



Press Release

SUSTAINABILITY REPORT 2020 - BAUWERK GROUP

The group-wide sustainability report of the Bauwerk Group was prepared in accordance with the International Reporting Standard (GRI) and shows our aspirations in our group's major sustainability issues. The following is an excerpt of the most important aspects from the report 2020. The detailed report can be found <u>here</u>.

Sustainability management at Bauwerk Group

As a wood-processing production company, we have long been aware of our environmental and social responsibilities. We did not start from scratch but were able to build on past achievements. What is new, however, is our claim to consolidate our past growth, to establish the same standards throughout the group and to consistently anchor relevant sustainability aspects in our processes.

Klaus Brammertz, Board of Directors Bauwerk Group: "The last year with the pandemic was particularly challenging: In the beginning of the year, we were waiting in the wings to roll-out our strategy to chase our new corporate vision to become the 'innovative leader of natural, sustainable wood flooring'. Although we could not start or drive all our key initiatives as planned, we still made considerable progress."

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Healthy solutions

As individuals we spend 80 to 90 % of our lives indoors, inhaling and exhaling 10 to 20 m³ of air a day. Although today's nearly airtight buildings make sense from an energy point of view, the ventilation systems needed are questionable in terms of healthy living. Wood is a natural material. In parquet production, glues, lacquers, colours, stains, oils as well as cleaning and care products are applied during installation and the subsequent use phase. If developed with the wrong focus, and applied improperly, these may cause emissions that impair indoor air quality and a healthy living or working environment during the hardwood floor's service life. With our brand, we stand for parquet of high quality that is harmless to health and even has positive effects on our well-being. To meet sophisticated demands, we rely on continuous investments in product development, credible and resilient certificates, and targeted information and training for installers and (end) consumers.

Every Bauwerk product is non-hazardous to health during the entire time of use. The consistent elimination or substitution of potentially harmful substances during gluing, pressing and surface treatment and in the home cleaning and care products is the focus of our group-wide innovation efforts.



Protected environment

To systematically record and control our environmental impacts, we use an environmental management system. In 2021, we successfully integrated our production entities in Lithuania and Croatia into the ISO 14001 Standard. Hence, our company has all its major subsidiaries certified.

Our three key environmental focus areas are responsible procurement of wood and wood products, efficient use of our resources, and reduction of our greenhouse gas emissions. To preserve our raw material quality and improve our grading yield, several projects, initiatives, and investments were successfully implemented in 2020 and will be continuously improved.

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Our wood waste is partly burnt at all production sites to generate heat. The remaining wood waste is processed into and sold as briquettes. To systematically record and control our environmental impacts, we use an environmental management system.

Emissions and climate change

We are working at all sites to increase our resource efficiency and reduce our greenhouse gas emissions. In the latter case, we further invest in data availability and transparency. As for logistics, we are strengthening direct shipments and combined transports.

To systematically record and control our environmental impacts we use an environmental management system, and we are also engaging our partners (e. g. suppliers and logistics partners) to obtain data on indirect emissions, as we fully want to understand our environmental impact in all its dimensions. Furthermore, we strive to continuously and systematically lower our GHG emissions and environmental impact.



Solar panels

At our Swiss site, photovoltaic elements were installed on three walls of our silo. The system has now been in operation since the beginning of June and will supply a total of approximately 29,000 kWh of sustainably produced electricity per year. The project is a first step in the effort to produce sustainable electricity at the headquarters. We are currently working on a project to equip the hall roofs in the southern area of our buildings. This corresponds to an area of around 2,500 m².

The Lithuanian production site has installed a huge solar power plant covering about 12'562 m², which is able to replace a part of our energy consumption with renewable clean power, combating with greenhouse gas emissions and reducing our collective dependence on fossil fuel. In addition, for our third production site in Croatia solar power projects are in planning and will be partly put into operation during the next months.

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Our brand's certificates

With a few exceptions the entire Bauwerk Parquet range is certified according to the high standards of the Sentinel Haus concept. For individual products, Bauwerk Parquet goes well beyond this standard. The products in the two-layer range meet − also with very few exceptions − the strict requirements of the eco-INSTITUT label. This guarantees quality control through regular independent laboratory tests for harmful emissions, ingredients, and odours. The label safeguards good air quality in public and private buildings. The Cradle to Cradle™ certificate is also of special importance for the Bauwerk brand. It is based on the "from cradle to cradle" design principle. We are the first wood flooring manufacturer to be awarded the Cradle to Cradle Certified® Gold certificate for all sound reducing Silente parquet floors of the Bauwerk brand.

