

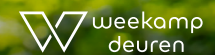
# ESG

## PROGRESS REPORT

2022/2023



A PUBLICATION BY





## ESG Progress Report Deli Home

# Hope for wood: pioneers in responsible business

In a world where corporate social responsibility plays a crucial role, Deli Home has been a pioneer in the field of ESG for many years. As a significant player in the woodworking sector, we are not only well aware of the growing attention from consumers, customers, investors, and shareholders towards sustainability and social responsibility, but we also recognize that our company has a substantial impact in this area. ESG is not just a trend for us; it is an integral part of our corporate culture and strategy. We believe it is our duty to act with respect for our fellow humans and the world we live in, simultaneously making a positive contribution.

Our impact on the environment, the well-being of our employees, and the welfare of future generations are critical areas where we continue to invest. As a company, we are committed to reducing our ecological footprint through certified wood products, CO2 reduction in transportation, and packaging optimization with minimal environmental impact. We are dedicated to our fellow humans by offering opportunities and assistance when needed, such as our recent efforts for a large group of refugees from Ukraine. Additionally, we have

worked to promote the well-being of our employees, resulting in significantly lower absenteeism rates and an improved working environment. In short, these are all efforts that we can collectively take great pride in!

However, our vision extends beyond current efforts. We see Deli Home as an industry example and aim to stay at the forefront of ESG, with continuous improvement as a central focus. While striving to achieve our new goals, we continue to engage the entire organization, including the ideas of employees and other stakeholders, to create a lasting impact.

Within Deli Home, the future regarding sustainability and ESG is viewed as a continual challenge, with ever-changing goals and a persistent focus on reducing our ecological footprint. We aspire to maintain a pioneering role and stimulate positive change in society.

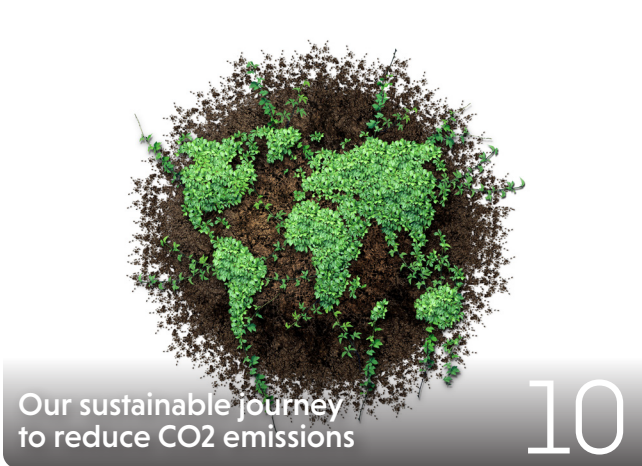
In this report, you will not only read about our efforts for this year but also about our ambitions for the coming years. We invite you

**"We believe it's our duty to act with respect for our fellow humans and the world we live in, while also making a positive contribution."**

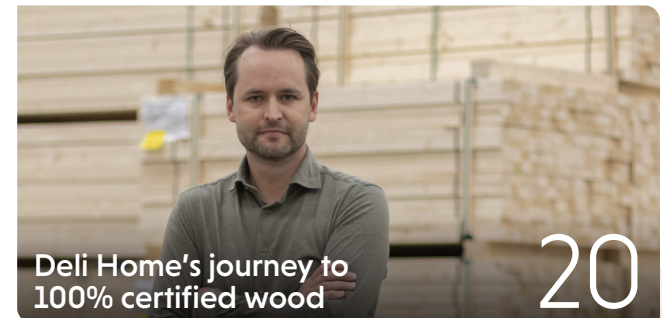


to join us on the ongoing journey of Deli Home towards the most socially responsible way of doing business. ●

**Victor Aquina**  
CEO Deli Home



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## Talking to Erik Meijerink

# ESG at Deli Home: pioneers in sustainability

In our ongoing quest for sustainability and social responsibility, Deli Home has committed to several ESG (Environmental, Social, and Governance) goals. Erik Meijerink, Head of Operational Excellence & ESG, shares insights on the role Deli Home plays in promoting positive change and the progress already made.

### Balancing profitability and responsibility

For Deli Home, ESG is more than just an acronym. It's about integrating sustainability into all aspects of the business: "We strive to balance profitability with environmental and social responsibility," he says. "These two goals can be mutually reinforcing and are at the heart of the Deli Home ESG vision."

As chair of the ESG steering group, Erik plays a broad role at Deli Home. Working closely with senior management, the steering group not only establishes ESG policies, but also evaluates them on a regular basis. In addition, Erik serves as a bridge between the various activities within the organization and the local ESG working groups. "This approach allows us to develop effective activities that contribute to the progress of ESG goals and to share best practices between different teams," says Erik.

"We also evaluate our ESG performance and progress annually in collaboration with our shareholder Ardian. This is done through a thorough ESG audit conducted by PwC France."

### Significant strides

In 2022, Deli Home made significant strides in its ESG performance. "Our safety performance improved, with a reduction of 16 workplace accidents compared to 2021. This is partly due to our focus on monthly safety audits and better dissemination of information on accidents and 'near misses.'"

"The effort to trade 100% FSC® or PEFC certified wood is steadily progressing and we are currently at an impressive 94%. In terms of CO2 emissions, there has been an impressive reduction of 16% in scope 1 and 2 compared to 2021, while scope 3 has shown a reduction of 3.2%."

"We mainly need to focus on further reducing our CO2 footprint."





Looking ahead to the next five years, Erik highlights three key pillars: "Our main focus should be on further reducing our carbon footprint, minimizing packaging and achieving 100% certified FSC® or PEFC wood. All with the aim of becoming even better and leading the industry in sustainability."

### Deli Home as a pioneer in sustainability

Looking to the future, Deli Home sees sustainability as a central pillar of its business strategy and daily operations. "In the coming years, sustainability will play an even more important role in our strategy and daily operations. Deli Home wants to take a strong position and be a true leader in ESG within our industry. Not only within our own operations, but also as a force for positive change in the broader society," says Erik.

The journey of Deli Home towards a sustainable future has been ongoing for some time, but the focus on continuous improvement remains the driving force. ●

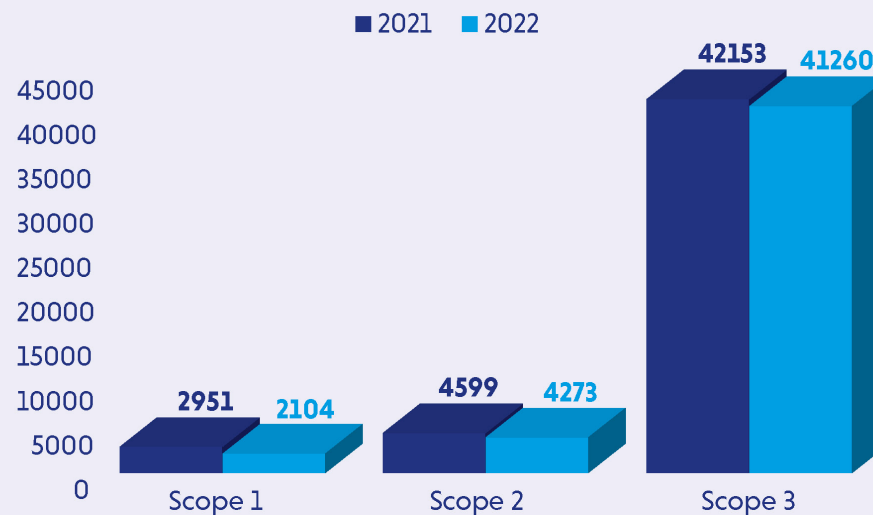
## Scope

**Scope 1** emissions originate from internal sources, such as the emissions from our own buildings, transportation, and production-related activities.

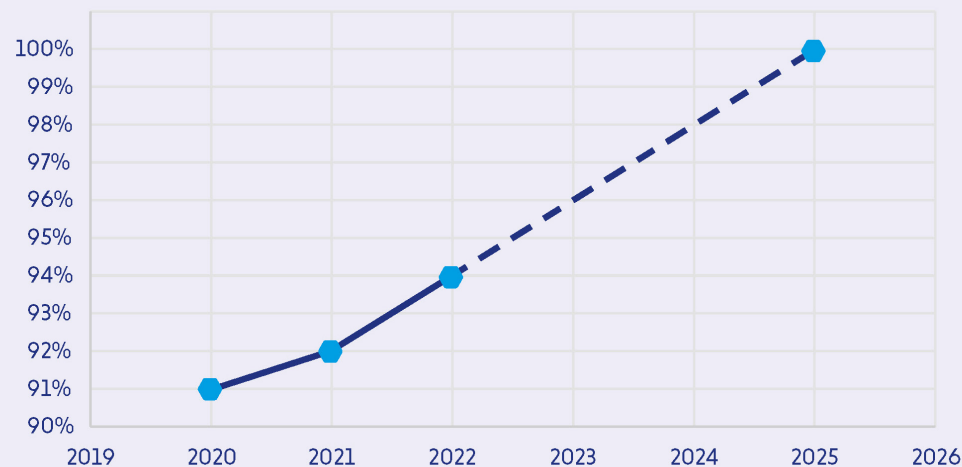
**Scope 2** includes the purchase of energy, such as electricity for our production and buildings.

**Scope 3** pertains to the indirect emissions resulting from activities in the value chain over which we have no direct control.

## Carbon footprint (tons CO<sub>2</sub>e)



## % Sales of certified wood





**"Our ambition is to be an example and pioneer not only within our industry, but in the broader society."**



## In conversation with Victor Aquina, CEO of Deli Home

# A sustainable future in wood

As early as 2018, we defined our ESG values and goals, and since then, we have consistently focused on strengthening our ESG policies at Deli Home. This effort is one of the core pillars of our company. Victor Aquina, CEO of Deli Home, shares his perspective on the ambitions and efforts that have brought Deli Home to this point, as well as the outlook on ambitions for the coming years.

### **Rooted in our DNA**

"ESG is deeply rooted in our DNA; it's an integral part of our culture and strategy. It's our responsibility to act with respect for the world and our fellow human beings, and to make a positive contribution. We established this policy in 2018, and since then we have continued to focus on it."

### **A Heart of (G)wood**

"The main pillars are our impact on the environment and the well-being of our employees and fellow human beings. Regarding the environment, we focus on using certified wood from sustainably managed forests, reducing CO2 in our logistics processes, optimizing packaging and reusing materials. This is

not just an obligation, but a conviction that we must protect the planet for future generations.

"In terms of employee well-being, we've worked to reduce absenteeism, improve working conditions and create a healthy and enjoyable work environment. We're proud of the significant progress we've made in these areas. In addition, I'm particularly proud of our efforts on behalf of refugees from Ukraine. This is something that's touched me deeply: since last year, we've provided shelter for about 100 refugees in one of our old office buildings, which we renovated especially for them. And in addition to a safe place, we offer to live, we



employed some of them as well. They are now fully integrated into our company and are an integral part of the Deli Home family."

### Flexibility & proactivity

"ESG is constantly changing. To meet our own expectations and those of our stakeholders, we need to be always flexible and proactive. For this reason, we not only set goals, but expand them along the way. In addition to reducing our carbon footprint and improving the well-being of our employees and fellow humans (and animals), we must increasingly engage the entire organization, customers and shareholders in our ESG policies to achieve our goals. We use valuable ideas from our own employees to help us achieve our goals. Transparency is essential; for example, our customers can already see in each category that we mostly work with certified wood, and they can also see our ESG policy on our website. We also involve our employees and shareholders in our initiatives through working groups and regular communication."

### A pioneering role for Deli Home

"Over the next five years, we will continue to focus on strengthening our ESG policy and involving our entire organization, from suppliers to customers, in our sustainability efforts. We aim to be an example and a pioneer, not only in our industry, but also in the broader society. Sustainability is constantly evolving and we are determined to set and achieve new goals!

Inquiring about opportunities and available resources to explore the establishment of a corporate charity program. My goal would be to support organizations that help groups of disabled people, especially children, in each region where our factories are located. I believe we should support people who face limitations and challenges in their lives." ●







ENVIRONMENT



# Attention for packaging reduction and sustainable reuse

At Deli Home, we strive for sustainability and respect for people, property and the environment. Rooted in our core value "Respectful," we critically evaluate the packaging of goods received from suppliers.

Our goal is to reduce film and cardboard waste while still providing the necessary protection for our wood products during transportation. By cleverly reusing materials and packaging left over from suppliers in the production process, we reduce our environmental impact.

We've already had success with some suppliers in reusing beams, bottom and top panels. Protecting our products during transportation remains critical. Fortunately, many suppliers are willing to work with us to find more sustainable solutions. For example, some suppliers take back their single-use pallets for reuse instead of discarding them.

Other initiatives we've taken include reusing cover plates for shipping products, separating aluminum from cardboard and plastic in returned insect screens, and reusing panels and beams. Customer returned materials also serve as fill material for shipping

our displays. In addition, we actively reuse various materials, including sawdust, plastic, cardboard profiles, pallets and more to reduce our environmental footprint.

## Rejected doors are given a second life: Greenpacking

One initiative to reduce our waste is the reuse of rejected doors as "packaging doors". These doors are not for sale, but play a critical role in stacking orders of doors and protecting fragile products such as our Skantrae Slim Line doors. By strategically using these discarded doors, we are reducing waste and contributing to a more sustainable future.

This initiative aligns perfectly with our 2025 ESG goals of reducing packaging and material use in our supply chain by 10% and reducing waste by 10% by weight.

## Packaging innovation at the Woodworking Factory

Innovation is also a focus at the Woodworking Factory in Gorinchem, especially when it comes to packaging methods, where we see ourselves as pioneers in the Netherlands.

The Woodworking Factory team critically examined packaging methods and implemented alternatives to reduce plastic use. One notable innovation is the use of a strapping machine with 9 mm wide cardboard straps to bundle products. This machine melts the cardboard strap so that it can be adjusted depending on the product to make the bundle tighter.

In addition to using the machine with cardboard straps, the team at the Woodworking Factory is exploring other creative ways to make packaging more sustainable. For example, discarded profiles are used to make pallets.

These innovations have yielded significant benefits, including savings in plastic use and material recycling. We remain committed to minimizing our ecological impact and promoting sustainability in all of our activities. ●



# Our sustainable journey to reduce CO2 emissions

At Deli Home, we embrace the challenge of significantly reducing our CO2 emissions and aligning with the Paris Climate Agreement. We have set clear targets to reduce our CO2 emissions by 15% from 2020 levels by 2025 and by 55% by 2030.

## Our transportation challenge

In 2022, we calculated our total CO2 footprint to be 47,637 tons, with 87% coming from our Scope 3, which includes both inbound and outbound transportation. This, of course, marks our biggest challenge for the coming years. Together with our suppliers, carriers and customers, we need to find ways to reduce the CO2 emissions from these transportation flows.



## Smart transportation solutions

A prime example of sustainable transportation is our material transport from the port of Rotterdam to our terminal in Gorinchem. From here, it's only a few kilometers from the terminal to our warehouses and production sites. In addition, we are increasingly challenging our suppliers to use cleaner trucks for our incoming materials and are in discussions with our external carriers to do the same.

## Efficiency is key

We focus not only on sustainability, but also on efficiency. From well-loaded trucks to carefully routes, we critically examine our transportation, both domestically and internationally, to find improvements.

## Green energy and efficiency

Nineteen percent of our CO2 emissions are derived from our energy consumption. We prioritize green energy and energy and look for ways to reduce our consumption. Smart lighting with motion sensors and improved climate control in offices and are some of the steps we are taking.



## Our shared dedication

At Deli Home, we are determined to reduce our ecological footprint and build a sustainable future. Together with our employees, customers and suppliers, we work hard to achieve our goals and fulfill our commitment to the Paris Climate Agreement. Reducing CO2 emissions is not only our responsibility, it's an opportunity to contribute to a cleaner, greener world for generations to come. Deli Home is ready to take on this challenge and we strive for sustainability in all of our activities. ●



# Energy savings: Deli Home takes a smart approach

Reducing energy consumption is a top priority at Deli Home, driven by sustainability and awareness, especially heightened after the global energy crisis.

Dedicated employees have taken the lead on energy conservation. They looked at every detail of our facilities in Gorinchem and came up with solutions. The result is simple but effective: intelligent heating control in the factory halls, precise heating settings in the offices, and raising awareness among colleagues about

unnecessary lighting.

Personal contact and awareness have led to behavioral changes among employees. The result? Significant reductions in gas and electricity consumption, which not only promotes our

sustainability, but also cuts costs. This success is due to the commitment and dedication of our colleagues. Saving energy is a critical aspect of our commitment to a more sustainable future. ●



## Sustainable energy: The Deli Home solar panel park in Gorinchem

The roof of the production hall of Deli Home is home to a whopping 1,268 solar panels, generating an annual energy production of 430,500 kWh. This is equivalent to the electricity consumption of 123 average Dutch households. In addition to powering our production machinery, the electricity

generated is also used to charge our electric forklifts. This sustainable initiative underlines our commitment to environmentally friendly energy generation. ●

**1.268**

THE ROOF ACTS AS HOME BASE FOR 1,268 SOLAR PANELS



**430.500**

THE SOLAR PANELS GIVE ANNUAL ENERGY PRODUCTION OF 430,500 KWH



**123**

EQUAL POWER CONSUMPTION OF 123 AVERAGE DUTCH HOUSEHOLD







SOCIAL



"We strive to treat others the way we would like to be treated and want to be approached."



## Interview with Duco Krikke

# From vision to reality: The Deli Home quest for sustainability and safety

Deli Home ESG policies focus on good working conditions, safe working practices and social responsibility. Duco Krikke, Safety Health and Environment Manager/ Higher Safety Engineer (SHE Manager/HSE) at Deli Home, shares insights into our company's initiatives to achieve these goals.

### Most valuable

"The goal is clear: everyone should be able to go home safely and healthily at the end of each working day. In my role as SHE Manager/HSE, the emphasis is on ensuring safety, health and environmental aspects within our organization. I am here to use my professional expertise to optimally manage safety and occupational health risks and to comply with the legal requirements of the Environmental Management Act. Our goal is to work safely, healthily and responsibly, and to meet relevant legal and insurance requirements and applicable standards.

At Deli Home, we consider our employees to be our most valuable asset because of their knowledge, expertise, contributions and dedication. This brings a moral and ethical obligation

to ensure that they not only go home safe and healthy each day, but also enjoy and find satisfaction in their work. Only when they feel comfortable and we take good care of them, they can contribute optimally and safely to Deli Home's success and their own development. It is crucial that we, as an organization, do not shy away from our responsibilities and have a positive impact. ESG plays an important role in this, as it is part of our license to operate, but also provides insight into our current position. It actively contributes to continuous improvement in our pursuit of responsible and engaged entrepreneurship. This is not an empty statement; it is a principle that we put into practice. We must take into account the interests of all our stakeholders, including the community and the environment, both in the short and long term."



### Health and safety as a core value

"At Deli Home, we highly value health and safety; it is a core value of our organization. Our goal is to achieve zero lost time accidents. In 2022, our efforts in this area resulted in significant improvements compared to 2021.

Compared to 2021, we see a 43% reduction in accidents resulting in absenteeism and a 73% reduction in absentee days due to accidents in 2022. This is the result of improved measures across all of our businesses, including conducting more Safety Audits, sharing Safety Alerts and increasing safety awareness among our employees. By sharing Safety Alerts, we promote best practices and peer learning, resulting in increased safety awareness among our employees."

### Reaping what you sow

"At Deli Home, we strive to treat others as we would like to be treated. This includes making everyone at Deli Home aware of the impact we have on the climate, nature, the environment and humanity, and acting actively and responsibly as a company to positively influence that impact - 'Because we care!'"

### Vision for the future

"In the coming years, it is essential for Deli Home not to lose sight of the social aspect alongside existing initiatives. We will continue to strive to improve working conditions, including safe and healthy working conditions. This includes reducing physical and psychosocial strain. Moreover, we need to promote a culture of mutual respect and inclusiveness, where everyone in the organization feels welcome and safe.

An important aspect is keeping our Risk Inventory and Evaluation (RIE) up-to-date, complementing it where necessary and ensuring that action is taken. Another critical project is to initiate workshops for executives, management and operational supervisors on leadership and ownership in safety. The goal is to ensure that management is aware of its responsibilities and actively contributes to improving safety. This can be achieved, among other things, by demonstrating leadership and using their own influence.

It is vital to be constantly aware of our organization's impact on the environment, our responsibilities and the positive influence we can have. Deli Home does this not because we have to, but because it is part of who we are as individuals, employees, leaders and decision makers. The pursuit of it derives from our inner beliefs and values. That is why it feels so natural to fulfill this commitment.

One of our priorities is to promote safer and healthier work through behavior change. This starts with increasing knowledge, recognizing risks and learning to see opportunities for improvement.

That is why coaching is so important. New behaviors need to be ingrained and awareness of the benefits of working differently, such as standing ergonomically and handling materials correctly, needs to be reinforced. If you are not aware of these aspects, you are not able to change." ●





# Social efforts of Deli Home

In addition to our efforts to minimize impact on the environment and our surroundings, our ESG activities focus on the human aspect. We believe it's important to provide opportunities for both our own employees and people in the (social) communities where we operate.

## Personal Growth

Deli Home invests in employee training. All employees have the opportunity to pursue short or longterm courses to age healthily and stay vital. These courses can vary, from marketing and various safety-related training to communication workshops and obtaining a truck driving license.

Since 2019, Deli Home actively promotes the training of ergo coaches and provides leadership training as part of an improvement and sick leave management program. Our organization also offers a Young Talent Development program and Management Development Program, for which leaders can nominate employees.

To effectively incorporate personal growth and training for all employees, Deli Home uses a system of performance and appraisal discussions where this is a key topic.

Additionally, Deli Home welcomes interns pursuing VMBO, MBO, HBO, and WO-level education at Deli Home companies in Gorinchem, Dedemsvaart, and Zevenaar.

## Development Programs

Deli Home has two programs to further develop talent within the company: a Young Talent Development program and

a Management Development program. The Young Talent Development program aims to grow within the current role or prepare employees for the next step in their careers, helping Deli Home nurture and retain young talents. Participants work on personal development through a personal development plan, addressing the needs of both Deli Home and the department they work in. The Management Development program has a similar goal, focusing on more senior employees of Deli Home, often in leadership roles.

## Creating a Healthy Work Environment through Ergo Coaching

At Deli Home, ergo coaches dedicate themselves to assisting colleagues in production and logistics facilities to work with less physical strain. These committed colleagues are trained by "Buro Fysiek Arbeid" and possess the knowledge and skills to optimize work postures and reduce physical strain.

For colleagues engaged in physically demanding work, we emphasize the importance of task rotation to prevent overburdening. Our ergo coaches help raise awareness of work posture and movements, contributing to a healthier and fitter work environment through small changes and regular exercises. ●





## Deli Home in Action

### Aid for Ukrainian affected people

After the outbreak of the war in Ukraine in 2022, the management of Deli Home asked all its employees, both in the Netherlands and beyond, if they had ideas to provide humanitarian aid to those affected. The response showed broad involvement throughout the organization.

Several heartwarming ideas were submitted, and we'd like to highlight some of these initiatives. Our commitment and dedication are deeply rooted in our company culture, and we take pride in the unity and creativity of our employees who contributed to these efforts.

Various plans were implemented to assist Ukrainian refugees:

- Housing in Gorinchem: Deli Home transformed its former office building in Gorinchem into shelter for approximately
- hundred Ukrainian refugees, in collaboration with the municipality.
- Cabinets for refugees in the Netherlands: In collaboration with Poort 6, Deli Home provided and assembled cabinets for the accommodation of Ukrainian refugees in Gorinchem.
- Housing in Hungary: Deli Home Hungary collaborated with a charity organization to offer housing to Ukrainian refugees in Hungary and Transcarpathia.
- Assistance in Poland: Deli Home Poland supported local authorities and hired new employees to assist Ukrainian refugees. They also provided refugees with essential needs.
- Aid in the Czech Republic: Weekamp Doors, the Czech branch, offered financial support to relatives of Ukrainian employees and assisted with housing and employment.
- Fundraising in Belgium: Deli Home Belgium and its partners organized fundraising events, collecting significant quantities of supplies transported to Ukrainian families in Poland.
- Support for goods collection in the Netherlands: Deli Home employees contributed to initiatives for goods collection for Ukrainian refugees in the Netherlands, including gathering and transporting medical items to Ukraine.



As an organization, we are grateful that these initiatives have made a positive impact on the lives of Ukrainian refugees and their families. We are determined to continue our efforts, committed to aiding those affected by the war in Ukraine, and we appreciate the involvement and support of our employees and partners in these initiatives. As a company, we embrace the responsibility to have a positive impact on the communities where we operate. ●





GOVERNANCE



# The Importance of FSC<sup>®</sup> and PEFC-Certified Wood at Deli Home

At Deli Home, we hold a strong commitment to sustainability and environmental responsibility. One of our most crucial ESG (Environmental, Social, and Governance) goals is the use of FSC<sup>®</sup>- or PEFC-certified wood in our production processes. These certifications ensure sustainable forest management, contributing to a greener future.

FSC<sup>®</sup> stands for the Forest Stewardship Council, while PEFC refers to the Programme for the Endorsement of Forest Certification. Both certifications are independent labels that verify the origin of wood products. They confirm that the wood comes from forests managed sustainably, with respect for biodiversity and local communities.



## Details of Our Certifications

At Deli Home, our aim is for all our purchased and sold wood to be FSC<sup>®</sup>- or PEFC-certified by 2025. In 2022, 94.4% of our wood assortment already carried these certifications. To ensure transparency, here are the certificate details:

- FSC<sup>®</sup> Certificate Number: SGSCH-COC-00128  
FSC TM Chain of Custody
- PEFC Certificate Number: SGSCH-COC-030025  
PEFC – Chain of Custody



### Contribution to Sustainable Forest Management

The use of FSC®- and PEFC-certified wood is not only an obligation but also an opportunity to protect the environment and our planet. These certifications play a crucial role in promoting sustainable forest management through the following aspects:

**Forest Conservation:** FSC® and PEFC certifications ensure that wood is harvested from forests managed responsibly and ecologically. This means taking measures to preserve the forests themselves, preventing excessive logging or deforestation, and maintaining the overall health of the forest.

**Biodiversity and Communities:** These certifications take biodiversity seriously and consider the interests of local

communities. Measures are taken to protect the habitats of wildlife and endangered species, as well as the rights and well-being of people living near these forests.

**Climate Neutrality:** Sustainable forest management contributes to carbon dioxide sequestration, crucial in the fight against climate change. Healthy forests act as carbon sinks, absorbing and storing CO<sub>2</sub> from the atmosphere, thereby reducing global warming.

By using FSC®- and PEFC-certified wood, we contribute to preserving our forests, conserving biodiversity, supporting local communities, and reducing our ecological footprint. It's

not just an obligation; it's an opportunity to create a positive impact on the environment and the planet we inhabit.

### Our Future Steps

At Deli Home, we don't stop at achieving these certifications. We are actively involved in implementing the EU Deforestation Regulation (EUDR) and scrutinizing our entire production chain. We evaluate not only the sustainability of our suppliers but also aspects such as working conditions and climate impact. We are committed to collaborating with our suppliers and taking steps toward sustainability, from the source to the end product. Together, we are creating a positive impact on the environment and society, while continuing to strive for a future where sustainability takes precedence. ●





## An Interview with Norbert Wentink

# Deli Home's journey to 100% certified wood

Deli Home places a strong emphasis on the importance of the FSC® & PEFC certification. We have set an ambitious goal: by 2025, all our wooden products must be fully certified. Norbert Wentink, Head of Buying at Deli Home and responsible for the purchasing policy in Gorinchem, shares his perspective on this ambition.

### Woven into our DNA

"For us, the certifications are a minimal requirement to handle wood and forest management responsibly. It's literally in our DNA to deal with people and the environment responsibly and with respect," he explains. The word "Respect," included in our fundamental core values, stands for respect for people, animals, and the environment. For Deli Home, sustainability is not an empty term but an essential foundation.

Achieving the goal of working with 100% certified wood is crucial for the future, according to Norbert. "This is not just 'window dressing,' but a 'no-brainer' because we will need these raw materials tomorrow and the day after tomorrow." Preserving wood as a valuable resource is essential for Deli Home, and the certification is a means to ensure this. "It's about the future and the safeguarding of the wood raw material. Everything we do must, therefore, meet a shared responsibility to preserve nature, from both a personal and business perspective."

### 100% forward, with data as the driving force

"The journey to 100% certified wood is already in full swing. We have a clear view of which items per category are not yet certified. To certify all our items, buyers, in particular, are working diligently. Existing non-certified stocks, for example, are completely sold out and replaced by new, certified items. Only after a final check from suppliers do we sell these with the FSC® or PEFC certification. And the end goal is in sight: the Storage business unit is leading with 100% certified wood."

### Contribution to sustainable forest management

The Wood and Flooring business unit is almost there; it really comes down to a few last items, and for Doors, we still need to give it one last significant push.

However, achieving the above goal requires careful analysis and monitoring. Norbert provides insight into an innovative dashboard aimed at measuring progress and maintaining focus on the goal: "Each item is linked to a lot of data, characteristics

"In addition to procurement, our sustainability focus extends to packaging and carbon emissions."







that say something about the length, width, weight, packaging, but also whether it's made of wood. Based on that data, we know whether the product is certified or not and why yes/no. However, this does not automatically mean that the wood is considered 'wrong.' Although the wood we use comes from well-managed forests, non-certified links in the chain can disrupt the certification process. We actively work with suppliers to certify them, which is a requirement for the FSC® or PEFC certification. Annual checks ensure compliance, but if a non-certified party is involved, the product loses its certification. It is crucial that every link in the chain is well connected and traceable to maintain the certification. This prevents mixing with illegal or poorly managed wood sources.

While we have almost achieved our goal of 100% certification, Deli Home remains determined and focused on pursuing fully certified wood and sustainability in the future.

#### The complex balance between sustainability, legislation, and profitability

"Although certifications are crucial within Deli Home, sustainability is not solely based on certifications," emphasizes Norbert, pointing out that locally produced wood plays an important role. "Wood grows, removes CO2 from the atmosphere, can be harvested to make products, and grows back. This vision motivates Deli Home to strive for the purchase of local wood, not only to reduce ecological impact but also to stimulate local economies. This, however, is not necessarily aimed at the lowest purchase price, as others can find that too. Instead, we focus on finding an optimal chain cost price, taking into account environmental considerations, inventory management in the chain for working capital control, and a swift transition to new products (innovation).

And with the impending EU Deforestation-free Regulation (EUDR) in 2024, new legislation that encourages the use of wellmanaged wood as a step towards deforestation prevention,

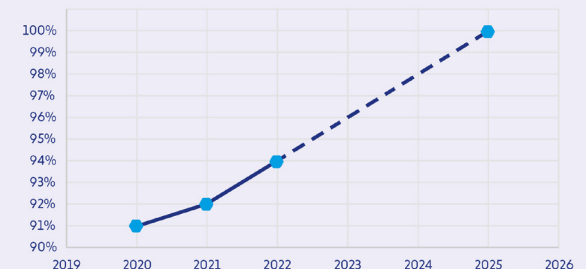
sustainable procurement becomes even more urgent. "All EU wood-importing companies will have to demonstrate more precisely that the purchased wood comes from well-managed forests and combats deforestation.

#### Packaging, CO2 Emissions, and circular entrepreneurship

"In addition to procurement, our sustainability focus extends to packaging and CO2 emissions," says Norbert. "Using less plastic and reusing residual materials are options I am currently exploring. I also see measuring CO2 emissions as an important sustainability strategy. When we have complete insight into that, we can make strides with suppliers in deploying (electric) vehicles or vessels."

Finally, Norbert emphasizes circular entrepreneurship. "We want to see how we can optimize residual wood and return flows, give residual products a second life, or focus on circular entrepreneurship," he shares. ●

% Sales of certified wood





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