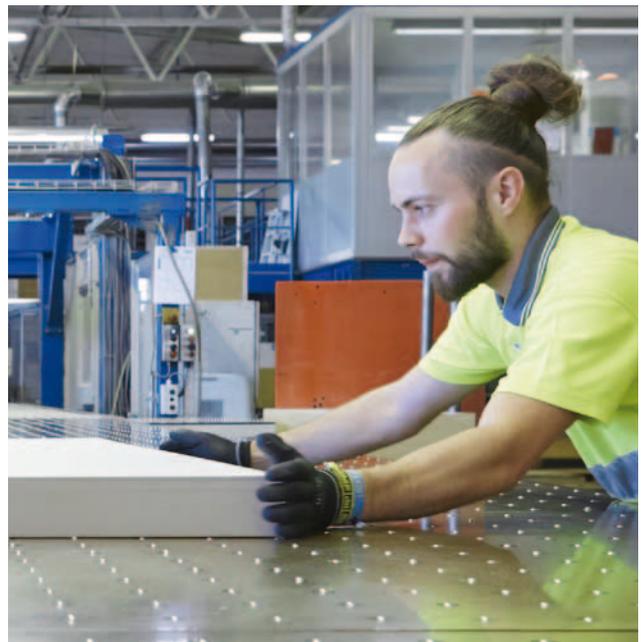
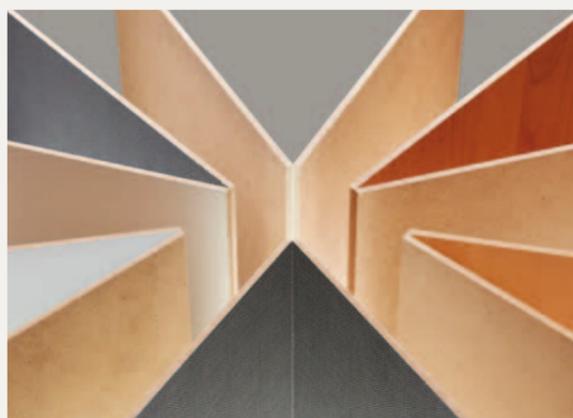
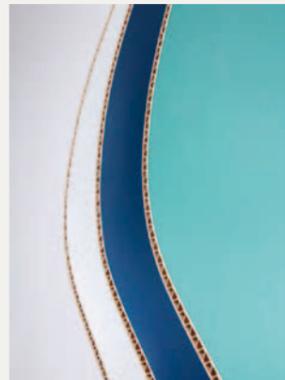


# Sustainability Report 2021 of Homann Holzwerkstoffe GmbH



# Our goals for a more sustainable future

Field of action	Goals
We care for our relationships	Increase the share of apprentices and trainees to 5% by 2026
	Increase the training and further education hours per employee to 25 hours per year by 2026
We face up to the challenges	Reduce Scope 1 and 2 CO <sub>2</sub> -e emissions per cubic metre of HDF by 65% by 2030
	Increase the renewable share of electricity consumed to 70% by 2030
We deliver performance	Increase the share of recycled fibres in the product to up to 15% by 2030
	Increase the share of bio-based adhesives across all paints used to 50% by 2030



# Sustainability Report 2021 of Homann Holzwerkstoffe GmbH

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## FOREWORD



*“The raw material wood is of particular importance, as our understanding of sustainability starts already with the procurement of raw materials. We source our wood from sustainably managed forests.”*

*Dear Reader,*

The great importance of sustainability is today evident in all areas of life, and organizations, in their capacity as economic actors, are also challenged to make a substantial contribution to shaping a sustainable and liveable future for future generations. Being a leading supplier of MDF and HDF boards who makes intensive use of natural resources such as wood, we have firmly anchored sustainable action in our corporate philosophy. To effectively continue our sustainability efforts in the coming years, we worked intensively last year on the development of a sustainability strategy for Homann Holzwerkstoffe Group and defined six key goals.

The strategy process we carried out comprised a close exchange with our customers, business partners, employees and the management teams of our individual locations. Three fields of action have been defined: *“We care for our relationships”*, *“We face up to the challenges”*, and *“We deliver performance”*.

*“We care for our relationships”* comprises credible and transparent action and communication as well as our efforts aimed at solving the generational change in a close exchange with our employees. The field of action *“We face up to the challenges”* comprises our efforts in the area of automated production as well as reducing emissions and using renewable energy. Our third pillar – *“We deliver performance”* – encompasses our already high cost-effectiveness, efficiency and competitiveness as well as our high service quality. In this context, the procurement of wood and using recycled wood as well as innovations in general play an important role for us.

The raw material wood is of particular importance, as our understanding of sustainability starts already with the procurement of raw materials. We source our wood from sustainably managed forests. When processing wood in our plants, we aim to avoid waste and use up to 100% of the incoming raw materials. At the same time, we are aware of our potential for development in the individual fields of action and are constantly working to improve.

This first Sustainability Report of Homann Holzwerkstoffe GmbH is intended to give our stakeholders a deeper insight into our most important fields of action, goals and activities. The present report has been prepared on the basis of the globally recognized Global Reporting Initiative (GRI) standards and in consideration of the United Nations Sustainable Development Goals (SDGs). This way, we put our strategy in an international context, which we believe the topic of sustainability deserves.

We wish you pleasant reading and look forward to exchanging ideas and opinions with you.

Fritz Homann

## Company portrait

*With its administrative headquarter in Munich and factories in Germany and Poland, Homann Holzwerkstoffe GmbH is a leading supplier of thin, high-quality finished medium-density and high-density fibreboards (MDF/HDF).*



GRI 102-1  
GRI 102-3

# Company portrait

With its administrative headquarter in Munich and factories in Germany and Poland, Homann Holzwerkstoffe GmbH is a leading supplier of thin, high-quality finished medium-density and high-density fibreboards (MDF/HDF). Homann Holzwerkstoffe GmbH is the parent company of the Group, which includes four operating companies held by Homanit Holding GmbH. Homanit GmbH & Co. KG produces in Losheim am See (in the following: Losheim), Germany, while the two Polish subsidiaries, Homanit Polska Sp. z o.o. i. Spolka Sp. K. and Homanit Krosno Odrzańskie Sp. z o.o., produce at the Karlino and Krosno Odrzańskie

(in the following: Krosno) sites, respectively. With a view to further expanding its production capacity, Homann Holzwerkstoffe focuses on growth markets and therefore acquired an industrial site in Lithuania in 2020. Once the construction work is completed, the fourth site of the Group, near the Lithuanian capital Vilnius, is scheduled to be taken into operation at the beginning of the financial year 2023, provided there are no delays due to the current situation. UAB Homanit Lietuva will then be included in the Sustainability Report as of the financial year 2023.

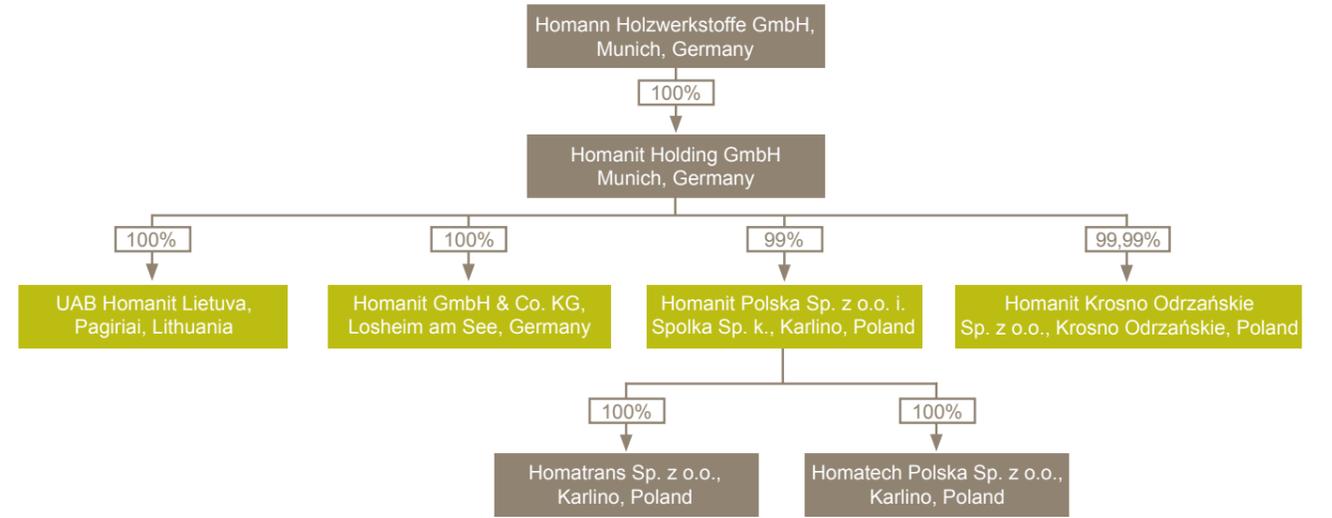


Further members of Homann Holzwerkstoffe Group are the transport company Homatrans Sp. z o.o. as well as the maintenance and service company

Homatech Polska Sp. z o.o.. Other subsidiaries that are immaterial to sustainability are not included in the present report.

GRI 102-1  
GRI 102-3  
GRI 102-4

The corporate structure is as follows:



■ Production sites

The managing partner and beneficial owner of Homann Holzwerkstoffe GmbH is Fritz Homann, who has been running the owner-managed company in the fourth generation since 1989. Other members of the management team are Helmut Scheel, CFO, and Ernst Keider, who is responsible for technology, production and investment.

### Business model

Homann Holzwerkstoffe Group covers the complete value chain from raw materials procurement to distribution of the finished product. The company offers large-size raw boards as well as a variety of refined wood fibreboards. This includes cutting, sanding, lacquering, laminating and mechanical processing. Upon request, standardized products (e.g. furniture back panels) are delivered to customers' assembly lines.

The medium-density fibreboards (MDF) and high-density fibreboards (HDF) are produced in a dry process. After heating the chipped timbers under pressure and temperature with subsequent defibration, the moist wood fibre is sprayed with adhesives and then dried in a warm air stream. The dried fibres are spread into an endless fibre mat and continuously pressed in a hot press with a thickness of between 1.5 mm and 22.0 mm. The endless pressed panel is then cut to the desired lengths, cooled and stacked.

Besides this, Homatrans Sp. z o.o., the logistics subsidiary, operates its own fleet of vehicles for transporting raw materials and finished products, while Homatech Polska Sp. z o.o. is responsible for the maintenance and servicing of the Polish production sites.

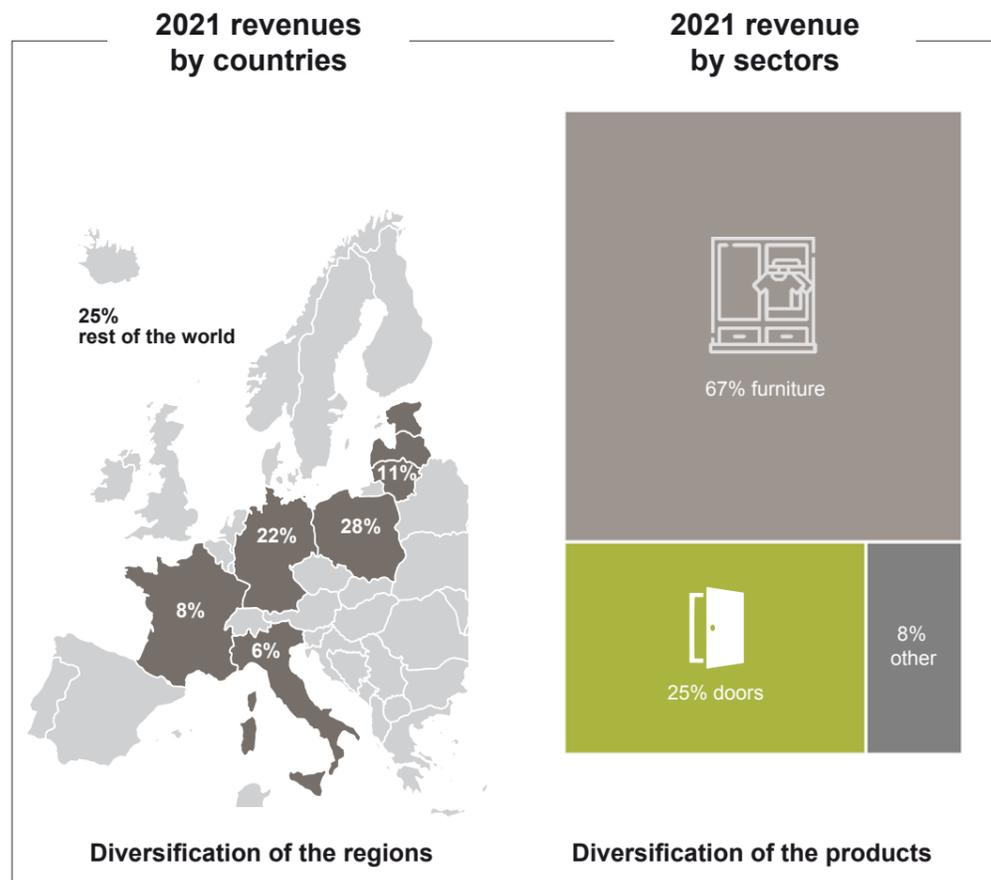
The company offers raw boards as well as lacquered, sanded and foiled fibreboards to a widely diversified customer base. The products made by Homann Holzwerkstoffe are primarily used in the furniture industry (e.g., as cabinet back panels or drawer shelves) and the door industry (front and back panels). The company is benefiting strongly from the trend towards lightweight construction in the industry, which aims to save weight, materials and energy and is dependent on thin high-quality fibreboards. Other possible applications for the products are the motor vehicle and caravan sectors, e.g., for the interior lining of vans.

GRI 102-2  
GRI 102-5  
GRI 102-6

## Business trend

In the financial year 2021, Homann Holzwerkstoffe generated revenues of EUR 334.9 million. Revenues show a balanced differentiation, with a special focus on the European market. Accounting for EUR 94.7 million or 28% of total revenues, Poland is the most important market for the Group. Germany accounted for EUR 72.5 million or 22% of total revenues. Other important output markets are Lithuania (11%), France

(8%) and Italy (6%). Other countries contribute a total of 25% to the Group's revenues. A breakdown by applications shows that the furniture industry accounts for most of the company's revenues (67%), followed by doors (25%). Other sectors such as trade, floors, motor vehicles and miscellaneous industries account for the remaining 8%.



In spite of the challenging situation caused by the ongoing pandemic, the company was able to generate operating EBITDA of EUR 82.7 million in the financial year 2021, up by EUR 33.3 million on 2020. Consolidated net income for the year amounted to EUR 48.7 million. Total assets stood at EUR 375.6 million as of December 31, 2021, with fixed assets amounting

to EUR 230.3 million. Homann Holzwerkstoffe as a whole has sufficient cash and cash equivalents, as reflected in cash holdings of EUR 85.3 million as of the balance sheet date. Debt capital amounted to EUR 268.4 million, while equity stood at EUR 107.3 million, which is equivalent to an equity ratio of 28.6%.

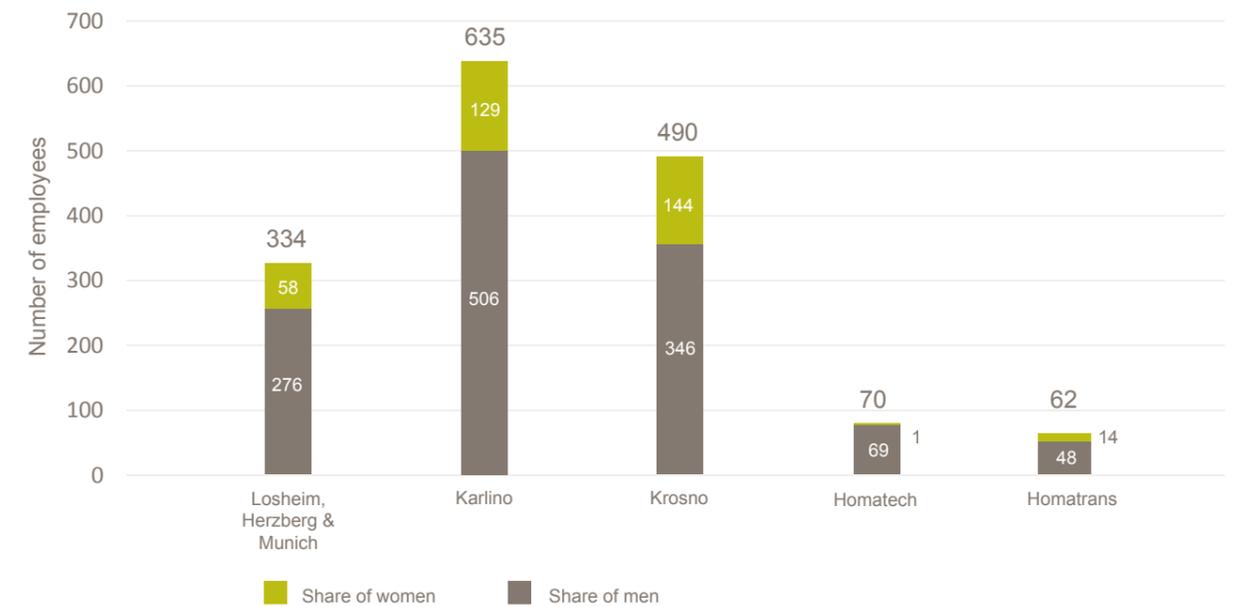
GRI 102-7

## Employees

The employees form the basis for the successful performance of Homann Holzwerkstoffe Group. As of December 31, 2021, the Group had a headcount of 1,591, which breaks down into 1,247 blue-collar workers and 329 white-collar employees (including 15 trainees at the Losheim site) as well as 1,245 men and 346 women. Of the total, 635 are employed by Homanit in Karlino and 490 in Krosno. A total of 334 employees work in Losheim, Herzberg and Munich. The subsidiaries Homatech and Homatrans employ

70 and 62 people, respectively. Homann Holzwerkstoffe Group has a total of 50 trainees and apprentices. In addition, 20 temporary workers are employed in Karlino and 23 in Krosno, who are not included in the total headcount. No other temporary workers are employed by the Group. In addition, 27 employees work at the Krosno site, who have a temporary employment contract due to their visa but are actually employed on a long-term basis.

### Employee overview 2021 by gender



## Associations & initiatives

The Group attaches great importance to being involved in associations and initiatives. Homanit GmbH & Co. KG is a member of the Chamber of Industry and Commerce (IHK) and hence part of a large network of enterprises, where it considers itself to be appropriately represented. Through Homanit GmbH & Co. KG, the Group is also an active member of the Association of the German Wood-Based Panel Industry (VHI), which bundles the interests of the domestic industry and represents it at a national and international level. The Bundesverband der Energie-Abnehmer e.V. (VEA) advises companies from the SME sector and the public sector on all issues relating to energy cost reduction and energy management. The Group is also active in these associations as a member through Homanit GmbH & Co. KG, as well as in the Energy Efficiency Network for Industry

(E.E.f.I), in which companies exchange information about their efforts to increase their energy efficiency and implement climate protection and sustainability measures. Regionally, the company is active in the "Verband der Saarländischen Holz u. Kunststoffverarbeitenden Industrie und verwandter Industriezweige e. V" (Saarland association of wood and plastics processing industries and related industries (SHKI)) and in Poland in the "Stowarzyszenie Producentów Płyt Drewnopochodnych w Polsce" (association of Polish manufacturers of wood-based panels (SPPDwP)).

GRI 102-7  
GRI 102-12  
GRI 102-13



## Sustainability strategy and management

*Homann Holzwerkstoffe's close ties with its environment are rooted in the very nature of its products. The company's management is aware of its responsibility and has defined climate-friendly and energy-efficient operation as the company's top priority.*

# Sustainability strategy and management

Homann Holzwerkstoffe's close ties with its environment are rooted in the very nature of its products. The company's management is aware of its responsibility and has defined climate-friendly and energy-efficient operation as the company's top priority. This mission is visible all along the value chain, as the sustainable production process of Homann Holzwerkstoffe GmbH starts already at the procurement stage. The Group rejects wood from illegal logging and natural forest clearance as well as wood from forests worthy of protection; instead, it relies predominantly on thinning wood and sawmill wood residues from sustainably managed forests. As part of the production process, the wood is first shredded before adhesives are added. Low-formaldehyde glue systems meet the strict requirements of the German Chemicals Prohibition Ordinance (emission class E1) and the American Environmental Protection Agency EPA (CARB). When processed in the company's plants, up to 100% of the incoming wood resources are used. As the production facilities have their own biomass power plants, wood residues are used to generate heat. The Homann Holzwerkstoffe sites are audited regularly, with both Losheim and Karlino already operating a certified energy management system.

The company's commitment to sustainability is visible also in a social context. Homann Holzwerkstoffe is exposed to the demands of different stakeholders, whose needs the management takes very seriously. The company maintains a trusting dialogue with banks, suppliers and customers, who are treated as equals. Employing over 1,500 qualified employees at its sites, the company is also an important employer for the local communities and offers its staff good

and fair working conditions. Furthermore, the Group is involved in local communities by promoting the construction of social housing and supporting local schools, hospitals, and sports clubs.

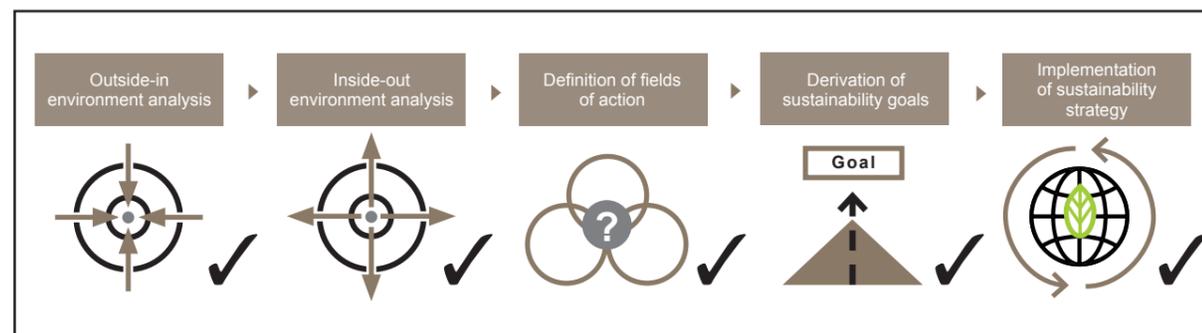
### Development of the sustainability strategy

To underpin the great importance Homann Holzwerkstoffe attaches to sustainability, management has decided to anchor this important topic even more strongly and in a more structured way within the company and to document the process even more transparently and extensively. Any long-term and value-creating sustainability strategy is based on a careful strategy development process.

In the context of the development of the sustainability strategy, clearly defined responsibilities for economic, environmental and social topics and goals were discussed at management level. Overall responsibility lies with the Group management. In addition, the managing directors of the operating subsidiaries are in charge of their respective areas of responsibility.

GRI 102-16  
GRI 102-20

The chart below provides a well-structured overview of the strategy development process:



\* Environmental Protection Agency

To get an overview of the topics that the company should drive forward in terms of a sustainable future and against which its performance should be measured, a two-stage environment analysis was carried out. Looking through the eyes of both internal and external target groups increases the relevance of the results and is in line with Homann Holzwerkstoffe's philosophy of maintaining a close, constructive exchange with the company's stakeholders and incorporating their expectations and experiences into corporate decisions.

In the context of an **outside-in environment analysis**, various megatrends were identified, which also play an important role for Homann Holzwerkstoffe. These include globalization, digitalization, climate change and resource scarcity, demographic change, shortage of skilled labour and increasing urbanization. In addition, the most important legal and social requirements as well as the expectations of customers, suppliers and banks were compiled. The **inside-out environment analysis** served to get a comprehensive idea of the as-is situation from within the company about the locations in Karlino, Krosno and Losheim. For this purpose, a total of 38 interviews were held with 56 participants from the German and Polish departmental managements and with the management teams of Homanit GmbH & Co. KG, Homatrans Sp. z o.o. and Homatech Polska Sp. z o.o.

The results of the survey allow to draw an initial conclusion in the form of opportunities and challenges for the company: Homann Holzwerkstoffe is a recognized specialist for medium-density and high-density fibreboards and has a very good market position and high

market shares. The company is very optimistic about the market potential in the coming years. The current situation is supported by a highly committed workforce across all locations. On the other hand, the company is challenged to address issues such as change management, generational change of employees and the necessary knowledge transfer, automation and digitalization as well as existing and upcoming environmental regulations. Raw materials procurement, the monitoring of process parameters as well as internal and external communication must also be organized effectively and efficiently.

### Guided by the UN Development Goals

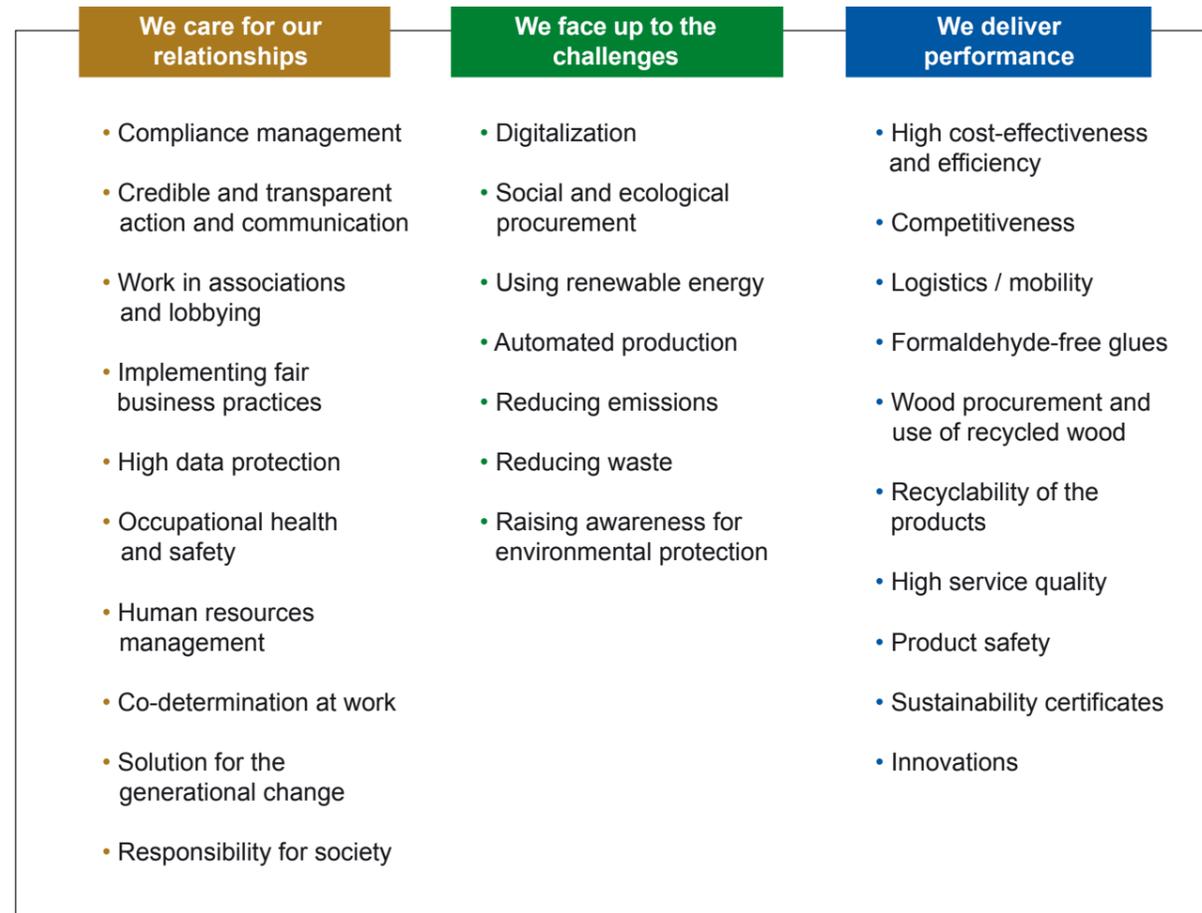
In the context of the 2030 Agenda, the United Nations has adopted 17 Sustainable Development Goals (SDGs). They symbolize a global plan of action for peace and prosperity while protecting the planet. The aim is to fight poverty and, most importantly, to improve the living conditions of the poor population groups. For the goals to be achieved by 2030, all players must act in collaborative partnership. With its new sustainability strategy, Homann Holzwerkstoffe also wants to contribute to a better world and is therefore being guided by the UN Development Goals. The main focus is placed on the following SDGs. The following chapters will explain in more detail how the individual measures and actions contribute to achieving the SDGs.



GRI 102-21  
GRI 102-40

## Fields of action & materiality analysis

To structure all the topics identified in the context of the environment analysis, the individual aspects were divided into three main areas in a subsequent step. These areas form the central fields of action of the Group and reflect the values of Homann Holzwerkstoffe:



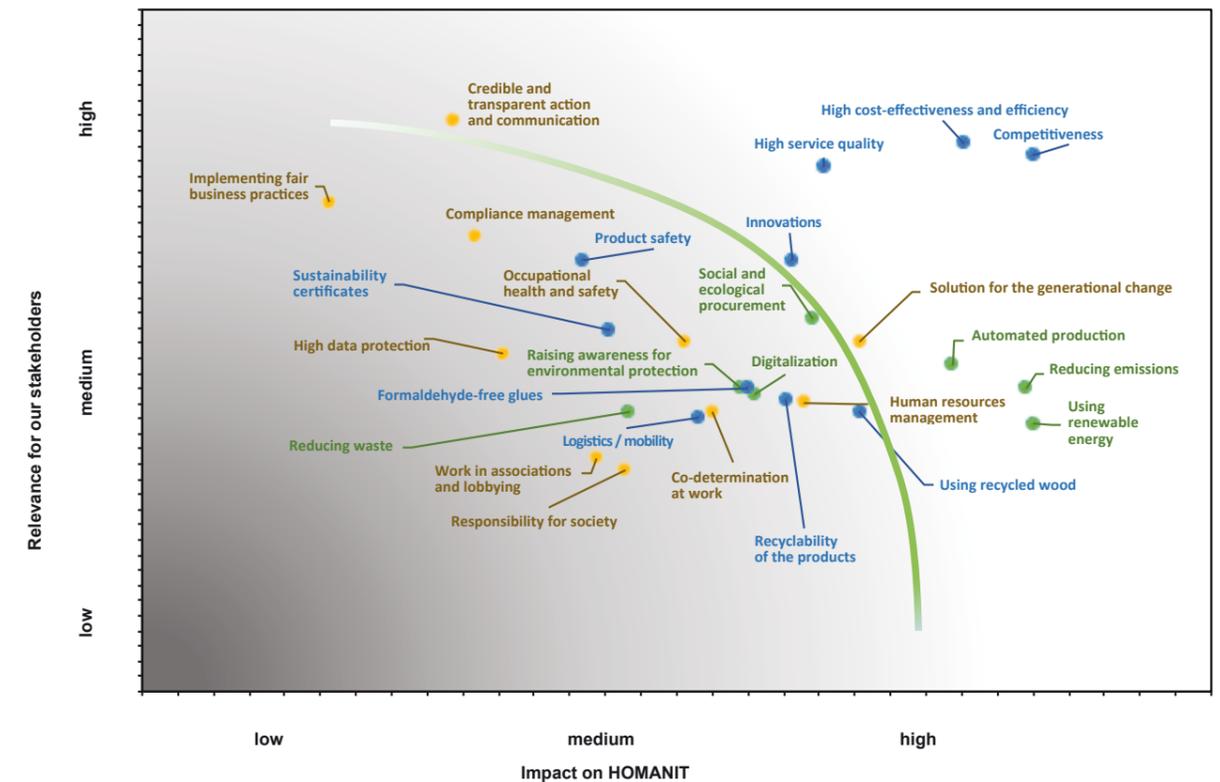
A materiality analysis was carried out with the aim of filtering out the most critical issues from this multitude of topics. A stakeholder questionnaire was developed specifically for this purpose to assess the relevance of each topic for the external stakeholder groups customers, suppliers and banks on a scale from 1 (unimportant) to 4 (very important). Material customer

groups are furniture manufacturers, the door industry (west and east), as well as flooring and kitchen manufacturers. The most important partners on the purchasing side include representatives of chemical, wood and technology suppliers as well as representatives of the energy sector.

An internal assessment was then carried out in the form of an impact evaluation. In this context, the probability and the extent of the economic, environmental and social consequences were estimated for each topic. The impact evaluation was carried out taking

into account the views of internal experts and the management as well as the Sustainable Development Goals (SDGs) described above. The combination of the internal and external views resulted in the following materiality matrix:

Materiality matrix



When looking at the matrix, the materiality of the topics for Homann Holzwerkstoffe increases from the bottom left to the top right. The green dividing line makes it possible to focus on the most critical aspects. It is striking that in the field of action **“We care for our relationships”**, external stakeholders attach high relevance not only to **“Credible and transparent action and communication”** but also to **“Implementing fair business practices”** and **“Compliance management”**. As the Group has already reached a good position in these areas and further potential for improve-

ment appears limited, the topics – in spite of their importance – were internally rated as less relevant in the development of the sustainability strategy. Other very important aspects for external stakeholders of Homann Holzwerkstoffe are **“High service quality”**, **“High cost-effectiveness and efficiency”** as well as **“Competitiveness”**. These topics can be subsumed in the field of action **“We deliver performance”** and were identified as material also internally, as they have a major impact on the development of the Group.

GRI 102-21  
GRI 102-40  
GRI 102-42  
GRI 102-43

Accordingly, the defined fields of action each focus on the key topics listed in the table below:

We care for our relationships	We face up to the challenges	We deliver performance
<ul style="list-style-type: none"> <li>• Credible and transparent action and communication</li> <li>• Solution for the generational change</li> </ul>	<ul style="list-style-type: none"> <li>• Automated production</li> <li>• Reducing emissions</li> <li>• Using renewable energies</li> </ul>	<ul style="list-style-type: none"> <li>• High cost-effectiveness, efficiency and competitiveness</li> <li>• High service quality</li> <li>• Wood procurement and use of recycled wood</li> <li>• Innovation</li> </ul>



GRI 102-44  
GRI 102-46  
GRI 102-47

## Goals for a sustainable future

*Specific sustainability goals were then developed for each field of action in accordance with the SMART criteria.*

### Goals for the field of action “We care for our relationships”

Our employees are our most valuable asset. They work towards the success of our company each day and have excellent knowledge and outstanding skills. To be successful in the long term, we want to promote our colleagues on a sustainable basis. In doing so, we agree that learning is a life-long process and that investments in the further education of our workforce are a necessity. Also, know-how must be passed on to master the generational change. By offering additional attractive apprenticeships, we can win young talent, who in turn, bring new ideas to our Group; we have therefore defined the following goals:

- Increase the share of apprentices and trainees to 5% by 2026
- Increase the training and further education hours per employee to 25 hours per year by 2026

### Goals for the field of action “We face up to the challenges”

Business players are facing a multitude of complex challenges. We want to pro-actively address these issues. Our aim is to further automate our production in order to operate efficiently and protect our employees. With a view to climate change, we want to do our part for a clean world tomorrow. That is why we are working flat out to reduce our emissions and make greater use of renewable energy. We formulate the following SMART goals:

- Reduce Scope 1 and 2 CO<sub>2-e</sub> emissions per cubic metre of HDF by 65% by 2030
- Increase the renewable share of electricity consumed to 70% by 2030

### Goals for the field of action “We deliver performance”

At Homann Holzwerkstoffe, we are committed to operating successfully and sustainably. We continuously deliver performance to our customers, partners and investors. As the market leader for thin fibreboards, we have grown very profitably over the past years, have proven our competitiveness and delivered a high service quality. This is what we want to achieve in the future as well. We take the demands of the next generation regarding the preservation of forests as well as the demands of our customers regarding continued innovation seriously. This encourages our companies to constantly develop and to set ambitious goals. Against this background, we have defined the following goals in this field of action:

- Increase the share of recycled fibres in the product to up to 15% by 2030
- Increase the share of bio-based adhesives across all paints used to 50% by 2030

\*SMART: Specific, Measurable, Achievable, Relevant and Timely

Field of action 1:

# **We care for our relationships**

*Our employees deserve the highest esteem. They work towards the success of our Group each day and have excellent knowledge and outstanding skills. To be successful in the long term, we want to promote our colleagues on a sustainable basis.*

## Field of action 1: We care for our relationships

Our employees deserve the highest esteem. They work towards the success of our Group each day and have excellent knowledge and outstanding skills. To be successful in the long term, we want to promote our colleagues on a sustainable basis. In doing so, we agree that learning is a life-long process and that investments in the further education of our workforce are a necessity. Also, know-how must be passed on

to master the generational change. By offering additional attractive apprenticeships, we can win young talent, who in turn bring new ideas to our Group.

With regard to our field of action “**We care for our relationships**”, our aspirations are consistent with the following UN Sustainable Development Goals (SDGs):

<b>4</b> QUALITY EDUCATION 	<p><b>Goal 4 – Quality education</b>                  Homann Holzwerkstoffe promotes the development and further education of each single employee and offers various measures of vocational and further training.</p>
<b>5</b> GENDER EQUALITY 	<p><b>Goal 5 – Gender equality</b>                  Gender equality is an important aspect for us, which has a positive effect on our working atmosphere in the form of a diverse workforce.</p>
<b>17</b> PARTNERSHIPS FOR THE GOALS 	<p><b>Goal 17 – Partnerships for the goals</b>                  We can achieve our goals only by means of an ongoing exchange with our stakeholders, project partnerships and the joint development of products.</p>

## Summary of our goals

Goals	Deadline	Measures taken and planned
Increase the share of apprentices and trainees to 5%	By 2026	<ul style="list-style-type: none"> <li>• Various HR projects: visits to schools, universities, family days, open days</li> <li>• Cooperation with universities</li> </ul>
Increase the training and further education hours per employee to 25 hours per year	By 2026	<ul style="list-style-type: none"> <li>• Detailed training plan and knowledge matrix</li> <li>• Various training offers</li> <li>• Increasing the number of on-site training sessions</li> <li>• Dual study offer</li> </ul>

## Credible and transparent action and communication

Quality, reliability, responsibility, trust and economic efficiency are our values, which we fill with life in our everyday work. They have a decisive influence on our corporate culture and provide the framework for dealings with our stakeholders.

Homann Holzwerkstoffe Group has locations in Germany, Poland and soon also in Lithuania and supplies customers throughout the world. As different laws and regulations apply in the individual countries, transparent action and open communication should help to build understanding in order to strengthen mutual trust.

### Our strategic approach

Living by our corporate values is of paramount importance for cooperation within Homann Holzwerkstoffe Group. But the values and behavioural standards should be supported not only by our own employees. Making our suppliers endorse our Code of Conduct is an important aspect to promote credibility and transparency.

To transfer the desired behavioural standards to all business activities, a Code of Conduct for Employees and a Code of Conduct for Business Partners were developed and adopted in 2021. In addition, both Codes were published on the company’s website to make them transparent to all stakeholders of Homann Holzwerkstoffe.

Responsibility for compliance with the Codes lies at the top management level, which is also responsible for providing the required resources.

### Code of Conduct for Employees

A shared set of rules helps to strengthen mutual trust and cooperation within Homann Holzwerkstoffe Group. Moreover, a common understanding of our values promotes transparent action and, hence, the possibility to solve problems more quickly.

The Code of Conduct (CoC) for Employees is available in all common languages of the Group (German, English, Polish and French) to prevent misunderstandings or language barriers. To ensure that compliance-related requirements are met throughout the Group, they must be firmly anchored in the corporate culture. For this purpose, we have established regular training sessions, which raise our employees’ awareness of complying with the Code of Conduct. All new employees are instructed when they are hired.

If there are any violations of the rules, they must be immediately reported to the respective plant manager, who in turn consults with the HR Department and – in the case of serious violations – also with the management and initiates corresponding measures. In addition, every employee has the opportunity to report complaints, conflicts or questions at the respective location to the Works Council or the employee interest groups as well as to the HR Department; if required, they may also submit an anonymized report in the mailbox of the respective HR Department.

GRI 103-1  
 GRI 103-2  
 GRI 103-3  
 GRI 102-16

**Code of Conduct for Business Partners**

The Code of Conduct for Business Partners defines requirements to be met by our suppliers with regard to legal compliance, integrity and ethical standards. Apart from strengthening mutual trust in existing business relationships, the Code also helps to establish new business relationships with new partners. A common understanding of compliance-related rules and requirements thus helps to avoid negative consequences in the event of non-compliance, such as a loss of trust in our company and our products or reputational damage.

The Code of Conduct for Business Partners is also available in our common business languages. We maintain a regular exchange with our suppliers on the Code of Conduct (CoC). Our main suppliers have already undertaken to comply with the Code and confirmed this in writing to Strategic Purchasing. Other suppliers have their own codes, which are consistent with the values of our CoC. What is more, our suppliers have the possibility to contact the Head of Strategic Purchasing at any time in the event of questions or conspicuity.

**Open and transparent dealings with our customers**

The good relationships we have built up with our customers over many years are an important success factor for Homann Holzwerkstoffe Group. We maintain open and direct contacts with our customers. Each customer has a clearly assigned primary and alternate contact person. These are often native speakers and have been working with the customer for many years. The low turnover is very much appreciated by our customers. In addition, business partners are informed about current topics and news of the Group and its products. This way, we maintain a constant exchange with our customers.

**Outlook**

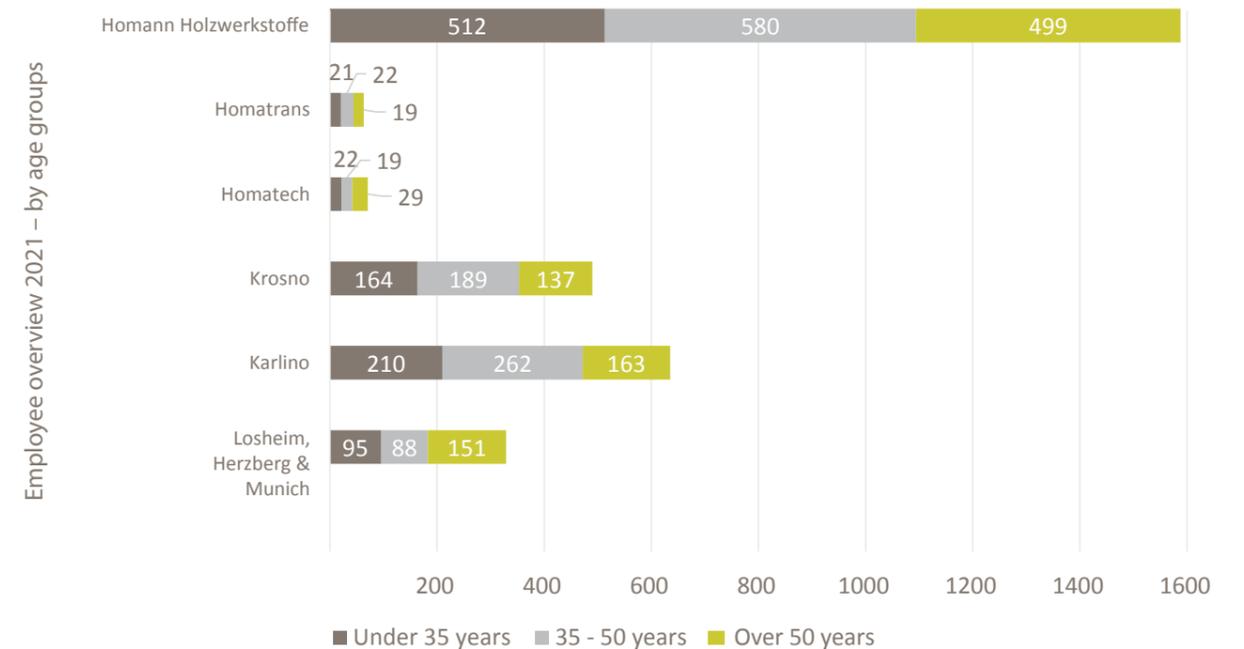
To further strengthen our credibility and transparency, we have developed various strategic measures for 2022 and 2023. Apart from publishing our sustainability strategy and the present Sustainability Report, we want to intensify our cooperation with customers and partners to make our products even more sustainable. We are constantly improving the information exchange with our stakeholders also through our website, financial reports and in personal talks. Besides this, we continue to rely on the three pillars that have made us the reliable business partner we are today over the past years: reliable order processing and delivery of goods, fast problem solving and clearly assigned contact persons.

**Solution for the generational change – our employees**

Our 1,591 employees form the basis of Homann Holzwerkstoffe Group and they are our most important asset. They were our key success factor in the past and will be so in the future. To successfully shape the future, we need a strategy for generational change. After all, sustainable, long-term success in business can be achieved only with well-trained staff.

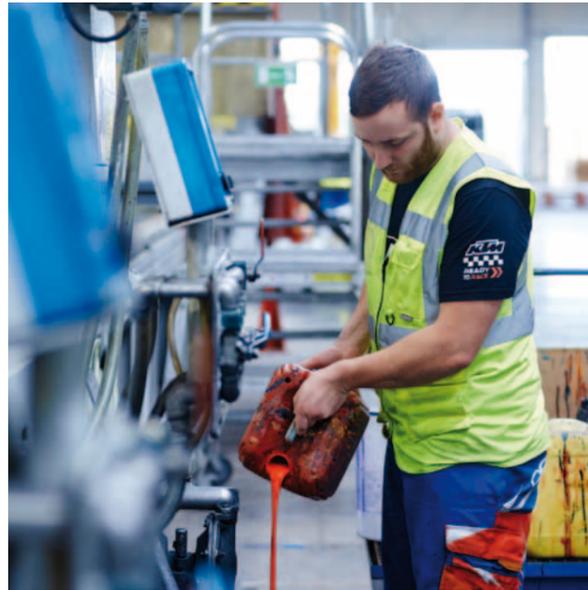
Implementing generational change in an organization is not an easy task, which is why it should be addressed at an early stage. The earlier we take up this challenge, the easier will it be to define measures that will help Homann Holzwerkstoffe to remain successful.

**Employee overview 2021 – by age groups**

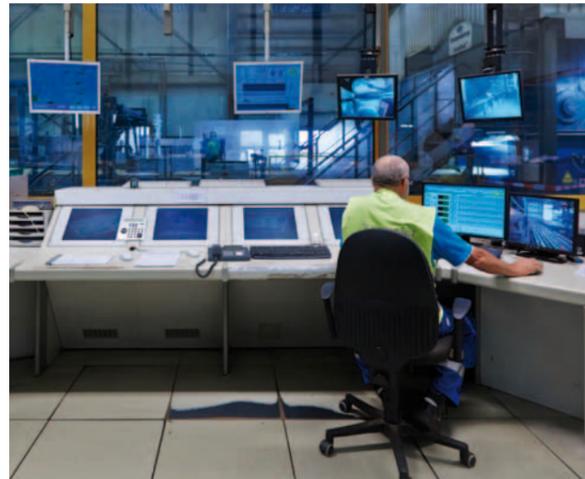


The search for suitable employees who fill the values of Homann Holzwerkstoffe with life and drive the success of the company requires a long time of preparation as well as long-term decisions at various levels of the company. At each of its locations, the Group is faced with different challenges. On the one hand, it needs to manage the generational change; on the other hand, it has to reduce the relatively high staff turnover on the shop floor. In spite of good pay during vocational training and adequate wages, it is difficult to find sufficient apprentices, trainees and skilled labour. This issue is affecting companies across all sectors.

Homann Holzwerkstoffe Group will prioritize the issue of employees even more in the coming years so as to optimally position itself for the future and to prevent a potential staff shortage from having an impact on production and product delivery times. In this process, it is important to use the transfer of knowledge to the next generation for smooth operations. If positions are filled at an early stage, this will increase employee satisfaction as good induction is ensured. Additional opportunities for attracting and retaining employees arise from further training options, flexible working times for administrative staff, the availability of meals



*Long-term and sustainable corporate success can only be achieved through employees.*



as well as healthcare services. Homann Holzwerkstoffe is an employer who attaches great importance to equality, diversity as well as fair and respectful dealings with each other. The family-like working atmosphere is appreciated by many employees. All these aspects can make the difference for young people in search of work and also help them decide in favour of working in a rural area.

**Our strategic approach**

Our staff are highly relevant to us. We therefore want to staff our locations with qualified people who want to stay with the company for a long time and manage the transition from working life to retirement well for all concerned.

We actively address the entrepreneurial challenges and social needs, which is why the topic of attracting staff is coordinated and implemented at the top management level and in cooperation with the HR departments. The search for qualified and suitable staff for vacant positions takes place both internally and externally.

The local plant managers and HR departments are responsible for hiring new staff. They draw up a plan and a list of all positions that will have to be filled in the near future and carry out regular assessments as to whether positions can be filled internally or need to be advertised externally.

We want our existing staff and new employees to feel at home in our company. This also applies to employees who will soon leave the company because of their age. They are given the opportunity to pass on their knowledge to the next generation in order to induct the new colleagues extensively and at an early stage. This way, we want to ensure a good transition and knowledge transfer for all concerned.

We also support our existing staff in further improving their skills and offer them opportunities for further development within the Group.

Suggestions, proposals for improvement or complaints may be communicated to the respective HR department or the shop stewards and the Works Council in person, by e-mail or via the mailbox.

**Increasing attractiveness and awareness**

To increase awareness of our company also outside our line of industry, our HR departments are working hard to make Homann Holzwerkstoffe Group better known among young people. Cooperation with schools, universities and the local Chamber of Industry and Commerce helps to make young people aware of Homann Holzwerkstoffe as a potential future employer. We organize training days and family days to introduce young people to the world of work. They also have the possibility to get to know the company from inside during a holiday job, for instance. In doing so, the HR departments often take new and creative approaches and plan online and offline events and activities that are covered by print and online media.

**Exchange with the Technical University of Koszalin**

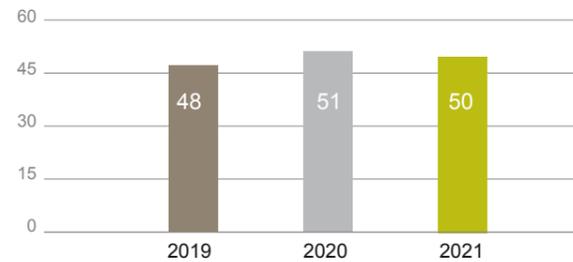
Since last year, we have cooperated with the Office for Career and Education Promotion of the Technical University of Koszalin, Poland. The office is involved in the promotion of study programmes, the recruitment and professional development activities for students and graduates and their preparation for the labour market. As part of the cooperation, a Homanit corporate film was published and the company was presented to the students.

**Investing in the future**

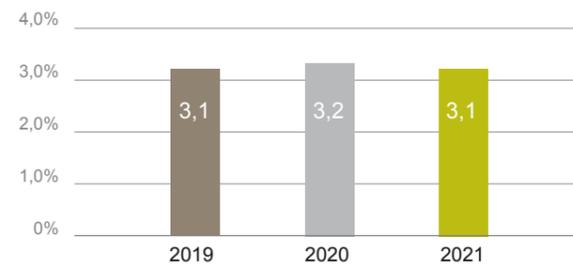
In 2021, an average of 50 apprentices were employed at Homann Holzwerkstoffe, which represents 3.1% of the total workforce; we want to consistently increase this percentage in the coming years. Every apprentice receives a detailed training plan at the start, which is designed to ensure a comprehensive apprenticeship.

In addition, we organize various internal further education and training measures for our apprentices in Losheim in cooperation with our Herzberg site. We also offer a variety of internships, e.g. in logistics, wood engineering, electrical engineering or mechanics. In cooperation with the DHBW Mosbach, we also offer a dual study programme for wood engineering at the Losheim site.

**Number of apprentices Homann Holzwerkstoffe**



**Apprenticeship training rate Homann Holzwerkstoffe**



**Apprenticeships available to all genders**

**Losheim:**

- Electronics technician
- Industrial clerk
- Industrial mechanic
- Machine and plant operator (as of summer 2022)

**Herzberg:**

- Office management assistant

**Karlino:**

- Mechanic for woodworking machines
- Advanced training for mechatronics technicians
- Advanced training for IT technicians

**Krosno:**

- Advanced training for IT technicians

**Homatech:**

- Mechanic
- Electrician
- Electronics technician for automation technology

GRI 102-8  
GRI 404-2

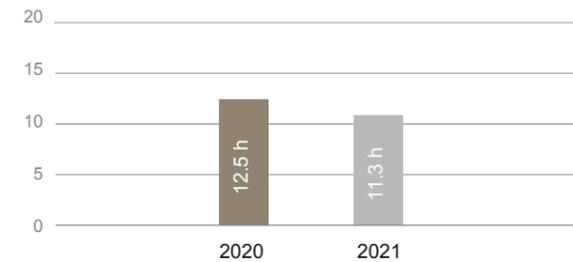
With sustainable products, forward-looking corporate management and attractive apprenticeships, we can and want to attract young talent, but also retain the existing staff in the company. We therefore attach great importance to the training and further education of our employees. In 2021, training and further education hours per employee amounted to 11.3. Due to the COVID-19 pandemic, which made certain physical training sessions impossible, this was below the prior year level, but will be actively increased again next year.

Employees are encouraged to upgrade their skills and receive effective internal and external training. We offer various opportunities for further education which are tailored to the needs of our employees. These include specialized training in trades, engineering and administration. A focus is also placed on safety, with regular seminars held in the first-aid groups as well as drills at the internal plant firefighters.

**Outlook**

To master the upcoming generational change, we want to intensify the training and further education of our employees in the coming years. We aim to increase the share of apprentices to 5% and to raise the training and further education hours per employee to 25 hours per year by 2026. We have therefore set ourselves the following interim goals for 2022 and 2023: We will expand our training offerings and will offer an additional apprenticeship for machine and plant operators at our location in Losheim as of summer 2022.

**Training and further education hours per employee**



GRI 404-1  
GRI 404-2

Field of action 2:

# ***We face up to the challenges***

*Economic actors are faced with a multitude of complex challenges such as climate protection, digitalization and the procurement of the raw materials they need. We want to address these issues pro-actively.*

## Field of action 2: We face up to the challenges

Economic actors are faced with a multitude of complex challenges such as climate protection, digitalization and the procurement of the raw materials they need. We want to address these issues pro-actively. Our aim is to further automate our production in order to operate sustainably and efficiently and to remain attractive to our employees and our customers. We

want to do our part for a clean world of tomorrow and are therefore working flat out to reduce our emissions and make greater use of renewable energy.

With regard to our field of action **“We face up to the challenges”**, our goals are consistent with the following UN Sustainable Development Goals (SDGs):

**7**  
AFFORDABLE AND  
CLEAN ENERGY



**Goal 7 – Affordable and clean energy**

Homann Holzwerkstoffe takes responsibility. Through extensive investments in the modernization of our locations and the installation of biomass boilers as well as planned investments in the generation of our own electricity, we are covering an ever greater share of our energy requirements from renewable sources.

**9**  
INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**Goal 9 – Industry, innovation and infrastructure**

We rely on intelligent work processes and are successively automating our production. This results in efficiency increases and an improvement or consistently high quality of our products.

**13**  
CLIMATE  
ACTION



**Goal 13 – Climate action**

We want to significantly reduce our emissions, thus serving as a role model for other manufacturing companies. To reduce our environmental impact, we are using new technologies and will gradually replace our coal and gas power plants.

## Summary of our goals

Goals	Deadline	Measures taken and planned
Reduce Scope 1 and 2 CO <sub>2</sub> -e emissions per cubic metre of HDF by 65%	By 2030	<ul style="list-style-type: none"> <li>• New filter technology in Krosno</li> <li>• Installation of state-of-the-art measurement technology in Karlino</li> <li>• Replacement of the coal boiler in Krosno by a biomass boiler</li> <li>• Replacement of the gas-fired burner in Karlino</li> </ul>
Increase the share of renewables in electricity consumption to 70%	By 2030	<ul style="list-style-type: none"> <li>• Photovoltaic system in Losheim from 2024</li> <li>• Self-generation of electricity in Karlino from 2024</li> </ul>

## Automated production

Automated processes are becoming more and more important, and independently running work steps play a major role in production at Homann Holzwerkstoffe already today. They not only result in noticeable efficiency increases but also have a positive effect on the health of our employees. In their daily work on the machines, our employees are faced with health challenges and physical strain. Climatic factors such as heat and cold, the lifting of heavy materials or frequently recurring movements can have a negative impact on their health. These impacts can be minimized and the probability of accidents can be reduced by automating our production. Reducing manual efforts also frees up personnel resources that are needed elsewhere – an important aspect against the background of the shortage of skilled labour across all lines of industry.

By restructuring our production, we can hence not only improve the working conditions of our employees and thus make jobs more attractive, but also ensure an even higher quality of our products by standardising work steps. This is an important aspect for long-term customer satisfaction.

### Our strategic approach

Homann Holzwerkstoffe Group has the clear ambition to constantly improve itself and to deliver products of the highest quality. We ensure this, for instance, by automating our production, which helps to optimize work processes, reduce energy consumption and waste volumes and minimize the environmental impact. The automation of our production also has a decisive influence on the competition for labour, as it increases work comfort and can thus give us a competitive edge.

We are taking various measures to successively automate production throughout the Group. The management of Homann Holzwerkstoffe Group decides individually at which locations process steps are to be automated and makes the required resources available. This is done in close consultation with the

management of the respective plant and the corresponding specialist departments. The latter are already ensuring transparency within technical controlling by providing extensive data records on consumption, scrap quantities, quality criteria and accident statistics. An analysis of the data shows where improvements can be made.

### Successive investments – also in 2021

Homann Holzwerkstoffe invested in the automation of further processing steps at the Karlino site, which allowed the number of production steps to be reduced. In addition, measures to increase efficiency in the packaging area were implemented in Karlino. At the Krosno plant, the quality of our wooden fibreboards was further improved through the acquisition of modern technology. This also resulted in a reduction of our paint and waste volumes.

### Outlook

In the coming years, we will modernize the Losheim site and push ahead automation across all plants. This includes the constant optimization of production starts, the gradual expansion of the share of electric forklifts and the installation of further tables for measuring components.

## Reducing emissions

Climate change is one of the key global challenges facing humanity. Each and every individual can make a contribution. We at Homann Holzwerkstoffe also have a duty to take action and have decided to reduce our emissions noticeably. In view of ever-increasing environmental regulations and the clear expectations of our stakeholders, we must rapidly move towards carbon neutrality. This means that we are confronted with the replacement of our coal and gas power plants at the Polish sites, the conversion during ongoing operation and the corresponding renewal costs. In Karlino, gas consumption is to be reduced by generating sustainable thermal energy in a biomass boiler instead of using natural gas as before.

As we are working with the valuable resource of wood, sustainability is a matter of course for us. Due to the growing scarcity of raw materials and the enormous environmental problems caused by industrial production, the issue of sustainability is becoming more and more important in society. Our customers also demand constantly improving sustainability performance from us, which must be in line with our economic performance.

Besides our own stance and our own convictions, it is simply a matter of ensuring our social acceptance and enabling family-owned Homann Holzwerkstoffe and its employees to move into the next generation.

### Our strategic approach

Respecting the environment has always been a firmly anchored principle of our corporate philosophy. We are aware that big manufacturing companies have a negative impact on the environment through their emissions and therefore want to set a good example by reducing our emissions noticeably. Responsibility for this issue and for making available the required resources lies with the top management. There is a regular exchange at management meetings, where long-term goals and measures are also defined. The local energy departments then implement the respective measures at their sites.

Emission values and consumption data are continuously recorded at all sites. In addition, the locations have an energy management system, which is certified to ISO 50.001 in Losheim and Karlino, and which is regularly audited. In Losheim, CO<sub>2</sub> emissions are

moreover verified by an independent expert within the framework of the European emissions trading system. In Krosno, there is a close exchange with the authorities, which are informed about measures implemented and energy savings. Due to our structured organization, we have a clear picture of the emissions caused by us. This enabled us to identify particularly energy-intensive processes. To achieve the greatest possible impact, management is currently focusing on improving these very processes and pushing for energy savings in the respective areas.

### State-of-the-art technology for more environmental protection

Homann Holzwerkstoffe has already initiated various measures to sustainably reduce its emissions. At the Losheim site, emission values are already at a low level, as this location mainly uses biomass for heating. The biomass boiler in Losheim has been in use for many years, which has significantly reduced the use of fossil fuels at the site.

Currently, the Group is focusing on reducing emission values in particular at its Polish plants, where they are still comparatively high. New energy systems are to be installed here, too, in the near future. New filter technology was installed in Krosno in the financial year 2021. This was done to minimize the emission of pollutants, while at the same time achieving maximum effectiveness. Investments were also made in Karlino, where the installation of state-of-the-art measuring technology permits the precise recording of carbon and nitrogen oxide emissions to proactively take countermeasures. In addition, automation processes are currently used to reduce the number of old diesel and gas forklifts across all plants and replace them by electric forklifts. Moreover, electricity savings were achieved at all locations by replacing conventional light sources by LED lamps.

GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 305-5

### Regional sourcing of raw materials

When sourcing raw materials, we generally pay attention to an effective and low-emission procurement process. We strive to source raw materials locally, which is why we primarily cooperate with regional forestry operations close to our plants. More detailed information on the procurement of wood is provided in the chapter “We deliver performance” (starting on p. 40).

### Direct (Scope 1) GHG emissions

Direct emissions (tons CO <sub>2</sub> -e net)	2019	2020	2021
<b>Total</b>	<b>62,175</b>	<b>54,910</b>	<b>60,243</b>

### Energy-related indirect (Scope 2) GHG emissions

Indirect emissions (tons CO <sub>2</sub> -e net)	2019	2020	2021
<b>Total</b>	<b>145,979</b>	<b>132,667</b>	<b>145,457</b>

### GHG emissions intensity (Scope 1 and 2)

Specific amount of CO <sub>2</sub> (tons CO <sub>2</sub> net / m <sup>3</sup> )	2019	2020	2021
<b>Total</b>	<b>0.2851</b>	<b>0.2726</b>	<b>0.2750</b>

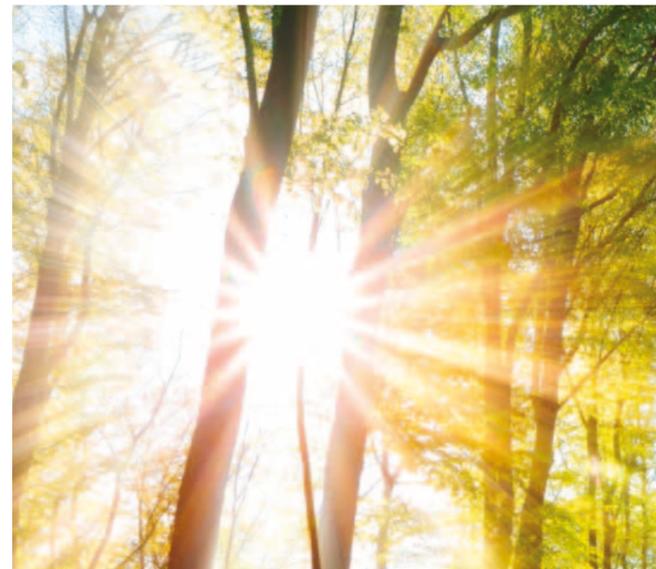
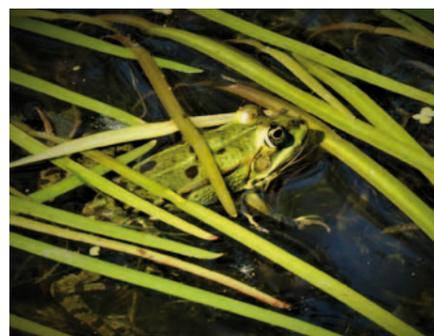
### Outlook

The main goal of Homann Holzwerkstoffe Group is to reduce Scope 1 and Scope 2 CO<sub>2</sub> emissions per cubic metre of HDF by 65% by 2030. We are currently planning to replace the coal power plant in Krosno by a biomass plant, which is scheduled to go into operation in the winter of 2022/2023. In addition, the certification of the energy management system in Krosno is being prepared. In Karlino, we expect to replace the gas firing and generate our own electricity from 2024. Moreover, we plan to record part of the Scope 3 emissions and include the procurement process in the future. The aim is to calculate our carbon footprint in accordance with the relevant standards.

GRI 305-1  
GRI 305-2  
GRI 305-4



*As Homann Holzwerkstoffe, we want to proactively contribute to the energy transition and take responsibility for our daily actions.*



## Using renewable energy

Renewable energy sources play a key role in the energy transition. Besides energy-efficient operations, they are the critical levers for us as a company to do our part for a clean world of tomorrow. We have to find a balance between our own aspiration to produce in an environmentally friendly way and the requirements of our customers. In this context, we have to consider the increasingly strict environmental regulations and laws on the one hand, and our existing energy requirements as well as the currently high energy costs, also for electricity, on the other hand.

Homann Holzwerkstoffe is convinced that reducing the environmental impact is a priority. This is why we strive for environmentally friendly energy generation at all production sites and are increasingly investing in renewables. In particular, we want to increase the share of renewables in our electricity consumption. This conversion takes time and entails costs.

### Our strategic approach

Homann Holzwerkstoffe wants to proactively contribute to the energy transition and takes responsibility for its daily actions. This includes continuously minimizing the use of fossil fuels and using renewable energy sources. To this end, we are modernizing the energy supply at our locations. In addition to new boilers, we will invest in the self-generation of electricity.

Due to the high energy requirements and the high investments associated with the conversion, the top management of Homann Holzwerkstoffe is responsible for the related plans and approvals. Projects are implemented in close consultation with the managers responsible for the respective plant and with the specialist departments. In addition, regular energy reports are compiled and data on energy consumption and emissions are continuously collected.

### Greater energy efficiency at the locations

In the past, numerous measures were already taken to operate in a more energy-efficient manner and to make increasing use of renewable energy sources. In Karlino, a steam recovery system permits heat savings by reducing steam consumption in preheating processes. The renewal of the air heaters and the installation of a weather control system in the central heating system have also led to heat savings. With regard to compressed air, we have improved energy efficiency by replacing devices, constantly monitoring compressed air volumes and aiming to improve the

distribution of compressed air in the network and at other compressors. In addition, we continuously save cooling water thanks to the modernization of the cooling station. The insulation of older buildings has been improved. As a result, we have achieved our targets for 2021 by more than 90% according to the energy management audit in Karlino, and we have submitted the various projects to the Energy Regulatory Office (ERO) in Poland at the end of 2021 to obtain the corresponding energy efficiency certificates.

To save energy, we also modified the extraction system of the saws at our location in the Saarland. Additional projects such as the reduction of the compressed air consumption of the sanding plant or the modernization of the wastewater treatment plant by replacing a compressor reduced the specific energy requirement in the previous year.

### Outlook

The company's goal is to increase the share of renewables in its electricity consumption to 70% by 2030. To this end, various measures are already planned at all locations. In Losheim, for example, it is planned to install a new photovoltaic system on an area of several 10,000 square metres.

GRI 103-1  
GRI 103-2  
GRI 103-3

Field of action 3:

# ***We deliver performance***

*At Homann Holzwerkstoffe, we are committed to operating successfully and sustainably. We continuously deliver performance to our customers, partners and investors. As the market leader for thin wooden fibreboards, we have grown profitably over the past years, have proven our competitiveness and have kept our promise of delivering a high service quality.*

## Field of action 3: We deliver performance

At Homann Holzwerkstoffe, we are committed to operating successfully and sustainably. We continuously deliver performance to our customers, partners and investors. As the market leader for thin wooden fibreboards, we have grown profitably over the past years, have proven our competitiveness and have kept our promise of delivering a high service quality. However, we do not want to rest on our achievements, but we strive to improve continuously. We take the demands of the next generation regarding a mindful use of our

natural resources and the preservation of our forests as well as the demands of our customers regarding continued innovation seriously. This encourages us to continue working on ourselves and to set ourselves ambitious goals.

With regard to our field of action **“We deliver performance”**, our goals are consistent with the following UN Sustainable Development Goals (SDGs):

**9**  
INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**Goal 9 – Industry, innovation and infrastructure**

In our in-house technology centre and together with our customers, we are continuously working on innovations and product improvements, attaching great importance to a sustainable approach.

**12**  
RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**Goal 12 – Sustainable consumption and production and Goal 15 – Life on land**

We pay special attention and great respect to nature. For the production of our wooden fibreboards, we rely primarily on residual wood from sawmills and thinning wood from sustainably managed forests and we want to increase the share of recycled fibres in our products noticeably over the next years. We cooperate with regional forestry operations to ensure a low-emission procurement process.

**15**  
LIFE  
ON LAND



## Summary of our goals

Goals	Deadline	Measures taken and planned
Increase the share of recycled fibres in the product to up to 15%	By 2030	<ul style="list-style-type: none"> <li>Participate in a four-year research project on the use of recycled wood in the fibreboard industry (EcoReFibre)</li> </ul>
Increase the share of bio-based adhesives across all paints used to 50%	By 2030	<ul style="list-style-type: none"> <li>The development work required for this envisages a first implementation step in mid-2023, by which 5% of the paint adhesives will have been converted to bio-based raw materials</li> </ul>

## High cost-effectiveness, efficiency and competitiveness

High cost-effectiveness and efficiency are not only indispensable for success, but also closely linked to a company's sustainability efforts, because only an economically sound and competitive company will be able to optimally prepare itself for upcoming challenges.

In the industry in which Homann Holzwerkstoffe Group operates, these challenges currently manifest themselves above all in the availability and price trend of resources. Against the background of the tense raw material situation, keeping prices in conformity with the market is a challenge. What is more, the Group must prepare itself for changes in what has been a favourable interest rate environment to date and also expect increasing exchange rate risks as a result of current developments. In addition, sustainability requirements are imposed on the company by various stakeholders, such as new laws, changing financing options that take sustainability criteria into account or growing customer demand for sustainable products.

Against the background of these challenges, Homann Holzwerkstoffe Group benefits from the good market position and competitiveness it has built up over decades. Good and long-term business relationships with customers, suppliers and banks provide a stable basis on which to continue the Group's sustainable growth and take advantage of opportunities that arise, e.g. from our customers' high demand due to increased online trading and the trend towards working from home, home schooling and home cooking.

### Our strategic approach

*Our values – quality, reliability, responsibility, trust and economic efficiency – are critical to our culture and, hence, to our success.*

The high quality of our products and services is a matter of course for us. All three plants of the Group are certified according to the ISO 9001 quality management standard, and the quality of our products is continuously checked by our Quality Assurance department.

To live up to our service standards, we have to constantly adapt to new situations and external influences. For example, last year's good order situation, combined with raw material shortages, resulted in longer delivery times, which had to be managed and optimized. By handling the situation well, we were able to further enhance our reputation with our stakeholders and build additional trust.

GRI 103-1  
GRI 103-2  
GRI 103-3  
GRI 102-16

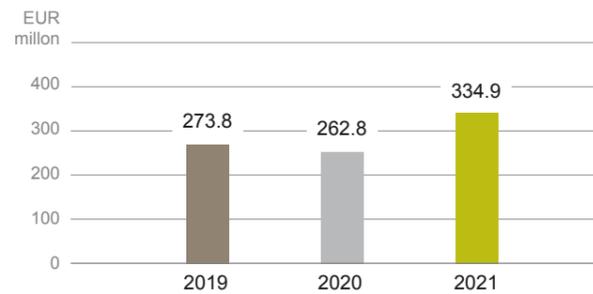
Innovation is the responsibility of the Technology Department, which takes care of existing and new products in ongoing production together with the respective specialist departments. New products and raw materials as well as innovative process technologies are also tested in our in-house technology centre together with our customers and in line with their needs.

Important decisions about new projects and investments are made by the management of Homann Holzwerkstoffe GmbH. For this, all relevant data are first compiled and a total budget is set, which must be approved by the management. The implementation of approved projects is then handed over to the corresponding departmental management team, which supports the project. In its annual reports, half-year reports and press releases, the company regularly informs its stakeholders and, above all, its investors about the operational and economic performance of the Group. As of this year, the public relations work will also comprise an annual Sustainability Report.

**Triad of cost-effectiveness, financing and investment**

In the past financial year, Homann Holzwerkstoffe performed well and was able to continue its stable growth in the challenging environment caused by the pandemic. A solid order backlog and good utilization of production capacities led to a noticeable increase in revenues to EUR 334.9 million. Despite higher prices for input materials, a margin improvement was achieved.

**Revenues**



In addition, Homann Holzwerkstoffe GmbH put its medium-term financing situation on a solid footing by issuing its third corporate bond 2021/2026 (target volume of EUR 65 million, topped up to EUR 78 million). The company's external financing capacity and very good cash position also contribute to its success. In the financial year 2021, the Group also made important investments in the future, initiating the construction of the fourth Homann Holzwerkstoffe plant in Pagirai, Lithuania, and announcing extensive investments in the modernization of the Losheim site.

**Outlook**

Our new location in Lithuania is an important milestone in our economic development and in securing our competitive position. Our goal is to complete the main construction work for our new plant by the winter of 2022, so that the first HDF/MDF boards can be produced in spring 2023. In addition, the Losheim site will be modernized over the next few years. The Krosno site is to become more efficient and, above all, more sustainable by replacing the coal power plant by a biomass boiler by the winter of 2022/2023.

**High service quality**

Maintaining high service quality requires the commitment of Homann Holzwerkstoffe's employees every single day as well as good and intensive cooperation with suppliers and customers to prepare for challenges such as material shortages and delivery bottlenecks and meet customers' growing demands and needs. As face-to-face customer contacts have generally declined due to the pandemic and a growing number of workflows in order processing is digitalized and automated, the flexibility and adaptability of our employees is being put to the test time and again. The company's task in this context is to provide orientation and to support all employees in this transformation process.

The company can rely on well-trained and qualified employees, most of whom have been with the company for many years. As a leader in the niche market of furniture back panels and door skins, Homann Holzwerkstoffe can flexibly meet special customer requests regarding the products and their packaging.

**Our strategic approach**

For Homann Holzwerkstoffe, the quality of its products as well as its services are the most important instruments to generate a positive influence on customer retention and the Group's market position. By acting responsibly, we want to win the trust of customers and business partners, continuously expand it and maintain it in the long term. The regular, individual exchange between our customers and their clearly assigned contact persons and with our field service is essential.

To manage service quality, management defines responsibilities and allocates the required resources. The sales management is closely involved in customer communication at the operational level in order to identify challenges as early as possible and take appropriate countermeasures. Homann Holzwerkstoffe's customers address all inquiries, including complaints, cancellations and returns, directly to their personal contact person and receive a response from them after internal processing.

With regard to the digitalization of customer service processes, Homann Holzwerkstoffe Group is guided by the standards within the supply chain and the industry. In this context, our customers' wishes and requirements are critical. The company responds to the changes brought about by increasing digitalization by providing further education and training to prepare its employees for the adapted digital processes.

**No restrictions due to COVID-19**

Even though the COVID-19 pandemic often made face-to-face contact with our customers impossible in 2021, we liaised with them via telephone and video conferences. In this challenging situation, we were able to fulfil orders and customer requests across our plants thanks to the good performance of our sales teams and the well-coordinated compliance with deadlines of the work preparation departments as well as the cooperation between the German and Polish production departments, which ultimately resulted in the above-mentioned increase in revenues in the financial year 2021.

**Outlook**

The measures taken to date have enabled us to continuously offer our customers a high service quality, which is also reflected in the satisfaction of our customers. We will continue on this route going forward and meet the wishes of our customers even more effectively by offering new, sustainable products.

## Procurement of wood and use of recycled wood

Homann Holzwerkstoffe Group's commitment to efficient and sustainable operations shapes the entire production process and begins with procurement. The company relies on long-term supplier relationships, some of which date back to its founding days. The trusting partnerships with our suppliers enable a continuous, constructive exchange of experience and ensure the supply of wood, a precious raw material.

This is particularly beneficial in the current situation, where sharply rising raw material prices and the reduced availability of raw materials are making themselves felt in wood procurement. This is plausible in so far as wood is a valuable natural product whose availability can vary enormously not least due to fluctuating quantities of fallen wood, pest infestation and extreme weather events. In addition, stricter regulations imposed by policy-makers are leading to a decline in forestry areas. Growing demand is another reason for rising wood prices. This resource is, in fact, suited for a very wide range of material and thermal uses. It is used, for example, as a building material (New Green Deal / New Bauhaus) or as a bridging resource to renewable energy sources.

### Our strategic approach

To conserve resources, Homann Holzwerkstoffe purchases primarily residual wood from sawmills and thinning wood from sustainably managed forests for the production of its wooden fibreboards. In contrast, we do not use wood from illegal logging/overexploitation, wood from forests where civil or traditional rights are violated, wood from high conservation value forests, wood from genetically modified trees and wood from natural forest clearance.

To ensure a reliable, effective and low-emission procurement process, Homann Holzwerkstoffe Group primarily cooperates with regional forestry operations close to its plants. The average procurement radius for all locations is about 140 km.

In this context, the company relies on clear principles and pursues high environmental standards. Responsibility for the procurement processes lies with the Wood Purchasing and Technical Purchasing Department. For the ongoing monitoring of the processes, monthly purchasing reports are prepared for the management, which regularly exchanges information on current developments and decides on overarching measures. These measures are implemented by the Wood Purchasing and Technical Purchasing Department and other specialist departments concerned.

### Customers want sustainability

As sustainable products and awareness for them are increasing in society, Homann Holzwerkstoffe's environmentally friendly approach strikes a chord with the times. FSC®/PEFC certificates can be provided if requested by the customer.

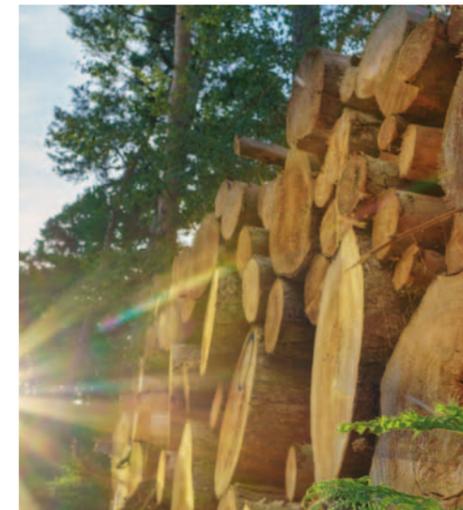
In addition, the company is pushing ahead with the issue of wood recycling. In connection with this technological process, which is not yet widely used in the European wooden fibreboard industry, the company is primarily addressing the following challenges: To be able to reuse recycled wood, the structure of the wood must not be destroyed in the recycling process and the wood must be carefully separated from impurities. Tests with recycled fibres from fibreboard residues were carried out at all three locations in 2021.

### Outlook

The goal is to increase the share of recycled fibres in the product to up to 15% by 2030. The technology required for this still needs to be developed. Homanit is actively involved in the development of suitable machines and processes. Further laboratory and production tests as part of the joint European "EcoReFibre" project are planned for the years 2022 to 2026. This project is funded by the EU within the framework of the "Horizon Europe" programme.



*Homann Holzwerkstoffe Group's claim to operate efficiently and sustainably runs through the entire production process and begins with procurement.*



GRI 103-1 GRI 102-9  
GRI 103-2 GRI 102-11  
GRI 103-3

## Innovation

The continuous further development of products and the development of innovations is part of Homann Holzwerkstoffe's DNA. By continuously analysing and implementing technical innovations in areas characterized by high consumption of natural resources (e.g. wood fibres), the Group not only strengthens its future viability, but also makes an active contribution to conserving wood, a resource that is in high demand. Other environmental impacts can be reduced by minimizing noise, dust and waste.

The development of sustainable products (e.g. by using bio-based adhesives in paints) also offers the opportunity to generate additional market shares and thus position ourselves not only as a responsible supplier but also as a forward-looking and attractive employer. An important aspect in this context is the exchange across departments of different locations as well as the cooperation with external knowledge carriers such as mechanical engineers, universities, customers and suppliers.

As a recognized specialist in the field of thin MDF/HDF boards, Homann Holzwerkstoffe Group has established a good market position to drive innovative products through targeted investments.

### Our strategic approach

The quality of the products as well as positive results of our actions are indispensable prerequisites for the future of our company.

Homann Holzwerkstoffe wants to promote open exchange at all levels of the company, which is why all employees have the opportunity to contribute their ideas and suggest innovations. The decision which of the approaches suggested by the workforce will be pursued is made by the top management, which also releases the corresponding resources and is in close consultation with the plant managers and the corresponding specialist departments, especially the Purchasing Department, the Technical Office and the Technology Department.

When new innovation projects are initiated, the responsible specialist department informs the management about the current project status and the corresponding responsibilities. This regular and intensive exchange permits to identify and resolve difficulties within individual projects at an early stage.

Depending on the project, the project managers also maintain a close exchange of information – in person, by telephone or via video conference – with mechanical engineers, suppliers and customers.

### Driving innovation

To drive the development of innovations within Homann Holzwerkstoffe Group, a cross-locational technology centre with numerous units for manufacturing and finishing thin MDF and HDF boards was built at the end of 2020. These units enable us to simulate and optimize a large number of expected process steps. The possibility to produce prototypes increases the proximity to the user and positions Homann Holzwerkstoffe as a problem solver.

#### Our cross-locational technology centre comprises

- units for manufacturing and finishing thin MDF/HDF boards,
- the production of prototypes,
- a test room for standard tests and
- climate chambers for standard-compliant door testing in cooperation with the Institut für Fenstertechnik Rosenheim (ift) for internal developments and as a service for customers in the door industry.

GRI 103-1  
GRI 103-2  
GRI 103-3

In addition, the Group significantly improved the quality of its fibreboards in 2021 through the use of a modern spray system for applying the release agent. In the area of painting, a process for the continuous measurement of paint consumption was successfully implemented and the complete emptying of paint containers was optimized.

Moreover, the company cooperated with the Chair of Lightweight Construction Systems at Saarland University and with experienced mechanical engineers to develop an innovative product in the framework of the BENHoLei project for the cross-industry development and use of wood-fibre-based, resource-saving lightweight construction elements. The project will continue until production of the prototype and is funded by the Federal Ministry for Economic Affairs and Climate Action.

### Outlook

Our goal is to increase the share of bio-based adhesives across all paints used to 50% by 2030. The development work required for this envisages a first implementation step in mid-2023, by which 5% of the paint adhesives will have been converted to bio-based raw materials.

## Facts and figures

### CORPORATE INFORMATION

#### Controlling entities with own budget (GRI 102-4)

As some of the data below refer to the main production operations, they are presented broken down by administrative area. All listed production operations are controlling entities with their own budget.

No.	Controlling entity	Production	Other activities
<b>Germany</b>			
1	Homann Holzwerkstoffe GmbH, München		Administrative headquarters
2	Homanit GmbH & Co. KG, Losheim	1	
3	Homanit GmbH & Co. KG, Herzberg		Central distribution
<b>Poland</b>			
4	Homanit Krosno Odrzańskie Sp. z o.o., Krosno	1	
5	Homanit Polska Sp. z o.o. i. Spolka Sp. k., Karlino	1	
6	Homatrans Sp. z o.o., Karlino		Transport company
7	Homatech Polska Sp. z o.o., Karlino		Maintenance and service company
<b>France</b>			
8	Homanit S.A.R.L., Schiltigheim		Distribution
<b>Lithuania</b>			
9	UAB Homanit Lietuva, Pagiriai	(1)	4th plant as of the beginning of 2023
		<b>3</b>	

#### Scale of the organization (GRI 102-7)

Number	2019	2020	2021
Total number of employees*	1,553	1,590	1,591
Average number of white-collar workers**	357	331	345
Average number of blue-collar workers**	1,127	1,184	1,225
Average total number of employees**	1,484	1,515	1,570
Operations / Companies***	8	8	8
Plants	3	3	3

\* Data as of December 31 of each year, figures exclude management and school students, interns and student trainees

\*\* Data from annual reports

\*\*\* Homann Holzwerkstoffe GmbH, Munich, Homanit GmbH & Co. KG, Losheim, Homanit Krosno Odrzańskie Sp. z o.o., Krosno, Homanit Polska Sp. z o.o. i. Spolka Sp. k., Karlino, Homanit S.A.R.L., Schiltigheim; Homatrans Sp. z o.o., Karlino, Homatech Polska Sp. z o.o., Karlino, UAB Homanit Lietuva

in kEUR	2019	2020	2021
Group revenues	273,772	262,820	334,900
Total assets	246,060	310,078	375,623
Equity	45,056	57,901	107,263
Liabilities	191,862	242,016	249,649

#### Economic performance (GRI 201)

##### Direct economic value generated and distributed (GRI 201-1)

in kEUR*	2019	2020	2021
Revenues	273,772	262,820	334,900
Increase/reduction in inventory of finished and unfinished goods	1,084	-5,530	470
Other own work capitalized	1,019	593	1,125
Other operating income	5,482	5,049	9,464
Other interest and similar income	929	70	533
<b>Direct economic value generated*</b>	<b>282,286</b>	<b>263,002</b>	<b>346,492</b>
Cost of materials	151,216	132,087	165,691
Expenses for personnel	42,880	42,868	50,580
Depreciation and amortization	16,300	16,070	21,037
Other operating expenses	39,646	43,739	46,793
Write-down of financial investments and investments classified as current assets	15	1,020	82
Interest and similar expenditure	7,194	6,868	10,404
Income taxes	3,019	1,216	3,167
<b>Economic value distributed**</b>	<b>260,270</b>	<b>243,868</b>	<b>297,754</b>
<b>Economic value retained***</b>	<b>22,016</b>	<b>19,134</b>	<b>48,738</b>

\* P&L figures

\*\* On an accrual basis, economic value generated and distributed (EVG&D), including the basic components of the operation's global business as listed below. Where cash basis data are provided, the rationale for this decision must be explained, and the following basic components must be reported.

\*\*\* Operating costs, employee wages and company benefits, payments to capital providers, payments to the government (broken down by country), and community investment

## COMPLIANCE &amp; VALUES

**Anit-corruption** (GRI 205)**Confirmed incidents of corruption and actions taken** (GRI 205-3)

Number	2019	2020	2021
Total number and type of confirmed incidents of corruption	0	0	0
Total number of confirmed incidents in which employees were dismissed or given warnings due to corruption	0	0	0
Total number of confirmed incidents in which contracts with business partners were terminated or not renewed due to corruption-related violations	0	0	0
Public lawsuits related to corruption initiated against the organization or its employees during the reporting period, as well as the results of these lawsuits	0	0	0

**Anti-competitive behavior** (GRI 206)**Legal actions for anti-competitive behavior, anti-trust, and monopoly practices** (GRI 206-1)

Number	2019	2020	2021
Legal actions for anti-competitive behavior	0	0	0
Legal actions for anti-trust practices	0	0	0
Legal actions for monopoly practices	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Environmental Compliance** (GRI 307)**Non-compliance with environmental laws and regulations** (GRI 307-1)

	2019	2020	2021
Total value of significant fines ( <i>in EUR millions</i> )	0	0	0
Total number of non-monetary sanctions ( <i>number</i> )	0	0	0
Total number of cases brought through dispute resolution mechanisms ( <i>number</i> )	0	0	0

**Non-discrimination** (GRI 406)**Incidents of discrimination and corrective actions taken** (GRI 406-1)

	2019	2020	2021
Incidents of discrimination ( <i>number</i> )	0	0	0

**Customer health and safety** (GRI 416)**Assessment of the health and safety impacts of product and service categories** (GRI 416-1)**Formaldehyde monitoring:**

Our products fall clearly below the legally required formaldehyde limits (emission class E1).

Most of our products also meet the requirements of IOS-MAT 0003 and CARB Phase 2. Permanent monitoring of all quality parameters in our own laboratories and regular remote monitoring by external institutes guarantee consistently high quality standards.

**Quality management:**

Ensuring consistently high quality is an essential part of our corporate philosophy.

HOMANIT was certified to quality management standard DIN EN ISO 9001 as early as 1995. Needless to say, our plants are today certified to the current ISO 9001:2015 standard.

**Incidents of non-compliance concerning the health and safety impacts of products and services** (GRI 416-2)

	2019	2020	2021
Incidents of non-compliance concerning the health and safety impacts of products and services ( <i>number</i> )	0	0	0

**Marketing and labeling** (GRI 417)**Requirements for product and service information and labeling** (GRI 417-1)

We comply with the applicable national and international standards on product labeling.

**Incidents of non-compliance concerning product and service information and labeling** (GRI 417-2)

	2019	2020	2021
Incidents of non-compliance concerning product and service information and labeling ( <i>number</i> )	0	0	0

**Incidents of non-compliance concerning marketing and communications** (GRI 417-3)

Number	2019	2020	2021
Incidents of non-compliance concerning marketing and communications ( <i>number</i> )	0	0	0

**Customer privacy** (GRI 418)**Substantiated complaints concerning breaches of customer privacy and losses of customer data** (GRI 418-1)

Number	2019	2020	2021
Complaints concerning breaches of customer privacy and losses of customer data ( <i>number</i> )	0	0	0

**Socioeconomic compliance** (GRI 419)**Non-compliance with laws and regulations in the social and economic area** (GRI 419-1)

	2019	2020	2021
Total value of significant fines ( <i>in EUR millions</i> )	0	0	0
Total number of non-monetary sanctions ( <i>number</i> )	0	0	0
Total number of cases brought through dispute resolution mechanisms ( <i>number</i> )	0	0	0

**EMPLOYEES AND SAFETY****Information on employees and other workers** (GRI 102-8)

The „number of employees“ approach was taken as the total number. All employees including vocational academy students, excluding management, working students, temporary workers / agency workers and interns were counted.

**i. By employment contract and gender**

Number	2019	2020	2021
Male	1,217	1,240	1,245
Permanent employment contract	1,019	1,050	1,016
Temporary employment contract	198	190	229
Female	336	350	346
Permanent employment contract	263	283	282
Temporary employment contract	73	67	64
<b>Total</b>	<b>1,553</b>	<b>1,590</b>	<b>1,591</b>

Excluding the management.

**ii. By employment contract and administrative area**

Number at the sites	2019	2020	2021
Germany	322	322	334
Permanent employment contract	306	307	313
Temporary employment contract	16	15	21
Poland	1,231	1,268	1,257
Permanent employment contract	976	1,026	985
Temporary employment contract	255	242	272
<b>Total</b>	<b>1,553</b>	<b>1,590</b>	<b>1,591</b>

Excluding the management.

**iii. By employment relationship and gender**

Number	2019	2020	2021
Male	1,217	1,240	1,245
Full-time	1,215	1,238	1,241
Part-time	2	2	4
Female	336	350	346
Full-time	329	340	334
Part-time	7	10	12
<b>Total</b>	<b>1,553</b>	<b>1,590</b>	<b>1,591</b>

Excluding the management.

## iv. With disability

Number	2019	2020	2021
Employees with disabilities	15	16	20

## v. By gender and age group

Number	2019	2020	2021
Male	1,217	1,240	<b>1,245</b>
up to 35 years old	445	439	414
from 35 to 50 years old	422	428	431
over 50 years old	350	373	400
Female	336	350	<b>346</b>
up to 35 years old	114	115	98
from 35 to 50 years old	137	141	149
over 50 years old	85	94	99
<b>Total</b>	<b>1,553</b>	<b>1,590</b>	<b>1,591</b>

## Percentage of total employees covered by collective bargaining (GRI 102-41)

	2019		2020		2021	
	Employees as of 31 Dec.	Percentage of employees covered by collective bargaining agreements	Employees as of 31 Dec.	Percentage of employees covered by collective bargaining agreements	Employees as of 31 Dec.	Percentage of employees covered by collective bargaining agreements
<b>Total</b>	<b>1,553</b>	<b>20%</b>	<b>1,590</b>	<b>20%</b>	<b>1,591</b>	<b>21%</b>

Losheim and Herzberg are covered by collective bargaining agreements.

## Employment (GRI 401)

## New employee hires and employee turnover (GRI 401-1)

## i. New employees by gender and region

	2019		2020		2021	
	Number of new employees	Percentage of total employees	Number of new employees	Percentage of total employees	Number of new employees	Percentage of total employees
Losheim, Herzberg and Munich	11	3%	20	6%	<b>17</b>	<b>5%</b>
Male	10	3%	18	6%	10	3%
Female	1	0%	2	1%	7	2%
Karlino	103	17%	108	17%	<b>107</b>	<b>17%</b>
Male	92	15%	78	12%	89	14%
Female	11	2%	30	5%	18	3%
Krosno	101	20%	96	19%	<b>76</b>	<b>16%</b>
Male	71	14%	72	14%	57	12%
Female	30	6%	24	5%	19	4%
Homatech	10	16%	13	19%	<b>17</b>	<b>24%</b>
Male	10	16%	13	19%	17	24%
Female	0	0%	0	0%	0	0%
Homatrans	7	13%	16	28%	<b>12</b>	<b>19%</b>
Male	4	7%	14	24%	11	18%
Female	3	5%	2	3%	1	2%
<b>Total</b>	<b>232</b>	<b>15%</b>	<b>253</b>	<b>16%</b>	<b>229</b>	<b>14%</b>

Excluding the management.  
Calculated with data as of 31 Dec.

## ii. Employee turnover by gender and region

	2019		2020		2021	
	Number of employees	Turnover	Number of employees	Turnover	Number of employees	Turnover
Losheim, Herzberg and Munich	19	6%	18	6%	3	1%
Male	16	5%	13	4%	3	1%
Female	3	1%	5	2%	0	0%
Karlino	49	8%	87	14%	99	16%
Male	46	8%	70	11%	80	13%
Female	3	0%	17	3%	19	3%
Krosno	92	18%	84	16%	81	17%
Male	62	12%	65	13%	58	12%
Female	30	6%	19	4%	23	5%
Homatech	4	6%	8	12%	14	20%
Male	4	6%	8	12%	14	20%
Female	0	0%	0	0%	0	0%
Homatrans	4	7%	14	24%	8	13%
Male	3	5%	12	21%	8	13%
Female	1	2%	2	3%	0	0%
<b>Total</b>	<b>168</b>	<b>11%</b>	<b>211</b>	<b>13%</b>	<b>205</b>	<b>13%</b>

Excluding the management.

Calculated with data as of 31 Dec.

The figures include the following departures: employee termination, start of partial retirement exemption, start of pension, employer termination, end of fixed-term contracts, termination agreements.

Not included in the figures are: end of training, death of the employee, military obligation, end of time limit due to end of visa (these employees usually come back to us with a new visa).

## iii. Employee terminations by location

	2019		2020		2021	
	Total employee terminations	Employee turnover	Total employee terminations	Employee turnover	Total employee terminations	Employee turnover
Losheim, Herzberg and Munich	7	2%	7	2%	1	0%
Karlino	5	1%	7	1%	10	2%
Krosno	15	3%	23	5%	14	3%
Homatech	1	2%	3	4%	3	4%
Homatrans	0	0%	0	0%	3	5%
<b>Total</b>	<b>28</b>	<b>1.80%</b>	<b>40</b>	<b>2.52%</b>	<b>31</b>	<b>1.95%</b>

Exclusively employee terminations.

Calculated with data as of the reporting date 31 Dec.

### Benefits provided to full-time employees that are not provided to temporary or part-time employees (GRI 401-2)

All full-time and part-time employees are entitled to all benefits  
Part-time employees have a pro-rata entitlement to capital-forming benefits.

### Parental leave (GRI 401-3)

Approved absence for male and female employees due to the birth of a child during the reporting period.

Approved absence includes: Pregnancy leave, parental leave, maternity or paternity leave for an extended period. Individual days off for childcare do not count.

Employees*	Germany	Poland	Total
	2021	2021	2021
Male	1	43	44
Female	7	26	33
<b>Total</b>	<b>8</b>	<b>69</b>	<b>77</b>
Return rate	During the periods stated, all employees returned to work after parental leave or are still on parental leave.		

\*All employees are generally entitled to parental leave; number of employees who took advantage of this entitlement.

**Occupational health and safety** (GRI 403)

**Worker training on occupational health and safety** (GRI 403-5)

Occupational health and safety training for employees:

- Upon employment, all employees receive introductory training on health and safety and a job instruction on fire safety.
- Fire protection and first aid training is regularly repeated.
- If employees perform certain types of work classified as high risk work or requiring additional safety measures, they receive additional training.

**Workers covered by an occupational health and safety management system** (GRI 403-8)

	2019		2020		2021	
	Employees as of 31 Dec.	Percentage of workers covered by an occupational health and safety management system	Employees as of 31 Dec.	Percentage of workers covered by an occupational health and safety management system	Employees as of 31 Dec.	Percentage of workers covered by an occupational health and safety management system
Total	1,553	72%	1,590	72%	1,591	71%

Krosno and Karlino are certified according to ISO 45001. The other sites have their own occupational safety management systems, only they have not been externally certified.

**Work-related injuries** (GRI 403-9)

Employees*	2021	
	Number	Rate
Fatalities as a result of work-related injury	0	0
High-consequence work-related injuries (casualties acc. to NACA III - VI) Rate = (Number of accidents acc. to NACA III - VI * 1,000,000 / hours worked)	21	7.7
Recordable work-related injuries (reportable and non-reportable accidents) LTIR 1 (Loss Time Injury Rate) = (number of fatalities + number of lost time accidents) * 1,000,000 / hours worked	44	16.2
Recordable work-related injuries (reportable and non-reportable accidents) LTIR 2 (Loss Time Injury Rate) = (number of fatalities + number of lost time accidents) * 200,000 / hours worked	44	3.2
Main types of work-related injuries	Bruise, contusion, strain, sprain, burn, cut, abrasion, amputation	
Number of hours worked**	2,711,062	

\* Includes all employees. No distinction is made between employees and workers who are not employees.  
\*\* Number of annual working hours calculated based on company calendar.

**Work-related injuries** (GRI 403-9)

<b>Work-related hazards that pose a risk of high-consequence injury, including:</b>	
how these hazards have been determined	The employer draws up a list of high-risk work for which additional protective actions are taken.
which of these hazards have caused or contributed to high-consequence injury during the reporting period	<ul style="list-style-type: none"> <li>• Falls due to slipping</li> <li>• Slipping material</li> <li>• Accidents with tools / machines</li> <li>• Handling with plates</li> <li>• Carelessness</li> <li>• Uncontrolled movements</li> </ul>
actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls	<ul style="list-style-type: none"> <li>• Discussion of the incidents with the injured persons</li> <li>• Documentation of the incident</li> <li>• Updating the risk assessment</li> <li>• Training courses</li> <li>• If necessary, technical/ structural changes were made</li> <li>• Information to all employees via information boards</li> </ul>
All actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls	<ul style="list-style-type: none"> <li>• Regular updating of the risk assessment</li> <li>• Equipping employees (e.g. personal protective equipment, cut-resistant / heat-resistant gloves)</li> <li>• Repetition of the principles for safe working and the internal traffic regulations in training courses</li> </ul>
Whether rates have been calculated based on 200,000 or 1,000,000 hours worked.	Both key figures applied
Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	None
Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	-

**Work-related ill health** (GRI 403-10)

Number	2019	2020	2021
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	<ul style="list-style-type: none"> <li>Examinations take place at regular intervals (initial examinations, check-ups and additional examinations)</li> <li>Cooperation with the company doctor and/or companies that provide occupational health services</li> </ul>		
Main types of work-related ill health	0	0	0

\* no data for the sites in Poland for 2019

Work-related hazards that pose a risk of ill health, including:	2019	2020	2021
How these hazards have been determined	<ul style="list-style-type: none"> <li>Regular walk-throughs and assessments of working conditions for the purpose of detecting harmful and (or) hazardous factors.</li> <li>Occupational Safety and Health Committee (ASA) Meetings</li> </ul>		
Which of these hazards have caused or contributed to cases of ill health during the reporting period	0	0	0
Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls	Employees working under harmful and/or hazardous conditions undergo preliminary and regular medical examinations upon employment and in the course of their employment. If contraindications to a particular job are found, the applicant is not accepted for this job or the employee is excused from such work.		
Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.	None	None	None
Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.	-	-	-

**Training and education** (GRI 404)

**Training and education** (GRI 404-1)

Average hours of training that the organization's employees have undertaken during the reporting period:

	2019	2020	2021
Total number of training hours*	2,912	19,801	17,939
Average training hours per employee	no complete data collection	12.5	11.3

\* No complete data collection for the year 2019

**Total number of training hours:**  
number of hours for staff training within a reporting year.

**Average training hours:**  
Ratio of training hours to headcount in the year under review (excl. trainees).

**Programs for upgrading employee skills and transition assistance programs** (GRI 404-2)

- Employees are encouraged to upgrade their skills and receive effective internal and external training. Further training to become a master craftsman is also possible. There is great demand for these offerings.
- During the pandemic, on-site training was partly cancelled, but employees were able to participate in online training e.g. further training as
  - boiler attendant vocational training and further training
  - forklift operator vocational training
  - in-house first aid training

## ENVIRONMENT

### Energy (GRI 302)

#### Energy consumption within the organization\* (GRI 302-1)

in GWh	2019	2020	2021
Electricity consumption	220.84	211.43	226.73
Thermal energy	0.21	0.21	0.21
Natural gas	74.50	68.54	75.88
Liquid gas	2.61	2.15	1.57
Heating oil	1.29	1.21	0.34
Biomass	612.18	543.93	601.49
Coal consumption	126.70	108.07	125.54
Diesel	8.36	9.13	7.85
<b>Total</b>	<b>1,046.69</b>	<b>944.68</b>	<b>1,039.60</b>

\* The respective consumptions refer to the following locations:  
 Electricity consumption: Losheim, Herzberg, Karlino, Krosno, Homatech  
 Thermal energy: Herzberg  
 Natural gas: Losheim, Karlino  
 Liquid gas: Losheim, Krosno  
 Heating oil: Losheim  
 Biomass: Losheim, Karlino, Krosno  
 Coal consumption: Krosno  
 Diesel: Losheim, Krosno, Homatech

### Energy intensity (GRI 302-3)

includes details of the Losheim, Karlino and Krosno plants

Specific energy consumption (kWh/m <sup>3</sup> )	2019	2020	2021
<b>Total</b>	<b>1,434</b>	<b>1,373</b>	<b>1,390</b>

### Water and effluents (GRI 303)

#### Interaction with water as a shared resource (GRI 303-1)

#### Description of how the organization uses water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts the organization causes

- Losheim and Karlino withdraw groundwater and river water from nearby streams for production, mainly to cool manufacturing and power generation facilities, to generate steam and to bind dust.
- Withdrawal of water from the public network for sanitary purposes, etc. at all locations.
- The non-polluted water used in Losheim is directly returned to the stream, the remaining wastewater is treated in the company's own wastewater treatment plant and discharged into the stream.
- In Karlino, all wastewater is treated in public wastewater treatment plants located in Kolberg and Karlino.
- Krosno uses groundwater and water from the public network. Part of the wastewater is treated in a public wastewater treatment plant, while part is treated in a company-owned wastewater treatment plant. Part of the wastewater is reused in production.
- The amount of water required or consumed for social purposes by Homatrans and Homatech is invoiced via Homanit.

#### Description of the approach used to identify wastewater and process water-related impacts, scope of assessments, timeframe, etc.

- Regular inspection and maintenance of the wastewater treatment plant
- Regular waste water analyses
- Annual compilation of water statistics with monthly information on withdrawal, discharge and temperature of stream water at the time of withdrawal
- Regular recording of data on water withdrawals and wastewater
- Regular reports to the Saarland State Office for Environmental Protection and Occupational Safety and the Saarland Statistical Office
- In Poland, the volume of wastewater is reported to the Central Statistical Office (GUS - Główny Urząd Statystyczny) and the results of the analyses to the Inspection of Polish Waters and Environmental Protection (Inspekcji Ochrony Środowiska i do Wód Polskich).

**Management of water discharge-related impacts** (GRI 303-2)**Description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined**

We try to keep wastewater and pollutant loads as low as possible.

Before wastewater is discharged, samples are taken and analysed. In doing so, we comply with all applicable minimum standards.

**Water withdrawal** (GRI 303-3)

includes details of the Losheim, Karlino and Krosno plants

in full m <sup>3</sup>	2019	2020	2021
<b>Total</b>	<b>880,380</b>	<b>835,491</b>	<b>883,077</b>

**Water discharge** (GRI 303-4)

includes details of the Losheim, Karlino and Krosno plants

in full m <sup>3</sup>	2019	2020	2021
<b>Total</b>	<b>204,098</b>	<b>221,222</b>	<b>205,555</b>

**Water consumption** (GRI 303-5)

includes details of the Losheim, Karlino and Krosno plants

in full m <sup>3</sup>	2019	2020	2021
Total water withdrawal	880,380	835,491	883,077
Total water discharge	204,098	221,222	205,555
<b>Total</b>	<b>676,282</b>	<b>614,269</b>	<b>677,522</b>

**Emissions** (GRI 305)**Direct (Scope 1)\* GHG emissions** (GRI 305-1)

includes details of the Losheim, Karlino and Krosno plants

Direct emissions (tons CO <sub>2-e</sub> net)	2019	2020	2021
<b>Total</b>	<b>62,175</b>	<b>54,910</b>	<b>60,243</b>

\* covers natural gas, heating oil, biomass, coal, diesel fleet vehicles, and liquid gas and is based on the calculations of the audited CO<sub>2</sub> certificate trade and internal data

**Energy indirect (Scope 2)\* GHG emissions** (GRI 305-2)

includes details of the Losheim, Karlino and Krosno plants

Indirect emissions (tons CO <sub>2-e</sub> net)	2019	2020	2021
<b>Total</b>	<b>145,979</b>	<b>132,667</b>	<b>145,457</b>

\* covers electricity and heat

**GHG emissions intensity** (GRI 305-4)

includes details of the Losheim, Karlino and Krosno plants

Specific amount of CO <sub>2</sub> (tons CO <sub>2</sub> net / m <sup>3</sup> )	2019	2020	2021
<b>Total</b>	<b>0.2851</b>	<b>0.2726</b>	<b>0.2750</b>

**Waste** (GRI 306)

**Waste generated** (GRI 306-3)

includes details of the Losheim, Karlino and Krosno plants as well as Homatech and Homatrans

in tons	2019	2020	2021
<b>Total*</b>	<b>52,060</b>	<b>61,690</b>	<b>65,319</b>

\*Below, the total is broken down by composition (hazardous/non-hazardous waste); Homatrans absorbent and filter material, oil-smearred operating fluids, oil filters, batteries are disposed of via Scania Maintenance Service.

includes details of the Losheim, Karlino and Krosno plants

Hazardous waste - in tons	2019	2020	2021
<b>Total</b>	<b>92.34</b>	<b>110.65</b>	<b>130.42</b>

includes details of the Losheim, Karlino and Krosno plants

Non-Hazardous waste - in tons	2019	2020	2021
<b>Total*</b>	<b>51,968</b>	<b>61,579</b>	<b>65,189</b>
<i>thereof wood waste and dust</i>	43,513	53,582	56,152
<i>Total amount without wood waste and dust</i>	8,455	7,997	9,037

\* Until 2019, wood dust and wood waste was considered a by-product in Poland, whereas now it is counted as waste - Karlino documents the amount of wood used for energy on the waste map, Krosno shows the amount in the waste statistics prepared annually.

## GRI CONTENT INDEX

This report has been prepared on the basis of the GRI Standards: "Core" option.

GRI Standard	Disclosure	Page	Comment
<b>101: Foundation 2021</b>			
<b>102: General disclosures 2021</b>			
<b>Organizational profile</b>			
102-1	Name of the organization	8, 10	
102-2	Activities, brands, products, and services	11	
102-3	Location of headquarters	8, 10	
102-4	Location of operations	10, 50	
102-5	Ownership and legal form	11	
102-6	Markets served	11	
102-7	Scale of the organization	12,13, 50	
102-8	Information on employees and other workers	27, 30, 55, 56	
102-9	Supply chain	46	
102-11	Precautionary Principle or approach	46	
102-12	External initiatives	13	
102-13	Membership of associations	13	
<b>Strategy</b>			
102-14	Statement from senior decision-maker	6, 7	
102-15	Key impacts, risks, and opportunities	-	Annual Report 2021 (Group management report C.2; p. 11)
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	16, 25, 43	
<b>Governance</b>			
102-18	Governance structure	-	In the financial year 2021, the management of Homann Holzwerkstoffe GmbH consisted of three persons: - Fritz Homann - Ernst Keider - Helmut Scheel  The management is also responsible for decision-making on economic, environmental and social issues.
102-19	Delegating authority	-	The decision-making authority always lies with the management.

GRI 102-54  
GRI 102-55

GRI Standard	Disclosure	Page	Comment
<b>Governance</b>			
102-20	Executive-level responsibility for economic, environmental, and social topics	16	
102-21	Consulting stakeholders on economic, environmental, and social topics	17, 18	
102-35	Remuneration policies	-	The Managing Directors receive fixed remuneration. In addition, variable remuneration is paid, which is linked to the company's performance as well as to individual (usually quantitative) targets. Pension commitments exist in individual cases.
102-36	Process for determining remuneration	-	Remuneration is determined within the framework of employment contracts. The variable remuneration of the Group Managing Directors is determined by the shareholders' meeting. The Group Managing Directors, in turn, define the remuneration of the Managing Directors of the subsidiaries.
102-37	Stakeholders' involvement in remuneration	-	Stakeholders are not involved.
102-38	Annual total compensation ratio	-	The annual total compensation ratio has not been disclosed.
102-39	Percentage increase in annual total compensation ratio	-	The percentage increase has not been disclosed.
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	17, 18	
102-41	Collective bargaining agreements	56	
102-42	Identifying and selecting stakeholders	18	
102-43	Approach to stakeholder engagement	18	
102-44	Key topics and concerns raised	20	
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	-	Annual Report 2021 (consolidated financial statements; p. 20)
102-46	Defining report content and topic Boundaries	20	
102-47	List of material topics	20	
102-48	Restatements of information	-	As this is the first Sustainability Report of Homann Holzwerkstoffe GmbH, there were no restatements of information.
102-49	Changes in reporting	-	As this is the first Sustainability Report of Homann Holzwerkstoffe GmbH, there were no reporting changes.
102-50	Reporting period	78	
102-51	Date of most recent report	78	

GRI Standard	Disclosure	Page	Comment
<b>Reporting practice</b>			
102-52	Reporting cycle	78	
102-53	Contact point for questions regarding the report	78	
102-54	Claims of reporting in accordance with the GRI Standards	70	
102-55	GRI content index	70-76	
102-56	External assurance	78	
<b>201: Economic performance</b>			
103-1	Explanation of the material topic and its Boundary	43, 45, 48	
103-2	The management approach and its components	43, 45, 48	
103-3	Evaluation of the management approach	43, 45, 48	
201-1	Direct economic value generated and distributed	51	
201-2	Financial implications and other risks and opportunities due to climate change	-	Homann Holzwerkstoffe has addressed climate risks, as the Group is highly dependent on natural resources. Should climate change lead to a shortage of wood, the Group would be affected.
201-4	Financial assistance received from government	-	Homann Holzwerkstoffe receives government support in the form of development loans, research funding and investment aid as well as from COVID assistance programmes.
<b>204: Procurement practices</b>			
103-1	Explanation of the material topic and its Boundary	46	
103-2	The management approach and its components	46	
103-3	Evaluation of the management approach	46	
204-1	Proportion of spending on local suppliers	-	We source raw materials from as close as possible. The average procurement radius for wood across all locations is about 140 km.

GRI Standard	Disclosure	Page	Comment
<b>205: Anti-corruption</b>			
103-1	Explanation of the material topic and its Boundary	-	In 2021, a Code of Conduct for Employees and a Code of Conduct for Business Partners were developed and adopted to ensure that these parties act in accordance with the corporate values of Homann Holzwerkstoffe Group.
103-2	The management approach and its components	-	
103-3	Evaluation of the management approach	-	
205-1	Operations assessed for risks related to corruption	-	With a view to firmly anchoring the requirements in the company, we have established regular training sessions, which raise employees' awareness of complying with the Code of Conduct. In addition, all new employees are instructed when they are hired.
205-2	Communication and training about anti-corruption policies and procedures	-	Our main suppliers have already undertaken to comply with the Code and confirmed this in writing to Strategic Purchasing. Other suppliers have their own codes, which are consistent with the values of our CoC.
205-3	Confirmed incidents of corruption and actions taken	52	
<b>206: Anti-competitive behavior</b>			
103-1	Explanation of the material topic and its Boundary	43	
103-2	The management approach and its components	43	
103-3	Evaluation of the management approach	43	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	52	
<b>301: Materials</b>			
103-1	Explanation of the material topic and its Boundary	46	
103-2	The management approach and its components	46	
103-3	Evaluation of the management approach	46	
301-1	Materials used by weight or volume	-	Future collection of the data is planned.
301-2	Recycled input materials used	-	Collection of the corresponding data is not possible yet. Future collection of the data is planned.
<b>302: Energy</b>			
103-1	Explanation of the material topic and its Boundary	35, 39	
103-2	The management approach and its components	35, 39	
103-3	Evaluation of the management approach	35, 39	
302-1	Energy consumption within the organization	64	

GRI Standard	Disclosure	Page	Comment
<b>302: Energy</b>			
302-2	Energy consumption outside of the organization	-	Collection of the corresponding data is not possible yet. The further procedure is being discussed.
302-3	Energy intensity	64	
<b>303: Water and effluents</b>			
103-1	Explanation of the material topic and its Boundary	-	We need water to cool production and power generation plants, to generate steam and to bind dust as well as for sanitary purposes.  Any wastewater produced is treated in in-house or public sewage treatment plants and reintroduced into the water cycle.
103-2	The management approach and its components	-	
103-3	Evaluation of the management approach	-	
303-1	Interactions with water as a shared resource	65	
303-2	Management of water discharge-related impacts	66	
303-3	Water withdrawal	66	
303-4	Water discharge	66	
303-5	Water consumption	66	
<b>305: Emissions</b>			
103-1	Explanation of the material topic and its Boundary	36	
103-2	The management approach and its components	36	
103-3	Evaluation of the management approach	36	
305-1	Direct (Scope 1) GHG emissions	37, 67	
305-2	Energy indirect (Scope 2) GHG emissions	37, 67	
305-3	Other indirect (Scope 3) GHG emissions	-	Collection of the corresponding data is not possible yet. The further procedure is being discussed.
305-4	GHG emissions intensity	37, 67	
305-5	Reduction of GHG emissions	36	
<b>306: Waste</b>			
103-1	Explanation of the material topic and its Boundary	35	
103-2	The management approach and its components	35	
103-3	Evaluation of the management approach	35	
306-3	Waste generated	68	
306-4	Waste diverted from disposal	-	Collection of the corresponding data is not possible yet. The further procedure is being discussed.
306-5	Waste directed to disposal	-	Collection of the corresponding data is not possible yet. The further procedure is being discussed.

GRI Standard	Disclosure	Page	Comment
<b>307: Environmental compliance</b>			
103-1	Explanation of the material topic and its Boundary	-	All production sites meet strict protection requirements and comply with applicable laws. We always adapt to new regulations and make efficient use of increasingly scarce resources.
103-2	The management approach and its components	-	
103-3	Evaluation of the management approach	-	
307-1	Non-compliance with environmental laws and regulations	52	
<b>308: Supplier environmental assessment</b>			
308-1	New suppliers that were screened using environmental criteria	-	So far, no suppliers have been screened using environmental criteria.
<b>401: Employment</b>			
103-1	Explanation of the material topic and its Boundary	29	
103-2	The management approach and its components	29	
103-3	Evaluation of the management approach	29	
401-1	New employee hires and employee turnover	57-59	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	59	
401-3	Parental leave	59	
<b>403: Occupational health and safety</b>			
103-1	Explanation of the material topic and its Boundary	-	The applicable national and international standards are implemented.
103-2	The management approach and its components	-	
103-3	Evaluation of the management approach	-	
403-5	Worker training on occupational health and safety	60	
403-8	Workers covered by an occupational health and safety management system	60	
403-9	Work-related injuries	60, 61	
403-10	Work-related ill health	62	
<b>404: Training and education</b>			
103-1	Explanation of the material topic and its Boundary	29	
103-2	The management approach and its components	29	
103-3	Evaluation of the management approach	29	
404-1	Average hours of training per year per employee	31, 63	
404-2	Programs for upgrading employee skills and transition assistance programs	30, 31, 63	
404-3	Percentage of employees receiving regular performance and career development reviews	-	Group-wide collection of the corresponding data did not yet take place in 2021.

GRI Standard		Page	Comment
<b>406: Non-discrimination</b>			
406-1	Incidents of discrimination and corrective actions taken	52	
<b>414: Supplier social assessment</b>			
103-1	Explanation of the material topic and its Boundary	25	
103-2	The management approach and its components	25	
103-3	Evaluation of the management approach	25	
414-1	New suppliers that were screened using social criteria	-	So far, no suppliers have been screened using social criteria.
414-3	Negative social impacts in the supply chain and actions taken	26	
<b>416: Customer health and safety</b>			
416-1	Assessment of the health and safety impacts of product and service categories	53	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	53	
<b>417: Marketing and labeling</b>			
103-1	Explanation of the material topic and its Boundary	-	The applicable national and international standards are implemented.
103-2	The management approach and its components	-	
103-3	Evaluation of the management approach	-	
417-1	Requirements for product and service information and labeling	53	
417-2	Incidents of non-compliance concerning product and service information and labeling	53	
417-3	Incidents of non-compliance concerning marketing communications	54	
<b>418: Customer privacy</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	54	
<b>419: Socioeconomic compliance</b>			
419-1	Non-compliance with laws and regulations in the social and economic area	54	

## About this report

This is the first Sustainability Report published by Homann Holzwerkstoffe GmbH. It refers to the financial year 2021 (January 1, 2021 to December 31, 2021) and additionally includes selected information from the first months of the financial year 2022. As the collection of important key figures did not start before 2021, historical figures for comparison are not available in all cases. The editorial deadline for the 2021 Sustainability Report was June 30, 2022.

The company intends to publish an annual Sustainability Report in the future. The next report for the financial year 2022 is expected to be published in the second quarter of 2023.

Unless stated otherwise, the information and figures provided in this report refer to Homann Holzwerkstoffe Group. The report covers all subsidiaries that are relevant for sustainability reporting. As the site of UAB Homanit Lietuva is still under construction and is not expected to be taken into operation before the end of the financial year 2022, this entity will not be included in the Sustainability Report before next year.

This Sustainability Report is available in German, English and Polish. In case of deviations, the German version shall apply.

### Report audit

The present Sustainability Report has not been audited. Going forward, the management of Homann Holzwerkstoffe GmbH will decide on the need for an external audit on an annual basis.

### Editorial note

For better readability, we refrain from using gender-specific terms. This does not constitute a judgement. All terms should be understood as gender-neutral.

### Rounding note

When using rounded amounts and percentages, minor deviations may occur due to commercial rounding.

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### Forward-looking statements

This Sustainability Report contains certain forward-looking statements relating to the future development of Homann Holzwerkstoffe Group and its subsidiaries as well as to economic and political developments. These statements represent estimates that we have made based on all the information available to us at the time the report was prepared. Should the underlying assumptions fail to materialise or further risks occur, the actual results, developments and performance of the Group may differ from the estimates presented. Even if the actual results of Homann Holzwerkstoffe GmbH, including its financial position and profitability as well as the economic and regulatory framework conditions, are in line with the future-oriented statements in this Sustainability Report, no guarantee can be given that this will continue to be the case in the future. Homann Holzwerkstoffe GmbH therefore assumes no liability for the forward-looking statements presented in this report.

### Your feedback

We want to continuously improve our sustainability efforts and therefore look forward to receiving your feedback on our Sustainability Report. Please contact us at the e-mail address above.

### Further information

For further information on Homann Holzwerkstoffe GmbH and its commitment to sustainability, please visit our company website at <https://www.homann-holzwerkstoffe.de/en/company/sustainability/>

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