

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND EQUAL OPPORTUNITIES

Environment and climate

Whilst the wood based panel industry captures 1.4 tonnes of CO₂ for every tonne of wood consumed reducing energy consumption is an important focus of the Company's efforts to further reduce the impact on environment. This is an on-going process and involves active co-operation with The Danish Energy Agency ("DEA").

Recent projects

The Company has been working on optimising water consumption and further energy optimisation projects. As a result the energy consumption per tonne of production was reduced by five per cent and total water consumption by sixteen per cent.

With regard to emissions to atmosphere the Company has achieved excellent results through the use of WESP-filters and already complies with future environmental threshold requirements.

Energy management

As already mentioned the Company has been working on several projects during the year. This includes adoption of modern technology such as a partial shift to LED lighting. Energy saving will remain strategic in any new projects undertaken by the Company in the forthcoming years.

Working environment and safety

Development of the employees' professional competencies and interpersonal skills is given high priority and is realised through on-the-job training as well as attendance at internal and external courses. In addition we need to encourage the development of young people and employ them as apprentices and trainee office workers.

The Accidents and Absence ratio has been reduced.

The Ten principles of the UN Global Compact

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

Human Rights

Principle 1: The company supports and respect the protection of internationally proclaimed human rights

Principle 2: The company makes sure that they are not complicit in human rights abuses.

Labour

Principle 3: The company uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The company supports the elimination of all forms of forced and compulsory labour.

Principle 5: The company supports the effective abolition of child labour.

Principle 6: The company supports the elimination of discrimination in respect of employment and occupation.

Kronospan has a NO-Discrimination Policy where the Company states that equal opportunity in employment applies regardless of employees sex, age, religion or belief, nationality, color, race or ethnic group.

Environment

Principle 7: The company supports a precautionary approach to environmental challenges;

Principle 8: The company undertake initiatives to promote greater environmental responsibility.

Principle 9: The company encourage the development and diffusion of environmentally friendly technologies.

The company has implemented Environmental Management system in 2019 and taken action to invest in a bag filter system to fulfill environmental goals set by the authorities.

Anti-Corruption

Principle 10: The company works against corruption in all its forms, including extortion and bribery.

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

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

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

Goals and policies regarding gender quotation on the Management Board

The group always strives at recruiting the best suitable board members, managers and other employees irrespective of gender, race or religion. Board members are recruited having this in mind and the group will strive at maintaining this. The Board of Directors consists of three male members appointed by the shareholders. The Company's general policy defines the target to appoint to the Board of Directors any female candidate having the right qualification

and willing to take the responsibilities required by the job and the goal is to set a 33/67 allocation with one female and two male representatives before 2023.

The Company's management group consists of ten individuals (four female- 40% and six male members- 60%). The goal is to set a 33/67 allocation in order for the gender distribution and therefore the gender equality requirement has been met.