Pfleiderer Environmental Policy

This Environmental Policy ("Policy") was adopted by the Pfleiderer Sustainability Committee on October 31 2025, and is valid as of that date. References in the Statement to "Pfleiderer" or "the Company" are to Pfleiderer Group and its segments.

LINK to Sustainability Report 2024

I. Introduction

We have embedded our environmental, social and governance (ESG) targets in the business strategy and external financing. To ensure a successful implementation of a reliable and robust Environmental Management System (EMS), we define key organisational elements and commit to environmentally and socially sound governance and management in this public policy. We cooperate with our suppliers and customers to continuously improving the ecological footprint of our products.

We have linked a share of the variable compensation of our leadership team to achieving sustainability targets. We have set targets and key performance indicators in relevant sustainability areas and are committed to continuously monitor and review their achievement to reduce environmental impacts in all areas identified as material. We give special emphasis to the management of our most material topics. We ensure that internal and external stakeholders are aware of our environmental management policy and our impacts on the environment through regular reporting and training, including documented trainings for employees to understand the impacts of their work activities on the environment. We actively consult with internal and external stakeholders through our regular materiality assessments. We have a strong environmental compliance programme ensuring compliance with all laws and regulations.

LINK to Pfleiderer's Compliance Page

We contribute to the circular economy and to the protection of the environment and the climate by using recycled wood in our products; the use of certified fresh wood from sustainable forestry also contributes to this and reduces stress on virgin raw materials from ecosystems.

The entire framework for work, employment and occupational safety in Germany and Poland, where our production sites are located, is regulated extensively and in detail by law, by collective bargaining, and by company agreements. Both countries implement international (United Nations) and European regulations and standards. Pfleiderer is bound to comply with these regulations and agreements without exception and adheres to them accordingly.

II. Relevant material topics at Pfleiderer

The material topics including an inside-out and outside-in perspective. They are based on internal and external interviews, management documents, published guidelines, reports and frameworks, media screening, publications by market competitors, standard requirements, including GRI, SASB and the European Sustainability Reporting Standards [ESRS] and legal requirements such as the German Act on Corporate Due Diligence Obligations in Supply Chains [LkSG]. They are comprised of the high-level environmental topics climate, biodiversity and land use, and circular economy, the social topic working conditions in own operations, and the governance topic business conduct.

LINK to LkSG report at the Pfleiderer Responsibility site

III. Responsibility for the Policy

The commitment and oversight of the implementation of the Environmental Policy and improving ESG performance lies with the Executive Board of Directors. The board responsibility covers ESG transition risks in addition to general ESG risks. This is true for all ESG topics including climate-related transition risks.

LINK to Management Commitment

Our senior leadership team is actively engaged in implementing and further developing the ESG strategy; an advisory Sustainability Committee with quarterly cadence ensures that ESG matters are an integral part of the business and the way it operates. We have a senior full-time Head of Sustainability with a reporting line to the CEO, responsible for the development of the sustainability strategy, the integration of ESG into the integrated management system (IMS), the implementation of measures, and the facilitation of communication with stakeholders.

IV. Topics

1. Energy consumption, climate change (greenhouse gas emissions), climate adaptation, and non-greenhouse gas emissions to the atmosphere.

At Pfleiderer, we address air and atmosphere-related concerns throughout our value chain and our endeavours to minimise emissions (greenhouse and non-greenhouse gas). Energy consumption and greenhouse-gas emissions in all three scopes according to GHG Protocol are considered to mitigate climate change. Adaptation to climate change is considered and managed based on our 2025 climate risk assessment using the MunichRe risk assessment tool.

1.1. Objectives and performance commitment

We adhere to the principles of sustainable production, renewable energy and net-zero CO2 emissions by 2050. To that end, we are offering a wide range of low-emission and eco-labelled products, produced with 87 per cent of renewable energy and a rapidly decreasing carbon footprint.

We are committed to reducing air emissions, and identify and monitor energy consumption, greenhouse-gas as well as non-GHG emissions. Programmes to reduce air emissions (other than GHG emissions) such as methanol, formaldehyde, ammonia, and other volatile organic compounds (VOCs) have been made possible through improvements of production processes at several sites. The technologies are now analysed if they can be transferred to the next sites in a peer-based, best-practice learning. For these non-greenhouse gas related emissions, the target is to reduce them below exemption limits. Exemption limits have been continuously reduced, nearing the national limit each year. Also through process optimizations in our combined heat-power plants (CHPs), the significantly reduced limits for sulphur dioxide & HCl can be maintained under the revised Ordinance on the Incineration and Co-incineration of waste directive (17.BImSchV). For energy consumption we have set the following specific reduction targets (either absolute or intensity-based) and deadlines.

1.2. Specific targets

For Scope 1 and Scope 2 we have set the quantitative targets to reduce emissions by 21 per cent by 2025 compared to 2020. We have reached a total reduction of 41 per cent in

2024. We have set and achieved the target to fully comply with the Euro 6d emission standard for all owned fleet vehicles by 2023. We have set two new targets in Scope 1. First to reduce fossil fuel consumption of our own fleet by 5 per cent by 2030. Second to fully comply with the Euro 6e emission standard for all owned fleet vehicles by 2025. For Scope 3 emissions, we have set the following quantitative target: Reduce indirect greenhouse gas emissions associated with purchased chemical products used in our wood-based panels by 21 per cent by 2025 in comparison to 2020. We have exceeded this target in 2024 by 5 per cent with a total reduction of 26 per cent. In addition, we have set and achieved the following qualitative targets in 2023: Introduce a framework for assessing the carbon footprint of all purchased goods from our supply chain and develop a framework to guide reduction of transport-related greenhouse gas emissions. For transport related emissions, the target for 2025 is to reduce fuel use by 2 per cent per 100km travelled compared to the previous year. For non-greenhouse gas related emissions, the target is to reduce them below exemption limits. Exemption limits have been continuously reduced, nearing the national limit each year.

For energy consumption we have set the following specific reduction targets for the fiscal year 2025: Improved monitoring and reporting of energy consumptions and reductions in alignment with energy audit. Specific technical interventions to increase energy efficiency and reduce energy consumption per site; target values in energy consumption reduction in 2025 vary from 3 per cent to 35 per cent depending on the site. Measures to achieve these include replacement of equipment and improvements in combined heat-power usage.

We have a strong environmental compliance programme ensuring compliance with environmental laws and regulations, speer-headed by a senior executive Head of Environment. The topics greenhouse gas emissions and non-greenhouse gas emissions to the air are part of his responsibility. All figures are regularly reported to the Executive Board, publicly they are reported once a year. Action plans to reduce energy requirements have been prepared by the Energy Production and Technology departments. Short term and intermediate targets are set, a roadmap for long-term targets and to achieve the goal of net-zero greenhouse gas emissions is being prepared by the Sustainability department. Greenhouse gas (GHG) emission reduction targets have been an integral part of the variable remuneration system of members of the administrative, management

and supervisory bodies for several years. Concrete and measurable targets are set at the individual manager level and assessed annually.

2. Circular economy, water, waste and biodiversity

With regards to materials, chemicals and waste, we are committed to managing and improving the circular and cascading use of raw materials, and our contribution to the circular economy. Waste wood recycling offers great potential for resource conservation, however, is still underdeveloped worldwide in terms of automation and standardisation compared to other industries, such as paper recycling. This makes it more important for the wood-processing industry to continue to advance waste wood recycling together with suppliers and recycling companies. Regarding water and biodiversity, we focus on our efforts to ensure the responsible and sustainable handling of water, and our measures to safeguard biodiversity.

2.1 Objectives and performance commitment

We adhere to maintaining our commitment to the circular economy through consistent recycling of wood-based materials. We are committed to waste reduction initiatives by encouraging recycling and reuse at a large scale in our production. We adhere to our principle of using renewable resources by maintaining 100 per cent controlled wood for production and the principle of responsible procurement by maintaining a high share of 90 per cent of wood for production from domestic sources. We adhere to the principles of protecting biodiversity and aiming for a deforestation-free supply chain. Maintaining our commitment to the circular economy through consistent recycling of wood-based materials.

We are committed to reducing hazardous waste, which we classify according to the legally-binding national categories for disposal. The majority of our hazardous waste consists of ashes from our GHPs. We do not have flammable hazardous waste. We monitor and measure hazardous waste continuously through documentation of volumes in sales and delivery documents to our downstream disposal companies. The volumes are benchmarked across sites and reductions are achieved through best practice sharing. This was the target for 2025 and is now operable. Reduction targets are being developed next. Our 2025 climate risk assessment using the MunichRe Risk Assessment Tool yielded water-related consequences of climate change as the key threats to our

operations. To better understand the environmental impact of our water use, we have used the WRI Aqueduct Water Risk Atlas. Based on this analysis, two sites are affected by water stress ("high" index). In addition, recent increasing severity of local flooding may pose a risk to individual sites. As a climate adaptation measure, we have started to prepare a water risk plan to deal with water shortage as well as flooding in a systematic manner. We have started the development of risk scenarios for our sites and to update the existing crisis plans accordingly. For water stressed sites, the plan will include a shut-done priority list for all sites to protect critical infrastructure in case of water shortage.

2.2 Specific targets

We are protecting water and eliminating waste as part of our certified environmental management system, in place for all production sites. As part of that management system at all sites, we have developed absolute indicators to assess water consumption and waste generation in accordance with GRI standards; these figures are reported in our annual Sustainability Report. As part of the continuous improvement process within the management system, we developed a monitoring and reporting system for the KPIs. Thus, water consumption is continuously monitored by KPIs, and measures are implemented.

LINK to the Environmental Management System ISO 14001

As a next step, we have set the target to implement the new monitoring and reporting systems in 2024 and derive meaningful specific management targets by 2025. In addition, we developed a reporting system for waste which will enable us to access relevant data monthly. We have implemented the new waste reporting system in 2024 and have set ourselves the target to test the system and derive meaningful targets for waste management during 2025.

To protect biodiversity, we have introduced a framework for assessing the sustainability of our suppliers, including biodiversity. We have completed a biodiversity check and set up a framework for assessing biodiversity in the supply chain. We have set a target to create a biodiversity management plan in 2025 for all production sites in or adjacent to areas with a nature protection status. We have set the target to identify and mitigate potentially negative impacts on biodiversity in our wood supply chain in 2025.

We are promoting the circular economy and cascading wood use by using the quantitative target of increasing the total wood yield for each plant to at least 90 per cent by 2025, the rate currently lies between 84 and 91 per cent (2023). We have set and achieved the quantitative target to increase the share of post-consumer recycled wood to 50 per cent by 2025 currently at 50.7 per cent (2023). We promote using renewable raw materials in production by having set the quantitative target to manufacture 10 per cent of wood-based materials using biogenic binder content by 2025 from zero per cent in 2020. In order to expand sustainability in the supply chain, we have introduced a framework for assessing the sustainability of our suppliers in 2023. In addition, we aim to document 80 per cent of our suppliers to have signed our Code of Conduct for Suppliers by 2025.

2.3 Responsibility

The Head of Environment is also responsible for emissions to water and for waste monitoring and waste reduction. The Head of Wood Purchasing is responsible for ensuring a high recycling rate for wood inputs and for the compliance of incoming wood material with the EU deforestation free supply chain regulation. The Head of Sustainability is responsible for the protection and improvement of biodiversity in the supply chain and on our operational sites.

3. Product use and product safety

3.1 Objectives and performance commitment

Low emission products are guaranteed by 100 per cent coverage of our product portfolio by the German Blue Angel ecolabel. Pfleiderer adheres to all legal requirements regarding consumer health to ensure the safe use of our products. We operate laboratories to conduct quality testing on materials and products, including formaldehyde emissions testing at all our production sites and at our central laboratory in Arnsberg. Our objective is to always be at or below the statutory formaldehyde limits. Over the last few years, we have continuously reduced the use of formaldehyde in our particleboards. In addition, we were one of the first manufacturers to start producing panels with formaldehyde-free binders decades ago. We have converted our entire production of wood-based materials in Germany to comply with the strict requirements of emission class E05. Furthermore, we comply with voluntary requirements and offer panels with

formaldehyde-free binders. Pfleiderer has the largest range of eco-labelled products with in the industry.

3.2 Specific targets

We promote using renewable, formaldehyde-free raw materials in production by having set the quantitative target to manufacture 10 per cent of wood-based materials using biogenic binder content by 2025 from zero per cent in 2020. Milestones towards this development are the launches of the OrganicBoard in 2022 and OrganicBoard Pure in 2023, a particle board with 100 per cent recycled wood and 100 per cent renewable binder. In terms of product emissions and product quality, we constantly comply with the international standards E05, TSCA Title VI, and F****. We continuously aim to reduce the annual customer claim rate. We provide CE for construction products, and all our product performance levels are defined in the relevant product data sheets.

3.3 Responsibility

The Head of Product Management is responsible for Product Design for Sustainability. The plant managers at each site and their entire workforce are responsible for the product quality and technical performance.

V. Scope of the Policy

The Pfleiderer Environmental Policy complements the Pfleiderer Compliance Manual with a focus on Chapter 7 “Sustainability, Climate Protection and Occupational Safety” in Section I. “Business conduct guidelines of the Pfleiderer Group”. It also covers the other relevant responsibility-related topics. The Policy provides a Group level framework that Pfleiderer’s segments may complement with more detailed guidelines and instructions. The Pfleiderer Environmental Policy approved by the Pfleiderer Group Executive Board and is valid as of October 15 2025. The Statement has been provided in English and can be found on our public web pages.

LINK to the Pfleiderer Environmental Policy

VI. Review timeline of the policy

This policy is reviewed annually. If activities or operations change significantly, the policy will be updated outside of the annual review.

Signed by all Executive Board Members

Neumarkt, October 15 2025