

SUS TAIN ABLITY REPORT 2023



EDITORIAL

Dear readers,

Today's world requires us more than ever to treat it and its resources responsibly. As a manufacturer of high-quality floorings, it is our responsibility to develop sustainable solutions through innovative thinking and action that not only enable healthy living, but also actively contribute to improving eco-efficiency along the entire value chain. Transparency is an important step on this path. We are therefore delighted to present our first sustainability report to you on our way to a "greener future"!

Enjoy reading.

Yours sincerely, Matthias Windmöller

Shareholder Windmöller GmbH



Matthias Windmöller

WINDMÖLLER COMPANY

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WHY ARE WE PREPARING A SUSTAINABILITY REPORT?

The topic of sustainability is an integral part of Windmöller's corporate culture and has been an essential part of the company's vision. It is also linked to our organizational commitment to transparency. In both internal and external communication with customers and stakeholders, transparency is the foundation for mutual trust. The importance of this for Windmöller is demonstrated by published life cycle assessments Environmental Product Declaration (EPDs)

and various company and product certifications such as Cradle to Cradle[®]. In addition, the CSR report (Corporate Sustainability Report) is an essential internal management tool. In particular, it defines targets, measures and documents their achievement to identify further potential for optimisation. Preparation of this report follows the guidelines of the German Sustainability Code (Deutscher Nachhaltigkeitskodex – DNK).

VISION WINDMÖLLER

WHAT DATA IS THE REPORT BASED ON?

Our sustainability strategy and goals will be documented in an annual report to offer complete transparency in the actions taken by the organization. Long-term changes such as improvements achieved and setbacks should also be made as measurable as possible. This is the only way to control and, if necessary, correct sustainability activities. Even if this cannot be realised in all areas. Windmöller uses the following method: The starting point is company data recorded by the corporate controlling for the respective calendar year, such as turnover, quantities sold, number of employees and much more. This data is subject to typical fluctuations depending on the business environment and success. Company-specific key

performance indicators (KPIs) have been developed along with the utiliztion of the United Nations Sustainable Development Goals in order to derive position statements towards all aspects of our sustainability strategy utilizing this data. These are defined in such a way that they reflect the related aspects as independently as possible of the business environment. They are also used to set quantitative targets and to monitor the success of the measures implemented. For example, the quantity of sustainable products sold is less meaningful than the proportion of total sales accounted for by these products. The definition of the KPIs and the utilization of the United nations SDGs is explained in the respective chapters.

WE MAKE THE WORLD EASTER AND MORE LIVEABLE WITH HEATTHY AND SUSTAINABLE FLOORING SOLUTIONS

WHICH REFERENCE YEAR WAS USED?

The data basis for this sustainability report is provided by the 2023 financial year. The baseline year 2019 is the first year with a consolidated data basis following the merger of Windmöller Flooring Products GmbH (Augustdorf) and Windmöller Polymer Technologie GmbH (Detmold). It is also the last year before the coronavirus pandemic, which had a significant impact on the key figures analysed in some areas.



Dr. Thomas Hohberg Head of Sustainability Windmöller GmbH



1.1 ABOUT US

Innovation, high-quality products and excellent service – this is what the third generation of the Windmöller family business has stood for for over 75 years. A family of companies in East Westphalia / Germany with around 400 members in over 20 professions and eight training programs. The site in Bad Oeynhausen-Werste / Germany is not included in this report as no flooring products are manufactured there.

INNOVATION AS A DRIVING FORCE

As technology pioneers, system developers and brand friends, the Windmöller family has stood for progress through innovation in interiors product development for over 75 years based on responsible PU innovations. The family business uses its in-depth market knowledge to create new solutions that can do more and are more advanced than other flooring products introduced in the market today.

BIO-POLYURETHANE

ecuran bio-polyurathane is the result of many years of research and development. Using a unique process, it has been possible to manufacture polyurethane products in which the petrochemical polyols normally used in the formulation have been replaced by natural oils resulting in what we call ecuran.

This high-performance composite material is produced at the Detmold site / Germany without the use of halogenated organic compounds, without the addition of chlorine, without plasticisers and without solvents and without the need for water.

Matthias Windmöller **1.2 COMPANY HISTORY** Albert Windmöller 2007 FOUNDATION OF WINDMÖLLER FLOORING GMBH IN DETMOLD 2009 1948 2000 PROCESS AND HEATING HEAT FOUNDATION OF WOOD FOUNDATION OF IN DETMOLD FROM GREEN TRADE IN BAD OEYNHAUSEN WITEX POLYMER TECHNOLOGIE DISTRICT HEATING WPT GMBH (WOOD CHIPS) FOUNDATION OF THE WINDMÖLLER FAMILY WINDMÖLLER FAMILY WITEX KUNSTSTOFFPLATTEN GMBH LEAVES TAKES OVER IN AUGUSTDORF WITEX AG WITEX SUBSIDIARY WPT GMBH 1978 2002 2003 WPT WINDMÖLLER POLYMER TECHNOLOGIE

Ulrich Windmöller





1.2 PRODUCT HISTORY





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18 Cradles RTIFICATION REINE STIC MATS CRADLES STIC MATS EXPANSION PRODUCTION CAPACITIES ACOUSTIC MAT 35,000,000 gm 2019

FOKUS: GREEN

EINFÜHRUNG

FOKUS:GREEN

2021

1.3 PRODUCTS

The Windmöller product portfolio includes bio-polyurethane, flooring coverings, Luxury Vinyl Tile and Planks (LVT/LVP), laminate flooring and acoustic underlay systems based on ecuran technology.

BIO-POLYURETHANE FLOOR COVERING

wineo PURLINE organic flooring is a high-quality bio-polyurethane floor covering. It is based on ecuran, a high-performance composite material made primarily from vegetable oils such as rapeseed or castor oil and naturally occurring mineral components such as chalk. The polyurethane technology used to manufacture ecuran enables the use of a high proportion of renewable raw materials (bio-polyurethane) and does not require plasticisers, solvents or halogenated organic compounds. This makes ecuran products a sustainable alternative to PVC products. These products are manufactured in Detmold/Germany.

LUXURY VINYL TILE AND PLANK

The modern design flooring is a robust and costeffective alternative to wood and stone floorings. With its authentic surfaces, it perfectly imitates wood and tile looks, is hard-wearing in everyday use and is easy to install. It also offers a wide range of possible applications: It is suitable for damp rooms such as bathrooms and kitchens and offers exceptional comfort. Its low installation level makes it very popular for new builds and renovations.

LAMINATE FLOORING

As a pioneer in this field, Windmöller has been impressing customers with its high-quality laminate flooring since 1991. They are laid as floating flooring and are also suitable for DIY enthusiasts. And always with the latest designs. Laminate is the uncomplicated flooring solution for anyone who wants a sophisticated look in outstanding quality and appreciates Made in Germany!

ACOUSTIC UNDERLAY SYSTEMS

Sheets of a separate underlay system level out unevenness in the subfloor and offer added support and dimensional stability to the floor coverings laid on them. They also improve walking and impact sound and optimise the thermal efficiency of underfloor heating systems. With their long-lasting performance, bio-polyurethane underlay systems are the highest quality underlays for floating floor covering installations.



1.4 GLOBAL PRESENCE

- Represented on all 5 continents with over 5,000 customers worldwide
- International industry partner & brand owner
- Operating subsidiaries:

Windmöller Holzwerkstoffe GmbH, Germany, Bad Oeynhausen Windmöller Inc. Marietta, Georgia, USA Windmöller Polska, Warsaw, Poland



1.5 WINDMÖLLER 2023





155 Production capacity floor coverings per year (sqm)



LOCATIONS

Augustdorf Detmold Bad Oeynhausen Polen USA







1.6 WINDMOLLER BRANDS



With the wineo umbrella brand, Windmöller has created a sophisticated flooring brand that includes floor coverings, underlay material and accessories.It presents an innovative brand which inspires people all over the world. wineo stands for the highest quality and innovation as well as a wide range of product offerings.



ecuran is the high-performance bio-polyurethane material for sophisticated flooring and acoustic solutions. It makes floor coverings and underlay material more environmentaly friendly with no negative impact to human health and extremely hard-wearing. The ecuran brand acts as an ingredient brand for Purline organic flooring and polyurethane underlay material.







BRAND WORLD





2.1 STRATEGIC ANALYSIS & MEASURES

Windmöller's corporate vision "We make the world easier and more liveable with healthy and sustainable flooring solutions" also forms the basis of the cross-organisational sustainability strategy. Windmoller's sustainability strategy utilizes the **17 Sustainable Development Goals (SDGs)** of the United Nations. The UN Agenda 2030 with its 17 SDGs forms the framework for realising a globally sustainable society.

The focus topics of Windmöller GmbH are represented by SDGs 3, 7, 8, 12 and 13 and serve as the foundation on which our sustainability strategy is built on. They are explained in more detail on the following pages.

FOCUS ON THE SDGs



2.1.1 GOOD HEALTH AND WELLL-BEING (SDG No. 3)

Health is a top priority for customers. This also applies to Windmöller as a manufacturer of interior building products. In terms of healthy living, the focus is on harmless, minimised emissions and the avoidance of potentially critical ingredients. This ensures that laminate and PVC-based LVT/LVP products fulfil the current requirements for emissions and ingredients resulting in no harmful impact to human health. The issue of PVC and the additives and plasticisers used, which is the subject of intense discussion in the media and the industry, also played an important role for the family-run company. Due to the excellent price / performance ratio, PVC-based LVT products are very popular in the market, especially as the additives and phthalate-free plasticisers currently used are classified as harmless. PVC floor coverings have been used for several decades. During this time, however, new toxicological findings have also revealed the health risks of the additives used at that time. As a consequence, the use of these substances was discontinued. However, the question of whether additives that are currently classified as harmless might be assessed negatively with future toxicological findings is legitimate - also in view of the long service life of the products.

Unlike PVC, the properties of polyurethane can be customised with very small (< 1 %) quantities of additives, e.g. without the use of any plasticisers. More than 10 years ago, the in-house R&D department at the Detmold site / Germanydeveloped the bio-polyurethanebased high-performance composite material ecuran, in which no plasticisers are used and petrochemical polyols have been replaced by renewable plant based oils. ecuran consists mainly of plant based oils such as rapeseed or castor oil and naturally occurring mineral components such as chalk.

The use of organochlorine compounds, plasticisers and solvents is deliberately avoided in the production of this high-performance composite material. This material is used as the basis for acoustic underlay systems and PURLINE organic flooring produced in East Westphalia / Germany. The product groups based on ecuran have been certified in accordance with the demanding Cradle to Cradle® Silver sustainability standard since 2018. ecuran products do not release any harmful substances into the indoor air, are odourless and therefore contribute to good indoor air quality. Particularly in view of the fact that people spend around 80 % of their lives indoors, indoor air quality is an important factor for people's health and well-being.











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2.1.2 CLIMATE ACTION (SDG No. 13) AFFORDABLE AND CLEAN ENERGY (SDG No. 7)

The European Green Deal aims to make Europe the first climate-neutral continent by 2050. Germany is an industrialised country and wants to set an example. As a German industrial company, Windmöller GmbH also recognises its responsibility to contribute to this goal. In 2022, climate footprints were drawn up for the first time for the years 2019-2022. These serve to document and identify emission hotspots and opportunities to further optimise greenhouse gas (GHG) emissions. Energy use (Scope 2) plays a key role. As the company has been operating a systematic energy management system in accordance with ISO 50001 since 2013 and had focussed on renewable energies in previous years, the question arose when preparing the carbon footprint as to which reference year should be used to assess the successes achieved to date in reducing greenhouse gases Since consolidated data (following the merger between the companies Windmöller Flooring Products in Augustdorf and Windmoeller Polymer Technologie GmbH in Detmold) is only available from 2019 onwards a fictitious greenhouse gas balance for 2019 is used as a baseline. To calculate this reference, it was assumed that all energy was generated conventionally. The balances show that more than 80 % of greenhouse gas emissions were already saved in 2019 through the use of alternative energy sources and the purchase of green renewable electricity. Further contributions are made by the bio-waste wood chip-fuelled combined heat

and power plant at the company's Augustdorf site and the climate-neutral district heating provided by Stadtwerke Detmold/Germany, which is generated by a bio-waste wood chip power plant at the company's Detmold site. The photovoltaic systems installed on the company's roofs (921 kWp in Detmold and 237 kWp in Augustdorf) also make their contribution. The photovoltaic systems in Detmold cover an annual average of approx. 25 % of the site's energy requirements. Within the company, the fork lift and company vehicles are now all electric vehicles.

CERTIFICATE PURCHASE

In this context, Windmöller expressly rejects the offsetting of greenhouse gas emissions through the purchase of emission compensation certificates for reasons of transparency. The family-owned company is convinced that fossil greenhouse gases cannot be equated and offset with the prevention of emissions or CO₂ sequestration in the biosphere. Climate protection and other sustainability projects can make more sense and have more positive results. Offsetting climate gas emissions in order to claim apparent climate neutrality is neither sustainable nor honest.



Electric forklift Forklift drivers proudly present the new all-electric forklift fleet



171 kWP Solar systems in Detmold

2018237 kWP in Augustdorf







2.1.3 SUSTAINABLE CONSUMPTION AND PRODUCTION (SDG Nr. 12)

With a production capacity of approx. 35 million square metres of acoustic systems and approx. 15 million square metres of floor coverings, the use of resources in production has the greatest impact on the ecological footprint. The company's strategy focuses on the ecuran-based bio-polyurethane products manufactured at the Detmold site. They are characterised by the use of renewable and natural raw materials. Depending on the product formulation, 50 to 75 % of the polyurethane consists of renewable plant based oil. In addition, the selected fillers such as chalk (limestone powder) and sand, with a share of 50 to 80 %, enable products with an extremely low ecological footprint. **The product life cycle analyses (EPDs)** of the ecuranbased polyurethane products are published on the Windmöller homepage and the IBU website. With the production of durable polyurethane products, Windmöller promotes sustainable consumption, because a long product life is a decisive building block for conscious, sustainable consumer behaviour. Thanks to high-quality materials and careful processing, acoustic underlay and floor coverings can be used with a longer technical life of 30+ years, which reduces waste and promotes a more conscious consumer culture.







The Pfiff Institute's life cycle cost analysis shows that the acquisition cost of a floor covering, assuming 20 years of use, is less than 10 %. The decisive factor is rather the cleaning and maintenance effort during the utilisation phase. Depending on the product quality, the study shows differences of up to 30 % in the lifetime costs. Surfaces that can be cleaned easily and with little effort, as with PURLINE organic flooring, not only extend the real service life of the product, but also save a considerable amount of resources during the use phase.



2.1.4 DECENT WORK AND ECONOMIC GROWTH (SDG Nr. 8)

Employees are Windmöller's most valuable asset. Their health, well-being and satisfaction are at the centre of our corporate culture. Honesty, appreciation and a sense of responsibility are the pillars at the heart of the family business. They form the basis of the mission statement for management and cooperation and the foundation for daily cooperation.

HONESTY

For Windmöller, honesty describes the quality of open, sincere and fair interaction and the basis of a trusting, mutual cooperation.

APPRECIATION

A respectful way of thinking and acting that is characterized by goodwill, kindness, and desire to help others throughout all levels of the organization. For Windmöller, that is appreciation. That creates motivation and fun at work.

SENSE OF RESPONSIBILITY

8 DECENT WORK AND ECONOMIC

GROWTH

Windmöller honors its word - with the utmost consistency and commitment. We are aware of our responsibility and learn from our mistakes, is attentive and treats itself and its environment.



LEADERSHIP & COOPERATION

THE VALUES OF OUR FAMILY BUSINESS ARE THE FOR LEADERSHIP & COOPERATION



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2.1.4 DECENT WORK AND ECONOMIC GROWTH (SDG Nr. 8)

PROMOTION AND FURTHER DEVELOPMENT

Windmöller's corporate policy promotes and demands individual development. It favours flexible, modern working conditions and offers opportunities for further training.

Regular feedback meetings with employees at all levels of the company promote open dialogue and communication at an equal level. This makes it possible to understand and respond to concerns and suggestions. The internal communication platform "Sharepoint" is used to provide all employees with up-to-date information from the departments on an almost daily basis to ensure effective, fast and transparent communication.

Business-Bike The company offers an e-bike leasing program and bicycle parking directly on the company premises.

HEALTH MANAGEMENT

Occupational health management includes preventive measures, health promotion and a supportive environment for our employees, such as the offer of regular massages, ergonomic workstations and a fruit offering every two weeks.

A comprehensive package of employee benefits, including healthcare, flexible working hours, sports programs, bicycle leasing models and training opportunities, is highly valued by employees and contributes to their satisfaction.

Close cooperation with employee representatives creates a platform for co-determination and exchange. A healthy work-life balance and diversity in the team are actively encouraged. Ultimately, the company strives to shape a sustainable future for Windmöller together with its committed employees.

Massage A regular massage program supported by Windmöller contributes to the well-being of employees.

2.1.5 FOCUS: GREEN

With the overarching goal of developing, managing, prioritising and implementing measures the company-wide FOCUS:GREEN program was launched in 2021.

The program aims to record, analyse and coordinate existing sustainability activities and projects. In addition, future fields of action are identified, project proposals are developed, projects are monitored and the achievement of objectives is measured. The aim of this program is to make sustainable activites and projects an integral part of our corporate culture and, ideally, all company processes.

"Responsible behaviour and transparency are important pillars of our sustainability strategy."

Annika Windmöller Chief Marketing Officer | Shareholder Windmöller GmbH

GROWTH: SUSTAINABLE

The company's sustainable growth is based on the 17 SDGs. The aim is to harmonise economy and ecology - with the long-term vision of growth that is decoupled from resource consumption.

RESSOURCES: RENEWABLE

This goal reflects our long-standing strategy of using renewable raw materials and natural fillers and further increasing the proportion of sustainable resources through our in-house research and development department.

EMPLOYEES: INVOLVED

The involvement of all employees is an important success factor for achieving the objectives of the company EEN program. Sustainable thinking and action is therefore an integral part of the Windmöller mission statement.

ENERGY: EFFICIENT

Energy efficiency and renewable energy are a key lever in the fight against climate change. The responsible use of energy is supported by energy management (ISO 50001) and the purchase of renewable energy (Scope 2 = 0).

NO: GLOBAL WARMING

Windmöller GmbH takes its responsibility in the area of climate change very seriously and therefore focusses above all on transparency. The decision against CO₂ paid offsets is just one example of the company's responsible behaviour.

2.2 MATERIAL ANALYSES

In a multi-stage process, the FOCUS:GREEN team first analysed and categorised the key sustainability aspects of the utmost importance for the company and its stakeholders from the perspective of the SDGs, the business model, the corporate culture and the company processes. Seven areas of impact were defined in a series of interdisciplinary workshops with division heads with primary responsibility and committed employees. Each area of activity is managed by a green team that defines targets and KPIs (key performance indicators) and prioritises and implements the respective activities. The "Corporate responsibility" area of activity forms the umbrella for all corporate activities and projects, including compliance, corporate culture and strategy. A sales survey on the weighting of the individual sustainability aspects from the customer's perspective supplements and sharpens this assessment. Target achievement and KPIs are determined by the sustainability team with the support of technical controlling and the specialist departments and reported to the management.

2.3 GOALS

Separate sustainability strategies are developed for each of the areas identified as significant and defined in the impact areas. Due to their complexity, only some topics can be quantified and monitored as KPIs. The development and establishment of further, measurable key performance indicators (KPIs) is the current task of the impact area teams with the aim of making the key sustainability aspects crucial to the company's measurable actions. The following KPIs have been defined and will be successively integrated into all company processes. Their historical development and targets are explained in detail in the relevant sections of this report.

K	PI	2019	2020	2021	2022	2023	Goal 2030
1.	Share of sales of sustainable ecuran products	51,9%	52,9 %	56,7 %	56,8 %	66,4 %	75 %
2.	Material efficiency Proportion of waste + goods sold under raw material costs from the weight of goods sold	7,5 %	9,1 %	10,0 %	11,5%	9,9 %	7,0 %
3.	Scope 1&2 incl. 5 % safety margin [t CO ₂ e]	12050/2090	3750	2120	1270	1020	500
4.	Average GHG emissions from car fleet [g CO ₂ e/km]	_	201	201	204	207	120
5.	Sick leave	6,7 %	6,0 %	6,6 %	9,7 %	9,1 %	< Reference Sick leave GKV
6.	Days lost due to accidents at work/employees [T/MA]	0,35	0,31	0,52	0,32	0,35	0
7.	Percentage of all suppliers and partners with revenue > 100,000 € within the supply chain that were assessed for compliance with ESG criteria	n.a.	n.a.	n.a.	n.a.	93 %	100 %

KPI 1 SHARE OF SUSTAINABLE ECURAN PRODUCTS IN SALES

The polyurethane products based on ecuran fulfil the highest sustainability requirements and are Cradle to Cradle[®] certified, among other things. Windmöller is focussing its sales activities on its globally unique ecuran products. Their share of total sales is a defined KPI that represents an important target figure for sales, product management and marketing in particular.

KPI 2

MATERIAL EFFICIENCY PROPORTION OF WASTE + GOODS SOLD UNDER RAW MATERIAL COSTS FROM THE WEIGHT OF GOODS SOLD

The ecological footprint of the manufacturing company is largely determined by the materials / raw materials used. Effective and responsible utilisation of all resources is therefore an important sustainability performance of the company. The aim is to avoid and minimise all waste. The same applies to finished products that are not used as intended. The KPI is the percentage of the weight of goods sold. This KPI is an important target figure for the Production, SCM and Product Management divisions in particular.

KPI 3

SCOPE 1&2

The use of exclusively renewable energies in production means that greenhouse gas emissions are decoupled from the production volume. The absolute greenhouse gas emissions are therefore the KPI used here. The basis for comparison is a fictitious greenhouse gas balance with the energy consumption in 2019, which assumes the use of conventional energy sources (electricity mix Germany 2019, as well as energy mix district heating and gas instead of wood chips for heat generation). Compared to this basis for comparison, the renewable energy sources and consistent energy management, an approx. 90 % reduction in THG emissions has already been achieved.

KPI 4 THG EMISSIONS FROM COMPANY VEHICLES

The CO_2 emissions / km of company vehicles are recorded here as a target figure independent of the size of turnover and number of employees. This indicator is an important target figure for fleet management (vehicle mix) and the sales force in particular.

KPI 5 SICK LEAVE

Percentage of employees on sick leave. This indicator is particularly relevant for the HR department and management. Experience with the coronavirus pandemic has shown that sickness rates can fluctuate greatly. The target value here is therefore based on the average values published by the statutory health insurance funds in Germany.

KPI 6

DAYS LOST DUE TO ACCIDENTS AT WORK

The value describes the number of days lost due to accidents at work per employee. This KPI is particularly relevant for the divisions of Production and Occupational Safety. The target here is 0, as the health of employees has the highest priority and every accident at work is too many.

KPI 7

SUPPLY CHAIN ASSESSMENT

No high risks have been identified in the supply chain to date. In addition, the majority of the supply chain is assessed according to the strictest criteria as part of the regular Cradle to Cradle® recertifications. We are currently creating a new supplier management system, which will also include new KPIs for supply chain evaluation.

2.4 DEPTH OF THE VALUE CHAIN

Value creation for the polyurethane products manufactured in Germany largely takes place within the company. The raw materials purchased are standard industrial products, such as technical textiles, fillers, polyols and isocyanates, which are mainly sourced from European suppliers. Here, the company assumes that both European laws and resource efficiency as well as compliance standards are adhered to. Windmöller requires this compliance through the written acceptance of its Code of Conduct by suppliers, customers and other stakeholders.

The castor oil, which primarily comes from India, is sourced from global importers, who themselves have high sustainability and compliance regulations. A review of the conditions in the producing countries has not yet taken place, as these are producers with a smallholder structure. Windmöller has been a member of the Sustainable Castor Association since 2018 in order to move closer to the goal of a transparent and ESG-compliant supply chain.

PVC flooring products and semi-finished products imported from Asia come from well-known, reputable manufacturers. There is no reliable information on the sustainability of the Asian value chain. In preparation for the Supply Chain Due Diligence Act (LkSG), a risk classification of the supply chain was carried out for 2021 on the basis of supplier selfdisclosures and fundamental risk assessments. National and international suppliers were assessed using a catalogue of questions on environmental and social aspects. The more questions were answered inadequately, the higher the risk rating. The suppliers classified as critical were then analysed individually and assessed according to turnover and product relevance.

This was followed by a summary of the measures, which – agreed together with the supplier in a catalogue of measures and evaluated according to the degree of implementation. In the event of deviations, the suppliers were approached directly about issues that were classified as a risk.

As a result of these measures, no supplier with a high risk potential could be identified. In principle, if an insurmountable risk is identified, the business relationship is terminated as soon as an alternative source of supply is qualified.

> The e-mail address supplychain@windmoeller.de is available for reporting violations of laws, human rights and environmental protection regulations.

CONTINUOUSLY IMPROVED KNOWLEDGE AND TRANSPARENCY OF THE SUPPLY CHAIN & MINIMISATION OF ECONOMIC, FCOLOGICAL. AND SOCIAL RISKS WITHIN THE VALUE CHAIN

GOALS

3.1 RESPONSIBILITY

The further development of the sustainability strategy, its implementation and monitoring are managed as part of the cross-company FOCUS:GREEN program. The team reports directly to the CEO of Windmöller GmbH.

3.2 RULES AND PROCESSES

The sustainability strategy is implemented in the individual divisions whose managers are members of the FOCUS:GREEN core team.

RESEARCH & DEVELOPMENT

A sustainability assessment is a mandatory component of every development project along the entire value chain, including the utilisation and end-of-life phase of the products.

PRODUCT MANAGEMENT

When selecting and introducing new products, sustainability aspects such as useful life, use of resources and recyclability are systematically evaluated and optimised.

COMPANY SUGGESTION SCHEME

All suggestions for improvement from the company suggestions are evaluated by the FOCUS:GREEN team for their potential contribution to corporate sustainability.

MARKETING

When designing and ordering merchandise presentation materials, the sustainable use of resources is already incorporated into the concept. For example, the wineo workspace is a showroom at the Augustdorf site that also uses trade fair materials such as displays and furniture outside of trade fair times.

Fair & wineo workspace Sustainable use of displays and furniture through multiple use

3.2 RULES AND PROCESSES

PURCHASING

Sustainability criteria are an important part of supplier evaluation and selection. Procurement and the switch to more sustainable packaging are also managed by purchasing.

TECHNICAL CONTROLLING

Energy consumption and the impact on GHG emissions are determined by technical controlling as part of the ROI calculation and taken into account when making investment decisions. The same applies to the procurement of IT equipment.

Cardboard tube

Conservation of resources thanks to a winding technology that makes it possible to dispense with cardboard tubes inside the underlay rolls.

Packaging bags 28% of packaging bags for underlays have already been recycled content or material.

3.3 CONTROL

The selection of KPIs is based on the company's existing data and key figures, which are determined and monitored by technical controlling. This ensures the best possible consistency of the data.

3.4 INCENTIVE SYSTEMS

The historically evolved, division-specific incentive systems do not contain any systematic sustainability targets. Currently, the targets are synchronised across and geared towards the overall success of the company. Once the aforementioned sustainability KPIs have been established, targets are to be included in the incentive systems.

RESPON SIBLITY

3.5 STAKEHOLDER PARTICIPATION

Windmöller is part of various networks that deal with sustainability issues. Within this regular exchange of experience with companies from the region, training programs and presentations on sustainability topics such as life cycle assessments and the Cradle to Cradle® approach.

Event rooms in the workspace are also made available for events. These include the Lippe zirkulär initiative of the district of Lippe, the InnoZent OWL e.V. and Energie Impuls OWL e.V. associations, the CirQuality OWL and RE-BUILD-OWL projects funded by the EU and the state of NRW, the VDI-OWL and the IHK-Detmold as well as the German Sustainable Building Council DGNB and the C2C NGO.

3.6 INNOVATION AND PRODUCT MANAGEMENT

In the context of innovation management, sustainability is an integral part of every development project. Sustainability aspects are analysed and evaluated. Direct sustainability targets are also common, such as fulfilment of the criteria for Cradle to Cradle® certification. Furthermore, the environmental footprint of existing products is to be improved. This is to be achieved, for example, through the use of additional, more sustainable raw materials, recycled content, lower waste volumes and lower energy and raw material consumption.

THIS PRODUCT GROUP ACCOUNTS FOR ALMOST 70% TURNOVER.

"The declared strategy of product management is to increase the proportion of bio-polyurethane products based on ecuran technology with Cradle to Cradle® to 75 % by 2030."

> **Florian Ross** Head of Product Management Windmöller GmbH

THE COMPANY'S

4.1 UTILISATION OF NATURAL RESOURCES

WATER

The company uses water exclusively for sanitary purposes. All water withdrawals and discharges are channelled through the municipal water infrastructure.

FLOOR

The company locations are not very land-intensive. No new space has been developed since the reference year 2019. The Detmold site also utilises land and buildings that were previously used for military purposes.

EMISSIONS

No relevant emissions are produced either during production or during use of the products, i.e. no harmful substances are released into the environment. This is subject to strict official monitoring in accordance with BlmSchG. Noise emissions can only be detected on the site premises due to supply trucks unloading and production facilities.

BIODIVERSITY

There are initial measures and ideas at the sites to increase biodiversity, e.g. by creating an insect-friendly environment.

NATURALLY

The wildflower meadow in Detmold is home to beehives that are tended by employees. The meadow contributes to biodiversity and also provides some honey for special occasions and customer gifts. The idea of a wildflower meadow (in the shape of the Windmöller logo), which can also be recognised on satellite images, came from a dedicated employee.

Biodiversity Windmöller wildflower meadow with beehives

4.1 UTILISATION OF NATURAL RESOURCES

RAW MATERIALS

The resources utilised by the company via the purchased raw materials are significant. Detailed information can be found in section 4.2 Resource Management.

WASTE

Waste and wastage of resources are a cross-company issue from purchasing, planning, production, controlling, product management, design development, production to planning and sales. This KPI was therefore deliberately defined in such a way that it is not just a production issue relating to production waste, but also includes, for example, unsaleable goods or goods that can only be sold at a lower value. Internally, the quantities are considered in a differentiated manner depending on the cause and optimisation measures are introduced.

The focus is on minimising waste and optimising the waste mix. Thanks to the optimised raw materials and processes used, > 95 % of the waste produced belongs to the non-critical categories of paper, wood, plastic and municipal waste. These are either recycled or incinerated in the nearby waste incineration plant and used to generate energy, with no waste going to landfill.

Furthermore, the scrap produced is closely monitored. There are clear targets for the percentage of waste. The "material efficiency" KPI summarises all material quantities that do not contribute to the company's added value and compares them to the quantity of goods sold. This essentially involves the following categories:

- Production waste such as edge trimming, profiling dust and start-up quantities, which arise due to the process ("planned"). These quantities are directly dependent on the respective production quantity. Specific measures are developed here for process optimisation.
- 2. Waste resulting from faulty production or production trials.
- 3. Unsaleable stock goods that must be disposed of or sold off at material cost.
- 4. Other waste from offices such as consumables or raw material packaging.
- 5. Out-of-specification goods (2nd choice) sold in bulk at prices that do not cover costs.

To determine the KPI, all waste handed over to disposal companies (categories 1-4) and the quantities sold in bulk are added together and their share of the weight of goods sold (in the reference year) is calculated. Due to special effects such as "clean-up campaigns", there will probably be no steady development of this PKI.

Photographer: Andreas Frücht

Residual materials from production are utilised in the Heepen waste incineration plant both to generate electricity and to feed heat into the regional district heating network.

4.2 RESOURCE MANAGEMENT

RAW MATERIALS

As a manufacturing company that produces around 100,000 tons of products, the ecological footprint of the raw materials purchased is responsible for the majority of the company's environmental footprint. The company's focus here is on developing products based on raw materials with the lowest possible consumption of resources. In particular, these are polyurethane products that use naturally produced fillers and renewable raw materials. Detailed information can be found in section 3.6 Resource Management.

ENERGY MANAGEMENT

As part of energy management, all energy consumption in the company is analysed and optimised through targeted measures. These are recorded in line with the Scope 1&2 limits of the GHG balance. The energy consumption per kg of product is deliberately chosen as the measurement parameter instead of per m². This minimises product mix effects due to the high square metre quantities of "light" PU underlay mats in Detmold and achieves better comparability within the industry. Energy consumption (including the vehicle fleet) is 0.35 kWh/kg of flooring product sold. With an average weight of 5.7 kg/m² for the floor coverings, this results in a specific energy consumption of approx. 2 kWh/m². For the underlay mats, which weigh an average of 1.85 kg/m², the value is approx. 0.65 kWh/m². Comprehensive details on the energy consumption of the various product groups can be found in the EPDs.

RENEWABLE ENERGIES

Thanks to the use of climate-neutral process heat, in-house solar power generation and the purchase of green electricity, the energy used is already largely climate-neutral. A simulation with the ecocockpit tool, which is used to prepare the carbon footprints of the sites, shows that the greenhouse gas emissions of the sites (Scope 1&2) could be reduced by more than 90 % compared to the reference year 2019 with notional procurement of conventional energy.

Specific energy consumption 2021

4.3 CLIMATE-RELEVANT EMISSIONS

The company's carbon footprint is prepared using the ecocockpit tool from the state of North Rhine-Westphalia. Scope 1&2 greenhouse gas emissions were calculated. Scope 3 values have not yet been recorded as these are only available in a very incomplete and imprecise form. For example, estimating the GHG emissions of employee travel only makes sense if the result is precise enough to capture the impact of corporate measures such as the introduction of the sharepoint tool for carpooling or the e-bike leasing offer. Product-related downstream and upstream Scope 3 emissions are already recorded via the EPDs.

SCOPE 1

Overall, the company's own vehicle fleet is the largest single item in the carbon footprint, accounting for around 45 % of greenhouse gas emissions. Various measures have been introduced or are planned to reduce this proportion of greenhouse gas emissions. For example, the forklift fleet was converted to 100 % electrically powered forklifts in 2021. A revision of the car policy, including increased electrification of the vehicle fleet, is also in preparation. The average consumption of the vehicle fleet, determined by analysing the company fuel cards, is currently around 200 g CO_2 /km. The aim here is to reduce greenhouse gas emissions per kilometre driven to 120 g CO_2 e/km in 2030 through vehicle selection, electromobility and employee training and motivation for economical driving.

SCOPE 2

The big leaps are due to the use of renewable energy. The potential for optimisation in this respect has been practically exhausted by purchasing 100 % green electricity and our own solar systems. However, the company is aware that the purchased green electricity is calculated on a climate-neutral basis through emissions trading. Therefore, the medium-term goal here is to supply regional green electricity from wind energy in combination with self-generated solar power. There are currently (2023) no recordable Scope 2 emissions (Scope 2 = 0). With increased use of electric vehicles, this value may rise again – depending on the charging stations selected.

SCOPE 3

Scope 3 accounts for the largest proportion of greenhouse gas emissions for a manufacturing company like Windmöller. However, it is very difficult to quantify these emissions, which are mainly generated in the supply chain, and their annual development. However, the emissions in the supply chain, which are Scope 1 of the business partners, are presented in the EPDs. Scope 3 emissions are therefore not currently reported. However, the company is also working intensively to reduce its environmental footprint in this area. However, the measures mentioned below are not sufficiently measurable in terms of their effectiveness to justify Scope 3 reporting, and a program for e-bike leasing and the establishment of secure bicycle parking spaces motivates employees to use bicycles to get to work. Another component is the establishment of home office workstations. Actual employee journeys and their carbon footprint are not currently recorded and therefore no key figures are calculated or targets defined for this area.

Target: Overall balance (Scope 1&2)

The reported greenhouse gas emissions (Scope 1&2) include a safety margin of 5 %. This covers gaps in coverage, such as refuelling processes outside of fleet management or AdBlue refuelling during inspections.

Due to the manufacturing processes and business models, practically all climate-relevant emissions (Scope 1) are attributable to energy generation. Due to the almost complete switch to renewable energy, there is no longer any significant potential for improvement here – with the exception of the vehicle fleet. Optimisation is therefore becoming increasingly small-scale. The strategic target of 500 tonnes of CO_2e (Scope 1&2) in 2030 is therefore to be achieved by eliminating remaining sources of emissions, for example through increased e-mobility.

The ecocockpit tool from Effizienz-Agentur NRW is used to create carbon footprints. The greenhouse gas emissions (Scope 1&2) at the two locations under consideration, Augustdorf and Detmold, in tonnes of CO_2 e are shown in the diagram.

WINDMÖLLER GREENHOUSE GAS EMISSIONS (t CO,e)

4.3 CLIMATE-RELEVANT EMISSIONS

The goal of calculated climate neutrality does not exist. As already explained in Chapter 1, Strategic analysis and measures, this would only be possible through the purchase of offset certificates in accordance with the applicable accounting rules. Instead, the medium-term goal is to supplement the self-generated solar power by purchasing 100 % regionally generated green electricity. The Ostwestfalen Lippe region of Germany is already a leading region in the generation of wind energy. Temporary, regional surpluses cannot always be absorbed by the limited grid infrastructure, which leads to the shutdown of individual wind turbines.

100% REGIONAL

5.1. EMPLOYEE RIGHTS

All legal requirements are taken into account at the latest when changes or innovations are published. Regular participation by specialist staff in legal training courses ensures that legal changes are proactively recognised and processed at an early stage. Thanks to the excellent cooperation with the works councils at the Detmold and Augustdorf sites, the HR business partner model and the establishment of a transformation team, Windmöller ensures that the company is close to its employees and recognises and understands their needs and issues.

5.2. EQUAL OPPORTUNITIES

Windmöller's objective is to treat all employees equally. This applies to pay, work-life balance and integration. Measures such as wage and salary systems and family support programs contribute to this objective. Measures for equal opportunities and diversity are implemented in the company through the following strategies:

5.3. QUALIFICATION

The aim at Windmöller is to provide employees with individualised and needs-based support in the area of further training. This applies to both specialist topics and measures in the area of digitalisation. It is also our declared aim to offer initiatives in the area of health management in order to keep employees occupied in a long-term, sustainable and healthy manner. Measures to promote employability include: Employees are involved in the company's sustainability management via the FOCUS:GREEN program.

On the production side, Windmöller is only active in Germany. For employees in the field (Spain, Italy, Sweden, UK), the company's fundamental aim is to apply all German regulations abroad wherever possible. In the USA and Poland, the legal principles of the respective country apply, as these are independent companies.

- Offers for family care
- Wage and salary systems
- Promoting the representation of severely disabled employees through training measures

- Initiatives in the area of health management, such as target group-specific health measures in cooperation with health insurance companies, return-to-work interviews and / or BEM
- Further education / training and support in the area of digitalisation
- Support for the (vocational) training of unskilled employees

5.4. HUMAN RIGHTS

The company's supplier network is divided into three geographical categories:

A) EUROPE:

The risks of human rights violations are considered to be low here. In the event of critical information, this is followed up immediately.

B) ASIA:

Here, semi-finished products are sourced from large, integrated manufacturers who are known through personal visits and quality audits. There are no indications of human rights violations here. However, the company's ability to uncover and remedy systemic human rights violations is limited.

C) INDIA:

The castor oil used in production comes primarily from India. Direct insight into the supply chain ends with the suppliers (international trading companies). Production in India is organised on a smallholder basis, with each producer cultivating around 2 hectares of land. In order to improve local structures, Windmöller GmbH is a member of the Sustainable Castor Association. Through this association, issues such as child labour, occupational health and safety and sustainable agriculture are optimised locally through training and certification systems. Currently, 6,250 farmers are already certified in these systems as part of the CASTOR SuCCESS Code developed for this purpose. The long-term goal is to purchase certified, sustainable castor oil. However, sufficient quantities are not yet available for all SCA companies involved in the reporting year.

ENGA GEMENT

5.5. COMMUNITY

The company is involved with the community in many areas. For example, it supports the charitable Ronald McDonald Children's Charity as a sponsor, sports facilities with the wineo Arena, member of the Pioneers Club, internships for students and pupils, Girls Day, training, sporting events such as the German Orienteering Championships (a natural sport), cooperation with universities, Lippe zirkulär, IHK.

5.6. POLITICAL INFLUENCE

Many of the current focal points here are cross-industry collaboration in order to fulfil the objectives of the European Green Deal, e.g. joint labelling systems, take-back programs, sorting and recycling technologies. The company is also actively involved in regional sustainability initiatives such as InnoZent OWL, CirQuality OWL and Lippe zirkulär. The company does not make any contributions or donations to governments, political parties or politicians.

5.7. BEHAVIOUR IN COMPLIANCE WITH THE LAW AND GUIDELINES

The company manufactures exclusively in Germany and complies with the applicable laws. These also apply to global sales. An analysis of the topic shows that less than 10 % of sales are generated in countries with a Transparency International Corruption Index below 60. The business model is also less susceptible to corruption. As there has been no known corruption or comparable breach of rules in the company's history, the issue is not classified as material and no KPI is determined.

In addition to internal channels, such as direct contact with line managers, the works council or the owner family, an external hotline (DGC Integrity, www.insider-report.org) has been set up to enable whistleblowers to report legal and compliance violations both electronically and in person, anonymously if they wish. There have been no reports here since its introduction.

The reported key figures and KPIs are based on the company's controlling data as far as possible. The carbon footprints are prepared by the FOCUS:GREEN team using the free ecocockpit tool, whereby the data from energy management is used as far as possible. Energy data is recorded as part of energy management (ISO 50001) and personnel data is provided by the HR department. Consumption figures for company vehicles were determined using the refuelling processes recorded by the UTA fuel cards. Data on PV solar-powered generation in Detmold comes from the Sunny Portal.

6.1 KEY FIGURES

KEY FIGURE	UNIT	2019	2020	2021	2022	2023	YEAR 2030
Turnover	t€	133.670	139.942	142.892	118.506	96.286	
KPI: Share of sales of sustainable ecuran products	%	51,9	52,9	56,7	56,8	66,4	75,0
Number of employees		468	485	503	457	385	
Male employees		370	387	402	372	308	
Female employees		98	98	101	85	77	
Proportion of female employees of the total number of employees	%	21	20	20	19	20	
Number of trainees		22	25	22	22	19	
Severely disabled employees		20	17	19	20	19	
KPI: Days lost due to accidents at work/employees	T/MA	0,35	0,31	0,52	0,32	0,35	0,00
KPI: Sick leave	%	6,7	6,0	6,6	9,7	9,1	< Reference Sick leave GKV
Water consumption	m ³	8.052	7.173	5.539	5.493	4.972	
Total energy consumption incl. company vehicles	MWh	32.404	30.518	34.432	23.506	18.446	
Energy consumption without company vehicles	MWh	30.708	29.203	33.004	21.979	16.991	
Energy consumption (electrical)	MWh	10.967	11.364	11.004	8.936	6.731	
Energy consumption (heat)	MWh	19.741	17.839	22.000	13.044	10.260	
Energy generation Photovoltaics	MWh	148	397,37	545	557	475	
Energy consumption / turnover	kWh/€	0,242	0,218	0,241	0,198	0,192	
KPI: Scope 1&2 incl. 5% safety margin	t CO ₂ e	12050/2090	3750	2120	1270	1.020	500
Direct THG emissions (Scope 1)	t CO ₂ e	4430/1990	3580	2020	1210	970	
GHG emissions company vehicles	t CO ₂ e	528	408	443	474	452	
KPI: Average THG emissions from car fleet	g CO ₂ e/km	-	201	201	204	207	120
Indirect energy-related THG emissions	t CO ₂ e	7040/0	0	0	0	0	
Reduction of THG emissions Scope 1&2 compared to reference 2019 fictional	%	-83	-69	-82	-89	-92	
Total weight of waste (incl. paper)	t	5.867	7.200	7.736	5.813	3.970	
KPI: Material efficiency Proportion of waste + goods sold under raw material costs from the weight of goods sold	%	7,5	9,1	10,0	11,5	9,9	7,0
per cent of sales in regions with a Transparency International Corruption Index below 60 (2023)	%	6,1	5,3	6,9	7,8	7,9	
Share of suppliers within the EU	%	97	98	97	97	98	
KPI: Percentage of all suppliers and partners with revenue > 100,000 € within the supply chain that were assessed for compliance with ESG criteria	%	n.a.	n.a.	n.a.	n.a.	93	100

PIONEER THINKING

OUR WAY IS FORWARD. ALWAYS.

That's why we work every day on innovations and products that can do more. In recent years, we have been able to place innovative new products on the market that can now be found in many households and facilities, worldwide.

For generations, Windmöller has stood for committed future development and family-orientated cooperation. With our flooring ideas, materials and technologies, we convince people, companies and markets worldwide.

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