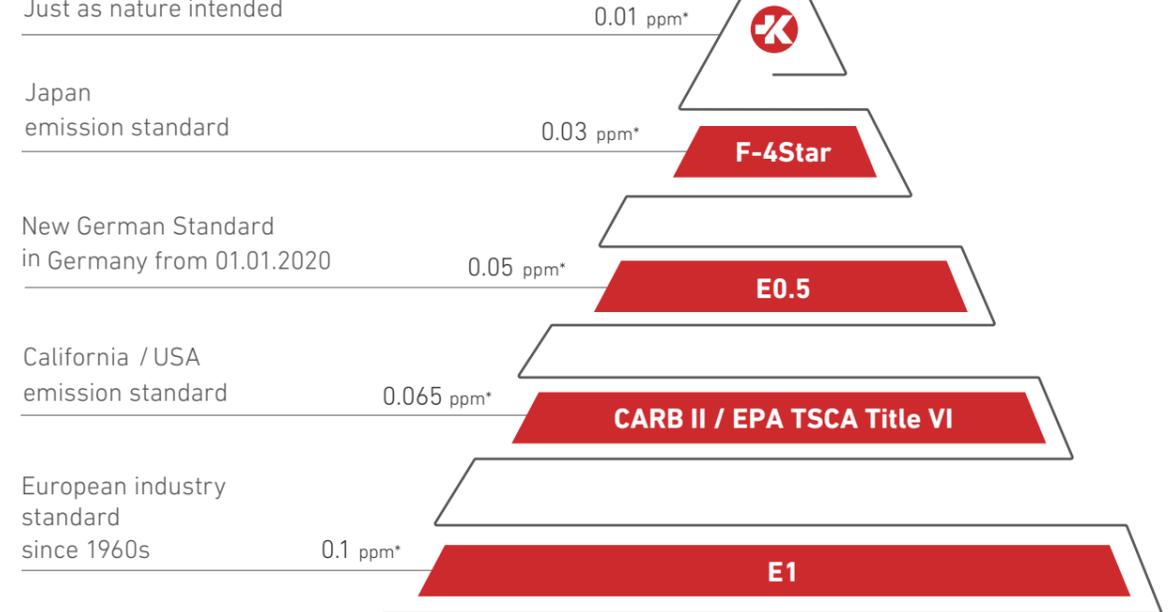
In the interests of our customers, we set high standards for ourselves: We want to offer high-quality products made from materials that meet strict international standards for product safety and quality management (including the REACH regulation in the EU, which sets out procedures for the evaluation of chemical substances). At the same time, we want our products to offer real added value by developing solutions that are closely connected to our customers' lives and their needs. By fostering a culture of collaboration and investing in research and development, we are constantly improving our product range.

Many of our stakeholders have noted that product safety is an important factor for SWISS KRONO. We will always strive to ensure products are safe, seeking any opportunity to minimize risk to human health. We also aim to design products that are more durable and incorporate recycled and bio-based ingredients in order to reduce waste, production emissions, and product carbon footprint.



BE.YOND Chemical Emissions

Just as nature intended



*Limits related to EN 717-1

CASE STUDY HOW WE ENABLE OUR CUSTOMERS TO GROW WITH GREEN BUILDING MATERIALS

BE.YOND Board

BE.YOND board has set a new standard in the industry, exceeding the highest quality and environmental standards for wood materials.

The BE.YOND board is a particle board glued with fully formaldehyde-free adhesive that functions as a base panel for surface coatings used in non-loadbearing interior design in dry areas. We do not use any added formaldehyde in the manufacturing process of BE.YOND, which has demonstrated ultra-low formaldehyde emissions that meet CARB Phase 2 standards and are 4x lower than required for the Blauer Engel certification, a German ecolabel founded in 1978. Incorporating BE.YOND in construction projects can help improve LEED scores, a rating system for green buildings.

Global indoor air quality standards like F-4Star, E0.5, CARB II, and E1 ensure consumers can choose products with low formaldehyde emissions, which can be released as a byproduct of manufacturing. Because BE.YOND has been measured for ultra-low levels of formaldehyde (0.01 parts per million), we like to say that its formaldehyde emissions are "no more than a tree".



CASE STUDY HOW WE ENABLE OUR CUSTOMERS TO GROW WITH GREEN BUILDING MATERIALS

COREPEL

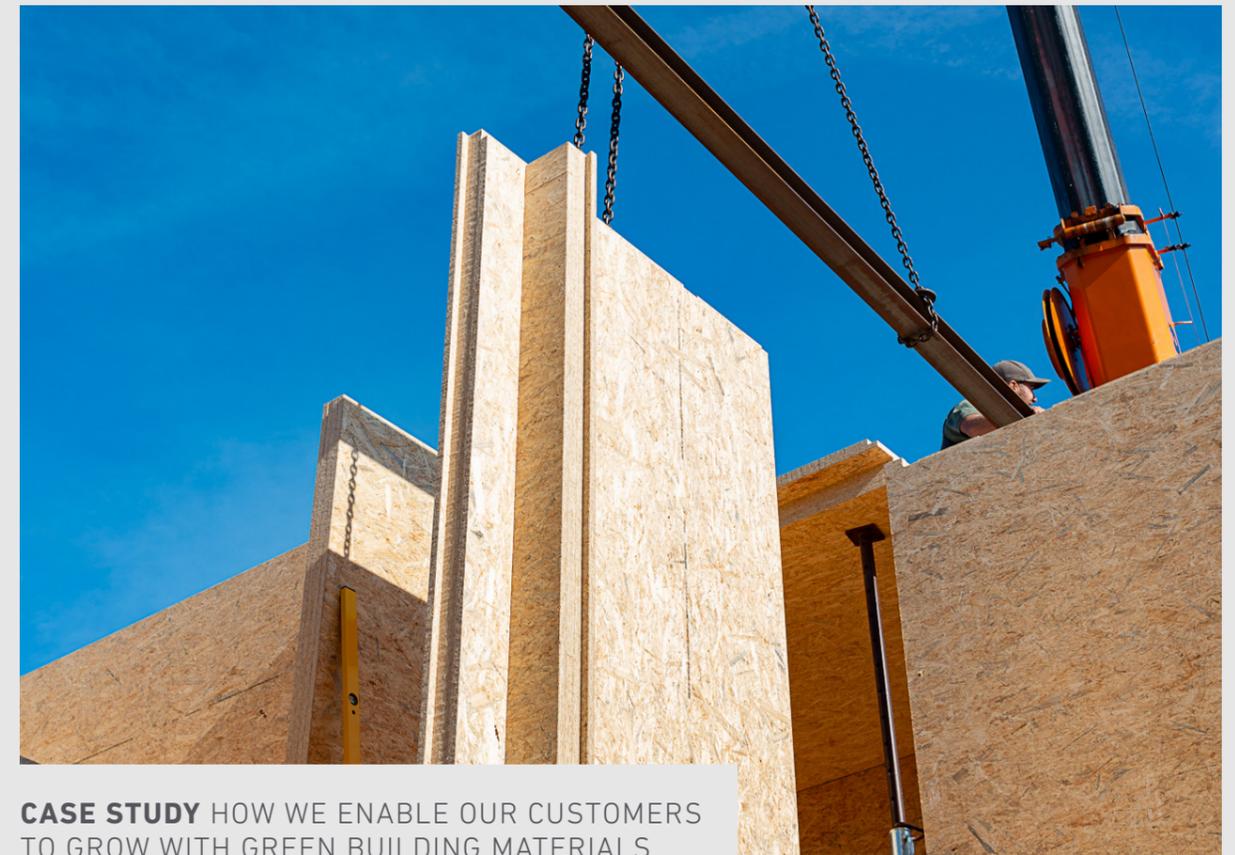
COREPEL is our most resilient floor with a wood core. Its waterproof and scratch-resistant properties come from the protective cover made of high-performance resin. With a wood content of 50%, COREPEL also contains the highest proportion of renewable raw materials among all water-resistant design floors.

It's also designed for durability: COREPEL is the first floor to ever meet the DEC standard for "durable ecological composite" materials. Because this wood comes exclusively from responsibly managed and FSC®-certified production sites, it is a great alternative to fossil-based vinyl and stone-polymer composite floors.

COREPEL is ready for use in construction projects and works well in all areas of the home.

COREPEL SUSTAINABLE HIGHLIGHTS

- Core made of 50% wood
- FSC®-certified
- Meets DEC standard
- Produced with more than 90% renewable thermal energy
- Achieves GREENGUARD Gold, FloorScore®, VOC A+
- Compliant with TSCA and CARB Phase 2
- ISO 9001



CASE STUDY HOW WE ENABLE OUR CUSTOMERS TO GROW WITH GREEN BUILDING MATERIALS

MAGNUMBOARD OSB

In our MAGNUMBOARD® OSB product, natural raw wood meets innovative technology to merge the benefits of solid single skin construction with conventional timber construction. This avoids weaknesses such as transitions between different kinds of materials, entrapped moisture, and long construction times.

MAGNUMBOARD has many benefits. It brings all the versatility of timber construction—including short assembly times that reduce time on construction sites and the corresponding burdens on the environment—with a high degree of prefabrication and support for pleasant indoor climates.

This also means MAGNUMBOARD OSB elements can be used for fast dry construction in a virtually unlimited range of applications, including temporary accommodation, new residential buildings, vertical extension and refurbishment, industrial and commercial buildings, and urban construction.

MAGNUMBOARD SUSTAINABLE HIGHLIGHTS

- 90% wood content
- PEFC-certified sourcing
- Jointless elements—less material needed for prefabrication projects
- Short assembly times to reduce burdens on the environment
- Flexibly designed, long-lived buildings: at least 50 years with correct use, based on where panels are deployed

MATERIAL TOPIC

Product Design & Lifecycle Management

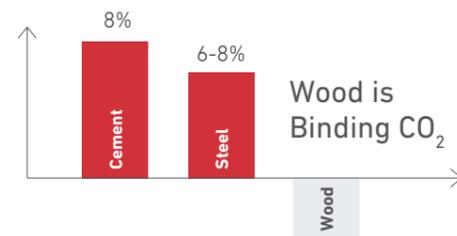
We are proud to serve furniture industry leaders, distributors and retailers. Working with these industry leaders helps us understand the changing needs of the market and develop products that exceed expectations. Our customers should benefit from our consistently high product quality, competitive prices, excellent designs, impeccable logistic services, and, wherever possible, modern and efficient digital support. We want to prove every day that we are the best possible partner for successful future development!



OUR PHILOSOPHY ON WOOD AS A CARBON SINK

Wood stores carbon not only as a tree in the forest, but as a building material. By producing wood-based building products, we help to bind carbon for a longer period of time. Our product line, including MAGNUMBOARD OSB, provides our clients with the option to replace building products like steel and concrete, which have a higher carbon footprint, in order to sequester carbon while consuming less carbon overall.

Responsible for the world-wide CO₂ emissions in %



For more information, see CEPI's 2020 report "Climate effects of the forest-based sector in the European Union," which quotes the 2022 Special Report "Climate and Land" from the Intergovernmental Panel on Climate Change (IPCC).

We acknowledge that this carbon may be released into the atmosphere upon our products' end of life and we are working to create more circular solutions, including increasing our recycling capacity.

TRANSPARENCY IN OUR PRODUCT DESIGN

We demonstrate our commitment to environmental protection with globally applicable standards, including **Environmental Product Declarations (EPDs)**—a globally recognized and accepted eco-label (Type III) according to ISO 14025.

An EPD is a document that transparently communicates the environmental performance or impact of any product and includes information like the product ingredients and the amount of CO₂e emitted during different phases of the product life cycle.

We have been voluntarily communicating the life cycle assessments of our wooden products since 2002, when we released the first EPD for our OSB product. Twenty years later, we provide EPDs for nearly all our products, from OSB to laminate flooring, raw and coated particle boards, and raw and coated MDF and HDF.

Our EPDs are published by Institut Bauen und Umwelt e. V. (IBU) and developed in close cooperation with building and environmental authorities in Germany as well as the internationally agreed standardization process.

[Learn more about EPDs on our website.](#)

Laminate—a sustainable flooring solution

Flooring is the dominant segment of our three business segments. SWISS KRONO floor coverings are as resistant to adverse influences as they are kind to people and the environment. Containing neither plasticizers nor biocides, they provide the perfect basis for a healthy home.

The product consists of at least 80% wood, a regenerative and one of the most environmentally friendly raw materials there is. Depending on the production site, we use up to 90% thermal renewable energy for production. By thermally recycling residues from production, we further reduce our need for fossil fuels while also lowering the carbon footprint of our processes.

Laminate flooring: sustainable highlights

- Contains at least 80% wood
- Carbon sink effect
- No plasticizers
- Manufactured without biocides or chlorides
- Perfect for healthy living
- Produced with mainly renewable energy
- Minimum service life of 20 years

Available Certifications: Blauer Engel | CARB | FSC | PEFC | ISO 9001 ISO 38200.



MATERIAL TOPIC

Innovation & Digitization

Digitization has a high value in our business. We strive to stay ahead of the industry while providing the best possible customer experience. By using advanced digital tools and automation, we improve our efficiency and optimize our processes—creating less waste in our value chain and allowing us to serve our customers faster and more effectively.

“In a world of constant change, I see digitalization and innovation not just as technologies, but as powerful tools to transform our thinking and shape creative solutions to the challenges of today and tomorrow. The real magic happens when we harness the potential of these tools to build bridges between ideas and shape a future based on progressive thinking and sustainable action.



Saskia Schwedler, Manager Digital Corporate Development, SWISS KRONO

To meet the demands of our customers, we are investing in product innovations and re-thinking systems and process efficiency. We are working to digitize SWISS KRONO plants, as well as between plants and direct customers and suppliers, with the goal of paperless organization and seamlessly automated interactions.

One example of investment in new technologies is our digital printer at our German plant in Heiligengrabe. This technology enables us to offer customized products and develop decors together with our customers. We are also working on digitizing the exchange of data with our suppliers and customers in order to improve the product tracking and ordering processes.



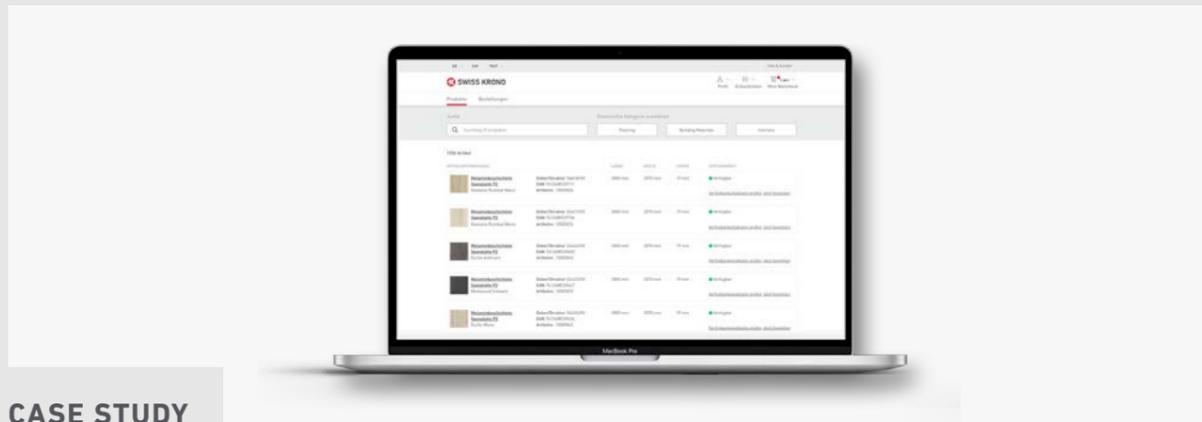
CASE STUDY

Digital Printing at SWISS KRONO

At our production site in Heiligengrabe, Germany, we implemented digital printing technology in 2022 so that we can create customized and varied designs for floors and interiors.

Digitally-printed decor paper

Our digital portfolio is made of 150+ of our own decors, and we offer color match for different products. We develop new designs according to our customers' requirements, often co-developing and collaborating directly with customers. For example, customers can bring samples of wood to our Heilengrabe site and our Decor Design Team can create decor out of it.



CASE STUDY

Launch of our Customer Portal

As part of the digitalization of ordering processes, SWISS KRONO Group introduced a customer portal in June 2022. The portal, which was first launched in Switzerland, then in Poland, and in May 2023 in Germany, was developed both for and with our customers. Now, customers can view all relevant product information (variants, availability, prices) and their order history quickly and clearly.

This tool will help increase the efficiency of the ordering process, reduce internal costs and offer our customers real added value through the 24/7 availability of personalized information and services.

While the order function is of particular interest to small and medium-sized retail and industrial customers, larger customers (who often have their own ERP systems with automatic order dispatch) can use the portal primarily as a service and information tool.

The functionalities of our customer portal in detail:

- Detailed overview of products and prices with search and filter function
- Availability display via traffic light colors and ATP check
- Product detail page with data sheets, certificates and images to download
- Shopping lists and Quick-Add-to-Cart for the quick placement of online orders
- Individual order history
- Price list download function
- Self-management of personal information and settings
- Help and support page with direct access to the SWISS KRONO sales team

Our customer portal, which we plan to launch in other countries, is constantly evolving: the introduction of customized and MTO materials is planned for the near future. Customers should then no longer have to differentiate between the various product types; in the future, it should be possible to place orders for all products via our customer portal. This is all done with maximum security and data protection, because the security of your personal information is our top priority.



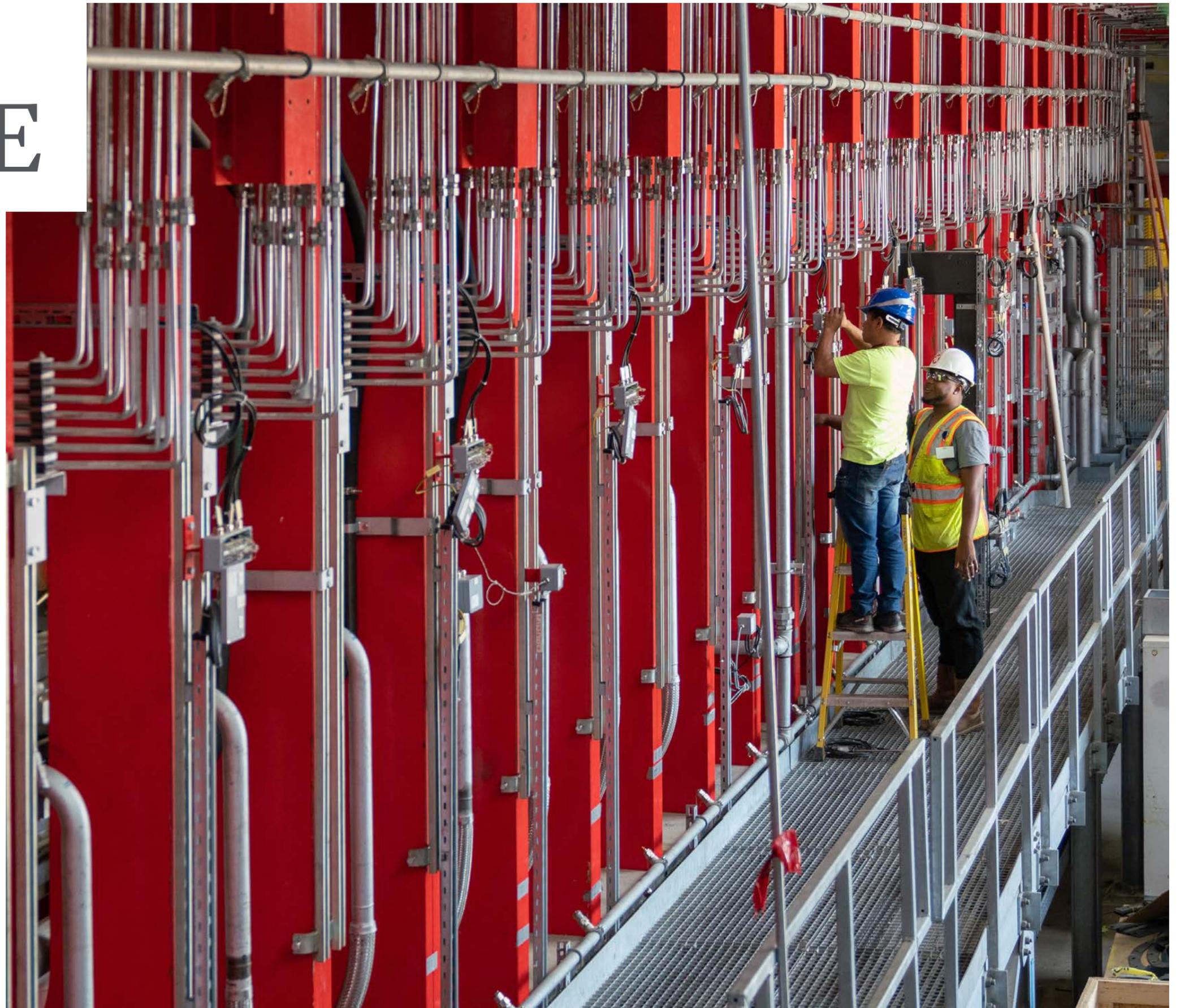
CARING FOR OUR PEOPLE

SWISS KRONO, as a family-owned company, truly believes that people are the heart and soul of our business. We are committed to providing supportive and empowering work environments that prioritize the safety of our employees and the growth of their unique talents and abilities.

MATERIAL TOPICS

SWISS KRONO Group's Workforce

Maintenance work at SWISS KRONO US in Barnwell, South Carolina



Highlights

Quality, safety, longevity. These aren't just descriptions we apply to our products, although we do—they also apply to our people. It's important we create a healthy, high-quality work environment for our employees, with stringent attention to human rights and occupational health & safety standards (OH&S).



Launch of SKILL, the 2nd **Group-wide training program** for professional leadership development



Attention to improving our gender balance, currently **84:16** men to women



43% of junior managers promoted as part of JUMP (professional development) since 2015



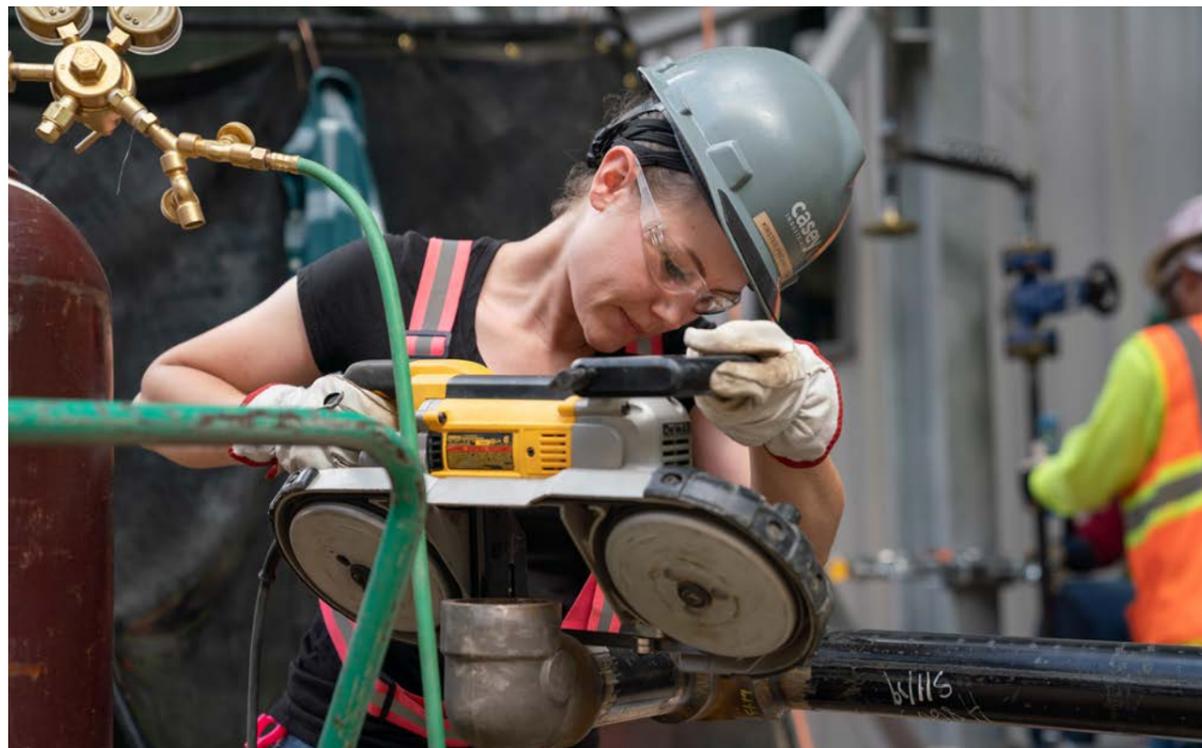
15 SKHU co-workers honored at plant's 35th anniversary for employment of over 30 years



Goal of **0 work-related incidents**, reflecting our Groupwide commitment to health & safety



Share of Women in Board of Directors in SKFR increased to **25%**



STORIES FROM THE SWISS KRONO TEAM

Strong team culture

HOW WE AND OUR PEOPLE SHOULD BE AND BEHAVE:

WE ARE PLAYERS AND LEARNERS	WE "PLAY" AS A GROUP	WE WANT TO LEARN FROM THE BEST	WE HAVE THE DESIRE TO SUCCEED ("ERFOLGSLUST") AND WANT TO BECOME A LITTLE BETTER EVERY DAY
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“Employees are well respected and have a shared understanding of purpose and performance. Despite our many challenges, we work together striving each day to achieving our goals.



Willis Devore / Quality Manager, U.S.

“We have a strong team spirit and help each other out everywhere. I like the corporate culture that allows everyone to develop and contribute ideas for optimization.



Michael Knüsel / Technical Director, Switzerland

“I have received the best experience as well as the most effective training and knowledge transfer at SWISS KRONO Group.



Iryna Fedirko, Sales & Marketing Director, SWISS KRONO Ukraine (all three plants)

MATERIAL TOPIC

SWISS KRONO Group's Workforce

As a family-owned company, we have always been closely committed to our employees. We feel committed to care towards our employees and treat everyone with respect, trust and appreciation.

Whether handling wood logs or producing and transporting materials, SWISS KRONO has an impact on people. Respecting human rights is integrated into the company's sustainability approach. This is formulated in our global statement on human rights.

Our success and innovation also depend to a large extent on our talented employees. We see ourselves as a learning organization, true to the motto "Growing Together". Through our supportive work environment with an active feedback culture, we enable our team members to flourish and excel in their roles as Players and Learners. This combination is what makes up our corporate culture and leads to our overall success.

SWISS KRONO envisages to be recognized as an employer with high standards for Occupational Health and Safety. We promote a positive culture and improve our Occupational Health and Safety standards continuously across all our entities on the globe.

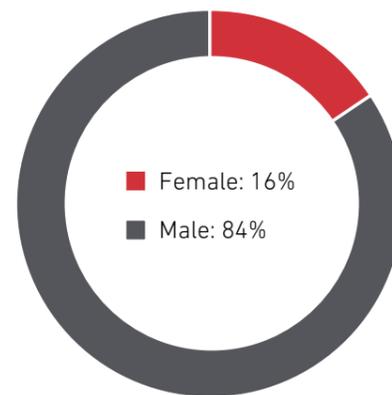
The duties of the various bodies within SWISS KRONO are defined by our Guiding Principles. This also includes the role of the board of directors, executive committee, and the General Managers who are responsible for the management of the company. The roles & responsibilities are described in more detail later in this report.

Total Employees (as of September 30, 2022)

COUNTRY	NUMBER OF EMPLOYEES
SKCH	503
SKDE	907
SKPL	1,082
SKFR	358
SKUS	316
SKHU	152
SKUA	663
Group*	137
Total	4,118

*SWISS KRONO Management Companies

Gender Ratio



PROFESSIONAL DEVELOPMENT AT SWISS KRONO

SWISS KRONO Group runs two professional development programs, the Junior Management Programme (JUMP) for young managers, launched in October 2015, and Swiss Krono International Leadership Labs (SKILL) for experienced managers, launched in October 2021.

Both men and women can participate, but part of our goal is to specifically promote and create mentorship opportunities for women, who are underrepresented, within the Group.

Notably, 43% of JUMP's total 48 participants (men and women) have been promoted since their participation in the program.

Other participant benefits include improved English language skills, increased visibility to Group management, the ability to create Group ambassadors and improve professional networks, and strengthening our corporate culture.



Junior Management Programme (JUMP)

- For young managers
- Launched October 2015
- 4 total rounds so far
- 48 participants
- 43% overall promotion rate



SWISS KRONO International Leadership Labs (SKILL)

- For experienced managers
- Launched October 2021
- Two 12-month rounds so far
- 28 participants
- Next round starts April 2024

Taking Action for Ukraine

SWISS KRONO has been creating jobs and doing business in Ukraine for 20 years. It is the only production country in our Group with three production sites. In response to the war in Ukraine, which began in February 2022, we feel a strong sense of Group solidarity with Ukraine. In addition to the regular donations facilitated by SWISS KRONO Ukraine, our Group has been providing aid to our affected employees and their families, as well as to Ukrainian hospitals and other aid organizations since the war started.

Support for families

Evacuating employees and their families. As soon as the war started, we supported the evacuation process of SKUA employees. Dozens of women and children were relocated to SKPL, SKHU and SKDE to be housed with local SWISS KRONO employees.

Relocating employees within Ukraine. We helped employees from Solonytsivka relocate to Broshniv, where we provided them with work and accommodation.

Helping SKUA clients. We offered accommodation to SKUA clients from the Kharkiv region, including at our premises in Lviv.

Supporting the well-being of our employees' children. On International Children's Day, SKUA organized a Children's Drawing Contest with gifts for participants. Every year on St. Nicholas Day, the children of our employees receive holiday gifts including sweets, toys, power banks, and smartwatches.



Easter Aid Delivery!

Eastern Ukraine is struggling with closed shops, low supply, and a dangerous atmosphere on the streets. SKG employees participated in an Easter aid fundraising event to create and deliver aid packages to Solonytsivka, so employees from eastern Ukraine could celebrate the holidays with enough bread and water on the table.

Apart from food, around 150 employees, their families and the retired were provided with everyday hygiene and medical products.



Construction and medical aid for community centers

Building beds for the injured. SKUA supplied local hospitals with boards used to produce shelters and beds for the injured and internally displaced.

Coordinating medical supplies. SKUA orchestrated humanitarian deliveries of medicine and food, household chemicals, clothes, and other goods to the hospital in Solonytsivka. We also donated funds to purchase emergency medical equipment and create the whole laboratory for a hospital in Kaminka.

Repairing damaged schools and churches. Our boards were used in the eastern Ukraine to repair the premises of the damaged school, as well as to protect it from further shelling and missile attacks. We delivered 36 sheets of our OSB boards to the local church in Kamianka for critical repair works.



Product and monetary donations to rebuild Ukraine

Direct sponsorship. We provided sponsorship assistance for the Kamianka-Buzka city council for urgent repair works. We supported Lviv regional state administration, Broshniv-Osada township council, Ivano-Frankivsk Chamber of Commerce, and State Emergency Service of Ukraine with our OSB, MFC and ground particle boards.

Ukrainian Hilfe. We are proud to support Swiss entrepreneur Martin Huber's reconstruction aid program Ukrainian Hilfe. Huber is putting his production plant in Iwaniv to work providing shelter for Ukrainians in Ukraine. In February 2022, we contributed a heavily discounted price of OSB panels from our Ukrainian facility and additionally sponsored each house Huber built for Ukrainian refugees with a CHF 5,000 cash donation. The first Ukrainian family was able to move into their new house in July 2022.



General support for Ukrainian communities

SKUA regularly donates to local educational institutions, sports clubs, churches, kindergartens, and charity organizations.

Ukrainian Association of the Blind. The finances we provide are distributed equally between the Association members and used to solve acute problems, purchase orthopedic shoes or phones, and cover basic needs.

Ukrainian National Forestry University. We provide financial support for students and teachers of UNFU and facilitated their participation in the international applied sustainability week at Bern University of Applied Sciences. This has resulted in numerous graduates from the university joining our company. We also welcomed students of the Lviv State University of Life Safety at our Kamianka site to teach safety regulations at the wood-based plants.

Football club in Broshniv and sports club in Solonytsivka. We donated to cover the fees for players to participate in sports events at the regional level.

In addition to the support we've provided in Ukraine, SWISS KRONO is proud to support projects in other regions of the world where people need access to reliable housing.

Habitat For Humanity

SWISS KRONO Holding has partnered with the non-profit organization Habitat for Humanity since 2022, when we participated in two projects: one in Ukraine immediately after the outbreak of war in February 2022, and the other in Nepal. The first donation supported families, including Ukrainian refugees, in Poland. The second related to a high-impact land rights and housing project in Nepal that brings marginalized families the stability of a safe home with 'joint land titles,' where male and female household members are both named on the official house certificates.



OUR GLOBAL STATEMENT ON HUMAN RIGHTS

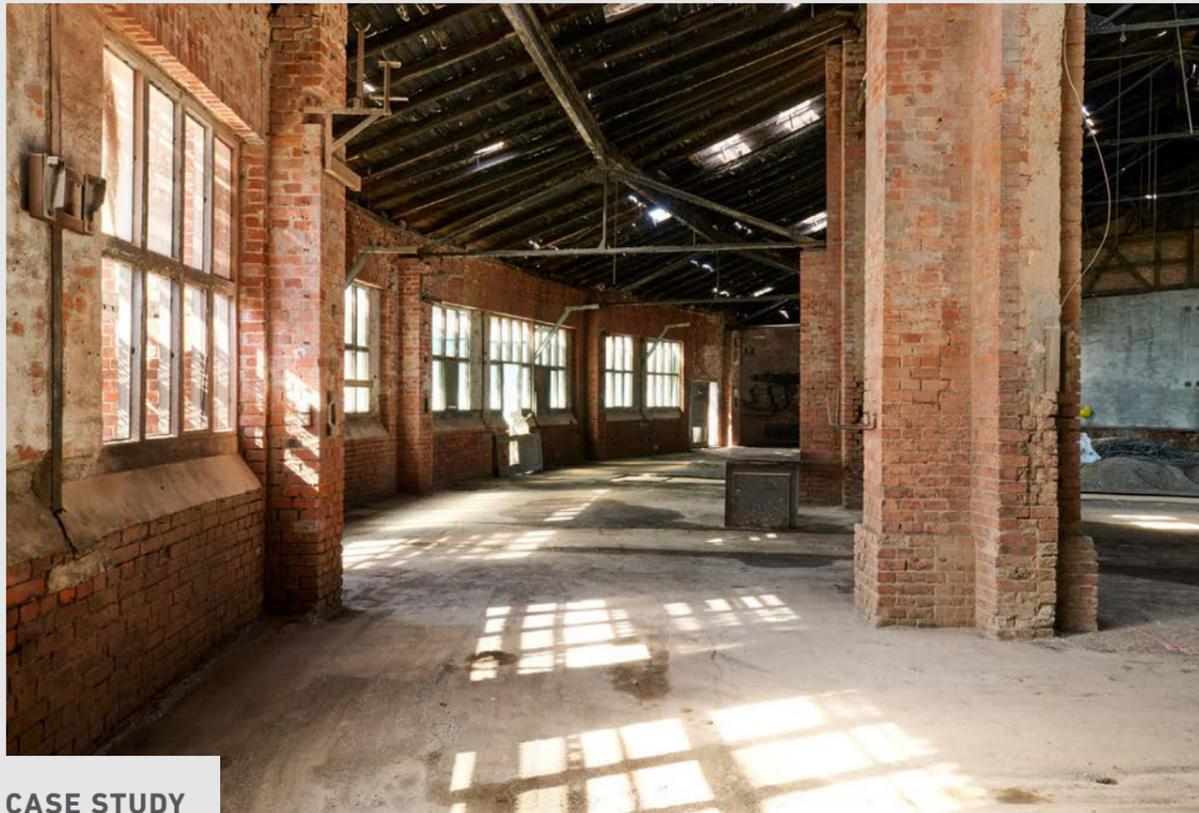
This statement demonstrates our global commitment to human rights. It is in line with the UN Universal Declaration of Human Rights, the Modern Slavery Act 2015, the Ethical Trading Initiative (ETI) Base Code founded on the conventions for good labor practice of the International Labour Organisation.

SWISS KRONO Group is an international business, which requires special attention to ensure that all relevant provisions of the law are complied with at all times. We are committed to act ethically and according to all applicable laws in the countries where we operate. We do not tolerate behavior within SWISS KRONO Group or by clients or suppliers we work with that is illegal or unethical.

The UN Universal Declaration of Human Rights lays out the basic rights that apply to all people, such as the rights to freedom of association, to a high standard of living including a living wage, and to a safe and hygienic workplace that is free of child, forced, or exploited labor or forced or exploited conditions, like excessive working hours. We support a work environment that is free from bullying, discrimination, harassment, and retaliation, where everyone is treated with respect and dignity. All employees have the right to agree to terms of employment voluntarily and to end their employment on appropriate notice. We strongly prohibit human trafficking, child labor, and the employment of any individual under legal working age in any of our facilities.

The basis for our corporate success is a credible corporate culture characterized by laws and ethics. We've created a standard basis for our entrepreneurial actions in our Guiding Principles and in our Code of Conduct for SWISS KRONO employees, which explains and enforces compliance with all applicable external laws and regulations and internal standards. It contains clauses on respectful interactions between employees, health protection and work safety, environmental protection, competition and anti-trust law, confidentiality, and integrity, including bribery and corruption, money laundering, and conflicts of interest as well as on our Whistleblowing-Procedure, among others.

The Code of Conduct is made available to all employees in their respective national language upon joining the company on appropriate communication channels. It's an essential part of our strategy for sustainable development and corporate responsibility, demonstrating our desire to create strong relationships between our employees and all stakeholders, including customers, suppliers, and the general public. We place great emphasis on open and appropriate communication in all areas.



CASE STUDY

Community Engagement

HOW SWISS KRONO REVITALIZED A NEGLECTED HISTORICAL BUILDING IN GERMANY'S BRANDENBURG REGION

SWISS KRONO has been active in the north-western Brandenburg region of Germany for decades. When we learned about a former locomotive shed that was left unused for years in the town of Wittstock, we jumped on the opportunity to restore it into a new landmark. Although years of urban development have transformed the town, including the old railroad station, in other ways, few investors were interested in revitalizing the locomotive shed itself. We decided to invest in a new concept of use: turn the neglected shed into a modern DesignStation. Hendrik Hecht, General Manager of SWISS KRONO Germany, supported the project alongside Wittstock's mayor Jörg Gehrmann, whose vision was to turn the site into an inspiring meeting place for the region.

In September 2022, a popular "Open Monument Day" was held with tours for the public, and many individuals and families enjoyed exploring the former locomotive shed and the progress of the transformation into a new building concept.

After years of work, the restored DesignStation was ceremoniously reopened in March 2023 (exactly 30 years after the old engine shed was last used). In his speech, Hendrik Hecht referred to the DesignStation's new role as a meeting place: In the future, it will serve as an event location for the local community, SWISS KRONO will use it as a showroom, a sample workshop and a co-working space, and at the same time it will preserve the history of the region.

The former locomotive shed was named Monument of the Month for August 2023 by the state of Brandenburg.

Though we are an industrial company, we care deeply about our employees and their families. Our plants sponsor events throughout the year when SWISS KRONO employees—and their families—have an opportunity to get to know each other, exchange ideas, and just have fun together!

INTEGRATION PICNIC AT SWISS KRONO POLAND

"Together is good" at SWISS KRONO Poland, where over 2,000 employees and their families got together in June 2022 at the SYRENA stadium in Żary. The event included workshops, physical activity, delicious refreshments, competitions—including families putting together a giant puzzle—and magic shows. During the President's Cup, 30 daredevils took part in a 5-kilometer run in the nearby Green Forest. Meanwhile, participating children were treated to the longest ninja warrior track in Poland as well as a tent with LEGO bricks and inflatable bouncy castles.

Dr. Marcin Luty, General Manager of SWISS KRONO Poland, opened the event with a speech. He noted the importance of having fun together, and enjoying good energy while creating new relationships, especially after the pandemic period where it wasn't possible to meet in person.



LONG-TERM EMPLOYEE AWARDS AT SWISS KRONO HUNGARY

SWISS KRONO Hungary celebrated its 35th anniversary in 2022! During a town hall event in August 2022, the plant honored long-time employees who create the cornerstone of our success as a Group. Among the employees recognized are valued production managers, machine operators, and maintenance staff. Three have worked at SKHU for 32 years, two have worked for 33 years, and 10 employees have tenure of 34 years.



CASE STUDY

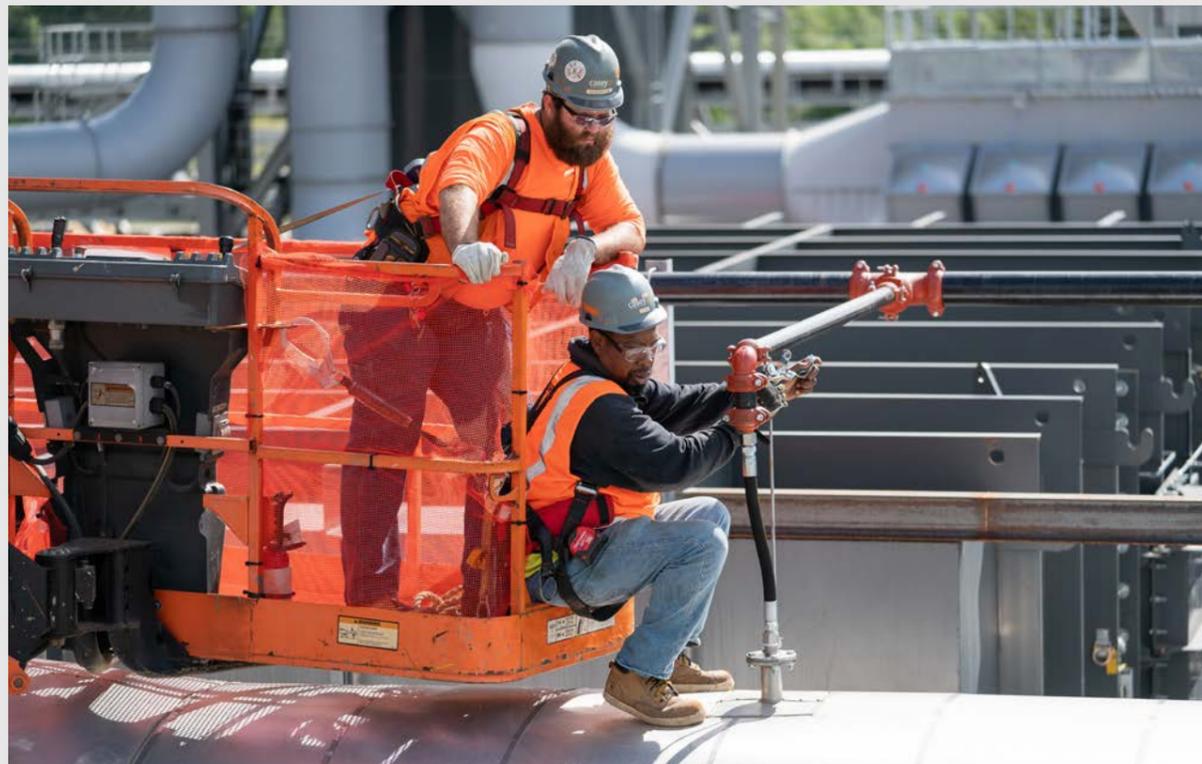
OH&S at SWISS KRONO U.S.

OH&S is a core value and a General Manager’s accountability. We truly believe in visible leadership and personal responsibility for OH&S at all levels and throughout our worldwide organization. Our plant in Barnwell, South Carolina shares some of their best practices for implementing strong OH&S procedures, being proactive about co-worker training and health, and continuously reviewing safety standards.

Our business requires the acquisition of chemicals and other supplies that could be potentially harmful to employees. Any risks associated with these supplies or substances are catalogued on safety data sheets for co-worker review, and employees are trained on how to interact with these substances safely. Some of the trainings include Basic Safety Training, Emergency Action and Fire Prevention, Fall Protection, Hazard Communication Training, Lockout Tagout, and Slips Trips and Falls.

OH&S Facts from SWISS KRONO US:

- 30.27 Average training hours for all employees during a total of 789,923 hours worked in FY 2021 / 2022.
- Financial benefits are given to employees to participate in annual health screening as a part of our comprehensive health insurance program
- 14 safety sub-committees meet monthly to identify and develop process controls and strengthen policies.
- All work-related incidents captured on Incident Report forms within 24 hours of the incident, after which an investigation begins to minimize future risk.



OCCUPATIONAL HEALTH & SAFETY POLICY STATEMENT

Our ongoing occupational health and safety (OH&S) objectives include:

- Implementing OH&S systems in accordance with local legislation at all sites
- Taking reasonable care to prevent work-related accidents by evaluating and removing hazards wherever practical
- Promoting the awareness of OH&S issues so that employees and contract workers can work safely, following all procedures
- Supporting co-worker involvement in all areas of OH&S
- Continuously improving our OH&S policies pursuant to changing circumstances

We see OH&S as a shared responsibility between SWISS KRONO management, supervisors, and our employees and contract workers.

Management Must

1. Develop and carry out a comprehensive OH&S program
2. Conduct regular health and safety audits, write reports, and implement relevant action steps
3. Encourage active co-worker participation in OH&S initiatives
4. Provide the necessary training in safe work practices and procedures for all employees, including personal protective equipment (PPE) where relevant
5. Proactively communicate known health and safety hazards that employees may be exposed to at work, so that all precautionary measures can be taken

Supervisors Must

1. Ensure that all employees under their direction receive proper training to perform work safely
2. Ensure that all employees are aware of the health and safety hazards they may be exposed to
3. Put precautionary measures in place against potential hazards
4. Follow up regularly with employees under their direction to maintain a safe working environment for everyone who steps foot in the facility in their care

Employees and Contract Workers Must

1. Avoid risks to themselves and others by following all safe work procedures in place at their site
2. Work with supervisors and co-workers to identify potential hazards, and to remove those hazards where practical
3. Speak with their local OH&S representative to report any health and safety concerns, if necessary

CARING FOR A RESPONSIBLE BUSINESS

SWISS KRONO is committed to being an accountable business by sourcing wood and other resources responsibly, engaging with the right suppliers and adhering to the full degree of compliance and integrity within our own operations and supply chain.

MATERIAL TOPICS

Responsible Supply Chain & Procurement



Highlights

Responsible business means that we source wood and other resources sustainably, follow international and national regulations and set up an organization ensure the highest level of governance.



Code of Conduct, available in all 10 site languages, sets ethical working standards



All of our sites are either PEFC and/or FSC certified. Some sites have this certifications from as early as 1999.



SWISS KRONO Ukraine received a new FSC™ Chain-of-Custody certificate of FSC 100 for OSB in June 2022.



SWISS KRONO Germany holds an ISO 38200 certificate for Chain of custody of wood and wood-based products, showing a commitment to responsible sourcing.



“Bois de France” certification enables a guaranteed supply of locally-sourced OSB wood at SWISS KRONO France.



92.6% completed IT security training course, or 1587 users out of a total of 1714 users, in FY 2021/2022.



OUR ISO STANDARDS SITE CERTIFICATION

Production of high quality products for our customers goes hand in hand with complying to laws and regulations. For instance, all SWISS KRONO plants have a work safety system based on, and checked, according to national laws. ISO Certifications play a vital role for us by providing a recognized framework for specific areas such as quality management. These certifications not only enhance credibility and trust with stakeholders but also demonstrate our commitment to industry best practise and continuous improvement. We have the following ISO certificates, among others:

- **Quality ISO 9001**, which accounts for the requirements on SWISS KRONO to provide products that consistently meet customer and applicable statutory and regulatory requirements, and enhance customer satisfaction through effective application and improvements to the system.
- **Environment Management ISO 14001**, which accounts for SWISS KRONO's commitment to good environmental performance, fulfillment of compliance obligations, and the achievement of set environmental objectives.
- **Energy Management Systems ISO 50001¹⁾**, which accounts for the requirements of SWISS KRONO to establish, implement, maintain and improve our energy management systems.

1 The existing energy management systems at two locations are to be audited and certified. We will provide an update in the next sustainability reports.

COUNTRY	LOCATION	ISO 9001 Quality Management System	ISO 14001 Environmental Management System	ISO 50001 Energy Management System
Switzerland	SWISS KRONO AG	Yes	Yes	No
Germany	SWISS KRONO TEX GmbH & Co. KG	Yes	Yes	Yes
Poland	SWISS KRONO Sp.z o.o.	Yes	Yes	Yes
France	SWISS KRONO SAS	Yes	No	Yes
US	SWISS KRONO USA, Inc.	Yes	No	No
Hungary	SWISS KRONO Kft	Yes	No	No
Ukraine	SWISS KRONO TOV	No	No	No

Corporate Governance & Organization

SWISS KRONO Group consists of nine production sites across seven countries, as well as SWISS KRONO management companies. Our management system allows for a structure where plants act independently in some functions and sometimes together as a unified Group. General Manager and the local management team are responsible for the site. There are also specific Group Functions, assigned to various Group Management areas, that enable plants to find strong, innovative ways of working together to implement and achieve strategic initiatives. This system helps to ensure success in economic, social and sustainability goals.

Main policies and procedures

- Our Guiding Principles outline how we apply foundational principles across strategy, finance, HR, procurement, communications, sales & marketing, legal & compliance, informational technology, project management, and other central areas to our business
- Code of Conduct, shared with each employee in their native language

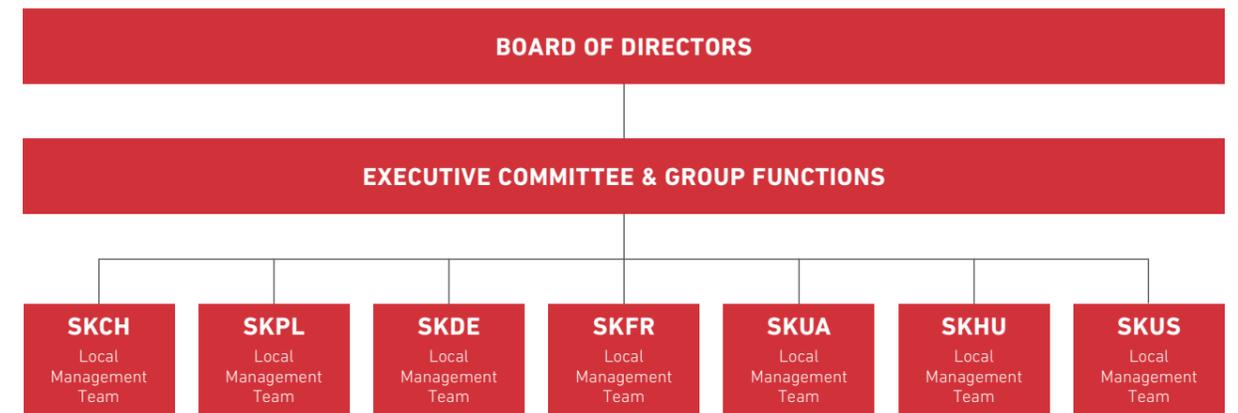
- The four-eyes principle: Every decision or transaction must be approved by at least two people for transparency purposes
- Compliance Do's and Don'ts document and best-practice guides on Anti-Corruption, Conflicts of Interest, Hospitality/Gifts, the Compliance Help Desk and Whistleblowing

Our 2022 / 2023 report will incorporate further information on our governance & compliance policies.

Our global Leadership Team at the annual Management Conference in October 2021



Our corporate governance structure



Board of Directors

Our Board drives strategic discussion around our initiatives, and has identified sustainability and social responsibility as two key focal points. We are developing a sustainability strategy that helps to fulfill management aims, including the long-term economic success of the company. The Board's responsibility is to ensure that a healthy financial foundation protects and creates jobs and facilitates investment, which together supports the continual improvement and strengthening of the company.

Executive Committee and Group Functions

The Executive Committee and Group Functions support the development of all plants and ensure the consistent realization of group synergies. Some of our Executive Committee members are active in industry associations (see pg 19). In connection with the Group Function role, our Golden Organization Principle states, "Whenever Group Functions are not active in their 'sovereign role' (e.g. Controlling, Compliance, etc.), they deal exclusively with issues that affect multiple plants and only when a multi-site approach ensures tangible and visible economic value added for the Group."

General Managers and local Management teams

The General Managers, as business executives, are responsible for developing their plant. They act in a self-responsible way and are result-oriented, acting by defined principles and guidelines. They are the disciplinary supervisors of all employees assigned to a given plant.

MATERIAL TOPIC

Responsible Supply Chain & Procurement

While we value our Swiss roots, as a “globally local” company, we have expanded our presence to markets around the world. We cater to the specific needs of customers in each market through strategic partnerships, strong distribution networks, and a deep understanding of local markets. Today, the Group's products are sold in over 120 countries worldwide.

However, our operations are vulnerable to changes in the supply chain. Upcoming regulations, including the anticipated EU regulation on deforestation-free products, will have an important impact, too.

Our stakeholders have pointed out that customers are increasingly selecting products based on their social, ethical and environmental aspects. They have also emphasized the increasing importance of a transparent supply chain for customers.

TRANSPARENCY IN THE SUPPLY CHAIN

As a wood processing company, SWISS KRONO can make a significant positive contribution to the decarbonization of the building sector through sustainable use of resources, the development of a circular economy and the further development of the cascade use of wood.

However, a sustainable building sector is not possible without healthy and sustainably managed forests. We source our wood from the regional forests at our sites when possible. All of our sites are certified by the Forest Stewardship Council™ (FSC) and/or the Programme for the Endorsement of Forest Certification™ (PEFC).



[FSC](#) is an international non-profit that is dedicated to promoting responsible forestry practices. Its certification system is made up of an FSC Forest Management Certification, which ensures forests are inspected and certified in line with ten internationally agreed principles, and a Chain of Custody Certification, which tracks timber from source to end product.



[PEFC](#) is an international non-profit, which constitutes the largest forest certification system in the world. The organization covers about two-thirds of the globally certified forest area. It offers a Sustainable Forest Management certification to maintain responsible management practices for forests and a Chain of Custody scheme.

FSC 100 Certificate for OSB produced in SWISS KRONO Ukraine We offer products with the label FSC 100 (all forest-based material in a product is from FSC certified forests) and FSC Mix (made with a mixture of materials from FSC-certified forests, recycled materials, and/or FSC-controlled wood). This signifies that wood harvesting does not threaten biodiversity nor reduce the productivity and ecological function of forests.



In June 2022, SWISS KRONO Ukraine received a new FSC™ Chain-of- Custody certificate of FSC 100 for OSB, in addition to the FSC 100 certificate the plant holds for sanded particle boards and melamine-faced particle boards.

In August 2022, SKUA's impregnated papers were also certified to meet the requirements of FSC™ Chain-of-Custody with a FSC Mix Credit. The company was assessed against FSC-required standards, namely FSC-STD-40-004 Version 3.0 FSC Standard for Chain of Custody Certification and FSC-STD-50-001 Requirements for use of the FSC trademarks by Certificate Holders.

Overview of FSC and PEFC certificates

COUNTRY	LOCATION	FSC	PEFC
Switzerland	SWISS KRONO AG	Yes	Yes
Germany	SWISS KRONO TEX GmbH & Co. KG	Yes	Yes
Poland	SWISS KRONO Sp.z o.o.	Yes	Yes
France	SWISS KRONO SAS	No	Yes
US	SWISS KRONO USA, Inc.	Yes	No
Hungary	SWISS KRONO Kft	Yes	Yes
Ukraine	SWISS KRONO TOV	Yes	No

We use certificates depending on availability/national legislation to use sustainable wood purchasing. There are no FSC forests in some regions so we have to switch to PEFC.

BEING GLOBAL WHILE ACTING LOCAL

At SWISS KRONO, we are trying to bring the supply chain as close as possible to us. When sourcing wood locally, we can minimize transportation distances and, by extension, transportation emissions. Local sourcing promotes economic growth and benefits local communities by creating jobs, keeping financial value close by, and fostering a sense of community engagement and support.

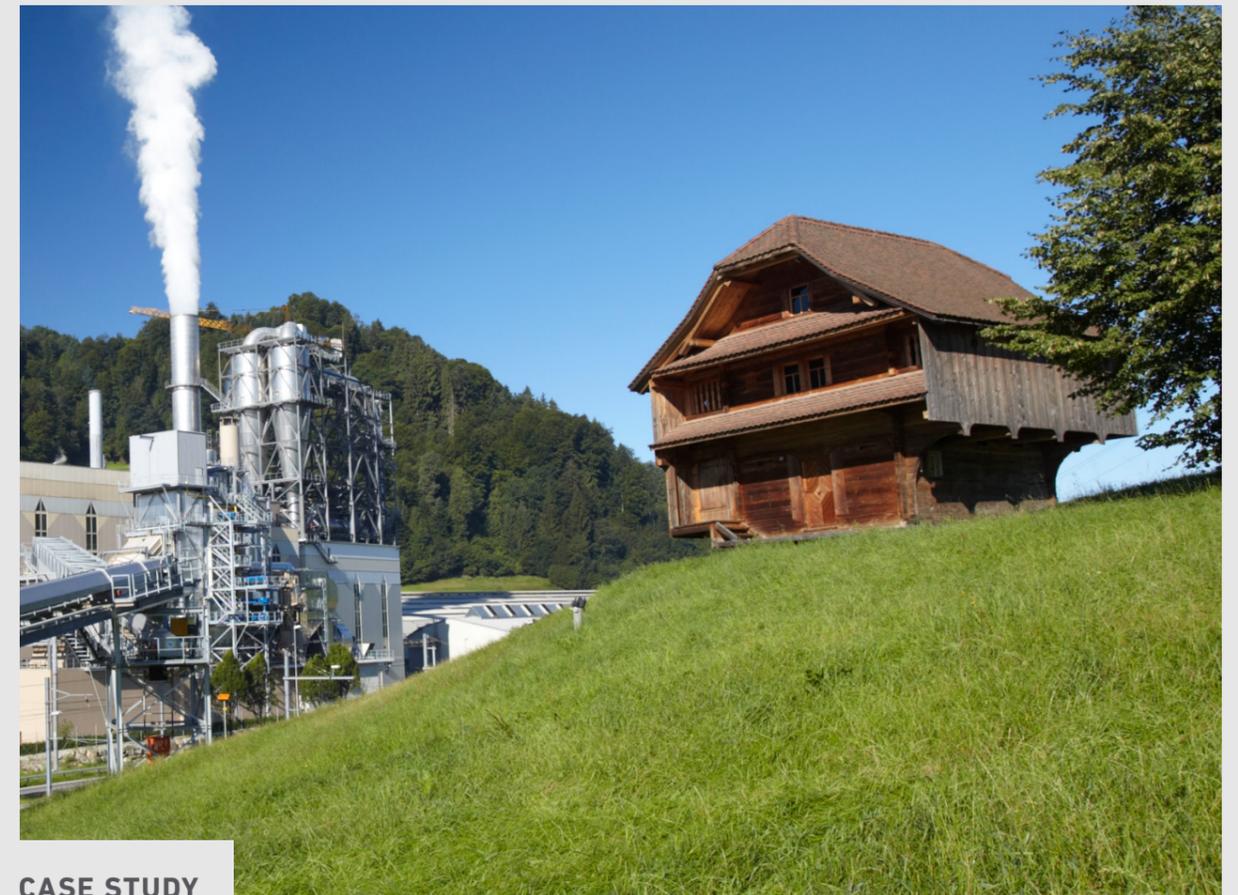
By prioritizing local sourcing, the wood industry can contribute to a more resilient supply chain, while also addressing environmental and social concerns. We try to work closely with our local suppliers to promote the conservation of forests, biodiversity and ecosystems in the regions where we operate. We source wood locally whenever possible, where local means within 150 km, of the given SWISS KRONO site.



¹ For this inaugural report, we have used average transport distances per wood type to perform this analysis. For future reports, we will report on a more granular level.



The transport and processing of wood material



CASE STUDY

SWISS KRONO Switzerland keeps it local

SWISS KRONO comes from Switzerland—it's in the name! Throughout the entire value chain, our Menznau, Switzerland plant relies on resource-saving and energy-efficient manufacturing.

- Since 2010, SWISS KRONO Switzerland has been operating an energy management system designed to increase efficiency (saving energy, multiple use of energy) and reduce CO₂ emissions (substituting fossil fuels). We use over 90% thermal energy at the plant in Menznau.
- We transport several thousand tonnes of Swiss timber by rail to our plant in Menznau every year, thereby saving to 75% of energy compared to transport by road.

- We pioneered the CH80 initiative to ensure that around 80% of raw materials along the entire value chain come from Switzerland and at least 80% of the value added remains in Switzerland.
- We promote the thinning and rejuvenation of Swiss forests.
- We support local businesses and favor shorter transportation distances.

90% renewable thermal energy usage at the plant in Menznau

We care for biodiversity

Wood is a unique material. Although the use of wood as a renewable resource has many advantages, it is also important to be aware of the potential disadvantages resulting from the fact that the wood processing industry requires large quantities of wood and can have a significant impact on biodiversity.

It is essential that sustainable logging ensures the preservation of the cultural, social and ecological functions of forests, including wood supply, soil stabilization, carbon storage, and hunting.

The factors that can have a negative or positive impact on biodiversity include:

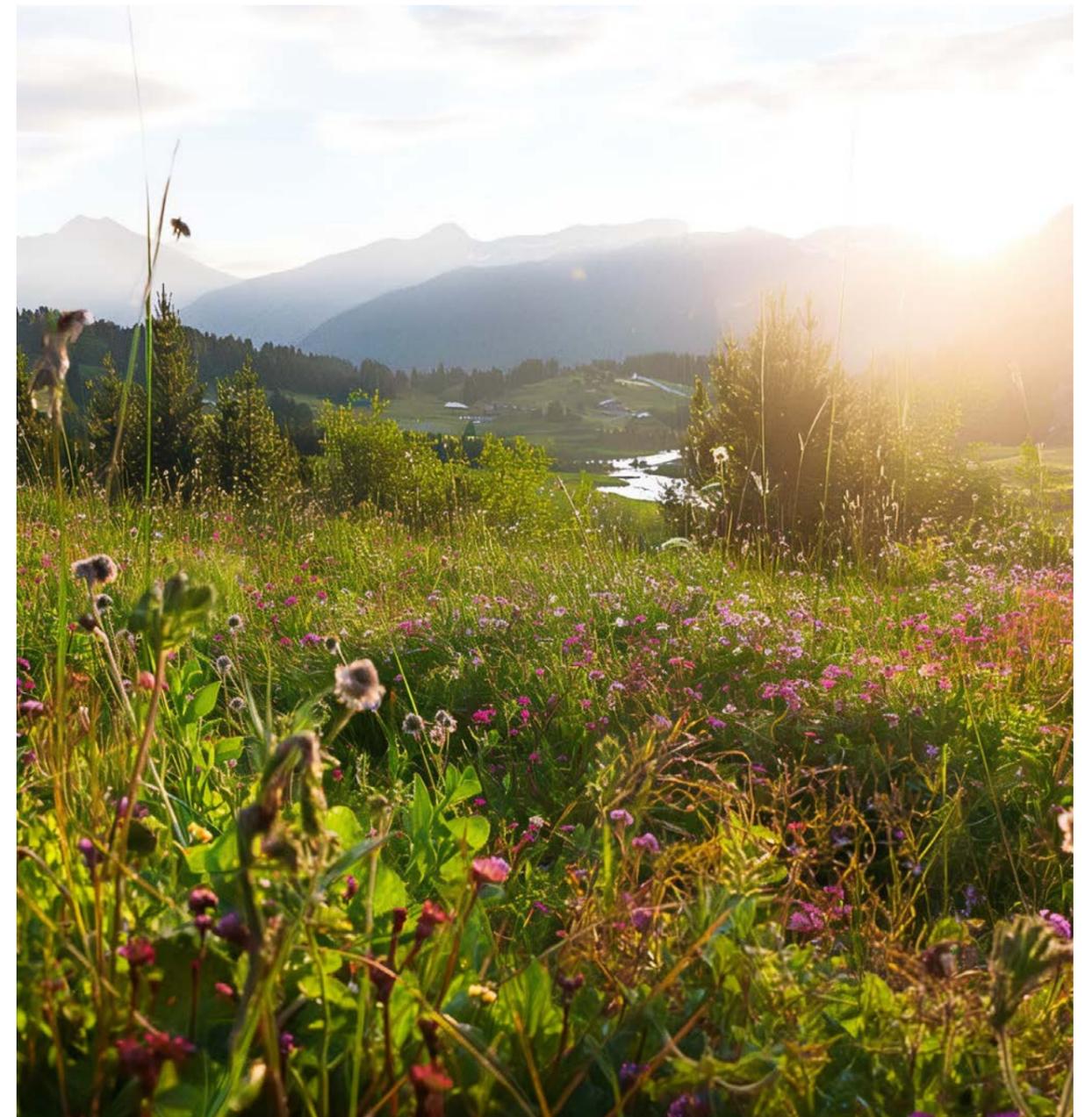
- 1. Forestry practices:** Depending on whether sustainable forestry practices are used, wood sourcing by wood-based panel producers can have an impact on biodiversity. Sustainable practices such as the selection of certain tree species, the preservation of wildlife refuges and reforestation can help to conserve and enhance biodiversity.
- 2. Changes in land use:** The conversion of natural forests into plantations or monocultures can have a negative impact on biodiversity, especially if this is associated with a loss of habitat for certain species or genetic diversity.
- 3. Chemicals and waste management:** Chemicals such as binders and adhesives are used in wood-based materials. Improper handling or disposal of these chemicals can negatively impact the surrounding environment or biodiversity. Responsible waste management is essential to minimize negative impacts.
- 4. Certifications and standards:** The FSC and PEFC set criteria to ensure that wood sourcing and production practices are sustainable. Wood-based material producers that apply these standards can make a positive contribution to biodiversity.
- 5. Innovation and technology:** Advances in technology can enable wood-based panel producers to operate more efficiently and generate less waste, potentially reducing environmental impact and preserving biodiversity. Our stakeholders have pointed out that customers are increasingly selecting products based on their social, ethical and environmental aspects. They have also emphasized the increasing importance of a transparent supply chain for customers.

By adopting responsible practices, wood-based panel producers can help conserve biodiversity while achieving their business goals.

BIODIVERSITY AT SWISS KRONO

To produce our particle board, fibreboard and OSB boards, we use wood that is FSC and/or PEFC-certified and controlled wood from sustainable forestry and process it in production facilities. All sites are also FSC and/or PEFC certified. We label this accordingly so that our customers can make informed decisions.

SWISS KRONO is also active in the IUFRO-MONDI partnership. This platform for science and business has set itself the task of better understanding the effects of climate change and the challenges for forests and the forest-based industry and identifying countermeasures in line with the Sustainable Development Goals (SDGs). Through intensive collaboration between experts from the private sector and the research community, the aim is to develop response measures that make a maximum contribution to the SDGs, especially climate change mitigation and adaptation, human livelihoods and biodiversity conservation.



APPENDIX



Our Materiality Assessment

REPORTING STANDARDS

In preparation for the European Union's mandatory Corporate Sustainability Reporting Directive (CSRD), we have undertaken our first annual Sustainability reporting in order to lay out the measures we are implementing as part of our commitment to environmental and social responsibility.

Global Reporting Initiative (GRI)

The GRI aims to establish a set of worldwide standards for sustainability reporting. As a global company, we want to ensure our sustainability measures are directly comparable with international standards in order to increase their validity.

In this report, we are reporting in reference to the GRI framework.

Methodology of GRI

GRI requires a double materiality assessment, which considers both the topics that are financially material for the company but also the company's most significant impacts on the economy, environment, and people, including human rights. The assessment involved the following steps:

Gain Clear Understanding of Risks & Opportunities

We reviewed materials such as our business model, public communications, sustainability initiatives and performance data, risk management reports, customer feedback, and other stakeholder inputs.

Engage Stakeholders

We conducted surveys with internal stakeholders, including internal colleagues and senior leadership, and external stakeholders, including NGOs, clients, suppliers, and industry associations, to gain stronger insight into SWISS KRONO Group's salient sustainability issues and how stakeholders want to see them addressed.

Identify High-Priority Issues

We scored sustainability topics to evaluate SWISS KRONO Group's business impacts and stakeholder concerns. This allowed us to identify the highest priority issues for the company, reflected in this report.

SWISS KRONO's Materiality Analysis

In our first materiality assessment, we identified 8 topics (7 are covered in this report) that are highly relevant to the present and future of the SWISS KRONO Group.

The subjects of Business Resilience, Business Ethics, Nature-Based Solutions, Water Scarcity & Quality, Human Rights, Diversity & Inclusion, and Community Engagement were rated as less material.

However, we will not completely neglect our commitment to these less important topics. We are closely monitoring our performance on these issues and want to improve on some of these aspects in the future as well.

GRI Index

GENERAL DISCLOSURES

GRI STANDARD	REFERENCE	DESCRIPTION	LOCATION/RESPONSE
GRI 2: General Disclosures 2021	2-1	Organizational details	Pages 6, 8–9, 68–69
GRI 2: General Disclosures 2021	2-2	Entities included in the organization's sustainability reporting	Pages 9, 69
GRI 2: General Disclosures 2021	2-3	Reporting period, frequency and contact point	Page 5; back page
GRI 2: General Disclosures 2021	2-4	Restatements of information	n/a
GRI 2: General Disclosures 2021	2-5	External assurance	n/a
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	Pages 4–6, 21, 27, 66, 70–73
GRI 2: General Disclosures 2021	2-7	Employees	Pages 59, 63 The breakdown of employees by permanent, temporary, contract, full-time, and part-time have been omitted and will be included in future reports.

GRI STANDARD	REFERENCE	DESCRIPTION	LOCATION/RESPONSE
GRI 2: General Disclosures 2021	2-8	Workers who are not employees	Page 63 mentions contract workers. The number of workers who are not employees has been omitted and will be included in future reports. We take the health and safety of these workers as seriously as we do that of our own employees.
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	Pages 68–69
GRI 2: General Disclosures 2021	2-10	Nomination and selection of the highest governance body	Omitted from this report, to be included in future reports.
GRI 2: General Disclosures 2021	2-11	Chair of the highest governance body	Pages 9, 69
GRI 2: General Disclosures 2021	2-12	Role of the highest governance body in overseeing the management of impacts	Pages 68–69
GRI 2: General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	Pages 9, 68–69
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	Many stakeholders within our organization reviewed this report, including our entire Executive Committee, our Board of Directors, and our owners. Their functions are detailed on pages 68–69.

GRI STANDARD	REFERENCE	DESCRIPTION	LOCATION/RESPONSE
GRI 2: General Disclosures 2021	2-15	Conflicts of interest	Pages 59, 68 More detailed information to be included in future reports.
GRI 2: General Disclosures 2021	2-16	Communication of critical concerns	Pages 59, 68 More detailed information to be included in future reports.
GRI 2: General Disclosures 2021	2-17	Collective knowledge of the highest governance body	Omitted from this report, to be included in future reports.
GRI 2: General Disclosures 2021	2-18	Evaluation of the performance of the highest governance body	Omitted from this report, to be included in future reports.
GRI 2: General Disclosures 2021	2-19	Remuneration policies	Omitted from this report, to be included in future reports.
GRI 2: General Disclosures 2021	2-20	Process to determine remuneration	Omitted from this report, to be included in future reports.
GRI 2: General Disclosures 2021	2-21	Annual total compensation ratio	Omitted from this report, to be included in future reports.
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	Pages 4–5
GRI 2: General Disclosures 2021	2-23	Policy commitments	Pages 4–5, 10–13, 16–17, 59, 63
GRI 2: General Disclosures 2021	2-24	Embedding policy commitments	Pages 4–5, 59, 62–63, 68–69
GRI 2: General Disclosures 2021	2-25	Processes to remediate negative impacts	Pages 11, 21–23, 26–31
GRI 2: General Disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	Pages 59, 63, 68–69

GRI STANDARD	REFERENCE	DESCRIPTION	LOCATION/RESPONSE
GRI 2: General Disclosures 2021	2-27	Compliance with laws and regulations	Pages 16, 59, 64, 66–69
GRI 2: General Disclosures 2021	2-28	Membership associations	Page 21
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	Pages 15, 36, 77
GRI 2: General Disclosures 2021	2-30	Collective bargaining agreements	Omitted from this report, to be included in future reports.

GRI MATERIAL TOPICS

GRI STANDARD	REFERENCE	DESCRIPTION	LOCATION/RESPONSE
GRI 3: Material Topics 2021	3-1, 3-2	Process to determine material topics	Pages 15, 77
GRI 3: Material Topics 2021—Climate Change	3-3	Description of actual and potential impacts on economy, environment, and people, including policies and commitments on climate change	Pages 4–5, 20–23, 26–33 Specific commitments to be defined in the next report.
GRI 302: Energy 2016	302-1, 302-2, 302-3, 302-5	Total energy consumption of renewable and non-renewable sources (measured in GWh/a); efforts towards energy reduction	Pages 28–33 Mentions of energy savings in MWh on page 30. Energy emissions intensity (305-4) and ozone-depleting substances (305-6), and GHG breakdown (305-7) have been omitted and will be covered in future reports.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 26 Data calculated by South Pole, a third-party organization specialized in decarbonization. All figures are in CO ₂ e.

GRI STANDARD	REFERENCE	DESCRIPTION	LOCATION/RESPONSE
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	Page 26 Data calculated by South Pole, a third-party organization specialized in decarbonization. All figures are in CO ₂ e.
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	Page 26 Data calculated by South Pole, a third-party organization specialized in decarbonization. All figures are in CO ₂ e.
GRI 3: Material Topics 2021—Resource Use and Circular Economy	3-3	Description of actual and potential impacts on economy, environment, and people, including policies and commitments on resource use and circular economy	Pages 10–12, 15, 22–25, 44–45, 70–71 Specific commitments to be defined in the next report.
GRI 301: Materials 2016 Disclosure	301-1, 301-2, 301-3	Reclaimed and recycled material content, management of waste-related impacts, and waste generation	Pages 22–25, 28–31 Waste generated and waste-related impacts to be covered in more detail in future reports.
GRI 3: Material Topics 2021—Own Workforce	3-3	Description of actual and potential impacts on economy, environment, and people, including policies and commitments on company workforce	Pages 52–63 Specific commitments (including on diversity) to be defined in the next report. Categories regarding minimum notice periods (402-1), co-worker training and upskilling (404-1, 404-2), career reviews (404-3), and market presence and wages (202-1) have been omitted and will be covered in future reports.
GRI 403 Occupational Health and Safety 2018	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10	Occupational health and safety management processes, including hazard identification, risk assessment, and incident investigation; worker participation, training, and health; and work-related injuries	Pages 52, 62–63

GRI STANDARD	REFERENCE	DESCRIPTION	LOCATION/RESPONSE
GRI 3: Material Topics 2021—Consumers and End Users	3-3	Description of actual and potential impacts on economy, environment, and people, including policies and commitments for consumers and end users	Pages 38–39, 40–43, 60
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Pages 40–43 Incidents of non-compliance (416-2) to be covered in future reports.
GRI 3: Material Topics 2021—Responsible Supply Chain & Procurement	3-3	Description of actual and potential impacts on economy, environment, and people, including policies and commitments for supply chain & procurement	Pages 66–67, 70–75 Categories regarding marketing and labeling and incidents of non-compliance (417-1, 417-2, 417-3) have been omitted and will be covered in future reports.
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers, including definition of local	Pages 66, 72–73
GRI 3: Material Topics 2021—Product Design & Lifecycle Management	3-3	Description of actual and potential impacts on economy, environment, and people, including policies and commitments for product design & lifecycle management	Pages 40–43, 44–45 Specific commitments to be defined in the next report.
GRI 3: Material Topics 2021—Innovation & Digitization	3-3	Description of actual and potential impacts on economy, environment, and people, including policies and commitments for innovation & digitization	Pages 46–48 Specific commitments to be defined in the next report.

About This Report

This is SWISS KRONO Group's first year publishing a sustainability report, based on the GRI framework. The report relates to the fiscal year 2021 / 2022 (October 1, 2021–September 30, 2022) and also contains selected information from 2019 (i.e. recycling center data) as well as some contemporary updates from 2023 (i.e. select collaborations). In some cases, historical and comparative figures are not yet available, as the collection of key figures was started for the first time in 2023. Due to the decentralized nature of our operations, not all information was readily available at all of our sites. SWISS KRONO Russia has been excluded from this report beyond the figure of our total employees across all sites. The editorial deadline for this report was 29th September 2023.

Report Audit

This sustainability report has not been audited. In the future, the management of SWISS KRONO Group will decide on an annual basis on the necessity of an external audit.

Your Feedback

We want to continuously improve on our sustainability commitments, and for this reason, we welcome your feedback on our Sustainability Report. You can contact us directly at info@swisskrono.com or at the emails given below.

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