

STEICO Sustainability Report 2020

Environmentally friendly insulation systems made from natural wood fibre



Winner of the first
Bavarian Resource
Efficiency Award

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STEICO was awarded the first Bavarian Resource Efficiency Prize for its efficient use of natural resources



STEICO Sustainability Report 2020

For STEICO, climate protection begins with production. This is also reflected in the sustainable successes which we recorded in 2020.

Chapter
302-1



Biomass use

increased by **21 %** *

Climate friendly production heat and steam

Coal now only used temporarily as a reserve energy source

Coal use

slashed by **39 %** *

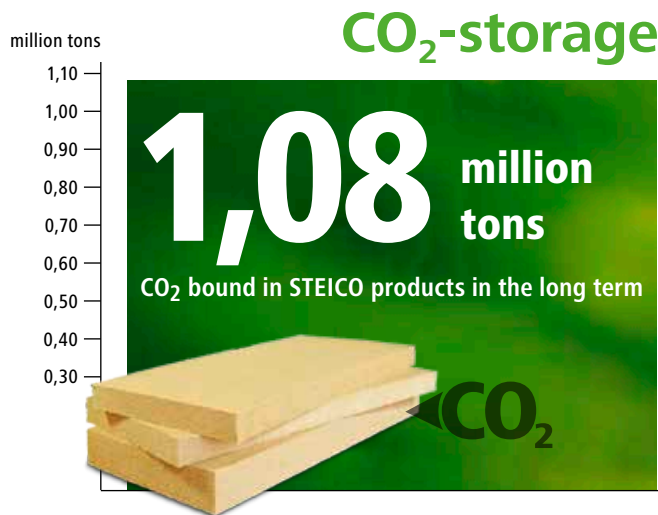


* from 2019 to 2020



Moving away from fossil fuels –
STEICO relies on CO₂-neutral biomass.

Chapter 305-1

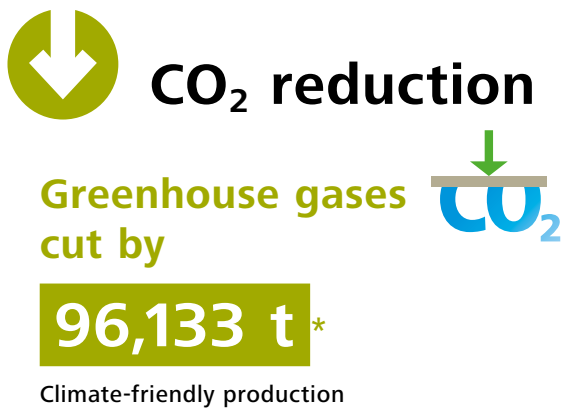


In 2020, STEICO's products bound almost twice as much CO₂ as was released during production.

CO₂-emission

0,57 million tons
emitted during production

Chapter 305-5



* from 2019 to 2020

Capital expenditure

Around **€ 60 million** invested in more climate-friendly production*

*since 2016

Chapter 302-3



Energy use per ton of finished product

* from 2019 to 2020

Production capacity

Around **4 million m³*** of ecological insulation material per year = more than **53,000**** insulated houses per year

*Production capacity 2021
** assuming 75 m³ of insulating material use per single-family house

Chapter 302-4



CO₂ emission per ton of finished product. The best energy is the energy we don't need.

* from 2019 to 2020

Chapter
413-1

Commitment

Around **€ 70,000** in aid for Polish Hospitals during the COVID Pandemic*

* in 2020



Job security

68 additional jobs created*

* in 2020

Chapter
301-1

Waste management

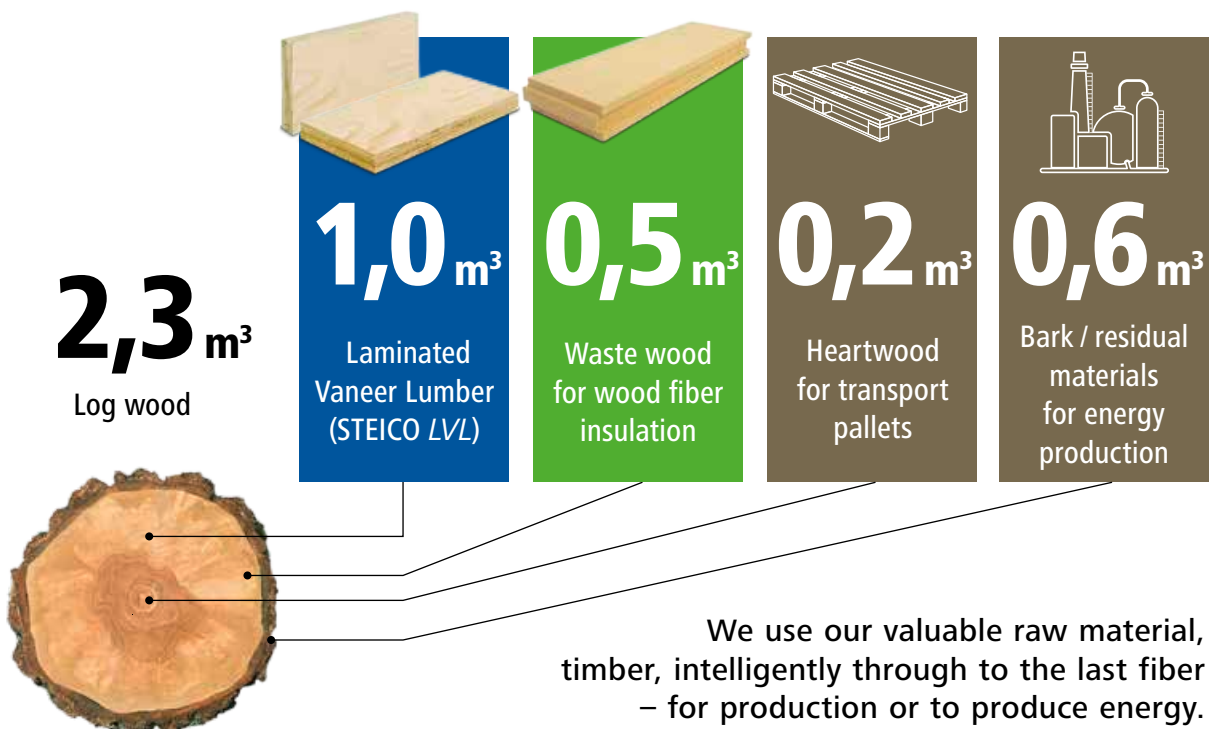
8,891 t of resources and **1,383 t** of greenhouse gases cut by waste management*



*acc. to Resources Saved Certificate

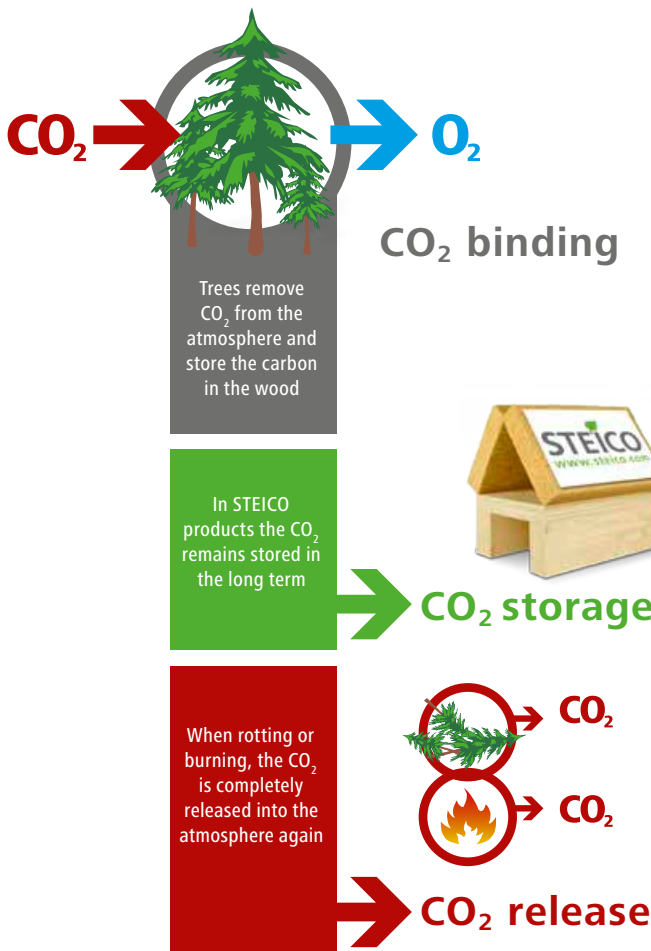
To the last fiber

100 % use of raw materials **0 %** waste



Wood is a circular product

STEICO's timber use, CO₂ and climate protection



Wood is a circular product

The CO₂ bound in it is also always in a cycle. But not every cycle is equally good for protecting the climate. In the natural cycle wood rots and thus releases the CO₂ that is bound in it.

Use of timber as an energy source also releases CO₂ – and it would have been released in any case when the wood rots. However, this allows us to replace fossil fuels.

CO₂ only remains bound for an extended period if the timber is used as a material. This is a key factor in order to slow down global warming so that our ecosystems have sufficient time to adapt.

Winner of the first Bavarian Resource Efficiency Award

The Bavarian Resource Efficiency Award was first offered by the Bavarian Ministry of the Environment at the beginning of 2021 to honor Bavarian companies that play a pioneering role in the sustainable and environmentally friendly use of natural raw materials.

STEICO is just such a pioneer – and what is more when it comes to use of the most environmentally and climate friendly raw material of all: wood. On the one hand, STEICO's production of laminated veneer lumber, cross-laminated beams and wood-fiber insulating materials go hand in hand, making it possible to recycle harvested raw wood virtually "down to the last fiber" – and thus to store the CO₂ bound in the wood almost completely for a long period of time. In addition, laminated veneer lumber and I-joists complement each other to form an exceptionally material-efficient and high-performance timber construction system, which opens up new fields of activity for timber construction and at the same time reduces wood consumption.



STEICO is one of the first winners of the newly awarded prize



Our work is based on sustainability.

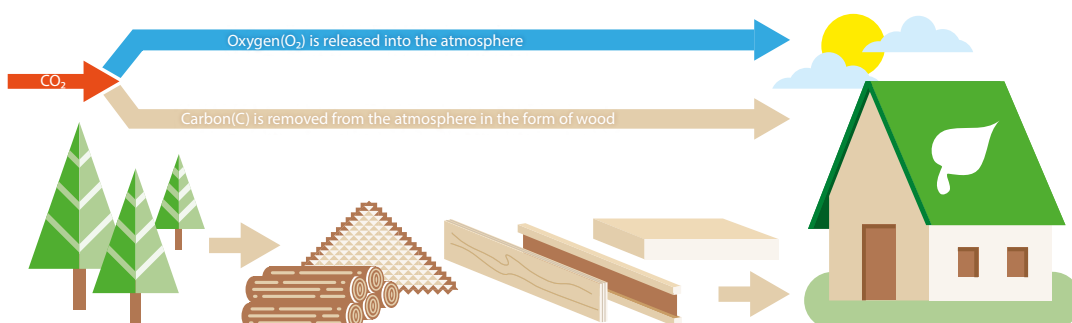
In the STEICO Sustainability Report for 2020, we can once again demonstrate our commitment to ecology and sustainability. In this way, we have succeeded in once again improving key indicators for climate-friendly production. In view of continuing global warming, ecological issues are becoming increasingly important. As the world market leader for environmentally friendly wood fibre insulation materials, STEICO takes responsibility and continuously invests in the ecological optimisation of its production processes.

Trees bind CO₂, STEICO products store it

Timber is a special product. While man-made building materials require a lot of energy in their production and release large amounts of the greenhouse gas carbon dioxide (CO₂), the natural growth of trees – and all other plants – is exactly the opposite: they "breathe in" CO₂, form their biomass from the carbon (C) and "breathe out" oxygen (O₂). However, when they die and their biomass rots, the process reverses: The bound carbon (C) combines with the oxygen (O₂) in the air to form carbon dioxide (CO₂). This gives a total of zero. The same also applies when biomass is burned. The bound CO₂ only continues to be stored when the biomass is conserved.

And if, in addition, young plants grow back and bind new CO₂, then the CO₂ balance becomes positive overall.

A positive CO₂ balance is needed to slow global warming, to stop this and to reverse it. Perhaps the simplest way to do this is using sustainable forestry plus building and insulating using timber. Trees take CO₂ from the atmosphere and bind it, wooden buildings and wood fibre insulation materials store it. A total of 1.08 million tons of CO₂ were stored in STEICO products in 2020. This is offset by CO₂ emissions of 0.57 tons, resulting in a positive figure of 0.51 tons of CO₂.



Buildings to store CO₂ instead of creating CO₂

The same question must be asked for every building: Should it be a source of CO₂ or store CO₂? In conventional buildings, the production of metallic and mineral building materials is associated with high temperatures and thus also high CO₂ emissions. The production of cement also releases an even greater amount of CO₂ through the chemical process itself and is therefore currently responsible for 8% of global CO₂ emissions. Reinforced concrete accounts for 11% of global CO₂ emissions - five times as much as air travel before the COVID-19 pandemic began. The area-intensive extraction of sand also often leads to forest clearing or prevents reforestation, thus reducing CO₂ being bound by trees.

Building with wood, on the other hand, replaces building materials that require a lot of energy and CO₂ and it also stores large quantities of CO₂. Through consistent building with wood, our cities and settlements are developing into large above-ground CO₂ stores. Residential buildings made

of wood store 200 to 300 kg of CO₂ per m² of living space in their supporting structure alone. That is 10 to 15 tons of CO₂ per inhabitant – which corresponds to the amount of CO₂ that a passenger would release on 20 to 30 return flights from Munich to Mallorca. The quantity of CO₂ stored in wooden buildings is also high, and relevant for climate protection. Wooden buildings shift CO₂ storage from forests to cities and extend the storage period by several decades to centuries.

Ensuring that as much of the CO₂ stored in wood as possible is stored as quickly as possible for the next few decades is crucial to achieving the Paris climate protection targets and preserving our ecosystems. This is the only way to slow down the current rate of global warming. And our ecosystems have sufficient time to adapt if it is slowed to a decisive extent.



1 kg of STEICO wood fibre insulating material stores around 2 kg of CO₂

STEICO wood fibre insulating materials as significant CO₂ – reservoir

When building with wood, wood fibre insulating materials significantly increase the amount of CO₂ stored, because in a well-insulated building envelope the volume accounted for by the insulating material can be well over 90%. And since the CO₂ stored by STEICO wood fibre insulating materials amounts to between 85 kg/m³ with the STEICO *flex 036* insulating mat and 416 kg/m³ with the STEICO *universal* sheathing board, that adds up to a high amount.

For example, an average single-family house insulated according to the minimum standard defined in the German Building Energy Act (GEG) stores around 10 tonnes of CO₂ in STEICO wood fibre insulation materials. That corresponds to the amount of CO₂ that a passenger would release on 20 return flights from Munich to Mallorca. And this figure doesn't even include the CO₂ savings when it comes to heating.

Sustainable forestry is crucial

Sustainably managed forests and material wood use contribute more to climate protection than natural forests. This is because when the wood of dead trees rots, the CO₂ stored in it is released again. Over the long term, a natural forest achieves a biological equilibrium in which, on average, as much CO₂ is bound as is released. The CO₂ balance is in equilibrium. A positive CO₂ balance can only be achieved by harvesting trees, using their wood for material purposes and replanting young trees, which then actively bind CO₂ again.

When replanting, the forest can also be purposefully restructured and adapted to climate warming through an ecologically sensible mix of tree species. A natural forest, on the other hand, cannot adapt because – unlike us humans – it cannot know what to expect in the future. Only far-sighted forest conversion will allow robust mixed forests to emerge relatively quickly. This also safeguards and increases biodiversity. That is why STEICO only processes wood from sustainable forestry with FSC®- or PEFC certification.



Wood as a resource is more than sufficiently available

Around 38 percent of the European Union is covered by forest.

Only two thirds of the annual wood growth is used.

That means that the overall volume of wood in our forests is continuously increasing – and the timber harvest can still be significantly increased. Due to global warming and the dry periods, storms and insect infestations that accompany it, the proportion of non-sawable wood is likely to grow, but this can be put to excellent use in the manufacture of wood fibre insulation materials.

STEICO utilises the wood as a resource highly efficiently

The production of wood fibre insulation materials in particular allows wood to be recycled "down to the last fibre". While using residual wood and non-sawable thinning wood as an energy source would immediately release the bound CO₂, it remains stored in the wood fiber insulating material in the long term – and also reduces the heating energy requirement and the associated CO₂ emissions. The production and use of wood fibre insulation materials is therefore one of the most efficient and effective climate protection measures. At the end of their useful life, wood fibre insulating materials - unlike some conventional insulating materials – are not hazardous waste. They can already be partially re-used, otherwise simply recycled and disposed of. In the future, the material cycle will be optimized considerably, so that the material service life and thus the CO₂ storage period will be significantly extended.

Wood fibre insulating materials also conserve the "human resource": They are easy to work with and cause almost no itching when touching the skin. Inside the building, they ensure a pleasant and healthy indoor climate, because they buffer temperature and humidity fluctuations and prevent the formation of mould. The high quality of STEICO wood fibre insulating materials has been repeatedly confirmed by expert reports from the renowned "Institut für Baubiologie Rosenheim" (IBR) and investigations by the magazine "Öko-Test".

In addition to wood fibre insulating materials, STEICO also produces laminated veneer lumber (LVL) and I-joists – with the I-joists also largely made of LVL. This product range enables high material efficiency in terms of production technology: STEICO requires 2.3 m³ of round timber to

produce 1.0m³ of LVL. After peeling the veneers, 0.2 m³ of residual wood remains, which is sawn into boards and squared timber for the construction of transport pallets. 0.5 m³ of unusable veneer and wood waste is pulped and used in the production of wood fibre insulation materials and hardboard (Natural Fiber Board - NFB) for the I-joists. 0.6 m³ of bark and non-recyclable wood are used as biomass for energy production.

LVL, I-joists and wood fibre thermal insulation materials together form an innovative building system that enables timber constructions that are significantly more material-efficient, energy-efficient, better performing and more economical than conventional timber frame constructions. They make timber construction even more attractive and

competitive. This is important for climate protection, but also for human well-being and performance.



The fact that wood indoors has a positive influence on physical and mental health has been confirmed time and again in numerous studies. These are summarised in the meta-study "Health-related interaction of wood - people - space" (HOMERA) prepared

by the Technical University of Munich. You can find more information here: www.steico.com/sustainability.

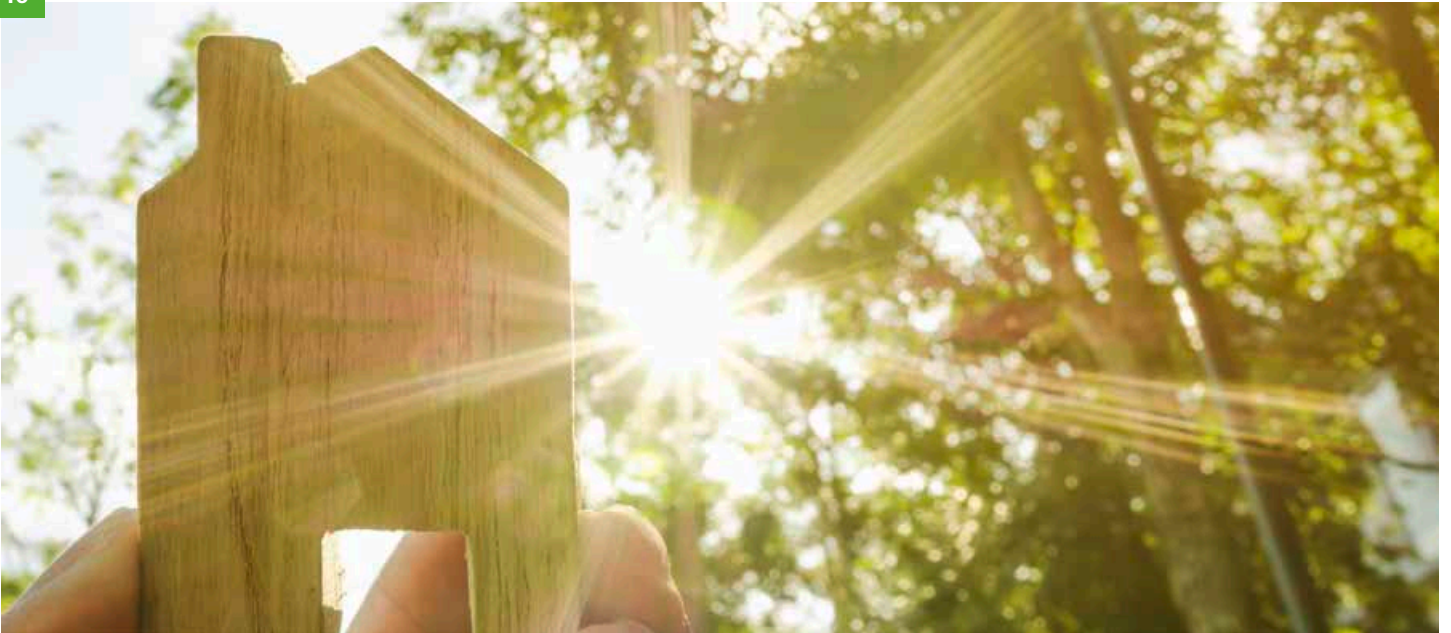
High energy and CO₂ efficiency through process optimization

By optimizing its production processes, STEICO has been able to steadily reduce the energy required to manufacture its products. In 2020, energy intensity per final product decreased by 10%. At the same time, the use of coal was reduced by 39% and that of biomass increased by 21%, which reduced CO₂ intensity by 27%. The use of combined heat and power generation means that part of the electrical

power required will also be generated in the future. Since the STEICO plants are located in densely wooded areas, they can obtain their raw wood from a radius of around 150km. This ensures that the energy required for transport is not excessive. Thanks to the integrated production processes, there are no further transport routes until the end products are finished.

Sustainability Report demonstrates high benefit to the common good

Resource efficiency and CO₂ storage are the most important environmental aspects of sustainability, but there are others. And since ecology is not an end in itself, but serves the common good, according to today's understanding it also includes dealing with business partners, customers and employees. As sustainability is part of STEICO's "corporate DNA", the company has published an annual sustainability report detailing all aspects of sustainability since 2018. 2020, it was written for the first time in line with the "Core" option of the recognised reporting standard of the Global Reporting Initiative (GRI) and thus provides even more information.



Sustainability report according to GRI standard (core option)

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GRI 102: General information

In order to improve readability, the generic masculine is used in some places in this report. This explicitly includes all gender identities.

1. Organisation

102-1 Organisation name

STEICO SE (Societas Europaea)

102-2 Activities, brands, products and services

The STEICO Group develops, produces and markets ecological construction products made of renewable raw materials. According to its own estimates, STEICO is the global market leader in terms of sales revenues in the wood fiber insulation materials segment compared with its relevant competitors.

STEICO is positioned as a system provider for ecological residential construction and, compared to the relevant competitors, it is the only manufacturer in the industry to offer an integrated wooden construction system in which insulation material and wooden construction components supplement each other.

These include flexible wood fiber insulation materials, stable wood fiber insulation boards, wood fiber insulation boards for facade insulation ("WDVS"), cavity insulation made of wood-fibre and cellulose as well as system products to insulate building shells. Construction elements comprise I-joists and laminated veneer lumber. In addition, the STEICO Group also produces Natural Fibre Boards and operates in the wood wholesale trade. The product range in the United Kingdom also include products for ceiling and floor construction.

The STEICO Group's production equipment can also be used to produce a wide variety of specialty products such as door panels, pin-boards, etc. which are sold to various industrial customers.



1. The STEICO Group's products and services

The STEICO Group is a system provider for natural construction products for insulation and construction. The core range comprises "natural wood-fibre insulation materials". In 2020 the bulk of revenues (66.3 %) was recorded with environmentally friendly wood-fibre insulation materials and cavity insulation for building and floor insulation.

The STEICO Group's current range of products and services comprises:

Wood-fibre insulation materials

STEICO wood fibre insulating materials are made from fresh coniferous and deciduous wood. They are used in new buildings and renovation work, protecting against the cold, heat and noise. Wood-fibre insulation materials are produced by the subsidiaries using various methods – both the wet and the dry method. Both methods break down wood into individual fibres using steam and mechanical processing. The fundamental difference between the two methods is that wet fibres are processed (formed to make boards) in the wet method, and in the dry method the fibres are dried before forming the boards. The dry method can be used to produce fibres for cavity insulation, flexible (compressible) mats or stable insulation boards.

Cavity insulation

Cavity insulation is made of loose insulation fibres or insulation flakes which are blown into construction cavities at high pressure, where they then compress. The STEICO Group produces and sells cavity insulation material made of wood fibres and also cellulose flakes.

Construction products: Laminated veneer lumber

Laminated veneer lumber is a high-performance wood material and comprises several layers of wood laminate glued together. It is characterised by its particularly high rigidity and ability to bear loads, while simultaneously offering high dimensional stability. Laminated veneer lumber is used both in the construction industry and also in industrial applications (for example to produce doors and furniture). It is also a key component for I-joists (belt material).

Construction products: I-joists

I-joists are supporting components which are optically very similar to traditional double-T-joists. They comprise two "belts" (square timber posts made of laminated veneer lumber) which are connected using a fibreboard. Some of the bridge material is purchased (OSB: Oriented Strand Board), but the majority is produced in-house (Natural Fiber Boards) STEICO's I-joists offer an alternative to standard

construction products such as construction lumber or laminated timber in terms of both their price and energy consumption.

Special products

The special products segment bundles all of the products that the group produces itself which are not directly allocable to the construction sector. These include, for example, fibreboards for pinboards or door fills, as well as other products for industrial applications.

Timber wholesale

The STEICO Group operates in wood product wholesale in Germany. These products stem from the company's former orientation and these operations are being continued with a lower number of employees. The company generates revenues with wood products which are mostly imported from south-eastern European countries and Poland. Clients are the timber wholesale trade and furniture industry in Germany. The range of merchandise spans sawn timber through to semi-finished products for furniture making (e.g. products cut to customer specifications). STEICO UK Ltd. runs wholesale operations in the United Kingdom with wood and wooden composite boards to supplement its sales of I-joists. It has become standard practice on the UK market for construction companies to offer end-to-end ceiling systems – including planning, the supporting structure (I-joists) and wooden composite boards to construct the floor – all from a single source.

Natural fibre boards

The production of natural fibre boards is similar to the production of wood-fibre insulation materials made using the wet method. The difference is that wet fibres are pressed to form stable boards using particularly high pressure. Natural fibre boards are used in the furniture industry where they are used, for example, to form the backs of cupboards or the bottoms of drawers. In addition, they are used as standard construction boards on many markets, for example for roof boards. Within the STEICO Group, natural fibre boards are a key component in the production of I-joists, where they form the so-called bar. Sales to external customers is no longer of any strategic importance due to the low quantities.

Miscellaneous

Various activities are bundled in the Miscellaneous segment, including in particular services, element production and, for example, the trade in ETICS accessories.

GRI 102: General information

Element production

In 2020, STEICO SE entered the market with its "Element Production" division. This involves refining individual STEICO products (construction materials and insulating materials) to form complete components such as roof, wall and ceiling elements according to customer specifications. These elements allow work on the construction site to progress particularly rapidly. Automation and prefabrication of end-to-end components are ongoing trends in the construction industry. Prefabrication/element production has been practised by STEICO SE's customers for a long time, but is often labour-intensive manual work. STEICO's prefabrication is based on a high degree of automation, which is associated with increases in speed and precision. The offering is geared to construction companies (timber construction as well as hybrid construction and redevelopment companies), which can thus achieve advantages in terms of personnel deployment, economic efficiency and construction speed. STEICO SE will not operate as a house construction company itself.

Services

STEICO offers a range of supplementary services, such as its "STEICO Academy" seminars. These train craftsmen, architects, trade employees or people building their own homes in how to use the STEICO construction system. In addition STEICO has its own department for technical advice for craftsmen, planners and builders. As a rule services are preformed free of charge.

102-3 Company headquarters

The head office of the organization is located in 85622 Feldkirchen near Munich, Otto-Lilienthal-Ring 30.

102-4 Business premises

As of 31 December 2020, the STEICO Group consists of seven subsidiaries in addition to the parent company. These include includes production and sales locations in three countries: Poland, France and the United Kingdom.

Name	Registered office
STEICO Sp. z o.o.	Czarnków, Poland
SW Solar Czarna Woda Sp. z o.o.	Czarnków, Poland
STEICO CEE Sp. z o.o.	Czarnków, Poland
STEICO JOIST Sp.z o.o.	Czarnków, Poland
STEICO UK Ltd.	Caddington, United Kingdom
STEICO France SAS	Brumath, France
STEICO Casteljaloux SAS	Casteljaloux, France

102-5 Ownership and legal form

The Group's parent company is a European public limited company (STEICO SE). 61.1% of the shares are held by Schramek GmbH and can be attributed to the company founder and chairman of the board of directors/CEO Mr. Udo Schramek. 38.9% of the shares are in free float and are traded over the counter.

102-6 Markets served

The STEICO Group's customers are mostly broken down into the customer groups of wood and construction materials traders, wood construction companies (such as pre-fabricated home construction companies) and DIY stores (in some cases via distributors) as well as industrial customers (e.g. manufacturers of laminated/parquet flooring, furniture manufacturers, construction material manufacturers). The STEICO Group sells its products worldwide, and focuses on European markets. Germany was the largest sales market in 2020, followed by France and the UK and Ireland. The largest non-European sales market is Australia.

102-7 Size of the organization

↑→↓ = Year-on-year growth

STEICO 2020:

1940 employees
 8 operating facilities in 4 countries
 71 countries supplied worldwide
 €308.8 million revenues
 €363.4 million total capital,
 of which 47% is debt and 53% equity

Growth in production quantities for the STEICO Group

	2020	2019	Growth
Insulation materials (total) [t]	352,160	319,427	↑
Wood-fibre products and insulation boards (wet method) [t]	172,921	168,115	↑
Stable wood-fibre insulation boards (wet method) [t]	86,947	70,909	↑
Wood fibres and flexible wood-fibre insulation boards (dry method) and cellulose cavity insulation [t]	83,632	73,327	↑
Miscellaneous [t]	8,660	7,076	↑
Fibreboards [t]	23,511	28,686	↓
I-joists [trm]	9,366	12,115	↓
Laminated veneer lumber [cbm]	130,562	134,070	↓

102-8 Information on salaried and other employees

There are deviations from previous years in the personnel data. This is due to a different classification of trainees in the national companies in the previous data collection. In the course of preparing this year's report, we have established a Group-wide definition that includes all employees without

dormant contracts in the total number of employees, and we report trainees separately. As of 31 December 2020 (reporting date), the STEICO Group had 1940 employees. This figure includes the employees of all sales and production locations belonging to the STEICO Group.

as of 31 Dec. 2020	Locations								Total
	STEICO SE (DE, Head office)	STEICO Czarnków (PL, Production)	STEICO Czarna Woda (PL, Production)	STEICO CEE (PL, Sales)	STEICO Solar (PL, Energy supply)	STEICO Brumath (FR, Sales)	STEICO Casteljaloux (FR, Sales)	STEICO Caddington (UK, Sales)	
Total number of employees	171	908	684	22	67	23	52	13	1940
of which female	71	194	130	12	5	12	3	5	432
of which male	100	714	554	10	62	11	49	8	1508
Total number of full-time employees	128	904	684	21	66	23	52	12	1890
of which female	36	193	130	12	5	12	3	4	395
of which male	92	711	554	9	61	11	49	8	1495
Total number of part-time employees	43	4	0	1	1	0	0	1	50
of which female	35	1	0	0	0	0	0	1	37
of which male	8	3	0	1	1	0	0	0	13
Total number of open-ended employees	171	690	567	18	50	27	52	12	1587
of which female	71	127	111	11	2	15	3	4	344
of which male	100	563	456	7	48	12	49	8	1243
Total number of limited-term employees	0	218	117	4	17	0	0	1	357
of which female	0	67	19	1	3	0	0	1	91
of which male	0	151	98	3	14	0	0	0	266

The total number includes all employees as defined by the German Commercial Code (HGB), excluding dormant contracts. In addition, the STEICO Group employed 101 apprentices in 2020, of which 94 were in Poland, 3 in Germany and 4 in France. 11% of the apprentices are female, 89% male.

GRI 102: General information

102-9 Supply chain

The fresh timber required to produce wood fibre products is mostly procured in Poland from the Polish State Forest, and in France it is procured from several suppliers. The timber is sourced from sustainably managed forests from the region surrounding the production facilities. We attach great importance to using only FSC® and/or PEFC certified wood for our products. Furthermore, we pay attention to regional origins – the majority of the wood used comes from forests within a radius of max. 150 km around the respective production site.

102-10 Significant changes in the organisation and its supply chain

STEICO continued to invest in the growth of the company in 2020. To this end, capacities are being expanded at existing sites and a new site is being developed.

Key activities include: At the plant in Czarna Woda, an additional facility is being built for the production of stable wood fibre insulating materials from the wet process. At the French plant in Casteljalous, a plant is being built for the production of stable wood-fiber insulating materials using the dry process.

In order to further increase production capacities beyond the existing locations, the STEICO Group acquired a plot of land on the German-Polish border in 2020 for the construction of a new production site.

This is STEICO's response to the increasing demand for wood fibre insulating materials on the market, in order to enable prompt delivery to all customers.

There were no other significant changes with regard to operating facilities, shareholding structure and suppliers during the reporting period.

102-11 Precautionary approach or principle

The STEICO Group's actions today are economically, ecologically and socially responsible, and thus also form the basis for future growth. We understand sustainability as being a precautionary principle within the framework of an appropriate balance between economic success, ecological action and social responsibility, taking into account the needs of present and future generations. By acting with foresight, we see ourselves in a position to avoid burdens on human health and the environment caused by STEICO's business activities and, if necessary, to be able to take immediate countermeasures in accordance with the declaration of the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992.

Early risk detection system

STEICO SE operates an early risk detection system set up in accordance with section 22 (3) of the SEAG. The Management Board discusses the risk management report in detail at regular intervals.

Management systems

STEICO has certified management systems according to the standards DIN EN ISO 9001:2015 for quality management and DIN EN ISO 14001:2015 for environmental management system. The principles of the precautionary approach are implemented in the management systems. Certification for occupational safety in the plants is planned, currently our own system is used.

Promotion of sustainable construction

STEICO relies on sourcing sustainable raw materials for its products. All of the timber processed in STEICO's factories comes from sustainable forestry and bears FSC® and/or PEFC certification. Our products serve as an alternative to conventional insulation materials and contribute to CO₂ storage. In addition, we are specifically committed to promoting and educating in the field of sustainable construction in associations and our in-house STEICO Academy.

102-12 External initiatives

STEICO has not currently joined any external initiatives.

102-13 Membership in associations and interest groups

The STEICO Group is a member of a large number of associations and interest groups. The following overview shows the most important memberships by country.

Germany

- VDNR: Verband Dämmstoffe aus nachwachsenden Rohstoffen (Association for insulation materials from renewable resources)
- Study group glulam construction
- HolzbauNetzwerk Munich
- Forum Holzbau (Forum for timber construction)
- Holzbau Deutschland, Bund deutscher Zimmermeister (Association of German carpenters)
- DHV: Deutscher Holzfertigbau-Verband (German timber prefabrication association)
- IBU: Institut Bauen und Umwelt e.V. (Institution for construction and the environment)
- DGNB: Deutsche Gesellschaft für nachhaltiges Bauen (German society for sustainable construction)
- Gütegemeinschaft Möbel e.V.
- HPE Packaging Association

France

- AICB: Association des Industriels de la Construction Biosourcée (Industry association for construction with renewable resources)
- UICB: Union Industriels Constructeurs Bois (Industrial association for timber construction)
- Afcobois (Trade union for timber construction)
- BAB: Bâtiments Agricoles Bois (Timber-constructed agricultural buildings)
- Apiboi: Trade union for I-joist companies
- Fédération de la maison passive (Passive house association)
- FFB – Fédération Française du Bâtiment (French federation for buildings)
- Capeb – Confédération de l'Artisanat et des Petites Entreprises du Bâtiment (Trade union for construction craftsmen)
- FBC – Forum Bois Construction (Forum for timber construction)

United Kingdom

- Timber Trade Federation
- Trada: Timber Research and Development Association
- Structural Timber Association
- ASBP: Alliance for Sustainable Building Products
- Natural Fibre Insulation Group

Poland

- Stowarzyszenie Energooszczędne Domy Gotowe (EDG) (Energy Efficient Prefabricated Houses Association)
- Polski Instytut Budownictwa Pasywnego (Polish Institute for Passive House Construction)
- Polskie Stowarzyszenie Dekarzy (Polish Roofers' Association)
- Stowarzyszenie Producentów Płyt Drewnopochodnych w Polsce (Association of Wood-Based Panel Manufacturers in Poland)
- Stowarzyszenie Centrum Drewna w Czarnej Wodzie (Wood Centre Association in Czarna Woda)

Austria

- Holzbau Austria

International

- EPF: European Panel Federation

2. Strategy

102-14 Statement by the highest decision-maker

STEICO sees itself as an innovative, ecological and social company. This claim, which is also a statement from the highest decision-makers on the Supervisory Board and Board of Directors, can be summarized with "sustainable" as a core statement.

Our actions for our customers:

- Cooperation with our customers is characterized by fairness and respect
- Our products and services are innovative, economical, easy to use and offer added value for our customers
- We build relationships using system solutions and intensive dialogue
- We assume responsibility within our markets and contribute to the positive growth of the market and industry

Our actions for society:

- We make a significant contribution to optimising buildings' energy consumption and thus to climate protection
- By using wood as a renewable raw material, we make an important contribution to preserving natural resources
- STEICO products contribute to the extensive binding of CO₂ and thus help to limit global warming
- We contribute to helping society avoid carbon by specifically avoiding the use of fossil fuels

Our actions for our employees:

- We see the commitment and expertise of STEICO's employees as a central pillar for long-term success
- We maintain a constructive, respectful cooperation
- We offer progressive working conditions, promote the development of our employees and are committed to combating inequality

Our actions are sustainable and geared to the long term - characterized by the balance between economic success, ecological action and social responsibility.

In our sustainability reporting, we aim to provide transparent explanations of our business. That is why we have been publishing an annual sustainability report since 2018. While we already followed the structure of the GRI standard last year, we are now offering a report in accordance with the GRI "Core" option for the first time.

GRI 102: General information

102-15 Significant effects, risks and opportunitiesOpportunities

The global political course is consistently aimed at decarbonising the economy and society in order to counteract further global warming by reducing greenhouse gas emissions. As a manufacturer of insulating materials and structural components made of wood, this presents the STEICO Group with the following opportunities.

Wood itself acts as a CO₂ storage medium, and this also applies to products made from wood. The stored carbon remains bound during the entire life of the products and is removed from the atmosphere during this time. Wood products for the construction sector are expected to have a particularly long useful life.

The manufacture of timber building products is significantly more resource-efficient than many mineral building products such as concrete. As a renewable raw material from sustainable forestry, wood and wood products also help to combat the scarcity of resources.

Wood fibre insulation materials make a significant contribution to increasing the energy efficiency of buildings. This allows far-reaching and lasting energy savings to be achieved, both in winter (reduction of heating energy) and in summer (reduction of cooling energy).

The above-mentioned points should also lead to sustained high demand for STEICO products in future. The probability of this happening is considered high.

Risks

Global warming and the associated Extreme weather events (heat waves, drought, storms, etc.) pose challenges for the forest ecosystem in many regions. A number of coniferous tree species traditionally used to produce timber for construction are considered vulnerable to such rapid climatic changes. This could lead to a reduced availability of wood as a raw material in the future.

A warm, dry climate has always dominated in Poland and in Southern France (STEICO's plants' locations). The forests there are much more robust in terms of climate change than in other regions of Europe. The most important raw material for STEICO products is fresh, untreated softwood. STEICO does not use any waste or recycled wood as this could be contaminated with chemicals.

As a result, the STEICO Group believes that the probability of a shortage of raw materials is low.

3. Ethics and integrity**102-16 Values, principles, standards and codes of conduct**

Our actions are characterized by honesty, respect, fairness and entrepreneurship. STEICO has been acting according to these principles since the company was founded in 1986. Over the years, these values have developed into our corporate culture and the cornerstones of our corporate philosophy.

We understand corporate culture not as a theoretical construct, but as the essence of our daily actions at all levels and between all players. Our business activities and interactions with stakeholders are based on these values. We live them in our daily interactions and they serve as an orientation for the behavior among employees towards customers, business partners and the public.

4. Corporate management**102-18 Management structure (incl. 102-22, 102-23, 102-26)**

The STEICO SE is a European public limited company (Societas Europea). The company's organizational constitution follows the monistic system. Its executive bodies are the Board of Directors and the Annual General Meeting. The Board of Directors manages the company in accordance with the statutory provisions and STEICO SE's Articles of Association, determines the basic guidelines for its activities and monitors their implementation. The Board of Directors meets at least once every three months.

As of 31 December 2020, STEICO SE's Board of Directors comprised four members:

- Udo Schramek (CEO)
- Prof. Heinrich Köster, Deputy Chairman
- Katarzyna Schramek
- Dr. Jürgen Klass

The Board of Directors appoints the Managing Directors to manage the Company's business. As of 31 December 2020, the following managing directors were in office:

- Mr. Udo Schramek, Munich, Chairman and Managing Director of STEICO SE Managing director for Auditing, Marketing, Legal & HR, Research & Development, Technology, Quality Assurance, IT and Purchasing, Legal & HR and IT
- Mr. Thorsten Leicht, Managing Director for Production, Processes, Quality and Sustainability Management (since 1 January 2020)

- Mr. Uwe Lange, Berga, Managing Director for Investments and Equipment Technology
- Dr. David Meyer, Munich, Managing Director for Finance, Accounting & Controlling
- Mr. Milorad Rusmir, Kirchheim, Managing Director for Timber Wholesale
- Mr. Tobias Schindler, Sistrans (Austria), Managing Director for Sales (since 1 April 2020).

The Managing Directors conduct the company's business in accordance with the law, the company's Articles of Association and in accordance with the instructions of the Board of Directors.

102-20 Responsibility at executive level for economic, environmental and social issues

The CEO, Udo Schramek is responsible for economic, ecological and social issues. The Sustainability Management department reports to Mr. Thorsten Leicht, COO. The Managing Directors regularly discuss sustainability-related issues in the Board and make decisions with the involvement of all departments concerned.

102-33 Communicating critical concerns

STEICO SE has appointed a compliance officer. If necessary, the compliance officer brings critical concerns to the attention of the Supervisory Board.

5. Inclusion of stakeholders

102-40 List of stakeholder groups

The STEICO Group endeavors to take the interests of key stakeholders into account in all areas of day-to-day activities. STEICO's stakeholders include:

- Customers, business partners
- Employees, management
- Residents and community
- Suppliers (e.g. for wood procurement), service providers
- Investors (e.g. shareholders and banks)
- Financial analysts
- Economic and industry organisations
- Educational institutions
- Public institutions at local, regional and national level
- Consumer and shareholder protection organisations
- Environmental protection organisations

- Press/media
- Competitors
- Insurance companies
- Science
- Politicians

This list does not represent a prioritization or weighting of the individual stakeholder groups.

102-41 Collective agreements

86% of all employees in the STEICO Group are covered by collective agreements. While all employees at the German and UK facilities have non-tariff employment contracts, 100% of employees in France and 94% of employees in Poland are employed on the basis of applicable tariffs.

102-42 Stakeholder identification and selection

It is important for the orientation of our corporate activities to know and understand the demands of our stakeholders. We focus on those groups that are particularly important to STEICO. In order to determine these, we have used recognised methods such as materiality analysis. The relevance of stakeholders is therefore determined by the extent of their influence and interest in our actions.

102-43 Approach to stakeholder engagement

STEICO pursues several approaches to actively involve stakeholders in the company's activities.

A dense network of sales representatives and technical advisors looks after and advises customers and interested parties. In doing so, we rely on an intensive exchange in order to design our offer in a customer-oriented way. We have defined processes to receive and evaluate suggestions and criticism and to implement possible optimizations. The results are incorporated into the work of the individual departments, e.g. product planning, technical consulting, the in-house training program of the "STEICO Academy" as well as communication or trade fair and event planning. Customers, users and interested parties can contact our company at any time via our homepage or the technical hotline.

Our employees have a wide range of opportunities to get involved in the company's activities, e.g. through the company suggestion scheme. In this way, we create a corporate culture of participation, which manifests itself in a strong sense of belonging.

Furthermore, STEICO is a member of numerous associations, committees, standardisation committees and societies, which in turn exert influence on politics and legislation. In this way,

GRI 102: General information

STEICO is actively shaping the sustainable development of timber construction in cooperation with a wide range of other interest groups.

STEICO's Investor Relations department looks after the needs of the capital market, investors, banks and analysts. A direct contact person is available for all inquiries, as well as a director-level contact to the CFO. STEICO holds its own Capital Markets Day for direct exchanges and also regularly answers questions at capital market conferences and roadshows. Comprehensive financial reporting, even beyond the requirements of the stock exchange segment, also provides important information for the capital market.

102-44 Important topics and raised concerns**Job security**

In the wake of the COVID 19 pandemic and its massive impact on economies worldwide, we observed increasing uncertainty among our employees regarding job security and the threat of financial losses due to short-time work. Even in times of crisis, STEICO attaches great importance to offering its employees a high level of security. Thanks to our successful crisis management and sustained economic success, we were able to retain all jobs at STEICO and even hire additional new employees. For a short period of time, we were forced to temporarily shut down our operations in France, both the production and administration sites, due to the complete closure of the construction markets and construction sites. However, the order was withdrawn after a few days. In addition, we were able to ensure full continued employment for almost all employees. Last but not least, we have created extensive opportunities for teleworking and video meetings with a digitalization initiative.

Furthermore, long-term perspectives and excellent working conditions are important for our employees, which we always strive for. We are proud to have many longstanding employees in our ranks. In doing so, we recognise that the wishes and needs of individual employees differ and discuss their concerns in regular feedback meetings.

Price policy

In addition to reliable, safe and sustainable products, our customers, prospective customers and business partners expect us to pursue a transparent product and pricing policy. We are addressing this concern with our redesigned pricing and discount structure. In 2019, the system was launched in the market and after extensive customer feedback, it was further revised in 2020 in terms of transparency and simplicity. STEICO's pricing policy provides a uniform global framework and an internationally fair price basis that prevents internal competition between markets. The system provides transparent information about the cost structure of

the STEICO product range and enables simplified costing as well as simplified quoting for dealers to their customers. In addition, the pricing system provides an incentive to purchase full loads in order to use logistics resources wisely for the benefit of the environment.

Resource-efficient system solution

Within the last year, a drastic increase in prices has been observed on the raw material markets for wood. This brings resource efficiency in timber construction further to the fore. STEICO's integrated construction system of laminated veneer lumber, I-joists and insulating materials offers maximum resource efficiency combined with the highest quality and cost-effectiveness.

Non-financial reporting

Transparency – even beyond the legal requirements – is an essential pillar of STEICO's stakeholder communication. We are taking this approach in this report by voluntarily providing more extensive information about our approach to environmental and social issues.

Ensuring the availability of goods at short notice

Our activities aim to ensure reliable short-term deliveries to our customers. In order to avoid the build-up of delivery times – or to reduce them in times of particularly high demand – STEICO continuously invests in expanding and optimising its production facilities. In the period under review we increased capacity at all plants. In addition, a plot of land was acquired in 2020 for the construction of a totally new production site in Gromadka, Poland.

6. Reporting procedure**102-45 Entities included in the consolidated financial statements**

Name and registered office of parent company:
STEICO SE Otto-Lilienthal-Ring 3085622 Feldkirchen

The following subsidiaries are included in the consolidated financial statements:

Name	Registered office	Amount of participating interest [%]
STEICO Sp. z o.o.	Czarnków, Poland	100
SW Solar Czarna Woda Sp. z o.o.	Czarnków, Poland	100
STEICO CEE Sp. z o.o.	Czarnków, Poland	100
STEICO JOIST Sp.z o.o.	Czarnków, Poland	100
STEICO UK Ltd.	Caddington, United Kingdom	100
STEICO France SAS	Brumath, France	100
STEICO Casteljalous SAS	Casteljalous, France	100

In addition, there are the following affiliated companies:

Company	Registered office	Share [%]
STEICO Windpark Sp. z o.o.	Czarnków, Poland	61
SW Szydłowo Sp. z o.o.	Czarnków, Poland	100
SW Huta I Sp. z o.o.	Czarnków, Poland	100
SW Huta II Sp. z o.o.	Czarnków, Poland	100
SW Lubasz I Sp. z o.o.	Czarnków, Poland	100
SW Lubasz II Sp. z o.o.	Czarnków, Poland	100
STEICO-ENERGIA Sp. z o.o.	Czarnków, Poland	100

The affiliated companies are not fully consolidated due to the minor importance of the individual companies and the companies together according to Section 296 (2) of the HGB. They are not carried at equity due to their minor importance according to Section 311 (2) of the HGB.

102-46 Procedure for determining the content of the report and the delimitation of topics

Two aspects were decisive in determining the content and scope of the report: our sustainability goals and the interests and concerns of our stakeholders. The first step was to internally determine the main fields of action and objectives and, in the second step, we compared these with stakeholders' expectations. We thus identified the main issues and levers.

In preparing this report, the principles of reporting have been applied to all the topics illustrated. We focus on the disclosures required under the "Core" option, but also provide information on content under the "Comprehensive" option where we have identified these as material topics and are able to provide information that meets the reporting requirements. In the coming years, we will add further topics to the report that we have already identified as being material.

102-47 List of material topics

While the focus in recent years has been on collecting energy data and increasing energy efficiency, this year's report focuses more on social issues.

In terms of environmental issues, this year we are focusing less on efficiency and more on water and waste.

In addition, we have now drawn up an environmental product declaration for all our products – so we are increasingly moving away from consumption values towards a consideration of the products over their entire life cycle.

Our product strategy is based on the system concept – we offer our customers a range of products that covers all their needs. The system approach is now reinforced by our range of individually prefabricated elements – this not only allows us to offer our customers a special service, but also to make particularly efficient use of resources.

102-48 New presentation of information

The Sustainability Report 2020 meets the requirements of the "Core" option of the GRI standard for the first time. In this way, we have steadily developed our reporting over the years. In 2018, the year of initiation, the report was loosely based on the cornerstones of the sustainability strategy ecology, economy and social. The report for 2019 already followed the structure of the GRI standard, and with this report we are now going one step further and reporting according to the "core" option.

Reporting in accordance with the GRI standard requires a more detailed breakdown of information in many points, so that there are changes in the way all published figures in particular are presented compared with previous years.

102-49 Change in reporting

In the 2018 and 2019 reporting years, we have limited our reporting to the key issues and levers identified internally. By aligning the interests of the stakeholders, we were able to include many more points in the report that had previously been dealt with separately in the individual departments. We have now included these in our sustainability reporting.

102-50 Reporting period

The reporting period covers the calendar year 2020.

102-51 Date of last report

STEICO SE's latest sustainability report is dated April 2020 and was published as part of the 2019 Annual Report.

102-52 Reporting cycle

STEICO's sustainability report is currently updated annually. This reporting cycle may be changed in future.

102-53 Contact person for questions regarding the report

Quality and Sustainability Management Department
Phone: +49-89-991551-0 | E-mail:sustainability@steico.com

102-54 Statement on reporting in accordance with the GRI standards

This report was prepared on the basis of the meets the requirements of the "Core" option of the GRI standard.

102-56 External audit

No external audit of this report was performed.

GRI 200: Economy

201: Economic output:

103-1 Explanation of the main topic and its delimitation

Our company's profitable growth enables us to create jobs, make investments and ensure that our shareholders participate in our company's success to an appropriate extent.

103-2 The management approach and its components

The STEICO Group meets market challenges with a strategy of innovation and growth. The aim is to offer customers innovative timber construction products and systems with an increasing range of products and vertical integration. The high capacity utilization of the production facilities that accompanies this growth leads to economies of scale and improved profitability, which in turn strengthens STEICO's competitive position.

In recent years the focus has been on developing innovative design products, however the growth strategy for the future will be determined by the expansion of the system concept and serial element production.

103-3 Assessment of the management approach

The STEICO Group has recorded steady growth in recent years. Acting sustainably and while being aware of values is a key part of our success.

Larger production sites can be operated more efficiently. The energy used decreases in relation to the output quantity. Growth also enables investments in energy-efficient production facilities. Larger companies that demand certified timber are strengthening efforts towards sustainable forest management.

STEICO insulation materials are environmentally friendly in and of themselves, as they save considerably more energy during their product life than is required for their manufacture. That is why growth in this area does not lead to an increasing burden on the climate.

201-1 Direct economic value generated and distributed

See STEICO's consolidated financial statements, included in the 2020 annual report.

201-4 Financial support from the public sector

STEICO's production facilities in Poland have been incorporated into special economic zones. As a result, STEICO is exempt from income taxes at the Czarna Woda site until 2024 and at the Czarńków site until 2028.



At the Casteljalous site, a subsidy from the public investment bank (BPI - Banque Publique d'Investissement) of around €1 million was granted for the construction of a further production line for wood-fiber insulation materials and the associated storage capacities. The pledged funds come from a fund set aside in the wake of the Corona pandemic for job security, as well as the long-term reduction of CO₂ emissions in the industry. In 2020, €800,000 has already been paid out to STEICO.

There was no other financial support or incentives from the public sector

202: Market presence

103-1 Explanation of the main topic and its delimitation

STEICO is an important employer in the regions where its production sites are located.

103-2 The management approach and its components

A large proportion of STEICO's employees, particularly in the plants, come from the region immediately surrounding the production sites. This also applies to managers, who in most cases rise within the company and are rarely recruited from outside. Salaries are in line with local standards and competitive, making STEICO an attractive employer in the regions.

103-3 Assessment of the management approach

By specifically promoting existing employees to management level, we not only secure know-how, but also create incentives within the workforce and ensure that decisions at management level are made close to working reality.

202-1 Ratio of standard entry level wage disaggregated by sex to local statutory minimum wage

The STEICO Group complies with all local statutory requirements for the payment of minimum wages. The majority of employees are paid above the legal minimum wage.

202-2 Proportion of senior managers recruited from the local community

The proportion of managers from local communities is very high at the production sites. Often the managers come from within the company.

203: Indirect economic impact

103-1 Explanation of the main topic and its delimitation

As a large manufacturing company, STEICO's business activities have not only a direct but also an indirect impact on economic regions.

103-2 The management approach and its components

Due to their size and capacities, the greatest added value is generated at our production sites in Poland. In the regions, we contribute directly to growth by paying taxes and creating jobs. However, STEICO's presence as an employer in the regions also has an indirect effect. We see ourselves as a member of the local community and financially support a variety of regional public institutions and infrastructures, such as fire brigades, police forces, forestry offices, sports clubs and numerous care facilities such as schools, kindergartens and educational centres. We also use local forwarding agents for the transport of our goods. To get our employees to their workplace, we work with local public transport.

103-3 Assessment of the management approach

In the communities at its operating sites STEICO sees itself not only as an employer, but as an active part of community life. As a company as a whole, but also through the commitment of individual employees and groups, we make a major contribution to local social life.

204: Procurement practices

103-1 Explanation of the main topic and its delimitation

As a manufacturing company, the central component of our procurement is the purchase of raw materials for production.

103-2 The management approach and its components

The STEICO Group procures the wood for manufacturing its products locally within a radius of up to approx. 150 km of the production plants. We use suppliers with whom we have long-standing relationships. In Poland, the Polish State Forest is the main supplier of wood, while in France wood is purchased from several private suppliers. In the case of other raw materials, consumables and supplies, these are distributed among several suppliers per commodity group in order to avoid bottlenecks and dependencies. We keep stocks of all important materials and raw materials in order to be able to bridge problems or standstills in production.

GRI 200: Economy

103-3 Assessment of the management approach

Our long-term supplier relationships, a stable supply situation for the essential raw materials and forward-looking warehousing, mean that we can largely rule out problems with the supply of raw materials and materials.

204-1 Percentage of spending on local suppliers

The bulk of our spending for the total volume of products we procure is with local suppliers who supply the wood for the production of our products, within a radius of up to approx. 150 km of the production plants.

205: Combatting corruption**103-1 Explanation of the main topic and its delimitation**

Integrity and fairness in business transactions are the cornerstones of STEICO's corporate culture.

103-2 The management approach and its components

STEICO pursues a strict zero-corruption policy and has created structures and rules throughout the group to prevent corruption. This includes staff training and controls as well as the creation of special structures, e.g. for the award of contracts.

103-3 Assessment of the management approach

A compliance officer has been appointed to whom violations of corruption rules can be reported.

205-3 Confirmed incidents of corruption and measures taken

There were no confirmed incidents of corruption in the STEICO Group during the reporting period.

206: Anti-competitive behaviour**103-1 Explanation of the main topic and its delimitation**

STEICO complies with the law in all its business activities.

103-2 The management approach and its components

Fairness and respect are crucial in STEICO's business relationships, whether with customers, competitors or other stakeholders. In compliance with all applicable laws and regulations, STEICO acts to the best of its knowledge and belief. This also applies, of course, to questions of antitrust law. As the market is characterised by numerous competitors, a monopoly position on the market is neither to be feared nor expected.

103-3 Assessment of the management approach

We are not aware of any incidents of anti-competitive behavior or violations of antitrust law within the STEICO Group.

206-1 Legal proceedings based on anti-competitive behaviour, cartels and monopolies

No legal action was taken against the STEICO Group for anti-competitive behavior or antitrust violations during the reporting period.

207: Taxes**103-1 Explanation of the main topic and its delimitation**

Taxes are an important contribution to social development.

103-2 The management approach and its components

STEICO pays the prescribed taxes at each operating site. There are no business linkages that lead to a shift in tax liability. In this way, we contribute to growth in the respective economic area. The plants in Poland are located in special economic zones, which were set up to promote the establishment of companies in structurally weak areas. This is associated with temporary local tax relief.

103-3 Assessment of the management approach

Our tax policy means that there is no possibility of tax evasion or moving our tax liabilities to countries with lower tax rates. Taxes are paid where the value is created.

GRI 300: Ecology

Environmentally friendly insulation materials

Insulation materials play a key role in determining a building's energy efficiency. Due to their insulating effect, they significantly reduce the amount of heating energy required. STEICO wood fibre insulation materials and cellulose insulation are characterised by particularly low thermal conductivity. The lower the thermal conductivity, the better the insulating effect. The thermal conductivity is given as the so-called Lambda value (λ). With λ_D 0.036, the flexible wood fibre insulation mat STEICO*flex* has the lowest thermal conductivity of natural insulating materials. With λ_D 0.037 the facade insulation board STEICO protect 037 has the lowest thermal conductivity for stable wood fibre insulation boards. The cellulose insulation STEICO*floc* with λ_D 0,038 also offers one of the best values in its category.

As part of the STEICO construction system, the main STEICO insulating materials are certified as components suitable for passive houses. This means that they are suitable for use in buildings which, due to their high Energy efficiency, can cover their heating requirements without traditional heating.

At the time of publication of this report, the STEICO Group had production capacity for around 4 million m³ of ecological insulating materials. Assuming a quantity of about 75 m³ of insulating material required for state-of-the-art insulation for a single-family house in timber construction, more than 53,000 single-family houses can be insulated per year. 75 m³ of STEICO wood fibre insulating materials permanently store 28 tons of CO₂. According to the Federal Environment Agency, the average CO₂ emission is 11.6 tons per person per year. The CO₂ stored in STEICO insulation alone can offset a builder's carbon footprint for more than two years. In addition, the lower energy consumption due to insulation also saves further CO₂ year after year. The quantity is calculated individually for each construction project. STEICO is thus contributing to the energy revolution and to climate-neutral buildings.



GRI 300: Ecology

I-joists

STEICO's I-joists have the shape (geometry) of an H beam or a double T beam. In contrast to a solid wood beam with a rectangular shape, the middle section of the I-joist is much slimmer, and it is thus made with comparatively little material. This saving in solid material is filled with insulating material in timber frame construction. In a roof construction, for example, this shifts the ratio between the proportion of insulating material and the proportion of supporting structure in favour of the insulating material. A higher proportion of insulating material in turn means higher energy efficiency for the entire component. By using STEICO I-joists, the energy efficiency of a component can be improved by up to 15% (compared to the use of solid wood cross sections). In this way, I-joists have special significance in low-energy and passive houses and contribute to avoiding heating energy in these buildings.

Laminated veneer lumber

Laminated veneer lumber is an industrially produced wood-based material with a particularly high load-bearing capacity. The use of energy in its production is offset by the particularly efficient use of wood as a raw material. When producing laminated veneer lumber, formats can be produced that cannot be reproduced by naturally grown wood (boards up to 2.5 m wide, 90 mm thick and 18 m long). In addition, the high strength of laminated veneer lumber allows a particularly slender design of the load-bearing structures, which means that construction can be carried out with less material overall.

Wood as CO₂ storage

As wood grows, the climate-damaging gas carbon dioxide (CO₂) is extracted from the atmosphere. During photosynthesis, trees split CO₂ into carbon (C) and oxygen (O₂). Carbon is stored in the wood and oxygen is released into the atmosphere. One cubic metre (m³) of wood therefore contains around 1 tonne (t) of CO₂. This CO₂ also remains bound in processed wood products, e.g. in STEICO wood fibre insulating materials and construction products.

Assuming that around 100 m³ of wood is used for a single-family house built using timber construction, this corresponds to around 100 t CO₂ which is removed from the atmosphere (whereby the positive effects of wood fibre insulating materials on the reduction of heating energy have not yet been taken into account).

Particularly when wood is used as a building material, CO₂ is removed from the atmosphere for a particularly long time - namely during the entire service life of the building, e.g. around 60 to 100 years for single-family houses. Only at the end of the building's service life is the CO₂ released back into the atmosphere when the wood decomposes or is burned.

For example, the use of wood products in construction is not a panacea for the climate – but it is an essential contribution to gaining time for the climate-friendly transformation of our society. In 2020, the STEICO Group processed around 1,081,830 m³ of fresh wood from sustainable forestry. This means that around a million tons of CO₂ are stored and removed from the atmosphere in STEICO's annual production.

301: Materials**103-1 Explanation of the main topic and its delimitation**

As a manufacturing company, we have a high demand for materials, which is why the responsible use of materials is high on our agenda. The most important raw material for STEICO products is fresh, untreated softwood. STEICO does not use any waste or recycled wood as this could be contaminated with chemicals.

103-2 The management approach and its components

For our wood fibre insulating materials and Natural Fiber Boards (hard fibre boards) we do not need special wood qualities, because the wood is defibered in production. This so-called low-quality timber accumulates for example during forest maintenance and is not suitable for processing in sawmills. All the wood we use is sourced from sustainable forests and bears the FSC® or PEFC seal. We also pay attention to regional sourcing when procuring materials: STEICO's production plants are located in wooded areas, so that we can keep transport distances short, usually less than 150 km.

103-3 Assessment of the management approach

Various log diameters are used for the production of laminated veneer lumber, and the logs are mainly delivered in short lengths. This provides the forestry offices with an optimal opportunity to supply the highest quality timber that is produced.

301-1 Materials used, by weight or volumeUse of fresh wood

Only untreated softwood is used to produce STEICO insulation and construction materials. The volume of wood processed during the reporting period was 1,081,830 m³.

Material requirements for laminated veneer lumber

Approximately 2.3 m³ of roundwood is required for the production of 1 m³ laminated veneer lumber. The round wood is peeled into veneers, from which the laminated veneer boards are made. During the processing of round wood, around 0.6 m³ of bark and non-recyclable wood components are produced. These are used to produce steam and heat in

the biomass boiler. Since not every veneer ribbon is suitable for the production of laminated veneer lumber, 0.5 m³ of unusable veneer is produced, which can, however, be further processed into wood fibre insulation materials at the same location. The trunk's core cannot be peeled into veneer for technical production reasons. A round residual core of 0.2 m³ remains. This residual wood is sawn into boards and squared timber on our own plant, and used to make STEICO transport pallets. This allows STEICO to use 100% of its wood resources.

Packaging material

Wood accounts for the largest share of transport packaging for our products. The products are stacked on pallets and loaded. In addition, cardboard packaging is used as edge protection, paper as an insert for product labelling and film for temporary weathering protection and to stabilise the pallets. We manufacture most of the pallets ourselves from wood left over from production.

Packaging	Quantity distribution [%]
Paper, card, cardboard	1
Films	13
Wood	86

301-2 Recycled input materials used

For the cellulose insulating material STEICO*floc*, STEICO obtains defined waste paper qualities which are converted into insulating flakes. Since most of the energy consumed is already used in the production of the paper, the production of cellulose insulation material is particularly environmentally friendly. During the reporting period, 6187 tonnes of waste paper were used for the production of blow-in insulation.

301-3 Recycled products and their packaging materials

Recycling of production residues

Wood components that are unsuitable for production, e.g. the bark, are used to generate energy in the plant's own biomass boilers. The residual roundwood from LVL production is sawn into boards directly at the site and used to produce transport pallets for the company's own needs.

Recycling of scrap material

Scrap material arising during the production process, such as faulty production, cuttings, milling and grinding chips, etc. is fed back into the production process. This allows STEICO to ensure the use of 100% of its wood resources.

No packaging materials are produced during these processes.

302: Energy

103-1 Explanation of the main topic and its delimitation

Like every manufacturing company, STEICO needs energy in its production. As the energy consumption in the production plants is considerably higher than at the sales and administration locations, the focus is on the production locations.

103-2 The management approach and its components

Electricity as well as heat and steam are required in particular for the production of STEICO products. STEICO relies on large, integrated locations that enable high production efficiency. For example, several production plants can be supplied with heat and steam via a few central boiler plants. To avoid heat loss, the pipes are insulated. Waste heat is used to heat the administrative buildings. In this way we ensure that the heat generated is used as efficiently as possible. STEICO maintains appropriate boiler systems to generate heat and steam. These can be operated with biomass and/or gas and coal. Since the beginning of 2020, biomass has been used for the regular operation of production, while fossil energy sources are only used as reserve energy sources. Production residues are mostly used as energy sources for the biomass boilers, and only a small percentage is bought in. At least one biomass boiler is currently in operation at each site.

Electricity is purchased at the respective locations and its production corresponds to the national electricity mix of the country of production. At the Czarnków site we are currently installing an additional electric turbine on a biomass boiler, which will enable us to generate some of the electricity we need ourselves in future.

103-3 Assessment of the management approach

STEICO is constantly working on reducing energy consumption. STEICO is taking a two-pronged approach in this regard: Use of regenerative energy sources such as biomass, with the use of fossil fuels only for peak load coverage or to bridge maintenance periods. In addition we are constantly working to increase energy efficiency by optimising production processes. Over the last few years, we have been able to reduce energy consumption in relation to production output and thus increase energy efficiency.

302-1 Energy consumption within the organisation

Most of the energy in the energy mix is used to generate heat and steam.

STEICO Group: Energy consumption and changes

GRI 300: Ecology

302-1 Energy consumption within the organisation

Energy source	2018 [MWh]	[%]	2019 [MWh]	[%]	Change [%]	2020 [MWh]	[%]	Change [%]
Coal	543,557	40	525,404	36	-3.3	322,555	21	-38.6
Electricity	211,557	16	230,973	16	+9.2	243,172	16	+5.3
Gas	100,707	7	122,653	8	+21.8	149,628	10	+22.0
Biomass	493,092	37	596,782	40	+21.0	723,238	48	+21.2
Wood pellets	0	0	0	0		68,563	5	
Total	1,350,930	100	1,477,832	100		1,509,176	100	

302-3 Energy intensity

Energy intensity is the energy efficiency related to the finished product. The STEICO Group's energy intensity was 3.06 MWh/t of finished product. We reduced energy intensity by 10% between 2019 and 2020.

302-4 Reduction of energy consumption

Extensive investments were made in 2020 to reduce energy consumption:

Storage of energy surpluses

Storage batteries have been installed to temporarily store excess self-generated electricity and release it when needed, thus preventing the loss of electricity.

Smoothing of voltage fluctuations

Active filters for better harmonization of voltage fluctuations were put into operation during the reporting period.

Reduction of electricity consumption

Numerous electrically powered motors and pumps in the Polish plants were replaced with more energy-efficient models. In addition, inverters have been installed on the electric motors to help reduce power requirements. What is more, the lighting in the production halls and warehouses, the company premises and the offices was converted to energy-saving light sources.

Biomass from production waste

In order to reduce the need for biomass, a pelleting plant was installed at the Czarna Woda site in 2019. Starting in 2020 this has been used to turn waste wood from LVL production into pellets. This will allow us to use biomass even more efficiently.

Abandonment of fossil energy sources

At the Polish sites, where more than 90% of value added is generated, extensive investments were made in 2019 to switch from coal to biomass. Since the beginning of 2020, biomass has been used as an energy source for standard production. Coal is to be used only as a reserve energy source. The Casteljaloux site has always completely

dispensed with the use of coal, using only biomass and gas.

Energy consumption in administration

In the administration area, STEICO is also making extensive investments to reduce energy consumption. The headquarters in Feldkirchen, for example, are built using STEICO's own construction system and are characterised by their high energy efficiency, which almost corresponds to the passive house standard. An additional building was added here in 2019. The integrated photovoltaic modules mean more energy is generated over the year than the building needs (so-called plus-energy house).

302-5 Reducing energy requirements for products and services

During the period under review, it was possible to save steam, heat and electricity by exploiting optimisation potential in timber defibration and other processes in production, so that the energy requirement per product has fallen by 10% and now totals 3.06 MWh/t.

303: Water and sewage**103-1 Explanation of the main topic and its delimitation**

Water is a valuable commodity that is needed for our production. Substantial amounts of water are used in production, both for the products themselves and for their manufacture.

103-2 The management approach and its components

At STEICO, we strive to make the best possible use of water as a resource, to avoid waste water and to reduce water consumption. Investments are being on an ongoing basis to close the water cycles and treat unavoidable wastewater in the best possible way.

We have official approval to extract water from the rivers adjacent to the plants. This water is treated and used in various areas: Watering of the logs, debarking and veneering, defibration, production of the fibre pulp, cutting of the insulation boards. This water is collected and reused. But even without direct product contact, a large proportion of water is used to produce hot water and steam. The condensate

produced during cooling is also returned to the process. Since the condensate is very pure, there is even no need for treatment in this case. These closed cycles allow us to save a large amount of water, because we feed the water into the process several times instead of always using fresh water.

103-3 Assessment of the management approach

We rely on closed water cycles in which we reuse the water again and again, thus using it multiple times in the production process. Over the years, this has enabled us to reduce the amount of water required in relation to production volume, thereby increasing the efficiency of water as a resource.

303-1 Water as a shared resource

STEICO is working on closing the water cycles at all of its production sites.

Closed water cycles have already been established in the Polish production plants, where a large part of our value added is generated. In the first step, fresh water is used for the production of steam and heat, which are fed directly into the production process. The resulting industrial water is then used to produce wood fibre insulation materials. Some of the water evaporates during the drying process and is replenished with industrial water from steam and heat production, so that all the water that we obtain for our production is reused several times and fed back into production again and again.

The plant in Casteljaloux also recycles a large part of the water used in production.

303-2 Dealing with the effects of water recycling

Before water is recycled at our production sites, it passes through an in-house biological treatment plant and is thus freed of all residues from production, so that no effects are to be expected from the water recycling.

303-3 Water withdrawal

STEICO has official approval to extract water from the rivers adjacent to the plants at its production sites in Poland and France. Water for the administrative locations comes from the local supply networks, while rainwater is also used for flushing toilets at the Group headquarters.

303-4 Water return

In the two Polish production plants, where over 90% of the value added is generated, closed water cycles have been put in place in production. Prior to recirculation, the water passes through a biological clarification process.

303-5 Water consumption

In 2020 1,360,068 m³ of water was consumed in production. 95% of the water used in production comes from the surrounding rivers.

304: Biodiversity

103-1 Explanation of the main topic and its delimitation

Our plants are located in rural industrial areas that are not far from natural regions in need of protection. In this respect, preserving biodiversity is an issue that affects us directly.

103-2 The management approach and its components

Our production is self-contained and no harmful substances are released to the outside. In this way, we ensure that we do not negatively impact the biodiversity in the vicinity of our sites. It goes without saying that we comply with all prescribed limits, regulations and specifications that serve to protect biodiversity.

Our products offer an ecological insulation alternative that is far more environmentally friendly than conventional insulation materials throughout their entire life cycle, from raw material to disposal.

103-3 Assessment of the management approach

Our manufacturing processes and products ensure that there is no negative impact of our business activities on biodiversity.

304-1 Owned, leased and managed operational sites located in or adjacent to protected areas and areas of high biodiversity value outside protected areas

There are several natural regions under special protection in the vicinity of our plants in Czarnków and Casteljaloux, but not in their immediate vicinity.

Czarnków borders on the Natura 2000 areas Dolina Noteci PLH300004 and Nadnoteckie Legi PLB300003. The site is approximately 100 ha in size.

The Casteljaloux site covers an area of approximately 34 ha and is located 4 km from the nearest Natura 2000 site, Vallée de l'Avance FR7200739. The ZNIEFF area Vallées de l'Avance et de l'Avanceot and associated wetlands is about 2 km away.

The entire village of Czarna Woda, where our third plant is located, lies within a Natura 2000 area, the Bory Tucholskie PLB220009 bird protection zone. The site covers approximately 80 ha.

GRI 300: Ecology

304-2 Significant impact of activities, products and services on biodiversity

Neither our activities nor our products or services have any significant impact on biodiversity.

305: Emissions

103-1 Explanation of the main topic and its delimitation

Greenhouse gas emissions are a significant contributor to climate change, so they are an important component in our plan to minimize our environmental impact.

By analysing our emissions, in particular our carbon footprint (CO₂), it is possible to identify potential for reductions, develop appropriate activities and define climate protection targets.

103-2 The management approach and its components

All emissions in STEICO's plants are measured regularly. These include not only air emissions but also noise emissions. The measurements are carried out in accordance with the relevant standards and under the legal requirements. If measurements show values outside the limits, this is immediately investigated and, if necessary, measures are taken to rectify the problem.

STEICO SE has commissioned ClimatePartner GmbH to prepare a carbon footprint of the company ("Corporate Carbon Footprint"/"CCF") for the year 2020 based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

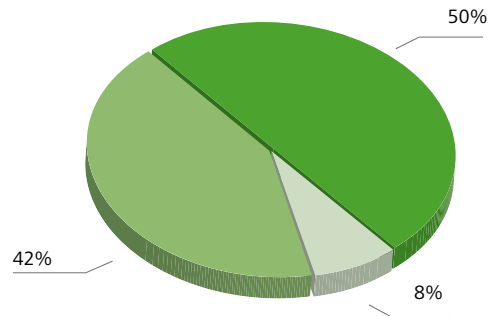
The CCF was conducted in 2020 for the third consecutive year and expanded to include relevant Scope 3 emissions. The CCF includes six locations in four different countries. In Germany, France and the United Kingdom these are purely administrative locations, in Poland and France these are plants.

The Corporate Carbon Footprint is an important building block for developing a more far-reaching climate protection strategy. By analysing the carbon footprint (CO₂), it is possible to identify potential and levers for reductions, develop appropriate activities and define climate protection targets.

When building new plants, we use state-of-the-art technology, so that we are well below the legal requirements for maximum emission levels. Existing plants are continuously optimized and adapted so that we are also able to comply with the legal requirements there.

We are also closing the loop on air emissions so that fewer emissions get out at all. Efficient filters also ensure that the exhaust air contains as few substances as possible that are hazardous to health and the environment.

The largest source of emissions is heat at 49.6%. The second largest item is emissions from electricity with 42.0%. Emissions from the vehicle fleet came in third place with 7.8%.



Percentage breakdown of CO₂ emissions from Scope 1,2 and 3.

305-1 Direct GHG emissions (Scope 1)

The STEICO Group's corporate carbon footprint includes seven locations in four different countries. In Germany and the United Kingdom these are purely administrative locations, in Poland and France they include both administrative locations and plants. The emissions of the sales employees in the external sales force in all countries are also included in the calculation.

In total, STEICO's business activities caused a total of 507,437.7 tons of CO₂ emissions at all sites. Of this total, 254,568.5 t are direct CO₂ emissions (50.2%) (Scope 1) and 213,099.1 t of CO₂ (42.0%) are indirect emissions from grid-bound energy (Scope 2). 39,770.1 t of CO₂ (7.8%) is due to other indirect emissions (Scope 3). The stored carbon and the associated compensated CO₂ emissions are not included in the calculation of the Corporate Carbon Footprint. The calculated emissions correspond only to production and related processes. The figures presented here have therefore not been reduced in any way on the basis of the positive climate effects of the use of wood in STEICO products.

Scope 1 shows all CO₂ emissions that can be controlled directly by the company drawing up the balance sheet (direct CO₂ emissions). This includes the combustion of fossil fuels (mobile and stationary), CO₂ emissions from chemical and physical processes and refrigerant leaks from air conditioning systems. 99.8% of the STEICO Group's emissions are generated in the plants, while the administrative locations are only responsible for a small proportion of the emissions.

The headquarters in Feldkirchen, for example, have been built using STEICO's own construction system and are characterised by their high energy efficiency, which almost corresponds to the passive house standard. The integrated photovoltaic modules and a heat pump for heating mean

more energy is generated over the year than the building needs (so-called plus-energy house). There are no emissions.

305-2 Indirect energy-related GHG emissions (Scope 2)

Scope 2 shows indirect CO₂ emissions caused by the combustion of fossil fuels during the production of electricity, heat, cooling and steam by external energy suppliers. Disclosing these in a separate category avoids double counting when comparing CO₂ emissions from different companies.

In the reporting period, the amount of indirect emissions from grid-based energy according to Scope 2 was 213,099 t CO₂ equivalent. The emission source electricity represents 42.0% of total emissions.

305-3 Other indirect GHG emissions (Scope 3)

All other CO₂ emissions that are not under direct corporate control are reported in Scope 3 (other indirect CO₂ emissions). This includes, for example, CO₂ emissions associated with products and services used or processed by the reporting company. In addition, there are CO₂ emissions associated with the use of products and services sold, if direct CO₂ emissions are caused in the process.

In accordance with the requirements of the GHG Protocol, the reporting of CO₂ emissions is mandatory in the Scope 1 and Scope 2 categories, but voluntary in the Scope 3 category. Greenhouse gas emissions according to Scope 3 were determined for the first time and amount to and 39,770.1 t CO₂. This corresponds to 7.8% of total greenhouse gas emissions.

305-4 Intensity of greenhouse gas emissions

The intensity of the emissions in relation to the output of the production was 0.95 t CO₂ per ton of finished product in 2020. Compared to the previous year, this figure was reduced by 27%.

305-5 Reduction of GHG emissions

Comparing Scope 1 and 2 emissions with the previous year's balance shows that the CO₂ footprint at each site has been reduced.

As shown in Chapter 302-1, most of the energy is required for heat and steam. For this reason, the increase in CO₂ emissions is not linearly related to the increase in electricity consumption. Chapter 302-1 shows that the energy obtained from coal has been reduced by 39% but other energy sources have experienced an overall increase of 48.5%.

		Total greenhouse gas emissions			
		2020	2019	Change	
		[t]	[t]	[t]	[%]
Scope 1	Heat	251,793.7	383,158.0	-131,364.3	-34
	Vehicle fleet	2,191.5	2,941.1	-749.6	-25
Subtotal Scope 1		253,985.2	386,099.1	-132,113.9	-34
Scope 2	Electricity	213,092.5	177,111.8	35,980.7	20
Total		467,077.7	563,210.9	-32,341.8	-17

The emission factors used to calculate the country-specific CO₂ emissions per unit of energy in the case of Scope 2/electricity are regularly updated in line with the latest scientific findings. In the case of Poland, the emission factor has worsened in 2020 and this leads to a disproportionate increase in CO₂ emissions (compared to the increase in electricity consumption).

306: Waste

103-1 Explanation of the main topic and its delimitation

A central concern in STEICO's production processes is to keep the volume of waste as low as possible and to prevent waste from being generated in the first place. We aim to use raw materials as efficiently as possible in their entirety and recycle these as far as possible in the production process. Other waste is recycled or disposed of properly by specialist companies. This minimizes the environmental impact of our production processes as much as possible. The term waste in this chapter covers waste generated in production processes. Waste in the administration only arises in household quantities and is disposed of properly in accordance with country-specific rules.

103-2 The management approach and its components

STEICO is aware of its responsibility towards the environment and our raw materials. Continuous reduction of the waste volume and proper disposal are top priorities.

In accordance with the waste hierarchy, STEICO endeavours to prevent waste from arising in the first place. The first and most important step is avoiding waste. If this is not successful, the aim is to reuse or recycle materials, and only lastly to dispose of waste or landfill it.

Waste is treated in accordance with country-specific laws and regulations. All waste is separated and sorted according to type and is recycled if possible. Polish waste legislation is considered to be one of the strictest in Europe. This leads to the best possible treatment of waste.

GRI 300: Ecology

Dealing with waste

STEICO itself does not carry out any waste processing, storage or disposal; this is carried out by local specialist disposal companies. All Group companies are constantly working to increase the proportion of recyclable material.

Disposal according to waste code

All waste generated in production is collected separately according to the European waste code and disposed of by specialised companies.

Hazardous waste is collected and stored in special containers and then properly recycled. The share of hazardous waste in total waste generation is extremely low.

Material recycling in the production process

Defective batches and offcuts from production processes are not disposed of, but are reused as raw material for our products, true to our sustainability principle. This allows us to not only reduce the amount of waste, but also our need for roundwood, thus making an important contribution to the conservation of natural resources.

Recycling by specialised companies

Recyclable materials such as plastic, paper and glass are collected separately in special containers and collected by Polish or French recycling companies. This allows us to achieve an almost complete recycling rate of 99 % for these recyclable materials. In so doing, we actively contribute to protecting and conserving people, the environment and resources.

103-3 Assessment of the management approach

We are continuously trying to reduce our waste volume. With a high recycling rate of 78 %, we ensure optimum use of raw materials. A low proportion of only 1.86 % of hazardous waste also speaks for the effectiveness of our waste strategy.

We cooperate closely with Polish and French waste management companies to ensure that all national waste treatment requirements are met. So far, there have been neither complaints nor fines for violations from the authorities.

Of course, we will continue to work to reduce our waste in the future. After all, the best waste is that which is not created in the first place. In this way, we guarantee the responsible use of our resources in the long term.

306-2 Waste by type and disposal method

In the 2020 reporting year, STEICO generated a total of 8644 tonnes of waste across all European waste categories. 8484 tonnes counted as non-hazardous waste, 160 tonnes were

classified as hazardous waste and disposed of by specialist disposal companies. This corresponds to 1.86 % of total waste. Hazardous waste is mainly chemicals from production processes and lubricants for machines and gears and their absorbents and wiping materials. A total of 6750 tonnes of waste was recycled, which corresponds to a recycling rate of 79.6 % of non-hazardous waste and 78 % of the total volume of waste. In waste key group 03 a recycling rate of 99 % was achieved, waste key 19 (paper and cardboard) even shows a recycling rate of 100 %. Disposed quantities are recorded directly at the plant and reported to the disposal service provider. Polish waste legislation requires accurate recording and reporting of all waste categories, above mentioned data refer to quantities collected in 2020.

306-3 Significant leakage of harmful substances

No harmful substances leaked during the period covered by this report.

306-4 Transport of hazardous waste

STEICO does not transport hazardous waste itself. All hazardous waste was professionally received, transported and disposed of by waste management companies.

307: Environmental compliance**103-1 Explanation of the main topic and its delimitation**

Conduct in compliance with the law is a top priority in the STEICO Group and is a cornerstone of our entrepreneurial activities.

103-2 The management approach and its components

STEICO therefore fully complies with the environmental laws, regulations and standards applicable in the respective countries in all its companies. We also participate in voluntary standards and certifications:

FSC® and (PEFC

100 % of the wood that STEICO uses in production originates from sustainably managed forests, which are mostly certified according to the well-known organisations FSC® (Forest Stewardship Council) or PEFC® (Programme for the Endorsement of Forest Certification Schemes). This not only ensures that this forests are managed sustainably, but also that social standards are adhered to through certification. STEICO does not use any wood of unclear origin or from protected forests and complies with all EUTR (EU Timber Regulation) rules. All STEICO products (wood fibre insulating materials, cellulose insulating materials, I-joists, laminated veneer lumber) carry at least one of the certifications mentioned or are available according to both standards.

ISO 14001:2015

We have a comprehensive environmental management system in place at our Polish plants, which is certified to ISO 14001:2015. The performance of the system is checked and confirmed in regular internal and external audits. In addition, we prepare Environmental Product Declarations (EPD) for our products, which provide information on the environmental impact of STEICO products.

To ensure compliance, an environmental officer has been appointed at each production site who is responsible for ensuring compliance with statutory environmental requirements and internal guidelines. In the event of changes in the framework conditions, the latter makes any necessary adjustments to the internal specifications.

EU Taxonomy Regulation (2020/852)

The EU Taxonomy Regulation sets out the criteria for determining whether an economic activity qualifies as environmentally sustainable in order to determine the degree of environmental sustainability of an investment.

With regard to the fulfilment of sustainability requirements, STEICO, as a manufacturer of wood fibre insulation materials, makes a significant contribution to climate protection in accordance with class 1 "per se sustainable activities", as wood fibre insulation materials involve intensive carbon sequestration and storage.

In addition, STEICO makes a significant contribution to climate protection according to Class 2 through "enabling activities", as STEICO insulation materials enable property owners to prevent or reduce CO₂ emissions from building heating or air conditioning.

According to its own assessment, STEICO meets the requirements of the EU Taxonomy Regulation and thus considers itself a sustainable company.

103-3 Assessment of the management approach

The environmental management system ensures the continuous monitoring of more than 300 environmental indicators and the analysis of process risks.

307-1 Non-compliance with environmental laws and regulations

There were no violations of environmental protection laws and regulations within the STEICO Group during the reporting period.

GRI 400: Social affairs

401: Employment

103-1 Explanation of the main topic and its delimitation

Committed employees are a vital key factor for STEICO's economic success. That is why we are particularly concerned to keep our staff's motivation and health at a high level and to establish a strong bond with the company in order to secure its long-term success.

103-2 The management approach and its components

The STEICO Group creates an attractive, fair working environment for its employees. These include fair pay, additional company benefits, flexible working hours models that are adapted to the employees' respective needs and individual offers that make it easier to reconcile work and private life.

By creating appropriate employment structures, we create an environment that strengthens the innovative power of our employees.

This HR strategy has its origins in the company's history: We are a medium-sized group with a remarkable history of growth - growth that has been generated by consistently identifying opportunities in the market and seizing them.

By consistently focusing on customer needs, STEICO has achieved world market leadership in wood fibre insulation materials. A success that would not be possible without the constant willingness of our employees to change. The openness for new things and a distinctive customer orientation were always in the foreground.

We see our success as proof of how much the development of a company is linked to the skills of its employees.



103-3 Assessment of the management approach

When competing for the best employees for the company of the future, it is essential to continuously develop the employees' potential and to make efforts to retain them in the long term and to retain their competence in the company.

The measures and models offered by STEICO are suitable for this purpose. Our success proves us right. STEICO has recorded continuous growth, which it has so far been able to maintain even during difficult market phases.

401-1 Newly recruited staff and staff turnover

Experienced employees make a valuable contribution to the company's success. As a result, the STEICO Group endeavors to create working conditions that allow long-term growth. This is reflected in a low fluctuation rate, which is well below the industry average in all countries.

In 2020, a total of 271 employees started work in the STEICO Group. The Polish sites accounted for the largest share of new hires with a total of 227 (Czarnków 124, Czarna Woda 81, Solar 17, CEE 5), followed by STEICO's headquarters in Feldkirchen with 35 new hires and the French sites with 7 new hires (5 in Brumath, 2 in Casteljaloux). Two new employees were hired at the UK site in 2020.

The fluctuation rate for the Group as a whole was 7.6% in the period under review. Overall, the fluctuation rates at STEICO were reduced in all countries compared to the previous year.

Country	2020 [%]	2019 [%]	2018 [%]
Poland	8.2	13.7	9.9
Germany	3.5	10.1	11.2
France	3.8	5.1	2.4
United Kingdom	7.1	7.7	0.0

There is only a slight difference in fluctuation between the sexes, the values are almost the same: The fluctuation rate for women in the Group as a whole is 7.9%, for men 7.5%.

In terms of age groups, the highest fluctuation rate of 9.5% was recorded in the youngest age group, i.e. employees under 30. Among the 30-49 year olds the fluctuation is 6.9% and in the 50+ age group it is only 5.4%.

401-2 Services provided to full-time employees only, but not to temporary or part-time employees

In our companies, full-time and part-time employees receive the same company benefits. Fixed-term employees receive the majority of company benefits, and there is no company pension scheme for fixed-term employees.

401-3 Parental leave

The duration and scope of parental leave are adapted to employees' needs in line with legal requirements. To make it easier for women in particular to return to work after parental leave, the STEICO Group offers individual working time models that are tailored to the needs of the individual and take family requirements into account.

Parental leave is regulated differently according to national law in the respective countries in which our operating facilities are located. In summary, all our employees are entitled to parental leave within the respective legal framework. In 2020 a total of 98 employees took parental leave (30 women, 68 men), 83 returned back to work from parental leave in 2020 (17 women, 67 men). 10 employees planned to end their parental leave in 2020, but did not return from parental leave during the reporting period or left the company at their own request (10 women).

402: Employee-employer relationship

103-1 Explanation of the main topic and its delimitation

At STEICO, we attach great importance to working at eye level and good communication between employer and employees.

103-2 The management approach and its components

We live flat hierarchies and agility. We are not concerned with assigning modern and contemporary attributes to an otherwise contentless human resources strategy. The key factor for us is what is behind it and what we have always lived: The image of the self-responsible employee who not only functions and implements what is dictated "from above", but actively helps to shape what happens in the company. In return, we encourage a high degree of personal responsibility. In doing so, we always aim to create a harmonious relationship between the goals of the company and the interests of the employees.

103-3 Assessment of the management approach

Systematically evaluated feedback from the workforce provides us with information about employee satisfaction with their superiors. Based on the findings, we have taken appropriate measures to improve the employee-employer relationship.

GRI 400: Social affairs

403: Health and safety at work**103-1 Explanation of the main topic and its delimitation**

Safety at work and employee health are particularly important to STEICO. Only healthy employees can reach their full potential. By health we do not understand the absence of illness, but we take a holistic approach to physical and mental well-being.

103-2 The management approach and its components

The company wants to fully meet its responsibility and duty of care towards its employees and therefore focuses on systematic occupational health and safety. Our declared goal is to ensure that all employees are safe at their workplace and feel comfortable in their working environment. It goes without saying that we comply with all legal requirements for occupational safety. Occupational safety training is already an essential part of our onboarding process. Occupational safety officers have been appointed and trained at all sites to monitor compliance with statutory occupational safety requirements and additional internal standards.

We also offer a wide range of health-maintaining and health-promoting measures as part of our company health management program. The offer is constantly reviewed and adapted with regard to its utilisation and effectiveness. The company medical service offers regular consultation hours, carries out vaccinations on the premises and is responsible for company inspections and carrying out risk assessments. A company reintegration management system ensures that employees who have been ill or absent for a long time are able to successfully reintegrate into everyday working life. In this context, it goes without saying that we also check whether adjustments to the working environment and the field of activity are necessary in order to avoid a renewed absence and to maintain the working capacity.

103-3 Assessment of the management approach

Our employees are continuously informed about safety at work in regular training courses, with notices and recommendations. From the outset, STEICO employees are also encouraged to take advantage of the wide range of health management measures available to them.

The efforts are having an effect: The long-term analysis of accidents in the company shows a downward trend in the frequency of occupational accidents.

403-1 Management system for health and safety at work

One person has been appointed at each of STEICO's location who is responsible for ensuring that the statutory

requirements and internal policies are complied with.

At our premises in Poland, in addition to the Labour Code and the implementing acts contained in the regulations, the Occupational Health and Safety Management System PN-N 18001:2004 is used. An internal health and safety policy has been developed on this basis. This includes regulations for external persons who are temporarily on the STEICO premises as well as internal employees.

In the wake of the Corona pandemic, health protection is of particular importance during the reporting period. We have developed tailor-made hygiene concepts and step-by-step action plans at all sites, which are based on the current infection situation. The infection control regulations of the respective countries were taken into account, as were the recommendations of the World Health Organization and the Robert Koch Institute. We were able to ensure the best possible health protection by adapting the system to the individual conditions at each site.

403-2 Hazard identification, risk assessment and incident investigation

All employees are provided with comprehensive information on hazards that may occur on the premises of the facilities, recommended safety rules and methods for protection against hazards, principles of action in extraordinary situations (accident, fire, breakdown), principles of protection of the environment and all necessary safety information for supervisors.

Each accident is analysed and discussed with the person concerned and the manager. Based on the analysis, preventive and corrective measures are introduced to avoid recurrences. Analyses of occupational accidents are also discussed monthly at management level and presented to the Executive Board.

403-3 Occupational health services

All Group companies comply with local legal and occupational health regulations. Internal representatives have been appointed for this purpose, who are additionally supported by external partners. At the Group's headquarters, company medical services and a specialist for occupational safety are used for this purpose, among others. Employees are regularly informed in general terms and, if necessary, individually about the possibility of using the services.

403-4 Employee participation, consultation and communication on occupational health and safety

In the plants where occupational safety and health protection are particularly important, the "Vision Zero" program was implemented to improve occupational safety and reduce the number of accidents. The program is

designed to raise awareness among employees and managers about the circumstances and causes of workplace accidents.

STEICO is always open to suggestions from the workforce to enhance work safety and health protection at the respective workplace. STEICO has created structures for employee input and named contact persons for improving occupational safety. Communication channels have also been set up to provide employees with reliable information on occupational health and safety.

403-5 Employee training on occupational health and safety

We hold regular training courses on occupational safety and health protection at all operating sites.

403-6 Promoting employee health

STEICO has appointed health officers in all Group companies to promote employee health. The activities are continuously expanded and adapted to the changing circumstances. Depending on the country and location, measures include workplace ergonomics, room design, free drinks and fruit, rest areas, room climate and temperature, individual working time models, first aid, internal communication and feedback, and a wide range of exercise and sporting activities.

403-8 Employees covered by an occupational health and safety management system

All employees in the plants in Poland are covered by the occupational health and safety management system described in 403-1. This covers 1681 employees or 86 % of the total number of employees in the Group.

403-9 Work related injuries

In 2020, 33 industrial accidents occurred in the STEICO Group. Only in one case did this result in an injury from which the person concerned had not yet fully recovered within 6 months. As in the previous year, there were no occupational accidents resulting in death.

403-10 Work related diseases

In the reporting period, there were two employees within the entire Group who suffered from burnout. We cannot rule out that occupational activity could contribute to this disease.

404: Training and further education

103-1 Explanation of the main topic and its delimitation

The following also applies to training and further education: Committed employees are a vital key factor for STEICO's economic success. That is why we are particularly concerned to keep our staff's motivation and health at a high level and to establish a strong bond with the company in order to secure its long-term success.

103-2 The management approach and its components

The STEICO Group is extensively involved in vocational training. In the period under review, we set up a training programme at all our locations and are training apprentices.

All employees of the STEICO Group also have access to a wide range of opportunities for personal and professional development. This offer ranges from selective further training measures to extensive education and continued professional development programmes.

The training programme is continuously adapted in line with our general philosophy in order to permanently reposition ourselves with regard to the competences bundled in the company. The programs are adapted to the respective country-specific requirements.

The STEICO Academy, which offers a wide range of seminars and training courses for customers and partners, also has special offers for our employees, who receive comprehensive training on our product range in the Academy. In addition, there are numerous regular interdepartmental training courses to ensure smooth cooperation between the departments.

103-3 Assessment of the management approach

With a wide range of training and further education programmes, we succeed in permanently qualifying our employees in line with market requirements and to further develop their skills.

405: Diversity and equal opportunities

103-1 Explanation of the main topic and its delimitation

Ensuring equal opportunities is a fundamental principle of STEICO's HR strategy. STEICO is an international group and employs people from different cultural backgrounds. It maintains business relationships in many countries. In all of our activities we actively strive for respectful interaction and mutual understanding of intercultural differences.

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103-2 The management approach and its components

STEICO sees an equal relationship between the sexes as a matter of course and promotes the development of women at all hierarchical levels. We want all employees to have equal opportunities, regardless of gender, age, skin color,

origin or disability. We live up to this claim with a fair remuneration system and individual working time regulations that also enable management responsibility in part-time positions.

103-3 Assessment of the management approach

Many careers in the construction industry are still mostly dominated by men. We are actively combating this and support women in their professional development.

405-1 Diversity in control bodies and among employees

Management positions	Percentage of women [%]	Percentage of men [%]	Percentage of employees under 30 [%]	Percentage of employees from 30-49 [%]	Percentage of employees 50 and over [%]
Germany	26	74	3	66	31
Poland	16	84	1	76	23
France	21	79	0	58	42
United Kingdom	14	86	0	29	71
Total	19	81	1	69	30

Employees	Percentage of women [%]	Percentage of men [%]	Percentage of employees under 30 [%]	Percentage of employees from 30-49 [%]	Percentage of employees 50 and over [%]
Germany	42	58	20	57	24
Poland	20	80	29	45	26
France	23	77	14	59	27
United Kingdom	38	62	31	15	54
Total	22	78	28	47	26

406: Non-discrimination**103-1 Explanation of the main topic and its delimitation**

A non-discriminatory working environment is an important prerequisite for employee satisfaction.

103-2 The management approach and its components

Supervisors are instructed to actively address any conflicts that may arise and, if necessary, to involve the HR department at an early stage. In order to deal with any cases that may arise, the Compliance Management System has a structured process for dealing with discrimination cases of all kinds, which ensures that such incidents are dealt with in a targeted and sustainable manner.

103-3 Assessment of the management approach

In recent years, there have been only very isolated cases of allegations of discrimination. We were able to counter these effectively with our structured processes.

406-1 Incidents of discrimination and remedial action taken

There was one confirmed incident of discrimination within the Group during the reporting period, which was recorded and dealt with internally through a formal process, assessed using our review process and resolved to the satisfaction of all parties.

407: Freedom of association and negotiations**103-1 Explanation of the main topic and its delimitation**

Freedom of association is a fundamental right to which all our workers are fully entitled. A large proportion of the STEICO Group's employees are covered by a collective wage agreement.

103-2 The management approach and its components

At all our locations, we offer employees the opportunity to participate actively in the development of the company. We honour our employees' commitment in our company suggestion scheme and are grateful for constructive suggestions for improvement.

At the production sites in Poland and France, there is a works council that represents the interests of the workforce.

Traditionally, we at STEICO have a very lively and constructive cooperation between trade union representatives and company representatives, who together lay the foundation for a good working relationship and strive to take the interests of the employees into account.

103-3 Assessment of the management approach

Union representatives are involved in collective bargaining and there is excellent cooperation with management. Employees not subject to collective agreements have a wide range of opportunities to contribute to the development of the company and naturally enjoy full employee rights.

407-1 Sites and suppliers where the right to freedom of association and collective bargaining may be threatened

The right to freedom of association is not threatened at any of our sites. We are also not aware of any threat to this right at any of our suppliers.

408: Child labour

103-1 Explanation of the main topic and its delimitation

Protecting human rights at all company sites is a central concern for STEICO. This includes in particular the issue of child labour.

103-2 The management approach and its components

STEICO excludes child labour at all of its operating sites. All of our employees meet the minimum age required by law to engage in gainful employment.

103-3 Assessment of the management approach

All STEICO production sites are free of child labour.

Specification 408-1 Operations and suppliers with significant risk for incidents of child labor

All our facilities are located within Europe, where strict framework conditions and control mechanisms apply. As a result, we do not operate in any country with a significant risk of incidents of child labour.

409: Forced or compulsory labour

103-1 Explanation of the main topic and its delimitation

Protecting human rights at all company sites is a central concern for STEICO. This includes in particular the issues of forced or compulsory labour.

103-2 The management approach and its components

STEICO excludes forced or compulsory labour at all of its operating sites. All our employees carry out their professional activities of their own free will and enjoy the respective country-specific employee rights

103-3 Assessment of the management approach

All STEICO production sites are free of forced or compulsory labour.

Specification 409-1 Operations and suppliers with significant risk for incidents of forced or compulsory labour

All our facilities are located within Europe, where strict framework conditions and control mechanisms apply. As a result, we do not operate in any country with a significant risk of incidents of forced or compulsory labour.

411: Rights of indigenous peoples

103-1 Explanation of the main topic and its delimitation

Protecting human rights at all company sites is a central concern for STEICO. This includes the rights of indigenous peoples.

103-2 The management approach and its components

STEICO facilities are not located in areas inhabited by indigenous peoples. The areas of origin of the wood used for our products are also not connected with the settlement areas of indigenous peoples.

103-3 Assessment of the management approach

The location of STEICO's operating sites excludes the impairment of indigenous peoples' rights.

411-1 Cases in which the rights of indigenous peoples were impaired

No indigenous peoples are affected by the STEICO Group's business activities.

412: Human rights screening

103-1 Explanation of the main topic and its delimitation

Our daily interaction is characterized by respect and trust, both internally and externally. Compliance with human rights and voluntary commitments such as the principles of the UN Global Compact or the ILO core labour standards is a matter of course.

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103-2 The management approach and its components

We take our social responsibility very seriously. We work in compliance with the law at all of our operating sites and in all of our business activities and respect human rights, and we also adhere to the principles of the UN Global Compact and the ILO core labor standards. The idea of respectful and fair cooperation is firmly anchored in our corporate philosophy and leaves no room for deviation - behaviour that is not in line with human rights will not be tolerated. This is also reflected in all contracts concluded, be it with employees, customers, suppliers, etc.

103-3 Assessment of the management approach

The Compliance Officer is the central point of contact and control for human rights compliance. Since the company was founded in 1986, there has been no known incident of a violation of human rights, and during the reporting period there was neither a confirmed incident nor a suspected case.

413: Local communities**103-1 Explanation of the main topic and its delimitation**

An organisation's activities can have a significant impact on local communities. This applies in particular to our production sites. In particular, we aim to avoid negative effects as far as possible and to compensate for unavoidable impacts in order to create added value elsewhere for the parties concerned.

103-2 The management approach and its components

We are in constant dialogue with local communities in order to identify and manage any economic, social and environmental impact. Our primary focus is on those communities that live in close proximity to our operations.

In order to keep the extent of the effects small, we already start with their emergence. That is why we only work with wood as a renewable raw material that conserves resources. All the wood we purchase comes from sustainable forestry, which ensures the continued existence of the forests and thus their important role in climate protection.

Production in structurally weak areas contributes significantly to regional economic output. The STEICO Group's sustained growth is associated with job creation and prosperity. At our production sites, we are key employers for the region and can thus make a significant contribution to local prosperity. The communities surrounding the sites benefit from tax revenues.

103-3 Assessment of the management approach

The exchange with local communities has always been intensive and lively and STEICO is perceived positively by the municipalities and communities in the region.

413-1 Sites with local community involvement, impact assessments and support programmes

The STEICO Group supports local communities by making donations to non-profit institutions such as kindergartens, schools, universities, firefighting and police facilities as well as sports communities. For example, STEICO has constructed a school building using the STEICO timber construction system for the municipality of Czarna Woda, in which around 100 pupils can be taught.

In addition, STEICO is also active in promoting young talent in the industry.

STEICO also supports local communities in times of crisis. In Czarnków and Czarna Woda, for example, funding amounting to almost 70,000 euros was made available to local hospitals in 2020 in an uncomplicated and unbureaucratic manner to combat the pandemic.

The amount of grants to local communities in the reporting period almost doubled compared to the previous year, from € 50,000 to around € 95,000.

413-2 Business activities with a significant or potential negative impact on local communities

STEICO is aware that in the event of unfavourable wind conditions at the Czarnków plant, local residents may be affected by dust emissions from production. This dust is completely harmless. Nevertheless, STEICO is working on a solution to this problem, for example by improving filter systems and fume cupboards so that less dust can escape.

415: Political influence**103-1 Explanation of the main topic and its delimitation**

STEICO does not engage in traditional political lobbying.

103-2 The management approach and its components

Our experts are active in various committees where they contribute to the advancement of timber construction as such. This association work can be seen as indirect political lobbying. At no time are STEICO's individual interests in the foreground, but rather those of the entire wood construction and wood fibre insulation industry.

103-3 Assessment of the management approach

Working together under the umbrella of the associations, our experts provide their knowledge and assessment of future developments in order to achieve the best possible industry solution.

415-1 Party donations

The STEICO Group did not make any party donations during the period under review.

416: Customer health and safety

103-1 Explanation of the main topic and its delimitation

The health and safety of customers is a major concern for STEICO. We also aim to contribute to healthy living with our products.

103-2 The management approach and its components

Our primary goal is to offer an ecological alternative to conventional insulation materials on the insulation market. Conventional insulation materials can, under certain circumstances, be associated with health risks for customers. Our products are made of natural raw materials and harmless additives. Based on independent product tests, e.g. by the Institut für Baubiologie Rosenheim (IBR), no negative health aspects for processors and residents are to be assumed. In many areas, the products make a positive contribution to customer health, e.g. by improving the indoor climate, having diffusion-open properties, etc. There is also no exceptional risk to health and safety during processing. As a result, no special protective equipment is required for processing, unlike the insertion of some conventional insulation materials. Even in case of direct skin contact with STEICO products, as a rule no skin irritations are to be expected. Our products do not contain any chemicals that have to be declared according to the REACH regulation.

103-3 Assessment of the management approach

The safety of our products is guaranteed by the Rosenheim Institute for Building Biology, which recommends our wood fibre materials with its test seal. This confirms the healthy living and environmentally friendly properties of STEICO products.

416-1 Assessment of the health and safety impacts of different categories of products and services

As diffusion-open and moisture-regulating insulation materials, STEICO products help to prevent mould and structural damage in buildings.

The product STEICOzell was rated "excellent" by the German consumer protection magazine ÖKO-TEST.

All STEICO building products have international and / or national building authority approvals, which confirm their long-term functional safety. All STEICO wood fibre insulation materials bear the independent test seal of the IBR (Institut für Baubiologie Rosenheim), which confirms that they are harmless from a building biology point of view.

Fire protection certificates are available for a large number of constructions using STEICO products, thus supporting the safety of buildings.

416-2 Violations related to the effects of products and services on health and safety

During the reporting period, we were not aware of any violations related to the impact of our products on the health and safety of customers.

417: Marketing and labelling

103-1 Explanation of the main topic and its delimitation

Despite rapid growth, ecological building products and insulation materials still occupy a niche position in the overall market. For successful marketing of the ecological STEICO range, marketing must be attention-grabbing, and also present the ecological and social added value to customers in a comprehensible and credible way. Quality, function, durability, manufacturing conditions and long-term effects are essential criteria in the purchasing process for dealers, processors, planners and builders. As part of its communication activities, the STEICO Group implements various measures aimed at enabling informed purchasing decisions and inspiring customers to buy sustainable building and insulation products. Credibility, transparency and a target group-specific approach are important principles of communication.

103-2 The management approach and its components

The STEICO Group pursues a transparent information and labeling policy that aims to be understandable and truthful. The objective is to strengthen sustainable building and insulation products as well as timber construction as a whole and to lead it out of its niche. As part of a coherent communication concept, the relevant target groups are to be enthused about sustainable STEICO products. This also includes ensuring that our marketing itself meets the requirements of the sustainability concept.

- STEICO pays attention to the environmental impact of the

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production of marketing materials. Preference is given to service providers with appropriate environmental certifications, e.g. printers who use FSC® or PEFC certified paper.

- STEICO pays attention to regionality when producing its marketing materials. As a result, suppliers in close proximity to STEICO's sites are preferred in order to keep transport distances short.
- When developing marketing activities, STEICO assesses the environmental impact in advance and chooses the more environmentally friendly option where possible. For example, the expansion of the digital information offering is aimed at reducing the volume of print.
- STEICO also uses materials from its own production wherever possible in its marketing activities and, for example, builds trade fair stands with its own construction products.

103-3 Assessment of the management approach

STEICO uses transparent communication, access to comprehensive information about the products, their use and disposal, and clear labelling, to enable its customers to make informed purchasing decisions and assess their consequences in terms of environmental impact and manufacturing conditions.

417-1 Requirements for product and service information and labelling

EPDs (Environmental Product Declarations) are available for all wood products (except bituminised products).

DOPs (Declaration of Performance) are available for all relevant products.

Product safety data sheets are available for all relevant products.

In addition, key information on transport, storage, safe processing and use as well as disposal of STEICO products can be found in the product-specific processing instructions and other information material as well as directly on the product packaging.

417-2 Offences related to product and service information and labelling

During the reporting period, there were no known violations of regulations or voluntary codes regarding product information and labelling.

417-3 Offences related to product and service information and labelling

Fairness, also in competition, is part of the basic understanding of STEICO's marketing philosophy. STEICO does not employ any anti-competitive marketing activities. In the reporting period, there were no known violations in connection with marketing and communications that resulted in fines, sanctions or warnings or that violated our voluntary rules of conduct.

418: Protection of customer data**103-1 Explanation of the main topic and its delimitation**

The protection of customer and employee data against improper use is a high priority at STEICO.

103-2 The management approach and its components

Our data protection guide for employees and our general data protection declaration regulate the processing and storage of data in the STEICO Group within the meaning of the General Data Protection Regulation (GDPR). A data protection officer has been appointed to monitor and ensure compliance. Employees can view the data protection guide at any time at a central location on the server.

A data protection declaration on the website provides information about the type of personal data collected, the purpose for which it is used, regulations on data transfer, storage of data, data protection rights and the right to object. The declaration is available on the STEICO website and can be downloaded in PDF format.

Our employees are trained on the privacy policy and compliance is monitored. The data protection officer is available to answer questions regarding data protection for employees, customers and business partners.

103-3 Assessment of the management approach

Our management approach is appropriate for maintaining the privacy of all potentially affected stakeholders.

418-1 Well-founded complaints regarding breach of protection and loss of customer data

In the reporting period, there were no complaints or suspected cases of breaches of customer data protection and loss at STEICO. As a result no proceedings were initiated against the STEICO Group in connection with data protection violations during the period under review.

419: Socio-economic compliance

103-1 Explanation of the main topic and its delimitation

Conduct in compliance with the law is a top priority in the STEICO Group and is a cornerstone of our entrepreneurial activities.

103-2 The management approach and its components

STEICO therefore fully complies with the labour laws, regulations and standards applicable in the respective countries in all its subsidiaries. In addition, we consider compliance with the ILO core labour standards and the universal principles of the UN Global Compact to be a matter of course.

To ensure compliance, a compliance officer has been appointed within STEICO SE, who monitors compliance with the requirements in regular contact with the national companies and makes any necessary adjustments to the internal requirements in the event of changes in the general conditions. In addition, employees are encouraged to contact the compliance officer in the event of suspected violations of applicable law of which they become aware. This is possible both in person and anonymously if employees are afraid of experiencing disadvantages as a result of reporting. We have thus created an additional control mechanism.

103-3 Assessment of the management approach

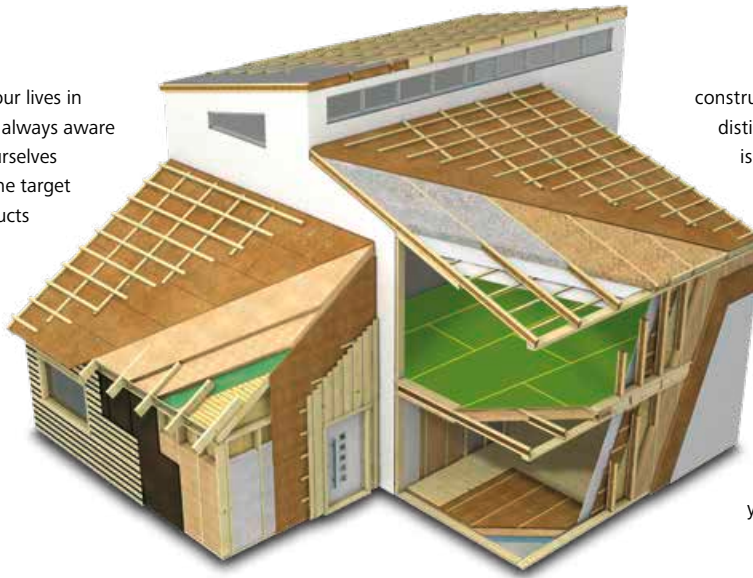
The compliance officer reports any violations that he or she discovers or that are brought to his or her attention to management, which reviews the incidents in the Board and initiates appropriate countermeasures. Our compliance management system ensures that the relevant bodies are made aware of any incidents that may occur.

419-1 Non-compliance with laws and regulations in the social and economic field

In the reporting period, no proceedings were initiated against the STEICO Group with regard to non-compliance with laws and regulations in the social or economic sphere.

Feldkirchen in July 2021

We spend approx. 80% of our lives in enclosed rooms. But are we always aware what we are surrounding ourselves with? STEICO has set itself the target of developing building products which consider the needs of both man and nature. Our products are therefore produced using sustainable natural materials. They help reduce energy use and add considerably to a natural healthy internal climate. STEICO insulation and



construction materials, carry a number of distinguished 'seals of approval' which is a sign of high quality, healthy and functional building products.

The raw materials used in STEICO products are certified by FSC® (Forest Stewardship Council®) and PEFC® (Programme for the Endorsement of Forest Certification®), ensuring a traceable and fully sustainable usage of the raw materials.

STEICO, the number 1 choice for your sustainable building solutions.

Natural insulation and construction systems for new builds and renovations – roof, ceiling, wall and floor



Renewable raw materials without harmful additives



Excellent cold protection in winter



Excellent summer heat protection



Energy saving and increased property worth



Weather tight and breathable



Excellent fire protection



Excellent sound protection



Environmentally friendly and recyclable



Light and easy to handle



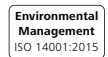
Insulation for healthy living



Strong quality control



Compatible insulation and structural building systems



Your STEICO Partner

www.steico.com

ENGINEERED BY NATURE