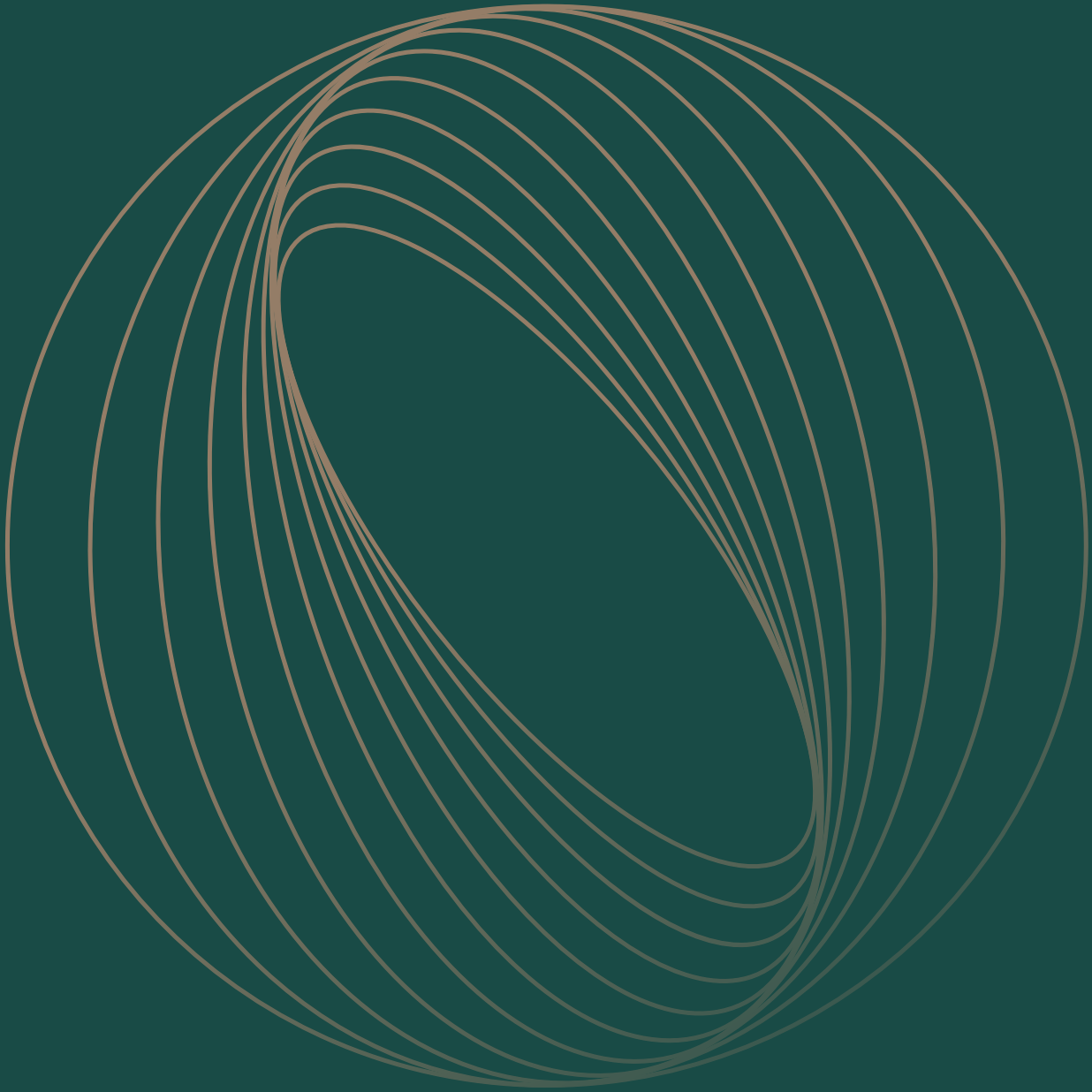


PARADOR



Sustainability *Report* 2022



"The climate,
vegetation,
growth and
mankind.

*Everything is connected
with everything."*

Alexander von Humboldt,
explorer and discoverer,
1769–1859.

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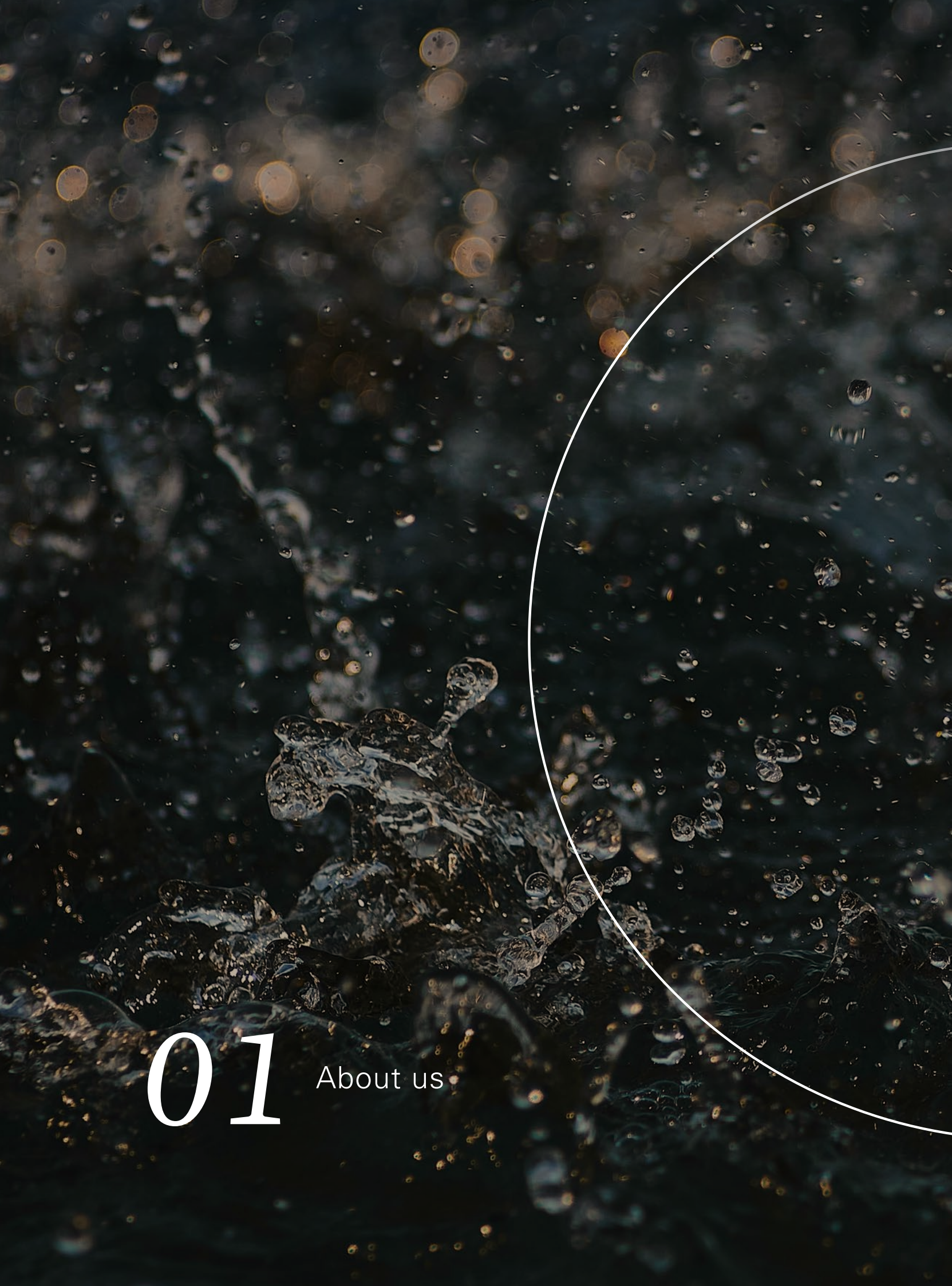
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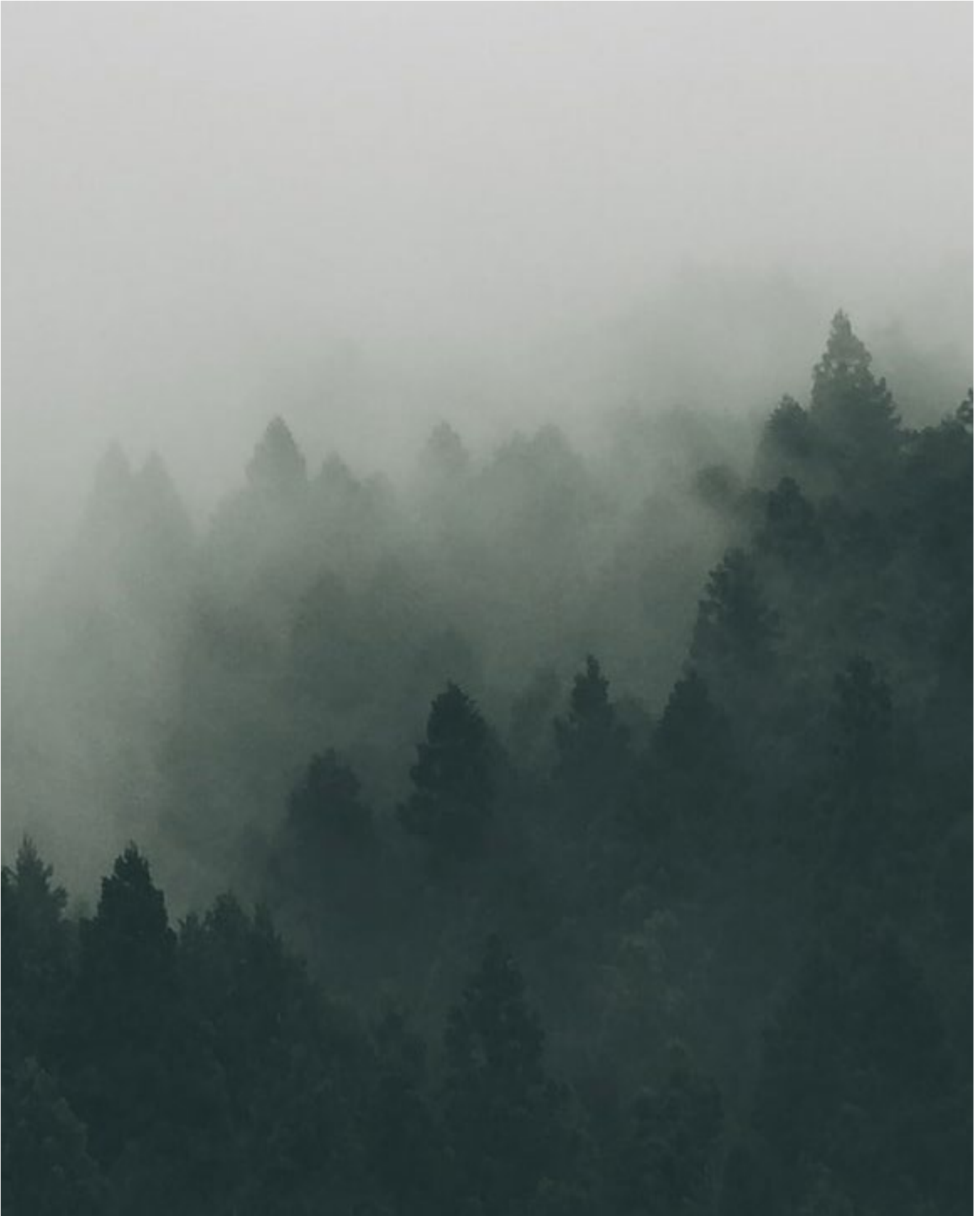
01 About us



"The best way to
predict your future
is to create it."

Peter Drucker,
economist, author, pioneer of modern management theory,
1909–2005.

Sustainability preamble



Whether it is resource conservation or climate change: it is more important than ever to consider human activity in relation to our environment.

As a premium brand, we know this – and very consciously assume responsibility in all the essential areas with which our products come into contact during their life cycle.

In everything we do, when it comes to our products or initiatives, we think in a *networked* way and take a *holistic approach*.

We pay attention to interactions. To how we interact *with each other and with the things around us*. Indoors and outdoors.

It is also a matter of course for us to think holistically when selecting our materials, our cooperation partners or when dealing with our own employees. Also because we take the topic of *healthy living seriously in all dimensions*.

From our supply chains and our working conditions through to the customer at home, we are continuously *improving ourselves in terms of sustainability*.



Stefan Kükenhöhner
Managing Director



Company portrait

Since our founding in 1977, we have become a leading manufacturer of high-quality systems for flooring, wall and ceiling design.

Our product range includes laminate flooring, engineered wood flooring, design flooring, wall and ceiling panels as well as mouldings and accessories, which are manufactured at our German headquarters in Coesfeld and at our Austrian site in Güssing.

Around 520 employees in administration and production ensure that Parador products are available in over 80 markets worldwide. Our export ratio is over 50 %.

Coesfeld, Germany

Managing Director:
Stefan Kükenhöfner

Production focus:
laminate flooring, design flooring,
wall and ceiling panels

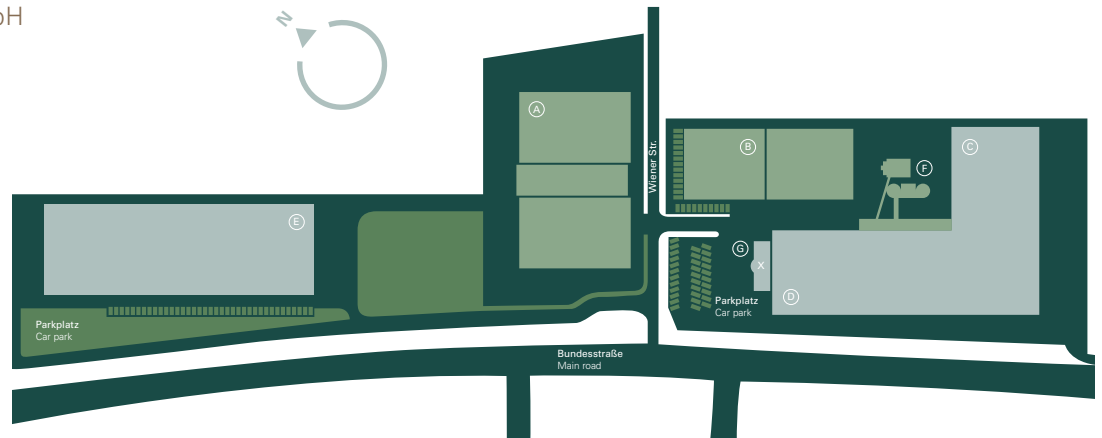


Parador GmbH Coesfeld

- A Trend Center
- B Technical centre
- C Administration
- D Office and laminate flooring scheduling
- E Laboratory
- F Laminate flooring, ClickBoard and vinyl flooring production
- G Decor panel production
- H Moulding production
- I Surface treatment
- J Office and mouldings, decor panels and surface treatment scheduling
- K Logistics
- L Studio construction
- M Factory sales
- N Central goods inspection
- O Despatch

Parador Parkettwerke GmbH
Güssing

- A Drying centre
- B Conditioning chamber
- C Plant 1
- D Laboratory
- E Plant 2
- F Leftover timber recovery
- G Administration



In recent years, we have been able to successfully increase our sales every year and celebrate the most successful financial year since the company was founded with sales of over 180 million euros in the 2021 / 2022 financial year.

The basis for our success are our premium standards, which are particularly noticeable in the areas of technology, materials and surface finish.

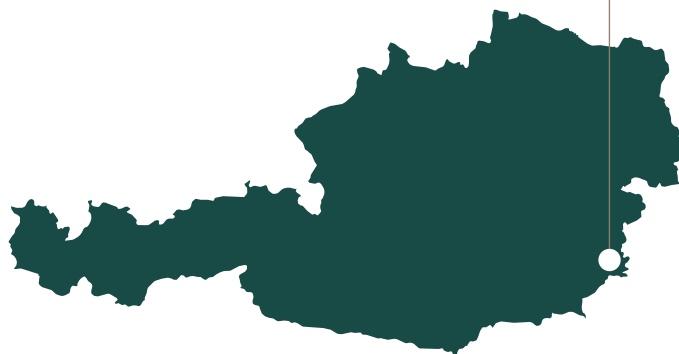
We have received several international awards for our outstanding product design, including the Red Dot Design Award, the Interior Innovation Award and the German Design Award.

As a traditional wood processing company, we are committed to handling natural resources responsibly and set ecological standards in terms of materials, production, packaging and logistics.

Güssing, Austria

Managing Director:
Stefan Kükenhöhner

Production focus:
engineered wood flooring



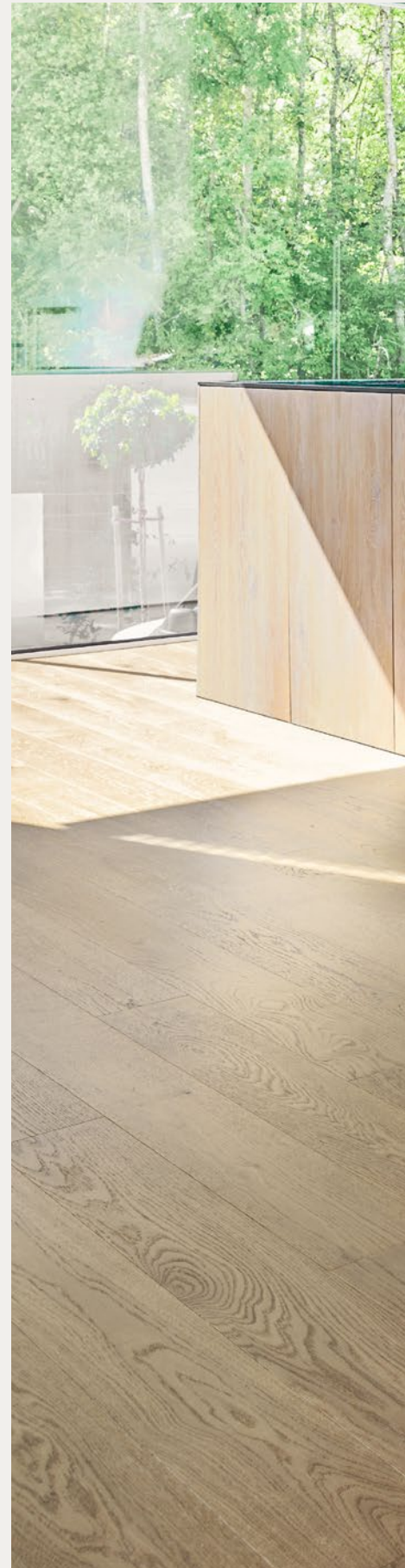
Our products

"We make your home the most beautiful home in the world."

With this promise, we have been developing products for flooring, wall and ceiling design for over 40 years – with the highest standards of design and quality. Stimulating developments from architecture and interior design, sensing trends, suggestions from lifestyle, handicraft and art repeatedly inspire our product developers and designers to come up with new concepts. At the same time, our many years of experience are the basis for our premium quality 'made in Germany' and 'made in Austria'. Our customers can tell the quality of the products by the brilliance of the decors and the choice of timbers as well as by the perfect click connections. These properties characterise the perfect appearance of the Parador installation pattern over the long term.

Sustainability has a very high priority at Parador. We evaluate the sustainability aspects of our products along the value chain. The overall performance of materials and products is already defined during development, fixed in requirement profiles and implemented in the value chain as part of the procurement process.

In these requirement profiles, environmentally relevant requirements are specified from the outset. This ensures a high level of transparency with regard to the materials used. This includes, for example, the procurement of wood and wood-based materials from secure sources. In the selection and evaluation of our suppliers, we include all defined criteria, such as the mandatory countersigning of our Code of Conduct.








02

Sustainability strategy



"The first rule of sustainability is to
*get in tune with
natural forces* – or at
least not defy
them."

Paul Hawken,
environmentalist, author,
* 1946.

Our sustainability strategy

Sustainability is a matter of course at Parador, which has been reflected in an established sustainability strategy for several years. The foundation was laid in 2014 through various stakeholder surveys with the relevant interest groups.

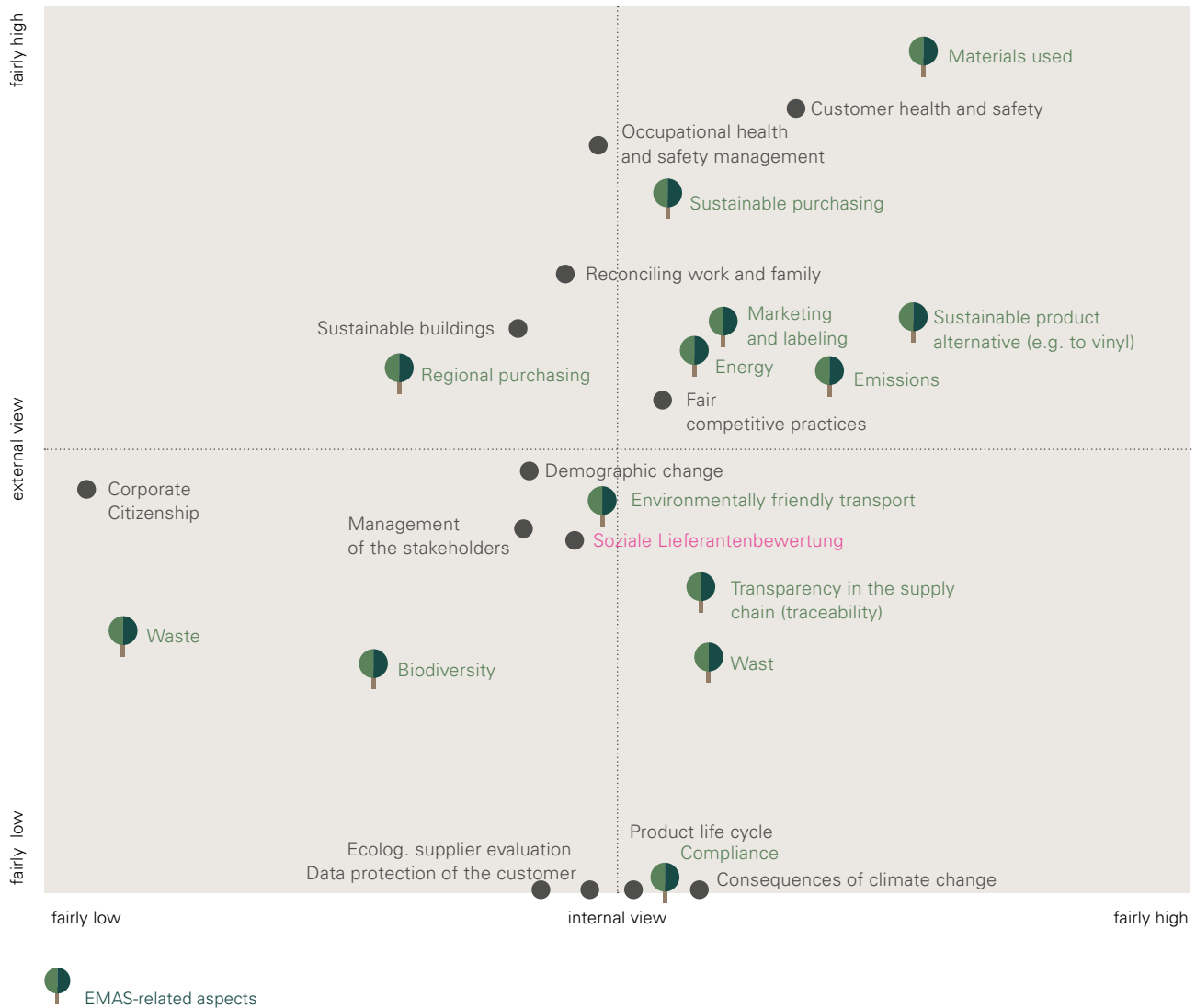
DGSC criterion: Strategic approach and measures

Parador developed its first sustainability strategy in 2014. In addition, an environmental management system in accordance with EMAS III and ISO 14001 was implemented to ensure that we continuously improve our environmental performance. This ensures that targets, measures and the strategy itself are continuously developed further. Since 2020, processes in the area of quality management have been increasingly allocated in accordance with ISO 9001 in order to further increase corporate quality.

This sustainability strategy was based on interviews with key internal and external stakeholders. On the external side, we consulted architects, specialist retailers, political representatives, NGOs and experts, among others. The aim of these surveys was to filter out those social, economic and ecological aspects of the company's activities that are essential for Parador. We evaluated the results as part of a materiality analysis and discussed them in workshops with the management board and specialist departments in order to implement them in the corporate strategy.

In order to bring our sustainability strategy up to date, a new stakeholder survey was conducted in 2021. The most important interest groups were identified in internal workshops on the subject of stakeholders. The stakeholder groups consulted as part of the materiality surveys are as follows: architects, specialist retailers, management, customers, suppliers, NGOs, employees, politicians, the press, associations and certification bodies. In this way, we have succeeded in developing an environmental programme that is specifically tailored to our corporate needs – and at the same time takes into account the interests of our various stakeholder groups.

Under the umbrella of a common understanding of sustainability, we have defined the three fields of action of "Ecology," "Society" and "Company," into which the most important points of the materiality analysis are clustered. The fields of action are assigned to specialist areas that are responsible for pursuing the goals and implementing the measures.



GSC criterion: materiality

In future, sustainability-related opportunities and risks will be able to be taken into account even more intensively using Parador's revised product roadmap. The topic of "circular economy" in particular is seen as an opportunity here. Significant social and environmental risks are not seen. In general, ecological risks are recorded and evaluated as part of environmental management. In order to achieve a credible commitment with regard to potential environmental risks and impacts, we rely on standards, certifications and seals established among stakeholders when it comes to the products we offer. Examples of this at

product level are the preparation of standardised life cycle assessments in the form of so-called environmental product declarations, FSC™ and PEFC™ certification, and Blauer Engel [Blue Angel]. Examples at corporate level here include environmental management in accordance with EMAS III or the preparation of the CO₂ corporate footprint in accordance with the GHG Protocol Standard. Significant social risks are not seen.

On the basis of our materiality matrix and the identified opportunities and risks, we were able to identify the key topic areas, cluster them into our three fields of action, and illustrate them in our value wheel.

Our value wheel

"For us, valuable living also means taking responsibility for the social and ecological effects of our actions – from the extraction of raw materials, the production conditions at the sites, the influence of the products on healthy living, to the recycling of the products at the end of their life cycle. From this understanding, we have developed our value wheel and our integrated quality and environmental policy."

Ecology

- Energy
- Emissions
- Materials used
- Waste
- Water and waste water

Values and focus areas of sustainability

Society

- Employee satisfaction
- Customer health and safety
- Occupational health and safety management
- Community



PARADOR ONE

Company

- Risk and compliance management
- Sustainable purchasing
- Marketing and labelling
- Sustainable product alternatives
- Transparency in the supply chain

Environmental and quality policy

Parador is one of the leading brands for high quality flooring. In a combination of quality, design and innovation, we create relevant products and services that are based on people's needs. In this respect, Parador takes responsibility for the ecological effects of its actions. Because in this way we will make every home the most beautiful home in the world for future generations too.

With our quality and environmental policy we commit ourselves to the continuous improvement of quality and environmental behaviour in all areas of Parador's activity. This is based on compliance with existing laws and regulations as well as our voluntary commitments.

In addition, however, we always take into account the requirements of interested parties, which expressly include the wishes of our customers. Out of a sense of responsibility for leaving behind an environment worth living in to future generations, Parador is committed to its environmental policy and will concentrate its efforts on the following points in particular:

- Quality and environmental protection are of great importance to Parador. Continuous improvement in these areas is obligatory for us and the task of each individual employee.
- Compliance with laws and official regulations and requirements is a matter of course for us. In doing so, we aim to implement measures that go beyond the statutory minimum requirements.
- Environmental protection is a management task with the aim of raising awareness of environmental issues among employees. To this end, employees are trained and encouraged to actively participate in operational environmental protection.
- Here, suppliers are encouraged to use environmentally friendly procedures and materials and must provide evidence of this. This applies in particular to wood products (see below).
- Constantly striving for sensible ways to conserve resources in the use of materials and energy is just as much a part of our fundamental principles as the prevention of emissions, waste and waste water, as well as the recycling of reusable materials into the raw materials cycle in order to reduce the impact on the environment over the long term.
- We set ourselves concrete quality and environmental targets, pursue the necessary implementation measures ambitiously and align these regularly and systematically with the best available state of the art. For this purpose we have developed four key strategic fields of action, which are constantly monitored and subject to a continuous improvement process: "Product responsibility", "Social responsibility", "Corporate responsibility" and "Production responsibility".
- In order to check whether the quality and environmental management requirements are met and whether the measures implemented are effective, we carry out internal and external audits at annual intervals.

We are committed to the responsible use of wood as a raw material and have for many years pursued the goal of sourcing only wood and wood products from sources that are beyond doubt.

We regard the legality of the wood with regard to compliance with the applicable legal regulations in the country of origin, which has been required by law under the EU Timber Regulation since 3 March 2013, as a self-evident minimum requirement. In order to comply with our duty of care, we have established a corresponding risk management system (due diligence system). All sources of supply of components and raw materials for wood products we produce are known to us down to the origin of the wood (origin control). They are regularly evaluated by us and the risk of wood from controversial sources is minimised.

We prefer to buy from FSC™ and/or PEFC™ certified suppliers and are certified ourselves in accordance with both systems. We are committed to the objectives of forest and product chain certification and to implementing and maintaining FSC™ and PEFC™ certification requirements. We ensure that we are not involved in any of the following activities, either directly or as part of a group of companies:

- Illegal logging, trade in illegally harvested timber or timber products, or violation of trade and customs laws.
- Violation of traditional and human rights in forestry use
- Destruction of forest areas particularly worthy of protection and endangerment of protected wood species during forestry use
- Significant influence in the transformation of natural forests into plantations or non-forest areas

- Introduction of genetically modified organisms into forestry use
- Violation of any International Labour Organization (ILO) conventions enshrined in the 1998 ILO Declaration on Fundamental Principles and Rights at Work

Furthermore, we are committed to the following activities:

- Legislation and certification also ensure that we provide for the safety and health of our own employees.
- Should it turn out that wood-containing raw materials procured by us originate from illegal or otherwise controversial sources, we will immediately take all necessary steps to avoid this in the future, including the discontinuation of purchases from these sources.



Stefan Kükenhöhner
Managing Director



03

Focus area on
ecology



"The future of design is one in which every product in our environment – whether wearables, cars or buildings – can be part of the natural ecology *because it has appropriate properties and has been designed in relationship to the environment.* "

Neri Oxman,
architect, professor at the MIT Media Lab,
*1976.

Focus area on ecology

We take ecological responsibility by paying attention to low-emission production and using the most sustainable options possible for both energy and materials.

In the focus area of ecology, Parador deals with the key topics of energy, emissions and materials used. Furthermore, the EMAS aspects of water, waste water, waste, local phenomena and the risk of environmental accidents are addressed.

As part of the environmental management system in accordance with EMAS III and ISO 14001, we record in detail all direct and indirect environmental aspects as well as their effects as part of environmental audits. In order to continuously improve, we also analyse the ecological impact with the help of product life cycle assessments and corporate footprints.

Our declared goal is to influence aspects of sustainability in as many sections of the value chain as possible. When purchasing wood and wood-based raw materials, certifications such as FSC™ and/or PEFC™ as well as compliance with the EUTR are therefore a basic requirement for us

Direct and indirect environmental aspects / impacts

Utilisation of resources and raw materials

We record all raw and auxiliary materials using EDP technology. In addition to wood, we primarily use packaging materials such as films, plastic straps or cardboard packaging as well as glues, lacquers and dyes in production. An up-to-date register of hazardous substances is available.

In accordance with our EMAS III environmental management system and ISO 14001, we are committed to steadily reducing our environmental impact and permanently improving resource efficiency. We track annual improvements, plan actions to achieve them, and measure progress via indicators. For this purpose, we use a life cycle assessment. It enables us to present and evaluate the environmental aspects and impacts of our economic activities also as input-output. On the input side are material and energy flows to account for the extraction of materials from nature. The output side shows the delivery of marketable products and the environmental impact on nature, such as CO₂ emissions or waste water.

We also use our input-output balance sheet to continuously monitor the key aspects worked out in our sustainability strategy and their impacts (see appendix).

The derived EMAS core indicators provide a condensed overview of the specific environmental impacts of our activities (see appendix).

The overarching objective when it comes to engineered wood flooring is to optimise the yield of wood in order to make efficient use of natural resources. To this end, we have invested, for example, in a top layer scanner (2020) and a spatula robot (2019). In addition, further research projects in the field of resource efficiency have been implemented with LANUV (North Rhine-Westphalia State Office for Nature, Environment and Consumer Protection).

In our view, there are no significant risks. The development of demand currently shows a strong interest in the direction of design flooring. This is not optimal for nature, as it is not only made of natural resources, but also partly from vinyl (= non-renewable fossil resources). That is why we are focusing on this issue in particular and researching the development of sustainable product alternatives to pure vinyl floors. With the modular design flooring, Modular ONE, we have already created a successful alternative for this

Energy

Energy consumption is a key environmental aspect at both of our sites. Throughout the company, we are able to account for a share of renewable energy amounting to 67 %. In order to produce in a climate-friendly manner and to conserve resources, it is especially important to Parador to obtain electricity from renewable energy sources and to control consumption in an optimal manner..

Most of the electricity in Güssing comes from hydroelectric power. We supply production residues such as sanding dust and sawdust directly to the Güssing biomass power plant via high-pressure pipes, where electricity is generated from these materials.

The waste heat from the cogeneration plant flows back into the factory. This creates a local cycle that conserves resources. At the Coesfeld site, too, we pay attention to sustainable processes in the use of energy. Sawdust generated during production is burned in a solid fuel boiler and returned to the factory as heating energy. In order to be more sustainable, the exhaust filters are fitted with heat exchangers. In this way fresh air is heated and saved as heating energy.

The reduction in the amount of energy is illustrated by the example of the replacement of LED lighting in a Parador production hall, where a reduction in energy consumption can only be measured by replacing the lighting. With a conservative assumption of twelve hours of lighting per day and 230 lighting days per year, this results in an annual reduction in energy consumption of 68,655 kW

Energy consumption	MWh	GJ (gigajoule)
Total energy consumption	41.255,5	148.519,8
Of which share of renewable energies	22.927	82.537,2
Thermal energy	17.334,9	62.405,64
Of which heating oil	5.658	20.368,8
Of which wood chips (production and heating)	5.930	21.348
Electrical energy	23.003	82.810,8
Of which renewable energy	11.250	40.500

Water / Waste Water

Within the framework of the production processes, water consumption plays a minor role at Parador. Mainly due to sanitary facilities and cleaning activities, water consumption at both sites is comparatively average. Total water extraction in the reporting period amounted to 5,653 m³.

Waste / Recycling

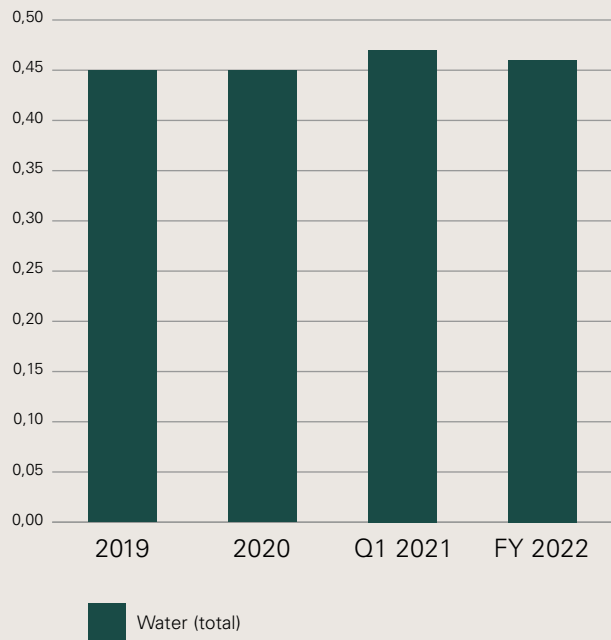
At our two sites in Coesfeld and Güssing, we pay attention to sustainable processes when it comes to using energy.

At the Coesfeld site, the sawdust produced during production is incinerated in the company's own solid fuel boiler and made available to the factory again as thermal energy. In order to be more sustainable, the exhaust filters are fitted with heat exchangers. In this way fresh air is heated and saved as heating energy. The total weight of the so-called hazardous waste in the reporting period amounted to 207.22 tonnes (consolidated). The total weight of non-hazardous waste was 18,157.30 tonnes (consolidated).

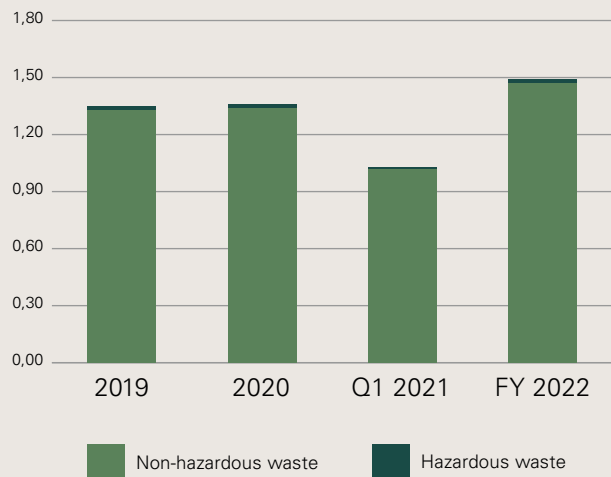
Production residues such as sawdust and sanding dust are delivered in Güssing through high-pressure pipelines to the biomass power plant, where electricity is in turn generated from these materials. The waste heat from the combined heat and power plant flows back into the Güssing plant, creating a local cycle that conserves resources. The residual and waste wood is processed directly into energy in combustion chambers in the Güssing district heating power plant. This energy then benefits both the plant and other local customers.

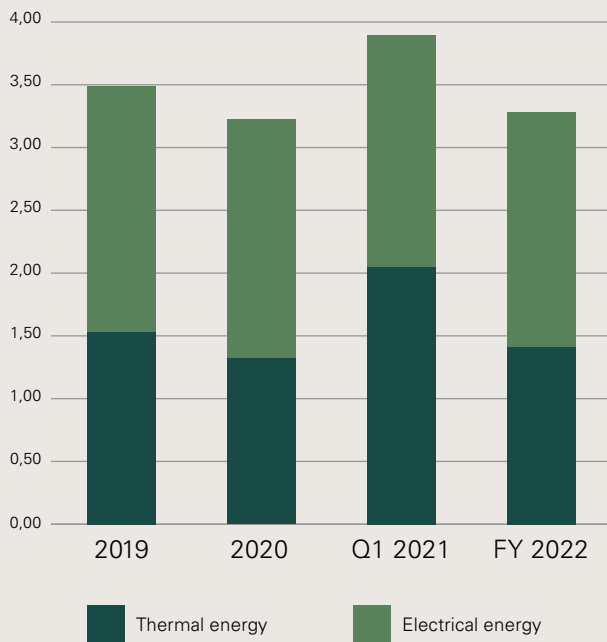
Plastic waste is also incurred at both sites in the form of packing film and leftover plastic strapping. These are collected separately and disposed of by an external service provider.

Water consumption (l/m²)



Waste (kg/m²)



Energy (kWh/m²)**Local phenomena**

Outside the factory halls in Güssing and Coesfeld, there are no notable noise emissions. Nevertheless, noise must be considered a key environmental aspect for Parador, as noise pollution is generated at both sites in the production process due to the use of machinery.

For this reason, we provide all employees with hearing protection – some of which is even customised. In November 2014, a risk assessment was also carried out for the factory halls in Coesfeld. As a measure, we subsequently launched a noise reduction programme.

Risk of environmental accidents

We regularly conduct hazard analyses to identify potential environmental hazards.

A factory fire is considered the most likely "incident" for Parador. Accordingly, we have taken numerous precautions at both sites. We have installed sprinkler systems throughout the area, which are connected to local water tanks. In case sparks are kindled in the extraction unit, thus causing a deflagration, there is a spark extinguishing system which automatically shuts down the extraction unit and immediately extinguishes emerging sparks. We also regularly check emergency equipment, do first responder training sessions and emergency drills.

Emissions

In 2020, we had our first CO₂ footprint prepared in accordance with the GHG Protocol Corporate Standard for Scope 1 and 2.

The two main emission factors at Parador are the use of heating oil for thermal energy and the purchase of electricity at the Coesfeld site. We are working hard to find solutions to these challenges.

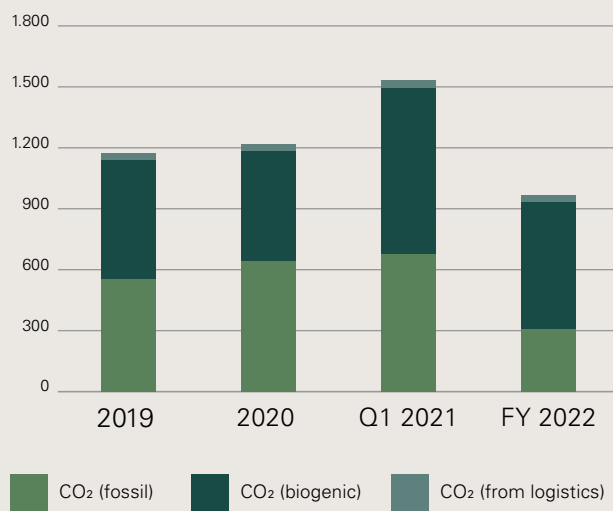
At the same time, the Güssing site is already supplied entirely from renewable energy sources, which has enabled us to minimise emissions here. Further emissions not directly relevant to climate (e.g. particulate matter) can be found in the appendix.

Reduction of GHG emissions

Currently, we do not record the reduction of our greenhouse gases in a differentiated manner. However, we have already initiated numerous measures with the aim of continuously reducing CO₂ emissions. For example, we have gradually changed our logistics processes: whereas in 2018, 258,462 km of transport were carried out by truck, in 2019 this figure was only 216,315 km. At the same time, the transport distance by rail increased from 422,400 km to 488,015 km. This measure enabled us to reduce CO₂ emissions from logistics by 32.99 % from 684 tonnes of CO₂ to 459 tonnes, despite increasing the total transport distance by 23,468 km.

We are currently planning to build a new logistics centre at the Coesfeld site in order to further reduce internal transport and thus the associated CO₂ emissions. In addition, hydraulic balancing and the efforts of building services staff have reduced heating oil consumption by 28 % (543,894 kg/CO₂ equivalent) in the current reporting period.

CO₂-emissions (g/m²)





We aim to have *climate-neutral* production at our sites in Coesfeld and Güssing *by 2025*.



04

Focus area on
society



"Design can change
us, can create habits
and rituals or have a
*positive impact on our
mental health.*"

Ilse Crawford,
interior designer, anthroposophist,
* 1962.

Focus area on society

We assume social responsibility, by taking the health and well-being of our customers and employees seriously.

In the society field of action, Parador deals with the key topics of employee satisfaction, customer health and safety, occupational health and safety and community. These can be found below under the corresponding GSC criteria.

GSC criterion: employee rights

We produce at the locations Coesfeld in Germany and Güssing in Austria. It goes without saying that national regulations on employee rights are complied with. In addition, we ensure that we are bound by the collective bargaining agreement with IG Metall. For our other employees in Northern and Western Europe, the labour regulations of the respective country apply.

Our aim is also to continuously develop occupational health management and work safety.

In 2021 we prepared a guideline on the topic of "mobile working" in order to provide our employees with guidance with regard to rights and obligations in this context.

The operational goals, target achievements and measures of the past seven years can be found in the environmental statements of the previous years: in case of interest, the older environmental statements can be requested via umwelt@parador.de.

We implement internal communication across all areas of the supply chain using the "Shopfloor Management (Shopfloor Meetings)" tool.

Here, the "topics of the day" in the individual areas are exchanged between employees and management at regular intervals.

This is an effective approach with the goal of continuous process improvement that comes from collaboration between managers and employees. The PDCA cycle acts as a basis. In the production areas, the shopfloor meeting takes place on a daily basis to share the necessary KPIs with all those involved. Once a week, this meeting takes place in the presence of our management board. Beyond a normal suggestion system, employee participation is so strong that the high level of involvement in the shopfloor meetings is integrated into everyday working life.

This also applies to our sustainability management. It is not seen as an isolated department; rather, participation in sustainability management is an integral part of all processes. This was also clearly confirmed by the internal survey on this topic.

GSC criterion: equal opportunities

We strongly condemn discrimination of any kind. At Parador, the existing diversity is particularly evident in the integration of people with disabilities. For example, we have a severely disabled rate of 9.1 % (2018), which is well above the legally required level.

To further improve equal opportunities, we are working to further expand opportunities for part-time work. The reconciliation of personal and work life with the possibility of promoting working from home and expanding this further is a declared goal.

For this purpose, the company is currently investing more in hardware and technology in order to provide employees with the necessary technical infrastructure. In 2021, a guideline on the subject of "working from home" was drawn up to provide employees with guidance on their rights and obligations in this context.

We pay wages in the industrial sector in accordance with the applicable collective agreement negotiated by IG Metall. In addition, there is a bonus consisting of a qualitative and a quantitative component. These components also exist for managers, who negotiate these targets individually in their annual appraisals.

GSC criterion: qualification

We value our employees and place a high value on low staff turnover. We want to retain know-how by increasingly filling positions internally. That is why we offer both horizontal and vertical training opportunities. In this context, we coordinate the needs in individual annual appraisals, taking into account the personal goals of the individual.

We offer training contracts in which employees are subsidised and partially released for on-the-job studies.

Health management in practice is a matter of course for us, not least with regard to our overarching topic of healthy living. In addition to the legally required regulations, we employ an external company doctor, for example, who also attends the ASA meetings. A strong focus is placed on operational integration management. In the long term, we would like to purchase height-adjustable desks for all employees to prevent back problems. In the industrial sector, there are also ergonomic lifting aids.

Demographic change is a relevant challenge for Parador. The average age of our employees is currently 44.09.

We currently offer training in twelve different occupations. Our very strong trainee ratio of 7.2 % and the high retention rate illustrate the importance that Parador attaches to young talent. For us,

qualified junior staff are crucial to being able to master the challenges of demographic change in the long term.

In addition, we raise awareness of demographic change by providing all managers with annual overviews of our employees' regular scenarios.

In this way, preferred versions of retirement can also be agreed with employees in good time (planning goes up to 2027).

Due to the coronavirus pandemic, the face-to-face meetings with supervisors for all employees and the investments in height-adjustable desks on all office workstations have not yet been able to be implemented. We are working flat out to implement both issues soon.

Ausbildungsberufe bei Parador

- VWA Master of Business Administration/
Bachelor of Arts
- Industrial clerk
- Clerk for marketing communication
- IT specialist for system integration
- Industrial mechanic specialising
in maintenance
- Warehouse logistics technician
- Electronics engineer for
industrial engineering
- Machine and plant operator
- Clerk for e-commerce
- Process technician
- Mechatronics technician
- Wood technician

Involvement of employees in occupational health and safety

We ensure through our internal corporate communications that the sustainability management system is implemented at all levels. We use various channels for this purpose, such as team meetings, notices in the workplaces, internal management reports, the intranet, and emails.

Furthermore, we control the internal communication by meetings, for example in the wider management team and in different working groups. When corrective and preventive actions are developed, we make them available digitally to all employees, along with the results of internal audits and assessments.

The heads of department and officers answer directly to the management board. The heads of department are immediately responsible for the work results of their field of competence, whilst the management officers are responsible for the respective specialist topics at inter-departmental level.

The whole management system is assessed at regular intervals as part of a management review. During this process, the topics of quality, environment and occupational safety are coordinated at inter-departmental level and compliance with the corresponding targets is verified.

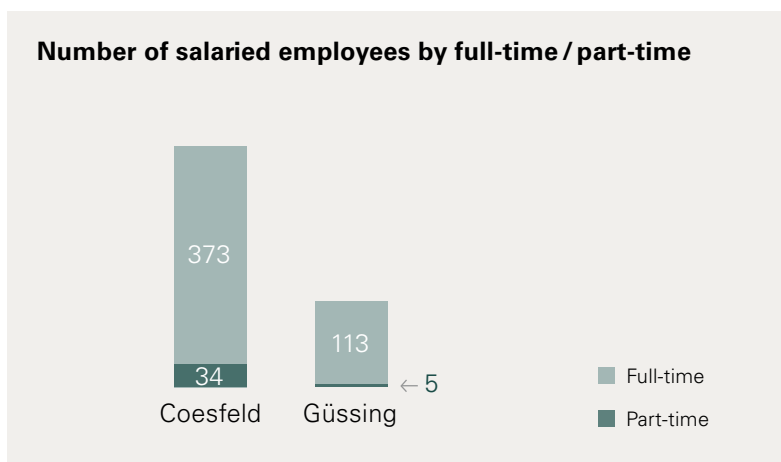
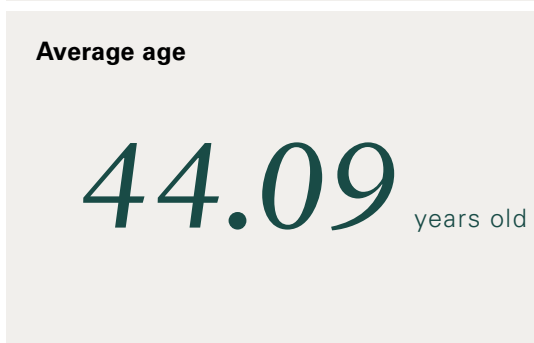
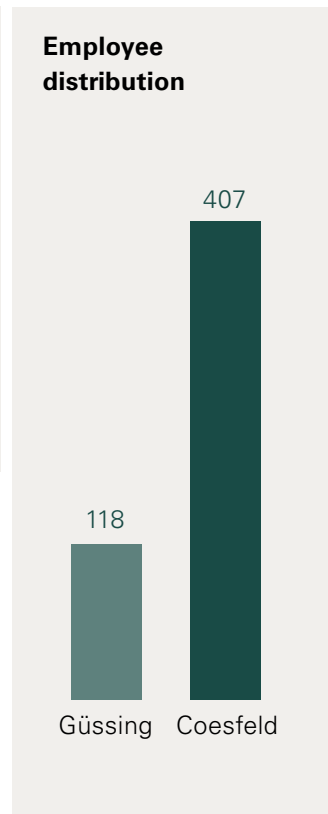
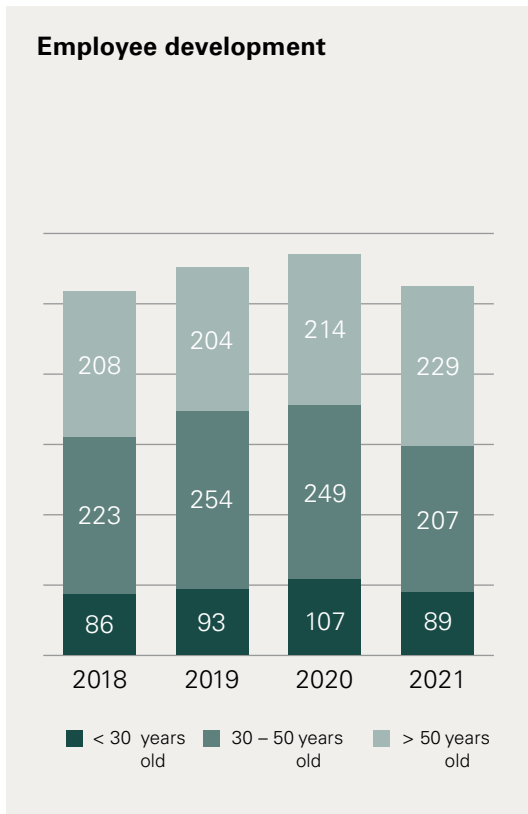
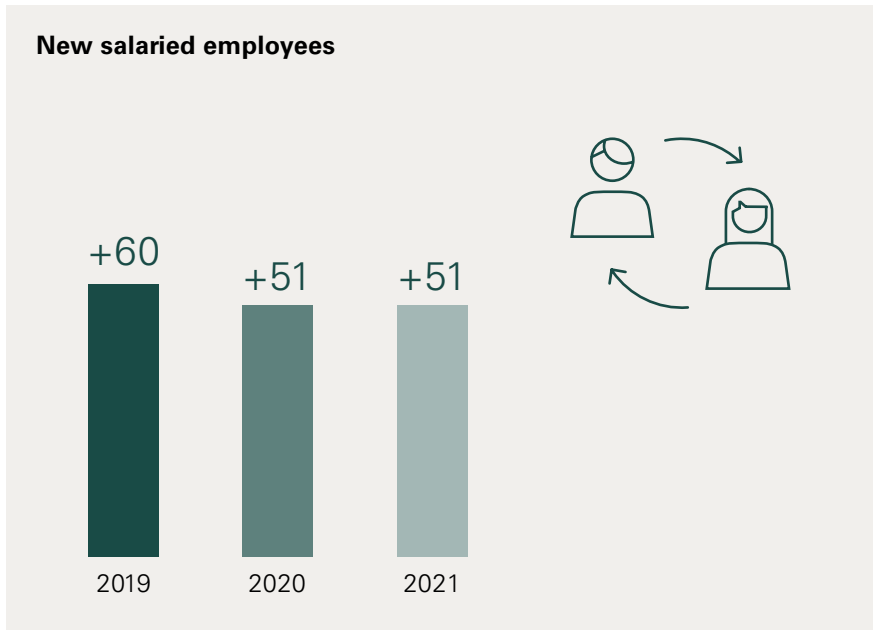
In this respect, the environmental officer is responsible for checking the environmental performance and compliance with the environmental programme, as well as for adapting the environmental management system to changing operational procedures. In addition, as part of environmental management, the various process owners at the different sites are responsible for ensuring compliance with environment-related activities.

GSC criterion: community

On a regional level, we regularly like to make our Trend Center at the Coesfeld site available for external events such as regional political discussions, concerts or for information events organised by the municipal business development department. In the educational context, we also offer a variety of different work placement opportunities for pupils and students and provide support for bachelor's and master's theses. Regional clubs are also regularly supported on request with sponsorship, such as pro bono flooring.



By offering *durable quality products* and taking the issue of *healthy living* seriously, we contribute to the satisfaction of our customers.



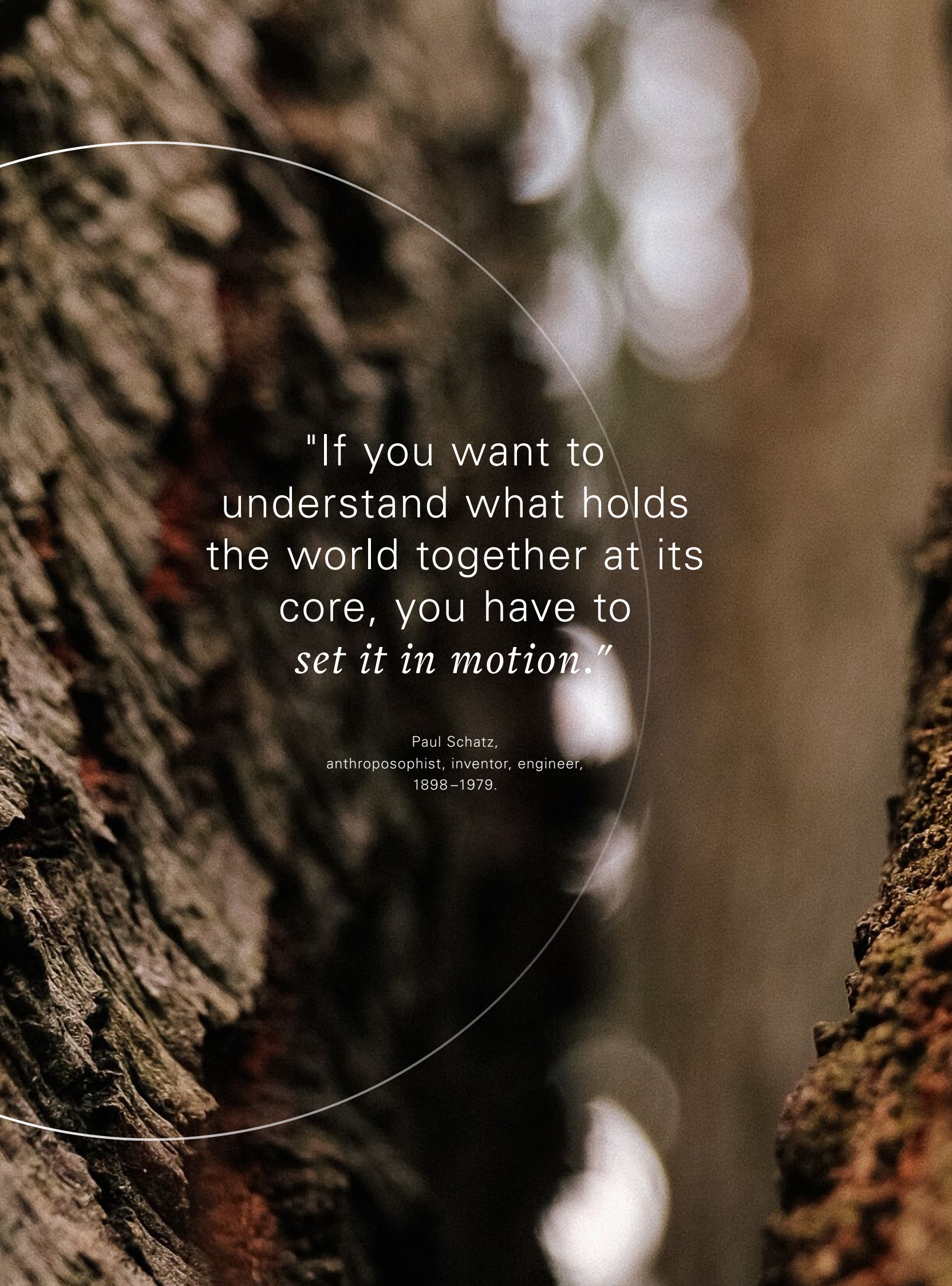


We want to *contribute to a high level of satisfaction and long-term well-being of our employees through flat hierarchies and interaction at eye level.*



05

Focus area on the
company



"If you want to
understand what holds
the world together at its
core, you have to
set it in motion."

Paul Schatz,
anthroposophist, inventor, engineer,
1898–1979.

Focus area on the company

We assume corporate responsibility because we question every step we take and ensure transparency along the entire supply chain.

In the focus area on the company, Parador deals with the key topics of risk and compliance management, sustainable purchasing, marketing and labelling, sustainable product alternatives and transparency in the supply chain. These can be found under the corresponding GSC criteria in this chapter.



GSC criterion: depth of the value chain

Sustainability is very important to us. We evaluate the sustainability aspects of our products along the added value cycle or life cycle. We define the overall performance of materials and products as early as the development stage and record it in requirement profiles

In these requirement profiles, we specify environmentally relevant requirements from the outset to ensure a high level of transparency with regard to all materials used. This context also includes, for example, the procurement of wood and wood-based materials from secure sources.

We include all defined criteria in the selection and evaluation of our suppliers. This also includes the mandatory countersigning of the Parador Code of Conduct..

This Code of Conduct contains statements on the topics of compliance, human rights, equal opportunities, health protection, occupational safety, environmental responsibility and ethical behaviour. We help suppliers to eliminate any obstacles that may arise so that the requirements can be fully met.

In 2021, Parador had a total of 829 direct suppliers. Of these, 96 % are located within the EU internal market (of which 72 % in DE) and 4 % worldwide.

We usually have several suppliers for one product to avoid dependency. Parador is committed to the responsible use of wood as a raw material and has for many years pursued the goal of only sourcing wood and wood products from sustainable and certified sources. We regard the legality of the wood with regard to compliance with the applicable legal regulations in the country of origin, which has been required by law under the EU Timber Regulation, UKTR (UK) and HHV (CH), as a self-evident minimum requirement. In order to comply with the due diligence obligation, Parador has set up a corresponding due diligence system.

All sources of supply of components and raw materials for wood products produced by Parador are known to us right down to the origin of the wood (origin control). We regularly evaluate them to eliminate the risk of wood from controversial sources. In addition, we prefer to buy from FSC™ and/or PEFC™ certified suppliers and are ourselves certified according to both systems.

We are committed to the objectives of forest and product chain certification and undertake to implement and maintain the certification requirements of FSC™ and PEFC™.

GSC criterion: human rights

It is our declared goal to avoid any kind of human rights violation in our company or at our supply chain partners.

We do not see any risks in the area of human rights for our production sites in Germany and Austria.

In the case of suppliers, some of whom come from the Asian region, our influence is limited. In future, it is planned to elicit the most important social risks for the industry in order to subsequently derive suitable targets and measures and to establish a system for supplier evaluation that queries both social and sustainable criteria. In addition, we are currently drawing up a Code of Conduct for employees.

GSC criterion: conduct in compliance with laws and guidelines

We have developed our own compliance and anti-corruption policies to ensure conduct in compliance with the law and guidelines. The actual form as well as the monitoring of compliance, is ensured by an external, independent lawyer. In order to give her the greatest possible independence, so that matters can also be investigated independently of the management board, she is not bound by guidelines. Our primary objective is to prevent violations of the law before they occur. As this objective has been successfully implemented, no measures have had to be taken to date.

Although no significant risks are seen, we are actively monitoring the issue of antitrust law. The management board is responsible for this. An independent lawyer is responsible for the issue. Managers and employees are sensitised to the issue by means of training sessions with an external lawyer. In these sessions, direct dialogues are simulated and actual cases are worked on with the employees.

GSC criterion: innovation and product management/sustainable product alternatives

For us, the ecological impact along the value chain is key first and foremost, which is why we have been providing information on the ecological footprint of products through environmental product declarations (EPDs) since 2013.

These provide information on global warming potential, stratospheric ozone depletion potential, acidification potential, eutrophication potential, ozone formation potential, abiotic elemental resource use, and abiotic fossil resource use. These EPDs are currently available for all flooring types: laminate flooring, multilayer engineered wood flooring and design flooring.

Furthermore, we have carried out several funding projects in the context of resource efficiency in recent years. These help us to explore further potential in reducing our environmental impact. The social impacts of products have not been specifically investigated to date, but are indirectly taken into consideration for wood-based flooring, e.g., through FSC™ (FSC™ C018498) certification.

We are also developing a suitable eco-efficiency method with an external partner in order to integrate ecological aspects as well economic ones into product development. Furthermore, we have developed checklists in product development to anchor the principles of eco-design in the various stages of the product life cycle.

Along the value chain, we work actively with partners to recycle, among other things, profiling waste that cannot be used in our own production. This is a major challenge due to the rapidly changing conditions on the demand side.

Marketing and labelling/marketing

GSC criterion: innovation and product management

We strive for the highest customer satisfaction in everything we do. A key aspect of this is transparency. By transparency we mean, on the one hand, a full overview of our product range and, on the other hand, knowledge of the materials used in the products and the processes applied.

The website of Parador provides our customers with all the necessary information. Intuitive search and filter functions enable them to quickly find the products that meet their requirements. Further descriptions clarify the product structure and materials used. In the form of a fact check, they also receive information about our sustainable production. Independent institutions such as PEFC™, FSC™, Der Blaue Engel, TÜV Rheinland and the Institute for Construction and the Environment regularly certify the quality and environmental compatibility of our products.



www.blauer-engel.de/uz176

Der Blaue Engel identifies low-emission products made of wood and wood-based materials. The award principles include requirements regarding: origin of wood, formaldehyde, VOC, interior air quality, packaging, recycling/waste disposal, consumer information and liquid and normal coating systems. Awarded by: RAL German institute of quality assurance and labelling in cooperation with the Federal Environmental Agency.

Further information: www.blauer-engel.de



The core element of the EPD is the life cycle assessment, in which the entire life cycle of a product is disclosed. An EPD is based on ISO 14025. Against the background of energy efficiency, sustainability and the increasing prevalence of building certifications, EPDs are becoming increasingly important. *More information: www.bau-umwelt.de*

As a wood-processing company, it is a particular concern to Parador to advocate the responsible handling of resources and make an active contribution towards the conservation of forests. The raw material for our engineered wood flooring comes 83 % from certified sources. All wood materials used are 75 % from certified sources.

With these percentages of certified wood and wood-based materials in FSC™ or PEFC™ quality, we guarantee our customers that the materials used come from monitored sustainable forest management. To make product transparency as high as possible for our customers, we have had life cycle assessments and environmental product declarations (EPDs) drawn up for our laminate flooring product group.

Further GRI indicators can be found in the index.



We attach great
importance to
transparency.

Not only in production,
process and product,
but also in *communication.*

Environmental programme

As part of our sustainability strategy adopted in 2014 and updated in 2021 through our stakeholder survey, we established three fields of action under the umbrella of a common understanding of sustainability. Annual sustainability goals are set in each of the individual fields of action and measures are adopted to ensure that the goals are achieved. For example, we have set ourselves the goal of having climate-neutral production at our sites in Coesfeld and Güssing from 2025 onwards.

We achieve these goal through defined measures, which are particularly attached to the issues of healthy living and environmental protection. In doing so, we first prioritise the issues that can be implemented as concretely as possible and that can also be expected to be economically sustainable.

We evaluate the degree of achievement of the goals and the progress made in implementing the adopted measures in annual workshops with the management board. In results presentations, we check the degree of achievement and document any deviations. During the management review, the results and goals are discussed and also documented. These are then discussed and verified with the external auditor.




Strategic field of action: Company

Goal	Measures	Site	Period	Status
Perception as a sustainable company	Implementation/ updating of the Ecovadis rating	U	2023	
Sustainable procurement	Supply chain sustainability risk check	U	2022	
Sustainable procurement	Develop purchasing in the direction of/ based on ISO 20400 "Sustainable procurement" 1. Step e.g. gap analysis	U	from 2022	
More sustainable supply chain	Confirmation of the implemented Supplier Code of Conduct by 100 % of suppliers	U	2022	
More sustainable logistics	Warehouse and logistics concept for the future	COE	2022	
More sustainable logistics	Implementation of the new logistics centre	COE	by 2024	

Strategic field of action: environment

Goal	Measures	Site	Period	Status
Reduction of the ecological footprint	Reduction of CO ₂ emissions with the overall goal of climate-neutral production sites from 2025 onwards	U	2022	
Climate protection and CO ₂ reduction	Corporate Carbon Footprint other categories	U	from 2022	
Climate neutrality	Development of the roadmap towards climate neutrality (Product related)	U	from 2022	
Increase resource efficiency	Resource efficiency 3.0 (Infrastructure for new energy concept)	COE	from 2022	
Increase visibility of EPDs	Publication of EPDs for other international programmes (e.g. Sweden, Norway, Asia, UK)	U	2022	
Product transparency	Vinyl flooring EPD	U	2022	
DGNB "Navigator label"	DGNB Navigator (inclusion of engineered wood flooring, laminate flooring, Modular One and Modular One Hydron)	U	from 2022	
Healthy living	Creation of further Health Product Declarations, creation of the "Declare" label for other products	U	from 2022	

Strategic field of action: society


Goal	Measures	Site	Period	Status
Strengthening social sustainability	Development of an initial employee code of conduct	U	from 2023	
Employee health	Expansion of services offered in the area of medical care at work	COE	2022	
Personnel development	Introduction of the Parador Academy	U	2022	

U = Whole company
COE = Coesfeld site (DE)



06

Outlook
for the future



"Learn from the
speed of nature:
its *secret is patience.*"

Ralph Waldo Emerson,
philosopher, writer, human rights activist,
1803–1882.

Integration of the Sustainability Development Goals







In the Sustainable Development Goals, the United Nations have set out 17 targets to change our world and our future for the better.

Based on the results of the materiality analysis, in 2021 we examined for the first time the extent to which Parador's sustainability goals and measures relate to the United Nations Sustainable Development Goals (SDGs).

With the help of the SDG Compass, developed by the Global Reporting Initiative, the United Nations Global Compact and the World Business Council for Sustainable Development, we have identified six key SDGs for Parador.

Within these key SDGs, i.e. the topics in which we see both the greatest responsibility and the greatest opportunities for Parador, we are guided by selected SDG sub-goals in order to measure our progress and make our direct contribution to sustainable development visible.

Wie wir zu den SDGs beitragen

SDG goals	Selected SDG sub-goals	Sustainability aspects	Example measures at Parador
	Promotion of general health care (3.8)	Customer health and safety	<ul style="list-style-type: none"> • Tested materials (Blauer Engel and Eco INSTITUT label) • Health Product Declaration for the product Modular ONE
		Occupational health and safety management	<ul style="list-style-type: none"> • Expansion/modernisation of the communal areas including hygiene concept • Expansion of services offered in the area of medical care at work
	Improving global resource efficiency in terms of consumption and production (8.4)	Occupational health and safety management	<ul style="list-style-type: none"> • Improvement of manufacturing processes for employees (physical strain) • Reconciliation of family and career and expansion of mobile working • Education and training measures
	Securing and protecting labour rights and supporting all employees (8.8)	Transparency in the supply chain	<ul style="list-style-type: none"> • Supplier management: • Supplier Code of Conduct, On-site audits and monitoring systems
	Modernisation of infrastructure and upgrading of industries (9.4)	Sustainable product alternatives Emissions	<ul style="list-style-type: none"> • Planning of the new logistics centre: shortening of transport routes and generating our own power • Resource-efficient production processes • Planned: development of a sustainable product alternative (research and development)
	Improvement of scientific research and technological capacities (9.5)		
	Achieving sustainable management and efficient use of natural resources (12.2)	Materials used Sustainable purchasing Marketing and labelling	<ul style="list-style-type: none"> • Increasing ecological product transparency and promoting sustainable purchasing decisions through EPDs, labels and certifications: PEFC™, FSC™, Blauer Engel, TÜV Rheinland.
	Reduction of waste generation through prevention, reduction, recycling and reuse	Sustainable product alternatives	<ul style="list-style-type: none"> • Promoting the circular economy (e.g. use of waste heat from facilities and waste wood for heating) Responsible, sustainable procurement of raw materials is ensured by qualified suppliers • Use of climate-neutral cardboard boxes for product packaging
	Integrating climate protection measures into national strategies and planning (13.2)	Emissions Energy	<ul style="list-style-type: none"> • Annual calculation of the corporate carbon footprint • Wood-based production waste for process heat and heating • Reducing the consumption of heating oil
	Promotion of sustainable management and (re)forestation (15.2)	Materials used	<ul style="list-style-type: none"> • Responsible sourcing of wood-based materials from certified sustainably managed forests (PEFC™, FSC™)



07

Process management



"Like music and art, *love of nature* is a *common language*, that can transcend political and social boundaries."

Jimmy Carter,
39th American president, human rights activist,
Nobel Peace Prize laureate,
*1924.

Process management

GSC criterion: responsibility

The ultimate responsibility for the topic of sustainability lies with the management board of Parador GmbH. In this way, we ensure that sustainability is also taken into account in strategic corporate decisions.

Operational responsibility lies with the respective managers of the specialist departments. They ensure that sustainability aspects can be integrated into the various business units and processes.



Organisation chart without reference to persons

Implementation

We have documented all environmentally relevant processes and responsibilities at Parador and anchored them in the corporate strategy. In this way, our employees can quickly and specifically access all environmental protection-related obligations, rights, tasks and procedures. In addition, our environmental management manual is the benchmark for internal as well as external functional reviews of the processes used for environmental protection.

As part of the organisational structures at Parador, various departments are associated with the company processes.

Besides the management board, there are also heads of departments and process owners therefore. Over and above this, we have appointed specific officers for specialised areas of responsibility.

For example, ecological sustainability is the responsibility of the Environmental and Quality Management department, while social issues are the responsibility of the Human Resources department. The managers exchange information with the management board at regular intervals on the progress of current projects and discuss new measures and goals for the further development of sustainability commitment at Parador.

The entire management system is evaluated at regular intervals as part of a management review. In doing so, we coordinate the issue of quality, environment and occupational safety across departments and check whether agreed targets have been achieved.

Our environmental officer is responsible for checking the environmental performance and compliance with the environmental programme, as well as for adapting the environmental management system to changing operational procedures.

We regularly check the legal conformity and regulatory developments in the environmental field and ensure that all relevant laws are complied with.

GSC criterion: Rules and processes

The quality management system in accordance with DIN EN ISO 9001:2015 ensures that all processes are documented and adapted as needed. Regular internal quality circles for employees ensure that everyone involved in the business process can contribute their concerns to this system in order to continuously improve it. The environmental management system in accordance with EMAS III and ISO 14001:2015 also ensures that the continuous improvement of our environmental performance is structured and optimally managed.

To this end, annual targets and measures are agreed with the management board, progress is recorded using key figures in accordance with ISO 14031, and employees are made aware of various dimensions of sustainability in annual training courses.

GSC criterion: control

We use a variety of key figures and indicators to control our sustainability commitment. For example, we have been collecting the EMAS core indicators as performance indicators for our sustainability performance since 2014. These are communicated transparently to the public. Furthermore, we record our performance indicators by using proven standards such as the GHG Protocol for balancing emissions or carrying out external reviewed life cycle assessments in accordance with ISO 14040


and 14044 as well as preparing environmental product declarations in accordance with EN 15804. Indicators relating to social issues and society are recorded using the quality management system. Since 2021, they have been supplemented by the GRI SRS indicators that are currently taken into account in the Sustainability Code standard, as well as by other specific GRI SRS indicators. The reliability, comparability and consistency of the performance indicators is ensured by all indicators being based on the most established standards and, for example, in the area of EMAS core indicators, by being externally assessed and confirmed annually by independent experts. For internal control purposes, additional intensity indicators are used, which put ecological performance in relation to the quantity produced.

GSC criterion: incentive systems

At Parador, we deliberately work without an incentive system in the area of sustainability, as sharing experiences with companies that have used one shows that it could lead to undesirable behaviour in the overall context.



08 Appendix

A dark, moody background featuring a large, thin white circle. A branch with a small, partially bloomed red flower is visible on the left side. The overall aesthetic is contemplative and artistic.

"We don't have to do great,
heroic deeds to participate
in change.

*Small acts, when multiplied,
can change the world."*

Howard Zinn,
historian, political scientist,
civil rights and peace activist,
1922 – 2010.

EMAS-Inhaltsindex

Content Environmental statement	EMAS requirement	Parador Sustainability Report
a)	A summary of activities, products and services of the organisation, the organisation's relationship, if any, to any parent organisations and a clear and unambiguous description of the scope of EMAS registration, including a list of the sites included in this registration	GRI 102-2a, 102-2b, 102-3, 102-4, 102-6, 102-7
b)	Environmental policy of the organisation: brief description of the management structure on which the environmental management system of the organisation is based	GSC "Strategy", GSC "Rules and Processes", GSC "Responsibility"
c)	Description of all significant direct and indirect environmental aspects leading to significant environmental impacts of the organisation	GSC "Depth of value creation chain", GSC "Use of natural resources." GRI 102-11
	Brief description of the procedure for determining their meaning and explanation of the nature of the impact related to these environmental aspects	GSC "Participation of stakeholders"
d)	Description of the environmental objectives and individual goals in connection with the significant environmental aspects and impacts	GSC "Goals"
e)	Description of the measures implemented and planned to improve the environmental performance, to achieve the goals and targets	GSC "Resource management", GSC "Climate-relevant emissions"
	Description of the measures implemented and planned to ensure compliance with legal obligations in the environmental field	GSC "Resource management"
f)	Summary of available data on the environmental performance of the organisation related to its significant environmental impacts	Input/Output balance sheet

**Environmental
performance
indicators**

a) Input-output, annual reference value, ratio of key figures	i) Energy	Input-output balance sheet, GRI 302-1
	· total direct energy consumption	
	· total consumption of renewable energies	
	· total renewable energy generation (if more than energy consumed).	
	ii) Material	Input/Output balance sheet
	· annual mass flow of key materials used	
	iii) Water	Input/Output balance sheet
· total annual water consumption		
iv) Waste	Input/Output balance sheet	
· total annual waste generation		
· total annual generation of hazardous waste		
v) Land consumption	Input/Output balance sheet	
· total land consumption		
· total sealed area		
vi) Emissions	Input/Output balance sheet	
· total annual greenhouse gas emissions		

EMAS-Kernindikatoren

		Total	Unit	FY 2022 conversion	Unit
Energy efficiency	Energy consumption tot.	40.338	MWh	3,27	kWh/m ²
	Share of renewable energies	27.222	MWh	67	%
	Thermal energy	17.335	MWh	1,41	kWh/m ²
	Of which renewable energies	11.677	MWh	67	%
	Electrical energy	23.003	MWh	1,87	kWh/m ²
	Of which renewable energiesn	15.545	MWh	68	%
Material efficiency	Wood	31.258	m ³	0,003	m ³ /m ²
		16.412.758	m ²	1,332	m ² /m ²
		5.103	ST	0,000	ST/m ²
	Technical papers	15.444.670	m ²	1,253	m ² /m ²
	Resilient materials	7.728.708	m ²	0,627	m ² /m ²
	Auxiliary materials	1.232.379	kg	100,0	g/m ²
	Packaging material	31.357	kg	2,5	g/m ²
		6.403.334	m ²	0,520	m ² /m ²
		17.255.856	ST	1,400	ST/m ²
		11.891	ROL	0,001	ROL/m ²
Water	Water (total)	5.653	m ³	0,46	l/m ²
Waste water	Waste water (total)	5.653	m ³	0,46	l/m ²
Waste	Non-hazardous waste	18.157	t	1,47	kg/m ²
	Hazardous waste	207	t	17	g/m ²
Biodiversity	Sealed area	140.195	m ²	0,011	m ² /m ²
	Built-up area	88.290	m ²	0,007	m ² /m ²
Emissions	CO ₂ (total)	11.918	tCO ₂ e	967	g CO ₂ /m ²
	CO ₂ (fossil)	3.781	tCO ₂ e	307	g CO ₂ /m ²
	CO ₂ (biogenic)	7.723	tCO ₂ e	627	g CO ₂ /m ²
	CO ₂ from logistics	414	tCO ₂ e	34	g CO ₂ /m ²
	SO ₂	1.399	kg	0,11	g SO ₂ /m ²
	NO _x	9.859	kg	0,80	g NO _x /m ²
	Fine dust	2.914	kg	0,24	g Staub/m ²

Input material and energy flows (consolidated)		Unit	2019	2020	Q1 2021	FY 2022	Percentage COE GÜS		Change 2020/ FY 2022
Raw materials	Wood	m ²	16.280.295	16.392.192	4.924.857	16.412.758	74 %	26 %	+0 %
		m ³	30.615	29.768	9.393	31.258	0 %	100 %	+5 %
	Technical papers	m ²	16.685.412	17.934.601	4.248.372	15.444.670	100 %	0 %	-14 %
	Resilient materials	m ²	5.880.392	7.043.057	2.214.998	7.728.708	100 %	0 %	+10 %
Auxiliary materials	Auxiliary materials total	kg	1.077.880	1.223.92	366.676	1.232.379	41 %	59 %	+1 %
Packaging material	Packaging material total	kg	29.261	30.060	7.016	31.357	100 %	0 %	+4 %
		m ²	6.296.739	6.690.569	1.960.770	6.403.334	81 %	19 %	-4 %
		ROL	12.951	13.576	6.350	11.891	82 %	18 %	-12 %
		ST	18.040.136	16.862.944	5.936.349	17.255.856	97 %	3 %	+2 %
Energy	Electrical energy	MWh	24.037	25.181	6.364	23.003	62 %	38 %	-9 %
	Thermal energy	MWh	18.825	17.469	7.072	17.335	67 %	33 %	-1 %
Water	Water total	m ³	5.536	5.936	1.639	5.653	46 %	54 %	-5 %
Fleet fuel consumption (cars)	Fleet fuel consumption	l	138.505	114.515	20.214	93.623	97 %	3 %	-18 %
Output material and energy flows (consolidated)		Unit	2019	2020	Q 2021	FY 2022	COE GÜS		Change 2020/ FY 2022
Finished goods	Finished goods (total)	m ²	12.284.305	13.217.802	3.450.932	12.322.865	86 %	14 %	-7 %
Waste	Non-hazardous waste	to	16.324	17.746	3.510	18.157	53 %	47 %	+2 %
	Hazardous waste	to	238	290	52	207	12 %	88 %	-28 %
Waste water	Waste water (total)	m ³	5.536	5.936	1.639	5.653	46 %	54 %	-5 %
Emissions	Dust (PM)	kg	2.557	2.437	998	2.914	97 %	3 %	+20 %
	Nitrogen oxide (NOx)	kg	11.020	11.420	3.600	9.859	78 %	22 %	-14 %
	Sulfur dioxide (SO ₂)	kg	3.739	3.825	1.103	1.399	93 %	7 %	-63 %
	Carbon dioxide (CO ₂)	tCO ₂ e	14.401	16.085	5.283	11.918	81 %	19 %	-26 %
	- fossil	tCO ₂ e	6.474	8.229	2.290	3.553	83 %	17 %	-57 %
	- biogenic	tCO ₂ e	7.145	7.139	2.816	7.723	78 %	22 %	+8 %
	- Vehicles (cars)	tCO ₂ e	337	279	49	228	97 %	3 %	-18 %
- Vehicles (trucks + rail)	tCO ₂ e	445	439	128	414	100 %	0 %	-6 %	

GSC Index

Strategy	
1. Strategy	Strategic approach and measures (p. 14)
2. Materiality	Materiality (p. 15)
3. Goals	Goals (p. 44)
4. Depth of the value chain	Our products (p. 10), Depth of the value chain (p. 39)
Process management	
5. Responsibility	Our environmental management – Responsibility (p. 52)
6. Rules and processes	Rules and processes (p. 55)
7. Control	Control (p. 55)
8. Incentive systems	Incentive systems (p. 55)
9. Stakeholder participation	Strategic approach and measures (p. 14)
10. Innovation and product management	Marketing and labelling (p. 42)

Environmental concerns

11. Use of natural resources	Use of resources (p. 22)
12. Resource management	Resource management (p. 22)
13. Climate-relevant emissions	Climate-relevant emissions (p. 26)

Society

14. Employee rights	Employee rights (p. 30)
15. Equal opportunities	Equal opportunities (p. 30)
16. Qualification	Qualification (p. 31)
17. Human rights	Human rights (p. 40)
18. Community	Community (p. 32)
19. Political influence	This aspect was not rated as material by the stakeholders in the stakeholder survey. Parador does not pay donations or benefits to politicians and governments in any country, does not employ lobbyists, and there are no memberships in politically active organisations.
20. Conduct in compliance with laws and guidelines	Conduct in compliance with laws and guidelines (p. 40)

GRI-Index

GRI 102 – General details		
GRI 102-1	Organisation name	Company portrait (p. 8)
GRI 102-2a	Description of the organisation's activities	Company portrait (p. 8)
GRI 102-2b	Main brands, products and services	Our products (p. 10)
GRI 102-3	Location of the headquarters	Company portrait (p. 8)
GRI 102-4	Operating sites	Company portrait (p. 8)
GRI 102-5	Ownership and legal form	Company portrait (p. 8)
GRI 102-6	Markets served	Company portrait (p. 8)
GRI 102-7	Size of the organisation	Company portrait (p. 8)
GRI 102-8	Information about salaried employees and other employees	Employees (p. 34), (p. 71))
GRI 102-9	Supply chain	Supply chain (p. 38), Environmental policy (p. 18)
GRI 102-10	Significant changes in the organisation and its supply chain	No significant changes in the supply chain took place in the reporting year.
GRI 102-11	Precautionary principle or precautionary measures	GSC 1 Strategy (p. 14), GSC Depth of the value chain (p. 39), GSC Human rights (p. 40), Environmental and quality policy (p. 18)
GRI 102-12	External initiatives	We support the United Nations Sustainable Development Goals (SDGs) for sustainable development. In doing so, we prioritise the SDGs that we consider to be particularly relevant to our business activities. Parador reports in accordance with the leading international sustainability reporting framework, the Global Reporting Initiative (GRI). We have an environmental management system certified in accordance with the Eco-Management and Audit Scheme (EMAS). In addition, Parador's environmental management system is also certified according to ISO 14001 – the international standard for environmental management. Parador has obtained certification in accordance with PEFC™ (Programme for the Endorsement of Forest Certification Schemes) and FSC™ (Forest Stewardship Council).
GRI 102-13	Membership in associations	Association of European Producers of Laminate Flooring (EPLF) MMFA- Multilayer Modular Flooring Association (MMFA) Association of the German Parquet Industry (vdp) German Timber Trade Association (GDH)
GRI 102-14	Statements of the managers	Preamble (p. 6)
GRI 102-16	Values, guidelines, standards and codes of conduct	Our value wheel (p. 16)
GRI 102-18	Management structure	Responsibility/organisational chart (p. 53)

GRI 102-35	Remuneration policy	Equal opportunities (p. 30)
GRI 102-38	Ratio of total annual compensation	Incentive systems (p. 55)
GRI 102-40	List of stakeholder groups	Process management (p. 52)
GRI 102-41	Collective bargaining	In % based on the "total number of employees" data specified in 102-7. Coesfeld: 87 % of employees are covered by collective bargaining agreements 13 % of employees have annual salary agreements of which 4.7 % with settlement abroad Güssing: 98 % of employees are covered by collective bargaining agreements 2 % of employees have annual salary agreements
GRI 102-42	Identifying and selecting stakeholders	Process management (p. 52)
GRI 102-43	Approach to stakeholder involvement	Process management
GRI 102-44	Key topics and concerns	Materiality matrix (p. 15)
GRI 102-45	Entities mentioned in the consolidated financial statements	Parador GmbH (Coesfeld) Parador Parkettwerke GmbH (Güssing) All entities are covered by the report.
GRI 102-46	Determination of report content and scope of topic	In order to determine the report content and the scope of the topic, we conducted a materiality analysis involving internal as well as external stakeholders. Furthermore, we have taken into account the topics in our reporting that Parador believes will gain in importance in the future. We have considered the principles of reporting to determine the content of the report. Stakeholder interests were identified through the surveys conducted and included in the determination of the key topics. Parador's performances are explained within the defined topic areas and the main economic, ecological and social effects are highlighted. We aim to provide the most detailed reporting possible and will continue to expand the completeness of the report in the coming years.
GRI 102-47	List of key topics	Materials used Emissions Energy Waste Water and waste water Employee satisfaction Customer Health and safety Occupational safety and health protection Community Risk and compliance management Sustainable procurement Marketing and labelling Sustainable product alternatives Transparency in the supply chain
GRI 102-48	Rewording of information	No changes, as this is Parador's first report according to GRI.
GRI 102-49	Changes in reporting	No changes, as this is Parador's first report according to GRI.
GRI 102-50	Reporting period	01.04.2021 - 31.03.2022 (in case of discrepancies this will be indicated)

GRI 102-51	Date of the most recent report	This is the first sustainability report that Parador has prepared in accordance with GRI.
GRI 102-52	Reporting cycle	Annual
GRI 102-53	Contact details for questions about the report	<i>umwelt@parador.de</i>
GRI 102-54	Statements on reporting in accordance with the GRI standards	This report has been prepared in accordance with the GRI standards: "Core" option.
102-55	GRI Content Index	Can only be created with report, contents are elaborated here, page numbers need to be added, template e.g. in GRI 102 p. 40
102-56	Externe Prüfung	No external check was performed. The report was prepared in cooperation with a sustainability consultancy, which provided support in particular in checking the quality of the data.

Company field of action

GRI 3-1	Process for identifying the key topics	References to GSC criteria 2 "Materiality" (p. 15), 10 "Innovation and product management" (p. 41), 3 "Goals"(p. 44) and 9 "Stakeholder participation". (p. 14)
GRI 3-2	List of key topics	Reference to GRI 102-47 (materiality matrix) and GSC criterion 1 "Strategy" (p. 14)
GRI 3-2	Management of the key topics	Reference to GSC criteria 17 "Human rights" (p. 40), 20 "Conduct in accordance with the law and guidelines" (p. 40), 4 "Depth of the value chain" (p. 39), 6 "Rules and processes" (p. 55), 14 "Employee rights" (p. 30) and 9 "Stakeholder participation" (p. 14), as well as chapter "Goals and action programmes" (p. 44) and the following GRI indicators: 205-1, 205-3, 308-1, 412-3, 414-1, 414-2, 417-1, 417-2, 417-3 and 419-1
GRI 205-1	Operating sites audited for corruption risks	All sites (2) were audited with regard to corruption risks. There are no significant risks. Awareness of possible risks is raised in training sessions in cooperation with an external law firm. In these, direct dialogues are simulated and actual cases are worked on with the employees.
GRI 205-3	Confirmed incidents of corruption and measures taken	There were no confirmed cases of corruption at Parador during the reporting period.
GRI 308-1	New suppliers, which were reviewed using environmental criteria	In total, 85 new suppliers were set up in the Purchasing department for FY2022. Currently, no parameters have been defined for the review of the environmental criteria.
GRI 412-1	Operating sites at which a human rights compliance audit or human rights impact assessment has been conducted	Parador has its operating sites exclusively in Germany and Austria. We can rule out human rights violations here on the basis of the applicable strict legal situation and therefore do not conduct any specific audits in the context of human rights.
GRI 412-3	Significant investment agreements and contracts that contain human rights clauses or have been checked for human rights aspects	Parador has its operating sites exclusively in Germany and Austria. No significant investment agreements were made in other regions in 2021.
414-1	New suppliers evaluated on the basis of social criteria	Our suppliers undertake to comply with Parador's terms and conditions of purchase. An inspection of suppliers through on-site visits is carried out once a year by our own employees. This applies to all new suppliers. At the beginning of December 2020, we sent the Supplier Code of Conduct, which among other things also requires compliance with human rights, to all suppliers with the request that they confirm that they have read it and are complying with it. Currently, 64 % of suppliers have signed the code.

GRI 414-2	Negative social impacts in the supply chain and measures taken	Currently, there is no explicit check on suppliers for actual and potential negative social impacts. Therefore, there are currently no known negative human rights impacts in the supply chain, and accordingly no measures have been taken. During the annual on-site visits, compliance with Parador's purchasing conditions is checked. The Supplier Code of Conduct (Supplier CoC) reinforces the evidence of compliance with minimum labour and social standards.
GRI 417-1	Requirements for product and service information and labelling	Indication of whether the organisation's product and service information and labelling procedures require the following information to be mandatory. Origin of product and service components: yes Composition (especially with regard to substances that could have environmental or social impacts): yes Safe use of the product or service: yes Disposal of the product and other environmental or social impacts: yes Percentage of product or service categories covered by this procedure and checked for compliance: 100 %.
GRI 417-2	Violations related to product and service information and labelling requirements	In the reporting period, there were no violations of statutory regulations and/or voluntary codes of conduct.
GRI 417-3	Violations related to marketing and communication	In the reporting period, there were no violations of statutory regulations and/or voluntary codes of conduct.
GRI 419-1	Non-compliance with laws and regulations in the social and economic sphere	There were no cases of non-compliance with laws and regulations in the 2021 reporting year.

Ecology field of action

GRI 3-1	Process for the identification of the key topics	References to GSC criteria 2 "Materiality" (p. 15), 10 "Innovation and product management" (p. 41), 3 "Goals" (p. 44) and 9 "Stakeholder participation" (p. 14)
GRI 3-2	List of key topics	Reference to GRI 102-47 (materiality matrix) and GSC criterion 1 "Strategy" (p. 14)
GRI 3-2	Management of the key topics	Reference to GSC criteria 2 "Materiality" (p. 15), 9 "Stakeholder participation" (p. 14), 10 "Innovation and product management" (p. 41), 11 "Use of natural resources" (p. 22), 12 "Resource management" (p. 22), 13 "Climate-related emissions" (p. 26), 4 "Depth of the value chain" (p. 39) (or page on SDG integration), 6 "Rules and processes" (p. 55), 3 "Goals" (p. 44), and GRI indicators 301-1, 301-2, 302-1, 302-4, 303-3, 305-1, 305-2, 305-3, 305-5, 306-3, as well as the section on ecology in the chapter "Goal and action programmes"
GRI 301-1	Materials used by weight or volume	Input-output balance sheet (p. 61)
GRI 301-2	Recycled raw materials used	Parador uses approx. 45 % recycled raw materials (it was not possible to include all suppliers here).
GRI 302-1	Energy consumption within the organisation	Energy consumption (p. 23)
GRI 302-4	Reduction of energy consumption	Direct and indirect environmental aspects – Reduction of energy consumption (p. 23)
GRI 303-3	Water extraction	Direct and indirect environmental aspects (p. 23)- Water extraction (p. 26)

GRI 305-1	Direct GHG emissions (Scope 1)	<p>a. The gross volume of direct GHG emissions (Scope 1) is 1,885 tonnes of CO₂ equivalent.</p> <p>b. The following relevant gases were included in the calculation: CO₂, CH₄, N₂O, SF₆.</p> <p>c. Biogenic CO₂ emissions: 205795 t CO₂e</p> <p>d. The base year selected for the calculations is 2019.</p> <p>i. For this year, Parador GmbH has sufficient information to provide an initial meaningful database. The aim was also to set a base year in which the Parador GmbH range is well represented. Progress measures will also refer to this base year.</p> <p>ii. 2,706 t CO₂e</p> <p>iii. Not applicable</p> <p>e. The life cycle assessment databases compiled by GaBi (Service Pack 40) and ecoinvent (Version 3.6) act as the data basis for the emission factors. For the assessment of the global warming potential in kg CO₂e, the Centrum voor Milieukunde (CML) methodology with the characterisation factors in version 2001– Apr. 2016 was applied.</p> <p>f. Parador GmbH consolidates in accordance with "operational control".</p> <p>g. The GHG Protocol was used as the standard for calculating Scope 1 emissions. Parador has compiled a comprehensive greenhouse gas inventory and has also made various assumptions within this framework, which can be found in detail in the greenhouse gas inventory. You can obtain information on request: umwelt@parador.de</p>
GRI 305-2	Indirect energy-related GHG emissions (Scope 2)	<p>a. The gross volume of location-based indirect energy-related GHG emissions (Scope 2) is 0 t CO₂e.</p> <p>b. The gross volume of market-based indirect energy-related GHG emissions (Scope 2) is 1,952.1 t CO₂e.</p> <p>c. The following relevant gases were included in the calculation: CO₂, CH₄, N₂O.</p> <p>d. The base year selected for the calculations is 2019.</p> <p>i. For this year, Parador GmbH has sufficient information to provide an initial meaningful database. The aim was also to set a base year in which the Parador GmbH range is well represented. Progress measures will also refer to this base year.</p> <p>ii. 10,825 t CO₂e</p> <p>iii. not applicable</p> <p>e. The life cycle assessment databases compiled by GaBi (Service Pack 40) and ecoinvent (Version 3.6) act as the data basis for the emission factors. For the assessment of the global warming potential in kg CO₂e, the Centrum voor Milieukunde (CML) methodology with the characterisation factors in version 2001– Apr. 2016 was applied.</p> <p>f. Parador GmbH consolidates in accordance with "operational control".</p> <p>g. The GHG Protocol was used as the standard for calculating Scope 2 emissions. Parador has compiled a comprehensive greenhouse gas inventory and has also made various assumptions within this framework, which can be found in detail in the greenhouse gas inventory. You can obtain information on request: umwelt@parador.de</p>
GRI 305-3	Other indirect GHG emissions (Scope 3)	These emissions are currently not yet recorded by Parador, as this represents too great an effort at the present time. The implementation of a corresponding project is planned for 2022/2023.
GRI 305-5	Reduction of GHG emissions	Reduction of GHG emissions (p. 26)
GRI 306-2	Waste generated	Direct and indirect environmental aspects (p. 22)- Waste (p. 24)

Society field of action

GRI 3-1	Process for the identification of the key topics	References to GSC criteria 2 "Materiality" (p. 15), 10 "Innovation and product management" (p. 41), 3 "Goals"(p. 44) and 9 "Stakeholder participation". (p. 14)
GRI 3-2	List of key topics	Reference to GRI 102-47 (materiality matrix) and GSC criterion 1 "Strategy" (p. 14)
GRI 3-2	Management of the key topics	Reference to GSC criteria 2 "Materiality" (p. 15), 14 "Employee rights" (p. 30), 15 "Equal opportunities" (p. 30), 16 "Qualification" (p. 31), 19 "Political influence".(p. 63), 6 "Rules and processes" (p. 55), 3 "Goals" (p. 44), 18 "Community"(p. 32), 19 "Political influence," 20 "Conduct in compliance with laws and guidelines" (p. 40), 9 "Stakeholder participation" (p. 14) as well as the GRI indicators 201-1,401-1, 403-4, 403-9, 403-10, 404-1, 405-1, 406-1, 415-1, 416-1, 416-2 and the area of society in the chapter "Goal and programme of measures".
GRI 201-1	Directly generated and distributed economic value	<p>Including the basic components of the organisation's global activities, Parador generated the following pro rata, directly generated and distributed economic values during the period under review:</p> <ul style="list-style-type: none"> i. Directly generated economic value: revenues: €79,967 thousand ii. Distributed economic value: operating costs, employee wages and benefits, payments to capital providers, payments to the nation broken down by state, and investments at the municipal level: €74,547 thousand. iii. Retained economic value: "Directly generated economic value" less "Distributed economic value": €5,420 thousand <p>b. The economic value generated and distributed must each be reported separately at the national, regional or market level.</p> <p>Where relevant, the criteria used to determine significance must be cited. This value is not currently available.</p>
GRI 401-1	Total number and rate of newly hired employees and staff turnover by age group, gender and region	Employees (p. 34) and table in the appendix (p. 71)
GRI 403-4	Employee participation, consultation and communication in occupational health and safety	Employee participation in occupational health and safety (p. 32)
GRI 403-9	Work-related injuries	<p>Re 403.9 a. For all salaried employees:</p> <ul style="list-style-type: none"> i. There were no fatalities due to work-related injuries. ii. There were no work-related injuries with serious consequences. iii. 23 work-related injuries were documented. This equates to a rate of 5,144.7 work-related injuries per 1,000,000 hours worked. iv. The main types of work-related injuries are cuts, wood splinters, bruises and contusions. v. A total of 660,186 hours were worked by salaried employees in the reporting period. <p>Re 403-09 b. For all employees who are not salaried employees but whose work and/or workplace is monitored by the organisation.</p> <ul style="list-style-type: none"> i. + ii. + iii. + iv. No work-related injuries or even fatalities were documented during the reporting period. For this reason, no types of work-related injuries can be cited. v. A total of 34,444.5 hours were worked by employees in the reporting period.
GRI 403-10	Work-related illnesses	No work-related illnesses were reported among salaried employees or employees in the reporting period.

GRI-Index

GRI 404-1	Average number of hours for education and training per year and staff member	<p>Total hours spent on employee training and development during the reporting period: 5,675.67 hours</p> <p>With a current workforce of 539 employees, the average number of hours spent on training and development during the reporting period was 10.53 hours.</p> <p>A precise breakdown of hours for training and development by gender or employee category is currently not possible for Parador.</p>
GRI 405-1	Diversity in control bodies and among salaried employees	<p>a. On the Parador management bodies, 93 % are male and 7 % are female employees. 7 % are under 30 years old. 26 % of employees on management bodies are between 30 and 50 years old, while 67 % are over 50.</p> <p>b. All employees: among all employees, 80 % are male, 20 % are female. Of these, 21 % are under 30 years old, while 34 % are between 30 and 50, and 45 % are over 50 years old.</p> <p>Salaried employees: 72 % of salaried employees are male, while 28 % are female. Among salaried employees, 17 % are under 30 years old, while 34 % are between 30 and 50 years old and 41 % are over 50 years old.</p> <p>Salaried trainees: 50 % of the 18 salaried trainees are male and 50 % are female. 100 % of the salaried trainees are under 30 years old.</p> <p>Industrial employees: 99 % of industrial employees are male, while 1 % are female. Among industrial employees, 13 % are under 30 years old, while 33 % are between 30 and 50 years old and 54 % are over 50 years old.</p> <p>Industrial trainees: 100 % of industrial trainees are male and under 30 years old.</p>
GRI 406-1	Incidents of discrimination and remedial action taken	No incidents of discrimination were identified or reported at Parador in 2021.
GRI 415-1	Party donations	Classified as not material for Parador. Monetary value was 0 euros.
GRI 416-1	Assessing the impact of different product and service categories on health and safety	<p>Percentage of product and service categories reviewed: 85 %.</p> <p>(For all product groups [laminated flooring, multi-layer engineered wood flooring, design flooring, etc.] the emission behaviour [VOC] is regularly checked by external monitoring).</p>
GRI 416-2	Violations related to the health and safety impacts of products and services	In the reporting period, there were no violations of statutory regulations and/or voluntary codes of conduct.

Employees

Number of salaried employees by employment contract (temporary / permanent) and gender (reporting date 31.12.2021)		Güssing	Coesfeld
Male permanent		83	278
Male temporary		0	25 + 20 trainees
Female permanent		35	65
Female temporary		0	7
Number of salaried employees by employment contract (temporary / permanent) and region (reporting date 31.12.2021)		Güssing	Coesfeld
Permanent total		118	343
Temporary total		0	32
New salaried employees and employee turnover		Güssing	Coesfeld
Male		6	24
Female		4	16
total		10	41
< 30 years old		5	24
between 30 and 50 years old		2	15
> 50		3	2
Departures		Güssing	Coesfeld
Male		4	21
Female		7	10
total		11	31
< 30 years old		1	13
between 30 and 50 years old		6	6
> 50		4	12

Validity declaration

Declaration of the environmental expert on the assessment and validation activities

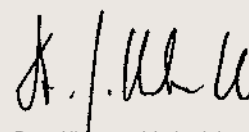
The undersigned, Dr. Jürgen Hubald, EMAS environmental expert with the registration number DE-V-0053, accredited or licensed for the sector Division 16, manufacture of articles of wood and of products of wood and cork, except furniture (NACE-16) and manufacture of other plastic products (NACE- 22.29), confirms having assessed that the Coesfeld site (DE) owned by Parador GmbH and the Güssing site (AT) owned by Parador Parkettwerke GmbH meet all requirements of Regulation (EC) No. 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), taking into account Regulation (EC) 2017/1505 of 28 August 2017 and Regulation (EU) 2018/2026 of 19 December 2018.

By signing this declaration, it is confirmed that

- the assessment and validation were carried out in full compliance with the requirements of Regulation (EC) no. 1221/2009, and the Regulation (EC) 2017/1505 from 28 August 2017,
- the result of the assessment and validation confirms that there is no evidence of non-compliance with applicable environmental regulations,
- the data and information in the environmental statement issued by Parador GmbH at the Coesfeld site and by Parador Parkettwerke GmbH at the Güssing site give a reliable, credible and true picture of all activities carried out by Parador GmbH at the Coesfeld site and by Parador Parkettwerke GmbH at the Güssing site within the area specified in the environmental statement.

This statement cannot be put on a level with an EMAS registration. The EMAS registration can only be done by a competent body in accordance with Regulation (EC) no. 1221/2009. This statement must not be used as a stand-alone basis to inform the public.

Coesfeld, 30.09.2022



Dr. Jürgen Hubald

Umweltgutachter (DE-V-0053)

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Contact

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About this report

This sustainability report documents Parador's sustainability activities in accordance with EMAS requirements and represents the environmental statement. Reporting is based on the criteria of the German Sustainability Code (DNK) and in accordance with the GRI standards: "Core" option. The most recent version of the complete GSC declaration can be accessed online under the "Database" tab:

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