Sustainability Report
of the JAF Group

2024

Foreword from Management

Dear reader

The slogan, Wood our World, has been central to our company for over 75 years. This unique material also provides numerous opportunities as we continue on our path into the future. As timber traders, we are therefore in a very special situation: Through our efforts, we accept responsibility for the building material of the future and, in so doing, for the wellbeing of future generations.

It is against this backdrop that we regard our sustainability reporting as an integral tool for aligning our commercial activities to effectively promote our sustainable development in terms of environmental, social and business-related issues.

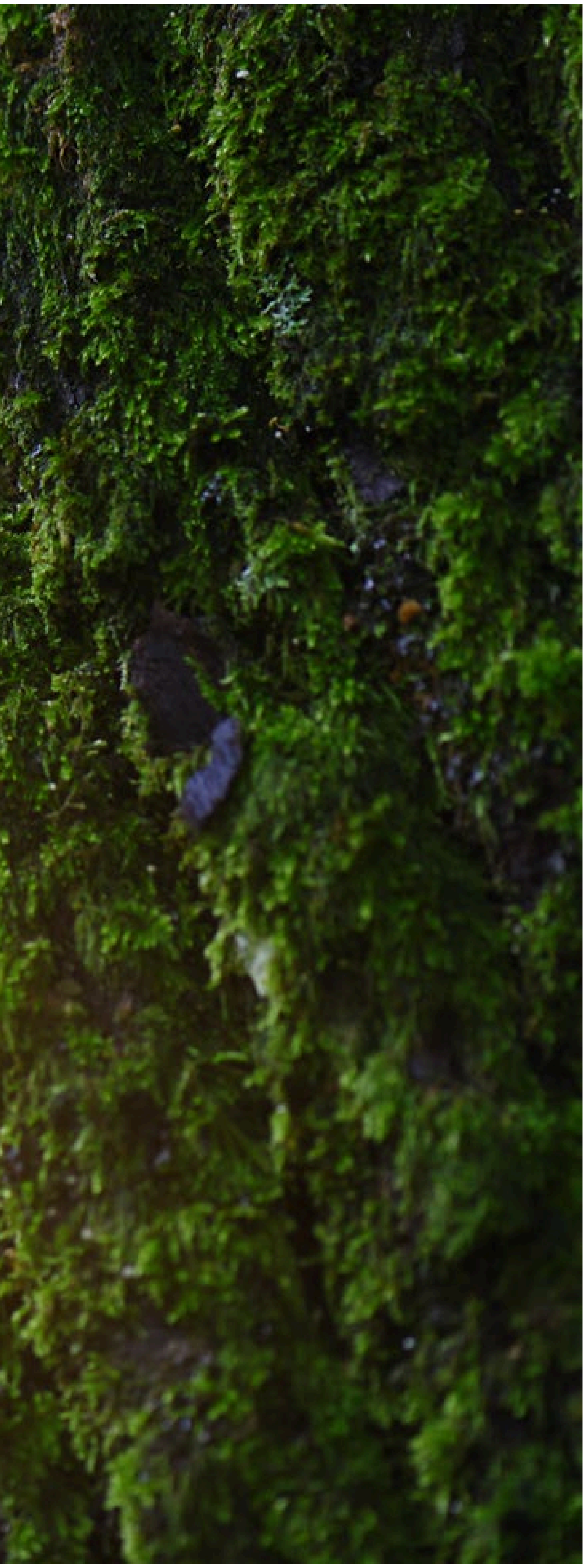
This ESG report relating to our 2024 financial year is our company's second sustainability report. In the previous year, we gained many important insights based on our first-ever, group-wide, standardised data gathering. This enabled us to develop some initial actions and review these with regard to their efficiency. Furthermore, we have defined some challenging sustainability goals which we aim to achieve by 2030 and on which we will be reporting regularly in the course of our future reports.

We are of course also thinking beyond 2030 and it is evident that we are only at the outset of an exciting path towards our further development. These common efforts will be characterised by testing new approaches and constantly fine tuning our activities to remain on the right track.

We are convinced that this commitment to the climate-friendly building material of the future will continue to pay off and look forward to reporting on this shared journey on the following pages of this report.

The Management Team of the JAF Group

Ing. Miroslav Malženický   Dr. Wilfrid Fabjani   Mag. Werner Stix   Mag. David Brenner



Contents

1. Company profile

The multifaceted material wood has been defining the path trodden by J u. A Frischeis (JAF) for more than 75 years. Since being founded in Stockerau, Austria, by Josef and Antonia Frischeis in 1948, our company has developed to become an international wholesaler in timber products. Today, as the JAF Group, we are deeply rooted in the regions around our 71 sites and well established all over the world in the international back-to-back sector as JAF Global.

At home around the world – firmly rooted in Austria

Whether in Austria or worldwide: We are a strong partner at the side of the timber processing, construction and retail sectors. We excel in logistical service quality, through modern processing centres and a diverse range of digital solutions.

Well aware of the scarcity of global resources, environmentally sensitive trading is an important element of our corporate value system. The JAF Group is well aware of this major responsibility and makes a significant contribution to positive social development through its actions.

What we stand for

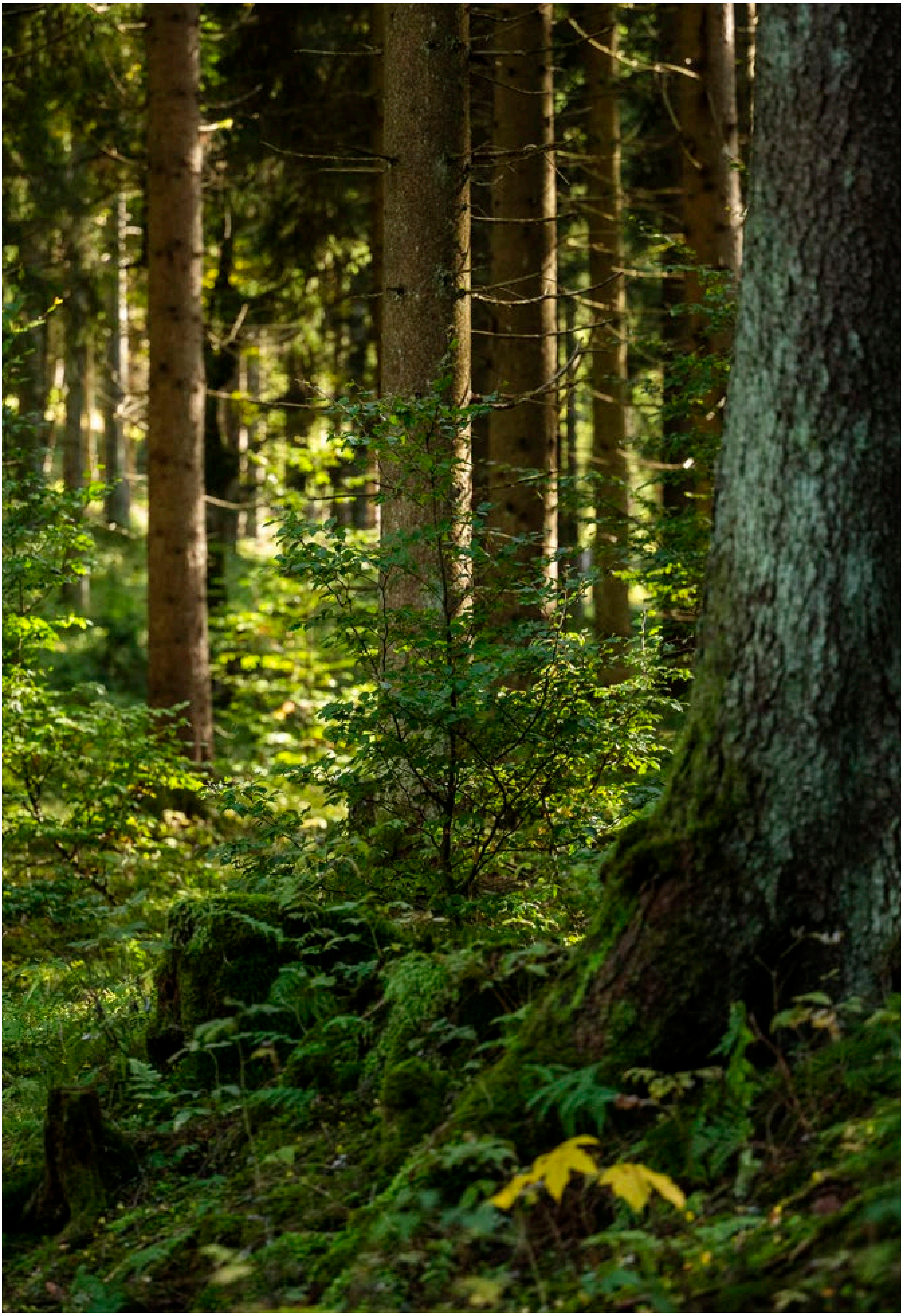
As an independent, international, family-owned company, we are motivated by steady growth and sustainable progress. In the wood industry, we play various roles along the supply chain – from the forest to the end consumer. We strive to achieve a full understanding of our customers' needs in order to develop flexible solutions and services for constructing and designing buildings with wood. Our employees are highly appreciated and trusted. Respect-based collaboration and our shared passion for wood are the keys to making important contributions at work every day. We are open to new ideas and drive innovation, digitalisation and new technologies at various levels by means of our entrepreneurial mindset. We are firmly committed to investing in the future so that we are always at the cutting edge of technology. That's why we continue to offer our customers the best-possible service while also offering our employees attractive jobs at a financially stable company. We are well aware of our major responsibility to the environment and, in particular, to forests as ecosystems, as a key resource for life on the planet. That's why we act to conserve resources every day, pay attention to sustainable forestry management and promote wood as a climate-friendly material for today and tomorrow.

What drives us

Since being founded by Josef and Antonia Frischeis in 1948, customers have always been at the heart of everything we do. This means that our roots are tightly intertwined with the timber processing trade, which has always been innovative and focused on quality. Since wood is our world and we continue to live by the values of our founding family, our day-to-day work is characterised by personal commitment, flexibility, proximity to the customer and an entrepreneurial mindset when it comes to providing a full range of timber-based materials for decorative and construction-based purposes. Our common passion for wood and our comprehensive understanding of the diverse opportunities to deploy this unique building material motivate us every day.

In order to provide our customers with the support they need, we retain a clear view of the challenges they face and are today already developing the right solutions for tomorrow. Besides our core business, we also see ourselves as an innovative provider of digital, customer-oriented solutions and services to support customers by prefabricating products to a significant extent.

We are well aware that wood is a central element of the ongoing environmental transformation in the construction sector and therefore actively promote timber as a construction material, due to its climate-friendly properties, and accept responsibility for the wellbeing of future generations.



Our values

Our actions are guided on a daily basis by our core corporate values of respect, environmental awareness, quality, growth and passion. Working with wood demands respect for the needs of the environment and people. Only constant commitment can guarantee sustainable quality. Every customer and supplier visit is a valuable opportunity to network. Together, we can then grow and pass on our passion for wood – the construction material of the future.

Memberships

Diversity Charter

By signing the Diversity Charter (Charta der Vielfalt) of the Austrian Federal Economic Chamber, we have committed to respecting the needs of all those we work with – irrespective of gender, skin colour, nationality, ethnic origin, religion or ideology, disabilities, age, sexual orientation and identity. We regard promoting diversity in our team as a major opportunity and embrace our responsibility as an active member of society.

Global Compact

The United Nations Global Compact is the world's largest and most important initiative promoting corporate responsibility. Its aim is to ensure globalisation is socially and environmentally sustainable. The Global Compact Network Austria supports companies and organisations to align their strategies and activities with the sustainability goals and the vision of the UN Global Compact. JAF joined the Global Compact Network in April 2024.

Dürrenstein-Lassingtal Wilderness Area

The Dürrenstein-Lassingtal UNESCO World Natural Heritage Site, together with the Urwald Rothwald, form the largest remnant of primary forest in the Arc of the Viennese Alps. It is recognised as a Category Ia + Ib IUCN protection area and has been a UNESCO World Heritage Site since 2017. Due to its natural forests, it is an important element of efforts to permanently safeguard rare ecosystems and their fauna, flora and mushroom species.

ARGE Zertifizierung

Arbeitsgemeinschaft Zertifizierung is a working group established by Austropapier which addresses questions related to certifications (FSC® and PEFC) by means of workshops.

respACT:

respACT – austrian business council for sustainable development – is Austria's leading platform for corporate social responsibility (CSR) and sustainable development. This association supports its current membership of over 400 to reach their environmental and societal goals efficiently and independently.

GD Holz

Gesamtverband Deutscher Holzhandel e.V. (GD Holz) represents around 800 members of the German timber trading sector and promotes their interests vis-a-vis policy makers, organisations, media and society in general. Members of GD Holz operate in the timber retail, wholesale and exports sectors as well as trading in veneers, logs and sawn timber.

ATIBT

ATIBT acts as a trading association which represents the private tropical forest sector in the Congo Basin and promotes the sustainable, ethical and legal trade of tropical timber as a natural and renewable resource. Tropical timber is of particular importance to the socio-economic development of producing countries.

Awards

Wir sind inklusiv 2023 – 2025 (JAF Kramsach)

JAF Kramsach is among the 30 Tyrolean companies which received the Wir sind inklusiv award from the Ministry of Social Affairs in March 2023. This seal of approval is granted to companies which offer people with disabilities professional development opportunities.

Kununu Top Company 2024

The Top Company award recognises companies which receive particularly good feedback as employers on the kununu platform. These evaluations are provided by both employees and job applicants.

Leading Employer Österreich 2024

According to the LEADING EMPLOYERS study in 2024, JAF is among the top 1% of Austria's best employers. This study is a so-called meta study which evaluates employers based on numerous sources, audits, feedback platforms, benchmarks, satisfaction scores and employee options. This holistic approach provides a more meaningful evaluation than the individual studies.

JAF at a glance

76
years of JAF

71
sites

3,000
employees

employees from
37
countries

45%
share of women in permanent jobs

29 %
share of country-level organisations led by women

10 years
average duration of employment

> 20,000
items in stock

> 70%
electric forklifts

€2.5 million
investments in PV systems (since 2023)

37%
share of renewable power

1.3 million t CO_2
stored in our timber products

Sustainable Development Goals (SDGs)

JAF is committed to what are known as the Sustainable Development Goals (SDGs) of the United Nations. The SDGs relevant to JAF were assessed in an interdisciplinary management workshop and selected using a defined rating procedure. The following SDGs were defined as goals during this process:

Quality education

We believe firmly in the importance of our supporting the further education and training of our employees, which is why we offer a wide range of courses, adding to these regularly in response to the needs of our employees.

4 QUALITY EDUCATION

Climate action

We put together a comprehensive carbon footprint and take clear action to cut greenhouse gas emissions.

13 CLIMATE ACTION

Affordable and clean energy

We increase the share of renewable energies in the electricity we use and invest heavily in photovoltaic systems at our sites. We also evaluate and improve our energy efficiency measures on an ongoing basis.

7 AFFORDABLE AND CLEAN ENERGY

Life on land

Sustainable forestry is very important to us. Most of our branches are certified according to forest management certification systems.

15 LIFE ON LAND

Decent work and economic growth

We ensure that human rights are respected and are committed in particular to ensuring the health and safety of our employees at work.

8 DECENT WORK AND ECONOMIC GROWTH

Peace, justice and strong institutions

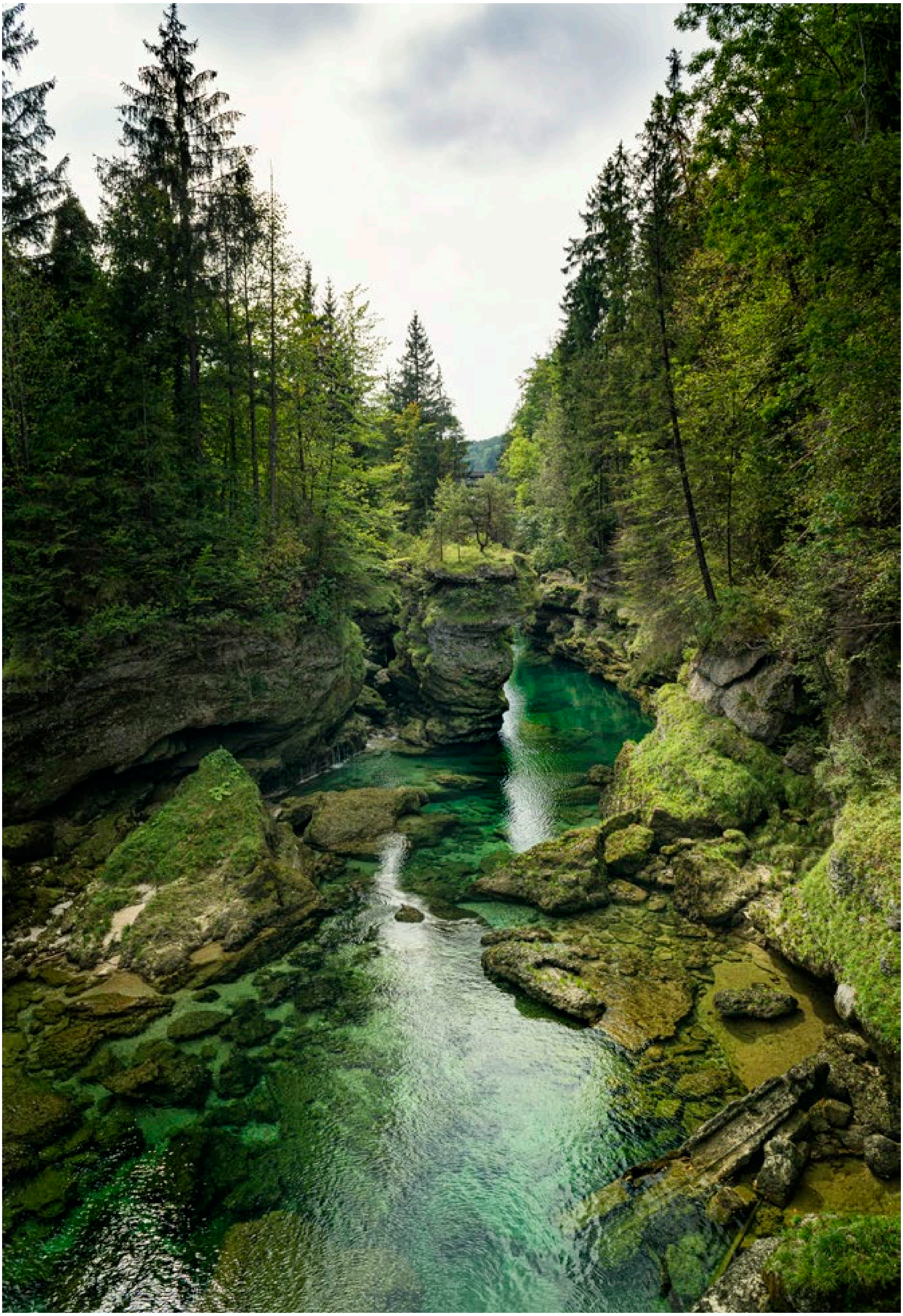
We invest in training and further education to address important topics such as privacy and preventing corruption.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Responsible consumption and production

Wood has a key role to play in the construction industry as a renewable raw material.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Social engagement

As a globally active timber trader, we have an influence on the lives of many people. We are an active member of society in many countries and regions and generate considerable added value here. As the JAF Group, we make an important contribution to the lives of the people in our sphere of influence. We promote local projects, such as cultural events and school projects, in the regions where we operate. As an attractive employer, we are firmly committed to the personal development of our employees and also facilitate economic development in the relevant regions by means of offering training. As a company, we collaborate closely with schools and universities to create opportunities for young people.

Frischeis family hardship fund

The Frischeis family hardship fund was established in summer 2024. This fund is available to all JAF Group employees faced with an acute case of hardship.

The aim of the Frischeis family hardship fund is to provide support to JAF Group employees and their closest relatives who are hit by unforeseen cases of hardship through no fault of their own. The fund is thus a natural continuation of the long-standing tradition of our company founders Josef, Antonia and their son Johann Frischeis who were, during their lives, prepared to help their employees in the most difficult of circumstances The fund ensures that JAF colleagues can count on receiving swift and unbureaucratic support when faced with unexpected challenges. Through this fund, the Frischeis family signals the solidarity it feels with the employees of our company.

Renovating Romanian educational institutions

The team at JAF organisation in Romania, Holver, works closely with the BookLand organisation on an ongoing basis to help further educational efforts in Romania. In 2024, Holver supported the renovation of the No. 1 Sulita secondary school in Botosani; the Brestovat secondary school in Timis; the school and kindergarten in Harghita and the George Cosbuc occupational secondary school in Iojib with donations of materials. These initiatives make it possible for pupils to learn in a safe, modern and pleasant environment.

Power playground project with beechwood

In 2024, JAF Österreich supported the association Energiewende Linz to implement its pedagogical power playground project. During the course of workshops, this association highlights the interfaces between climate goals, energy transition and the future economic system. Pupils were able to participate in various events throughout Austria as part of the project to build pedal generators as a means of getting to grips with the issues of energy and energy supplies. The generator housings were manufactured using beech plywood from JAF.

2. Report structure and procedure

This document covers the reporting period from 1 January 2024 to 31 December 2024. This is the second time that this sustainability report has been prepared. This report is based on the GRI reporting standard and has not been independently audited.

Material topics at JAF Group

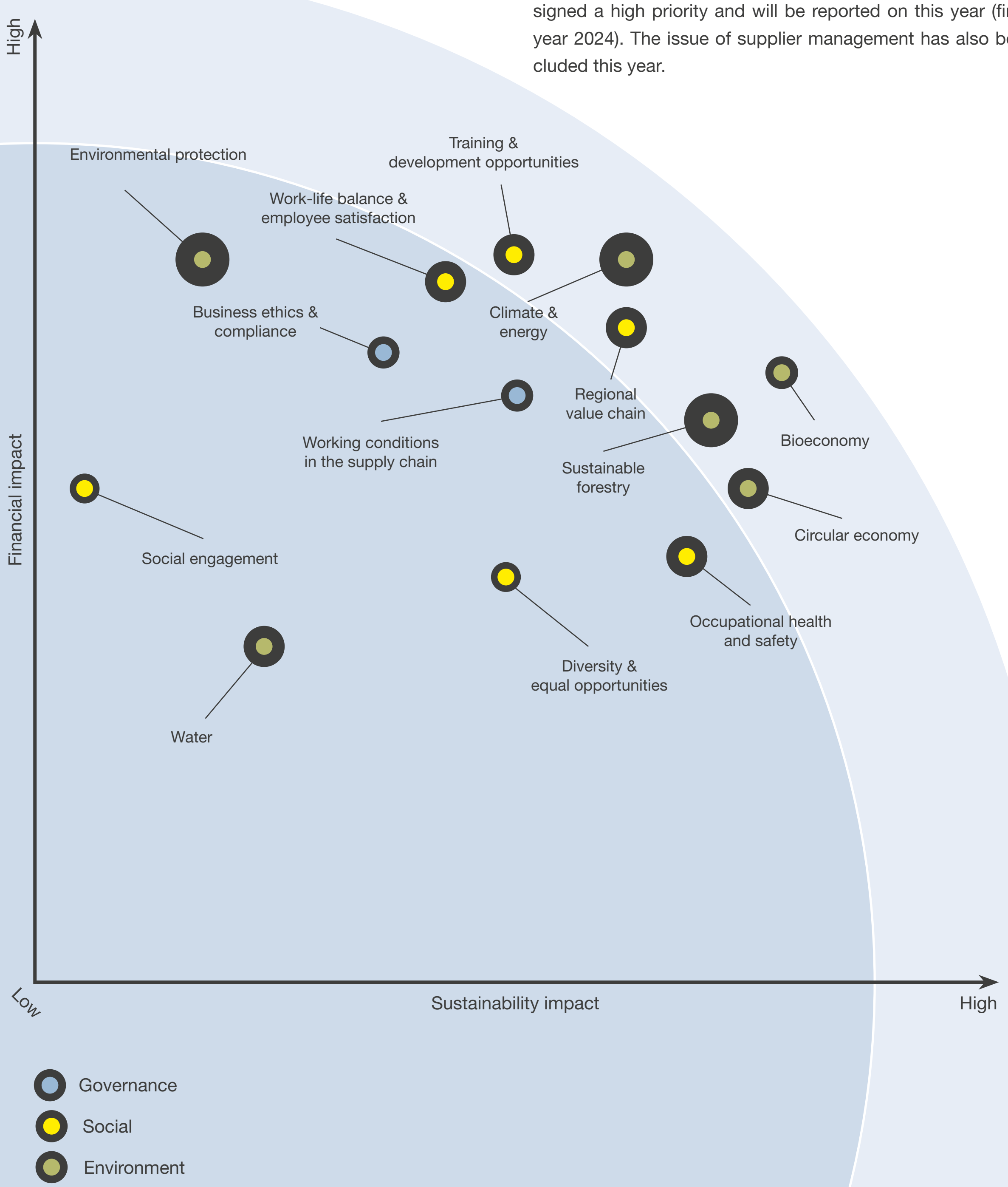
As the JAF Group, we were supported by the consultancy Denkstatt while preparing the materiality assessment upon which this report is based. This materiality assessment has been prepared based on the concept of double materiality. Various internal and external stakeholders were surveyed (Supervisory Board, Management, employees, customers, suppliers, banks, associations, NGOs, etc.) in order to evaluate the sustainability impacts (inside-out perspective). This survey was based on an online questionnaire. Over a thousand valid data records were analysed in the course of preparing the materiality assessment. The analysis of the financial impacts (outside-in perspective) is based on the assessments of the three general managers and members of the Supervisory Board.

Stakeholder communication

An ongoing dialogue with our stakeholders (Supervisory Board, Management, employees, customers, suppliers, banks, industry associations, NGOs, etc.) is key for us to understand the various perspectives, challenges and demands we face and to draw important conclusions regarding our actions based on these insights. Numerous discussions and our daily collaboration with these stakeholders also provide an opportunity to exchange ideas and opinions.

The first analysis of the material topics in 2023 focussed on those issues lying beyond the materiality threshold. The topics relating to business ethics and compliance, as well as occupational health and safety, were also reported on due to Management assigning these issues particularly high priority.

With regard to the CSRD, a new double materiality assessment was undertaken in 2024. The findings of this largely confirm those of the first materiality assessment in 2022. The material topic related to working conditions in the supply chain has also been assigned a high priority and will be reported on this year (financial year 2024). The issue of supplier management has also been included this year.



3. Sustainability goals – Strategy 2030

We are well aware of the major opportunities which the future presents for wood as a construction material. We accept responsibility here for future generations – in terms of the environment, social and economic issues. Our sustainability strategy is therefore strictly based on our mission statement for the sustainability of the JAF Group in 2030.

Sustainability of the JAF Group 2030

What we are aiming for: Our vision

As an ambassador for wood, we provide the materials for a sustainable future.

What motivates us: Our purpose

We are fully aware that timber is a central element of the ongoing environmental shift in the construction industry and therefore actively promote timber as a material, due to its climate-friendly properties, and also accept responsibility for the future of coming generations.

What we stand for: Our mission

We are well aware of our major responsibility to the environment and, in particular, to forests as ecosystems, as a key resource for life on the planet. That's why we act to conserve resources every day, pay attention to sustainable forestry management and promote wood as a climate-friendly material for today and tomorrow.

Sustainability strategy: Our ESG goals for 2030

Environment	Social	Governance
GHG emissions (baseline 2022) **Scope 1/2:** A reduction of 25% **Scope 3** A reduction of 25 %	**12 hours of training** per employee per year **80% of employees** participating in staff appraisals **0 major occupational accidents**	**100% regular training** on compliance and corruption **100% of employees** have committed to adhere to our code of conduct

Sustainable forestry practices as the basis of our business activities

By trading in timber and wood-based materials, we bear responsibility for the origins of our products. Through our procurement objectives, we aim to make a key contribution to sustainable forestry management and adhere to the following procurement principles:

Procurement goals for sustainable timber trading

We prioritise regional products

Imports from high-risk countries are subject to special scrutiny

We act as ambassadors for the future's renewable and climate-sensitive building material

↓ ↓ ↓

Sustainable forestry practices as the basis of our business activities

↑ ↑ ↑

We prioritise products with a low CO_2 footprint

We ensure transparent supply chains. We work with reputable suppliers. who we know and trust

We rely increasingly on certifications

4. Information about the company

As the JAF Group, we are widely known in Austria as J. u. A. Frischeis – the initials of our founders Josef and Antonia Frischeis. Founded in Stockerau, Lower Austria, in 1948, we are today among the leading European suppliers of timber and wood-based materials. JAF has nearly 3,000 employees based at 71 sites located in 15 countries on two continents. In the back-to-back segment, we also engage in international timber trading as JAF Global. Over the past 76 years, JAF has established itself as a strong partner to the wood processing sector, the construction industry and as a wholesaler. Through its top-performance logistics, modern production facilities and numerous digital solutions, JAF guarantees maximum flexibility and modern service.

An overview of JAF business divisions

Wholesale

We are a leading partner for timber and timber products in Central Europe. A dense network of branches, an extremely diverse range of products and 20,000 products constantly in stock enable us to ship orders quickly.

International back-to-back business

The JAF Group offers top-performance logistic solutions in the areas of container imports and also distributes goods directly from the producer to the customer. Customers benefit from our many years of experience in international trading and logistics.

The JAF wholesale product range

Wooden interiors

This business division covers all products and services for indoor solutions, i.e. for furniture and interior design, with a strong focus on the downstream processing industry.

Interior design

> Flooring
> Doors
> Walls and ceilings

Furniture manufacture

> Decorative panels
> Veneers

Building with wood

This business division concentrates on timber construction and therefore includes a full range of products for construction, cladding and garden-related purposes.

Construction

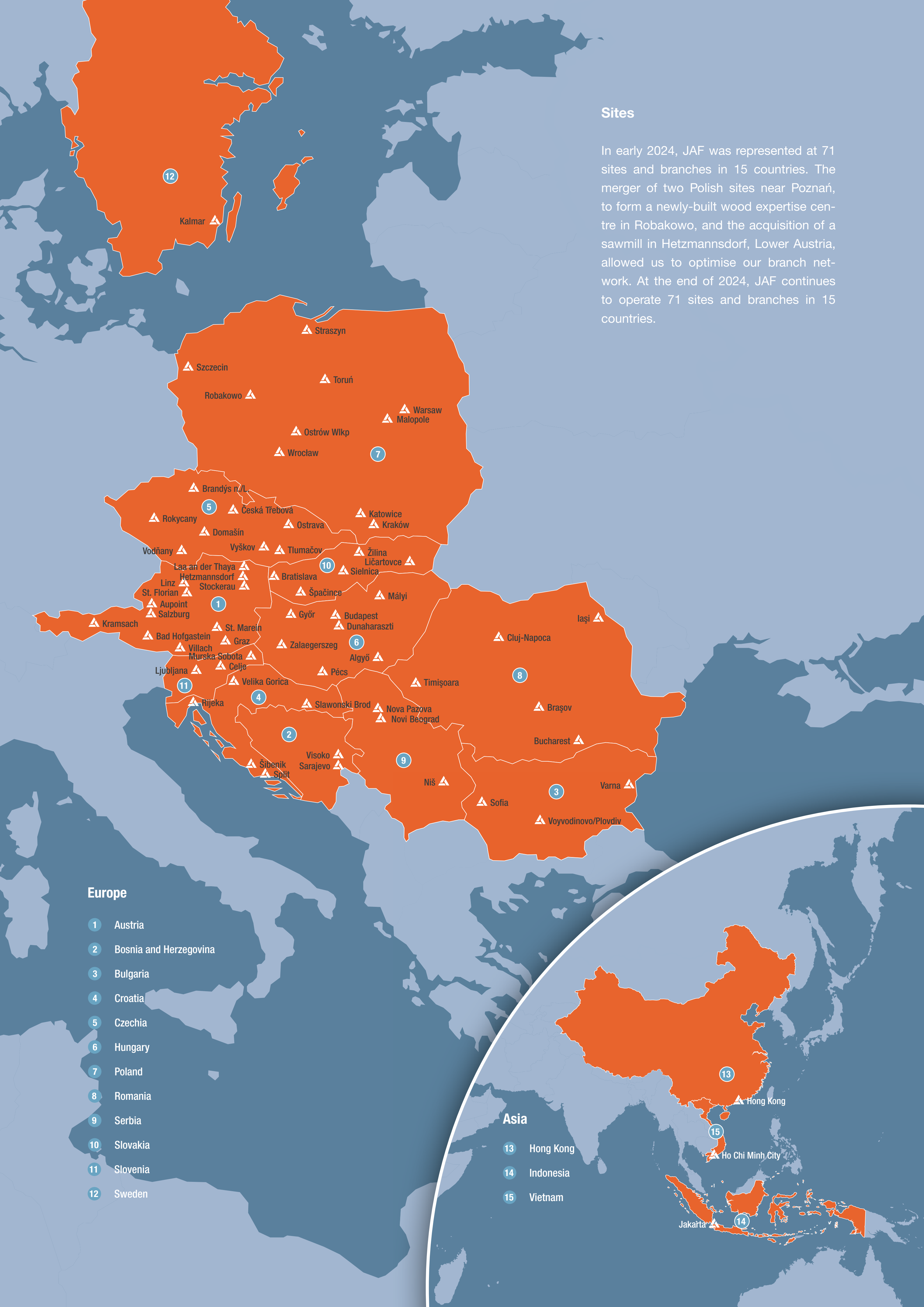
> Construction boards
> Construction panels
> Construction timber

Gardens and cladding

> Decking
> Cladding

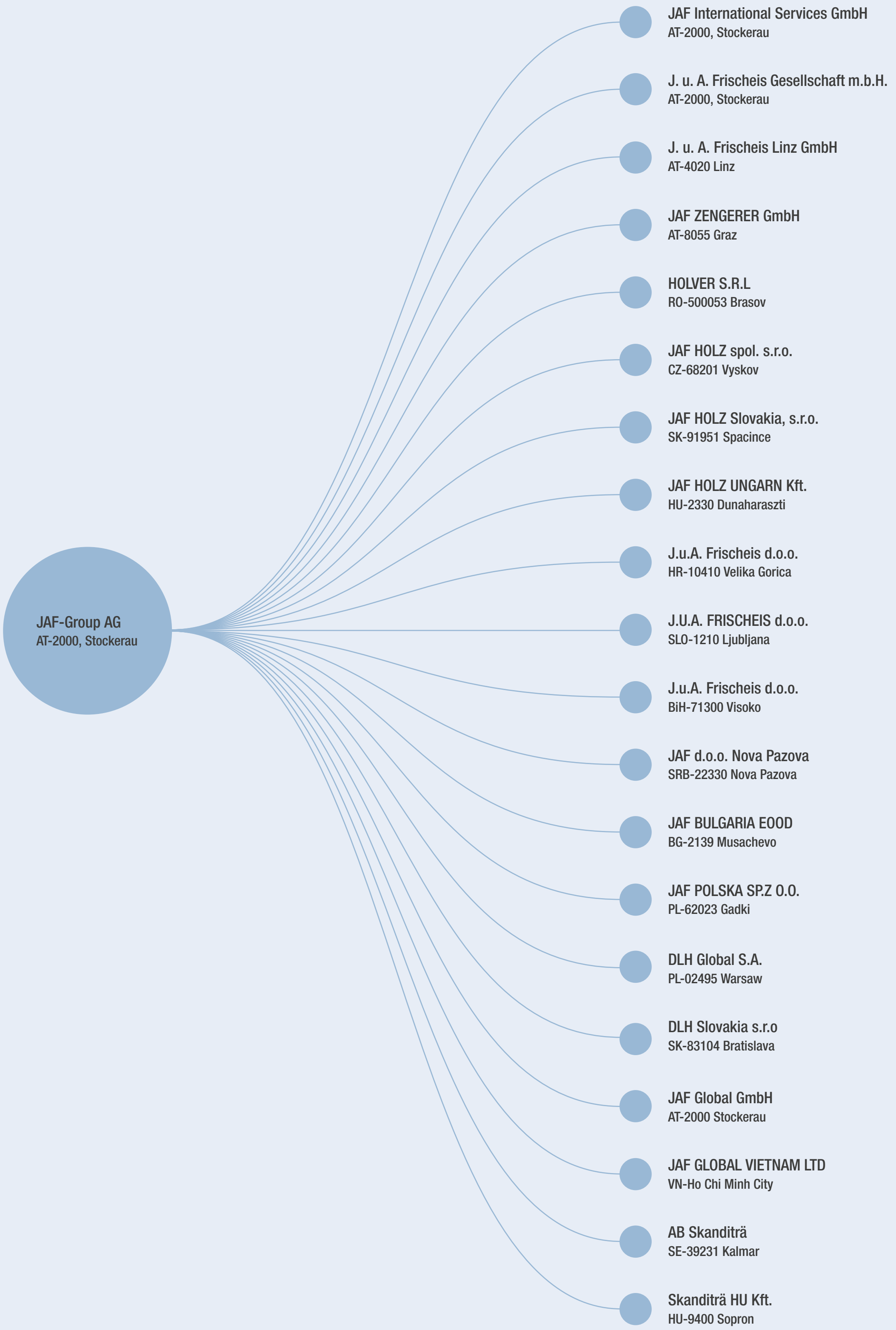
Sites

In early 2024, JAF was represented at 71 sites and branches in 15 countries. The merger of two Polish sites near Poznań, to form a newly-built wood expertise centre in Robakowo, and the acquisition of a sawmill in Hetzmannsdorf, Lower Austria, allowed us to optimise our branch network. At the end of 2024, JAF continues to operate 71 sites and branches in 15 countries.



Organisational chart

Direct and indirect shareholdings of the JAF Group



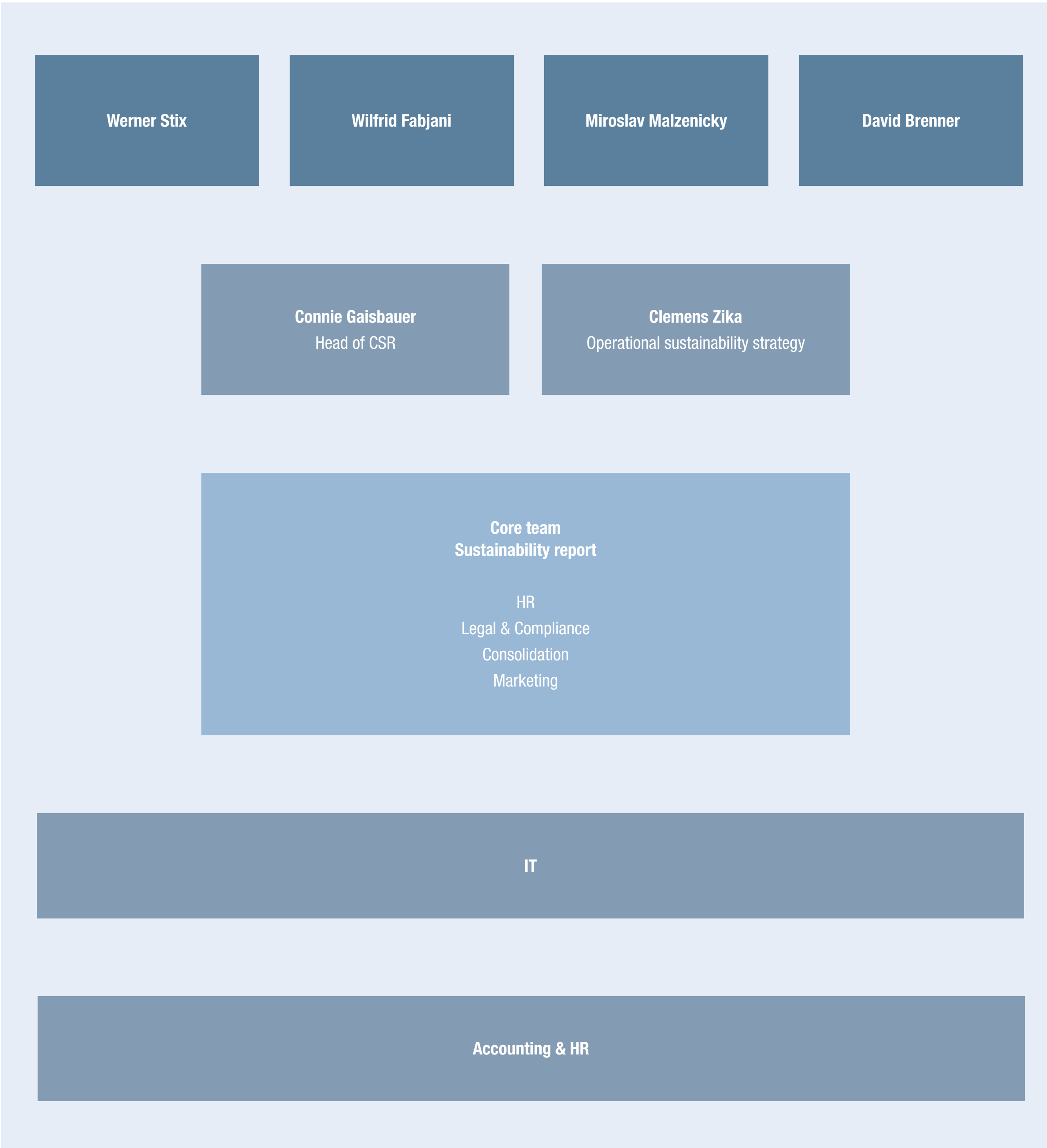
Group and project management

Werner Stix, Miroslav Malženický, David Brenner and Wilfrid Fabjani form the Management Board of the JAF Group. The Chairman of the Supervisory Board of the JAF Group AG is Johann Lehner. The Supervisory Board reviews the sustainability report before it is published. ESG issues are also reviewed by Audit Committee.

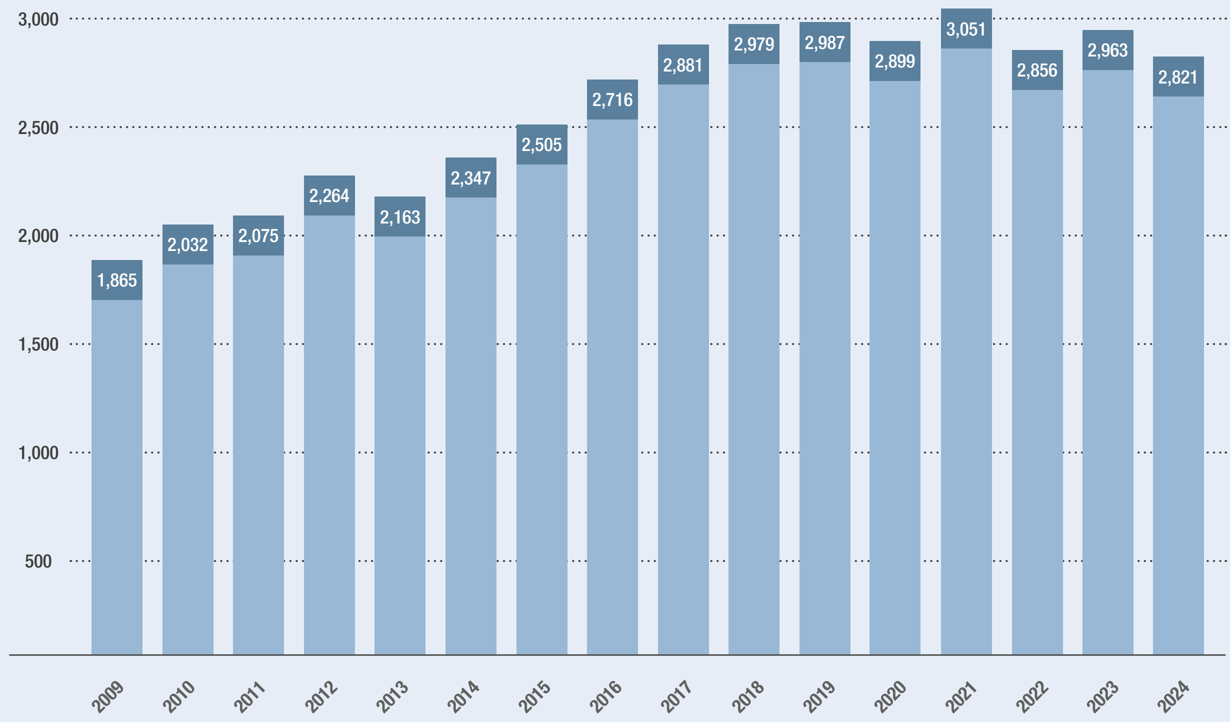
The capture and processing of the ESG data by the accounting, human resources and IT departments form the basis of sustainability reporting.

A project team is tasked with sustainability reporting. CSR projects are coordinated by the CSR department and a sustainability officer, Clemens Zika (Stockerau site manager).

These projects are overseen by Management. Elements of the bonus agreements concluded with Management are based on achieving the CO_2 reduction targets defined.



JAF workforce in figures



Employees

Wood – our World. This is what motivates our employees, the roots of our success. That is why we promote their personal development as an attractive employer. At the same time, the JAF Group accepts responsibility for the region in which it operates. And not just on paper. We provide around 900 people with safe and secure jobs in Austria alone. Internationally, the JAF Group employs a total of around 3,000 people who drive the company forward through their daily efforts and their unique expertise.

Stronger together

As Aristotle was aware: “The whole is greater than the sum of its parts”. The interaction between the ‘parts’ is the key to impact. At the JAF Group, we promote our employees and, in so doing, invest in our own future. We always reflect on our early days as a small Austrian family-owned business and today, as a management-operated family firm, still maintain a corporate culture characterised by mutual appreciation. Our five values, Quality, Enjoyment, Respect, Growth and Nature, are deeply rooted in the DNA of our people and evident every day.

Diversity as a binding force

JAF’s workforce is characterised by marked diversity. This diversity is reflected in the personal skills, the balanced mix of generations and the widely different nationalities of our people – all of which offer decisive advantages for our company. Our treasure of in-company experience is growing constantly as we work together. The respectful and friendly way we work together promotes the transfer of knowledge within our company. Proactive idea management keeps the team constantly involved in optimisation processes and plays a key role in bringing these to fruition.

Today for tomorrow

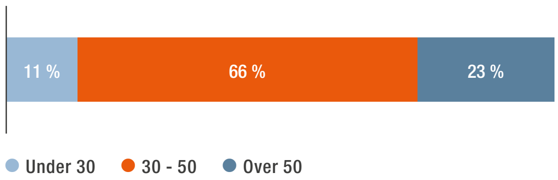
Our sustainable efforts to promote young talents are the keys to our success tomorrow. We develop high potentials through our contacts with leading educational institutions relevant to the wood processing sector, but also focus on promoting talent within the company and aim to fill management positions internally whenever possible. The company’s in-house trainee programmes are also a recipe for success when it comes to well-trained employees. Trainees in Austria can currently gain insights into various professions such as sales and logistics, closely linked to daily business, and also represent another key success factor for our company. Only with outstanding and well-trained employees has JAF been able to grow successfully and be so well positioned for the future.

Age distribution

The demographics of our workforce highlight a healthy corporate image. Due to our long company history as a stable family-owned company, we can rely on long-serving, loyal employees. Our workforce is supplemented by external experience from new colleagues to provide an optimal mix in our day-to-day operations. We always keep a close eye on our succession planning for key positions as well as our talent management in order to be able to pass on long years of experience as well as to develop and promote talent.

- **43 average** workforce age
- **10 years** as average length of service
- **36%** of employees have been with JAF for ten years or longer
- **37** different nations represented in the JAF team

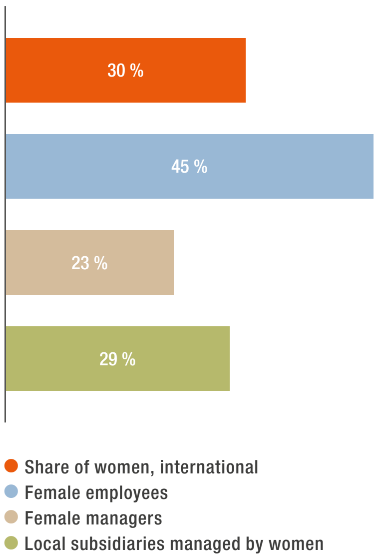
Age distribution



Gender distribution

29% of our JAF country-level organisations are led by women (2024). This is a very positive basis for development in a timber sector which is traditionally a male domain. The ratio of women at the international level, nearly 30%, is also reflected in the 23% of management positions held by women. With 45% of salaried positions overall held by women, this means that the gender mix here is nearly balanced. Due to the dominant role played by warehouse and production activities, the proportion of women classified as blue-collar workers is very low. We are however increasingly employing women in these areas at an international level.

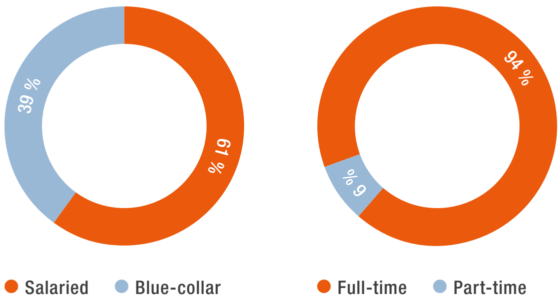
Gender distribution



Blue-collar and salaried employees

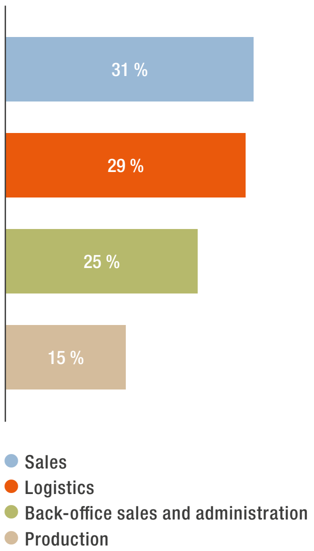
The ratio of blue-collar workers to salaried employees is 39 : 61. The 6% ratio of part-time employees is attributable in large part to the relatively high proportion of part-time personnel in Austria.

Distribution of blue-collar and salaried employees



60% of our employees work in back office roles and field sales or in the areas of warehousing and transport logistics where they are directly responsible for serving and supplying our customers. The processing teams, which rely on CNC for cutting and edging and also manufacture finished furniture components, account for 15% of our personnel. Departments supporting our core business, such as purchasing, product management, accounting, controlling, marketing, IT and human resources, etc., employ 25% of our headcount.

Distribution by tasks



The employee fluctuation rate at the JAF Group in 2024 was 15.6%. Our efforts to reduce employee fluctuation focus on the group-wide collection and analysis of termination grounds (whether initiated by the company or the employee) as well as reducing fluctuation in the commercial area by taking appropriate steps during employees' on-boarding phase.

Product information

JAF convinces its customers through a mix of product diversity and expertise when it comes to building and interior design based on wood. We guarantee exceptional levels of quality through our collaborations with reputable manufacturers. With 20,000 permanently stocked articles and our high-performance logistics, we guarantee reliable shipments at the right time and to the right place. Excellent advice and an extensive range of services complete the portfolio. Besides providing products, we also offer support when it comes to planning and implementing projects and act as a reliable partner at our customers' side. The JAF product portfolio encompasses timber, wood-based materials and accessories. With its range of decorative panels, flooring, doors and veneers, our company supplies everything needed for stunning ***interior design with wood***. Construction panels and boards, construction timber, plywood, decking and accessories as well as sawn timber form the portfolio for ***building with wood***.

Wood – the future-proof material

Wood absorbs carbon and grows continuously – properties which make it the most climate-friendly material of the present and the future. But the harvesting and processing potential of wood is not unlimited. It grows in our forests and is therefore a special resource which needs to be managed responsibly. As central ecosystems, forests provide the Earth with oxygen and contain half of the carbon trapped on the planet. Sustainable forestry practices are also the key to protecting the climate. Wood processing does not release this trapped carbon and, at the same time, planting new trees creates new storage capacity. This means that the wood-based products purchased by JAF in 2024 temporarily bound around 1.3 metric tons of CO_2 – more than emitted due to production and transportation activities. This conscious form of resource management is therefore a central element of our business operations at the JAF Group.

1.3 million metric of tons of temporarily stored CO_2

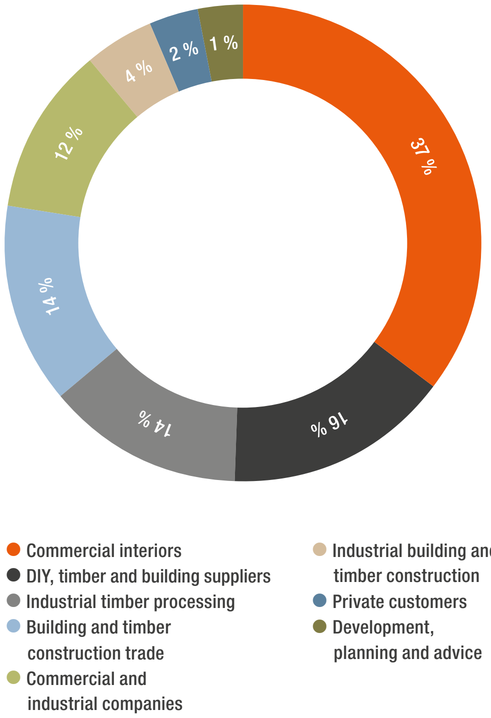
Constantly rising share of construction timber

Researchers at the University of Natural Resources and Life Sciences, Vienna, determined on behalf of proHolz Austria, that the share of timber used for construction purposes has more than doubled in Austria in the last 20 years*. This is a trend which is extending beyond the borders of Austria. Besides the far-reaching environmental and climate-related advantages of this natural product, wood is also a highly functional building material which is fully aligned with today's demands in terms of modern construction.

Customers

Steady growth for many, many years is not something we take for granted but a tradition we live every day. Prudent action, close market monitoring and a strong focus on service have kept revenues and, therefore, the development of the JAF Group firmly on a growth trajectory. This is clearly reflected in JAF's corporate figures. The development of the Austrian market, JAF's homeland, is a case in point. But other markets are also increasingly demonstrating their growth potential. The different revenue groups illustrate the breadth of the product portfolio which, in turn, has played a stabilising role over the years due to its diversity.

Revenue by customer group



This is also reflected in our diverse customer groups. In its target markets, the JAF Group supplies the entire wood-processing industry – from the construction to the retail sectors.

Transport & logistics

Logistics fit for the future

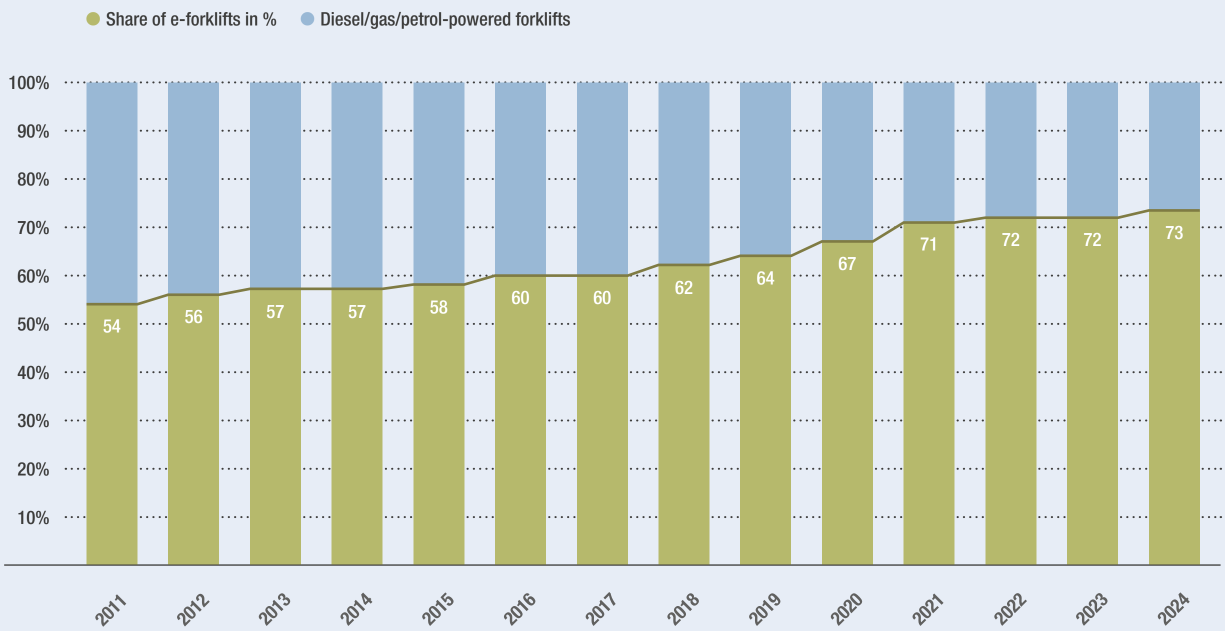
A dense network of warehouses, the use of modern technology and a high-performance fleet of vehicles ensure that goods are always on the move as the key to our company's success. At the same time however, the logistics sector is one offering considerable energy-saving potential due to its high energy requirements.

Growing fleet of electric forklifts

JAF relied in 2024 on a total of 506 forklifts of various types for moving, loading, unloading and picking purposes during its daily operations. Besides standard forklifts, this fleet also includes multi -directional and side-loader forklifts as well as elevated pallet jacks in order to be ideally set to deal with various product dimensions and tasks. 367 or 73% of these forklifts are already electrically powered. This takes the strain off our employees, the goods and the environment associated with exhaust fumes, noise and soot. Diesel or gas-powered vehicles are only considered when purchasing new forklifts if the working conditions make this necessary. Even these models are gradually being replaced by electric-powered alternatives. Gas-powered forklifts are also suc-

* Eine statistische Erhebung aller Hochbauvorhaben in den Jahren 1998 – 2008 – 2018. Robert Stingl, Gabriel Oliver Praxmarer, Alfred Teischinger, University of Natural Resources and Life Sciences, Vienna, on behalf of proHolz Austria

Overall development of e-forklift fleet at JAF Group 2011 - 2024



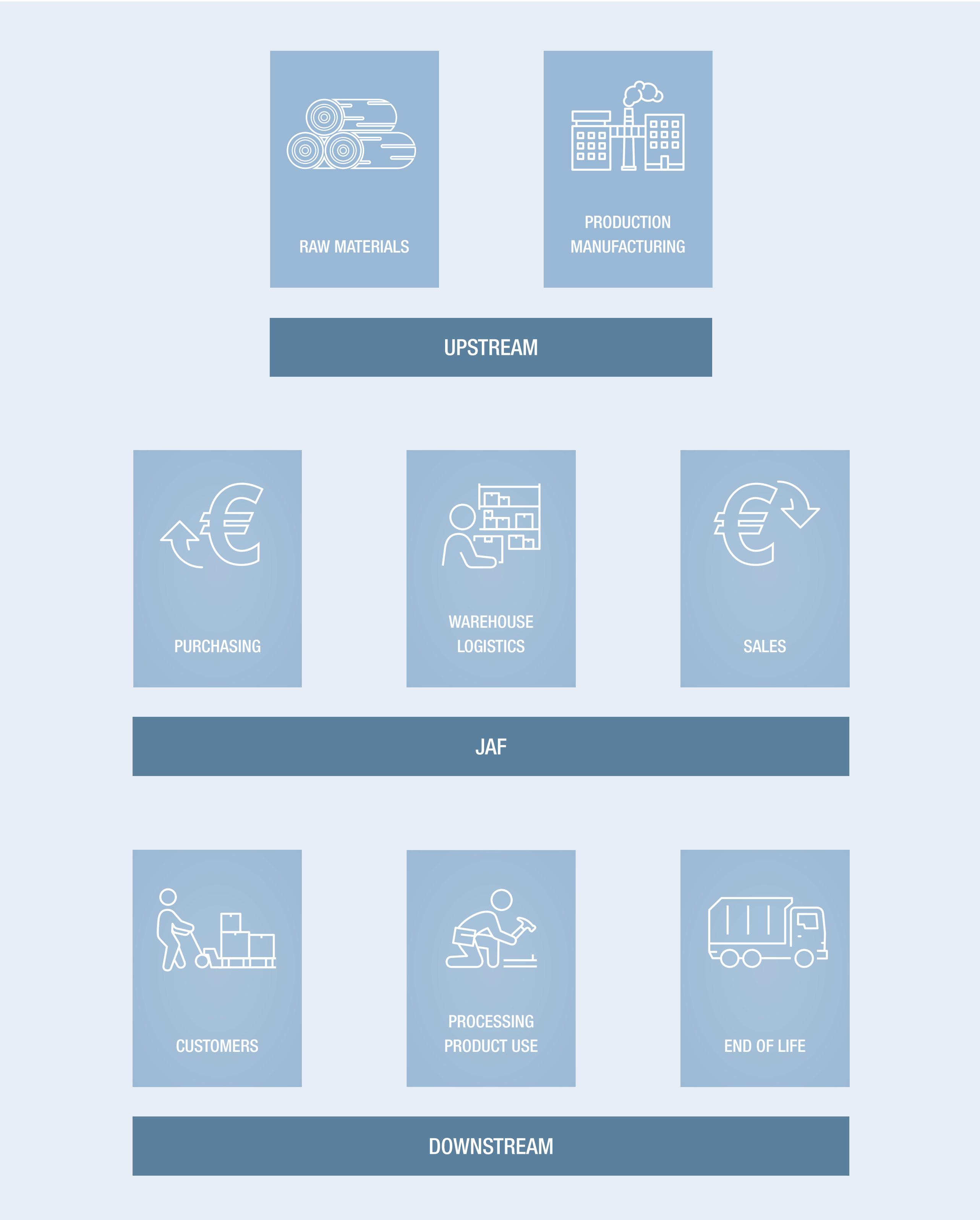
cessively making way for electric models. The share of e-powered forklifts at our Austrian sites is already 84%. This means that JAF is constantly reducing exhaust fumes and boosting the wellbeing of employees.

Increased efficiency in the HGV fleet

Sustainability is also a key issue when it comes to our fleet of trucks. Newer vehicles, more efficient engines and stricter regulations are reducing the exhaust fumes emitted by vehicles. The volume of goods to be shipped and the number of trips necessary are however both rising. We are therefore emitting less carbon dioxide than ever before per customer and per cubic meter shipped and fuel consumption is also dropping due to new technologies. This increased efficiency is being underpinned by IT-based route planning. This saves kilometres and ensures trucks are optimally loaded.

Value chain

Our value chain starts in the forest. Over 90% of our products consist of renewable materials (wood). Our products originate both from small producers as well as the leading players in the timber industry. Our goods reach our warehouses and customers mainly by truck but also by ship and rail. Our dense network of central warehouses ensures that transportation is optimised. We create the basis for long product life cycles by supplying regional wood processors.



5. Environmental disclosures

As a globally active timber trading company, we are in a special position at the JAF Group: Due to their excellent climate-relevant characteristics, we trade in products which form part of the solution to a sustainable building sector. As a renewable building material, wood plays an important role in climate protection. At the same time, wood stems from our planet's central ecosystem – its forests. We are well aware of this great responsibility and are constantly taking steps to reduce impacts on the environment.

Climate and energy

For us as a timber trading company, climate change represents both a risk and an opportunity. On one hand, our company is accountable for emissions related to our own business operations and upstream along our value chain; on the other, wood-based products capture carbon (refer to Section 4: Wood – the future-proof material). The Paris Agreement and the requirements defined by the European Green Deal as well as the Clean Industrial Deal form the framework for our efforts related to energy management and our decarbonisation plans. Responsible energy management has always been of particular importance at JAF and is firmly anchored in our daily actions through our corporate values. This underpins our pursuit of SDGs 7 and 13.

Our energy management – energy consumption and mix

We actively manage our power consumption and are committed to expanding the use of PV.

	Unit	2023	2024
Power from fossil sources	MWh	10,806	10,801
Power from renewable sources	MWh	3,521	3,787
Consumption from own PV installations	MWh	1,463	2,465
Total power consumption	MWh	15,789	17,053
Share of renewable power		31.56%	36.66%

The number of PV systems at JAF has risen from 28 in 2023 to 32 in 2024.

GHG accounting

A company's GHG accounting records the greenhouse gas emissions caused by the company itself and along its value chain:

- **Scope 1** The company's direct emissions
- **Scope 2** The indirect emissions of energy purchased
- **Scope 3** Upstream and downstream emissions along the value chain

GHG emission intensity

	2022	2023	2024
Trading volume in m³ *	1,306	1,196	1,291
Revenue in EUR *	1, 049,696	888,746	907,677
CO_2e t (market-based) *	604	533	605
Intensity in terms of trading volume	0.46	0.45	0.47
Intensity in terms of revenue	0.00058	0.00060	0.00067

* figures in thousands

We strive to improve our GHG emission intensity in line with our climate goals. This, however, is also heavily dependent on the relevant product mix.

JAF takes action to reduce GHG emissions

As you would expect, our fleet of trucks is responsible for a significant share of GHG emissions in Scope 1. In Scope 3, the goods we purchase (Category 1) and both upstream as well as downstream transportation (Categories 4 and 9), in addition to the pro-

GHG balance for the years 2022 to 2024

The data for greenhouse gas emissions were captured for the first time in 2022. Calculations are performed based on the principles of the Greenhouse Gas Protocol. The emission factors are based *inter alia* on DEFRA data and the ecoinvent database.

		CO_2e in t				
		Baseline 2022	2023	2024	Δ 2023/2024	Δ to 2022
Scope 1						
Direct emissions	Diesel, petrol, gas, wood chips, heating oil and pellets*	11,016	10,716	10,215	-4.7%	-7.3%
Scope 2						
Location-based calculation	Power, district heating	7,347	6,203	7,117	14.7%	-3.1%
Market-based calculation	Power, district heating	7,011	5,847	6,135	4.9%	-12.5%
Total of Scope 1 and 2, location-based		18,363	16,919	17,332	2.4%	-5.6%
Total of Scope 1 and 2, market-based		18,027	16,563	16,350	-1.3%	-9.3%
Scope 3						
3.1	Purchased goods and services	348,018	298,148	310,699	4.2%	-10.7%
3.2	Capital goods	5,994	5,101	4,722	-7.4%	-21.2%
3.3	Fuel and energy-related activities	2,044	2,314	2,213	-4.4%	8.3%
3.4	Upstream transportation and distribution	63,381	63,423	68,673	8.3%	8.3%
3.5	Waste generated in operations	1,394	1,266	1,596	26.1%	14.5%
3.6	Business travel	201	246	182	-25.9%	-9.3%
3.7	Employee commuting	3,057	3,043	3,008	-1.2%	-1.6%
3.9	Downstream transportation and distribution	53,500	54,985	68,590	24.7%	28.2%
3.10	Processing of sold products	-**	-**	-**	-	-
3.12	End-of-life treatment of sold products	97,102	77,120	118,657	53.9%	22.2%
3.15	Investments	1	1	1	29.4%	24.8%
Scope 3, total		574,692	505,647	578,341	14.4%	0.6%
Total emissions, location-based		604,071	533,281	605,888	13.6%	0.3%
Total emissions, market-based		603,735	532,925	604,906	13.5%	0.2%

* Coal only in FY 2022
** This calculation will be performed in the coming financial year

cessing of products sold at the end of the life cycle (Category 12), are major contributors to emissions.

That is why we have set ourselves the goal of reducing our Scope 1 and 2 GHG emissions by 25% compared to a baseline of 2022 and to achieve this by 2030.

We are implementing the following steps at JAF to reduce our emissions:

- Successively switching to green power agreements
- Expanding reliance on PV
- General energy-saving measures (insulation, etc.)
- Increasing energy efficiency related to our industrial equipment
- Upgrading our HGV fleet (more energy-efficient vehicles)
- Successively replacing diesel-powered forklifts with e-forklifts
- Successively replacing diesel-powered cars with e-cars
- Expanding our own fleet of trucks (replacing carriers with worse emission factors)

We also aim to reduce the GHG emissions in Scope 3 by 25% compared to a baseline of 2022 and to do this by 2030

On one hand, our efforts to reduce CO_2 emissions are reflected in our supplier management (selection) and, on the other, we have called upon our most important suppliers as part of our supplier engagement work to cut their CO_2 emissions and accept responsibility in the value chain.

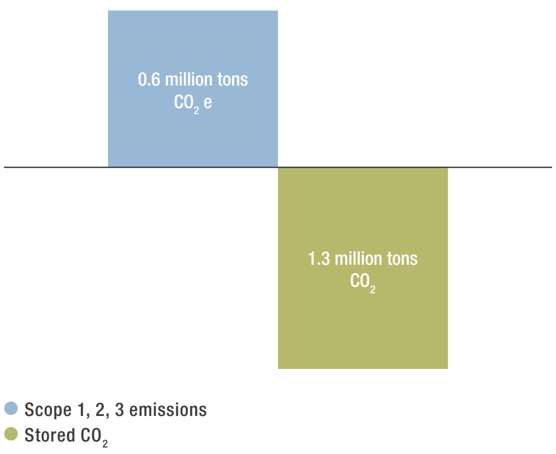
Specifically:

- We are aiming to achieve net zero by 2050
- All sites have been subjected to a climate risk assessment

Captured carbon

Our timber products store carbon and therefore temporarily capture CO_2. In 2024, we traded a total of 1.3 million cubic metres of timber products. On average, one cubic metre of wood contains one metric ton of CO_2. We therefore assume that the timber products we traded in 2024 temporarily store around 1.3 million metric tons of CO_2.

Stored CO_2



Bioeconomy

The economic concept of the bioeconomy promotes replacing fossil-based resources (raw materials and energy sources) with renewable sources in all possible areas and applications. By trading in timber and wood-based products, we are involved with one of the most decisive product groups made of biogenic and renewable materials and therefore make a meaningful contribution to the bioeconomy.

Opportunities and risks

The bioeconomy is an important driving force behind mastering global challenges and, at the same time, promoting economic development. The scarcity of fossil and mineral resources, and the associated environmental burdens, also represent a long-term economic risk for our company and one which can therefore be mitigated.

As a timber trader, we see ourselves confronted by growing risks due to the harmful impact of climate change on forests. In the long term, the availability of timber products will decline as a result of the damage caused by climate change. A higher proportion of recycled materials in products can therefore help slow the decline in the availability of timber as a raw material. Given that wood stores carbon, we regard trading in this valuable commodity as a major opportunity.

We traded no less than 1.3 million cubic metres of timber and wood-based products in our 2024 financial year alone. Our products consist of more than 90% wood as a raw material. The remaining 10% is accounted for by other components (glue, fittings, etc.). The recycling rate in key product groups is already up to 50%. In 2024, the entire weight of the materials used to package the products we traded amounted to 982 metric tons in Austria. We will calculate the relevant quantity of packaging materials used within the entire group next year. 831 metric tons (85%) of the packaging materials used in Austria in 2024 were made of wood; followed by 103 metric tons of paper/cardboard (10%), 43 metric tons of plastics (around 4%) and 5 metric tons of metal straps (0.5%). The share of renewable and non-renewable packaging materials is currently unknown and will be analysed in the coming reporting period.

Circular economy

The aim of the circular economy is to maintain the use of materials within an enclosed economic cycle. This reduces the need to extract new materials. This in turn can contribute to reducing the environmental impacts and emissions associated with the extraction and processing of additional materials. In addition to its contribution to climate neutrality (net zero), the circular economy also offers considerable potential to develop new business opportunities and create new jobs. Furthermore, converting from a linear to a circular economy also reduces our exposure to commodity price volatility and supply-side bottlenecks on the grounds of resource scarcity and supply chain disruption.

Due to their renewable nature, minimal environmental impacts compared to other materials and their recyclability, timber and wood-based products offer considerable potential in terms of the circular economy. Wood can be used to manufacture a wide range of products. As a renewable resource, wood can replace non-renewable materials and contribute to capturing carbon in the long term. That is why wood plays a central role in the transition to a resource-sensitive, climate-neutral and organic-based circular economy. The key here is maintaining the value of wood through long-term usage, re-use, repair and recycling in order to limit the need for new timber from forests and to contribute to maintaining natural resources and forests as natural carbon sinks.

The circular economy consequently requires a change in production and trading structures as well as new utilisation-based consumption patterns (use instead of buy). This means new concepts for product design, manufacture and use, the extension of product and component life cycles as well as resource-sensitive recycling at the end of the product life cycle. Changing value and supply chains and the adoption of more product-service systems (service instead of sell) is dependent on new constellations of market players and new forms of collaboration along the value chain. Players who achieve more progress in implementing a circular economy will be able to secure competitive advantages. Besides the competition and resource-related risks, changes to adopt a circular economy are time and cost-intensive since the new market demands require new technologies, processes and supply chains. The transition to a circular economy approach to business is also being accompanied by regulatory requirements as well as consumer and customer demands for resource-sensitive products.

Opportunities and risks

We are well aware that climate change is leading to the scarcity of timber as a natural resource. A higher recycling rate therefore also means less dependence for us on supplies of the primary commodity. Furthermore, a higher share of recycled materials can help us cut our Scope 3 emissions and consequently minimise our carbon footprint as a company. We rely on the cascade-based usage of wood-based products, which resorts to burning wood as a last step.

We are investing in the knowledge and the training of our employees in order to be able to capitalise on the opportunities offered by the circular economy and, at the same time, identify and analyse the associated risks early. The focus here is on improving our monitoring of material flows and expanding our knowledge about product life cycles so as to accelerate the transition to circular economic models. Through in-depth discussions with partners and stakeholders along the value chain, including with suppliers and recycling companies, we aim to contribute to our industry adjusting to change in market demands to use valuable materials more efficiently.

Waste and circular economy

We are aware that waste and the circular economy are closely linked to each other. Avoiding waste and using residual and waste materials as secondary raw materials in new products, and thermally recycling waste materials, play an important role in saving resources. If waste is not disposed of properly, this can have major negative impacts on the environment. We work together closely with suppliers and customers to promote a circular economy and recycle waste materials. Our aim is to create new products from biogenic waste materials. Unavoidable waste resulting from production, processing and trading activities is disposed of using local waste management companies in compliance with legal regulations.

Waste generated

The nature and volume of waste arising from processing and trading in wood-based products varies depending on the production step, raw material and end product in question. Typical waste and by-products of the JAF Group include demolition wood, old timber, sawdust, bark and packaging waste made of wood, paper, plastic and metal.

It is currently only possible to determine the exact breakdown of the waste volumes generated in 2024 for the JAF branches located in Austria. However, given that the branches located in other countries have similar business structures, it can be assumed that the nature and composition of their waste is not significantly different. We are currently performing detailed documentation and analysis of the quantities of waste arising at our foreign branches. The data recorded here are based on the volumes reported and documented on invoices from waste collection companies.

A total of 6,204 metric tons of waste arose within the JAF Group in 2024. The volume of waste collected by waste disposal companies in Austria amounted to 3,130 metric tons in 2024. Wood-based waste accounts for 89% of the overall share of waste generated, followed by blends of packaging materials and residual waste, which each account for 3%, and 2% of plastics. The remaining 3% are attributable to metals, mineral-based construction, demolition and construction site waste, plant waste, fats/oils, waste from electrical and electronic equipment, glue and adhesive waste, glass and lead batteries. Hazardous waste materials such as fats and oils, as well as other hazardous waste associated with electrical and electronic equipment, account for 0.1% of overall waste volumes and are collected by specialist waste disposal companies. 61% of all waste is fed into collection and recycling systems for reuse. The remaining 39% of the total volume of waste generated is thermally recycled by waste disposal companies. We have identified untapped potential here, particularly with regard to channelling wood-based waste back into the economic cycle in line with the cascade principle.

Sustainable forestry practices

Forests and sustainable forestry practices make a major contribution to achieving the UN Sustainable Development Goals (SDGs). Goal 15, Life on land, is a particular focus here. Sustainable forestry practices safeguard forests in the long term by ensuring that only as much wood is harvested as can be regenerated while at the same time maintaining biodiversity. This contributes to climate protection since forests store CO_2 and promote stable ecosystems. Moreover, these practices also safeguard the commercial value of forests for future generations and create jobs which are aligned with the interests of the environment. In order to maintain the underlying and the climate-regulatory roles (e.g. oxygen production and climate protection) as well as the supply and cultural roles (e.g. supplies of timber and for recreation) of forests and their ability to regenerate, it is particularly important for us to support resource-sensitive forestry practices.

Opportunities and risks

Sustainable forestry practices form the basis of our long-term business model. The standards here have already been high for decades in many countries (particularly in the EU). We rely on certified products from countries where this is not yet the case.

Trading in wood-based products from certified forests can make a meaningful contribution to stability and the ability of forests to regenerate naturally.
Certifications offer us an opportunity to demonstrate audited forestry practices.

Given that it is not always possible to purchase certified products, we have developed a comprehensive system of supply chain management to ensure that timber is felled legally. Illegal practices along the supply chain undermine the sustainable management and development of forests. Our due diligence system is aligned with the requirements for trading in deforestation-free and degradation-free forestry products defined by the upcoming EU Deforestation Regulation (EUDR).

Our supply chain due diligence system therefore contributes to the sustainable use of forest resources. For example, this includes reviewing forest harvesting permits which are based on forest management plans which aim to safeguard long-term forest use.

The circular economy plays an important role in conserving forests. The need for new wood from forests is reduced by implementing circular economy principles, such as the re-use and recycling of wood-based products. This contributes to maintaining valuable forest resources and the associated biodiversity.

In order to protect forests, it is equally important to promote compliance with phytosanitary regulations. This prevents the introduction and proliferation of diseases and pests which can harm forest resources and biodiversity.

Certifications

FSC® (Forest Stewardship Council®) and PEFC (Programme for the Endorsement of Forest Certification Schemes) have developed certification standards for forestry management, the trading in and the labelling of certified products in order to achieve the goal of sustainable forestry practices. The regulations which forest owners and traders are required to comply with are set out in various FSC and PEFC standards. FSC and PEFC regard sustainable forestry practices to relate not only to environmental aspects but to also encompass social criteria of sustainable forest management. Both organisations have adopted the core conventions of the International Labour Organization (ILO) in their respective standards. This means that certified forests and all companies along the supply chains of certified products must demonstrate on an annual basis that they comply with the ILO principles of labour and human rights. FSC and PEFC-certified companies also commit to take into account the interests of indigenous communities and their rights to forests.

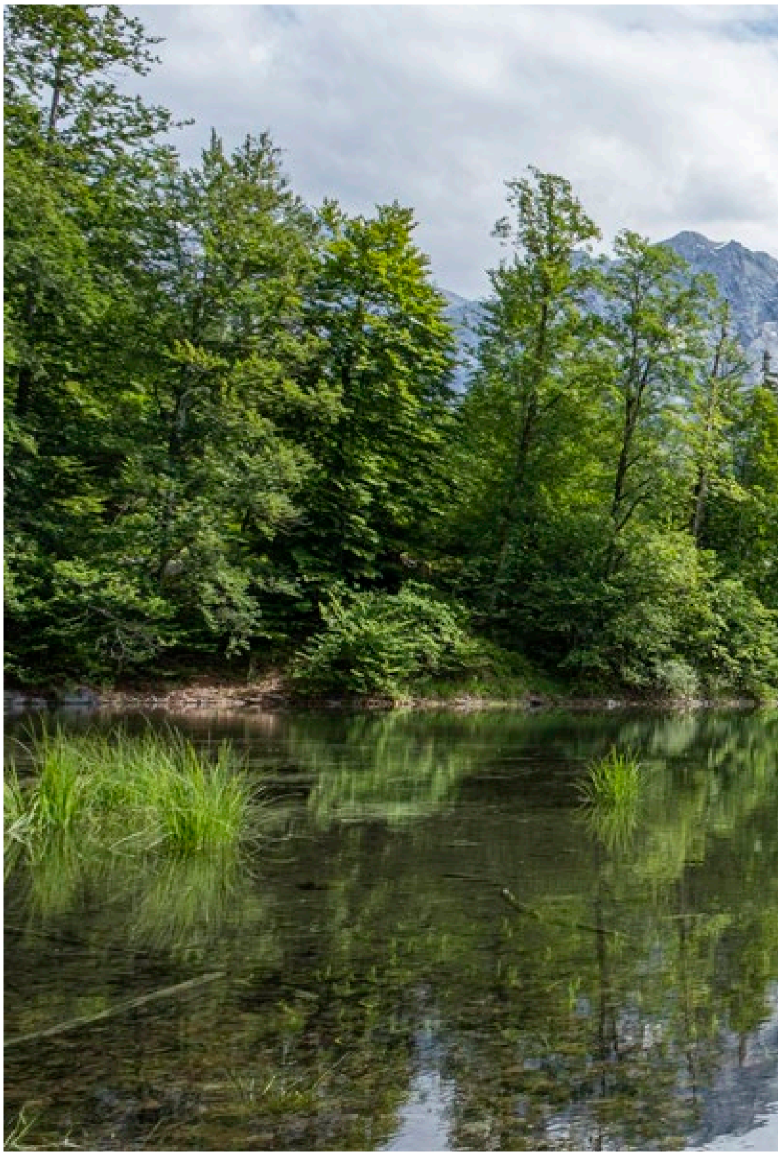
85% of the branches of the JAF Group are FSC-certified and nearly half of them are also PEFC-certified. We are working to increase this share even further in future. Our compliance with the relevant standards is subjected to an external audit once per year. These audits are performed by an auditor from an independent certification body. All certified branches are also audited internally and employees regularly trained. Our management system is continuously improved in order to ensure complaint implementation of the certification regulations.

FSC certifications within the JAF Group

FSC is an independent, non-profit, non-governmental organisation. The mission of the FSC is to "promote environmentally sound, socially beneficial and economically prosperous management of the world's forests." In order to reach the goal of sustainable forests management, the FSC has developed comprehensive certification standards for forestry management, trading and the labelling of FSC-certified products. The rules which forest owners and traders are required to comply with are set out in various FSC standards. The JAF Group holds several chain of custody certificates (e.g. FSC-C016681) which authorise certified branches to trade in FSC-certified products.

PEFC certifications within the JAF Group

The Programme for the Endorsement of Forest Certification (PEFC) is a global organisation which is committed to the preservation of forests in the interests of future generations. PEFC wood products are demonstrably sourced from environmentally, economically and socially sustainable forests. In order to achieve the goal of sustainable forestry management, the PEFC has developed comprehensive certification standards for forestry management, trading and the labelling of PEFC-certified products. Our certified sites each have a chain of custody certificate (e.g. PEFC/06-31-229) which authorises them to trade in PEFC-certified goods.



Over half of the products we source are certified goods.

Biodiversity

Biodiversity encompasses all forms of life on the planet – from micro organisms to plants, animals and complex ecosystems. It is essential for environmental balance and safeguards many functions which are key to human wellbeing.

Intact ecosystems safeguard clean water, fertile soils and a stable climate. Forests, for example, store CO_2 and play an active role in climate regulation. At the same time, they also provide habitats for countless animal and plant species. The loss of biodiversity can have profound effects, not only on the environment but also on the economy and society.

As a wood trader, we are well aware of our responsibility in terms of sustainably harvesting this valuable resource. Timber regrows but its use is dependent on the protection of stable forest ecosystems.

One of our purchasing goals is the regional procurement of wood products. This reduces our reliance on imports from primary forests, particularly those in tropical regions, and contributes to safeguarding natural habitats. At the same time, sustainable forestry practices play a role in the region by maintaining the diversity of indigenous plant and animal species as a result of conserving or regenerating near-natural forest structures. To compliment this, we also rely increasingly on purchasing certified products (FSC® and PEFC) in order to ensure that the timber is sourced from sustainably managed forests. This means that we actively contribute to safeguarding biodiversity.

Furthermore, we have used the WWF Biodiversity Risk Filter tool to check whether our sites are located in a key biodiversity area. The result of this analysis was that none of our sites is located in such an area.

Phytosanitary regulations

Protecting forest biodiversity and preventing the proliferation of pests and diseases are particularly important to us as an international trader. We support the implementation of the phytosanitary regulations defined by Commission Implementing Regulation (EU) 2019/1972 in order to prevent the introduction and proliferation of plant pests and diseases which could harm our forests. This includes regular pest control inspections, ensuring traceability and training personnel. Our action here is annually reviewed by means of a phytosanitary audit performed by a phytosanitary body. This means that we actively contribute to conserving the ecosystemic and recuperative functions of forests as well as safeguarding long-term supplies of timber.

6. Social disclosures

As an international timber trader, we are responsible for people at our company as well as those along our supply chain and in the regions where we operate. We base our actions here on Goal 8 of the Sustainable Development Goals of the UN Global Compact. That is why we promote education and training, a safe and healthy working environment as well as boosting regional value creation. Fair working conditions for employees at our suppliers are also important to us. Our aim is to contribute to creating long-term prospects for people which are based on responsibility, partnerships and are future-oriented.

Training and development options

As the JAF Group, we promote our employees and, in so doing, invest in our own future. We reflect here on our own beginnings as a small Austrian, family-run company in which performance and commitment are rewarded and personal development opportunities provided.

Our goal in this regard is not only to find qualified and highly committed employees but to encourage them to stay with the company for many years. Among other factors, we accomplish this by means of our diverse educational and training options, our appreciative collaboration and the creation of an attractive working environment as well as by proactively integrating our personnel. We try to give our employees space to be successful with us and to grow with us. Rising levels of responsibility within one's own working area and new tasks characterise the personal success stories of our employees.

Targeted advancement

We support our colleagues in a targeted manner by boosting their skills based on requirements and interests. The focus here is on both personal development as well as expertise. Provided the right support, our employees can develop their full potential and proactively grow through the creation of new task-based areas.

A major aspect of our educational and training development efforts at JAF is to identify people's talents and develop these in a targeted manner. Careful succession planning for management and other important positions is the key to attractive career development options. It also safeguards the continuity of our business processes and corporate structures. Since the outset, we have always filled the majority of management positions in specialist departments with in-house candidates.

Our educational efforts focus on programmes for specific target groups which not only provide knowledge but also facilitate in-house exchange and a common understanding. Training by in-company trainers, reliance on digital training options as well as the digitalisation of training courses are all becoming increasingly important in the context of our in-house training initiatives.

Group-wide employee survey

Further development relates not only to our personnel but also to us as the JAF Group. That is why we regularly conduct group-wide surveys of the satisfaction levels perceived by our employees. These surveys give all employees an opportunity to air their opinions and make an active contribution to developing the company further. We use the feedback we receive as a barometer to review and revise the action we have taken.

The feedback from the last survey conducted in 2023 (response rate 71%) revealed a very positive overall picture: 86% of all employees stated the following: "Overall, I am happy working here" Nonetheless, it was also possible to identify potential for changes and further development based on the survey responses, with these in turn being the main focus of our implementation efforts in 2024. First and foremost, there is a need to improve cross-departmental collaboration, demands for optimised working processes and suggestions to further improve our feedback culture.

One of the specific steps to improve our management and feedback culture is the group-wide performance of annual staff appraisals for both salaried employees as well as manual workers.

Many steps have also been defined and implemented at the local level in the countries in which the JAF Group operates. These include improvements to the working environment by means of renovation work and modernisation efforts, developing the feedback and meeting culture, process optimisations, summer camps for employees' children and the implementation of new employee health benefits.

The international in-house search for ideas related to increasing efficiency conducted at the end of 2023 as part of our IdeenSuche programme also made it possible to define some specific steps in 2024.

Opportunities and risks

Job satisfaction is particularly important for us as the JAF Group. We are convinced that a positive and motivating working environment is a prerequisite for retaining our specialists and managers at the company in the long term. In times of accelerating change, demographic development and the scarcity of specialists, this is why we need to continue developing as a company in order to live up to these rising demands.

Attracting and retaining specialists

11% of vacant positions in 2024 were filled with candidates who were recommended by our existing personnel. This is an approach which has proven itself since our existing employees have shown considerable intuition when recommending possible new colleagues and have also been able to informally convince possible candidates of our qualities as a good employer. We also regard the rising recommendation rate as an effective means of combating the scarcity of specialists. Our sustainable efforts to retain employees is a means of mitigating the risks of losing expertise, a deterioration of working quality or falling satisfactions levels among customers on the grounds of employee fluctuation.

Requirements-based training

A wide range of training and development options is a key factor determining our attractiveness as an employer. The fact that people at JAF can further develop their specialist and personal skills contributes significantly not only to maintaining and boosting motivation levels but also to increasing productivity. At the international level, employees completed an average of 8.4 hours of training in 2024. These training hours include both in-company as well as digital learning formats. They take into account training programmes which were organised for various target groups as well as individual training sessions tailored to the specific needs and skills of certain employees.

8.4 hours of training per employee

Annual staff appraisals were conducted with 50% of all employees. These discussions between managers and employees include a review of the past year, an evaluation of performance, the definition of measurable targets, mutual feedback about collaboration and working conditions, the identification of training requirements and the planning of future professional development.

50% of all employees had an annual staff appraisal

The ratio of staff appraisals relative to the headcount varies significantly depending on the JAF country-level organisation in question. Our strategic goals include increasing the number of staff appraisals in those countries with a below-average ratio and, on the other hand, increasing the ratio among operational employees.

JAF Academy – an investment in knowledge and exchange

The extent to which training and promotion is anchored in our corporate culture is evident in the company's own training academy. The professional and personal development of our colleagues are firmly anchored as goals of our JAF Academy.

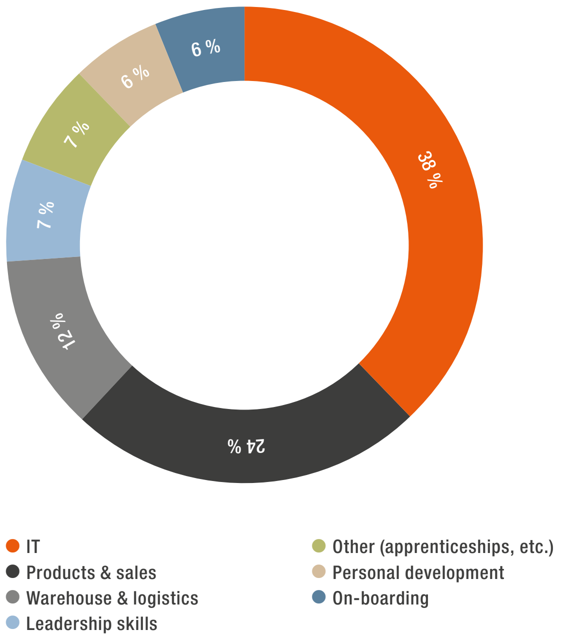
- Learning from one another and growing together
- Optimising in-house knowledge transfer
- Fostering employees' development
- Passing on our JAF values and corporate culture
- Boosting the company's business operations

The JAF Academy is located close to its head offices as a place for in-house change and exchange. This spacious facility offers plenty of space for shared learning and knowledge transfers. It is also an ideal location for in-house as well as international meetings and events.

Tailored training programme

Fine tuned every year, our training programme available to all employees offers a wide range of different courses in the form of in-company training, various online or hybrid (blended-learning) formats. This programme encompasses diverse issues such as leadership, sales, IT, digital skills, negotiation, communication, foreign languages, resilience, time and self-management, logistics, production and compliance among others. Training courses specific to wood-based products are organised in conjunction with the renowned training centre Holztechnikum Kuchl. We also take the specific training requests of our employees into account.

Focus of training at JAF



Targeted on-boarding support

Our JAF on-boarding event, which takes place twice a year, is a key means of getting to know the company. This is where new employees gain a good insight into the structure and culture of our national and global trading organisation by means of interactive seminars, site tours and group work. Networking is also an important part of this event. Across diverse branches, participants have a chance to meet numerous new colleagues and make connections which facilitate their on-boarding at JAF.

Trainee and apprenticeship training as a talent factory

Traineeships and apprenticeships have a long tradition at nearly all Austrian sites in order to meet our need for specialists. Focusing on traineeships and apprenticeships remains a central element of our strategy, ensuring we have access to the experts we will need in the future as well. Trainees and apprentices qualify in three professions taking our special requirements and processes into account. In 2024, 16 apprentices and trainees were employed at JAF. Individual specialist and personal development training are also a part of our training programme as well as annual trainee and apprenticeship events. In 2024, the annual apprentice and trainee event focused on the issues of sustainability and climate protection. Besides raising awareness and highlighting individuals' own responsible action, this event also focussed on sustainable working practices and the careful management of resources.

In-house trainers promote knowledge transfers

In Austria, our training activities in recent years have increasingly relied on our in-house trainers. These individuals are regularly trained in their role so that they are always up to date and can further develop their own skills. True to our motto of learning from another and growing together, these trainers share their specialist knowledge and experience with other colleagues in the areas of sales, IT systems, CSR, law and compliance, logistics and HR. These practical training courses also boost the in-house transfer of expertise.

Leadership development at JAF Österreich

As part of our training strategy, developing leaders is a top priority and promoted by means of seminars, e-learning, potential analyses and coaching. Needs-based development programmes ensure that our leadership principles and corporate values continue to be embodied by our managers.

The focus in 2024 during the various training programmes offered was on the expectations and needs of different generations and their life phases. These training courses help participants develop suitable strategies, successfully motivate employees and shape effective collaboration across multiple generations. A further focus of the leadership training at all levels and in all functional areas was on practical workshops led by in-house trainers on how to conduct annual staff appraisal meetings.

A series of training events related to the areas of warehousing and production started in late 2023 and continued in 2024. Seven warehouse managers, seven production managers and 23 shift leaders addressed the issues of leadership, customer orientation, service quality, communication and conflict management as well as networking across multiple branches.

Logistics and production training initiative

Several Austrian branches held training events for warehouse and production personnel in the second half of 2024. A total of 134 employees took part in eight events. This practical training covered issues such as successful collaboration and communication, the importance of customer orientation and service quality as well as the constructive management of conflicts.

E-learning activities in Austria

Our e-learning platform is a central element of our training activities. Besides offering e-learning courses, we also rely on their integration with in-company events in the form of blended learning. This approach offers the option of making learning documentation available, checking knowledge levels and providing forums in which to network and exchange ideas. E-learning has proven to be particularly valuable when training large numbers of employees. The on-boarding process for new employees is also optimally underpinned by mandatory e-learning modules on the issues of company knowledge, compliance, IT and processes as well as product knowledge. The aim for the coming years is to continue expanding the use of e-learning both in Austria and internationally at our country-level organisations. When plan to expand access to and the learning available for our warehouse and production personnel in particular.

2,055 e-learning hours in Austria

Worthwhile ideas management

We are aware that our employees are experts in their specialist areas and that considerable potential can be tapped by allowing them to proactively shape their working environments. By means of our IdeenBox concept, JAF therefore takes idea management steps to give all employees the opportunity to actively participate in shaping our company's future development. In Stockerau, a team of personnel from various departments worked together closely with Management to organise the collection and selection of suitable ideas for innovations and improvements at our company as well as their implementation in the responsible departments.

International search for ideas campaign

During our first international search for ideas (IdeenSuche), JAF established the concept of the IdeenBox at nearly all JAF country-level organisations back in 2022. Management relies on the IdeenBox to address specific questions to international JAF colleagues related to current, company-specific challenges. Employees are invited to share their perspectives as a means of finding multi-perspective answers and responses to the question posed. The best proposals are rewarded. As a means of developing our company further, no fewer than 61 ideas were submitted in Austria alone on issues other than the specific question asked.

Occupational health and safety

As a responsible employer, we attach particular importance to providing our employees a healthy and safe working environment. Due to our range of activities as a timber trader, the areas of logistics and production are the areas exposed to the greatest risks. That is why we attempt to counter risks in these areas by means of safety training courses, specific and general safety instructions. Only effective occupational safety can guarantee safe and reliable working processes. In the area of occupational health, we rely on relevant evaluations, information and prevention programmes.

Goal-oriented management system for occupational health and safety

A JAF handbook on the organisation of occupational health and safety defines guidelines on the issue of occupational health and safety and forms the foundation of our in-house OHS management system. This handbook was developed over the years 2010 to 2013 and is the basis of the JAF safety standard. Forming the guidelines for occupational health and safety at JAF, this handbook is aligned with efficient implementation at head office departments and contains practical examples to improve its applicability. Due to legal provisions and commercial requirements, the instructional documents, standard operating procedures, forms, records, checklists and directories derived from the handbook are all regularly updated and further developed.

Implementation of the in-house management system

The in-house management system for occupational health and safety has been established at all sites in Austria. In order to be able to comply with local challenges and guidelines, system experts from external consultancies have in part been brought on board to define standards at sites outside Austria.

Requirements and defined goals of the JAF management system

- Safeguarding a safe working environment for our employees
- Facilitating compliance with legal requirements
- Efficient and practical administration processes for those responsible
- Documentation of potential improvements with the aim of boosting value added for the employer and employees
- Promoting in-house exchange and learning (best practices) with the goal of constantly developing further throughout the group

Occupational healthcare services

Involving professional medical advice in ensuring a safe working environment is an important precondition for continuous improvements in this area. Depending on the branch or site in question, occupational healthcare support is sourced in Austria either from occupational physicians or external occupational healthcare centres. This medical expertise aims to guarantee that legal requirements in terms of occupational health and safety are also complied with.

Continuous evaluation and improvement

The action and activities we undertake are intended to minimise work-related health risks and ensure a safe working environment. In Austria, this includes workplace inspections and risk assessments as well as employee health checks in order to identify any workplace-related health problems at an early stage. Furthermore, consultancies and training are also provided on various health-related issues and ergonomic workplace changes made as a means of avoiding injuries and health problems. The results of evaluations and other relevant health and safety findings are integrated into training documentation and work processes. This action also makes it possible to further develop and improve our occupational health and safety at JAF.

Occupational health and safety training for personnel

The main instructions (Hauptunterweisung) provided in Austria represent the basis for all training documentation related to occupational health and safety. They consist of the fire safety regulations, the general instructions for all employees and the special instructions for specific groups of employees. These main instructions are supplemented at each of the sites by local evacuation instructions. The main instructions are covered in an e-learning module which is mandatory for all employees in Austria.

Risk mitigation for third parties

In order to guarantee safe visits to our sites by third parties, an information sheet about hazards and a code of conduct has been integrated into the main instructions in Austria and can be inspected in those areas of the premises which are accessible to visitors.

Specific target group training and instructions

Special training and instructions are based on site-specific documentation made available by head office. Our JAF standard templates (e.g. warehouse safety records, GDPR, directory of working materials, permissions matrix, work permits) and information brochures on key issues can be accessed throughout Austria. New sites and jobs in Austria are evaluated by an in-house or external safety expert and it is checked whether the JAF safety standards are complied with.

Occupational health and safety for all personnel

Besides the e-learning, the main point of contact and source of information for all employees with regard to occupational health and safety in Austria is the Intranet and the relevant dedicated menu option (Betriebssicherheit).

The information provided in Austria includes:

- An overview of all safety officers
- Links to the instructions, download platforms and legislation
- Safety data sheets
- Information about getting hot work permits
- Options for reporting near-accidents and hazards
- Code of conduct in the event of occupational accidents

In addition, personal support and advice from accident prevention officers or external experts covers the following areas:

- Occupational safety inspections and evaluation records
- Fire prevention inspections (e.g. performed by third-party risk experts)
- Occupational health evaluations, support and voluntary additional services

We also regularly train key personnel at the company on issues relevant to safety:

- Fire safety personnel (fire safety officers, fire wardens, fire fighters, evacuation personnel)
- First aiders
- Truck drivers (load safety, first aid, health, avoiding accidents, etc.) as additional skills as part of their truck driver training
- Safety officers

Health promotion

We rely on a range of in-house initiatives to promote the physical and psychological health of our employees. In addition to complying with local regulations to safeguard a healthy workplace, we also offer programmes to promote health at various sites in Austria.

For example, we offer site-specific medical health checks. Free-of-charge vaccinations are organised in conjunction with occupational healthcare providers and third parties.

Active together

Regular events and courses, such as running and yoga, allow our employees not only to improve their physical fitness and reduce the risk of disease but also to improve their general sense of well-being. The sporting activities we offer are also a great opportunity to promote our JAF team spirit. This team spirit is particularly evident during running events, for which we provide the running outfits and cover the participation fees.

For example, the JAF Group yet again took part in the international running event Wings for Life in 2024; an event which has a positive impact on the sense of cross-border cohesion due to running together for a good cause.

Needs-oriented range of options

Our employees benefit from discounted conditions due to collaborations with local fitness and health centres. By means of efforts to promote healthy nutrition (lectures, fresh fruit, discounted nutritionally healthy lunches, etc.), we aim to raise awareness of the importance of a healthy lifestyle. Ergonomic workplace design in offices (e.g. by means of height-adjustable desks and office chairs) aims to reduce physical strain and avoid bad posture. Our reintegration management efforts help employees to successfully return to work after illnesses.

Health promotion in Austria

As the JAF country with the most employees, the range of health promotion options offered in Austria is particularly extensive and acts as a best-practice example for the other JAF countries. Our aim here is further extend the range of site-specific health promotion initiatives based on the local demands of employees.

Group accident insurance cover

In Austria, JAF has taken out voluntary accident insurance cover for employees who have been with the company for at least five years. This variable insurance model provides a certain degree of cover for rehabilitation costs as well as invalidity and death depending on the number of years the employee has worked for the group. Subject to conditions, this insurance covers both work and non-work-related accidents.

Company bikes

Based on direct feedback and ideas submitted by means of our idea management tool (Ideenbox), we identified the significant interest among our employees in us providing company bikes. That is why we set up a bike leasing option in Austria in May 2023. This benefit is particularly popular. It allows our employees to select from a wide range of top-quality company bikes and lease these at favourable conditions.

This company bike initiative offers several benefits: Whether used for commuting or in an employee's leisure time, these company bikes promote a healthy lifestyle and are also an environment-friendly form of transport. No fewer than 128 employees took advantage of this offer in 2024.

Psychological advice

Our employees in Austria have had access to a third-party psychological advice service (employee assistance programme / EAP) since January 2023. This service provides advice related to all professional, health and private issues. Close relatives can also take advantage of this service.

The advice provided on private issues, mental health, work and profession is free-of-charge for all employees and their close relatives, 100% anonymous and confidential. Consultancies take place online, by telephone, via chat tools and, due to the dense network of advisors in Austria, also face-to-face. A total of 69 consultancy hours took place in 2024.

Our managers also have access to management coaching services which support them when it comes to dealing with the diverse challenges they face during day-to-day management. Our employees also have a wellbeing platform available to them. This is an online platform with a wide range of contents (videos, courses, articles, podcasts, etc.) to promote their physical and mental health.

Work-related injuries

Occupational accidents are recorded and documented in accordance with the relevant legal regulations in the various JAF countries. A total of 43 work-related injuries were documented within the JAF Group in 2024. The most common injuries related to the warehouse and production areas (cuts, injuries linked to loading, unloading and driving trucks or forklifts). Fortunately, all of the injuries were without serious consequences.

Regional value creation

We know that our activities have a major impact on the regions in which we operate. We are also aware of the growing preferences of consumers with regard to regional products. Positioning the JAF Group as a promoter of regionality is therefore also a significant opportunity for us and reflects our policy of being firmly rooted in our regions.

Opportunities and risks

Besides creating jobs, consciously promoting regional value generation also allows us to make a direct positive contribution to regional economic development. The more regional products we include in our product range, the more we promote short logistic routes and transparent value chains in the interests of sustainability. This also allows us to promote sustainable forestry practices in our region. At the same time, we are also aware of increasing consumer demand for more regional products. The risks here are the possibility of higher procurement costs and potential supply-side bottlenecks.

In 2024, 48% of the goods (revenue-based) which we purchased were sourced from the country in which the branch of our local subsidiary is based. Due to the different nature of their business models (shipping and back-to-back), the subsidiaries Skanditrä and JAF Global were not taken into account in this calculation. This procurement ratio of 48% with regard to regional products varies considerably from country to country. Whether goods can be sourced regionally depends on the availability of timber production companies in the relevant country. The ratio here is considerably higher in Austria. In Slovenia, for example, it is significantly lower. Lacking larger production companies, many of the products sold here are sourced from Austria. The aim is to increase the share of regional products in the JAF product range in the coming years.

Workers in the supply chain

As an internationally active timber trader, we attach particular importance to the social aspects along our value chain. We are well aware of the significance of our trading activities for the workers at upstream companies. That is why we are pursuing Goal 8 of the Sustainable Development Goals (Decent work and economic growth) and have committed to adhere to the ten principles of the UN Global Compact.

Our value chain extends to cover all the steps from the felling of the timber, sawmills and producers to the delivery of the finished products to our customers. Forestry workers and rangers are responsible for felling trees and ensuring that forests are sustainably managed. The risks here are primarily associated with the possible negative impacts of felling trees. The workers in sawmills and timber processing companies, for example those making panels or plywood, are exposed to health risks due to dust and harmful substances. This in turn may result in workers being unfit for work.

A significant share of our products is sourced from within the European Union. This means that we actively contribute to regional value creation. By supporting local suppliers, we promote sustainable economic structures and the creation of regional jobs.

We source over 50% of our products as certified goods ((FSC® or PEFC) and therefore from suppliers whose certifications require compliance with the core conventions of the International Labour Organization (ILO). Our supplier management efforts encompass the comprehensive and regular screening of our suppliers in order to ensure that they comply with our high standards with regard to human rights and occupational safety. This screening includes checking for any human rights violations and ensuring compliance with occupational safety standards. We inspect suppliers from high-risk countries and third-party states particularly strictly and more frequently to make sure that they meet the required standards. In the case of shipments from high-risk countries, we strive for additional risk mitigation efforts or supplier audits in order to reduce the risk of human rights violations to a minimum.

During supplier visits, we document the steps, guidelines and programmes in place to comply with human rights in an inspection protocol.

Under the EUTR (EU Timber Regulation) and, from 2026, as part of the due diligence system of the EUDR (EU Deforestation Regulation), we (will) support our suppliers and their upstream suppliers by means of additional media monitoring. This monitoring helps us to identify possible violations of human rights at an early stage and to take appropriate action. From 2026, the EUDR will require our suppliers to strictly comply with the regulations that ensure their products do not contribute to deforestation and that human rights are respected along the entire supply chain.

By means of our code of conduct for business partners, our suppliers commit to comply with applicable legal regulations and to regularly review the human rights and working conditions of their employees as well as along the entire value chain.

Our focus on human rights and labour law is further underpinned by our participation in Global Compact's Business and Human Rights Accelerator 2025. This is a six-month programme which supports companies in addressing and improving human rights due diligence.

We are preparing a comprehensive questionnaire to ensure that our suppliers comply to the highest standards in terms of human rights and working conditions. This includes information about compliance with human rights and fair working conditions as well as occupational safety efforts.

Opportunities and risks

Compliance with high standards related to human rights and working conditions along our value chain offers numerous opportunities. Improved working conditions and promoting safe and fair working conditions contribute to stability along our supply chain. This in turn promotes innovation and safeguards valuable expertise which ultimately leads to the development of dependable and long.term business relationships. At the same time, we also acknowledge the risks linked to inadequate compliance with social and labour law standards. These include damage to our reputation as a result of problems in the supply chain, unavailable suppliers due to stricter inspections of working conditions and possible fines as a result of non-compliance with labour laws. Product diversity may also suffer as a result of certain suppliers being unavailable. In order to counter these risks, we rely on additional risk mitigation steps such as certifications and supplier audits, particularly in the case of shipments from high-risk countries.

7. Governance

On one hand, corporate governance entails the adherence to and compliance with legal regulations and is intended to ensure that every company acts in accordance and in line with legal requirements. On the other, corporate governance also involves the implementation of in-company guidelines and regulations in order to guarantee that companies are managed and led in a trust-based, organised and successful manner.

Implementation of corporate governance principles

As the JAF Group, we stand for sound and orderly corporate management as well as proper and trustworthy conduct in a free and fair market. Without exception, we are firmly committed to complying with laws, industry norms and standards as well as engaging in transparent and orderly corporate management. Appropriate corporate governance principles have been implemented at the company based on this commitment. These principles are to be complied with by all involved.

Our corporate governance principles are, inter alia, associated with transparency, control and risk management in order to ensure the appropriate management of risks, efficiency and implementation as well as the improvement of work processes and structures, non-discrimination and to maintain interests and ethical principles. We are convinced that a company can only develop further if it is well led. Why? Because only through compliance with important corporate governance principles can new opportunities arise and secure jobs be created.

The corporate governance practised at JAF Group is the key to boosting and promoting the trust of employees, customers, business partners and society. This in turn is our basis for long-term and sustainable business operations.

As the JAF Group, we have developed and implemented internal rules and guidelines which, in as far as necessary, have been tailored to fit the specific requirements of our company. Relevant rules allow us to monitor and ensure compliance with our corporate guidelines. The aim of implementing these voluntary self-regulation steps is to boost trust by means of even more transparency. Moreover, these internal rules are aimed at improving quality in terms of collaboration among and between executive bodies and employees as well as significantly facilitating sustainable and long-term value creation.

Best-practice examples which have proven to be successful and extremely valuable aspects of commercial success at the JAF Group in every respect relate to the promotion of transparent, respect-based communication, the appropriate implementation of risk and control mechanisms as well as clearly defined role allocations and responsibilities. Furthermore, the JAF Group imposes high ethical standards on itself and all of its employees and also promotes integral and responsible action as the key to ensuring sustainable business practices.

The aim of corporate governance as it is practised at the JAF Group, which in part has been put into writing in corporate guidelines and is also in line with the corporate values of the JAF Group, is to make it possible to take into account equally the interests of all stakeholder groups and facilitate proper and lawful value creation at all times.

Legal framework in the timber trading sector

EUTR

The EU Timber Regulation commits market players and dealers in the EU who distribute timber and timber products in the EU or import them from third countries not to trade in illegally harvested timber. In order to comply with this regulation, companies are committed to carefully check products prior to importing them by means of establishing a due diligence system (DDS). As a dependable partner to our customers and our suppliers, we have established a strict DDS at our company. This ensures the traceability of product flows and, therefore, compliance with the applicable national, European and international laws, regulations, directives and standards. We live up to our responsibility on a daily basis by guaranteeing the legal origins of products and conserving resources.

EUDR

The EU Deforestation Regulation (EUDR) has been in force since 29 June 2023. From 30 December 2025, the EUDR will succeed the EUTR. The aim of the EUDR is to restrict illegal timber felling and protect forests against degradation and deforestation. As a result, greenhouse gas emissions due to deforestation should be reduced and biodiversity maintained. This regulation relies heavily on transparency and traceability along supply chains as well as the promotion of deforestation-free products.

Compared to the old regulation (EUTR), the EUDR includes several new aspects. The most important of these are:

- New market participants: Besides imports, this now also covers exports, EU trade, felling timber in the EU and the processing of timber and timber products
- It is now necessary to check whether the supplier or the product have contributed to: Deforestation or degradation to forests and, as previously, whether the applicable national legislation has been complied with (e.g. no conversion of forest into agricultural land or primary forests into plantations, compliance with fiscal, labour and human rights obligations, anti-corruption, etc.).
- Geodata of the logging
- A due diligence statement (information about the distributor, species, quantity, geodata, due diligence system confirmation) and a reference number must be entered into a new EU information portal (without which customs will not release the goods). A global classification of countries into high, normal and low-risk countries and related stricter requirements and more inspections. Depending on their risk classification, one, three or nine percent of shipments will be inspected at market participants.
- In addition to product groups such as soy and palm oil, adiitional tariff numbers for wood products are also affected.
- Blacklists of companies which do not comply with the EUDR.
- Mandatory inspection quotas and reporting obligations for inspection authorities. EUDR controls will increase as a result.

Additional market participants and due diligence obligations

The EUDR encompasses importers, exporters, processors and the felling of timber. Essentially, market participants are required to collect information and documents which confirm that their timber has been legally felled and is deforestation-free. Deforestation-free means that the timber originates from areas in which, as defined by the Regulation, there has been no deforestation (conversion in agricultural land) or forest degradation since 31 December 2020 (based on a global reference map of forestation cover).

Depending on the role in the supply chain and the size of the company (small and medium-sized enterprises / SME or major enterprise / non-SME), market participants must comply with various obligations. Operators / market participants and non-SMEs are obligated to implement a comprehensive due diligence system (DDS). SMEs, traders and products from low-risk countries are subject to a simplified DDS.

Market participants and non-SMEs

Market participants and non-SMEs must comply with the following requirements:

1. Application of a DDS covering the following three aspects of the Regulation:
   a. Deforestation
   b. Forest degradation
   c. Logging as defined by national legislation (supplementary to EUTR: besides illegal logging and environmental damage, the EUDR also covers: fiscal law, human rights, the rights of indigenous peoples, anti-corruption and labour law)
2. The preparation of a due diligence statement and uploading this to the new EU information portal
3. Forwarding information, i.e. the reference number of the due diligence statement and evidence of applying a DDS

In detail, market participants and non-SMEs must in future provide the following information and documents in order to comply with the EUDR requirements. These form part of the DDS:

1. Tree species (scientific name of the genus and species)
2. Country in which logged
3. Geodata of all plots of land on which the timber has been felled
4. The point in time or time period of the logging
5. Evidence of the legal nature of the logging
6. Evidence that the timber is deforestation-free and not associated with forest degradation

Corporate ethics and compliance

Corporate ethics and compliance

The JAF Group has developed over time from being a local timber trader to a wholesaler of wood and wood-based products. Responsible and legally compliant business conduct has always been an important element of our corporate culture and key to our commercial success. Our corporate values commit us to quality, fun at work and respect, growth and the environment. These values are reflected in our compliance efforts. The core of our compliance efforts is our group-wide code of conduct (CoC). This document sets out our commitment to act in accordance with the law and our own internal policies.

We aim to protect free competition, prevent corruption and money laundering, commit to protect personal data and advocate fair working conditions.

The interests of our employees are extremely important to us, which is why we have always encouraged open communication and transparency as well as actively committing to whistleblower protection. As a company with global operations, compliance with trade sanctions, environmental legislation and human rights are exceptionally important to us. We started establishing a structured compliance system as far back as 2012. This compliance system has been continuously expanded through the addition of new issues and aspects based on the application of a risk-based approach.

Our compliance policy is in the meantime available in 12 different languages. Our code of conduct (CoC) is available to employees on the Intranet in English and the relevant local language. Likewise, our compliance guidelines (anti-corruption, anti-trust, money laundering and artificial intelligence) developed in conjunction with the CoC are also available in English and the relevant local language.

Every new employee receives a tailored compliance training course as part of their on-boarding process. Existing personnel also have to undergo regular compliance training tailored to reflect their tasks. The central management of compliance-related issues is undertaken at head office but there are also additional compliance officers in the various JAF countries enabling a regular and case-specific exchange of information throughout the group with head office.

Since early 2021, we also rely on mandatory e-learning compliance training covering the EU. Based on specific target groups, employees are regularly and continuously trained on the issues of compliance, anti-corruption, anti-trust, money laundering, data protection and information security. In addition, there is also case-specific face-to-face and online training on various compliance-related issues.

Throughout Austria, compliance is also closely integrated in the on-boarding procedure for new employees. This was rolled out in 2023 to encompass the entire JAF Group and is now a fixed element in all JAF countries for all new employees.

The aim of this training already integrated into the on-boarding process and the associated exchange of information is to convey to all new personnel the importance and necessity of adhering to compliance rules at the JAF Group.

New employees therefore commit to adhere to our compliance rules at soon as they take on their tasks at the JAF Group. In addition to this, top and medium-level managers sign a self-commitment declaration to adhere to the compliance rules and pass these on to their personnel. Given that we also expect and require our suppliers to live up to our compliance standards, we have also introduced a code of conduct for business partners. This is implemented during the central listing procedure for suppliers and forms part of the annual supplier meetings organised by head office.

Fair competition

As an annex to our code of conduct, our internal policy on anti-trust legislation specifies the resulting obligations and requirements associated with daily business transactions. All managers within the entire JAF Group, as well as selected groups of sales personnel, are required to undergo mandatory e-learning on the principles of anti-trust legislation. Managers are required to pass on relevant contents to their respective teams. Our goal is to train all managers and all relevant personnel in the purchasing and sales departments based on their specific tasks. To date there have not been any legal cases on the grounds of anti-trust law violations.

Data protection

JAF has been relying on a data protection declaration based on the EU's General Data Protection Regulation (GDPR) since 2018. This is available on the websites of the various JAF country-level organisations in the local language and English as well as on the Intranet. The security of our employees' personal data is of particular importance to us. This is reflected in the fact that we also have a data protection declaration for employees. Since 2021, employees also undergo a mandatory, group-wide e-learning course on the issue of data protection in order to raise awareness.

Export controls and sanctions

Head office reviews our business partners at regular intervals and on a case-specific basis in line with internal requirements. JAF personnel throughout the group are kept up-to-date on the most important international developments. This communication takes place via information on the Intranet, announcements from head office or directly by Management.

Combating corruption

An anti-corruption policy was implemented in 2015 as an annex to our code of conduct and subsequently translated into the JAF local languages and into English. Besides the relevant principles, this also defines internal limits for permitted gifts and invitations. Prior to this, general representation rules had already been introduced and included in bylaws, articles of association and standard operating procedures. Banking signatory rights are also subject to the four-eyes principle throughout the group. E-learning courses on the issue of anti-corruption have been held at the JAF Group since 2021. There are strict rules and limits for donations and sponsoring activities which are defined in bylaws and standard operating procedures. The range of anti-corruption measures in place is rounded off by a whistleblowing system which is accessible on all JAF websites.

Preventing money laundering

An internal policy to prevent money laundering was rolled out throughout the group in 2022. This was developed on the basis of existing processes in collaboration with the accounting department and local compliance officers. This policy contains clear instructions with simple steps about which checks are relevant in the context of KYC procedures. In addition, all personnel in the accounting department and management positions were trained on the issue of money laundering by means of an e-learning course. Cash transactions are evaluated applying the following criteria: a) The identity of the customer is clearly established, b) The purpose and nature

of the business relationship is clear (sale of timber to business customer or, occasionally, private customers for the timber to be further processed for commercial or private purposes), c) The source of the funds does not raise any suspicions of money laundering.

Whistleblower protection

The JAF Group has had an established whistleblowing form for reporting abuses since 2022. It is also possible to anonymously report incidents using this form. Any information provided is handled as substantially as possible. This form can be accessed by employees as well as customers and business partners via the JAF websites.

Personnel have been informed about the whistleblowing form in a dedicated email and receive updates via the Intranet. In addition, there is also an in-company whistleblowing policy which provides potential whistleblowers instructions on accessing the form and the reporting process.

It goes without saying that the JAF Group is firmly committed to compliance with both economic and social legislation and regulations. As a result, there have not been any serious regulatory or legal interventions, court cases or similar processes initiated by public authorities or courts.

Corporate governance issues were covered by e-learning training courses in the 2024 financial year.

Opportunities and risks

All of the process-related and legal implementations and internal processes at JAF are aimed at establishing and adhering to common compliance standards in all JAF countries and adapting these to comply with legal requirements. Due to data protection requirements, work-related processes need to remain transparent and traceable in order to promote collaboration between departments and to reduce data volumes. The relevant departments actively collaborate in order for us to meet our GDPR obligations.

For us at JAF, it is extremely important to avoid every risk by means of a firm commitment to training and monitoring. For example, monitoring and complying with both EU-wide and international measures and regulations is an essential precondition for JAF to operate in accordance with the rules. This compliant conduct has always been our existing and future guarantee for the excellent reputation that JAF has built up overmore than 75 years.

Furthermore, this training and the internal guidelines related to anti-trust law are intended to prevent the risk of unauthorised disclosures of information, such as could take place at industry events.

Integrity is a valuable commodity that is firmly anchored in our corporate culture. Through the relevant internal action we take and by promoting trust-based, transparent and open communication at JAF, we can eliminate corruption to the greatest extent possible. As a result, there were no court cases related to corruption in 2024. There were also no fines paid related to any such alleged violations. Likewise, the risk of money laundering at the local organisations of the JAF Group can also be regarded as low given the appropriate precautions in place. The customer base is largely stable and the volume of individual transactions is also relatively low.

JAF's own whistleblowing system is an opportunity to expose any misconduct in-house and to resolve this before there are any negative impacts. There nonetheless exists the risk of very many reports of little or no relevance being made in the system. Additional communication steps are planned in order to be able to better reach those groups of employees who do not have access to a PC at work.

Supplier management

Trading in timber and wood-based products remains the core business of the JAF Group. That is why the careful selection of our suppliers is a key success factor. Our supplier management is based on a clearly defined process which guarantees long-term partnerships, quality assurance and sustainability.

Opportunities and risks

Long-term supplier relationships are essential in the context of our business model. They not only influence the quality of our products but also the stability and sustainability of our supply chain. Close collaboration with our suppliers strengthens existing relationships, optimises processes and safeguards consistent quality levels. This requires transparency and boosts levels of trust among our customers.

Clear rules and collaborations are a means of us ensuring social and environmental standards in our supply chain. Strategic partnerships also help us to better manage aspects relating to human rights and ensure compliance with international standards. At the same time, effective supplier management is the key to flexibly adjusting in response to market changes, allowing us to increase our competitiveness and attract new customers.

There are however challenges and risks. Supply-side delays, quality issues or violations of environmental and social standards can all lead to major financial and reputational losses. Particularly in the timber trading sector, strict monitoring of the supply chain is the key to avoiding risks such as illegal timber sources or human rights violations.

Geopolitical uncertainties, economic crises or natural catastrophes can also threaten supply chain stability. In addition, regulatory guidelines such as the Corporate Sustainability Reporting Directive (CSRD) and the EU Deforestation Regulation (EUDR) also increase compliance requirements. Violations of these regulations can entail hefty fines and a loss of competitiveness.

That is why systematic and sustainable supplier management is essential. This needs to encompass long-term collaboration, regular reviews and the further development of supplier relationships.

Supplier management – strategic goals

An effective system of supplier management not only acts as a form of quality assurance but also advances strategic objectives. Our top priority is to establish a sustainable, transparent and resilient supply chain which takes both economic as well as environmental and social responsibility into account. This includes safeguarding the long-term availability of materials, minimising risks and strict compliance with regulatory requirements such as the Corporate Sustainability Reporting Directive (CSRD). Moreover, we also strive alongside our suppliers to continuously improve supply chain processes in order to further promote sustainable procurements and at the same time boost competitiveness.

Supplier selection, evaluation and classification

Selecting a supplier is based on a structured qualification process which takes into account various criteria. Besides the production site and region, the sales structure and certifications such as FSC® and PEFC as well as environmental product declarations, CO_2 goals and the product range also play important roles. These decisions also consider the procurement price, capacities, availability and service quality. The origins of the timber, the production sites and compliance with relevant standards are already key during this early phase.

We undertake regular supplier evaluations in order to safeguard the quality and sustainability of our supplier relationships. The focus here is on social, environmental and commercial aspects. These include sustainability standards, CO_2 reduction goals, compliance with human rights and both supply quality and the number of past complaints. Imports from high-risk countries are subject to particularly strict control procedures. The results of these evaluations are integrated directly into our supplier development.

Our suppliers are also internally classified. Their classification is based on performance, the size of the company and the sustainability criteria. This enables us to specifically strengthen strategic partnerships and efficiently manage our efforts to achieve improvements.

Stakeholder involvement in a sustainable supply chain

A key success factor here is the integration of relevant stakeholders. Our suppliers are central partners with whom we regularly exchange information in order to continuously develop sustainability standards further. At the same time, we actively involve our customers, NGOs and other social stakeholders in our processes in order to identify external demands and expectations at an early stage and to integrate these into our strategy. Transparency and communication are essential as means of boosting trust and safeguarding long-term partnerships. This is also reflected in our regular reporting about our progress and action.

Guidelines and policy as an operational framework

Our internal and external policies define a clear framework for our actions. Our code of conduct for business partners establishes binding standards in terms of human rights, environmental and social compatibility as well as corporate ethics. This is supplemented by a specific procurement policy which regulates sustainable timber purchasing in particular. These requirements ensure that all business partners along the value chain live up to our strict requirements. We rely on a combination of training, audits and continuous improvement processes when it comes to implementing these standards.

Responsibilities and control

Our international product management department is responsible for implementing and further developing our supplier management. This department is supported by the CSR and legal departments in order to integrate legal and sustainability aspects.

By defining clear goals, involving relevant stakeholders, implementing binding policies and systematically allocating responsibilities, we create a system of supplier management which safeguards not only commercial success but also focuses firmly on environmental and social values.

Supplier development and delisting

The continuous further development of our supplier relationships is an important element of our corporate management strategy. Collaborations are regularly analysed and optimised in various areas. The focus here is on sustainability, market development, delivery capacity, reliability, product quality and digital ordering processes. The findings of supplier evaluations form the basis for defining individual supplier development plans which are subsequently implemented together with our partners.

If a supplier fails to comply with the required standards or demonstrates no willingness to improve, we terminate our collaboration. The main reasons for delisting a supplier can be violations of environmental or social standards, regular quality problems or commercial unreliability. In such cases, we carefully document our decision in order to ensure transparent traceability.

Timber procurement principles

Sustainable forestry practices are a top priority at the JAF Group. That is why we adhere to strict timber procurement principles. Our timber originates exclusively from legal sources and complies with the requirements defined by the EUTR and, in future, the EUDR. Imports from high-risk countries in particular are subject to stricter controls in order to exclude the possibility of timber from illegal sources. At the same time, we give preference to regional suppliers in order to boost the local economy and reduce associated CO_2 emissions.

Furthermore, we take care to ensure that our timber comes from responsibly managed forests in which social and environmental standards are complied with. Transparency is particularly important for us, which is why we strictly trace the origins of our timber and disclose relevant information.

These efforts not only secure our supply chain but also generate value added for our customers, partners and the environment.

8. EU taxonomy

The EU Taxonomy Regulation (EUTAX) is aligned with the goal of the European Union to achieve a climate-neutral (net-zero) economic system by 2050. This requires a complete cessation of greenhouse gas emissions by our economy in the EU by the year 2050. The EUTAX was introduced in order to establish a standardised classification system for environmentally sustainable commercial activities within the EU and to promote investments in sustainable economic activities.

EU Taxonomy Regulation (EUTAX)

On one hand, the EUTAX defines climate and environmental goals which are qualified as being environmentally sustainable. On the other, it contains a catalogue of taxonomy-conform economic activities which are considered to be environmentally sustainable.

Sustainable climate and environmental goals

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Taxonomy-aligned economic activities

An economic activity is essentially considered to be potentially environmentally sustainable and taxonomy-eligible if it is covered by this legislation and stated in one of the delegated acts of the European Commission. In order to actually be environmentally sustainable and therefore taxonomy-aligned, the economic activity must make a substantial contribution to at least one of the six climate and environmental objectives of the EUTAX stated above, must do no significant harm to any of the other five environmental objectives, complies with the applicable technical screening criteria and also complies with minimum safeguards in the area of social equity and governance.

Taxonomy at the JAF Group

The JAF Group is not currently obligated to disclose taxonomy-relevant information. Given the priority assigned to this issue however, we have decided to analyse and appropriately document our turnover (revenues), capital expenditure (CaPex) and operating expenditure (OpEx) for the year 2024 on a voluntary basis in terms of the EUTAX rules. Due to the new, dynamic nature of the legislation and the associated legal uncertainties in terms of their interpretation, in cases of doubt we have elected to apply a conservative interpretation of the rules and to omit the disclosure of key performance indicators (KPIs). We are constantly monitoring developments within the EU. New insights will be continuously integrated into our project work in order to appropriately comply with all requirements.

The procedure at the JAF Group for evaluating whether revenues, CapEx and OpEx are taxonomy-eligible and taxonomy-aligned is as follows:

Evaluation of taxonomy-eligibility

An economic activity is only potentially environmentally sustainable, and therefore taxonomy-eligible, if it is specifically defined in a delegated act. As a result, all current versions of all delegated acts were reviewed by head office in terms of the relevant economic activities and the turnover, CapEx and OpEx of the JAF Group were appropriately classified. Double allocations were avoided by carefully addressing the specifics of every single economic activity in detail.

Compliance with technical screening criteria

The next step entailed checking whether the turnover, CapEx and OpEx qualified as taxonomy-eligible fulfil the technical screening criteria of the economic activity for a defined environmental objective.

Do no significant harm

Besides the technical screening criteria – which define whether an economic activity supports a climate and environmental objective – the delegated acts also set out requirements which must be met in order to ensure that no significant harm is done to another relevant objective. This was also analysed in detail with regard to the qualified taxonomy-eligible turnover, CapEx and OpEx.

Minimum safeguards

In order to be able to consider economic activities to be environmentally sustainable, they must be undertaken in accordance with certain minimum safeguards. These include the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the International Charter of Human Rights and the ILO Core Conventions on Labour Standards.

The analysis of the above aspects was performed at JAF's head office by the consolidation and tax department in close collaboration with various other specialist departments such as those for controlling, accounting, site development and CSR. Taxonomy reporting at JAF is based on the EU Taxonomy Disclosure Delegated Act, albeit without KPI calculations for 2024, and while limiting the disclosure to the descriptive presentation of facts.

Taxonomy-eligible economic activities

The screening of the economic activities defined in the delegated acts revealed that the main economic activity of the JAF Group – trading in timber – is not covered by the EUTAX and it can therefore neither classified as taxonomy-eligible nor taxonomy-aligned.

Trading in timber products however is closely associated with other economic activities such as transport and logistics, which qualify as (potentially) environmentally sustainable. Capital expenditures and operating expenditures associated with photovoltaic installations and real estate, as well as IT systems, are also covered by the EUTAX and therefore also relevant in the context of this report.

Taxonomy-eligible and taxonomy-aligned turnover

Taxonomy-eligible and/or taxonomy-aligned turnover is an indicator for the revenue of a company which is generated by sustainable economic activities. Revenues are considered to be taxonomy-eligible if they are generated by economic activities which are explicitly mentioned in the delegated acts. In order for revenues to qualify as taxonomy-aligned, the technical screening criteria, DNSH requirements and the minimum safeguards must be fulfilled.

Given that timber trading is not currently covered by the EUTAX, the JAF Group did not generate any taxonomy-eligible revenues in its core business in its 2024 financial year. The transport activities in connection with JAF's main economic activity can however be allocated to the activity CCM/CCA 6.6 (Freight transport services by road) . Furthermore, income from feeding power from photovoltaic installations into the grid can also be allocated to the activity CCM/CCA 4.1 (Electricity generation using solar photovoltaic technology).

In order to qualify as contributing towards the environmental objective of climate change adaptation, every activity requires a climate risk and vulnerability assessment, with this not yet being available for every JAF site in 2024. As a result, it was not possible to classify all of the above-mentioned taxonomy-eligible revenues as taxonomy-aligned.

With regard to freight transport services by road, it was not possible to identify any taxonomy-aligned revenues since no emission-free or low-emissions vehicles are being operated. The climate-friendly shipment of our goods is a top priority for us. Changes and optimisations are therefore constantly tested and evaluated. In 2023, we were able to gain our first experience with pilot-based shipments of goods using electric-power trucks, with this environment-friendly and resource-sensitive means of shipping our products being well received.

Three-step procedure for evaluating taxonomy alignment

In order to be classified as environmentally sustainable, an economic activity must:

Substantial contribution

Make a substantial contribution to at least one of the six environmental objectives

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Do no significant harm

No significant harm should be caused to the other

environmental goals

Minimum safeguards

Compliance with minimum standards in terms of social and governance criteria

- OECD Guidelines for multinational Enterprises
- International Charter of Human Rights

Taxonomy-eligible and taxonomy-aligned capital expenditure (CapEx)

Taxonomy-eligible and taxonomy-aligned investments (capital expenditures) relate to new tangible and intangible fixed assets which are associated with economic activities covered by the EU-TAX or which relate to the acquisition of products and services associated with a taxonomy-eligible and/or taxonomy-aligned economic activity.

The starting point for this analysis is the additions to the fixed asset schedule in the 2024 financial year, whereby prepayments and plant under construction are only taken into account as additions in the year in which they are reclassified. Every addition was analysed and explicitly allocated to a possible economic activity in order to ensure that there were no double entries.

As explained above in connection with revenues, climate risk assessments were not available for all JAF sites, meaning that not every newly acquired fixed asset could be classified as taxonomy-aligned.

Around €0.6 million was invested in photovoltaic installations in the 2024 financial year. This is equivalent to a 3% share of all new tangible and intangible fixed assets. In order to finance these photovoltaic installations, we received taxonomy-eligible financing from RBI with a volume of €3 million in 2024. This transaction therefore meets the strict requirements of sustainable financing in the EU and is a 100% sustainable project.

The additions related to cars (CCM/CCA 6.5) and trucks (CCM/CCA 6.6) could only be classified as taxonomy-eligible since the technical screening criteria of emission-free or low-emission could not be fulfilled. We are however making efforts to invest to be greater extent in e-mobility in future.

The expansion of our site in St. Florian progressed in 2024. Here, a wood competence centre for Upper Austria is being expanded on the existing plot of 48,000 m^3. Besides modern offices, large-scale warehousing facilities are also planned. The entire project is intended to largely comply with taxonomy-related requirements. The building will be leased after it has been completed.

Taxonomy-eligible and taxonomy-aligned operating expenditure (OpEx)

Taxonomy-eligible and taxonomy-aligned operating expenditure relates to expenses which are associated with economic activities covered by the EUTAX or which relate to the acquisition of products and services associated with a taxonomy-eligible and/or taxonomy-aligned economic activity.

Operating expenditure is limited to direct, non-capitalised building renovation costs, research and development, training and re-training, servicing and repair, maintenance and leasing expenses.

Relevant operating expenditure can be incurred in connection with the above potential economic activities of the JAF Group. The relevant real accounts were analysed and itemised for the purposes of this analysis.

A particular challenge here was the DNSH criterion for environmental protection in connection with the leasing of e-cars and their tyres. In order to qualify as taxonomy-aligned, these must be the best available products on the market in terms of their fuel efficiency (best two classes) and external rolling noise (best class). None of the tyres on the leased e-cars currently meet this requirement. We will therefore strive in connection with new leasing agreements to pay particular attention to the correct tyres in order to increasingly lease environmentally sustainable e-cars in the coming years.


NET
ZERO

9. Glossary

B

Biodiversity

Biodiversity encompasses the full diversity of life on the planet. It relates to three levels: the diversity of species, the genetic diversity within these species and the diversity of the ecosystem in which they live. Biodiversity is a key prerequisite for stable and resilient natural cycles and therefore also for functional economic systems and habitats.

C

CapEx – capital expenditure (investments)

CapEx relates to investments by companies undertaken in connection with the acquisition, improvement or maintenance of tangible fixed assets such as buildings, land, machinery or equipment. These investments are intended to safeguard or expand business operations in the long term and provide the company with economic benefits over multiple years. CapEx is an important indicator of a company's strategic development and long-term competitiveness.

CCF – corporate carbon footprint

The corporate carbon footprint (CCF) represents the entirety of greenhouse gas emissions which a company causes directly and indirectly. These include emissions associated with ongoing business operations, the use of energy, the supply chain and the manufacture and use of products and services. The CCF is a key tool for assessing the climate impact of a company and forms the basis for climate goals, reduction steps and transparent sustainability reporting.

Circular economy

The circular economy is an economic model which aims to maintain the value of commodities, raw materials and products in economic cycles for as long as possible. Instead of the linear 'take-make-dispose' principle, the circular economy model relies on strategies such as reuse, repair, re-manufacturing and recycling. The aim here is to reduce the extraction of natural resources, extend product life cycles and avoid both waste and emissions. The circular economy therefore makes an important contribution to saving resources, climate protection and sustainable economic activities.

CITES – Convention on International Trade in Endangered Species of Wild Fauna and Flora

CITES, also known as the Washington Convention, is an international agreement aimed at protecting endangered fauna and flora. The objective of this agreement is to control and regulate the international trade in endangered species and products based on these in order to safeguard their survival in the wild. CITES lists protected species in various appendices with varying degrees of protection and obliges its signatory countries to implement appropriate trade restrictions and authorisation processes.

Climate risk analysis

A climate risk analysis is a systemic assessment by a company of the short, medium and long-term impacts of climate change on its economic activities. Performing a climate risk analysis entails assessing the potential vulnerability and exposure of a company to climate-related hazards. This process encompasses the identification of the physical, financial and regulatory risks associated with climate change as well as an evaluation of their potential impacts on business operations and the site.

CO_2

Carbon dioxide is a colourless, odourless gas emitted as a result of burning fossil fuels, breathing, during the decomposition of organic materials and certain industrial processes. It is one of several important greenhouse gases. The raised concentration of CO_2 in the atmosphere is a key contributor to climate change since it promotes global warming and extreme weather conditions. Forests are natural CO_2 sinks since they absorb CO_2 during photosynthesis and convert it into biomass. When wood is burnt or decomposes, the stored CO_2 is again released into the atmosphere.

CO_2 equivalents (CO_2e)

CO_2 equivalents is a standardised unit to measure the impact of different greenhouse gases on global warming. This calculation is based on the relevant contribution to the greenhouse effect compared to carbon dioxide. In order to be able to compare the various gases with each other and measure the overall impact on the climate, every gas is converted into CO_2equivalents. This means that the volumes of a gas are converted so that these have the same impact as a defined volume of CO_2.

CoC – code of conduct

A code of conduct is a company's guidelines on the legal, ethical and social principles according to which it defines its daily activities. Such a code defines the binding rules for fair and responsible conduct, both in its dealings with employees as well as with business partners, customers and society. The CoC reflects the values and the corporate culture and acts as a compass for integral decisions and sustainable economic activity.

COP – Conference of the Parties

The Conference of the Parties (COP) is the annual UN climate conference and the top decision-making forum of the parties to the United National Framework Convention on Climate Change (UNFCCC). Delegates from all parties take part in COP in order to negotiate global steps to combat climate change. The aim of the conference is to achieve progress in terms of implementing the UNFCCC, reach decisions on binding climate goals and to further develop international climate policy – such as by means of the Kyoto Protocol or the Paris Agreement.

Core Labour Standards (ILO)

The core labour standards are internationally recognised social standards developed by the International Labour Organization (ILO) safeguarding fundamental rights at the workplace. Inter alia, they encompass the abolition of child or forced labour, the elimination of discrimination at the workplace and freedom of association and collective bargaining. As an essential element of global trade and human rights, these standards form the basis for decent working conditions around the world – irrespective of a country's developmental stage.

CPI – Corruption Perceptions Index

The Corruption Perception Index (CPI) is an internationally recognised corruption indicator which is published by the non-governmental organisation Transparency International. It evaluates and compares countries around the world in terms of the perceived level of corruption in the public sector – particularly with regard to politics and administration. The ratings are based on experts' assessments and surveys. The CPI acts as an orientation tool for investors, companies and political decision-makers with regard to integrity and the rule of law.

Cradle to grave

Cradle to grave is a concept based on the life cycle assessment (LCA). It describes a holistic perspective of the environmental impacts associated with a product or a service – starting from extracting the raw materials (cradle) via its manufacture, use and transportation to the final disposal or recycling of this at the end of its life cycle (grave). The aim is to holistically evaluate the environmental impacts throughout all phases of (product/service) life.

CSDDD – Corporate Sustainability Due Diligence Directive (EU Supply Chain Act)

The Corporate Sustainability Due Diligence Directive (CSDDD), also known as the EU Supply Chain Act, commits companies to comply with due diligence obligations related to human rights and environmental aspects along their entire value chain. These obligations relate both to their own area of business as well as those of direct and indirect suppliers. Companies must identify, evaluate and undertake suitable preventative and corrective action to mitigate risks related to human rights, working conditions, environmental and climate protection. The aim of the CSDDD is to boost sustainable and responsible economic activity within and beyond the EU.

CSR – corporate social responsibility

Corporate social responsibility (CSR) is a term used to describe the voluntary responsibility accepted by companies for environmental, social and ethical issues along the entire value chain. CSR efforts exceed legal requirements and aim to promote sustainable economic activity, to positively influence social developments and to boost trust among stakeholders. Inter alia, CSR encompasses efforts to protection the climate and the environment, fair working conditions, social initiatives and responsible corporate governance.

CSRD – Corporate Sustainability Reporting Directive

The Corporate Sustainability Reporting Directive (CSRD) is an EU directive which commits companies to report comprehensively and in a standardised format on sustainability aspects related to the environment, social impact and governance (ESG). This directive, a reform of the sustainability reporting of companies in the European Union, aims to promote transparency and responsible action within companies.

D

Double materiality
Double materiality is a concept which helps companies decide which sustainability aspects need to be included in their sustainability report. This entails viewing sustainability from two perspectives. In the case of the outside-in perspective, companies take into account external sustainability factors such as biodiversity and climate change which can have an impact on their future profitability and competitiveness. By means of the inside-out perspective, companies take the impacts of their own activities on society and the environment into account. A sustainability aspect meets the criteria of double materiality if it is relevant from either or both perspectives.

E

ECGT – Empowering Consumers for the Green Transition
The EU directive Empowering Consumers for the Green Transition (ECGT) aims to protect consumers against unfair practices and in terms of misleading environmental claims. It limits the use of advertising claims associated with sustainability.

EFRAG – European Financial Reporting Advisory Group
The European Financial Reporting Advisory Group (EFRAG) is an independent organisation which advises the European Commission on questions related to corporate reporting. In the context of sustainability, EFRAG plays a central role in the development of the European Sustainability Reporting Standards (ESRS) which are applicable under the CSRD.

Emissions factor
An emissions factor is a figure which denotes how much of a pollutant or greenhouse gas (e.g. CO_2) is emitted in connection with a defined activity or process. An emissions factor is generally denominated as a quantity of emissions for a defined quantity of a unit manufactured or consumed. It acts as a means of quantifying the environmental impacts of a process and is often used to calculate the GHG accounting of companies, sectors or countries.

EPD – Environmental Product Declaration
AN EPD is a document which sets out the environmentally relevant properties of a defined product in the forms of objective data.

ESG – Environmental, Social, Governance
ESG is the abbreviation for the three central areas of sustainable corporate responsibility: environment, social and governance. The environment areas relates to the responsible management of natural resources, climate protection and the management of emissions. The social area encompasses aspects such as fair working conditions, respecting human rights and a company's social engagement. The governance area relates to ethical, transparent and legally compliant management practices. ESG criteria serve as an orientation framework in order to be able to evaluate companies' sustainability performance – both for investors and for other stakeholders.

ESRS – European Sustainability Reporting Standards
The ESRS were developed by EFRAG and provide a unified basis for sustainability reporting under the EU's CSRD. These standards cover a wide range of issues, from CO_2 emissions and resource use to working conditions and ethical management practices. The aim here is to promote uniform and comparable sustainability reporting within the EU.

EU taxonomy
The EU taxonomy is a European classification system which defines which economic activities are considered to be economically sustainable. The aim of this taxonomy is to create transparency and steer investments in sustainable economic activities. The taxonomy defines clear criteria on the basis of which companies and financial market players can evaluate whether an economic activity makes a substantial contribution to environmental objectives, such as climate change mitigation, climate change adaptation or the transition to a circular economy, without causing significant harm to other environmental objectives.

EUDR – EU Deforestation Regulation
The EU Deforestation Regulation has been in force since 29 June 2023. From 30 December 2025, the EUDR will succeed the EUTR. The aim of the EUDR is to restrict illegal timber felling and protect forests against degradation and deforestation.

EUTR – European Timber Regulation

The EU Timber Regulation (EUTR) is intended to prevent illegal logging and the associated trade in timber in the European Union. This legislation was enacted into Austrian law under the Federal Act on the Monitoring of Trade in Wood (HolzHÜG).

F

FSC® – Forest Stewardship Council®

FSC is a global non-profit organisation which promotes responsible forestry practices worldwide. FSC defines standards on the basis of coordinated principles for sustainable forestry practices which are underpinned by stakeholders from the areas of environmental protection, social responsibility and business.

G

GHG – greenhouse gas

GHG are trace gases which have an influence on the balance of energy on the planet and therefore exacerbate the greenhouse effect. These gases include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O) and various fluorinated greenhouse gases (F gases). The GHG Protocol forms the basis for GHG accounting standards.

Green Deal

The European Green Deal is the central climate protection and growth strategy of the European Union. It aims to make the EU climate neutral (net-zero) by 2050 and to cut greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. In order to achieve this goal, the Green Deal advocates the expansion of renewable energy sources and increases in energy efficiency as well as sustainable patterns of production and consumption. A central guiding principle here is ‘Leave no one behind’, meaning that the transition to a climate-friendly economy should be socially balanced and equitable. Regions and demographic groups which are particularly effected by structural change should be provided with targeted support. The Green Deal forms the political framework for numerous legislative initiatives, including the Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD).

GRI – Global Reporting Initiative

The Global Reporting Initiative is an independent international organisation which develops and promotes globally recognised guidelines for sustainability reporting. Its goals are the promotion of sustainability reporting, the creation of transparency and improved decision-making. Sustainability reporting based on GRI is voluntary. These standards help companies present their environmental, social and governance performance transparently and comparably.

H

Human rights

Human rights are universal, inalienable rights to which every individual is entitled irrespective of their origin, gender, religion, ideology or social status. They form the foundation of freedom, equity and human dignity. The key principles here include equality before the law, non-discrimination and the right to life, education, physical integrity and freedom of speech. Companies are committed to respect, protect and remedy any violations of human rights within their own areas of operations and along their supply chains.

K

KPI – key performance indicators

Key performance indicators (KPIs) are important figures which make the success, performance or efficiency of a company or specific sectors measurable. They facilitate the monitoring of strategic and operational objectives and objective assessment of progress – such as with regard to production, efficiency, quality and sustainability. KPIs are used in the context of sustainability reporting to present environmental, social and governance aspects in a quantifiable and comparable manner.

M

Materiality analysis
A materiality analysis forms the basis of every sound sustainability strategy and report. It aims to identify those sustainability issues (material topics) which are particularly relevant for the company itself and for its stakeholders. A double materiality analysis evaluates both the impacts of external sustainability factors on the company as well as the impacts of the company's business operations on the environment and society. The result is a structured prioritisation of key sustainability issues which acts as a compass for strategic decisions and for the contents of sustainability reports.

N

NaBeG – Austrian Sustainability Reporting Act
The Austrian Sustainability Reporting Act (NaBeG) implements the requirements of the EU 's Corporate Sustainability Reporting Directive (CSRD) in national law. It regulates which companies in Austria are obligated to engage in sustainability reporting and which contexts, formats and reporting standards are to be complied with. The aim of the NaBeG legislation is to create transparency with regard to the environmental, social and governance impacts of economic activities and to improve the comparability of sustainability disclosures.

NGO – Non-Governmental Organisation
NGOs are private, independent, internationally or nationally focused organisations which advocate environmental, social and political issues for certain purposes without the intention of generating profits.

O

OpEx – Operating expenditure
Operating expenditure (OpEx) as a term refers to the ongoing costs incurred by a business necessary to run its daily operations. These include, among others, the costs of personnel, rent, energy, materials and third-party services. Responsible OpEx management can contribute to achieving ESG goals, for example, by favouring the use of resource-sensitive materials or energy-efficient processes. In the context of the EU taxonomy, OpEx is becoming increasingly important due to the fact it makes the sustainability of business operations measurable and is taken into account in assessments of whether economic activities are environmentally sustainable.

P

PEFC™ – Programme for the Endorsement of Forest Certification
PEFC is a global organisation with the aim of achieving sustainable forestry management around the world. This certification system prescribes standards for sustainable forestry practices.

S

SBT – Science Based Targets

Science Based Targets (SBT) are climate goals underpinned by scientific findings through which companies can reduce their greenhouse gas emissions in alignment with the 1.5°C goal of the Paris Agreement. This approach stems from the Science Based Targets Initiative (SBTi), an association of leading climate-protection organisations. In contrast to goals defined based on potential reductions, SBTs are scientific emission pathways which are necessary in order to significantly limit global warming. Companies which commit to comply with SBTs therefore make a substantial contribution to climate protection and signalise transparency and long-term responsibility with regard to managing climate risks.

SDGs – Sustainable Development Goals

The Sustainable Development Goals (SDGs) are 17 global objectives defined by the United Nations aimed at promoting sustainable, equitable and future-proof development by 2030. They apply equally to nation states, companies and civil society and cover central issues such as combating poverty, education, climate protection, equality and responsible consumption. JAF is firmly committed to the SDGs and makes an active contribution to those goals in particular which are especially relevant in the context of our business operations: SDG 4 (Quality education), SDG 7 (Affordable and clean energy), SDG 8 (Decent work and economic growth), SDG 12 (Responsible consumption and production), SDG 13 (Climate action), SDG 15 (Life on land) and SDG 16 (Peace, justice and strong institutions).

U

UNEP – United Nations Environment Programme

The United National Environment Programme (UNEP) was established in 1972 and is the leading UN institution for global environmental issues. UNEP coordinates environmental policy action within the UN system, publishes science-based environmental status reports and develops international strategies, programmes and political instruments to protect the climate, biodiversity, resources and ecosystems. This organisation plays a central role in promoting sustainable development and drafting international environmental agreements.

UNFCCC – United Nations Framework Convention on Climate Change

The United Nations Framework Convention on Climate Change (UNFCCC) is an international treaty of the United Nations which came into effect in 1994. It forms a basis for global climate policy and aims to prevent harmful disruption to the climate system caused by human activity. This Convention commits its signatory states (parties) to document greenhouse gas emissions, develop strategies to reduce emissions and to regularly exchange information about progress and action. Based on the UNFCCC, world climate conferences (COPs) take place annually at which important agreements such as the Kyoto Protocol and the Paris Agreement are negotiated.

UNGC – United Nations Global Compact

The United Nations Global Compact (UNGC) is a global initiative launched by the United Nations to promote responsible and sustainable company management. Companies which join the UNGC commit to comply with ten principles related to the areas of human rights, labour, environment and anti-corruption. The UNGC regards itself as a driving force behind businesses' transformation processes and supports their contribution to implementing global sustainability goals, particularly the SDGs.

10. GRI Index

GRI Standard	Indicator	Page reference	Omissions / explanations
GRI 2 General disclosures			
1. The organisation and its reporting practices			
2-1	Organisational details	pp 21, 22	The head office in Stockerau, Austria
2-2	Entities included in the organisation's sustainability reporting	pp 21, 22	
2-3	Reporting period, frequency and contact point	pp 16, 66	The report should be prepared annually.
2-4	Restatements of information		No relevant information has been restated.
2-5	External assurance	p. 16	
2. Activities and workers			
2-6	Activities, value chain and other business relationships	pp 8, 10, 20, 28	
2-7	Employees	pp 24, 25	
2-8	Workers who are not employees	p. 25	
3. Management			
2-9	Governance structure and composition	p. 23	
2-10	Nomination and selection of the highest governance body		No disclosures
2-11	Chair of the highest governance body		No disclosures
2-12	Role of the highest governance body in overseeing the management of impacts		No disclosures
2-13	Delegation of responsibility for managing impacts		No disclosures
2-14	Role of the highest governance body in sustainability reporting	p. 23	
2-15	Conflicts of interest	p. 48	
2-16	Communication of critical concerns	p. 49	
2-17	Collective knowledge of the highest governance body		Sustainability issues are regularly evaluated and decisions reached in Supervisory Board meetings. This body is led by the Supervisory Board Chairman.
2-18	Evaluation of the performance of the highest governance body		No disclosures
2-19	Remuneration policies		No disclosures
2-20	Process to determine remuneration		No disclosures
2-21	Annual total compensation ratio		No disclosures
4. Strategy, policies and practices			
2-22	Statement of sustainable development strategy	pp. 4, 18, 19	
2-23	Policy commitments	p. 48	
2-24	Embedding policy commitments	p. 48	
2-25	Processes to remediate negative impacts	p. 49	
2-26	Mechanisms for seeking advice and raising concerns	p. 49	
2-27	Compliance with laws and regulations	pp 48, 49	
2-28	Membership associations	p. 10	
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	pp 16, 26, 50, 51	
2-30	Collective bargaining agreements		No disclosures

GRI Standard	Indicator	Page reference	Omissions / explanations
GRI 3 Material topics			
3-1	Guidance to determine material topics	p. 16	
3-2	List of material topics	p. 17	
3-3	Management of material topics	p. 16	
Material topic: Energy			
GRI 302	302-1 Energy consumption within the organisation	p. 30	
GRI 302	302-1 Energy consumption outside of the organisation		No disclosures
GRI 302	302-3 Energy intensity		No disclosures
GRI 302	302-4 Reduction of energy consumption		No disclosures
GRI 302	302-5 Reductions in energy requirements of products and services		No disclosures
GRI 305	305-1 Direct (Scope 1) GHG emissions	p. 31	
GRI 305	305-2 Energy indirect (Scope 2) GHG emissions	p. 31	
GRI 305	305-3 Other indirect (Scope 3) GHG emissions	p. 31	
GRI 305	305-4 GHG emissions intensity	p. 30	
GRI 305	305-5 Reduction of GHG emissions		No disclosures
Material topic: Bioeconomy			
GRI 301	301-1 Materials used by weight or volume	p. 32	
GRI 301	301-2 Recycled input materials used	p. 32	
GRI 301	301-3 Reclaimed products and their packaging materials		No disclosures
Material topic: Circular economy			
GRI 306	306-1 Waste generation and significant waste-related impacts	p. 33	
GRI 306	306-2 Management of significant waste-related impacts	pp 32, 33	
GRI 306	306-3 Waste generated	p. 33	
GRI 306	306-4 Waste diverted from disposal		No disclosures
GRI 306	306-5 Waste directed to disposal	p. 33	
Material topic: (Sustainable) forestry practices			
GRI 304	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p. 35	
GRI 304	304-2 Significant impacts of activities, products and services on biodiversity	pp 34, 35	
GRI 304	304-3 Habitats protected or restored		No disclosures
GRI 304	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		No disclosures
Material topic: Training and development options			
GRI 404	401-1 Average hours of training per year per employee	p. 37	A breakdown by gender and employee category will be provided in the next report.
GRI 404	404-2 Programmes for upgrading employee skills and transition assistance programmes	pp 38 - 41	
GRI 404	404-3 Percentage of employees receiving regular performance and career development reviews	p. 38	A breakdown by gender and employee category will be provided in the next report.
Material topic: Regional value creation			
GRI 204	204-1 Proportion of spending on local suppliers	p. 42	
GRI 401	401-1 New employee hires and employee turnover	p. 25	The total number of new hires will be published in the next report. The exact breakdown of new hires by gender, age group and region will also be reported.
Material topic: Occupational health and safety			
GRI 403	403-1 Occupational health and safety management system	pp 40, 41	
GRI 403	403-5 Worker training on occupational health and safety	pp 41, 42	
GRI 403	403-9 Work-related injuries	p. 42	
GRI 403	403-10 Work-related ill health		No disclosures

GRI Standard	Indicator	Page reference	Omissions / explanations
GRI 3 Material topics			
Material topic: Workers in the supply chain			
GRI 414	414-1 New suppliers that were screened using social criteria		No disclosures
GRI 414	414-2 Negative social impacts in the supply chain and actions taken		We are not aware of any negative social impacts in the supply chain.
Material topic: Corporate ethics and compliance			
GRI 205	205-2 Communication and training about anti-corruption policies and procedures	p. 48	
GRI 205	205-3 Confirmed incidents of corruption and actions taken	p. 50	
GRI 206	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		In 2024 there were no legal actions for anti-competitive behaviour, anti-trust and monopoly practices.
Material topic: Supplier management			
GRI 308	New suppliers assessed based on environmental criteria		No disclosures
GRI 308	308-1 New suppliers that were screened using environmental criteria and actions taken		We are not aware of any negative environmental impacts in the supply chain.
GRI 414	414-1 New suppliers that were screened using social criteria		No disclosures
GRI 414	414-2 Negative social impacts in the supply chain and actions taken		We are not aware of any negative social impacts in the supply chain.

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