



**Sustainability report
2020/2021**

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 cornerstone 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 minimal material usage and versatile functionality, and we encourage our customers not to replace products that they like – but to refurbish or upgrade them 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 20–40 % compared to buying a new item.





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.

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 with intuitive and innovative design.

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.

FACTS AND FIGURES

- 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
- 138 employees
- Owned by Input Interiör Group
- Financial year 01/05/2020 to 30/04/2021



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 managed 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: trough layer-by-layer based design we are offering long-lasting, sustainable and repairable products. *Benefit:* resource-efficient products with a longer lifespan, meaning less impact on the environment. **Global goal:** 12, 13

RAW MATERIALS

Our approach: design with minimal usage of raw materials and eco-labelled materials used wherever possible for our products. *Benefit:* products with less impact on the planet’s resources. Healthier work environment in manufacturing. **Global goal:** 12, 13, 15

LOGISTICS

Our approach: focus on smart package, space efficient transportation and delivery precision. *Benefit:* with a 29 % reduction in CO2 emissions from outbound transports since 2013, we have decreased our impact on the climate. **Global goal:** 13

SALES

Our approach: we guide our customers in understanding and being able to take part of the most environmentally friendly alternative, based on what the 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 partnership with our suppliers, including risk assessments conducted on geographic location, distribution, financial risks and risks of deviations concerning human rights, labour law, environment and anti-corruption. Compliance with the code of conduct is regularly checked. *Benefit:* components manufactured in a responsible way, with respect towards human rights, working conditions and the environment. **Global goal:** 8, 12

PRODUCTION

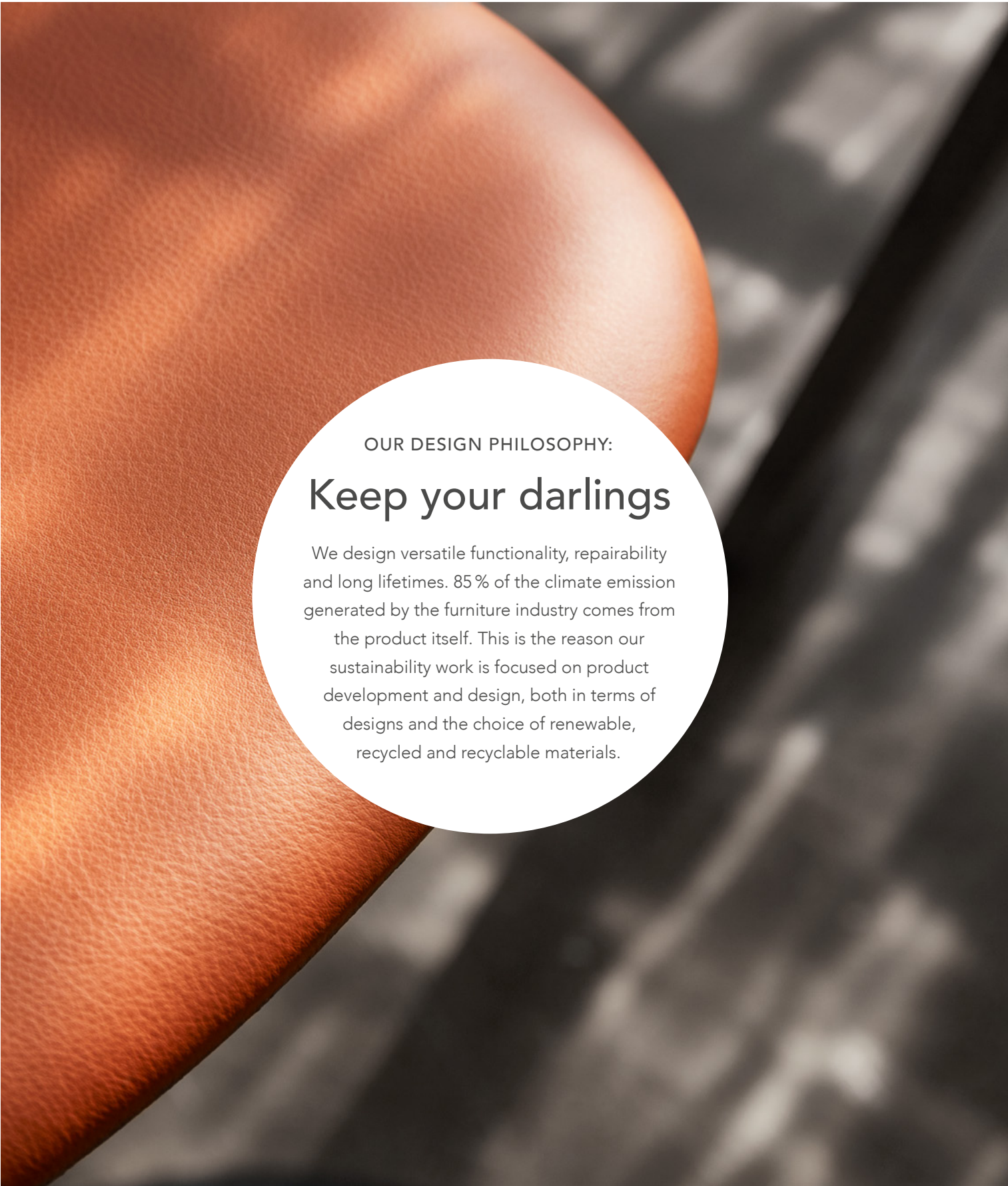
Our approach: systematic quality and environmental processes, supported by certified ISO 9001 and ISO 14001 management systems. *Benefit:* continuous improvements to ensure high quality products, operational efficiency, low environmental impact. **Global goal:** 8, 12

USE

Our approach: a flexible mind-set and product customization are both 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. **Global goal:** 14

KEEP

Our approach: Our products are designed to last and be kept. Simply, repair instead of replace. *Benefit:* saving on natural resources and customer costs by extending the lifespan of furniture. **Global goal:** 12, 13



OUR DESIGN PHILOSOPHY:

Keep your darlings

We design versatile functionality, repairability and long lifetimes. 85 % of the climate emission generated by the furniture industry comes from the product itself. This is the reason our sustainability work is focused on product development and design, both in terms of designs and the choice of renewable, recycled and recyclable materials.

KEEP YOUR DARLINGS

Products by the European Furniture Group are designed to make a difference to our customers, for both short and long term. The design should work in terms of form, function, environmental value 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 span 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.

FLEXIBLE, REPAIRABLE AND SUSTAINABLE PRODUCTS

Our design style is timeless and flexible 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

Recycled materials are key and their utilisation maximised to ensure that the materials can be recycled again when part of, or an entire piece of furniture needs to be replaced. In the rare case 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. Zoe is certified by Möbelfakta and The Nordic Swan Ecolabel. All wood is FSC® certified (FSC-C009111) from responsibly produced forests.



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. The components of the chairs consist primarily of recyclable materials, all wood is FSC® certified, and no harmful chemicals have been used. Certified by Möbelfakta.



SAVO 360 – Layer-by-layer design

Savo 360 consists of 68 % recycled and renewable material. 26 % is wood which is an unusually high proportion of wood for an office chair. The circular, “layer by layer” design means that all parts are separable and repairable which makes it possible to update the chair or to recycle the material. It is certified by Möbelfakta and all wood is FSC® certified (FSC-C009111).



Our design philosophy in practice

When it comes to sustainable furniture it all starts with the design. A great deal of our focus is on sustainable and innovative product development, both in terms of design and the choice of sustainable, recycled and recyclable materials. We take pride in designing layer-by-layer products that are repairable and possible to update over time. We have a policy to minimize the usage of materials, use materials that are as pure as possible and not to mix natural and synthetic materials or synthetic material with others.

Our philosophy applies to all new products. But we constantly strive to make the current range smarter and more sustainable.

Here are some of the latest examples.

Quality, environment and social responsibility

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 our products with Möbelfakta. During the financial year Evo, Bold, Savo Joi och Savo 360 was approved by Möbelfakta.



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. Savo 360, Rise and Graf were certified with the NSE in 2020.



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 Test Center is an important part of this work and 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.





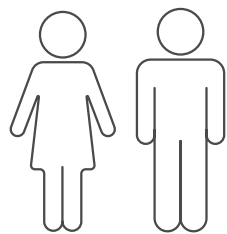
Our supply chain. Our responsibility.

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

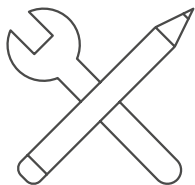
quality and efficiency of our work. All of our suppliers are required to sign and comply with our code of conduct. We constantly develop our methods to monitor suppliers’ compliance with the code. We choose our suppliers and partners carefully with high expectations for performance and sustainability, 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.

To follow up our code of conduct we collect information from our suppliers for risk assessments, and several action plans have been drawn up. For example, codes of conduct have been strengthened and fire alarms have been installed.



In 2020 we had 138 employees;
44 women and 94 men.



Of these, 64 work in our
manufacturing/assembly operations,
and 74 in our offices.

The most important asset

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 to 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. All employees follow our code of conduct regarding human rights, the environment and anti-corruption.

As an effect of covid-19 and its effects on our industry, we have had to reduce our workforce during the year.





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:

- Design of products with a minimal usage of material, long lifetimes and ability to repair
- 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 41 %.

In addition, we continuously work to use electricity and heat as efficiently as possible. We have recently 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 European Furniture Group’s total energy consumption are 7%. We also use 100 % renewable electricity in our own operation in Tranås.

