



NOLTE by nature

Sustainability Report 2022

02 | Edition

Contents

Sustainability Report 2022

Foreword 4–5

General information 6–7

 01 | Strategy 8–27

Business model, strategy and value chain

Our stakeholders' interests and opinions

Double materiality analysis

Principles on addressing material sustainability issues



 02 | Governance 28–43

Our management and supervisory bodies and our advisory board

Rules, processes, control and risk management

Key awards and certificates

Supplier relations

 03 Environment	44–67
Climate protection	
Use of resources and recycling	
 04 Social	68–97
Own workforce	
Employees in the value chain and communities affected	
Consumers and end-users	
Commitment to public good	
Closing words	98
DNK index	100–101
List of abbreviations	103
Publication details	103





Managing Directors
Melanie Thomann-Bopp
Rüdiger Schliekmann

” The way we operate today is set to determine the world we leave behind for our future generations. Sustainability is our promise for a better future. “

Dear Readers,

Everyone's talking about protecting the climate. More and more natural disasters around the world are demanding our attention. Like the recent devastating forest fires in Crete and Hawaii for instance, massive flooding in Slovenia or the earthquake in Turkey. Millions of people have lost everything they once owned. All this also makes us contemplate our everyday actions and shows how important it is to be aware of sustainability as an issue that concerns everyone of us. Because climate change and poverty are both encroaching all the time.

Now in its second year, the war between Russia and Ukraine will pose further challenges for many organisations, politicians, businesses and for us all.

These hurdles aside, it is high time to make significant progress in the field of sustainability. It is with confidence that we want to play a pioneering part in our industry.

We at Nolte Küchen, as a fourth-generation family business, have always firmly enshrined the subject of sustainability and social responsibility in our values.

Although we tend to be restrained in our communication policy, we want to practise this on the sustainability front as well, entirely in keeping with the motto "Do good and talk about it". We already laid the foundation for this with our first sustainability report last year. This year we have set ourselves even stricter guidelines. In this report

you will find numerous examples that illustrate the measures we have implemented in the past and the topics we will also be doing even more work on in the future.

For instance, we have been a climate-neutral company since 2020 and have been drawing all of our electricity from renewable energy sources since 2021.

We are resolutely gearing our activities along the value chain towards reducing our greenhouse-gas emissions and conserving resources in an endeavour to meet our contribution to the 1.5°-degree target set by the Paris Climate Agreement.

Our members of staff as well as their commitment and dedication are the pillars of our family business. Consequently, we signed the Diversity Charter in 2011 and are continuously working on actively practising diversity in the company. Providing our staff with further training and taking forward our apprenticeship system are matters that are close to Nolte Küchen's heart. This was also confirmed by an official source, so that this year too, we once again received the "BEST PLACE TO LEARN®" award.

Entirely under the "better.together.stronger 2025" banner, we are devoting our heart and soul to specific topics that will let us grow as a community on the one hand and as a company on the other. Together, we want to evolve and significantly

strengthen our position in the market. The subject of sustainability is also an integral part of our corporate strategy. In the past few months, we have defined goals that lay down how we plan to and, indeed, will move forward at environmental, social and governance level.

So, for example, in addition to being a "climate-neutral company", we are working on obtaining "climate-neutral product" certification. Above and beyond this, structuring processes for greater efficiency through digitisation and introducing new tools will be a further building block. We have already implemented cultural change management regime and can see initial achievements. In our view, active change management and practising a positive corporate culture are the keys to being successful in the future too.

As you will see, we are not only limiting ourselves to talking about sustainability but also actively turning it into practice. We look forward to presenting our other successes on the pages to follow. We will also be taking you on a transparent journey through the short, medium and long-term goals we will be pursuing in the company.

Our objective is to report in compliance with the set of rules laid down in the German Sustainability Code (Deutscher Nachhaltigkeitskodex (DNK). This report for the 2022 reporting year has been compiled in allowance for DNK criteria.

At Nolte Küchen, we have practised a policy of diversity, equality and equal opportunities since the company was founded. Aus Gründen der besseren Lesbarkeit wird aber auf die gleichzeitige Verwendung der Sprachformen männlich, weiblich und divers (m/w/d) verzichtet. For reasons of better readability, however, the simultaneous use of the language forms male, female, and diverse (m/f/d) is dispensed with. All personal designations apply equally to all genders.



Nolte Küchen's operating base in Löhne, North Rhine Westphalia



Nolte Küchen's operating base in Melle, Lower Saxony

1958

Konrad Nolte establishes Nolte Küchen in Löhne. The company starts up on a production site of 5,000 m² with approximately 60 employees

1974

A second site in Melle increases the production facilities.

1997

Construction of the new Information and Training Centre in Löhne.

2008

Matrix 150 is introduced to mark the company's 50th anniversary. It is the first measurement grid in the industry that can be applied to height, width and depth.

2010

Nolte Küchen is the first German kitchen manufacturer to hold not only the FSC[®] but also the PEFC[™] quality label.

2013

In MatrixArt, Nolte Küchen presents a handleless kitchen that is perfectly designed down to the very last detail.

General information

Company name

Nolte Küchen GmbH & Co. KG
(referred to below as "Nolte Küchen")

Website

www.nolte-kuechen.com

Staff numbers

1,461 members of staff
(As at June 2023)

Reporting Year

2022

Set of indicators used

This report is geared towards the German Sustainability Code (DNK) and observes initial elements of the European Sustainability Reporting Standard (ESRS).

Third-party verification

This report requires no formal verification by any third party.

Reporting obligation

Nolte Küchen GmbH & Co. KG is currently not subject to any statutory CSR reporting obligation.

National action plan

Business and human rights

No

2014

Launch of the **nolteneo** product line with the three themed worlds of **neoChalet**, **neoLoft** and **neoSalon**.

2014

Nolte Küchen introduces Matrix 900, an ergonomic base unit height that provides an extra 20% of storage space.

2020

Nolte SPA is founded. Establishing this company, Nolte broadens its portfolio and now also excites consumers with an attractive range of bathroom furniture and mirrors.

2021

The information and training centre is now called NOLTE FORUM and is expanded to cover an area of 7,000 m².

2022

The **nolteneo** product line is relaunched. From a wide range of planning options to exclusive fronts and design elements, it opens up entirely new dimensions in individualisation.

Today

Employing over 1,461 members of staff, Nolte Küchen produces some 880 kitchens a day on over 113,000 m² at Löhne and Melle.



Pavilion in the NOLTE FORUM garden



01

Strategy

Business model, strategy and value chain

Our stakeholders' interests and opinions

Double materiality analysis

Principles on addressing material
sustainability issues



Strategy

Inherent throughout our entire company, the guiding principle of sustainability is reflected in whatever we do and produce. It is firmly embedded in our broad-ranging corporate strategy, with the company's relevant divisions actively involved in implementing overriding sustainability aspects.

We view sustainability as an essential aspect across our value chain, and attach tremendous importance to continuously and systematically embedding those sustainability criteria of relevance to us in our everyday activities, value chain and products.

Our products are defined by a combination of excellent quality, attractive value for money, contemporary aesthetic appeal, sustainability and a steady business liaison based on dependability and trust. For us, good is not good enough.

Our goal: continuously getting better.

The German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferketten-sorgfaltspflichtengesetz - LkSG) as well as the reporting obligation under the Corporate Sustainability Reporting Directive (CSRD) are laws or official instructions that bear direct relevance to our corporate and sustainability strategy as well as to our sustainability reporting. As our company falls under the provisions set out in the CSRD, the EU Green Deal and EU Taxonomy are no longer only relevant to us indirectly but directly too. In future, this means we will be obliged to structure our sustainability reporting in harmony with the objectives and targets of these EU initiatives. The EU Green Deal and EU Taxonomy are important policy initiatives and parameters that are aimed at promoting sustainability, climate protection and environmental goals in the European Union. We will ensure that these are integrated in our business activities as well as in our reporting. This Sustainability Declaration is based on the German Sustainability Code (DNK) and takes into account initial elements of the European Sustainability Reporting Standards (ESRS).

Our sustainability declaration includes both our upstream and downstream value chain. In all

phases of our value-adding process, we have conducted initial quality-related analyses on the impacts, opportunities and risks that are involved in our activities for those aspects of sustainability that are most important to us.

This report proceeds from our first Sustainability Declaration for 2021 - published in 2022 - and forms the basis for our future reporting obligations. It reflects the 2022 reporting year and presents some of our goals and accomplishments that will be achieved by the time of publication in 2023.

We published our previous sustainability declaration in the course of our in-house exhibition in September 2022. The show event was held under the "Nolte by Nature" banner and was dedicated to the beauty and importance of nature. From our latest product innovations to staging the exhibition, everything was focused on sustainability. The event impressively illustrated how important it is to harmonise our activities with nature.

” We want to be better than average, and it is our goal to enshrine this maxim in our everyday activities. “



Business model, strategy and value chain

Business model **(business purpose, products/services)**

We are part of the Nolte Group. The Nolte Group employs a total of over 1,800 members of staff. Ingenuity, sustainability and foresight are key cornerstones of our guiding philosophy. All group companies – Nolte Küchen, Express Küchen and Nolte SPA – produce only in Germany.

Deeply rooted in the region, Nolte Küchen has been family-owned since it was founded in 1958.

Nolte Küchen has always developed, produced and sold high-quality kitchen cabinetry. These kitchens are manufactured on a production site covering over 113,000 m² at the three facilities in Löhne and Melle. Here, our "Made in Germany" quality promise is part and parcel of our worldwide success. This is also demonstrated by the fact that we export 36.2 % of our products. Every day we ship over 880 Nolte kitchens to over 60 countries, equating to approx. 1.9 million units in 2022. In terms of sourcing, we place our confidence in suppliers from the region and Europe.

From our broad range of kitchens covering all manner of designs, shapes, sizes, materials and price brackets, we, as one of the German kitchen furniture industry's TOP 4 kitchen manufacturers serve a wide spectrum of demands, tastes and expectations from our diverse customer base.

We employed 1,453 members of staff at Nolte Küchen in the 2022 reporting year. Of these, 695 employees worked at our base in Melle and 758 at our base in Löhne.

Corporate strategy

Entirely under the "better.together.stronger 2025" banner, we have dedicated ourselves to specific topics within the scope of our corporate strategy that will let us continue growing as a community on the one hand and as a company on the other. Hand in hand, we want to evolve, critically rethink existing structures and significantly strengthen our position in the market.

Our brand is the umbrella that overarches our strategy.

It is important for us to share the same understanding of the Nolte Küchen brand and develop this as a team. What defines us? How do we want to be perceived? The aim is to create and internalise a strong brand awareness for our company among each and every individual member of our workforce.

This is where various defined brand values and performance attributes are set out to lend assistance. We will also continue to pull every stop strengthening the Nolte Küchen brand among our retail partners and end users. Being voted favourite kitchen brand for the fourth time in succession in 2023 is, of course, a great help in this respect.

Our strategy will continue to focus on expansion. Both Nolte Küchen as well as Express Küchen want to put on significant growth abroad and further expand their export share.

We also want to enhance our processes and simplify many work steps by means of digital transformation. For instance, we will be focusing on aspects relating to numerous process-optimisation processes and the quality initiative.

In an endeavour to continue producing our kitchens as efficiently as possible in the future, we will also be expanding capacities in production under the "Production 2.0" banner while also investing in batch size 1.

Our employees, along with with environmental, social and governance (ESG) aspects, form the bedrock of our corporate strategy.

"Wir von Nolte" represents for the heart of Nolte Küchen: our staff. Our intension is to create a culture that focuses on cohesion and structuring working conditions in a way that is capable of achieving top performance levels while ensuring the greatest possible degree of employee satisfaction with every day that passes. This includes both the recruiting process as well as an appropriate and individually tailored induction plan for new colleagues, but also personal career development opportunities within the company.

Sustainability is a key element in every decision we take. Confidently and unerringly, we are working on taking a lead role in our industry and on setting an example for others as an eco-friendly and resource-conserving company. Doing so, we operate in an authentic, transparent and self-critical manner. We set ourselves highly ambitious goals that force us out of our comfort zone as an industrial manufacturing company.

Value chain

We consistently review sustainability criteria at all stages of our value chain because, for us, sustainability is a key element throughout the entire process of adding value.

Roughly speaking, our value chain can be divided into the following areas:



1.

Upstream value chain

Purchasing and shipping raw materials

We purchase our basic raw material, wood, as well as our other main raw materials exclusively from European suppliers with whom we maintain close dialogue. Alongside chipboard, we procure MDF panels as well as prefabricated fronts that serve as the basic material for our kitchens. 50% of the purchasing volume in 2022 went to kitchen components that are not made of wood, i.e. semi-finished or finished parts, such as screws, drawer systems, as well as a small share made up of by electrical appliances and kitchen accessories.

We attach importance to short transport distances which is why we set store by being in close geographical proximity to our most important suppliers and prefabricators. Even now, 57% of our purchasing volume comes from suppliers located in a radius of under 100 km. We source 85% of our chipboard from Germany.

2.

Our Löhne and Melle operating bases

Production, marketing and sales

We only produce in Germany. Covering a total of three plants, our production sites are located in Löhne, North Rhine-Westphalia and Melle, Lower Saxony, the latter being 20 kilometres away. At all three plants, the respective plant management acts as a point of contact for reporting between the departmental managers within the plant.

We manufacture carcass components and fronts from wood-based panels in Löhne (plant 2). The wood-based panels used to make the fronts, sides and cross members come from panel manufacturers on a daily basis. Component variants not manufactured in house are purchased from sub-suppliers as stock goods or on a sale-or-return basis. Cutting to size, edgebanding, side grooving as well as dowelling for the cross members, for example, take place at Löhne plant 2. These are temporarily stored in a high-bay warehouse and automatically requested from the consignment warehouses as and when needed, and then transported to plant 3 in Melle. This is where the fronts and carcass components are drilled. The individual components are then used to produce and assemble the various cabinet types (e.g. base, wall or appliance unit).

Following production, kitchens are then packed in appropriate shipping and protective packaging and dispatched to our retail partners. On request, we can also meet orders complete with electrical appliances. Eighty per cent of our kitchen trade in Germany takes place through a kitchen studio or furniture store. We also maintain constant contact and dialogue with our retail partners on matters such as our end-users' expectations and interests.

We use our wood waste (offcuts and sawdust) to generate our own heat energy in wood-fired boilers at our Löhne and Melle bases. This enables us to minimise the natural gas we purchase to less than 1 % of the total energy input for generating heat in a business year. This allows us to supply our facilities with heat almost entirely self-sufficiently while minimising gas-supply risks.

In the divisions responsible for selling, developing and producing kitchens at our two operating bases, our DIN EN ISO 9001 certified quality management regime serves the purpose of continuously enhancing our economic, ecological and social performance.

We also attach tremendous importance to conserving resources in marketing. For example, we regularly review print runs for our printed material and reduce them as necessary. All print documents are made available to our retail partners and consumers for downloading from our website, reducing the amount of advertising material we send out as well as the amount of paper we use. Above and beyond this, for instance, we openly communicate our sustainability aspects to our retail partners and consumers through our website and all printed documentation.

3.

Downstream value chain

Shipping, POS/retail, product utilisation phase, end of life

Given the geographically favourable location of our operating bases as well as on-demand production, we can serve our customers efficiently and dispense with elaborate warehouse logistics. To further optimise our transport distances and reduce empty runs, we work closely with a shipping company we can rely on through and through. This partnership lets us improve transport routes while implementing environment-friendly measures. We are constantly working on optimising and minimising packaging materials so as to reduce the amount of packaging while still maintaining the same level of product protection.

We only use energy-efficient components in our kitchens, such as energy-saving lighting. We set store by the quality and durability of our products and make every effort to enhance such by offering a whole line-up of servicing and repair options. In a move to boost circularity, we are constantly working on increasing the share of recyclable components and the recyclates we use.

All waste is properly disposed of by specialised and certified disposal companies which issue official verifications of disposal, indicating the type and quantity of waste.



Early on, our young talents bear responsibility in various projects.

Our stakeholders' interests and opinions

As an employer, we recognise the significant responsibility we bear in our industry and region. We are aware that society places high expectations on us as a company. Our inner motivation is to play an active part in helping to shape society in a positive way and to support people in all they do.

We take very seriously the importance of our stakeholders in respect of our sustainability management activities. This is why we always include the expertise, views, interests and needs of our stakeholders in the decisions we take.

It is against this backdrop that dialogue with our stakeholders forms an integral part of our approach to sustainability. For us, working closely with our stakeholders is of central importance to our developing a sound and responsible sustainability strategy. Their valuable input and perspectives create an important foundation for shaping our sustainable business practices. In the sections to follow in this report, you will find detailed information on our stakeholders as well as a transparent account of our commitment to each stakeholder category. Our obligation is to manage our relations with each and every one of them and to safeguard their interests with the utmost care and responsibility.

- Members of staff
- Works council
- Graduates and job applicants
- Suppliers
- Customers / retailers
- Consumers
- State and society, such as authorities, trade unions, associations, initiatives, the general public, representatives of the media and press or local residents in the region
- Schools and universities

Double materiality analysis

Our stakeholders play a central part in developing our sustainability strategy. Already formalised in day-to-day communication with our employees, customers and financiers, this is why we maintain ongoing, intensive stakeholder dialogue across all departments.

Drawing on expertise from the market and the support of external experts, we conducted in-depth workshops with experts from defined specialised departments at the end of 2022. This framework not only provided the basis for identifying the major opportunities and risks we can expect from sustainability aspects but also a platform for defining our material issues. The following perspectives were taken into account:

- Significant positive or negative impacts on people and the environment associated with our activities across our value chain.
- Impact of material risks and opportunities arising from sustainability aspects on our company's success and, with them, on our strategy.

This "Double Materiality Analysis (referred to below as materiality analysis) provided the basis for defining our current sustainability goals as well as the measures and parameters involved – which we have already laid down to reach our goals and, for the first time, are disclosing in this report.

Opportunities and risks

We constantly manage our risks as part of our risk management regime. This falls within the responsibility of eight persons in our company. In addition to this, we update our risk monitor every six months.

For further details on our risk management regime, refer to Section 2 Governance.

Below is an overview of the current and potential opportunities and risks identified in our analyses, these being the ones we can expect across our value chain. This is where we focus on our

- upstream value chain: raw materials and shipment
- operating bases (Löhne and Melle): Production, marketing and sales
- downstream value chain: shipping, product utilisation phase, and end of life

Legend

- Significant impacts our activities have on our environment.
- Material effects impacting Nolte Küchen both from a financial perspective and as well as those impacting our immediate environment as a result of our activities.
- Significant effects impacting Nolte Küchen from a financial perspective.

Upstream value chain

Raw materials and shipment

Opportunities

Determining GHG emissions: identifying relevant greenhouse gas emissions (GHG) from our upstream value chain (Scope 3) provides the basis for deriving our Scope 3 GHG-reducing measures. Initial analyses have already been carried out.

Reducing GHG emissions: the upstream value chain is expected to give us elevated potential to reduce GHG emissions in Scope 3 categories 3.01 (Outsourced goods and services).

Supply chains: historically speaking, our supply chains are already set up to leave us in a position whereby we can rely on trusting partnerships, flexibility as well as a regional and decentralised focus to ensure the greatest possible supply-chain resilience. For us, continuing to scrutinise our supply chain in terms of potential climate risks goes without saying.

Selecting materials: the availability of alternative, environmentally friendly materials has increased (e.g. greater recycled content in raw materials/products or better recyclability of raw materials/products). We constantly examine them in terms of their suitability for manufacturing our products and, in doing so, consider in particular how to maintain and improve the quality and durability of our products.

Sustainability awareness in the supply chain: sustainability is also becoming increasingly important for our suppliers and business partners. We realise we can only move more by working with our partners.

Risks

Adapting to climate change: wood from certified forestry is our main raw material. We understand that climate change-related extreme weather events can impact raw material availability, and we account for this risk as part of managing our supply chain.



Operating bases (Löhne and Melle)

Production, marketing and sales

Opportunities

Determining GHG emissions: we have already determined the greenhouse gas emissions (GHG emissions) for our operating bases (Scope 1 and 2), having taken a major step by switching over to 100% green electricity back in 2021.

Energy management: an ongoing, strategy-based and innovative approach to managing energy will let us boost our energy efficiency, save energy costs and reduce our GHG emissions. At the same time, we are investing in expanding our own capacity to generate energy from renewable energy sources. We are doing this by expanding our rooftop photovoltaic systems wherever they provide the requisite structural stability, and by continuing to generate heat ourselves from wood chips.

Using resources: by ensuring product quality and product innovations aimed at conserving resources during the period of product utilisation, permanently optimising offcut waste and coordinating site-related waste management in the best way possible, we are working on many levels to cut the volume of resources we consume.

Optimum working conditions: creating and ensuring fantastic conditions that give our staff the assurance of working in a healthy and safe environment lets them identify with our company, while at the same time forging a sense of trust, generating passion and reinforcing commitment.

Demands on employers: to satisfy the demands on modern and contemporary companies of today and tomorrow, and thereby continue to recruit talent, we see this as an opportunity to secure our success in the long term.

Sustainability awareness among employees: we know that both our current as well as our future employees are interested in sustainability matters and want to play an active part in shaping them at Nolte Küchen. Utilising this energy helps us tread our path with authenticity.

Product safety and innovation: We can boost customer loyalty to our company by continuing to ensure product safety and by introducing innovations that make our products more sustainable.

Risks

Energy needs: as a manufacturing company, we are dependent on energy. Securing the availability of sustainable energy, the associated costs as well as implementing measures to continuously improve energy efficiency is all part of our financial planning.

Material quality: the increased use of composite materials often aggravates the recyclability of our products. Accurately analysing this in advance and weighing up the pros and cons is part of our work.

Health and safety: production in particular harbours an increased accident risk potential. Preventing such has utmost priority.

Skilled workers: we are well aware of the effects a skilled-workers shortage is having, ones we cannot escape either. We realise that, as a company, we have a responsibility to be an attractive employer and to remain so in the future too.

Product safety: because we can guarantee ongoing product safety, we put the potential hazard risk very low.

Downstream value chain

Shipping, product utilisation phase and end of life

Opportunities

Determining GHG emissions: identifying relevant greenhouse gas emissions (GHG) from our upstream value chain (Scope 3) provides the basis for deriving our Scope 3 GHG-reducing measures. Initial analyses have already been carried out.

Reducing GHG emissions: the upstream value chain is expected to give us elevated potential to reduce GHG emissions in Scope 3 categories 3.11 (utilisation of products sold) and 3.12 (end of life of products sold).

Product durability: high product quality and reparability mean we can promise our customers products that give them long-lasting satisfaction. We can further extend product life by offering repair, exchange or servicing options.

Waste management: we can also further reduce our waste volume in the downstream value chain on the basis of a waste-management strategy that makes logical sense.

Data privacy: implementing data-protection measures in a consistent and forward-looking manner enables us to ensure ongoing protection of our customers and end users' data.

Product safety: we can boost customer loyalty to our company by continuing to ensure product safety.

Product innovation: continuous work on advancing our products is important in respect of maintaining satisfaction among our customers and end users.

Customer and end-user trust: maintaining customer trust, e.g. through ongoing stakeholder dialogue, is hugely important to us. Our success is reflected, among other things, in our awards for favourite kitchen brand and favourite kitchen-furniture supplier.




Sustainability awareness among customers and end users: sustainability is an important aspect too for our current and future customers. This support is a key success factor on our way forward.

Risks

Energy needs: energy consumption in the utilisation phase of the electrical components and appliances fitted in our kitchens accounts for a major share of the resources consumed during the life of our products. This is where the use of energy-saving electrical appliances helps to save resources.

Data privacy: we too need to protect ourselves against increasing cybercrime. This is part of our IT security measures.

Legend

-  Material impacts our activities have on our immediate environment.
-  Material effects impacting Nolte Küchen both from a financial perspective and as well as those impacting our immediate environment as a result of our activities.
-  Material effects impacting Nolte Küchen from a financial perspective.



As from 2023, we will be offering the option of leasing all-electric vehicles and will only be approving diesel vehicles in specific instances.

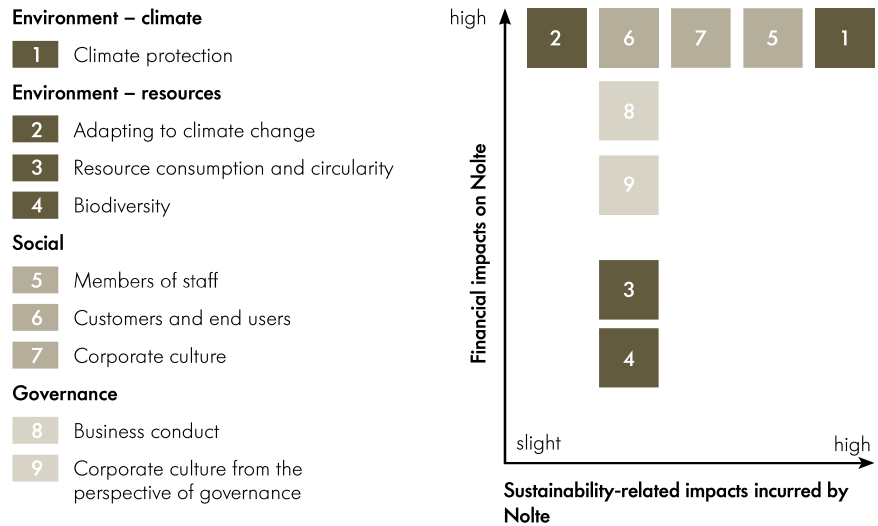
Material issues

To determine our material issues, we have followed the principles of double materiality and, for this, first conducted a quality-based assessment. Our material issues determined in this way comprise:

- assessing the materiality of our impacts defined as: significant positive or negative sustainability-related impacts related to our business activities along our value chain and
- assessing financial materiality defined as: our company's sustainability-related financial opportunities and risks, including opportunities and risks resulting from a dependence on natural, human and social resources.

In the materiality matrix presented in Figure 1 below, the issues classified as "high" are those we want to align our sustainability strategy towards and have the greatest possible positive influence on.

Figure 1: Our material issues resulting from the materiality analysis



The material issues presented in the respective segments of the matrix is not subject to any hierarchy.

The focal areas shown are taken from the materiality analysis. In addition to this, we consider the subject of resources to be another focal aspect, even though it did not emerge as a material issue from our materiality analysis. We are well aware of how important it is to

conserve resources along our value chain and realise the valuable impact this has on helping to move forward on a sustainable footing. As a result, the topic of resources is part of our sustainability strategy and also part of our strategy focus for Nolte Küchen.

Table 1: Our focal areas

Environment	Social	Governance
<ul style="list-style-type: none"> Climate protection Resources Innovation 	Members of staff: <ul style="list-style-type: none"> Health and safety Employee satisfaction Qualification Equal opportunities Customers and end users	<ul style="list-style-type: none"> Business conduct Corporate culture

Embedding sustainability at Nolte

Entrenching sustainability in our organisation is a fundamental building block for driving forward our focal aspects. It lays the foundation for our future reporting obligations in respect of our accountability. Even today, we are meeting our due diligence obligation by embedding sustainability directly at management level, cultivating risk management across the value chain in all areas of our business activity, maintaining ongoing and open dialogue with our stakeholders, integrating our focal sustainability aspects into developing our business units and receiving validation from external experts.

This structured approach means even today we can ensure that sustainability is firmly embedded in our corporate strategy and that we do justice to our responsibility in every respect. The organisational chart in Figure 2 below demonstrates how we embed sustainability in our company's organisation.

Figure 2: Embedding sustainability at Nolte Küchen at organisational level



We can guarantee that our sustainability strategy is consistently implemented through the formal reporting channel and ongoing dialogue between our sustainability committee, top management, our Project Management Office (PMO) and through the support we get from our external experts. We also gain a comprehensive knowledge of relevant issues which are then incorporated into our decision-making processes. As a result, we can be certain that sustainability is practised throughout the company and we achieve our goals.



Numerous projects have already been successfully realised in the name of sustainability. Not least the implementation of beehives on company premises.




Principles on addressing key sustainability issues

Measures, resources, metrics and targets in relation to material aspects

We place the most exacting of expectations on the efficiency of our measures. To ensure this, we have consulted staff from our specialist departments to define measurable and results-based goals in our focal areas. These are based on conclusive, scientific findings and are aligned with international standards such as the GHG Protocol.

Our goals, relevant secondary goals, the extent to which we achieve our goals and the measures and metrics behind them are detailed in the sections to follow.

Table 2: The goals set in our SDG (Sustainable Development Goals) related focal areas are listed below.

Environment		
Focal area	Engaging in dialogue with stakeholders	Goal
Climate change		<ul style="list-style-type: none"> Our carbon footprint remains unchanged for our Scope 1 & Scope 2 GHG emissions [t CO₂eq]. By 2030, we will be reducing our Scope 1 and 2 by 50% [t CO₂eq]*. By 2025, we will have completed our roadmap to reduce our Scope 3 GHG emissions in an effort to meet the Paris Climate Agreement.
Resources		<ul style="list-style-type: none"> Right across our value chain, we never let up on using resources efficiency and preventing pollution wherever we can. We are constantly improving the life of our products by pulling every stop to maintain the highest level of quality and reparability.
Innovation		<ul style="list-style-type: none"> As from the 2025 product line-up, sustainability will be taken into account as a criterion when deciding on new products.

* We take 2019 as the base year for calculating the levels of reduction

We want to be the most attractive partner for our stakeholders across the value chain. To achieve this, we have set ourselves the following goals:

Social		
Focal area	Engaging in dialogue with stakeholders	Goal
Stakeholder dialogue		<ul style="list-style-type: none"> ■ We ensure ongoing dialogue with our stakeholders.
Equal opportunities		<ul style="list-style-type: none"> ■ We guarantee equal opportunities.
		<ul style="list-style-type: none"> ■ We respect workers' and human rights.
Health and safety		<ul style="list-style-type: none"> ■ The goal we pursue: 0 accidents.
Qualification		<ul style="list-style-type: none"> ■ We guarantee annual access to career furtherance for all employees.
Employee satisfaction		<ul style="list-style-type: none"> ■ We will be surveying employee satisfaction until 2024. ■ We will be creating and implementing an employee satisfaction roadmap. ■ We will be completing work on constructing of our staff restaurant in summer 2024.
Customer and end-user satisfaction		<ul style="list-style-type: none"> ■ We ensure the highest possible level of protection for our customers' data. ■ We guarantee product safety at all times. ■ We engage in constant dialogue with our customers and end users.
Governance		
Focal area		Goal
Business conduct and corporate culture		<ul style="list-style-type: none"> ■ We have zero tolerance for corruption or bribery in all of the regions in which we operate. ■ Over 95% of our staff constantly take part in further training measures. ■ As from 2024, we will be linking part of our variable salary components to our company's sustainability performance.



Meetings regularly take place in the NOLTE FORUM's modern meeting areas.



02

Governance

Our management and supervisory bodies
and our advisory board

Rules, processes, control and risk management

Key awards and certificates

Supplier relations



Governance

Understanding responsible and lawful conduct in all walks of the company as the basic key to our business success is the reason why maintaining good governance structure is elementary for us.

For us, this means that compliance with all legal and statutory provisions relevant to us through good compliance management, the safeguarding of data protection as well as creating a corporate culture that ensures our sustainability objectives are given at all times.

As such, our focal areas and goals contributing to good governance are as follows:

Focal area	Goal
Business conduct and corporate culture	<ul style="list-style-type: none">■ We have zero tolerance for corruption or bribery in all of the regions we operate in.■ Over 95% of our staff constantly take part in further training measures.■ As from 2024, we will be linking part of our variable salary components to our company's sustainability performance.

To maintain effective compliance management, we feel it is essential to ensure that our organisation is equally sensitised to both existing and emerging requirements in equal measure. Also essential is the fact that these demands are met throughout every echelon of the company's organisational structure.

In the past reporting year we set ourselves the particular goal of making every effort to implement the German Supply Chain Compliance Obligations Act (LkSG), driving forward our compliance management system and continuing work on addressing cyber security.

Below, let us inform you on the progress we have made in these and other areas of Nolte Küchen's business activity.

Our management and supervisory bodies and our advisory board

All of our business units contribute in their own specific way to taking our company forward on a sustainable basis. Nolte Küchen's good reputation is based on the fact that we do everything we can to behave responsibly and in compliance with the law. This is where we are assisted in particular by our female compliance officer as well as our company data protection officer who communicate with senior management at regular, fixed-date weekly meetings. Not only this, they introduce the Compliance activity to new employees at welcoming events.

The Advisory Board, comprising five people, 20% of whom are women, are the same at Nolte Küchen and at Express Küchen. This means that all aspects relating to both kitchen manufacturers are discussed in the advisory-board meetings.

The nature of discussion at management level with regard to remits, responsibilities and managing our material impacts, risks and opportunities is shown in Table 3.

Table 3: Dialogue and interaction at management level in the 2022 reporting year

Type of dialogue / interaction	Timing
Management meetings	weekly
Meetings between management and all executives	4 a year
Consultations in steering groups on strategic projects	up to 1 a month
Advisory board meetings	4–5 a year
Works meetings	2 a year
Works council meeting	2 a month
Economic committee meetings	4 a year
Dialogue between management and works council	2 a month

Regular consultations also take place in our product-range development meetings.

Rules, processes, control and risk management

From the production of kitchen cabinetry at our plants to purchasing and supplier management as well as HR management, we set store by globally and nationally acknowledged management systems, external certifications and collective bargaining agreement provisions, internal guidelines and ongoing risk management. For us, top priority always goes to complying with statutory provisions.





Management systems and other internal steering instruments

Selected systems for steering our non-financial aspects are, for example:

- Compliance management system: regular analysis and assessment of compliance risks, coordinated by the female Chief Compliance Officer. Requisite risk-reduction measures are incorporated in the form of regulations and processes
- Quality management: DIN EN ISO 9001
- Energy management: DIN EN ISO 50001
- Resource management: internal monthly offcut-waste analyses, with definition of targets and measures to continuously reduce offcut-waste quantities
- Recyclable-material management for both operating bases
- Supplier management: IT-assisted supplier evaluations (by criteria, such as reliability and quality)
- Health & safety management: annual external certifications, internal occupational health and safety specialist
- Complaints management: analysis of anonymised tip-offs on corruption and bribery
- Health management: assessment of risks to our employees
- Occupational Integration Management (OIM): measures as well as aftercare measures to aid medical rehabilitation
- Ideas management (ICE, Ideas Cleverly Embraced): submitting ideas and suggestions for improvement



Key awards and certificates

In implementing our sustainability activities, we attach particular importance to acknowledged external certifications, awards and certification marks. These confirm our commitment and send out a signal.



Germany's favourite kitchen furniture provider for 2022

The Life & Living Award 2022 went to us as Germany's favourite provider in the kitchen furniture category. The main focus of the open, representative online survey among consumers was on customer satisfaction and the likelihood of recommendations.



Germany's favourite kitchen brand

For the 4th time in succession: Germany's favourite kitchen brand. This was the result of a customer survey by the German Institute for Service Quality (DISQ). The consumers interviewed rated 14 kitchen manufacturers, and gave us the best results for product quality, design, value for money, range and brand image.



BEST PLACE TO LEARN®

We have been awarded Germany's quality hallmark for in-company training. This title is only carried by companies that verifiably provide young people with excellent qualifications and prepare them in the best possible way for working life.

We document all of our management systems, directives, process guidelines and codes on our intranet which, ultimately, we also use for taking care of knowledge management and providing the documentation for our audits. For our employees, the intranet serves as the first point of contact in connection with searching for internal information. We use regular workshops, theme-specific working groups, new processes and procedures in optimising production or internal communication measures to develop and implement rules and processes at all levels.



Certification to PEFC

PEFC certification is the world's largest independent certification standard that enables forest owners to commit to ecological, economical and social timber production. Its main aim is the promotion of sustainable, careful and cost-efficient forestry management.



Das Zeichen für verantwortungsvolle Waldwirtschaft

Certification to FSC®

Products with this seal are made from wood from forests that are certified to internationally and nationally agreed standards of responsible forest management. FSC® stands for responsible forestry based on ecological criteria such as biodiversity and landscape conservation as well as social aspects.



Furniture made in Germany

"Furniture Made in Germany" – under RAL registration 0191, this means that construction, assembly and quality testing all take place in Germany. Most of the manufacturing process relevant to quality must also be done in Germany.



Best quality – "Golden M"

Holder of the "Golden M", a RAL quality label that is issued by the German Furniture Quality Association. Manufacturers and furniture are tested by independent experts. The subject of assessment is the quality of furniture – durability and stability – as well as safety, health and environmental aspects, which guarantee a healthy home.



Climate-neutral furniture manufacturing

Nolte Küchen was named a "Climate-friendly furniture manufacturer" by the German Furniture Quality Association (DGM). The aim of the climate pact is to account for, reduce and neutralise CO₂ emissions. Compensation for CO₂ emissions is made by the acquisition of climate protection certificates with which we support a reforestation project in Uruguay.



Climate pact for the furniture industry

In the context of rapidly advancing global climate change and the associated colossal impact on man and nature, the German Furniture Quality Association supports the UN's 1.5 degree target.



Emission class A

The RAL emission label provides consumers with information on pollutant emissions and is intended to protect them from adverse effects on health. The German Furniture Quality Assurance Association (Deutsche Gütegemeinschaft Möbel e.V.) has awarded Nolte Küchen's entire collection (cabinet furniture) with the best emission class (A).



RenewablePLUS

This certificate confirms that the electricity used for producing Nolte Küchen comes from renewable energy sources. With RenewablePLUS, we are making an additional contribution to expanding the use of renewable energy sources.



Development and Climate Alliance

Working as a company towards achieving the goal of the Paris Climate Agreement, Nolte Küchen supports the Development and Climate Alliance Foundation. The certificate confirms that Nolte Küchen is reducing its greenhouse gas emissions and offsetting any remaining emissions effectively and verifiably by supporting climate protection projects in developing and emerging countries.



GS seal for tested safety

Our kitchens undergo an internal quality assessment as well as being tested by independent experts. Every five years, the quality and safety of specific ranges and products are tested to the standards of German product safety law by TÜV Rhineland.



Management system to DIN EN ISO 9001

This TÜV Rhineland certificate confirms our efficient quality management and assures our product and service quality. The label stands for well-designed work sequences, which we have optimised specifically to the development and manufacture of kitchens and the marketing of the same.



Management system to DIN EN 50001

Based on the energy management system to DIN EN ISO 50001, we are able to prove the increase in our company's energy efficiency and so reduce our energy consumption and CO₂ emissions.



Foyer at the NOLTE FORUM, Headquarters in Löhne.
Open to retail partners, suppliers and consumers.





Supplier relations

As part of our strategy, it is our conviction that a partnership-like, long-term and trust-based working relationship is essential across the value chain. We are particularly proud of the fact that we have had a close business relationship with 80% of our top suppliers for at least 10 years with only a few changes.

Our timber and forest products chain (Chain of Custody) has been certified by SGS. This enables us to prove that the timber and forest products we use come from sustainably managed forests.

For further details on our Chain of Custody, refer to Section 3.2.

We ensure compliance with sustainability criteria in the supply chain under the German Act on Corporate Due Diligence Obligations in Supply Chains through our contracts, our Supplier Code, our General Terms and Conditions of Business and regular dialogue with our suppliers. Our direct suppliers are based exclusively in Europe. Our many years of cooperation and intensive mutual communication facilitate dialogue and reporting on which a focus is placed in the course of complying with the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz). We are in proactive contact with our suppliers and hold regular talks with them. As part of these talks, we also discuss sustainability issues in terms of regard to social and ecological criteria, such as reducing and optimising packaging, sustainable product management or compliance with human rights.

We conduct regular audits and risk analyses in which we evaluate our suppliers in respect of admissibility and quality of raw materials and products delivered (missing parts, delivery delays, contract management, error messages, return delivery rate, data connection, creditworthiness/risk as well as consumer complaints). We also define operational responsibilities and provide channels for bringing forward complaints.

As from 2024, we will fall within the scope of the German Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtgesetz - lKSG). For some time now, we have been creating appropriate internal structures for the necessary collection of data, for risk analysis and risk management.

We have implemented efficient measures to avoid delays in paying invoices, particularly for small and medium-sized enterprises (SMEs). For example, all payment terms agreed with each individual supplier are stored in our SAP system and matched up to the invoices they refer to. To ensure a hitch-free process, we regularly carry out two payment runs a month. This enables us to make payments on time and with due regard to reliability. Above and beyond this, we have introduced an additional element of flexibility to handle particular cases in the appropriate manner. For instance, bills can be paid at short notice every Wednesday if the situation so requires.

This structured approach lets us ensure that our suppliers and service providers always receive their payments on time, helping them to reinforcing their liquidity and business continuity.

Purchasing in the region

With the aim of keeping transporting distances short, 57 % of our total purchasing volume was from suppliers within a 100 km radius of our operating bases. We are proud of sourcing 85 % of our chipboard from Germany as well as small quantities from Austria, Switzerland and Italy.

We can also keep transporting distances short thanks to our production sites in Löhne and Melle, which are conveniently located directly on the motorway. We purchase 45 % of our chipboard from suppliers within a radius of 100 km and make sure that large quantities of chipboard are not transported over distances exceeding 400 km. This measure leads to a reduction in greenhouse gas emissions in logistics and makes economic sense from the aspect of keeping transport costs in a reasonable proportion to procurement costs.

Principles of business conduct and avoidance of corruption and bribery

We have zero tolerance for corruption and/or bribery in all of the regions in which we operate. We operate a variety of procedures to prevent and detect offences as well as to address corruption and bribery.

In December 2021, we implemented and attracted attention to a whistleblower system on our website. In the event of any non-compliance, we cultivate an anonymised, open, unhesitating, independent and objective approach, and systematically follow up reported cases. In period under review, there were no reported cases of corruption or bribery, and hence no convictions or ongoing legal proceedings on the grounds of violations of anti-corruption and anti-bribery laws. We had no reason to dismiss or discipline any employee for corruption or bribery in 2022. Nor were there any incidents of business partner contracts being terminated or not being extended on account of corruption or bribery offences.

Although we do not currently have any specific procedure in place for reporting findings to the administrative, management and supervisory bodies, the period from January 2021 to December 2022 did involve one report submitted by our female compliance officer for the Advisory Board meeting. The report contained information on the implementation and result of an analysis regarding compliance risks, the approval of compliance guidelines, training measures, our whistleblowing system as well as in relation to tax compliance.

Embedded in our company, the Nolte Group's compliance policy has the purpose of helping the entire workforce to avoid legal risks and violations and serves as a guideline for taking responsibility and practising compliance. All of our employees are given the contact details of our data-protection officers and are informed of focal compliance aspects on commencing employment at Nolte Küchen. All employees receive updates on data protection and other compliance issues. We regularly inform and train members of staff on relevant compliance matters so as to ensure they act in accordance with the law and directives throughout the company as well as in the supply chain. We are currently in the process of extending our range of training courses for executives as well as for all other employees in line with the relevance of such to their respective area of responsibility. Our internal data protection officer consistently monitors our compliance with the regulations of the General Data Protection Regulation (GDPR) and, together with the person responsible for IT security, raises awareness among employees regarding relevant data-protection topics and security risks. This, of course, also applies to apprentices who are familiarised with matters of data protection and IT security on commencing their apprenticeship. Information on critical situations concerning IT security is also provided via our "Infomanager" news channel. Every employee can access all guidelines and training plans on the intranet and also use the Nolte Küchen messenger app. The app gives employees without any PC of their own the capability of viewing Infomanager content on a smartphone and of keeping track of all news.

If compliance policy is violated, employees must expect consequences under employment law or sanctions under criminal law.

Payment practices and integration of sustainability-related benefits into incentive schemes

On average, it takes us 34 days from the contractually/legally defined payment deadline to settle our invoice, as most of our suppliers give us longer payment terms. We differentiate our main supplier categories between 'goods' with an average payment term of at least one month and 'services' with an average payment term of 14 days. In the reporting year, there were no legal proceedings on account of late payment.

We are planning to offer our executives incentive schemes linked to sustainability issues. As from 2024, we will be linking part of our variable salary components to sustainability performance and embedding this in our strategy planning and organisational structure. We are currently formulating detailed ESG goals which we will then gradually implement within our organisation.

Political influence and lobbying activities

We neither engage in any lobbying nor do we support any political parties or organisations.

Nolte Küchen is a member of the German Association of the Kitchen Furniture Industry (Verband der Deutschen Küchenmöbelindustrie - VdDK) as well as the German Wood and Plastics Industry Association (Verband der Holz- und Kunststoffindustrie (HKI). Given our two operating bases, we are active in two industry associations that work on topics, such as the transition to an economy based on closed-loop recycling management. We are also involved in regional associations, such as the Meller Netzwerk (Melle Network) or the Initiative Wirtschaftsstandort Kreis Herford (initiative on the Herford district as a host to business and industry - IWKH).

Nolte Küchen is also an active member of the Arbeitsgemeinschaft Die Moderne Küche e. V. working group and A30 Küchenmeile e.V. (KM) marketing association. Both associations are hugely important to the kitchen industry.







Environment

Climate protection

Use of resources and recycling



Environment

As one of Germany's TOP 4 kitchen manufacturers, we bear immense responsibility for our environment and, with this, for the world we will be leaving to our coming generations. This is where we want to play a pioneering part in our industry.

For us, combatting climate change and conscientiously using our resources, including the circularity of our products, are focal areas we can influence with everything we do.


At the same time, adapting to the consequences of climate change and the associated risks to adding value is also an aspect of our risk-management activity.

For us, taking responsibility means identifying and utilising those levers along our value chain – from raw materials and transportation through our production activities, product use and disposal – that enable us to conserve resources, significantly reduce greenhouse gas (GHG) emissions and adapt our value-adding process to the impacts of climate change.

This is where our approach is based on precise analyses and scientific methods. This enables us to create the basis for making the right decisions and for meeting our overriding corporate goal. For as part of the value chain we want to make the greatest possible contribution to dealing with the challenges of our age in a responsible and sustainable manner.

This being so, our focal areas and goals that help to protect the environment are as follows:

Our areas of focus and objectives contributing to environmental protection are as follows:

Focal area	Goal
Climate change 	<ul style="list-style-type: none"> Our carbon footprint remains unchanged for our Scope 1 & Scope 2 GHG emissions [t CO₂eq]. By 2030, we will be reducing our Scope 1 and 2 by 50% [t CO₂eq]*. By 2025 we will have drawn up our roadmap to reduce our Scope 3 GHG emissions in an endeavour to help honour the Paris Climate Agreement.
Resources 	<ul style="list-style-type: none"> We continuously ensure the efficient use of resources and do everything we can to prevent pollution across our value chain. We are constantly improving the life of our products by pulling every stop to maintain the highest level of quality and reparability.
Innovation 	<ul style="list-style-type: none"> As from the 2025 product line-up, sustainability will be taken into account as a criterion when deciding on new products.

* We take 2019 as the base year for calculating the levels of reduction

We achieve our goals by closely analysing our value chain with a view to targeting those areas in which we can make the greatest impact. The following sections explain how we put our goals into practice.





Our distinctive yellow boilers – the sawdust stored here enables us to cover over 99 % of our total heating needs.

Climate protection

We are committed to the 1.5°C target of the Paris Climate Agreement and are taking every step to focus our activities on reducing our GHG emissions. Acknowledged practices, such as climate accounting following the Greenhouse Gas Protocol Standard (GHG Protocol) approach and determining the emissions of our products throughout their life cycle, are tremendously important to us. They let us develop an accurate understanding of our GHG emissions and assess our significant climate-related impacts. This gives us a substantial basis for creating and implementing our transition plan in respect of combatting climate change.

Climate-related risks

We are well aware of the climate risks posed by climate change and the impact our actions have on climate and the environment. At the same time, climate change is also taking a toll on us as a company. We need to face the challenges of rising temperatures, changing precipitation patterns and a greater frequency of extreme weather events. Within our business activities and along the value chain we, as a kitchen manufacturer, are primarily affected by climate-related risks that impact forestry products. Climate change increases the risk of forest fires, pests and diseases in forests, thereby exacerbating the potential for supply disruptions, particularly for timber and other raw materials. Ensuring the resilience of our supply chain, we have always pursued a multi-supplier strategy. To prevent raw material bottlenecks, analysing raw materials affected by elevated climate risk will become a systematic component of the way we analyse risks.

Transitional plan for meeting the Paris Climate Agreement

Our company recognises the global challenges, such as climate change, energy dependency as well as the growing shortage of natural resources. Our business strategy proactively addresses these challenges and strives to manage them in a responsible and sustainable manner. In addition to the measures described in the field of GHG emissions and energy management measures, resource and waste management also plays a central part in our transitional plan to combat climate change.

We will be taking a detailed look at associated goals and measures in Section 3.2.

Our goals are aimed at minimising the GHG emissions we produce, while offsetting unavoidable emissions through recognised certificates with a view to maintaining our carbon neutral footprint. For the Scope 1 and Scope 2 GHG emissions we cause at our Melle and Löhne operating bases, we can demonstrate carbon neutrality even now.

Our chief climate burden stems from our Scope 3 GHG emissions in the upstream and downstream value chain. Contributing all we can in respect of achieving the Paris climate goals, we will create a roadmap by 2025 to reduce our Scope 3 GHG emissions. This roadmap will be based on our Scope 3 footprint drawn up under the GHG Protocol. We realise even today that the influence we have on our upstream and downstream value chain is much lower than at our operating bases. This is a challenge we need to overcome. This makes dialogue and cooperation with our partners absolutely indispensable. Giving our roadmap a structured and long-term approach, we want to create transparency and define our accountability for implementing measures to protect climate.

Key expenditure invested in reducing our GHG emissions came to € 261,625 in 2022.

GHG emissions

Table 4 below shows our Scope 1 and Scope 2 GHG emissions for 2020 and 2022 (E1-6). As from 2023, we will record our Scope 1 and Scope 2 GHG emissions on an annual basis.

Table 4: Overview of our Scope 1 and 2 GHG emissions in the 2022 reporting year

Correlation	GHG emissions by category	2020 [t CO ₂ eq]	2020 Share in %	2022 [t CO ₂ eq]	2022 Share in %
Scope 1	Heat consumption	48.30	0.7	91.04	15.1
	Fuel consumption within the company	422.42	6.09	510.49	84.9
	Gas leakages (refrigerant)	–	–	0	0
	Direct GHG emissions from industrial processes	–	–	0	0
	Total amount	470.72	6.79	601.53	100
Scope 2	Electrical power consumption*	6,466.02	93.21	0	0
	District heating / district cooling	–	–	0	0
	Total amount	6,466.02	93.21	0	0
Scope 1 + 2	Total amount	6,936.74	100	601.53	100

* GHG emissions for electricity consumption as calculated using location-based approach (German electricity mix)
Source: Fokus magazine

Since 2021, we have been able to significantly reduce our Scope 2 GHG emissions after switching to electricity generated entirely from renewable sources on 1 January 2021. This means we did not emit any Scope 2 GHG emissions in the 2022 reporting year.

Purchasing CO₂ certificates, we were able to offset unavoidable Scope 1 GHG emissions for 2022 and, as confirmed by the German Furniture Quality Association (Deutsche Gütegemeinschaft Möbel e.V. - DGM), give ourselves a zero-carbon footprint.

Table 5: Scope 1 and 2 GHG emissions in relation to furniture parts produced in 2020 and 2022

	Unit	2020	2022
Furniture parts produced	Number	1,695,000	1,920,000
Scope 1			
	Unit	2020	2022
In absolute terms	t CO ₂ -eq	470.72	601.53
In relative terms	t CO ₂ -eq per furniture part	0.000278	0.000313
Relative trend in per cent	%		+ 12.8
Scope 2			
	Unit	2020	2022
In absolute terms	t CO ₂ -eq	6466.02	0
In relative terms	t CO ₂ -eq per furniture part	0.0038	0
Relative trend in per cent	%		-100
















In 2022, both our absolute and relative Scope 1 GHG emissions increased over 2020 levels. In terms of furniture parts produced, we are seeing an increase of 12.8%. This hike is attributable to our fuel consumption because, after relaxing coronavirus measures, our sales force is again increasingly meeting and attending to customers in person. For this reason, we are placing an ever greater focus on electrifying our fleet of company vehicles.

Switching to green electricity has enabled us to cut our Scope 2 GHG emissions by 100%. This is something we will continue to do in the future too.

On top of this, we are also conducting initial analyses to determine our Scope 3 GHG emissions in greater detail. This involves looking at the 15 Scope 3 categories, shown in Figure 3 below.

Our aim is to obtain an assessment of how relevant each particular category is and of how much effort is involved in collecting data. The results from this analysis are shown in Figure 4.

Figure 3: The 15 categories from Scope 3 in the upstream and downstream value chain

Upstream* emissions		Downstream* emissions	
	3.01 Outsourced goods and services		3.09 Shipping and distribution (downstream)
	3.02 Capital goods		3.10 Processing of products sold
	3.03 Fuel- and energy-relation emissions		3.11 Use of products sold
	3.04 Shipping and distribution (upstream)		3.12 EOL of products sold
	3.05 Operating waste		3.13 Fixed assets rented out or leased out
	3.06 Business travel		3.14 Franchise
	3.07 Employee commuter traffic		3.15 Investments
	3.08 Rented or leased fixed assets		

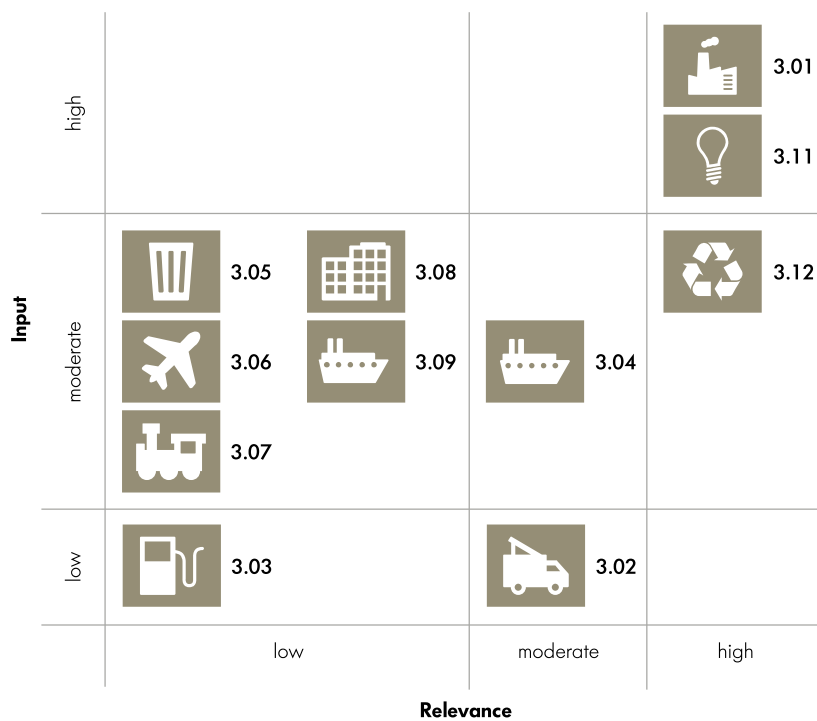
 Currently not relevant to Nolte Küchen

* Upstream and downstream refer to corporate finances.

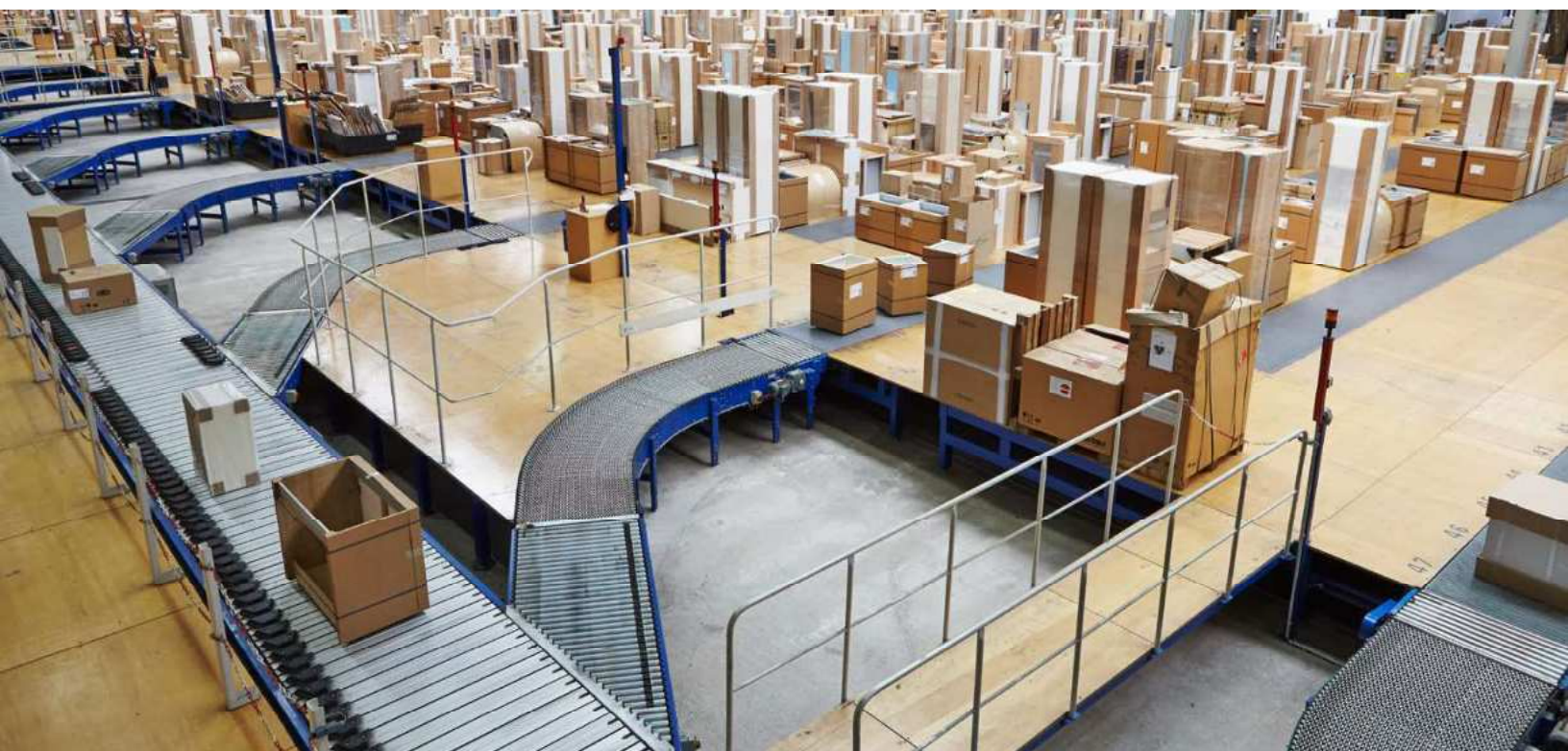
This analysis shows that those Scope 3 categories bearing the greatest relevance to us are likely to be 3.01 (Outsourced goods and services), 3.11 (Use of products sold) and 3.12 (EOL of products sold). Although these are the

categories where we see the greatest potential for reducing TGH emissions, they come with the greatest input for calculating the emissions they harbour.

Figure 4: Initial analysis of our Scope 3 categories by relevance and input*



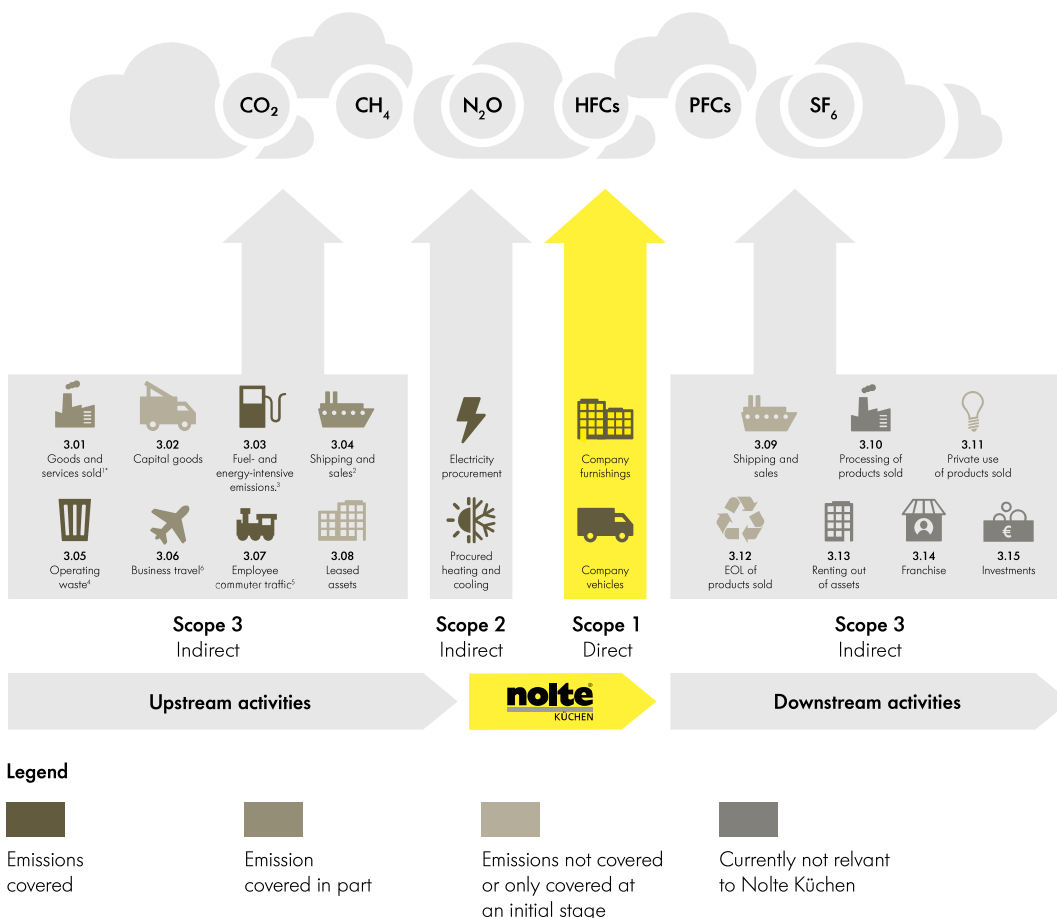
* Categories are not subject to any hierarchy within the assessment fields.



In categories 3.02 (capital goods) and 3.04 (shipping and distribution), leverage is likely to be smaller but, here, too, we need to analyse how to exploit potential reduction. Categories probably not applicable to us at present are 3.10 (processing products sold), 3.13 (renting or leasing fixed assets), 3.14 (franchise) and 3.15 (investments).

We have already taken initial steps in determining GHG emissions for Scope 3, as shown in Figure 5 below.

Figure 5: Overview of Scope 1–3 GHG emissions at Nolte Küchen.



This initial calculation of our GHG emissions is geared towards the requirements of the GHG Protocol. The emission factors used are based on the GHG Protocol's recognised sources and are documented in Nolte Küchen's 2022 Greenhouse Gas Footprint Report.

We will start recording our relevant Scope 3 GHG emissions for 2023 in 2024.

* We have started recording of our emissions for the category of purchased goods and services.
 1 Paper consumption: 35,48t CO₂ eq, hardware: 333,80t CO₂ eq, materials consumed in production: 114,54t CO₂ eq.
 2 Third-party exchange logistics: 167,02t CO₂ eq.
 3 Upstream energy-related emissions: 35,48t CO₂ eq.
 4 Water / waste volume in the company: 612,31t CO₂ eq.
 5 Employees travelling to and from work and working from home: 1,647,10t CO₂ eq.
 6 Business travel: 42,34t CO₂ eq.



Energy consumption

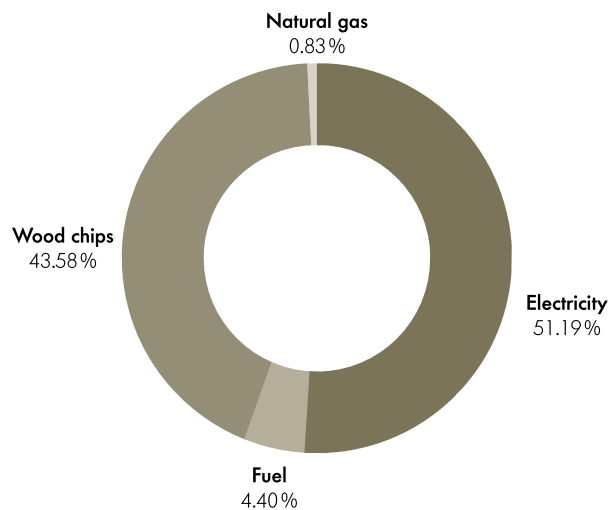
We use certified green electricity and two wood-fired boilers as our main energy sources at both operating bases. Furthermore, small amounts of the energy we consume is produced using fuel and natural gas. Table 6 below shows our energy consumption in MWh.

Table 6: Energy consumption (in MWh) in the 2022 reporting year

Energy source	2020 [MWh]	2021 [MWh]	2022 [MWh]
Electricity	20,926	21,298	23,482
Heat (own boilers)	15,367	21,304	19,990
Gas		154	383
Fuel	1,551	1,541	2,019

We have been using nothing but environmentally certified green electricity at our two operating bases since 1 January 2021. The heat generated by our boilers covers over 98% of our total heating needs and, from September to May, runs on offcut timber waste left over from production. For the process heat required from May to September, the volume of natural gas we use accounts for less than 1% of our total energy consumption. Diagram 1 below illustrates the percentage share of energy sources used in the energy we consume at our Löhne and Melle operating bases in the 2022 reporting year.

Diagram 1: Our use of energy in 2022



We have planned the following measures for 2023:

- We will maintain and expand our MESSDAS^{®1} energy recording system to improve the transparency of energy use and consumption. This includes both the reporting of measures and providing employees with information.
- We want to promote energy-conscious action by implementing awareness training measures for our employees. These aim to facilitate a better assessment of energy-conscious behaviour by our suppliers as well as optimise fuel-efficient driving.

Our main goal remains to increase energy efficiency in production and assembly in an effort to reduce GHG emissions and lower energy costs. This is where we will continue to use our standard specifications to ensure the most efficient use of production resources possible. Our energy-efficiency performance is confirmed by our energy management system under ISO 50001. Energy efficiency is also an important decision-making criterion when it comes to procuring new plant and machinery.

¹ In MESSDAS[®], we use an IT energy management system to collect and analyse energy data.



Electricity

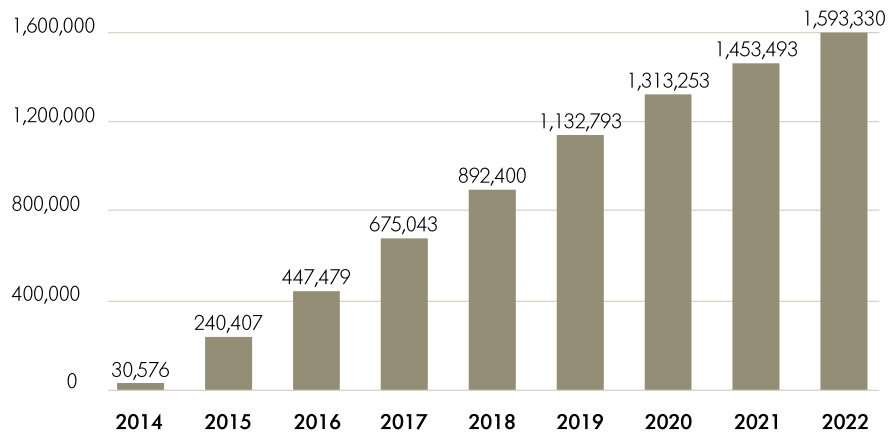
Our ISO 50001-certified energy-recording system ascertains electricity consumption levels and provides the capability of identifying major energy users and potential savings. Our energy-management system lets us define measures to increase energy efficiency and to measure and document their progress. Continuous improvement in our energy efficiency is helping to save energy costs and reduce power consumption.

Our electricity consumption accounted for the largest share of the energy we used in 2022. This was mainly caused by woodchip suction extraction systems, production facilities and compressed-air generation, which all use powerful electric motors that consume a high amount of electricity.

Switching to certified electricity from renewable energy sources from 01 January 2021 made it possible to reduce our Scope 2 GHG emissions by 6,466 tonnes CO₂eq over 2020.

Our average electricity consumption per item of furniture produced is 12.23 kWh in 2022 as compared to 12.05 kWh per item of furniture in 2021. This minimal increase of 1.5% is too small to draw any meaningful conclusions in terms of electrical energy efficiency. Nonetheless, it continues to be our goal to implement measures to reduce our consumption of electricity. For instance, we have converted most of our lighting to energy-efficient LED technology. Electricity savings are recorded on a quarterly basis as part of our ISO 50001 energy-management system. Since switching over in 2014, it has been possible to save a total of 7.8 million kWh of electricity, as can be seen from Figure 6 below.

Figure 6: Energy savings in kWh through lighting modernisation measures, cumulative figures



Our goal for 2023 is to continue converting the lighting at our operating bases to LED, thereby achieving an annual electricity saving of at least 205,000 kWh in the field of lighting.

Given the growth in demand for our products and the associated higher level of production, our electricity consumption is not expected to fall by any significant amount. We will continue to purchase green electricity. For the time being, this is also fixed by contract until the end of 2023. An extension has already been signed. This will take immediate effect from the end of the first contract and remain valid until the end of 2025. We are actively examining the suitability of our existing buildings for installing photovoltaic systems in a move to further expand the share of renewable energies and reduce our outsourced electricity as production increases. The NOLTE FORUM will be fitted out with a PV system in 2023. Plans are already in hand to install photovoltaic systems for the "Building 4" new build project.

Heat

In 2022 we reduced our internal consumption of thermal energy to 20,372 MWh and our relative thermal energy consumption per item of furniture by 12.6%. The energy-related evaluation of heat consumed in the reporting year is presented in Table 7. We cover over 98% of our consumption with waste wood (offcuts, sawdust and wood shavings) from production in the boilers we operate. The gases emitted from our boilers is constantly monitored. In summer, we need less than 2% of our annual heat costs (under 2,000€/month) in our paint shop for drying surface coatings. In winter, heat is generated exclusively by our boilers.

Table 7 adjacent shows the respective share of consumption per heat generator at our operating bases in Löhne and Melle in 2022. This shows that consumption from self-generated thermal energy accounts for more than 98% and also that we have been able to achieve a reduction in total energy needs over the previous year.

Table 7: Energy evaluation for heat generated in 2022

Energy source	Location	Plant / machine	2021 Thermal energy consumed internally [MWh]	2022 Thermal energy consumed internally [MWh]	2022 Share of heat in consumption [%]
Chip material	Löhne	Boilers 1 & 2	12,657	11,978	58.79
Chip material	Melle	Boilers 1 & 2	8,648	8,012	39.33
Consumption from thermal energy generated in house	Löhne & Melle	Boilers 1 & 2	21,304	19,990	98.12
Natural gas	Löhne	Gas boilers	154	382	1.88
Total (absolute)	-	-	21,458	20,372	100

Evaluation of energy consumed in relation:	2021	2022
Furniture parts produced	1,767,000	1,920,000
Heat consumed in kWh in relation to every item of furniture produced	12.14	10.61
Relative trend in per cent	- 12.6%	



Vehicle fleet and business trips

In the 2022 reporting year, fuel consumption by our company vehicles accounts for 4.4% of the total energy sources. In respect of our GHG emissions, fuel consumption accounts for a share of 85%, which is why our vehicle fleet has high savings potential in terms of our impact on the environment. When expanding or renewing our vehicle fleet, we actively look at purchasing fuel-efficient vehicles. Our main goal is to electrify our fleet as well as increase our renewable energy capacity by investing in photovoltaic systems. In particular, these are to be used for charging our electric vehicles at our operating bases. As from May 2023, we will be offering the option of leasing all-electric vehicles. The aim is to gradually change our vehicle fleet over to e-mobility and only in specific instances approve a diesel vehicle for employees entitled to a company car.

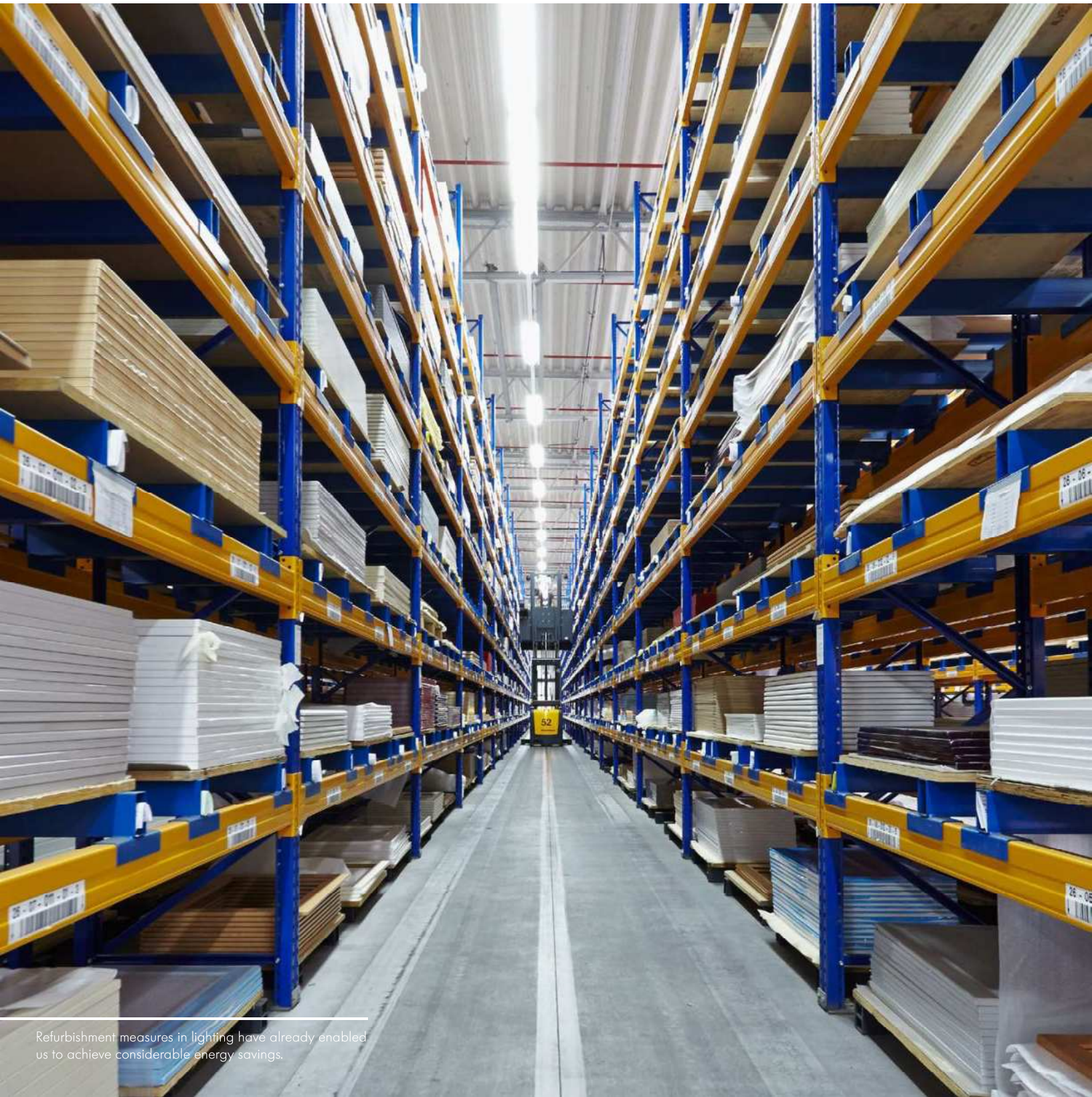
To further reduce fuel consumption, we actively encourage our employees to share cars for business trips. We have also established an internal policy that sets out the rules for using means of transport on business trips and giving priority to choosing e-mobility for company vehicles.

Stock-keeping, logistics and shipping

Given the close proximity to our main suppliers and manufacturers, transport distances are short. Thanks to our strategically located operating bases, just-in-time deliveries and demand-synchronised production, we do not need any extensive stock-keeping. Unlike most of our competitors, we do not have our own fleet of vehicles, but work with a forwarding company. Our forwarder, Reber, assists us in optimising transport routes and reducing empty runs. Here, Reber only uses diesel Euro6 vehicles and vehicles that run on LNG (liquefied natural gas). Together with our forwarder, we identify potential for boosting efficiency in downstream shipping, develop measures and promote sustainable activities.

Our kitchen outfit

While our kitchens are being used, energy consumption plays a crucial part in reducing GHG emissions throughout the product life cycle. To do this, we use only energy-efficient lighting solutions in our kitchens that meet end-user demands. One example of this comes in the form of LED strip lighting, which requires around 30% less wattage for the same level of brightness. This enables us to provide energy-saving lighting without compromising on lighting quality.



Refurbishment measures in lighting have already enabled us to achieve considerable energy savings.

Reducing GHGs and projects to bring down greenhouse gases

Reducing GHGs is of crucial importance to mitigating climate change. But reducing GHG emissions alone is not enough. It is equally important to reduce the GHGs already present in the atmosphere, as this will help to limit damage and supports efforts to build a sustainable future.

Currently, we do not have any active measures in place for reducing or storing GHGs along the value chain. This gap needs to be closed in the near future. Developing technologies and strategies for directly removing GHGs from the atmosphere along the value chain is essential to minimising the impact we have on climate.

To achieve a carbon neutral footprint all the same, we currently use carbon credits. These allow us to offset our own GHG emissions by supporting projects that reduce GHG emissions. Purchasing these credits will enable us to offset our ecological footprint again in 2022 and maintain climate neutrality.

However, it is important to note that purchasing carbon credits is only a temporary approach. In the long term, we will concentrate on doing more than simply offsetting our GHG emissions and take action that will make it possible to reduce GHGs. This will make it necessary to invest in innovative technologies and build capacities along the value chain to pave the way towards a sustainable and climate-neutral future.

Use of resources and recycling

Our pursuit of environmental, economic and social sustainability is driving us to create ever new processes and product innovations. We implement this innovation strategy throughout the entire product life cycle, starting with the selection of sustainable raw materials, through to cooperation with suppliers and optimising our production processes, and on to developing environmentally friendly end products. Doing so, we record relevant key figures, such as the trend underlying complaints, missing parts and productivity hikes with a view to formulating concrete target agreements with our production and departmental managers. Shown below are the areas in which we are driving forward our key sustainability activities.

Potential risks in respect of resources

The risks involved in supplying timber as a raw material are in our opinion very low since sufficient quantities of recycled wood are available which lets us further reduce the percentage of freshly felled timber. We conduct regular risk analyses as the basis for continuously assessing potential risks. In relation to our chipboard suppliers, we also see a low level risk for social and environmental problems, as some 85% of our chipboard is sourced from Germany. Our suppliers who have their chipboard factories in Germany and are not domiciled in border regions (e.g. with Poland or the Czech Republic) source around 95% of their wood from Germany. We gear our risk assessment at Laender (German federal state) level towards acknowledged indexes, such as the World Justice Project, the Environmental Performance Index and the Global Salary Index.

*” Developing innovative
and, at the same time,
sustainable products –
that’s our expectation. “*

Directives and measures in relation to use of resources and recycling

Utilisation of materials

Ensuring innovation, efficiency and durability in the use of raw materials forms the basis of our business activities and helps to promote sustainable developments and the effective use of resources.

Over 99 % of the timber we use is based on the principles of sustainable timber criteria. This is where we rely on FSC® certification, PEFC certification as well as meeting the TSCA criteria².

In selecting our chipboard, we set store by making sure it contains a high percentage of recycled material. In 2022, the chipboard we purchase will contain an average of 60 % recycled wood. We source our chipboard from various suppliers who offer a recycled wood content of 20% to 100 %.

The environmentally harmful production of chromium produces the toxic heavy metal chromium VI, which is classified as hazardous waste and has been proven to contaminate water. We have requested our suppliers to refrain from using harmful manufacturing processes.

In marketing, we are increasingly using uncoated and FSC®-certified paper for printing. Alternatively, our printed material is available for downloading from our website which means we have been able significantly reduce paper consumption.

² Our FSC® certification is valid until 30 August 2023, our PEFC certification until 1 September 2023. We have held both certifications since 2010, making us the first kitchen furniture manufacturer to hold both seals of approval. The timber materials we purchase also meet the TSCA criteria (US law regulating formaldehyde emissions from wood-based materials).

Higher raw-material productivity

We place high expectations on quality and the efficient use of resources in selecting and processing of raw materials. In our production, we attach importance to increasing resource efficiency by optimising the amount of offcut waste from our basic raw materials of MDF and chipboard in the production process and by enhancing our machinery. For us, resource efficiency begins as early as the purchasing stage by sourcing made-to-measure chipboard from our suppliers in dimensions optimised for our machines. Regular offcut waste analyses, such as those at our main facility where we process 70 % of our material, permanently enable us to check the targets we set. Resulting from a broader range of in-house production compared to the previous year, our waste at the main facility in factory 2 has increased from 9.0% in 2021 to 9.4% in 2022. In taking our product range forward, our product management team constantly scrutinises ways of using material components more sparingly in designer-style items.

We want to continuously increase the share of recycled material in the resources used on manufacturing kitchens and take innovative approaches to achieve this. In addition to this, we offer the possibility of taking back kitchens as well as comprehensive range of servicing and repair options to extend the useful life of our products. Furthermore, we are building on the use of plastic packaging materials with a higher share of recycled materials. As from 2024 onwards, for example, we will be using 30% content of recyclate in our waste bins. This will enable us to achieve a 20% lower carbon footprint compared to conventional waste bins. This means it will be possible to save 94,000 kg CO²-eq in 2024 for the same delivery volume.

In the 2024 line-up, we will also completely abandon the use of PVC in all of our kitchen fronts. Given the impacts manufacturing has on the environment, exacerbated recyclability and the chemicals released in hot weather, we have decided to use materials that are kinder on the environment.

Product management

As a key element of our sustainability strategy, we set store by making products that last. High-quality, durable and repairable products are key to using resources efficiently. We demand proof of material quality through quality management agreements and ensure the availability of spare parts, reparability and guarantees as early as the product development stage. Ideas and suggestions for improvement can be submitted through our ICE ideas management system ("Ideas Cleverly Embraced"). Our information manager also provides extensive information for our employees. Using kitchen components made from recycled materials helps us to ensure closed-loop recycling management. At the same time, we regularly need to weigh up between using secondary raw materials and ensuring durability and quality. In areas where recycled materials do not meet our quality standards, we prioritise customer satisfaction and product quality.

Product innovation

Product innovation plays a central role in developing sustainable and future-proof products. We attach tremendous importance to involving various stakeholders in the ideas-management process. Involving customers, suppliers, employees and other relevant parties, we can gather diverse perspectives and ideas to find innovative solutions.

A further key aspect of sustainable product innovation is to allow for spare-parts availability and reparability as early as the product-design stage. By integrating these two aspects into the development process, we extend the life of our products and reduce the consumption of resources. The ability to repair products instead of immediately disposing of and replacing the entire kitchen allows us to significantly save valuable raw materials and minimise flows of waste.

Less packaging materials and waste

To reduce waste or prevent it from occurring in the first place, we are working proactively with our packaging suppliers to continually optimise packaging and avoid the use of plastics. Our goal is to minimise the use of packaging materials while ensuring optimum protection for products in transit and on delivery.

We continuously apply measures to reduce the amount of packaging materials used. One way is to reduce the thickness of the films used. We source many of our raw materials, semi-finished and finished products, such as hardware systems, in reusable packaging which we then return to our suppliers. These packagings are re-used in the spirit of closed-loop recycling management for packaging new products.

Disposal

We properly dispose of our in-house waste in accordance with the applicable legal provisions through specialised and certified disposal companies. These companies ensure that waste is treated in an environmentally sound manner to minimise potential negative impacts on the environment. To ensure the transparency and traceability of the disposal process, these companies provided proofs of disposal that contain detailed information on the type and quantity of waste disposed of. Our standard cabinet packaging includes corrugated cardboard caps for cabinet corners as well as film wrapping. Depending on kitchen front ranges, such as real wood or lacquered fronts, we also use polystyrene and bubble wrap to ensure optimum product protection. The packaging we use to protect and ship our kitchen cabinetry and parts is disposed of in the proper manner. Waste packaging, such as cardboard, foils/films, wood and polystyrene, are given to a certified waste-management company that collects and recycles transport packaging and issues relevant proof of disposal. 100% of our waste is recyclable in 2022. We generated no hazardous or radioactive waste. Our waste volumes in 2022 are presented in Table 8 below.

The trend in packaging waste in the wood sector has remained the same. Cardboard is the only type of waste for which there has been an increase in waste quantities in relation to production volume. We have reduced all other site waste as well as packaging waste in relation to production volume. Relatively speaking, this means we were able to reduce our total volume of waste by 9.7%. These results reflect the measures to reduce plastic-based materials. The increase in packaging waste from cardboard results from the changeover from and reduction in plastic-based packaging materials. We will continue to drive this trend forward and optimise our packaging and waste management in the future.

To encourage our consumers as well to reduce packaging and forgo plastics, we are planning to develop more everyday kitchen products in the future that will help our customers reduce household waste.

Table 8: Site and packaging waste volumes for the 2020, 2021 and 2022 reporting years

Waste type	Unit	2021	2022	Trend in relation to production volume* [in %]
Operating-base waste				
Household waste	t	300	314	- 3.7
Card / waste paper	t	420	440	- 3.6
Foil/film**	t	123	125	- 6.5
Packaging waste				
Card	t	1766	2076	+ 8.2
Wood	t	198	215	+/- 0
Foil/film	t	444	413	- 14.4
Polystyrene	t	156	155	- 8.6
Strapping	t	47	50	- 2.1
Total volumes of waste				
Waste volume total	t	3454	3788	- 9.7

* Production volume is represented by the number of furniture parts produced. In 2021 this amounted to 1,767,000 and in 2022 to 1,920,000 furniture parts.

** The waste fraction designated "Site waste: film/foil" is recorded in cubic metres (m³). We have used a factor of 0.11 for converting figures into the tonnage as per the European List of Wastes for the 2018 reporting year. It must be assumed that the actual weight is likely to be lower than our estimate as the effects of air voids were not taken into account.





04

Social

Own workforce

Employees in the value chain and
communities affected

Consumers and end-users

Commitment to public good



Social

We are proud of our long-term employment relationships, these being based on trust and partnership, while also in many cases extending over periods in excess of 10 years. Our employees are of key importance to us. Also close to our heart is a capacity to provide our employees with good working conditions that enable them to balance work and private life and also give them opportunities to further their careers. Our aim is to ensure that our entire workforce benefits from our success by creating attractive working conditions and incentive schemes at both monetary and non-monetary level.

We realise that satisfied and motivated staff are the cornerstone of our success, which is why we want to be the most attractive employer in the kitchen industry and in the region.

It is to this end that we concentrate on the following focal areas and goals, which are closely linked to our strategic understanding of sustainability and to our values.

We want to be the most attractive partner for our stakeholders across the value chain. To achieve this, we have set ourselves the following goals:

Table 9: Our focal areas and goals with social contribution to date are as follows

Focal area	Engaging in dialogue with stakeholders	Goal
Stakeholder dialogue		<ul style="list-style-type: none"> ■ We ensure ongoing dialogue with our stakeholders.
Equal opportunities		<ul style="list-style-type: none"> ■ We guarantee equal opportunities.
		<ul style="list-style-type: none"> ■ We respect workers' and human rights.
Health and safety		<ul style="list-style-type: none"> ■ The goal we pursue: 0 accidents.
Qualification		<ul style="list-style-type: none"> ■ We guarantee annual access to career furtherance for all employees.
Employee satisfaction		<ul style="list-style-type: none"> ■ We will be surveying employee satisfaction until 2024. ■ We will be creating and implementing an employee satisfaction roadmap. ■ We will be completing work on constructing of our staff restaurant in summer 2024.
Customer and end-user satisfaction		<ul style="list-style-type: none"> ■ We ensure the highest possible level of protection for our customers' data. ■ We guarantee product safety at all times. ■ We engage in constant dialogue with our customers and end users.

In particular, we achieve our goals by engaging in intense dialogue with stakeholders, both internally with our workforce as well as externally with our retailers and end users. This enables us to focus on areas where we have the greatest impact. The following sections explain how we put our goals into practice.



Own workforce

Our members of staff are particularly close to our heart. Their dedication, knowledge, experience and inquisitiveness are what define us as Nolte Küchen. For this reason, we assist our staff in furthering their development – both on the work side through basic and further training as well as at a personal level by respecting and enhancing their work-life balance. This includes the option of flexible working-time models and hybrid forms of working. Internally, we have in recent years driven forward digitisation processes so as to permit mobile working on a long-term basis for a large proportion of staff and to make working relationships sustainable and efficient.

Nolte Küchen's Löhne and Melle operating bases do not pose any significant risk to their own business area on account of their geographical location. Nonetheless, our everyday operations - which are defined by many different craft activities - are exposed to typical risks which we try to reduce through targeted measures and training.

You can find out more about the way we manage opportunities and risks in relation to our employees in the following sections.

Our employees

We are committed to providing equal opportunities to every person, regardless of their gender, age, ethnic background, faith or physical constitution. We are proud of the fact that we have been able to see staff numbers grow for many years. At the time the report was published (as at June 2023), our company was employing 1461 members of staff. In addition, we have a total of 129 temporary workers at Nolte Küchen. Our headcount for 2019 to 2022 is shown in Table 10 below.

Table 10: Number of employees by headcount (as at 31.12.2022)

	2019	2020	2021	2022
Total	1244	1283	1346	1453
Of which white collar	540	552	581	630
Of which blue collar	704	731	765	823

Diagram 2: Key figures for our employees in the 2022 reporting year

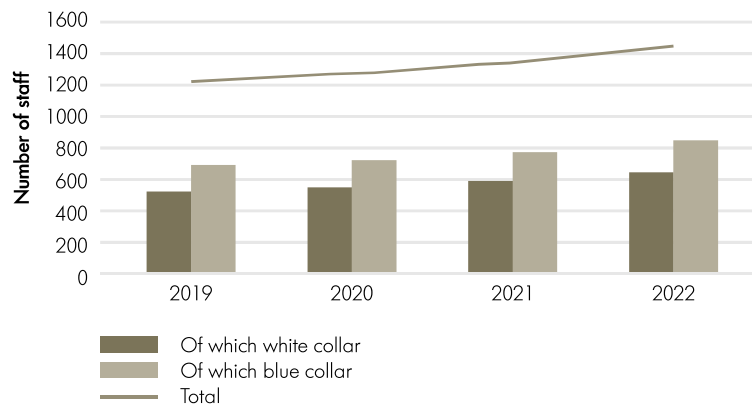


Table 11 below gives you an impression of the makeup underlying our workforce which comes from a no fewer than 33 countries.

Table 11: Key figures for our employees in the 2022 reporting year

	Female		Male		Other		Total	
	Number	%*	Number	%*	Number	%	Number	%**
Total number of staff ^a	293	20.17	1160	79.83	0	0	1453	100
Permanent employees ^a	234	19.65	957	80.35	0	0	1191	81.97
Temporary employees ^a	59	22.52	203	77.48	0	0	262	18.03
Full-time employees by operating base ^a								
■ Melle	35	5.10	651	94.90	0	0	686	47.21
■ Löhne	168	26.21	473	73.79	0	0	641	44.12
Part-time employees by operating base ^a								
■ Melle	3	33.33	6	66.67	0	0	9	0.62
■ Löhne	87	74.36	30	25.64	0	0	117	8.05
Employees with non-guaranteed working hours ^a	2	40.00	3	60.00	0	0	5	0.34
Staff employed under IG Metall metalworkers' union collective bargaining agreement ^{a, c}								
	283	20.76	1080	79.24	0	0	1363	93.81

We are continuously working on minimising our employee turnover rate. In the reporting year, the turnover rate was 8.2% (n=116).

All key figures apply to the 2022 reporting year and were collated at the end of the period under review.

^a By headcount

^b Individuals working on employment contracts with the company ("self-employed") or workers provided by undertakings primarily engaged in "employment activities" (NACE code N78).

^c We have entered a collective bargaining agreement (IGM union for the woodworking and plastics industry) with two collective bargaining areas (Löhne, North Rhine Westphalia and Melle, Lower Saxony). There is no agreement with employees on any representation by a European Works Council (EWC), a Societas Europaea (SE) works council or a Societas Cooperativa Europaea (SCE) works council.

* Percentages in relation to the total number of female employees (n = 293) or male employees (n = 1160)

** Percentages in relation to the total number of persons employed at Nolte Küchen (n = 1453)



” It is our goal to increase diversity both among our employees as well as at management level. “

Table 12 gives you an overview of the gender distribution at management level as well as in our workforce.

Table 12: Gender distribution in the 2022 reporting year

	Female		Male		Other		Total	
	Number	%*	Number	%*	Number	%	Number	%**
Gender distribution at top management level among employees ^{a, b}	6	7.14***	78***	92.86	0	0	84	100
Gender distribution in the workforce	293	20.17	1160	79.83	0	0	1453	100
Gender distribution in production	39	4.74	784	95.26	0	0	823	56.64
Gender distribution at department level (excluding production)	254	40.32	376	59.68	0	0	630	43.36

All key figures apply to the 2022 reporting year and were collated at the end of the period under review.

^a By headcount

^b Gender distribution at top management level among employees is n = 13 female and n = 82 male persons

* Percentages in relation to the total number of female employees (n = 303) or male employees (n = 1158)

** Percentages in relation to the total number of persons employed at Nolte Küchen (n = 1461)

*** Percentage in relation to the number of female employees at management level (n = 13) and male employees at management level (n = 82)

The percentage of our employees with disabilities is shown in Table 13.

Table 13: Percentage of persons with disabilities in the 2022 reporting year

	Female		Male		Other		Total	
	Number	%*	Number	%*	Number	%	Number	%**
Percentage of persons with disabilities among employees _{a, b}	7	18.42	31	81.58	0	0	38	2.62

All key figures apply to the 2022 reporting year and were collated at the end of the period under review.

a By headcount

b Key figures refer to employees who are actual severely disabled, not to those employees with equal status.

* Percentages in relation to the total number of female employees (n = 303) or male employees (n = 1158)

** Percentages in relation to the total number of persons employed at Nolte Küchen (n = 1461)

Age distribution (by age group) among our employees is shown in Table 14 below.

Table 14: Age distribution among our employees in the 2022 reporting year

	Under 30 years of age		30–50 years of age		Over 50 years of age		Total	
	Number	%	Number	%	Number	%	Number	%
Distribution of employees by age group _a	227	15.62	644	44.32	582	40.06	1453	100

All key figures apply to the 2022 reporting year and were collated at the end of the period under review.

a By headcount

* Percentages in relation to the total number of female employees (n = 303) or male employees (n = 1158)

** Percentages in relation to the total number of persons employed at Nolte Küchen (n = 1461)

Directives in relation to our own workforce

Deeply entrenched in our DNA, our values have been defining our corporate policy for many years. A key aspect of our corporate philosophy is to ensure compliance with national and international laws and directives in respect of working conditions, environmental and health protection. In particular, we actively oppose human trafficking, forced and compulsory labour. Enshrined in our compliance policy and binding on all, these values are part of our identity and are reflected in our business practices and in our relationships with partners and suppliers.

Equal opportunities and human rights in our workforce

The safeguarding of human and employment rights as well as a respectful approach towards one another across all levels of the company are of tremendous importance to us. We have committed ourselves to the "Diversity Charter" and, in doing so, ensure equal opportunities, diversity and inclusion in the company. We as the Nolte Group have always built on a policy of openness, honesty and integrity. Upholding and complying with workers' and human rights, protecting personal rights, respecting the personal sphere of others and granting equal opportunities for all - this is what forms the basis of everything we do in the corporate world.

For further details on the employees involved in our value chain, please see Section 4.2 Employees in the value chain.

Through our production bases in Germany and being part of a collective-bargaining agreement, we can guarantee full compliance with workers' rights. In addition to this, aspects such as holiday pay, pension schemes and part-time work are also regulated by collective bargaining agreement. Compliance with workers' rights is monitored through existing statutory regulations, employment contracts and our compliance policy as well as by our works council. This also covers aspects prescribed in law, such as working hours and work-break regulations.

Among other instruments, we also have a works agreement in place on handling discrimination and bullying which provides information on procedure and contact persons.

We have been a signatory to the Diversity Charter since 2011. We are committed to providing equal opportunities to every person, regardless of their ethnic, social or national background, colour, gender, sexual orientation, gender identity, disability, age, religion, political opinion as well as to all other forms of discrimination covered by the EU regulation and national law. Following from this, any kind of discrimination or harassment whatsoever will not be tolerated. We take every organisational measure necessary to ensure lawful conduct on the part of all executives and staff. No incidents of discrimination or harassment were reported during the period under review. No human rights were violated by our workforce either.

In our everyday actions, we are committed to the following internationally recognised principles:

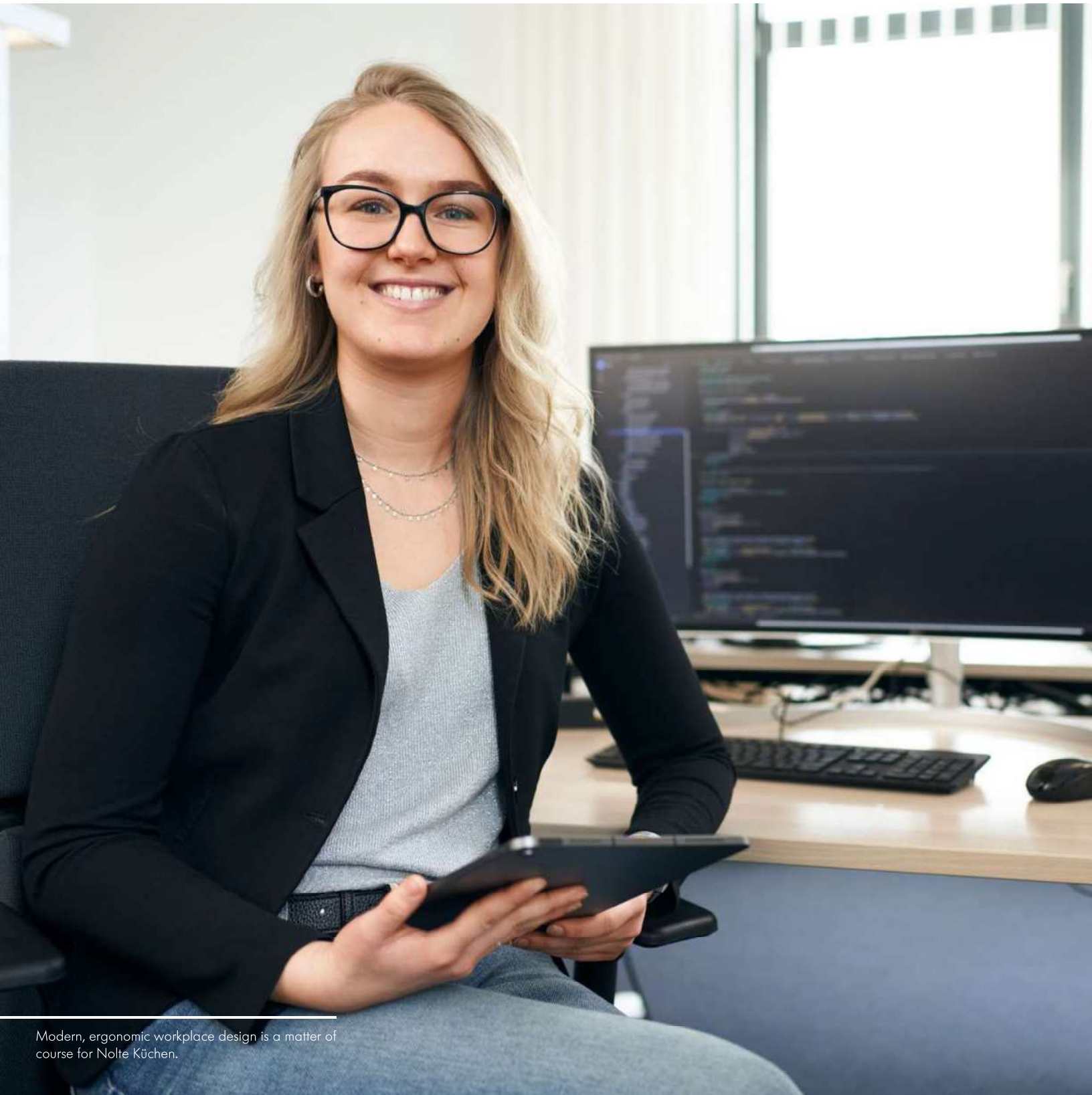
- United Nations Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work

- United Nations Guiding Principles on Business and Human Rights
- 10 Principles of the UN Global Compact
- OECD Guidelines for Multinational Enterprises

The above-stated principles not only apply to us but across our entire supply chain. Further information regarding our human rights due diligence in our value and supply chains, including communities potentially affected, can be found in Section 4.2.

Our structures are designed to ensure compliance with workers' rights through regular and varied training measures. We also hold quarterly health and safety committee meetings to discuss the status quo and potential for improvement.

For an overview of our wide ranging training activities, please refer to the report's Qualification section.



Modern, ergonomic workplace design is a matter of course for Nolte Küchen.

Appropriate remuneration

Equal opportunities are a key element in our remuneration policy too. In our production operations, workplace evaluation is carried out in line with the standard defined by the Association for Work System Optimisation, Operations Organisation and Business Development (Verband für Arbeitsgestaltung, Betriebsorganisation und Unternehmensentwicklung e.V.) (REFA standard), whereby the workplace is allocated to a wage group that provides appropriate remuneration. This pre-defined workplace evaluation, which is geared towards the applicable benchmarks, lets us make a neutral assessment and ultimately ensure equal opportunities in terms of pay. This system also provides a transparent way for employees to set down their demands for moving up the wage group and offers a basis for developing appropriate further and advanced training measures. Pay is grouped on the basis of collective bargaining agreement regulations. The level of remuneration for persons employed outside any collective bargaining agreement is based on various criteria, such as education or studies, vocational experience or sphere of responsibility. Randstad is externally responsible for ensuring that temporary employees and employees without any direct employment contract with Nolte are paid appropriately and that all employee protection legislation is met.

We are strongly committed to avoiding wage inequality and wage differentials between the sexes. This is clearly reflected in our gender pay gap¹, which, in this reporting year, comes in at 2.71 %.

We also provide incentives for our present and future employees at non-monetary level. For instance, we help to keep our employees in good health by ensuring ergonomically designed workplaces, by providing exoskeletons for our production employees or height-adjustable desks for our commercial employees. Nolte encourages its workforce to partake in more sport, thereby paving the way to a healthy lifestyle. Nolte creates incentives for doing more exercise by implementing various measures, such as paying to enter external sporting events, discounts for gym membership or offering the chance to lease an e-bike. Currently on offer are also company-wide sports groups, such as garden-based exercising or yoga courses, running meets or a dragon boat group.

Social protection

We are required by law to provide all our regular members of staff with social protection in the event of loss of income resulting from drastic life events such as illness, unemployment (from the time the employee works for the company), work accidents and related disabilities, maternity leave or retirement. This is where our occupational integration management system (OIM) helps to maintain, improve or restore our employees' ability to work, increasing job satisfaction and reducing absenteeism and illness costs that can be influenced by the company. OIM focuses on screening measures as well as aftercare measures to aid medical rehabilitation. Our OIM system covers all members of staff who are unfit for work for more than six weeks, either continuously or repeatedly, within a period of twelve months. Using the company's personnel information system, we regularly evaluate data on sickness-related absenteeism. We have a 99.79 % participation rate.

¹ The gender pay gap results from the difference between our male and female employees' average pay level.

Health and safety

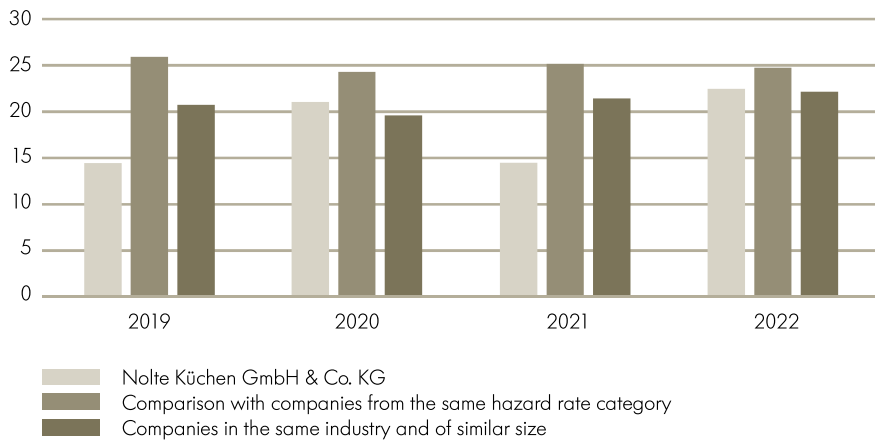
Our employees are the cornerstone of our success, and ensuring their safety is Nolte Küchen's top priority. We pursue the 0-accident target for ratio-related accidents and guarantee 100% traceability for all accidents.

To give all our employees optimum working conditions and the highest possible standards in occupational health and safety, we see accident prevention measures as well as raising awareness of work safety among the workforce as the greatest levers for maximising accident prevention. Focused specifically on particular groups of the workforce, we offer a wide range of training activities to ensure occupational health and safety. We also conduct regular safety inspections and offer preventive check-ups through our company doctor. As part of our occupational health and safety management regime, we systematically record the number of work-related accidents by operating base, including non-notifiable work-related accidents and accidents occurring while commuting to and from work. Table 15 below shows a summary of work-related accidents for 2020 to 2022.

Table 15: Number of notifiable work-related accidents at Nolte Küchen from 2020 to 2022

	2020	2021	2022
Notifiable	46	28	46
Not notifiable	7	6	8
Commuting accidents	6	4	6

Diagram 3: Rate of notifiable accidents per 1,000,000 working hours for 2019 to 2022



For years now, the number of work-related accidents has fallen below those recorded in companies from the same hazard rate category. Given our even lower number of accidents in 2021, we fell well below the average over companies in the same industry and size. This is something we attribute in particular to the greater number of people working from home and other pandemic-related aspects. With the need for a higher level of manufacturing capacity, our accident figures slightly increased again in 2022.

We have various measures in place to reduce our accident rate of 23.87 (LTIR)³ and reach our zero-accident goal. Above all, we see great potential for preventing accidents by optimising processes. To date, we have recorded no fatalities resulting from work-related injuries. In the reporting year, a total of 1,389 days were lost from work-related injuries and illnesses.

Offering no fewer than 21 training measures, the range of our specialist-group training activities enabled us to sensitise 1433 employees to all aspects of occupational health and safety in the reporting year. Specialised training courses are also available for minimising hazards in the immediate work environment and preventing accidents. We also employ occupational health and safety officers in our departments as well as a company paramedic at each operating base. We offer our employees the option of taking part in a risk assessment of exposure to mental and psychological strain and, of course, also take care of the well-being of our workforce in crisis situations. To ensure health and safety, all of our employees are covered by our risk assessment activity in this regard. This is based on statutory requirements.

Life comes with new challenges every day – whether at work or from events occurring in personal life. Anyone can get into a difficult situation they can't find a way out of by themselves. This is where professional support can be helpful. In an effort to provide our employees with speedy help and relief, we have been cooperating with awo lifebalance since 2020. Benefiting from a broad network of 14,000 social welfare organisations and services as well as numerous partnerships, our employees can identify and activate available resources together with experienced counsellors and coaches with a view to developing individually tailored perspectives for resolving problems of various kinds (such as family problems, stress after a separation, dealing with grief, mental overload, burn-out or worries at the workplace, bullying or mental illness). The counselling service is open to all employees and can be used to help them in any way they need support. The content of all discussions between the counsellor and the employee does, of course, remain absolutely confidential and is not made known to the employer or any third party. The costs incurred by this counselling service are paid for by Nolte Küchen.

From 2024 on, we will be offering annual health and safety days throughout the company. Starting in 2026, we are planning to expand our occupational health and safety training activities, both in terms of the system itself and the opportunities offered. On top of this, we are aiming to reach the industry's average sickness rate as quickly as possible, particularly at production level.

³ The Lost Time Injury Rate (LTIR) is the most frequently used occupational health and safety indicator. It is produced from the number of accidents resulting in lost time (notifiable and non-notifiable accidents) in relation to the hours worked in the reporting year. Our staff charged externally as well as our HR service are excluded from the LTIR.

Qualification

Maintaining and fostering staff qualification and skills is another focus for Nolte Küchen. We are committed to giving all our employees access to further training measures in an effort to maintain and foster their employability across all age groups.



Nolte Küchen is one of Germany's 100 top apprenticeship training companies. This is why we have been given the "BEST PLACE TO LEARN®" award – having received it for the second time in succession. The apprenticeship-training label is a promise of above-average in-company training, and only awarded to companies that can prove they provide young people with excellent qualifications. Every year we give some 40 young people the best opportunities for a secure career future and advancement geared towards the individual as part of our training and practice-orientated study programme.

We operate a wide range of individually tailored basic and further training measures to enhance our employees' qualifications, promote their long-term employability and provide them with ongoing career advancement opportunities. We feel that training events, further training measures, training series and regular staff talks are of central importance. This is why we provide training by occupational group to suit particular demand, and differentiate between training with standard applications and training with specialised applications in the respective business units. Our SAM training tool holds training courses on topics, such as work and safety or data protection, and documents staff participation as well as pass rates. From a total pool of 415 training activities, those that staff need are allocated by departmental management in line with the field of a person's activity and place of employment.

The following tables provide an overview of the planned and conducted training measures for 2019 to 2022 (Table 16) as well as the average number of training hours, differentiated by employee category (Table 17).

Table 16: Number of training events planned and held between 2019 and 2022

Status details	Explanation	2019	2020	2021	2022
Training target	Total number of instruction units allocated	12,659	12,966	16,008	17,693
Conducted	Number of instruction units conducted	12,206	12,314	14,881	16,310
Not conducted	Number of instruction units not conducted	453	547	1,126	1,383
Electronic, individual ¹	Number of instruction units conducted individually by every employee	11,852	11,761	14,212	15,849
Electronic, group ²	Number of instruction units that were conducted as a group training event	354	553	669	413

¹ Example: A member of staff conducts 10 training events, resulting in the documentation of 10 electronic, individual training events.

² A head of department conducts 10 training events with 10 employees in the conference room. Afterwards, the employees concerned must then confirm these training events and 100 electronic group training events are documented.

Table 17: Average number of training hours differentiated by employee category in the 2022 reporting year

Employees Category	Total (hours)
Sales	426.15
Admin	329.10
Technical	1,884.12

Alongside our training programmes and further-training measures, we operate an extensively modernised training workshop which we use to teach our industrial apprentices practical vocational skills for both Nolte Küchen and Express Küchen under the guidance of our qualified instructors.

Introducing SAP SuccessFactors Management Software as from 2023 will enable us to manage various aspects of our human resources work and, for example, instantly view key figures on the number of staff performance appraisal interviews conducted at any one time.



Employee satisfaction

We recognise how important it is to balance work and private life as well as engage in mutual, trusting dialogue as key factors in respect of boosting employee satisfaction and productivity.

By 2024, we will conduct a survey to assess our employees' satisfaction level, create an employee satisfaction roadmap and commence the implementation of such. We also want to complete work on constructing of our staff restaurant in summer 2024.

Work-life balance

We create working conditions that best support the work-life balance, thereby helping to maintain satisfaction among our employees. For this reason, we offer our staff various options for flexibilising work, such as part-time models and options for mobile working in a one-to-three-day model, and even extending to all-teleworking jobs with full work mobility. Our employees are also continuing to make extensive use of video conferencing. Consequently, we are adapting our computing centres to accommodate the strong shift in bandwidth use (e.g. by using cloud infrastructures) in an effort to provide optimum virtual systems. At the same time, this is letting us increasing our energy efficiency.

Furthermore, we also offer numerous partial-retirement and pension schemes to provide the best possible support in old age.

Our employees' interests and opinions

Our communication with employees is based on close trust and person-to-person dialogue. Together, we use various communication channels to provide our employees with specific ways and means of bringing their concerns, needs and rights directly to the company's attention. Needs analysis and the implementation of such were carried out internally at Nolte Küchen. Wherever it was essential to integrate software tools, third parties were consulted as needed. As such, our aim is to avoid or eliminate any potential negative company-related impact on the workforce.

Communication channels - staff

- Staff performance appraisal interviews
- Ongoing dialogue at departmental as well as cross-departmental level; monthly team meetings; daily meetings in production
- Onboarding days and team events
- Complaints management
- Health management
- Ideas management/works suggestions scheme (ICE - "Ideas Cleverly Embraced")
- NOLTE FORUM, as a venue for engaging in dialogue in the form of meeting areas and rooms for events, training activities, further and advanced training measures, seminars, organising break times
- "Infomanager" intranet, quarterly newsletter from the management, NK Messenger as well as specific theme-based information
- Apprentice programme with regular apprentice events
- Works meetings twice a year
- Staff events, such as barbecues, family days, Christmas markets, work-anniversary celebrations, breakfast@nolte
- Culture workshops and culture travel
- Strategy days

Communication channels staff representatives (works council)

- Works council meetings, monthly
- Business committee quarterly
- Weekly dialogue between management and works council

As part of our sustainability management regime, this is how we include our employees' perspectives in the company's decision-making processes. In addition to this, we also inform staff about the availability of communication channels as well as our commitment to sustainability in the form of notices, circulars and information events. Preparing our new members of staff in the best possible way to start their work at the company, the most important information and an individually tailored work induction plan is given to them in advance. Onboarding events also take place. Alongside dialogue with our apprentices and employees on the communication channels described, it is also important to us to maintain personal contact with former employees in the form of work-anniversary celebrations.

We inform and train all members of staff on relevant compliance matters so as to ensure they act in accordance with the law and directives within the company as well as in the supply chain. At the end of last year, we installed and attracted attention to a whistleblower system on our website.

You will find further information on the subject of compliance in Section 2.

We will introduce a general procedure to involve our employees in relation to actual and potential impacts on the workforce as part of our sustainability audit by 2024. To address the interests and views of our workforce in the best way possible and hence boost their satisfaction, we will be conducting ongoing employee surveys from the coming reporting year onwards.



This is the way to live culture. Even our young talents get to enjoy the fantastic working conditions prevailing at Nolte Küchen – here on Team Experience Day.



Employees in the value chain and communities affected

Human rights commitments

Given the size of our company and our 230 or so suppliers, who procure our materials from ten countries in Europe, we carry a huge responsibility. In just the same way as we do for our own employees, we also pay strict attention to ensuring socially responsible procurement and to protecting affected communities and indigenous peoples within our value chain. We see the work involved in firmly anchoring the principles of human rights due diligence in our value and supply chains as an ongoing mission for Nolte Küchen. This is something we also expect from our direct suppliers and their subcontractors. Our human rights policy commitments are enshrined in our corporate policy framework, and fall in line with internationally recognised standards, such as the UN Guiding Principles, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.

As part of our risk analysis activity, we classify our suppliers according to country and product group risks in relation to human rights violations. We set our internal assessment threshold very high and, accordingly, subject our suppliers to a comprehensive, case-by-case analysis even if the risk potential is low. For example, we request self-disclosed information, including certification requirements, or call upon them to carry out audits. For Nolte Küchen and Express Küchen, there are a total of seven suppliers in the 2022 reporting year that are being scrutinised with high priority on the grounds of country-specific risks. We are also currently investigating 100 suppliers on the basis of high-priority product group risks. Our analyses currently show that no significant risk of human rights violations can be assumed for any of the suppliers under review.

Across the board, and given our production location in Germany and local procurement through our sourcing partners exclusively based in Europe, we assess as very low the risk of human rights being violated, in the sense of child, forced or compulsory labour among employees along the value chain as well as in connection with communities potentially affected by our business activities. No human right violations or incidents were reported during the period under review.

Our supplier code defines our objectives on observing human rights and contains agreements on working conditions, materials used, anti-competitive agreements as well as ethical and confidential aspects. It already covers large parts of the German Supplier Due Diligence Act (Lieferantensorgfaltspflichtengesetz (LkSG)). Besides a supplier's obligation under the Supplier Code, compliance with human rights in line with the German Supplier Due Diligence Act is also anchored in the product group strategies of purchasing and in the quality agreements for key product categories.

Our annual FSC® audit also covers examining respect for human rights. Every year, external FSC® consulting provides us with instruction on new aspects and helps us in optimising our audit reports.

We proactively conduct an overarching risk analysis for all purchasing operations using acknowledged indices and standard works. The risk analysis of top suppliers (purchasing volume over € 50,000) with regard to risks, such as labour protection and rights as well as safety standards, is to be completed before the end of the year. This will now be followed by successive analysis of further suppliers.

Under the German Supplier Due Diligence Act (LkSG), it is already possible to report human rights-related incidents via the whistleblower portal and, next year at the latest, also via the complaints portal.

”Safeguarding human rights along the entire value chain is not only an obligation but also a fundamental element of everything we do every day. Respecting and protecting human rights, we create a culture of integrity, trust and responsibility that strengthens our company and ensures its long-term success.“



Consumers and end-users

We are Germany's favourite kitchen brand. Nolte Küchen is proud of the fact that we were named Germany's favourite brand by the German Institute for Service Quality for the third time in a row back in 2022. We are delighted that, at the time of the report's publication in 2023, we received this accolade yet again, making this the fourth time in succession.

In the latest survey by German television broadcaster NTV, we attracted the "1st class" quality rating, reflecting the highest level of customer satisfaction over 13 other kitchen makes. This is where Nolte Küchen received the best results for product quality, design, value for money, range and brand image.

What's more, we are also Germany's favourite provider of kitchen cabinetry and received the Life & Living Award from the German Institute for Service Quality. The accolade is based on an online survey of end users, which gathers opinions on aspects such as customer satisfaction, recommendation rate and being chosen again.

Satisfaction on the part of our customers and end users is elementary for us, which is why we attach maximum importance to the greatest possible protection of customer data, an unerring guarantee of product safety and dialogue with our customers and end users as a key to remaining true to our quality promise in the future.

Key impacts, risks and opportunities and their interplay with strategy and business model

We feel committed to protecting and safeguarding the health, wellbeing as well as the human rights of our consumers. We do this not only by engaging in dialogue with customers and end-users but by meeting the most exacting of quality, product safety and data privacy as well as on measures to record human rights violations.

Customer and end-user satisfaction

To ensure our customers' long-term satisfaction, we are committed to providing the highest possible level product quality, to products that are guaranteed to last and to ongoing innovation.

Together with our direct retail partners, we are noticing that sustainability is becoming an increasingly important issue for our consumers too. Besides their obvious interest in durability and, with this, the quality of kitchens, other sustainability aspects, such as the use of sustainable materials or repair options, also seem to be relevant purchase criteria for them. It is in this context that we want to continuously reduce our complaints rate to a bare minimum. This is something we achieve primarily through the high quality of our products as a guarantee of their long-lasting service life. Added to this comes a solutions-focused and first-class customer service, the availability of copious replacement parts as well as the ability to repair our kitchen systems should they ever need to be. Constantly adding more, we offer a broad range of options for addressing any complaints and providing customers with impeccable service.

Product safety

We conduct internal as well as external QA and inspection activities as the basis for guaranteeing our consumers absolute product safety. We hold a GS mark for tested product safety. Giving our customers and end users the highest level of product safety, our kitchens undergo internal quality assurance inspections as well as additional testing by an independent expert body. To this end, the quality and safety of specific ranges and products are tested every five years to the standards of German product safety law by TÜV Rheinland.

In addition, we set store by the availability of product or service-related information, such as manuals or product labels, to prevent any potential harmful use of a product.



Data privacy

We set out at all times to provide our consumers with the greatest possible level of data privacy. We observe the highest data protection standards and ensure absolute IT and data security as well as customer privacy by complying with and maintaining the prescriptions under GDPR. In the same way as our employee data, customer data is also erased or destroyed in compliance with legal retention periods. Our employees are required to process personal data only in compliance with the principle of data economy and purpose limitation and on the basis of a legal foundation. In addition to this, a data protection report is submitted to the management at the beginning of the year. Relevant data protection issues are communicated to the management during the year whenever warranted.

No human rights issues or incidents relating to our users and end-users were reported during the reporting period.

Our customers' and end users' interests and opinions

Our customers/retailers as well as our end-users are among our most important stakeholders. Compliance with human rights policy obligations relevant to consumers as well as ensuring and maintaining their satisfaction are elementary building blocks within the scope of our business activity. We maintain regular dialogue with our customers and consumers through various communication channels – most of which have been set up by Nolte. This enables us to pick up on their concerns, needs and interests and take appropriate action.

Communication channels - customers/retailers

- Customers visited by our sales representatives every 4–6 weeks
- Annual talks with larger customers – also with sales management
- Every day, Nolte's international sales back office provides a solutions-driven service for queries, support requests or similar in the respective national language
- Information on delivery times at weekly intervals
- Newsletter with subject-specific content
- The advertising material dispatch operation supplies customers with all the POS materials they need
- In-house exhibition as well as other national and international trade shows
- The retailer portal provides customers with all information they need regarding their orders and deliveries
- The Nolte Academy trains customers on every aspect of our products and services – online or in person at the NOLTE FORUM or in the form of in-house training

Communication channels - end-users

- Direct contact through customer service, usually only in the event of queries or requests, replacement parts deliveries or requests for support; in individual cases visits are made in connection with complaints
- Increasing dialogue on sustainability issues with a focus on corporate climate neutrality and long product life
- Consumer satisfaction survey and analysis of the level of satisfaction using a satisfaction indicator
- Share suggestions, criticism and requests via the online contact form on our website
- Trade shows
- Social media

At the time of publishing the report, we had already conducted surveys to identify customer and end-user satisfaction.

NATÜRLICH NOLTE



The Green Wall is an impressive eye-catcher in the foyer of NOLTE FORUM headquarters.



Commitment to public good

Our diverse commitment to society can look back on a long tradition at Nolte Küchen and has played a central part from the very first day. Our support ranges from our commitment to our employees, to the region as well as to promoting education, to protecting children in need and extends through to providing relief for people in crisis situations. We provide support in the form of both direct and indirect donations in cash and in kind⁴. Below, we present our activities in the community that go beyond our core business.

Our supraregional donation projects

Supporting people in need is very close to our heart. Crisis situations and the resultant drastic changes in living conditions, are usually unforeseeable and so demand all the more attention and relief. Our credo: support is given where support is needed.

*” Together we can always
achieve more. “*

⁴ We consciously let our suppliers and business partners know that we do not wish to receive Christmas gifts and draw attention to ways of making donations, for example to the Löwenherz children's hospice.



Crisis situations

In 2022, our supra-regional commitment was expressed in particular in the form of money donations and donations in kind for the victims of the dramatic situation in the Russian-Ukrainian conflict. The war is an enduring political and military conflict that has already cost many deaths and injuries among the civilian population. Our donations have helped to provide psychosocial support, child protection, assistance upon arrival in the countries of refuge as well as relief measures in Germany.

In addition to this, we also provide refugees accommodated in Löhne with show kitchens as well as kitchens customers have complained about.



Child protection

We are involved in the "Kinder in Not" e.V. (Children in Need) action group which helps needy, disadvantaged children in India, Brazil and the Philippines.



The company-affiliated Karin Nolte Foundation has been supporting children in the region for many years. Nolte Küchen supports the work of the Karin Nolte Foundation by making regular donations.

Our staff are also involved in a variety of ways. For example, they regularly generate large sums of money by providing coffee for all employees in return for a donation, this money then being given to various associations – mostly to the Loewenherz children's hospice.

In Germany, a child is the victim of a road traffic injury every 20 minutes. In virtually every case, because it is seen too late or not at all. We at Nolte Küchen want to do something to remedy this sad fact. This is why we decided to provide local kindergartens and our employees' children with high-visibility safety vests in 2022 in a move to ensure their road or pavement safety. Our bright yellow high-vis safety vests ensure that children are better seen in road traffic and reach their destination safely – and do so day in, day out. The vests also aim to raise children's awareness of road safety.



Training

We are committed to training young people, especially in the trades. For example, we support the Möbelfachschule (Möfa) furniture college in Cologne with regular donations. In the summer of 2022, cooperation with Möfa was agreed until the end of 2024, with subject-matter content realigned and broadened with attractive added value.

Since October 2022, we have deepened cooperation with Möfa even further, and taken on the commitment as silver sponsor. In addition, we regularly support a variety of associations, institutions and foundations, such as the Löhne Lions Club, which assists families in need and children and young people in the region.



Sandy fun: Here at the TuRa Löhne beach volleyball facility, volleyball is especially fun, thanks to the volleyball net and wooden cabins from Nolte Küchen.

Our commitment to the region

We cultivate a socially responsible understanding of values throughout the company and beyond. As a significant employer in the Herford district, we feel committed to being involved in the region. The end of 2023 will see a tree-planting campaign planned in the Teutoburg Forest near Tecklenburg, in which Nolte employees will be lending a hand. The aim is to plant some 1,400 saplings (Douglas fir, European larch, spruce, American red oak). In a further move to help conserve biodiversity at local level, we have installed beehives on our premises. We also maintain contact with the town, local press and mayor as well as associated events. For example, we make our premises and kitchens available for cooking events with the "Neue Westfälische" daily newspaper or the literature and music festival.

In the 2022 reporting year we focused our regional donations on promoting child welfare and sponsoring sport. This lets us take part in reading sponsorships or support early educational projects, like the road-wise colouring book. In terms of our involvement in sport, we sponsor various regional sports clubs in the Löhne and Melle areas. TuRa Löhne gymnastics and field sports club, for example, were given a set of strips for its teams and has very recently been able to benefit from a professional beach volleyball facility. For us, supporting sporting events, like the Spatzenberg Run or the Widufix Run, the latter of which even creates additional apprenticeship training places in the region, is a foregone conclusion. We also work closely with professional athletes Marcus Ehning and Johannes Lochner and, in a loyal partnership, passionately support their sporting ambitions and performance in every way we can.

Beyond this, we help employees too who are involved in voluntary work by donating materials, making money contributions or giving them time off, as in the case of the voluntary fire brigade, for instance.

Closing words

The challenges we face may be great, but not insurmountable. They give an opportunity to cement our commitment to sustainability and confidently take on a pioneering role. While we look back with pride on our achievements to date, we are also aware that there is still so much work still to be done to reach our goals for a more sustainable future. Hand in hand with every individual involved, we want to continue along a path of growth and excel. The trusting partnerships we build on, the innovations we release every year and the successes we have already achieved tell us change is possible - when we all pull together.

We realise our journey is far from over. All the same, though, we are determined to take responsibility and continue along our path in our quest find sustainable solutions rooted in sustainability. This is where we will be setting store by our employees' expertise, the support of our partners and the trust and confidence our customers show in us.

Your support and interest give us the motivation that's necessary to embark on our path to tomorrow. For only together can we shape a better, more sustainable world for future generations.

If you are interested in finding out more about sustainability above and beyond the coverage provided our sustainability report, we recommend taking a look at our website: www.nolte-kuechen.com/company/sustainability





Nolte Küchen's bees have been providing us with delicious honey on company premises since 2023.

DNK index

Section	Sub-section	DNK criterion			Page
Strategy	Business model, strategy and value chain	DNK 1	DNK 4		
Strategy	Our stakeholders' interests and opinions	DNK 9			
Strategy	Double materiality analysis	DNK 1	DNK 2	DNK 4	
Strategy	Embedding sustainability at Nolte	DNK 1	DNK 17	DNK 20	
Strategy	Measures, resources, metrics and targets in relation to key aspects	DNK 1 DNK 7	DNK 2	DNK 3	
Governance	Goals	DNK 6	DNK 8	DNK 20	
Governance	Our management and supervisory bodies and our advisory board	DNK 5	DNK 6	DNK 20	
Governance	Rules, processes, control and risk management	DNK 6	DNK 7		
Governance	Supplier relations	DNK 4	DNK 9		
Governance	Principles of business conduct and avoidance of corruption and bribery	DNK 20			
Governance	Payment practices and integration of sustainability-related benefits into incentive schemes	DNK 8			
Governance	Political influence and lobbying activities	DNK 19			
Environment	Goals	DNK 12	DNK 13		
Environment - climate protection	Climate protection	DNK 13			
Environment - climate protection	Transitional plan for meeting the Paris Climate Agreement	DNK 13			
Environment - climate protection	GHG emissions	DNK 13			
Environment - climate protection	Power consumption	DNK 10	DNK 11	DNK 12	
Environment - climate protection	Electricity	DNK 10 DNK 12	DNK 11 DNK 13		
Environment - climate protection	Heat	DNK 10	DNK 11		
Environment - climate protection	Vehicle fleet and business trips	DNK 10	DNK 11	DNK 12	
Environment - climate protection	Stock-keeping, logistics and shipping	DNK 10	DNK 12		

Section	Sub-section	DNK criterion	Page
Environment - climate protection	Our kitchen outfit	DNK 10	
Environment - climate protection	Reducing GHGs and projects to bring down greenhouse gases	DNK 13	
Environment - resources	Use of resources and recycling	DNK 10	DNK 11 DNK 12
Environment - resources	Directives and measures in relation to use of resources and recycling	DNK 10	DNK 11 DNK 12
Environment - resources	Less packaging materials and waste	DNK 12	
Environment - resources	Disposal	DNK 11	DNK 12
Social	Goals	DNK 8 DNK 15	DNK 9 DNK 16 DNK 14 DNK 17
Social	Our staff	DNK 8	DNK 15
Social	Directives in relation to our own workforce	DNK 14	DNK 20
Social	Appropriate remuneration	DNK 8	DNK 15
Social	Social protection	DNK 8	DNK 14 DNK 15
Social	Health and safety	DNK 14	
Social	Qualification	DNK 16	
Social	Employee satisfaction	DNK 8	DNK 15
Social	Our employees' interests and opinions	DNK 9 DNK 17	DNK 14 DNK 20
Social	Employees in the value chain and communities affected – Human rights commitments	DNK 9	DNK 17 DNK 20
Social	Key impacts, risks and opportunities and their interplay with strategy and business model	DNK 9	DNK 17
Social	Our customers' and end users' interests and opinions	DNK 9	
Social	Commitment to public good	DNK 18	



List of abbreviations

OIM	Occupational Integration Management
CSRD	Corporate Sustainability Reporting Directive
DGM	Deutsche Gütegemeinschaft Möbel e.V.
DNK	German Sustainability Code
DSGVO	General Data Protection Regulation
EBR	European Works Council
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
GHG Protocol	Greenhouse Gas Protocol
ICE	Ideas Management
ILO	International Labor Organization
IWKH	Initiative Wirtschaftsstandort Kreis Herford e.V. (Initiative of the Herford district as a host to business and industry).
KMU	SME
LkSG	German Act on Corporate Due Diligence Obligations in Supply Chains
LTIR	Lost Time Injury Rate
PMO	Project Management Office
SCE	Societas Cooperativa Europaea
SE	Societas Europaea Works Council
GHG emissions	Greenhouse gas emissions
VdDK	Verband der Deutschen Küchenmöbelindustrie (Association of the German Kitchen Furniture Industry)
VHK	Verband der Holz- und Kunststoffindustrie (German Wood and Plastics Industry Association).
PEFC	Programme for the Endorsement of Forest Certification Schemes
FSC®	Forest Stewardship Council®

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