

JUNCKERS CSR REPORT

The way we conduct our business
values and principles

2021 activities


JUNCKERS
Walking on Danish design

JUNCKERS.COM



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Our response to COVID-19

COVID-19 has presented numerous challenges, but it has also highlighted how ingenuity, motivation, collaboration and dedication can produce positive outcomes for society. Junckers is proud of the “can-do” spirit and determination our employees have demonstrated during this unprecedented time, and appreciate their concern for each other.

During 2021 Junckers deployed internal guidelines for our employees on how to secure a healthy work environment during the pandemic. Recommendations from the Danish authorities have been complied with and necessary requirements for testing and hygiene to avoid the spread of infection were implemented.

Many daily routines changed during 2021, but with team spirit and control, Junckers got through the unprecedented challenges well.

Management Directive

We enter the post-pandemic era with renewed determination and optimism. There is no doubt we have faced unprecedented challenges in the last couple of years, both as a company and as individuals. We were forced to take stock and re-evaluate our strategy and working practices, which brought to the fore what is at the core of our business – sustainability.



As a signatory of The UN Global Compact, the UN's Sustainability Development Goals continue to affect our business model. We have focused specifically on four goals, those most closely aligned with our business and industry. Although sustainable practices have been part of Junckers' business model since the company was founded, we have chosen to highlight our commitment to providing a product with sustainable credentials in order to facilitate the selection of sustainable flooring for our customers, stakeholders, and associates.

During 2021, we developed a new platform for communicating our core message, a platform dedicated to sustainability to help shape the conversation globally. In addition, we are continuously reviewing and updating our independently verified certification and accreditation, most recently adding EPDs (Environmental Product Declarations) to two further products, with a launch date of early 2022. We believe our aim to provide transparency and traceability will have a positive influence on our industry and beyond – by selecting a sustainable product you are helping to mitigate the climate crisis.

Sustainability forms an important part of Junckers' overall 2025 strategy, launched in 2021. We continue to work towards our five main objectives which include:

- Segment focused
- Customer orientated
- Sustainable
- Digital
- One Company

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

Junckers A/S, Køge, Denmark May 2022

Lars Gjødsbøl
Chief Executive Officer



Junckers SHOWROOM

Gender distribution in management

Board of Directors

Two Board of Director members were replaced during 2021. Of the four non-employee representatives on the Board of Directors, three are male and one is female.

The company's target is for the proportion of the underrepresented gender among non-employee representatives will constitute one board member by 2025. The changes made in 2021 meant the goal has been achieved.

Managerial positions

Junckers strongly believes in equal employment opportunities and diversity in the Management of the company. The current management structure consists of three males and one female.

During 2021 Junckers has worked actively to ensure a candidate from each gender is among the last two candidates in the recruitment process.

Anti-corruption

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

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

Junckers' stance on corruption is published on the company's website with the following wording: *"We are against corruption, extortion and bribery and it is not permitted for this to be offered, promised, given, accepted, tolerated, required or deliberately benefitted from."*

Employees are offered courses on selected topics to ensure that they are up-to-date on statutory requirements and the company's guidelines. These courses cover anticorruption among other topics. In 2021, there has not been identified any cases of corruption or bribery. Going forward, we will continue to fight corruption and bribery and monitor reports from our established whistleblower scheme.

Human Rights

The material risk for Junckers Industrier is to ensure that our values are complied with by every operating unit. The risks are linked to the observance of human rights and the safeguarding of basic labour rights. The Company supports the protection of fundamental human rights in all its operations, and seeks to promote respect for these principles by others where it has an influence, particularly contractors, suppliers, and all other entities and individuals with whom it has a business relationship.

In 2021 as in previous years, all employees were invited to participate in mandatory training to stay familiar with the company's human rights policy. In 2021, there has not been identified any cases of breaches on human rights.

Going forward, we will continue to make sure all human rights are respected and will continue to communicate our guidelines to all employees and business relations

History

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

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

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

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

About Junckers

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

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

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

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

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

Junckers is represented in more than 30 countries through seven subsidiaries as well as through a network of distributors and agents. Exports account for approximately two-thirds of total sales and Junckers' products are sold in more than 45 countries worldwide.

Key figures 2021

Number of employees in Køge	263
Number of employees in Nørre Alslev	20
Number of employees outside Denmark	34
Annual group turnover	DKK M 396
International sales account for approx.	65%

A sustainable mindset

Caring for the climate and the environment is part of every floor we make. The sustainability agenda pushes, inspires, and questions us, whether we are rethinking production methods, making use of by-products, supporting the timber industry, or adding to our environmental credentials. Responsible forestry and sustainability have been part of Junckers' DNA since 1930.

JOIN THE COLLAB WITH NATURE - NEW COMMUNICATION PLATFORM

Sustainability is a strategic priority in Junckers 2025 strategy. In 2021, we launched a new communication platform called Join the Collab with nature. Junckers needed a platform for communicating the company's SUSTAINABILITY activities and values. The concept ties together our value proposition and acts as a unifying concept which can be used across campaigns, channels and audiences.



DESIGNED TO LAST

Quality that lasts for generations – timeless style and exceptional lifespan



ZERO WOOD WASTE

We use every part of the tree, biomass in the form of wood waste powers our factory and the local energy grid



GREEN CREDENTIALS

EPDs, BRE Green Guide A+ rated and accreditation towards Passivhaus, LEED and BREEAM



ECO FRIENDLY FLOORING

100% solid hardwood recyclable, reusable, and biodegradable



WELLBEING

Our floors and woodcare products carry the Danish Indoor Climate label



RESPONSIBLE FORESTRY

Junckers floors are chain of custody certified through FSC® and PEFC™

Proud partner of



Wood for Good





JOIN THE COLLAB

WITH NATURE

2022 targets

Drive initiatives that engage, develop and inspire employees as a part of Junckers' overall sustainability strategy.

Further define and communicate Junckers' sustainability value proposition to ensure clients and stakeholders have a clear understanding of our message, the company's offer, and what to expect when buying our products. A new website, comprehensive social media campaigns, a Junckers Sustainability Magazine, CO2 Footprint calculator, and internal training are some of the activities planned for 2022.



Junckers UN Global Compact

PEOPLE AND THE PLANET ARE AT THE HEART OF OUR BUSINESS. In 2011, Junckers joined the UN Global Compact, a sustainable business initiative.

When the Sustainable Development Goals were adopted in 2015, it was a progression for us to use the goals as a framework for the sustainable development of our business.

Based on our industry and business model, we have identified the following goals as most relevant to our business. In the following chapter we highlight how we are addressing these goals: **Good health and wellbeing; Industry, innovation and infrastructure; and Responsible consumption and production.**

UN GLOBAL COMPACT

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



ers & l Compact

AT THE FOREFRONT OF OUR MINDS
l Compact to show our commitment to
able future.

s (SDGs) were set in 2015, it was a natural
framework to inspire and guide us in the
f our business.

odel, we focus on four of the SDG goals.
e assess our business operations in relation to
**novation and infrastructure; Responsible
uction; and Life on land**



THE SUSTAINABLE DEVELOPMENT GOALS

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

Good health & wellbeing

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

2021 HIGHLIGHTS

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

On the following pages we highlight our people ambitions and 2021 activities within human resources and the work environment at Junckers A/S.



**We strive
to make sure
everybody feels
safe and well**

Our greatest strength is our people

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

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

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

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

Junckers employment policy

DIVERSITY

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

QUALIFICATIONS

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

ENGAGEMENT

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



ANNUAL SUMMER PARTY 2021

We held our annual summer party at Braunstein Taphouse, a sustainably built facility in Køge, complete with wood flooring from Junckers.

During the course of the year, Junckers personnel department arranged a number of events which contributed to the team spirit and a happy workplace.

Activities will continue during 2022.

2022 targets

From low skilled worker to supervisor

Ahmad A.K. Chiad
Supervisor Junckers A/S

Exciting, Challenging and Sociable. This is how Ahmad A.K. Chiad describes everyday life at Junckers, where he leads a team of 35 employees. Back in 2019, working life looked a little different for 32-year-old Ahmad, who at the time, worked the night shift as a low skilled labourer in the company's floor production.



It all started with my mother, Rola, she was already working for Junckers and was very happy in her job. She recommended me to look for work here and the following month I started as an operator at the factory. Ever since, things have picked up speed

More information - Industrial operator

2022 targets

The training takes two years and provides a basic knowledge of operating and maintaining equipment and machines, The course covers: Monitoring and operation of systems; Troubleshooting and repair; Production overview and optimisation; Quality assurance and Lean.

After Ahmad completed his training, Junckers has enrolled several industrial operators on the course. The next industrial operator will complete his exam in 2022.

Enjoying the challenge

In 2020, Ahmad moved to the day shift, and Junckers offered him training as a process operator. *"It's meant a lot to me. I am one of the first to have the opportunity and I'm very grateful for what Junckers has done for me"*, says Ahmad, who completed his education in May 2021. But Ahmad's journey doesn't stop here. In December 2021, the management appointed Ahmad as foreman - a new role in which he thrives. *"What I enjoy more than anything about my job is that it's always a challenge. No two days are alike. There are lots of meetings, I'm dealing with people, and I like that - it's my nature to be sociable"*.

Communication and cakes

When you take the lead, you learn to become a people person. Leadership is very much about communication and the way we interact. This is Ahmad's most important experience so far. He explains that Junckers is a good place to work because *"even though there's a lot to do, the energy is always high. We are a multi-cultural mix of employees, which brings with it a wonderful atmosphere and a good "togetherness". And as an added bonus, there's almost always a nice cake to share, a little tradition we have when someone's off on holiday"*.



According to Ahmad, the good working environment is also due to a dedicated management; *"They take good care of us. When there are problems at work or at home, there's always sympathy and an understanding that life is about more than your job. This is how it is everywhere at Junckers; it filters down from top management"*.

From low skilled worker to trained process operator and supervisor, Ahmad doesn't intend to stop here - *"In ten years' time, I'll still be part of Junckers A/S and preferably in a higher position. I have ambitions and mother Rola is cheering on"*.

Fun and professional at the same time

Arno Wijnands
Communications student, HvA
University of Applied Sciences, Amsterdam



During my first year at HvA, sustainability was one of the main themes, which very much focused my mindset on delving further into the subject. Whilst researching companies to approach regarding my internship, I came across Junckers and its long history of sustainable practices, which immediately piqued my interest.

It was fascinating to find out how the company's founder, Flemming Juncker, was an environmentalist before the term was even invented, and the prospects of putting my newly learnt skills to use to help communicate this important message was very exciting.

Fun, educational and amazing!

During my internship at Junckers in Køge, I was very fortunate to partake in such a wide variety of tasks. I attended many meetings, worked on search engine optimisation, conducted extensive research and presented my findings, and most importantly worked on the company's new microsite dedicated to sustainability.

During my time with Junckers, I learnt a lot and grew both as a professional and as a person. I learnt how to work in a more effective and practical manner, and that there are boundaries between what is 'fun' and what is 'useful'. It was immensely beneficial to learn to be part of a professional working environment, how to prepare for and behave during meetings, but also how a company can be fun and professional at the same time.

Everyone at Junckers was very supportive and friendly, they made sure I was able to complete my internship tasks as well as my work for the company.



My experience was nothing but positive and I would wholeheartedly recommend other students to approach Junckers for an internship. To summarise my time at Junckers in three words - fun, educational and amazing!



2022 targets

More internships to come

During 2022 Junckers will continue to welcome interns to our organisation. They bring in a fresh perspective and we feel an obligation to give students a real-world experience that will help them excel in their careers.

Job satisfaction

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

2022 targets

Job satisfaction policy

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

Acknowledgement

Acknowledge the experience and knowledge of your colleagues.

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

Communication

Communication should always be open and direct

- » Avoid irony and insinuations, especially if you are a leader.

- » Avoid misunderstandings by adapting communication to suit the recipient.
- » Conduct regular departmental meetings – this also provides a sense of security.

Security

Respect agreements and confidentiality.

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

Good Tone

Greet your colleague

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

Our job satisfaction agents

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

WHAT IS A JOB SATISFACTION AGENT?

WE ARE A SMALL GROUP OF EMPLOYEES WHO ARE TRAINED TO ACT AS WELLBEING AGENTS AT JUNCKERS.

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

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

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

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

FAQ - WHAT CAN BE ASKED FOR?

EVERYTHING. BASICALLY. HERE ARE SOME EXAMPLES

1) Will my inquiry go further?

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

2) I feel like I am being bullied or overlooked

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

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

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

Psychological working environment

In 2021 Junckers completed a Health and Safety risk assessment (APV in Danish). The risk assessment process surveys the company's working environment, identifying the areas where interventions are needed, and planning for how you aim to improve the working environment in those areas.

2021 HIGHLIGHTS

- 60.9% have participated.
The most recent survey in 2018 had a response rate of 61%.
- Two-thirds of the answers are from production employees and one third are salaried employees.

The responses have not given rise to further initiatives applicable to the entire company. However, individual departments will be working on individual focus areas.

The APV survey is anonymous, which is why it is not possible to act directly on individual answers. The environmental department encourages everyone who may need help or sparring to reach out to the company's health and safety representative, or to one of the company's five Job Satisfaction Agents.

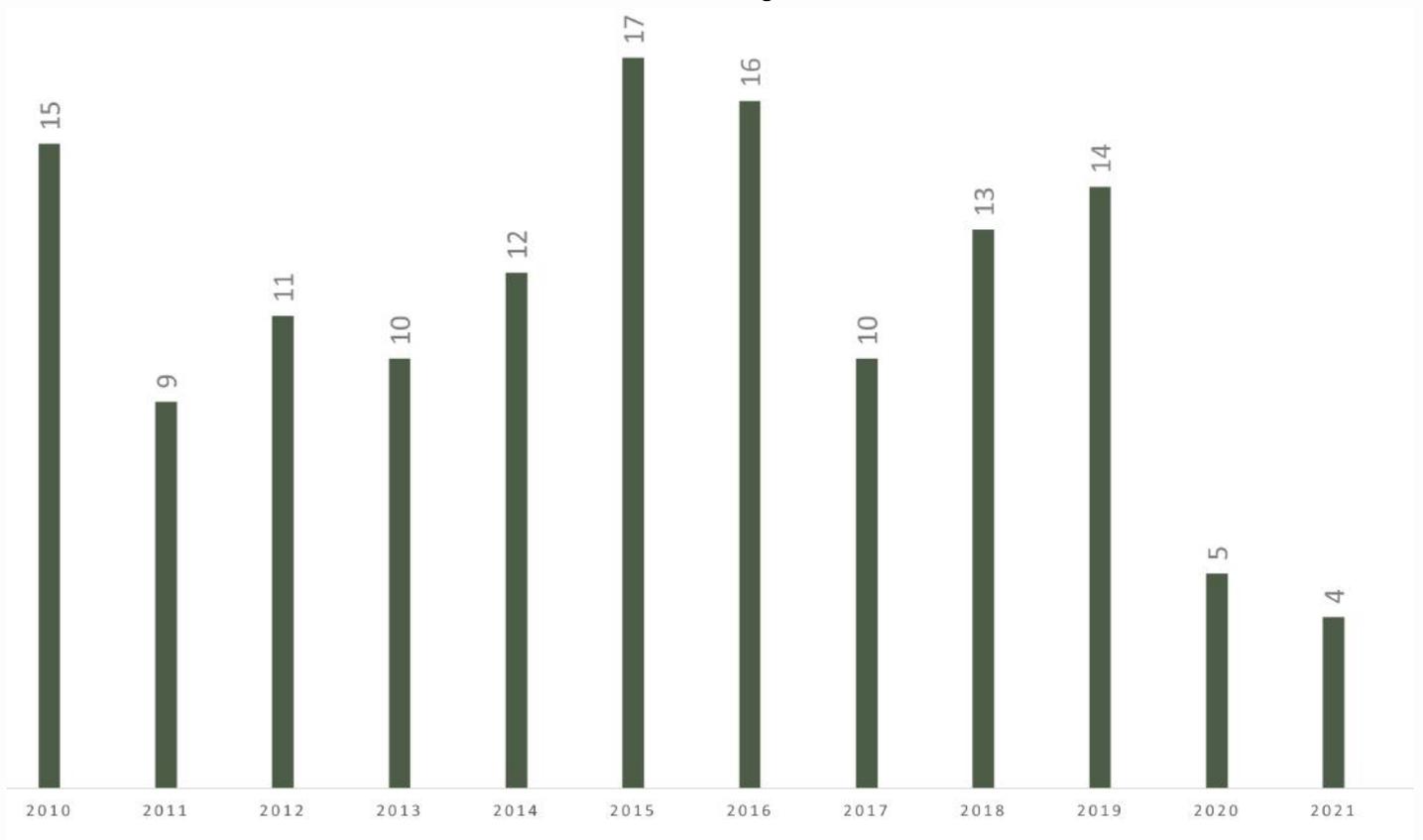
2022 targets

HEALTH AND SAFETY RISK ASSESSMENT

The risk assessment will be reviewed every three years
– the next one is planned for 2024.

Accident Prevention & Safety Training

A safe workplace is essential for Junckers. We do our utmost to ensure that our work environment is safe so accidents and injuries can be avoided. Training and general safety actions has once again helped us avoid costly accidents. The trend has been downward for many years thanks to our efforts. In 2021, four incidents have been registered.



Number of accidents per year since 2010.

2022 targets

ACCIDENT PREVENTION

Junckers will strive to have a minimum of accidents by continuing our efforts within safety training, guidelines and communication.

Industry, innovation & infrastructure

We put a lot of energy into making our business more efficient and are constantly improving every element of our manufacturing, sourcing, and transportation processes. Our fleet of personal company cars is now made up of electric vehicles, and we continuously seek to reduce our CO2 emissions and minimise our carbon footprint by using by-product from our wood flooring manufacture to power our factory. We support initiatives to make our industry more sustainable and offer support and motivation to our suppliers to adopt sustainable policies.

Charging the future

During 2021 Junckers made it easier for its employees and guests to go green. We are founded on the principles of sustainable forestry and responsible production. People and planet are at the forefront of our minds, and we do not use energy and materials which are derived from fossil-based sources when producing our floorboards. Another step on our green journey was to install charging stations from Clever at our headquarters and factory in Køge.

2025 targets

By the end of 2025, the majority of the company's car fleet must be converted from fossil fuel to CO2-neutral fuel. The ambition is to replace trucks with electric power. When material is available, we will also replace wheeled loaders and tipper trucks.





We support nature

Junckers is a proud sponsor of several organisations supporting our forests and the timber industry. Caring for the climate and the environment is part of every floor we make.

The sustainability agenda pushes, inspires, and questions us, whether we are rethinking production methods, making use of by-products, supporting the timber industry, or adding to our environmental credentials. Responsible forestry and sustainability have been part of our DNA since 1930.

2022 targets

Wood is nature's stroke of pure genius. We know there are a lot of reasons why wood is great as a building material - it can absorb carbon from the air and store it, it is easy to recycle, and it can be used for a wide variety of applications. At Junckers, we are committed to the ongoing protection and wellbeing of the environment. During 2022 we will continue to support sustainable forestry, the timber industry and share our voice to make wood a first-choice material in design and construction for example by publishing a Sustainability Magazine.

Proud partner of



Responsible production and consumption

In the production of our wood flooring, we use large sections of wood, which means less waste, lower energy consumption, minimal use of adhesives and full recycling capabilities as the wood is not contaminated. Every part of the tree is used in the production; what is not used for flooring is used to power an on-site power station and surplus energy is distributed through the local grid.

Through ongoing research and innovation, we seek to minimise chemicals used in our woodcare products and find ways to dispose of surplus in an appropriate and responsible manner. Data pertaining to our manufacturing and material sourcing activities can be found in our EPDs, detailing our environmental impact, resource use, waste categories and output flow.

Environmental policy

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

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

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



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

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

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

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

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

Factory Environment & Energy consumption

2021 HIGHLIGHTS

Junckers' emission of saw dust, fine particles and noise has met the requirements of the authorities for many years. Presently, the authorities have plans to develop an area next to Junckers and in order to facilitate the development, requirements to noise level have been increased significantly. To meet the new requirements, Junckers has started a process to further reduce noise levels.

During 2021 the possibility to reduce noise level at the south end of the area was investigated and physical changes have been planned.

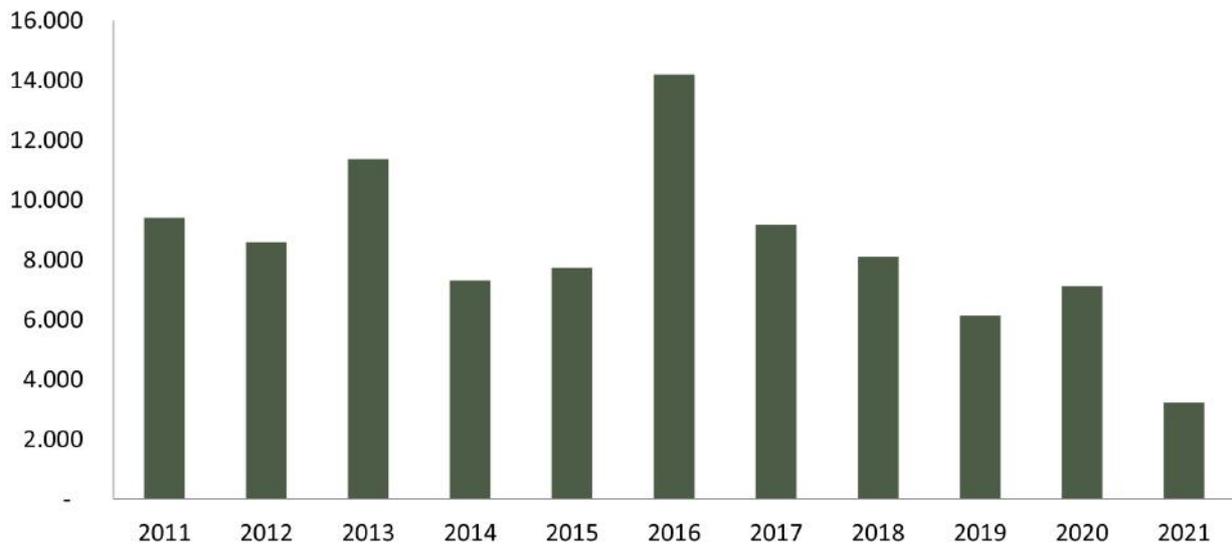
The company's energy consumption is still a focus area, due to CO2 emission and the major economic costs of energy. In 2021 focus has been on bringing down consumption by optimising processes and working habits. The plan to convert to all electric forklifts as soon as the technology and economy allows for it is still in place.

The company's energy performance in general is considered to be satisfactory. Work on reducing energy consumption is still highly prioritised. Junckers is ISO 50001 certified, and the company has entered into an agreement with the Danish Energy Agency on energy efficiency.

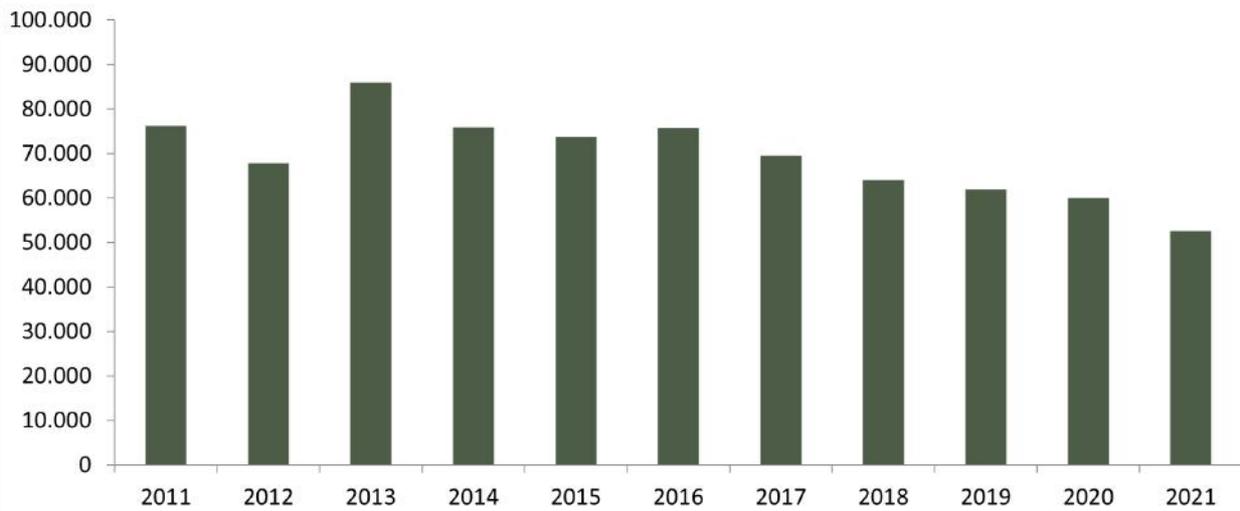
The following graphs illustrate our water and energy consumption.

**Consumption of energy (electricity, steam, diesel and water) is based on data of use from energy suppliers. The consumed energy is the total amount used at the site in Køge, covering production, storage and administration facilities. Consumption of diesel relate to trucks used in the production area only.*

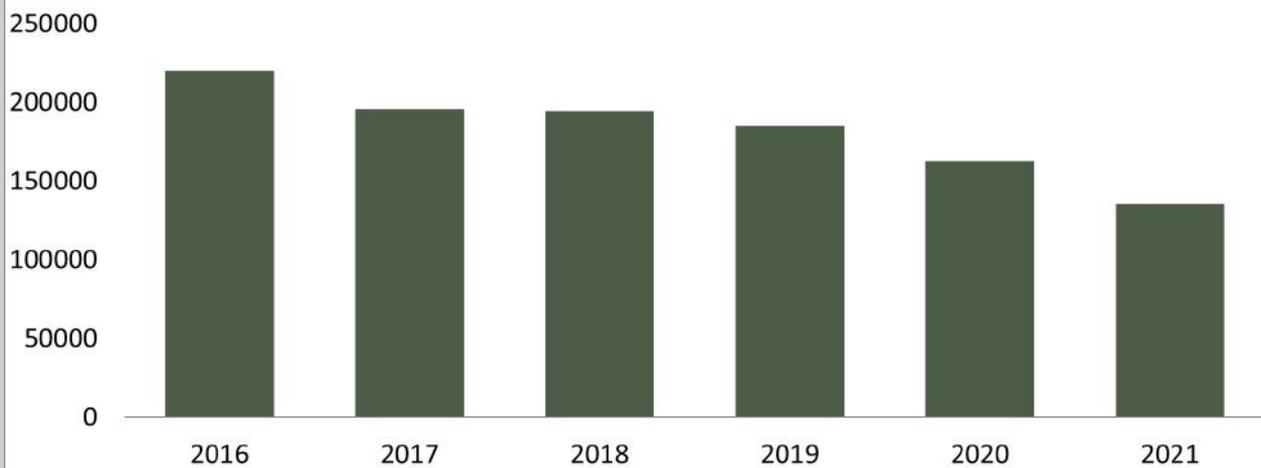
Water Consumption (m3/year)

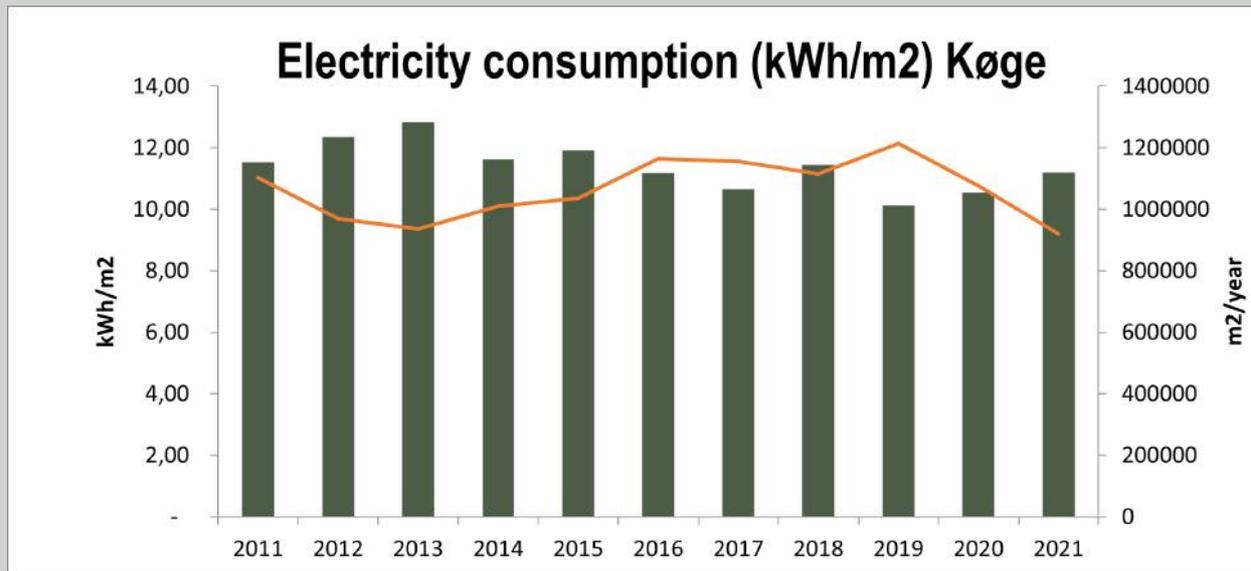
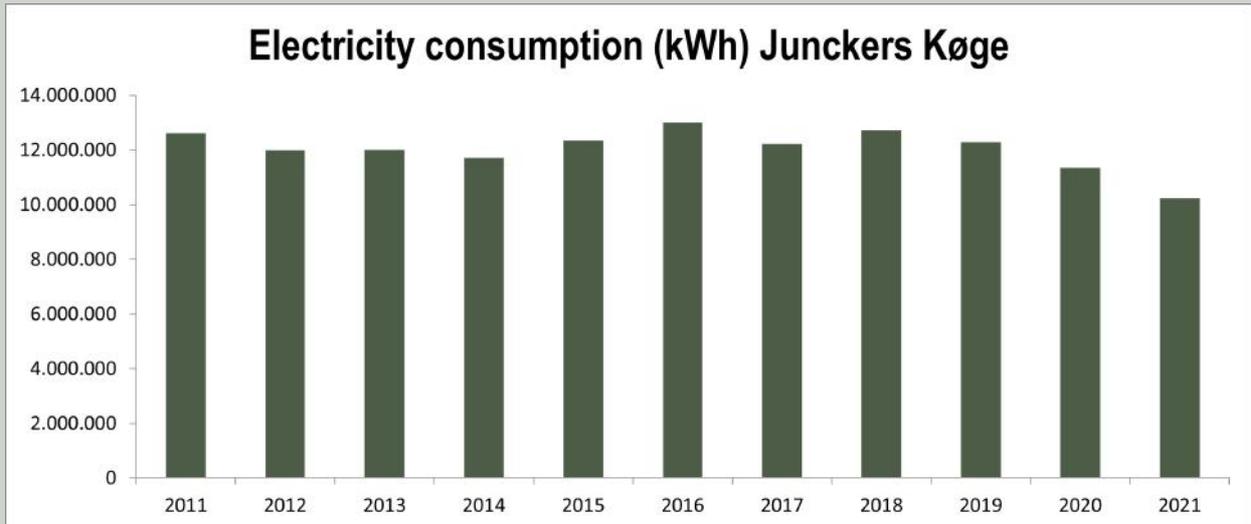


Steam consumption (ton) Junckers Køge



Diesel consumption





2022 targets

ENERGY CONSUMPTION

Junckers strives to have a minimal carbon footprint in areas where possible. In 2022 we will continue to focus on reducing heat, electricity and diesel consumption.

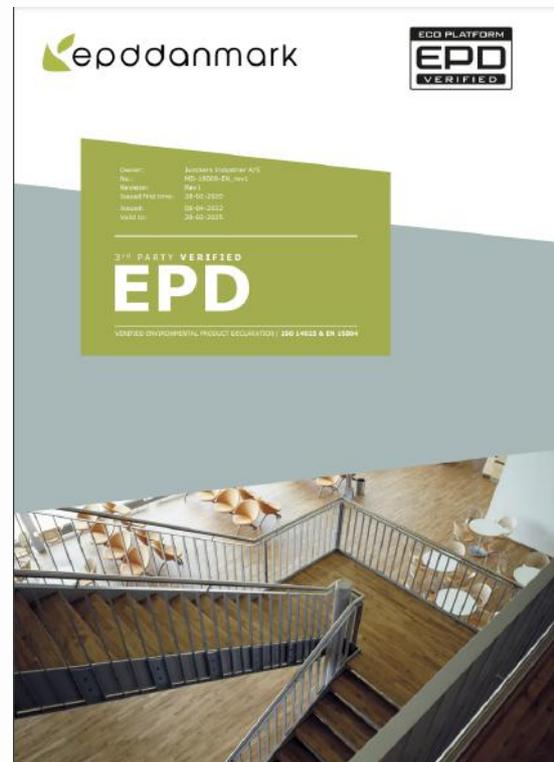
Transparency and traceability

Sustainability has always been a focal point at Junckers, and we know from consultants, developers and architects how important it is to provide transparency and traceability in relation to materials. Therefore, in collaboration with Ramboll, we have completed EPDs, which evaluate the environmental impact of our solid hardwood floors. By doing this we contribute to simplifying the work process in the selection of floors for a building to be sustainability certified.

2021 HIGHLIGHTS

As part of our strategy to provide knowledge that creates transparency and clear insight to the environmental impact of our solid hardwood floors, we have started the process of updating our environmental product declaration (EPD) for two-strip parquet floors during 2021.

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



2022 targets

ENVIRONMENTAL PRODUCT DECLARATION

To launch an EPD for two-strip parquet floors including two new product variants: Twin Herringbone and Single Stave Blocks. We want to successfully launch an updated EPD providing the opportunity to declare dismantling, transport, and disposal of the floor (C1-C4) as well as the potential for recycling for the same or other purposes (D) meaning that for two-strip parquet floors and the new variants we should be able to declare from cradle to gate + modules C1-C4 and D.

Life on land

Junckers is founded on the principles of sustainable forestry and responsible production. Our business practise has always included treating the natural resources we all rely upon for a healthy life with respect.

As part of our chain of custody certification through international schemes such as FSC® and PEFC™, for each felled tree, many more are planted, to ensure our forests remain healthy and productive. Forests and trees play a central part in everything we do. We continue to raise awareness of the importance of all types of forests, and how healthy forests mean healthy people and a healthy environment, both on a local and international scale. Forest restoration plays a vital role in addressing climate change and the biodiversity crisis. Our wooden floors are made of 100% solid wood, from timber sourced from sustainable forests. We know that wood, or trees in its original form, stores CO₂, which helps keep greenhouse gas emissions out of the atmosphere. And even when trees are processed into, for example, wooden floors, the CO₂ remains in the wood and will only be released if the wood is disposed of. By using wood as a building material, you contribute to a healthier climate.



SUSTAINABLE FORESTRY IS PARAMOUNT

Arguably, wood is the most sustainable building material there is, as long as it comes from properly managed and accredited forests. Junckers only uses raw logs from sustainably managed forests, where the balance between planting and felling is preserved. Our supply of logs comes mainly from Denmark, Sweden, Germany and Poland, who all cultivate forests based on sustainable principles. The overwhelming majority of our suppliers are certified under PEFC™ and FSC®.

A sustainably managed forest includes a long-term vision which considers everything a forest provides, including ecological and social benefits. As well as absorb carbon, forests help ecosystems and biodiversity thrive, and improve the quality of drinking water in their vicinity. Social benefits include the pure beauty of the landscape forests provide, and any type of leisure activity within the forests, such as hiking. When trees are harvested in a sustainably managed forest, new trees are planted to start the cycle of growth anew. Sustainable forestry halts deforestation and ensures the long-term supply of wood.

THINNING IS WINNING

Wood you believe it? To grow a sustainably managed forest it must be thinned. This process is necessary to provide the space the trees need to continue growing to an adequate size and quality. Thinning happens at different times depending on the type of tree grown in the forest. While trees grow, they gradually take up more space and resources. Hence, some trees need to be removed for others to be able to grow - thinning. Almost all wood purchased by Junckers comes from trees that are removed during a thinning process. This has been the case since 1930 when the company was founded on a philosophy of resource optimisation by Flemming Juncker, who looked for ways to use otherwise wasted wood in production.



Timber sourcing

Junckers produces solid hardwood parquet, two-strip, and plank flooring. The four main wood species used are beech, oak, maple and ash. The wood is purchased from neighbouring regions, i.e. Denmark, South Sweden, Germany and Poland. A lesser amount is purchased from the USA and Canada, who are able to supply planks in specific dimensions and quality.

Junckers has had a natural interest in maintaining a good relationship with forest management since its inception. Therefore, the factory's raw material (logs and raw planks) can still be delivered in the right quality at a competitive price. The company has been certified according to the internationally used PEFC™ standard since 2006, as well as the FSC® standard since 2010. The certifications document the traceability of the flooring the company sells as certified, so customers are sure the wood used for Junckers' flooring has been legally harvested and sustainably managed (PEFC™ and FSC®).

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

Information

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

Risk assessment

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

Risk mitigation

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

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

The company's purchase policy stipulates all raw wood, semi-finished goods (wood) and goods for resale (wood) purchased, must comply with the requirements of the EU Timber Regulation as a minimum, and therefore be of legal origin. Junckers' procurement strategy also urges its suppliers to certify themselves according to PEFC™ or FSC® standards, to be able to purchase the highest possible amount of raw wood from sustainably managed forests. The company continues to pay a premium for certified wood.

Junckers actively participates in the dissemination of PEFC™ certification and has been represented on the board of PEFC™ in Denmark since 1999.

2021 HIGHLIGHTS

The total share of certified raw wood purchased in 2021 has remained at a stable level of 80%.

PEFC™/FSC® audits

In 2020 Junckers signed a new five-year contract with the Certification Body WSP Danmark A/S / Soil Association Certification Ltd.

The second external PEFC™ and FSC® surveillance audit based on the new contract was carried out by the certification body in April 2021.

No non-conformances were raised during the audit, but a minor observation was recorded. Correcting action has been implemented and will be reviewed during the 2022 audit.

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PEFC/09-31-004

The auditor emphasised that we have well-implemented procedures in general and that we continuously improve our routines to reflect changes in the standards.

Due to the Covid-19 virus outbreak and the related travel restrictions, the annual internal audit at our office/administration and external storage facility in the USA was postponed until Q1 2022.

An internal PEFC™ and FSC® audit was conducted at the head office in Køge in April 2021. No non-conformances were recorded

Sale of wood-based waste products

Junckers A/S sells all of its waste from wood production to its neighbor, VEKS. VEKS has signed an industry agreement which commits them to fulfill a requirement for a proportion of their procurement of biomass to be documented as being sustainable via PEFC™, FSC® or SBP certifications – or by using “alternative” documentation.

Biomass

The requirement is valid from August 1st 2016 and the proportion of biomass to be documented as sustainable will be increased gradually as follows:

2016: 40%
 2017: 60%
 2018: 75%
 2019: 90%
 2020: 90%
 2021: 90%

In 2021 Junckers sold 90% of its waste products as sustainably certified via PEFC™ and FSC® claims.

Amount of raw wood purchased as:

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

2022 targets

ANNUAL AUDITS

The next internal PEFC™ and FSC® audit at our headquarters in Køge is scheduled for the Q2 of 2022, and the annual internal PEFC™ and FSC® audit in the USA is scheduled for the Q1 of 2022.

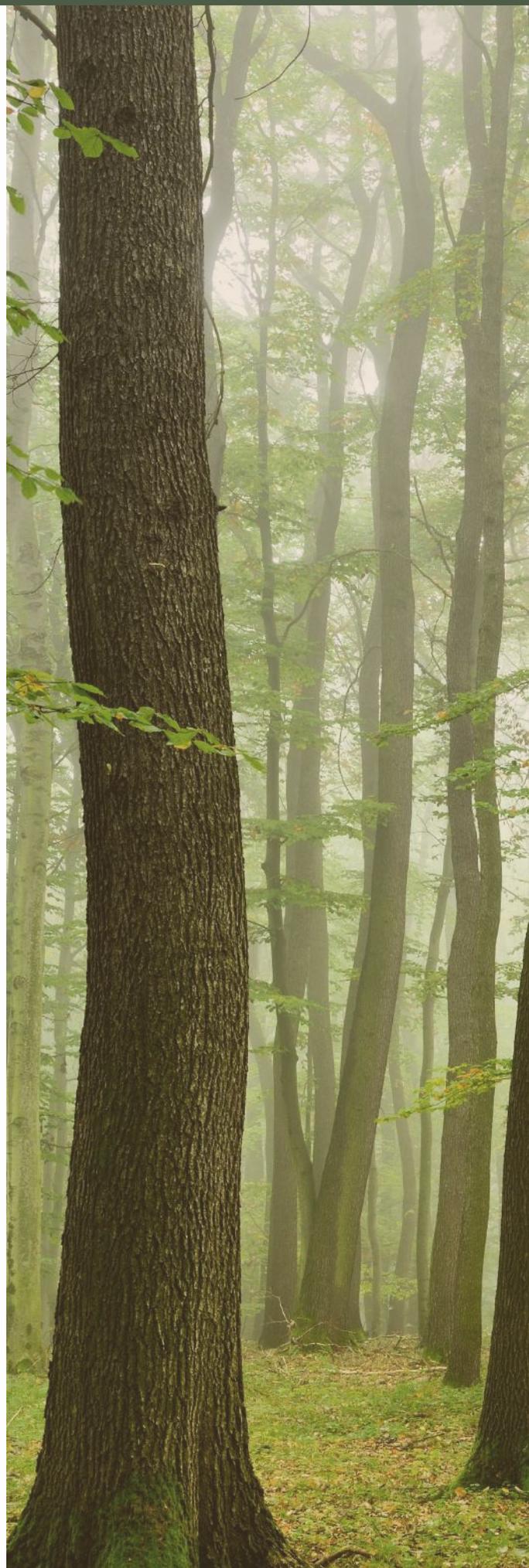
An external PEFC™ and FSC® surveillance audit is planned for May 2022.

New guide on ensuring the use of sustainable wood in the public sector in Denmark

A new guide on ensuring the use of sustainable wood in the public sector in Denmark came into force on 1 July 2014. The document commits the state (administration and directorates) to ensuring sustainable wood is used for construction, furniture and paper. The directive was phased in between 1 January 2015 and 1 January 2016. The guidance with regard to flooring came into force 1 January 2016.

The purchase of PEFC™ and FSC® certified products is recognised by the Danish authorities as a method for public purchasers to document their compliance with the rules in the guidance. A number of EU countries have already implemented similar rules for public procurement, and on this basis, a growing demand for PEFC™ and FSC® certified products must be expected. Junckers therefore seeks to continue to increase the amount of purchased certified felled timber and will pay a higher price for certified raw wood in order to influence forest owners to become certified according to PEFC™ or FSC® standards

In 2022 the EU will implement a new directive which will set out rules for using biomass products in the energy sector. This directive will replace the voluntary Danish energy industry sector agreement. The rules affecting Junckers the most are the same in both the directive and the voluntary agreement.





JUNCKERS

Walking on Danish design

JUNCKERS A/S

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