

DOING OUR PART

News since Danzer Sustainability Report 2016, January 2022

Working at Danzer



Hardwood Excellence.



In June 2017, Danzer published its second Sustainability report: Doing Our Part. Prior to the next full report scheduled for 2023, Danzer will prepare subject-specific updates to its Sustainability Report; a personal commitment to operate business in a way that is responsible for the resources we share with the communities we operate in.

This is an update on the segment *Working at Danzer* found in the Danzer Sustainability Report 2016: Doing Our Part, starting at page 40. The data for this report was updated in July and October 2018 and February 2019.

[G4-10] Danzer’s social contract with the communities we operate in implies that the operation and community thrive so long as a precautionary approach is taken with employees. As of December 2021, Danzer employed 1,121 people worldwide. Approximately 17% of those employees work in maintenance, engineering, management, procurement, sales and administration.

Since the last update in February 2019, two facilities have been closed or sold:

<https://www.danzer.com/en/company/media-relations/press-releases/item/danzer-sells-bradford-sawmill>

<https://www.danzer.com/en/company/media-relations/press-releases/item/danzer-closes-souvans-plant-in-france>

“DANZER SHOULD ABSOLUTELY ENCOURAGE EMPLOYEES TO GET THE COVID SHOT.”
“WE WANT TO KNOW MORE ABOUT COMPETITIVE WAGES.”
From production employee interviews Fall 2021



The precautionary approach of Danzer is in total alignment with the United Nation’s Sustainable Development Goal #3, “To ensure healthy lives and promote well-being for all

at all ages.” The text suggests that, “You can raise awareness in your community about the importance of good health and a healthy lifestyle.”

Danzer Veneer Americas has established a Wellness Program to provide employees the tools to better understand and manage their health. This initiative has included a comprehensive review and explanation of health care benefits provided by Danzer, as well as company-sponsored Biometric screenings and fitness challenges. Although social distancing during the Covid-19 pandemic has paused most programs, DVA intends to resume these important initiatives, at the appropriate time, to encourage an increase in well-being amongst our employees. In 2021, and continuing into the future, Danzer Veneer North Americas gave out chances to win prizes if employees and/or their spouses completed their annual Well-being exams.

“DANZER IS COMMUNICATING VERY WELL, MANAGEMENT IS WORKING WITH HR AT ALL FACTORIES TO INFORM EVERYONE ABOUT CHANGING MANDATES, ETC.”

From production employee interviews Fall 2021

The Covid-19 pandemic

During the course of the Covid pandemic, Danzer managed quite well and did not have to force a complete shut-down of productions operations. Still, we had to reduce shifts in 2020 and until August 2021 due to a lack of staff in general, but also because of quarantine (infection or contact). In the Czech Republic in particular, employees needed to stay home with children in quarantine or because of school and daycare/kindergarten closures.

Ever-changing rules keep human resources departments busy, especially at locations like Melnik, where testing every employee was required once, and later twice, per week with requirements for isolation and quarantine of several days. Border crossing rules in Europe and Covid ratings by country also change often. Most Danzer colleagues who are required to travel are 3x vaccinated in the meantime.

Danzer complies with local requirements and avoids contact as much as possible. Staff work from home where possible, and meetings are conducted by Zoom or postponed.

In North America, the situation is also monitored closely, and every facility adjusts based on the latest recommendations by the CDC and/or local requirements. The combination of Covid restrictions and labor shortages makes maintaining a full production capacity

difficult however, Danzer colleagues navigated the various stages of Covid and changing rules impressively, never having to shut down offices and/or facilities despite low vaccination rates among production staff.

The SDG 3 target, “Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol,” is relevant to Danzer as an employer in communities also affected by rising trends in drug and alcohol consumption. In North America, this is particularly relevant, so on suspicion, post-accident (with suspicion of intoxication), and random drug testing programs are in place.

In 2021, 11 employees in North America were terminated for drug or alcohol use (Darlington, Edinburgh and Williamsport). Five employees receive assistance through Danzer’s program for drug/alcohol treatment.

“SMOKING/VAPING ARE STILL CONCERNS FOR HEALTH, AND YEARLY VISITS SHOULD BE EMPHASIZED.”
“MENTAL HEALTH COVERAGE IN BENEFIT PACKAGES SHOULD BE EXPLAINED MORE.”
From production employee interviews Fall 2021

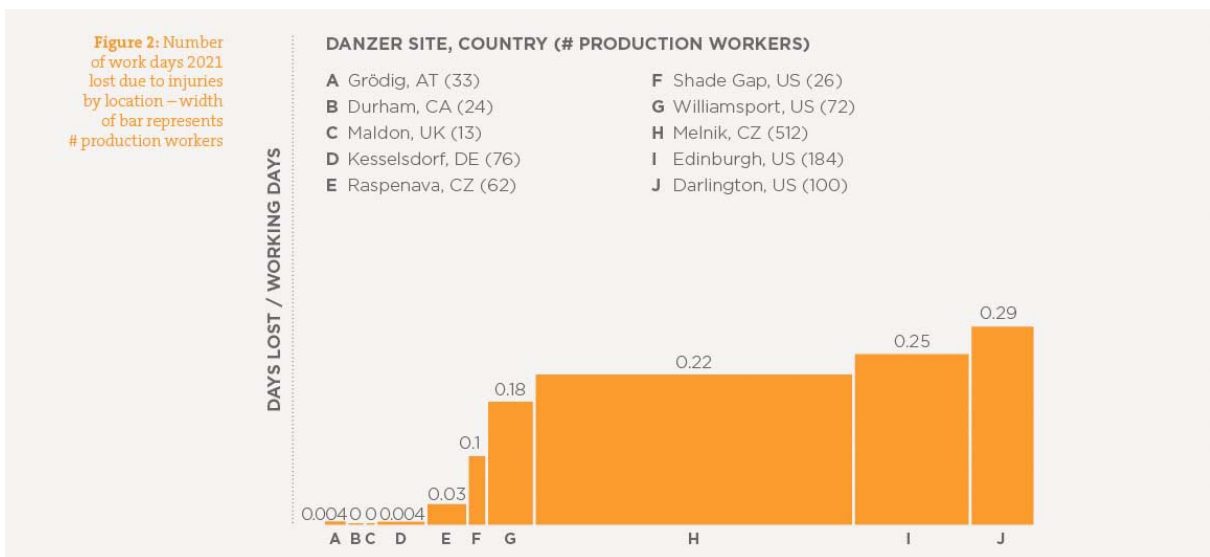
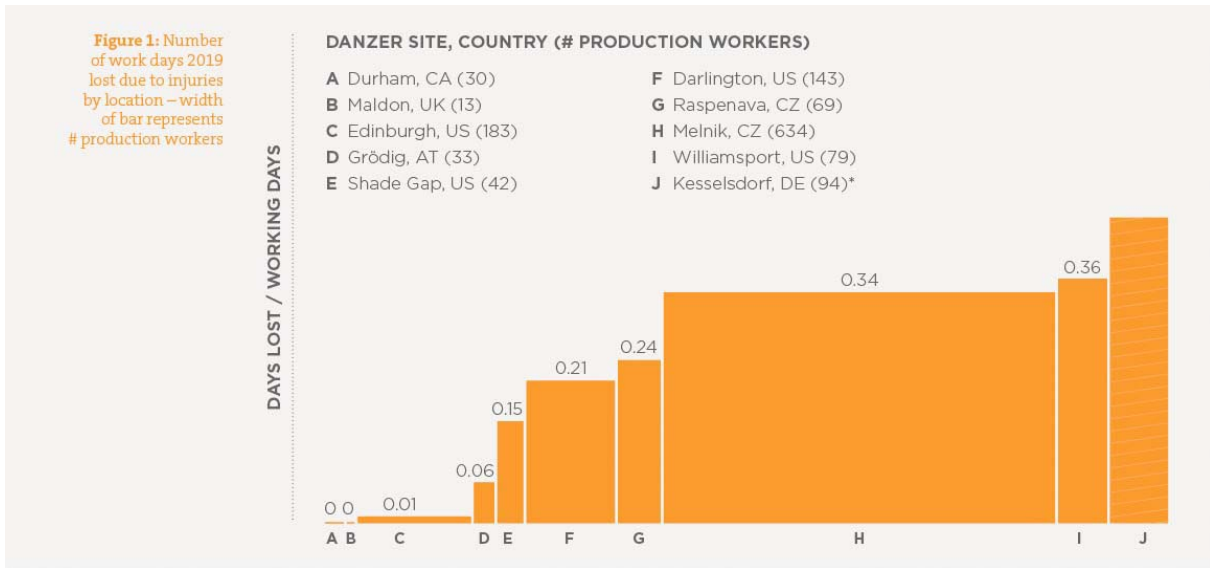
The SDG 3 target, “Achieve access to quality essential health-care services,” is also relevant to Danzer as an employer provider of health care coverage.

Where public health care is not available, the company insures that all employees and their families have access to good health care options and contributes a majority of the costs for these programs. Bench-marking data by insurance carriers show that in these cases, Danzer North America health care benefits exceed the average for companies of the same size and industry. Danzer also encourages employees and their families to maintain healthy lifestyles by sponsoring the costs related to wellness programs.

"WE ARE CONCERNED ABOUT FATIGUE BECAUSE MANY EMPLOYEES HAVE TO WORK TWO JOBS."

From production employee interviews Fall 2021

[G4-LA6] At the same time, Danzer is committed to keeping employees safe and healthy in the workplace. The following table shows employee days lost due to workplace injuries to total working days.



Danzer’s internal safety and environmental online reporting system is built to track problems reported and the fixing of them. This system is the recordkeeping arm of Danzer’s Grievance Mechanism and Integrity Line.

“I THINK PEOPLE JUST NEED TO KNOW WHO TO TALK TO. PEOPLE ARE TOO SCARED TO TALK BUT I THINK NOW PEOPLE CAN GO TO THE OFFICE AND SPEAK. BEFORE, NOT MANY WOULD BE ABLE TO TALK TO GET HELP.”

From production employee interviews Fall 2022

[G4-SO11a] Between January – December 2021, 39* reported environmental and safety issues have been fixed and reviewed by management, those “un-fixed” have a schedule to be fixed:

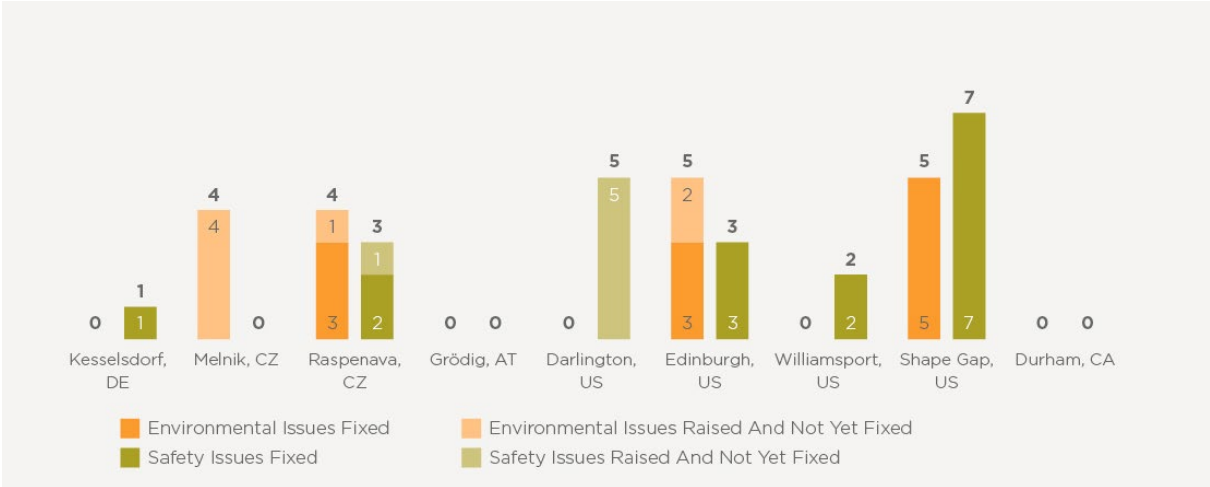


Figure 3: Number of environmental and safety issues raised and fixed between January and December 2021
 * These numbers are limited of course to the number reported in the system. Many items are not reported because they are either considered too small or are fixed immediately.

[G4-LA9] In 2018, Danzer developed a new training approach called FUN. FUN engages all levels of the production and office staff in teams that cross work functions, languages, pay scales, and learning styles. A group of 2-3 small teams was organized to meet at least once per month for a short game (15 minutes) to reinforce safe behavior and good conduct. This collaborative learning program targeted training to specific risks. A behavioral approach to safety – that is, identifying at risk behaviors and correcting them before injuries occur – is an essential part of this program. The FUN program was rolled

out for all United States facilities by 2020, but the onset of the Covid pandemic halted the possibility to continue this successful program. Both customers, OSHA inspectors, and employees noted how enthusiasm for safety was high because of the game concept. Since 2020's onset of the pandemic, training has been done through orientation of new employees, some distanced and masked meetings, and handouts and posters for existing employees.



The following table shows the percent of affected employees trained across Danzer in each category:

“Affected” means employees whose work is impacted by the training. Not all training applies to all employees.

“DANZER’S TRAINING SHOULD INCLUDE HARASSMENT AND SOCIAL MEDIA ABUSE.”
 “ALL TOPICS RELATED TO LIFTING AND STANDING ON THE CONCRETE FLOOR, PROCESSING OF ISOCYANATE, BEECH DUST.”
From production employee interviews Fall 2021

Subject / Level	% Affected Employees Trained
Environmental & Safety Management System	88%
Control of Hazardous Energy	80%
Forklift	88%
Accident Prevention /Safe Behaviors	70%
Pedestrian Safety	78%
First Aid Level 1	77%
Emergency Response (inc. Evacuation, First Aid, Spills, Fire, Weather, Violence)	70%

Workplace Violence Prevention	70%
Data Protection	74%
Code of Conduct	48%*
Hazardous Materials	88%
Confined Space Entry	35%
Personal Protective Equipment	88%
Grievance Mechanism and Integrity Line	48%*
Fall Protection	92%
Lifting Safety / Ergonomics	59%
Chainsaw Safety	3%
Welding and Hot Work	87%
Compressed Air Safety	71%
Accident Prevention, Reporting, Investigation	78%
Heat Stress	68%
Radiation Safety	100%
Chain-of-Custody	100%
Standard Operating Procedures	76%

* Online training started in December is 35% complete as of 24 Jan 22.



SDG 5 is to “achieve gender equality and empower all women and girls.” At Danzer, this target is taken seriously. Danzer is an equal opportunity employer who knows that diverse experiences are valuable to the mix of innovation at Danzer. Of 1,121 employees worldwide, roughly 32% are women and many of that number (39%) work in non-production positions such as engineering, maintenance, procurement, management, sales, administration, maintenance, and IT. Of those, 21% work in production supervision or management positions.

"WE NEED MORE FOCUS ON AGE DISCRIMINATION."

From production employee interviews Fall 2021

Targets for 2023

Based on the findings of this report, Danzer commits to the following targets for 2023:

- Improve Affected Training numbers to 80%+ in all categories
- To revive FUN training if the pandemic situation allows
- Increase reporting of Environmental and Safety Issues
- Improve ratio of fixed issues to 4/5
- Continue to reduce the severity of injuries

At Danzer, we Do Our Part to influence those Sustainable Development Goals that are linked to our business of bringing the sustainable natural product wood into people's lives in beautiful and clever ways.