

The background of the entire page is a close-up, top-down view of a large stack of cut logs. The logs are arranged in a somewhat regular pattern, showing their circular cross-sections. The wood is a light, natural color, and the bark is visible on the outer edges of the logs. The lighting is even, highlighting the texture of the wood grain.

JUNCKERS CSR REPORT

The way we conduct our business
values and principles

2023 activities


JUNCKERS
Walking on Danish design

[JUNCKERS.COM](https://www.junckers.com)

About this report

Since Junckers was founded, Corporate Social Responsibility has been an integral part of the way we conduct our business.

We believe it is imperative that wider society, governments, and the corporate world work together to reduce energy consumption, the use of fossil fuel, and CO2 emissions to help mitigate climate change.

In 2011, Junckers joined the UN Global Compact and committed to its ten principles to operate in ways that meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption. Ever since, we have detailed our progress in our annual company CSR report.

The way we work is based on openness, trust, respect, and responsibility. We maintain respect for the law, respect for the environment, respect for people and their rights, we take responsibility for minimizing our energy consumption and for ensuring a safe and healthy working environment with job satisfaction for our staff.

This report relates to the calendar year 2023. The content describes what progress Junckers has made within CSR since last year.

Questions to the CSR report?

Contact us on info@junckers.com or visit www.junckers.com

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Management Directive



While we continue to live in uncertain times, we are also experiencing a significant shift in the way we live, work, and spend our time, a phenomenon which brings with it new opportunities. The key to continued growth lies in our response to these changes – our ability to adapt our skills, innovation, diversification, and dedication to transform challenges into value-generating solutions. Now more than ever, I herald the strength of our workforce, who have shown exceptional resilience to drive the company forward.

As a global company, we rely on the talents, efforts, and willingness to learn of a highly professional team. We are working on fostering a culture of strong principles and values which make us recognisable – through integrity, a dedication to quality, entrepreneurial spirit and a strong commitment to a job well done, a Junckers employee puts the client front and centre.

Working collaboratively is a strong focus for our company going forward. I see it as an essential element in deepening our commitment to sustainability and moving towards a more circular economy. In the past year, the company has been working to define a new concept to recycle flooring for reuse. It has introduced a new demand on our manufacturing and sourcing processes, a challenge which has demonstrated the inherent flexibility of our operating systems.

Our work to provide transparency took important steps forward with the publication of our first annual climate accounts, and we have now signed up to the Science-Based Targets Initiative (SBTi), committing our CO₂ targets to remain in line with global emissions reductions needed to limit global temperature rise. We continue to view minimising our environmental impact as the key to improving business performance.

As a brand with an established commitment to operating in an environmentally responsible way, we have an opportunity to make an impact and contribute to wider changes in society. We have partnered with the Danish Technological Institute, to enter a proposal in response to an EU-wide call for Land, oceans, and water for climate action, part of the Horizon Europe Framework Programme and in support of the New European Bauhaus Initiative.

There is still some way to go to mitigate climate change, but the right tools and support can help accelerate our progress, as companies, policymakers, and individuals.

The annual CSR report is prepared in accordance with the requirements of section 99a of the Danish Financial Statement Act. It will be published on www.junckers.com and used when communicating with external stakeholders, among these, customers.



Junckers A/S, Køge, Denmark

Thomas Bendixen
Chief Executive Officer



Anti-corruption

Outside Denmark, Junckers is represented by own subsidiaries, retailers and distributors in Europe and the USA. In addition, the company collaborates with commercial partners in Eastern Europe, the Middle East, Asia, and Oceania among others. Overall, this means the company's partners operate in different cultures with major differences and tolerance to corruption and transactions which carry characteristics of corruption.

Junckers has once and for all made it clear that the company is against corruption, extortion, and bribery, and that it is unacceptable for an employee to participate in this type of behaviour, be it as a giver or receiver.

In 2023, there has been no identified cases of corruption or bribery. Going forward, we will continue to fight corruption and bribery and monitor reports from our established whistleblower scheme



Human rights

Junckers has subsidiaries in nations that uphold international human rights agreements, embedding human rights within their legal frameworks. Consequently, we perceive the likelihood of direct human rights breaches within our company as minimal.

Nevertheless, our attention is geared towards potential indirect human rights infringements, which might arise from transactions with suppliers who disregard human rights standards. Junckers engages with fewer than 10 suppliers situated outside the European Union and North America.

Up to 2023, we have not identified any human rights transgressions by these suppliers. For 2024, we aim to establish a KPI of conducting comprehensive human rights due diligence assessments for 100% of our new and existing suppliers outside the EU and North America to ensure compliance with our human rights standards.



History

Flemming Juncker was a young Danish graduate in forestry with foresight. He knew the economic viability of Danish forests was in bad condition. It was necessary to find new fields of application for the wood that had up until then been used as firewood or simply left to rot in the forests.

Flemming Juncker started the sawmill in 1930 to produce an order of 40,000 railway sleepers from beechwood for DSB (Danish State Railways). He rented a 7,000 m² area from Køge Shipyard outside Copenhagen, and bought a frame saw in Sweden.

The production of the railway sleepers was thought to be a one-off assignment and the remaining wood was sold to the Køge Timber Factory. When the collaboration ended, Juncker had to find other ways to dispose of the remaining wood.

This was the beginning of the 2-strip beech floorboard - two rows of staves assembled into one floorboard on a Lindermann machine. The idea behind the beech flooring was to drive the Swedish pinewood floors out of the Danish housing market. It worked, and the foundations for Junckers' solid hardwood flooring were in place.

About Junckers

Junckers A/S is one of Europe's leading manufacturers of solid wood flooring in the sports, residential and commercial markets.

At the same time, we are the only flooring company in the marketplace that can complement solid wood flooring with a carefully balanced range of our own produced woodcare products for maintenance and renovation of wooden floors. In this way, Junckers is always able to provide a complete solution, irrespective of the nature of the project.

With Junckers as a professional partner, you are always ensured expert technical service before, during and after a project. In our experience this ensures the highest possible quality.

All our wooden floors and woodcare products are produced in Denmark, developed based on the solid traditions of Danish craftsmanship.

We are focused on individual customer requirements. The advice and guidance provided by our professional team is closely tied to the daily production offering a wide-ranging wealth of expertise.

Junckers is represented in more than 40 countries through seven subsidiaries as well as through a network of distributors and agents. Exports account for approximately two-thirds of total sales and Junckers' products are sold in more than 45 countries worldwide.

Key figures 2023

| | |
|---|-----------|
| Number of employees in Køge | 220 |
| Number of employees in Nørre Alslev | 15 |
| Number of employees outside Denmark | 29 |
| Annual group turnover | DKK M 431 |
| International sales account for approx. | 65 % |

Climate Accounts

We believe in transparency.

Working towards a higher level of climate awareness is a priority at Junckers. We are therefore pleased to present the company's Climate Accounts, which are an important tool in the decision to set concrete targets for how Junckers can actively work to reduce greenhouse gas emissions. Please note that there is a displacement since Junckers' CO₂ accounting numbers are for 2022 and not 2023. However, the described activities are for 2023. Next year's CSR report will address this displacement, ensuring that the CO₂ climate accounting numbers and activities will cover 2024.

The work on setting targets has just begun and concrete measures are expected to be initiated during 2024.

We want to be serious and ambitious about this agenda, which is why we have based our accounts on the GHG Protocol, the leading international standard for measuring and reporting greenhouse gases. On a positive note, the 2022 Climate Accounts confirm that our business model and production methods already take significant account of nature.

Junckers has a long history of utilising 100 % of our purchased raw wood. This means that all by-products from our wood flooring production are converted into biomass and subsequently used in the public energy grid to produce electricity and heating. The mapping shows that the efficient use of these by-products reduces emissions, and we consider this to be a positive contribution to balancing the CO₂-eq emissions identified in our own climate accounts. The premises for this statement and a review of the main conclusions of the climate accounts are explained on the following page.

**JOIN THE
COLLAB
WITH
NATURE**

The GHG protocol

The GHG Protocol identifies a company's emissions in three scopes:

- 1) Direct emissions, including mobile and stationary fuels plus emissions from industrial processes. All related to buildings, vehicles and stationary engines operated by the company.
- 2) Indirect emissions, including the purchase of energy generated outside the reporting company's operations, such as electricity, heat, gas and steam cooling systems. This is energy that the company consumes and can control but does not own or produce.
- 3) Upstream and downstream activities, further divided into 15 sub-categories. These typically represent 75-95% of a company's total GHG emissions. It is here that opportunities to reduce CO₂eq emissions are typically found. Upstream activities are indirect emissions from purchased goods and services. Downstream activities are indirect emissions related to goods and services sold

The 7 Greenhouse Gases - CO₂eq

The GHG protocol requires reporting of the 7 greenhouse gases carbon dioxide (CO₂), methane (CH₄), nitrogen trifluoride (NF₃), hydrofluorocarbons (HFCs), perfluorocarbons (PFCS), nitrous oxide N₂O and sulphur hexafluoride (SF₆).

Reported here as CO₂eq, the unit used to assess an overall climate impact.

DEVELOPMENT IN GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions are reported as CO₂ equivalents (CO₂eq) and reductions/increases are shown with the year 2021 as baseline. Mapping of direct and indirect emissions from upstream and downstream activities is delineated into 3 categories as defined in the GHG protocol.

The total emissions from Junckers' operations in 2022 amount to 22,726 tonnes CO₂eq and overall, from the 2021 baseline, we have reduced greenhouse gas emissions by 8.4 % (Table 1.1).

| Table 1.1 - Development in greenhouse gas emissions | | |
|---|---------------|---------------|
| Tonnes CO ₂ -eq | 2021 | 2022 |
| Scope 1 | 471 | 386 |
| Scope 2 | 4.433 | 3.958 |
| Scope 3 | 19.916 | 18.383 |
| Total, scope 1, 2, 3 | 24.820 | 22.726 |
| CO ₂ -eq reduction, scope 1+2+3 (baseline: 2021) | | -8,4% |

Corrected for the difference in production volume, where there is a 15 % decrease from 2021 to 2022, the total emissions per m² increase by 7.3 %. This effect is created by general price increases in the categories where the "Spend based method" is used as a basis for calculation (Table 1.2)

| Table 1.2 - Development in greenhouse gas emission: | Kg / m ² | |
|---|---------------------|-------|
| | 2021 | 2022 |
| CO₂-eq | | |
| Scope 1 | 0,51 | 0,49 |
| Scope 2 | 4,82 | 5,04 |
| Scope 3 | 21,65 | 23,42 |
| Total, scope 1, 2, 3 | 26,98 | 28,95 |
| CO ₂ -eq reduction, scope 1+2+3 (baseline: 2021) | | 7,3% |

Emissions in scope 1 primarily come from the company's consumption of diesel for vehicles and account for 2 % of total emissions. Scope 2 emissions are primarily from the company's electricity consumption and account for 17 %. Up-stream activities in scope 3 contribute the majority of the overall picture with 81%.

SCOPE 3

In scope 3 (table 1.3), category 1, Purchased goods and services, naturally generates the highest emissions with a share of 51 %. In the category Purchased goods and services, it is the purchase of raw materials such as chemicals, raw wood, metal and plastic that contribute to the largest share of CO₂-eq. emissions.

Table 1.3 - Development in greenhouse gas emissions, scope 3

| Tonnes CO ₂ -eq | 2021 | 2022 | Delta |
|---|---------------|---------------|------------|
| 1. Purchased goods and services | 10.441 | 9.347 | -10% |
| 2. Capital goods | 767 | 1.475 | 92% |
| 3. Fuel/energy activities, excl Scope 1+2, (Market based) | 1.515 | 1.285 | -15% |
| 4. Upstream transport and distribution | 1.461 | 1.290 | -12% |
| 5. Waste generated in operations | 1.782 | 1.522 | -15% |
| 6. Business travel | 35 | 119 | 241% |
| 7. Employee commuting | 562 | 511 | -9% |
| 12. End-of-life treatment of sold products | 3.352 | 2.835 | -15% |
| Total emissions, scope 3 | 19.916 | 18.383 | -8% |

Capital Goods contributes 8 % in scope 3, and the 92 % increase is due to extraordinary IT investments in 2022. End-of-Life waste treatment of sold products creates the second highest contribution to scope 3 emissions. This category accounts for 15% of total scope 3 emissions. The large increase in the Business travel category reflects the fact that travel activity among employees has normalised after the Covid-19 pandemic.

The decrease in production volume in 2022 generally contributes to the decreases in CO₂-eq emissions seen in the scope 3 subcategories from 2021 to 2022. Purchased Goods and Services account for 52% of Scope 3 emissions. The main contribution here comes from the procurement of chemicals, metal products, and raw wood.

OUT OF SCOPE – SUBSTITUTION

The impact of Junckers' biomass

Substitution occurs when activities minimise the need to produce new energy, raw materials, products, services, etc. At Junckers, the use of biomass for energy is an important factor in our business, and although this by-product cannot be considered substitution in the true sense of the word, we have chosen to consider this factor as a contributor to offsetting the CO₂-eq emissions identified in our own climate accounts.

We do this because it is the activities within the company that create the fundamental opportunity for our by-products to generate emission savings, and even though it is the ordinary energy grid that is responsible for the production of electricity and heat, we believe it is important to communicate this positive effect.

Also in 2022, a positive effect of the company's biomass production is evident. Table 1.4 shows that our emissions savings amount to a total of 35,425 tonnes CO₂-eq. 27,052 tonnes CO₂-eq (76 %) are created from "Waste generated from operations" (biomass) and 8,373 tonnes CO₂-eq (24 %) from "End-of-life waste treatment of sold products".

There is some uncertainty in estimating the emissions associated with the "End-of-life treatment of sold products", as this takes place well into the future. However, there is no uncertainty regarding the use of our biomass and therefore the impact of the emission savings from this category is outlined here.

Table 1.4 - Development in greenhouse gas emissions

| Tonnes CO ₂ -eq | 2021 | 2022 |
|--|---------------|---------------|
| Waste generated in operations | 32.536 | 27.052 |
| End-of-life treatment of sold products | 9.176 | 8.373 |
| Total emissions | 41.712 | 35.425 |

Science Based Targets initiative (SBTi)

Science Based Targets Initiative (SBTi)

To support the ambition to set targets to reduce the direct and indirect contribution of our company's greenhouse gas emissions, we have joined the Science Based Targets initiative.

SBTi focuses on close collaboration between businesses and climate experts to ensure that member organisations' climate targets are aligned with what the latest climate science says is needed to meet the goals of the Paris Agreement.

The goal of the Paris Agreement is to limit global warming to below 2°C above pre-industrial levels, and preferably to 1.5°C.

In 2024, we will set specific targets for our commitment and describe the actions we will take to ensure we reach our goals.





Junckers & UN Global Compact

PEOPLE AND THE PLANET ARE AT THE FOREFRONT
OF OUR MINDS

In 2011, Junckers joined the UN Global Compact to demonstrate our commitment to a sustainable future.

When the Sustainable Development Goals (SDGs) were adopted in 2015, it was a natural progression for us to use the goals as a framework to inspire and guide us in the development of our business.

Based on our industry and business model, we focus on four of the SDGs. In the following chapter we highlight how we assess our business operations in relation to Good health and wellbeing; Industry, innovation and infrastructure; Responsible consumption and production; and Life on land



UN GLOBAL COMPACT

In 2011, Junckers joined the UN Global Compact and committed to its ten principles to operate in ways that meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption. Ever since, we have detailed our progress in our annual company CSR report.

THE SUSTAINABLE DEVELOPMENT GOALS

The blueprint to achieve a better and more sustainable future for all. The goals address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, peace, and justice.

Good health & wellbeing

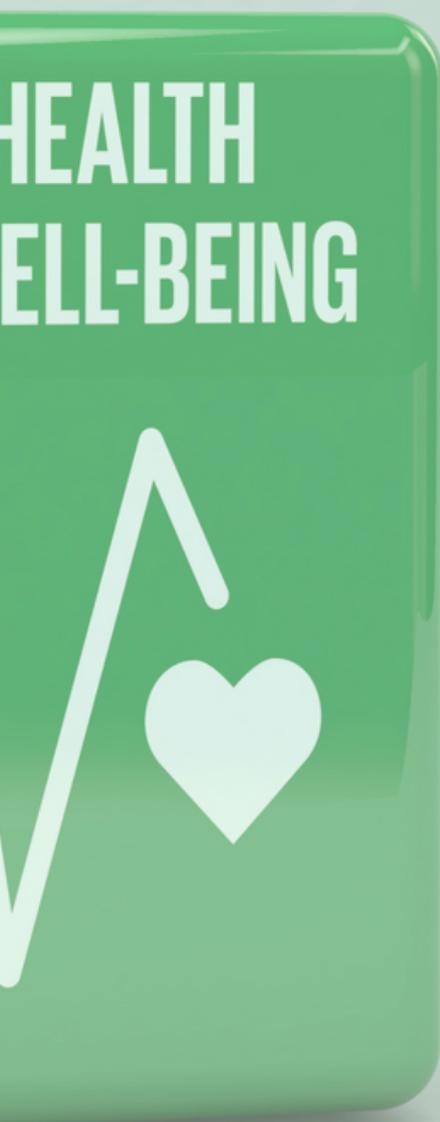
Working to support, maintain and improve the health and wellbeing of our employees is an integral part of our strategy. From implementing measures to ensuring a healthy work environment, reducing the number of accidents through safety procedures to setting annual health goals for our employees, we strive to make sure everybody feels safe and well.



PEOPLE

Our employees are the cornerstone of our success. We must attract and retain the best human capital necessary to continue to be and develop as Europe's leading manufacturer of solid wood flooring solutions in the sports, residential and commercial market segments.

On the following pages, we highlight our people ambitions and activities in 2023 within human resources and the work environment at Junckers.



“ We strive to make sure everybody feels safe and well

Our greatest strength is our people

We have the know-how, diversity, experience, forward thinking and creativity. We have high expectations to ourselves and a strong commitment to craftsmanship. Our culture is rooted in our core beliefs; responsibility, quality, experience, and sustainability, which we strive towards on a daily basis.

Junckers has a clearly defined employment policy: Junckers aims to hire the applicant best qualified for any job within the given financial frame. The company's core value is to aim for diversity at work in order to give all applicants the guarantee of equal opportunity; regardless of sex, age, religion, or ethnic background.

A newly appointed employee must possess the qualifications that reflect the demands required for the job, as well as Junckers' current standards of conduct and values. In addition to an applicant possessing professional and humanitarian requirements, basic language skills that are necessary for daily communication and compliance with the environmental management concept may be required.

The company will encourage a potential applicant to acquire these attributes or actively contribute to a qualified applicant obtaining these qualifications. In addition to normal employment, Junckers also engages employees for short-term positions, and has a positive attitude to engaging employees in training and internships.

Junckers employment policy

DIVERSITY

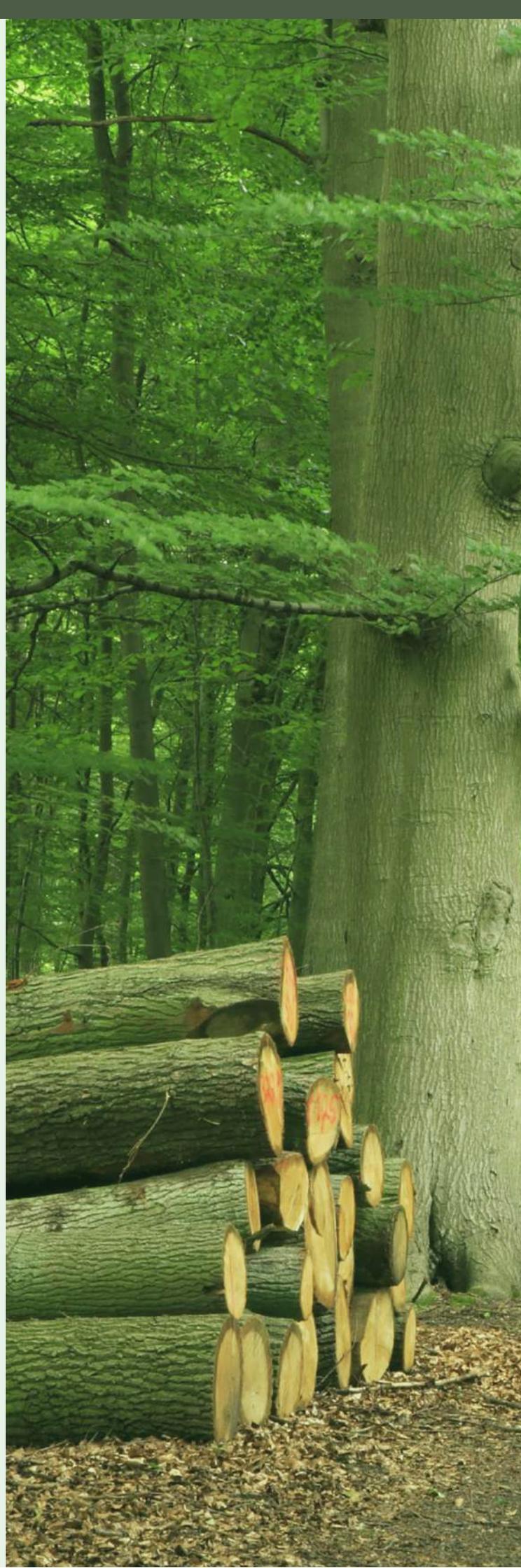
We aim for guaranteed equal opportunities regardless of age, sex or ethnic background

QUALIFICATIONS

We hire applicants who possess the required qualifications and reflect our company values

ENGAGEMENT

We engage employees for short-term jobs and have a positive attitude towards job training and internships



Job satisfaction

At Junckers, we continue to work with a common framework to implement job satisfaction. In our quest to do so we use the following guides in our daily work.

ACKNOWLEDGEMENT

Acknowledge the experience and knowledge of your colleagues.

- » Praise your colleagues when they deserve it.
- » Appreciate extraordinary effort - not to be taken for granted!
- » Simply say thank you.
- » Believe your colleagues are doing their best.

COMMUNICATION

Communication should always be open and direct.

- » Avoid irony and insinuations, especially if you are a leader.
- » Avoid misunderstandings by adapting communication to suit the recipient.
- » Conduct regular departmental meetings – this also provides a sense of security.

SECURITY

Respect agreements and confidentiality.

- » Be visible, accessible and present as a leader.
- » The work should, as far as possible, be planned so it is predictable and transparent.
- » Provide adequate instruction for new tasks.
- » A good atmosphere provides a sense of security.
- » Take responsibility and make sure that everyone is happy.

GOOD TONE

Greet your colleagues.

- » Politeness (always gratifying, never damaging).
- » Adapt your language and tone to avoid upsetting others.
- » It is your rightful duty to put your foot down if you are offended by someone's tone or behaviour.
- » Listen and try to understand the other person's point of view.
- » Respect each other's personalities and work.
- » Friendly nicknames are OK but "nasty" nicknames are bullying.
- » Think before you speak!

JOB SATISFACTION POLICY

All employees at Junckers A/S must contribute to creating and maintaining a workplace where the tone and behaviour towards fellow colleagues is both positive and respectful. Bullying, harassment and any other behaviour that can cause harm to others will not be tolerated.

JOB SATISFACTION AGENTS

Our goal is not only to secure a successful company, but also to be a good place to work. The main risk Junckers faces is assessed to be a lack of focus on safety at work, which can cause occupational injuries, increased sick leave and the resignation of competent and qualified employees. We place a strong focus on health and safety to continue to retain our skilled and valuable employees. Consequently, several colleagues have trained as Job Satisfaction Agents.

WHAT IS A JOB SATISFACTION AGENT?

We are a small group of employees who are trained to act as job satisfaction agents at Junckers.

We are a kind of collegial "safety valve", and we consider ourselves to be the first point of contact. We can offer a warm shoulder and sympathetic ear if you need it.

As job satisfaction agents, we have a positive approach to all our colleagues. We want to create a sense of community for all employees at Junckers.

It is important for Junckers, and us as job satisfaction agents, that our colleagues thrive both within and outside the workplace.

We do not consider any issues to be too big or too small. We are trained to listen, comfort, advise, and guide if that is what you need.

FAQ - WHAT CAN BE ASKED FOR?

*everything. basically.
here are some examples.*

1) Will my inquiry go further?

"No, we have a duty of confidentiality. If you need to lighten your heart privately, you can always contact one of the wellbeing agents. However, be aware that we cannot solve your problems, but we can listen, accommodate and advise".

2) I feel like I am being bullied or overlooked

"Contact a job satisfaction agent. It is our primary focus to cherish wellbeing and ensure help maintain a good working environment. We work with working environment representatives when or if an employee so wishes".

3) I have lost someone I loved and think it has become too hard!

"A job satisfaction agent can listen and offer a shoulder to unload on".

Workplace health and safety

2023 HIGHLIGHT

SMOKE-FREE WORKING HOURS

In 2023 Junckers introduced smoke-free working hours. Based on current legislation as well as the company's working environment and health policy, a smoking policy has been formulated for employees and guests at all Junckers facilities.

2024 TARGET

Psychological APV

In 2024 Junckers will conduct a psychological APV.

This will be followed by an action plan and prioritisation of the necessary action areas.

HEALTH AND SAFETY RISK ASSESSMENT

A physical risk assessment is conducted every three years.

The next one is planned for 2025

Accident prevention & safety training

A safe workplace is essential to Junckers. We do our outmost to ensure that our work environment is safe so that accidents and injuries can be avoided. Training and general safety actions have once again helped us avoid costly accidents. The trend has been downward for many years thanks to our efforts.

In 2023 six incidents were recorded. In 2024 we will continue focus on avoiding incidents and continue our efforts within safety training, guidelines, and communication.

| | |
|-------|----|
| 2010: | 15 |
| 2011: | 9 |
| 2012: | 11 |
| 2013: | 10 |
| 2014: | 12 |
| 2015: | 17 |
| 2016: | 16 |
| 2017: | 10 |
| 2018: | 13 |
| 2019: | 14 |
| 2020: | 5 |
| 2021: | 4 |
| 2022: | 7 |
| 2023: | 6 |

Number of accidents per year since 2010.

Industry, innovation & infrastructure

BY JOINING US YOU JOIN NATURE

The sustainability agenda pushes, inspires, and questions us, whether we are rethinking production methods, making use of by-products, supporting the timber industry, or adding to our environmental credentials. On the following pages you can read more about our initiatives to promote sustainability within our industry and how we collaborate on upcycling projects and support good causes that benefit people and the planet.

WE SUPPORT NATURE

Today's timber products combine the qualities of a natural, renewable resource with the high performance of a modern building material which is versatile, efficient, and quick to use. An environmentally friendly alternative to traditional building materials.

Junckers is a proud sponsor of several organisations supporting our forests and the timber industry.

Wood is nature's stroke of pure genius. We know there are a lot of reasons why wood is great as a building material - it can absorb carbon from the air and store it, it is easy to recycle, and it can be used for a wide variety of applications. At Junckers, we are committed to the ongoing protection and wellbeing of the environment.

We will continue to support sustainable forestry, the timber industry and share our voice to make wood a first- choice material in design and construction.

Proud partner of



9

**INDUSTRY, INNOVATION
AND INFRASTRUCTURE**



EU call

Junckers has partnered with the Danish Technological Institute, to enter a proposal called “TIMBERHAUS” in response to an EU-wide call for “Land, oceans, and water for climate action”. Part of the Horizon Europe Framework Programme, the call seeks proposals on the topic “Climate-smart use of wood in the construction sector to support the New European Bauhaus” (NEB).

The initiative has been launched to support the NEB and the implementation of the new EU forest strategy to make the construction industry more renewable and circular. Wood materials, despite their durability and appreciation by end users, remain under-utilised in the construction industry. With a view to increase currently underused timber, including hardwoods, salvage wood and post-consumer wood, for biomass-based applications, the initiative calls for projects to explore the potential of the following:

- market analysis and new technologies
- zero-waste concepts
- blueprints for building with wood
- health and wellbeing aspects, including cultural traditions and crafts
- strategies for enlarging the wood construction sector
- applying reuse, recycling, and renovation in design and build concepts
- methodologies to quantify carbon removal benefits

The anticipated outcome of the initiative is a significant contribution to climate action on land, including forestland, grassland, cropland, and wetland, as well as oceans and water. The aim is to achieve results through international cooperation, collaborative research on joint adaptation, mitigation and diversity reporting and monitoring.

The project winner of the EU call will be identified in June 2024, and the project is anticipated to begin by the end of 2024.

ABOUT TIMBERHAUS

The construction sector is responsible for 40% of CO₂ emissions, 50% of all extracted materials, and 35% of waste generated. TIMBERHAUS will contribute significantly to decreasing these numbers and reaching Europe's climate policy targets by developing innovative circular solutions for sustainable wood construction. TIMBERHAUS will use the considerable expertise and innovation power of the multi-actor consortium consisting of key stakeholders across the value chain to realise the full circular and sustainable potential of wood construction. Game changing wood processing technologies based on machine learning and artificial intelligence will be developed and used in the prototyping of innovative wood construction products incorporating currently underutilised wood resources and post-consumer wood.

Supporting the New European Bauhaus, holistic and circular wood building blueprints for multi-story buildings incorporating local cultural traditions and design languages as well as human health and well-being aspects will be co-created and demonstrated as digital pilots together with European cities and their stakeholders. New knowledge on the quantitative limits and opportunities of wood as a resource will be generated to give valuable input to forest and climate policy development. To support the European Commission's framework for carbon removal certification, TIMBERHAUS will develop a robust and cost-efficient methodology to quantify the carbon removal benefits of wood construction products and other building materials.

A European observatory for wood construction will be established to provide best practise guidelines and monitor statistics and market uptake. Localised and EU-level decarbonisation strategies for buildings will be developed along with roadmaps for mainstreaming multi-story wood buildings.

Based on project learnings, policy recommendations will be provided along with recommendations for new or updated European harmonised technical specifications and Eurocodes.

Recycling Floors Concept

Junckers is implementing a circular economy initiative in the Danish market with a recycling program for its solid wood floors. The company's approach involves the collection and reprocessing of old Junckers floors, facilitating the renovation and reuse of these materials. This method not only maintains the inherent qualities and longevity of the wood but also aligns with the broader construction industry's objectives towards sustainability and waste minimization.

Furthermore, Junckers underscores its dedication to quality and sustainability by offering a 5-year warranty on these recycled floors, ensuring they adhere to the same rigorous standards as their newly manufactured counterparts. This initiative reflects Junckers' commitment to environmental stewardship and its role in promoting sustainable practices within the industry.



Responsible consumption and production

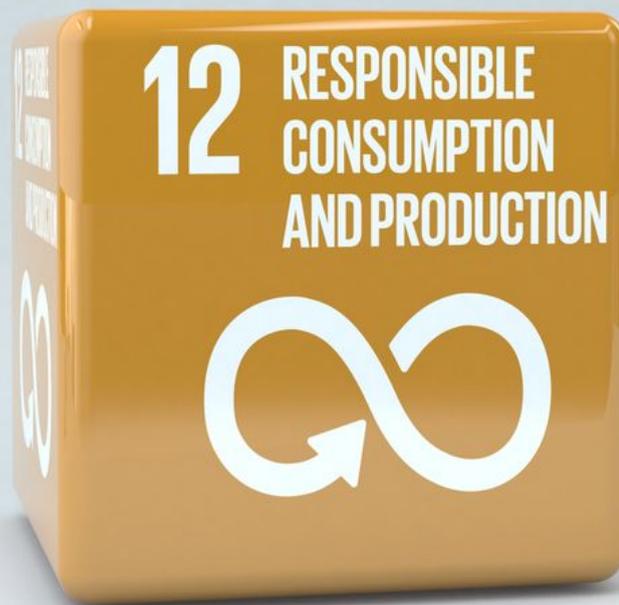
At Junckers, we utilise every part of a tree log. By-products such as bark, sawdust and waste wood from production are converted into biomass and used in the public energy grid to produce electricity and heating. The use of biomass for energy production contributes to the reduction of greenhouse gases by minimising the need for coal, oil or gas as an energy source. Like other manufacturers, Junckers uses energy to dry and process wood, but we do not use fuels derived from fossil sources.

ENVIRONMENTAL POLICY

Environmental legislation in Denmark imposes great demands on businesses in terms of environmental and resource consumption in a company's activities. The environmental authorities issue industrial companies like Junckers with a detailed environmental approval notice containing the terms and conditions to be observed. The company is regularly monitored by environmental authority (Køge Municipality for Junckers) inspections, and may be issued with an injunction and ban if conditions are not observed.

When establishing new facilities or buildings, an application seeking permission must be sent to the authorities. Part of the application must contain a description and reference to environmental issues and challenges, including in some cases, issues regarding the best use of available technology, risk assessment if facilities or new buildings are deemed to give rise to a specific risk, e.g. pollution or fire hazard, or a description of the anticipated consumption of resources (incl. energy).

Junckers has identified energy consumption and the resulting emissions of CO₂ to be the most significant risk of negatively affecting the environment and the climate



Junckers has a healthy and positive dialogue with the environmental authorities, and the cooperation is characterised by openness and transparency. The company's certified environmental management system focuses on the environment, resource consumption, responsible waste treatment and more, which today is a natural part of daily operation and planning. Junckers unreservedly supports the Global Compact's principle of a precautionary approach to environmental challenges.

The company's environmental policy, which also includes the working environment and energy use, has been implemented as follows (excerpts):

» Junckers complies with current Danish legislation, as well as other requirements relating to company certifications, environmental approvals and binding obligations. Discrepancies that occur will be corrected.

» Implementation of prevention and improvement in the areas of environmental policy; including prevention of pollution, prevention of occupational injury and illness, and the reduction of energy consumption is carried out by Junckers on an ongoing basis. All work is documented.

» Junckers is part of an open and positive dialogue with relevant stakeholders in the areas of environmental policy, and wishes to influence developments in these areas in a positive direction.

Emissions & energy consumption

2023 HIGHLIGHTS

NOISE

The company's emissions of dust, particulate matter and noise have met regulatory requirements for years and are therefore no longer an immediate focus for significant improvement. However, the development of land in the vicinity of the company has resulted in stricter requirements for noise levels, and we have therefore been looking for methods to further reduce noise levels. The possibility of reducing noise levels at the southern end of the site has been investigated and a plan has been drawn up to implement the necessary changes.

ENERGY CONSUMPTION

The company's focus on energy consumption is crucial due to the impact of CO₂ emissions and the significant costs associated with the factory's energy consumption.

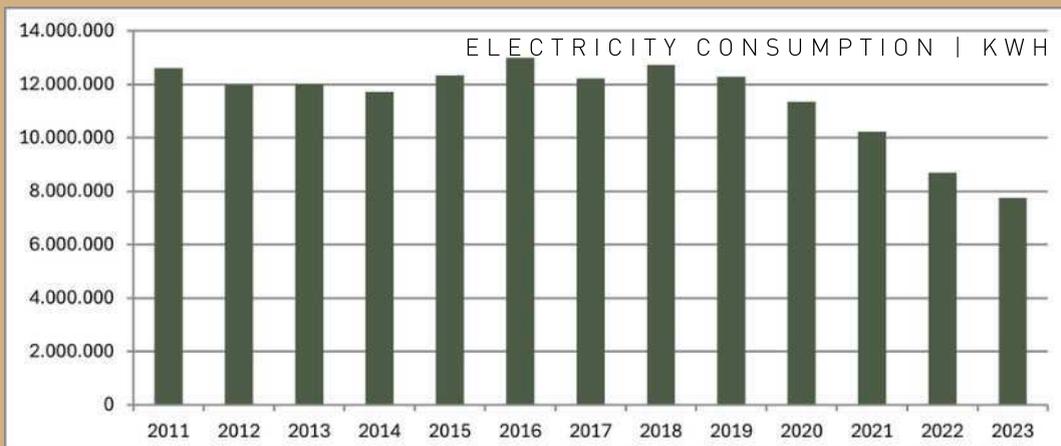
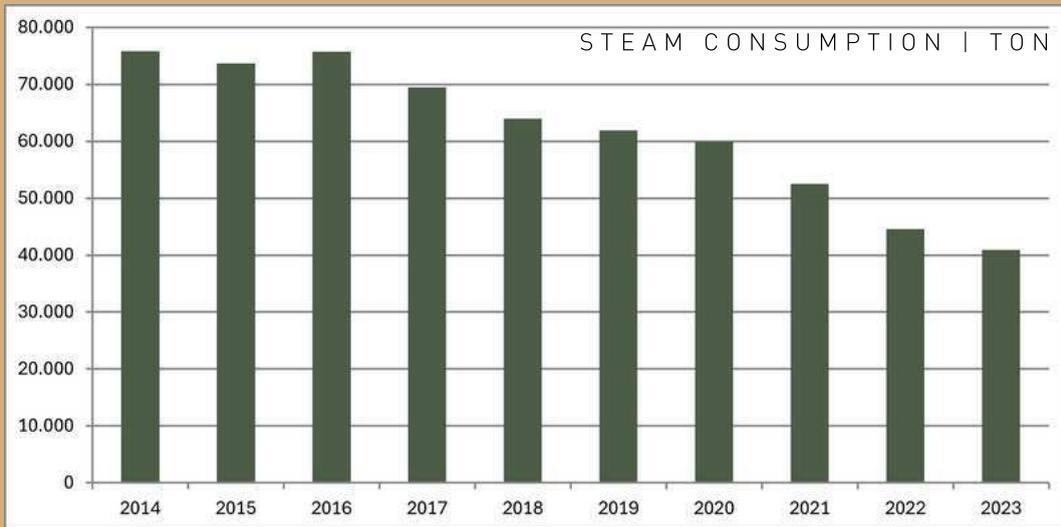
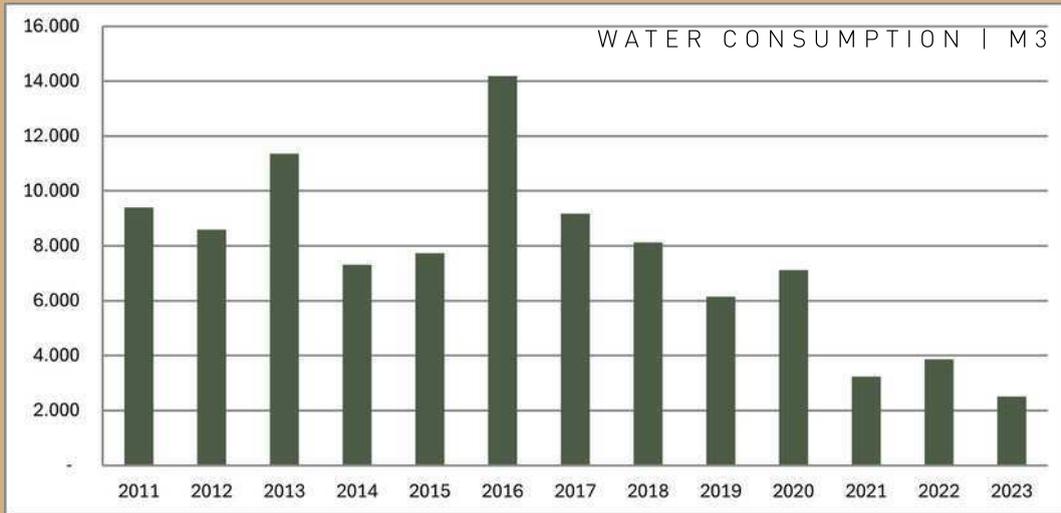
This year the focus has been on reducing energy consumption by optimising manufacturing processes and work habits. The intention to switch to fully electric forklifts, as soon as technological and economic conditions allow, is still very relevant. The possibility of utilising solar energy in parts of the factory has been investigated, but due to constructional reasons, it is not possible to implement this energy source at the moment. We will continue to prioritise the reduction of energy consumption and thereby also reduce the company's CO₂ emissions.

ISO 50001 - ENERGY MANAGEMENT

Junckers is ISO 50001 certified and is therefore dedicated to optimising the company's energy efficiency.

ENERGY CONSUMPTION

The graphs below illustrate the company's consumption of electricity, steam and water at our main manufacturing site in Koege over a 10-year period. The consumption of energy is based on data of use from energy suppliers. The consumed energy is the total amount used at the site in Køge, covering production, storage and administration facilities.



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3rd PARTY VERIFIED

EPD

VERIFIED ENVIRONMENTAL PRODUCT DECLARATION | ISO 14025 & EN 15804



Transparency and traceability

Sustainability manufacturing has always been a focal point at Junckers, and we know from consultants, developers and architects how important it is to provide transparency and traceability in relation to materials.

Therefore, in collaboration with Ramboll, we have completed EPDs, which evaluate the environmental impact of our solid hardwood floors. By doing this, we contribute to simplifying the process of selecting flooring for a building which aims to become sustainability certified.

Junckers' EPDs are developed in accordance with the European standard EN 15804 and have been verified in accordance with ISO 14025. Independent verification of the declarations and data have been conducted by third party and the declarations are registered at EPD Denmark.

[DOWNLOAD THE EPD AND READ MORE HERE](#)

Life on land

Junckers is founded on the principles of sustainable forestry and responsible production. Treating the natural resources we all need for a healthy life with respect has always been part of our business practices.

As part of our chain of custody certification through international schemes such as FSC® and PEFC, for every tree felled, many more are planted to ensure that our forests remain healthy and productive.

Forests and trees play a central role in all of the activities that we undertake. We continue to work locally and internationally to raise awareness of how healthy forests mean healthy people and a healthy environment. Restoring forests plays a vital role in tackling climate change and the biodiversity crisis. All wood, or trees in their original form, store CO₂, helping to keep greenhouse gases out of the atmosphere. Even when trees are processed into, for example, hardwood flooring, the CO₂ remains in the wood and is only released when the wood is disposed of. This makes wood arguably one of the most sustainable building materials.

A sustainably managed forest involves a long-term vision that takes into account the full spectrum of benefits provided by the forest, ranging from ecological to social advantages. As well as absorbing carbon, forests help ecosystems and biodiversity to thrive and improve the quality of drinking water in their vicinity. Social benefits include the sheer beauty of the landscape that forests provide and all kinds of leisure activities in the forest, such as hiking. Sustainable forestry halts deforestation and ensures a long-term supply of wood.



THINNING IS WINNING

A sustainably managed forest needs to be thinned. This process is necessary to give the trees the space they need to continue growing to an appropriate size and quality. Thinning takes place at different times depending on the type of tree growing in the forest.



As trees grow, they gradually take up more space, requiring some trees to be removed to allow others to grow. Almost all the timber Junckers purchases comes from trees that are removed during the thinning process. This has been the case since Flemming Juncker founded the company in 1930 with the philosophy of using wood that would otherwise be used for firewood or left in the forest.

Timber sourcing

The company's supply of logs comes mainly from European countries such as Denmark, Sweden, Germany and Poland. A minor amount is purchased from the USA and Canada. All of these countries manage their forests according to sustainable principles. Our floors are made from 100% solid hardwood and we manufacture two-strip parquet and planks. The four main wood species used are beech, oak, maple, and ash.

The company has been certified according to the internationally recognised PEFC standard since 2006, and according to the FSC® standard since 2010. The certifications document the traceability of the flooring from harvest to delivery.

As Junckers A/S is based in the EU, it must comply with the EU Timber Regulation, which was implemented on 3 March 2013. The regulation includes a Due Diligence system, which must cover the areas *Risk Mitigation*, *Risk Assessment* and *Information*.

The risk assessment used in connection with PEFC and FSC® standards has been added to the requirements of the EU Timber Regulation. This means we use only one risk assessment for the purchase of raw wood, which is therefore included in Junckers' Due Diligence system.

The company's purchasing policy stipulates that all raw wood, semi-finished goods (wood) and goods for resale (wood) purchased must, as a minimum, comply with the requirements of the EU Timber Regulation and therefore be of legal origin. Junckers' procurement strategy also encourages its suppliers to obtain PEFC or FSC® certification in order to purchase as much raw wood as possible from certified forests.

RISK MITIGATION

When the assessment shows that there is a risk of illegal timber in the supply chain that risk can be mitigated by requiring additional information and verification from the supplier.

RISK ASSESSMENT

The operator should assess the risk of illegal timber in their supply chain, based on the information identified above and taking into account criteria set out in the regulation.

INFORMATION

The operator must have access to information describing the timber and timber products, country of harvest, species, quantity, details of the supplier and information on compliance with national legislation.

2023 HIGHLIGHTS

The total share of certified raw wood purchased has increased from 80% in 2022, to 86% in 2023.

RAW WOOD PURCHASED

| | PEFC | FSC® | TOTAL |
|------|------|------|-------|
| 2010 | 24 % | 41 % | 65 % |
| 2011 | 37 % | 28 % | 65 % |
| 2012 | 52 % | 13 % | 65 % |
| 2013 | 52 % | 29 % | 81 % |
| 2014 | 53 % | 21 % | 74 % |
| 2015 | 44 % | 21 % | 65 % |
| 2016 | 40 % | 26 % | 66 % |
| 2017 | 44 % | 29 % | 73 % |
| 2018 | 43 % | 33 % | 76 % |
| 2019 | 43 % | 34 % | 77 % |
| 2020 | 41 % | 40 % | 81 % |
| 2021 | 45 % | 35 % | 80 % |
| 2022 | 46 % | 34 % | 80 % |
| 2023 | 79 % | 7 % | 86 % |



PEFC/FSC® audits

The third external PEFC and FSC® surveillance audit based on the new contract was carried out by the certification body in September 2023 and included an on-site audit in the head office and production facility in Køge, as well as an off-site audit of Junckers Ibérica, S.A. (interview via TEAMS).

The auditor recorded 1 minor non-conformance related to FSC-STD-40-005 V3-1 4.12, and registered 4 observations.

The annual internal PEFC and FSC® audit in the head office and production facility in Køge, as well as in the US west coast warehouse and office functions was carried out in August 2023. No non-conformances were recorded during these audits.

ANNUAL AUDITS

The next internal PEFC and FSC® audit at our headquarters in Køge is scheduled for Q1 of 2024, and the annual internal PEFC and FSC® audit in the USA is scheduled for Q1 of 2024. An external PEFC and FSC® surveillance audit is planned for May 2024

Licence:
FSC®-C101674
PEFC/09-31-004

Turning waste into a valuable biomass resource

All our by-products such as sawdust and waste from our wood flooring production are converted into biomass and subsequently used in the public energy grid to produce electricity and heating.

The biomass is purchased by a neighbouring power plant.

An EU directive implemented in July 2021 regulates the biomass energy sector.

As part of the requirements, at least 90% of the total amount of biomass used in the power plant must be documented as coming from sustainable sources.

We are pleased to report that Junckers is able to meet this requirement and we supply 90% of our by-products as certified via PEFC or FSC® claims.





JUNCKERS

Walking on Danish design

JUNCKERS A/S

Tlf. +45 70 80 30 00 | junckers.com | info@junckers.com