

elka[®]

Responsibility for the Future



**CLIMATE-NEUTRAL
COMPANY* ***

certified by FOKUS ZUKUNFT
*i. a. by means of CO₂ certificates

Why are we a climate-neutral company?

Climate change is the greatest challenge facing humankind since the end of the Ice Age and is the defining task of our time. The consequences of global warming are becoming more and more tangible and the pressure on politicians and companies - not least through the Fridays for Future movement - is increasing. There is now a global consensus that we urgently need to counteract man-made climate change.

The success of emission reductions depends to a large extent on voluntary and consistent action by business in the industrialised countries. Accordingly, we at elka-Holzwerke GmbH are also prepared to take responsibility for the world we leave to our children and grandchildren. We have therefore had the greenhouse gas emissions caused by our company's activities recorded and offset them by purchasing a total of 13,645 climate protection certificates for the year 2021. With these certificates, we are supporting a windfarm project in China that has been certified by CER under the sovereignty of the United Nations.

We are aware of our special responsibility as a company towards future generations and have acted accordingly. Our climate impact as a company was determined by Fokus Zukunft GmbH & Co. KG: our carbon footprint is approximately 13,645 tonnes of CO₂ equivalent per year.



To give this figure a sense of perspective, a person in Germany causes on average some 11.6 tonnes of CO₂ per year by their way of life. Greenhouse gases are evenly distributed in the atmosphere. It therefore makes sense to avoid emissions where the costs of doing so are lowest. In addition, projects in emerging and developing countries contribute to improving the economic, social and ecological situation there and support the realisation of the United Nations Sustainable Development Goals. For emerging and developing countries, emissions trading is a key driver for the transfer of clean technologies and sustainable economic development. The greenhouse gas

balance provides a transparent overview of our company's greenhouse gas emissions. The report thus forms an important element of our commitment to climate protection. Based on the values obtained and through the purchase of an appropriate number of climate certificates, our company has been made climate neutral. We have received the 'Climate-Neutral Company' award for offsetting our greenhouse gases. This makes our company one of the first in our industry to voluntarily offset its emissions under the Clean Development Mechanism.

Dagmar E. Hilden-Kuntz

Dipl.-Kaufmann

Leitung Nachhaltigkeit

Director Sustainability



'The atmosphere
is not an extractor hood.
It is a wafer-thin layer
that ensures our survival.'

Dr. Eckhart von Hirschhausen

The uniquely sustainable elka value chain



Do you have questions? We provide the answers

Why is elka-Holzwerke committed to global climate protection?

The global community has agreed that global warming must be limited to less than 2 degrees Celsius - and better still to 1.5 degrees - in order to prevent catastrophic consequences. But the current pledges of individual states are only sufficient to limit warming to a maximum of 4 degrees. To close this ambition gap, an additional and considerable commitment is required from both businesses and citizens. It has become clear to us that voluntary emission reductions and the offsetting of unavoidable emissions are essential if we are to effectively counteract climate change. That is why we have decided to neutralise our CO₂ emissions and we trust that this will contribute to a future worth living. Because we do not only want to analyse the problems, but also tackle and solve them.

What is a carbon footprint?

The carbon footprint is the measure of the amount of greenhouse gases (measured in CO₂ equivalents) produced directly and indirectly by an activity of an individual, a company, an organisation or a product. It includes the emissions that arise from raw materials, production, transport, trade, use, recycling and disposal. The basic idea of the carbon footprint is thus to create a basis on which influences on the climate can be measured, evaluated and compared. This allows the necessary potentials for reduction to be identified, actions to be developed and their effectiveness to be evaluated. The corporate carbon footprint is the CO₂ footprint of a company and the product carbon footprint is the CO₂ footprint of a product.

What does climate neutrality mean?

According to the principle of the Clean Development Mechanism described in the Kyoto Protocol, greenhouse gases that are produced in one place on earth and cannot be avoided should be cut in another place by means of climate protection projects there. To finance this, companies buy certificates for suitable climate protection

projects from the six available project sectors (biomass, cooking stoves, solar energy, forest protection, hydropower and windpower). Each certificate represents 1 tonne of CO₂ saved by the project in question. There are numerous climate protection projects across the world, most of which support renewable energy projects. The initiators of these projects receive emissions credits for their commitment, which can be traded in the form of climate protection certificates. The amount of such credits is measured, say, by a comparison with the emissions that would have resulted from the construction of a coal-fired power plant.

How were the CO₂ emissions of our company calculated?

We commissioned the external sustainability consultancy Fokus Zukunft to calculate our company's footprint. The emissions balance was calculated using the official guideline of the Greenhouse Gas Protocol.

What is reported under the Greenhouse Gas Protocol?

Emissions are divided within the protocol according to three 'scopes', 1, 2 and 3, each comprising different types of greenhouse gas emissions. Scope 1 includes direct emissions from the company's own energy systems. Scope 2 records emissions that are indirectly generated in the provision of energy for the company. Scope 3 emissions are further indirect emissions that occur over the entire value chain.

Which greenhouse gases are included in the calculation?

The calculation of greenhouse gas emissions includes the seven main greenhouse gases defined by the Intergovernmental Panel on Climate Change (IPCC) and the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), nitrogen trifluoride (NF₃) and sulphur hexafluoride (SF₆).

Do you have questions? We provide the answers

What are CO₂ equivalents?

Not each of the seven main greenhouse gases is equally effective. Methane, for example, is 21 times more harmful to the climate than CO₂, while nitrous oxide is 310 times and sulphur hexafluoride is even 14,000 times more harmful. To be able to compare emissions, all greenhouse gases are therefore converted to a CO₂ basis, that is, to 'CO₂ equivalents'.

How is the consumption data that is collected converted into greenhouse gas emissions?

The conversion of the collected consumption data (such as electricity consumption or fuel consumption) is done by means of emission factors that indicate the emissions per unit (e.g. per kilowatt hour of electricity or litre of petrol). The emission factors come mainly from DEFRA (Department for Environment, Food and Rural Affairs), but also from the GEMIS database (Global Emissions Model of Integrated Systems, IINAS) and also the Ecoinvent database, and are updated regularly.

How are emission certificates generated?

The initiators of the climate protection projects - mostly renewable energy projects - receive emissions credits for their commitment, which can be traded in the form of climate protection certificates. The amount of the emission offset is measured, say, by a comparison with the emissions that would have resulted from building a coal-fired power plant instead of generating renewable electricity.

What quality criteria do climate protection projects meet?

The carbon offset projects we purchase are each accredited, approved and controlled in accordance with one of the three internationally recognised certification standards - VCS (Verified Carbon Standard), UN CER (Certified Emission Reduction of the United Nations) or the Gold Standard developed by WWF. The validation of the project results, in terms of the CO₂ savings achieved, is certified by independent testing bodies such as TÜV.

What are the advantages of climate neutrality for our company?

1. They contribute to the goals of the government, the European Union and the United Nations Sustainable Development Goals (SDGs).
2. They raise awareness among employees, suppliers and customers regarding the use of finite resources. This positively changes the ways in which energy and other resources are used in the company and in people's everyday lives.
3. Entry into the growth market of 'sustainable businesses'. The status of climate neutrality allows us to distinguish ourselves in our market segment.
4. This currently enables us to play a pioneering role and thus to position our company as progressive, innovative, cooperative and forward-looking.
5. Promotes awareness of the energy transition.
6. Through the status as a climate-neutral company, together with its product offering, the company becomes a partner to its customers in the topics mentioned above.

What happens to the CO₂ certificates after they are purchased?

The acquired number of CO₂ certificates were set aside. This is significant in that this setting aside is a prerequisite for the design and marketing of CO₂-neutral companies and/or products. Without being removed from circulation in this way, a CO₂ certificate could continue to be traded in the voluntary market, if necessary, without any further emissions reduction being achieved.

Which project are the certificates you purchased supporting?

With a total of 13,645 certificates, we are supporting a project in China that has been certified by UN CER. You can find the detailed project description at: <https://www.fokus-zukunft.com/klimaschutzprojekte.html>

Why are international projects supported?

Climate change is global, so it does not matter where CO₂ emissions are emitted or saved; in the end, it is the total of greenhouse gases that is decisive. In Germany, the reduction or compensation of CO₂ is very expensive, whereas in emerging and developing countries, compensation is

currently cheaper. The Kyoto Protocol, which is binding under international law, therefore stipulates that so-called climate protection projects that avoid or store greenhouse gas emissions should take place where they are most economical. Accordingly, there are many projects in emerging and developing countries, since the potential for savings through new technologies is still very high there and these technologies can be used much more cost-effectively. In addition, the conditions for renewable energy plants (solar, wind, water and biomass) are often much more favourable in these regions. Further still, projects in emerging and developing countries contribute to improving the economic, social and ecological situation there and support the realisation of the United Nations Sustainable Development Goals. Emissions trading is a key driver for the transfer of clean technologies and sustainable economic development for emerging and developing countries.



Our compensation project: Hebei Chengde Weichang Yudaokou Ruyihe Wind Power, China

The Hebei Chengde Weichang Yudaokou Ruyihe windpower project is located in Yudaokou City, Weichang District, Chengde City, Hebei Province, People's Republic of China, and is operated by China Suntien Green Energy Weichang Co.

The project involves the installation of 33 x 1.5 MW wind turbines and 75 x 2 MW wind turbines to generate clean, renewable and emissions-free electricity. The total installed capacity is 199.5 MW and the electricity feed-in throughout the full operational life of the project is approximately 443,920 MWh per year.

The project activity is thus a renewable energy project that results in an average GHG emission reduction of 355,085 tCO₂e per year and a total of 2,485,600 tCO₂e for the first settlement period under the baseline scenario by replacing electricity generation from fossil fuel-fired power plants connected to the North China Power Grid (NCPG).



The project data at a glance:

355,085

Emissions saved tonnes of
CO₂ eq/year

2,485,600

Emissions saved tonnes of
CO₂ eq/total



Det Norske
Veritas
Validator

UN CER
Certificate standard

Project ID 7624 - FC ID 2154

The project contributes to the following UN Sustainable Development Goals:



Affordable and clean energy:

The project will support the growth of the windpower industry and promote the technological advancement and commercial deployment of grid-connected clean renewable energy generation in China.



Decent work and economic growth:

Short- and long-term jobs have been created for the assembly and installation of the power generation equipment and for the construction of the project.



Climate protection measures:

Operation of the wind turbines will save approx. 355,085 tCO2e per year.

esb brand products with the first CO₂ certification in the wood-based materials sector

Buildings cause about 30% of CO₂ emissions in Germany. Reducing this ecological footprint helps to protect the climate and relieves the financial burden. The reduction of CO₂ begins with the choice of materials used in construction. Renewable and CO₂-neutral building materials help to conserve fossil and mineral resources.

Renowned as an ecological pioneer, elka-Holzwerke has been offering an above-average quality standard for healthy building and living for decades with its environmentally friendly, energy-efficient brand products.

High-quality, low-emission product lines include the esb Standard and esb PLUS spruce fresh wood panels and the 'vita' natural wood panel. They guarantee problem-free recyclability, dismantling and reusability. A special, process-friendly MUF glue without isocyanates also distinguishes the entire product range.

The claim to sustainability of elka products has already been confirmed by the label certification of the German Sustainable Building Council (DGNB) for the wood-based materials sector.

By joining the 'Klimaschutz Holzindustrie' initiative (climate protection in the timber industry), the company is demonstrating further commitment to a well thought-out sustainability strategy and committing to the principles of sustainable and climate-friendly development.

The entire esb product line has been certified consistently as climate-neutral on the basis of a transparent CO₂ balance. As for product certification, the basis is the annually prepared CO₂ balance of the overall company. Certification for the sawn timber sector and the vita natural wood panel vita are also planned.

'Sustainability and ecology are becoming a way of life. Reducing CO₂ emissions and avoiding them wherever possible is one of the responsibilities of our society to ensure a sustainable environment for future generations.'

says Dagmar Hilden-Kuntz, manager for sustainability.

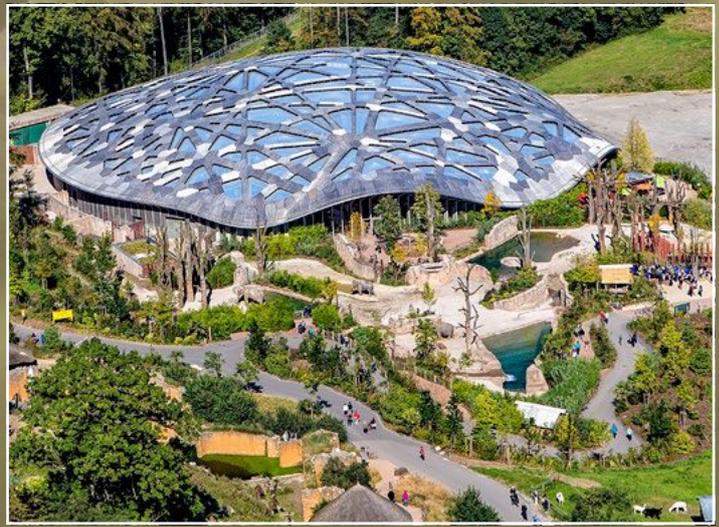




elka strong board
ecologic sustainable board



1.
in 2021 the
**carbon-neutral certified
wooden composite board**
on the German market!
estb



Reference: Elephant House, Zurich Zoo (with kind permission, photo: SIKA AG)

elka®

Sawn timber and derived timber products in perfection - since 1906

elka-Holzwerke was founded in 1906 and is located in Morbach, Rhineland-Palatinate, surrounded by the extensive woodlands of the Hunsrück. The fourth-generation family business has been committed to the topics of healthy living, emission reduction and sustainability for many years. Since August 2021, elka has been certified as a climate-neutral company (in terms of emissions balance, including CO₂ certificates). Sawn timber and construction timber are produced in the modern sawmill. Some of the sawn timber is processed into three-layer natural wood panels, known under the brand name 'elka vita'.

The fresh sawdust and wood chips produced in the sawmill are compressed into other wood-based materials such as chipboard and esb wood construction panels. esb and esb Plus are brands of elka-Holzwerke; they have been certified several times by independent institutes and awarded a number of prizes for innovation.

Thanks to the exemplary value chain, almost all parts of the logs used can be processed. Raw timber is sourced exclusively from suppliers committed to the sustainability principles of Pan-European Forest Certification (PEFC).

