

MORE FROM WOOD.



EGGER Holzwerkstoffe GmbH

Financial and Sustainability Report 2023/24

A man wearing a yellow safety helmet with the EGGER logo and a yellow high-visibility safety jacket with reflective stripes is smiling and holding a large pile of wood shavings in his hands. The background is a blurred natural setting with earth and wood chips.

Shaping a
sustainable future

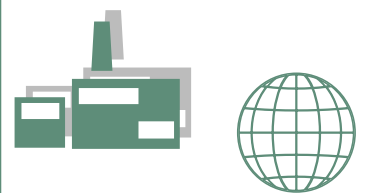


EGGER at a glance

The EGGER Group is a leading international wood materials producer with over 11,000 employees and 22 production facilities worldwide. EGGER is a complete supplier for furniture and interior design, wood construction and wood-based flooring – and a reliable partner for the furniture industry, wood and flooring retailers, and building materials markets.

1961 

The chipboard plant founded by Fritz Egger sen. in St. Johann in Tirol formed the basis for the EGGER family company.



22 plants in 11 countries



Product areas:

- Furniture and interior design
- Flooring
- Building products



Production volume:

10.4 Million m³
of wood materials
and sawn timber

A clear commitment to
become net zero by 2050

Net Zero 
The EGGER Way



4.13
billion Euros of revenues

11,566
employees

from 92
countries



**Outstanding
sustainability
performance**



Our products have stored **7,1** million tons of CO₂e.



65 % of our wood comes from the circular economy.



69 % of the energy we use comes from renewable sources.



86 % of the materials used in our products come from renewable resources.

About this report

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MANAGEMENT REPORT

CONSOLIDATED FINANCIAL STATEMENTS

The EGGER Group underscores the importance of sustainability in its 2023/24 financial year and, for the first time, combines the sustainability report with financial reporting as required by § 267a of the Austrian Commercial Code. The content of this integrated report forms the Financial and Sustainability Report for 2023/24.

The reporting period corresponds to EGGER's financial year and covers the months from May 2023 to April 2024 (2023 /24 financial year). For better visualization, comparative prior year data are also provided. Data for the reporting year were not available for several indicators, they refer to the calendar year (January to December) and are designated accordingly.

The Financial and Sustainability Report for 2023/24 will be presented at the annual press conference, which is scheduled for 1 August 2024.

This report meets the requirements for a separate non-financial report as defined in § 267a of the Austrian Commercial Code and was prepared in agreement with the GRI Standards. An independent audit was performed by KPMG Austria GmbH based on Austrian generally accepted auditing principles. The evaluation with limited assurance of the non-financial part of the report is included as part of the audit report. Separate appendixes facilitate the assignment of the report content to the requirements of the Austrian Sustainability and Diversity Improvement Act ("Nachhaltigkeits- und Diversitätsverbesserungsgesetz", NaDiVeG) and the GRI Standards.

This report includes all fully consolidated member companies of the EGGER Group as of April 30, 2024. Any tables with a different calculation basis are marked with appropriate footnotes. Locations that are not included in a specific indicator are clearly designated in a footnote.

Employee-related data cover the entire EGGER Group and are based on full-time equivalents (annual average). Consumption and environmental data are related to the fully consolidated companies, which are responsible for 100% of our decorative products, building materials and flooring.

Environmental and energy indicators are based on the production volumes of primary products (combined total of raw chipboard, sawn timber and impregnates). This approach ensures the inclusion of all material issues.

The annual financial statements are presented in TEUR/ EUR million (rounded). The use of automated calculation programs can result in differences in the addition of rounded amounts and percentage rates.

All forms of personal pronouns and nouns are understood to apply equally to all persons.

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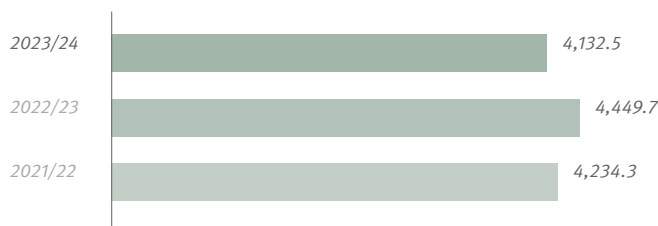
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We draw attention to the fact that the English translation of this Financial and Sustainability Report and this auditor's report is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Overview of Key Data

Financial Indicators

Revenues (EUR million)



Number of employees (annual average) rolling 12 months



Earnings Indicators

		2023/24	2022/23	2021/22
Revenues	EUR mill.	4,132.5	4,449.7	4,234.3
EBITDA	EUR mill.	493.6	602.5	877.5
EBITDA margin	%	11.9%	13.5%	20.7%
EBIT ⁽¹⁾	EUR mill.	152.8	259.2	613.3
Profit before tax (PBT) ⁽¹⁾	EUR mill.	78.6	246.4	584.7
Profit after tax (PAT) ⁽¹⁾⁽²⁾	EUR mill.	92.2	237.5	436.4

(1) The 2023/24 reporting period includes impairment losses of TEUR 8,738 to goodwill held by the cash generating unit "Edging" and TEUR 42,156 to property, plant and equipment in the cash generating unit "Lexington" (2022/23: impairment losses of TEUR 69,929 to property, plant and equipment in the Russian cash generating unit "Gagarin").

(2) The previous reporting period amounts were adjusted according to IAS 8; refer to Note (2).

Consolidated Balance Sheet

		30.04.2024	30.04.2023 ⁽¹⁾	30.04.2022 ⁽¹⁾
Balance sheet total	EUR mill.	4,366.0	4,146.9	3,765.9
thereof non-current assets	EUR mill.	3,109.2	2,752.2	2,394.2
Equity (including subsidies)	EUR mill.	1,897.1	1,863.6	1,927.6

(1) The previous reporting period amounts were adjusted according to IAS 8; refer to Note (2).

Treasury Key Figures

		30.04.2024	30.04.2023	30.04.2022
Equity ratio ⁽¹⁾	%	43.5%	44.9%	51.2%
Net debt	EUR mill.	1,312.2	902.8	563.4
Net debt / EBITDA	years	2.66	1.50	0.64

(1) The previous reporting period amounts were adjusted according to IAS 8; refer to Note (2).

Value Management

		30.04.2024	30.04.2023	30.04.2022
EBITDA	EUR mill.	493.6	602.5	877.5
Historical capital employed ⁽¹⁾	EUR mill.	6,738.3	6,117.5	5,550.7
CFROI ⁽¹⁾	%	7.3%	9.8%	15.8%

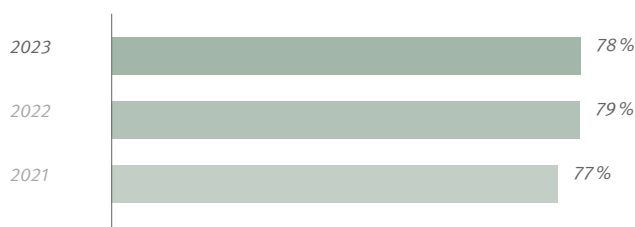
(1) The previous reporting period amounts were adjusted according to IAS 8; refer to Note (2).

Non-financial Indicators

Share of wood from the circular economy



Share of fuels from renewable sources ⁽¹⁾



Financial year	2023/24	2022/23	2021/22
Directly purchased wood	92 %	93 %	89 %
Share of wood from circular economy	65 %	65 %	64 %
Recycled share in the wood used	28 %	23 %	20 %
Share of renewable raw materials in all EGGER products	86 %	88 %	88 %
Recyclability of the EGGER product portfolio	72 %	71 %	69 %
Carbon storage in our products (in mill. t CO ₂ e)	7.1	6.4	6.9
Accident rate LTIR internal	7.76	9.50	9.08
Proportion of female employees (total)	16.8 %	16.5 %	16.2 %
Proportion of female employees in management positions	19.2 %	18.1 %	18.2 %
Training hours per employee	9.57	10.96	11.43

(1) Details on the key figures can be found in chapter 3.

Calendar year	2023	2022	2021
Waste total in kg/m ³	23.98	20.47	17.83
Total energy consumption (GWh)	9,270	9,045	9,359
Share of fuels from renewable sources	78 %	79 %	77 %
Share of energy efficiency from renewable sources	68 %	70 %	68 %
Scope 1 fossil (t CO ₂ e)	376,717	354,703	389,190
Scope 2 (t CO ₂ e)	522,039	597,505	573,754
Scope 3 fossil (t CO ₂ e)	3,244,837	3,296,398	–

(1) Details on the key figures can be found in chapter 3.



Left to right.: Thomas Leissing (Speaker of Group Management, CFO, Finance / Administration), Frank Bölling (CSCO, Logistics), Michael Egger jun. (CSO, Sales / Marketing), Hannes Mitterweissacher (CTO, Technology / Production)

The EGGER way through challenging times to Net Zero: EGGER was also tested by the turbulent economic environment in 2023/24. Group management discusses the most important developments and strategies for healthy growth and sustainable business operations.

The past financial year brought numerous challenges. Can you give us an overview of the development of business in 2023/24?

Thomas Leissing: Our financial year 2023/24 was in fact influenced, above all, by the weak global economy and various trouble spots. But capacity utilization in our 22 plants remained at a good level in spite of this situation. Against this backdrop, we closed the financial year 2023/24 with revenues of EUR 4,132.5 million and a decline of 7.1% compared with the previous year. EBITDA amounted to EUR 493.6 million and fell by 18.1%, but the EBITDA margin remained stable at 11.9%. We are not completely satisfied with these results but, at the same time, are proud to have done a good job in a very difficult environment.

What were the main factors that led to these results?

Michael Egger jun.: People in the vast majority of our markets are suffering from high inflation, the rising cost of living and increasingly complex building requirements. These underlying factors led to weaker consumption and a substantial drop in building permits – and, in turn, reduced the demand for our products. Our core markets in Central Europe, in particular, have been hard hit, and there is significant market and price pressure, especially on building products. In the decorative products business, capacity utilization in our plants was generally good.

What were the positive developments in this past financial year?

Frank Bölling: Incoming orders in the decorative products business have increased since the beginning of the year. The introduction of our new Decorative 24+ Collection played a key role here, as can be seen in the very positive market resonance. This trend has, of course, also been reflected in our order books, but the most important factor are the reliable partnerships with our customers. Only together can we succeed in a difficult market environment. I think our global team is currently demonstrating that EGGER is not only strong in crisis times but can actually turn these times into an opportunity.

Turn the crisis into an opportunity – what exactly do you mean here?

Hannes Mitterweissacher: EGGER has a very solid financial base. That allows us to also take targeted growth steps when the market is weak. We invested a total of EUR 568.6 million in maintenance and growth during 2023/24. Included here are acquisitions as well as investments in all our plants – for the best industrial foundation, for capacity expansion and, to a significant extent, in sustainability. For example: We invested substantial amounts in the expansion of laminating capacity for decorative surfaces, in prefabricated furniture lines, and in laminates production. With this additional capacity, we can also take advantage of new market opportunities

Michael Egger jun.: The latest growth steps are a special highlight: Our 22nd plant, which is located in Markt Bibart (DE), was acquired in November. At the beginning of the year, we set a new milestone with a minority investment in Panel Plus in Thailand and, in doing so, strengthened our position on the Asian growth market. In other words, we can also grow in contrast to market trends due to our good base and long-term strategy.

What other milestones or successes characterized the past year?

Frank Bölling: Last autumn, we revised and presented our corporate strategy – the guiding principle is “shaping a sustainable future“. It is clearly focused on our strengths as a long term oriented family company, as a reliable partner for our customers and as a totally sustainable market player. One particularly important impulse is our climate strategy: “The EGGER way to net zero“.

How ambitious is this net zero strategy? And what steps have already been taken to meet this goal?

Michael Egger jun.: We are motivated and have great plans. Our commitment calls for reducing our climate-impacting greenhouse gas emissions in line with the Paris Climate Agreement. Here, we will not only be cutting greenhouse gas emissions in our own field of action – meaning Scope 1 and 2 – but are also including the upstream and downstream parts of our value chain. The greatest challenges lie in Scope 3 emissions from fossil raw materials, especially bonding agents and impregnating resins, and also in transport. The related measures will be implemented in steps, together with our partners.



“We did a good job in a very difficult environment.”

Thomas Leissing

Hannes Mitterweissacher: And these ambitions were immediately followed with concrete actions: The plant in Unterradlberg (AT) is now producing without natural gas through the use of additional heat extraction. At our main plant in St. Johann in Tirol (AT), we invested roughly EUR 80 million in a new power plant to generate renewable energy on site. We have also largely changed over to bonding agents that are produced with CO₂ emission-free electricity.

Transparency is an essential factor for sustainability management. How does this work at EGGER?

Thomas Leissing: We have published an annual sustainability report for seven years now, and this year it is integrated in the annual report for the first time. This all-inclusive view is important to report on the impact of our business activities on society and the environment. Our guidelines are based on the principles of the UN Global Compact and the Sustainable Development Goals of the United Nations. We are also publishing indicators based on the EU Taxonomy for the third time. And our solid database puts us in a good position to meet the CSRD reporting requirements starting next year.

Frank Bölling: A great deal of work goes into this transparency – and is justified because it forms the basis for management decisions. Consequently, we are very pleased over the repeated recognition of our sustainability performance. We received Prime Status in the ISS ESG Corporate Rating and Silver from EcoVadis for the fifth time. That places us among the top 15% of all rated companies.



“Our net zero goal is ambitious, and we plan to reach it together, step by step.”

Michael Egger jun.

These ratings cover economic, ecological and social goals. What role do these three pillars play in sustainability for EGGER?

Hannes Mitterweissacher: In addition to the ecological aspects of sustainability, we are strongly committed to social and governance issues. We recently signed the UN’s Women’s Empowerment Principles and accept our responsibility for gender equality and diversity in the company. We are well aware that diverse teams are particularly creative and innovative – and, for that reason, believe it is important to support diversity at EGGER.

Frank Bölling: Our central claim is to be the best employer for our over 11,000 employees worldwide. This has been underscored by our wide-ranging efforts to further improve occupational safety for our workforce in recent years. A range of measures reduced the accident rate to a level that meets our group-wide target. But our vision for “zero accidents” continues to motivate us.

Let’s take a look at the current financial year: Can you give us a general outlook on 2024/25?

Thomas Leissing: The general economic outlook for the second half of 2024, and also for 2025, is largely pessimistic. Volatile markets, uncertain supply chains and the inflation crisis will continue to have a negative influence on overall



“Our global team successfully turned the crisis into an opportunity.”

Frank Bölling

demand and, at the same time, increase our fixed costs. We are doing our best to counter this situation, manage risks and focus on costs. However, our revenue and earnings expectations are limited by the ongoing weak market climate.

Michael Egger jun.: EGGER is also well positioned for this economic lull. We have a solid financial base, a long-term sustainable strategy and, above all, the best employees. This was reflected in our recent recognition as “Austria’s Best Family-owned Company”. And we, as the EGGER Group’s management, intend to continue this course together with all our employees.

How has EGGER been affected by the current geopolitical crises?

Frank Bölling: The multiple geopolitical and economic crises naturally have an impact on every globally active company, and EGGER is also faced with continuous challenges. One risk is the hyperinflation and drastic market collapse in Argentina, where we have one plant. Our colleagues there are under massive pressure but are doing a great job. Another risk is the ongoing Russia-Ukraine conflict. In this context, we have implemented a strict compliance structure and a comprehensive program to comply with all sanctions and embargoes.

What are EGGER’s plans to reduce the dependence on external factors?

Hannes Mitterweissacher: We operate in a closely knit network, intentionally and by design. But our business model also gives us the flexibility to be independent in strategic areas, for example in energy supplies. All our larger locations have their own biomass power plants. In this way, we can prevent a potential energy shortage and reduce or eliminate the use of fossil fuels. These plants convert the biomass that is no longer suitable for production into energy – which means maximum use for the valuable raw material wood.

In what areas are you planning further investments and growth?

Thomas Leissing: In addition to renewable energy, the circular economy is a focal point for our investments. We are continuously expanding our network of timber recycling collection points and the equipment to process recycling wood in our plants. Other activities involve the plants recently integrated in the group: In Caorso, Italy, which joined EGGER in December 2022, we recently increased laminating capacity, and further investments are expected. And we have announced plans for investments of EUR 200 million over the next three years at our newest plant – which is located in Markt Bibart, Germany. We want to use recycling wood in the production of laminated boards there in the future. As you can see, we intend to follow our strategy – also in economically difficult times.



“We invested a record amount in our industrial base and in sustainability during 2023/24.”

Hannes Mitterweissacher

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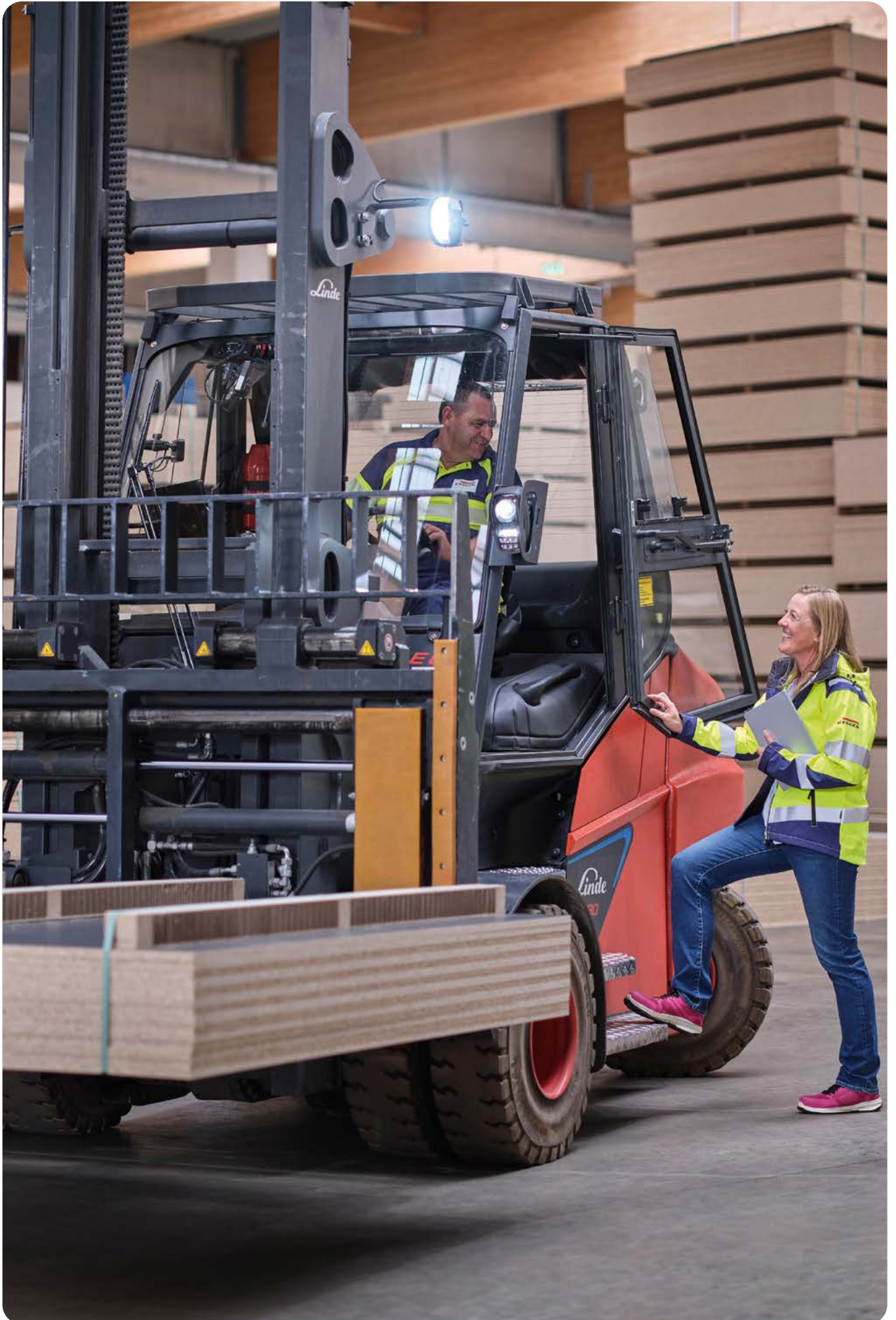
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Family company

Take on responsibility. With enthusiasm. Together. Passion for the unique material wood and its sustainable use is what drives our more than 11,000 employees worldwide every day. At the same time, we remain a family-owned company with clear values: Humanity, quality and perspective form the basis for our actions. And confidence in our own abilities will help us continue the EGGER success story together.





Management Report

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1 Business Areas, Strategy

1.1 Business Areas, Markets and Business Model

“We make more out of wood.” This strong claim led Fritz Egger sen. to open the first chipboard plant in St. Johann in Tirol during 1961, which created the foundation for EGGER’s success story. Today, the corporation operates 22 plants in 11 countries with over 11,000 employees who produce roughly 10.4 million m³ of wood products each year and sell these products throughout the world. Together they create a sustainable living and working environment from the valuable resource wood. In the past and also in the future.

Under the EGGER umbrella brand, we unite an extensive variety of products that are used in numerous private and public sector applications – for example: kitchens, bathrooms, offices, living rooms and bedrooms as well as in retail and gastronomy facilities, trade fairs and the commercial sector. Our direct and indirect customers include the furniture and wood industry, wood and building material retailers, home improvement markets, architects and fabricators.

1.1.1 Business Areas and Market Structure

We produce and market a wide range of products for furniture and interior design, structural wood construction and wood-based flooring. Most of our core materials are upgraded with decors and surfaces. This offering is rounded out with sawn timber and planed products.

Business Areas

Our organizational structure is based on product areas, divisions and markets to support optimal market development and close proximity to our customers. The segment information in this report is focused on the following product areas:

Furniture and interior design – EGGER Decorative Products Segment

This business area is the largest in the EGGER Group. It covers the production and marketing of all wood material products and accessories for decorative furniture and interior construction. Included here, for example, are surface-upgraded chipboard and MDF boards as well as complementary products like laminates, edgings and components. We have a leading market position in this segment, which we want to continuously expand. As an innovative full-range supplier with a broad product portfolio, we offer our customers complete solutions from a single hand.

Building products and flooring – EGGER Building Products Segment

The building products business area deals with structural wood construction products like OSB boards and timber products. In this area, we want to support the development of the timber construction market with our products and services and utilize our advantages.

Our core expertise in the flooring area is the production and marketing of laminate flooring. We also carry a complementary range of wood-based core materials and accessories.

These two product areas are combined from an organizational standpoint and for segment reporting.

You can find detailed information on our entire product portfolio under www.egger.com/products

Customer Groups

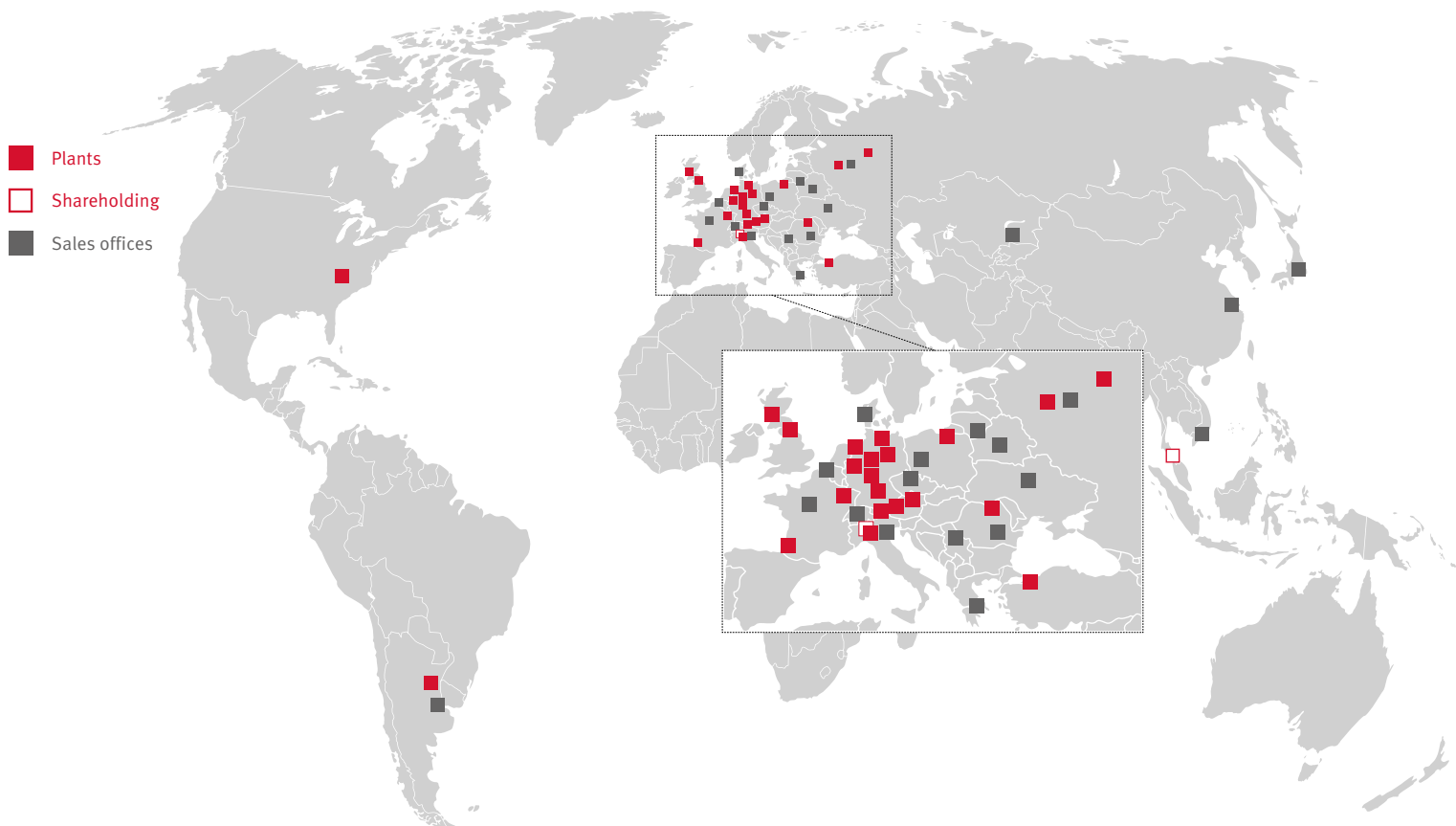
Our products are sold over the following **sales channels** and to the following branches:

- **Industry:** This sales channel services large customers from the furniture industry (kitchen, office, home furniture and door industry) and industrial customers involved in wood construction. Our goal here is to defend our strong market position in this customer group with a complete range of decors, textures and material combinations. We support the industry with optimally integrated upgraded and prefabricated components.
- **Distributors & contract and project work:** This customer group supplies specialized distributors that sell to fabricators, planners and architects as well as smaller to medium-sized industrial companies. Our most important tool for these retailers is the EGGER Decorative Collection. It is the most comprehensive, reliable and innovative range of wood-based materials in terms of products, service and stock availability for specialist distributors. Our contract consulting focuses on offering EGGER product solutions for projects and on winning orders as a means of increasing product demand for our distributors. To strengthen our brand recognition and attractiveness, we are increasing our offering of digital services for fabricators and architects/planners.
- **Retail (DIY – Do it yourself):** This sales channel concentrates on home improvement retailers, DIY stores and on-line market platforms that sell directly to consumers and independent fabricators. We are an important supplier, especially for flooring and accessories, for large international DIY key accounts in Europe which we support with innovative products, services and future-proof technologies.

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Markets

We currently produce at 22 locations in 11 countries and market our products worldwide. The European and American markets are our primary focus, but we also sell in strategic export markets outside Europe. A global sales organization, efficient logistics, 19 company-operated sales offices and an international network of retail partners in over 90 countries ensure the systematic development of markets.

The following major products were produced at the locations listed below as of April 30, 2024:

Austria	St. Johann in Tirol:	Chipboard (raw and laminated), furniture components, worktops, lightweight boards, compact boards, laminates
	Unterradlberg:	Chipboard (raw and laminated)
	Wörgl:	Thin chipboard (raw and laminated)
Germany	Brilon:	Chipboard (raw and laminated), MDF (raw and laminated), edgings, sawn timber, planed timber
	Wismar:	MDF (raw and laminated), OSB, DHF, flooring, resins
	Gifhorn:	Laminates, edgings
	Bevern:	Thin MDF
	Marienmünster:	Lacquering
	Bünde:	Furniture components
	Markt Bibart:	Chipboard (raw)
France	Rion des Landes:	Chipboard (raw and laminated)
	Rambervillers:	Chipboard (raw and laminated), furniture components
Great Britain	Hexham:	Chipboard (raw and laminated), resins
	Barony:	Chipboard (raw)
Russia	Shuya:	Chipboard and thin chipboard (raw and laminated)
	Gagarin:	Chipboard (raw and laminated), MDF (raw and laminated), flooring
Poland	Biskupiec:	Chipboard (raw and laminated), worktops
Romania	Radauti:	Chipboard (raw and laminated), OSB, resins
Turkey	Gebze:	Thermoplastic edgings
Argentina	Concordia:	Chipboard (raw and laminated), MDF (raw and laminated), molding
USA	Lexington, NC:	Chipboard (raw and laminated)
Italy	Caorso:	Chipboard (raw and laminated)

We also offer our customers a wide range of services that simplify their work and create added value. In addition to routine personal advising, numerous innovative solutions are available to assist with processes that range from planning to product delivery.

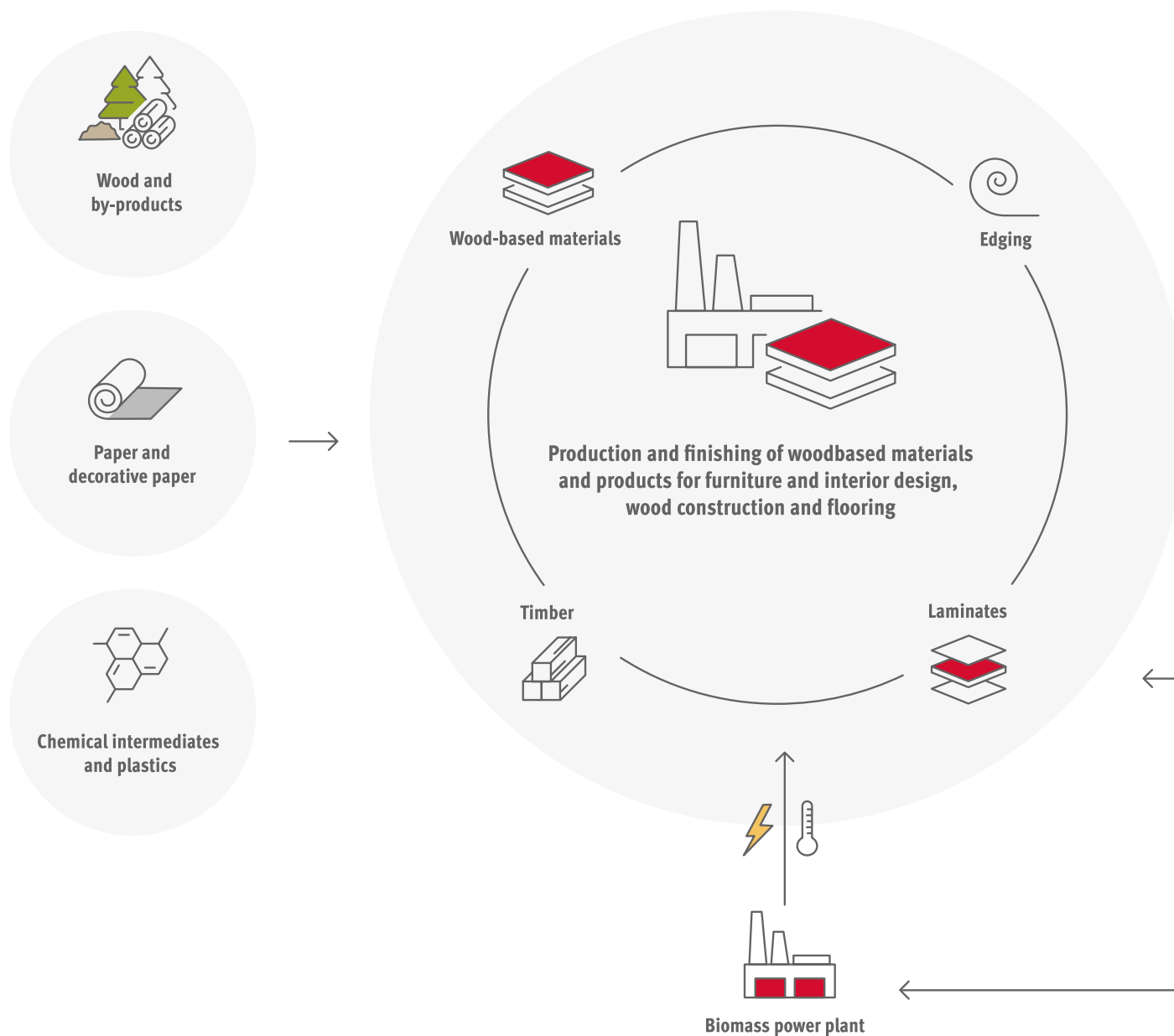
Detailed information on our customer services surrounding the EGGER Decorative Collection 24+ can be found under [to.egger.link/services](https://www.egger.link/services).



1.2 The EGGER value chain

We view our value chain as a series of upgrading stages in the production process which start with the raw materials and move through various production steps up to the finished product, the usage phase and, finally, the end of the lifecycle.

Ressources & supply chain



Distribution & processing



Furniture industry, fabricators,
wood construction, distribution,
DIY markets

Utilisation



End customer

End of life cycle



Recycling, thermal
recovery, disposal

1.3 Shaping a sustainable future – Our corporate strategy

Under the guiding principle “Shaping a sustainable future“, we have formulated a future-oriented strategy for the entire group that reflects our vision, our values and our long-term goals. This corporate strategy builds the foundation for our everyday decisions and actions. The strategy is divided into the following areas:



1.3.1 Family company

The EGGER family company has grown from its founding as a Tyrolean chipboard manufacturer in 1961 to become one of the world’s leading wood materials producers. The successful continuation of business operations as a family company is the central claim. **Sustainability and the further development of the company for the benefit of coming generations** take center stage in our decisions. EGGER is a strong corporate, employer and product brand. We focus all our activities on strengthening the **EGGER brand** and developing it in a targeted manner. We live by the values and attitudes that are anchored in our mission statement.

Our entire organization is geared towards long-term goal orientation, stability and cooperation. (Also see Chapter 1.4. Corporate governance for information on the organizational and management structure)

As a sustainable family company, we offer a **long-term perspective for employees** who want to grow together with us. This claim covers a clear profile as an employer and professional recruiting, an attractive digital working environment for all employees as well as transparent wage and salary models. As a modern family business, we live by equal and life-phase-oriented working time and career models and place great value on equal opportunities, internal careers and support for women.

The **safety and health of our employees** is of the utmost importance to us. We implement our vision of "zero accidents" with clear and ambitious goals and concrete measures. As an international company, we value and respect diversity and at the same time use the strength of the Group. We are united by the shared **EGGER spirit**.

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Stable financial basis

Our goal is profitable growth based on stable financial strength (credit rating). The financial goals defined by our strategy form the basis for issues involving the financial feasibility and profitability of investments and management decisions. We have defined the following medium-term **indicators** to implement and measure goal attainment:

- Our Group's equity ratio remains at a stable level of over 30%.
- Our ratio of net debt to EBITDA Group-wide is $\leq 3:1$ over the medium and long term.

Within the framework of **EGGER value management**, we are committed to the systematic and sustainable development of value over the medium and long term. Our most important indicator for value-oriented management is CFROI (cash flow return on investment). As a sustainable, medium-term target, we have defined a minimum return of 10% (target rate) for all areas of the company.

In addition to the protection of liquidity, the diversification of capital sources and financing instruments is a key goal for our corporate financing. Our **external financing** is based on three elements: bank financing, capital market financing and a factoring program. Communications with investors and financing institutions takes place through regular bilateral discussions, information events and our credit relations website www.egger.com/credit-relations.

1.3.2 Reliable partner

We connect the process-involved partners of the value chain – from suppliers to customers.

We are open to dialogue and present our responsible actions confidently and transparently. We actively and specifically involve stakeholders in our activities.

We live an **active strategic partnership with our customers**. High product and service quality are essential for customer satisfaction. We support our customers with target group-specific services.

We intentionally differentiate ourselves from the competition through high storage capacities in order to guarantee **high availability** for our customers. Our objective in procurement is to establish long-term, contract-based **partnerships with suppliers**. Through procurement strategies and targeted backward integration, we guarantee production reliability.

Our **quality claim** means never losing sight of market requirements, bringing the customer voice back to our operational base and adapting our processes as necessary. We demand and promote continuous process improvements and rely on state-of-the-art testing and monitoring technologies. We are massively committed to **promoting sustainable forestry** and conserving natural resources. We ensure compliance with legal and social standards in our supply chains and rely on control measures through independent third parties.

1.3.3 Green industry

We take our socio-political mission seriously and see the climate crisis as the most pressing problem of our time. With our strategies and our products, we make a **valuable contribution to a more sustainable future**. We therefore not only comply with laws, regulations and other sets of rules to which we are committed, but always strive to set new and higher standards.

We measure and evaluate the **environmental performance of our products** according to recognized standards. We monitor developments in the substitution of fossil raw materials and prioritize the use of renewable resources in our products and packaging. All of the products we make should be recyclable.

A core element of sustainability at EGGER is **working in closed cycles**. We give the valuable resource wood many lives, thereby conserving fresh resources. In order to secure supplies of waste wood, we are continuing to invest in our own recycling collection sites (Timberpak) and in recycling processing systems in our plants. In this way, we want to increase the share of wood from the circular economy in our products.

We rely on **renewable forms of energy** and are working to disengage from the use of fossil fuels. By producing our own renewable energy, we want to become as energy self-sufficient as possible and are therefore continuing to invest in biomass power plants, photovoltaic systems and other forms of green energy.

Full utilization of our Group-wide production capacities is our ultimate goal. We are constantly investing in our plants and standardize our **industrial base** with uniform, digitalized processes. Our objective is to have integrated locations for raw materials, energy and our strategic product groups. In this way, we create synergies in the use of raw materials, logistics and organization and guarantee ecologically, economically and socially sustainable actions.

We continuously improve **product availability** by optimally utilizing our capacities and by planning and procuring in a cost- and resource-optimized manner. The development of our internal material flows is focused on lean processes in the direction of full automation. In the area of **logistics**, we strive for operational excellence.

Our Climate Strategy:

EGGER is clearly committed to a Net Zero target by 2050

Based on our mindset and measures, we have set ambitious climate protection goals and prepared an implementation plan for their realization. EGGER is committed to reducing its climate-impacting greenhouse gas emissions in line with the Paris Climate Agreement.

The Net Zero target means that emissions must be removed from the atmosphere at the same rate as they are produced. We have developed a comprehensive Group-wide approach on how to steadily reduce our climate-impacting emissions to Net Zero by 2050.



The path to Net Zero will be followed in stages. Therefore, we have set several milestones for the period up to 2030:

- We will reduce our direct emissions from our plants (Scope 1) by at least 30% by 2030.
- We will reduce our indirect emissions from purchased energy (Scope 2) by at least 40% by 2030.
- We will reduce indirect upstream and downstream emissions (Scope 3) by at least 10% by 2030.

The EGGER way to Net Zero

Target: The EGGER Group is committed to Net Zero by 2050.



The commitment to Net Zero is trendsetting for EGGER. On the way to Net Zero, we have set milestones and interim targets and will communicate the status of achievement transparently.

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1.3.4 Sustainable International Growth

Growth Strategy

Our sales activities are focused on Europe and America. In addition, we are strengthening our sales offices in Asia and our cooperation with strategic partners. Growth in all our product areas will come mainly from market share gains. **Market share gains** are based on product, service and cost advantages, and all areas are therefore challenged to further optimize.

In recent years we have made massive investments in the expansion of capacities and especially in the upgrading capacities in our plants. Our primary objective is to now utilize and market these invested capacities to the maximum. Here, there is great potential for growth.

We are exploring further **growth and acquisition opportunities** to increase our market shares and complement the value chain. Investment priorities for the expansion of our existing plants include sustainability performance, automation & digitalization, material flows & warehouse optimization.

Innovation as a driving force

New developments and especially the further development of our products, processes and services protect our market position and form the basis for our long-term earning power. (Also see Chapter 4: R&D)

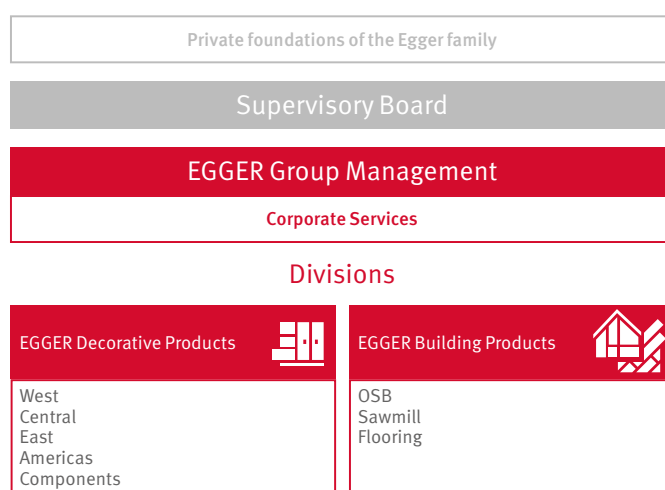
Digitalization in all areas of the company and across the entire value chain is crucial for future corporate success and the basis for growth. We are innovation drivers in the industry and invest in modern IT systems. We continuously improve our digital infrastructure to seamlessly integrate partners, applications and external platforms into our digital processes. We strive to optimally utilize the advantages of automation, digitalization and new technologies such as AI. IT security is a top priority in all internal areas and in the involvement of external partners to ensure business continuity.

1.4 Corporate Governance

1.4.1 Organizational and management structure

Egger Holzwerkstoffe GmbH is the parent company of our Group, which includes companies in Austria, Germany, France, Great Britain, Russia, Romania, Poland, Italy, Turkey, Argentina, and the USA as well as sales subsidiaries in Eastern Europe, Benelux, Scandinavia, Switzerland, South America and Asia that report directly to the respective divisions.

Organizational chart of Egger Holzwerkstoffe GmbH



The **Managing Board** (Group Management) of the parent company, Egger Holzwerkstoffe GmbH, includes:

- Thomas Leissing (Speaker of Group Management, CFO, Finance / Administration)
- Frank Bölling (CSCO, Logistics)
- Michael Egger jun. (CSO, Sales / Marketing)
- Hannes Mitterweissacher (CTO, Technology / Production)

The **Supervisory Board** supports the Managing Board on strategic issues. In addition to Fritz Egger (Chairman), the Supervisory Board includes Robert Briem, Ewald Aschauer (Chairman of the Audit Committee; independent), Michael Stiehl (independent), Alfred Wurmbrand (independent) and since September 2022, Walter Schiegl. The full Supervisory Board is responsible for issues involving the remuneration and appointment of members to the Managing Board, while the structure and amount of this remuneration is determined by the Remuneration Committee. The Remuneration Committee is comprised of members from the Supervisory Board. Cooperation between the Managing Board and Supervisory Board takes place in the form of quarterly Supervisory Board meetings that cover the budget and investments as well as monthly reporting.

We rely on management teams for the direction of our organizational units, whereby the individual responsibilities cover technology and production, sales and marketing, logistics as well as finance and administration. This structure applies to **Group Management, divisional management** and the regional **plant organizations**. In addition, staff managers are responsible for the following areas: technology, production, procurement, marketing, communications, sales controlling, IT, logistics, human resources, accounting, treasury, legal and tax.

1.4.2 Structure of the workforce

We have set a goal to be the **best employer** in each of our relevant labor markets. This is reflected in the high priority given to modern human resources work that supports our corporate culture.

Our employees are the foundation of our company. Their expertise, commitment and capacity for teamwork are decisive for our success. We support an environment that is based on respect, diversity and equal opportunities. The health, safety and well-being of our employees have our top priority. Their commitment and passion are key drivers for our future development and success.

The Egger Group employed an average workforce of 11,566 in 2023/24 (2022/23: 10,987), which was classified by country as follows:

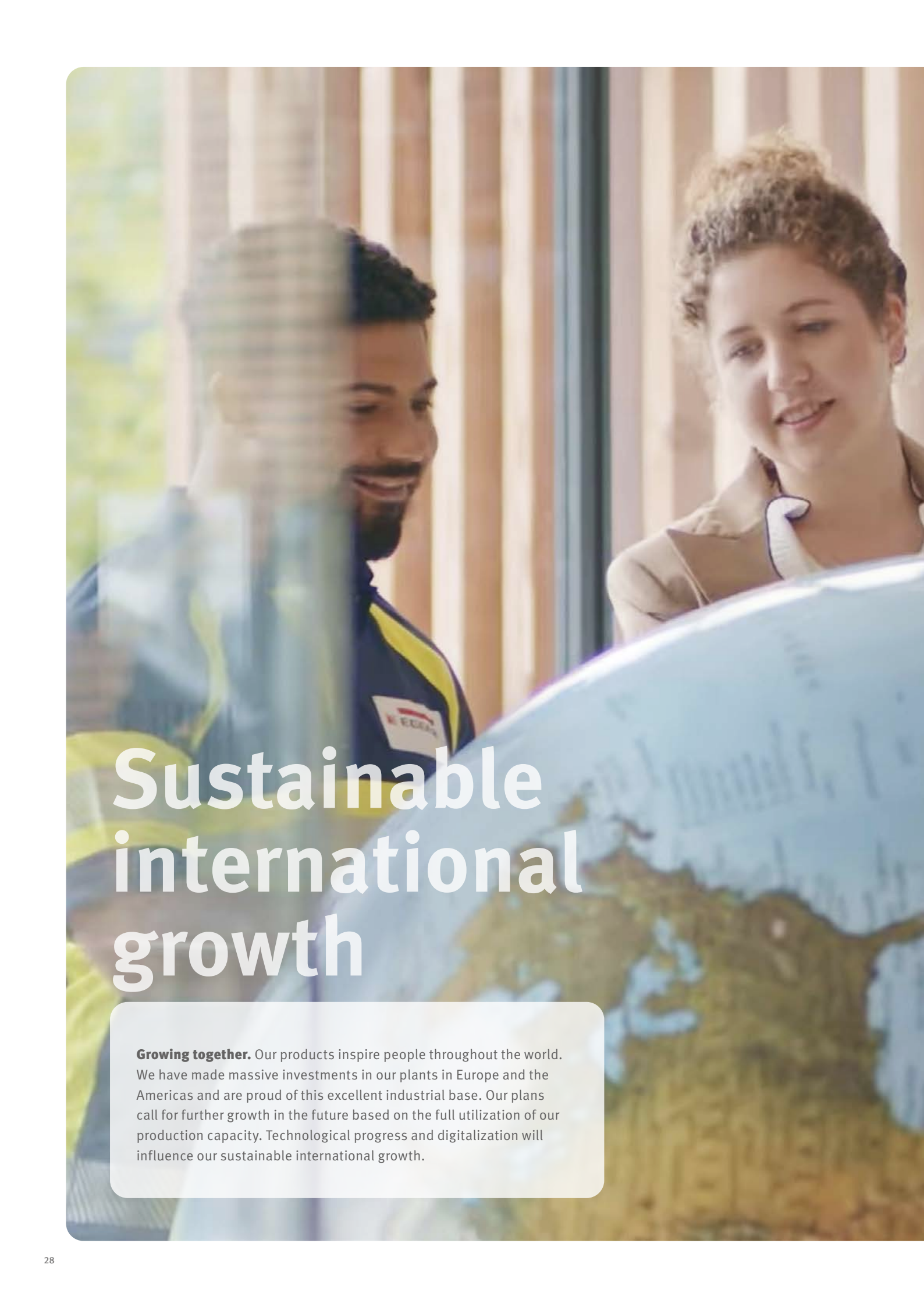
Employees by country

Number of own personnel	Status 30.04.2024	Annual average 2023/24	Annual average 2022/23	Annual average 2021/22	Annual average 2020/21
Austria	1,777	1,778	1,725	1,640	1,610
Germany ⁽¹⁾	3,302	3,236	3,029	2,908	2,838
France	973	959	929	921	908
Great Britain	880	852	812	806	778
Russia	1,192	1,175	1,188	1,173	1,148
Romania	913	899	896	879	861
Turkey	900	894	838	847	795
Argentina	534	520	503	500	492
Poland	554	544	539	531	502
USA	462	470	455	424	301
Italy ⁽²⁾	249	239	75		
EGGER Total	11,735	11,566	10,987	10,629	10,233

(1) Annual average 2023/24 for Germany includes data for new plant Markt Bibart from November until April 2024.

(2) Annual average 2022/23 for Italy is based on data from January up to April 2023.



A man and a woman are looking at a large globe in an office setting. The man is on the left, wearing a blue and yellow safety vest over a light blue shirt. The woman is on the right, wearing a light brown blazer over a white shirt. They are both smiling and looking at the globe. The background shows vertical blinds and a window with greenery outside.

Sustainable international growth

Growing together. Our products inspire people throughout the world. We have made massive investments in our plants in Europe and the Americas and are proud of this excellent industrial base. Our plans call for further growth in the future based on the full utilization of our production capacity. Technological progress and digitalization will influence our sustainable international growth.



2 Market Development and Financial Performance

2.1 Macroeconomic Environment

2.1.1 General economic conditions and influencing factors

Our business activities are closely linked to the development of the economy and the gross domestic product (GDP) in the countries where we are present. GDP growth influences the purchasing power and investment behavior of private households and businesses and, in this way, has an impact on our customers and their business with EGGER.

The development of the construction industry and the resulting renovation activity (renovation cycles based on past construction) have a significant influence on the demand for wood materials. The development of new construction, in particular, has a direct impact on the demand for building products (OSB and sawn timber), while renovation is also an important factor for sales of our flooring products. Important customer groups for our decorative wood products are the kitchen and office furniture industries, whose business is heavily influenced by renovation and by residential and commercial construction. Important drivers for new residential construction include demographic developments, bank lending policies, interest rate trends and consumer confidence.

Business in the EGGER Decorative Products Segment is heavily influenced, above all, by developments in the furniture industry, which is the most important customer for laminated wood materials.

The development of competition in the wood materials industry also has a significant impact on our business. New capacity or the shutdown of production facilities or equipment can lead to major shifts in market shares and/or to a surplus or shortfall of market capacity and thereby have a substantial influence on market prices.

As an industrial company that uses substantial quantities of raw materials, we are also heavily dependent on the availability and price levels of key raw materials.

2.1.2 Global economic trends

In its base forecast, the International Monetary Fund (IMF) assumes global growth will remain at the 2023 level of 3.2% in 2024 and 2025. A slight increase in the advanced economies – where growth is projected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025 – will be offset by a slight slowdown in the emerging and developing countries from 4.3% in 2023 to 4.2% in 2024 and 2025. The 3.1% forecast for worldwide growth in five years is lower than in decades. Projections point to a steady decline in global inflation from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, whereby the advanced economies will reach their inflation targets earlier than the emerging and developing countries. The global economy has proven to be surprisingly resistant despite the actions taken by numerous central banks to restore price stability through substantial interest rate hikes. However, the weaker outlook for growth in China and other large emerging markets will have an impact on trading partners.

(Source: WEO 2024 04)

GDP development in selected regions / countries (in %)



(Source: International Monetary Fund, World Economic Outlook Database, April 2024)

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2.2 Branch Developments

2.2.1 Raw material supplies

Raw material and energy costs represent a significant part of our total cost structure. Accordingly, our top priorities include the protection and continuous improvement of availability and the monitoring of price trends for key raw materials on procurement markets. Raw materials supplies are generally purchased from long-term partners. The most important raw materials, e.g. wood, chemicals and paper, are managed by a central procurement department, which supports the local plants in their purchasing activities and also identifies and optimizes synergies for the Group. The situation on raw materials and energy markets stabilized somewhat during the financial year 2023/24. We were able to secure supplies of these key raw materials for our plants at all times during the reporting year. The prices on our relevant raw material markets declined across the entire group in comparison with the previous year.

Timber supplies

Securing adequate supplies of timber represents the most important aspect of our raw materials procurement. To safeguard and improve timber supplies, we rely primarily on long-term partnerships and contracts with our suppliers and are developing a backward integration strategy. This includes the operation of a company-owned sawmill and short rotation plantations as well as forestry management and wood recycling companies. The average price of timber declined in comparison with the previous year, with different fluctuations in individual regions and plants. The growing use of timber for thermal energy generation (biomass power plants, pellets, biofuel generation) has a long-term influence on prices.

Chemical supplies

In this area, the EGGER resin plants in Wismar (DE), Radauti (RO) and Hexham (UK) cover a large part of our glue and impregnating resin requirements. Purchase prices followed a downward trend, but with regional differences, during the financial year 2023/24.

Paper supplies

Raw and decor papers for the production of laminating materials represent the third major component of our raw material supplies. We rely on a central procurement structure for our paper supplies as well as the conclusion of medium-term contracts with leading suppliers. Similar to the other primary raw materials, paper prices were also lower in 2023/24.

Energy supplies

Energy procurement prices for electricity and natural gas declined year-on-year in 2023/24. The price of natural gas has a very limited influence because we operate biomass power plants at all our major locations. Our objective is to discontinue the use of fossil fuels as far as possible, and we support the cascading use of wood through its use as an input material as long as feasible before final thermal utilization. Our plants in Unterradlberg (AT), Wismar (DE), Brilon (DE), Radauti (RO) and Rambervillers (FR) produce electricity with their own combined power and heat generation equipment and thereby maximize energy generation efficiency. To become even more independent of fossil energy carriers, we are working on numerous projects for energy generation and optimization and installing biomass power plants and photovoltaic equipment at a number of locations.

2.2.2 The construction industry in Europe

Construction activity in Europe is projected to decline even further in 2024 with an increase of only 2.1% in the present difficult economic environment. However, the EUROCONSTRUCT network expects a moderate recovery over the next two years. Building construction has been negatively affected by rising interest rates, the increasing cost of construction and the reduced financial flexibility of various customers. Civil engineering, in contrast, will continue to grow due to government support for infrastructure projects up to 2026. The current downward spiral in construction activity is, above all, related to corrections on the new residential construction market. This sub-segment contracted by 15% during the two-year period from 2023 to 2024, and a substantial increase in demand is still not expected over the medium term.

(Source: ifo Schnelldienst 2/2024)

2.2.3 The furniture market

The largest share of worldwide furniture industry revenues by far is attributable to the USA. Europe also plays a leading role, above all Germany (with a roughly 32% share of revenues in the European furniture industry), followed by France and Great Britain.

The strong revenue growth recorded by the US furniture industry in 2022 is expected to level off at 3.4% over the coming years, with a moderate increase beginning in 2026. Furniture industry revenues in China declined during 2023 but are expected to increase between 7% and 9% in the near term. In Europe, furniture industry revenues grew by only 1.3% in 2023 – there have been no signs of improvement to date in 2024 and growth rates over 3% are only expected beginning in 2025.

(Source: statista)

2.2.4 Competitive position

We are one of the leading companies in the wood materials industry. Our objective is to develop and maintain a strong position in all relevant markets with our core products. A wide-ranging product portfolio makes us a complete supplier for decorative wood materials, structural wood construction and flooring.

The past financial year was characterized by a difficult economic environment, above all due to the distinct downward trend in the construction industry and weak consumption which led, in turn, to a decline in demand. We have, however, noted an improvement in incoming orders since the beginning of the year which is attributable in large part to the introduction of our new retail collection for decorative products – the EGGER Decorative Collection 24+. The volume growth in the flooring business resulted primarily from higher sales volumes at our plant in Gagarin (RU), while the demand in Europe was increasingly reserved during the second half year. Volumes of OSB products increased over the previous year despite the difficult situation in the construction branch, but prices remain under pressure.

Our production capacity was further increased in 2023/24, not only following the takeover of our 22nd plant (Markt Bibart) but also through capacity expansion and optimization measures in existing plants.

2.3 Business Development in 2023/24

2.3.1 Production

Capacity utilization in our major plants reflected the prior year level in 2023/24. Production volumes of raw boards increased, above all due to the support provided by our newly acquired plants. A slight year-on-year decline was only recorded by the group's glue plants.

Raw boards & sawn timber

The volume of raw boards, including sawn timber, produced in 2023/24 rose by 8.8% to 10.4 million m³. The increase over the previous year is attributable primarily to our new plant in Caorso (IT), which was acquired in December 2022 (whereby only four months were included in 2022/23) and our new plant in Markt Bibart (DE), which was acquired in November 2023. Additionally, the production of MDF in Gagarin (RU) and OSB in Radauti (RO) increased over the low prior year levels.

Impregnates

The production of impregnated paper rose from 1,004.8 million m² to 1,081.5 million m². In addition to our new impregnation line in Lexington, NC (US), slight improvements were realized in the productivity of existing equipment.

Laminates

Laminate production rose by 2.1% from 38.9 million m³ in the previous year to 39.7 million m³ in 2023/24.

The raw boards produced during the reporting year were processed as follows:

- 354.6 million m² were converted into laminated boards (+3.4% versus 2022/23: 342.9 million m²)
- 57.1 million m² were converted into flooring (+10.7% versus 2022/23: 51.5 million m²)
- 38.2 million m² were processed into furniture components and worktops (+3.3% versus 2022/23: 37.0 million m²)

Production development

		2023/24	2022/23	2021/22	Dev. in % 2024 to 2023
Rawboard incl. timber	m ³ mill.	10.4	9.6	10.5	8.8%
Impregnated paper	m ² mill.	1,081.5	1,004.8	1,153.5	7.6%
Laminates	m ² mill.	39.7	38.9	45.3	2.1%
Glue	TO thsd.	472.0	486.3	561.6	-2.9%

2.3.2 Revenues

The EGGER Group generated consolidated revenues of EUR 4,132.5 million in 2023/24. In comparison with the previous year (EUR 4,449.7 million), that represents a decline of 7.1%. The reduction involved all plants in the Decorative Products and Building Products Segments and reflected the lower price levels for our products.

2.3.3 Business development by segment in 2023/24

Decorative Products

The Decorative Products Segment (products for furniture and interior design) was responsible for 83.7% of unconsolidated revenues in 2023/24 and recorded a slight year-on-year decline of 3.8% to EUR 3,629.0 million. This reduction resulted primarily from the lower price level in the furniture and interior design business and involved all locations in the segment. It was partly offset by the inclusion of revenues from our newest plants in Caorso (IT) and Markt Bibart (DE), where the main products are raw and/or laminated chipboard.

Building Products

The Building Products Segment recorded revenues of EUR 704.9 million, which represent 16.3% of unconsolidated revenues and a decline of 22.0% compared with the previous year. The largest share of the decline in revenues is attributable to sawn products from our sawmill in Brilon (DE), but the OSB plants in Radauti (RO) and Wismar (DE) are also currently affected by the difficult conditions in the construction industry. In the flooring business, demand remained stable at a low level. The lack of new construction activity was partly offset by renovation.

Revenues by segment

		2023/24	2022/23	2021/22	Dev. in % 2024 to 2023
Decorative Products	EUR mill.	3,629.0	3,773.9	3,457.7	-3.8%
Building Products	EUR mill.	704.9	903.7	992.7	-22.0%
Total (unconsolidated)	EUR mill.	4,333.9	4,677.6	4,450.3	-7.3%
Consolidation ⁽¹⁾	EUR mill.	-201.4	-227.9	-216.0	11.6%
Total	EUR mill.	4,132.5	4,449.7	4,234.3	-7.1%

(1) Represents intersegment revenues; revenues within the individual segments are already consolidated.

Share of unconsolidated Revenues		2023/24	2022/23	2021/22
Decorative Products	%	83.7%	80.7%	77.7%
Building Products	%	16.3%	19.3%	22.3%
Total	%	100.0%	100.0%	100.0%

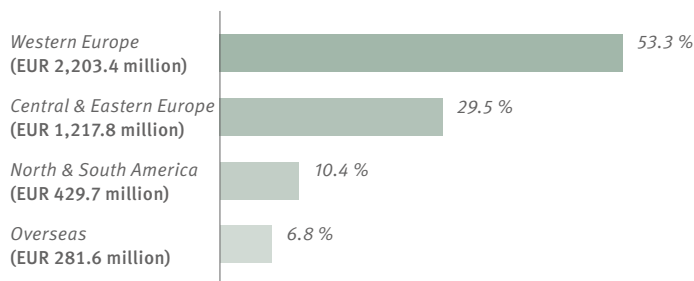
The retail trade and industry were the most important sales channels in 2023/24 with a share of 52.9% (2022/23: 52.6%), respectively 40.0% (2022/23: 40.5%) of consolidated revenues. The share of revenues recorded in the DIY sales channel remained in the single-digit range at 7.1% (2022/23: 6.9%).

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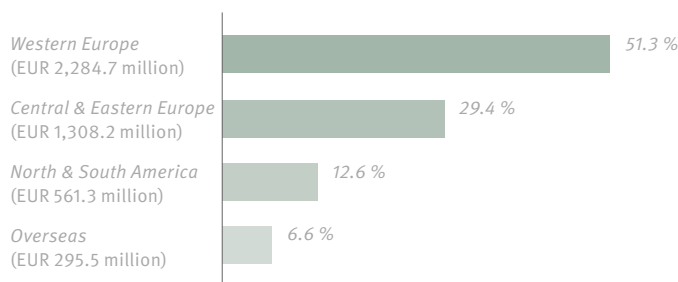
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Despite our progressive internationalization, we are still active primarily on the wood materials market in Europe. Our revenues are classified as follows by region, based on the location of the customers:

Revenues by sales region (FY 2023/24)



Revenues by sales region (FY 2022/23)



Our most important geographic market is **Western Europe**, which covers the following sales regions: North-West Europe, Great Britain and Ireland, South-West Europe, and Central-South Europe. The West European market was again responsible for the largest share of Group revenues in 2023/24 with 53.3% (2022/23: 51.3%). The significance of Germany for the wood materials market is based on the size of the population and, above all, on the furniture industry, which is heavily represented in this country. However, the increasing internationalization of the EGGER Group has been reflected in a shift in the distribution of revenues.

The markets in **Central & Eastern Europe** were responsible for 29.5% of revenues in 2023/24 (2022/23: 29.4%). Included here are the Czech Republic, Slovakia, Poland, Hungary, Romania, Bulgaria, Serbia, Croatia, Slovenia, Ukraine, Belarus, Latvia, Estonia, Lithuania, Turkey, Greece, the Near East and Russia.

A growing role is played by the countries outside Europe (North and South America as well as Overseas). **North and South America** recorded 10.4% of Group revenues in 2023/24 (2022/23: 12.6%). All other countries outside Europe and the Americas are aggregated under the **Overseas** region, which was responsible for 6.8% of Group revenues (2022/23: 6.6%).

2.4 Earnings

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2.4.1 Development of earnings

Earnings indicators

		2023/24	2022/23	2021/22	Dev. in % 2024 to 2023
Revenues	EUR mill.	4,132.5	4,449.7	4,234.3	-7.1%
EBITDA	EUR mill.	493.6	602.5	877.5	-18.1%
EBITDA margin	%	11.9%	13.5%	20.7%	
EBIT ⁽¹⁾	EUR mill.	152.8	259.2	613.3	-41.1%
Financial results ⁽²⁾	EUR mill.	-74.1	-12.8	-28.6	-481.0%
Profit before tax (PBT) ⁽¹⁾	EUR mill.	78.6	246.4	584.7	-68.1%
Profit after tax (PAT) ⁽¹⁾⁽³⁾	EUR mill.	92.2	237.5	436.4	-61.2%

(1) The 2023/24 reporting period includes impairment losses of TEUR 8,738 to goodwill held by the cash generating unit "Edging" and TEUR 42,156 to property, plant and equipment in the cash generating unit "Lexington" (2022/23: impairment losses of TEUR 69,929 to property, plant and equipment in the Russian cash generating unit "Gagarin").

(2) Includes income from financial investments and associates

(3) The previous reporting period amounts were adjusted according to IAS 8; refer to Note (2).

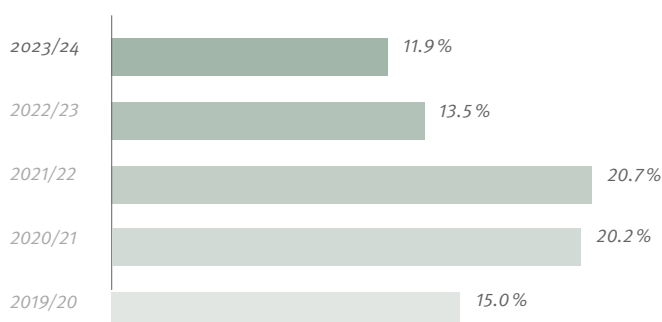
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Operating earnings (EBITDA: earnings before interest, taxes, depreciation and amortization) recorded by the EGGER Group totaled EUR 493.6 million in 2023/24 and were 18.1% lower than the previous year (2022/23: EUR 602.5 million).

The earnings decline in the Decorative Products Segment was moderate with a minus of 10.0% to EUR 500.3 million (2022/23: EUR 555.9 million), but substantially higher in the Building Products Segment with a sharp drop of 114.5% to EUR -6.7 million (2022/23: EUR +46.6 million). This development involved all relevant markets and was caused, in particular, by the high inflation and increasingly difficult situation in the construction industry. The resulting weak demand led to higher pressure on prices and, in turn, to a negative effect on our margins – above all for building products.

The operating EBITDA margin equaled 11.9% in 2023/24 and was below the in part very positive results recorded in previous years.

EBITDA margin



Operating profit before interest and taxes (EBIT) amounted to EUR 152.8 million (2022/23: EUR 259.2 million) and was negatively influenced by impairment losses of EUR 50.9 million. Profit before tax equaled EUR 78.6 million (2022/23: EUR 246.4 million). After the deduction of income taxes, net profit amounted to EUR 92.2 million (2022/23: EUR 237.5 million). Details on income taxes are provided in the consolidated financial statements under Note 15 Income taxes.

Development of earnings in the segments

EBITDA by Segment		2023/24	2022/23	2021/22	Dev. in % 2024 to 2023
Decorative Products	EUR mill.	500.3	555.9	660.4	–10.0%
Building Products	EUR mill.	–6.7	46.6	217.1	–114.5%
Total	EUR mill.	493.6	602.5	877.5	–18.1%

Development of earnings in the EGGER Decorative Products Segment

EBITDA in our Decorative Products Division with its five divisions – West, Central, East, Americas and Components – was 10% below the previous year at EUR 500.3 million in 2023/24 (2022/23: EUR 555.9 million). The reduction followed several boom years in all major markets and was caused by a decline in the demand for furniture and the resulting pressure on wood material prices. The development of EBITDA was supported by our recently acquired 22nd plant in Markt Bibart (DE) and by the plants in Unterradlberg (AT), Radauti (RO) and Biskupiec (PL), which service the East European and Overseas markets.

Development of earnings in the EGGER Building Products Segment

EBITDA in our Building Products Division totaled EUR –6.7 million and was substantially lower than the previous year (2022/23: EUR +46.6 million). This decline was caused chiefly by a sharp drop in earnings from building materials. The current difficult conditions in the construction industry and resulting weaker demand for building materials had a negative influence, above all, on our sawmill in Brilon (DE) and on the OSB locations in Radauti (RO) and Wismar (DE).

2.4.2 Financial Results

Financial results (incl. income from financial assets and equity-accounted investments) totaled EUR –74.1 million in 2023/24 (2022/23: EUR –12.8 million). The continuing upward trend in market interest rates, which reached the current high point during the second half of the financial year, together with a higher balance of financial liabilities (to finance the increased investment and acquisition activity) led to a substantial increase in interest expense. Negative foreign exchange effects resulted, above all, from the devaluation of the ARS, TRY and RUB versus the EUR. The results from financial assets and equity-accounted investments improved to EUR +11.6 million in 2023/24 (2022/23: EUR +9.7 million) due to comparable year-on-year income from a money market investment in ARS.

2.4.3 Taxes

Income of EUR 13.5 million from income taxes was recorded in 2023/24 (2021/22: income tax expense of EUR 8.9 million), which led to a negative effective tax rate of –17.2% (2022/23: +3.6%). The tax income resulted chiefly from the capitalization of deferred taxes from the write-down of investments in individual financial statements and from substantially lower profit before tax. A detailed overview of the income tax calculation is provided in the consolidated financial statements under Note (15) Income taxes.

2.5 Financial Position

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2.5.1 Financing and Treasury

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The primary goals of financial management/treasury in the EGGER Group are to **limit the financial risks** that may impair the company's continued existence (liquidity and default risks) and to **protect earning power** (foreign exchange, interest rate, market and price risks), while ensuring the ability to meet payment obligations at all times and minimizing financing costs.

The limitation of risk does not mean complete exclusion, but rather the **economically reasonable management** of financial risks within a framework that is defined by the Group's comprehensive financial management guideline and supplementary operating rules.

In addition to the management of financial risks, another important goal is to protect and expand the circle of external financing sources and thereby safeguard the further development of the EGGER Group through organic growth and/or acquisitions.

The most important **treasury indicators** for the EGGER Group are the debt repayment period (net debt / EBITDA) and the equity ratio (equity/ balance sheet total), which are monitored on a regular basis. EGGER has set the following targets for its **internal** strategic goals, which are also used to measure results at the Group level: an equity ratio of at least 30% and net debt / EBITDA of less than three years over the long-term.

The treasury indicators / financial covenants defined by **external** agreements are higher (net debt/EBITDA), respectively lower (equity ratio) than the internally defined ratios. These agreements call for a net debt / EBITDA ratio of less than 3.75 years and an equity ratio of at least 25%.

Equity ratio

Key Treasury Indicators		30.04.2024	30.04.2023	30.04.2022
Equity ratio ⁽¹⁾	%	43.5%	44.9%	51.2%
Net debt / adjusted EBITDA	years	2.66	1.50	0.64

(1) The previous reporting period amounts were adjusted according to IAS 8; refer to Note (2).

The debt repayment period rose from 1.50 to 2.66 years as of April 30, 2024. The underlying causes included the 18.1% decline in EBITDA and an increase of 45.3% in net debt to EUR 409.3 million that resulted, in particular, from higher investment and acquisition activity. The increase in equity (including government grants) was disproportionately lower than the balance sheet total despite the positive net income recorded for the financial year (after distributions and recognized translation losses). Consequently, the equity ratio declined from 44.9% to 43.5%.

2.5.2 Financing Analysis

The most important goals for our corporate financing strategy are the protection of liquidity and the diversification of capital sources and financing instruments.

One element of the financing strategy calls for the use of free cash flows to support internally generated growth.

Derivative financial instrument are only used to hedge risk positions from underlying transactions. Detailed information is provided in the notes to the consolidated financial statements.

External financing in the EGGER Group follows a **three-pillar model**:

First pillar: bank financing

The main building blocks of this financing are syndicated bank loans and committed credit lines (for strategic liquidity protection), which are concluded with a selected circle of core banks.

Of the total external liabilities to credit institutions assumed in connection with the acquisition of SAIB S.p.A and M+P Umweltdienste GmbH during the second half of 2022/23, EUR 26.2 million were repaid prematurely as planned and replaced, in part, by group financing. External financing of EUR 0.6 million was still outstanding as of April 30, 2024.

In October 2023, a syndicated financing agreement for EUR 200 million was concluded with a circle of EGGER's core banks. This financing carries variable interest and has an amortizing repayment structure with a term ending on September 30, 2033. The funds were transferred at the end of October 2023. In March 2024, financing of EUR 13.5 million was concluded with two EGGER core banks. It carries variable interest and has an amortizing repayment structure with a term ending on March 29, 2030.

The committed syndicated credit line was drawn and repaid during the reporting period. Following the extension of this credit line by a further year in October 2023, the remaining term still equals 4.5 years. As of April 30, 2024, committed credit lines of EUR 400 million were available for discretionary use.

The respective agreements for one credit and the committed credit line link part of the interest margin to the development of the sustainability rating (ESG Corporate Rating) issued by ISS ESG for the EGGER Group.

Second pillar: capital market financing

Our Group has successfully used the capital market as a financing source for many years through the issue of bonds and the placement of promissory note loans. No bonds are outstanding at the present time.

We have also used the promissory note market as a financing source on a regular basis since 2014. In March 2024, Egger Holzwerkstoffe GmbH placed its fifth promissory note loan in several fixed and variable EUR tranches (3, 5, 7 and 10 years) for a total of EUR 200 million. According to the agreement, part of the interest margin is linked to the development of the EGGER Group's sustainability rating (ESG Corporate Rating) from ISS ESG. The EGGER Group has now placed two promissory note transactions with an ESG link.

Promissory note loans with various fixed and variable EUR tranches and different remaining terms (total nominal value: EUR 774 million) were outstanding as of April 30, 2024.

Third pillar: factoring program

The factoring agreements were extended and transferred, as planned, to another institution during the reporting year. EGGER continues to work with two factoring programs under which receivables are sold according to actual sales. These multi-year, binding factoring agreements had a remaining term of 1.6, respectively 2.8 years as of April 30, 2024.

Maturity profile: Financial liabilities

Maturity Profile				
Financial Liabilities and Bonds		30.04.2024	30.04.2023	30.04.2022
Remaining term over 5 years	EUR mill.	236.6	120.7	126.0
Remaining term 1 - 5 years	EUR mill.	1,193.0	1,004.5	721.2
Remaining term under 1 year	EUR mill.	134.3	252.9	134.4
Total	EUR mill.	1,563.9	1,378.1	981.6

2.5.3 Cash Flow

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Cash Flow statement

		2023/24	2022/23	2021/22	Dev. in % 2024 to 2023
Gross Cash Flow	EUR mill.	438.3	458.7	746.1	-4.5%
Cash Flow from changes in net current asset	EUR mill.	-91.9	6.6	-170.4	>100,0%
Cash Flow from operating activities	EUR mill.	346.4	465.3	575.8	-25.5%
Cash Flow from investing activities	EUR mill.	-614.4	-491.2	-270.5	-25.1%
Cash Flow from financing activities	EUR mill.	73.7	96.8	-248.8	-23.9%
Net change in cash and cash equivalents	EUR mill.	-194.3	70.9	56.5	-374.0%

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Based on gross cash flow and after the inclusion of changes in net working capital, cash flow from operating activities totaled EUR 346.4 million in 2023/24 (2022/23: EUR 465.3 million).

Cash flow from investing activities (incl. acquisitions) amounted to EUR -614.4 million and was clearly higher than the previous year (2022/23: EUR -491.2 million). Investments were made in nearly all plants and consisted chiefly of wood collection points, recycling equipment, warehouse space, biomass boilers and upgrading capacity as well as the modernization of our glue plant in Wismar (DE). Funds were also directed to the acquisition of our newest plant, which is located Markt Bibart (DE), and payments for the acquisition of equity-accounted investments.

Cash flow from financing activities equaled EUR 73.7 million and reflects the increase in borrowings.

Free Cash Flow Statement

		2023/24	2022/23	2021/22	Dev. in % 2024 to 2023
Cash Flow from operating activities	EUR mill.	346.4	465.3	575.8	-25.5%
Cash Flow from investing activities	EUR mill.	-614.4	-491.2	-270.5	-25.1%
+ Cash Flow from Growth Investments incl. Cash out for the acquisition of subsidiaries	EUR mill.	455.0	428.3	194.5	6.2%
Free Cash Flow	EUR mill.	187.0	402.4	499.8	-53.5%

Free cash flow (cash flow from operating activities less cash flow from investing activities plus growth investments, incl. cash out for acquisitions) amounted to EUR 187.0 million and was 53.5% lower than the previous year (2022/23: EUR 402.4 million).

2.5.4 Investments

Investments in intangible assets, property, plant and equipment and acquisitions amounted to EUR 568.6 million in 2023/24 (2022/23: EUR 540.6 million).

The difference between cash flow from investing activities and the additions to non-current investments resulted from non-current asset additions which will become cash-effective at a later date, from the capitalization of rights of use under IFRS 16, from changes in the scope of consolidation and from differences between various exchange rates on the balance sheet date and the average exchange rates as well as from payments made for the acquisition of equity-accounted investments.

Investments

		2023/24	2022/23	2021/22
Maintenance investment	EUR mill.	113.7	112.3	99.1
Growth investment	EUR mill.	353.5	333.7	194.5
Cash out for the acquisition of subsidiaries	EUR mill.	101.5	94.6	0.0
Total Investments	EUR mill.	568.6	540.6	293.6

Maintenance investments totaled EUR 113.7 million and were slightly higher than the previous year (2022/23: EUR 112.3 million).

Growth investments, including cash out for acquisitions, totaled EUR 455.0 million in 2023/24 (2022/23: EUR 428.3 million). The largest investments were directed to our new plant in Markt Bibart (DE) and to the expansion of plants in Barony (UK), Bünde (DE) and the resin plant in Wismar (DE). Investments were also made at other locations in support of the circular economy, optimized logistics and energy efficiency. Key projects focused on our plants in St. Johann in Tirol (AT), Brilon (DE), Caorso (IT), Gifhorn (DE) and Lexington, NC (US).

Investments by segment

		2023/24	2022/23	2021/22
Decorative Products	EUR mill.	491.7	472.0	248.4
Building Products	EUR mill.	76.9	68.6	45.2
Total Investments	EUR mill.	568.6	540.6	293.6

2.5.5 Cost of capital

The cost of capital (WACC = weighted average cost of capital) used in Egger value management represents the return expected on equity and debt financing. It is calculated as a weighted average of the cost of equity and debt for the Group. The after-tax WACC equaled 8.93% in 2023/24 (2022/23: 8.88%). Local WACC rates are calculated for individual countries in local currency and adjusted by the difference in inflation and country risk.

2.5.6 EGGER Value Management

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The financial aspect of EGGER value management is based on a simple and transparent, but strong analytical method that is focused on the sustainable increase in cash flow (EBITDA) in relation to historical capital employed, i.e. CFROI (cash flow return on investment; the return on capital employed in relation to acquisition costs).

CFROI, which is one of the most important performance indicators for capital-intensive companies, measures the profitability of capital employed. As a sustainable strategic target, EGGER has defined a minimum return of 10% (hurdle rate) for all areas of the company.

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CFROI

Value Management

		2023/24	2022/23	2021/22	Dev. in % 2024 to 2023
EBITDA	EUR mill.	493.6	602.5	877.5	-18.1%
Historical capital employed ⁽¹⁾	EUR mill.	6,738.3	6,117.5	5,550.7	10.1%
CFROI ⁽¹⁾	%	7.3%	9.8%	15.8%	

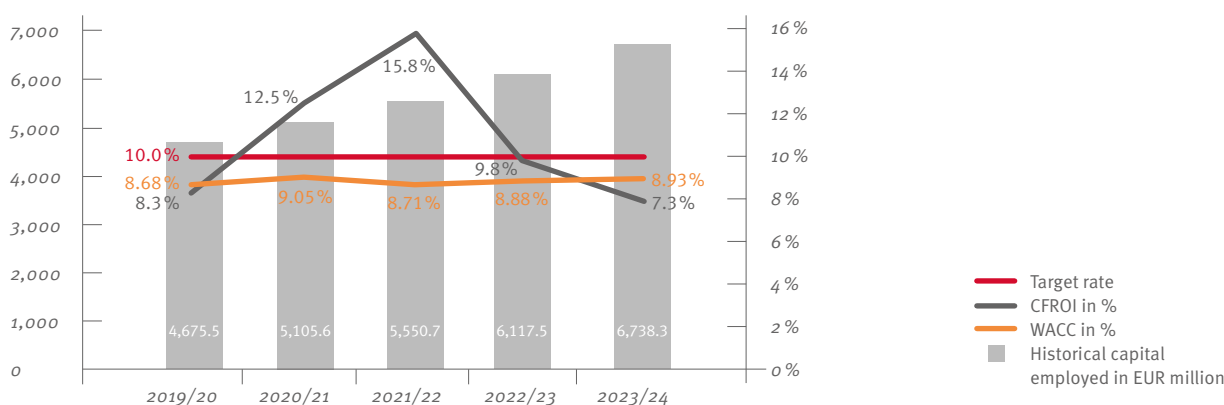
(1) The previous reporting period amounts were adjusted according to IAS 8; refer to Note (2).

Calculation of CFROI

$$\text{CFROI} = \frac{\text{EBITDA}}{\text{Historical capital employed}}$$

Target: CFROI ≥ 10 %

Value management



Our Group CFROI of 7.3% in 2023/24 was below the in part extremely positive level of previous years and also slightly lower than our long-term target rate of 10.0%. This was a result of the current difficult market situation as well as recently finalized investments and acquisitions that did not generate any or only minimal earnings during the reporting year. Historical capital employed rose by 10.1% in 2023/24 and reflects our growth strategy. Over the medium and long term, we expect a CFROI rate which reflects our target of 10%.

2.6 Asset Position

2.6.1 Balance sheet structure

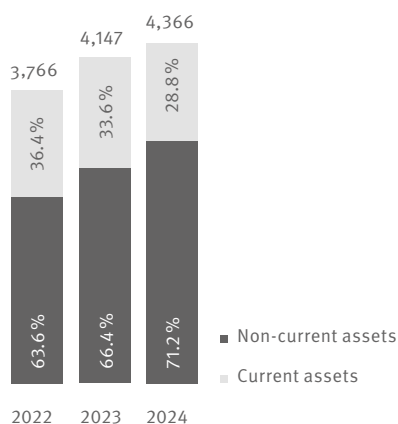
The balance sheet total rose by 5.3% from EUR 4,146.9 million in the previous year to EUR 4,366.0 million in 2023/24. This growth was based primarily on an increase in non-current tangible assets, equity-accounted investments and deferred tax assets.

Balance sheet development

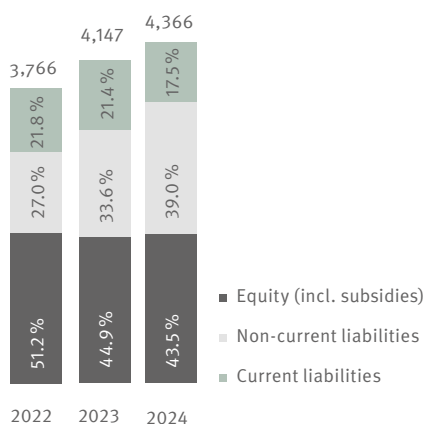
		30.04.2024	30.04.2023	30.04.2022	Dev. in % 2024 to 2023
Non-current assets ⁽¹⁾	EUR mill.	3,109.2	2,752.2	2,394.2	13.0%
Inventories	EUR mill.	642.0	620.4	647.0	3.5%
Receivables	EUR mill.	195.4	175.2	192.6	11.5%
Cash and cash equivalents	EUR mill.	251.8	466.0	418.1	-46.0%
Other current assets	EUR mill.	167.7	133.2	113.9	25.9%
Balance sheet total	EUR mill.	4,366.0	4,146.9	3,765.9	5.3%
Equity (including subsidies) ⁽¹⁾	EUR mill.	1,897.1	1,863.6	1,927.6	1.8%
Provisions	EUR mill.	163.1	156.8	159.2	4.0%
Non-current financial liabilities / bonds	EUR mill.	1,429.6	1,125.2	847.1	27.1%
Current financial liabilities / bonds	EUR mill.	134.3	252.9	134.4	-46.9%
Other liabilities ⁽¹⁾	EUR mill.	741.9	748.5	697.5	-0.9%

(1) The previous reporting period amounts were adjusted according to IAS 8; refer to Note (2).

Balance sheet development: Assets (million) 30.04.



Balance sheet development: Equity & liabilities (million) 30.04.



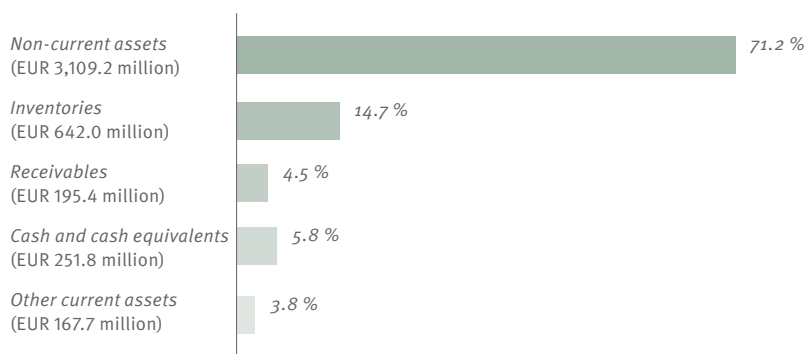
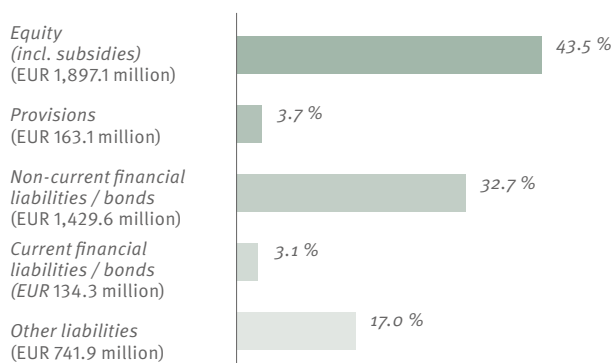
Non-current assets rose by 13.0% based on additions to plant and equipment and to equity-accounted investments. The high share of non-current assets in the balance sheet total (71.2%; 2022/23: 66.4%) reflects the very high capital intensity of the Group's production processes.

Earnings expectations for our cash-generating unit "Edging" with its main plant in Gebze (TR) were reduced to reflect the following factors: the current difficult conditions on the furniture market, the high country risk for Turkey associated with the estimation of the discount rate, and the situation in the PP edgings business which was unable to secure a larger share of the total market from the dominating ABS and PVC edgings than originally expected. The reduction in earnings expectations led to the recognition of an impairment loss.

The challenging market environment in the USA and the delayed development of earnings in our plant Lexington, NC (US), also led to the recognition of an impairment loss.

Balance sheet structure: Assets 30.04.2024

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Working capital (inventories plus trade receivables less trade payables) increased from EUR 364.6 million as of April 30, 2023 to EUR 417.6 million as of April 30, 2024.

Working Capital		2023/24	2022/23	2021/22	Dev. in % 2024 to 2023
Inventories	EUR mill.	642.0	620.4	647.0	3.5%
+ Receivables	EUR mill.	195.4	175.2	192.6	11.5%
– Trade payables	EUR mill.	419.8	431.0	397.8	–2.6%
Working Capital	EUR mill.	417.6	364.6	441.8	14.5%
Revenues	EUR mill.	4,132.5	4,449.7	4,234.3	–7.1%
Working Capital in % of revenues	%	10.1%	8.2%	10.4%	

Inventories increased by 3.5% from EUR 620.4 million as of April 30, 2023 to EUR 642.0 million as of April 30, 2024, primarily due to the acquisition of the new location in Markt Bibart (DE).

Trade receivables also increased from EUR 175.2 million as of April 30, 2023 to EUR 195.4 million as of April 30, 2024. The average receivables turnover equaled roughly 37 days (2022/23: roughly 34 days).

Trade payables were slightly lower than the previous year at EUR 419.8 million as of April 30, 2024 (2022/23: EUR 431.0 million) and reflect a normal long-term level.

2.6.3 Liquidity/net debt

Interest-bearing liabilities (financial liabilities and bonds) rose to EUR 1,563.9 million as of April 30, 2024 (2022/23: EUR 1,378.1 million) and include a long-term financing component of 91.4% (2022/23: 81.6%). All financing was concluded in Euros. Net debt totaled EUR 1,312.2 million as of April 30, 2023 (2022/23: EUR 902.8 million), whereby the increase resulted primarily from higher investment and acquisition activity.

Net debt

		30.04.2024	30.04.2023	30.04.2022	Dev. in % 2024 to 2023
Financial liabilities and bonds	EUR mill.	1,563.9	1,378.1	981.6	13.5%
Less liquid funds	EUR mill.	251.8	475.3	418.1	-47.0%
Net Debt	EUR mill.	1,312.2	902.8	563.4	45.3%

2.6.4 Equity (incl. government grants)

Equity (including government grants) rose slightly by 1.8% from EUR 1,863.6 million in the previous year to EUR 1,897.1 million as of April 30, 2024. The increase was supported by the positive results of EUR 92.2 million recorded for the financial year 2023/24, less currency translation effects (in particular, negative effects from the RUB and ARS; positive effects from the USD and PLN) and after deductions for distributions. The equity ratio, including government grants, equaled 43.5% (2022/23: 44.9%).

2.6.5 Provisions and other liabilities

Provisions increased slightly from EUR 156.8 million as of April 30, 2023 to EUR 163.1 million as of April 30, 2024. As a percentage of the balance sheet total, provisions equaled 3.7% (2022/23: 3.8%).

Other liabilities declined slightly by 0.9% from EUR 748.5 million as of April 30, 2023 to EUR 741.9 million as of April 30, 2024.





Green industry

For a livable future. As a producing company, we have a tremendous responsibility. We are committed to sustainable business practices and actions, and accept our responsibility for the economy, environment and society. In all these areas, we follow clear goals, implement measures and transparently report on our performance. Sustainable actions are, in no way, an obligation. On the contrary, the focus on coming generations is our central claim.



3 Non-financial Report

3.1 Sustainability management

3.1.1 Sustainability governance

Corporate Sustainability Reporting

The central coordination unit for Corporate Sustainability Reporting has been organized as a separate department within Corporate Accounting/Controlling since the financial year 2021/22 and has a direct reporting line to the CFO (Group Management, Finance/Administration). At the time this report was prepared, the Corporate Sustainability Reporting Department consisted of three full-time employees and two part-time employees. The framework conditions and regulatory requirements of the European Union (CSRD, ESRS) for sustainable corporate development are processed and anchored in the company at the Group level. The Corporate Sustainability Reporting Department also coordinates the agendas of the Sustainability Board.

Product sustainability

Product sustainability issues (e.g. EPD, PCF, alternative glues, ...) are the responsibility of a separate Group function, Product Sustainability. Environmental and/or energy management teams have also been installed in all plants. In Germany, a team is active at the regional level.

Sustainability Board

The Sustainability Board was founded in August 2022 as an interdepartmental committee with responsibility for sustainability issues of strategic relevance for the EGGER Group. The key focus of this circle currently lies in the implementation of measures connected with our climate strategy. To underscore the importance of our commitment to climate protection and to further improve our position for its implementation, the Sustainability Board was expanded at the beginning of 2024.

Thomas Leissing (Spokesman of Group Management, CFO, Finance/Administration) succeeded Ulrich Bühler as head of the Sustainability Board on January 1, 2024. Other new members of the board since early 2024 are Hannes Mitterweissacher (CTO, Technology/Production), Michael Egger jun. (CSO, Sales/Marketing), and a representative of Corporate Accounting/Controlling.

The Sustainability Board also includes members from Corporate Sustainability Reporting, Product Sustainability, Corporate HR, the Competence Center (Technology and Production), Quality & Energy Management and the Supply Chain. They cover all major issues: framework conditions and legal regulations for sustainable development, transport logistics, the purchase of raw materials such as wood, chemicals, paper and energy, customer requirements for products and responsibility for employees and society – and meet on a regular basis.

The Managing Board (Group Management), as the top-level authority, is responsible for strategic and operational sustainability-related decisions.

The following simplified schematic representation shows the composition, areas of expertise and responsibilities of the Sustainability Board. The topics covered by the positions are listed below.

Group Management	Thomas Leissing	Chair and responsibility for the Sustainability Board
	Hannes Mitterweissacher	Group Management Technology/Production
	Michael Egger jun.	Group Management Sales/Marketing
	Corporate Sustainability Reporting	Legal requirements, coordination of the Sustainability Board (minutes, deadlines)
	Product Sustainability	Customers, products, market, competitors
	Corporate HR	Employees, society, social responsibility
	Supply Chain	Logistics/transport
	Competence Center	Technology/production, procurement of wood, paper, energy and chemicals
	Corporate Quality & Energy Management	
	Corporate Accounting/Controlling	Data and reporting

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Responsibilities of the Sustainability Board

- Monitoring the framework conditions at EU level that are designed to transform the economy through concrete CO₂-reducing measures as well as technical innovations and specific climate solutions towards net zero (e.g. Green Deal, CSRD, ESRS, ...)
- Tracking customer requirements (decarbonization along the supply chain, requirements for purchased products e.g. recycling wood content, product carbon footprint)
- Preparing facts for decision-making and the development of proposals for the Managing Board (Group Management)
- Informing the plant and division managers of the resulting decisions

3.1.2 Stakeholder approach

Numerous goals have been defined to respond to the demands and interests of stakeholders. Following is a selection of these goals:

- Identification of demands on the company and their development as a basis for decision-making on corporate orientation
- Support for open communications
- Identification of potential risks
- Prevention of operational blindness
- Creation of clarity
- Creation and strengthening of trust

Details on the instruments and intervals for stakeholder engagement can be found in the table on the following page.

Stakeholder categories

We record stakeholder interests through different approaches:

Type of stakeholder group	Stakeholder group	Instruments & interval for the integration of interests
Internal	Owners	Formal monthly meetings in the expanded Group Management circle; ongoing informal contacts via an office workstation at the headquarters in St. Johann in Tirol
Internal	Supervisory Board	Formal quarterly meetings of the Supervisory Board
Internal	Employees	Annual appraisal with line supervisor, employee opinion survey by independent provider every three years
External	Suppliers	Ongoing informal contacts via central purchasing departments (chemicals, paper, technology) and decentralized wood purchase
External	Customers	Ongoing informal contacts via personal sales service visits, internal sales team, hotlines and service centers, customer portal on the website; monitoring interests via CRM system; systematic customer satisfaction analysis (every 3-5 years); newsletter (e.g. information on product innovations)
External	Public & civil society Neighbors & citizens' initiatives	At the operating plants: regular open house days, plant tours by appointment; for greenfield investments and significant structural and operational changes: early stakeholder dialogue by means of information events and offers to visit existing comparable plants; incident management system for recording residents' complaints
External	Banks, investors and capital market	Regular, institutionalized, personal discussions and bank days between the CFO and the Group Treasury Department with core banks; ongoing informal communications with credit analysts on ESG and business-relevant topics; monitoring the development of regulatory requirements in the ESG area through exchanges with consultants and in professional associations; formalized information to the broad investor and capital markets via EGGER Credit Relations website
External	Public authorities & legislators	Online emission reporting from power plants to local authorities at the plants; for location changes: dialogues with local authorities; regular contact with local authorities for mandatory inspections
External	NGOs	Ongoing informal contact through inquiry responses; structured dialogue formats via industry NGO forums organized by associations

3.1.3 Materiality analysis

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Selection of material topics

The materiality analysis defines the topics that are of key importance for the company's sustainability performance.

The material topics that were identified in 2017 and combined into 16 topics during 2019 were surveyed again in the financial year 2021/22.

In 2023/24, the identification of the material topics within the framework of a double materiality analysis based on European Sustainability Reporting Standards (ESRS) was carried out with the support of an external consulting firm for the first time. The results were also used to update the material topics under GRI for this year's report. The analysis took place in internal workshops and covered the value chain and material topics. These workshops analyzed the impact of the company on society and the environment (inside-out) as well as the financial impact of the sustainability topics on the company (outside-in), whereby only the inside-out view is important for the materiality analysis under GRI 3. In conclusion, stakeholders were included through structured interviews. These surveys were also used to update the material topics under GRI.

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Internal workshops

EGGER value chain

The first step involved a detailed description of the raw chipboard value chain together with specialists and an external consulting firm. Further processes, like upgrading and supplementary activities, were then analyzed and documented. Based on EGGER's value chain, the material topics (environment, social, governance; ESG) were determined in a materiality analysis.

Materiality analysis

The participants in the one-day workshop included the managers and specialists from various departments, a representative of the EGGER Management Board (Group Management), the EGGER sustainability team and staff from an external consulting firm. To optimally evaluate the effects on the respective subject blocks (E, S and G), the participants were assigned to groups based on their professional expertise.

The evaluation of each of our material topics was based on an exact description of the issue.

It represents the mean value between the

- Extent (e.g. How is the respective stakeholder's quality of life limited? Scale of 1 to 5: "1" = No effect; "5" = Significant effect, e.g. permanent invalidity),
- Scope (e.g. How many people are involved? Scale of 1 to 5: "1" = Local level; "5" = Global level),
- Irreversibility (Scale of 1 to 5: "1" = Very easy to identify with (very) little expense; "5" = Not identifiable)

The mean value was then combined with the probability of occurrence (Scale of 1 to 5: "1" = Unlikely; "5" = Frequent).

The evaluation was carried out for all three defined time horizons (short, medium and long term). The time horizon with the highest mean value was used for further evaluation.

The results were documented and reviewed for plausibility by the EGGER sustainability team.

Interim results

The topics addressed in the internal workshops were then divided into three groups:

- Material topics
- Immaterial topics
- Topics on the materiality threshold

In the next step, the topics along the materiality threshold (overlapping topics) were subjected to a detailed evaluation through a stakeholder survey.

Stakeholder inclusion

The interim results were validated in more than ten personal stakeholder interviews, which included stakeholders from all areas:

- Owners and Supervisory Board representatives
- Employees and employee representatives
- Customers, suppliers and banks
- Public authorities, NGOs and neighboring residents

The interviews (personal or via video conference) were carried out by means of a structured questionnaire and focused on the overlapping topics. All issues along the materiality threshold were discussed in detail with the stakeholders to obtain their opinions and evaluation. The material and immaterial topics were also discussed with the stakeholders to identify any missing issues.

The stakeholder evaluation of the overlapping topics flowed into the final results at 50%.

Final check of results

As an additional validation loop, the results were verified by three specialist departments:

- Risk management
- Accounting
- Controlling

The specialist departments made no changes to the materiality topics. In conclusion, the results were presented to and discussed with the workshop participants, Thomas Leissing (Spokesman for Group Management, CFO, Finance/Administration) and the Chairman of the Audit Committee. There were no objections and the results were then finalized.

Final results

The 16 material topics that were queried and evaluated in 2021/22 principally correspond to the topics identified as material by the ESRS materiality analysis. Therefore, reporting continues to cover these topics.

- Products from renewable raw materials
- Use of wood from sustainable sources and recycled material
- Health safety of products
- Durability and recyclability of products
- Material efficiency and waste prevention
- Climate protection, energy efficiency, renewable energies in production
- Plant emissions (pollutants, noise and odor)
- Water cycle and rainwater utilization
- Occupational health and safety
- Equal opportunities and diversity
- Further education and promotion opportunities
- Employee satisfaction

- Business ethics
- Tax transparency
- Regional value creation
- Working conditions in the supply chain

Two new material topics at the ESRS category level that were previously not classified as material were identified during the new materiality analysis:

- Biological diversity and ecosystems
- Affected communities

These two additional topics were included in reporting.

In view of future reporting under ESRS, the material topics were structured according to environment, social and governance (ESG) and reporting will be based on the ESRS categories (E1 Climate change etc.)

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3.1.4 Principles, commitments and memberships

External initiatives we have joined

- ColorNetwork®
- FSC® (Forest Stewardship Council®), FSC C017963
- PEFC (Programme for the Endorsement of Forest Certification), PEFC/06–38–171
- IBU (Institut für Bauen und Umwelt e. V.)
- UN Global Compact
- UN Sustainable Development Goals (SDGs)
- UN Women's Empowerment Principles

Memberships to promote research, development and standardization

- CPA (Composite Panel Association) – USA
- TIHD (Institute of Wood Technology Dresden) – Germany
- NCASI (National Council for Air and Stream Improvement) – USA
- Wood K+ (Kompetenzzentrum Holz GmbH) – Austria
- ÖVQ (Austrian Association for Quality Assurance)

Memberships in associations and interest groups

- BAV (Federal Association of Waste Wood Processors and Recyclers) – Germany
- CEFIC (European Chemical Industry Council) – EU
- DeSH (German Sawmill and Timber Industry Association)
- EPF (European Panel Federation) – EU
- CPA (Composite Panel Association) – USA
- UIPP (Union des Industries des Panneaux de Process) – France
- VHI (Association of the German Wood-based Materials Industry)
- WPIF (Wood Panels Industries Federation) – UK
- EPLF® (Association of the European Producers of Laminate Flooring) – EU
- Association of the Austrian Wood Industries – Austria
- IV (Federation of Austrian Industry) – Austria
- Herstellerverband Haus & Garten e.V. – Germany, Austria, Switzerland
- MMFA (Multilayer Modular Flooring Association) – EU
- SPDPwP (Main Association of the Polish Wood Panel Industry) – Poland
- Ost-Ausschuss der Deutschen Wirtschaft e.V.
- WRA (Wood Recyclers Association) – UK

Our contribution to the Sustainable Development Goals

At EGGER, we are committed to supporting all 17 Sustainable Development Goals (SDGs). We place a closer focus on the following ten goals and give five SDGs high strategic priority. In the chart, the goals are arranged according to EGGER's relative influence on their achievement.

Evaluation of the SDGs according to influence

In order to evaluate our impact, an internal workshop was conducted during the financial year 2020/21. We have defined impact as the net total of the potential negative effects and our contribution to meeting the respective SDG.



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The following table shows the connecting points between the goals and subgoals of the Agenda 2030 and EGGER's corporate goals. The sustainability topics in this report describe our contribution to meeting these goals and the key figures that can be used to measure progress.

Goal/subgoal		Key SDG connecting points for EGGER	Contribution and progress, see topic/subtopic
	3	Support for good health and well-being	● Our approach to product transparency and eco-labelling ● Indoor air quality and product transparency ● Healthy workplaces and health protection ● Health promotion ● Control of pollutants in products
	5.1 5.5	End discrimination against women, participation of women in economic life, assumption of leadership roles	● Diversity of age, gender, nationality ● Equal treatment of employees
	6.3 6.4	Water recycling and efficient use of water	● Our environmental and energy management ● Water consumption and rainwater utilization ● Clean wastewater
	7.2 7.3	Renewable energy and energy efficiency	● Our environmental and energy management ● Use of renewable energy ● Energy efficiency
	8.2 8.4 8.5 8.6 8.8	Economic productivity, resource efficiency in consumption and production, safe working environments, vocational apprenticeship and decent work	● Our due diligence system for tracing the origin of wood ● Resource efficiency ● Our management system for occupational health and safety ● Work safety ● Equal treatment of employees ● Education ● Employee representatives ● Long-term cooperation and fluctuation ● Our commitment to the UN Global Compact ● Working conditions in transport logistics ● Working conditions in the wood supply chain ● Benefits and operational performance

¹ See SDG 12 for contribution and progress

Goal/subgoal		Key SDG connecting points for EGGER	Contribution and progress, see topic/subtopic
	9.2 9.4	Employment in industry, modern infrastructure, environmentally sound technologies and industrial processes ²	● See Management Report, Chapter 1.4.2 ● See Management Report, Chapter 2.3.1 ² See SDG 6, 7, 12, 13 for contribution and progress
	12.2 12.5 12.6 12.8	Efficient use of natural resources, reduction of waste, sustainable practices and sustainability information	● Our approach to product transparency and eco-labelling ● Use of materials from renewable sources ● Carbon storage: from the forest to the wood product ● Use of recycling materials and cascading use of wood ● Recycling capability ● Our environmental and energy management ● Packaging materials ● Prevention of waste
	13	Actions to combat climate change	● Our approach to product transparency and eco-labelling ● Carbon storage: from the forest to the wood product ● Our environmental and energy management ● Use of renewable energy ● Greenhouse gas emissions
	15.2	Sustainable management of all forest types	● Our due diligence system for tracing the origin of wood ● Use of wood from sustainable forest management
	16.5	Reduce corruption	● Our due diligence system for tracing the origin of wood ● Our compliance strategy ● Prevention of corruption

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3.1.5 External awards

We received two further sustainability awards in 2023/24: Prime status in the ISS ESG Corporate Rating and the EcoVadis Silver Medal.



ISS ESG is one of the leading rating agencies for the sustainable investment segment. For the fourth time, the EGGER Group was awarded Prime status. This ranking is reserved for the best companies in their respective industries.

ISS ESG follows a scientifically based rating concept. Non-financial information from the areas of environment, social affairs and governance is evaluated. The assessment of a company's sustainability performance is based on roughly 100 criteria that are specifically selected for each industry.



EcoVadis, one of the world's largest issuers of sustainability ratings, awarded EGGER its Silver Medal for the fifth time. This places us in the top 15% of all companies assessed across all sectors. The evaluation focuses on 21 criteria, which are subdivided into four subject areas: environment, labor and human rights, ethics and sustainable procurement.

3.1.6 EGGER Management System

EGGER has installed an integrated management system to support its commitment to continuous improvement and to ensure knowledge of and compliance with clearly defined requirements in all areas. The EGGER Management System (EMS) is basically organized according to the high-level structure of ISO 9001:2015 and combines all management systems currently in use. Common topics from the different standards are dealt with as a single topic within the framework of the EMS, while individual specifications are handled in special processes. The highest possible integration of topics leads to the realization of synergies.

Context of the organization

The environment that impacts EGGER and the management system is examined in greater detail through a context analysis. For this purpose, we use a PESTEL (Political, Economic, Social, Technological, Legal, and Environment) analysis and a stakeholder analysis to identify and assess the various factors that influence the organization and our stakeholders' requirements. The analysis is updated annually at Group level as part of the Management Review. It is then expanded and refined at plant level to include local stakeholders and locally relevant topics. Opportunities and risks are derived from the influencing factors and their current status is reviewed. Any need for additional measures is systematically documented and implementation monitored in the EMS.

Scope of the integrated management system

The requirements of various norms and standards are addressed as part of the EMS and include, among others:

- ISO 9001: Quality management
- ISO 14001: Environmental management
- ISO 50001: Energy management
- ISO 45001: Occupational health and safety
- Fire protection
- ISO 38200: Supply chain for wood and wood-based products

We also regulate the relevant procedures and processes in all work areas via the EMS, in particular through coordinated documents.

Certified plants

Country	Location	Quality	Environment	Energy	Occupational safety
Austria	St. Johann in Tirol	ISO 9001	ISO 14001	—	—
	Wörgl	ISO 9001	ISO 14001	—	—
	Unterradlberg	ISO 9001	ISO 14001 + EMAS	—	—
Germany	Brilon	ISO 9001	ISO 14001	ISO 50001	—
	Brilon Sägewerk	ISO 9001	ISO 14001	ISO 50001	ISO 45001
	Bevern	ISO 9001	ISO 14001	ISO 50001	—
	Gifhorn	ISO 9001	ISO 14001	ISO 50001	ISO 45001
	Bünde	ISO 9001	ISO 14001	ISO 50001	—
	Marienmünster	ISO 9001	ISO 14001	ISO 50001	—
	Markt Bibart	—	—	ISO 50001	—
	Wisnar Glue factory "LTPro"	ISO 9001 ISO 9001	ISO 14001 ISO 14001	ISO 50001 ISO 50001	— ISO 45001
UK	Hexham Glue factory "Campact"	ISO 9001 ISO 9001	ISO 14001 ISO 14001	ISO 50001 ISO 50001	ISO 45001 ISO 45001
	Barony	ISO 9001	ISO 14001	ISO 50001	—
France	Rambervillers	ISO 9001	ISO 14001	ISO 50001	—
	Rion des Landes	ISO 9001	ISO 14001	ISO 50001	—
Russia	Shuya	ISO 9001	—	—	—
	Gagarin	ISO 9001	—	—	—
Romania	Radauti Glue factory "Technologia"	ISO 9001 ISO 9001	ISO 14001 ISO 14001	— —	— ISO 45001
Turkey	Gebze	ISO 9001	ISO 14001	ISO 50001	—
Argentina	Concordia	ISO 9001	ISO 14001	—	ISO 45001
Poland	Biskupiec	ISO 9001	ISO 14001	—	—
USA	Lexington	ISO 9001	ISO 14001	—	—
Italy	Caorso	ISO 9001	ISO 14001	—	—

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3.1.7 Our environmental and energy management



Energy and environmental management begins with state-of-the-art technologies at EGGER. Our plants are equipped with modern wastewater, noise protection and air pollution control systems, combustion systems and drive units.

Our environmental management system ensures the efficient realization of environmental goals and the integration of environmental aspects in work processes. It is designed to ensure compliance with legislation, to prevent or reduce negative environmental impact, and to continuously improve environmental performance. We pursue environmental goals systematically and consistently in order to use resources and energy responsibly.

Environmental aspects are extensively evaluated by the environmental management system. The certified plants submit data on the actual and potential effects, risks and opportunities associated with environmental pollution as part of their activities and within their upstream and downstream value chain. These evaluations are reviewed through regular audits.

Our energy management system was initially installed in Western and Central Europe. Along with environmental management, it forms a second pillar for reducing resource consumption, expanding renewable energies and, in particular, reducing the use of energy and the resulting greenhouse gases. Group-wide energy and environmental goals are supplemented by the preparation of an energy and/or environmental program by each EGGER plant that includes location-based targets to support optimal reaction to the specific location requirements. These energy and environmental programs are the result of intra-plant Plan-Do-Check-Act processes and the analysis of environmental aspects, significant energy consumers, KPIs and the internal suggestion system.

The context and stakeholder analysis within the integrated management system also deals with environmental conditions, e.g. extreme weather events such as flooding or heavy rainfall, air quality, water quality, the local effects of climate change and resource availability. We make use of the respective established international management standards (see Chapter 3.1.6 EGGER Management System). EGGER locations with an environmental management system are certified according to the ISO 14001 standard. The plant in Unterradlberg (AT) is also certified under EMAS (Eco Management and Audit Scheme).

Energy management at most of the plants is covered by the ISO 50001 standard and regular energy audits. Plans call for the roll out of an operational energy management system as a minimum standard at all EGGER sites.

Legal Compliance

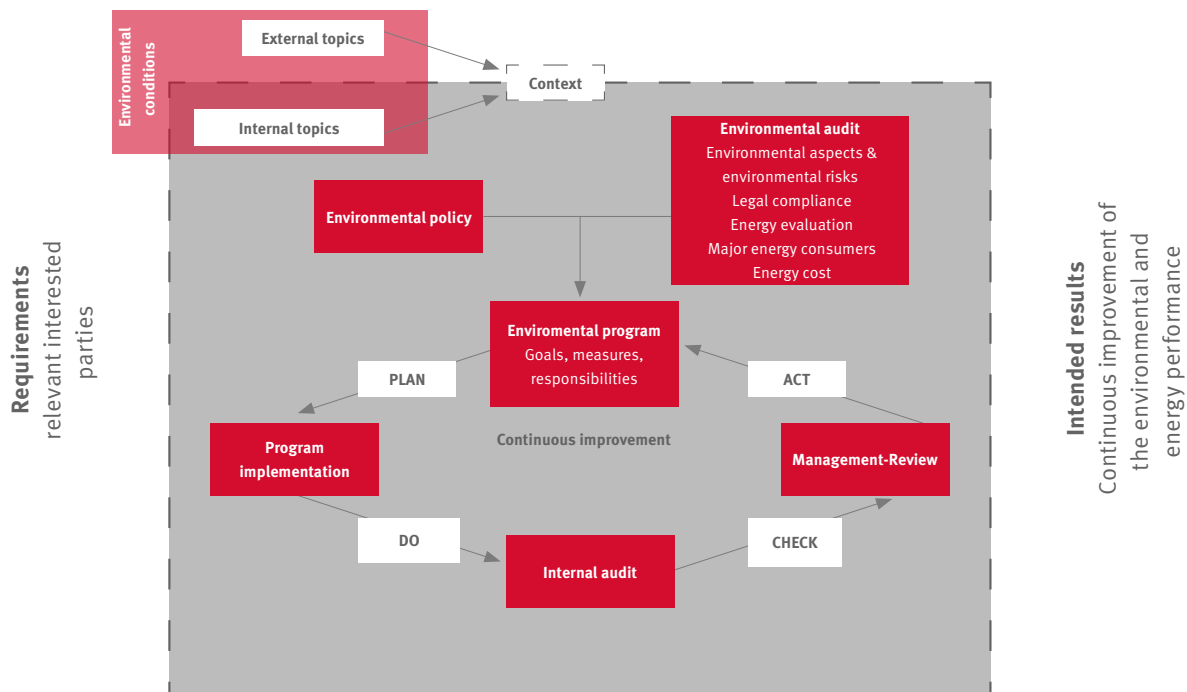
Legal provisions, national and regional regulations as well as local conditions are very diverse within the EGGER Group. The regular assessment of compliance with legal requirements, the continuous monitoring of agreement with these obligations, and the related administration and documentation are carried out with the help of software.

Continuous improvement

Each year, every location defines energy and environmental goals and the required measures. This definition is based on local conditions, the results of the context and stakeholder analysis, and the analysis of environmental issues at the specific location. The continuous improvement process (CIP) is administered in the EMS.

Increasing energy efficiency and reducing energy costs

The goal of an energy management system under ISO 50001 is to improve energy-related performance and the associated reduction of greenhouse gases and environmental impact. In addition, energy costs should be reduced in the process. The basis for all goals is a comprehensive energy assessment that analyses and evaluates current energy consumption. The savings potential is examined and implemented if the conditions are met.



The audit system and our status at certification

We test the system randomly with internal and external audits to ensure its effective operation. An environmental audit is carried out annually at each location. These examinations form the basis for our reporting to management and agreement on the further course of action via a management review.

Plans call for the full integration of management systems at our ISO 14001 certified locations over the coming years. In addition, a certified environmental management system was introduced at the Gebze (TR) and Lexington, NC (US) plants during the past financial year. Our new plant in Caorso (IT) is already certified under ISO 1400 and was included in the matrix certification for other EGGER locations.

All energy management / ISO 50001 certifications were combined into a multisite certification during 2023/24 to better support standardization and efficiency.

The plant in Markt Bibart (DE) was also included in this matrix certification.

We intend to continue our work on expanding the number of our externally certified plants.

Share of sites with an environmental and energy management system

Financial year	2023/24	2022/23 ⁽¹⁾	2021/22
EGGER production plants	22	21	20
of which covered by integrated management system ⁽¹⁾	22	20	20
of which covered by an externally certified environmental management system ⁽²⁾	19	19	16
of which sites with regular energy audits ⁽³⁾	19	17	14
of which covered by an externally certified energy management system ⁽⁴⁾	15	11	10

(1) The integrated management system of the EGGER Group (EGGER Management System) also includes environmental management.

(2) According to ISO 14001

(3) According to ISO 50001, EN 16247 or the Romanian transposition of the European Energy Efficiency Directive

(4) According to ISO 50001.

3.1.8 Status of goal attainment

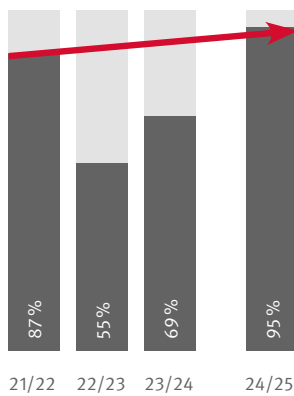
Three consecutive reporting years (values rounded) and the value for the target year are shown. If the goal refers to a base year, this is also shown. The trend line shows if we are on the right track, while a horizontal line indicates that a certain value should be maintained.

Responsibility for the supply chain

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Signatures EGGER Supplier Code of Conduct



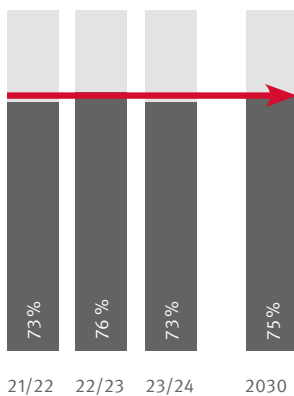
The increase in FY 2023/24 is explained in Chapter 3.3.11 Employees in the value chain.

Recycling content (pre- and post-consumer) in wood



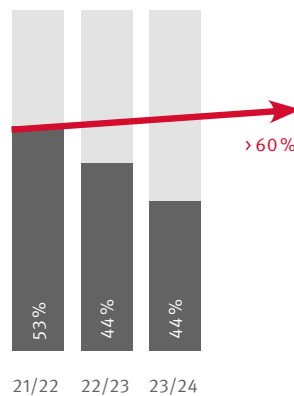
Our goal was met. For additional information, see Chapter 3.2.7 Use of wood from sustainable sources and recycling material.

Wood purchases from the regional environment



The goal was reset to 75% by 2030. For additional information, see Chapter 3.3.12 Affected communities.

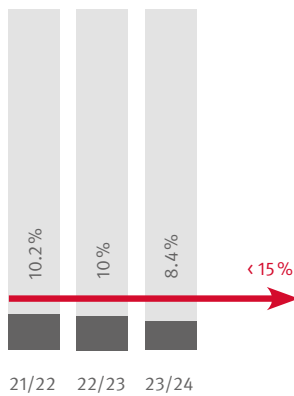
Fresh wood from certified sources



The certified proportion has been declining since the Russia-Ukraine crisis. For additional information, see Chapter 3.2.7 Use of wood from sustainable sources and recycling material and Chapter 3.5.2 Our due diligence system for tracing the origin of wood.

Social responsibility

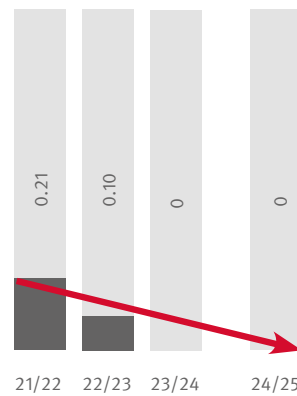
External employees and contract workers



The share was held below 15%. For additional information, see Chapter 3.3.10 Company workforce.

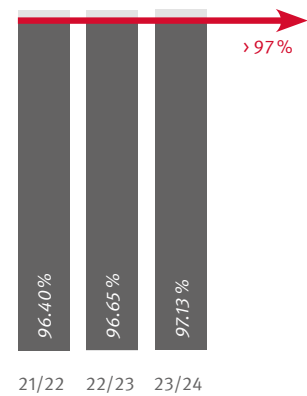
"Vision Zero"

Our goal is zero serious occupational accidents.



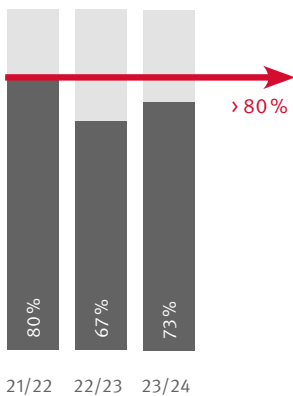
For additional information, see Chapter 3.3.10 Company workforce.

Health quota



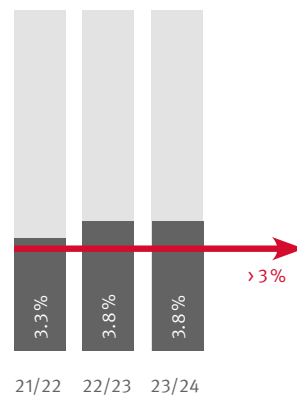
The health quota exceeds the post-pandemic goal of 97%. For additional information, see Chapter 3.3.10 Company workforce.

Open management positions filled with internal candidates



This goal was unfortunately not met. For additional information, see Chapter 3.3.10 Company workforce.

Apprenticeship quota



We again met our goal for an apprenticeship quota of over 3%. For additional information, see Chapter 3.3.10 Company workforce.

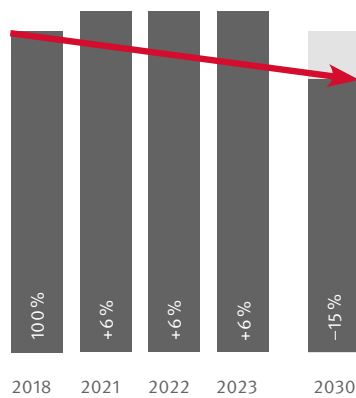
Environmentally friendly production

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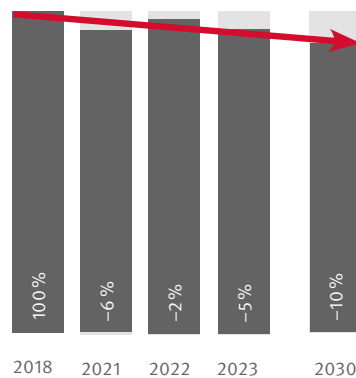
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Specific fossil CO₂ emissions



We continue to deviate from our emission reduction goal. For the reasons, see Chapter 3.2.2 Climate protection, energy efficiency, renewable energies in der production.

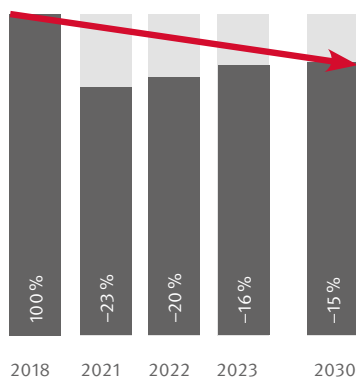
Specific energy consumption



Information on our ambitions is provided in Chapter 3.2.2 Climate protection, energy efficiency, renewable energies in der production.

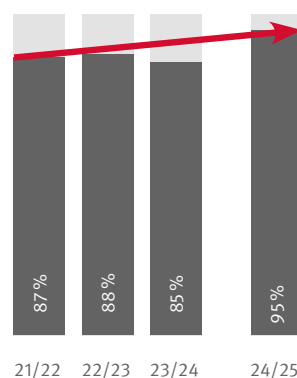
Sustainable products

Specific residual waste



The goal was met. For additional information, see Chapter 3.2.9 Material efficiency and waste prevention.

Products with environmental declarations



The share of products with environmental declarations declined slightly. For additional information, see Chapter 3.4 Consumers and end users.

3.2 Environment

3.2.1 EU Taxonomy Regulation

One of the key goals in the Action Plan for Financing Sustainable Growth is the redirection of capital flows towards sustainable investments. As part of the efforts to meet this goal, the EU Taxonomy Regulation 2020/852 was enacted in mid-2020.

The Taxonomy Regulation is a uniform classification system that defines which economic activities are classified as “environmentally sustainable” in the EU. It requires a distinction between taxonomy eligibility and taxonomy alignment.

Taxonomy eligibility and taxonomy alignment

The first step in the classification of an economic activity is to determine whether it is described in the Delegated Act and therefore considered taxonomy eligible. Only taxonomy-eligible economic activities can also be considered “environmentally sustainable” if certain criteria are met. The second step evaluates whether the required technical screening criteria and minimum social standards are met for classification as taxonomy aligned. The technical screening criteria are met if the economic activity makes a significant contribution to one of the six environmental objectives defined by the EU and, at the same time, does not significantly compromise any other environmental objective. The related due diligence process is analyzed to ensure compliance with the minimum social standards.

For the financial year 2021/22, only the shares of taxonomy eligible and non-taxonomy eligible economic activities in revenues (turnover), investments (CapEx) and operating expenditure (OpEx) required disclosure in accordance with Article 8 of the EU Taxonomy Regulation.

A further step for the financial year 2022/23 is the requirement that taxonomy alignment must be ensured in order to classify an economic activity as “environmentally sustainable”. Relevant for this assessment are the requirements for Environmental Objectives I (climate change mitigation, CCM) and II (climate change adaptation, CCA). The financial year 2023/24 marks the first full application of the EU Taxonomy Regulation. That means the remaining four of the six environmental goals for evaluating taxonomy alignment are also relevant: Environmental Objective III (the sustainable use and protection of water and marine resources, WTR), Environmental Objective IV (the transition to a circular economy, CE), Environmental Objective V (pollution prevention and control, PPC) and Environmental Objective VI (the protection and restoration of biodiversity and ecosystems, BIO).

Implementation

Due to the constantly evolving regulations and the uncertainties connected with interpretation, EGGER has chosen a restrictive approach to identify taxonomy-eligible and taxonomy-aligned economic activities. The classification of economic activities may change as requirements are extended and regulations are developed.

EGGER has analyzed all economic activities in the company to determine whether they correspond to the descriptions in Annex I and II of Delegated Regulation (EU) 2021/2139 or Annex I to IV of Delegated Regulation (EU) 2023/2486 to Regulation (EU) 2020/852 and can therefore be declared as taxonomy eligible. The turnover, capital expenditure and operating expenditure related to these economic activities can be reported as taxonomy eligible. The next step involves an examination of the taxonomy-eligible economic activities to determine whether they meet the technical screening criteria and minimum social standards.

Verification of the technical screening criteria includes an evaluation of each economic activity identified as relevant to determine whether it makes a significant contribution to one of the six environmental objectives and, at

the same time, does not significantly impair any other environmental objective. A centralized audit approach was chosen to ensure consistent assessment across the Group.

In order to evaluate the required technical screening criteria, the individual economic activities at each location were examined for compliance with the criteria. One focal point was the climate risk and vulnerability assessment to evaluate the criteria for climate change adaptation. It included the identification of climate risks in cooperation with an experienced insurance provider as well as the development of future scenarios and the examination of possible necessary adaptations. The verification of compliance with minimum social standards was carried out for each EGGER plant and met by each location. All criteria were reviewed by selected, qualified and project-related employees from technology and production, fleet management, HR and finance. Information on the gender pay gap and board gender diversity can be found in the GRI Index (see the section on "Diversity and Equal Opportunity", GRI 405–1, GRI 405–2).

All fully consolidated Group companies are basically included in this analysis with regard to their turnover, capital expenditure and operating expenditure. The calculation of the turnover, CapEx and OpEx KPIs is based on the amounts reported in the consolidated financial statements.

No economic activities involving nuclear energy or fossil gases were identified, and additional forms were therefore not completed.

Standard reporting form for disclosures according to Article 8 para. 6 and 7 in the areas of nuclear energy and fossil gas

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Key indicators

Turnover KPI

The economic activities underlying the EGGER business model (production of wood-based materials) are not yet covered by the EU Taxonomy Regulation. It was therefore not possible to identify significant or taxonomy-eligible turnover. Revenues for the financial year 2023/24 totaled EUR 4,132.5 million (2022/23: EUR 4,449.7 million) as reported on the income statement in the consolidated financial statements of Egger Holzwerkstoffe GmbH.

Reporting form for revenues (turnover)

Financial Year		2023/24		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")											
Economic Activities	Code	Turnover	Proportion of Turnover, 2023/24	Climate Change Mitigation	Climate Change Adaption	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaption	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) turnover, 2022/23	Category enabling activity	Category transitional activity		
		in Mio. €	%	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T		
A. Taxonomy-Eligible-Activities																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.0	0.0%														0.0%				
Of which enabling																		E			
Of which transitional																			T		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
				EL; N/EL ⁽¹⁾	EL; N/EL ⁽¹⁾	EL; N/EL ⁽¹⁾	EL; N/EL ⁽¹⁾	EL; N/EL ⁽¹⁾	EL; N/EL ⁽¹⁾												
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.0	0.0%																		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		0.0	0.0%														0.0%				
B. Taxonomy-non-eligible-activities																					
Turnover of Taxonomy-non-eligible-activities (B)		4,132.5	100.0%																		
Total (A+B)		4,132.5	100.0%																		

⁽¹⁾ Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL — not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
EL — Taxonomy-eligible activity for the relevant objective

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0 %	0.0 %
CCA	0.0 %	0.0 %
WTR	0.0 %	0.0 %
CE PPC	0.0 %	0.0 %
BIO	0.0 %	0.0 %

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CapEx KPI

The CapEx KPI indicates the share of capital expenditure that is related to a taxonomy-aligned economic activity or to the acquisition of products and services from a taxonomy-eligible or taxonomy-aligned economic activity. The basis for capital expenditure equals the total additions (before amortization, impairment and revaluation) to intangible assets and property, plant and equipment including additions to rights of use in accordance with IFRS 16. In 2023/24, this calculation basis amounted to EUR 544.7 million (see the consolidated financial statements under Note (17) Property, plant and equipment & intangible assets). The numerator for the CapEx KPI in each case is the sum of the additions that reflect taxonomy-eligible or taxonomy-aligned investments. A separate application number per investment ensures that each addition is only counted once.

Of the capital expenditure reported in 2023/24, 19.5 % (2022/23: 35.6 %) is attributable to taxonomy-eligible economic activities. Included here are 18.1 % (2022/23: 31.6 %) for investments in property, plant and equipment, 1.0 % (2022/23: 4.0 %) for rights of use to assets and 0.4 % (2022/23: 0.0 %) for additions from business combinations. Taxonomy-aligned capital expenditure equaled 8.3 % (2022/23: 5.8 %) of total capital expenditure and is attributable in full to investments in property, plant and equipment. The CapEx reporting form shows the CapEx KPI broken down by taxonomy-eligible and taxonomy-aligned economic activities and environmental objectives.

Reporting Form CapEx

Financial Year				2023/24		Substantial contribution criteria										DNSH criteria ("Does Not Significantly Harm")											
Economic Activities	Code	CapEx	Proportion of Capex, 2023/24	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) CapEx, 2022/23	Category enabling activity	Category transitional activity								
		in Mio. €	%	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T								
A. Taxonomy-Eligible-Activities																											
A.1. Environmentally sustainable activities (Taxonomy-aligned)																											
Electricity generation using solar photovoltaic technology	CCM 4.1 /CCA 4.1	0.0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%										
Transmission and distribution of electricity	CCM 4.9 /CCA 4.9	0.0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%	E									
Cogeneration of heat/cool and power from bioenergy	CCM 4.20 /CCA 4.20	25.9	4.7%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%										
Production of heat/cool from bioenergy	CCM 4.24 /CCA 4.24	0.0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.4%										
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15 /CCA 6.15	0.5	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E									
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 /CCA 7.3	0.0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%	E									
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4 /CCA 7.4	0.0	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%	E									
Acquisition of ownership of buildings	CCM 7.7 /CCA 7.7	0.6	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.7%										
Emergency Services	CCA 14.1	0.4	0.1%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E									
Collection and transport of non-hazardous and hazardous waste ⁽²⁾	CE 2.3	3.0	0.5%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.2%										
Sorting and material recovery of non-hazardous waste ⁽³⁾	CE 2.7	14.6	2.7%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.1%										
Conservation, including restoration, of habitats, ecosystems and species	BIO 1.1	0.2	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.0%										
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		45.1	8.3%	59.8%	0.8%		38.9%		0.5%	Y	Y	Y	Y	Y	Y	Y	5.8%										
Of which enabling		0.9	0.2%	56.8%	43.2%													E									
Of which transitional			–																T								
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																											
				EL; N/EL ⁽¹⁾	EL; N/EL ⁽¹⁾	EL; N/EL ⁽¹⁾	EL; N/EL ⁽¹⁾	EL; N/EL ⁽¹⁾	EL; N/EL ⁽¹⁾																		
Electricity generation from bioenergy	CCM 4.8 /CCA 4.8	0.0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%										
Transmission and distribution of electricity	CCM 4.9 /CCA 4.9	0.9	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.2%										
Production of heat/cool from bioenergy	CCM 4.24 /CCA 4.24	0.0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%										

Financial Year		2023/24		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")													
Economic Activities	Code	CapEx	Proportion of CapEx, 2023/24	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) CapEx, 2022/23	Category enabling activity	Category transitional activity				
				Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T			
Construction, extension and operation of waste water collection and treatment	CCM 5.3 /CCA 5.3	0.9	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.2%						
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 /CCA 6.5	5.4	1.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								4.0%						
Freight transport services by road	CCM 6.6 /CCA 6.6	1.1	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%						
Infrastructure for rail transport	CCM 6.14 /CCA 6.14	1.6	0.3%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.6%						
Renovation of existing buildings	CCM 7.2 /CCA 7.2	0.9	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%						
Installation, maintenance and repair of energy efficiency equipment .	CCM 7.3 /CCA 7.3	0.8	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%						
Acquisition of owner ship of buildings	CCM 7.7 /CCA 7.7	39.3	7.2%	EL	EL	N/EL	N/EL	N/EL	N/EL								22.7%						
Data processing, hosting and related activities	CCM 8.1 /CCA 8.1	0.0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL								1.0%						
Emergency Services	CCA 14.1	0.1	0.0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.0%						
Collection and transport of non-hazardous and hazardous waste ⁽²⁾	CE 2.3	9.7	1.8%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.2%						
Sorting and material recovery of non-hazardous waste ⁽³⁾	CE 2.7	0.6	0.1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.5%						
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		61.2	11.2%	83.0%	83.2%		16.8%		0.0%								29.8%						
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		106.2	19.5%	73.2%	48.2%		26.2%		0.2%								35.6%						
B. Taxonomy-non-eligible-activities																							
CapEx of Taxonomy-non-eligible activities		438.5	80.5%																				
Total (A+B)		544.7	100.0%																				

- ⁽¹⁾ Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL — not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
EL — Taxonomy-eligible activity for the relevant objective

⁽²⁾ This economic activity was allocated in previous year 2022/23 to CCM 5.5

⁽³⁾ This economic activity was allocated in previous year 2022/23 to CCM 5.9

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	4.9 %	14.3 %
CCA	0.1 %	14.4 %
WTR	0.0 %	0.0 %
CE	3.2 %	5.1 %
PPC	0.0 %	0.0 %
BIO	0.0 %	0.0 %

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Recent findings from the application of the EU Taxonomy led to changes in the qualification of capital expenditure. A substantial reduction in the share of taxonomy-eligible CapEx is therefore noticeable, especially in the following economic activities: CCM 7.7 Acquisition and ownership of buildings und CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles. The newly applicable environmental objectives and the necessary reassessment of the significant contribution led to the following reallocation. Economic activities CCM 5.5 Collection and transport of non-hazardous waste in source segregated fractions and CCM 5.9 Material recovery from non-hazardous waste were reassigned to Environmental Objective IV (Circular Economy), economic activities CE 2.3 Collection and transport of non-hazardous and hazardous waste and CE 2.7 Sorting and material recovery of non-hazardous waste beginning with the financial year 2023/24. This new allocation also applies to the OpEx KPI.

EGGER's taxonomy-aligned economic activities in 2023/24 are as follows::

- CCM 4.20 Cogeneration of heat/cool and power from bioenergy: Generation of heat and electricity for production at plants with their own biomass power plants
- CCM 6.15 Infrastructure enabling low-carbon road transport and public transport: Construction of a charging structure for e-vehicles (autos, forklifts etc.)
- CCM 7.7 Acquisition and ownership of buildings: Acquisition of real estate and exercise of ownership in these properties
- CCA 14.1 Emergency services: Precautionary measures for emergency situations, e.g. firefighting and fire protection
- CE 2.3 Collection and transport of non-hazardous and hazardous waste: Operation of Timberpak locations to collect and process recycling wood
- CE 2.7 Sorting and material recovery of non-hazardous waste: Recycling equipment to process recycling wood for reuse in the production of wood materials
- BIO 1.1 Conservation, including restoration, of habitats, ecosystems and species: Projects to support biodiversity

OpEx KPI

The OpEx KPI indicates the share of operating expenditure as defined by the EU taxonomy that is associated with taxonomy-eligible and taxonomy-aligned economic activities or the purchase of products from a taxonomy-eligible and taxonomy-aligned economic activity. The basis for the calculation of operating expenditure is the sum of direct, non-capitalized costs for building renovation measures, short-term leases, the maintenance and repair of property, plant and equipment as well as research and development costs. These expenses amounted to EUR 236.9 million in 2023/24. The sum of the operating expenditure that contributes to the achievement of the environmental goals forms the numerator for the OpEx KPI.

The denominator represents the total of the accounts for direct, non-capitalized research and development expenses, building renovation measures, short-term leasing, maintenance and repair expenses. The numerator is based on an analysis of the assets related to the expenses recorded in the above accounts in terms of their taxonomy eligibility or taxonomy alignment. Clearly assigned cost center or order numbers as well as the relevant operating expenditure prevent double counting.

Of the relevant operating expenditure in 2023/24, 11.8 % (2022/23: 26.3 %) are attributable to taxonomy-eligible economic activities. Taxonomy-aligned operating expenditure represent 7.0 % (2022/23: 0.7 %) of the above-mentioned relevant operating expenditure. The OPEX reporting form shows the OpEx KPI broken down by taxonomy-eligible and taxonomy-aligned economic activities and environmental objectives.

Reporting form OpEx

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				DNSH criteria ("Does Not Significantly Harm")																
Financial Year		2023/24		Substantial contribution criteria																
Economic Activities	Code	OpEx	Proportion of OpEx, 2023/24	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) OpEx, 2022/23	Category enabling activity	Category transitional activity	
		in Mio. €	%	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. Taxonomy-Eligible Activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Electricity generation from bioenergy	CCM 4.8 / CCA 4.8	1.5	0.6%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%			
Cogeneration of heat/cool and power from bioenergy	CCM 4.20 / CCA 4.20	2.9	1.2%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%			
Production of heat/cool from bioenergy	CCM 4.24 / CCA 4.24	1.6	0.7%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%			
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1 / CCA 5.1	0.3	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%			
Freight rail transport	CCM 6.2 / CCA 6.2	0.3	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%		T	
Acquisition of ownership of buildings	CCM 7.7 / CCA 7.7	0.6	0.2%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.3%			
Collection and transport of non-hazardous and hazardous waste ⁽²⁾	CE 2.3	0.1	0.0%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%			
Sorting and material recovery of non-hazardous waste ⁽³⁾	CE 2.7	9.2	3.9%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		16.5	7.0%	43.4%	0.0%		56.6%			Y	Y	Y	Y	Y	Y	Y	0.7%			
Of which enabling		0.0	0.0%															E		
Of which transitional		0.3	0.1%	100.0%															T	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL; N/EL ⁽¹⁾ EL; N/EL ⁽¹⁾ EL; N/EL ⁽¹⁾ EL; N/EL ⁽¹⁾ EL; N/EL ⁽¹⁾ EL; N/EL ⁽¹⁾																
Electricity generation from bioenergy	CCM 4.8 / CCA 4.8	0.0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL									0.3%		
Transmission and distribution of electricity	CCM 4.9 / CCA 4.9	1.9	0.8%	EL	EL	N/EL	N/EL	N/EL	N/EL									0.9%		
Production of heat/cool from bioenergy	CCM 4.24 / CCA 4.24	2.0	0.9%	EL	EL	N/EL	N/EL	N/EL	N/EL									7.8%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1 / CCA 5.1	0.4	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL									0.0%		
Freight rail transport	CCM 6.2 / CCA 6.2	0.2	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL									0.3%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 / CCA 6.5	0.0	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL									5.6%		
Acquisition of ownership of buildings	CCM 7.7 / CCA 7.7	0.7	0.3%	EL	EL	N/EL	N/EL	N/EL	N/EL									6.3%		
Collection and transport of non-hazardous and hazardous waste ⁽²⁾	CE 2.3	0.6	0.2%	N/EL	N/EL	N/EL	EL	N/EL	N/EL									0.0%		

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Financial Year		2023/24		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code	OpEx	Proportion of OpEx, 2023/24	Climate Change Mitigation	Climate Change Adaption	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaption	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) OpEx, 2022/23	Category enabling activity	Category transitional activity
		in Mio. €	%	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y;N; N/EL ⁽¹⁾	Y/N Y/N Y/N Y/N Y/N Y/N Y/N	Y/N	%	E	T					
Sorting and material recovery of non-hazardous waste ⁽³⁾	CE 2.7	1.8	0.8%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								4.4%		
Treatment of hazardous waste	PPC 2.2	3.9	1.7%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		11.5	4.8%	45.2%	45.2%		20.6%	34.2%									25.6%		
A. OpEx of Taxonomy eligible activities (A.1 + A.2)		28.0	11.8%	44.1%	18.5%		41.8%	14.0%									26.3%		
B. Taxonomy-non-eligible-activities																			
OpEx of Taxonomy-non-eligible activities		208.9	88.2%																
Total (A+B)		236.9	100.0%																

- ⁽¹⁾ Y — Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N — No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL — not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
EL — Taxonomy-eligible activity for the relevant objective
- ⁽²⁾ This economic activity was allocated in previous year 2022/23 to CCM 5.5
- ⁽³⁾ This economic activity was allocated in previous year 2022/23 to CCM 5.9

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	3.0 %	5.2 %
CCA	0.0 %	5.2 %
WTR	0.0 %	0.0 %
CE	3.9 %	4.9 %
PPC	0.0 %	1.7 %
BIO	0.0 %	0.0 %

The changes resulting from the allocation of economic activities CCM 7.7 and CCM 6.5 are explained in the section on the CapEx KPI and also apply to OpEx. In addition, there was a substantial year-on-year decline in taxonomy-eligible economic activity CCM 4.24. It resulted primarily from the reallocation of individual cost centers to the new Environmental Objective V (Pollution prevention and control, PPC 2.2).

EGGER's taxonomy-aligned economic activities in 2023/24 are as follows:

- CCM 4.8 Electricity generation from bioenergy: Energy generation from steam
- CCM 4.20 Cogeneration of heat/cool and power from bioenergy: Generation of heat and electricity for production at plants with their own biomass power plants
- CCM 4.24 Production of heat/cool from bioenergy: Generation of heat for production at plants with their own biomass power plants
- CCM 5.1 Construction, extension and operation of water collection, treatment and supply systems: Water supply systems at the plants
- CCM 6.2 Freight rail transport: Shifting vehicles at locations with rail connections
- CCM 7.7 Acquisition and ownership of buildings: Acquisition and ownership of buildings: Acquisition of real estate and exercise of ownership in these properties
- CE 2.3 Collection and transport of non-hazardous and hazardous waste: Operation of Timberpak locations to collect and process recycling wood
- CE 2.7 Sorting and material recovery of non-hazardous waste: Recycling equipment to process recycling wood for reuse in the production of wood materials

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3.2.2 Climate protection, energy efficiency, renewable energies in production

Manufacturing companies, as major energy consumers, have a special responsibility for climate change – the minimization or reduction of greenhouse gas emissions. Climate responsibility lies at several levels: Direct CO₂ emissions must be reduced through lower heat and electricity consumption, and the remaining demand must be covered by renewable energy sources to the greatest extent possible.

**78 % of our fuels
are renewable.**

**69 % of our deployed
energy comes from
renewable sources.**

“EGGER takes its responsibility for climate protection seriously and has set an ambitious goal: Net Zero by 2050.

We are therefore making massive investments, for example in the further expansion of renewable energies in our production processes.“

Climate-relevant emissions at EGGER result primarily from combustion processes for the generation of heat. The relevant combustion plants have large biomass boilers as well as smaller burners that operate with wood dust or natural gas. Wood from sustainably managed forests that can no longer be used in production becomes a biogenic fuel that is, in principle, climate neutral. The use of wood is an opportunity to contribute to climate protection.

Fossil CO₂ emissions can also occur during transport and processing steps. Our logistics activities are heavily transport linked. EGGER ships 8.3 million tons of raw materials and finished products every year, which correspond to approximately 415,000 full loads for a 20-ton truck. Of our total transports, 89.7% are carried out by truck. Relevant factors for selecting a transport medium are costs and the potential for CO₂ savings through optimal route planning and capacity utilization.

Opportunities and risks

Raw materials of fossil origin like adhesives and fossil fuels like natural gas are finite resources. They are associated with the potential risk of accelerating global warming through the emission of fossil CO₂. As a company that is currently still partly dependent on these fossil resources, EGGER faces the risk of being compelled by regulations to convert to renewable resources and to reduce emissions. The failure to reduce emissions may result in fines. Furthermore, EGGER, as a major energy consumer, is also exposed to the potential risk of increasing resource scarcity due to inefficient energy use.

Opportunities for the reasonable use of energy arise from the operation of plants that generate renewable energy from biomass or wood dust at every EGGER location (with the exception of Gebze (TR) and Gifhorn (DE)). Energy management includes the routine development and implementation of measures to improve energy efficiency. The use of combined heat and power generation and the operation of district heating networks promote the maximum utilization of energy sources and contribute to the conservation of resources and climate protection.

In transport logistics, the choice of climate-friendly means of transport sometimes leads to conflicts of interest between logistical, cost and ecological optimization. One common factor among all these goals is to achieve the highest possible utilization of transport vehicles and, in doing so, avoid active transport. Full utilization of the

rail network and the corresponding loading of trucks is not possible to estimate. Risks here include the congestion of the rail network and the availability of tracks, equipment and personnel from the respective provider. Consequently, the combination of road and rail via trailers with cranes will become even more important in the coming years. Another advantage of combining various transport vehicles is the available capacity, which is significantly higher than pure road transport.

CO₂ emissions from internal logistics can also be reduced through alternative drives for forklifts and the optimized flow of goods in the plants.

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Use of renewable energy



Attitude

We support the sustainable use of raw materials by generating energy in our own biomass power plants.

We place a focus on SDG 7 and strategic priority on SDG 13. This underscores our commitment to significantly increasing the share of renewable energies in the global energy mix (SDG 7.2) and to integrating climate protection measures in planning (SDG 13.2).



Approach

To reduce and eliminate the use of fossil fuels, we are pursuing integrated energy concepts in our plants. They are highly efficient and have low energy generation costs. Energy generation from renewable energies basically covers our own needs. Energy supplies for third parties (district heating) create additional synergies and increase the overall utilization of our energy concepts.

Our processes are structured in resource-conserving cycles to facilitate the use of wood-based fuels as renewable energy sources. Biomass is thermally utilized at the place of origin and, consequently, causes no additional, transport-related environmental impact. The fuels used consist primarily of residual wood and dust from processing that are not suitable for production. Biomass power plants generate electrical energy and heat through the combustion of biomass. Biomass heating plants produce heat to warm thermal oil for the presses and to generate hot gas for dryers. This, in turn, reduces the use of the fossil fuel natural gas.



Goal

Our goal is the continuous improvement of energy optimization in our activities, products, and services.

Renewable energy infrastructure at EGGER

Location	Use of wood dust as an energy source for hot gas	Own biomass heating plant/boiler	Own biomass power plant (combined heat and power)	Production of district heating for external customers
St. Johann in Tirol (AT)	✓	✓	–	✓
Wörgl (AT)	✓	–	–	–
Unterradlberg (AT)	✓	–	✓	✓
Brilon (DE)	✓	–	✓	–
Bevern (DE)	–	✓	–	–
Gifhorn (DE)	–	–	–	–
Bünde (DE)	–	✓	–	–
Marienmünster (DE)	–	✓	–	–
Markt Bibart (DE)	✓	✓	–	–
Wismar (DE)	✓	–	✓	–
Hexham (UK)	✓	✓	–	–
Barony (UK)	✓	–	–	–
Rambervillers (FR)	✓	–	✓	–
Rion des Landes (FR)	✓	✓	–	–
Shuya (RU)	✓	–	–	–
Gagarin (RU)	✓	✓	–	–
Radauti (RO)	✓	–	✓	–
Gebze (TR)	–	–	–	–
Concordia (AR)	✓	✓	–	–
Biskupiec (PL)	✓	✓	–	–
Lexington, NC (US)	✓	–	–	–
Caorso (IT)	✓	–	–	–

Total energy consumption

Calendar year	2023	2022	2021 ⁽³⁾
Total energy consumption in GWh ⁽¹⁾	9,270	9,253	9,378
of which from renewable sources (share) ^{(1) (2)}	6,396 (69 %)	6,477 (70 %)	6,377 (68 %)

(1) Total of all energy sources (fuels) and inputs (electricity) less energy sold, for all EGGER sites (incl. wood-based material production and finishing, glue production)

(2) The value includes all wood-based fuels (waste wood and residual wood) excluding geothermal and ambient heat for individual administrative buildings. In addition to externally supplied waste wood, fuel from internal sources is also utilized, e.g. wood dust from saw aggregates and bark. Note: Waste and residual wood can contain small non-biogenic components, which come from glues and edges, for example. In this calculation, old and residual wood is completely allocated to renewable sources without further distinction.

(3) There are deviations to the reported values from the previous year. For the years 2020-2021, the balance limit and consumptions have been corrected.

Fuel consumption

Calendar year	2023	2022	2021 ⁽⁴⁾
Total fuel consumption in GWh ⁽¹⁾	7,917	7,955	8,096
of which from fossil sources total in GWh ⁽²⁾	1,780	1,658	1,873
of which again natural gas in GWh	1,633	1,499	1,728
of which again heating oil and diesel in GWh	121	131	111
of which again liquefied petroleum gas in GWh	25	29	35
of which from renewable sources total in GWh (share) ⁽³⁾	6,137 (78 %)	6,297 (79 %)	6,223 (77 %)

(1) The data includes all EGGER locations (incl. wood-based materials production and finishing, glue production).

(2) The conversion factors to energy content are in accordance with the GHG protocol.

(3) The value includes all wood-based energy sources (waste wood and residual wood) exclusive geothermal and ambient heat for individual administration buildings. In addition to externally supplied waste wood fuel from internal sources is also used, e.g. wood dust from saw aggregates and bark. Note: Waste and residual wood can contain small non-biogenic components, which come from glues and edges, for example. In this calculation, old and residual wood is completely allocated to renewable sources without further distinction.

(4) There are deviations to the reported values from the previous year. For the years 2020-2021, the balance limit and consumptions have been corrected.

Purchased and sold energy

Calendar year	2023	2022	2021
Purchased energy total in GWh ⁽¹⁾	1,606	1,716	1,679
of which electricity in GWh ⁽²⁾	1,606	1,716	1,679
Sold energy total in GWh ⁽¹⁾	252	420	416
of which electricity in GWh	110	272	266
of which heat in GWh	142	148	150

(1) The data includes all EGGER locations (incl. wood-based materials production and finishing, glue production).

(2) Heat, cold and steam are generated in-house. Only electricity is purchased externally.

(3) There are deviations to the reported values from the previous year. For the years 2020-2021, the balance limit and consumptions have been corrected.



Status

The proportion of renewable fuels remained stable based on our complex energy concepts and the consistent use of wood-based fuels. A further photovoltaic system in the EGGER Group was commissioned in 2023 at our plant in Gebze (TR). The potential of photovoltaic systems in the EGGER Group is regularly analyzed and additional projects are launched when the framework conditions are appropriate. Our priority currently lies on the evaluation and modernization of heat supplies to increase the share of renewable energies, as demonstrated by the new power plant project in St. Johann in Tirol (AT).

Past measures

- Preparation of an energy concept and project planning for the plant in Caorso (IT)
- Feasibility studies for further photovoltaic systems at the Unterradlberg (AT), Gebze (TR) and Biskupiec (PL) plants
- Evaluation of the expansion of heat extraction from the biomass boiler in the Radauti (RO) plant

Future measures

- Modernization and optimization of heat supplies in the Caorso (IT) plant based on biomass fuels
- Increase in the share of renewable energies with a new power plant in St. Johann (AT)
- Start of operations for the new photovoltaic system in the Gebze (TR) plant

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Energy efficiency



Attitude

Our goal is to set new and higher standards and improve energy optimization, while continuously reducing unnecessary energy consumption by increasing energy efficiency.

We are also committed to increasing energy efficiency (SDG 7.3) through our focus on SDG 7.



Approach

The production of wood-based materials is an energy-intensive process. For this reason, we have intensified the use of renewable energies in all plants and introduced an energy management system in accordance with ISO 50001 at 15 locations to date, which we are constantly improving. At the other plants, the topic of energy is covered by ISO 14001 certification.

Our energy management system contains strategic goals that support both economic and ecological interests. The management system is directed to improving the specific energy use in the manufacture of our products. We want to make the best possible use of our resources and achieve this, for example, by increasing efficiency or minimizing energy losses.

Energy intensity

Calendar year	2023	2022 ⁽⁴⁾	2021 ⁽⁴⁾	2018 ^{(3) (4)}
Energy consumption / production volume total in kWh/m ³ ^{(1) (2)}	891	890	884	933

(1) Energy consumption of EGGER locations (incl. wood-based materials production and finishing, glue production)

(2) Production volume = total of m³ of produced rawboard + m³ of produced timber + m³ impregnate

(3) The value of the base 2018 year remains in the table.

(4) There are deviations to the reported values from the previous year. For the years 2018-2022, the balance limit and consumptions have been corrected.



Goal

Our strategic goal is a reduction of 10 % in our specific energy consumption (energy use per m³ of raw board) by 2030 versus 2018.



Status

Specific energy consumption was stable in comparison with the previous year (+0.1%). Since 2018, which represents the base year for our strategic sustainability goal, energy consumption has declined by 4.5%. We are therefore below the range set for our goal but are confident that we will again reach the planned corridor.

Positive effects result from replacement and new investments in modern technology. Our focal points include the consistent modernization of our plants, the use of interdisciplinary technologies for energy conversion, and the ongoing improvement and further development of our energy-intensive processes.

Past measures

- Implementation of the ISO 50001 energy management system at the Markt Bibart (DE) plant
- Replacement of a conventional compressor with a highly efficient compressor at the Brilon (DE) plant
- Extensive modernization of lighting with conversion to LED technology at the (TR)plant)
- Increase in the share of heat recovery in the Bevern (DE) plant

Future measures

- Construction and operation of heat recovery equipment in the adhesives and impregnating resin plant in Wismar (DE)
- Increase in the share of recycling wood in Markt Bibart (DE) to further reduce heat requirements for the wood drying process
- Extensive modernization of lighting with conversion to LED technology at further locations, e.g. Marienmünster (DE), Bünde (DE) and Brilon (DE)
- Heat recovery from compressed air production at the Gebze (TR) plant
- External certification according to ISO 50001 at the Biskupiec (PL) plant

Greenhouse gas emissions



Attitude

Our aim is to continuously reduce our climate-impacting emissions, and we have selected a comprehensive, Group-wide approach to meet the related goals. We are following an ambitious, future-oriented climate strategy to reduce our Group's CO₂ footprint: EGGER is committed to reducing its climate-impacting greenhouse gas emissions in line with the Paris Climate Agreement. We are also committed to a clear Net Zero goal by 2050 and intend to drastically reduce our climate-impacting greenhouse gas emissions. Reduction, and not compensation outside our value chain (for example, through the purchase of certificates), is our chosen course and SDG 13 is our strategic priority. This reflects our commitment to immediately undertake the necessary actions to fight climate change and its effects.



Approach

The use of fossil energy carriers in production and high resource consumption are drivers for corporate greenhouse gas emissions. EGGER's products contribute to climate protection by binding carbon, i.e. through a storage effect. Customers and end users benefit from wood products as a climate-friendly alternative to other building materials. The procurement of the raw material wood through harvesting affects ecosystems regarding to resilience against extreme weather events like soil erosion. EGGER contributes to the energy transformation through the preferred use of renewable energies, e.g. in the form of biomass heating equipment in the plants. The motor vehicle fleet still

operates in part with fossil fuels which result in climate-impacting emissions. The conversion to vehicles which operate with electricity from renewable energy carriers will contribute to the Group's decarbonization.



Goal

EGGER follows ambitious climate goals: In Scope 1 and Scope 2, meaning the parts of our value chain which we can influence independently, they already reflect the SBTi (Science Based Target Initiative) Net Zero standard. This scientifically based approach ensures that our goal corresponds to the 1.5 degree target of the Paris Climate Agreement. In Scope 3, we are working with our suppliers and business partners to reduce emissions. Our aim is to use this intensive cooperation to define medium-term goals that reflect the SBTi Net Zero standard.

The way to Net Zero will be followed in stages. We have therefore outlined trendsetting intermediate goals to be met by 2030 (compared with the basis year 2022):

- We will reduce the direct emissions from our plants (Scope 1) by at least 30 % by 2030.
- We will reduce our indirect emissions from purchased energy (Scope 2) by at least 40 % by 2030.
- We will reduce indirect upstream and downstream emissions (Scope 3) by at least 10 % by 2030.



Status

A greenhouse gas balance for the 2022 calendar year was prepared in 2023/24 as the basis for the Corporate Carbon Footprint (Scope 1 to 3). The resulting Corporate Carbon Footprint for 2022 serves as the basis year for the attainment of climate goals and the definition of the following decarbonization levers:

Scope 1:

- Reduction through energy savings and investments in highly effective equipment
- Continued investments in biomass power plants to generate heat and electricity
- Conversion of the internal motor pool to emission-free vehicles or alternative fuels

Scope 2:

- Savings through consequent energy management
- Procurement of electricity from renewable energies
- Expansion of our own electricity production with biomass and photovoltaics
- Conversion of our adhesives and impregnating resin equipment to renewable electric energy

Scope 3:

- Intensive cooperation with our business partners to develop common solutions
- Optimization of bonding and impregnating resin technology, including formulas and input volumes
- Increase in the use of energy from renewable sources in external adhesives procurement
- Increase in the recycling component of basic materials depending on board technology
- Use of modern technologies and alternative fuels in transport
- Procurement and use of low-carbon and zero-carbon products and raw materials

Work is currently proceeding to develop a detailed program of measures and the reduction of Scope 3 emissions to meet the stated climate goals. Based on the potential for greenhouse gas savings, concrete measures will be defined, approved and implemented in the coming financial year.

The new calculation of the Corporate Carbon Footprint for the 2023 calendar year shows a slight year-on-year increase of 1.3% in fossil Scope 1 emissions which correlates to the increase in production volumes. Scope 2 emissions (market-based) declined for the first time. The substantial reduction of 17.7% is primarily attributable to an increase in the share of electricity from renewable sources.

Fossil Scope 3 emissions also declined slightly by 1.6 % compared with the previous year. The main

drivers are emissions from purchased chemical and paper raw materials (2023: 49.5 %, 2022: 48.5 %) as well as emissions from the end of product lifecycles (2023: 24.5 %, 2022: 24.0 %).

Emissions from the basis year in 2022 were adjusted by way of a suitable extrapolation method to reflect the plant in Caorso (IT), which was acquired in 2023. The production volume was used as an appropriate parameter.

CO₂ emissions

Calendar year	2023	2022 ⁽⁶⁾	2021 ⁽⁷⁾
Scope 1: Fossil CO ₂ emission in tCO ₂ ^{(1) (2)}	406,913	401,533	389,190
Scope 1: Biogenic CO ₂ emission in tCO ₂ ^{(2) (4)}	2,177,608	2,145,350	2,225,057
Scope 2: Indirect CO ₂ emission from external electricity generation in tCO ₂ ⁽³⁾			
of which market based	503,733	612,055	573,754
of which location based	589,739	695,733	636,148
Scope 3: Fossil CO ₂ emission in tCO ₂ -eq. ^{(5) (6)}	3,244,837	3,296,398	–
Scope 3: Biogenic CO ₂ emission in tCO ₂ -eq. ^{(4) (5) (6)}	10,443	10,830	–

- (1) CO₂ emissions from combustion plants at all EGGER sites (incl. wood-based material production and refinement, glue production), since 2022 emissions from company cars, refrigerants and methane from biomass are included ; fossil = from the combustion of natural gas, liquid gas, diesel
- (2) Emission factors according to the cross-sector-tools of GHG Protocol (diesel, liquid gas and, for locations outside the EU ETS, also natural gas, fuel oil and biomass) and own empirically determined data according to the specifications of the European Emissions Trading System (renewable fuels, natural gas and fuel oil for locations within the EU-ETS)
- (3) The emissions in Scope 2 have been calculated according to the market-based and site-based method. Only for sites without market-based data were values from the site-based method used. The data on specific CO₂ emissions come from suppliers, the Climate Transparency Report 2021-2022 (Production fuel mix factor), AIB European Residual Mixes 2018-2022 and United States Environmental Protection Agency's (EPA) eGRID database 2022.
- (4) Biogenic = from combustion of wood
- (5) The corporate scope 3 footprint covers potential environmental impacts resulting from the following activities: Indirect greenhouse gas emissions in the upstream supply chain of purchased energy, indirect greenhouse gas emissions from the production of purchased intermediates, their transports, auxiliaries and packaging material, screening of potential emissions from waste treatment activities, screening of emissions from outbound transportation of products and screening of emissions from product-end-of-life.
- (6) The value of the base year 2022 remains in the table.
- (7) There are deviations to the reported values from the previous year. For the years 2018-2021, the balance limit and consumptions have been corrected.

CO₂ emissions per m³ of rawboard

Calendar year	2023	2022 ⁽⁶⁾	2021 ⁽⁷⁾
Scope 1: Specific fossil share in tCO ₂ / m ³ ^{(1) (2) (3)}	0.039	0.039	0.037
Scope 1: Specific biogenic share in tCO ₂ / m ³ ^{(1) (2) (4)}	0.209	0.206	0.210
Scope 3: Specific fossil share in tCO ₂ / m ³ ^{(3) (5)}	0.312	0.335	–
Scope 3: Specific biogenic share in tCO ₂ / m ³ ^{(4) (5)}	0.001	0.001	–

- (1) tCO₂ = direct CO₂ emissions generated at the site (Scope 1)
- (2) m³ = sum of primary products produced (chipboard, MDF, OSB, timber, impregnates)
- (3) Fossil = from combustion of natural gas, liquid gas, diesel
- (4) Biogenic = from combustion of wood
- (5) The corporate scope 3 footprint covers potential environmental impacts resulting from the following activities: Indirect greenhouse gas emissions in the upstream supply chain of purchased energy, indirect greenhouse gas emissions from the production of purchased intermediates, their transports, auxiliaries and packaging material, screening of potential emissions from waste treatment activities, screening of emissions from outbound transportation of products and screening of emissions from product-end-of-life.
- (6) The value of the base year 2022 remains in the table.
- (7) There are deviations to the reported values from the previous year. For the years 2018-2021, the balance limit and consumptions have been corrected.

Past measures

- Optimization of heat gas generation with wood dust to further reduce natural gas requirements at the Wismar (DE) plant
- Preparation of a Scope 3 balance and calculation of the Corporate Carbon Footprint for 2022 and 2023
- Finalization of the EGGER Climate Strategy
- Optimization of logistic processes and transport capacity for the wood yard at the Wismar (DE) plant
- Installation of a new heat exchanger at the Unterradlberg (AT) plant for natural gas-free production under normal operations
- Conversion to CO₂-neutral generated electricity for internal binding agent production and external binding agent procurement for the chipboard and MDF board product groups at the EGGER plants in the EU and UK

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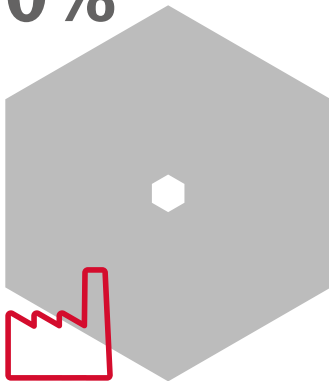
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Future measures

- Preparation of a detailed action plan by October 2024
- Further electrification of the motor vehicle fleet (forklifts and cars)
- Optimization of biomass boiler controls in the Hexham (UK) plant
- Increase in the share of recycling components in the production process at the St. Johann in Tirol (AT) and Hexham (UK) plants
- Increase in renewable energy supplies in the St. Johann in Tirol (AT) plant
- Modernization of energy generation in the Caorso (IT) plant

Our Corporate Carbon Footprint Climate-impacting emissions by scope

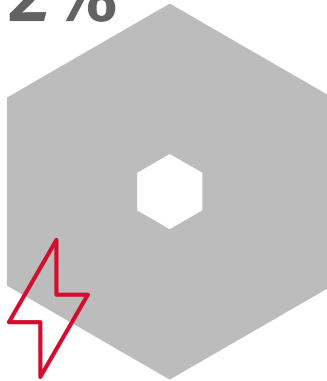
10%



Scope 1

Directly attributable to or controlled by EGGER: emissions from energy sources in our plants, such as natural gas, as well as emissions from the operation of boilers and ovens, and emissions from our own motor vehicle fleet.

12%



Scope 2

Indirect emissions from purchased energy: electricity, district heating or cooling generated outside our own system boundaries but consumed by us. One example is the electricity generated and purchased by a utility company, whereby the resulting emissions are considered indirect emissions.

78%



Scope 3

Upstream and downstream emissions

Upstream emissions: indirect GHG emissions within the value chain, related to purchased goods and services.

Downstream emissions: indirect GHG emissions within the value chain, related to sold goods and services.

Environmentally friendly logistics

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Attitude

Environmentally friendly logistics systems contribute to the sustainable use of raw materials. Integrated plants help us to optimize our investments and create synergies in the use of raw materials, logistics, and organization.

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Approach

Operating logistics systems in an environmentally friendly way involves both the infrastructure and the efficient utilization and choice of suitable means of transport. Our approach to transport logistics is to keep transport routes as short as possible, to use as many efficient means of transport as possible, and to train drivers in our own fleets. In internal logistics, we optimize transport routes and are gradually changing over to alternative drive types.

Plants with rail connections

Location	Loading is connected to the railway network
St. Johann in Tirol (AT)	✓
Wörgl (AT)	✓
Unterradlberg (AT)	✓
Brilon (DE)	✓
Bevern (DE)	–
Gifhorn (DE)	–
Bünde (DE)	–
Marienmünster (DE)	–
Markt Bibart	–
Wismar (DE)	✓
Hexham (UK)	–
Barony (UK)	–
Rambervillers (FR)	–
Rion des Landes (FR)	✓
Shuya (RU)	✓
Gagarin (RU)	✓
Radauti (RO)	✓
Gebze (TR)	–
Concordia (AR)	–
Biskupiec (PL)	✓
Lexington, NC (US)	✓
Caorso (IT)	–



Goal

The following guiding principles apply here: Where logistically and economically possible, rail and sea freight should be used, especially for transport between plants and long distances. If only transport via truck is possible, utilization must be optimized to prevent active transport. Rail connections must be evaluated in connection with the construction of new plants. In internal logistics, we are regularly switching from gas and diesel forklifts to electric forklifts. Electric forklifts are generally used at new locations.

We currently have no quantitative goals for rail use because the availability is very market dependent. We have set annual goals for the utilization of truck weight by 2025. An important task is to define standards for uniform terms in freight tenders with a view towards vehicle technology and sustainability quotas at the Group level. Pilot projects have started to collect the necessary practical experience.

Type of transport

Financial year	2023/24	2022/23 ⁽⁵⁾	2021/22
Transports in million t. ^{(1) (2)}	8.3	8.0	8.7
of which by lorry	89.7 %	88.3 %	87.5 %
of which by rail	2.7 %	3.9 %	3.6 %
of which by container ⁽³⁾	6.8 %	7.1 %	8.1 %
of which by plane	0.0 %	0.0 %	0.0 %
of which by ship ⁽⁴⁾	0.8 %	0.7 %	0.9 %

(1) Outgoing transports of all EGGER production sites

(2) The sum of the individual shares is more than 100 %. This is due to the multiple recording of transport quantities within combined transports (such as truck-rail or rail-truck).

(3) Container transport includes approx. 1-5 % rail/lorry and approx. 95-99 % ship. A separate evaluation is not possible.

(4) Here, inland vessels and sea freight are combined.

(5) The values include the Caorso (IT) site from January to April 2023.

Truck capacity utilization

Financial year	2023/24	2022/23	2021/22
Load factor by weight ⁽¹⁾	90.8 %	89.3 %	89.0 %

(1) This value corresponds to the weighted average of all transports based on the ration of the actual transport weight per lorry to the legal maximum weight per lorry in the respective country.

Electric vehicles in the EGGER motor vehicle fleet

Calendar year	31.12.2023	31.12.2022	31.12.2021
Number of forklifts in the EGGER Group	749	690	687
of which electrically driven (share)	303 (40.5 %)	246 (35.6 %)	194 (28.2 %)
Number of cars in the EGGER Group	931	920	883
of which electrically driven (share)	129 (13.9 %)	110 (12.0 %)	92 (10.4 %)



Status

We continuously optimize internal logistics and test the latest technologies.

The number of forklifts increased over the previous year based on the steady improvement in data availability from the plants. In addition, rental or loaner machines were included, and loading capacities were expanded. The proportion of electric forklifts has increased. Electric forklifts are purchased where possible when new forklifts are added or forklifts with combustion engines are replaced.

We are working to increase the use of rail connections and loading capacities, but this is not always compatible with the necessary flexibility and adherence to delivery times.

Past measures**Transport logistics**

- Ongoing intensification of cooperation with our forwarding agents and freight carriers on the topic of alternative truck drives with possible implementation beginning in 2026
- Increase of the rail share in inter-plant traffic (ongoing)
- Continuous optimization of the waiting times for trucks
- Optimization of the operational handling of container processes for even more accurate analysis (ongoing)

Intralogistics

- Replacement of all light forklifts with electric forklifts (ongoing)
- Purchase of electro-forklifts for all new plants

Future measures**Transport logistics**

- Pilot projects for the use of low-emission fuels like BioLNG or HVO100 etc. by forwarding agents in Central Europe
- Continuous review of necessary updates in software and hardware in all plants with Yard Management
- Survey of all forwarding agents concerning their climate goals and measures, fleet data with a view to emission classes, age, fuel savings measures and driver training
- Examination of possible application areas for currently available alternative drives in our transport chains
- Increase in the capacity utilization of trucks on road transport and intermodal to avoid active transports (ongoing)
- Increase know-how for forwarding agents and establish networks between regional sellers of low-emission fuels and forwarding agents

Carbon storage: From forest to the wood product



Attitude

We have set SDG 12 and 13 as a strategic priority. In doing so, we commit to ensuring that people have relevant information for sustainable development (SDG 12.8) and also take action on climate change (SDG 13).



Approach

Wood-based products normally store more CO₂ than their production emits. Cradle-to-grave CO₂ balance sheets are part of the environmental performance assessments that we calculate for our products. We arrange for their external verification and publish them as EPDs. The potential impact on the climate is shown as a CO₂ equivalent in the indicator “Global Warming Potential (GWP)”. Our EPDs also provide a further breakdown on the total CO₂ footprint: They indicate the fossil and biogenic share as well as the emissions resulting from land use changes. GHG emissions in the production phase are generally described as the “Product Carbon Footprint” or “CO₂ footprint (cradle-to-gate, Module A1-A3 in the EPD).

As the “GWP total”, it indicates how strongly the climate is influenced by the extraction of the raw materials, the production of pre-products, transport to the plant and the production of the product at EGGER. Values below zero mean that more carbon is bound in the wood than is emitted by production and the upstream chain. This applies to all wood-based materials since wood binds substantial amounts of carbon and production generally relies on renewable energies. Products that contain substantial amounts of synthetic resin and little wood or paper, such as laminates, have a value above zero. The calculation of carbon storage in our Eurodekor components and raw edgings and in the production volumes at our new locations in Caorso (IT) and Markt Bibart (DE) was based primarily on EPD data, even though this information is formally not valid for these product groups. A reversion to the best available data is normally possible in the environmental performance assessment. In this way, we can estimate the carbon storage for 85 % of the sold products according to the share of revenues.



Goal

Most of our wood-based products already have a negative total CO₂ footprint (GWP total). We want to further reduce fossil emissions within the CO₂ footprint in the future – down to a value of zero in line with our Net Zero goal.



Status

The absolute amount of carbon bound in our products has risen in recent years due to the increase in the total production volume.

We want to maintain the high proportion of EPDs. In 2023/24, we released a new EPD for the PerfectSense Lackplatten Span product. The planned preparation of EPDs for the Eurolight Dekor and for three types of flooring boards for the UK was postponed in favor of a Group-wide project to automate the preparation of CO₂ footprints

Carbon storage in our products

Financial year	2023/24 ⁽²⁾	2022/23 ⁽³⁾	2021/22
CO ₂ bound in our products in million tons of CO ₂ eq. ⁽¹⁾	7.1	6.4	6.9

(1) The key figure is calculated from the global warming potential of 14 EGGER wood-based products and EGGER laminate according to the EPD (GWP total, cradle-to-gate, module A1-A3) and multiplied by the sales volume of these products in the respective fiscal year.
(2) All values include the Markt Bibart (DE) site from November 2023 to April 2024.
(3) All values include the Caorso (IT) site from January to April 2023.

Past measures

- Publication of a new EPD for PerfectSense Lacquered Chipboard in accordance with the requirements of EN 15804:2020 (including detailed information on the CO₂ footprint)

Future measures

- Preparation of EPDs for the Eurolight Decor and for three types of flooring boards for the UK
- Update of the existing EPDs for laminate flooring and OSB boards to meet the new requirements of EN 15804+A2
- Preparation of Product Carbon Footprints according to ISO 14067 for more detailed or plant-specific product groups

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3.2.3 Plant emissions (pollutants, noise and odor)

The term environmental emissions covers impurities that are released from technical processes into the environment, especially into the air, water and soil. Typical sources of emissions in the wood-based materials industry are dryers, energy generation facilities and crushing processes. Drying wood releases components like formaldehyde, VOC and dust. The combustion of wood and natural gas produces fuel-typical exhaust gases such as NO_x, CO and dust. In addition, noise and dust result from business and road traffic and mechanical processes. The merging of industrial and residential areas also makes the topic of noise and odor emissions more important.

Alone in the financial year

2023/24, we invested

EUR 569 million in the maintenance and development of our plants.

“The EGGER plants have a state-of-the-art industrial base and operate with the best available technologies.

This is how we reduce our environmental impact to a minimum.“

Opportunities and risks

The local environment at the plants is exposed to the potential risk of pollution through emissions from production processes. Dust, noise and odor also carry the risk of disturbing neighboring residential areas and ecosystems. Environmental pollution in the area surrounding a plant can lead to complaints from local residents which, in turn, has a negative impact on the company's reputation. Problems with authorities and financial damage to the company can also result if emissions exceed the defined limits.

We are continuously working on technical process optimization to prevent emissions through optimal operating conditions. Our structured environmental management, competent in-house specialists, and close cooperation with technology suppliers, combined with modern environmental equipment, contribute to environmentally compatible management.

Emissions from combustion and drying processes



Attitude

We not only comply with the applicable laws, regulations, and other directives but also constantly aim to set new and higher standards. Our goal is to avoid environmental pollution as far as possible.



Approach

All EGGER facilities operate in accordance with legal requirements and based on state-of-the-art technology. As required by national legislation, we monitor emissions from incineration and drying processes through direct measurements at our plants. These measurements are the responsibility of specialists at all locations. The data from the direct measurements serves as the basis for reporting by the locations. The annual assessment of environmental aspects covers, among others, air emissions and, if necessary, leads to the inclusion of measures in the plants' environmental program.

PRTR

The European Pollutant Release and Transfer Register (E-PRTR) informs the public, among others, of pollutant emissions from large plants. Nine EGGER production plants fall under this information requirement for NO_x emissions and prepare a related report.

NO_x

NO_x is the generic term for a group of gases that contain different amounts of nitrogen and oxygen, for example nitrogen monoxide (NO) and nitrogen dioxide (NO₂). Nitrogen oxides result from the incomplete combustion of biomass and other fuels.

VOC

VOC (Volatile Organic Compounds) is the collective term for organic substances, i.e. substances containing carbon, which are gaseous at room temperature. For example, terpenes and aldehydes are released when wood is dried. VOC emissions are measured periodically at the plants subject to PRTR. We do not calculate a Group-wide KPI for emissions from drying processes.



Goal

EGGER is working to further reduce emissions from combustion processes. Emissions from the drying processes at our plants will continue to comply with legal requirements.

NO_x-emissions absolute

Calendar year	2023	2022	2021
NO _x -emissions in t/a ⁽¹⁾	2,049	2,238	2,411

⁽¹⁾ The value indicates the tons of emitted NO_x of the nine sites subject to PRTR (St. Johann in Tirol, Unterradlberg, Brilon, Wismar, Hexham, Rădăuți, Rambervillers, Rion des Landes, Biskupiec) in one year.

NO_x-emissions specific

Calendar year	2023	2022	2021
No _x -emissions in kg/m ³ ⁽¹⁾	0.29	0.32	0.32

⁽¹⁾ The value indicates the kg of emitted NO_x of the nine sites subject to PRTR (St. Johann in Tirol, Unterradlberg, Brilon, Wismar, Hexham, Rădăuți, Rambervillers, Rion des Landes, Biskupiec) in relation to the production volume of primary products (rawboards, impregnates and timber).



Status

The NO_x emissions at the plants subject to PRTR declined in comparison with the previous year. The reasons include a longer equipment breakdown and lower production volumes as well as a change in the measurement system.

These emissions are below the respective local NO_x limits and are regularly examined by the responsible authorities. We also have a functioning legal compliance system at the ISO 14001-certified plants, which is reviewed by external auditors.

Past measures

- Project to improve press exhaust air purification at the Barony (UK) plant
- Conversion of the two thermal oil boilers at the Unterradlberg (AT) plant from natural gas to steam generated by the biomass power plant to reduce direct CO₂ emissions

Future measures

- Optimization of the exhaust gas cleaning system at the Radauti (RO) and Unterradlberg (AT) plants; implementation planned by 2025
- Higher-level regulation to optimize energy efficiency and improve emissions for biomass boilers at the Unterradlberg (AT) and Wismar (DE) plants – postponed to the 2024/25 financial year
- Installation of a new thermal oil heater that will use waste heat from the dryer and thereby reduce natural gas consumption at the Caorso (IT) plant
- New loading system to reduce dust emissions at the Biskupiec (PL) plant
- Installation of a new cyclone separator systems for the biomass boiler at the Concordia (AR) plant

Noise and odor emissions



Approach

Noise measurements are carried out at the plants at regular intervals to confirm that the compulsory limits are observed.

Noise and odor are considered separate environmental aspects for each process at ISO 14001 certified plants. Measures are implemented to reduce the related impact in the event of critical assessments.

EGGER has installed a central database system to manage residents' complaints. The employees in charge register incoming complaints and define measures for their management.

We do not calculate a Group-wide KPI for noise or odor emissions



Goal

EGGER complies with the legal requirements for odor and noise emissions but has not set a Group-wide goal. Odor and noise emissions vary depending on the location and are monitored locally in the plants.



Status

Our central reporting system helps the plants to learn from each other in order to further reduce any negative effects on their surroundings. In the calendar year 2023, our central recording system received one report from residents on the subject of noise, three on the subject of odor, and two on noise and odor. They were handled by the local contact partners, and the necessary actions were taken.

Past measures

- No measures

Future measures

- No measures are planned at the present time

3.2.4 Water cycle and rainwater utilization

Water supplies have become challenging in an increasing number of regions across the world. EGGER is also dependent on the availability of good quality water at its plants. Water and wastewater are a particularly relevant aspect in the production of MDF boards, which are manufactured by the plants in Brilon, Bevern, Wismar (DE), Gagarin (RU) and Concordia (AR).

**19 of our 22 plants have
externally certified environ-
mental management systems
(ISO 14001 and EMAS).**

**“We are investing
continuously in
clean and environ-
mentally friendly
infrastructure and,
in doing so, are
committed to con-
tinuous improve-
ment.**

**Our goal: Resource
conserving, closed
cycles.“**

Opportunities and risks

The climate crisis is leading to water shortages in certain regions. Since water supplies are essential for an industrial company, drought or water scarcity creates risks. These risks must be addressed with appropriate measures such as recycling production water or water-saving measures.

Especially in areas with water stress, there is a potential risk of water scarcity in macroeconomic terms. Enrichment with nutrients and pollutants also poses a potential risk if the wastewater is discharged into the environment and can damage water ecosystems through over-fertilization and pollution.

Opportunities for resource efficiency at EGGER are based on the fact that all major MDF-producing plants in the Group have established water cycles and treat their wastewater on site.

Water consumption and rain- water utilization



Attitude

We are committed to the sustainable management of water and to significantly increasing the efficiency of water use (SDG 6, SDG 6.4).



Approach

EGGER uses water as process water for the treatment of wood chips in MDF production and for exhaust air purification. In addition to water from public supplies, we also use surface and groundwater.

As part of our environmental management system, we make optimal use of existing resources, identify potential savings and continuously reduce water consumption.

The impact of our water use is assessed as a separate environmental aspect by all ISO 14001-certified plants. The assessment covers the entire lifecycle of our products, including upstream and downstream processes, and our own production processes. Environmental officers in the plants continuously track water consumption as a KPI, while transparent water balances show consumption and opportunities for savings.

In order to better understand the environmental impact of our water use, we have identified plants located in areas affected by water stress. These areas were evaluated in 2023/24 based on the results of the local climate risk analysis that forms the basis for surveying the EU Taxonomy requirements. The analysis showed that Gebze (TR) was the only plant affected by water stress.



Goal

EGGER follows the guiding principle of reducing water consumption and efficiently using local savings potential.



Status

Process water is reused at many plants. It is purified several times by internal treatment facilities and then returned to the water cycle (recirculation). The total water withdrawal volume rose slightly by 4 % over the previous year, chiefly due to increased demand during heat waves and dryness at many locations. In addition, the plant in Caorso (IT) was included in these statistics for the first time beginning with the calendar year 2023.

The plant in Gebze (TR) recorded an increase in water withdrawal. It resulted from projects to expand the location, where construction led to additional water consumption.

Water recirculation rose by 13 % over the previous year. The increase was based, among others, on higher rainfall at the German plants as well as the inclusion of the Caorso (IT) plant in the statistics.

Water consumption increased slightly over the previous year but has remained relatively constant over the past three years. The fluctuations roughly reflect the development of water withdrawal.

Water withdrawal

Calendar year	2023	2022	2021
Total water withdrawal in m ³ ⁽¹⁾	4,916,962	4,735,226	5,048,422
share of surface water	12 %	14 %	14 %
share of groundwater	67 %	65 %	64 %
share of water from third parties	21 %	21 %	22 %

(1) This is the total amount of water withdrawn from primary production sites of the Group.

Water balance of the Gebze (TR) plant - plant with high water stress

Calendar year	2023	2022	2021
Total water withdrawal in m ³ ⁽¹⁾	52,537	43,068	45,957

(1) The Gebze site (TR) obtains 100% of its water from third parties.

Water discharge

Calendar year	2023 ⁽²⁾	2022	2021
Total water discharge in m ³ ⁽¹⁾	1,555,721	1,377,287	1,465,076
share of surface water	0 %	0 %	0 %
share of groundwater	0 %	0 %	0 %
share of water to third parties	100 %	100 %	100 %

(1) This is the total amount of water withdrawn from primary production sites of the Group.

(2) The Caorso (IT) plant has been included in the statistics since calendar year 2023.

Water consumption

Calendar year	2023 ⁽²⁾	2022	2021
Total water consumption in m ³ ⁽¹⁾	3,361,242	3,357,939	3,583,346

(1) This is the total water consumption at the Group's primary production sites.

(2) The Caorso (IT) plant has been included in the statistics since calendar year 2023.

Past measures

- Project for a backwash clarification system at the sand filter facility at the Gebze (TR) plant to save water

Future measures

- New retention and collection system SuDS (Sustainable Drainage System) to enable the use of rainwater as process water for the Barony (UK) plant
- Analysis of water use to reduce water consumption and improve discharge at the Rion des Landes (FR) plant
- Installation of new water treatment equipment to reuse wastewater from the cooling towers at the Rambervillers (FR) plant

Clean wastewater



Attitude

EGGER is committed to improving the water quality globally by reducing pollution and increasing recycling (SDG 6.3).



Approach

We distinguish between rainwater treatment and process water treatment. Rainwater is treated and used in production as cooling and process water – preferably to compensate for water-steam cycle losses in the power plants. The wastewater from production is also processed and used for steam generation.

Wastewater is pre-treated at all five MDF-producing plants: Brilon, Wismar, Bevern (DE), Concordia (AR) and Gagarin (RU). We use different processes to pre-treat wastewater before it leaves the plant premises. Surplus, pre-treated wastewater is transferred to municipal wastewater treatment facilities, whereby the pre-treatment significantly reduces the load on these plants. Four of the five plants – Brilon, Wismar (DE), Concordia (AR) and Gagarin (RU) – which represent 93% of the MDF production volume in the EGGER Group have established a cycle and reuse the treated water on site.

In order to promote and protect the supplies and replenishment of groundwater, we also follow the following principles at locations with dry production processes:

- Sealing of the storage yards for wood and collection and treatment of the log yard rainwater
- Local seepage of uncontaminated rainwater (e.g. from roof surfaces)
- Partial discharge of uncontaminated rainwater into receiving water



Goal

The wastewater from our plants continues to meet legal requirements. EGGER continuously monitors wastewater parameters in accordance with local requirements.



Status

Wastewater treatment systems are in operation at all plants which have a high proportion of wastewater due to the manufactured products. MDF-producing plants are primarily involved here. Internal parameters are also monitored at many plants in addition to the legally prescribed measurement of wastewater quality.

Past measures

- New type of wastewater discharge to improve emissions at the Rion des Landes (FR) plant

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Future measures

- Installation of a further wastewater tank to reduce emissions from the Compact glue equipment at the Hexham (UK) plant

3.2.5 Diversity in ecosystems



Attitude

We have defined SDG 15 as a strategic priority. This confirms our commitment to the sustainable use of terrestrial ecosystems and the sustainable management of forests (SDG 15, SDG 15.2).



Approach

Sustainable forestry management and the protection of natural resources are anchored in our mission statement. EGGER is committed to UN SDG 15 and, accordingly, to the protection, restoration and support of sustainable forests, and to the fight against land degradation and the loss of biological diversity. An important social goal is to stop deforestation, restore degraded forests, and promote reforestation and replanting.

We support the UN goals, above all for sustainable forestry management and the protection of the climate and natural resources by applying strict controls to the wood we use. Moreover, we purchase regionally wherever possible and give priority to wood from certified forests. For additional information, see Chapter 3.2.7 Use of wood from sustainable sources and recycled material.

Each plant has an environmental manager who is responsible for site-specific environmental issues, including biodiversity. An analysis is carried out annually at each location to examine, among others, the effects of business activities on biodiversity in the surrounding area. The identification of any problems leads to immediate reaction.



Goal

A Group-wide goal has not yet been set.



Status

In order to better understand the ecological effects of our production locations on the nearby biodiversity, we have tried to identify the plants that are near biodiversity critical areas. The data was evaluated with the help of the WWF Biodiversity Risk Filter, which indicates that the branch risk of “Paper and Forest Product Production“ for biodiversity equals 3.9. This was followed by our decision to set our threshold at 3.5. The analysis of our 22 plants showed that EGGER has no production locations near areas where biodiversity is threatened.

Our plans for the new financial year include deciding how to deal with these findings. A Group-wide approach to biodiversity is also needed since the related issues were handled individually by the plants in the past.

Past measures

- Construction of a nature trail in connection with the community in Rambervillers (FR)
- Greening project at the Unterradlberg (AT) plant

Future measures

- Anchoring biodiversity in the company in connection with the implementation of ESRS

3.2.6 Products from renewable raw materials

ABOUT THIS REPORT

Bioeconomy, a prominent resource-saving approach, states that it is better to use raw materials that regrow within the time horizon of a generation than raw materials that take millions of years to regenerate. In order to understand the progress towards bioeconomy, materials are categorized into two groups:

- Materials from renewable raw materials are primarily made from wood, plant fibers or microorganisms, such as paper.
- Materials derived from fossil raw materials are mainly produced from natural gas or petroleum, like most plastics, foils, synthetic resins and synthetic fibers

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Opportunities and risks

Our products consist of approximately 86 % wood and paper. The use of wood from sustainable sources bonds carbon in the finished product. Compared to products made of purely fossil and mineral raw materials, this is an opportunity for sustainable consumption and a way to fight climate change.

Risks can include limited resource availability due to climatic changes, which also lead to rising prices. The use of wood as a material also competes with energy use, which exerts pressure on the availability and, in turn, on the price of the raw material.

The remaining 14 % of our products are mainly binding agents, impregnating resins, waxes and additives. They ensure that even non-sawable and recycled wood can be transformed into a durable and resistant product. We also use plastics in the production of safety edgings.

Our internal LCA analyses show that these fossil raw materials are responsible for a large part of the climate-damaging emissions along the supply chain. The total carbon storage effect in our products exceeds the related fossil emissions. However, fossil-based resources are not permanently compatible with a long-term orientation towards climate-friendly net-zero production which focuses on greenhouse gas reduction (see the Chapter on "Climate protection, energy efficiency, renewable energies in production").

**86 % of all the materials
used in our products come
from renewable sources.**

**“The valuable
resource wood con-
tinues to grow and
absorb CO₂. This
carbon remains
stored in the wood
throughout its
entire useful life.
And every chip that
is recycled extends
this storage effect
even more.”**

Use of materials from renewable sources



Attitude

We have set SDG 12 as a strategic priority. In doing so, we commit to achieving the efficient use of natural resources (SDG 12.2).



Approach

EGGER sees itself as a supplier of wood-based products that offers its customers optimal quality, design and advice for the required application area. In addition to the high proportion of renewable raw materials in our products, this also includes the use of synthetic raw materials and pre-products. They must also meet our strict product requirements for durability and resistance but must not necessarily be based on fossil resources. We do not use biobased alternative products where environmental data, such as an LCA or a Product Carbon Footprint, is not available.

EGGER also develops wood-based products for areas of application where products from fossil resources dominate. For example, the wood-based EGGER Design flooring GreenTec can be used as an alternative to PVC floors, which consist of 100% fossil-based materials.



Goal

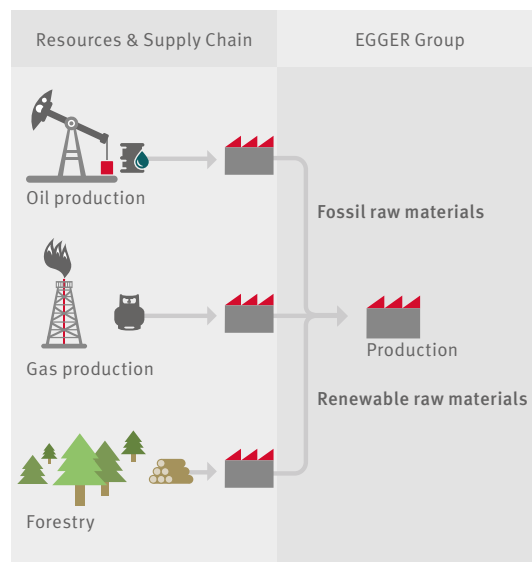
Our stated goal is the use of non-fossil glues. We are actively looking for climate-friendly alternatives to the fossil adhesives and resins currently in use. In the coming financial year, we plan to start using glues with a reduced CO₂ footprint in the production of raw boards.



Status

Absolute material use increased over the previous year due to the recently acquired plants in Caorso (IT) and Markt Bibart (DE) and to a partial recovery in sales. The share of materials from renewable sources remains well above 80% but declined slightly from 88% to 86%. In contrast, the share of fossil-based materials rose from 12% to 14% due to a decrease in sawn timber production combined with an increase in plastic edging production.

Concrete preparatory steps were taken in 2023/24 to use biomass-certified bonding agents from renewable raw materials and to arrange for their ecological assessment.



Share of renewable raw materials in all EGGER products

Financial year	2023/24 ⁽⁴⁾	2022/23 ⁽⁵⁾	2021/22
Material use in million t. ⁽¹⁾	7.8	7.0	7.6
of which renewable raw materials (share) ⁽²⁾	6.7 (86 %)	6.2 (88 %)	6.7 (88 %)
of which fossil raw materials (share) ⁽³⁾	1.1 (14 %)	0.8 (12 %)	0.9 (12 %)

(1) Material used in the manufacture of products in the Decorative, Flooring and Building product areas, excluding water, i.e. absolute dry in the case of wood, solid content in the case of glue and resin.

(2) Renewable materials are wood, paper and cardboard.

(3) All other materials fall under this category (fossil and mineral resources).

(4) All values include the Markt Bibart (DE) site from November 2023 to April 2024.

(5) All values include the Caorso (IT) site from January to April 2023.

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Past measures

- Transparent communication of the proportion of renewable materials in the products with the help of EcoFacts in advertisements, product brochures, newsletters, webinars, e-learning programs and on the website
- Publication of an EPD for PerfectSense Lacquered chipboards

Future measures

- Use of biomass-certified bonding agents from renewable raw materials for chipboard production at selected locations
- Ensure product transparency through proof of the product's environmental performance in the form of an EPD attachment for biomass-certified material (IBU Mass Balance Product Information)
- Update the EPDs for EGGER laminate flooring and EGGER OSB boards

3.2.7 Use of materials from renewable sources

Sustainable management means harvesting resources carefully and using them wisely. A sustainable supply of raw materials pays attention to regionality and sustainable forest management in the procurement of primary raw materials and maximizes the proportion of secondary raw materials, i.e. recycled material, in the sense of circular economy.

65 % of the wood we use comes from by-products or recycling.

The share of recycled wood rose by five percentage points to 28 % in 2023/24.

“Did you know that wood products can have many lives?”

Recycling keeps wood in the material cycle. And binds carbon sustainably in the wood. “

Opportunities and risks

The wood products supply chain carries a fundamental risk of illegal logging, especially in areas exposed to corruption.

Ecological risks from the non-sustainable use of wood include the loss of biodiversity through the destruction of nature reserves, deforestation and damage to forests. A general risk is the negative impact on forest ecosystems, e.g. through soil erosion and the loss of forest areas through clearing. The activities of forestry contractors can also lead to the introduction of alien species.

Wood from forests that are not sustainably managed or from much-criticized suppliers can lead to reputational damage for a company, for example through negative media reports. The company is also exposed to the risk that business relationships must be terminated due to supplier misconduct and replacements must be identified. This also costs time and money.

Social risks in the wood supply chain arise from the violation of labor or safety regulations and from the violation of traditional or civil rights. Particularly in densely populated areas, timber harvesting carries the risk of temporary disruptions to the forest's recreational function for society even with sustainable forest management.

Our close relationships with wood suppliers and the monitored supply chain represent an opportunity. We also contribute to the conservation of resources through the increasing use of wood from by-products and recycled materials.

Direct relationship with suppliers

ABOUT THIS REPORT



Attitude

The primary goal in wood purchasing is to supply our production facilities with the required quantity and quality of wood as a raw material, considering both economic efficiency and sustainability aspects. We therefore develop and expand direct, cooperative business relationships with our suppliers, service providers and transport companies.



Approach

We focus on business relationships with suppliers who have direct access to the wood (no intermediary traders). In this way, we secure timber supplies over the long term and can react immediately to changing supply situations. The aspect "direct supply relationships" was included in the mission statement for the wood purchasing strategy that was published in June 2023. Supply chain depth has also been a separate criterion in the supplier rating since 2023/24.

Low supply chain depth makes the overall process transparent and helps to minimize risks to the environment and society. In addition, both sides participate directly in the value creation process and can jointly utilize opportunities for optimization. The procurement strategy is defined in a Group-wide guideline for EGGER wood purchasing. It is accessible in the EMS and binding for all employees. We ensure that the goals are met by defining the strategy and responsibilities and through regular controlling. The KPI for the supply chain depth is regularly discussed in the semi-annual meetings between the operating departments, wood procurement and corporate services for wood procurement.



Goal

The guiding principle is to procure wood primarily through direct business relationships. Our goal for wood purchasing is to exclude trader structures as far as possible.



Status

At 92%, the share of direct business relationships from the financial year 2023/24 remains at a very high level.

Directly purchased wood

Financial year	2023/24 ⁽³⁾	2022/23 ⁽⁴⁾	2021/22
Wood purchased in million tons absolute dry ⁽¹⁾	7.7	7.2	7.7
of which directly purchased (share) ⁽²⁾	92 %	93 %	89 %

(1) The total volume of wood purchased (wood-based materials incl. sawmill) is composed of roundwood, sawmill by-products and waste wood in million absolute dry tonnes.

(2) This includes wood purchased from the forest owner (direct) and self-producer (semi-direct), from the sawmill (direct), from the recycling wood collection (direct) or processing site (semi-direct). We group direct and semi-direct purchasing volumes under the term direct, as these two items differ significantly from indirect procurement (classic dealer structures).

(3) All values include the Markt Bibart (GER) site from November 2023 to April 2024.

(4) All values include the Caorso (IT) site from January to April 2023.

Past measures

- Improve the indicator as part of the routine revision of the procurement strategy for wood purchases
- Include the criterion in the supplier assessment

Future measures

- Regular reporting as part of the semi-annual meeting by wood procurement
- Definition of measures for goal achievement in the local wood purchasing departments

Use of wood from sustainable forest management



Attitude

We have set SDG 15 as a strategic priority. In doing so, we commit to promoting the sustainable use of terrestrial ecosystems and the sustainable management of forests (SDG 15, SDG 15.2).



Approach

Our “Principles for Sustainable Forestry and Wood Purchasing at EGGER” define six criteria that our wood sources must meet from an ecological and socio-economic perspective. Every wood delivery is verified by EGGER or third parties and is transparently traceable. In this way, we ensure that only standard-compliant and legal wood is used.

As a company that purchases wood, we usually have no direct influence on sustainable forest management. We therefore focus on wood from certified sources when purchasing in high-risk countries and regions (“certified” according to ISO 38200). Two well-known certification systems for sustainable forest management, FSC® and PEFC, are equally evaluated to ensure that the wood originally comes from certified and sustainably managed forests.

This certification is included in the sales documents whenever requested by the customer.

Our manufacturer’s declaration on wood origins discloses the source of the wood and shows the proportion of certified wood by product group and supplier plant (calculated and monitored according to ISO 38200).

Internal and external audits held at least once each year ensure compliance with ISO 38200 and the data quality of the indicators. In Romania, our plant is subject to an annual external audit.



Goal

Our strategic goal is to ensure that at least 60% of the fresh wood we use comes from certified sources. This includes both FSC® and PEFC certified sources.

Certification share in fresh wood

Financial year	2023/24	2022/23	2021/22
Share of certified fresh wood deliveries ⁽¹⁾	44 % ^{(4) (5)}	44 % ⁽³⁾	53 % ⁽²⁾

(1) This is the share of all fresh wood deliveries (roundwood and sawmill by-products) that have been classified as "certified" in accordance with our due diligence obligations under ISO 38200. Indication in absolute dry; including sawmill;

(2) ISO 38200 certified and verified (FSC® 20 % and PEFC 33 %)

(3) ISO 38200 certified and verified (FSC® 16 % and PEFC 27 %)

(4) ISO 38200 certified and verified (FSC® 16 % and PEFC 28 %)

(5) All values include the Markt Bibart (DE) site from November 2023 to April 2024.



Status

The certified share remained stable in 2023/24. The Russian and Belarusian suppliers are still unable to obtain certification according to FSC® and PEFC standards. In Russia, the Forest Etalon standard has become established as a replacement. Several EGGER suppliers in Russia and our Russian plants have already been certified under this standard.

Our new plant in Markt Bibart (DE) purchases over 70 % of its fresh wood requirements from certified sources.

In Poland, the state forest has surrendered its FSC® certification. For proof of sustainable forest management, we are increasingly relying on ISO 38200 as a neutral standard in combination with the EUDR. The requirements for sustainable forest management will be covered by the EUDR in the future. This European legislation is also intended to increase transparency in the supply chain and stop or reduce deforestation and forest damage.

Most of our plants meet our goal to ensure that at least 60 % of fresh wood come from certified sources. We are planning to revise this goal and focus more on recycling for new plants, like Lexington, NC (US), and procurement regions where the share of certification is low, e.g. Argentina and Eastern Europe. Recycled wood is considered a certified material in the sense of the FSC® and PEFC standards but has not been included in the formulated goal to date.

Past measures

- Inclusion of our Concordia (AR) in the FSC® and ISO 38200 Group certificate
- Inclusion of our Lexington, NC (US), plant in the ISO 38200 Group certificate
- Audit and survey of certification with IT support through SAP Ariba and iAuditor

Future measures

- Further increase in the use of the sustainability indicator "EGGER sourced sustainable wood" in product labelling and marketing
- Continued risk assessment and control via ISO 38200 certified EGGER DDS

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Use of recycled material and cascading use



Attitude

We have set SDG 12 as a strategic priority. In doing so, we commit to ensuring sustainable consumption and production patterns and achieving the efficient use of natural resources (SDG 12, SDG 12.2).



Approach

For the production of wood-based materials, EGGER uses not only primary but also secondary, i.e. recycled raw materials:

- By-products from industrial wood processing steps, e.g. wood chips, sawdust, shavings, trimmings, offcut
- Residual materials from the furniture industry (= pre-consumer recycled material), i.e. production residues from customers, furniture parts or chipboard (third-rate quality)
- Recycled waste wood (= post-consumer recycling material), i.e. wood assortments already disposed of by the end customer, e.g. pallets and transport boxes made of solid wood, untreated wood from construction sites, furniture, interior doors, flooring

Waste wood is processed, cleaned of impurities and used in chipboard production.

The waste wood is purchased from qualified specialist companies in a defined overall process (purchasing, quality control, complaint management). Legal requirements, such as the Waste Wood Ordinance (AltholzV) in Germany, are also met

Wood-processing plants generate by-products and wood residues, which EGGER also refines into wood-based materials or, if material recycling is no longer possible for quality reasons, uses these substances to produce heat and green electricity.

In terms of backward integration, EGGER also operates independent waste wood recycling companies and takes back chipboard waste from customers. Internal guidelines and directives ensure that only suitable pre- and post-consumer recycled material enters our production.

Twelve of the 16 chipboard plants in the Group process and use waste wood.



Goal

Our strategic goal is to increase the share of pre-consumer and post-consumer recycled material in all wood used to make our products to at least 25 % by 2025.



Status

In 2023/24, we exceeded our goal for a 25 % share of recycling wood by three percentage points, and the KPI now equals 28 %. This improvement was supported, among others, by our plant in Caorso (IT), which uses 100 % recycled wood.

The share of wood from the circular economy remained at the prior year level of 65 %. This percentage rate combines the use of wood from by-products and recycling for all wood materials, whereby the share of recycling wood rose by five percentage points.

Recycling mix in the wood used

Financial year	2023/24 ⁽²⁾	2022/23 ⁽³⁾	2021/22
Total wood use in million AT ⁽¹⁾	6.9	6.2	6.7
of which is roundwood	35 %	35 %	36 %
of which are co-products	37 %	42 %	44 %
of which is recycling	28 %	23 %	20 %
of which is pre-consumer recycling wood	3 %	3 %	3 %
of which is post-consumer recycling wood	25 %	20 %	17 %

(1) Wood used in the production of EGGER wood-based materials (weighted average of all chipboard, thin chipboard, MDF, thin MDF and OSB . AT = absolute dry tonnes

(2) All values include the Markt Bibart (GER) site from November 2023 to April 2024.

(3) All values include the Caorso (IT) site from January to April 2023.

Past measures

- Commissioning of the recycling collection point in Danzig (PL)
- Commissioning of the recycling collection point in Völklingen (DE)
- Commissioning of the recycling collection point in Datteln (DE)
- Commissioning of the recycling terminal in Linz (AT)
- Commissioning of the recycling terminal in Bruck (AT)
- Takeover of a recycling collection point in Urbania (IT)
- Purchase of a site for a further recycling collection point in North Carolina (US)
- Extensive modernization of the recycling collection point in Charlotte, NC (US)
- Revision of the goal definition

Future measures

- Expansion of the collection infrastructure for recycling wood in our procurement markets to increase the amount of recycling wood in our production
- Expansion and optimization of existing plants for the processing of recycling wood in our chipboard production plants

3.2.8 Durability and recyclability of products

Environmentally friendly products are often equated with durable products: The longer use of a product means fewer new products must be produced and less resources will be used.

After the end of the usage phase, a product should be as easy to recycle as possible and ideally serve as a raw material for a new product life.

Opportunities and risks

A product is durable if it retains its function in the intended area of application for as long as possible. One opportunity for this lies in our comprehensive documentation and consulting services, which make it possible to optimize the technical properties of a product over its useful life.

However, long-lasting products can create financial disadvantages for a company because consumers buy new products less often.

Products in the construction, furniture, interior design and flooring sectors are sometimes not replaced due to a loss of function, but rather due to changed aesthetic demands. One risk is here the waste of resources due to an unnecessarily short, trend-based useful life.

End users have the greatest leverage for extending the service life by deciding on a timeless design when selecting a product, by placing functional requirements over trends, or by carefully updating existing products with new details.

Durable products



Attitude

EGGER is the guarantee for high product quality as well as the clear and transparent formulation of the technical characteristics of its products. Our products meet international product standards. The cornerstones of our work include reliable quality, expertise in design and technology, specialized consulting, and services for sales support. All our services are geared to current and future customer needs.

Wood materials have many lives:

72 % of our products are recyclable after use.

**“How do we come full circle?
By also ensuring that our products are, for the most part, recyclable at the end of their life.**

Timeless designs and high product quality make sure this end comes as late as possible.“



Approach

Our services are tailored to the different customer target groups for our products.

EGGER flooring products are available for various usage classes or areas of application. The warranty period for products installed in private living areas ranges from seven to 25 years. The warranty period for commercially used rooms is five years, provided the installation is carried out by a commercial flooring professional. The processing instructions on our website also contain information on the careful replacement of individual damaged flooring boards.

The durability of **decorative products** is defined by international and national as well as industry and application-specific requirements. The performance of the products is documented transparently. In this way, customers receive the best possible advice on use and usage properties when selecting products. The information is documented and available online. The professional finishing of the products ensures the best possible, long-lasting results.

Construction products are assigned to specific technical classes under European harmonized standards, which define different technical requirements. The performance declarations for the products show which EGGER products meet which requirements. These performance declarations, including the usage classes, utility classes and durability, allow customers to select the right product for the respective application area. The conditions for a long product life are met when the product is used correctly, installed professionally, and maintained and serviced appropriately (conditions of service by class).



Goal

For EGGER, quality means meeting the defined requirements in all areas. We are committed to continuous improvement and document this with a certified management system.



Status

Quality and complaint management at EGGER stands on a solid foundation.

Our quality standards are implemented through compliance with technical norms and a quality management system that is certified under ISO 9001. The products correspond to the stated product characteristics, which are prepared transparently and suitable for the respective target group. We see digitalization as an incentive to constantly question and expand our service offerings in line with the times.

Recyclability



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Attitude

We strive to continuously improve the environmental performance of our activities, products and services.

We have set SDG 12 as a strategic priority. This also underscores our commitment to reducing waste generation through recycling and providing relevant information to create a better awareness of sustainable development (SDG 12.5, SDG 12.8).



Approach

Solid wood products like timber and all chipboard-based products are by definition recyclable and can be recycled under economic conditions. Architects, furniture designers, fabricators and flooring installers can support recyclability by using detachable joints or by the floating installation of floors.

We provide information on proper disposal and recommendations for recycling in Environmental and Health Data-sheets (EHDs) as well as Environmental Product Declarations (EPDs).

The large-scale recycling of MDF fiberboards into new fiberboards is not yet state of the art.



Goal

Our guiding principle is to continuously improve the environmental protection performance of our activities, products and services. In addition, we want to further promote the recycling of MDF fiberboards into new fiberboards.



Status

More than two-thirds of our products are already recyclable. Included here are chipboard, Eurodekor chipboard, thin chipboard, Eurolight, OSB Combiline, furniture components, OSB, worktops and sawn timber (also recommended by the ÖWAV sorting guidelines). MDF, HDF, PerfectSense MDF, thin MDF lacquer, profile moldings, flooring, impregnates, laminates, edging, decorative paper and foils, binding agents and resins are tolerated in small quantities in the waste wood stream, but recommended for thermal recycling.

Our edgings are 100 % recyclable. However, they are firmly bonded to a core board when installed and, according to the current state of technology, are removed from the chipboard recycling process and not recycled. The edgings we produce are therefore classified as non-recycled products for the KPI calculations.

Our goal is to use post-consumer MDF in the production of new MDF boards in the future. Together with an equipment manufacturer, we successfully completed a project to design a pilot facility for the processing of used fiberboard.

Recyclability of the EGGER product portfolio

Financial year	2023/24 ⁽³⁾	2022/23 ⁽⁴⁾	2021/22
EGGER standard products ⁽¹⁾	100 %	100 %	100 %
of which recyclable ⁽²⁾	72 %	71 %	69 %
of which not recyclable ⁽²⁾	28 %	29 %	31 %

(1) Products for furniture and interior design, building products, flooring; including externally sold preliminary and intermediate products such as glue and paper; excluding retail goods, samples, advertising material and other revenues

(2) Share by turnover

(3) All values include the Markt Bibart (DE) site from November 2023 to April 2024.

(4) All values include the Caorso (IT) site from January to April 2023.

Past measures

- Design of a pilot facility for the recycling of post-consumer MDF boards (“fiber to fiber“)
- Trials to select the equipment configuration and design for the pilot facility

Future measures

- Construction of a prototype facility to recycle old into new MDF boards (“fiber to fiber“ recycling) at a selected EGGER location
- Test of the equipment in internal process flows

3.2.9 Material efficiency and waste prevention

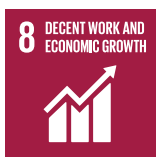
We believe the concept of cascading use is convincing as a means of utilizing the maximum potential from the raw material wood. In this context, only wood that cannot be recycled should be used thermally. Largely closed loops in the production process minimize the volume of waste from the production of wood-based materials. Waste is mainly generated during upgrading steps (e.g. lacquering), during edging production, or from the packaging of supplied pre-products as well as during machine maintenance.

Opportunities and risks

The greatest potential risk from a macroeconomic perspective is the scarcity of resources. The danger is that material flows do not result in the production of usable goods, but end up as by-products, rejects or waste. Landfilling waste not only contributes to resource scarcity, but also potentially to the loss of natural or populated areas. Waste can also cause direct environmental risks if it is improperly stored or disposed of. Hazardous waste is produced at EGGER, for example, in the form of used oil from machinery or the cleaning of oil separators.

Opportunities for a resource-efficient production method arise from the material cycles at EGGER, which allow for cascading and thus optimal use, especially for waste wood. The Group's integrated sites achieve this without additional transport routes. The growing degree of refinement increases the potential for wasting primary raw materials. The efficient use of resources along the entire value chain is achieved by preventing damage to produced goods and thereby reducing waste. Increasing automation in material handling, both at new locations and through investment in existing sites, makes a particular contribution in this respect.

Resource efficiency



SDG 8.4 describes the goal to gradually improve resource efficiency in consumption and production. Our ideas for optimized raw material use contribute to meeting this goal.

We use the wood dust generated in production as a source of energy for our own power plants. Internal logistics represent a major lever for optimizing material efficiency.

Our purchased packaging materials consist of 66 % renewable raw materials and 26 % recycling material – and are 100 % recyclable.

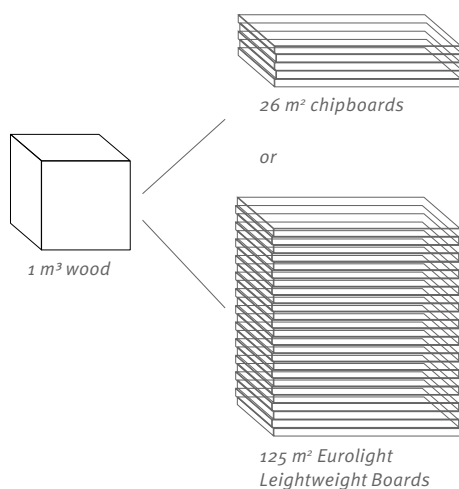
“Did you know that the production of wood materials results in only a very low amount of waste?”

Even wood dust has a longer life as an energy source in our own biomass power plants.“

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EGGER develops technologies that permit the economic use of wood. For example, the Eurolight Lightweight Board requires much less material than a comparable, solid board with the same thickness.



Optimizing the use of raw materials

- Ash is produced during energy generation in our biomass heating and power plants. We want to keep the amount of ash produced as low as possible and therefore extract the production residues that can serve as fuel. This eliminates the need for additional re-screening of the ash, reduces the overall amount of ash and improves the energy efficiency of the boilers.
- We use rejected boards from the production process as packaging material.
- We sell the metals recovered from the processing of recycled wood and packaging waste from input products. They are used elsewhere as secondary raw materials.

Packaging material



Attitude

At EGGER, the responsible use of resources also includes the conscious use of packaging materials. Packaging must protect our high-quality products from damage during transport and ensure safe transfer to the customer. Cardboard, wood and recycled PET straps are the main materials used for packaging. Very sensitive products are sealed additionally in a thin PE shrink film.

We have set SDG 12 as a strategic priority. This reinforces our commitment to evaluate the amount of waste generated by our packaging as the basis for taking appropriate steps.



Approach

Basic packaging standards are defined for the individual product groups and documented within the framework of our quality management. Minor deviations from this standard are possible to accommodate specific customer needs.



Goal

We also want to ensure the full recyclability of our packaging in the future and further increase the recyclable content of the plastics still in use. Where possible, we want to use biobased plastics to increase the share of renewable raw materials in our packaging material.

Use of packaging material

Financial year	2023/24 ^{(2) (3)}	2022	2021 ⁽⁴⁾
Total purchased packaging material in t ⁽¹⁾	62,190	60,147	–
of which recycling material in %	26 %	32 %	–
of which recyclable material in %	100 %	100 %	–
of which renewable raw materials in %	66 %	54 %	–
of which reusable in %	15 %	10 %	–

(1) Purchased packaging material includes pallets, strapping, edge protectors, cardboard boxes and foils. Not included are protective panels from our own production and retail goods for cargo securing. The Caorso (IT) and Markt Bibart (DE) plants are not included.

(2) Reporting period changed to financial year.

(3) Due to an increase in data quality, the value is not comparable with the previous year.

(4) No data is available for the year 2021.



Status

Our packaging consists mainly of transport packaging and not end customer packaging but flooring products represent an exception. The amount of packaging has already been reduced to an absolute minimum. All purchased packaging materials are recyclable. Of the total packaging used, recycled material equals 26 % and primarily involves PET straps and cardboard. The share of packaging from renewable raw materials equals 66 % and chiefly comprises wood and cardboard. Roughly 15 % of the packaging material can be reused, above all the widely used Euro pallets. The data for the financial year 2023/24 show significant changes because of the measures undertaken to improve the quality of data on the properties of our packaging materials. Consequently, the prior year data are not directly comparable with the previous analysis.

Past measures

- Replacement of steel strapping with strapping made from recycled PET
- Application tests of available biobased plastics
- Use of packaging foils with a 30% recycling component in our sawmill

Future measures

- Continuation of the application tests with available recycling plastics and biobased foils
- Use of shrink-wrap foils with a 30% recycling component for flooring

Waste prevention



Attitude

We keep the volume of waste at the plant level as low as possible.

We have set SDG 12 as a strategic priority. In doing so, we are committed to significantly reducing waste generation through prevention, reduction and recycling (SDG 12.5).



Approach

Our environmental management system calls for a continuous reduction in the volume of waste. To meet this goal, we have appointed specially trained waste officers for each European plant and prepared waste concepts. The waste officers are responsible for waste balances at the plant level and reporting to the Group.

At all ISO 14001-certified sites, the impact of our waste generation is assessed as a separate environmental aspect. The assessment covers upstream and downstream processes as well as our own production processes over the entire lifecycle. Our waste is only transferred to certified disposal companies which are evaluated annually through internal audits. The volumes of the individual waste components from the plants are based on calculations by the disposal companies and reports to the public authorities.



Goal

Our strategic goal is to achieve a 10% reduction in the specific volume of residual waste (in relation to the production of primary products) by 2025, relative to the base year 2018.



Status

The volume of total waste rose by 17.1% over the 2022 level and is related, above all, to non-hazardous waste. The main reason for this increase is construction at various locations (new buildings and modifications).

A slight increase was also recorded in the volume of hazardous waste, which resulted from demolition and construction activities and from the reclassification of individual waste streams from non-hazardous to hazardous waste.

In the calendar year 2023, the primary production plants transferred 15,679 tons of hazardous waste and 232,983 tons of non-hazardous waste to external disposal companies. No radioactive waste was transferred to disposal companies during the reporting period.

The volume of residual waste, relative to the base year 2018, has shown positive development in recent years but increased slightly by 5.7% in comparison with 2022. This is also a result of the increased construction activity at various locations and higher production volumes. Based on our strategic goal to achieve a 10% reduction in the volume specific residual waste by 2025, the reduction in 2023 equaled 15.9% versus the base year 2018.

The volumes attributable to the individual disposal methods have changed slightly, but the directly recycled volumes have declined slightly. In contrast, the volumes processed for other utilization processes have increased. Half of our waste is reprocessed for recycling or recycled directly (approximately 51%).

Specific waste

Calendar year	2023	2022 ⁽⁴⁾	2021	2018 ⁽⁵⁾
Waste total in kg/m ² ⁽¹⁾	23.98	20.47	17.83	26.82
share of hazardous waste ⁽²⁾	6 %	8 %	7 %	3%
share of non-hazardous waste ⁽²⁾	94 %	92 %	93 %	97%
residual waste in kg/m ³ ⁽³⁾	0.37	0.35	0.34	0.44

- (1) Total waste generation (kg of waste disposed of externally) in relation to the production volume of primary products (rawboards impregnates and timber manufactured at 17 Group sites; since 2023 18 Group sites)
- (2) Percentage of waste streams divided into hazardous and non-hazardous, depending on the legal situation in the country of origin
- (3) Sites at which a clear allocation of municipal waste is not possible due to the infrastructure of the disposal companies are not taken into account.
- (4) There is a deviation from the value reported in the previous year. For 2022 a change in the volume flows was retroactively corrected for one plant.
- (5) The value of the base year 2018 remains in the table.

Waste by disposal method (specific)

Calendar year ⁽¹⁾	2023		2022 ⁽²⁾		2021	
	hazardous	non hazardous	hazardous	non hazardous	hazardous	non hazardous
Preparation for reuse	0.0	0.0	0.0	0.0	0.1	0.0
Recycling	0.2	6.1	0.1	8.0	0.1	7.4
Other recovery operations	0.0	5.9	0.0	2.7	0.0	2.2
Incineration (with energy recovery)	0.1	1.8	0.1	0.4	0.1	0.8
Incineration (without energy recovery)	0.0	0.7	0.1	0.5	0.1	0.1
Landfilling	0.3	5.1	0.3	5.4	0.7	4.2
Other disposal methods	0.8	2.0	0.9	1.0	0.0	0.4
Not assignable	0.0	0.7	0.0	0.9	0.1	1.5
Total	1.5	22.5	1.6	18.8	1.2	16.6

- (1) Total waste generation (waste disposed of externally) in relation to the production volume (kg/m²) of primary products (rawboards, impregnates and timber manufactured at 17 Group sites (since 2023 at 18 Group sites))
- (2) There is a deviation from the value reported in the previous year. For 2022 a change in the volume flows was retroactively corrected for one plant.

Waste by disposal method (absolute)

Calendar year ⁽¹⁾	2023		2022 ⁽²⁾		2021	
	hazardous	non hazardous	hazardous	non hazardous	hazardous	non hazardous
Preparation for reuse	291	20	416	38	854	437
Recycling	1,870	63,610	1,464	78,815	1,517	78,301
Other recovery operations	320	61,568	354	26,414	181	23,855
Incineration (with energy recovery)	787	18,798	956	3,817	1,097	8,310
Incineration (without energy recovery)	510	7,236	556	4,495	618	841
Landfilling	3,441	53,253	3,314	52,957	7,882	44,487
Other disposal methods	8,380	20,764	8,770	10,027	154	4,287
Not assignable	81	7,733	145	8,705	844	15,577
Total	15,679	232,983	15,977	185,269	13,146	176,095

- (1) Total waste generation (externally disposed waste) of primary production sites (incl. gluing plants) in tons [t] by disposal method
- (2) There is a deviation from the value reported in the previous year. For 2022 a change in the volume flows was retroactively corrected for one plant.

Past measures

- Optimization of wood purchasing criteria to improve quality and reduce waste at the Concordia (AR) plant
- Introduction of separate waste collection at the Shuya (RU) plant to increase the recycling quota
- Conversion of cleaning cloths to a more durable model to reduce textile waste at the Radauti (RO) plant following the successful example at the Biskupiec (PL) plant
- Commissioning of a sludge press at the Rion des Landes (FR) plant
- Installation of two sink-float basins for the better waste separation of recycled wood at the Unterradlberg (AT) plant was suspended due to technical problems with the construction of a test stand

Future measures

- Expansion of the storage bunker for various waste codes to increase the separation quota at the Caorso (IT) plant

3.3 Social

3.3.10 The EGGER workforce

Occupational health and safety

EGGER is well aware of its responsibility as employer: The company's employees are its most valuable resource, and their well-being and health have our highest priority. In this way, we contribute to the prevention of work-related illnesses (health protection), focus on the prevention of accidents at work (occupational health and safety) and support the long-term, comprehensive maintenance of our employees' health (health promotion).

Opportunities and risks

Handling equipment and heavy machinery poses a potential safety risk for employees – especially in logistics, working in equipment danger zones and during maintenance and cleaning, or in dangerous areas of the factory such as the log yard. Serious accidents primarily affect the injured person and his or her environment, while an accident caused by workplace conditions can have financial and reputational consequences for the company.

Contact with hazardous substances, dust, noise and vibrations poses a health risk, especially in the case of chronic exposure. Shift work and stress can also have a negative impact on health.

Opportunities arise from measures to create a greater awareness for occupational health and safety and the transfer of safe behavior in the company to employees' private lives. We contribute to a healthy lifestyle by offering voluntary courses for sports and exercise, a wide range of catering, and health promotion awareness measures.

2,075 employees took part in e-learning programs on occupational safety during the past year.

A total of 20,580 kilometers were covered as part of the "EGGER runs" initiative.

"Employees are the most valuable part of the EGGER family company. Their protection and health have the highest priority. This is underscored by numerous measures in the areas of health, occupational safety and health promotion."

Our management system for occupational health and safety



Our plants operate with state-of-the-art technology (fire protection, safety technology, environmental equipment and systems). This technology is continuously improved, verified by external and internal audits and, where necessary, upgraded. The entire team is committed, to the best of their knowledge, to supporting our efforts to create and maintain safe working conditions. All employees must be familiar with and follow the safety guidelines and regulations relevant for their functions. We are aware that occupational health and safety starts with each individual employee and that the role model effect plays a central role.

The management system for occupational health and safety covers all areas and locations in the EGGER Group and is based on the internationally recognized ISO 45001 system standard. Valid and binding basic rules for safe and accident-free work have been issued and apply to all locations. These rules not only cover plant employees but everyone who enters an EGGER plant. In this way, we minimize the risks for all persons at EGGER in our everyday activities.

Safety and health assessment procedures have been implemented in the plant areas and workplaces. The goals for occupational health and safety are reviewed annually for their degree of fulfilment. The effectiveness of the management system is audited annually together with the other management systems.

The EGGER Safety Board, which meets every six months, serves as a central body for top management responsibility. This committee consists of representatives from Group Management, the division directors for Technology/ Production and Logistics, the management of the Competence Center and the Competence Center for Safety as well as representatives from HR and Quality Management. These meetings define goals and serve as a platform for the discussion of key figures and, if necessary, the identification of corrective measures.

All plants in the EGGER Group have installed an occupational health and safety management system.

In the future, we will also arrange for the certification of other plants according to ISO 45001. Certification is planned for the Lexington, NC (US) and Radauti (RO) plants in 2024/25.

Share of sites with management system

Financial year	2023/24	2022/23	2021/22
EGGER production plants	22	21 ⁽⁴⁾	20
of which covered by the EGGER management system for health and safety (share) ⁽¹⁾	22 (100 %)	20 (96 % ⁽⁴⁾)	20 (100 %)
of which covered by an externally certified management system ⁽²⁾ (share) ⁽¹⁾	8 (36 %)	4.5 (23 % ⁽³⁾)	4 (19 %)

(1) The share of covered sites is measured by the respective share in the production volume of primary products.

(2) Certified to OHSAS 18001 or ISO 45001

(3) The increase of +0.5 results from the inclusion of the glue plant in Wismar, but not the entire site.

(4) The numbers include the Caorso (IT) plant from January to April 2023.

Healthy workplaces and health protection

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Attitude

EGGER is actively committed to protecting its employees and their health. This also involves, in particular, the protection of our team against illnesses arising from work processes. We want to continuously improve our performance in the area of health protection.

We are focusing on SDG 3. In doing so, we commit to ensuring a healthy life for people of any age and promoting their well-being.



Approach

The basis for the assessment of workplace safety and health is a legally required “workplace evaluation” or “workplace-related risk assessment”. The production managers and safety specialists conduct these audits annually for all workplaces

At all locations we offer

- Occupational health care and counselling by occupational physicians and company doctors
- Preventive medical examinations by the company's own occupational physicians as well as within the framework of priority actions with the support of external agencies
- Free or low-cost vaccinations
- Safety supervision in the plant by the safety specialists
- Technical-ergonomic measures for physically strenuous work
- Workplace integration management, e.g. integration after long absence or illness
- Personal protective equipment adapted to workplace conditions
- Ergonomically adaptable work equipment and work surfaces in the plants and offices



Goal

We plan to give all employees an opportunity to be examined for occupational diseases by 2025 and will motivate staff to participate in preventive medical examinations.



Status

Workplace evaluations are carried out across the board and throughout the Group and lead to the development and implementation of measures. The effectiveness of these measures is reviewed annually, and we want to continue this practice in the future. We are also creating the framework for all employees to be examined for occupational diseases.

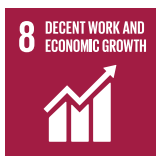
Past measures

- Increase in the number of ergonomic office workplaces as part of new office construction or renovation
- Intensification of occupational integration management in Austria and Germany
- Continuation of reporting on local health promotion measures

Future measures

- Expansion of the training offering to promote psychological health
- Data collection and in-depth analysis on work-related illnesses

Work safety and accident rates



Attitude

We keep the risks for our employees as low as possible in daily work practice and continuously improve in the area of occupational health and safety.

We have made SDG 8 a strategic priority. In doing so, we commit to promoting safe working environments for all employees (SDG 8.8).



Approach

EGGER has installed a central reporting system for unsafe conditions, near misses and occupational accidents as well as a management system for occupational health and safety. The most important stakeholders are EGGER's owners and Group Management, who assign central relevance to occupational safety in terms of the company's orientation, as well as the employees. They are sensitized through ongoing communications via internal channels. EGGER's approach to occupational safety can be found in the Code of Conduct (Chapter 8). Accidents that require more than one day of downtime or are classified as "NACA I" (= first aid required) are recorded by all units in the Group. Lessons learned are implemented via Group standards or directly via incident communications in the respective plant.

In order to prevent accidents, we continuously optimize all physical processes with regard to occupational safety (facilities, trucks, forklifts, wheel loaders and passenger traffic, access restrictions, technical aids, etc.). In addition, we are working to anchor health and safety awareness, a safety mindset and safe actions among all team members and managers, e.g. through behavior-related safety training. Occupational health and safety indicators are part of the calculation basis for variable remuneration of the top three management levels. Group-wide, we have set a milestone of a maximum of eight accidents per one million working hours.



Goal

As part of the “Vision Zero”, we are aiming for zero occupational accidents over the long term. Our strategic goal by 2025 is, therefore, to completely prevent serious occupational accidents (defined according to GRI 2018 403–9 a ii).

Work-related injuries

Financial year	2023/24	2022/23	2021/22
Accident rate ⁽¹⁾ internal	11.88	12.70	11.29
Accident rate ⁽²⁾ internal	7.76	9.50	9.08
Accident rate ⁽¹⁾ external ⁽²⁾	7.82	6.33	10.76
Accident rate ⁽²⁾ external ⁽²⁾	7.61	4.87	8.53
of which serious accidents ⁽³⁾ internal	0.00	0.10	0.21
of which serious accidents ⁽³⁾ external ⁽²⁾	0.00	0.00	0.00 ⁽⁶⁾
of which deaths ⁽⁴⁾ internal	0.00	0.05	0.00
of which deaths ⁽⁴⁾ external ⁽³⁾	0.00 ⁽⁷⁾	0.00	0.00 ⁽⁷⁾

(1) The rate was defined in accordance with GRI 2018 403 as occupational accidents per 1 million hours worked.

(2) LTIR means Lost Time Injury Rate (Accidents ≥ 1 day lost per 1 million working hours).

(3) Excl. guests, for whom no working hours are available; The number of fatalities and accidents of externals is reported in the GRI Index.

(4) Occupational accidents with high-consequence injuries are defined according to GRI 2018 403-9.

(5) Fatal occupational accidents due to work-related injuries

(6) Accidents involving external personnel with serious consequences occurred in FY 2021/22. Since the hourly basis required for calculating the accident rate is not available, they could not be included in the calculation.

(7) A fatal occupational accident occurred here. Since the hourly basis required for calculating the accident rate is not available, it could not be included in the calculation.

Occupational safety training

Financial year	2023/24	2022/23	2021/22
Participants in e-learning programs ⁽¹⁾	2,075	1,759	4,595

(1) The e-learning was newly introduced in FY 2019/20 and has been rolled out so far at the St. Johann in Tirol (AT), Wörgl (AT), Unterradlberg (AT), Wismar (DE), Brilon (DE), Gifhorn (DE), Marienmünster (DE), Bevern (DE) and Concordia (AR) plants.



Status

We reduced the internal accident rate to 11.88 (GRI 403) last year and have defined milestones for the future. With a rate of 7.76, we have fallen below the milestone of a maximum of eight accidents per one million working hours (internal accident rate LTIR). The accident rate for external employees increased by four accidents in absolute terms.

The tragic fatal occupational accident at our Radauti (RO) plant in October 2023 shows that we need to further increase our focus on occupational health and safety. The management of accidents is regulated and implemented through Group standards or incident communication at the respective plant. Our “Vision Zero” and our goal to prevent fatal and serious occupational accidents is an incentive for further improvements.

Numerous training courses were also implemented in the previous year to further raise awareness. We will continue this approach in the future – but cultural change takes time. The intensive training program for line supervisors (Safety Leadership Induction Workshops) will be offered again next year. The e-learning courses for all employees were completely revised and will be rolled out during the coming financial year

Past measures

- ISO45001 certification of the EGGER plant in Unterradlberg (AT)
- ISO45001 certification of the EGGER plant in Brilon (DE)

Future measures

- ISO45001 certification of the EGGER plants in Lexington, NC (US), and Radauti (RO)
- Continuation of Behavior-Based Safety Training at our plants
- Expansion of the e-learning offer for industrial employees

Health promotion



Attitude

EGGER is actively committed to protecting its employees and their health.

We are focusing on SDG 3. In doing so, we commit to ensuring a healthy life for all people in all ages and to promoting their well-being.



Approach

Health management offers numerous advisory services at all EGGER locations as well as campaigns for healthy nutrition and exercise, such as fruit days and sports courses. Our restaurants for employees offer freshly prepared meals and a balanced diet every day.

The “EGGER runs” program has allowed employees to take part in running events and do good at the same time since 2010. For every kilometer covered, EGGER donates five Euros to charitable organizations. All participants receive high-quality running clothing with EGGER branding and EGGER pays any entry fees, including those for virtual running events.

We can look back on donations of more than EUR 1.86 million (status: May 2024) since the program started.



Goal

We want to maintain the current high level of health promotion. Our strategic goal is to maintain a health quota of least 97%.



Status

The health quota from previous years hardly changed during the past financial year, and the 97% goal was met. After the pandemic, many preventive and health management measures were again able to take place on site. Many of our plants organized family and health days for all employees and their families last year.

The successful "EGGER runs" program will be continued digitally and on location to strengthen the international sense of belonging. Participants are connected via a running app and can follow the performance of their colleagues, even though the runners participate in different locations all over the world. The number of participants increased again during the past year but the total number of kilometers run declined.

The number of occupational health workers in the EGGER Group decreased in comparison with the previous year because locations in Germany also decided in favor of an external contract doctor for these services.

In countries where the health quota is too low, we implemented a targeted program of measures in recent months. Findings from the analysis of health insurance providers in Germany and Austria as well as related training measures were also implemented

Health promotion

Calendar year	2023/24	2022/23	2021/22
"EGGER runs" kilometers total	20,580	26,232	39,505
Total number of runners	1,080	883	1,034

Health rate

Financial year	2023/24	2022/23	2021/22
Health rate EGGER Group total (in %) ⁽¹⁾	97.13	96.65	96.40

(1) The value is calculated from target hours minus absence hours due to illness and accidents. The data comes from the time management module of the ERP system, which includes all locations of the group.

Company doctors and medical staff

Financial year	2023/24	2022/23	2021/22
Number of occupational medicine staff in the EGGER Group ⁽¹⁾	26	29	31
of which in AT	3	3	3
of which in DE	2 ⁽²⁾	5	5
of which in UK	0 ⁽²⁾	0 ⁽²⁾	0 ⁽²⁾
of which in FR	2	2	2
of which in RU	9	9	10
of which in RO	0 ⁽²⁾	0 ⁽²⁾	1
of which in TR	4	4	4
of which in AR	5	5	4
of which in PL	0 ⁽²⁾	0 ⁽²⁾	0 ⁽²⁾
of which in US	1	1	2
of which in IT	0 ⁽²⁾		

(1) Number of company doctors and medical staff

(2) Instead, employees are cared for by a contracted physician outside the plant.

Past measures

- Analysis of illnesses with health insurance providers in Austria and Germany, and development of targeted measures and training for line supervisors
- Organization of two international virtual running events as part of "EGGER runs" and support for participation in running events
- Offer of occupational psychological counselling in 19 plants as well as expansion of the offer to also include care counselling at individual locations
- Extensive range of health-promoting measures at our plants, such as smoking cessation, healthy back courses, digital lectures and advising

Future measures

- Continuation of reporting on local health promotion measures
- Active promotion for the “EGGER runs” program and organization of Group-wide running events for charity

Equal opportunities and diversity

ABOUT THIS REPORT

Our human resources work consciously focuses on diversity, meaning that employees with different cultures, personalities, talents and experience work together as a team. These women and men reflect the international nature and diversity of our markets, our customer structure and our business environment.

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Opportunities and risks

Industry, and in particular the wood sector, is a male-dominated business which carries the potential risk of discrimination against women. Opportunities lie in the fact that EGGER also offers women the possibility to start and pursue a career in technical fields. Additional opportunities lie in the mixed age structure of the workforce and part-time offers for older workers. The promotion of international exchange creates further chances for growing intercultural understanding.

Diversity of age, gender, nationality



Attitude

Our goal is to increase the proportion of women in all areas of the company. We rely on a balance of local and international managers and particularly value experience, its transfer and long-term cooperation.

We are focusing on SDG 5. In doing so, we commit to ensuring the full and effective participation of women and equal opportunities in leadership roles at all levels of decision-making (SDG 5.5).



Approach

Like many companies in western industrialized countries, we are also confronted with the consequences of demographic change. Our strategic human resources planning helps us to recognize demographic risks at an early stage and counteract them in a targeted manner with our internal training programs, succession planning and our "Start Up" program for young talents. We also promote a knowledge-sharing culture that facilitates the entry of new employees.

Our diverse workforce includes women and men from 92 different nationalities.

"EGGER relies on diversity and stands for equal opportunities and the equal treatment of all employees.

We create a suitable framework for their individual needs and support international networking."

Global development programs strengthen cross-functional and cross-location networking. We promote international exchange within the team and provide professional assistance for transfers and business trips. Intercultural training and language courses are also offered. Specialists and managers who are transferred for the development of new locations are replaced by local employees over the medium term.

Long-standing employment with the company is rewarded with the anniversary bonus introduced in 2017 and at anniversary celebrations. For example, an anniversary bonus equal to one-half of a gross monthly salary is paid to employees who have been with the company for 10 years, and two gross monthly salaries are paid to employees who have been with the company for 25 years. Certain activities or projects also allow employees to continue working for a limited number of hours after retirement. Age-appropriate working models are already available in the office and outside of shift work, and we plan to expand age-appropriate working models for continuous shift work in the future



Goal

Our goal is to achieve a 5 % annual increase in the number women as a percentage of the total workforce.



Status

The proportion of women in the company as a whole and in management positions increased slightly in 2023/24. The share of women equaled 57% in our “Start Up“ development program that began in autumn 2024 and 33% in the “Startklar“ program for future executives that was launched in June 2024.

The age structure of our employees remains stable. The diversity of our team's nationalities shows that EGGER has developed since 1961 into an open international company where growth is possible through common goals and the understanding of different cultures. In our staff departments, an increasing number of employees from other EGGER countries were successfully integrated last year through internal job postings

Proportion of female employees

Financial year	2023/24	2022/23	2021/22
Proportion of female employees (total) ⁽¹⁾	16.8 %	16.5 %	16.2 %
of which in technology, production, logistics	9.3 %	9.1 %	8.9 %
of which in IT, sales and marketing, finance /administration	55.0 %	54.4 %	53.9 %

(1) The quota is based on the annual average headcount.

Proportion of female employees in management positions

Financial year	2023/24	2022/23	2021/22
Proportion of female employees in management positions overall ⁽¹⁾	19.3 %	18.1 %	18.2 %
of which in technology, production, logistics	8.6 %	7.8 %	8.4 %
of which in IT, sales and marketing, finance /administration	38.0 %	36.7 %	36.1 %

(1) The quota is based on the annual average headcount.

Age structure of the workforce

Financial year ⁽¹⁾	2023/24	2022/23	2021/22
< 30 y.o.	20.5 %	20.4 %	20.4 %
30-50 y.o.	56.8 %	57.8 %	58.2 %
> 50 y.o.	22.7 %	21.8 %	21.4 %

(1) The quota is based on the annual average headcount. Due to rounding effects, the total does not always add up to 100 %.

Nationalities

Financial year	2023/24	2022/23	2021/22
Total number of nationalities	92	88	82
Number of nationalities in Corporate Services ⁽¹⁾	29	25	26

(1) The Corporate Services perform central corporate functions.

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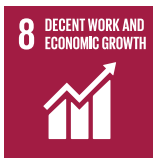
Future measures

- Use of tools like the Job Ad Decoder JADE to make job advertisements more inclusive
- Optimization of communications and support for women and men on official or parental leave
- Communication of existing examples and best practices
- Signing of the UN Women's Empowerment Principles (WEPs)

Future measures

- Start of the international "Startklar" program for future executives with a 33 % share of women and the "Start Up" development program with a 57 % share of women
- Unconscious bias training for line supervisors and staff in the HR department
- Increased communication of existing examples and best practices
- Development of flexible working models for shift operations

Equal treatment of employees



Attitude

We do not accept discrimination based on gender, skin color, religion or sexual orientation.

In agreement with Principle 6 of the United Nations Global Compact, we advocate the elimination of discrimination in respect of employment and occupation.

In agreement with SDG 5, we are committed to achieving gender equality and ending all forms of discrimination against women (SDG 5.1).

We have made SDG 8 a strategic priority. In doing so, we commit to achieving decent work for all women and men, including young people and people with disabilities, and equal pay for work of equal value (SDG 8.5)



Approach

Our local wage models and salary policy ensure equal treatment for all employees. Remuneration is based on responsibility, knowledge and individual performance. All team members have equal access to employer benefits, regardless of their level of employment or employment status. EGGER employees can contact an external ombuds office, even anonymously, if they suspect or are informed of compliance violations. This also applies in the event of a suspicion or indication of discrimination. Additional details can be found in Chapter 3.5 Corporate policies.



Goal

Our goal is to follow up on all cases of discrimination received via the whistleblowing system (ombuds office), HR, managers or works council.



Status

We consider gender and national equality in selecting the participants for development programs. The number of severely disabled employees in the company increased slightly in 2023/24. An analysis of the unadjusted gender pay gap across all employees shows the low proportion of women in our company. In the adjusted gender pay gap, we also see a need for action in certain countries and are therefore planning targeted measures for the coming financial year.

Integration of severely disabled persons

Financial year	2023/24	2022/23	2021/22
Total number of severely disabled persons employed ⁽¹⁾	204	176	178

(1) The number is based on the annual average headcount.

Past measures

- Implementation of compliance e-learning for all new team members (ongoing)
- Distribution of the Code of Conduct to all new employees as part of the onboarding process (ongoing)

Future measures

- Development of a digital diversity dashboard by HR
- Increased communication on equality via our internal channels
- Installation and communication of local anti-discrimination officers as an addition to the ombuds office
- Participation in targeted action days
- Targeted measures to analyze and prevent a gender pay gap

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Further training and promotion opportunities

We view future-oriented HR management as consistent investments in our young talent programs for students in schools as well as universities, even if this is not part of the state system in some countries.

Qualified and motivated employees are essential for our success. Recognizing the talents of our employees, developing and retaining these women and men in competition with other companies is therefore a key part of our strategy.

Apprenticeship programs are currently in operation at 20 of 22 our locations.

EGGER currently offers 476 apprentices a sustainable job with a future.

“Numerous careers with EGGER start directly after the completion of schooling: With our offering of apprenticeships and practical training we want to remain attractive as an employer for the younger generation and create good future opportunities.”

All training and further education courses are located on the EGGER Campus. Our employees can develop their skills both at their own location and via e-learning. We also offer cross-country and cross-divisional development programs. This not only creates new knowledge, but also valuable networks, exchange and a common understanding.

Opportunities and risks

A lack of continuous training for employees in their field of work and social skills leads to a risk that the employer could lose its attractiveness in the competitive environment. Employee motivation could also decline which, in turn, could have negative effects for the company.

Another potential risk can lie in failing to adequately prepare employees for their future roles. Opportunities arising from EGGER's activities result from the wide range of training courses for specialists and managers, from career programs and from support for junior staff.

Apprenticeship



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Attitude

We establish our own training programs at new production locations and expand these programs at the existing plants. Our future junior employees come into contact with EGGER through summer jobs, internships and final papers, which creates ties at an early stage. We strive for long-term cooperation with the future junior staff we train.

With SDG 8.6, we commit to reducing the proportion of young people who are not in employment, schooling or training



Approach

We have established apprenticeship programs in 20 of our 22 plants. Recruiting apprentices as a means of securing the next generation of skilled workers was, and remains, one of our focus topics and an integral part of our philosophy.

Every year, we allocate positions for summer jobs, internships and final papers for 10 % of the workforce at all locations. The need for junior staff resulting from upcoming retirements, fluctuation and organizational changes is surveyed as part of strategic human resources planning every two years.



Goal

Our strategic goal is to maintain an apprenticeship quota of at least 3 % of the total workforce.



Status

The number of apprentices continued to increase, and we again met our Group-wide goal for an apprenticeship quota of 3 %.

The allocation of summer jobs, internships and theses has reached a high level at many plants. However, we see challenges in recruiting junior staff at some locations.

Apprentices

Financial year	2023/24	2022/23	2021/22
Total number of new apprentices entering the program ⁽¹⁾	235	237	142
Number of all apprentices (all years of training)	476	423	364
Training ratio (trainees in relation to total employees)	4.1 %	3.9 %	3.5 %
Number of take over into fixed contract after successfully finished apprenticeship	95	77	82

(1) The numbers are based on the annual average headcount.

Quotas for summer jobs, internships, theses

Financial year	2023/24	2022/23	2021/22
Use of pupils and students in relation to the total number of employees ⁽¹⁾	5,5 %	5,3 %	5,5 %

(1) The quota is based on the annual average headcount.

Past measures

- Start of apprenticeship training at the (TR) plant for plastics and rubber technologists
- Expansion of the apprenticeship workshop and number of apprentices in Austria

Future measures

- Standardization of technical training across all locations (ongoing)
- Start of apprentice training in Turkey in autumn 2024
- Development of apprentice training in the Caorso (IT) plant

Further development and promotion of internal careers



Attitude

We prefer suitable internal over external candidates and facilitate internal specialist and management careers. We recognize and use our employees' potential. Based on their job description, employees receive targeted onboarding and training. Managers are responsible for succession planning.



Approach

With our appraisals and job description, we create clarity over the goals and strengths as well as the further development wishes of each employee. Employees and line supervisors jointly review the past year, discuss successes and special challenges, and exchange views on the extent to which the respective expectations were met or not met. Our Talent Management System provides support in this regard together with an overview that must be discussed at least once a year. Employees are informed of vacancies over the intranet and on noticeboards. The "Startklar" strategic development program provides targeted internal support for high potentials. The "EGGER STEP" specialist career path has already been established in many areas and is being successively expanded.



Goal

Our strategic goal is to fill at least 80 % of management positions with internal candidates.

In this material area, we pursue an additional goal: All employees who have been with EGGER for at least one year have an appraisal with their line supervisor at least on an annual basis. Our goal is to also introduce a modified appraisal for all industrial employees by 2025.



Status

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We filled 73% of our management positions internally during 2023/24 but did not reach our strategic goal of at least 80%. Through the targeted internal advertising of management positions and consistent succession planning, we want to further improve this value.

In 2023/24, 37.1% of our employees received an appraisal to coordinate their development which was based on our Talent Management System. Furthermore, we are working to include industrial employees in this process by 2025. The appraisal meeting represents a central platform for determining development measures.

Internal staffing of management positions

Financial year	2023/24	2022/23	2021/22
Total internal appointments to management functions ⁽¹⁾	73 %	67 %	80 %

(1) In the financial year newly filled management positions with internal candidates

Appraisal

Calendar Year	2023/24	2022/23	2021/22
Ratio of employees with appraisal to total employees ⁽¹⁾	37.1 %	35.2 %	34.9 %

(1) The quota is based on the average headcount of the calendar year.

Past measures

- Further roll-out of the career concept "EGGER STEP" throughout the entire IT area
- Succession planning for managers and key positions with increased consideration of demographic aspects
- Advertisement of management positions in the global internal job market
- Implementation of appraisals for industrial employees at all locations, apart from the USA and Argentina

Future measures

- Continuation of the strategic "Startklar" and "Start Up" development programs
- Further roll-out of the "EGGER STEP" career concept in IT and production as well as intensified training for line supervisors
- Roll-out of appraisals for industrial employees in the USA and Argentina

Training



Attitude

We enable lifelong learning with our training opportunities and strengthen our employees for their current and future responsibilities. Training needs are identified through appraisals and annual interviews with line supervisors. Central staff departments also notify us of Group-wide training needs, some of which are required by law or company policy.



Approach

The EGGER Campus offers appropriate training for all employees. Training needs are specifically recorded in a development plan based on the annual appraisal, and their implementation is tracked. We cover 50% of the training needs with e-learning. In 2023/24, we continued to provide digital learning opportunities and offered additional exchange platforms and webinars. Our internal training offensive, EGGER Kompakt, ensures interdisciplinary exchange and strengthens the understanding of all employees for the value creation process.



Goal

We are continuously working to offer our employees perspectives. Our goal is to keep the average number of training hours per team member above 10 hours per year.



Status

We continue to pursue our goal of offering all employees an annual appraisal. Employee training is one of our key priorities and is reflected in a specific goal for training hours.

In 2023/24, we were again able to offer more classroom formats but are also emphasizing digital training. One particular focal point is the onboarding of new employees and training for line supervisors at all levels. The lower number of training hours per employee resulted from a decline in the number of new employees, an increase in digital and e-training programs, and extensive training activities in recent years. In the future, all technical training organized outside of the scope of HR by the respective departments will be reported to HR.

Participation in training

Financial year	2023/24	2022/23	2021/22
Training hours/employee ⁽¹⁾	9.57	11.43	10.96
of which workers	4.92	5.53	— ⁽⁵⁾
of which employees	14.63	17.42	— ⁽⁵⁾
of which managers	18.99	25.80	— ⁽⁵⁾
Training hours "Digital" ⁽²⁾	2,804	3,038	6,981
Training hours "E-learning" ⁽³⁾	11,071	9,802	12,344
Training hours "Classroom" ⁽⁴⁾	100,971	115,274	99,909

(1) Total training hours (both digital, e-learning and presence) divided by total amount of employees

(2) All completed training hours from virtual classroom trainings (e.g. via Webex) are combined.

(3) All completed training hours from e-learning programs (self-paced content) are added together.

(4) The value includes all completed training hours from classroom trainings.

(5) No data are available.

Training hours by gender

Financial year	2023/24	2022/23	2021/22
Training hours/employee ⁽¹⁾	9.57	— ⁽²⁾	— ⁽²⁾
of which female	12.38	— ⁽²⁾	— ⁽²⁾
of which male	9.03	— ⁽²⁾	— ⁽²⁾

(1) Total training hours (both digital, e-learning and presence) divided by total amount of employees

(2) No data are available.

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Past measures

- Expansion of leadership training (e.g. conducting an appraisal, communication)
- Expanding the mobile version of our intranet through a “bring your own device” strategy in all countries with the exception of Italy and Turkey
- Development of e-learning content on issues like “fair remuneration“ or “sustainability and climate protection“

Future measures

- Access to EGGER Campus Training also for industrial employees
- Expanding the mobile version of our intranet through a “bring your own device” strategy in Italy and Turkey
- Further establishing a learning culture with digital aspects

Employee satisfaction

The satisfaction of our employees is the basis of our business success. In this chapter, we present our approaches to the work-life balance, employee representation, long-term employment, good management and employee benefits.

Opportunities and risks

In 2023/24, our long-standing team members received anniversary bonuses totaling 4.2 million Euros.

“For EGGER, one thing is clear: Employees are the most valuable part of this family company. EGGER’s goal in this connection is to be the best employer in each of its regions.”

Satisfied and loyal employees are the most important building block for a company’s success. Risks can arise from a lack of work-life balance, differences in the relationship with the manager, or a lack of satisfaction with remuneration and fringe benefits. There is a risk that employees who are dissatisfied with their work or working environment will leave the company. This leads not only to the loss of manpower but, above all, to the loss of experience and knowledge. It also means a financial loss for the company because the search for and integration of new employees involve time and costs. We see all measures to create and maintain good working conditions as an opportunity and are therefore guided by the results of the employee opinion survey and external benchmarks. Employee satisfaction finds expression in a turnover rate that is below the average for the respective labor market.

Work-life balance



Attitude

We offer modern working time models that make it possible to balance family and professional life. In the administration and sales area, we enable home office and mobile working within clear guidelines.



Approach

We make reductions in working hours (retirement, part-time and parental leave as well as leaves of absence) as well as home office and mobile working possible in consultation with the involved managers and depending on the specific responsibilities. Clear rules provide for the separation of work and private life and ensure time out.

Employees in non-shift operations are offered a flexible framework that allows them to organize their private and professional lives individually. We enable employees to return to work after the birth of a child with the desired number of working hours and in the same or a comparable position (depending on parental leave or local regulations)



Goal

Our future goal provides for the regular review of our working time models with regard to the requirements of the labor market and our internal processes.



Status

Many employees now have the option to carry out their activities temporarily from a home office. We have been recording the use of home offices throughout the Group since 2021/22. This evaluation showed that our employees spent 14 % of their working days in a home office. The proportion of parental leave has declined slightly but was accompanied by a substantial increase in the number of men, especially in Germany, who selected a parental leave model. Innovative shift models at the first locations in Germany have led to increased flexibility and satisfaction among the workforce. These new models allow employees to select the number of working hours for the next planning period which best meet their current needs.

Use of home office

Financial year	2023/24	2022/23	2021/22
Home office days in % of total working days ⁽¹⁾	14 %	14 %	22 %

(1) Only staff employees on a time management system are included.

Parental leave

Financial year	2023/24	2022/23	2021/22
Total number of employees that opting for parental leave	219	241	225
of which female	77	101	95
of which male	142	127	130

Past measures

- Past measures
- Optimization of parental leave management
- Implementation of working time flexibility measures such as sabbaticals and part-time management
- Development of working hour accounts to increase shift flexibility when incoming orders are low

Future measures

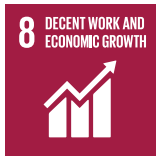
- Continuation of the pilot project to improve the flexibility of shift models in Austria

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Employee representation



Attitude

We maintain a respectful and regular exchange with employee representatives.

We support Principle 3 of the United Nations Global Compact and uphold the freedom of association and the effective recognition of the right to collective bargaining.

With SDG 8, we also commit to protecting labor rights (SDG 8.8)



Approach

Local works councils represent the interests of our employees and are in close contact with the respective managers and personnel management. Measures are proposed and implemented on the initiative of our employee representatives. The company actively involves the workers' representatives in projects concerning the workforce. Our Code of Conduct includes a commitment to sincere and fair dialogue with our employee representatives and respect for freedom of association. Information on communications with new employees can be found in the chapter on "Our compliance strategy".

The EGGER Europa Forum (EEF) is an association for the works councils of all locations in the EU and in the UK and meets twice a year with the Managing Board (Group Management) on issues involving multiple locations. The individual countries also have similar roundtables.

Together with the respective management, the employee representatives can support employees or their families in emergency situations through a disaster fund.



Goal

We are not pursuing a strategic goal in this area.



Status

The EEF committee (EGGER EUROPA FORUM) was established in 2003 and has since served as an international platform for the exchange of experience and knowledge between European EGGER works councils (including UK). Annual personal meetings have been held again since October 2022, and an additional meeting was held via video conference. Key topics included the challenging economic situation, rising inflation and the welcoming of the works council chairman from our new plant in Italy.

Employee representation

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Financial year	2023/24	2022/23	2021/22
Number of works council members (of which exempted)			
in AT	21 (2)	21 (3)	21 (3)
in DE	67 (7)	60 (7)	56 (7)
in UK	22 (0)	22 (0)	22 (0)
in FR	25 (0)	25 (0)	25 (0)
in RU	0 (0)	0 (0)	0 (0)
in RO	8 (0)	8 (0)	8 (0)
in TR	15 (0)	14 (0)	14 (0)
in AR	3 (0)	3 (0)	3 (0)
in PL	4 (0)	4 (0)	3 (0)
in US	0 (0)	0 (0)	0 (0)
in IT	5 (0)		

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Past measures

- Election of the chairperson, representative and recording clerk for the EGGER Europa Forum
- Inclusion of the employee representatives from our newest plant in Caorso (IT) in the EGGER Europa Forum

Future measures

- Continuation of regular national and international meetings of the European employee representatives

Long-term cooperation and fluctuation



Attitude

Permanent employment is the usual form of employment at EGGER. Fixed-term contracts as well as temporary employment are only used to enter the company or for short-term extra work.

With SDG 8.8, we also commit to promoting safe a working environment for all employees, especially the women and men in precarious employment relationships.



Approach

Contract workers and fixed-term employees receive the same treatment, equipment and training – for example, work clothes and safety training – as permanent employees. Contract workers are transferred to permanent employment after 18 months at the latest. In the event of internal restructuring measures, we avoid layoffs wherever possible and, together with the involved employees, look for alternative internal positions.

We survey employees throughout the Group every three years to determine their satisfaction. The survey covers roughly 90 questions: Four flow into the Employer Attractiveness Index on the topics of pride in the company, recommending the company as an employer, and a personal assessment of attractiveness. Pulse checks have been carried out between the main surveys since 2022 to collect employees' opinions on previously identified improvement measures.



Goal

We pursue two strategic goals in this area: We hold the percentage of external and contract workers below 15 % and the Employer Attractiveness Index above 70 %. These indicators will be measured throughout the Group with the next pulse check at the beginning of 2025.



Status

The proportion of contract workers and external workers continued to decline year-on-year in 2023/24 and equaled 10 %, which means our goal to remain below 15 % was met. The share of contract workers will continue to decrease because we are transferring these workers to permanent employment positions earlier due to conditions on the labor market. Employee-related turnover declined slightly due to improvements in remuneration and benefits. Measures to improve staff selection and onboarding continue to minimize early turnover as well as the increase in employer-related turnover. Pulse checks on the implemented improvement measures were also carried out in 2023/24 to obtain more precise information on employee satisfaction.

Internal and external employees

Financial year	2023/24	2022/23	2021/22
Total number of employees ⁽¹⁾	12,652	12,116	11,832
of which EGGER internal	11,566	10,912	10,629
of which EGGER external	1,086	1,204	1,204
of which external agency workers ⁽²⁾	556	366	491
of which service contracts external ⁽³⁾	530	838	713

(1) The number is based on annual average FTEs.

(2) External agency workers are those who are sent by their employer to work for EGGER. There is no employment contract between the seconded employee and EGGER.

(3) Service contracts external (outsourcing) are concluded on the premise that the service is provided on a recurring and planned basis entirely at the EGGER plants. This includes, for example, the gateway, cleaning and security services.

Staff turnover

Financial year	2023/24	2022/23	2021/22
Total number (rate)	1,183 (9.9 %)	1,053 (9.4 %)	1,024 (9.5 %)
Employee-related turnover (number and rate) ^{(1) (2)}	673 (5.6 %)	636 (5.7 %)	695 (6.4 %)
Employer-related turnover rate (number and rate) ^{(1) (3)}	510 (4.3 %)	417 (3.7 %)	329 (3.1 %)

(1) The quota is based on the annual average headcount.

(2) Employee-related turnover is the voluntary departure by employees.

(3) Employer-related turnover is composed of terminations and expiring temporary contracts.

New and replacement staff

Financial year	2023/24	2022/23	2021/22
Total number of newly recruited employees ⁽¹⁾	1,659	1,604	1,612
of which reappointments	81%	76%	75%
of which new appointments	19%	24%	25%

(1) The quota is based on the annual average headcount.

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Past measures

- Group-wide evaluation of reasons for turnover and identification of measures for improvement
- Reduction of early turnover through improvements in the selection and onboarding process
- Implementation of further measures from the Employee Opinion Survey

Future measures

- Implementation of the SuccessFactors Onboarding System for process support
- Implementation of further measures from the pulse checks

Employee benefits



Attitude

Our employees receive fair and appropriate remuneration.



Approach

Our wage and salary models are based on expertise, performance, and market conditions. We continue to develop our remuneration models (qualification pyramid, benchmarks, variable remuneration, bonus system) to ensure fair compensation. Our anniversary bonus rewards long-term loyalty with a special payment to employees who have been with the company for 10 years or more. Designated HR officers advise managers and further develop the local wage and salary models.

Employees in all countries receive an annual salary or wage adjustment, even though we are not subject to collective bargaining agreements in many areas, to compensate for the loss of purchasing power.

Procedure for determining remuneration

In November of each previous year, we receive remuneration benchmarks for all employees from global remuneration consultants like KornFerry Hay, WTW and reputable local providers. This data forms the basis for the salary analyses that are prepared by February for all employees outside the salary models. The individual salary adjustments are collected from management by April and approved by the Managing Board (Group Management) at the beginning of May. Identical processes are also in place in the divisions and plants.

Our plant locations offer attractive benefits that are available to all employees. Included here are local benefits as well as an offer for private health and pension insurance.



Goal

We review the level of our wages and salaries at least once a year using several local remuneration benchmarks.



Status

In 2023/24, anniversary bonuses totaling EUR 5.4 million were paid to long-standing team members.

A look at the results of the Employee Opinion Survey confirms that our employees are satisfied with their benefits. Due to increased inflation and competition on the labor market, we are increasingly reviewing our wage and salary models and have therefore included this topic as a goal

Past measures

- Adjustment of the wage models in Turkey and Austria

Future measures

- Ongoing analysis of our wage and salary models and adjustment where necessary
- Ongoing analysis of our benefits and adjustment if necessary
- Review of variable remuneration for top management

3.3.11 Employees in the value chain

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Working conditions in the supply chain

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We classify our suppliers in four main groups: technology, chemistry, wood and paper. Chemicals, wood and paper are used in the production of our products and are therefore particularly important. The transport sector is also relevant for working conditions because each plant has roughly 250 incoming and outgoing transports every day, most of which are carried out by external companies

Opportunities and risks

Any longer supply chain carries a potential risk of human rights violations or working conditions that do not meet the minimum standards of the International Labour Organisation (ILO).

Risks for companies lie in damage to their own reputation if business is conducted with suppliers whose working conditions do not meet the required standards. The Act on Corporate Due Diligence Obligations in Supply Chains forms the basis for the assessment of suppliers according to their risk profile (countries, industry) and the definition of preventive or remedial measures.

Our strategic partners and main suppliers in the chemicals and paper sectors are large companies based in OECD countries that have ratified all ILO standards.

The wood supply chain carries an inherent risk of dangerous and precarious working conditions, especially during harvesting. Here, we rely on established chain-of-custody standards for the wood supply chain which also include social aspects. The preferred procurement of certified wood, high proportion of direct relationships with suppliers and our strict due diligence system are an opportunity to establish better working conditions, especially in countries at risk for corruption.

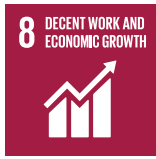
The challenge in the transport sector is to ensure good working conditions without, for example, increasing driver checks that cause delays or higher costs.

86 % of our paper and chemical suppliers have confirmed our Supplier Code of Conduct.

“We expect our suppliers to respect our compliance principles along the entire supply chain.

Just the same as our employees, they must comply with all applicable legal regulations and the principles of the UN Global Compact.”

Our commitment to the UN Global Compact



We are committed to and support the ten principles of the UN Global Compact which include, among others, the following:

Human rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure they are not complicit in human rights abuses.

Labor standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: the elimination of all forms of forced and compulsory labor,
- Principle 5: the abolition of child labor and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Both the EGGER Code of Conduct and the Supplier Code of Conduct include all ten principles of the UN Global Compact. The process of requiring suppliers to confirm the Supplier Code of Conduct continued during 2023/24, and an increase was recorded in the share of suppliers who have signed this code.

In addition to the chemical and paper suppliers, all fresh wood suppliers have also confirmed the Supplier Code of Conduct in writing at least once a year since 2020/21. The related query was integrated into the due diligence system for wood purchasing.

Our strategic goal is to have 95% of paper and chemical suppliers (by purchase value) confirm in writing by 2025 at the latest that they comply with the EGGER Supplier Code of Conduct and commit to supporting the ten principles of the UN Global Compact.

Due diligence along the supply chain

The Universal Declaration of Human Rights serves as both a guideline and obligation. The complaints procedure for the EGGER supply chain is described in a procedural code. Both documents are available for review in the compliance section of our website.

The core of the due diligence process is an adequate risk analysis.

We carry out a risk analysis once each year with the support of ESG risk management software to ensure a comprehensive and in-depth analysis.

The first step, the so-called “abstract risk analysis”, evaluates country and industry risks for human rights and environmental standards in our own area of business and for our direct suppliers. Abstract risk is assessed for various subject areas (risks) to permit the detailed identification of risks. A variety of quantitative indicators from well-known institutions like the World Bank or United Nations forms the basis for determining country risk. An additional analysis of industry risks complements the country analysis. Various qualitative sources and databases, like the CSR Risk Check or studies from the Help desk on Business and Human Rights, support the evaluation of industry risks in various subject areas. The industry risk analysis distinguishes between 88 various industries according to the NACE codes. We combine the results from the country risk analysis with the results of the industry

risk analysis into a single rating. This combination permits an assessment of the potential risk for each subject area and direct supplier or business area according to “low risk”, “medium risk” or “high risk” and is the basis for a comprehensive risk analysis.

The social and environmental risks of more than 22,617 suppliers and service providers that were active for the EGGER Group in 2022 and 2023 (excl. EGGER Holzwerkstoffe Markt Bibart GmbH and SAIB S.p.A) were evaluated by branch and country in November 2023.

The second step, the so-called “concrete risk analysis”, and the first preventive measure (excl. wood and recycling suppliers, see Chapter 3.5.2 Our due diligence system for tracing the origin of wood) cover the identified potential risks from direct suppliers or our own business areas in greater detail. A risk-based approach in this step makes it possible for us to prioritize suppliers with a medium or high identified risk for violations of human rights or environmental standards as identified by the abstract risk analysis. Questionnaires based on international standards create transparency as to what extent a direct supplier or our own area of business reacts to the identified increased risks. The responses from the direct suppliers are used to grade the ability of the direct supplier or own area of business to ensure the protection of human rights and environmental standards. This information and assessment is important for us to identify and react to gaps in the areas of human rights and environmental standards by our direct suppliers. We combine the results from the questionnaire with the results of the abstract risk analysis from the first step to develop an estimate of the actual risk in the risk categories “low risk”, “medium risk” and “high risk” for a broad range of suppliers and our own area of business. The actual risk identified in the first two steps serves as an indicator of the probability of occurrence for violations of human rights or environmental standards by our direct suppliers or in our own area of business.

In line with the Act on Corporate Due Diligence Obligations in Supply Chains (“Lieferkettensorgfaltspflichtengesetz”, (LkSG)) that covers relevant markets in Germany, this step was also carried out in advance for risk partners that supply the German (excl. Markt Bibart) and Austrian plants (excl. wood and recycling suppliers, see Chapter 3.5.2 Our due diligence system for tracing the origin of wood). A total of 1,002 active suppliers were invited to complete this in-depth self-assessment.

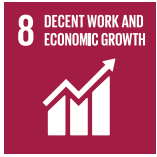
We also monitor critical news for a broad range of suppliers to remain informed about human rights and environmental standards and to react where necessary.

Confirmation of the Supplier Code of Conduct

Financial year	2023/24	2022/23	2021/22
Number of paper and chemical suppliers	298	314	336
of which signatories of the EGGER Supplier Code of Conduct ⁽¹⁾ (share by turnover)	77 (69 %)	54 (55 %)	80 (87 %)
of which committed to their own Code of Conduct (share by turnover)	17 (17 %)	19 (30 %)	4 (3 %)
Rest (share by turnover)	204 (14 %)	241 (15 %)	252 (10 %)

(1) The Supplier has confirmed in writing to accept the EGGER Supplier Code of Conduct or is already a supporter of the Global Compact.

Working conditions in transport logistics



Attitude

Occupational health and safety and the protection of employees are anchored in EGGER's mission statement. We always set a good example for our suppliers and encourage them to follow suit.

We are committed to supporting the Global Compact areas of "Human Rights" and "Labor Standards".

With SDG 8, we commit to promoting decent work for everyone.



Approach

The LogSafety team was established at the end of 2022 to ensure comprehensive approaches for the further optimization of working conditions in the EGGER Group. This committee includes experienced logistics managers from various plants as well as work safety officers and motor vehicle fleet management. The team reviews the risk assessment of the plants from a Group perspective at fixed intervals and defines new minimum standards that are adapted in the existing procedural guidelines. These standards form the basis for all plants to ensure the same working conditions for all external and internal employees in the direct logistics environment. The LogSafety team also reports to the Safety Board.



Goal

The primary goal is zero work accidents and the further improvement of working conditions for external and internal employees in line with our "Vision Zero". The guiding principle is to be the most attractive shipper in the respective region.



Status

The correct securing of our products during transport is verified along the routes, among others by means of driving tests that are monitored by external testing companies. The personal protective equipment for external and internal logistics employees now includes a helmet in addition to a high-visibility safety coat and safety shoes. The separation of pedestrians from plant traffic is also a focal point of measures. Tunnels for pedestrians and technical barriers between sidewalks and roadways draw attention to the separation between these areas and actively help to prevent accidents.

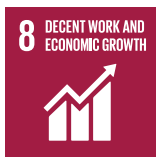
Past measures

- Renovation of the sanitary facilities or creation of new sanitary facilities with showers at the truck parking areas in Rambervillers (FR)
- Increased safety awareness through additional signs and road marking (ongoing)
- Introduction of the Yard Management System in Rambervillers (FR)
- New route concepts with clear separation of pedestrians and moving objects
- “Smart lashing solutions” for faster and safer load securing

Future measures

- Renovation of the sanitary facilities or creation of new sanitary facilities with showers at the truck parking areas in further locations
- Expansion of the route concept through separation with barriers

Working conditions in the wood supply chain



Attitude

As part of our ISO 38200, FSC® and PEFC certified due diligence system for sustainable wood procurement, the working conditions in our supply chain represent a focal point of our activities in line with the ILO Declaration on Fundamental Principles and Rights at Work. Occupational safety and employee protection are anchored in our mission statement. We always set a good example for our suppliers and encourage them to also continuously optimize their efforts in support of employees and safety measures.

We are committed to promoting decent work in accordance with SDG 8.



Approach

Our due diligence in the procurement of sustainable wood includes a focus on working conditions in the supply chain as described in the EU Supply Chain Act and the ILO Declaration on Fundamental Principles and Rights at Work.

Building and developing long-term relationships form the basis for creating shared values and improving working conditions at our suppliers' facilities, especially in structurally weak countries. Through long-term cooperation with our suppliers, we have established a solid basis for good working conditions. Our aim is to pay a fair market price for our wood and pursue long-term supplier management.

All countries in which EGGER purchases wood have committed to compliance with all eight ILO conventions and to the enactment of national laws to protect employees. Every fresh wood supplier is required by contract to comply

with the ILO working conditions. Stricter standards required by local legal regulations must also be met. In cases where EGGER is responsible for logging, we use checklists to verify the use of personal protective equipment by employees as well as their legal employment. Within the framework of ISO 38200 and through the preferred purchase of certified wood, our due diligence ensures that our suppliers comply with national occupational health and safety laws.



Goal

The guiding principle is to create transparency in our supply chain by sourcing as directly and regionally as possible. We support our suppliers in improving the working conditions in our supply chain if we identify any deficits.



Status

All ILO conventions have been ratified by the countries in our purchasing areas. Our supplier risk assessment also includes confirmation of the principles which include two social components. In higher risk regions where government controls are still weak, we are increasingly concentrating on the purchase of certified wood and the related external auditing of suppliers by independent third parties. We will continue to pay fair market prices for our wood, pursue long-term supplier management, and improve working conditions in high-risk regions by purchasing certified or controlled wood. We hold regular supplier meetings where one topic involves social conditions in the wood supply chain. This year, suppliers from Italy (South Tyrol) were invited for discussions and the exchange of information. The focus was on issues that included occupational safety and fair working conditions as well as transparency and accountability in the supply chain.

Past measures

- Organization of EGGER occupational safety training, also with our wood suppliers from South Tyrol, in connection with the supplier meetings in St. Johann
- Internal and external auditing within the framework of ISO 38200 and the FSC® Core Labor Requirements (ongoing)
- Participation in the creation of a pilot blockchain for a fully traceable wood supply chain in cooperation with regional stakeholders at the Brilon (DE) plant under the leadership of the University of Applied Sciences in South Westphalia

Future measures

- Continued development and participation in a pilot blockchain to extend the forest supply chain by including supplies to customers in cooperation with regional stakeholders at the Brilon (DE) plant under the leadership of the University of Applied Sciences in South Westphalia
- Queries and inclusion of the European Deforestation Regulation, which covers transparency in the supply chain up to the logging location and took effect on December 30, 2024. Evaluation that the wood is deforestation-free as well as compliance with national and international laws by all companies in the supply chain
- Organization of EGGER occupational safety training, also with our wood suppliers in France, in connection with the supplier meetings at this location
- Ongoing audits (internal and external) within the framework of ISO38200 and FSC® Core Labor Requirements

3.3.12 Affected communities

Our raw materials and suppliers

The three most important materials for EGGER are wood, chemicals and paper. In the financial year 2023/24, we purchased roughly 12.4 million tons of these items at a combined value of approximately EUR 1.6 billion. Wood is used to produce chips, fibers and strands, which are the core components of our boards. Chemical precursors are required for the production of glue as a binder for raw boards and for the production of impregnating resin for decorative surfaces. Raw and decorative paper are required for the production of laminating materials.

Wood

Consolidated, over 3,700 partner companies supply us with wood. We classify this wood into three main groups: roundwood, sawmill by-products and waste wood/recycling. Our wood materials plants and our sawmill currently purchase roundwood from nearly 1,500 suppliers. Sawmill by-products are supplied by about 1,300 companies, waste wood by about 1,400 recycling companies.

Chemicals

The most important chemical raw materials are UF and MUF glues, UF and MF impregnating resins, melamine and urea. 40 % of our adhesive and impregnating resin requirements are covered by the EGGER resin plants in Wismar (DE), Radauti (RO) and Hexham (UK), while 60 % are purchased from companies in the chemical industry. In total, we have 200 suppliers in this area.

Paper

We purchase our paper supplies directly from companies in the decorative paper industry. 98 % of these special papers are purchased from roughly 34 suppliers in Central Europe. The Russian locations source nearly 100 % of their decorative paper from suppliers in the Russian Federation and Asia.

Purchased raw materials by quantity

	Percentage
Total	100 %
of which wood ⁽¹⁾	89 %
of which chemicals	10 %
of which paper	1 %

⁽¹⁾ air-dry

Purchased raw materials by cost

	Percentage
Total	100 %
of which wood	38 %
of which chemicals	44 %
of which paper	18 %

Regional value creation

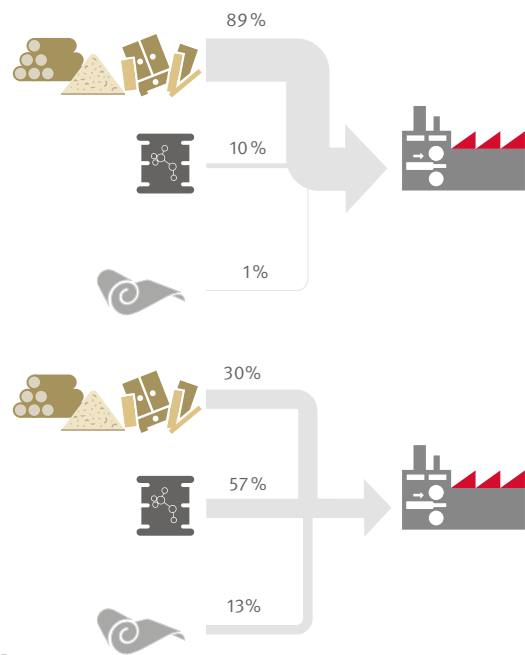
EGGER thinks globally and acts locally. We produce at 22 plants in eleven countries worldwide and respect regional conditions and needs with a decentralized organization and local managers (plant managers). We see ourselves as a good neighbor and an active member in the regional environment of our plants and, as such, aspire to have a positive effect on the respective local economy and local communities over the long term.

Our plants also have a positive influence on economic development at their locations through the use of local suppliers and local infrastructure like hotels and restaurants. Purchasing products and services in the regions around our plants is a commitment, which also makes the most economic sense.

Opportunities and risks

A potential risk to the social environment at our plants is noise and odor pollution. Usage conflicts can also arise during wood harvesting in our supply chain. Another potential risk for EGGER is the lack of acceptance by local residents, which can lead to complaints.

Opportunities lie in the social and local economic value created by our investments and presence. This includes the employment of staff and managers from the local area and the use of local infrastructure. We support local charitable organizations and initiatives through donations. When it comes to the raw material wood, we can integrate local and regional suppliers and offer them a long-term source of income.



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Regionally purchased wood



Attitude

Our principles for sustainable forest management and wood purchasing state that we protect the climate and natural resources by purchasing as regionally as possible in the immediate vicinity of the plant.



Approach

We specifically support cooperation with suppliers from the region. The definition of our goal is also anchored in the EGGER Group's wood procurement and handling guideline, which is the central document in the job description for wood procurement staff. In accordance with our decentralized organizational structure, implementation of the strategic goals is the responsibility of the respective local division and purchasing managers.



Goal

The strategic goal for the regional purchase of wood is: By 2030, we want to procure at least 75 % of the wood quantities from the regional environment. This applies to all modes of transport. We define regional procurement as follows: A radius of up to 300 km around our plants applies to our plants in Argentina, Russia and Romania, while the radius for all other plants is a maximum of 150 km.

All volumes purchased from our own recycling collection points (Timberpak) count as regionally sourced, regardless of the distance to the respective plant, because the procurement radius of the Timberpak locations averages a maximum of 50 km.



Status

Based on the new calculation, the current proportion of regional wood procurement is 73%. We are thus two percentage point below our goal of at least 75% wood from regional procurement by 2030. This KPI is regularly reported in the strategy and half-yearly meetings of the wood purchasing department.

Regional wood procurement

Financial year	2023/24	2022/23 ⁽³⁾	2021/22
Share of wood purchased from regional proximity	73 % ⁽²⁾	76 % ⁽²⁾	73 % ⁽¹⁾

(1) Regionally sourced is defined as the proportion of fresh wood deliveries (by truck and conveyor belt) originating from within 150 km of all fresh wood deliveries (weighted average). The radius refers to the distance travelled. The reference point for roundwood is the distance between the forest and the plant, for residual sawdust the distance between the sawmill and the plant.

(2) Only the percentage of fresh wood and recycled wood deliveries (irrespective of the mode of transport) that originate from regional procurement counts out of all fresh wood and recycled wood deliveries (weighted average). Regional procurement is defined as follows: For our plants in Argentina, Russia and Romania, a radius of up to 300 km around our sites applies; for all other plants, the radius is up to 150 km. The radius refers to the distance travelled. The reference point for roundwood is the distance between the forest and the plant, for sawmill residues the distance between the sawmill and the plant, and for recycled wood between the point of origin and the plant.

(3) The numbers include the Caorso (IT) plant from January to April 2023.

Past measures

- Preparation of automated logistics reporting
- Introduction and explanation of the new indicator at the EGGER wood purchasers' meeting in June 2023
- Internal meetings in the individual plants to define measures for target attainment

Future measures

- Preparation of a roadmap at the plant level (local wood purchasing) to meet the goal for the respective plant and coordination at the division and Group level

Donation activity



Attitude

EGGER has the welfare of the local community at heart. The company is not only an employer in its respective production regions but is also part of the local community. This claim is also reflected in our commitment to donations. We support the regions around our plants in a targeted manner according to the local needs, namely in the areas of health, social welfare, education and environmental protection.



Approach

EGGER takes a local approach to donations: In line with our decentralized organizational structure, meeting these expectations is the responsibility of the local plant managers who represent EGGER in the regional environment. Regular donations are made at all locations. The compliance guideline on donations and sponsorship defines a global standard. We only support organizations or activities that focus on health, social welfare, education and environmental protection. Any support for political parties, candidates or office holders is excluded. Religious purposes and elite sport are also excluded from these benefits.



Goal

The guiding principle is to have a long-term positive impact on the local community concerned and, in turn, on the region as a whole.



Status

EGGER takes its responsibility for local communities and regions seriously. Donations and sponsorships declined slightly in 2023/24 (-12.8% versus the previous year). At 53% of the total amount, the social sector received the largest share in the past financial year. EGGER is particularly committed to protecting and supporting those in particular need at the respective locations.

In the wake of the devastating earthquake in southeastern Turkey and large parts of Syria in February 2023, EGGER quickly started support activities. The focus here is on aid projects aimed at meeting basic housing needs to alleviate the suffering of people in the affected region. EGGER products are being used to build and equip temporary housing, and these local support projects are continuing.

Donations and sponsorship

Financial year	2023/24	2022/23 ⁽²⁾	2021/22
Donations and sponsorship in EUR ⁽¹⁾	2,449,840	2,808,818	2,141,649
of which in the area of health	160,505	355,761	326,513
of which in the area of social issues	1,296,206	1,227,942	1,093,698
of which in the area of education	612,105	884,548	496,295
of which in the area of environmental protection	381,024	340,567	225,143

(1) Definition according to our Compliance Guideline for Donations and Sponsorship

(2) The numbers include the Caorso (IT) plant from January to April 2023.

Past measures

- Extensive activities in the areas of health, social welfare, education and environmental protection with a focus on local needs: including earthquake assistance in Turkey (Gebze, TR), support for mental health organizations (Hexham, UK), support for children with learning difficulties (Caorso, IT), support for children with development delays (Radauti, RO), support for hospitals (Biskupiec, PL), support for schools (Radauti, RO)

Future measures

- Group-wide continuation of donation activities

3.4 Consumers and end users

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Health safety of products

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Health is one of the most important topics of our time. Medical advances are increasing life expectancy, but people today are exposed to new and different environmental influences. In Central Europe, people spend up to 90 %, on average, of their time indoors and the indoor air therefore has a substantial influence on health as well as physical and mental performance.

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Opportunities and risks

Wood-based materials consist of wood chips or wood fibers which are pressed with the addition of binding agents. Rawboard coating consists of different raw chemicals, including resins, paints or printing inks. Potentially, all raw materials and pre-products can pose a health hazard. Waste wood carries a risk of chemical contamination through previously used wood preservatives which were allowed to contain heavy metals or organic chlorine compounds that are banned today, such as PCP.

Potential risks for the company are illnesses that are clearly attributable to the company's products. Lawsuits, reputational damage, fines or penalties would be potential consequences.

The greatest influences on good indoor air are climatic factors such as temperature and air humidity, which depend primarily on the ventilation system and user behavior. An improperly ventilated room can lead to an accumulation of moisture and problematic substances in the interior areas. The insufficient removal of the moisture from occupants' breath, showering and cooking can lead to the development of mold. However, the quality of indoor air is also influenced by the emission of volatile compounds from building products and furniture. The chemical substances that can accumulate if the air exchange rate is too low include, for example, CO₂, formaldehyde and volatile organic compounds (VOC).

Opportunities arise from our commitment to full product transparency and from independently tested products. Through test reports and accompanying consulting services, we support planners in the selection of suitable products for each application area and room situation to minimize the risk of exceeding the recommended values for indoor air.

85 % of all our products have an environmental label, environmental declaration or Environmental Product Declaration (EPD).

“EGGER products are subject to strict controls – in our plants’ quality assurance departments and from independent institutions.

And we communicate the documented product properties and contents transparently.“

Our quality management

The production of standard-compliant products and a focus on the needs of our customers are clearly defined by our mission statement, the guiding strategy and the Code of Conduct. These documents explicitly require compliance with customer requests as well as legal and regulatory requirements. Our products are guaranteed to meet international product standards. We are committed to continuous improvement, backed up by a certified management system. In order to ensure consistent product quality, we require and encourage continuous improvement in all areas with the support of corporate service departments. Regular audits, precise and up-to-date documentation, and data analyses form the basis for quality management. Effective and transparent communication between departments and a culture committed to innovation are the guarantee for continuous improvement.

Product supervision

The control of formaldehyde emissions is carried out by the plant's own laboratories during production. The prescribed testing methods are defined by the formaldehyde emission class requirements. Product-specific correlations, which are managed centrally, are used to calculate the emissions at delivery. These correlation factors are determined internally as well as verified externally and updated in the event of process changes.

Our strict quality assurance process allows us to continuously monitor formaldehyde levels and implement clearly defined measures in the event of a breach, which include downgrading or scrapping the board. Products that are outside the specifications or limit values are never delivered.

This quality assurance process and our products are also monitored by external institutions in addition to our own internal testing. This takes place at least once each year for each product group as well as four times each year for TSCA products. No certificates have ever been withdrawn, nor have any penalties been imposed on EGGER products.

Complaint management

In the production process, a unique identification number for each production order and a time stamp enable the traceability of material batches, plant parameters and test results. Complaints are handled by a complaint management system.

An important feature for measuring customer satisfaction is the indicator “complaint quota to revenues“. The complaint quota rose by 0.07 percentage points in 2023/24, primarily as a result of the challenging market situation.

Our KPIs are continuously monitored, and the involved processes are critically analyzed and improved in the event of an increase. We use the value and frequency of complaints to identify opportunities for improvement. In this way, we make sure that our quality level and customer satisfaction remain at a continuous level. The effectiveness of the resulting measures is then demonstrated by the KPIs (complaint quota).

Complaint rate

Financial year	2023/24	2022/23	2021/22
Share ⁽¹⁾ of complaint costs ⁽²⁾ to turnover	0.26 %	0.19 %	0.16 %

(1) Rate = Total complaint costs * 100 / actual turnover SD unconsolidated

(2) The complaint costs for FY 2023/24 amount to EUR 11.3 million and include costs for completed complaints including logistics costs and a flat-rate processing fee per report. Complaint costs include complaints from internal and external customers.

Control of pollutants in products



Attitude

EGGER is aware of its responsibility to ensure that its products are safe. We conduct tests in our plants' quality assurance departments and arrange for the verification by independent institutions of our products, supply chain and the internal value chain for critical substances.

We place a focus on SDG 3 and thereby commit to ensuring healthy lives for all people and promoting their well-being.



Approach

EGGER follows the scientific discussions on relevant substances and topics, such as the health assessment of indoor air, e.g. through membership in associations. Our central product compliance department coordinates and acts in coordination with product and quality management.

Health assessment of materials in contact with food

Many of our decorative products are used in food contact applications. These applications are connected with a risk that substances could migrate from products into food and thus enter the body.

Testing for food safety involves the individual examination of each product under worst-case scenarios for possible migrating substances. Migration is tested and, if necessary, the health impact of the measured substances is assessed. In addition to material migration, sensory effects are also evaluated. This means that the taste of the food must not change as a result of contact with our products. All EGGER products that could come into contact with food during their use, for example, as kitchen furniture or supermarket shelving, are tested and evaluated according to these criteria.

Monitoring of products in which waste wood is used

We test recycled raw materials used in chipboard production when they enter the plant. Our finished commercial products are also regularly tested for heavy metals, fluorine, PCP, PCBs (7 congeners) and chlorine. These tests are carried out by an independent testing laboratory at all 12 sites that use post-consumer recycling wood. If there are no legal requirements for specific locations, we rely on the limits of the German Waste Wood Ordinance and the standards set by the European Panel Federation (EPF).

Further tests

Further tests examine the migration of certain elements according to EN 71-3, the heavy metals content in coating (e.g. lead, cadmium), PCP/lindane or polyaromatic hydrocarbons (PAH), free monomers and photo initiators in paints and plasticizers (bisphenols, phthalates).

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Goal

The guiding principle here is to make sure our products are harmless to health based on the current state of technology.



Status

All EGGER locations that use post-consumer recycling material conduct product assurance monitoring. We also carry out additional voluntary checks on emissions and ingredients and have expanded these tests in recent years. We want to maintain the current levels and continue to ensure that our products are harmless to health with the necessary care.

Indoor air quality and product transparency



Attitude

We communicate emission properties and ingredients transparently, examine our customers' requirements individually and provide support when problems arise.

We place a focus on SDG 3. In doing so, we commit to ensuring healthy lives for all people and promoting their well-being.



Approach

We arrange for testing by independent institutions to substantiate our claims concerning the safety of our products. In the area of product emissions, these tests primarily involve formaldehyde and are based on various national and supra-regional standards (E1, E1E05, CARB/TSCA, F****) as well as screening emission tests, so-called VOC measurements.

VOC measurements are currently not legally binding, but due to their high relevance for indoor air quality they are often part of certification systems and voluntary label requirements.

We disclose the ingredients and results of VOC tests and arrange for certification of the products by an independent body, e.g. TÜV PROFICERT Interior.



Goal

Our objective for formaldehyde emissions is to ensure full compliance with the declared emission class. With regard to VOCs, we want to systematically expand the database to make even more well-founded statements on emissions in customer advising. We are also continuing our research on alternative, formaldehyde-free binding agents.



Status

The share of formaldehyde-reduced and formaldehyde-free glued boards is continuously increasing. The introduction of stricter provisions in the German Chemicals Prohibition Ordinance led to our decision to convert the entire board production in the EGGER Decorative Products Central Division to meet the E05 emission standard, which is only relevant in Germany. This involves not only rawboard sales, but also products laminated by EGGER. The Caorso (IT) plant is exempt from this regulation.

Influenced by the topic of healthy living, the interest in VOC emissions from products is also increasing. We can already make reliable statements on this subject for our decorative wood-based products, and the use of the findings from VOC tests will be further expanded in the coming years.

Work is continuing on the “Product Compliance Project”, which aims to ensure material and product compliance from the raw materials to the product statement.

Produced rawboards according to emission class

Financial year	2023/24 ⁽³⁾	2022/23 ⁽⁴⁾	2021/22
Volumes of all produced rawboards in million m ³ ⁽¹⁾	9.6	9.1	9.6
of which boards of formaldehyde emission class E1	36 %	38 %	40 %
of which formaldehyde-reduced or formaldehyde-free glued boards ⁽²⁾	64 %	62 %	60 %

(1) Chipboard, MDF, OSB, DHF, thin chipboard and thin MDF boards

(2) Sum of E1E05, CARB/TSCA and F****

(3) All values include the Markt Bibart (DE) site from November 2023 to April 2024.

(4) All values include the Caorso (IT) site from January to April 2023.

Past measures

- Expansion of certified products according to TÜV PROFiCERT Interior

Future measures

- Further expansion of the central laboratory in Unterradlberg (AT)
- Establishment of a Group-wide process for material and product compliance

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Our approach to product transparency and eco-labelling



EGGER stands for full product transparency and the verifiable, factual representation of environmental properties. This commitment is reflected in various approaches. Special document formats are the self-declared EHD (Environmental and Health Datasheet) and the externally verified EPD (Environmental Product Declaration). Our environmental marketing also includes various ecolabels issued by independent certification institutions, registration in a product database and a set of internally developed sustainability indicators (EcoFacts).

The EHD shows at a glance how the product contributes to the most important building certification systems and eco-labels. The EPD contains the results of a cradle-to-gate environmental performance assessment. This data enables planners, designers and architects to make substantiated product comparisons from an environmental perspective. Our EPDs are verified by the Institut für Bauen und Umwelt (IBU). A special ecolabel is the TÜV PROFiCERT Interior: This healthy living certification covers several building certification systems and their requirements for product emissions.

We update our EPDs to reflect the latest calculation methods and data every five years. The information in our EHDs is adjusted if our product properties have changed or if the building or environmental labels mentioned in the EHDs have been updated. Applications for and renewals of externally validated eco-labels and registration in product databases from label organizations are evaluated individually on a market-specific basis.

Overview of products with eco-label

Product / product group	Certified with an externally audited environmental label				Declared with an externally verified EPD
					
			Standard	Premium	
Eurodekor	—	—	✓	✓	✓
Eurodekor MDF	—	—	—	✓	✓
PerfectSense Lackplatten	—	—	✓	✓	✓
PerfectSense Lackplatten (Span)	—	—	—	✓	✓
Eurospan	—	—	—	—	✓
MDF	—	—	—	—	✓
OSB	—	—	✓	—	✓
DHF	—	—	—	—	✓
Schichtstoff	—	—	—	✓	✓
Kompaktplatte	—	—	—	✓	—
Schnittholz	—	—	—	—	✓
Laminat-Boden	✓	✓	—	✓	✓
Design-Boden GreenTec	✓	✓	—	✓	✓

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Download der EPDs egger.com/environment
ibu-epd.com

Products with eco-labels by share of turnover

Financial year	2023/24 ⁽⁵⁾	2022/23 ⁽⁶⁾	2021/22
Share ⁽¹⁾ with an eco-label ⁽²⁾	39 %	35 %	33 %
Share ⁽¹⁾ with an environmental declaration ⁽³⁾	62 %	71 %	67 %
Share ⁽¹⁾ with an EPD ⁽⁴⁾	77 %	84 %	83 %
Share ⁽¹⁾ of all products with an eco-label, self-declaration or EPD	85 %	88 %	87 %

- (1) Share of these products in the total turnover; excluding retail goods, samples, advertising material, chemicals, and other revenues
(2) Blauer Engel for flooring (RAL UZ 176), M1, Greenguard Gold, TÜV PROFICERT Interior Standard, TÜV PROFICERT Interior Premium
(3) Environmental and Health Datasheet (self-declaration according to ISO 14021), declaration at the Nordic Swan Supply Chain Portal
(4) Independently verified Environmental Product Declaration (EPD) according to ISO 14025, EN 15804 and IBU-PCR
(5) All values include the Caorso (IT) site from January to April 2023.
(6) All values include the Markt Bibart (DE) site from November 2023 to April 2024.

Our strategic goal is to have an appropriate environmental declaration for 95 % of all EGGER products by 2025. These declarations can be an external eco-label, a self-declaration or an EPD and will be measured on the basis of revenues.

An EPD is currently available for 77 % of our products. The share of revenues from products covered by EPD data declined in comparison with the previous year due to the inclusion of our new plants in Markt Bibart (DE) und Caorso (IT). The available EPDs for these plants are not valid because of the significant deviation in the wood recycling mix. In the financial year 2024/25, we plan to prepare EPDs for our OSB boards and laminate flooring in accordance with the latest requirements of EN 15804+A2. This will provide more detailed information on the greenhouse gas potential in various subcategories, among others, to differentiate between greenhouse gas emissions from fossil and biogenic sources.

The share of all products with an environmental label, self-declaration or EPD declined slightly from 88 % to 85 % in 2023/24. This is also due to the inclusion of the new plants.

We plan to further increase the share of products with environmental labels and declarations (EHD and Declaration in the Nordic Swan Supply Chain Portal) in the coming year to meet our strategic goal.

Download the EHDs egger.com/environment

3.5 Corporate governance

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As a major company, EGGER has a special responsibility to comply with legal standards and its own values. Our goal is to observe all regulations as a fair economic player. Included here, in particular, are the respect for free competition, the prevention of corruption and the protection of personal data. Export controls and the observance of trade sanctions are also important due to our position as a globally active company.

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Opportunities and risks

A number of our plants are located in areas with an increased risk of corruption and bribery. The concentration of wood-based material manufacturers in some markets is also connected with the risk of anti-competitive agreements. We see digitalization as a great opportunity to improve our service offering, but it also creates a greater risk of data protection breaches. Due to rising political tensions throughout the world, the violation of trade sanctions also represents an increasing risk as this can lead to both financial and reputational damage.

3.5.1 Our compliance strategy



EGGER is committed to legal compliance. This is reflected in the EGGER Code of Conduct, which applies throughout the Group. The code demonstrates our commitment to “comply with all legal, regulatory or licensing requirements of the countries in which EGGER operates.” EGGER follows a risk-based approach in the compliance system described in this chapter.

Code of Conduct

The Code of Conduct is based on EGGER’s values, mission statement and corporate goals. It defines clear standards of behavior for employees in their daily business activities. For example, it explicitly prohibits facilitation payments and instructs employees to contact their line supervisors if conflicts of interest arise. The signatories include EGGER’s owners, the Managing Board (Group Management) and the Supervisory Board. The Code of Conduct is available on our website as well as on the intranet in all Group languages (German, English, Spanish, French, Russian, Romanian, Turkish, Polish, Italian) and is introduced to new employees during the onboarding process. Employees must confirm in writing that they have read and understood the code. Managers have a special obligation to observe the Code of Conduct in everything they do.

Our e-learning programs on antitrust law, compliance, the general data protection regulation (GDPR) and the prevention of bribery each have a completion rate of 95%.

“At EGGER, compliance is more than simply obeying rules – it is an attitude. Clear and value-oriented management is our highest priority, and we support our employees with training and guidelines.”

EGGER is committed to the United Nations Global Compact sustainability initiative and the principles it includes.

Compliance training

At EGGER, employees receive extensive training in e-learning and classroom events. The training concept includes Group-wide, role-based mandatory training on the above-mentioned high-risk compliance topics (data protection, antitrust law, bribery prevention). The number of mandatory participants may not fall below the level defined for the entire Group but can be expanded. Group-wide minimum requirements, such as mandatory repetitions at least every three years, and minimum contents are defined for these training courses. Independent of the specific training courses, every employee with an individual computer account is required to complete a basic e-learning course on compliance during onboarding and, subsequently, at regular intervals.

Our existing reporting system ensures transparency because we share and communicate data at various levels in the company (HR, Legal & Compliance, management). To ensure that all required training is completed within a reasonable period, the completion quota for each program is regularly monitored.

Compliance training

Key data	30.04.2024	30.04.2023	30.04.2022
Fulfilment quota Antitrust law (e-learning) (target 90 %)	95 %	97 %	95 %
Fulfilment quota Antitrust law (classroom training) (target 80 %)	88 %	86 %	66 % ⁽²⁾
Fulfilment quota Compliance (e-learning) (target 90 %)	95 %	95 %	91 %
Fulfilment quota GDPR (e-learning) (target 90 %) ⁽¹⁾	95 %	94 %	70 %
Fulfilment quota Bribery prevention (e-learning) (group target 90 %)	95 %	94 %	– ⁽³⁾

(1) GDPR stands for General Data Protection Regulation.

(2) Due to the pandemic, most of the trainings took place as webinars.

(3) The training was not released until Q3 2022.

Guidelines & reporting

Guidelines have been issued for the above-mentioned compliance topics and are accessible to all employees on the intranet. A strict dual control principle ensures observance of the related regulations. Processes are improved if a need is identified in internal or external audits or results from individual events. A higher-level organizational guideline defines the requirements for the structure, tasks and goals of the compliance function and compliance services at EGGER. It includes the requirement for formalized annual compliance reporting to top level management as well as the rules for any internal investigations.

EGGER whistleblowing system (ombuds office)

EGGER employees are expressly encouraged to report any circumstances that indicate a breach of the Code of Conduct or our guidelines. An ombuds office was installed for the anonymous submission of reports and is also available to third parties via the EGGER website. Whistle-blowers within the company are fully protected against reprisals in their employment relationship and harassment at the workplace through the confidential handling of their identity. Confidentiality is also respected in follow-up actions by the compliance function, in particular the whistle-blower's personal data.

Further information, also on confidentiality and protection for whistle-blowers, can be found in the whistle-blower policy and the FAQ list on the intranet. In the financial year 2023/24, four reports were received via the ombuds office. They were investigated and feedback was provided to the whistle-blowers.

Supplier Code of Conduct

We also expect our business partners to comply with legal regulations and state this clearly in the EGGER Supplier Code of Conduct. This document contains a reference to the ten principles of the UN Global Compact as well as the 17 Sustainable Development Goals of the United Nations. We expect our suppliers to observe all applicable laws and the rules in the Code of Conduct along the entire supply chain. Suppliers can also report suspected cases of misconduct via the whistle-blowing office via a link on the EGGER website.

Our suppliers must ensure adequate occupational health and safety management. Harassment, abuse and extortion in the workplace may not be tolerated. Working hours and remuneration must comply with applicable laws, agreements and industry standards. All applicable local laws and regulations must be followed with respect to hazardous materials, chemicals and substances. The Supplier Code of Conduct must be acknowledged and accepted as binding.

The EGGER Supplier Code of Conduct is also available on our website.

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Data protection



Attitude

EGGER complies with data protection regulations and treats personal data as well as all documents and information on business transactions as strictly confidential.



Approach

We use state-of-the-art, appropriate information technology and have implemented standardized IT processes to protect sensitive data. EGGER uses a certified information security management system for this purpose and has also issued a Group-wide data protection guideline that is supplemented by local rules. These guidelines together with Group-wide e-learning and local classroom training programs help our employees behave in a manner that is compliant with data protection. Data security is also briefly addressed in data protection e-learning. Further information on data security is provided by the e-learning program “Information Security at the Workplace”, which must be completed by all employees with an individual computer account. FAQs are available internally for certain aspects of data protection law.



Goal

The guiding principle is to ensure legally compliant behavior as well as compliance with the company's values, legal and internal regulations by all employees at all times. Internal procedures for the prevention and detection of violations are continuously improved.



Status

Two incidents were reported to the Austrian Data Protection Authority in 2023/24, whereby one case was terminated without a penalty and no penalty has been announced to date for the second case. No data protection incidents or fines were reported in 2022/23 or 2021/22. The guiding principle is consistently pursued, and EGGER is on the right track with its risk-based approach. 95% of all selected employees were able to present a valid training certificate for the e-learning program "Data Protection/GDPR" at the end of the financial year 2023/24. Details on the KPI can be found in Chapter 3.5.1 "Our Compliance Strategy".

No further future measures are planned.

Fair competition



Attitude

EGGER is committed to a market organization that relies on competition. We strictly prohibit anti-competitive conduct, such as cartel agreements with competitors, suppliers or customers.



Approach

All employees are required to comply with the competition and, in particular, cartel laws that are applicable in their respective country. EGGER has issued a Group-wide guideline on antitrust law. This directive as well as classroom and online training, which also include a performance check, help to ensure fair and correct conduct by employees in competitive environments. We also expect our suppliers to behave fairly and honestly in competition and, in particular, to comply with competition and antitrust laws.



Goal

The guiding principle is to ensure legally compliant behavior as well as compliance with the company's values, legal and internal regulations by all employees at all times. Internal procedures for the prevention and detection of violations are continuously improved.

Another goal is to ensure that all line supervisors and employees in sales and purchasing complete antitrust law training at least every two years.



Status

No penalties were imposed or paid in 2023/24, and no proceedings were pending. The guiding principles to maintain legally compliant behavior and to continuously improve processes are consistently pursued and show that EGGER is on the right track with its risk-based approach. A variety of training programs on antitrust law were offered in recent months, whereby the mix of e-learning and classroom training is tailored to meet the needs of the target group. 88% of the employees selected in connection with their functions were able to present a valid training certificate for the classroom training program "Antitrust law" at the end of the financial year 2023/24. Details on the KPI can be found in Chapter 3.5.1 "Our Compliance Strategy", and we plan to continue our activities to create a greater awareness among employees for this issue.

No further measures are currently being pursued.

Proceedings for antitrust violations

There were no proceedings for antitrust violations during the financial year 2023/24. In 2022/23, there were also no pending proceedings for antitrust violations, no proceedings were concluded, and no fines were imposed.

Past measures

- Creation of a concept for continuous, uniform communication on compliance “top down” within the Group (keyword: “Tone from the Top”)
- Publication of an interactive quiz on antitrust law on the intranet

Foreign trade law



Attitude

EGGER pledges to comply with all legal, regulatory and permit conditions in the countries where it is active.



Approach

Export declarations within the European Union are processed by central customs software based on a Single Authorization for Simplified Procedures (SASP). Foreign trade data (customs tariff number, preferential origin) is managed centrally.

The restrictive measures introduced by the European Union and other countries as a result of Russia's actions require a particularly stable compliance management system for export controls with extensive measures to prevent violations and ensure the uniform handling of potentially critical business transactions.

In order to avoid violating sanctions, the master data of customers and suppliers are automatically examined by the ERP system for each transaction to identify possible inclusion on sanctions lists. This same software can also be used on an ad hoc basis to examine employees' and applicants' data for inclusion on sanctions lists. Potentially critical hits are checked in a process-defined guideline, and the necessary measures are taken based on the results.

In order to avoid violations of embargoes, service relationships with customers, suppliers and affiliates in the involved countries are reviewed and modified or terminated if necessary. Movements of goods are automatically monitored by the ERP system to identify the possible presence of the respective customs tariff numbers in embargo lists in order to prevent any prohibited movements of goods. Detailed instructions have been prepared for the various embargoes and are updated regularly to address business activities without the movement of goods, i.e. services. The related measures are explained to and discussed with the responsible departments, and the implementation is verified through audits.



Goal

The guiding principle is to ensure legally compliant behavior as well as compliance with the company's values, legal and internal regulations by all employees at all times. Internal procedures for the prevention and detection of violations are continuously improved.



Status

Proceedings against one affiliate were initiated in 2022/23 for violations of foreign trade law. The affiliate is accused of having supplied the chemical triethanolamine, which is classified as a dual-use item, to another affiliate without the necessary authorization. The related proceedings are still in progress. In 2021/22 and 2023/24, no proceedings for the violation of foreign trade law were opened or concluded and no fines were imposed.

Past measures

- Employees were instructed how to act in order to rule out any possible violations
- Regular updating of the instructions for action; employees are notified of any changes
- A mandatory e-learning program on “Sanction Regulation Basics” was introduced for internal sales, the purchasing organization, plant management and division management.

Future measures

- Updating of the instructions for action
- Ongoing training on sanctions and embargoes via e-learning and online seminar

Prevention of corruption



Attitude

EGGER opposes any kind of corruption and does not tolerate illegal business practices in any form. No staff member may offer, promise or grant other persons unjustified advantages or approve such advantages in the context of a business activity. This also applies to the acceptance of unjustified advantages. EGGER also opposes the offences that accompany corruption, such as money laundering. All Supervisory Board members have received information on our anti-corruption policy and procedures. The Audit Committee received training on the prevention of corruption prevention during summer 2023.

We support Principle 10 of the United Nations Global Compact and are against all forms of corruption, including extortion and bribery.

We are focusing on SDG 16 and, in doing so, commit to significantly reducing corruption and bribery in all its forms (SDG 16.5).



Approach

The EGGER Code of Conduct and, in greater detail, the Group-wide guideline on the prevention of corruption regulate the permissibility of donations in business transactions. Donations may only be initiated or accepted by employees if they are intended for a generally accepted purpose and comply with customary practices and internal guidelines, based on an absolute limit of EUR 50. Confirmation must be obtained in advance that no legal conditions are violated and that a business decision will not be influenced.

Donations and sponsoring may only be granted by EGGER in compliance with the applicable legal framework and the respective internal guidelines. A Group-wide compliance guideline on donations and sponsoring defines transparent, concrete criteria. Political parties, candidates or office holders are excluded from donations, as is support for religious causes and top-level sport. EGGER focuses on promoting and supporting the areas of health, social welfare, education and environmental protection. Every sponsorship should be clearly visible to the general public.

The management of the respective company is responsible for decisions on donations and sponsoring.

A Group-wide e-learning course on the prevention of bribery will be successively rolled out in all Group languages and become part of the compliance training concept.

The Group-wide cash management guideline stipulates that electronic transfers should be used as a matter of principle and cash transactions should be avoided. Subject to local laws that may set lower limits, no company in the EGGER Holzwerkstoffe Group may make or receive cash transactions exceeding EUR 5,000.



Goal

The guiding principle is to ensure legally compliant behavior as well as compliance with the company's values, legal and internal regulations by all employees at all times. Internal procedures for the prevention and detection of violations are continuously improved.



Status

EGGER is on the right track with its risk-based approach and the guiding principle is consistently followed. Apart from the roll-out of the Group-wide e-learning course on bribery prevention, no further future measures are planned.

Corruption proceedings

There were no corruption proceedings in 2023/24, 2022/23 or 2021/22. No cases were concluded and no penalties were imposed.

Past measures

- Preparation of a concept for continuous, uniform communication on compliance “top down” within the Group (keyword: “Tone from the Top”)
- Successive roll-out of bribery prevention e-learning in all Group languages

No other future measures are planned.

3.5.2 Our due diligence system for tracing the origin of wood



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Our Wood Purchasing Guideline (VRG 217) states that compliance with national and European laws for the sustainable procurement of wood is a matter of course. At EGGER, we have a zero tolerance policy for illegal logging. We support the fight against illegal logging within our means and promote fair working conditions in our supply chains.

Our strategic goal is to proactively minimize the risk of purchasing illegally harvested wood through a certified due diligence system. In this way, we maintain a 100% share of verified wood in our purchases and categorically exclude wood from controversial sources.

Our Due Diligence System (DDS) was developed together with internal and external experts. It is based on the ISO 38200 COC standard for the supply chain of wood and wood-based products. A monitoring organization based on Article 8 of the EU Timber Regulation (EUTR) additionally supervises the correct application of our due diligence system as a market participant for all high-risk supply chains and plants.

In countries with increased risk and poor indicators of corruption (Corruption Percentage Index (CPI) < 50; World Justice Project Rule of Law Index; < 0.5; Environmental Performance Index (EPI) < 50) and for untransparent supply chains, our wood procurement relies on certifications (e.g. FSC®, PEFC, ISO 38200) as a means of minimizing risk, audits the supply chain or requires additional proof of the delivery's legality.

Our DDS is guided – in addition to the respective legal requirements – by the relevant supply chain standards for sustainable forest management:

- FSC® standard
- PEFC standard
- ISO 38200:2018 – COC standard for the supply chain of wood and wood-based products

Our wood-based products are made from legally logged wood and include labels that confirm 100% verification according to ISO 38200. In previous years and also in 2023/24, there were no pending proceedings, violations or penalties at the international and national level regarding the legality of the wood used.

All external audits in the EGGER Group in accordance with COC and DDS standards were successfully completed in a compliant manner. In the UK, a Group certificate was established for the Hexham, Barony and EGGER Forestry plants under FSC®, PEFC and ISO 38200. It was audited with the Soil Association and successfully started.

The plants in Bevern (DE), Marienmünster (DE), Hexham (UK), Radauti (RO), Concordia (AR) and St. Johann in Tirol (AT) were externally audited as part of our COC certificates.

The UKTR Monitoring Agreement for all cases of first entry into the United Kingdom was successfully audited by SOIL (Soil Association) this year, and an appropriate statement was issued.

How EGGER verifies new wood suppliers

1) Creation of master data: Supplier specifies its certifications

2) Risk assessment questionnaire: Supplier must confirm that no protected tree species are supplied and disclose the following data:

- Indication of the certification of the forest area
- Origin of wood by country and region
- Supply chain depth
- Number of upstream suppliers
- Confirmation of legality

For complex supply chains or specific risk remaining after the initial assessment, we request additional information (e.g. lease agreements, logging licenses, tax registration or delivery documents from the supply chain).

3) For low risk and proof of legality, the wood purchasing department classifies the supplier's deliveries into an EGGER risk group:

- EAC: The material is legal and meets the requirements of all COC standards (FSC®, PEFC, ISO 38200)
- ECS: Material is legal and meets the requirements of certain COC standards (PEFC und ISO 38200)
- ELS: Material is legal and meets the requirements of ISO 38200

This classification is recorded in SAP and shown transparently on all wood transfer documents.

In the event of specific risks, we actively support our suppliers in certification and sustainability topics (e.g. occupational safety).

EGGER rejects any wood without credible proof of legal origin.

Suppliers who deceive EGGER over the legality or origin of wood or make false statements will be excluded and reported to the competent authority in the event of intentional or intended criminal acts.

EGGER uses the following digital systems to collect information from suppliers and audit the supply chains:

- Active participation in an EU-funded blockchain project in Brilon (DE)
- iAuditor (supply chain and internal audits in all plants)
- SAP Ariba (supplier management software)

The due diligence system will be adapted to reflect the new European Deforestation Regulation.

Special topic:

Impact of the Russia-Ukraine conflict

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Attitude

We exclude wood from controversial and illegal sources. Within the framework of our EGGER DDS, we evaluate every wood purchase based on our own risk criteria and legal requirements.



Approach

Due to the conflict in Ukraine, wood from Russia is classified as controversial in terms of the EUTR/UKTR and the PEFC and FSC® standards. In addition, EU sanctions have been imposed on wood-based products.

We therefore import no wood products from Russia or Belarus into the EU or UK. Our Russian plants in Gagarin (RU) and Shuya (RU) primarily service the Russian market.



Goal

Our goal is to maintain the due diligence system even in times of crisis and in conflict areas. Our top priority is to comply with all sanctions.



Status

We surrendered our FSC® and PEFC-COC certificates for the Russian plants. Both plants have been certified according to the Russian Forest Etalon standard. This ensures compliance with due diligence in Russia within the scope of our legal possibilities.

In addition to the plants, our leasehold forest in Gagarin (RU) is also certified under the Forest Etalon standard.

The social and economic challenges of supplying our plants and maintaining our due diligence system are high but are implemented responsibly by our local staff.

Past measures

- Permanent monitoring of sanction developments
- Transfer of responsibility for compliance and sustainability topics to the Russian plants in accordance with legal requirements

Future measures

- Ongoing monitoring of developments and events
- Adaptation of the DDS to reflect the EU Deforestation Regulation

3.5.3 Tax transparency

We generate taxes and duties in numerous countries as a result of our worldwide business activities. In 2023/24, we paid over EUR 340 million in taxes and duties to national budgets. To prevent the erosion of tax bases and profit shifting, governmental and supranational actors (OECD, EU) are increasingly working to close tax loopholes and ensure minimum global taxation.

We fully support this approach towards “paying a fair share” and tax equality. At the same time, we are faced with increasing compliance challenges from approaches like Pillar I and II and pipeline projects like BEFIT.

Opportunities and risks

Companies that contribute to tax revenue through tax honesty and transparency also use this as an opportunity to underwrite and participate in the society’s wellbeing, for example through the infrastructure, educational system and security. Business optimization that goes beyond the extent permitted by tax law involves a risk that tax obligations will not be correctly met.

Our tax strategy

We act not only as a taxpayer but also as a tax withholding agent for more than 80 companies in 25 countries worldwide. Full compliance with the relevant tax laws is part of our business principles. All major business units have local tax departments staffed with specialists. Their professional development and continuous learning as well as the ongoing exchange with internal stakeholders are crucial for our success.

The main goal of the tax organization is to optimally support the operating business on tax issues at all times. To meet this goal, the tax organization has set the following strategic priorities:

- Installation and operation of an effective and appropriate tax risk management system
- Compliance with tax regulations, our Code of Conduct and our sustainability goals
- Optimization of our tax exposure, which comprises the effective tax rate, current tax rate and cash tax
- Protection of our role as a responsible taxpayer
- Provision of accurate and timely information on tax positions in accordance with our daily operational requirements
- Continuous improvement and harmonization of tax processes

We manage and limit our tax risks through a tax risk management and tax control system.

We communicate meaningful tax information openly and transparently to develop and maintain a credible long-term reputation with tax authorities. Clear internal rules and processes ensure the complete, accurate and timely preparation and submission of all required tax returns and the correct and timely payment of taxes.

Taxes also represent an expense which we optimize based on our business goals and needs. Every business transaction is organized in the most tax efficient way without the creation of artificial or purely tax-driven structures. The application of legal regulations considers both the text as well as the intention of the law. We constantly aim for security in our tax positions and seek internal or external advice to review and validate our positions where necessary. In cases where our assessment does not coincide with the authorities, we provide early notification of possible divergent opinions to prevent misunderstandings.

Any decisions requested from tax authorities to confirm an applied tax treatment are based on the disclosure all relevant facts and circumstances. In accordance with our Code of Conduct, we are committed to trustworthy and

transparent communication with all stakeholders. We therefore strongly support the OECD approach to expanded relationships and co-operative compliance.

Past measures

- Internal audit of the tax compliance management systems in Argentina and Poland
- Roll out of the Group-wide platform for cooperation under Pillar II

Future measures

- Ongoing external and internal audits of the tax control system based on our audit plan
- Selection of a Group-wide IT landscape for tax issues

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Our tax principles

Our tax principles are applied on the basis of our tax strategy. We expressly support the principles for tax responsibility issued by “The B Team” for all our internal and externally outsourced tax processes.

Accountability and governance

We view taxes as a central part of our corporate responsibility and entrepreneurial actions. They are, consequently, monitored by the Managing Board (Group Management) which is also responsible for the tax strategy. Responsibilities for tax risk management are clearly delegated. We put mechanisms in place to ensure an awareness of and adherence to our tax strategy and principles and provide opportunities (e.g. ombuds office) for whistle-blowers to confidentially report any concerns. We have established clear procedures for tax risk management and conduct risk assessments before undertaking tax planning for material business transactions. We report at least annually to the Managing Board on tax risks and adherence to the tax strategy. Our tax strategy and policies apply to all our local tax practices and to all subsidiaries and corporate entities.

Compliance

We comply with the tax laws of the countries in which we operate and pay the correct amount of tax at the right time. We prepare and file all required tax returns and provide complete, accurate and timely disclosure to all relevant revenue authorities. Our tax planning is based on the reasonable interpretation of applicable laws and aligned with the economic and commercial activities of our business. We aim for certainty on tax positions, but in cases where tax law is unclear or subject to interpretation, we evaluate the probability and obtain an external opinion where necessary to ensure that our position will most likely be upheld. We rely on the arm's length principle and pricing in line with best practice guidance as issued by the OECD, which are applied consistently throughout our Group.

We ensure that the required transfer pricing documentation is available through a country-based report (country-by-country report) as well as a master file and local files. No functions were relocated during the past financial year, and the transfer pricing concept was not changed.

Business structure

We only use business structures that are based on commercial considerations, aligned with our business activities and have genuine substance. We do not use so-called “tax havens” to avoid taxes on activities which take place in other countries. Entities which are based in low or zero-rate jurisdictions exist for substantive and commercial reasons. We pay tax on profits based on the location of value creation within the normal course of business and do not use artificially fragmented structures or contracts to avoid establishing a tax presence in jurisdictions where we do business. Our tax principles also cover our relationships with employees, customers and contractors. We will not enter into arrangements whose sole purpose is to create a tax benefit in excess of what is reasonably understood to be intended by relevant tax rules.

In 2010, we invested in a plant in Turkey. We also operate two plants in Russia; Shuya has been part of the EGGER Group since 2006 and Gagarin since 2011. Russia was included in the EU List of Non-Cooperative Jurisdictions for Tax Purposes on February 14, 2023. Turkey is still included on the so-called Grey List because it has no automatic exchange of tax information with the EU.

Relationships with authorities

We strive to build cooperative relationships with tax authorities based on mutual respect, transparency and trust. We follow established procedures and channels for all dealings with tax authorities, government officials, ministers and other third parties, in a professional, courteous and timely manner.

We are open and transparent with tax authorities and respond to their inquiries in a straightforward and timely manner. Our aim is to build a relationship of cooperative compliance with tax authorities where both parties engage in a proactive and constructive dialogue. In the event of misunderstandings of fact or law, we work with the tax authorities to identify the problems and explore options to resolve any misinterpretations or disagreements.

Tax incentives

The utilization of tax incentives offered by government authorities is accompanied by our efforts to ensure that the application is transparent and consistent with legal or regulatory frameworks. The acceptance of tax incentives offered by a government authority to support investment, employment and economic development involves the implementation of these incentives in the manner intended by the relevant legal, regulatory or administrative framework. Tax incentives are only used where they are aligned with our business and operational goals and where they support economic substance. We make data available for governments to assess the revenue and economic impacts of specific tax concessions where appropriate.

Transparency

We regularly provide our stakeholders with the following information:

- Publication of a tax strategy
- Disclosure of our tax risk management strategy
- Explanation of our approach to dealing with tax authorities
- Regular update on our progress and material topics related to our tax strategy and principles
- Overview of our Group structure
- Annual information explaining our overall tax rate
- Information on the taxes we pay at the country level and information on our economic activities

Our tax payments

We not only pay direct taxes, such as corporate tax, but also numerous indirect taxes, such as value added tax. In addition, we are a significant tax withholding agent. For example, we transfer our employees' payroll taxes and capital gains tax to the respective tax authorities. The recipients of these payments bear the tax burden in economic terms, but our function as a "distributor" for these taxes and levies is of great importance to government budgets.

In cases where the net amount of a tax payment and a corresponding refund claim results in a refund in a particular country, the tax payments are reported as zero.

Taxes collected include all taxes and similar payments we collect on behalf of tax authorities as well as value added tax and similar sales-related taxes paid. The economic burden for such taxes lies with the employee, buyer or end consumer.

Government support is often provided in the form of subsidies that are not included the presentation of the tax contribution.

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Total taxes and duties ⁽¹⁾

Country	Total taxes and duties paid in EUR mill.		
	2023/24	2022/23	2021/22
Austria	31.78	54.34	53.64 ⁽²⁾
Germany	57.48	124.33	80.88
UK	86.54	84.84	79.80
Italy	10.40	0.00	0.00
France	18.84	21.09	29.10
Romania	12.72	30.77	24.04
Russia	53.97	30.73	51.20
Turkey	8.78	14.52	6.49
Poland	26.47	27.48	28.61
USA	10.93	11.25	10.82
Argentina	22.38	28.83	35.99
Total	340.29	428.19	400.57 ⁽²⁾

(1) The figures are presented with information from our plant in Caorso (IT) starting from the presentation year 2023/24.

(2) There was a mathematical correction of previous year's amount.

Taxes paid as a taxpayer ^{(1) (2)}

Country	Corporate income tax and similar taxes on income			Local charges			Other taxes and duties, including custom duties			Total taxes paid as taxpayer		
	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22
Austria	-2.30	26.52	26.96 ⁽³⁾	3.68	3.25	2.98	4.71	4.33	3.95	6.09	34.10	33.89 ⁽³⁾
Germany	13.22	77.22	31.87	0.55	0.46	0.77	3.88	5.13	4.17	17.65	82.81	36.81
UK	11.29	11.34	12.94	0.00	0.00	0.00	6.15	5.92	5.18	17.44	17.26	18.13
Italy	0.23	0.00	0.00	0.17	0.00	0.00	0.19	0.00	0.00	0.59	0.00	0.00
France	2.87	6.39	11.03	1.51	1.99	1.32	2.29	2.14	1.92	6.67	10.52	14.27
Romania	-0.39	16.72	3.56	0.00	0.00	0.00	1.45	1.66	2.32	1.06	18.38	5.88
Russia	11.07	5.48	13.35	0.06	0.04	0.10	12.27	6.61	6.64	23.40	12.13	20.09
Turkey	4.35	5.29	0.00	0.00	0.00	0.00	0.77	2.04	0.81	5.13	7.33	0.81
Poland	1.61	1.93	1.29	0.00	0.00	0.00	1.37	1.28	3.44	2.98	3.21	4.73
USA	0.00	0.00	0.00	3.18	2.79	2.56	1.45	1.37	1.51	4.64	4.15	4.07
Argentina	0.91	0.17	2.42	0.65	1.01	1.00	1.32	1.97	2.39	2.88	3.15	5.81
Total	42.87	151.07	103.42	9.80	9.54	8.73	35.84	32.44	32.33 ⁽³⁾	88.51	193.04	144.49 ⁽³⁾

(1) Taxes paid by EGGER Group companies as taxpayers; Figures in EUR million

(2) The figures are presented with information from our plant in Caorso (IT) starting from the presentation year 2023/24.

(3) There was a mathematical correction of previous year's amount.

Taxes paid as a tax debtor ^{(1) (2)}

Country	Wage tax and other wage-related taxes			Value added tax and similar taxes and duties			Other taxes and duties			Total amount of taxes paid as a tax debtor		
	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22
Austria	19.51	17.46	16.52	2.43	1.88	1.77	3.75	0.91	1.46	25.69	20.25	19.75
Germany	26.79	23.86	22.62	12.77	17.38	20.78	0.27	0.28	0.68	39.83	41.52	44.08
UK	15.21	13.82	12.51	53.89	53.76	49.16	0.00	0.00	0.00	69.10	67.58	61.68
Italy	9.03	0.00	0.00	0.59	0.00	0.00	0.19	0.00	0.00	9.81	0.00	0.00
France	0.88	0.67	0.28	11.29	9.90	14.55	0.00	0.00	0.00	12.17	10.57	14.83
Romania	10.04	9.44	8.16	1.25	2.51	9.51	0.37	0.44	0.49	11.67	12.39	18.16
Russia	6.66	5.62	6.89	20.51	12.92	24.21	3.40	0.07	0.00	30.57	18.61	31.11
Turkey	0.25	2.02	5.64	3.11	4.93	0.00	0.30	0.23	0.04	3.66	7.18	5.68
Poland	6.44	5.41	4.52	16.59	18.45	19.08	0.47	0.41	0.27	23.49	24.26	23.87
USA	6.27	7.08	6.64	0.02	0.01	0.10	0.00	0.00	0.00	6.29	7.09	6.75
Argentina	2.21	1.63	2.71	17.29	24.05	27.47	0.00	0.00	0.00	19.50	25.69	30.18
Total	103.29	87.02	86.49	139.73	145.79	166.65	8.75	2.34	2.93	251.78	235.19	256.07

(1) Taxes paid by EGGER Group companies as tax debtors for other taxpayers; Figures in EUR million

(2) The figures are presented with information from our plant in Caorso (IT) starting from the presentation year 2023/24.

3.6 Annexes

GRI Index

In its structure, this Sustainability Report follows the material topics that were developed in line with the GRI standard. The GRI Index provides an overview of the contents.

[Download the GRI Index](#)

NaDiVeG Annex

The NaDiVeG Annex provides an overview of which parts of this report contain the content specified by the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) for the non-financial report. With the NaDiVeG, the NFRD was implemented in Austria and anchored in the Austrian Commercial Code.

[Download the NaDiVeG Annex](#)

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Reliable partner

At the right time. In the right place. With the right service. We are reliable. In every respect. Because we rely on long-term relationships and jointly developed solutions. By actively forming strategic partnerships with our customers. And by offering consistently high quality products and services. All this leads to cooperation without shortages.



4 R&D, Risk Management and Future Development

4.1 Research & development, innovation management

One key factor for sustainable success lies in the **development and market introduction of innovative solutions**. Demands on sustainability, in particular, require the continuous questioning and improvement of a company's processes and products.

A fully developed **innovation management system** for the strategic organization of our focal points in this area helps to secure goal-oriented, efficient and transparent actions. For example: our management system ensures that new products, processes and services always have a real benefit for our customers and further improve our sustainability performance. All areas of the EGGER Group are integrated in the innovation process, whereby various departments in product management and the Competence Center are especially active in the realization of R&D projects. A total of 53 new and further developments were in progress during the financial year 2023/24, whereby 10 were completed and 10 were started. Most of the R&D&I projects focused on resource efficiency, digitalization and improvements in the surface properties of our products.

The successful conclusion of the development process for our new **EGGER EcoBox** represents one milestone. This component can be used especially as a support and ceiling element and is made of finger-jointed solid wood that comes from our sawmill and our OSB boards. It gives our customers a product that sets new standards for functional characteristics and resource efficiency. We are also particularly proud of our recent developments in the EGGER Flammex product portfolio. Intensive work together with our supplier resulted in the development of laminates that make it possible to also offer all our decorative laminated products in fire protection class EURO-CLASS B-s1, d0 based on EN 13501-1. This innovation also achieves a significant reduction in the use of chemical additives, improves internal logistics and, in doing so, results in substantially more environmentally friendly production.

In addition to **cooperation with suppliers**, EGGER is also involved in research projects with **universities** and other **research institutions** to develop future-oriented technologies and facilitate their use in new and innovative products and resource-efficient processes. The reduction of process and product emissions and the development of new bonding systems based on renewable raw materials are special focal points. Long-standing cooperation with well-known international scientists have identified numerous solutions that could be successfully implemented on an industrial scale.

One process advanced to large-scale implementation in 2023/24: It leads to a substantial reduction in drying emissions through the specific pre-processing of the wood used in OSB boards and results in a final product that is far below the relevant threshold values.

A total of **EUR 9.8 million** was invested in R&D and innovation during the financial year 2023/24 (2022/23: EUR 9.7 million). Our teams spent nearly **33,000 hours** (2022/23: 31,000 hours) on research and development activities.

4.2 Risk management

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Risk management systems at EGGER

Entrepreneurial activities at EGGER are always connected with opportunities and risks. The central goals of the risk management system are to protect the company's continued existence and the attainment of our defined objectives. The risk management system therefore represents an integral part of the corporate strategy and value management.

The core elements of the risk management system are systematic risk controlling and the internal control system (ICS) with Group-wide guidelines and standards, external auditing by certified public accountants, regular internal audits, standardized reporting, and planning and controlling processes.

Financial and operating risks

The risk report in the notes provides information on the corporate risk policy. It was prepared within the context of risk controlling at EGGER and includes a detailed description of specific risks – e.g. financial, market, procurement, production, investment and climate risks.

Internal control system (ICS)

Internal control system

EGGER views the internal control system as an integral part of the risk management system. It supports the profitability of business processes, ensures the reliability of financial reporting, and guarantees compliance with applicable legal regulations in order to prevent or reduce damage to the Group.

The internal control system (ICS) is based on **Group guidelines and process standards**. In accordance with the decentralized structure of the EGGER Group, local management is responsible for the implementation of and compliance with these guidelines and standards. The Group guidelines are reviewed regularly by process managers and updated where necessary, while compliance is verified through internal audits by the process managers.

In connection with the audit of the Group's financial statements, a different corporate function is evaluated each year by the auditor for compliance with the ICS. **Controlling** formed the focal point for the audit in 2023/24.

Internal audits

Regular internal audits at two-year intervals involve the examination and analysis of processes along the value chain by Group experts from the staff departments together with the local specialist units. This procedure supports process optimization and ensures compliance with Group standards and guidelines as well as the correct performance of duties and the economic feasibility of processes. The measures which are defined by these audits and recorded in the EMS (Egger Management System) are summarized in an audit report. A follow-up report documents the successful implementation and completion.

The Russia-Ukraine conflict led to the adaptation of Group processes and guidelines for our Russian locations and intercompany work with these locations to ensure strict compliance with all sanctions. These processes and guidelines are evaluated regularly and adapted where necessary. Relations and dealings between the EGGER procurement organizations and their suppliers and service providers are based on the Group's code of conduct, which is applicable to all employees and available for review on our website under: www.egger.com/compliance.

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External examination by the auditor

Independent accounting firms are responsible for auditing the consolidated financial statements as well as the annual financial statements of all Group companies that are subject to a mandatory audit. These firms guarantee the application of uniform auditing standards through their international network and ensure the complete and efficient examination of the annual financial statements.

Monitoring, reporting, planning and controlling processes

Monitoring

EGGER uses a standardized Enterprise Resource Planning (ERP) system (SAP) throughout the Group, which facilitates the application of uniform standards and processes for accounting. This system also permits efficient reviews by the corporate IT department as well as external audits. A standardized closing cockpit was implemented throughout the Group to support the monthly and annual closing processes and facilitate the central monitoring of progress on the closing.

Further monitoring activities include automated IT process controls, authorization and role concepts as well as organizational procedures such as dual controls and the separation of functions. These systems and processes were also adapted to accommodate the sanctions imposed in connection with the Ukraine conflict.

Reporting

The central elements of the internal control system include Group-wide standardized monthly reporting and integrated planning and controlling processes. The full harmonization of internal and external accounting allows for the monthly reconciliation of reporting and creates a common database for all internal decisions.

The preparation of the consolidated financial statements is based on a corporate accounting guideline that is updated regularly and requires mandatory application by all companies included in the consolidation. This guideline defines the most important accounting and valuation methods under IFRS.

In addition to ongoing monitoring by independent auditors, the consolidated financial statements were reviewed twice by the Austrian Auditing Agency for Accounting (“Österreichische Prüfstelle für Rechnungslegung”). The procedures were concluded without the identification of any errors.

Planning process

Operational planning is based on quarterly rolling forecasts, which allow for the timely implementation of measures to counter increasing volatility. The results of operational planning flow into automated monthly cash flow forecasts and also into a five-year, medium-term forecast.

Major risks, opportunities and uncertainties

EGGER also analyzed the physical climate risks at all relevant production locations with the support of an external service provider during the financial year 2023/24. This study included a scenario analysis of the future effects over different time horizons, which did not identify any significant risks for the defined production locations.

The preparation of the consolidated financial statements generally includes climate-related risk factors through estimates and evaluations. There are currently no effects on the useful lives or residual values of our property, plant or equipment and intangible assets. As in previous years, no material effects of climate-related risk factors on reporting were identified in the relevant areas. There were also no material effects on individual positions during the reporting period.

4.3 Significant events after the balance sheet date

There were no significant events which would have led to a different presentation of the asset, financial or earnings position.

4.4 Expected Development / Outlook

4.4.1 Expected business and branch development

The latest forecast by the International Monetary Fund, the World Economic Outlook from April 2024, points to global growth of nearly 3.2%, or even somewhat lower, in the coming years. That also means a decline for the Chinese economy. In Europe, the GDP is expected to follow an increase of only 0.56% in 2023 with an improvement to slightly over 1.7% in 2025 and 2026.

The climate in the construction industry remains tense. A further reduction in completions – in both the residential and non-residential sectors – is forecasted for across Europe during 2024.

(Source: B+L Marktdaten)

In this challenging economic environment, we are focusing on the utilization of our newly created capacity together with our modern industrial base to achieve and maintain a competitive cost structure.

4.4.2 Expected earnings, financial and asset situation

The economic outlook for the financial year 2024/25 remains subdued. Weak markets and the resulting pressure on prices as well as numerous economic and social uncertainties will presumably have a negative effect on general demand.

Geopolitical and economic crises also have an impact on EGGER, especially in connection with hyperinflation and the dramatic market collapse in Argentina as well as the ongoing Russia-Ukraine conflict. We continue to stand by our responsibility for the roughly 1,200 employees in the two Russian plants and their families. Both plants are producing in compliance with all EU sanctions for economic relations between the EU countries relevant for EGGER and Russia and act independently. A strict compliance structure and program were established to ensure the observance of all EU sanctions and embargoes. The related measures are monitored continuously and adapted where necessary, whereby the separation of all IT systems in this connection is currently in progress. The uncertainty in our markets is additionally increased by the conflict in the Near East.

EGGER's **revenue and earnings expectations** are, consequently, subdued. The persistent pressure on the prices of our products as a result of weak demand is expected to continue during the current financial year, and we therefore expect revenues will reflect the 2023/24 level. The optimization of fixed and raw material costs should support a slight improvement in margins and a moderate increase in earnings.

Especially in these uncertain, volatile times, we are optimally prepared with our quarterly rolling planning to address the market dynamics and will also master the coming challenges. The progressive internationalization of our Group – with plants in North and South America and a network across Europe – ensures regional diversification and reduces the dependence on individual regions.

Our business model also gives us the flexibility to be **independent** in strategic areas, for example in energy supplies. We operate biomass power plants at all our larger locations operate to prevent a potential energy shortage and reduce or eliminate the use of fossil fuels.

We intend to continue the consistent pursuit of our strategy in spite of these difficult economic times. Further major investments are planned in the **sustainability** of our plants. Our activities in support of the circular economy include the expansion of the Timberpak recycling collection point network and investments in equipment to process recycling wood. Additional investments in existing plants are also planned and will focus on increasing laminating capacity and the use of recycling wood.

Our solid financial base forms the foundation for long-term relations with customers and suppliers and further internally generated stable growth. We are also aiming for **full capacity utilization** in our plants. We intend to continue the optimal use of our state-of-the-art industrial base and the productivity gains we have developed over these many years to our best advantage. To further strengthen our market position, we are continuing to concentrate on product diversity, market diversification and the constant innovation of our products, processes and services.

We are addressing the lack of specialists in many parts of the western world with extensive employee training as well as retention and development programs. We are well aware that we owe the previous and future success of our company to the qualifications and commitment of our more than 11,000 employees across the world.

This outlook includes forecasts that are based on current estimates for future developments in the EGGER Group. Uncertainty or risks in the market environment could influence these future developments and lead to variances from the current estimates.

St. Johann in Tirol, July 18, 2024



Thomas Leissing
Chief Financial Officer (CFO) and
Speaker of Group Management

Frank Bölling
Chief Supply Chain Officer (CSCO)

Michael Egger jun.
Chief Sales Officer (CSO)

Hannes Mitterweissacher
Chief Technology Officer (CTO)

Group Management



Consolidated Financial Statements as of April 30, 2024

of Egger Holzwerkstoffe GmbH,
St. Johann in Tirol

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Consolidated Income Statement

	Notes	2023/24 TEUR	2022/23 TEUR ⁽¹⁾
Revenues	(7)	4,132,484	4,449,681
Other operating income	(8)	77,464	45,297
Increase/decrease in inventories		-6,552	-36,164
Own work capitalized		10,196	9,459
Cost of materials	(9)	-2,258,163	-2,489,066
Personnel expenses	(10)	-728,996	-644,820
Depreciation and amortization ⁽²⁾	(17)	-340,794	-343,323
Other operating expenses	(11)	-732,867	-731,883
Operating profit		152,772	259,182
Financing costs	(12)	-79,097	-36,038
Other financial results	(12)	-6,661	13,603
Result from financial assets	(13)	8,165	7,390
Result from equity-accounted investments	(14)	3,463	2,287
Profit before tax		78,642	246,424
Income taxes	(15)	13,539	-8,907
Profit after tax		92,181	237,517
<i>Thereof attributable to non-controlling interests</i>		<i>5,239</i>	<i>8,711</i>
<i>Thereof attributable to holders of the hybrid bond</i>		<i>0</i>	<i>4,368</i>
<i>Thereof attributable to equity holders of the parent company</i>		<i>86,942</i>	<i>224,438</i>

⁽¹⁾ The previous reporting period amounts were adjusted according to IAS 8; refer to Note (2).

⁽²⁾ The 2023/24 reporting period includes impairment losses of TEUR 8,738 to goodwill held by the cash generating unit "Edging" and TEUR 42,156 to property, plant and equipment in the cash generating unit "Lexington" (2022/23: impairment losses of TEUR 69,929 to property, plant and equipment in the Russian cash generating unit "Gagarin").

Consolidated Statement of Comprehensive Income

	Notes	2023/24 TEUR	2022/23 TEUR ⁽¹⁾
Profit after tax		92,181	237,517
Revaluation of obligations arising from post-employment benefits for employees	(34)	-1,376	-489
Items that will not be reclassified to profit or loss		-1,376	-489
Currency translation adjustments	(28)	-24,660	-105,048
Currency translation adjustments from equity-accounted investments	(21)	-1,691	0
Items that could possibly be reclassified to profit or loss		-26,351	-105,048
Profit after tax recognized in other comprehensive income	(16)	-27,727	-105,538
Total comprehensive income for the period		64,454	131,980
<i>Thereof attributable to non-controlling interests</i>		<i>5,202</i>	<i>8,713</i>
<i>Thereof attributable to holders of the hybrid bond</i>		<i>0</i>	<i>4,368</i>
<i>Thereof attributable to equity holders of the parent company</i>		<i>59,252</i>	<i>118,899</i>

⁽¹⁾ The previous reporting period amounts were adjusted according to IAS 8; refer to Note (2).

Consolidated Balance Sheet

Assets

	Notes	30.04.2024 TEUR	30.04.2023 TEUR ⁽¹⁾	01.05.2022 TEUR ⁽¹⁾
Property, plant and equipment	(17)	2,591,378	2,360,543	2,147,410
Intangible assets	(17)	173,085	154,362	65,784
Investment property	(18)	422	435	447
Biological assets	(19)	3,197	3,454	3,916
Financial assets	(20)	31,081	23,852	19,643
Equity-accounted investments	(21)	91,954	37,369	37,346
Other assets	(24)	9,932	10,012	5,853
Deferred tax assets	(26)	208,131	162,129	113,798
Non-current assets		3,109,180	2,752,154	2,394,198
Inventories	(22)	642,003	620,355	647,021
Trade receivables	(23)	195,406	175,230	192,556
Other assets	(24)	135,964	102,367	104,768
Current tax assets		27,503	21,454	5,235
Financial assets	(20)	4,217	9,411	3,932
Cash and cash equivalents	(25)	251,764	465,962	418,148
Current assets		1,256,856	1,394,779	1,371,661
Total Assets		4,366,036	4,146,933	3,765,859

⁽¹⁾ The previous reporting period and opening balance 01.05.2022 amounts were adjusted according to IAS 8; refer to Note (2).

Equity and Liabilities

	Notes	30.04.2024 TEUR	30.04.2023 TEUR ⁽¹⁾	01.05.2022 TEUR ⁽¹⁾
Share capital and reserves	(27, 28)	1,801,348	1,765,830	1,735,111
Hybrid bond		0	0	145,060
Non-controlling interests	(29)	81,970	85,798	37,813
Equity		1,883,319	1,851,628	1,917,984
Financial liabilities	(30)	1,429,613	1,125,171	847,148
Other liabilities	(32)	76,603	78,758	9,255
Government grants	(33)	11,761	10,315	8,332
Provisions	(34)	161,789	155,430	156,653
Deferred tax liabilities	(26)	33,237	34,771	6,833
Non-current liabilities		1,713,003	1,404,444	1,028,221
Financial liabilities	(30)	134,312	252,910	134,417
Trade payables	(31)	419,767	430,976	397,818
Other liabilities	(32)	190,288	179,753	175,048
Government grants	(33)	1,970	1,661	1,280
Liabilities from income taxes		22,054	24,215	108,571
Provisions	(35)	1,323	1,345	2,519
Current liabilities		769,714	890,861	819,654
Total Equity and Liabilities		4,366,036	4,146,933	3,765,859

⁽¹⁾ The previous reporting period and opening balance 01.05.2022 amounts were adjusted according to IAS 8; refer to Note (2).

Consolidated Cash Flow Statement

	Notes	2023/24 TEUR	2022/23 TEUR
Profit before tax		78,642	246,424
Depreciation / amortization and impairment / write-up of property, plant, equipment and intangible assets	(17)	335,245	343,323
Impairment charges to and valuation of financial assets		107	2,763
Net interest income / expense	(12)	78,197	32,586
Use of government grants	(8)	-1,975	-1,500
Income/loss from the disposal of fixed assets		263	2,656
Result from investments accounted for using the equity method	(21)	-3,463	-2,287
Increase/decrease in long-term provisions		-2,619	-6,461
Income taxes paid (net)		-46,096	-158,778
Gross cash flow		438,301	458,726
Increase/decrease in inventories		-25,311	1,273
Increase/decrease in trade receivables		-37,194	36,095
Increase/decrease in other assets		-41,066	-28,960
Increase/decrease in trade payables		4,317	-18,932
Increase/decrease in other liabilities		7,118	17,835
Increase/decrease in current provisions		275	-736
Cash flow from changes in net current assets		-91,861	6,575
Cash flow from operating activities		346,440	465,301
Purchase of property, plant and equipment	(17)	-465,047	-404,232
Purchase of non-current intangible assets	(17)	-4,218	-3,455
Purchase of subsidiaries and other business units	(3)	-101,495	-94,612
Purchase of equity-accounted investments	(3)	-50,770	0
Distribution from equity-accounted investments	(21)	2,653	2,265
Purchase of financial assets		-12,670	-4,315
Proceeds from the disposal of financial assets		10,905	10,983
Proceeds from the disposal of property, plant and equipment and intangible assets		6,263	2,176
Cash flow from investing activities		-614,379	-491,190
Repurchase of hybrid bond		0	-146,659
Increase in financial liabilities	(30)	777,338	763,811
Repayment of financial liabilities / lease liabilities	(30)	-613,624	-449,400
Interest paid		-67,888	-22,229
Interest received		1,853	664
Distribution	(42)	-24,000	-44,000
Interest paid on hybrid bond		0	-5,387
Cash flow from financing activities		73,678	96,800
Net change in cash and cash equivalents		-194,261	70,911
Effects of exchange rate fluctuations on cash held		-19,937	-23,097
Cash and cash equivalents at the beginning of the financial year	(25)	465,962	418,148
Cash and cash equivalents at the end of the financial year	(25)	251,764	465,962

Statement of Changes in Equity

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	Share capital TEUR	Hybrid bond TEUR	Reserves TEUR ⁽¹⁾	Translation reserve TEUR	Controlling interests TEUR ⁽¹⁾	Non- controlling interests TEUR	Total TEUR ⁽¹⁾
Balance on 01.05.2022	11,509	145,060	2,055,217	-331,616	1,880,171	37,813	1,917,984
Profit for the year	0	0	228,806	0	228,806	8,711	237,517
Other comprehensive income	0	0	-491	-105,048	-105,540	2	-105,538
Total comprehensive income for the period	0	0	228,315	-105,048	123,267	8,713	131,980
Repurchase Hybrid bond	0	-145,060	-1,599	0	-146,659	0	-146,659
Addition / Disposal of non-controlling interests	0	0	0	0	0	55,131	55,131
Puttable non-controlling interests	0	0	-58,439	0	-58,439	0	-58,439
Distribution	0	0	-28,142	0	-28,142	-15,858	-44,000
Interest paid on hybrid bond	0	0	-4,368	0	-4,368	0	-4,368
Balance on 30.04.2023	11,509	0	2,190,985	-436,664	1,765,830	85,798	1,851,628
Profit for the year	0	0	86,942	0	86,942	5,239	92,181
Other comprehensive income	0	0	-1,338	-26,351	-27,690	-37	-27,727
Total comprehensive income for the period	0	0	85,604	-26,351	59,252	5,202	64,454
Puttable non-controlling interests	0	0	-8,764	0	-8,764	0	-8,764
Distribution	0	0	-14,970	0	-14,970	-9,030	-24,000
Balance on 30.04.2024	11,509	0	2,252,855	-463,016	1,801,348	81,970	1,883,319

⁽¹⁾ The previous reporting period amounts were adjusted according to IAS 8; refer to Note (2).

Notes to the Consolidated Financial Statements as of April 30, 2024

General Information

(1) The company

Egger Holzwerkstoffe GmbH, together with its subsidiaries, is a leading producer and supplier of wood materials. Business activities at the 22 production facilities are concentrated primarily on the following areas:

- Production and sale of carrier materials made of wood (chipboard, MDF, HDF, compact and lightweight boards) as well as edgings and laminates.
- Production and sale of laminates and design flooring, OSB and DHF boards and sawn timber.

The headquarters of the company are located at Weiberndorf 20, 6380 St. Johann in Tirol, Austria.

The consolidated financial statements include the parent company, Egger Holzwerkstoffe GmbH, St. Johann i.T., as well as the subsidiaries under its control.

(2) Basis of preparation

These consolidated financial statements as of April 30, 2024 were prepared pursuant to the provisions of § 245a of the Austrian Commercial Code and in agreement with the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC and SIC) that were formulated by the International Accounting Standards Board (IASB), adopted by the European Union and called for mandatory application as of the balance sheet date.

The consolidated financial statements were prepared on the basis of historical acquisition and production cost, with the exception of the following: derivative financial instruments, financial instruments carried at fair value through profit or loss, biological assets, provisions for pensions and similar obligations, and the purchase price liabilities from company acquisitions. These latter items are carried at fair value.

The consolidated financial statements are prepared in thousand Euros (rounded). The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts and percentage rates.

Initial application of standards and interpretations

The IASB issued changes to IAS 12 in May 2023 (adopted by the EU in November 2023) which create a mandatory exemption for the accounting treatment of deferred taxes from the introduction of Pillar II regulations; EGGER applied this exemption accordingly. The initial application of the other new standards and changes to standards issued by the IASB which were relevant for the 2023/24 financial year had no material effect on the consolidated financial statements (IFRS 17 Insurance Contracts, IFRS 17: Initial application, IAS 8: Definition of accounting estimates, IAS 1: Disclosure of accounting policies, IAS 12: Deferred taxes related to assets and liabilities from a single transaction).

Standards and interpretations to be applied in the future

The following standards and interpretations were announced by the IASB but did not require application in the financial year 2023/24. Egger Holzwerkstoffe GmbH did not elect to utilize the option that permits earlier application. These new or amended standards and interpretations are not expected to have any material effect on the consolidated financial statements.

Standards/Interpretations		Adopted by the EU	Mandatory application as of
IFRS 16	Change: Lease liability in a Sale and Leaseback	20.11.2023	01.01.2024
IAS 1	Change: Classification of liabilities as current or non-current, including deferral of the effective date, and non-current liabilities with covenants	19.12.2023	01.01.2024
IAS 1	Change: Non-current liabilities with covenants	19.12.2023	01.01.2024
IAS 7, IFRS 7	Change: Disclosures to supplier finance arrangements	open	01.01.2024
IAS 21	Change: Effects of changes in foreign currency rates - lack of exchangeability	open	01.01.2025

Correction of errors in accordance with IAS 8

In connection with the integration of the majority interest in the Italian SAIB S.p.A., which was acquired during the previous financial year, the future put options held by the non-controlling shareholders were not recognized in the annual financial statements as of April 30, 2023. IAS 32 requires the recognition of a liability for unconditional put options. Since the dividend rights and the risks and opportunities arising from changes in value remain with the non-controlling shareholders, this investment continues to represent equity for EGGER which must be reported under non-controlling interests. In accordance with the applied “present access method“, the equity attributable to the controlling shares must be reduced accordingly. The liability from the put options is measured as the present value of the expected future exercise price of the options, which was estimated, among others, on the basis of defined multiples and the company’s expected EBITDA. A previously made prepayment which was recorded under other assets was recognized as a reduction of the liability. The contract includes various options, and the measurement of the liability was therefore based on the assumption that the non-controlling shareholders would exercise their unconditional put option at the earliest possible date.

Additionally, a recently granted tax credit in Poland was matched with the conditions for a credit granted in 2017. It was then determined that the correct procedure in both cases was to recognize a tax credit, and a deferred tax asset was recognized for each of these two credits. The retrospective recognition of the tax credit granted in 2017 therefore represents an error correction in accordance with IAS 8.

These two effects were recognized retrospectively:

Adjustment of the Consolidated Income Statement 2022/23	2022/23 TEUR published	Adjustment	2022/23 TEUR adjusted
Income taxes	-6,609	-2,298	-8,907
Profit after tax	239,815	-2,298	237,517
<i>Thereof attributable to equity holders of the parent company</i>	<i>226,736</i>	<i>-2,298</i>	<i>224,438</i>
Total comprehensive income for the period	134,278	-2,298	131,980
<i>Thereof attributable to equity holders of the parent company</i>	<i>121,197</i>	<i>-2,298</i>	<i>118,899</i>

Adjustment of the Consolidated Balance Sheet 01.05.2022	01.05.2022 TEUR published	Adjustment	01.05.2022 TEUR adjusted
Deferred tax assets	88,165	25,633	113,798
Non-current assets	2,368,565	25,633	2,394,198
Total Assets	3,740,226	25,633	3,765,859
Share capital and reserves	1,709,478	25,633	1,735,111
Equity	1,892,351	25,633	1,917,984
Total Equity and Liabilities	3,740,226	25,633	3,765,859

Adjustment of the Consolidated Balance Sheet 30.04.2023	30.04.2023 TEUR published	Adjustment	30.04.2023 TEUR adjusted
Other assets	23,012	-13,000	10,012
Deferred tax assets	138,794	23,335	162,129
Non-current assets	2,741,819	10,335	2,752,154
Total Assets	4,136,598	10,335	4,146,933
Share capital and reserves	1,800,934	-35,104	1,765,830
Equity	1,886,732	-35,104	1,851,628
Other liabilities	33,319	45,439	78,758
Non-current liabilities	1,359,005	45,439	1,404,444
Total Equity and Liabilities	4,136,598	10,335	4,146,933

(3) Scope of consolidation

The consolidated financial statements include the parent company, Egger Holzwerkstoffe GmbH, as well as 20 fully consolidated domestic subsidiaries (April 30, 2023: 18) and 36 foreign subsidiaries (April 30, 2023: 35) which are controlled by Egger Holzwerkstoffe GmbH. Egger Holzwerkstoffe GmbH is considered to exercise control over a company when it is exposed to the risk of, or has rights to, variable returns from its involvement in the company and can affect the amount of these returns through its power over the company.

Four foreign companies (April 30, 2023: two) are included in the consolidated financial statements at equity.

A list of the companies included in the consolidated financial statements of Egger Holzwerkstoffe GmbH is provided under Note (44) List of investments.

The **changes in the scope of consolidation** during 2023/24 are as follows:

Two new holding companies were founded: Egger APAC Holding GmbH, St. Johann i.T. (AT), and SG Holding GmbH, St. Johann i.T. (AT). EGGER holds 100% of the shares in each of these companies.

The contract for the acquisition of the Rauch chipboard plant in Markt Bibart (DE) was signed in September 2023, and the purchase formally closed in November 2023 following its release by the antitrust authorities. The transaction covers 100% of the shares in Rauch Spanplattenwerk GmbH together with all necessary operating assets, including land and buildings, which were leased to Rauch Spanplattenwerk GmbH by the former holding company. According to the contract, the seller is also entitled from an economic standpoint to the income from future emission certificates that it does not need up to and including 2030; this part of the contract was therefore excluded from the scope of application of IFRS 3. This investment underscores our strategy for further growth in our home market of Europe. The acquisition was initially included in the consolidated financial statements as of November 2023. The name of the acquired company was changed to Egger Holzwerkstoffe Markt Bibart GmbH following the transaction.

The initial consolidation under IFRS 3 resulted in goodwill of TEUR 24,072, which generally reflects expected synergy effects between the Rauch chipboard plant and the EGGER Group as well as the acquired employee know-how. This goodwill from the initial consolidation is not deductible for tax purposes.

The allocation of the purchase price based on the fair value of assets and liabilities on the acquisition date is as follows:

Group value Rauch Spanplattenwerk Markt Bibart	TEUR
Property, plant and equipment	67,742
Intangible assets	9,886
Inventories	14,026
Receivables and other assets	6,019
Deferred tax liabilities	-2,749
Liabilities	-16,103
Provisions	-1,265
Net amount of acquired assets	77,556
Goodwill	24,072
Purchase price	101,628
Acquired cash and cash equivalents	-132
Net cash payment for the acquisition	101,495

The EGGER Group's revenues for 2023/24 were increased by income and expenses of TEUR 45,644 from the acquired unit which were included since the initial consolidation. Profit after tax was reduced by TEUR 608. If the acquisition had taken place at the beginning of the financial year on May 1, 2023, Group revenue would have totaled TEUR 4,178,663 and profit after tax TEUR 91,573.

The transaction costs for the acquisition equaled TEUR 151 and are included on the income statement under other expenses and in cash flow from operating activities.

The purchase of a 50% interest in the British Pearce Holding St. Albans Ltd., St. Albans (UK), and the conclusion of a joint venture agreement created a joint venture at the beginning of November 2023 which is designed to strengthen recycling activities in Great Britain. This company was included in the consolidated financial statements at equity as a joint venture (IAS 28) as of November 2023. The previous, unconsolidated joint venture Timberpak Pearce Ltd., Woking (UK), was merged into Pearce Recycling Company Ltd., a subsidiary of Pearce Holdings St. Albans Ltd., following the transaction.

The purchase of a minority interest of 25.1% in the corporate group Panel Plus Co. Ltd., Hat Yai (TH), was finalized at the beginning of January 2024. The acquisition of an investment in this Thai wood materials producer is intended to further strengthen EGGER's market position in the Asian region. The corporate group was included as of January 2024 at equity as an associate (IAS 28) in the consolidated financial statements.

The following changes had no effect on the scope of consolidation:

Timberpak Hungary Kft., Budapest (HU), was newly founded and will carry out recycling activities in Hungary in the future. Additional sales and supply companies were also founded in Greece, Turkey and Thailand but are currently not active. EGGER holds 100% of the shares in each of these companies, which were not included in the scope of consolidation due to a lack of materiality.

S.I.S.T.E.M.I. S.p.A., Cremona (IT), was merged into SAIB S.p.A., Caorso (IT).

The unconsolidated sales company Egger Australasia Pty Ltd, Sydney (AU), and Egger Productos de Madera Limitada, Santiago (CL), were liquidated during the reporting year.

(4) Basis of consolidation

In accordance with IFRS 3, a **subsidiary** is initially consolidated as of the acquisition date by allocating the acquisition cost to the revalued assets acquired and the revalued liabilities and contingent liabilities assumed (purchase method). Acquisition-related costs are expensed as incurred.

EGGER decides on an individual basis for each business combination whether the non-controlling interests in the acquired company will be accounted for at fair value or based on the proportional share of net assets in the acquired company. Non-controlling interests in the equity of consolidated companies are reported as a separate position under equity. The share of annual profit after tax attributable to non-controlling interests is shown separately on the income statement.

Any agreement for contingent consideration in connection with the acquisition of a company is recognized as an asset or a liability at the applicable fair value. Subsequent changes in the fair value of contingent consideration are recognized to profit or loss and recorded on the income statement.

A change in the amount of an investment in a subsidiary without the loss of control is accounted for as a transaction within equity. Accordingly, the difference between the cost of the additional shares and the proportional carrying amount of the non-controlling interests is offset against reserves.

All receivables, liabilities, revenues and expenses arising from transactions between consolidated companies are eliminated. The consolidation process also includes the elimination of interim results from the provision of goods and services between Group companies, unless these items are immaterial.

Shares in **joint ventures and associates** are initially recognized at acquisition cost as of the purchase date in accordance with the equity method. In subsequent periods, the carrying amount is adjusted to reflect the proportional share of profit or loss generated by the respective company. Distributions received reduce the carrying amount of the investment. For companies consolidated at equity, goodwill from the initial consolidation is included in the amortized carrying amount of the investment.

(5) Foreign exchange translation and financial reporting in hyperinflationary economies

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Transactions in a foreign currency

The individual Group companies record foreign currency transactions at the average exchange rate in effect on the transaction date. Monetary assets and liabilities are translated into Euros at the average rate in effect on the balance sheet date. Any resulting translation gains and losses are recognized to profit or loss in the respective financial year.

Translation of foreign currency financial statements

The annual financial statements of Egger Holzwerkstoffe GmbH are prepared in Euros. The respective local currency represents the functional currency for subsidiaries located outside the Eurozone, with the exception of Egger Dekor A.S., Turkey, whose functional currency is the Euro. The assets and liabilities (including goodwill and valuation adjustments resulting from initial consolidations) in the financial statements of companies that do not report in the Euro are translated at the average rate in effect on the balance sheet date. Any resulting translation gains or losses are recorded to a separate item under equity without recognition through profit or loss and recognized to the income statement when the company is deconsolidated. Income statement items are translated at the weighted average exchange rate for the financial year.

Unrealized foreign exchange translation differences arising from long-term shareholder loans (net investments) are recorded under the translation reserve without recognition through profit or loss. These differences are transferred to the income statement when the foreign company is sold in full or in part.

The **exchange rates** used for foreign currency translation developed as follows during the reporting year:

		Closing rate on 30.04.2024	Closing rate on 30.04.2023	Average rate for the year 2023/24	Average rate for the year 2022/23
1 British Pound	EUR	1.16989	1.13572	1.16184	1.15158
100 Russian Rubles	EUR	1.02000	1.13200	1.02121	1.49230
1 New Romanian Leu	EUR	0.20097	0.20262	0.20138	0.20292
1 Polish Zloty	EUR	0.23141	0.21792	0.22680	0.21300
1 Argentinian Peso	EUR	0.00107	0.00408	0.00224	0.00606
1 US Dollar	EUR	0.93301	0.91066	0.92447	0.95897
1 Turkish Lira	EUR	0.02886	0.04682	0.03318	0.05241
1 Thai Baht	EUR	0.02517	–	0.02557	–

Financial Reporting in Hyperinflationary Economies (IAS 29)

The provisions of IAS 29 “Financial Reporting in Hyperinflationary Economies” were relevant for the subsidiary Egger Argentina SAU, Buenos Aires, for the first time in the financial year 2018/19 because of changes in the general purchasing power of the functional currency. The gains and losses resulting from inflationary adjustments to the carrying amounts of non-monetary assets (machinery, goodwill and customer benefits) and liabilities and to material income statement positions are recorded under other operating income or other operating expenses. The calculation of the inflationary adjustments to non-monetary assets is based on the “Argentina National CPI Index D” issued by Bloomberg. This index rose by 289.41% from May 1, 2023 to April 30, 2024 (May 1, 2022 to April 30, 2023: 108.83%). Due to the full write-off recognized as of April 30, 2019, no further revaluations were recognized to profit or loss.

Turkey was initially classified as a hyperinflationary country under IAS 29 in 2021/22. However, this has no impact on the Turkish company, Egger Dekor A.S., Gebze, because the Euro is defined as its functional currency. The Turkish sales company, Egger Orman Ürünleri, Gebze, normally only consolidates internal supply and service relationships. An IAS 29 adjustment was therefore waived for this company because the related amounts are immaterial.

(6) Significant accounting policies

The applied **accounting and valuation methods** are described under the respective positions in the notes.

The preparation of the consolidated financial statements requires **discretionary assessments** as well as the use of assumptions that influence the recognition of assets and liabilities, the disclosure of other obligations as of the balance sheet date, and the recording of revenues and expenses during the reporting period. The actual amounts that become known at a later date may differ from these estimates.

EGGER carried out an analysis, similar to the previous year, of the physical climate risks for all relevant production locations with the support of an external service provider in 2023/24. This study included a scenario analysis of the future effects over various time horizons and did not identify any significant risks for the defined production locations.

The preparation of the consolidated financial statements basically includes climate-related risk factors through estimates and evaluations. There are currently no effects on the useful lives or residual values of our property, plant or equipment and intangible assets. As in previous years, no material effects from climate-related risk factors on reporting were identified in the relevant areas. There were also no material effects on individual positions during the reporting period.

Assumptions that carry a significant risk of material adjustment to the carrying amounts of assets and liabilities during the coming financial years are explained under the respective notes.

Notes to the Income Statement and Statement of Comprehensive Income

(7) Revenues and segment reporting

§ Accounting and valuation methods

Egger's business model covers the production and sale of wood materials. **Revenues** from the sale of products are recognized when the customer receives the goods and assumes the control connected with the transfer of ownership. Recognition takes place at the point in time when the revenues and related costs can be reliably determined, when the receipt of payment is probable, and when there is no further right of disposal over the goods. For EGGER, this generally represents the delivery date as specified in the agreed delivery terms.

Chipboard with special or individually designed decors and private label flooring are produced in smaller volumes for individual customers. In accordance with IFRS 15, revenues from the production of these customer-specific wood materials are recognized when control is transferred to the customer in accordance with the delivery terms. Revenue cannot be recognized over time in these cases because an alternative use can be found for each of these products.

Significant costs for obtaining a contract are only recognized when the contract term exceeds one year. The EGGER Group has no such costs at the present time.

Certain flooring contracts give customers the right to return the products at a later date. Past records show that the related returns are immaterial, and revenues were therefore not reduced to reflect subsequent returns.

Revenues are presented after the deduction of price reductions, discounts and turnover bonuses. Commissions for independent sales representatives are recorded under operating expenses.

The period between the transfer of the goods to customers and payment by the customers is generally less than one year. Consequently, revenues are not adjusted to include a financing component. The timing of receivables payments is based on the agreed payment terms.

Segment reporting is based on the management reports which are regularly used by key decision-makers to evaluate the earning power of the individual segments and to allocate resources. In the EGGER Group, Group Management serves as the key decision-maker.

An organizational change was implemented as of May 1, 2023 which integrated EGGER Flooring Products in the EGGER Building Products segment. This reorganization creates a simpler structure for the location in Wismar (DE), which produces and markets both flooring and OSB, and will permit the realization of synergies in production, logistics and sales. In addition, the Components Division was established. The EGGER Group now comprises two segments: EGGER Decorative Products, with its five regional divisions West, Central, East, Americas and Components, and EGGER Building Products, with the OSB, sawmill and flooring businesses.

The prior year data were adjusted for comparative purposes to reflect the new structure.

The divisions in the Decorative Products Segment (Central, West, East, Americas, Components) are aggregated for reporting because they have comparable economic characteristics and risks as well as similar products, production processes, customer groups and sales channels.

The individual segments manufacture and sell the following products:

Segments

Decorative Products	Production and sale of carrier materials made of wood (chipboard, MDF, HDF, compact and lightweight boards) as well as edgings and laminates.
Building Products	Production and sale of laminates and design flooring as well as OSB and DHF boards and sawn timber.

The accounting principles applied by the above segments are the same as the accounting principles applied by the Group, which are described under the section “Significant accounting policies”. Assets and liabilities as well as income and expenses were allocated to the individual segments. The provision of goods and services between the individual segments generally reflects third party conditions and is regulated by a Group-wide transfer pricing guideline.

Explanations

Segment information 2023/24	Decorative Products TEUR	Building Products TEUR	Consolidation TEUR	Total TEUR
Third party revenues	3,595,918	536,566	0	4,132,484
Inter-company revenues	33,076	168,314	-201,390	0
Total Revenues	3,628,994	704,880	-201,390	4,132,484
Segment results (operating EBITDA)	500,306	-6,740	0	493,566
Scheduled depr./amort.	255,406	28,290	0	283,696
Impairment	57,098	0	0	57,098
Operating profit				152,772
Investments	390,207	76,900	0	467,107
Additions from consolidation scope changes	101,700	0	0	101,700
Segment information 2022/23	Decorative Products TEUR	Building Products TEUR	Consolidation TEUR	Total TEUR
Third party revenues	3,743,029	706,652	0	4,449,681
Inter-company revenues	30,907	197,034	-227,941	0
Total Revenues	3,773,936	903,686	-227,941	4,449,681
Segment results (operating EBITDA)	555,938	46,567	0	602,505
Scheduled depr./amort.	232,770	28,183	0	260,953
Impairment	80,879	1,491	0	82,370
Operating profit				259,182
Investments	377,392	68,568	0	445,960
Additions from consolidation scope changes	229,062	0	0	229,062

Information by geographical region

Revenues by regions ⁽¹⁾	2023/24 TEUR	2022/23 TEUR
Austria	80,588	102,454
Western Europe	2,122,781	2,182,216
Central and Eastern Europe plus Russia	1,217,817	1,308,199
Americas	429,705	561,329
Other countries	281,594	295,482
Total ⁽²⁾	4,132,484	4,449,681

(1) Regional assignment based on the location of the customer

(2) thereof Russia 7,1 % (2022/23: 7,9 %)

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There are no relationships with individual customers that can be classified as material based on the respective share of Group revenues.

Non-current assets ⁽¹⁾ by regions ⁽²⁾	2023/24 TEUR	2022/23 TEUR
Austria	379,685	301,381
Western Europe	1,308,443	1,071,675
Central and Eastern Europe plus Russia	649,054	663,996
Americas	430,903	481,741
Total ⁽³⁾	2,768,085	2,518,794

(1) Property, plant and equipment, Intangible assets, Investment property, Biological assets

(2) Region assignment by the location of the assets

(3) thereof Russia 3,5 % (2022/23: 4,3 %)

(8) Other operating income

Explanations

	2023/24 TEUR	2022/23 TEUR
Income from investment property	61	65
Gains on the sale of property, plant and equipment	1,732	765
Income from subsidies, allowances and emission certificates	28,931	14,343
Use of government grants	1,975	1,500
Miscellaneous operating income	44,764	28,623
	77,464	45,297

Miscellaneous operating income consists primarily of income from recycling, expenses charged out, compensation for damages and the write-down of liabilities.

(9) Cost of materials

Explanations

	2023/24 TEUR	2022/23 TEUR
Cost of materials	2,225,721	2,467,314
Cost of services	32,442	21,752
	2,258,163	2,489,066

Energy subsidies of TEUR 3,433 were recognized as a reduction to the cost of materials (2022/23: TEUR 10,133).

(10) Personnel expenses

Explanations

	2023/24 TEUR	2022/23 TEUR
Wages	313,429	280,200
Salaries	259,129	226,541
Expenses for pensions	6,554	5,800
Expenses for termination payments and contributions to external employee pension funds	2,856	2,459
Payroll-related taxes and duties	121,024	108,347
Other employee benefits	26,004	21,473
	728,996	644,820

Average number of employees	2023/24	2022/23
Production and logistics	9,707	9,263
Sales and administration	1,859	1,724
	11,566	10,987

Part-time employees are included in the above statistics based on the time worked.

(11) Other operating expenses

Explanations

	2023/24 TEUR	2022/23 TEUR
Freight and logistics	320,852	355,978
Maintenance and repairs	120,757	100,412
Temporary personnel	40,227	44,967
Legal and consulting fees	28,899	25,617
Advertising	25,111	16,515
Miscellaneous taxes	22,677	25,201
Insurance	16,275	15,018
Expenses for low-value and short-term leases and variable lease payments	8,102	5,977
Losses on the disposal of non-current assets	2,101	3,020
Change in the fair value of biological assets	522	664
Expenses arising from investment property	17	15
Miscellaneous operating expenses	147,326	138,502
	732,867	731,883

Miscellaneous operating expenses consist primarily of waste disposal costs, travel expenses, operating costs for the motor vehicle pool, telephone and license fees as well as selling expenses.

(12) Financing costs and other financial results

§ Accounting and valuation methods

Financing costs include the interest on borrowings, lease liabilities and long-term employee benefits as well as similar expenses and fees.

Other financial results include interest income, exchange rate gains/losses and the profit or loss on derivative financial instruments.

📌 Explanations

	2023/24 TEUR	2022/23 TEUR
Interest expense from financing	65,313	25,421
Interest expense from provisions for employee benefits	7,808	6,266
Interest expense from lease liabilities	881	728
Interest expense/income (netted) from the discounting/compounding of receivables, liabilities and provisions	666	-156
Total interest expense	74,668	32,259
Other financing costs	4,429	3,779
Financing costs	79,097	36,038
Interest income	-2,059	-929
Currency translation gains/losses from financing	7,561	-10,151
Result from derivative financial assets	1,159	-2,523
Other financial results	6,661	-13,603
	85,758	22,435

Other financing costs consist primarily of commitment fees, fees for bills of exchange, interest expense on subsequent tax payments, discounts, and guarantee and liability fees.

The result from derivative financial instruments is primarily attributable to the fair value measurement of the other options (see Note (39) Financial instruments).

The above income and expenses are attributable solely to the category “at amortized cost”, with the exception of financial derivatives and purchase price liabilities from company acquisitions.

All fixed-interest promissory note loans (carrying amount of the underlying transaction: TEUR 329,325; April 30, 2023: TEUR 419,559) were or will be converted to variable interest through interest rate swaps.

The following table shows the changes in the underlying transactions and hedging instruments that were recognized to profit or loss for fair value hedges:

	2023/24 TEUR	2022/23 TEUR
From hedged items (underlying transactions)	0	-139
From hedging instruments	0	139
Ineffectiveness (bank loans)	0	0
From hedged items (underlying transactions)	6,274	-8,781
From hedging instruments	-5,973	8,779
Ineffectiveness (promissory note loans)	301	-3

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(13) Income from financial assets

§ Accounting and valuation methods

The income from financial assets includes interest, dividends and similar income received from the investment of cash and cash equivalents and investments in financial assets as well as gains and losses on the sale or impairment of financial assets. Interest is accrued according to the effective interest method. Dividends are recognized when a legal entitlement to the distribution arises.

🔍 Explanations

	2023/24 TEUR	2022/23 TEUR
Realized results from securities and monetary investments (net income)	6,433	6,522
Unrealized results on securities and monetary investments (net income)	41	92
Expenses for other financial assets	-106	-507
Income from other financial assets	1,796	1,322
Adjustment to impairment allowance (IFRS 9) for loans	0	-39
	8,165	7,390

The expenses for other financial assets primarily represent losses on the disposal of unconsolidated investments.

The income from other financial assets resulted chiefly from distributions received from unconsolidated investments.

The entire securities portfolio is carried at fair value through profit or loss, and the results are therefore attributable in full to this category. The income and expenses from other financial assets are also related to the category "at fair value through profit or loss". The income and expenses from valuation adjustments to loans are allocated to the category "at amortized cost".

(14) Result from equity-accounted investments

🔍 Explanations

The result from equity-accounted investments includes the proportional share of annual profit from Horatec GmbH (DE) and CLEAF S.p.A. (IT). This position also includes the proportional share of annual profit from the investments in Pearce Holdings St. Albans Ltd (UK) and Panel Plus Co. Ltd. (TH), both of which were acquired during the reporting year, beginning on the initial consolidation date.

Also see Note (21) Equity-accounted investments.

(15) Income taxes

§ Accounting and valuation methods

The income taxes shown for the reporting year include the income tax calculated on profit before tax for the individual companies based on the applicable national tax rate (actual income taxes) as well as the change in deferred taxes. Actual and deferred taxes are principally recorded on the income statement unless they involve items which are recognized directly in other comprehensive income.

Information on deferred taxes is provided under Note (26) Deferred taxes.

🔍 Explanations

Income taxes comprise the following:

	2023/24 TEUR	2022/23 TEUR
Income taxes	40,189	58,463
Deferred taxes	-53,729	-49,556
	-13,539	8,907

The difference between the expected tax liability and the reported income tax expense is attributable to the following factors:

	2023/24		2022/23	
	TEUR	%	TEUR	%
Profit before tax	78,642		246,424	
Thereof income tax at a rate of 23.7 % (2022/23: 24.7 %)	18,615	23.7%	60,793	24.7%
Decrease / increase in taxes due to:				
Other tax rates	-3,839	-4.9%	6,925	2.8%
Tax expense and income from prior periods	-5,270	-6.7%	5,020	2.0%
Changes in tax rates	-9	0.0%	-1,077	-0.4%
Tax effect from non-deductible withholding taxes	2,760	3.5%	1,015	0.4%
Non-deductible expenses	5,538	7.0%	3,343	1.4%
Tax credits	-7,609	-9.7%	-4,548	-1.8%
Change in valuation allowances of deferred tax assets	20,367	25.9%	-6,846	-2.8%
Non-deductible impairment charges of goodwill	2,185	2.8%	0	0.0%
Partial depreciation and write up for tax purposes	-27,121	-34.5%	-44,758	-18.2%
Interest on hybrid bond	0	0.0%	-836	-0.3%
Tax-free income	-3,990	-5.1%	-4,216	-1.7%
Other ⁽¹⁾	-15,166	-19.3%	-5,908	-2.4%
Effective tax expense	-13,539	-17.2%	8,907	3.6%

(1) thereof TEUR -14,123 (2022/23: TEUR -13,467) from special tax law in Argentina due to prevailing hyperinflation

A tax group was established in Austria in accordance with § 9 of the Austrian Corporate Tax Act, whereby Egger Holzwerkstoffe GmbH serves as the head of the group and various Austrian companies are members. Tax settlement between the head of the group and the individual group members is regulated by tax allocation contracts. A comparable tax group was also established for the companies in Great Britain. In addition, a tax group for income tax purposes was created with Egger Holzwerkstoffe Brilon GmbH & Co. KG as the controlling company and individual German companies as subsidiaries. Contracts for the transfer of profit and loss were concluded between the controlling company and the subsidiaries.

The Polish company was granted a tax credit in connection with the previous construction of a plant due to its location in a special economic zone. This tax credit can be used up to 2026 and up to a maximum amount. In addition, the depreciation of property, plant and equipment and the amortization of intangible assets for tax purposes which were purchased by the end of 2020 will start when the tax credit ends – which leads to deferred taxes on temporary differences. In addition, a further tax credit will take effect in 2027 in connection with a Polish program

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for business support; this credit is valid up to a defined maximum amount and up to 2037 at the latest. The benefits are linked to requirements that include jobs and investment costs, all of which will be met from the current point of view. The related effects are reported on the tax reconciliation under “tax credits”.

The OECD model regulations for a global minimum tax system (Pillar II) were published in December 2021. This minimum tax system is intended to ensure that corporations with worldwide revenues of at least TEUR 750,000 are subject to an effective tax rate of at least 15% in the countries where they are active. Council Directive (EU) 2022/2523 to introduce a global minimum tax for multinational enterprises and large-scale domestic groups in the Union was approved in December 2022. Austria implemented this directive in national law with the Minimum Tax Reform Act of December 30, 2023.

Many of the countries where EGGER is active are currently involved in legislative processes to implement the global minimum tax system. New tax laws have already taken effect in some of these countries, whereby the initial application up to now extends to financial years beginning after January 1, 2024. EGGER is currently evaluating the effects of the new minimum tax system. However, the quantitative effects cannot be reliably estimated at the present time due to the complexity of the rules and the related calculations. EGGER assumes that the tax rates in some countries will be lower than the 15% effective tax rate but, based on current knowledge, no material additional tax expense is expected in these jurisdictions due to the fulfilment of safe harbor rules. EGGER is monitoring the effects of the legal implementation of the global minimum tax system in relevant jurisdictions and is working on a group-wide IT-supported reporting solution.

(16) Additional information on the statement of comprehensive income

Explanations

There were no reclassifications of the currency translation differences recorded under other comprehensive income to the income statement in 2023/24 or 2022/23.

The income tax effects of the earnings recorded under other comprehensive income are shown below:

	2023/24 TEUR			2022/23 TEUR		
	Before tax	Taxes	After tax	Before tax	Taxes	After tax
Revaluation of obligations arising from post-employment benefits for employees	-1,807	431	-1,376	-644	154	-489
Currency translation differences	-21,721	-2,940	-24,660	-100,205	-4,843	-105,048
Currency translation adjustments from equited-accounted investments	-1,691	0	-1,691	0	0	0
Total income and expenses recognized in other comprehensive income	-25,219	-2,509	-27,727	-100,849	-4,689	-105,538

Notes to the Balance Sheet, Cash Flow Statement and Statement of Changes in Equity

(17) Property, plant and equipment and intangible assets

§ Accounting and valuation methods

Property, plant and equipment are recorded at acquisition or production cost, less accumulated depreciation and any necessary impairment losses. The production cost of self-constructed property, plant and equipment comprises direct costs and an appropriate component of overheads. Costs incurred for an asset in subsequent periods are only capitalized if they lead to a significant increase in future opportunities for use, e.g. through expanded service potential or a significant extension of the asset's useful life.

Major components of property, plant and equipment with significantly different patterns of use are recognized separately in accordance with the component approach and depreciated based on their respective useful life.

Borrowing costs, including related transaction costs, are capitalized for qualifying assets.

Purchased intangible assets are recorded on the balance sheet at acquisition cost, less accumulated straight-line amortization and any necessary impairment losses.

In accordance with IAS 38, the greenhouse gas emission certificates (CO₂ certificates) which are allocated free of charge in Austria, Germany, France, Romania, Poland, Italy and Great Britain are recorded under intangible assets at their acquisition cost – which in this case equals zero because of the free allocation. The use of the certificates is also recorded at this same value. Any additional certificates required to cover excess emissions are recorded as a provision at the market value of the certificates purchased. Sales of these certificates are reported under other operating income.

CO₂ certificates acquired in connection with the purchase of the Rauch chipboard plant in Markt Bibart which are no longer needed are recorded under other assets for simplification reasons (also see Notes (3) Scope of consolidation and (24) Other assets).

Customer relationships obtained through a business combination are stated at their fair value as of the acquisition date and amortized over their expected duration.

For **internally generated intangible assets**, the production period is divided into a research phase and a development phase. Costs incurred during the research phase are expensed immediately, while costs incurred during the development phase are capitalized if the recognition criteria are met.

Intangible assets have a finite or an indefinite useful life. All intangible assets recorded on the balance sheet, with the exception of goodwill, have a finite useful life.

The **systematic depreciation** of depreciable property, plant and equipment and the amortization of intangible assets with finite useful lives begins when the asset is located at the intended site and in the operating condition intended by management. Output-based criteria are applied to the equipment in greenfield projects. Depreciation and amortization are calculated by applying the straight-line method over the expected useful life of the asset. The depreciation and amortization rates used by Group companies are based on the following standard useful lives.

Useful lives		
Property, plant and equipment		
Buildings	years	25-50
Facilities installed on property	years	10
Machinery	years	10-15
Tools	years	4
Other equipment	years	5-10
Furniture, fixtures and office equipment	years	3-5
Motor vehicles and other means of transportation	years	4-20
Intangible assets		
Patents, licenses and software	years	3-5
Lease and rental rights	years	10
Customer relationships	years	4-8

Government grants are recorded to a separate position under liabilities and released to the income statement as other income over the useful life of the relevant asset.

Rights of use from leases and the related lease liabilities are recognized on the balance sheet in accordance with IFRS 16. The definition provided by IFRS 16 is used to determine whether a contract represents a lease. If a contract includes both lease and non-lease components, EGGER separates the components and recognizes them based on the relative individual selling prices. Low-value leases (< EUR 5,000.00) and leases with a term of less than 12 months are not capitalized but recognized directly as expenses in accordance with the practical expedient provided by IFRS 16.

Lease liabilities are initially recognized at the present value of the outstanding lease payments. The rights of use are recorded at an amount equal to the recognized lease liability, with an adjustment for any advance payments.

Subsequent measurement involves reducing the carrying amount of the right of use on a straight-line basis up to the end of the contract term. The contract term equals the non-cancellable period during which the lessee has the right to utilize the underlying asset. This period is increased by any available extension or cancellation options if the extension is sufficiently certain or the exercise of the cancellation right is unlikely. Lease liabilities are measured by applying the effective interest method. The lease is discounted at the underlying interest rate if this rate can be reasonably determined; in other cases, EGGER uses the incremental borrowing rate. This rate is derived from a risk-free interest rate with a similar term and adjusted for applicable country, foreign exchange and company risks.

The **goodwill** reported on the balance sheet results from the use of the purchase method to account for business combinations. Goodwill is recognized at acquisition cost.

In accordance with IFRS 3, goodwill is no longer amortized on a systematic basis. It is tested each year for impairment by comparing the carrying amount with the recoverable amount as of the balance sheet date.

In addition to subsequent measurement, assets are tested for signs of **impairment** as of each balance sheet date. The higher of the value in use and the net selling price of an asset is determined at least once each year for intangible assets with an indefinite life and for goodwill, and also on an interim basis if signs of impairment are identified (impairment test in accordance with IAS 36). If this value is less than the carrying amount, an impairment loss is recorded to reduce the carrying amount of the asset to the lower value.

The value in use corresponds to the present value of the estimated future cash inflows and outflows expected to be derived from the use of the asset, whereby the calculation is based on a risk-adjusted interest rate. The net realizable value represents the amount obtainable from the sale of an asset in a transaction between independent parties, less any costs necessary to make the sale. If independent cash surpluses cannot be identified for a particular asset, the asset is included in the next larger unit (cash-generating unit) for which independent cash surpluses can be determined. EGGER defines plants as cash-generating units and aggregates these production facilities according to regional criteria.

Impairment losses are recognized to profit or loss. If the circumstances responsible for impairment cease to exist at a later date, the impairment loss is reversed and the carrying amount of the asset is increased up to the applicable amortized or depreciated cost. This reversal of impairment losses does not apply to impairment losses recognized to goodwill.

Explanations

Property, Plant and Equipment	Land and buildings TEUR	Machinery and equipment TEUR	Other equipment, furniture, fixtures and office equipment TEUR	Prepayments and assets under construction TEUR	Total TEUR
Acquisition or production cost as of 30.04.2022	1,553,826	3,092,998	297,902	234,170	5,178,898
Foreign exchange increase/decrease	-44,681	-56,510	-7,106	-5,903	-114,200
Consolidation scope changes	79,030	136,069	8,633	6,293	230,025
Additions	21,297	76,100	46,737	298,370	442,504
Disposals	-1,112	-24,711	-18,704	-28	-44,555
Transfers	10,377	83,013	5,231	-99,154	-533
Acquisition or production cost as of 30.04.2023	1,618,737	3,306,959	332,693	433,748	5,692,138
Foreign exchange increase/decrease	3,257	1,512	-1,208	-706	2,856
Consolidation scope changes	45,883	20,622	1,238	0	67,742
Additions	73,698	127,980	51,974	209,236	462,889
Disposals	-9,299	-32,909	-24,927	-743	-67,879
Transfers	113,619	110,584	100,772	-325,394	-419
Acquisition or production cost as of 30.04.2024	1,845,895	3,534,748	460,542	316,142	6,157,327
Accumulated depreciation as of 30.04.2022	-616,297	-2,211,883	-198,420	-4,889	-3,031,488
Foreign exchange increase/decrease	20,950	56,887	5,744	5,109	88,689
Consolidation scope changes	-8,680	-76,918	-4,797	0	-90,395
Scheduled depreciation	-60,979	-155,723	-39,455	0	-256,157
Impairment	-8,275	-60,577	-111	-13,408	-82,370
Disposals	635	22,600	16,890	0	40,125
Transfers	-85	-2,300	-81	2,467	0
Accumulated depreciation as of 30.04.2023	-672,730	-2,427,916	-220,229	-10,720	-3,331,595
Foreign exchange increase/decrease	3,717	11,373	1,420	3,221	19,731
Scheduled depreciation	-61,396	-160,812	-50,320	0	-272,527
Impairment	-180	-43,923	-37	-4,219	-48,360
Reversal of impairment	0	1,331	0	4,218	5,549
Disposals	7,133	32,107	21,979	34	61,254
Transfers	12,524	51,238	-63,845	83	0
Accumulated depreciation as of 30.04.2024	-710,932	-2,536,601	-311,032	-7,384	-3,565,949
Carrying amount as of 30.04.2023	946,007	879,044	112,464	423,028	2,360,543
Carrying amount as of 30.04.2024	1,134,963	998,147	149,510	308,758	2,591,378

The **rights of use from leases** recognized in accordance with IFRS 16 are reported as part of property, plant and equipment. Lease liabilities are included under non-current and current financial liabilities. These rights of use are related primarily to warehouse space, office buildings, apartments, motor vehicles and technical equipment.

The following table shows the amounts included under property, plant and equipment for rights of use:

	Land and buildings TEUR	Machinery and equipment TEUR	Other equipment, furniture, fixtures and office equipment TEUR	Total TEUR
Right-of-use assets 2022/23				
Additions	2,942	63	5,244	8,249
Depreciation	1,867	607	4,056	6,530
Carrying amount 30.04.2023	10,183	659	6,550	17,392
Right-of-use assets 2023/24				
Additions	6,131	189	8,916	15,236
Depreciation	1,932	591	4,739	7,262
Carrying amount 30.04.2024	13,197	257	9,776	23,230

The consolidated income statement includes the following amounts from leases:

	2023/24 TEUR	2022/23 TEUR
Depreciation of right-of-use assets	7,262	6,530
Impairment losses of right-of-use assets	84	379
Interest expense from lease liabilities	881	728
Expenses for low-value leases	689	612
Expenses for short-term leases	6,174	4,032
Expenses for variable lease payments	1,239	1,333

Cash outflows for recognized leases totaled TEUR 8,104 in 2023/24 (2022/23: TEUR 6,310).

There were no material residual value guarantees or limitations on the rights of use from leases as of April 30, 2024. Moreover, no extension options were excluded from the valuation of the lease liability because the probability of exercise was not sufficiently certain. The potential future cash outflows from variable lease payments in the coming years total TEUR 753 (2022/23: TEUR 922). The expected future cash outflows for leases that were concluded but have not yet started total TEUR 1,355 (2022/23: TEUR 8,765).

The remaining terms of lease liabilities totaling TEUR 24,790 are shown under Note (30) Financial liabilities. Information on the contractually agreed payment obligations (interest and principal payments) arising from lease liabilities is provided under the section on liquidity risk in the risk report (Note (37) Financial risks).

The additions to property, plant and equipment include TEUR 12,645 of **capitalized interest** (April 30, 2023: TEUR 2,484). The average borrowing costs for the reporting period equaled 4.87% (April 30, 2023: 1.64%).

The position “land and buildings” includes **land** with a carrying amount of TEUR 213,110 (April 30, 2023: TEUR 187,674).

Land and buildings held by Egger (UK) Limited serve as **collateral** for pension liabilities in the UK at a maximum amount of TEUR 20,446 (April 30, 2023: TEUR 19,849). In addition, collateral was provided for liabilities to credit institutions on behalf of M+P Umweltdienste GmbH (movable machinery and equipment, up to a maximum amount of TEUR 615 (April 30, 2023: TEUR 2,841). The collateral provided on behalf of SAIB S.p.A. in the previous year (April 30, 2023: TEUR 9,142) was cancelled following the settlement of the related liabilities.

The property, plant and equipment and intangible assets (including goodwill) held by Egger Argentina SAU (Concordia plant, Decorative Products Segment) were written off in full during previous financial years. Further **impairment losses** of TEUR 4,921 were recognized to additions to property, plant and equipment and intangible assets in 2023/24 and recorded on the income statement under depreciation and amortization.

The cash-generating unit “Lexington” (Decorative Products Segment) was tested for impairment as of April 30, 2024 because the development of earnings during the start-up phase of the new plant in Lexington (NC, US) has remained below expectations to date. This unit has been in operation since autumn 2020 and is confronted with a difficult market environment. As a result, the expected volumes and realizable margins are below forecast. Despite optimization measures to support future development, current medium-term planning indicated an impairment loss of TEUR 42,156 as of April 30, 2024. The impairment test was calculated with a USD-based pre-tax discount rate of 9.53%, and the impairment loss is recorded under depreciation and amortization on the income statement.

Intangible Assets	Software and other rights TEUR	Goodwill TEUR	Customer relationships TEUR	Other intangible assets TEUR	Internally generated Software TEUR	Total TEUR
Acquisition or production cost as of 30.04.2022	32,021	90,389	29,263	3,712	0	155,386
Foreign exchange increase/decrease	-11	-10,279	-4,107	-579	0	-14,975
Consolidation scope changes	2,100	42,023	47,344	0	0	91,467
Additions	2,349	0	0	0	1,106	3,456
Disposals	-295	0	0	0	0	-295
Transfers	533	0	0	0	0	533
Acquisition or production cost as of 30.04.2023	36,698	122,133	72,501	3,133	1,106	235,572
Foreign exchange increase/decrease	49	-7,061	-2,919	-310	0	-10,241
Consolidation scope changes	34	24,072	9,852	0	0	33,958
Additions	2,110	0	0	0	2,108	4,218
Disposals	-36	0	0	0	0	-36
Transfers	419	0	0	0	0	419
Acquisition or production cost as of 30.04.2024	39,275	139,144	79,434	2,823	3,214	263,890
Accumulated amortization as of 30.04.2022	-25,250	-31,844	-29,263	-3,244	0	-89,602
Foreign exchange increase/decrease	14	10,279	4,117	518	0	14,928
Consolidation scope changes	-2,035	0	0	0	0	-2,035
Scheduled amortization	-2,666	0	-2,078	-52	0	-4,796
Disposals	294	0	0	0	0	294
Accumulated amortization as of 30.04.2023	-29,643	-21,565	-27,224	-2,778	0	-81,210
Foreign exchange increase/decrease	-36	7,061	2,982	275	0	10,282
Scheduled amortization	-2,853	0	-7,938	-36	-343	-11,169
Impairment	0	-8,738	0	0	0	-8,738
Disposals	29	0	0	0	0	29
Accumulated amortization as of 30.04.2024	-32,503	-23,242	-32,180	-2,539	-343	-90,806
Carrying amount as of 30.04.2023	7,056	100,568	45,277	356	1,106	154,362
Carrying amount as of 30.04.2024	6,772	115,902	47,254	285	2,872	173,085

Expenses of TEUR 9,829 were recognized in 2023/24 (2022/23: TEUR 9,712) for **research and non-capitalized development costs**.

The carrying amount of **goodwill** totals TEUR 115,902 (April 30, 2023: TEUR 100,568) and includes the following units: “Edging” (Decorative Products Segment) at TEUR 49,807 (April 30, 2023: TEUR 58,545), “Caorso” (Decorative Products Segment) at TEUR 42,023 (April 30, 2023: TEUR 42,023) and “Brilon” (Decorative Products Segment) at TEUR 24,072. The goodwill attributable to Brilon was acquired in connection with the purchase of a chipboard plant in Markt Bibart during the reporting year (see Note (3) Scope of consolidation).

The impairment tests for the cash-generating units that include goodwill – Edging, Caorso and Brilon – were calculated according to the discounted cash flow method based on the expected cash flows in the current medium-term forecasts for the next five years.

The impairment test for Edging resulted in a reduction of TEUR 8,738 to goodwill as of April 30, 2024. The EUR-based, pre-tax discount rate of 21.13% used in the calculation reflected the high country risk for Turkey because the main edging plant is located in Gebze (TR). The write-down is explained, in particular, by the PP edgings business, which was unable to secure a larger share of the total market from the dominating ABS and PVC edgings than originally expected. This market development also impacts the Edging unit with its PP business and, as a result, led to reduced earnings expectations in the medium-term forecast. The impairment loss was recorded on the income statement under depreciation and amortization.

Results and assumptions for the calculation of the value in use:

		Edging		Caorso		Brilon	
		30.04.2024	30.04.2023	30.04.2024	30.04.2023	30.04.2024	30.04.2023
Normalized growth rate	in %	4% - 9%	8%	2% - 9%	2% - 4%	4% - 7%	–
Growth rate perpetual annuity	in %	1.99%	1.96%	2.00%	2.00%	2.00%	–
Pre-tax discount rate	in %	21.13%	22.85%	13.83%	14.21%	11.86%	–
Value in use	MEUR	145	130	242	226	468	–
Carrying amount (before impairment)	MEUR	154	128	221	221	321	–
Difference value in use / carrying amount	MEUR	–9	2	21	5	147	–

! Discretionary judgments

The **classification and measurement of leases** require discretionary decisions by management. The contract term represents a material criterion for the application of IFRS 16. The useful lives of rights of use are generally defined by the respective contract; in other cases, the estimates are based on the expected term, which is reviewed as of every balance sheet date and adjusted if the defined criteria are met. In addition to the customary useful lives of the individual leased assets, other factors are involved in these discretionary decisions. These factors include extension options, premature cancellation options, installations or extensions to the leased asset, and the economic effects of contract amendments. An appropriate adjustment is made if there is a significant difference between the latest and previous estimates of the useful life. Discretionary decisions are also made in selecting among optional approaches and the determination of value limits for low-value leases.

The evaluation of the **recoverable amount of intangible assets, goodwill and property, plant and equipment** is based on forward-looking assumptions by management. These assumptions require, in particular, estimates for future cash surpluses based on the latest forecasts and discount rates. In addition to the impairment testing of Edging, Caorso and Brilon, three sensitivity analyses were carried out: an increase of 0.5% in the discount rate, a decrease of 0.5% in the growth rate for the perpetual annuity and a decrease of 5.0% in the EBIT of the perpetual annuity.

The analysis would result in an additional impairment loss of EUR 5.0 million to goodwill in the Edging unit (discount rate: +0.5%), EUR 2.6 million (growth rate for the perpetual yield: –0.5%) or EUR 4.1 million (EBIT for the perpetual annuity: –5.0%). These changed assumptions would not lead to any impairment losses to goodwill for the Caorso or Brilon units.

The following table shows the results of the **sensitivity analysis** with the effects on the value in use. The simulation involved the change of one assumption at a time, while the other parameters remained constant:

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	Change in assumption	Gebze		Caorso		Brlon		MANAGEMENT REPORT
		30.04.2024 MEUR	30.04.2023 MEUR	30.04.2024 MEUR	30.04.2023 MEUR	30.04.2024 MEUR	30.04.2023 MEUR	
		-5.0	-4.2	-13.0	-11.6	-30.8	–	
Discount rate	+/- 0.5%	+5.4	+4.5	+14.5	+12.9	+35.6	–	
Growth rate		+2.8	+2.3	+9.6	+8.8	+26.1	–	
perpetual annuity	+/- 0.5%	-2.6	-2.1	-8.6	-7.9	-22.6	–	
EBIT perpetual annuity		+4.1	+3.6	+8.4	+7.5	+17.5	–	
	+/- 5.0%	-4.1	-3.6	-8.4	-7.5	-17.5	–	

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(18) Investment property

§ Accounting and valuation methods

Investment property is carried at acquisition or production cost less scheduled depreciation based on the useful life and any necessary impairment losses

🔍 Explanations

	Land and buildings TEUR
Acquisition or production cost as of 30.04.2022	749
Additions	0
Disposals	-7
Acquisition or production cost as of 30.04.2023	742
Additions	0
Disposals	0
Acquisition or production cost as of 30.04.2024	742
Accumulated depreciation as of 30.04.2022	-303
Scheduled depreciation	-12
Disposals	7
Accumulated depreciation as of 30.04.2023	-308
Scheduled depreciation	-12
Disposals	0
Accumulated depreciation as of 30.04.2024	-320
Carrying amount as of 30.04.2023	435
Carrying amount as of 30.04.2024	422

The fair value of TEUR 1,433 (April 30, 2023: TEUR 1,407) was determined by an income capitalization method (Level 3).

The expenses arising from investment property totaled TEUR 17 in 2023/24 (2022/23: TEUR 15), and income equaled TEUR 61 (2022/23: TEUR 65).

(19) Biological assets

§ Accounting and valuation methods

Biological assets are recognized and measured at fair value less estimated selling costs based on a discounted cash flow method in accordance with IAS 41. The present value of the expected cash flows is calculated by applying estimated variables for the timber price, development costs for the plantations, harvesting costs, planting density, biological risks and climate factors. Any changes in fair value, after the deduction of development costs, are recognized to profit or loss. The fair value measurement of the poplar plantations, based on the input factors for the applied valuation methods, is classified as a Level 3 fair value.

🔍 Explanations

EGGER holds biological assets in the form of poplar plantations on 865 hectares (April 30, 2023: 824 hectares) near the Radauti plant (RO) to support timber supplies for production at this location.

	2023/24 TEUR	2022/23 TEUR
Biological assets as of May 1	3,454	3,916
Harvested timber	-754	-547
Change in fair value due to price changes	-1,189	-599
Change in fair value due to biological transformation and adjusted valuation parameters	1,714	673
Foreign exchange increase/decrease	-28	11
Biological assets as of April 30	3,197	3,454

! Discretionary judgments

The valuation of biological assets requires numerous assumptions and estimates, whose change and adjustment can influence the presentation in the consolidated financial statements. These assumptions are based on the company's experience and/or data supplied by the market and branch.

A change in the estimation parameters during the coming years can lead to fluctuations in the value of the biological assets. The forest management strategy and applied parameters are tested annually and compared with theoretical forestry benchmarks. The timber supply in the plantations is monitored continuously and compared with the supplies recorded in the forestry management program and the accounting system. Any variances are reflected in the adjustment of the valuation parameters.

(20) Financial assets

§ Accounting and valuation methods

All **securities** held by the Group are classified at fair value through profit or loss because measurement at fair value is possible. These items are recognized at their acquisition cost as of the purchase date and measured at fair value in subsequent periods. Any changes in this value are recognized to the income statement. The fair value of the securities reflects the market value as of the balance sheet date. Securities held for the short-term investment of funds are reported under current assets on the balance sheet and initially recognized as of the purchase date.

Loans are carried at amortized cost. The estimated expected credit losses for loans granted to third parties are based on factors which include external ratings. Collateral is also included in the calculation.

Other financial assets are carried at fair value through profit or loss.

Explanations

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Non-current financial assets	Acquisition cost 30.04.2024 TEUR	Acc. incr./decr. in value 30.04.2024 TEUR	Carrying amount 30.04.2024 TEUR	Carrying amount 30.04.2023 TEUR
Securities carried at fair value through profit or loss	759	-73	687	641
Other financial assets	16,523	-1,905	14,618	14,912
Loans due from				
Third parties	15,704	-677	15,027	7,315
Subsidiaries	85	0	85	319
Joint ventures and associates	665	0	665	665
	33,736	-2,655	31,081	23,852

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Securities consist primarily of shares in funds. The carrying amount of these items reflects fair value. Net unrealized losses of TEUR 41 were included under income from financial investments in 2023/24 (2022/23: TEUR 0).

The **loans due from third parties** include loans that are granted to support long-term supply relationships as well as miscellaneous loans. A new loan of TEUR 9,000 was granted to Egger Getränke GmbH & Co OG, St. Pölten, during the reporting year (also see Note (42) Transactions with related parties and persons).

Current financial assets

Current financial assets include TEUR 4,217 (April 30, 2023: TEUR 115) of loans and TEUR 0 (April 30, 2023: TEUR 9,296) of marketable securities.

The impairment allowances for loans granted to third parties (Level 1) were based on the expected 12-month credit loss (TEUR 0, April 30, 2023: TEUR 1).

There were no reclassifications between the individual levels on the impairment hierarchy during the reporting period.

Discretionary judgments

The calculation of the expected credit losses on financial instruments involves estimates and assumptions for future default incidents. These assumptions are based on the company's experience and/or on market information.

(21) Equity-accounted investments

§ Accounting and valuation methods

The shares in joint ventures and associates included under this position are accounted for in accordance with the equity method (see Note (4) Basis of consolidation).

🔍 Explanations

	Carrying amount 30.04.2023 TEUR	Foreign exchange increase/ decrease TEUR	Additions TEUR	Results of the year TEUR	Distributions TEUR	Carrying amount 30.04.2024 TEUR
Pearce Holdings St. Albans Ltd.	0	229	10,614	525	-1,269	10,100
Investments in joint ventures	0	229	10,614	525	-1,269	10,100
Cleaf S.p.A.	33,962	0	0	2,116	-1,384	34,694
Panel Plus Co. Ltd.	0	-1,920	45,023	548	0	43,651
Horatec GmbH	3,407	0	0	273	-172	3,508
Investments in associates	37,369	-1,920	45,023	2,937	-1,556	81,853
Equity-accounted investments	37,369	-1,691	55,637	3,462	-2,825	91,954

The following table includes aggregated financial information on the equity-accounted investments that are material for the EGGER Group. The information is based on 100% of each company and not on the proportional share held by EGGER and includes, where applicable, undisclosed reserves from the purchase price allocation and from IFRS adjustments.

Financial information on the income statement

	CLEAF S.p.A.		Panel Plus Co. Ltd.	
	30.04.2024 TEUR	30.04.2023 TEUR	30.04.2024 TEUR ⁽¹⁾	30.04.2023 TEUR
Revenues	146,792	165,275	43,848	-
Result after taxes	7,696	6,772	3,181	-

⁽¹⁾ Amounts relate pro rata to the period since the initial consolidation on January 3, 2024.

Financial information on the balance sheet

	CLEAF S.p.A.		Panel Plus Co. Ltd.	
	30.04.2024 TEUR	30.04.2023 TEUR	30.04.2024 TEUR	30.04.2023 TEUR
Non-current assets	94,478	107,988	187,214	-
Current assets	76,312	71,077	69,087	-
Non-current liabilities	59,045	68,887	39,216	-
Current liabilities	31,412	32,508	70,393	-
Net assets relating to non-controlling interests	-	-	16,497	-
Net assets (without non-controlling interests)	80,333	77,671	130,195	-

Reconciliation of book value

	CLEAF S.p.A.		Panel Plus Co. Ltd.	
	30.04.2024 TEUR	30.04.2023 TEUR	30.04.2024 TEUR	30.04.2023 TEUR
Net assets	80,333	77,671	130,195	-
Stake owned	27.50%	27.50%	25.10%	-
Goodwill	12,602	12,602	10,973	-
Carrying amount	34,694	33,962	43,651	-

CLEAF S.p.A., Macherio (IT), is a producer of laminated boards, laminates and edgings (Decorative Products Segment). The investment was included on the basis of quarterly financial statements as of March 31 due to the different financial year and adjusted where necessary to include material transactions up to the EGGER Group's closing date on April 30.

Panel Plus Co. Ltd., Hat Yai (TH), is a Thai corporate group that is active in the wood materials business (Decorative Products Segment). EGGER's 25.1% investment was acquired in 2023/24 (see Note (3) Scope of consolidation). The investment was included on the basis of quarterly financial statements as of March 31 due to the different financial year and adjusted where necessary to include material transactions up to the EGGER Group's closing date on April 30.

The following table includes aggregated financial information on the equity-accounted investments which are not material for the EGGER Group.

	Pearce Holdings St. Albans Ltd.		Horatec GmbH	
	30.04.2024 TEUR	30.04.2023 TEUR	30.04.2024 TEUR	30.04.2023 TEUR
Book value	10,100	–	3,508	3,407
Result after taxes proportional to stake owned	525	–	273	425

(22) Inventories

Accounting and valuation methods

Inventories are measured at the lower of cost or net realizable value as of the balance sheet date.

Acquisition cost includes all costs incurred to place the asset in the desired condition at the desired location. Production cost includes direct expenses as well as an appropriate share of production overheads based on average capacity usage. Borrowing costs as well as selling and administrative overheads are not included in production cost. The moving average method is used to determine the cost per unit. Risks related to the length of storage and reduced possibilities for use are reflected in appropriate write-downs.

Explanations

	30.04.2024 TEUR	30.04.2023 TEUR
Raw materials and supplies	365,019	341,740
Semi-finished goods	29,803	33,290
Finished goods and merchandise	247,181	245,324
	642,003	620,355

Write-downs of TEUR 22,500 were recorded to inventories in 2023/24 (April 30, 2023: TEUR 16,115). The impairment losses recognized to inventories consist primarily of reductions based on age and quality as well as write-downs to the net realizable value.

Of the total inventories, TEUR 23,018 (April 30, 2023: TEUR 12,341) are carried at the net realizable value (proceeds on sale less sales deductions and any future production or selling costs).

(23) Trade receivables

Accounting and valuation methods

Trade receivables are initially recognized at the applicable transaction price. Subsequent measurement is based on amortized cost, which is reduced to reflect any impairment losses.

The determination of impairment losses for expected future default on trade receivables (portfolio valuation allowances) includes customer credit management records that document actual default cases. This information is used to develop an average percentage rate for default cases over the last three years, which is then compared with total revenues (based on a country risk premium for each sales region). This procedure was selected because the estimation of a range for the individual sales regions did not produce any material differences. There has been no significant increase in overdue receivables to date, also not in Russia. The applied model includes existing credit insurance and future expectations, to the extent a forecast is possible.

The measurement of individually impaired receivables includes the probability of incoming payments. Uncollectible receivables are derecognized.

Explanations

Trade receivables	30.04.2024 TEUR	30.04.2023 TEUR
Due from third parties	193,000	172,317
Due from subsidiaries	24	26
Due from associates and joint ventures	2,382	2,887
	195,406	175,230

Development of the **impairment allowance** for trade receivables carried at amortized cost:

	2023/24 TEUR	2022/23 TEUR
Impairment allowance as of May 1	2,216	1,964
Addition	601	780
Write-off	-1,019	-454
Foreign exchange increase/decrease	-94	-74
Impairment allowance as of April 30	1,704	2,216

The impairment allowances for trade receivables were based on the expected lifetime credit losses. Of this total, TEUR 15 (April 30, 2023: TEUR 13) are classified under expected credit losses, credit standing not impaired. Individual impairment allowances of TEUR 1,688 (April 30, 2023: TEUR 2,203) were recognized for receivables with an impaired credit standing.

Egger has long-term, binding **factoring agreements** with two credit institutions. The remaining terms of these agreements equaled 1.7, respectively 2.8 years as of April 30, 2024. The Egger Group is entitled to sell receivables denominated in its key currencies from selected Austrian, German, English, French, Polish, Romanian and US subsidiaries with a total value of up to EUR 400 million (April 30, 2023: EUR 325 million) during the terms of these agreements. The trade receivables from the factoring portfolio which were not sold amounted to TEUR 25,809 (April 30, 2023: TEUR 31,226) and are carried at fair value in other comprehensive income (FVOCI) in accordance with IFRS 9.

Trade receivables totaling TEUR 253,881 were sold as of April 30, 2024 (April 30, 2023: TEUR 279,657). In this connection, TEUR 7,032 (April 30, 2023: TEUR 7,922) are reported under other assets which represent the amount of sold receivables without advance payment from the factoring partners. The volume of receivables sold during the year can differ from the amount reported as of the balance sheet date. The balance of financial liabilities changes based on the amount of trade receivables sold.

In accordance with IFRS 9, trade receivables are no longer recognized when the right to receive cash flows and, in principle, all risks and rewards are transferred to the buyer or no longer retained by EGGER.

The maximum risk of loss for the Egger Group from the receivables sold and derecognized as of April 30, 2024 equaled TEUR 0 (April 30, 2023: TEUR 17,606) because the new factoring agreement concluded during the reporting year calls for the factor bank to assume all default risks and only insured receivables are transferred. Consequently, a liability to reflect the actual risk arising from receivables default is no longer required (April 30, 2023: TEUR 39 recorded under other liabilities).

The Egger Group recognized interest expense and fees of TEUR 4,782 from its factoring activities in 2023/24 (2022/23: TEUR 2,658).

In addition, checks totaling TEUR 8,144 from Egger Dekor A.S. (TR) were sold as of April 30, 2024 (April 30, 2023: TEUR 4,305). These checks were derecognized as of the sale date because the transaction transferred all major risks and rewards to the buyer.

! Discretionary judgments

The calculation of the expected credit losses on financial instruments involves estimates and assumptions for future default incidents. These assumptions are based on the company's experience and/or on market information.

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(24) Other assets

§ Accounting and valuation methods

Other assets are initially recognized at fair value and subsequently measured at amortized cost less any necessary impairment losses. The subsequent measurement of emission certificates (from the purchase contract for the Rauch chipboard plant in Markt Bibart (also see Note (3) Scope of consolidation) and the Romanian Öko-CER certificates (Certified Emission Reduction) reflects fair value as indicated by the exchange price on the balance sheet date, less any necessary impairment losses.

Non-interest-bearing receivables with a term of more than one year are carried at their present value.

For information on derivative financial instruments, see Note (39) Financial instruments.

📝 Explanations

	Total 30.04.2024 TEUR	Thereof remaining term over 1 year TEUR	Thereof remaining term under 1 year TEUR	Total 30.04.2023 TEUR	Thereof remaining term over 1 year TEUR	Thereof re- main- ing term under 1 year TEUR
Other assets						
Due from third parties	42,613	1,966	40,647	18,745	3,253	15,492
Due from factoring partners	7,032	0	7,032	7,922	0	7,922
Tax credits (non-income based taxes)	37,178	432	36,746	37,348	618	36,730
Suppliers with debit balances and prepayments for inventories and expenses	31,084	0	31,084	30,573	0	30,573
Emission certificates and green certificates (RO)	4,426	0	4,426	90	0	90
Due from subsidiaries	61	0	61	37	0	37
Due from associates	4	0	4	395	0	395
Derivative financial assets	6,315	6,315	0	5,148	5,148	0
Prepaid expenses	17,182	1,218	15,964	12,121	993	11,128
	145,896	9,932	135,964	112,379	10,012	102,367

Other assets due from third parties consist chiefly of insurance claims, government grants that have been approved but not yet received, and compensation for damages. Disputed receivables of TEUR 3,962 (April 30, 2023: TEUR 3,995) were written off.

For information on derivative financial instruments, see Note (39) Financial instruments.

(25) Cash and cash equivalents

§ Accounting and valuation methods

Cash and cash equivalents comprise cash on hand, checks, time deposits with a term of less than three months from the date of acquisition and available-on-demand deposits with credit institutions.

🔍 Explanations

	30.04.2024 TEUR	30.04.2023 TEUR
Cash on hand	114	133
Short-term investments	49,985	54,463
Deposits with credit institutions, checks	201,445	411,366
Cash pooling	219	0
	251,764	465,962

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Cash and cash equivalents include balances from the Argentinian company, Egger Argentina SAU, and the Russian companies, OOO "Egger Drevprodukt Shuya" and OOO Egger Drevprodukt Gagarin, which are subject to foreign exchange controls under Argentine and Russian law. The parent company and other member companies of the EGGER Group have limited access to these funds. The local investment of funds in Russia takes place primarily in EUR.

(26) Deferred taxes

§ Accounting and valuation methods

Deferred taxes are calculated in accordance with the balance sheet liability method defined by IAS 12 for all temporary differences arising between the carrying amounts of balance sheet items in the consolidated IFRS financial statements and the corresponding tax bases in the individual company financial statements. Tax benefits that are expected to be realized on loss carryforwards in the future are also included in the calculation. If the rules defined by IAS 12 also apply analogously to tax incentives in the form of tax credits, these items are also considered in the tax accrual. Exceptions to the general rule for the creation of deferred taxes are differences arising from goodwill that is not deductible for tax purposes and temporary differences related to investments in subsidiaries and associates. Deferred tax assets are only recognized if it is probable that the inherent tax benefit will be realized. The calculation of deferred taxes is based on the relevant tax rate defined by tax regulations in the reporting company's home country. A change in the tax rate is reflected in the calculation when this change has been substantively enacted.

Deferred taxes on loss carryforwards are capitalized and not written down when it is probable that sufficient taxable profit will be available to utilize the loss carryforwards. If sufficient deferred tax liabilities are not available, deferred taxes are only capitalized for loss carryforwards that can be offset against taxable income within the next five years. The underlying tax planning includes any limitations on the offset of losses under minimum tax requirements in the individual countries as well as the five-year time limits on the use of loss carryforwards in Romania and Poland. Tax regulations in other countries do not place time limits on the use of loss carryforwards by the remaining Group companies. The same applies to the capitalization of deferred taxes on tax credits, whereby the time limits for use are included in line with the respective incentive (also see Note (15) Income taxes).

Explanations

Temporary differences between the carrying amounts in the IFRS financial statements and the respective tax bases have the following effect on deferred taxes as shown on the balance sheet:

	Deferred tax assets 30.04.2024 TEUR	Deferred tax liabilities 30.04.2024 TEUR	Deferred tax assets 30.04.2023 TEUR	Deferred tax liabilities 30.04.2023 TEUR
Property, plant and equipment	78,112	71,284	57,974	65,265
Intangible assets	1,134	13,063	1,071	12,295
Financial assets	65,471	5,211	62,389	83
Other assets	0	480	153	417
Financial liabilities	5,232	3,083	4,033	3,885
Provisions	18,185	484	19,428	427
Other liabilities	3,582	179	735	191
Equity (hybrid bond, net investments)	0	308	0	81
Special depreciation for tax purposes	0	1,636	0	1,693
Tax credits	32,699	0	27,958	0
Tax loss carryforwards	109,333	0	71,081	0
Non-current deferred taxes (subtotal)	313,748	95,728	244,822	84,337
Inventories	7,118	1,982	4,624	1,977
Trade receivables	814	1,334	1,168	455
Other assets	10,126	992	29	190
Securities and financial assets	3	191	87	1,046
Financial liabilities	1,565	41	1,626	802
Trade payables	980	40	973	9
Other liabilities	5,141	1	3,618	1
Provisions	256	0	222	0
Current deferred taxes (subtotal)	26,003	4,581	12,347	4,480
Deferred tax assets/liabilities (gross)	339,751	100,309	257,169	88,817
Impairment charges	-64,547	0	-40,995	0
Offset within legal tax units and jurisdictions	-67,073	-67,073	-54,045	-54,045
Deferred taxes (net)	208,131	33,237	162,129	34,771

A review of the possible recognition of the differences between the carrying amounts under corporate law (IFRS) and tax law, tax law carryforwards, outstanding amounts from partial depreciation in Austria, and available tax credits led to the recognition of deferred tax assets totaling TEUR 208,131 for an assessment base of TEUR 923,358. These deferred tax assets were recorded at the nominal tax rates applicable in the respective countries. Deferred tax assets of TEUR 0 were not recorded for other loss carryforwards, outstanding amounts from partial depreciation and book value differences of TEUR 0. In addition, commitments were received for investment-related tax credits of TEUR 2,242.

Transition to deferred income tax expense	TEUR	TEUR	TEUR
Deferred tax assets as of 30.04.2023	162,129		
Deferred tax liabilities as 30.04.2023	-34,771	127,358	
Deferred tax assets as of 30.04.2024	208,131		
Deferred tax liabilities as 30.04.2024	-33,237	174,895	
Change in deferred taxes during 2023/24			-47,538
Currency translation difference			-3,646
Effects of consolidation scope changes			-2,749
Changes recognized directly in equity and in other comprehensive income			204
Deferred income tax expense 2023/24			-53,729

Deferred tax liabilities were not recognized on taxable temporary differences of TEUR 256,064 (April 30, 2023: TEUR 281,353) arising from shares in subsidiaries and associates because Egger Holzwerkstoffe GmbH, as the parent company, is able to influence the timing for the reversal of these temporary differences. The carrying amounts of the investments for tax purposes were compared with the net assets from the IFRS separate financial statements for this calculation.

Deferred tax assets of TEUR 64,547 (April 30, 2023: TEUR 40,995) were written off due to impairment.

For companies which reported a pre-tax loss in the reporting year or previous year, net deferred tax assets of TEUR 97,179 were recognized by the Austrian tax group in 2023/24. These tax losses are based on non-recurring effects which resulted from partial write-downs in the reporting year or earlier years. The absence of these non-recurring effects is expected to permit the generation of positive taxable income in the coming years. In addition, deferred tax assets were capitalized for the German companies (TEUR 2,858) and for the Argentinian company Egger Argentina SAU (TEUR 16,286) because forecasts point to a return to sufficient positive taxable income despite the tax loss which is currently on record.

Discretionary judgments

The recognition of deferred tax assets is based on the assumption that sufficient taxable income will be generated in the future to utilize existing loss carryforwards. Tax regulations and their interpretation by the taxation authorities can change over time. The risk that any such changes could affect the deferred tax assets recognized for loss carryforwards and recorded in these consolidated financial statements is appropriately estimated and continuously monitored by Group management.

The tax planning required to estimate the recoverability of deferred tax assets is based on medium-term forecasts for the individual subsidiaries. Any differences between actual future results and these forecasts or changes in future forecast assumptions could result in adjustments to the valuation of the deferred tax assets.

(27) Share capital and reserves

Explanations

The primary objectives of **capital management** are to safeguard the continued existence of the company, to finance growth, and to ensure an appropriate return on equity. The most important indicators in this connection are the debt repayment period (net debt / EBITDA) and the equity ratio (equity / balance sheet total). Net debt comprises the total of financial liabilities less cash and cash equivalents and marketable securities. Egger defines equity as equity recorded on the balance sheet, including government grants. Internal benchmarks for the above indicators require a net debt / EBITDA ratio of less than 3.0 (medium- and long-term) and an equity ratio of at least 30% (each at the Group level). The minimum financing indicators defined by selected credit agreements were met during the entire reporting year.

The **share capital** of Egger Holzwerkstoffe GmbH totals TEUR 11,509 and remains unchanged in comparison with the previous year.

(28) Currency translation differences

Explanations

The position “foreign exchange increase/decrease” covers all exchange rate differences resulting from the translation of subsidiaries’ annual financial statements prepared in a foreign currency. It also includes unrealized foreign exchange losses of TEUR 48,907 (April 30, 2023: TEUR 60,492) from outstanding and repaid long-term shareholder loans (net investments) which were recorded under equity without recognition through profit or loss.

(29) Non-controlling interests

Explanations

The following table provides information on the subsidiaries of the EGGER Group with material non-controlling interests.

Subsidiaries with non-controlling interests	Stake held by non-controlling interests		Profit attributable to non-controlling interests		Cumulative non-controlling interests	
	30.04.2024 in %	30.04.2023 in %	2023/24 TEUR	2022/23 TEUR	30.04.2024 TEUR	30.04.2023 TEUR
SAIB S.p.A. (IT)	40.00	40.00	1,341	1,664	57,911	56,570
Subsidiaries with non-controlling interests that are held by other EGGER private foundations			3,898	7,047	24,059	29,228
Total non-controlling interests			5,239	8,711	81,970	85,798

The following table provides summarized financial information on the subsidiary SAIB S.p.A., Caorso (IT). This information is based on amounts before group eliminations.

Financial information for SAIB S.p.A.	30.04.2024 TEUR	30.04.2023 TEUR
Non-current assets	184,331	174,736
Current assets	61,812	86,205
Non-current liabilities	66,624	49,583
Current liabilities	34,742	69,932
Revenues ⁽¹⁾	163,747	60,472
Net change in cash and cash equivalents ⁽¹⁾	-5,290	-9,160

⁽¹⁾ Amounts of the previous year 30.04.2023 relate pro rata to the period since the initial consolidation on December 15, 2022

(30) Financial liabilities

Accounting and valuation methods

Financial liabilities are carried at amortized cost. Initial recognition reflects the proceeds (less transaction costs) received from the issue. Any difference between the amount received and the repayment amount is recognized to profit or loss over the term of the financing based on the effective interest method.

Information on the liabilities arising from leases is provided under Note (17) Property, plant and equipment and intangible assets.

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	Total 30.04.2024 TEUR	Thereof remaining term over 5 years TEUR	Thereof remaining term 1 to 5 years TEUR	Thereof remaining term under 1 year TEUR
Financial liabilities owed to credit institutions				
Bank loans	768,089	101,973	560,640	105,476
Accrued interest	4,660	0	0	4,660
	772,749	101,973	560,640	110,137
Promissory note loans				
Promissory note loans	760,455	126,069	622,573	11,813
Accrued interest	5,931	0	0	5,931
	766,386	126,069	622,573	17,745
Other financial liabilities				
Lease liabilities	24,790	8,580	9,781	6,429
	24,790	8,580	9,781	6,429
Total	1,563,925	236,621	1,192,993	134,312

	Total 30.04.2023 TEUR	Thereof remaining term over 5 years TEUR	Thereof remaining term 1 to 5 years TEUR	Thereof remaining term under 1 year TEUR
Financial liabilities owed to credit institutions				
Bank loans	645,777	22,463	531,733	91,580
Accrued interest	3,286	0	0	3,286
	649,063	22,463	531,733	94,866
Promissory note loans				
Promissory note loans	704,979	92,874	464,798	147,307
Accrued interest	4,854	0	0	4,854
	709,833	92,874	464,798	152,161
Other financial liabilities				
Lease liabilities	19,185	5,326	7,975	5,883
	19,185	5,326	7,975	5,883
Total	1,378,081	120,664	1,004,507	252,910

In October 2023, EGGER concluded a syndicated financing agreement for EUR 200 million with a circle of core banks. This financing carries variable interest and has a term ending on September 30, 2033. In March 2024, Egger Holzwerkstoffe GmbH placed its fifth promissory note loan in several fixed and variable EUR tranches (3, 5, 7 and 10 years) for a total of EUR 200 million. Financing of EUR 13.5 million was also concluded with two EGGER core banks in March 2024, which carries variable interest and has a term ending on March 29, 2030. The committed syndicated credit line was drawn and repaid during the reporting period. As of April 30, 2024, the committed credit line of EUR 400 million was available for discretionary use and had a remaining term of 4.5 years.

The external financial liabilities assumed in connection with the acquisition of SAIB S.p.A. (IT) and M+P Umweltdienste GmbH (DE) in the second half of 2022/23 were largely repaid and replaced in part by Group financing during the reporting period. External liabilities of TEUR 620 to credit institutions were outstanding as of April 30, 2024 (April 30, 2023: TEUR 26.827).

All bank loans and promissory note loans were concluded in Euros.

Collateral in the form of movable assets was provided for financial liabilities on behalf of M+P Umweltdienste GmbH up to a maximum of TEUR 615 (April 30, 2023: up to TEUR 2,841). In the previous year, collateral was also provided on behalf of SAIB S.p.A. in the form of immovable assets up to a maximum of TEUR 9,142 (as of April 30, 2024: TEUR 0).

No other collateral was provided for financial liabilities during the reporting year or previous year.

The changes in financial liabilities are reconciled to cash flows from financing activities as follows:

	Bonds TEUR	Bank loans TEUR	Promissory note loans TEUR	Lease liabilities TEUR	Total TEUR
Balance as of 30.04.2022	0	547,448	415,557	18,560	981,565
Changes in the scope of consolidation	0	78,104	0	0	78,104
Cash inflows (increase)	0	464,561	299,250	0	763,811
Repayments	-146,659	-443,818	0	-5,582	-596,059
Other non-cash changes	146,659	2,769	-4,974	6,911	151,366
Foreign exchange increase/decrease	0	0	0	-704	-704
Balance as of 30.04.2023	0	649,063	709,833	19,185	1,378,081
Changes in the scope of consolidation	0	0	0	0	0
Cash inflows (increase)	0	577,938	199,400	0	777,338
Repayments	0	-455,901	-150,500	-7,223	-613,624
Other non-cash changes	0	1,649	7,653	13,261	22,563
Foreign exchange increase/decrease	0	0	0	-433	-433
Balance as of 30.04.2024	0	772,749	766,386	24,790	1,563,925

(31) Trade payables

§ Accounting and valuation methods

Trade payables are initially recognized at the fair value of the goods or services received when the relevant liability is incurred. In subsequent periods, these liabilities are measured at amortized cost.

🔍 Explanations

Trade payables	30.04.2024 TEUR	30.04.2023 TEUR
Due to third parties	418,566	430,021
Due to subsidiaries	1,039	785
Due to joint ventures and associates	162	171
	419,767	430,976

(32) Other liabilities

§ Accounting and valuation methods

Contract liabilities are initially recognized at the fair value of the goods or services received when the relevant liability is incurred and subsequently measured at amortized cost. Purchase price liabilities from the acquisition of companies are carried at their fair value (see Note (39) Financial instruments). Other liabilities that do not result from the provision of goods or services are carried at their repayment amount.

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	Total 30.04.2024 TEUR	Thereof remaining term over 5 years TEUR	Thereof remaining term 1 to 5 years TEUR	Thereof remaining term under 1 year TEUR
Other liabilities				
Due to third parties	19,673	0	1	19,672
Due to employees	77,435	0	0	77,435
Commissions to sales representatives	822	0	0	822
Outstanding customer bonuses (contract liabilities)	39,341	0	0	39,341
Advance payments from customers (contract liabilities)	9,748	0	0	9,748
Purchase price liabilities from company acquisitions	9,197	0	9,197	0
Due to puttable non-controlling interests	54,203	26,452	27,751	0
Due from subsidiaries	753	0	0	753
Taxes (non-income based taxes)	27,024	0	0	27,024
Social security	15,252	0	0	15,252
Derivative financial liabilities	13,379	302	12,900	177
Deferred income	64	0	0	64
Total	266,891	26,754	49,849	190,288

	Total 30.04.2023 TEUR	Thereof remaining term over 5 years TEUR	Thereof remaining term 1 to 5 years TEUR	Thereof remaining term under 1 year TEUR
Other liabilities				
Due to third parties	7,283	0	1	7,282
Due to employees	68,625	0	0	68,625
Commissions to sales representatives	917	0	0	917
Outstanding customer bonuses (contract liabilities)	38,850	0	0	38,850
Advance payments from customers (contract liabilities)	9,197	0	0	9,197
Purchase price liabilities from company acquisitions	16,710	0	16,710	0
Due to puttable non-controlling interests	45,439	31,675	13,764	0
Due from subsidiaries	1,252	0	0	1,252
Due from associates	10	0	0	10
Taxes (non-income based taxes)	35,808	0	0	35,808
Social security	14,361	0	0	14,361
Derivative financial liabilities	19,666	4,871	11,656	3,139
Deferred income	391	0	80	311
Total	258,512	36,546	42,211	179,753

The following table shows the development of **contract liabilities from outstanding customer bonuses and prepayments received from customers**.

	2023/24 TEUR	2022/23 TEUR
Contractual liabilities as of May 1	48,047	50,738
Changes in the scope of consolidation	244	1,945
Recognized as revenue in the income statement	-8,866	-9,916
Use for outstanding customer bonuses	-38,732	-40,799
Addition	49,067	48,029
Foreign exchange increase/decrease	-672	-1,950
Contractual liabilities as of April 30	49,089	48,047

Information on the remaining performance obligations is not provided since EGGER's performance obligations have a maximum term of one year.

(33) Government grants

§ Accounting and valuation methods

Government grants are recorded to a separate position under liabilities and released to the income statement as other income over the useful life of the relevant asset.

🔍 Explanations

Member companies of the EGGER Group received government grants totaling TEUR 3,704 in 2023/24 (2022/23: TEUR 611).

(34) Non-current provisions

§ Accounting and valuation methods

Termination benefits

Legal regulations require companies in Austria to make one-time severance payments on termination or retirement to employees whose employment relationship started before January 1, 2003. The amount of the severance payment is dependent on the length of service and the salary/wage at the end of employment and equals up to 12 monthly salary or wage installments. A provision is created for this obligation based on calculations by an independent actuary.

The provision is calculated according to the projected unit credit method, which uses actuarial procedures to determine the present value of future payments for the periods in which the maximum claims are earned (25 years).

Current service cost and interest expense are included in the annual financial statements. Actuarial gains and losses are recorded under other comprehensive income without recognition through profit or loss in accordance with IAS 19.

For employees in the Austrian subsidiaries whose employment relationship started after January 1, 2003, a monthly contribution (1.53% of the gross wage or salary) is made to an employee severance compensation fund. The employees earn claims to severance compensation from the fund, and the company has no further obligations.

Legal requirements in Italy (Trattamento di Fine Rapporto / TFR) entitle employees to a one-off or monthly termination payment on termination or retirement. The resulting annual claims by employees are determined by dividing the respective annual salary or wage by 13.5. These claims are then carried forward together with an inflation adjustment in accordance with legal regulations. Under certain circumstances, employees can also receive an advance payment during their service period. The current version of the TFR, which has been in effect since 2007, requires companies with more than 50 employees to transfer these payments to an external pension fund. Our Italian subsidiary falls under this defined contribution rule, and SAIB S.p.A. therefore has no further obligations.

Pension obligations

Certain companies in the Egger Group are required by individual commitments to make pension payments to employees after their retirement. Both defined contribution and defined benefit pension plans are in effect.

A provision was created for **defined benefit obligations** that are not covered by sufficient pension plan assets. This provision is determined in accordance with IAS 19, whereby calculations are based on the projected unit credit method. An actuarial procedure is used to determine the present value of future payments based on realistic assumptions for the periods in which benefit entitlements are earned. The provision reported on the balance sheet represents the present value of the defined benefit obligation after the deduction of the fair value of plan assets. The required amount of the provision is calculated by independent actuaries as of each balance sheet date.

The actuarial gains and losses on pension obligations are recorded under other comprehensive income in accordance with IAS 19. The current service cost is included in personnel expenses, while the net interest expense is part of financial results.

All employees in the **Austrian** subsidiaries are entitled to a company pension. The monthly payments for these **defined contribution obligations** are reported under personnel expenses. The company has no further obligations above and beyond the employer's contributions. The employees of the subsidiaries in **Great Britain** are entitled to a company pension (defined contribution) if they also make a contribution. The company has no other obligations apart from the employer's contributions of 4.5% (based on an employee contribution of at least 2.5%), respectively 8% (based on an employee contribution of at least 6.0%) of the monthly gross salary or wage to the pension fund. In the **USA**, employees are entitled to invest in a pension plan (401(k)) which includes a supplemental contribution by the company. These payments are reported under personnel expenses, and there are no further obligations for EGGER beyond the employer contributions.

Provisions for long-service bonuses and semi-retirement programs for older employees

Contractual agreements require the company to pay special bonuses to employees who have reached a specific number of years of service with the company (beginning at 10 years of service). A provision was created for this obligation.

The valuation of this provision is based on the same methods and assumptions used to calculate the provision for termination benefits. However, the current service cost, actuarial gains and losses and interest expense are recorded to the income statement.

The accounting treatment of agreements covering semi-retirement programs for older employees involve the pro rata accumulation of payments required during the non-performance period.

Other provisions are recognized when the company has incurred a legal or constructive obligation to a third party based on a past event, and it is probable that the obligation will lead to an outflow of resources. Provisions are based on the best possible estimate – at the time the financial statements are prepared – of the amount that will be required to meet the obligation. If a reliable estimate is not possible, a provision is not recognized.

If the nominal value of a non-current provision differs materially from its present value based on an ordinary market interest rate which reflects the risks and term of the obligation, the present value is used.

Explanations

Non-current provisions	Balance on 30.04.2023 TEUR	Foreign exchange incr./decr. TEUR	Additions TEUR	Use TEUR	Reversal TEUR	Balance on 30.04.2024 TEUR
Provisions for termination benefits	32,416	0	2,830	-2,373	0	32,873
Provisions for pensions	19,509	350	1,775	-226	-5,089	16,320
Provisions for long-service bonuses	94,018	-2,196	15,518	-5,399	-152	101,790
Provisions for semi-retirement programs for older employees	7,101	0	4,122	-2,998	0	8,225
Other non-current provisions	2,386	0	416	-207	-13	2,582
	155,430	-1,846	24,662	-11,203	-5,254	161,789

The calculation of the termination benefit and pension obligations is based on the following **actuarial assumptions**:

	30.04.2024	30.04.2023
Discount rate	4.48%	4.48%
Increase in wages/salaries	3.25%	3.62%
Increase in pensions	4.20%	4.20%
Retirement age	Based on legal regulations	Based on legal regulations
Biometric calculation base:		
Austria	AVÖ 2018-P	AVÖ 2018-P
Great Britain	115% SAPS tables CMI_2022 1.25%	115% SAPS tables CMI_2021 1.25%

Provisions for termination benefits	2023/24 TEUR	2022/23 TEUR
Present value (DBO) of obligation = provision recognized as of May 1	32,416	34,714
Service cost	582	769
Interest expense	1,316	899
Recognized to profit or loss (income statement)	1,898	1,668
Revaluation based on change in financial assumptions	1,161	-5,137
Revaluation based on change demographic assumptions	-3	0
Revaluation based on change in experience-based assumptions	-226	4,374
Recognized to other comprehensive income	932	-763
Termination payments	-2,373	-3,203
Present value (DBO) of obligation = provision recognized as of April 30	32,873	32,416

The obligation to pay termination benefits exposes Egger to actuarial risks, e.g. interest rate and salary/wage risks.

The estimated payments for these benefits on termination by the company or retirement at the standard age total TEUR 621 for 2024/25. The termination benefit obligations have a weighted average term of 12 years (April 30, 2023: 13 years).

Provisions for pensions

One Austrian subsidiary has a defined benefit pension that guarantees eligible employees retirement benefits for life. The circle of beneficiaries, which is closed, earns 1.5% of the last salary as a pension claim for each year of service with the company, up to a maximum of 40% of the last salary or a maximum of 80% of the last salary plus legal retirement benefits. VBV-Pensionskasse Aktiengesellschaft, Vienna, manages the contributed assets and secures the future pension payments. The employer's monthly contributions are based on the amount that would allow payment of the promised benefits. This calculation includes an annual increase of 3.97% (April 30, 2023: 4.79%) in wages/salaries, but not an inflation-related increase in pensions. Insufficient coverage for the plan can

lead to subsequent contributions by the company. When the employees retire, the capital accumulated in the pension fund is converted to a lifelong pension and the employer's obligations end.

VBV-Pensionskasse Aktiengesellschaft is a legally independent pension fund which is covered by the provisions of the Austrian Pension Fund Act. Decisions on the investment strategy are made by an investment committee in which EGGER is represented. This pension plan exposes EGGER to actuarial risks, e.g. interest rate, investment, salary and longevity risk.

English subsidiaries have a defined benefit pension plan that guarantees retirement benefits to the eligible employees for life. The circle of beneficiaries, which was closed in 2002, earned 1/80, respectively 1/60 of the last salary as a pension claim for each year of service with the company. The employer's monthly contributions to the EGGER (UK) Pension Scheme are based on the amount that would allow payment of the promised benefits. This calculation includes an indexed increase in pension payments. Insufficient coverage for the plan leads to subsequent contributions by the company.

The EGGER (UK) Pension Scheme is managed by the pension plan's trustees. The investment strategy is defined by a committee which includes representatives of the employer and pension plan beneficiaries. This pension plan exposes EGGER to actuarial risks, e.g. interest rate, investment, longevity and inflation risk.

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Reconciliation with the provisions recorded on the balance sheet	30.04.2024 TEUR	30.04.2023 TEUR
Present value (DBO) of the fund-financed obligation	49,501	52,541
Fair value of plan assets	-39,127	-37,483
Net liability of the fund-financed obligations	10,374	15,058
Present value (DBO) of the obligation not covered by fund assets	5,946	4,451
Provisions recognized as of April 30	16,320	19,509

Of the fund-financed obligations, TEUR 2,848 (April 30, 2023: TEUR 3,433) are attributable to the pension plan managed by VBV-Pensionskasse Aktiengesellschaft and TEUR 7,526 (April 30, 2023: TEUR 11,625) to the EGGER (UK) Pension Scheme.

Development of the present value (DBO) of the obligation	2023/24 TEUR	2022/23 TEUR
Present value (DBO) of the obligation as of May 1	56,992	69,674
Service cost	531	578
Interest expense	2,678	2,043
Recognized to profit or loss (income statement)	3,209	2,622
Revaluation based on change in financial assumptions	-1,336	-10,974
Revaluation based on change demographic assumptions	-965	-366
Revaluation based on change in experience-based assumptions	355	1,538
Recognized to other comprehensive income	-1,946	-9,802
Pension payments	-5,146	-3,068
Currency translation differences	1,255	-2,434
Consolidation scope changes	1,083	0
Present value (DBO) of the obligation as of April 30	55,447	56,992

Development of the fair value of plan assets	2023/24 TEUR	2022/23 TEUR
Fair value of plan assets as of May 1	37,483	48,726
Theoretical interest income	1,864	1,474
Difference between the actual income on plan assets and the theoretical interest income recognized in other comprehensive income	-2,821	-11,208
Fund contributions	5,974	3,055
Pension payments by the fund	-4,310	-2,753
Currency translation differences	936	-1,809
Fair value of plan assets as of April 30	39,127	37,483

Composition of plan assets	Listed 30.04.2024 TEUR	Not listed 30.04.2024 TEUR	Listed 30.04.2023 TEUR	Not listed 30.04.2023 TEUR
Equity instruments				
Europe	749	0	985	0
North America	1,122	0	1,138	0
Asia and Pacific	131	0	396	0
Other	9	0	372	0
Fixed-interest securities				
Government bonds	1,382	0	1,807	0
Corporate bonds	483	0	582	0
Cash and cash equivalents	1,906	0	3,120	0
LDI-Investment ⁽¹⁾	30,735	0	23,514	0
Other	1,340	1,272	3,965	1,604
Total	39,127		37,483	

⁽¹⁾ LDI = Liability-Driven Investment

The estimated fund contributions for the fund-financed pension obligations in 2024/25 total TEUR 6,000.

The pension obligations have a weighted average term of four years (VBV-Pensionskasse Aktiengesellschaft, April 30, 2023: four years), respectively 11 years (EGGER (UK) Pension Scheme, April 30, 2023: 12 years).

Provisions for long-service bonuses	2023/24 TEUR	2022/23 TEUR
Present value (DBO) of the obligation – provisions recognized as of May 1	94,018	92,914
Service cost	6,945	8,531
Interest expense	5,679	4,798
Revaluation based on change in financial assumptions	3,043	–9,973
Revaluation based on change demographic assumptions	–890	1,598
Revaluation based on change in experience-based assumptions	462	4,217
Recognized to profit or loss (income statement)	15,239	9,171
Long-service bonuses or payments for semi-retirement programs	–5,399	–6,091
Change in scope of consolidation	127	567
Currency translation differences	–2,195	–2,543
Present value (DBO) of the obligation – provisions recognized as of April 30	101,790	94,018

The calculation of the provision for service anniversary bonuses includes country- and company-specific turnover rates. These rates are based on experience and are dependent, among others, on the employees' length of service.

Provisions for semi-retirement programs

A provision was created for agreements covering semi-retirement programs for older employees. Insolvency hedging is provided by a bank guarantee.

Other non-current provisions

The German Federal Cartel Office carried out searches in the plants of all major chipboard producers headquartered in Germany during March 2009. These investigations were based on the suspicion of anti-competitive agreements and also covered EGGER's activities in that country. In 2010, penalty notices were issued to various major chipboard producers headquartered in Germany. The process steps in these proceedings resulted in a penalty exemption for EGGER and, consequently, EGGER did not receive a penalty notice. The anti-trust administrative proceedings by the Federal Cartel Office led to private anti-trust actions against chipboard producers, in part also against EGGER, which have since been amicably settled. In connection with lawsuits against other cartel participants and related claims for compensation, recourse claims against EGGER within the framework of joint and several compensation are conceivable. The outcome of these proceedings and the possible effects cannot be conclusively estimated at the present time. Provisions of TEUR 2,000 were recognized for these private anti-trust actions, incl. interest claims and procedural costs, as of April 30, 2024 (April 30, 2023: TEUR 2,000). It is expressly noted that anti-trust agreements are not part of EGGER's business policies and are expressly prohibited by internal guidelines.

! Discretionary judgments

The valuation of the existing obligations for pensions, termination benefits and long-service bonuses requires the use of assumptions for interest rates, retirement ages, life expectancy, employee turnover and the future development of salaries and wages.

Sensitivity analyses on termination benefits and pension obligations

The most important actuarial assumptions involve the discount rate and the future increase in wages/salaries and pensions.

The following sensitivity analyses show the effects of changes in the actuarial assumptions. The simulation procedure involves changing one assumption at a time while holding the other variables constant.

	Change in assumption 30.04.2024 in %	Change in present value 30.04.2024 TEUR	Change in assumption 30.04.2023 in %	Change in present value 30.04.2023 TEUR
Termination benefits				
Discount rate	+0.25%	-894	+0.25%	-900
	-0.25%	+930	-0.25%	+938
Increase in wages/salaries	+1.00%	+3,931	+1.00%	+3,982
	-1.00%	-3,416	-1.00%	-3,447
Pension benefits (fund-financed)				
Discount rate	+0.25%	-1,181	+0.25%	-1,319
	-0.25%	+1,263	-0.25%	+1,384
Increase in wages/salaries	+1.00%	+1,412	+1.00%	+1,608
	-1.00%	-1,229	-1.00%	-1,431
Increase in pensions	+1.00%	+395	+1.00%	+426
	-1.00%	-395	-1.00%	-426

The assessment of the **risks arising from pending legal proceedings** also includes the best possible estimate of the potential future payment outflows, which is based on the opinions of the involved experts.

(35) Current provisions

Accounting and valuation methods

Also see Note (34) Non-current provisions.

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Current provisions	Balance on 30.04.2023 TEUR	Foreign exchange incr./decr. TEUR	Additions TEUR	Use TEUR	Reversal TEUR	Balance on 30.04.2024 TEUR
Provisions for legal proceedings and legal costs	426	1	0	0	-95	332
Other current provisions	919	-354	657	-212	-20	991
	1,345	-352	657	-212	-115	1,323

Discretionary judgments

Also see Note (34) Non-current provisions.

Risk Report

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(36) Principles of risk management

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EGGER produces in Europe, Argentina and the USA and markets its products worldwide. These business activities result in a wide variety of risks which are analyzed within the framework of a comprehensive risk management system. EGGER defines risk as the possibility of a variance from corporate goals, which covers the possibility of a loss as well as the failure to utilize an opportunity. The goals of risk management are to protect the asset, financial and earnings positions of the EGGER Group and to identify future opportunities to generate earnings and realize growth. A decentralized management structure in connection with increasing geographical diversification allows EGGER to minimize business risks and reduce potentially negative consequences. This process is supported by an integrated risk profile which covers all locations and, consequently, standardizes risk management throughout the Group. The risk management system is coordinated centrally at the Group level and continuously expanded and improved. In addition to geographical diversification, concentration on the core business supports the optimization of procedures and strengthens the focus of the risk management system. High market shares in EGGER's key business regions, long-standing cooperation with customers, suppliers and consultants as well as particularly low employee turnover are the guarantee for wide-ranging knowledge of the Group's markets and the early identification of risks.

As part of its risk management strategy, EGGER identifies the operating and strategic risks to which the Group is exposed along the value chain. The quantitative and qualitative effects of the major risks for EGGER are identified, assessed and documented as part of an annual review. This process supports well-timed reaction to strategic risks, changes and opportunities in a dynamic market environment. Risk management activities concentrate on the major risks, which are analyzed and monitored together with designated "risk owners". Financial risks, e.g. interest rate and foreign exchange risks, are evaluated and appraised by the corporate treasury department each quarter based on revised forecast data.

A Monte Carlo simulation is used to aggregate the overall extent of risk at the Group level. The system simulates and evaluates various scenarios based on quarterly forecast updates. Rolling forecasts are prepared each quarter for the next five financial quarters, while medium-term forecasts are prepared annually for the next five years. This procedure incorporates the uncertainties associated with forecast assumptions and thereby ensures a high degree of planning certainty. The simulation of various scenarios shows the expected values for performance indicators (e.g. EBITDA) and identifies the risk-related ranges. The system also supports the transparent assessment and documentation of individual risks. Risk management in the EGGER Group includes a focus on treasury indicators and financial covenants as well as internal value management indicators that appear to provide reasonable security for operations and long-term growth. No risks can be identified at the present time that would endanger the continued existence of the EGGER Group. The individual companies in the EGGER Group consciously take on risk only in connection with their operating activities. Controlling and planning instruments, Group-wide guidelines and regular reporting are used to monitor and manage risks.

The EGGER risk management system represents a framework for the early identification, communication, management and handling of risks. Its goal is to identify potential risks at an early point in time and to assess these risks, estimate their consequences and, if necessary, initiate suitable preventive or hedging measures. Risk management at EGGER represents an integral part of all decisions and business processes.

(37) Financial risks

The interest rate and foreign exchange risks arising from EGGER's operating activities are determined on a quarterly basis for a 12-month planning horizon. This analysis forms the starting point for the control and management of interest rate and foreign exchange risks based on the risk management strategy approved by Group Management and the risk capacity defined for interest rate and foreign exchange risks. The hedging requirements determined by this analysis are designed to limit interest rate and foreign exchange risks through the directed use of financial instruments and ensure that the Group's risk position after the conclusion of these hedges does not exceed the specified risk capacity. This risk capacity is determined each year as a percentage of the Group's overall risk capacity, which represents a percentage of budgeted EBITDA for the next 12 months.

Interest rate and foreign exchange risk

The risks arising from changes in interest rates are generally related to debt instruments. As part of the general risk analysis, the expected interest rate risk arising from borrowings is estimated for each risk position under the assumption that the financing structure consists entirely of variable interest instruments. The parameters for the simulation include interest rates that reflect the terms of the various instruments as well as daily fluctuations and a 95% probability of occurrence.

A list of all major interest-bearing liabilities together with the effective interest rates and remaining terms as well as information on existing hedges is provided in the notes under financial liabilities.

Regular business operations expose the Group to foreign exchange risk on cash transactions, above all in ARS, AUD, GBP, PLN, RON, RUB, TRY and USD. The free cash flows in ARS, GBP, PLN, RON, RUB, TRY and USD which are generated by non-EUR companies and cash balances in foreign currencies (up to their conversion into EUR) are also exposed to a direct foreign exchange risk. EUR revenues recorded in non-EUR countries can be subject to indirect foreign exchange risk since an increase in the value of the Euro can lead to rising pressure on prices in individual markets.

Planned revenues, planned free cash flows and foreign currency cash balances form the starting point for the risk analysis. Foreign exchange risks are simulated individually based on the volatility of diversification effects (correlations) and a defined probability of occurrence, and then aggregated to determine the overall foreign exchange risk.

The final step in the risk analysis involves the addition of the individual interest rate and foreign currency risk positions and the calculation of the overall financial risk position.

Forward exchange contracts (for foreign exchange risks) as well as interest rate swaps, forward rate agreements and fixed-interest borrowings (for interest rate risk) are used to reduce the foreign exchange and interest rate risks in cases where the Group's risk capacity is exceeded.

The derivative financial instruments used to hedge interest rate risk and foreign exchange risk are included in the list of financial instruments. The EGGER Group is also exposed to risks resulting from the translation of the individual financial statements of non-EUR companies into the Euro as the Group's reporting currency (translation risk). This risk is monitored through a monthly analysis. Translation risk is only hedged when the potential risk, based on a specific probability of occurrence, would result in a consolidated equity ratio of less than 25%.

Sensitivity of foreign exchange and interest rate positions

If EUR-interest rates had been 100 basis points higher or lower on April 30, 2024, and assuming all other variables remained constant, profit after tax would have been TEUR 11,722 (2022/23: TEUR 8,703) lower or higher for the full year. This change would have resulted primarily from the increase or decrease in the interest expense on variable interest financial liabilities. A fluctuation of 100 basis points in EUR-interest rates would have the same effect on equity.

If the exchange rates between the EUR and the currencies which represent a material risk for EGGER had been 10% higher or lower on April 30, 2024, and assuming all other variables remained constant, after-tax profit and equity, excluding translation differences, for the full financial year would have changed as follows:

Effect in TEUR	30.04.2024		30.04.2023	
	Increase	Decrease	Increase	Decrease
GBP	-9,278	10,642	-5,017	5,872
RON	1,631	-1,829	411	-156
RUB	-7,000	7,001	14,842	-14,841
PLN	982	-1,275	-6,289	6,783
ARS	-1,490	1,490	-1,295	1,429
USD	78	-120	-3,114	3,719
TRY	-1,017	1,243	-464	568
Other currencies	-201	213	-134	164
	-16,294	17,365	-1,060	3,536
thereof recognized in other comprehensive income	6,214	-5,144	9,303	-8,920

The changes would have resulted primarily from the following factors: currency translation gains/losses on foreign currency-denominated trade receivables, cash and cash equivalents, financial liabilities, trade payables, other liabilities and derivative financial instruments.

Liquidity risk

Liquidity risk represents a threat to the continuing existence of the Group companies as well as the entire Group. Therefore, sufficient funds must be available to ensure that payment obligations can be met at all times. The liquidity position is evaluated regularly based on daily cash dispositions and the Group's financial standing (short-term availability of liquid funds) as well as weekly forecasts, liquidity planning based on various currencies for a 15-month period and medium-term planning for five years. Budgeted short-term liquidity requirements are covered by cash balances, which include a pre-determined minimum liquidity reserve.

Medium-term requirements are covered by freely available, committed credit lines (as of April 30, 2024: TEUR 400,000 available, TEUR 0 drawn) as well as individual financing. This strategic reserve must always contain sufficient liquidity, among others, to refinance the Group's next maturing financing.

Liabilities result in the following contractually agreed payment obligations (interest expense and principal payments):

As of 30.04.2024	Cash flows in TEUR					
	Total	Under 6 months	6 – 12 months	1 – 2 years	2 – 5 years	over 5 years
Financial liabilities owed to credit institutions	891,274	122,194	17,778	165,346	468,782	117,173
Promissory note loans	902,496	12,235	33,779	219,921	500,764	135,796
Lease liabilities	29,609	3,792	3,183	4,881	6,364	11,388
Trade payables	419,767	418,643	1,124	0	0	0
Derivative financial instruments	15,065	4,891	1,953	5,123	3,122	-23
Contractual cash flows as of 30.04.2024	2,258,211	561,755	57,818	395,270	979,032	264,335

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	Cash flows in TEUR					
	Total	Under 6 months	6 – 12 months	1 – 2 years	2 – 5 years	over 5 years
Financial liabilities owed to credit institutions	730,172	54,985	62,964	123,406	465,841	22,976
Promissory note loans	828,230	91,214	84,447	34,890	513,651	104,027
Lease liabilities	23,547	3,198	2,835	4,320	5,105	8,089
Trade payables	430,976	430,665	311	0	0	0
Derivative financial instruments	22,129	5,252	4,044	5,309	6,641	883
Contractual cash flows as of 30.04.2023	2,035,053	585,314	154,601	167,925	991,238	135,975

Credit risk

The amounts reported under assets represent the maximum credit and default risk because there are no general settlement agreements. The risk associated with trade receivables is considered low because the credit standing of new and existing customers is routinely monitored. In addition, most of the trade receivables are insured against default.

The risk of default on receivables from the operating business (including deductibles and uninsured trade receivables) totals TEUR 56,099 (April 30, 2023: TEUR 83,151).

The risk of default on other primary financial assets and on derivative financial instruments is considered low.

(38) Operating risks

Market risks

The core business of the EGGER Group – the development and production of high-quality wood materials – is exposed to economic and seasonal fluctuations. In order to eliminate major fluctuations in earnings to the greatest extent possible, the Group pursues a strategy of geographic, product and branch diversification and works to develop long-term relationships with customers. The distortions on energy and raw material markets and the increase in interest rates to curb inflation in our main markets have weakened purchasing power and led to a decline in the demand for wood materials.

Procurement, production and investment risks

EGGER uses large quantities of raw materials and energy in the production of wood materials, and the relevant purchase prices can fluctuate depending on the market situation. As protection against these price risks, the Group monitors procurement markets continuously, minimizes fluctuations with appropriate stock levels and, in part, concludes long-term contracts with its suppliers. Supply independence is further improved by the in-house production of adhesives and resins. Moreover, the increasing use of environmentally friendly bio-mass power plants minimizes the dependence on fossil fuels.

The EGGER Group and the entire wood materials industry were confronted with stagnating and/or declining prices on raw material and energy markets during the financial year 2023/24. To minimize the related risks and to utilize sales opportunities, the fluctuations in raw material and energy prices were largely passed on to customers through selling prices. The 2023 calendar year brought a further normalization on the raw material and energy markets.

Production capacity can be impaired by unplanned events, natural disasters or problems in obtaining sufficient supplies of strategic raw materials. To counter the potential effects on earnings, the Group prepares emergency plans, organizes support from other EGGER production facilities as needed and safeguards supplies of strategic raw materials through long-term delivery contracts. Production and warehouse capacity is routinely monitored on the basis of rolling quarterly forecasts. Any necessary adjustments to reflect the market situation are made over the medium term through appropriate measures in the sales area and the adjustment of production volumes.

All investments and growth projects must meet pre-defined return and profitability targets and are monitored regularly to ensure these targets are met. Efficient and effective monitoring is guaranteed by clearly defined value management principles, indicators, detailed investment calculation models, and an integrated investment management process.

Russia-Ukraine conflict

The outbreak of the Russia-Ukraine conflict in the fourth quarter of the financial year 2021/22 radically changed the operating environment for EGGER and its market partners in related industries, and the expected global economic recovery after the COVID-19 pandemic remains extremely subdued. A forecast published by the European Commission on February 15, 2024 indicated that GDP growth in the EU will be limited to 0.9% in 2024. The ongoing geopolitical conflict has led to rising energy prices, interrupted supply chains and EU sanctions that will continue to slow growth in the coming months and lead to reductions in the economic forecasts for key industrial nations, also those outside the European Union, and in all EGGER core markets. These factors are expected to result in long-term distortions and further consequences for the European energy and chemical industries and their downstream value chains – and the outcomes could represent risks as well as opportunities for EGGER. These forecasts underscore the effects of inflation and purchasing power on demand, as explained in the section on market risks.

Business activities in Russia are currently responsible for approximately 7.1% of Group revenues, and the absence of this market would not create any substantial damage to EGGER. The carrying amount of the non-current assets in the two plants in Russia (Shuya, Gagarin) equaled 3.5% of the Group's total non-current assets (property, plant and equipment, intangible assets, investment property and biological assets) as of April 30, 2024. Our consolidated balance sheet does not include any material Ukrainian assets.

A process was implemented before the Ukraine crisis to ensure compliance with worldwide sanctions. This process was reviewed along the lines of the EU sanctions imposed against Russia, and a strict compliance structure and program to ensure compliance with all EU sanctions were established.

Environmental and climate-related risks

EGGER's strategic risk management also addresses environmental and climate-related risks. Examples of these risks are natural disasters that can lead to material damage and business interruption as well as the risks increasingly caused by the effects of climate change. These risks are transferred and insured to make certain the effects on EGGER reflect the targeted risk profile. Further risks with climate-related relevance for EGGER include the long-term protection of wood supplies in view of the changing climatic conditions at the respective locations, supply chain interruptions and the subsequent impact on supplies of adhesives and impregnating resins and, among others, energy supplies for the individual plants. The information on strategic risks, their assessment and related measures flows into EGGER's guiding strategy together with other analyses.

The conscious handling and assessment of risks is crucial for the continued existence of the EGGER Group. However, the identified risks had no negative influence on the financial, asset or earnings position of the EGGER Group in the financial year 2023/24.

Operational and strategic corporate planning includes the influence of climate change on the planning assumptions (e.g. in particular, climate-related cost increases).

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IT risks

EGGER takes the issue of information security very seriously and is aware of cybersecurity risks. To ensure the continuous improvement of our systems and process security, we started to develop an information security management system (ISMS) many years ago. This ISMS has been certified under the international ISO 27001 standard for over 20 years and is managed by our internal IT security team.

The standardization of IT and IT processes is a key element of EGGER's information and cybersecurity strategy. Standards were defined and implemented throughout the Group together with external partners. In this way, we ensure the same high security standards for all our plants.

We rely on state-of-the-art IT security technologies and work closely with external cybersecurity specialists to continuously evaluate and improve our internal and external systems, processes and guidelines. Findings are evaluated and managed in accordance with the risk management system.

Other operating risks

In addition to the above-mentioned risks, the EGGER Group's risk management system also covers the following major risks: demographic shifts and the related long-term coverage of personnel requirements, legal and regulatory restrictions involving the wood materials industry together with the upstream and downstream industries as well as political and social risks. Risks that can influence EGGER's sales volumes and market attractiveness are addressed through a focus on the product portfolio, possible substitution products and the company's innovative capabilities.

Additional Disclosures

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(39) Financial instruments

§ Accounting and valuation methods

Recognition and derecognition of financial instruments

All financial instruments are recognized at the applicable value as of the settlement date.

Financial instruments are derecognized when the right to receive cash flows and principally all risks and rewards are transferred to the buyer or no longer remain with EGGER. Additional information on the sale of financial instruments is provided under Note (23) Trade receivables.

Fair value hierarchy and valuation of financial instruments

The following table under “additional details” shows the allocation of financial assets and liabilities at fair value to the three-level fair value hierarchy. The levels of the fair value hierarchy and their application to assets and liabilities are described in the following:

- **Level 1:** Listed market prices for identical assets or liabilities in active markets.
- **Level 2:** Information directly or indirectly derived from market prices for the relevant asset or liability that can be monitored on the market.
- **Level 3:** Data that is not based on observable market information.

The other financial assets (Level 3) are carried at fair value, which is determined on the basis of the underlying earnings forecasts.

Purchase price liabilities from the acquisition of companies (Level 3), which are dependent on the future earnings of the acquired company or on the occurrence of specific events, are carried at fair value. A dependence on future events is reflected in the calculation of fair value based on future earnings forecasts which are subsequently discounted at a term- and risk-adequate discount rate as of the balance sheet date.

The valuation of liabilities from sales options held by non-controlling interests (Level 3) is based on the expected exercise price. This price is dependent, above all, on the expected development of EBITDA in the respective company, which is estimated on the basis of financial planning.

Derivative financial instruments

Hedges are concluded to reduce the risks arising from changes in foreign exchange rates and interest rates. The financial instruments used by the Egger Group consist primarily of forward exchange contracts, interest rate swaps and interest rate options.

Derivative financial instruments are recognized at cost on the date the contract is concluded and measured at fair value in subsequent periods. The valuation models applied to derivatives reflect both the company's own credit risk and external credit risk. Changes in the value of these financial instruments are recognized to profit or loss.

A cash flow hedge as defined in IFRS 9 is an instrument designed to hedge future payment flows. The gains and losses resulting from changes in the value of a derivative financial instrument are recognized to other comprehensive income at an amount equal to the effective portion of the hedge and transferred to profit or loss when the underlying transaction is realized. The ineffective portion of an effective hedge is recognized immediately to profit or loss.

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The accounting treatment of a fair value hedge includes the measurement at fair value through profit or loss of the derivative hedging instrument as well as the underlying transaction based on the hedged risk. Therefore, only the ineffective portion of the hedge is included in results for the period.

The fair value of forward exchange contracts is based on the foreign exchange rates and interest rates in effect on the balance sheet date. Interest rate swaps are measured at their present value using current interest rates. The value of interest rate options is determined by applying standard calculation models and also incorporates current interest rates and related volatilities.

The valuation of the “other options” (Level 3) was based on a multiple procedure, whereby the multiple was derived from transactions observable on the market or estimated according to the individual company. This valuation is compared with the multiple purchase price specified in the option. Any agreed price discounts are also included in the calculation based on the interest effects.

Explanations

The Group holds both primary and derivative financial instruments. **Primary financial instruments** consist chiefly of financial assets, trade receivables, securities, deposits with financial institutions, financial liabilities and trade payables.

Derivative financial instruments comprise the following:

	30.04.2024			30.04.2023		
	Currency	Nominal value in thous.	Fair value TEUR	Currency	Nominal value in thous.	Fair value TEUR
Interest rate swaps with positive fair value – fair value hedges	EUR	94,500	1,393	EUR	94,500	1,708
Interest rate swaps with negative fair value – fair value hedges	EUR	247,500	–13,379	EUR	344,000	–19,666
Other options	EUR	–	4,922	EUR	–	3,440
			–7,063			–14,518

The nominal value of the interest rate swaps represents the contract volumes of the derivative financial instruments. Fair value represents the amount at which the transactions could be settled. The interest rate swaps are used to hedge interest rate risk, whereby EGGER uses a hedging ratio of 1:1.

The other options entitle EGGER to purchase additional shares of a company in which an investment is currently held. The increase resulted from a new option acquired in 2023/24. Fair value measurement led to a reduction of TEUR 858, which was recorded under other financial results.

The fair values of the derivative financial instruments are shown in the above table.

The following table shows the carrying amounts and fair values of the individual **financial assets and liabilities** as well as the corresponding valuation categories:

Balance sheet position			Carrying amount 30.04.2024 TEUR	Fair value 30.04.2024 TEUR	Carrying amount 30.04.2023 TEUR	Fair value 30.04.2023 TEUR
	Valuation category	Level				
Financial assets carried at fair value						
Securities	FVTPL	1	687	687	9,937	9,937
Other financial assets	FVTPL	3	14,618	14,618	14,912	14,912
Unsold receivables from the factoring portfolio	FVOCI	3	25,809	25,809	31,226	31,226
Interest rate swaps	FVTPL	2	1,393	1,393	1,708	1,708
Other options	FVTPL	3	4,922	4,922	3,440	3,440
Emission certificates and Green certificates (RO)	FVTPL	1	4,426	4,426	90	90
			51,855	51,855	61,313	61,313
Financial assets not carried at fair value						
Loans	AC		19,993	–	8,414	–
Trade receivables	AC		169,597	–	144,004	–
Other financial assets	AC		49,710	–	27,099	–
Cash and cash equivalents	AC		251,764	–	465,962	–
			491,064		645,479	
Financial liabilities carried at fair value						
Residual risk from factoring	FVTPL	3	0	0	39	39
Purchase price liabilities from company acquisitions	FVTPL	3	9,197	9,197	16,710	16,710
Interest rate swaps	FVTPL	2	13,379	13,379	19,666	19,666
			22,576	22,576	36,415	36,415
Financial liabilities not carried at fair value						
Amounts owed to credit institutions	AC	2	772,749	769,240	649,063	646,436
Promissory note loans	AC	2	766,386	766,517	709,833	709,572
Lease liabilities	AC	2	24,790	24,790	19,185	19,185
Other financial liabilities	AC		65,077	–	50,930	–
Liabilities due to puttable non-controlling interests	AC	3	54,203	54,203	45,439	45,439
Trade payables	AC		419,767	–	430,976	–
			2,102,972		1,905,426	

FVTPL, Fair value through profit or loss

FVOCI, Fair value through other comprehensive income

AC, Amortized cost

"-": The table contains no information, if the carrying amount approximates fair value.

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Since the fair value of the other financial assets (Level 3) generally reflects the carrying amount, no adjustments were made.

The fair value of the purchase price liability from a company acquisition (Level 3) declined by TEUR 7,513 to TEUR 9,197 as of April 30, 2024, above all due to reduced earnings expectations.

The carrying amount of liabilities from the sales options held by non-controlling interests (Level 3) increased by TEUR 8,764 over the previous year to TEUR 54,203, primarily due to compounding effects. This change was offset against reserves without recognition to profit or loss.

There were no reclassifications between hierarchy levels during the reporting year.

Discretionary judgments

The calculation of the expected credit losses on financial instruments involves estimates and assumptions for future default incidents. These assumptions are based on the company's experience and/or on market information.

For the valuation of the other options, the material, non-observable input factors include the estimated EBITDA development in the involved company and the derivation of the observable multiple. An increase (decrease) of 10% in the multiple observed on the market would lead to an increase of EUR 0.7 million / decrease of EUR 0.7 million in fair value.

The valuation of purchase price liabilities from company acquisitions is dependent, above all, on the expected EBITDA development in the involved companies. An increase (decrease) of 10% in the recognized EBITDA would lead to an increase of EUR 7.7 million / decrease of EUR 7.7 million in fair value.

The valuation of the liabilities from the sales options held by non-controlling interests is dependent primarily on the expected EBITDA development in the involved companies. An increase (decrease) of 10% in the recognized EBITDA would lead to an increase of EUR 6.7 million / decrease of EUR 6.7 million in fair value.

(40) Contingent receivables and liabilities

Contingent receivables

EGGER purchased land in the Haffeld commercial and industrial zone from the Hanseatic City of Wismar in 1998. The Hanseatic City of Wismar committed to preparing the site for development as part of the purchase agreement and, for this purpose, concluded an engineering contract with a planning company, Inros Lackner AG. This contract committed Inros Lackner AG to readying the site for construction and, in particular, to ground preparation. After EGGER erected an MDF and OSB plant at this site, substantial ground settling was noticed in the traffic areas. The subsiding areas heavily damaged installations built by EGGER, in particular roads and other traffic zones, which required extensive repairs. This renovation work will continue, depending on the interference with operations, until all areas of the plant are renovated.

EGGER subsequently filed claims for compensation against Inros Lackner AG. A legally binding fundamental decision by the Federal Supreme Court requires Inros Lackner AG and the Hanseatic City of Wismar to provide compensation for the damages caused by the ground settling. The legal dispute is currently before the Regionall Court in Schwerin and the expected compensation ranges from EUR 0 to 12 million.

Contingent liabilities

Innovation implies that intangible property rights, above all technical property rights, can be relevant for business activities. Patent discussions occur frequently in product areas with comparatively short development intervals, such as laminate flooring. The member companies of the EGGER Group are actively and passively involved in such disagreements. The Group works to limit the related legal risks through a specialist department and close cooperation with external consultants as well as the conclusion of licensing agreements where appropriate.

Certain member companies of the EGGER Group are parties to various legal proceedings arising from ordinary business activities. Provisions were created where it is probable that these proceedings will lead to a future payment or other form of performance whose amount can be estimated. Management assumes these proceedings will not have a material effect on the asset, financial or earnings position of Egger Holzwerkstoffe GmbH.

(41) Auditor's fees

The fees charged by the auditor comprise TEUR 229 (2022/23: TEUR 217) for the audit of the annual financial statements and other assurance services for the Austrian companies included in the consolidated financial statements of Egger Holzwerkstoffe GmbH as well as TEUR 154 (2022/23: TEUR 52) for other services. The other services consist chiefly of miscellaneous assurance services (review of the half-year financial statements and sustainability report).

(42) Transactions with related parties and persons

The management structure of the EGGER Group ensures that the commercial director, Thomas Leissing (CFO and Spokesman for Group Management), is notified of all transactions with related parties and companies. Information on planned transactions is routinely forwarded to the Accounting Department. The Head of Legal/Tax/Compliance in the EGGER Group also provides the Accounting Department with information on related persons and companies as well as their transactions. In connection with the preparation of the annual financial statements, all persons responsible for accounting procedures in the individual EGGER companies are questioned on possible transactions in a structured process. Key managers, shareholders and the members of the Supervisory Board as well as the members of the foundation management boards and advisory boards are also questioned each year in writing on their transactions with the EGGER Group. The Group-wide, standardized IT/ERP system (SAP) allows for the central analysis of all incoming invoices in accordance with defined criteria (e.g. invoice issuer) at any time.

Related parties include all subsidiaries, joint ventures and associates of Egger Holzwerkstoffe GmbH. A list of the subsidiaries, joint ventures and associates of Egger Holzwerkstoffe GmbH is provided under Note (44) List of investments. Due to legal restructuring and corporate financing during the reporting year, the company group attributable to Beteiligung „FM Getränke“ – Privatstiftung is also considered a related party. All transactions with related parties take place on an arm's length basis.

All transactions between the consolidated subsidiaries of Egger Holzwerkstoffe GmbH are eliminated during the consolidation.

Information on transactions with equity-accounted investments and other related parties is provided in the following table:

	Joint ventures		Associates		Other companies	
	30.04.2024 TEUR	30.04.2023 TEUR	30.04.2024 TEUR	30.04.2023 TEUR	30.04.2024 TEUR	30.04.2023 TEUR
Deliveries and services rendered and other income	0	–	8,629	16,007	4,205	–
Received deliveries and services and other expenses	0	–	364	54	4,936	–
Non-current liabilities	0	–	2,071	2,821	410	–
Current liabilities	109	–	24	11	166	–

A long-term loan of TEUR 9,000 was granted to Egger Getränke GmbH & Co OG, a subsidiary of Beteiligung „FM Getränke“ – Privatstiftung, during the reporting year.

Transactions with unconsolidated subsidiaries, joint ventures and associates are generally not disclosed because they are immaterial.

Related persons are defined as the members of EGGER's 0 and 1 management levels (key managers), the shareholders of Egger Holzwerkstoffe GmbH and its managing directors, the members of the Supervisory Board, the foundation management boards and the advisory boards of MFE Vermögensverwaltung Privatstiftung, Beteiligung „FM Deutschland“ – Privatstiftung and Beteiligung „FM England“ – Privatstiftung as shareholders of Egger Holzwerkstoffe GmbH together with their close family members and the companies controlled by these persons, or their close family members, or jointly controlled companies.

The circle of EGGER key managers comprised 30 persons in 2023/24 (April 30, 2023: 28) who received salaries totaling TEUR 8,683 (2022/23: TEUR 9,948). Of this total, TEUR 6,815 (2022/23: TEUR 6,551) represent fixed and TEUR 1,867 (2022/23: TEUR 3,397) variable remuneration.

The shareholders of Egger Holzwerkstoffe GmbH are MFE Vermögensverwaltung Privatstiftung, Beteiligung „FM Deutschland“ – Privatstiftung, Beteiligung „FM England“ – Privatstiftung, Fritz Egger, Michael Egger and Thomas Leissing (via TAL Verwaltungs GmbH).

A distribution of TEUR 14,970 was made to shareholders in August 2023. In addition, Beteiligung „FM England“ – Privatstiftung received a distribution of TEUR 9,030 in its capacity as a minority shareholder of Egger Deutschland Beteiligungsverwaltung GmbH.

The members of Group Management in 2023/24 were Thomas Leissing, Frank Bölling, Michael Egger jun. and Hannes Mitterweissacher.

The members of the Supervisory Board as of April 30, 2024 were Fritz Egger (Chairman), Walter Schiegl, Robert Briem, Ewald Aschauer (Chairman of the Audit Committee), Michael Stiehl and Alfred Wurmbrand. The members of the Supervisory Board received remuneration (including the reimbursement of expenses) totaling TEUR 395 in 2023/24 (2022/23: TEUR 264).

As of April 30, 2024, the management board of MFE Vermögensverwaltung Privatstiftung consisted of Robert Briem (Chairman), Andreas Urban (Vice-Chairman), Helmut Lettner and Katharina Müller. The management board of Beteiligung „FM Deutschland“ – Privatstiftung and Beteiligung „FM England“ – Privatstiftung consisted of Robert Briem (Chairman), Helmut Lettner (Vice-Chairman) and Katharina Müller. Fritz Egger, Michael Egger jun. and Theresia Schott form the advisory board for all three foundations.

All transactions with related persons are conducted at arm's length and, unless indicated above, immaterial in scope. The following transactions took place in 2023/24:

- The EGGER Group provides bookkeeping services, rents office space and apartments or residential buildings for private use to related persons and companies on a third-party basis (in total for 2023/24 and for the previous financial year, less than TEUR 50).
- Certain members of EGGER's Supervisory Board / foundation management boards provide consulting services for the EGGER Group through separate attorneys' societies. These services are invoiced at standard market rates based on hourly records (in total for 2023/24 and for the previous financial year, less than TEUR 200).
- All EGGER Group employees are entitled to purchase services, EGGER materials or merchandise from the EGGER companies. Related parties also made these types of purchases (in total for 2023/24 and for the previous financial year, less than TEUR 550).
- Real estate owned by related parties is rented to the EGGER Group at standard market conditions for business purposes (in total for 2023/24 and for the previous financial year, less than TEUR 250).
- In 2023/24, Egger Corporate Services GmbH granted a short-term downpayment loan to a related person at standard market conditions (book value incl. accrued interest as of April 30, 2024: TEUR 2,878).

(43) Significant events after the balance sheet date

No significant events occurred after the balance sheet date which would have led to a different presentation of the asset, financial or earnings position.

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(44) List of investments

Company	Headquarters	Currency	Nominal capital in thous.	Stake in % ⁽¹⁾	Type of consolidation	Segment
Companies included in the consolidated financial statements:						
Egger Holzwerkstoffe GmbH	St. Johann i.T.	EUR	11,509	100.00	Full consolidation	Decorative
Fritz Egger Gesellschaft m.b.H.	St. Johann i.T.	EUR	30,000	94.90	Full consolidation	Decorative
Fritz Egger GmbH & Co. OG	St. Johann i.T.	EUR	4,563	94.90	Full consolidation	Decorative
Fritz Egger Vermögensverwaltung GmbH	St. Johann i.T.	EUR	37	100.00	Full consolidation	Decorative
Fritz Egger Vertriebs GmbH	St. Johann i.T.	EUR	35	94.90	Full consolidation	Decorative
HP Verwaltungs GmbH	St. Johann i.T.	EUR	35	94.90	Full consolidation	Decorative
Egger Investment Holding GmbH	St. Johann i.T.	EUR	37	100.00	Full consolidation	Decorative
Egger Deutschland Beteiligungsverwaltung GmbH	St. Johann i.T.	EUR	2,253	94.84	Full consolidation	Decorative
Egger Osteuropa Beteiligungsverwaltung GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger Nordamerika Beteiligungs GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger Business Services GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
EHWS Beteiligungs GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger East Investment GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger Corporate Services GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger Südamerika Holding GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger Holzverarbeitung GmbH	St. Johann i.T.	EUR	35	94.90	Full consolidation	Decorative
Egger CEE Holding GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger Italy Holding GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
Egger APAC Holding GmbH	St. Johann i.T.	EUR	35	100.00	Full consolidation	Decorative
SG Holding GmbH	St. Johann i.T.	EUR	100	100.00	Full consolidation	Decorative
Egger Forst Österreich GmbH	St. Pölten	EUR	100	94.90	Full consolidation	Decorative
EGGER Panneaux & Décors SAS	Rion des Landes	EUR	30,000	94.90	Full consolidation	Decorative
Egger (UK) Limited	Woking	GBP	13,500	100.00	Full consolidation	Decorative Building
Campact Limited	Woking	GBP	1,000	100.00	Full consolidation	Decorative
Egger Forestry Limited	Woking	GBP	252	100.00	Full consolidation	Decorative
Timberpak Limited	Woking	GBP	8	100.00	Full consolidation	Decorative
Egger USA Investment Limited	Woking	GBP	16	100.00	Full consolidation	Decorative
Pearce Holding St. Albans Limited	St. Albans	GBP	114	50.00	Equity-method	Decorative
Egger Dekor A.S.	Gebze	EUR	27,347	100.00	Full consolidation	Decorative
Egger Orman Ürünleri A.S.	Gebze	TRY	4,653	100.00	Full consolidation	Decorative

Company	Headquarters	Currency	Nominal capital in thous.	Stake in % ⁽¹⁾	Type of consolidation	Segment
Fritz Egger Beteiligungs GmbH & Co.KG ^(2/3)	Brilon	EUR	90,641	94.86	Full consolidation	Decorative
Egger Holzwerkstoffe Brilon GmbH & Co. KG ^(2/3)	Brilon	EUR	1,064	94.86	Full consolidation	Decorative
Egger Holzwerkstoffe Brilon Beteili- gungs-GmbH	Brilon	EUR	25	94.86	Full consolidation	Decorative
LTPRO GmbH	Brilon	EUR	25	94.86	Full consolidation	Decorative
Egger Brilon Service GmbH	Brilon	EUR	500	94.86	Full consolidation	Decorative Building
Egger Kunststoffe Beteiligungs-GmbH	Brilon	EUR	25	94.86	Full consolidation	Decorative
Egger Sägewerk Brilon GmbH	Brilon	EUR	25	94.86	Full consolidation	Building
Egger Forst GmbH	Brilon	EUR	25	94.86	Full consolidation	Building
Horatec GmbH	Hövelhof	EUR	69	24.24	Equity-method	Decorative
Egger Holzwerkstoffe Wismar GmbH & Co. KG ⁽²⁾	Wismar	EUR	1,026	94.86	Full consolidation	Building
Egger Holzwerkstoffe Wismar Beteiligungs GmbH	Wismar	EUR	26	94.86	Full consolidation	Building
Egger Kunststoffe GmbH & Co. KG ⁽²⁾	Gifhorn	EUR	282	94.86	Full consolidation	Decorative
Egger Beschichtungswerk Marienmünster Beteiligungs GmbH	Marien- münster	EUR	26	94.86	Full consolidation	Decorative
Egger Beschichtungswerk Marienmünster GmbH & Co.KG ⁽²⁾	Marien- münster	EUR	513	94.86	Full consolidation	Decorative
Timberpak GmbH	Lehrte	EUR	25	94.86	Full consolidation	Decorative
M+P Umweltdienste GmbH	Overath	EUR	50	94.86	Full consolidation	Decorative
Egger Holzwerkstoffe Markt Bibart GmbH	Markt Bibart	EUR	300	94.86	Full consolidation	Decorative
CLEAF S.p.A.	Macherio	EUR	1,830	27.50	Equity-method	Decorative
Societa Agglomerati Industriali Bosi - SAIB S.p.A.	Caorso	EUR	12,500	60.00	Full consolidation	Decorative
Egger Biskupiec sp. z o.o.	Biskupiec	PLN	18,500	100.00	Full consolidation	Decorative Building
EGGER Romania S.R.L.	Radauti	RON	400,000	100.00	Full consolidation	Decorative Building
Egger Technologia S.R.L.	Radauti	RON	15,000	100.00	Full consolidation	Decorative Building
Energy Trust S.R.L.	Radauti	RON	3,500	100.00	Full consolidation	Decorative
F.E. Agrar S.R.L.	Radauti	RON	52,911	100.00	Full consolidation	Building
OOO „Egger Drevprodukt Shuya“	Shuya	RUB	1,841,390	100.00	Full consolidation	Decorative
OOO Egger Drevprodukt Gagarin	Gagarin	RUB	6,341,055	100.00	Full consolidation	Decorative
Egger Wood Products LLC	Linwood	USD	744,000	100.00	Full consolidation	Decorative
Timberpak LLC	Linwood	USD	16,650	100.00	Full consolidation	Decorative
Egger Argentina SAU	Buenos Aires	ARS	22,452	100.00	Full consolidation	Decorative
Panel Plus Co. Ltd.	Hat Yai	THB	837,212	25.10	Equity-method	Decorative
Companies not included in the consolidated financial statements:						
Ortswärme St. Johann in Tirol GmbH	St. Johann i.T.	EUR	500	24.67	–	–
Eco 3 Bois SAS	Venissieux	EUR	100	47.45	–	–
Timberpak 31 SAS	Belesta	EUR	50	47.45	–	–
Krause Maschinenbau GmbH	Tuntten- hausen	EUR	26	22.78	–	–

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Company	Headquarters	Currency	Nominal capital in thous.	Stake in % ⁽¹⁾	Type of consolidation	Segment
Meobelio GmbH	Bad Wünnen- berg	EUR	25	71.05	–	–
Gagarin Orman Ürünleri A.S.	Istanbul	TRY	300	100.00	–	–
Timberpak Hungary Kft.	Budapest	HUF	3,000	100.00	–	–
Egger Benelux BV	Kortrijk	EUR	0	100.00	–	–
Fundatia "EGGER"	Radauti	RON	105	100.00	–	–
SEA Wood Holding Ltd.	Bangkok	THB	4,000	100.00	–	–
Fundacja Egger	Biskupiec	PLN	30	100.00	–	–
Egger Scandinavia APS	Tistrup	DKK	200	100.00	–	–
COC Asset Management S.A.U.	Buenos Aires	ARS	300	94.90	–	–
Egger Baltic UAB	Vilnius	EUR	3	100.00	–	–
Egger CZ s.r.o.	Hradec Kralove	CZK	100	100.00	–	–
TOV Egger Holzwerkstoffe	Chernivtsi	UAH	50,119	100.00	–	–
IOOO Egger Drevplit	Minsk	BYN	4,000	100.00	–	–
Egger Drevplit Kazakhstan LLP	Almaty	KZT	2,100	100.00	–	–
Egger Zarzadzanie aktywami Sp. z o.o.	Warsaw	PLN	466	100.00	–	–
Egger Holzwerkstoffe Schweiz GmbH	Kriens	CHF	100	100.00	–	–
Egger Italia S.r.l.	Oderzo	EUR	10	100.00	–	–
EGGER Drvni Proizvodi d.o.o. Beograd	Belgrade	RSD	3,174	100.00	–	–
Fritz Egger Kabushiki Kaisha	Tokyo	JPY	5,000	100.00	–	–
Fritz Egger Business Consulting (Shanghai) Co Ltd.	Shanghai	CNY	1,000	100.00	–	–
Egger Southeast Asia Company Limited	Ho Chi Minh City	VND	1,133,000	100.00	–	–
Egger Greece Single Member Private Company	Melissia	EUR	60	100.00	–	–

(1) Share of capital based on %.

(2) These subsidiaries elected to use the exemptions provided by § 264 b of the German Commercial Code.

(3) The subsidiaries included in the consolidated financial statements elected to use the exemption provided by § 291 of the German Commercial Code, and therefore did not prepare consolidated financial statements or a group management report.

St. Johann in Tirol, July 18, 2024

Thomas Leissing
Chief Financial Officer (CFO) and
Speaker of Group Management

Frank Bölling
Chief Supply Chain Officer (CSCO)

Michael Egger jun.
Chief Sales Officer (CSO)

Hannes Mitterweissacher
Chief Technology Officer (CTO)

Group Management

Glossary

ASI	Internal control authority of the FSC® (Assurance Services International)
AT	Unit of measurement for the mass of one ton of absolutely dry wood (atro ton)
BEFIT	Initiative with the aim of creating a common set of rules for company taxation in the EU (Business in Europe: Framework for Income Taxation)
BEPS	Base Erosion and Profit Shifting
BIO	Protection and restoration of biodiversity and ecosystems
BREF	Best Available Techniques reference documents
BY	Belarus
C	Carbon
CapEx	Capital Expenditures
CARB 2	Formaldehyde emission class (California Air Resources Board Phase 2)
CCA	Climate Change Adaptation
CCM	Climate Change Mitigation
CE	Transition to a circular economy
CFO	Chief Financial Officer
CO	Gas (carbon monoxide)
CO ₂	Gas (carbon dioxide)
CO ₂ -eq.	CO ₂ equivalents: Unit of measurement used to standardize the climate impact of different greenhouse gases.
COC	Chain-of-Custody
CPI	Corruption Percentage Index
CRM	Customer Relationship Management
CSCO	Chief Supply Chain Officer
CSDDD	Corporate Sustainability Due Diligence Directive
CSO	Chief Sales Officer
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
CTO	Chief Technology Officer
DDS	Due Diligence System
DHF	Vapour-permeable wood fibreboard
DIY	Do It Yourself
DNSH	Do no significant harm criteria of EU-taxonomy
E05	German emission class for formaldehyde
E1E05	Industrial labeling for wood-based materials which, as raw boards, comply with the requirements of the German Chemicals Prohibition Ordinance
E1	European emission class for formaldehyde
EAC	EGGER-internal designation of a specific risk group for the origin of wood (EGGER Audit Controlled)
ECS	EGGER-internal designation of a certain risk group for the origin of wood (EGGER Controlled Sources)
EEF	Association of the works councils of all locations in the EU and in the UK (European EGGER Forum)
EHD	Environmental and Health Data Sheet
ELS	EGGER-internal designation of a certain risk group for the origin of wood (EGGER Legal Sources)
EMAS	Voluntary EU Eco-Management and Audit Scheme
EMS	EGGER Management System
EN	European standard
EN 71-3	European standard for safety of toys – part 3: Migration of specific elements
EN 15804	European standard for environmental product declarations of construction product
EN 16247	European standard for energy audits
EPD	Environmental Product Declaration
EPF	European Panel Federation
EPI	Environmental Performance Index
ERP	Enterprise Resource Planning
ESG	Environmental and social performance and organizational structure of corporate management (environment, social, governance)
ESRS	European Sustainability Reporting Standards

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ETS	EU system for CO ₂ emissions trading (Emissions Trading System)
EU IED	European Industrial Emissions Directive
EUDR	EU-Deforestation-Regulation
EUTR	European Timber Regulation
F****	Japanese emission class for formaldehyde
FAQ	Frequently Asked Questions
FU	Functional unity
FH	University of Applied Sciences
FSC®	Voluntary system for sustainable forest management, chain-of-custody and product labelling (Forest Stewardship Council®)
FTE	Full Time Equivalent
GDPR	General Data Protection Regulation
FY	Fiscal year
GRI	Global Reporting Initiative
GWh	Gigawatt-hours
GWP	Global Warming Potential
HDF	High-Density Fibreboard
HEK	EGGER-internal abbreviation for the wood purchasing department
HR	Human Resources
IBU	German program operator for EPDs (Institute for Building and Environment)
IBU-PCR	Part of the IBU Programme Rules (see IBU, see PCR)
IEA	International Energy Agency
IFRS	International Financial Reporting Standards Foundation
ILO	International Labour Organization
ISAE 3000	International Standard on Assurance Engagements 3000
ISO 9001	International Quality Management System Standard
ISO 14001	International Environmental Management System Standard
ISO 14021	International standard for environmental product declarations
ISO 14025	International standard for the verification of environmental product declarations
ISO 14067	International standard for quantifying the carbon footprint of products
ISO 38200	International system standard for the controlled chain of custody of wood
ISO 45001	International Occupational Health and Safety Management System Standard
ISO 50001	International Energy Management System Standard
ISS ESG	ESG division of the rating provider Institutional Shareholder Services Inc.
IT	Information technology
LkSG	German Supply Chain Act
LTIR	Lost Time Injury Rate
CY	Calendar year
KornFerry Hay	Job evaluation system
KT	Short-cycle press
CIP	Continuous improvement process
kWp	Kilowatt peak: peak power of photovoltaic modules
LOTO	An occupational safety procedure in which equipment is disconnected from its energy sources during maintenance (lockout-tagout)
M1	Finnish label for the classification of emissions from building materials
MF	Melamine Formaldehyde
MDF	Medium-Density Fibreboard
MUF	Melamine Urea Formaldehyde
NACA-Score	Rating system for the severity of injuries and illnesses
NaDiVeG	Sustainability and diversity improvement act (Austrian implementation of the EU Non-financial reporting directive)
NFI	Non-financial information
NGO	Non-governmental organization
NO	Gas (nitrogen monoxide)
NO ₂	Gas (nitrogen dioxide)
NO _x	Collective term for nitrogen monoxide and nitrogen dioxide
ODS	Ozone Depleting Substances
OECD	Organization for Economic Cooperation and Development
OHSAS 18001	UK Occupational Safety Management System Standard
OpEx	Operational Expenditures
OSB	Oriented Strand Board

ÖWAV	Austrian Water and Waste Management Association
ÖWAV sorting guide	ÖWAV-Working aid 60: Guideline for waste wood sorting
PAH	Substance group: Polyaromatic hydrocarbons
PCB	Substance group: Poly-chlorinated biphenyls
PCF	Product Carbon Footprint
PCP	Substance: Penta-chlorophenol
PCR	Set of rules for environmental product declarations of a certain product category (Product Category Rule)
PE	Thermoplastic (polyethylen)
PEFC	Voluntary system for sustainable forest management, chain-of-custody and product labelling (Program for the Endorsement of Forest Certification)
PESTEL analysis	Strategic analysis tool for evaluating the impact of external factors (Political, Environmental, Economic, Social, Technical, Ecological, legal) on the company
PET	Thermoplastic from the polyester family (polyethylene terephthalate)
PMDI	Binding agent (polymeric diphenylmethandisocynat)
PRTR	Pollutant Release and Transfer Register
PPC	Pollution prevention and control
PVC	Plastic (polyvinyl chloride)
RAL UZ 177	Voluntary eco-label Blauer Engel for low-emission floor coverings, panels and doors made of wood and wood-based materials for interiors
RC	Recycling
SASP	Single Authorization for Simplified Procedures
SDG(s)	Sustainable Development Goals of the United Nations
SGS	Societe Generale de Surveillance (certification company)
GHG	Greenhouse Gas
TSCA Title VI	Toxic Substances Control Act
UF	Urea Formaldehyde
UGB	Austria's Corporate code
UKTR	United Kingdom Timber Regulation
UN	United Nations
VOC	Volatile Organic Compounds
WRA	UK Wood Recycler's Association
WRI	World Resources Institute
WTR	Sustainable use and protection of water and marine resources
WTW	Consultant for data-driven, evidence-based solutions in the areas of people, risk and capital

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Auditor's Report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the consolidated financial statements of

**Egger Holzwerkstoffe GmbH,
St. Johann in Tirol, Austria**

and its subsidiaries ("the Group"), which comprise the Consolidated Balance as at 30 April 2024, and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at 30 April 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Other Information

Management is responsible for the other information. Other information is all information provided in the annual report, other than the consolidated financial statements, the group management report and the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report with this regard.

Responsibilities of Management Audit Committee for the Consolidated Financial Statements

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Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements to Section 245a UGB (Austrian Commercial Code) and other legal or regulatory requirements and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those such risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty about the entity's ability to continue as a going concern, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate to the audit committee regarding, among other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirement.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Engagement Partner

The engagement partner is Mr Mag. Ulrich Pawlowski.

Innsbruck, 19 July 2024

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Mag. Ulrich Pawlowski
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

Bestätigungsvermerk

Bericht zum Konzernabschluss

Prüfungsurteil

Wir haben den Konzernabschluss der

**Egger Holzwerkstoffe GmbH,
St. Johann in Tirol,**

und ihrer Tochtergesellschaften ("der Konzern"), bestehend aus der Konzernbilanz zum 30. April 2024, der Konzern-Gewinn- und Verlustrechnung, der Konzern-Gesamtergebnisrechnung, der Cashflow-Rechnung und der Konzern-Eigenkapitalentwicklung für das an diesem Stichtag endende Geschäftsjahr und dem Konzernanhang, geprüft.

Nach unserer Beurteilung entspricht der Konzernabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage des Konzerns zum 30. April 2024 sowie der Ertragslage und der Zahlungsströme des Konzerns für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den International Financial Reporting Standards (IFRS), wie sie in der EU anzuwenden sind, und den zusätzlichen Anforderungen des § 245a UGB.

Grundlage für das Prüfungsurteil

Wir haben unsere Abschlussprüfung in Übereinstimmung mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt "Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Konzernabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind vom Konzern unabhängig in Übereinstimmung mit den österreichischen unternehmens- und berufsrechtlichen Vorschriften und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise bis zum Datum dieses Bestätigungsvermerkes ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu diesem Datum zu dienen.

Sonstige Informationen

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen umfassen alle Informationen im Geschäftsbericht, ausgenommen den Konzernabschluss, den Konzernlagebericht und den Bestätigungsvermerk.

Unser Prüfungsurteil zum Konzernabschluss erstreckt sich nicht auf diese sonstigen Informationen, und wir geben keine Art der Zusicherung darauf.

Im Zusammenhang mit unserer Prüfung des Konzernabschlusses haben wir die Verantwortlichkeit, diese sonstigen Informationen zu lesen und dabei zu würdigen, ob die sonstigen Informationen wesentliche Unstimmigkeiten zum Konzernabschluss oder unseren bei der Abschlussprüfung erlangten Kenntnissen aufweisen oder anderweitig falsch dargestellt erscheinen.

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Falls wir auf der Grundlage der von uns zu den vor dem Datum des Bestätigungsvermerks des Abschlussprüfers erlangten sonstigen Informationen durchgeführten Arbeiten den Schluss ziehen, dass eine wesentliche falsche Darstellung dieser sonstigen Informationen vorliegt, sind wir verpflichtet, über diese Tatsache zu berichten. Wir haben in diesem Zusammenhang nichts zu berichten.

Verantwortlichkeiten der gesetzlichen Vertreter und des Prüfungsausschusses für den Konzernabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Konzernabschlusses und dafür, dass dieser in Übereinstimmung mit den IFRS, wie sie in der EU anzuwenden sind, und den zusätzlichen Anforderungen des § 245a UGB ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Aufstellung eines Konzernabschlusses zu ermöglichen, der frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist.

Bei der Aufstellung des Konzernabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit – sofern einschlägig – anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzuwenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder den Konzern zu liquidieren oder die Unternehmenstätigkeit einzustellen oder haben keine realistische Alternative dazu.

Der Prüfungsausschuss ist verantwortlich für die Überwachung des Rechnungslegungsprozesses des Konzerns.

Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Konzernabschlusses

Unsere Ziele sind hinreichende Sicherheit darüber zu erlangen, ob der Konzernabschluss als Ganzes frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses Konzernabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus gilt:

- Wir identifizieren und beurteilen die Risiken wesentlicher falscher Darstellungen aufgrund von dolosen Handlungen oder Irrtümern im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen kollusives Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.
- Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.
- Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.
- Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die erhebliche Zweifel an der Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Konzernabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr des Konzerns von der Fortführung der Unternehmenstätigkeit zur Folge haben.
- Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Konzernabschlusses einschließlich der Angaben sowie ob der Konzernabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.
- Wir erlangen ausreichende geeignete Prüfungsnachweise zu den Finanzinformationen der Einheiten oder Geschäftstätigkeiten innerhalb des Konzerns, um ein Prüfungsurteil zum Konzernabschluss abzugeben. Wir sind verantwortlich für die Anleitung, Überwachung und Durchführung der Konzernabschlussprüfung. Wir tragen die Alleinverantwortung für unser Prüfungsurteil.
- Wir tauschen uns mit dem Prüfungsausschuss unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.

Bericht zum Konzernlagebericht

Der Konzernlagebericht ist aufgrund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob er mit dem Konzernabschluss in Einklang steht und ob er nach den geltenden rechtlichen Anforderungen aufgestellt wurde.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Konzernlageberichts in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Konzernlageberichts durchgeführt.

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Urteil

Nach unserer Beurteilung ist der Konzernlagebericht nach den geltenden rechtlichen Anforderungen aufgestellt worden und steht in Einklang mit dem Konzernabschluss.

Erklärung

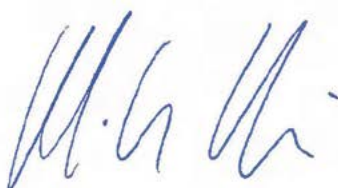
Angesichts der bei der Prüfung des Konzernabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über den Konzern und sein Umfeld haben wir keine wesentlichen fehlerhaften Angaben im Konzernlagebericht festgestellt.

Auftragsverantwortlicher Wirtschaftsprüfer

Der für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüfer ist Herr Mag. Ulrich Pawlowski.

Innsbruck, 19. Juli 2024

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft



Mag. Ulrich Pawlowski
Wirtschaftsprüfer

Die Veröffentlichung oder Weitergabe des Konzernabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Konzernabschluss samt Konzernlagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs 2 UGB zu beachten.

Auditor's Report

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Independent Assurance Report on the Non-financial Reporting according to § 267a UGB

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We have performed an independent limited assurance engagement on the consolidated non-financial report according to § 267a UGB ("NFI report") for the financial year 2023/24, which has been published as non-financial report ofr

Egger Holzwerkstoffe GmbH, St. Johann in Tirol, Austria
(referred to as "Egger" or "the Company").

Conclusion

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NFI report of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the provisions of Article 8 of the Regulation (EU) 2020/852 as amended and the supplementing delegated Regulation (EU) 2021/2178 (hereafter "EU Taxonomy Regulation") and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" in all material respects.

Management's Responsibility

The Company's management is responsible for the proper preparation of the NFI report in accordance with the reporting criteria. The Company applies the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" as reporting criteria. In addition, the company prepares disclosures in accordance with the EU Taxonomy Regulation, which are published as part of sustainability reporting.

The Company's management is responsible for the selection and application of appropriate methods for non-financial reporting (especially the selection of significant matters) as well as the use of appropriate assumptions and estimates for individual non-financial disclosures, given the circumstances. Furthermore, their responsibilities include the design, implementation and maintenance of systems, processes and internal controls that are relevant for the preparation of the sustainability report in a way that is free of material misstatements – whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to state whether, based on our procedures performed and the evidence we have obtained, anything has come to our attention that causes us to believe that the Company's NFI report is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the legal requirements of the EU Taxonomy Regulation and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option "in accordance with" in all material respects.

Our engagement was conducted in conformity with the opinion of the expert group of the Austrian Chamber of Tax Advisors and Public Accountants (KFS/PG 13) as well as the International Standard on Assurance Engagements

(ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance engagement"), thus providing reduced assurance. Despite diligent engagement planning and execution, it cannot be ruled out that material misstatements, illegal acts or irregularities within the non-financial report will remain undetected. The procedures selected depend on the auditor's judgment and included the following procedures in particular:

- Inquiries of personnel at the group level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting thresholds of the Company;
- A risk assessment, including a media analysis, on relevant information on the Company's sustainability performance in the reporting period;
- Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of disclosures on environmental, social and employees matters, respect for human rights, anti-corruption as well as bribery and also includes the consolidation of data;
- Inquiries of personnel at the group level, who are responsible for providing, consolidating and implementing internal control procedures relating to the disclosure of concepts, risks, due diligence processes, results and performance indicators;
- Inspection of selected internal and external documents, in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of the processes for local data collection, validation and reporting, as well as the reliability of the reported data through a (remotely conducted) survey performed on a sample basis at a site: Lexington;.
- Analytical evaluation of the data and trend of quantitative disclosures regarding the GRI Standards listed in the GRI-Index, submitted by all locations for consolidation at the group level;
- Evaluation of the consistency of the of the Austrian Sustainability and Diversity Improvement Act (§ 267a UGB), the EU Taxonomy Regulation and the GRI Standards, Option "in accordance with" to disclosures and indicators of the NFI report, which apply to the Company;
- Evaluation of the overall presentation of the disclosures by critically reading the NFI report.

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to audit future-related disclosures, prior year figures, statements from external sources of information, expert opinions or references to more extensive external reporting formats of the Company.

Restriction on use

Because our report will be prepared solely on behalf of and for the benefit of the principal, its contents may not be relied upon by any third party, and consequently, we shall not be liable for any third party claims. We agree to the publication of our assurance certificate and NFI report. However, publication may only be performed in its entirety and as a version has been certified by us.

General Conditions of Contract

Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.

Innsbruck
19. July 2024

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Ulrich Pawlowski
Wirtschaftsprüfer
(Austrian Chartered Accountant)

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This English language independent assurance report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation nor for any errors or misunderstandings that may derive from the translation.

Bestätigungsvermerk

Bericht über die unabhängige Prüfung der nichtfinanziellen Berichterstattung gemäß § 267a UGB

Wir haben die Prüfung zur Erlangung begrenzter Sicherheit des konsolidierten nichtfinanziellen Berichts gemäß § 267a UGB (im Folgenden "NFI-Bericht") für das Geschäftsjahr 2023/24, bezeichnet als Nichtfinanzieller Bericht 2023/24 der

**Egger Holzwerkstoffe GmbH,
St. Johann in Tirol
(im Folgenden auch kurz "Egger" oder "Gesellschaft" genannt),**

durchgeführt.

Beurteilung

Auf der Grundlage unserer Prüfungshandlungen und der von uns erlangten Nachweise sind uns keine Sachverhalte bekanntgeworden, die uns zu der Annahme veranlassen, dass der NFI-Bericht der Gesellschaft nicht in allen wesentlichen Belangen in Übereinstimmung mit den gesetzlichen Vorschriften des Nachhaltigkeits- und Diversitätsverbesserungsgesetzes (§ 267a UGB), den Vorschriften gemäß Artikel 8 der Verordnung (EU) 2020/852 in der jeweils geltenden Fassung und der ergänzenden delegierten Verordnung (EU) 2021/2178 (im Folgenden "EU-Taxonomie-VO") sowie den GRI Standards in der aktuellen Fassung (Option "in Übereinstimmung mit") aufgestellt wurde.

Verantwortung der gesetzlichen Vertreter

Die ordnungsgemäße Aufstellung des NFI-Berichts in Übereinstimmung mit den Berichtskriterien liegt in der Verantwortung der gesetzlichen Vertreter der Gesellschaft. Die Gesellschaft wendet die gesetzlichen Vorschriften des Nachhaltigkeits- und Diversitätsverbesserungsgesetzes (§ 267a UGB) sowie die Leitlinien zur Nachhaltigkeitsberichterstattung der Global Reporting Initiative (GRI Standards) in der aktuellen Fassung in der Option "in Übereinstimmung mit" als Berichtskriterien an. Zudem erstellt die Gesellschaft Angaben im Zusammenhang mit der EUTaxonomie-VO, welche im Rahmen der Nachhaltigkeitsberichterstattung veröffentlicht werden.

Die Verantwortung der gesetzlichen Vertreter der Gesellschaft umfasst zum einen die Auswahl und Anwendung angemessener Methoden zur nichtfinanziellen Berichterstattung (insbesondere Auswahl der wesentlichen Themen) sowie das Treffen von Annahmen und die Vornahme von Schätzungen zu einzelnen Nachhaltigkeitsangaben, die unter den gegebenen Umständen angemessen sind. Zum anderen umfasst die Verantwortung die Konzeption, Implementierung und Aufrechterhaltung von Systemen, Prozessen und internen Kontrollen, um die Aufstellung einer Nachhaltigkeitsberichterstattung zu ermöglichen, die frei von wesentlichen falschen Angaben aufgrund von dolosen Handlungen oder Irrtümern ist.

Verantwortung des Prüfers

Unsere Aufgabe ist es, auf der Grundlage unserer Prüfungshandlungen und der von uns erlangten Nachweise eine Beurteilung darüber abzugeben, ob uns Sachverhalte bekannt geworden sind, die uns zu der Annahme veranlassen, dass der NFI-Bericht der Gesellschaft in allen wesentlichen Belangen nicht mit den gesetzlichen Vorschriften des Nachhaltigkeits- und Diversitätsverbesserungsgesetzes (§ 267a UGB), den gesetzlichen Vorschriften der

EU-Taxonomie-VO sowie den GRI Standards in der aktuellen Fassung (Option "in Übereinstimmung mit")) übereinstimmt.

Wir haben unsere Prüfung unter Beachtung des für derartige Aufträge geltenden Fachgutachten des Fachsenats für Abschlussprüfung und andere Zusicherungsleistungen der Kammer der Steuerberater:innen und Wirtschaftsprüfer:innen (KFS/PG 13) sowie des International Standard on Assurance Engagements (ISAE 3000) durchgeführt. Danach haben wir unsere Berufspflichten einschließlich Vorschriften zur Unabhängigkeit einzuhalten und den Auftrag unter Beachtung des Grundsatzes der Wesentlichkeit so zu planen und durchzuführen, dass wir unsere Beurteilung mit einer begrenzten Sicherheit abgeben können.

Bei einer Prüfung zur Erlangung einer begrenzten Sicherheit sind die durchgeführten Prüfungshandlungen im Vergleich zu einer Prüfung zur Erlangung einer hinreichenden Sicherheit weniger umfangreich, so dass dementsprechend eine geringere Sicherheit gewonnen wird. Trotz einer gewissenhaften Planung und Durchführung des Auftrags kann nicht ausgeschlossen werden, dass wesentliche Fehler, rechtswidrige Handlungen oder Unregelmäßigkeiten bei der nichtfinanziellen Berichterstattung unentdeckt bleiben.

Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Prüfers und umfasste insbesondere folgende Tätigkeiten:

- Befragung von für die Wesentlichkeitsanalyse verantwortlichen Mitarbeitern auf Konzernebene, um ein Verständnis über die Vorgehensweise zur Identifizierung wesentlicher Nachhaltigkeitsthemen und entsprechender Berichtsgrenzen der Gesellschaft zu erlangen;
- Risikoeinschätzung, einschließlich einer Medienanalyse, zu relevanten Informationen über die Nachhaltigkeitsleistung der Gesellschaft in der Berichtsperiode;
- Einschätzung der Konzeption und der Implementierung von Systemen und Prozessen für die Ermittlung, Verarbeitung und Überwachung von Angaben zu Umwelt-, Sozial- und Arbeitnehmerbelangen, Achtung von Menschenrechten und Bekämpfung von Korruption und Bestechung, einschließlich der Konsolidierung der Daten;
- Befragungen von Mitarbeitern auf Konzernebene, die für die Ermittlung und Konsolidierung sowie die Durchführung der internen Kontrollhandlungen bezüglich der Angaben zu Konzepten, Risiken, Due Diligence Prozessen, Ergebnissen und Leistungsindikatoren verantwortlich sind;
- Einsichtnahme in ausgewählte interne und externe Dokumente, um zu bestimmen, ob qualitative und quantitative Informationen durch ausreichende Nachweise hinterlegt sowie zutreffend und ausgewogen dargestellt sind;
- Einschätzung der lokalen Datenerhebungs-, Validierungs- und Berichterstattungsprozesse sowie der Verlässlichkeit der gemeldeten Daten durch eine Stichprobenerhebung an zumindest einem ausgewählten Standort: Lexington;
- Analytische Beurteilung der Daten und Trends der quantitativen Angaben für die im GRI-Index aufgeführten GRI Standards, welche zur Konsolidierung auf Konzernebene von allen Standorten gemeldet wurden;
- Einschätzung der Konsistenz der für die Gesellschaft anwendbaren Anforderungen des Nachhaltigkeits- und Diversitätsverbesserungsgesetzes (§ 267a UGB), der EU-Taxonomie-VO] sowie der GRI Standards in der aktuellen Fassung (Option "in Übereinstimmung mit") mit den Angaben und Kennzahlen im NFI-Bericht;
- Einschätzung der Gesamtdarstellung der Angaben durch kritisches Lesen des NFI-Berichts.

Gegenstand unseres Auftrages ist weder eine Abschlussprüfung noch eine prüferische Durchsicht von Abschlüssen. Ebenso ist weder die Aufdeckung und Aufklärung strafrechtlicher Tatbestände, wie zB von Unterschlagungen oder sonstigen Untreuehandlungen und Ordnungswidrigkeiten, noch die Beurteilung der Effektivität und Wirtschaftlichkeit der Geschäftsführung Gegenstand unseres Auftrages. Darüber hinaus ist die Prüfung zukunfts-

bezogener Angaben, Vorjahreszahlen, Aussagen aus externen Dokumentationsquellen und Expertenmeinungen sowie Verweise auf weiterführende Berichterstattungsformate der Gesellschaft nicht Gegenstand unseres Auftrages.

Verwendungsbeschränkung

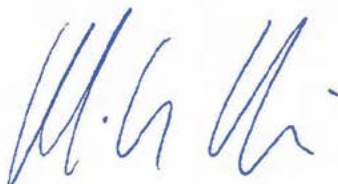
Da unser Bericht ausschließlich im Auftrag und im Interesse des Auftraggebers erstellt wird, bildet er keine Grundlage für ein allfälliges Vertrauen dritter Personen auf seinen Inhalt. Ansprüche dritter Personen können daher daraus nicht abgeleitet werden. Der Veröffentlichung unserer Prüfbescheinigung gemeinsam mit dem NFI-Bericht stimmen wir zu. Diese darf jedoch nur in der vollständigen und von uns bescheinigten Fassung erfolgen.

Auftragsbedingungen

Bezüglich unserer Verantwortlichkeit und Haftung gegenüber der Gesellschaft und gegenüber Dritten kommt Punkt 7 der Allgemeinen Auftragsbedingungen für Wirtschaftstreuhandberufe zur Anwendung.

Innsbruck
19. Juli 2024

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft



Mag. Ulrich Pawlowski
Wirtschaftsprüfer