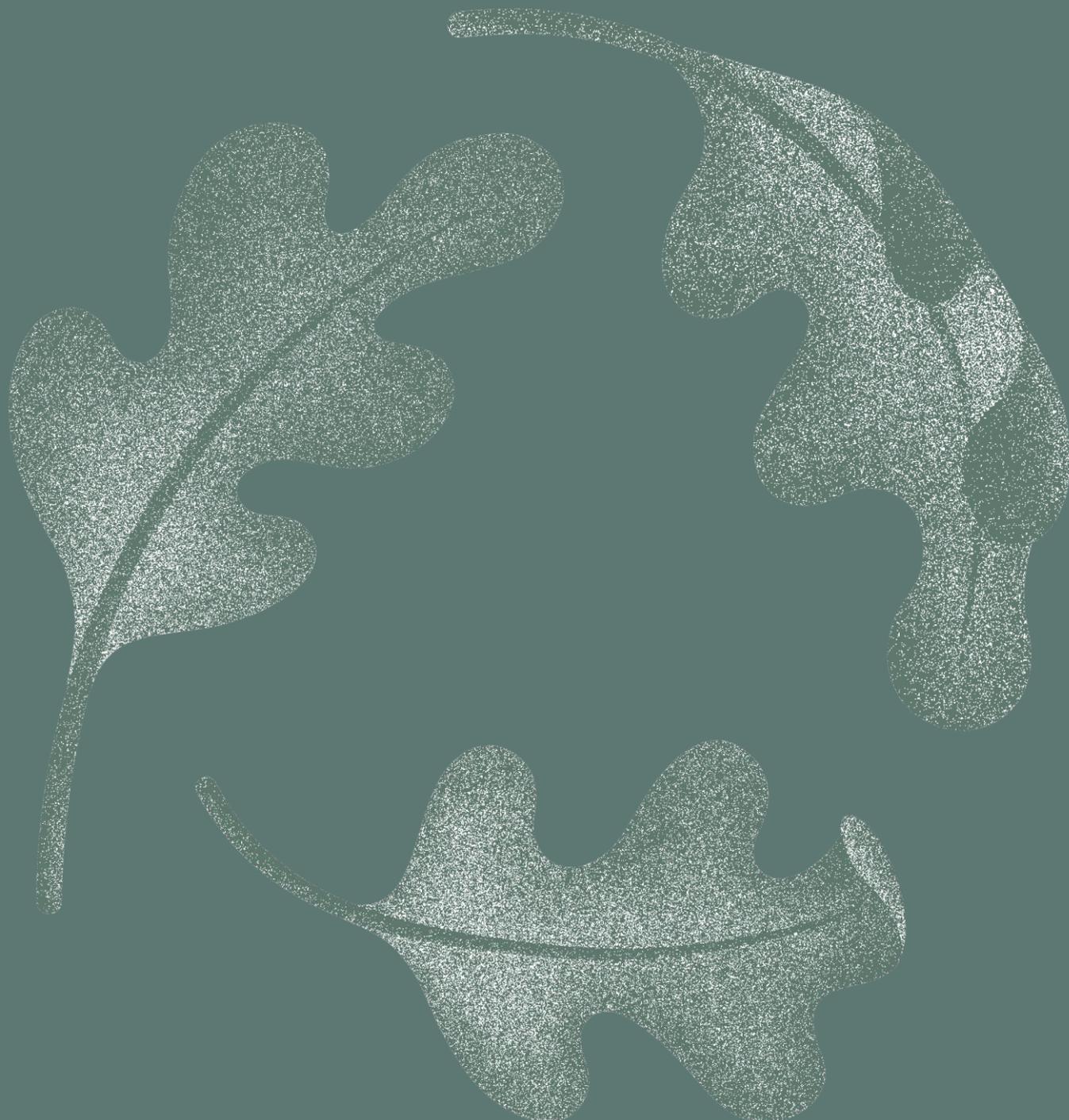


SUSTAINABILITY INSIGHTS 2024



BAUWERK
GROUP

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Editorial

Dear readers,

Your choice of wood flooring is more than a design decision — it's an investment in quality, health, and sustainability. At Bauwerk Group, we create floors designed to last generations, and we are equally committed to responsible practices that protect the planet.

We're excited to share the key achievements from our 2024 Sustainability Report, marking important progress towards a transparent, responsible, and sustainable business. This year marks an important milestone as our report follows the latest Corporate Sustainability Reporting Directive, demonstrating our deep commitment to transparency, responsibility, and sustainable growth. As a company that operates as sustainably as possible, we are proud of what we have achieved and invite you to join us on this journey.

Highlights include achieving 70% certified wood in our supply chain, reaching CHF 249 million in sales, and reporting on all four of our production sites, including Somerset in the US. Our major investments in renewable energy—such as the 2 MW solar plant in Lithuania and the 3.8 MW plant in Croatia — underscore our commitment to clean energy and global leadership in premium parquet flooring.

We believe sustainability benefits every customer by providing healthier homes, durable products, and the assurance of responsible sourcing.

As a wood-processing company, intergenerational thinking is deeply rooted in our strategy and actions. It takes generations for the raw material to grow before we can use it to manufacture our natural and healthy wood floors. That is why we feel obliged to handle the resources available to us in a sustainable, forward-looking, and responsible manner.

The success of our comprehensive sustainability initiatives motivates us to further reduce our environmental footprint and focus on long-term efficiency and sustainability. Growth and responsibility go hand in hand. That is what we firmly believe.

We hope that our 2024 Sustainability Report inspires you and that together we can create a future based on flooring rooted in nature.

Best regards,

Patrick Hardy
CEO & President Bauwerk Group





2024 Highlights at a Glance

70% Certified Wood

All timber sourced from FSC®/PEFC® or verified responsible sources
(up from 59% in 2023)

2'700 Oak Seedlings

planted and donated to the city of Đurevac

+52% Renewable Energy Production

Major growth in solar installations
2 MW in Lithuania, 3.8 MW in Croatia

1,501 Employees Worldwide

94% covered in this report, with strong safety and development focus

70% Waste Recycled

Only 6.55% operational waste generated and working to reduce further

CHF 249 Million Revenue

Global leader in premium parquet; expanding US operations

-64% CO₂ Emissions (Europe)

Compared to 2019 baseline, despite production growth

CSRD Compliance

Sustainability Report according to latest Corporate Sustainability Reporting Directive

About Bauwerk Group

Bauwerk Group, headquartered in St. Margrethen, Switzerland, is the world's leading manufacturer of high-quality parquet flooring. Our brands, Bauwerk Parkett, BOEN, and Somerset Hardwood Flooring, offer solid, 2-layer, and 3-layer products, including special solutions for sports facilities. With facilities in Switzerland, Lithuania, Croatia, and the US, our 1,501 employees deliver flooring precision and innovation worldwide.

Our multi-layer parquet features a thin hardwood top layer and a thicker base of birch, spruce, pine, or HDF – composed of 98% natural wood, with only small quantities of adhesive and surface finish. This design ensures strength, longevity (over 25 years), and minimal environmental footprint.



About this report

This quick report gives an accessible overview of Bauwerk Group's environmental, social, and governance (ESG) performance for 2024. For more detailed information, please contact our Sustainability Manager.





Bauwerk Parkett
Vectorpark, Oak Nature 14

Environmental



Environmental

Climate Change and CO₂ Emissions

The European production sites have reduced their emissions by 65% since 2019. 2024 marks an important milestone in our sustainability reporting, as we newly include our North American production sites. Due to this increase in scope and transparency, not all reported numbers are fully comparable to past reports. The Bauwerk Group's total GHG emissions in 2024 amounted to 70'224 tons CO₂e, calculated by the location-based method.

71'006 t CO₂e

Total GHG Emissions

-65%

CO₂ emissions in Europe

+69%

renewable energy

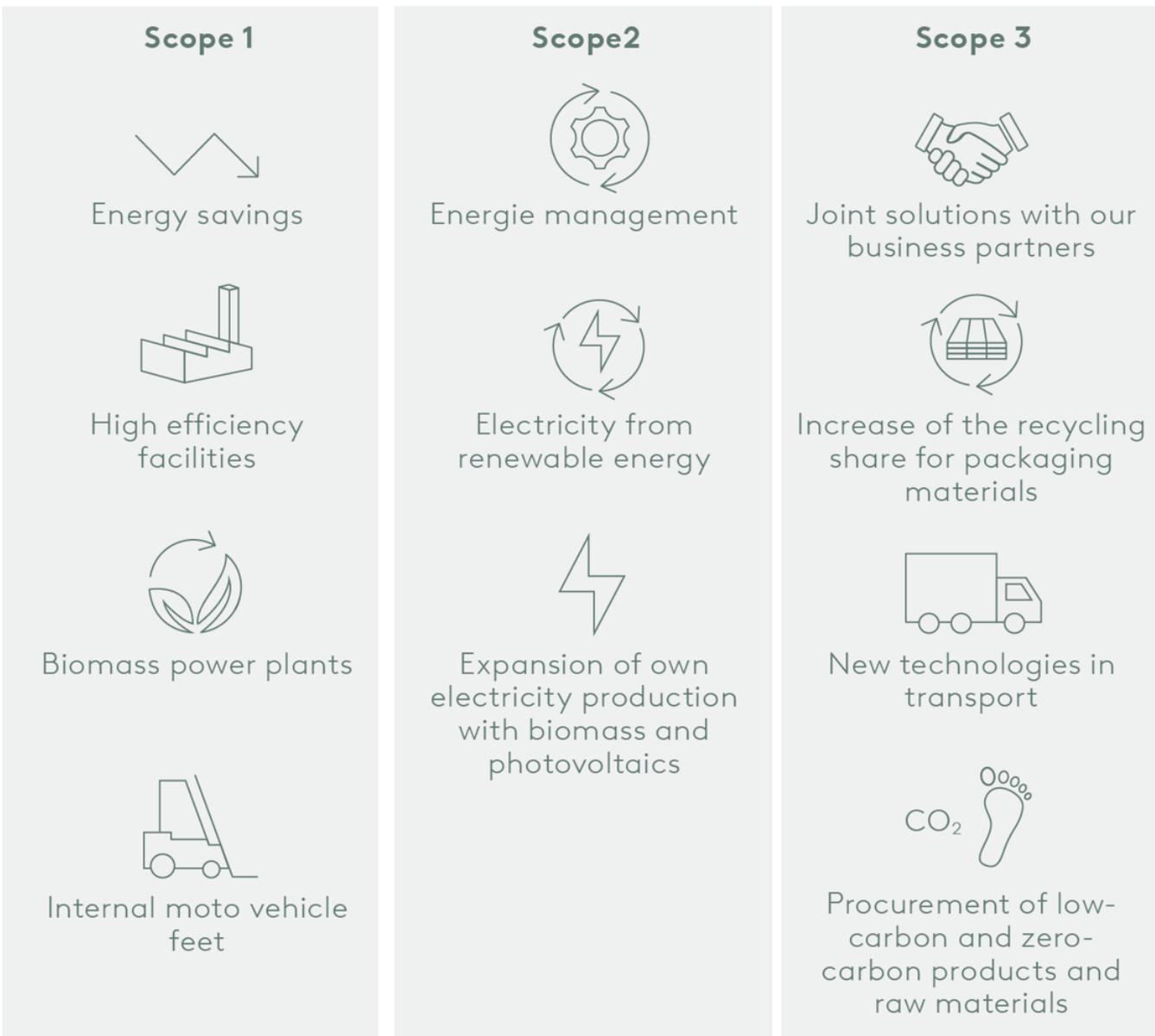
Year	Scope of reporting	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 3 (tCO ₂ e)	Total (LB, tCO ₂ e)	Notes
2019	Europe only	33,414	19,543	3,478	56,435	Baseline year
2023	Europe only	26,582	2,172	2,805	31,560	Reduced demand/activity
2024	Europe only	1,249	5,262	13,283	19,794	Comparable with 2019–2023 (without Biogenic emissions)
2024	Europe + U.S. (Group total)	44,830	10,517	15,659	71,006	First year incl. U.S. (Somerset) (without Biogenic emissions)

Understanding Our Carbon Footprint

To manage our environmental impact effectively, we measure greenhouse gas (GHG) emissions across three categories, called "Scopes." This comprehensive approach ensures we're accountable for emissions throughout our entire value chain.

- Scope 1: Direct emissions from our operations (heating, company vehicles)
- Scope 2: Indirect emissions from purchased electricity and heat
- Scope 3: Value chain emissions (raw materials, transportation, product end-of-life)

By tracking all three scopes, we can identify where to focus our efforts, i.e., investing in solar energy (Scopes 1 & 2), working with suppliers on sustainable forestry (Scope 3 upstream), or optimizing logistics (Scope 3 downstream). This transparency is essential to achieving our 40% emission reduction target by 2030 and ensures you can trust our sustainability commitments.



Resource Use and Circular Economy

As a wood-processing company, our relationship with natural resources runs deep. Every floor begins with trees that take generations to grow. This shapes how we think about materials, energy, and waste. We don't just use resources; we respect them, optimize them, and give them new life.

Our circular economy approach is guided by three principles: products designed to last over 25 years, production waste recycled into valuable materials, and energy recovered from residues we can't reuse.

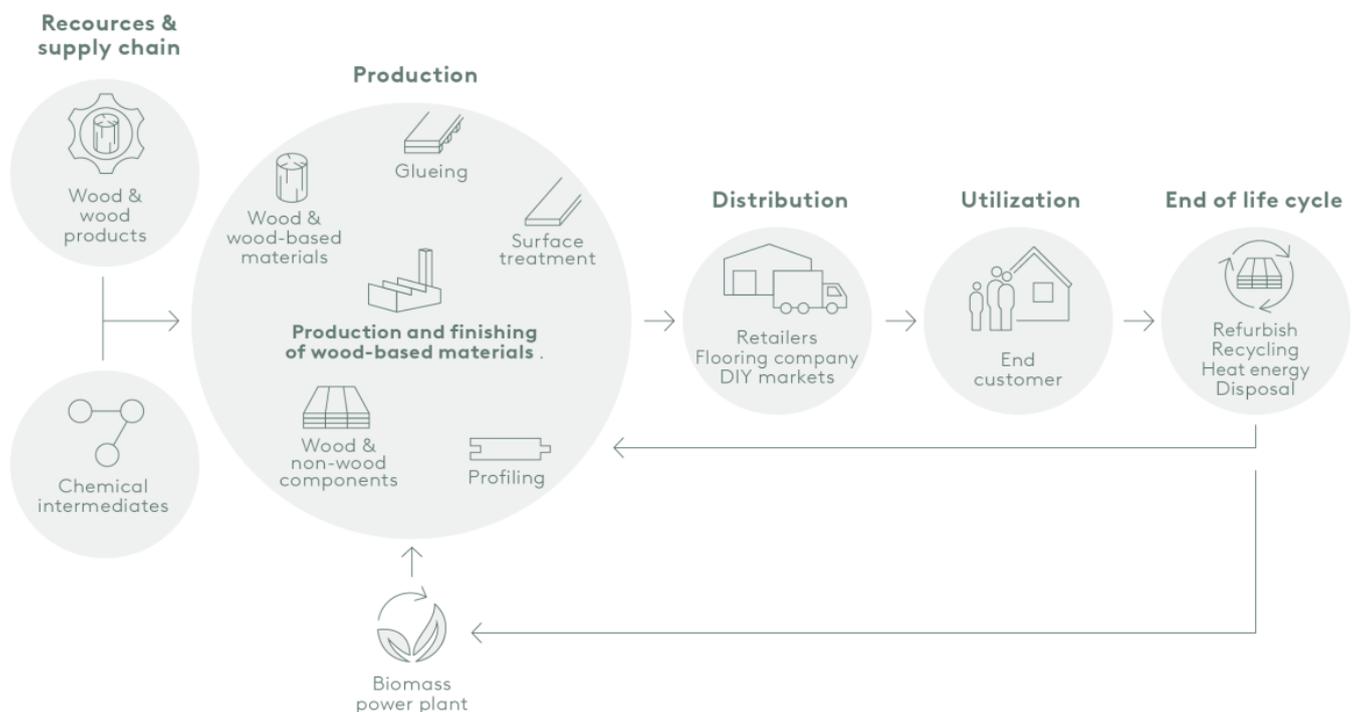
70% of production waste recycled or repurposed into pellets, biomass energy, and construction materials

52% increase in renewable energy production through major solar installations (2 MW in Lithuania, 3.8 MW in Croatia)

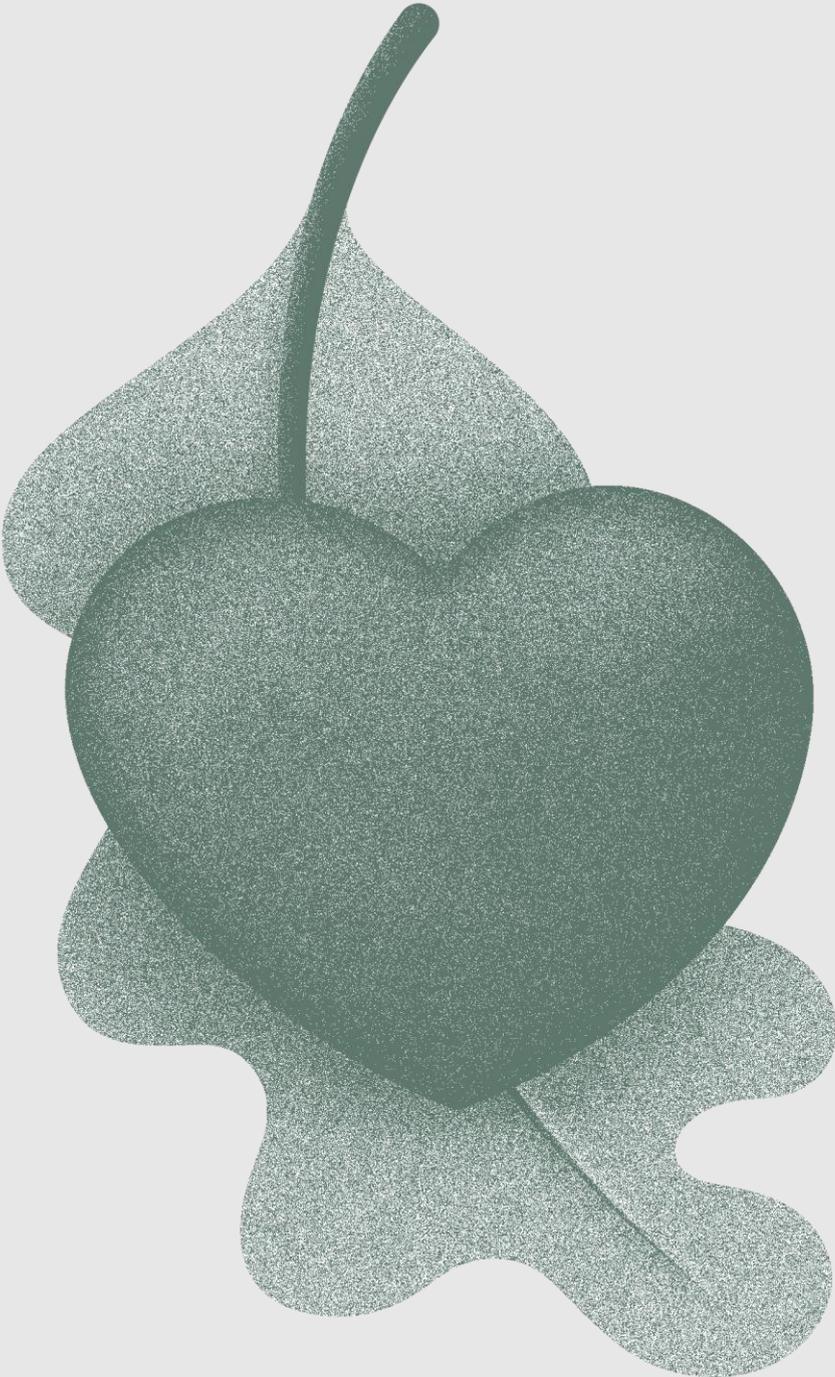
98% natural wood in our parquet. Only minimal adhesive and finish

70% FSC®/PEFC® certified wood sourced from responsibly managed forests

Our value chain connects responsible sourcing, efficient production, and product longevity. We integrate sustainability at every stage, from upstream timber procurement through midstream manufacturing to downstream distribution and end-of-life recovery. By controlling key processes and partnering closely with suppliers and logistics providers, we minimize environmental impact while maximizing resource value across the entire lifecycle.



Social



Social

Our Workforce and Workplaces

Our 1,501 employees are the heart of Bauwerk Group. In 2024, we continued building safe, inclusive workplaces where people can grow, contribute, and thrive.

Stability & Growth

Nearly all our employees (99%) hold permanent contracts, reflecting long-term commitment on both sides. Employee retention improved in 2024, with turnover declining to 37.3%. Over three-quarters of our workforce now receive regular performance reviews, ensuring continuous feedback, development, and career advancement.

Safety First

We recorded zero fatalities and zero work-related illnesses in 2024, maintaining our strong safety record. Our injury rate improved to 53.26 per million hours worked, and lost workdays fell by 38% compared to 2023. These results reflect ongoing investments in training, equipment, and prevention. Since 2021, all our European production sites have been certified to ISO 14001 and our Environment, Health and Safety (EHS) Policy aims to safeguard the physical and mental well-being of all employees and ensure a safe working environment.

Inclusion & Representation

While women represent 42% of our total workforce, we recognize the need to improve gender balance in leadership roles. Currently, 20.7% of local management positions are held by women, and we're committed to increasing this through targeted development programs and inclusive succession planning.



Social Well-being and Local Communities

2'700 oak seedlings planted in Croatia

In 2024, Bauwerk Group Croatia donated 2,700 oak seedlings to the City of Đurevac, supporting both environmental protection and community education. Local elementary school students enthusiastically participated in the planting campaign. For many, it was their first hands-on experience with reforestation. The initiative created a lasting connection between young people and nature while teaching them about environmental stewardship. These 2,700 oak trees will grow for generations, sequestering carbon and enriching local ecosystems. This initiative demonstrates how our commitment to sustainability extends beyond our operations into the communities we call home.



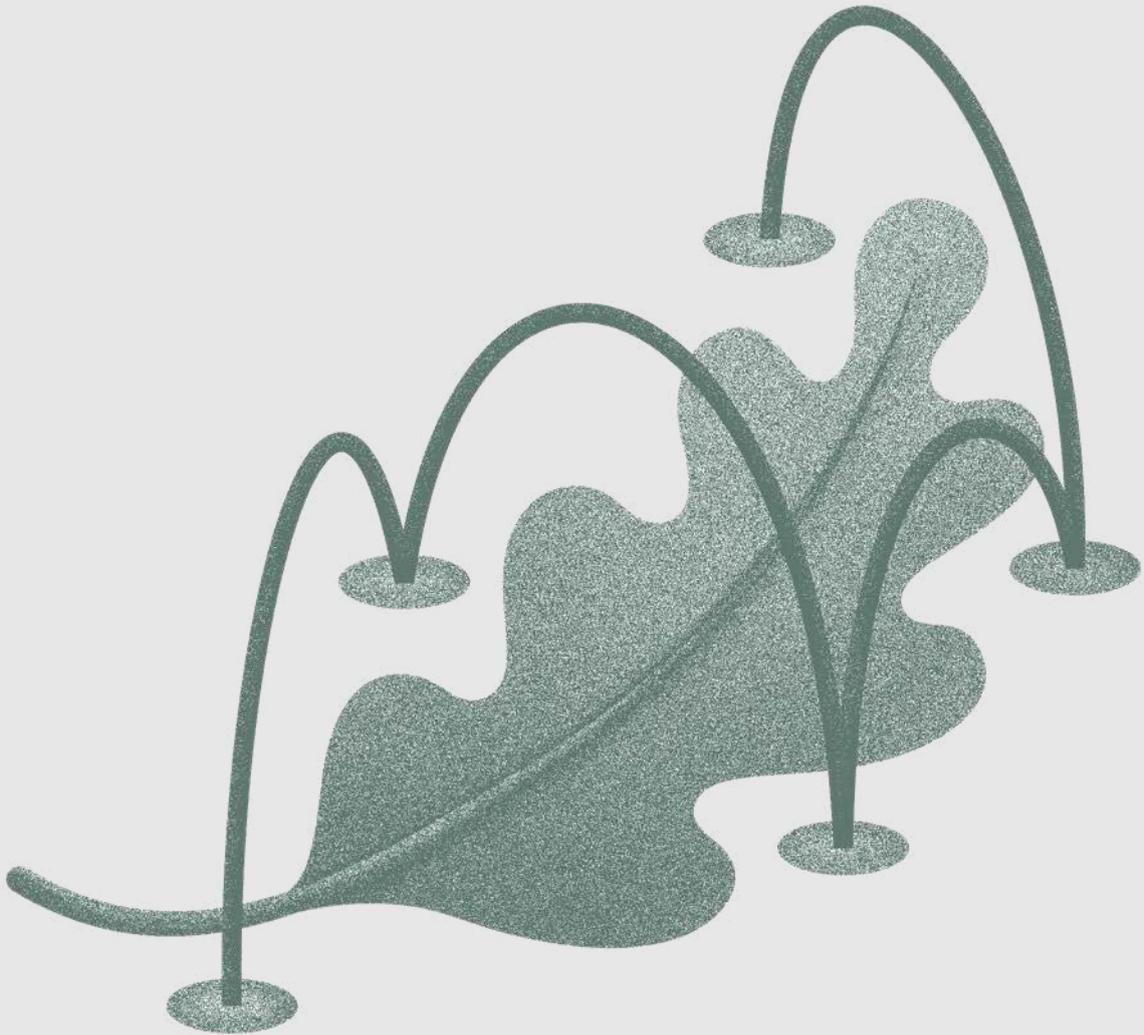
Clean-up in Lithuania



Our Lithuanian team organized a Clean-Up Day, bringing employees and local students together for environmental action. In three hours, the volunteers tidied flower beds, removed grass along curbs, collected trash at 16 locations, cleaned drainage channels, and pruned trees planted by our company in 2013. The initiative beautified our production site surroundings and demonstrated the power of collective effort. Afterward, participants celebrated with food and drinks. This event reflects our commitment to environmental stewardship and community engagement and shows how much we can achieve when we work together for a common goal.



Governance



Governance

Business Conduct and Ethics

At Bauwerk Group, integrity isn't just a value, it's how we operate every day. Our commitment to ethical business conduct extends from our boardroom to our factory floors, and throughout our global supply chain. We believe that doing business responsibly creates lasting value for our employees, customers, partners, and communities.



Our key policies and frameworks include:

Code of Conduct

- Applies to all 1,501 employees and business partners worldwide
- Covers ethics, human rights, anti-corruption, data privacy, health & safety
- Mandatory for suppliers and contractors

Anti-Corruption Rules

- Zero tolerance for bribery, extortion, facilitation payments
- Transparent gift and hospitality policies
- Third-party due diligence requirements

Human Rights Commitment

- Global Human Rights Rules across operations
- Declaration on Non-Use of Child Labour
- Operations in low-risk countries (UNICEF-verified)
- Aligned with ILO and UN conventions

Whistleblower Protection

- Multiple confidential channels: email, phone, letter, in-person
- Anonymous reporting option available
- Strict anti-retaliation protections
- Independent investigation process with escalation steps

Ethics and compliance are integrated into employee onboarding and contracts, with targeted communication to high-risk functions. In 2024, we maintained a clean record: zero convictions, fines, or confirmed corruption incidents. Our whistleblower system remains actively accessible and protected. Looking ahead, we're investing in formal group-wide training, focusing on procurement, sales, finance, and management positions to further strengthen our culture of integrity and accountability.

Certifications

Certifications aren't just logos on our products, they're proof of our commitments to action. Each certification represents rigorous third-party verification of our environmental practices, product quality, workplace safety, and responsible sourcing. When you choose Bauwerk Group flooring, these certifications give you confidence that our claims are verified, our processes are monitored, and our standards exceed industry norms.

Certificate	Description
<p>FSC</p> 	<p>FSC® stands for "Forest Stewardship Council®". It is an international certification system for more sustainable forest management. Forests and plantations that are managed according to stricter ecological and social principles are certified by the FSC. This should help to ensure that forests can be preserved in the long term.</p>
<p>EPD, FDES, UL</p> 	<p>An EPD is a document in which the environmentally relevant properties of a specific product are presented in the form of neutral and objective data. This data covers as many effects as possible that the product can have on its environment. Ideally, the entire life cycle of the product is taken into account. FDES is the French version and UL the US version.</p>
<p>Eco-Institut (Emissions)</p> 	<p>The eco-Institut label helps with the selection of healthy and environmentally friendly products for interiors. The certified building products are low in emissions and harmful ingredients and can be used safely for building projects and interior design.</p>
<p>Eco-Bau</p> 	<p>Ecobau tests, certifies and publishes building products in the ecoProducts list. Certified building materials and components meet the requirements of the Minergie-ECO and SNBS building labels.</p>
<p>Sentinel Holding Institut</p> 	<p>SHI sees itself as a guardian of the building against unwanted pollutants or structural damage - for the safety of indoor air. The institute trains all those involved in construction to create buildings with verified health quality and provides partners for healthy building and living.</p>
<p>SWAN</p> 	<p>The Nordic Swan Ecolabel is an environmental labelling scheme certifying that a product or service complies with the requirements for the label. It promotes resource efficiency, reduced climate impact, a non-toxic circular economy and conservation of biodiversity.</p>
<p>FIBA & WSF</p> 	<p>The FIBA Equipment & Venue Centre is entrusted by FIBA to run a strict high-quality and comprehensive Approval Programme for basketball related products and equipment. These products must be tested by a FIBA Accredited Test Institute according to the standards established by FIBA. WSF needed to sell squash related product</p>
<p>ISO14001: 2015</p> 	<p>This includes numerous other standards on various areas of environmental management, including life cycle assessments, environmental performance indicators and environmental performance evaluation.</p>
<p>Blauer Engel</p> 	<p>The Blue Angel has been the environmental label of the German government for over 45 years. It identifies environmentally friendly products and services. No other label in the non-food sector is so broadly based.</p>
<p>Floorscore</p> 	<p>FloorScore® is the most recognized indoor air quality (IAQ) certification standard for hard surface flooring materials, adhesives and subfloors. It is a verification for the stringent VOC emission requirements in California, USA. It qualifies for many green building programs such as LEED v4.1, WELL, BREEAM, CHPS and Green Globes.</p>

CSRD, double Materiality and EU Taxonomy

Bauwerk Group began transitioning from GRI to the CSRD framework in 2023, and 2024 is our second year aligning with European Sustainability Reporting Standards. This report shows strong progress, but we aren't yet fully compliant. With the 2025 report, we aim to meet all CSRD requirements, including mandatory third-party assurance. Our phased approach demonstrates our clear commitment to transparency and accountability.

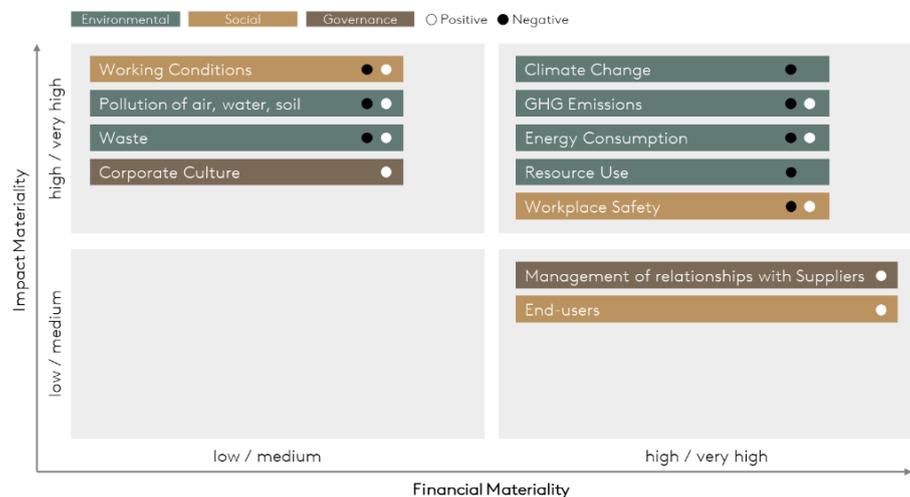
CSRD requires

- Transparency: Detailed disclosure of environmental and social impacts
- Verification: Third-party assurance of reported data
- Comparability: Standardized metrics across all companies
- Accountability: Clear targets, progress tracking, and remediation plans
- Stakeholder focus: Reporting what matters to employees, customers, communities, and investors

With a report based on CSRD, stakeholders receive detailed, trustworthy information about our environmental footprint, workplace practices, and governance. Everything is backed by rigorous standards.

At the heart of CSRD is the "double materiality" concept, which examines our business from two perspectives: how Bauwerk Group affects people and the planet (impact materiality), and how sustainability issues affect our business performance (financial materiality). Through comprehensive stakeholder engagement - including a survey of 394 employees and cross-functional workshops - we identified the topics that matter most.

The materiality matrix illustrates our key material topics across environmental, social, and governance areas. This assessment guides our sustainability strategy and reporting priorities, ensuring we focus resources on where they create the greatest impact.



The EU Taxonomy is a framework that defines which business activities are officially considered environmentally friendly in Europe. We checked our operations against six green goals, like fighting climate change and saving resources. This helps our stakeholders see which of our activities support Europe's environmental objectives. It's about making sustainability claims clear, transparent and trustworthy.



BOEN
Plank Castle, Oak India Grey Animoso

Outlook

Sustainability will continue to shape the way Bauwerk Group develops as a business. Looking ahead, the focus remains on strengthening transparency, deepening the integration of environmental and social aspects into decisions, and living up to our responsibility towards future generations.

Work on our reporting framework will continue so that our stakeholders gain an even clearer view of our impacts, risks and opportunities across the value chain. Climate protection, careful use of resources and a stronger circular approach will remain central themes, just as responsible sourcing and long-term partnerships with forestry and other suppliers will.

For our employees, attention will stay on fair working conditions, diversity, health, safety and opportunities for development. At the same time, changing regulations and rising expectations from customers and society will be treated as drivers of innovation and as an opportunity to position Bauwerk Group as a reliable, responsible partner.

In all of this, resilience and long-term thinking are key. Bauwerk Group will continue to align economic success with ecological responsibility and social fairness, and invites all stakeholders to accompany and challenge us on this path into a more sustainable future.

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