

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND EQUAL OPPORTUNITIES

Business model

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

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

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

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").

The company is ISO 14001 certified for Environmental Management. (energiledelse)

Recent projects

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

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

Regarding emissions to atmosphere the Company has achieved excellent results through the use of WESP- filters. A bag filter for the energy plant has been established in 2020 to enable the company to comply with future environmental threshold requirements.

Energy management

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

Working environment and safety

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

The Ten principles of the UN Global Compact

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

Human Rights – principle 1 and 2

The company and its business partners respect internationally proclaimed human rights, and the risk of abuse is considered to be very low.

Labour – Principle 3, 4, 5, and 6

The company follow national regulation for its employees. This include the individuals freedom to being a member of associations and to take part in collective bargaining. No form of forced, compulsory or child labor is used, as well as discrimination is not accepted. Furthermore, the company support the principle of equal opportunity for all individuals.

Environment – Principle 7, 8, and 9

The company follow national regulation. The target of the policy is that the production and use of the products shall reduce any negative footprint to a minimum.

Anti-Corruption – Principle 10

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

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

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

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

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.

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.