

# SUSTAINABILITY FROM AN EFG PERSPECTIVE

To us, sustainable development is about integrating a responsible behaviour in everything we do. Towards our environment in the social and cultural ties we make and in the economic perspective from which we always work. Based on traditions and strong values, with a long-term perspective on our business, we know sustainability and profitability must go together.

OUR CUSTOMERS also expect us to deliver on sustainability. Climate efficiency and social responsibility throughout the value chain are becoming increasingly important in the drive to remain competitive. Over the years we've taken several steps to reduce the environmental impact of our furniture, with a focus on sustainable and innovative product design and development. One goal is that all our products will comply with trustworthy ecolabels or certificates – and we are well on our way. With the concept EFG Reuse, we want to save resources by extending the life of furniture and by promoting recycling of materials.

Our people are essential to our operations. In our work to attract and retain the best talents and build the best team, we emphasise diversity and equal opportunities. Different perspectives and backgrounds are of great importance to be innovative and to understand the diverse needs of our customers. We will continue to focus on environmental product design and concepts like EFG Reuse, with the long-term ambition to achieve circularity for our furniture. We will continue to improve our processes to ensure high-quality products, strong ethics and sustainable business development in everything we do.

Finally, sustainable development is about cooperation, dialogue and good partnerships. We welcome your thoughts on how we can improve, and what we can do together.

We know sustainability and profitability must go together



# **FACTS AND FIGURES** •• Est. turnover 2018: 531 MSEK • Partners in our core markets of Sweden, Norway, Denmark, Finland and the UK as well as distributors and agents throughout the rest of Europe, Asia, Africa and the USA. •• Headquarters in Gothenburg, Sweden • Production and logistics in Tranås, Sweden •• 186 EFG Employees •• Owned by Input interiör Group

## THIS IS EFG

EFG European Furniture Group is a leading manufacturer of interior solutions for offices and public environments. We have been striving for excellence with sustainable and pure Nordic design at our core since 1885.

We design, develop and produce furniture under the Brands of EFG and Savo.
During 2018 EFG European Furniture Group was sold and is now owned by Input interior Group.

Our furniture is sold via dealers and interior specialists. Currently the main sales are via interior companies in our core markets Sweden, Norway, Denmark and Finland.

Since 2010 we have developed our value chain to build more competitive and scalable operations and today we combine outsourced component production with our own production, assembly and logistics in Tranås.

### OUR CORE VALUES - THAT GUIDES US IN OUR DAILY WORK

**Flexible**. EFG acknowledges that all customers are unique and that each interior solution is based on individual needs.

**Inspiring**. EFG drives innovations and is at the absolute forefront in adapting the latest market trends for interior solutions.

**Sustainable**. EFG is an industry leader in taking responsibility for the environment, but we are just as devoted to maintaining

sustainability in social, cultural and economic issues. Our commitment to only provide solutions that are based on real customer needs is a direct result of this mindset.

**Curious.** We take great pride in everything we do. By maintaining our constantly curious attitude towards the world around us we can better understand the needs that our solutions are designed to meet.



## CONTRIBUTION TO THE GLOBAL GOALS

In 2015, the United Nations adopted 17 sustainable development goals to be reached by 2030. Agenda 2030. We are committed to play our part, leading the way for a more sustainable furniture sector.

- We have identified the goals where we have the greatest direct or indirect impact.
  - **8 Decent work and economic** growth. Sustainable economic growth will require societies to create the conditions that allow people to have quality iobs
  - **12 Responsible consumption and production.** Design and manufacturing with minimal material usage, for an

efficient use of natural resources. Reuse or recycle when end of life.

- **13 Climate action.** Less use of fossil fuels in production and transports. Minimal material usage in products gives less CO2 emissions.
- **15 Life on land.** Sustainably manage forests, combat, desertification, halt and reverse land degradation, halt biodiversity loss.

































# RESPONSIBILITY IN EVERYTHING WE DO

To us, corporate responsibility is about integrating responsible behaviour in everything we do. It is about fostering long-term relationships and a healthy company culture.

Our aim is to develop products with minimal environmental impact and to create customer solutions that are based on true needs, perceived through market intelligence and customer feedback.

Our sustainability approach includes several different perspectives and stakeholder groups:

- •• The environment:
  - We strive to be industry leaders and our design process follows strict standards set by the market.
- •• Innovation: Our furniture is functional and attractive, based on the needs of today and tomorrow. We offer sustainable customer solutions.
- •• Customer satisfaction:
  We focus on our
  customers' business
  targets and their
  employees well-being.

#### •• (EFG) Employees:

We focus on health and safety, training and personal development. We build a diverse team prepared for tomorrow's challenges.

- •• Influencers and specifiers:
  We build partnerships
  that support end customer
  needs.
- •• Suppliers: We value longterm relationships based on trust and a common understanding of the market.
- •• Engagement with society: We contribute to sustainable development in our society. We strive to responsibly minimize the negative impact of our decisions and activities.







DESIGN

RAW MATERIALS

**SUPPLIERS** 

**PRODUCTION** 

Our approach:
Design based on
today's and tomorrow's
needs, offering long-

today s and tomorrow s needs, offering longlasting and sustainable customer solutions.

#### Benefit:

Resource-efficient products with longer lifespan, meaning less impact on the environment. Our approach: Eco-labelled materials used where

ever possible for our products.

#### Benefit:

Products with less impact on the planet's resources. Healthier work environment in manufacturing. Our approach:

Code of Conduct to regulate the partnerships with our suppliers, including risk assessments conducted on geographic

location, distribution and financial risks.

Compliance with the code of conduct is controlled regularly.

#### Benefit:

Components
manufactured in a
responsible way, with
respect to human rights,
working conditions
and the environment.

Our approach:

Systematic quality and environmental work, supported by certified ISO9001 and ISO14001 management systems.

Benefit:

Continuous improvements to ensure high quality products, operational efficiency, low environmental impact.

Our CSR-policy and Code of Conduct, based on the UN Global Compact and its guiding principles, is a common platform for our responsibility.

**REUSE** 

USE

**LOGISTICS** 

**SALES** 

Our approach:

From linear towards circular – responsible recycling of used and reused products through EFG Reuse.

#### Benefit:

Saving natural resources and customer cost by extending the lifespan of furniture.

Our approach:

Flexible mind-set and customization of products is part of our service. We also provide support on acoustics, ergonomics and activity based workplaces.

#### Benefit:

Long-lasting, tailormade and healthy work environments.

Our approach:

Focus on sustainable transportation and delivery precision.

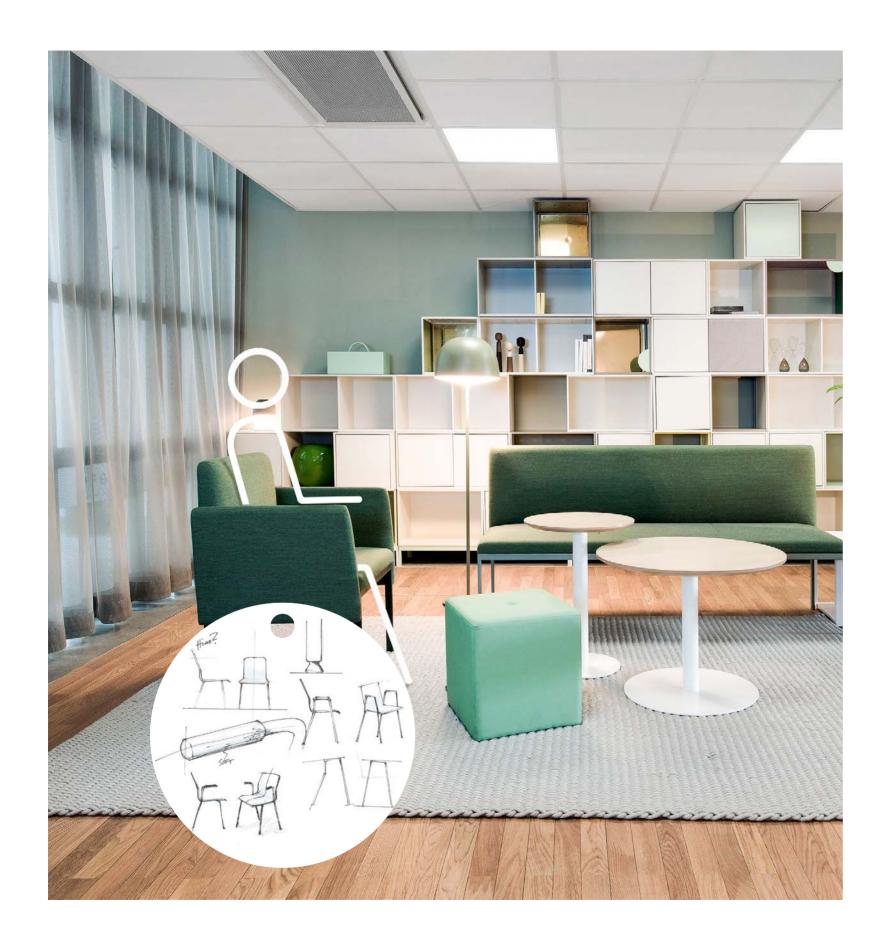
#### Benefit:

With a reduction of 17% reduction of CO<sub>2</sub> emissions from outbound transports since 2013, we have reduced our impact on the climate. Our approach:

Every customer is unique. Our solutions aim to be flexible and innovative based on true customer needs.

#### Benefit:

Our customers gets long-lasting solution, which has less impact on the environment.

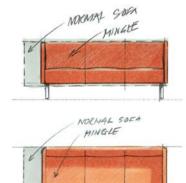


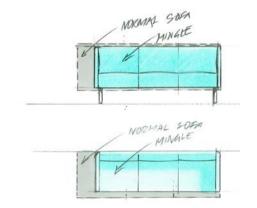
# DESIGN WITH PEOPLE AND PLANET IN MIND

We design furniture for healthy working environments for the well-being of the user. We also take responsibility for smart material choices, preventing waste of the earth's resources. Our goal is to have our entire range of products certified with trustworthy ecolabels.

Our own design team work together with handpicked external designers, all with expertise and extensive experience in the furniture industry. Our furniture is developed in co-operation with partners, suppliers,

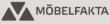
architects and customers.
As our product development team collaborates closely with our commercial team, we ensure products that meet customer requirements, market needs and prevailing trends.





#### MEETING HIGH STANDARDS, ECOLABELS

These ecolabels are certifications used within our product range and for the materials in our furniture.



Möbelfakta is a Swedish certification for furniture, which entails strict criteria related to quality, evironmental aspects and social responsibility. We aim to certify all EFG branded products with Möbelfakta.



The Nordic Swan Ecolabel is a voluntary ecolabelling scheme that evaluates a product's impact on the environment throughout the whole life cycle. A part of our assortment is certified with The Nordic Swan Ecolabel.



EU Ecolabel is a voluntary scheme, that focuses on the stages where the product has the highest environmental impact and setting criteria to reduce those impacts. Most of the fabrics we use are certified with the EU Ecolabel.



FSC® certification is used for wood and wood-based materials, ensuring that forests around the world are responsibly managed. Most of the wooden materials used in our furniture are FSC certified. FSC-C009111, www.fsc.org. We strive to be industry leaders in making our entire product range environmentally sound and sustainable.

- When designing new furniture, we aim to use as little material as possible without compromising on quality or function.
- •• Our products are made with **natural materials** and a pure Nordic design.
- •• Most part of our assortment is certified with the **Swedish label Möbelfakta**. Our aim is to certify all EFG branded products. In addition, we strive to develop products in the forefront of current industry standards and criteria set by various ecolabels.

- With workplaces in constant change, our interior office solutions and products long lasting through modularity and high quality.
- Constant feedback from our customers drives constant improvements.
   Our customers growing concern regarding eco labelling, certifications and reuse inspires and challenges us to become an even better supplier.

For more information on our eco-labelled products, please visit efg.info.







MOST OF THE MATERIALS WE USE FOR OUR FURNITURE ARE ECOLABELLED WATER-BASED LACQUER

ves zero or ry low VOC emissions 90% EU-flower or

recyc

50% nimimum recycled

80% minimum FSC certified wood

30%

12

# WITH QUALITY IN EVERY DETAIL

We are committed to constantly maintaining and improving the quality of our products. Our own EFG Test center is an important part of this work and at the same time one of few Swedac accredited furniture laboratories in Sweden.

- •• The test lab is an important cornerstone of our sustainability work as it ensures that the products are of good quality, safe and durable.
- ••• We conduct tough tests that go beyond complying with standards and industry rules, to ensure quality and products that really work in heavy use.

- •• Approximately 100 product tests are conducted every year, with each test comprising up to 15 elements, such as: safety, function, ergonomics etc.
- We also use external labs to conduct specific tests such as textile, fire resistance surface treatment, acoustics etc.
- To maintain high quality over time, we have welldocumented processes and constantly strive to improve them.
- •• In product development, different materials and design solutions are tested to get the best solution in the final product.





# MAKING GOOD FURNITURE IN A GOOD WAY

We take full responsibility for the production of our furniture. We place clear requirements on our suppliers and manage potential risks by routine checks. We also continually monitor and improve our processes.

#### **INCREASED EFFICIENCY**

A significant percentage of productions is completed onsite at our supplier's premises; this facilitates increased efficiency. In Tranås, we then assemble and quality check all the furniture and distribute it to our customers.

#### ISO CERTIFICATION

We have management systems certified with both ISO 9001 (quality) and ISO 14001 (environment), verifying the quality and efficiency of our work.

#### CODE OF CONDUCT

All our suppliers are required to sign and comply with our code of conduct. We constantly develop our methods to monitor suppliers' compliance with the code. In 2018 we implemented a new code with a new way to follow-up, giving us a deeper view of our suppliers.

#### **RISK ANALYSIS**

We conduct regular reviews and follow up on our main suppliers. All suppliers are risk assessed based on geographic location, distribution, financial risks and their own risk management.

OUR PRODUCTION IS CERTIFIED ACCORDING TO BOTH ISO 9001 AND ISO 14001





FG Create Storage and
Seating is one of the best
examples of our recent
sustainable product design.
It is a system of cubic
modules measuring 380 mm,
that can be built into a large
or small solution of storage
and seating for every room.
The solution can be re-built
as needs change over time.

All components are easily linked together by the smart pattern of holes resulting in a strong, stable and flexible construction facilitating change. The design combines sustainability, functionality and innovation in a way that is very valuable in todays' changing workplace.

**EFG Create** is designed and manufactured for minimal environmental impact in accordance with established eco-label criteria and Möbelfakta certified. The thin dimensions of the modules require less space then regular storage and seating, minimizes the amount of material and reduce transport emissions.

**The components** consist mainly of recyclable materials, all wooden parts are FSC-certified, and we have made sure that no harmful chemicals are used. A wide range of standard fabrics are available all carrying the EU Ecolabel.



Everyone who has played with Lego will understand the beauty of EFG Create. With a cube as a starting point, EFG Create can be used to build storage spaces, room dividers and seating – or all of these in combination to meet the customers' needs.







### **OUR PEOPLE**

We take responsibility that our furniture is produced by skilled, motivated people in a good and safe work environment.

#### MOTIVATED AND ENGAGED EMPLOYEES

We care about our employees and are committed to providing an attractive and healthy workplace, based on our strong values and company culture. We work systematically to ensure health and safety. Our offices are designed with our own products, in a way that we know promotes well-being and sustainable performance.

For us it is important that everyone has the possibility to grow and develop within the company and we strive to promote from our own internal talent pool. All employees receive regular training and are updated on our products and services.

During the last few years we have worked to increase diversity within the company. We believe this is a key factor for long-term success and profitability. We know different backgrounds and perspectives are crucial to be innovative and adaptive as a company, and to be the best partner for every unique customer. Our integration program is an example of what we do to increase diversity while engaging in society.

#### SOCIAL RESPONSIBILITY IN OUR SUPPLY CHAIN

We choose our suppliers and partners carefully with high expectations in performance and in sustainability with social responsibility included. Our code of conduct makes our approach and demands clear. Based on UN Global Compacts' principles, the code includes requirements regarding working and employment conditions, child labour and human rights such as nondiscrimination and freedom of association, as well as ethical business behavior and respect for the environment.

# REDUCING OUR ENVIRONMENTAL FOOTPRINT

With energy- and resource-efficient production, and optimised distribution, we try to minimise our carbon footprint and contribute to the global climate goals.

We strive to be as resourceand climate efficient as possible, in our own operations and throughout our value chain.

With the support of our ISO 14001-certified environment management system, we work to continuously improve, by focusing on the areas identified as most significant:

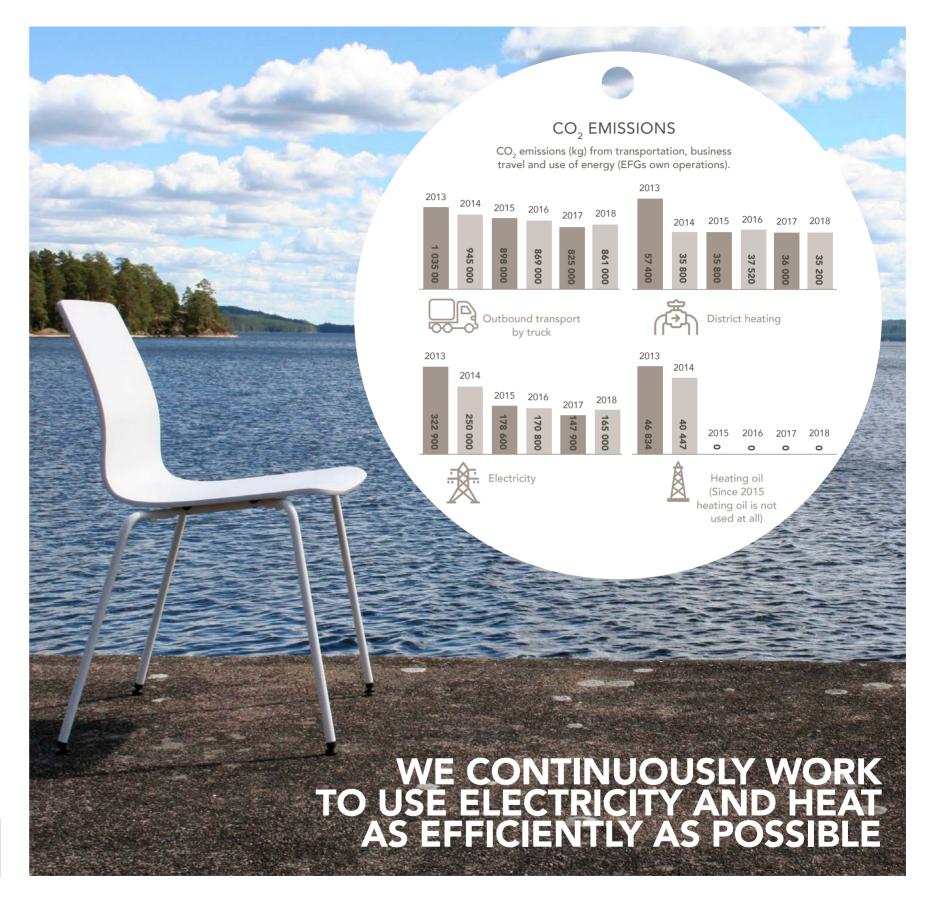
- •• choice of materials and surface treatments
- •• energy use in our own operations
- •• efficiency in transportation and delivery
- •• reuse and recycle of furniture
- environmental awareness and performance in our supply chain and among our customers

REDUCING EMISSIONS FROM TRANSPORTATION

Our work in the past few years to coordinate our distribution hubs has resulted in reduced transport and more efficient deliveries to our customers. We also place environmental requirements on our transport suppliers and work to increase the fill rate on both incoming goods and outbound transportations. This increases efficiency and reduces impact on the environment. This also increases efficiency and reduces impact on the environment. Since 2013, we have reduced CO<sub>2</sub> emissions from outbound transport by 17%.

The reduction in our own energy use in recent years is mainly a consequence of outsourcing production to our suppliers. However, we continuously work to use electricity and heat as efficiently as possible.







### **EFG REUSE**

We want our own and our customers' business to move towards circularity. We do this by supporting reuse and recycling of our products, thereby saving resources for our customers and for the planet.

From a sustainability perspective, it is important for us to continuously develop innovative solutions and business models for improved resource efficiency. We have a long-term goal to gradually transform our business and furniture to fit into the circular economy.

With this in mind, we are proud to offer responsible recycling of used furniture and reused products through the concept EFG Reuse. This is a unique service provided in our interior design projects.

On the "Basic" level, EFG Reuse also offers the service of problem-free handling and recycling of old furniture that can not find a new user. The old furniture is collected by EFG as the new furniture is delivered. This service is an integrated part of the EFG offer.

The goal of EFG Reuse is to save instead of wasting material by extending the life of office furniture. When an office buys new furniture the old is sold or donated, often to a non-profit organisation. Anything left over is sorted and recycled in a responsible way. An EFG Reuse Report that declares economic savings as well as energy savings and reductions in material use is delivered to the customer at the end of the project.

#### RED CROSS CASE – ZERO WASTE WITH EFG REUSE

One example of EFG Reuse is when one of our customers' old desks became 175 new workplaces at the Red Cross, without any cost and with the environmental benefit of reusing material and avoiding waste.

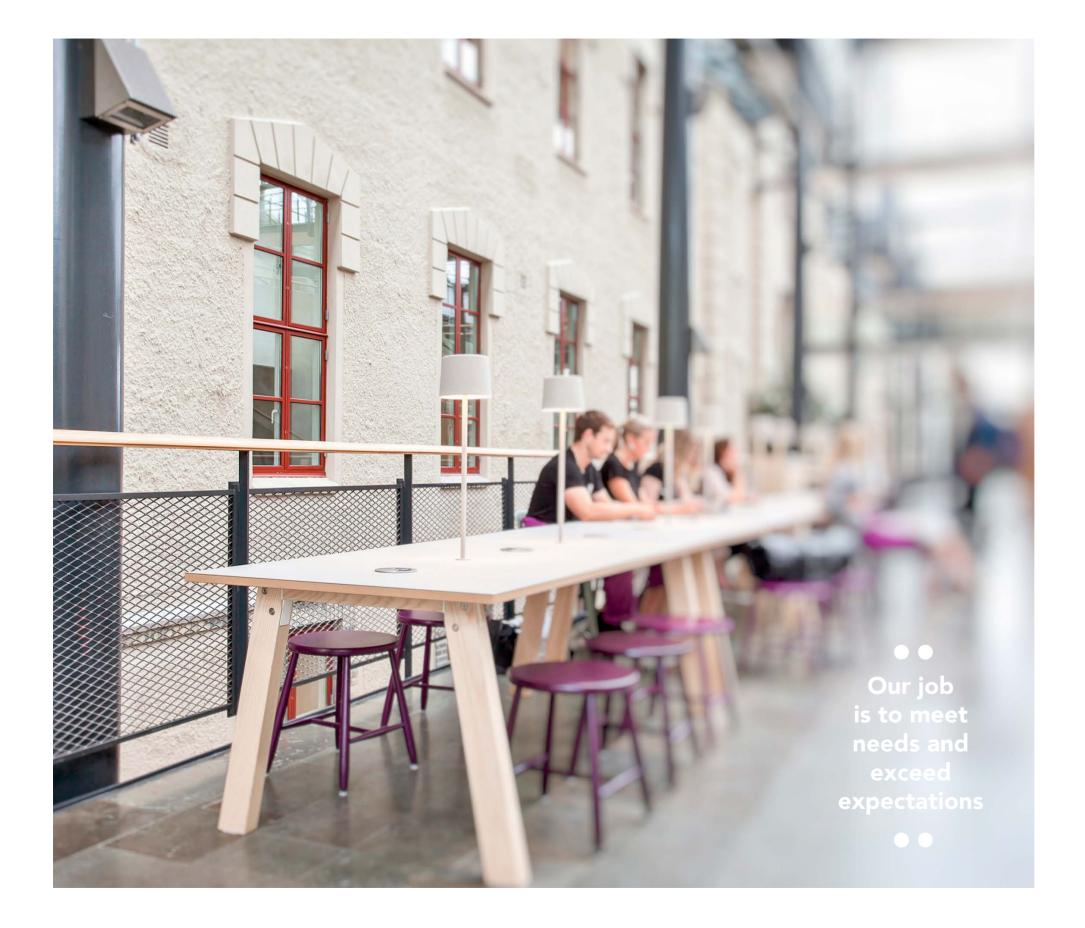


This feels good, it really does. It turned out just as we wanted, and it was sustainable all the way.

Roger Mångs, Red Cross







#### **CHALLENGE US!**



ven though we know our customers are happy with us, we are fully aware there is always room for improvement. Your questions, wishes and demands are the best triggers for us to keep pushing forward.

So please, contact us with your thoughts or suggestions regarding our products, materials or services. We want to hear them all as they will enable us to find new solutions.

#### TO PROMOTE SUSTAINABILITY, ASK US ABOUT:

#### Sustainable and renewable materials

By asking for sustainable and renewable materials our customers push us to take further steps to ensure we use materials that are durable and long-lasting, as well as materials that lie in the forefront of technical development.

#### Reuse and recycle

Adaption to a circular economy will requre greater traceability of components and their content. Challenging us on this will force us to develop our services even further.

#### **Ecolabels**

Our view that various independent and well-known ecolabels have an important role to play in further adaption to a sustainable roadmap. We are keen to increase our use of ecolabels if our customers' wish to see this.

#### Responsibility in our supply chain

We understand that our impact on the supply chain is a major part of our responsibility. By customers asking for further transparency and performance, we will develop better tools for showing progress.

#### **Energy efficient transports and deliveries**

We want to be as climate-efficient as possible. By requesting information about carbon footprint from transportation and production, you are showing that our efforts are worth while.





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