



**Sustainability report
2019/2020**

Part of the administration report.

Climate neutral in 2040. Ten years ahead of the Paris Agreement.

To us, sustainable development is about integrating a responsible behaviour into everything we do. From the first design sketches to the final product, from picking the right fabric to choosing the right partners. And this improvement has to be constant. The motto “Better than yesterday, but not as good as tomorrow” is a good summary when it comes to our sustainability work.

Our goal is ambitious: By 2040 we will be completely climate neutral – ten years ahead of the Paris

Agreement. And on the way we will comply with trustworthy ecolabels and / or certificates for all relevant products.

One important corner stone in reaching our goals, is our design philosophy. We call it “Keep your darlings”, and in short, it means that we design with circularity in mind. That’s why our furniture is built to last and to stand the test of time. We like minimalist designs and versatile functionality, and we encourage our customers not to

replace products that they like – but to refurbish or upgrade instead! Our design philosophy is based on the knowledge that 85% of the climate emissions generated by an item of furniture consists of the material, and circular use of furniture reduces the climate impact by as much as 20–35% compared to buying a new item.

But the most important thing of all, is our employees. Without talented and contented people, it is impossible for us to achieve the goals we have set.





HISTORY

Our history goes back to 1885, when K.G. Andersson manufactured and sold his first rib backed chair in Tranås in Sweden. With a tradition and mindset from the Swedish region of Småland, careful management of materials and economic resources comes naturally to us, since Småland is known for its long tradition of economical thinking.

FACTS AND FIGURES

- Est. turnover 2019: 495 MSEK.
- Partners in our core markets of Sweden, Norway, Denmark, Finland and the UK
- Distributors and agents throughout the rest of Europe, Asia, Africa and the USA.
- Headquarters in Tranås, Sweden
- Production and logistics in Tranås, Sweden
- 169 Employees
- Owned by Input Interiör Group
- Financial year 01/05/2019 to 30/04/2020



We are European Furniture Group

European Furniture Group designs, develops and produces furniture for offices and public environments under the brands EFG and Savo. EFG offers a complete range of flexible and durable furniture for all kinds of work environments. Savo is our premium range for office chairs.

Our products are sold via authorised resellers, partners and interior specialists. Our core markets are Sweden, Norway, Denmark and Finland. Today, we combine outsourced component production with our own production, assembly and logistics in Tranås, Sweden.

We are committed to Agenda 2030

In 2015, the world's heads of state and government adopted 17 Global Goals to be reached by 2030 – Agenda 2030. The vision is to eliminate extreme poverty, reduce inequality and injustice, solve the climate crisis and protect the planet. We are committed to playing our part.

We have identified the goals where we have the greatest direct or indirect impact within our sector:



8 DECENT WORK AND ECONOMIC GROWTH

Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Design and manufacturing with minimal material usage, for an efficient use of natural resources. Reuse or recycle when the product reaches 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.



We take responsibility – all the way

Sustainability thinking must be integrated into everything we do and in every step of the process. That's why our sustainability approach includes all possible perspectives and stakeholder groups:

DESIGN

Our approach: design based on today's and tomorrow's needs, offering long-lasting and sustainable customer solutions. **Benefit:** resource-efficient products with a longer lifespan, meaning less impact on the environment.

RAW MATERIALS

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.

LOGISTICS

Our approach: focus on sustainable transportation and delivery precision. **Benefit:** with a reduction of 29 % reduction in CO2 emissions from outbound transports since 2013, we have decreased our impact on the climate.

SALES

Our approach: every customer is unique. Our solutions aim to be flexible and innovative based on true customer needs. **Benefit:** our customers secures long-lasting solutions, which have less impact on the environment.

SUPPLIERS

Our approach: a 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 regularly checked. **Benefit:** components manufactured in a responsible way, with respect to human rights, working conditions and the environment.

PRODUCTION

Our approach: systematic quality and environmental processes, supported by certified ISO 9001 and ISO 14001 management systems. **Benefit:** continuous improvements to ensure high quality products, operational efficiency, low environmental impact.

USE

Our approach: flexible mind-set and product customization are part of our service. We also provide support in the areas of acoustics, ergonomics and activity based workplaces. **Benefit:** long-lasting, tailor-made and healthy work environments.

KEEP

Our approach: we think of both present and future when we design. The furniture must work now but also be easy to refurbish and reuse. **Benefit:** saving on natural resources and customer costs by extending the lifespan of furniture.

OUR DESIGN PHILOSOPHY:

Keep your darlings

EFG designs products with minimalist constructions, versatile functionality and long lifetimes. Furniture where the quality, function and style mean that it needn't be replaced but can be updated over time.

KEEP YOUR DARLINGS

EFG creates every product to make a difference for the customer, both in the short and long term. The design should work in terms of form, function, environmental values and price. We always strive to develop products that stand the test of time, both for our customers and for our range. We want to create "darlings" – items of furniture where the form and function mean they can be retained and redesigned if necessary. Products with a long life cycle are the most important argument for our future and we are convinced that we share this view with our customers. Long-term thinking means that we want to be able to help our customers upgrade their products on site with new fabrics or

new parts. It should be possible for a footstool to become a chair and for a chair with a metal base to be refitted with a wooden one. This gives the products new life without the customer having to buy an entirely new piece of furniture.

MINIMALIST AND SUSTAINABLE DESIGN

Our design style is minimalist with simple constructions. This gives aesthetically pleasing products that stand the test of time. Timeless design that works year after year is sustainable and means the product lives for longer. For us, "less is more" means fewer components and less material consumption, but also that the design can tolerate being changed by the customer adding options. If they want, the

customer should be able to turn the volume up from less is more to more is more.

CIRCULAR MATERIALS

We use as many recycled materials as possible and ensure the material can be recycled again when part or all of a piece of furniture needs to be replaced. In the rare cases where the product has reached the end of its life, we have a policy to use materials that are as pure as possible and not to mix natural and synthetic materials or one synthetic material with another. It must be possible to incinerate or recycle natural materials – and ideally they should be completely biologically degradable. It should be possible to recycle all synthetic materials.

ZOE – Sustainable in several ways

Zoe is a resilient wooden chair with an almost entirely wooden construction. The thin dimensions give reduced material consumption, and only the gliders in plastic and metal are not made of wood. This makes it easy to recycle the chair when the time finally comes. Zoe is Nordic Ecolabelled, all wood is FSC® certified and several designs are approved according to Möbelfakta.



WOODS – With interchangeable upholstery

In the manufacture of Woods, we have reverted to classic upholstery without glue between fabric and foam, which makes it possible to replace the fabric. 70 % of EFG's standard fabrics that can be used for Woods are marked with the EU Ecolabel. Woods also comes in the Woods Club variant, which is a lounge chair available with a rotating base or wooden legs. The components of the chairs consist primarily of recyclable materials, all wood is FSC® certified, and no harmful chemicals have been used.



YOYO – Compressed packaging

Yoyo comes in smart packaging that has 42 % less volume than other office chairs. All components including fabric and foam can be separated and replaced.

Approved according to Möbelfakta.



Our design philosophy in practice

Sustainability thinking applies to all new products. But not only new products. We constantly strive to make the current range smarter and more sustainable. Here are some of the latest examples.

Ecolabels show the way

We strive to be industry leaders in making our entire product range environmentally sound and sustainable. These ecolabels are certifications used within our product range and for the materials in our furniture. In addition, we strive to develop products at the forefront of current industry standards and criteria set by various ecolabels.



MÖBELFAKTA is a Swedish certification for furniture, which involves strict criteria related to quality, environmental aspects and social responsibility. We aim to certify all EFG branded products with Möbelfakta. In 2019 Yoyo was approved by Möbelfakta and Favor and Evo were approved in 2020.



THE NORDIC SWAN ECOLABEL is a voluntary ecolabelling scheme that evaluates a product's impact on the environment throughout its whole life cycle. A selection of our range is certified with the Nordic Swan Ecolabel. Zoe, Nova and Sit were certified with the NSE in 2019.



THE EU ECOLABEL is a voluntary scheme, that focuses on the stages where the product has the highest environmental impact and on 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. We have been FSC-certified since 2002, and most of the wooden materials used in our furniture are FSC certified. FSC-C009111, www.fsc.org.

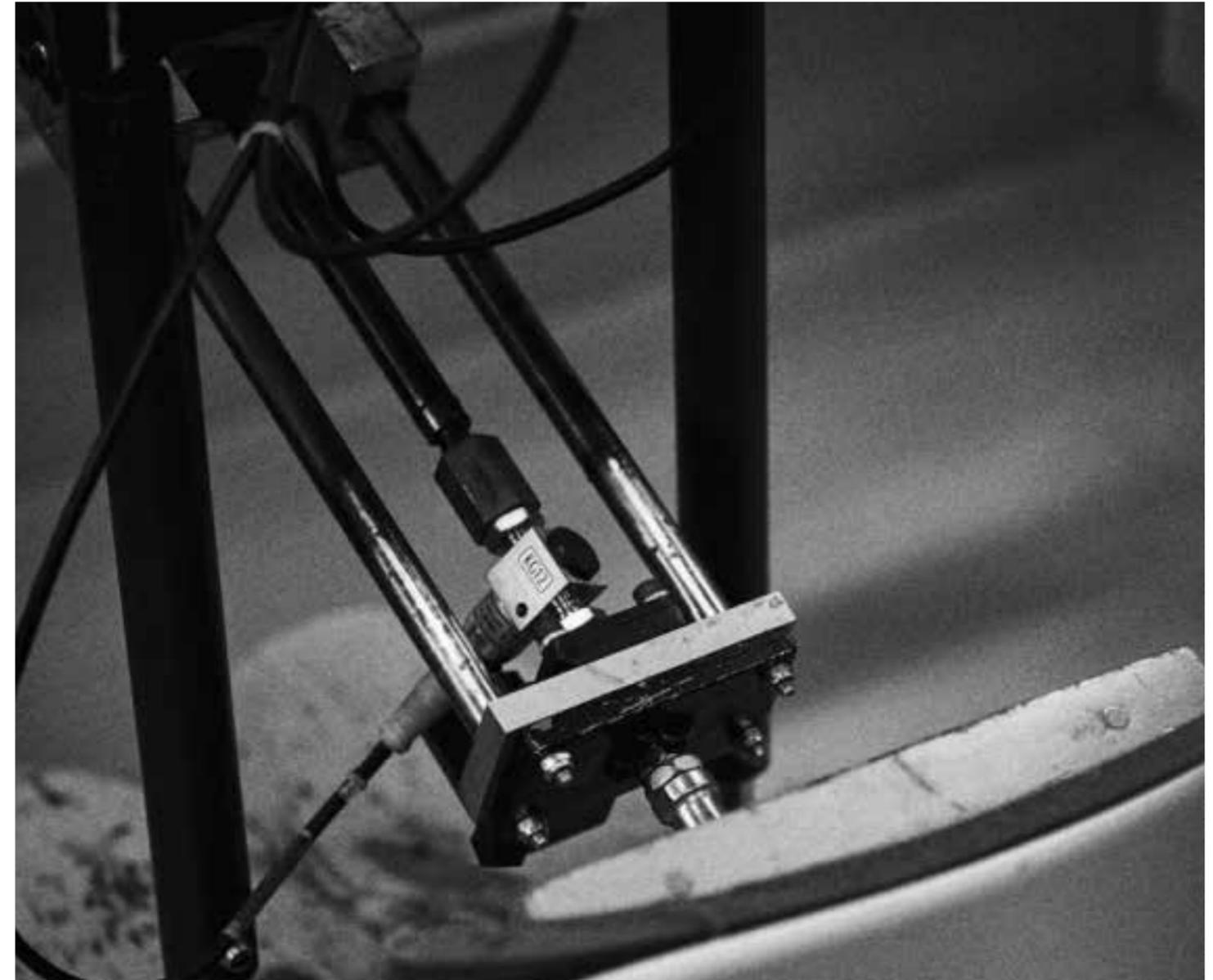


Our own test lab

We are 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 a cornerstone of our sustainability work and ensures that the products are of good quality, safe and durable for long term use.

We undertake rigorous, tough tests that go beyond complying with standards and industry rules, to ensure quality and products that really work in demanding settings. In product development, different materials and design solutions are tested to ensure the best solution in the final product. Approximately 100 product tests are conducted every year, with each test comprising of up to 15 elements, such as safety, function and ergonomics.

We also use external labs to conduct specific tests such as textile, fire resistance surface treatment, acoustics etc.



ABOUT SWEDAC ACCREDITATION

Swedac is one of the leading accreditation bodies in Sweden. Accreditation is a formal recognition of competence in accordance with European and international standards. To be accredited, skills, procedures and methods are tested in order to ensure that all quality requirements are met as

standard. The accreditation ensures that certification, inspection and testing are carried out with high quality and safety standards for life, health and environment. Swedac regularly audits us to ensure that we continue to meet the requirements for our accreditation.



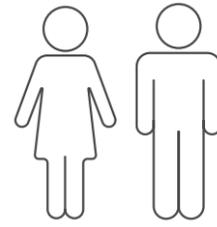
Our supply chain. Our responsibility.

We set clear demands for our supply chain and manage potential risks by routine checks. We also continually monitor and improve our processes. 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. We have management systems certified with both ISO 9001 (quality) and ISO 14001 (environment), that verify the

quality and efficiency of our work. All of 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. We choose our suppliers and partners carefully with high expectations for performance and sustainability, including social responsibility. Our code of conduct makes our approach and demands clear. Based on the principles of the UN Global Compact, the code includes requirements for working and

employment conditions, child labour, anti-corruption and human rights such as non-discrimination and freedom of association, as well as ethical business behaviour and respect for the environment.

During 2019, we continued to develop our work on risk assessment of our suppliers. The suppliers are involved in the risk assessment, and several action plans have been drawn up. For example, codes of conduct have been strengthened and fire alarms have been installed.



In 2019 EFG had 169 employees;
109 men and 60 women.



Of these, 77 work in our
manufacturing/assembly operations,
and 92 in our offices.

We ♥ our employees

Our employees are the most important asset we have. We care about our teams 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

people internally. All employees receive regular training and are updated on our products and services.

We strive 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 us being innovative and adaptive as a company, and being the best partner for every unique customer. Our integration programme is an example of what we do to increase diversity while engaging in society.





Reducing our environmental footprint

We have quite a bold goal: to be completely climate neutral in 2040, ten years ahead of the Paris Agreement. To get there, we need to be as resource and climate efficient as possible, in our own operations and throughout our value chain. And we have to become more efficient every year.

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 recycling of furniture
- Environmental awareness and performance in our supply chain and among our customers

We also set environmental demands for our transport suppliers and work to increase the fill rate of both incoming and outgoing transportations. This increases efficiency and reduces the impact on the environment. Since 2013, we have reduced CO2 emissions from outbound transport by 29%.

In addition, we continuously work to use electricity and heat as efficiently as possible. During 2019, we invested in LED lighting in a large part of our production unit in Tranås. This gives an annual energy saving of 73 %, or

118,287 kWh of lighting. Savings on EFG's total energy consumption are 7%. We also use 100 % renewable electricity in EFG's own operation in Tranås.

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