

The Better Effect

KINNARPS AB GROUP'S SUSTAINABILITY REPORT 2023

Kinnarps / Drabert / MartinStoll / Materia / NC / Skandiform

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Tip!

This sustainability report is clickable. Click on the section in the table of contents that you wish to read to go directly to that section.

ABOUT THE REPORT

This sustainability report relates to the Kinnarps AB Group for the financial year 2023 (01/09/2022–31/08/2023). The previous report was published in October 2022. We follow an annual reporting cycle. This report has been prepared in accordance with the provisions of Chapter 6 of the Swedish Annual Accounts Act. The Board of Directors is responsible for the preparation of the report.

Getting better – together

The Kinnarps AB Group is one of Europe's leading suppliers of interior design solutions for offices, schools and healthcare facilities. We are a total interior solution provider and help our clients create sustainable, future-proof spaces using our own brand portfolio, various services and complementary products. Our curiosity and interest in sustainable solutions mean that we are continually working to improve our climate impact, enhance well-being, and create timeless spaces. In this Sustainability Report, we focus on six key areas in which all of us in the Group, together with our clients and suppliers, can work to create a better effect for future generations.



Long-term solutions create sustainability

Together with our clients, we want to create truly sustainable, long-term interior design solutions. We pride ourselves on creating products and solutions that are designed for a long lifespan. This means a low life cycle cost for our clients, as well as a lower environmental impact in practice.

In our work to create more sustainable solutions for our clients, we see circularity as an important tool. However, just because something is circular doesn't automatically mean that it is sustainable. That's why we focus on **sustainable** circularity. Kinnarps' view is that sustainable circularity is about making conscious choices based on an in-depth needs analysis, and investing in flexibility and high-quality solutions. This creates the conditions for an interior design solution that lasts over time.

A detailed needs analysis that identifies the organisation's actual needs is the launch pad for a successful interior design solution with long-term sustainability. We use our analysis tools for offices, schools and healthcare facilities to help our clients map out and understand the needs of their organisation. This provides qualitative data for making conscious choices right from the start and creating a business adapted interior design solution that supports the organisation's way of working.

By designing solutions and products with flexibility in mind, we make it possible to adapt the organisation's existing furniture to changing needs and work patterns. The furniture can be combined in new ways and functions can be added or changed. This not only extends the lifespan of the furniture but also ensures that our clients get the most out of their investment.

We design and produce high-quality and long-lasting furniture. Our design is carefully considered from the outset, so the furniture can last a long time and be maintained, renovated, updated and given a new look in the future. We also offer a range of services to help our clients extend the life of their products.

Our design philosophy is based on the interplay between aesthetics, functionality, ergonomics and sustainability. The result is timeless, genuine and carefully considered down to the smallest detail, from how a piece of furniture is made and looks to how and where it is used. We start with the user's needs and our understanding of how to create good total ergonomics. A high user focus ensures that the interior design solution is relevant for more users, thus increasing the benefit to both the individual and the organisation.

Our factories are located in Sweden and we make major investments in our units to ensure continued high efficiency and reduce our environmental impact. In recent years, we have started manufacturing more components in-house, thereby increasing our control and ability to ensure environmental performance and social conditions, as well as reducing transportation. Our own logistics system is unique in the industry. By wrapping our products in reusable blankets instead of single-use boxes, we can load 50% more furniture than the industry average. This means that when others need three trucks, we manage with just two. We can also assemble and install the furniture at our client's premises in half the time of our competitors, and avoid more than half a tonne of waste per truck by bringing the blankets home and reusing them again and again. We are also adding the NC Nordic Care brand to our logistics system, which means that all our brands now are included in the system.



ROBERT PETERSSON
CEO KINNARPS AB

The year in brief

We're leaving a successful year behind us and can look back on twelve months filled with exciting client projects with a focus on sustainability. During the year, we have tested new materials and innovations aimed at increased sustainability, and made major investments for the climate and more circular flows.

MATERIA RE-LOVED
During the year, we've added yet another tool to our toolbox to extend the lifespan of our high-quality products. With Materia Re-Loved, we offer to take back a selection of products from Materia for reupholstering. These reupholstered products are given a green label to indicate that their lifespan has been extended.

Read more about our circular services on Page 60.



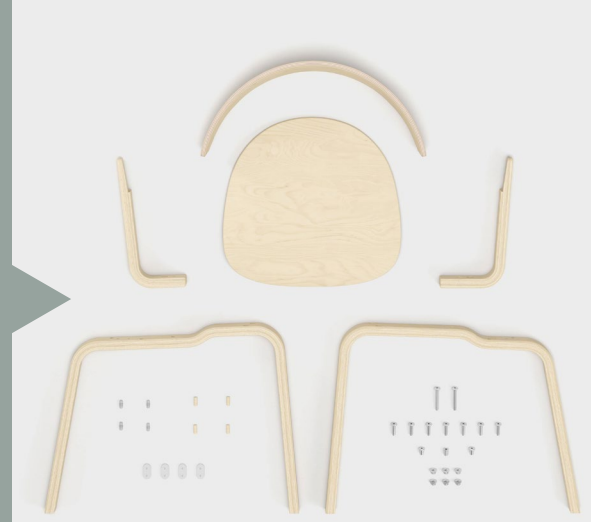
CUSHION MADE OF LEFTOVER FABRIC
This year, we've developed another product made from leftover fabric from our own operations. The Re-Fold cushion from Materia is made from leftover fabric from our Tranås factory. The fabrics used depend on the leftover fabrics available at any given time. The padding is also recycled and consists of siliconised ball fibre.

BIO-BASED SURFACE TREATMENT
This year at our factory in Kinnarp we've tested and introduced bio-based lacquer on selected wooden details in our range. The lacquer is partly based on renewable raw materials from plants instead of fossil raw materials and means a reduction in carbon dioxide emissions of approx. 1.5 tonnes per year.

EMISSIONS OF CARBON DIOXIDE PER TRADED SEK	-47%
CERTIFIED WOOD RAW MATERIAL	95%
PROPORTION OF FOSSIL-FREE ENERGY	73%

LEXIE – SUSTAINABLE ALL THE WAY
Lexie is a comfortable and functional new wooden chair that's both Möbelfakta and FSC® certified. Thanks to a design featuring minimal components, all of which can easily be separated and recycled, it is a circular, long-term sustainable choice.

(FSC®C010544)





CO-LOADING ALL OUR BRANDS
Kinnarps' logistics concept is unique in the industry and uses circulated packaging material in the form of blankets instead of single-use packaging. This saves 270kg of packaging material per container and also provides 50% more furniture space, thanks to denser packing. This year, the system has been expanded to include deliveries of NC's products directly to the client. This has reduced both the number of shipments and carbon dioxide emissions.

RARE – WITH RESPECT FOR NATURAL MATERIAL
Rare armchair from NC, in FSC®- certified birch, has been designed with a desire to make use of the whole tree and show respect for the wood. Parts of the tree that are usually hidden behind textiles or incinerated have been used to truly make the most of the material. Each chair is unique – a small shift in colour or a twig is a lovely testament to our love for nature.



Sustainability is part of our DNA

It all began with a young couple's dream of a small carpentry factory 80 years ago. We've grown into one of Europe's leading suppliers of interior design solutions for offices, schools and healthcare facilities.

Since the company was founded in 1942, we've had a passion for sustainability and a vision that everything can be done a little better.

Using resources sparingly and creating long-term solutions are part of our DNA and the core of our business. We are constantly curious, and continue to develop sustainable and successful interior design solutions that enable both organisations and people to thrive. The Kinnarps AB Group currently comprises six production units, all located in Sweden, and has a brand portfolio of seven brands. The Group is a family-owned business, and the values that have been embedded in the company from the outset are still a major part of our heart and soul.



BRANDS

Kinnarps

MATERIA

skandiform

NC

MARTINSTOLL

drabert

mbt

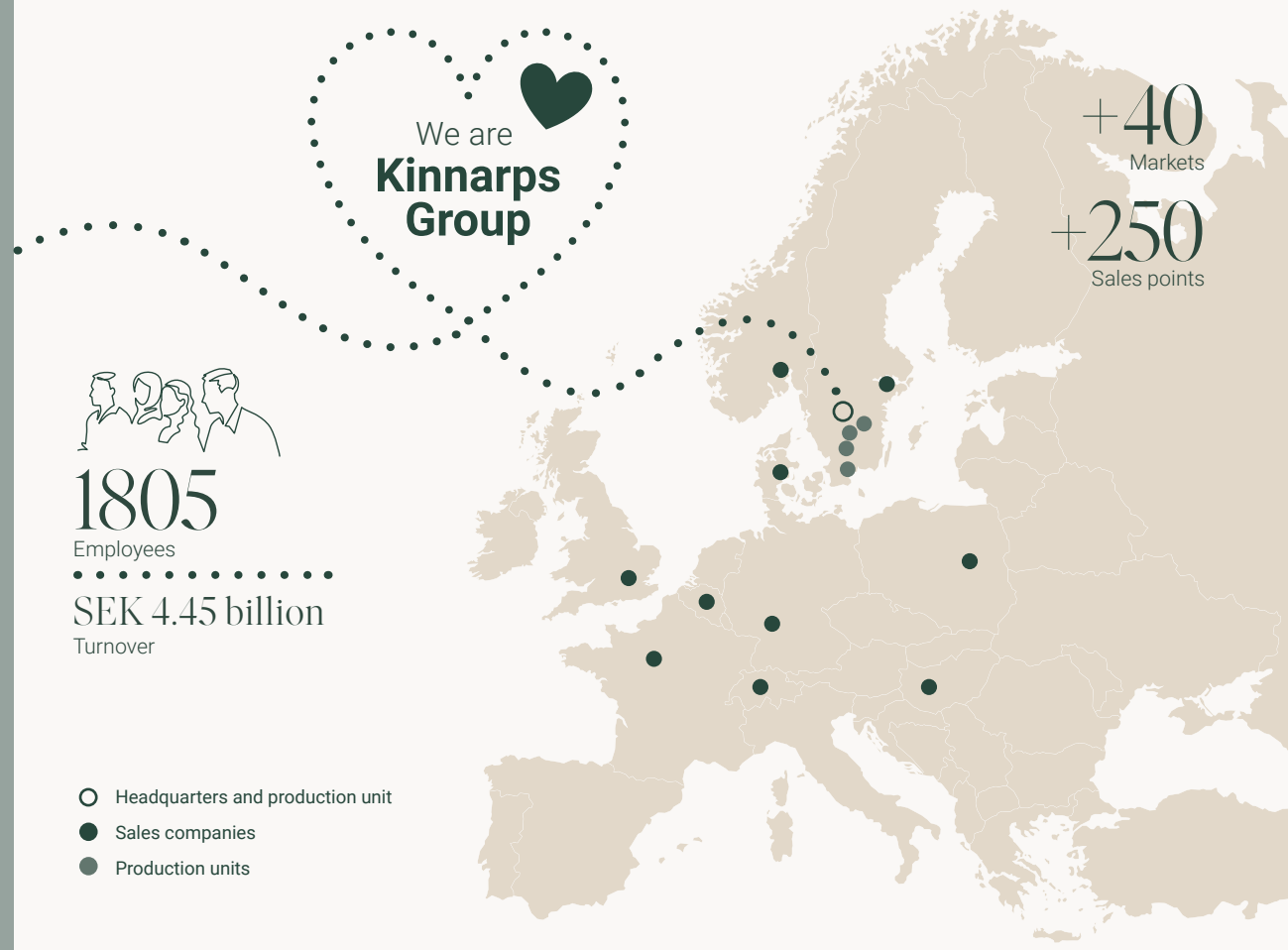
We are **Kinnarps Group**

1805
Employees

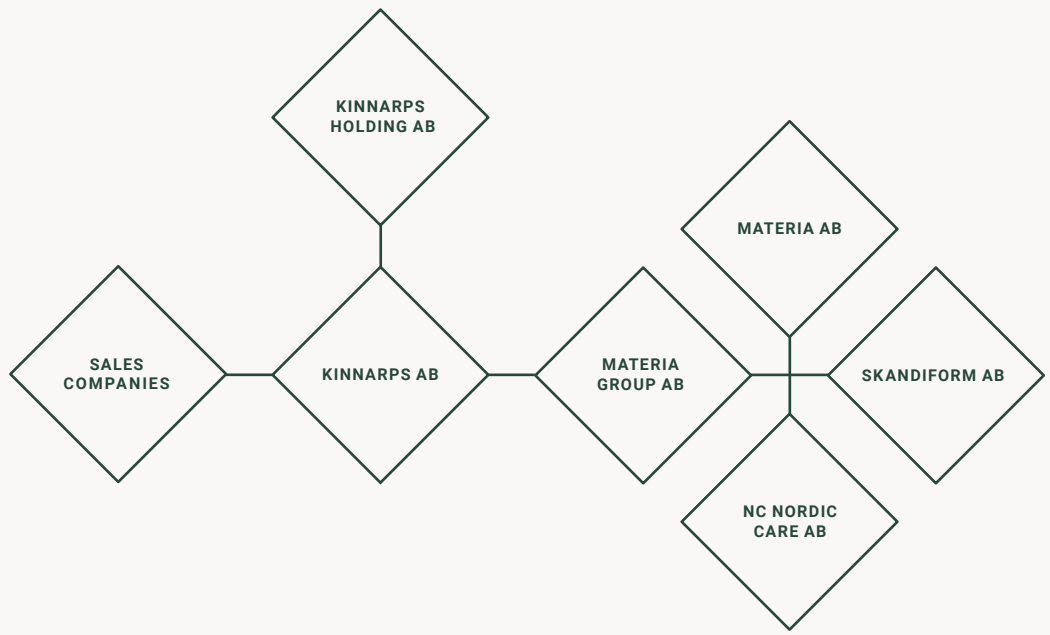
SEK 4.45 billion
Turnover

+40
Markets

+250
Sales points

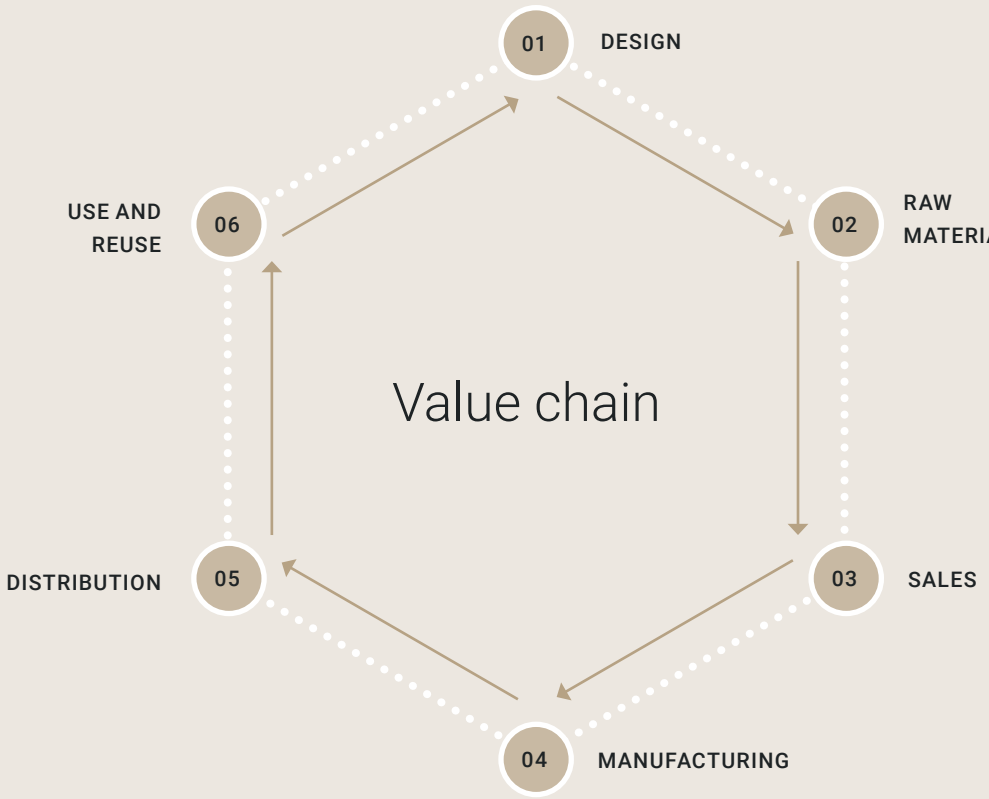


THE KINNARPS AB GROUP COMPANY STRUCTURE



An invaluable value chain

The purpose of the Kinnarps AB Group's business model and value chain is to understand and fulfil the needs of businesses and organisations for interior design solutions with associated services.





01 DESIGN
When we design and develop products, we set high function and quality requirements. We work hard to take all factors affecting sustainability into account as early as possible in the development process, such as pure materials, as little waste as possible and an optimised use of resources. We design products with a platform approach that gives the product the flexibility to be renewed and changed over time.

02 RAW MATERIALS
When purchasing raw materials, components and finished products, it's important to us that they come from sustainable sources and are produced under good social conditions. We therefore set high standards for both our suppliers and the products supplied. The Kinnarps AB Group has a common Code of Conduct covering social responsibility, which we also follow up through on-site risk assessments and audits at our suppliers' production facilities.

03 SALES
We help our clients to analyse both their existing and future needs, in order to create business adapted spaces that promote health and efficiency. A business adapted interior design solution furnished with flexible and multifunctional products is a long-term investment that can be adapted to changing at a relatively low cost.

Making the right purchase from the start is an important part of reducing your environmental impact. We are a total interior solution provider and help our clients to implement their interior design solution with the help of products from the Group and our partners.

04 MANUFACTURING
We manufacture on the basis of client orders, which means that we only manufacture what is actually in demand and avoid creating large stocks of products. When manufacturing our products, avoiding eco-hazardous and harmful substances is important to us. We do this not only to ensure a good working environment in our six manufacturing units, but also to create healthy workspaces at our clients' premises. We make continuous efforts to improve our use of resources by optimising the consumption of materials, reducing waste, and utilising leftover materials.

05 DISTRIBUTION
We have our own logistics system that delivers products from all our brands directly to clients. When we pack our products, we use blankets and cardboard sheets that we take away with us for reuse. This means that we save packaging and have space for 50% more furniture per shipment. Our trucks also run on renewable diesel to further reduce our climate impact.

06 USE AND REUSE
It's important to us to design products that last a long time. That's why we place great emphasis on high quality, and the ability to update or refurbish a product in order to extend its lifespan.

We offer a range of services to help our clients keep their interior design attractive for longer and change it as necessary. Our furniture washing and maintenance services keep the interior design in good condition, while our renovation and updating services mean the furniture can be repaired, customised to new needs or given a new look.

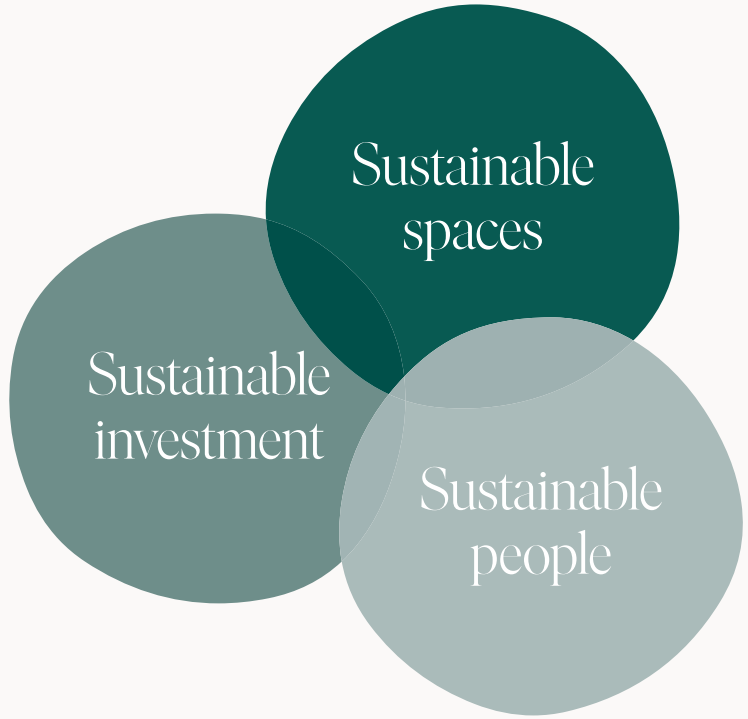
Sustainability all the way

At Kinnarps, we look at sustainability from a holistic perspective. This involves using resources in an efficient and environmentally smart way, promoting well-being, and helping our clients to do the same. It's about offering products that can be updated and reused, as well as delivering sustainably and creating well-thought-out and flexible interior design solutions that have been made to last. Most importantly, it's about interior design always based on the actual needs of the people using it. Furniture and solutions that contribute to well-being and success – today and tomorrow.

"Demand that the interior design is designed to live a long life and is prepared to be updated, renewed or renovated when the time comes."

Johanna Ljunggren
Sustainability Manager at Kinnarps





At Kinnarps, we look at sustainability from the perspectives of sustainable spaces, sustainable people and sustainable investment. It's when these three work together that you achieve sustainability all the way.

Designing sustainable, high-quality furniture with pure materials is a matter of hygiene for us. But in order for a piece of furniture to be truly sustainable, it must be part of an interior design solution that's been designed according to the vision and needs of a specific organisation. It is about spending time and thought at the beginning of the project, analysing the needs of the organisation and then designing interior design solutions that support their users and activities. Spaces with the right functions that support well-being, efficiency and creativity give sustainable people, which in turn leads to success for the organisation as a whole.

A sustainable investment is just as much about the present as the future, so it's important to invest in an interior design solution with a low life cycle cost, i.e. a flexible, multifunctional and transformable solution that can be adapted to changing conditions and needs. At Kinnarps, we're experts at creating precisely this type of business adapted interior design solution for our clients, and our products are also designed and prepared to be updated, reused and recycled.

For us, sustainability is simply a lifelong commitment, based on curiosity, a long-term approach, and an indefatigable desire to do things differently and do the right thing, and to pave the way for a better tomorrow.

Mapped needs show the way

The greatest sustainability impact is achieved by choosing the right interior design solution from the start. To be able to do this, it's important to map out and analyse your needs, and create a business adapted and flexible solution that lasts over time.

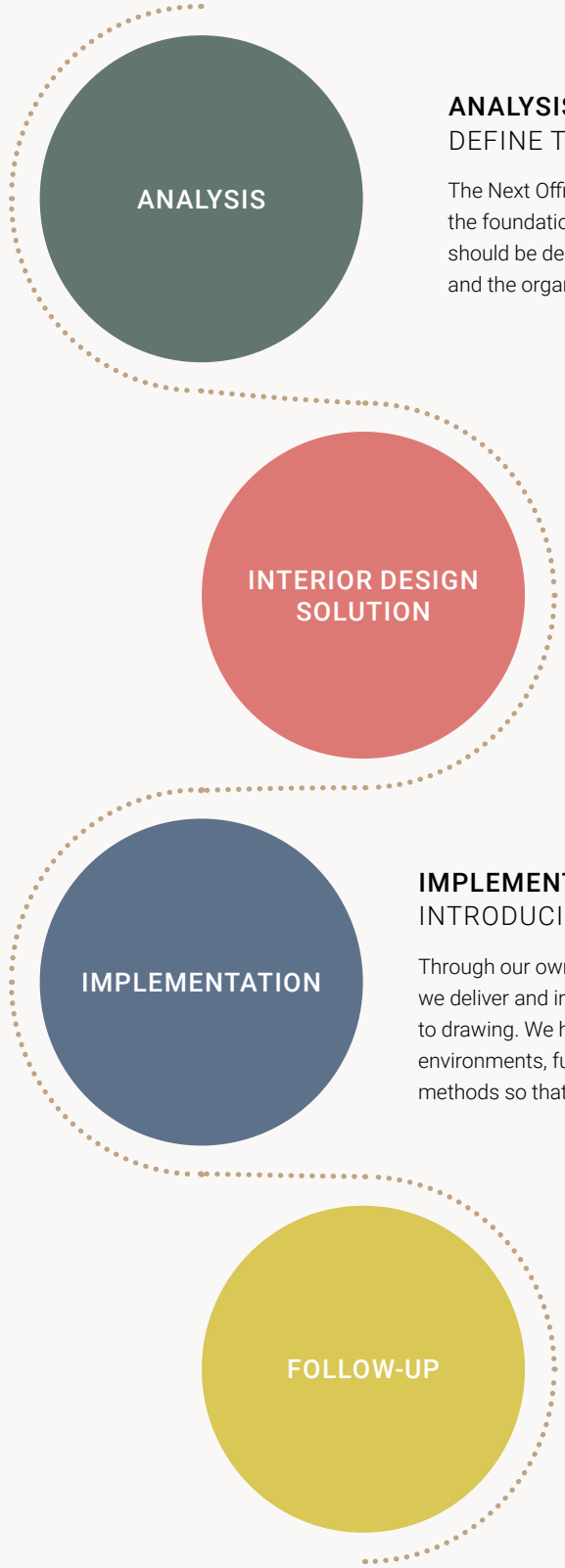
Over the years, we've helped numerous clients design value-creating transformations in their physical space. We do this through our needs analyses Next Office®, Next Education® and Next Care®, which help to create business adapted and sustainable spaces. Thanks to our many years' experience in workplace strategy, we know that solid preparatory work creates success. The key is to map the client's unique needs and work patterns. This creates the conditions for achieving the best and most sustainable solution.

Our needs analyses help the client gather valuable knowledge and data before designing their spaces. With specially developed tools, our experienced workplace strategists guide the management team to establish the vision, goals and framework for the project.

Through workshops, lectures and an online survey, they then help to map needs and work patterns and involve all stakeholders in a carefully considered way. The analysis provides the client with facts, a solid knowledge base and a qualitative basis for how their workplace can be designed to best meet their needs.

Well-considered, well-planned working environments that meet the needs of both the organisation and employees promote everything from well-being and creativity to efficiency and productivity. This leads to an efficient use of the available space, a reduced risk of accidents and sick leave, and a stronger brand, which facilitates both the recruitment and retention of staff. In other words, a good and sustainable investment.





ANALYSIS
DEFINE THE END RESULT

The Next Office® needs analysis lays the foundation for how your office spaces should be designed to support employees and the organisation in the best way possible.

INTERIOR DESIGN SOLUTION
FROM IDEA TO ACTION

We help you convert the needs analysis results into a design concept, layout and tangible drawing. We review ergonomics, functions and sustainability.

IMPLEMENTATION
INTRODUCING THE POTENTIAL

Through our own efficient logistics and delivery system, we deliver and install your interior completely according to drawing. We help you introduce and implement environments, furniture, ergonomics and working methods so that everyone understands the potential.

FOLLOW-UP
KNOWING IS BETTER THAN GUESSING

Based on your needs analysis, you can then continuously follow up on how your office is working and identify whether your needs have changed.

Kinnarps' sustainability work in five points

1. WELL-BEING BEGINS IN THE SPINE

In our product development, we collaborate with ergonomists who are experts on our physical and psychological needs. This enables us to create customisable products that enhance people's well-being, and minimise sick leave and work injuries. We design products that promote movement in different ways. Chairs with swivel function or springiness in the back, height-adjustable desks or meeting tables, balance balls and stools with tilting function are just a few examples. All Kinnarps task chairs are designed to support or encourage movement.

2. MADE IN SWEDEN

All our factories are located in Sweden, and thus have high environmental and working environment requirements.

We also demand social responsibility within our supplier chain, via our Supplier Code of Conduct, which mandates an on-site risk assessment and monitoring to ensure socially acceptable conditions.

In our production, we also deal with waste materials in various climate-smart ways. For example, some of our factories are heated using wood waste from their own production. In addition, we've developed the innovative Re:fill material, which consists of leftover fabric from our production in Skillingaryd and recycled PET bottles.

We have stringent environmental requirements for all our products and many of our products are also ecolabelled. This means that the products are safe and contain no unnecessary or harmful chemicals, which creates healthy working environments and better indoor quality.

3. DESIGN WITH A PURPOSE

We base the design of our products on circularity, as we believe it should be easy to upgrade and replace parts to extend the lifespan of the furniture. Everything to ensure our clients are able to renew their interior design and create attractive workspaces without great inconvenience or environmental impact. For example, we offer 26 product ranges with removable upholstery, which makes it easy to reupholster these products in a cost-effective way, without unnecessary transportation.

4. FURNITURE TESTED TO LAST

Our products are tested for compliance with strict quality requirements in our own accredited Test & Verification Centre in order to guarantee high quality and product safety. In addition, we have more than 50 proprietary tests that we use in our product development to simulate how the products are used in reality and thus test their durability. This also means that our clients receive products that last longer, which not only shrinks their investment costs over time but also significantly reduces their climate footprint.

5. REUSABLE BLANKETS

We use blankets as packaging material instead of single-use boxes for the delivery of products from all Kinnarps' brands. The blankets are then taken back for reuse on the next delivery, saving on waste management and about 270 kilos of packaging per truck shipment. The blankets also mean that we can fit 50% more furniture in our trucks, compared to other companies in the industry. This is just as positive for the climate as it is appreciated by our clients, as it means fewer and faster deliveries.











Our focus areas

In order to identify which sustainability areas are most important for our business, we maintain a dialogue with our stakeholders and conduct an annual materiality analysis.

STAKEHOLDER DIALOGUE

Which issues are important to the people who influence or are influenced by our operations? Knowing this is essential to enable us to pursue our sustainability work effectively, and we therefore maintain a regular dialogue with our stakeholders. This is done by methods including interviews, focus groups, surveys, and ongoing meetings in our daily operations.

THE KEY STAKEHOLDERS WE HAVE IDENTIFIED:

Clients / Regulators / Owners / Employees / Trade unions / Authorities / Society / Media / Retailers / Suppliers / Lenders / Insurers / Certification bodies

MATERIALITY ANALYSIS

Which sustainability issues are most relevant to our operations? On the basis of the stakeholder dialogue, we carry out a materiality analysis, which is revised annually. The analysis not only identifies the areas in which Kinnarps' stakeholders have the highest expectations but also those of major importance to our business strategy. We have summarised the most important areas in our six focus areas.



Materiality analysis



Raw materials and resources p.22
Climate p.30
Pure materials p.40
Social responsibility p.46
Circularity p.56
Ergonomics p.66

Sustainability strategy and long-term sustainability goals

Kinnarps' sustainability strategy is based on our overall vision and business plan, which involves creating inspiring and effective interior design solutions – to contribute to prosperity and well-being.

We have evaluated our operations against the 17 UN Sustainable Development Goals and identified the ones that we have the greatest opportunity – directly or indirectly – to influence. We have then linked them to our most prioritised areas.



2030 Goals

RAW MATERIALS AND RESOURCES

Our goal is for all raw materials in our products to be traceable and from responsible sources. All wood raw material should be FSC® certified or recycled. Materials should be used in an even more resource-efficient manner.



SOCIAL RESPONSIBILITY

Our goal is to have verified good working conditions throughout our value chain, contributing positively to the social development on the sites where we and our partners operate.



CLIMATE

Our goal is to halve our greenhouse gas emissions by 2030 and reach net zero emissions by 2050. We're also working continuously to improve energy efficiency throughout our operations and to use more energy from fossil-free sources.



CIRCULARITY

Our goal is for all our products to be designed for a long lifespan, and for our interior design solutions to be part of a circular flow that prolongs the life of products and materials. We use more recycled materials in our products and find innovative ways of using leftover material from our operations.



PURE MATERIALS

Our goal is to create healthier working environments, with fewer chemicals, and free from materials classified as harmful to public health or the environment.



ERGONOMICS

Our goal is to create working environments that promote the health and well-being of everyone who spends time there. Holistic ergonomics is central to our interior design solutions, and our products are inclusive and individually adaptable.



UN Sustainable Development Goals



Raw materials and resources

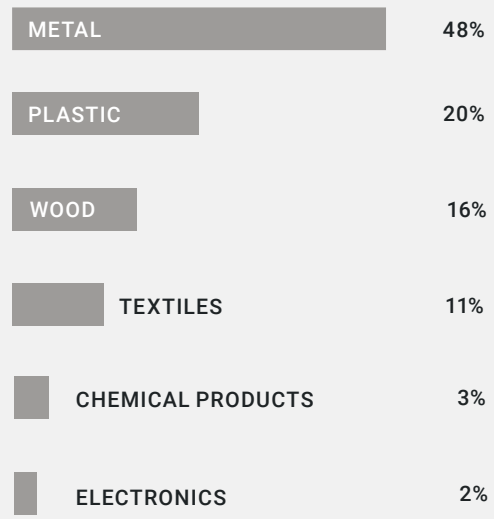
Conserving natural resources is crucial. It's also an important part of Kinnarps' identity and a prerequisite for all sustainable operations. In other words, we take responsibility all the way from choosing the right raw materials to finding the right manufacturing procedure – for the sake of our planet.

DEFINITION

Which materials we use in our products, and how they're manufactured, has a huge significance for our environmental impact. It's also important that we use these materials efficiently and minimise waste, in order to reduce the consumption of natural resources.

These materials are used in our production

The diagram shows the proportion of material procured on the basis of its procurement value.



CHALLENGE

Long and complex supply chains

The extraction of raw materials and the manufacturing of materials are part of a complex global context. For us as an individual operator, it's a huge challenge to trace the origin of raw materials such as oil, plastic, ore and metal, and monitor the conditions under which they were produced. It's much easier for us to influence our direct suppliers. Longer supply chains are more complicated to map, as we don't have the financial relationship with the suppliers, which also means that we have less ability to influence them.

For the same reason, it's challenging for us to influence the efficiency of material use in the supplier chain.

Wood is unique in that there are good traceability certifications and this is why we have set particularly high targets in this area. But the availability of certified wood is limited at the best of times and has declined even further as a result of the war in Ukraine. Nor is it enough for the wood to have traceability certification – it also needs to meet our high quality requirements.



Our factory in Skillingaryd

STRATEGY

Material requirements and resource efficiency

MATERIAL REQUIREMENTS We stipulate that all our suppliers sign up to accept and comply with the requirements specified in our Code of Conduct in relation to social conditions and environmental considerations during production, and that they forward these requirements up the supply chain. We insist that all articles we procure must meet material requirements based on the criteria in the relevant ecolabels. We also obtain information about the country of manufacture and have procedures for monitoring the origin of all wood raw material. We do not accept wood from forests with high conservation values, areas which have been converted from natural forest into plantations, or forests where there are ongoing social conflicts. Our units in Kinnarp, Skillingaryd, Tranås and Vinslöv all have FSC® Chain of Custody traceability certification. FSC® labelling is a guarantee that the raw material comes from environmentally adapted, socially responsible and financially viable forestry.

RESOURCE EFFICIENCY We're constantly working to streamline our production processes and material utilisation in order to reduce waste. We've made major investments in the Skillingaryd factory, in order to increase the utilisation rate of textiles with more precise cutting. Of the waste that still arises, we sort out polyester fabrics that, together with recycled PET bottles, are used for the sound-absorbing material Re:fill in new products. We've been participating in the TexChain3 project in order to develop methods for using textile waste in more products. One result from the project is a finished sample of a padding material consisting of shredded and pressed textile waste from our own production in Tranås. We're now working on implementing the material in some of our products. In addition to this, we've invested in an efficient level laser for our factory in Jönköping, which reduces sheet metal waste by 15 percentage points.

With the help of a cyclone in the powder coating of metal components, we can make use of overspray of powder paint and reuse approx. 80% for lacquering again.

In Skillingaryd, we cast the plastic shells for the Leia chair, and when we change the colour in the machines, for example, some of the shells may get discoloured or acquire other blemishes. Because the quality and strength are the same, we use these shells in upholstered seats instead of throwing them away, which saves both material and energy.

Through collaboration with one of our suppliers, we recycle waste pieces of ABS plastic strips from our production in Kinnarp. This enables us to recycle about 1.5 tonnes of ABS plastic per year, which becomes a raw material for the plastics industry.

The materials we use most

WOOD We only use certified wood or wood whose origin we've checked with regard to tree species and source country. Our product range includes more than 150 different families with FSC®–certified products. Resource utilisation of veneer is optimised by planking the material.

TEXTILES We offer durable natural materials, such as wool from Norway and New Zealand, but also work with synthetic materials, including Xtreme made of recycled polyester. We require all the wool we use to be mulesing-free. 93% of the fabrics in our assortment have OEKO-TEX® or EU Ecolabel certification, which means that they've been made with consideration for the environment and health. We use an automated program for fabric cutting, which optimises usage and reduces waste.

METAL We use recycled metal as much as possible with regard to availability and quality requirements, including steel, aluminium and magnesium. Chrome-plated details are produced using trivalent chromium, which has better environmental and health properties than hexavalent chromium.

PLASTIC We have our own moulding facility for padding at our factory in Skillingaryd. This gives us complete control over the material, and we can use the isocyanate MDI instead of the more prevalent but health-hazardous TDI. We also manufacture plastic components in Skillingaryd, where many details are made from recycled plastic. The plastic granulate that we purchase mainly comes from Europe.

ELECTRONICS We do not allow "conflict minerals" in our electronics. We aim to ensure that we don't use electronics containing tin, tantalum, tungsten or gold that has been extracted illegally, or whose extraction helps to violate human rights or support conflicts.

CHEMICAL PRODUCTS We use chemical products such as glue and lacquer in our production and make sure they meet the requirements of the relevant ecolabels. The chemical products we use are produced in Europe.

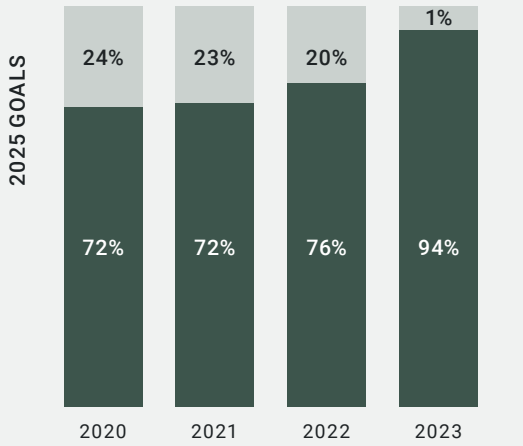
OBJECTIVE

2030 long-term goal

Our goal is for all raw materials in our products to be traceable and from responsible sources. All raw wood materials should be FSC® certified or recycled, and all materials should be used in an even more resource-efficient way. This goal is linked to the UN's Sustainable Development Goals 9 and 15, 'Sustainable industry, innovations and infrastructure' and 'Life on land'.



Proportion of certified wood raw material in total wood raw material procured*



* Procurement of wood raw material for our own products manufactured in Kinnarp, Skillingaryd, Tranås and Vinslöv.

ANALYSIS The proportion of wood that is certified is 95%. A smaller proportion of the material is FSC Controlled Wood, which means that it's been inspected. We maintain a very high proportion of certified wood, despite the fact that the global situation, including the Russian invasion of Ukraine, has led to a reduction in the global supply of certified timber. Thanks to continuous work with our supplier base, we've been able to significantly increase the proportion of FSC-certified wood compared to previous years to an impressive 94%.

We are five percentage points from achieving our target of 100% and the final percentages have proved difficult – but not impossible – to achieve. This relates to smaller volumes where availability is limited or some operator in the supply chain lacks traceability certification. So in order to achieve our target, we're encouraging our suppliers to obtain traceability certification.

2025 Goal

All wood raw materials should come from certified or third-party audited sources.

Textile resource utilisation*

82%
2020

83%
2021

83%
2022

83%
2023

* Production in Skillingaryd

ANALYSIS The utilisation rate of textiles reached the same level as the previous two years at 83%. Due to this year's large order intake and the need to speed up production, we've not succeeded in achieving the hoped-for increase in our textile utilisation from the previous year. We've now added measures in which we extend the calculation time in the software we use in order to achieve the best possible optimisation. During the next financial year, we'll be installing a new cutting machine with associated software, and we've started a joint project with our machine supplier to cut and optimise even more efficiently. In addition to the precision of the machines, there are two main factors that affect the utilisation rate: which patterns the fabric is to be cut out in and what the day's mix looks like. In other words, how many equivalent products are to be manufactured in accordance with our client order-controlled system. Leftover waste fabric is reused in our Re:fill padding material or sent for recycling.

2025 Goal

The utilisation rate of fabric should be 85%.

Climate

Fossil fuels are the largest source of carbon dioxide emissions. This is why we are particularly proud of our logistics system, which is partly powered by renewable diesel and also packed in a more climate-smart way – with blankets that are reused, resulting in less transportation and less waste management. In addition to this, we are also working to become more efficient in everything from material extraction to energy use.

DEFINITION

The global climate goal means that global warming should be limited to less than 2 degrees, and preferably stop at 1.5 degrees. Achieving this climate goal requires concerted efforts from all sections of society. In our case, climate impact arises primarily during the extraction of raw materials, production and transportation.

THE GROUP'S CLIMATE-IMPACTING EMISSIONS ACCORDING TO THE GREENHOUSE GAS PROTOCOL

UNIT, TONNE CO_2E	
SCOPE 1 – DIRECT EMISSIONS	
Oil	**125**
LPG	**358**
Gas	**236**
Our own freight transportation	**2604**
Passenger transportation	**959**
SCOPE 2 – INDIRECT EMISSIONS	
Electricity	**393**
District heating	**235**
SCOPE 3 – OTHER INDIRECT EMISSIONS	
Procured freight transportation	**386**
Business trips in private vehicles	**90**
TOTAL	5385

CHALLENGE

Profitable climate investments

We have long worked on energy efficiency improvements in our operations, and have continuously identified and eliminated unnecessary consumption and energy leakage. But after many years of persistent work, most of the financially justifiable measures have been implemented. There are still some minor actions that have a limited impact or measures that require major investments. However, the increased price of electricity in recent times may justify larger energy efficiency investments going forward.

On the transport side, our efforts to use more fossil-free alternatives have been hindered by a limited supply of renewable substitutes, as well as a limited infrastructure and geographical availability for this type of fuel. We also see the need for longer-term political ground rules that help to make renewable fuels more competitive with fossil fuels. When it comes to the electrification of trucks, there are challenges regarding range, charging infrastructure, charging times and the size of the batteries in the vehicles making it difficult to operate our volume-optimised trailers. Despite positive decisions to open up for High Capacity Transport (HCT) on Swedish roads, we are currently limited by decisions regarding which vehicle combinations are currently approved.

Furthermore, we see major challenges in relation to climate-enhancing measures in our supply chain, where our ability to influence is also significantly lower.





STRATEGY

Climate-optimised transportation and energy auditing

TRANSPORTATION We have our own logistics system that is unique in the industry. Instead of single-use boxes, we use blankets to protect the products in transit. The blankets are then taken back to be reused for subsequent deliveries. This saves us and our clients about 270kg of packaging per trailer. This method of packaging our products makes it possible to fit in 50% more furniture per shipment, as we can pack the products like a jigsaw puzzle and at the same time avoid transporting unnecessary air. So when others need up to three trucks, we manage with just two. This increases efficiency and reduces the number of shipments, and ultimately the climate impact. Our vehicles are also optimised for maximum load volumes in accordance with European standards. The vehicles are lower, which means that we have a larger internal loading height and loading length in our swap bodies to be able to load more furniture. Our trucks are equipped with driver assistance that measures driving behaviour, which has helped us to reduce average fuel consumption. At our filling station in Kinnarp, we use HVO diesel with 97% renewable content, and we refill with HVO wherever available, which means that our trucks mainly run on renewable diesel. All in all, this means that a shipment in our blue trucks emits 80% less carbon dioxide per product than conventional transportation using conventional diesel.

Our own logistics system includes transportion of products from the Kinnarps, Drabert, MartinStoll, Skandiform and Materia brands, and during the year we have worked to expand the concept to also include products from NC Nordic Care. This reduces the number of shipments and thus carbon dioxide emissions as well, while at the same time making life easier for our clients, as we can deliver a complete solution in just one delivery. Since the concept was expanded to include products from Skandiform, Materia and NC Nordic Care, we've also been able to reduce the use of packaging boxes by around 90 tonnes per year thanks to packing with blankets and cardboard sheets instead. After each delivery, we then load the trucks with materials from our suppliers, which means that we use the transport capacity in both directions.

In order to further streamline our logistics system, we're taking part in a research collaboration with Volvo concerning High Capacity Transport (HCT). This involves testing longer combination vehicles that drive with two trailers instead of one, meaning we can fit in a third transport container. This increases the load volume by 50% and also results in approximately 20% lower CO2 emissions. This has enabled us to reduce shipments between our factories by one trip a day. Thanks to a positive government decision on HCT on Swedish roads, the opportunity for increased use has been opened up. We're working to ensure that our vehicle combination is approved within the regulatory framework, which would give us the opportunity to transport larger volumes to more locations in the coming years.

Our vehicle fleet includes electric service vehicles and passenger cars, and we also have a gas-powered lorry in operation for furniture delivery, which reduces the climate impact by over 50%. By placing orders for more electric vehicles, the proportion of electric transportation will gradually increase over the coming years. We're in discussions with vehicle manufacturers about electric and hydrogen-powered trucks in order to find alternatives that will work in our logistics system. In the short term, until the development of alternatives has come further, we see fossil-free fuels used in conventional combustion engines, such as HVO with a high proportion of renewable diesel, as the best solution to keep our total emissions down. We have truck containers that are certified for the railway and we are in discussions with carriers so that our intermodal freight operations can function better and eventually make better use of the railway in our flows.

While others need up to **three trucks...**

...we manage with just **two.**



PRODUCTION AND PREMISES Our energy consumption is greatest at our Swedish production facilities in Kinnarp, Jönköping and Skillingaryd. We've therefore carried out energy audits to identify the potential for energy efficiency measures. We work continuously to make lighting more efficient, optimise ventilation and identify air leaks from compressors.

We aim to use more energy from renewable sources or energy sources with a lower climate impact. We've swapped most of the LPG used in production at our factory in Jönköping for district heating, which has a considerably lower climate impact. This change of energy source saves about 500 tonnes of CO2 per year. At our production unit in Kinnarp, we also recycle wood waste for briquettes that heat the factory with fully renewable energy.

At our facility in Skillingaryd, we've also installed a production line for manufacturing plastic components, which means that we're insourcing production and thus reducing transportation in the production chain. Hot water is used as a heat source, which in turn consumes less energy than traditional electrical coils. During the year, we've had charging posts for EVs installed at our head office and several of our sales offices. This makes it possible for visitors, employees and the general public to charge their electric vehicles when they visit us, are at work or just need to charge. We've also installed solar panels on the roof of our sales office in Helsingborg during the year.

PRODUCTS AND MATERIALS Longevity plays a crucial role in a product's climate impact over time. The longer the product can be used, the lower the climate impact is from a usage perspective. That's why quality and the possibility to extend the life of products are of the utmost importance. Read more about how we work with this on Page 60.

We use Environmental Product Declarations (EPDs) to map and evaluate where in the product's life cycle the climate impact is greatest and, for example, identify which material choices we can make to reduce our climate footprint. An EPD uses a scientific and third party-audited method to show the environmental impact of our products.

We work continuously to reduce the climate impact associated with products and materials. During the year, at our factory in Kinnarp, we tested and introduced bio-based lacquer on certain wood details in our range. The lacquer is partly based on renewable raw materials from plants instead of fossil raw materials and means a reduction in carbon dioxide emissions of approx. 1.5 tonnes per year. We plan to introduce more bio-based lacquers in the coming years, which is expected to reduce the carbon footprint further. During the year, we've also introduced bio-based PUR foam on some Materia and Skandiform products. This is a material that through mass balance systems helps to reduce carbon dioxide emissions from the foam by about 80%.





OBJECTIVE

2030 long-term goal

Our goal is to halve our greenhouse gas emissions by 2030 and reach net zero emissions by 2050. We're also working continuously to improve energy efficiency in all our operations and to use more energy from fossil-free sources. This goal is linked to UN Sustainable Development Goals 7 'Affordable and clean energy' and 13 'Climate action'.

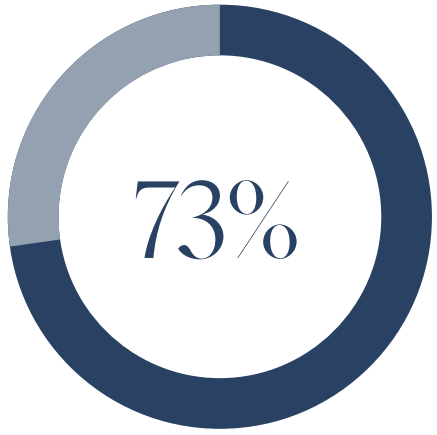
GHG EMISSIONS (TONNE CO_2E)

	2019	2020	2021	2022	2023	2030 GOAL
Scope 1	5996	4274	3719	4290	4281	
Scope 2 Market based	2083	1312	1109	818	628	
Scope 2 Location based	3148	2578	2563	3178	2937	
Scope 3	789	778	425	419	476	
TOTAL MARKET BASED	8,869	6364	5253	5527	5385	
TOTAL LOCATION BASED	9933	7630	6707	7887	7694	
DECREASE COMPARED TO BASELINE YEAR		28%	41%	38%	39%	50%

Our long-term climate goals aim to contribute to achieving the goals of the Paris Agreement. These goals include our greenhouse gas emissions according to the market-based method.

PROPORTION OF FOSSIL-FREE ENERGY

ANALYSIS The proportion of fossil-free energy in our operations has been 73% during this financial year. This is just under our target and slightly lower than the previous year. However, we have managed to reduce our total energy consumption compared to the previous year, despite increased turnover. Our vehicles refuel with diesel that consists of 97% renewable HVO, at our filling station in Kinnarp. We also refuel with HVO where available along our routes, but availability is limited in some markets. The number of electric vehicles in our fleet has increased during the year and will continue to increase in the coming years, which will have a positive effect on the proportion of fossil-free energy. We are in discussions with truck manufacturers to investigate the possibilities of electricity and hydrogen in our logistics system. The majority of the electricity and heat we use is fossil-free, and we are working to find alternatives in places where we have gas or oil for heating.



2025 Goal

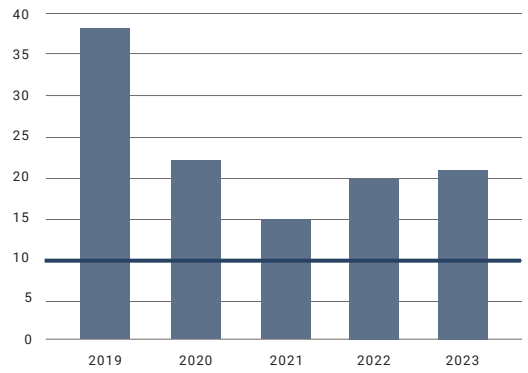
The proportion of fossil-free energy should be at least 75%.



EMISSIONS OF CARBON DIOXIDE EQUIVALENTS FROM GOODS TRANSPORTS (G/TONNE KM)*

ANALYSIS At our filling station in Kinnarp, we use renewable HVO diesel with 97% renewable content and we refuel with HVO wherever available along our routes. Compared to the previous year, carbon dioxide emissions per tonne-kilometre have increased slightly, and this is mainly due to the fact that we had access to HVO100 with a higher reduction at times during the previous year. On the other hand, we've succeeded in reducing total fuel consumption per tonne kilometre. During the year, we have put a lot of focus on optimising the wheel settings on our blue trucks to minimise fuel consumption and tyre wear, and we can see that those efforts have had an effect on fuel consumption. During the year, we've worked to expand our logistics concept to include products from NC Nordic Care. This involves replacing external transportation with internal and we will be transporting larger volumes in our own trucks. We continue to operate two HCT vehicles, which reduces the number of journeys. In order to be able to operate HCT vehicles on more routes, we are lobbying for extended lengths of vehicle combinations to be permitted in Sweden and Europe. We are talking to vehicle manufacturers about trucks powered by electricity and hydrogen in order to investigate the role this type of vehicle might play in our logistics concept in the future. In the short term, until the development of alternatives has come further, our main opportunity to keep our emissions from freight transportation down is to use fossil-free fuels in conventional combustion engines.

* Transportation with Kinnarps' blue trucks



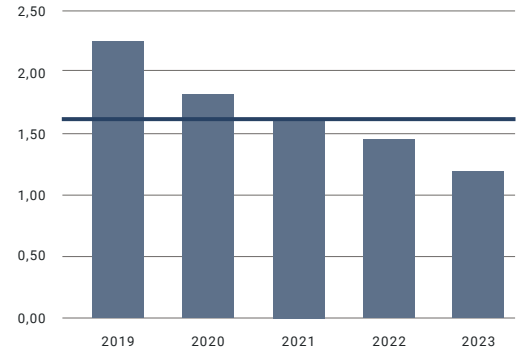
2025 Goal

Reduce CO2 emissions per tonne km from blue trucks by 70%.

EMISSIONS OF CARBON DIOXIDE EQUIVALENTS (TONNES/MSEK)*

ANALYSIS We've succeeded in reducing CO2 emissions by 47% compared to our baseline year, which means that we've surpassed our goal. Despite increased turnover, we've succeeded in reducing our emissions in absolute terms. Since the baseline year, greenhouse gas emissions have fallen by an impressive 39%. During the year, we've implemented energy efficiency improvements in our premises, and emissions linked to electricity and district heating have decreased. In recent years, we have insourced the production of components to our factories, yet managed to keep our emissions down. We have further streamlined our transport operations during the year and increased the proportion of EVs in our total vehicle fleet. We continue to work to reduce our emissions and will review the target value in the coming year.

* Production in Kinnarp, Jönköping, Skillingaryd, Tranås, Vinslöv and sales subsidiaries.



2025 Goal

Reduce CO2 emissions per SEK turnover by 30%.



Pure materials

Since our furniture is used in spaces where children and adults spend much of their lives, it’s particularly important that our products don’t contain harmful substances that adversely affect their health and well-being.

DEFINITION

Furniture may contain substances that have a negative effect on the environment and public health. These substances may be present in the raw material from the start, or may be added during the manufacturing process. The substances may have an effect either via direct contact or via dispersal in the air.

IN THE FURNITURE INDUSTRY, THE FOLLOWING CHEMICALS MAY BE PRESENT IN DIFFERENT MATERIALS

WOOD Formaldehyde. Surface treatments may contain aromatic solvents, VOCs, CMRs, SVHCs and allergenic substances.

TEXTILES Flame retardants, phthalates and plasticisers, formaldehyde, dirt and grease resistantsubstances, toxic dyes, heavy metals and SVHCs.

ELECTRONICS Flame retardants. PVC.

PLASTIC AND PADDING Flame retardants, phthalates and plasticisers, PVC, heavy metals, chlorinated paraffins and SVHCs.

METAL Surface treatments containing hexavalent chromium, aromatic solvents, VOCs, CMRs, SVHCs and allergenic substances

CHALLENGE

Surface treatment that meets both environmental and quality requirements

Chemicals are used in lacquer, glue and paint to create surfaces that withstand scratches, liquids and detergents. These properties are essential in high traffic spaces that need frequent cleaning and disinfection, such as hospitals, schools and restaurants. But this type of resistant surface treatment does not always meet the requirements of the leading ecolabel systems, and more eco-friendly lacquers are often less suitable for use in demanding environments. Our greatest challenge is therefore to develop surface treatments that meet strict environmental and quality requirements.



STRATEGY

Stricter requirements through product labelling

In order to ensure that our products do not contain unnecessary chemicals, we set requirements for all constituent materials and components. These requirements are based on the labels included in our ecolabelling policy: EU Ecolabel, Möbelfakta, GS, NF Environnement, NF Office Excellence Certifié and FSC®, and cover all substances mentioned in the definition in the previous section. We've also carried out emission measurements for certain products as per the requirements in M1, Indoor Air Comfort and ANSI/BIFMA. These measurements show good results, with very low emissions. We've developed and improved our staining method to better manage disinfection. Stained tables and storage units can be wiped clean with disinfectants followed by water without damaging the surface, which means that the products meet strict quality requirements and last longer.

CHEMICAL PRODUCTS The chemical products we use in our manufacturing are lacquer, glue, oil and detergents. Their use is monitored by means of a chemical management system at all our production units. This includes safety data sheets and updates in accordance with the REACH candidate list. We work continuously with the substitution of chemical products and substances, and conduct risk assessments within the framework of our systematic HSE management.

PLASTIC AND PADDING Parts of the padding we use are moulded in-house and we've eliminated the hazardous isocyanate TDI. The foam is also free from flame retardants. The padding that we don't mould in-house is either audited or labelled with OEKO-TEX, which guarantees that the material meets stringent environmental and public health requirements. We stipulate that all plastics used in the Group's furniture should be free from Bisphenol A and phthalates.

WOOD Glue containing formaldehyde is used in the manufacturing of chipboard. All our chipboard meets the requirements of TSCA Title VI and has low emissions corresponding to half of the European 1 standard, which means a very low emission of formaldehyde. For surface treatment, we primarily use water-based lacquers with zero or low concentrations of solvent. At our factory in Kinnarp, tables and storage units are surface-treated with UV lacquer, which ensures very low VOC emissions.

METAL Hexavalent chromium is allergenic and carcinogenic, which is why we only use trivalent chromium. Powder lacquer is used for the surface treatment of metal, as it's VOC-free and also complies with ecolabelling requirements.

TEXTILES The fabrics in the Kinnarps Colour Studio range are free from flame retardants and toxic dyes. Instead, we use wool, which is naturally flame-retardant, or polyester fabrics with a flame-retardant fibre construction. 93% of our fabrics have either EU Ecolabel or OEKO-TEX certification. Our leather is vegetable-tanned without heavy metals.

ELECTRONICS Electronics may contain metals and chemicals that can cause environmental and public health problems. We stipulate that our suppliers must always comply with the RoHs directive, which restricts or prohibits the use of certain heavy metals and flame retardants in electronics. Lead, mercury, cadmium and hexavalent chromium, as well as the flame retardants PDD and PBDE, are prohibited.

OBJECTIVE

2030 long-term goal

Our goal is to create working environments with fewer chemicals and free from any materials classified as harmful to public health or the environment. This goal is linked to the UN's Sustainable Development Goal no. 12 'Responsible consumption and production'.

USE OF SOLVENTS

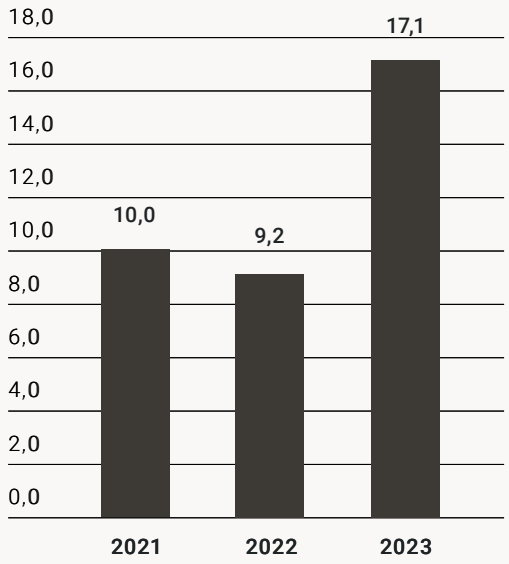
(VOC, TONNE) THE KPI REFERS TO OUR IN-HOUSE PRODUCTION IN KINNARP

ANALYSIS Our focus is on keeping the amount of VOCs in the lacquers used on our products as low as possible. We're continually working to find alternatives with fewer VOCs. During the year, the total surface area lacquered has decreased significantly due to the fact that we've switched from painting certain components in our production to purchasing melamine-coated panels. Since the same amount of solvent is required for washing the rollers in the lacquering process, we've adjusted our target to 20g VOC/m2 lacquered surface instead of 12g.

Over the past five-year period, we've reduced our total solvent use by over 50%. At our facility in Kinnarp, we use UV lacquer on smooth, veneered surfaces, which gives a resistant finish and very low quantities of VOCs. At our Jönköping factory, we lacquer metal surfaces with VOC-free powder lacquer.

2025 Goal

Our goal is for our solvent use to be less than 20g/m2 of lacquered surface.



MATERIALS GUIDE

YOU CAN ENSURE THAT YOU GET PURE MATERIALS BY CHOOSING

ECOLABELLED PRODUCTS
Möbelfakta, EU Ecolabel and NF Environnement set high environmental standards for product content.

ECOLABELLED FABRICS
EU Ecolabel and OEKO-TEX guarantee that the fabrics are free from harmful chemicals.

POWDER LACQUER OR WATER-BASED LACQUER
Powder lacquer or water-based lacquer give zero or very low emissions of VOCs. High concentrations of these volatile organic compounds in the air pose public health and environmental risks.

HALF E1
Particle boards, MDF, Plywood etc. that meet half E1 or TSCA Title VI have very low emissions of formaldehyde.

CHROMIUM III INSTEAD OF CHROMIUM VI
Chrome is hardwearing, but choose chromium III, which is a better option for the environment and health.

PRODUCTS WITHOUT FLAME RETARDANTS
Flame retardants accumulate in the body and may act as hormone disruptors.

PRODUCTS FREE FROM SUBSTANCES ON THE REACH CANDIDATE LIST
The Candidate List, part of the European chemicals legislation, contains substances that are classified as particularly harmful.

Number of ecolabelled products

276	151	20
MÖBELFAKTA CERTIFICATES	RANGES WITH FSC®-CERTIFIED PRODUCTS	NF ENVIRONNEMENT
17	20	10
GEPRÜFTE SICHERHEIT	NF OFFICE EXCELLENCE CERTIFÉ	EPD

Social responsibility

It is self-evident to Kinnarps that all our employees should have decent working conditions, and our goal is to have verified and good working conditions throughout our value chain. This naturally applies not only to Kinnarps internally, but also to all of our external partners worldwide.

DEFINITION

Social responsibility means that the employer should offer a good working environment, good working conditions and a living wage. It also means taking responsibility for the society in which we operate and counteracting corruption, as well as striving for a good local environment and respecting human rights. Our social responsibility covers not only the employees in our own operations, but also the people who work for the suppliers in our supplier chain.

KINNARPS WORLDWIDE

NUMBER OF EMPLOYEES:

	MEN	WOMEN
Sweden	819	450
Germany	34	23
Norway	75	71
France	53	54
Poland	29	40
UK	16	13
Denmark	17	25
Belgium	19	22
Switzerland	14	17
Hungary	6	8
TOTAL	1082	723

CHALLENGE

Ensuring compliance with our requirements

We know from experience that it's not enough just to specify our requirements. We also need to follow up and ensure that our suppliers are in fact complying with our requirements. It's easiest for us to influence our direct suppliers, while longer supplier chains are difficult to monitor, since we lack the necessary financial relationship. In order to monitor further down the chain, we need to have an agreement with the direct supplier.

One challenge for our organisation is to create a diverse workforce, and make full use of the skills in our organisation and in society at large. Another challenge is to offer all employees in the Group the same high level of working environment.

STRATEGY

Follow-up of our own and our suppliers' operations

OUR OWN OPERATIONS Our Code of Conduct sets out our principles in the areas of human rights, labour law, environmental practices and anti-corruption. The Code is based on the company's core values and the UN's Global Compact. All units and employees in the Group have a duty to respect and comply with the Code of Conduct. We have a whistleblowing system that enables anonymous reporting of violations of the Code without the risk of retaliation for the whistleblower. During 2023, we have received and dealt with one such whistleblowing incident. Our rules of conduct concerning gifts and benefits are also made clear in our entertainment policy and in our procedures.

Kinnarps has collective agreements covering all employees in Sweden, France and Belgium, as well as parts of the workforce in Denmark and Germany. This means that 79% of the Kinnarps AB Group's employees are covered by collective agreements. On the worker side, the corresponding figure is 100%. In Norway, Kinnarps follows agreements between Norges Hovedorganisation (NHO) and LO on a voluntary basis. Trade union collaboration at Kinnarps includes continuous dialogues with the trade unions for the various agreement areas in which Kinnarps has employees. In addition to those governed by legislation, issues that are dealt with also include reviews of the working environment, employee well-being, pay policy, pay surveys, diversity and inclusion, as well as input regarding the development of the company in the short and long term.

DIVERSITY AND INCLUSION The Kinnarps AB Group has a group-wide diversity policy which stipulates that Kinnarps starts from a fundamental position of the equal value of all people and that everyone should be treated with respect and dignity, regardless of human differences. Accordingly, we have zero tolerance for any form of harassment or victimisation that may occur in the workplace or in work-related situations. Kinnarps has conducted a survey of diversity and equal treatment in the workplace based on employee statistics, results from a survey, and documentation analysis of the company's policies and procedures. Based on this result, we have developed a diversity plan with goals and actions. The initiatives carried out include anti-victimisation training courses for managers and safety representatives.



100% of our production units have ISO 45001 health & safety certification

courses for managers and safety representatives.

During the year, we joined forces with Dalénium and Falköping Municipality to run a summer course for girls interested in STEM subjects in order to offer more girls the chance to try out STEM professions and learn more about future STEM jobs and training paths.

Kinnarps also conducts an annual pay survey to ensure there are no unfair gender pay differences. We work with skills-based recruiting and other initiatives to ensure a more even gender balance and to give employees the opportunity to develop their skills.

SKILLS With the right skills, we create security and motivation among our colleagues, as well as the ability to perform their tasks effectively. We work with controlled skills development to ensure each employee has the skills to match their job description, and to enable us to meet the requirements and needs of our business. Once a year, all employees should have a performance appraisal with their manager to identify any skills needs etc. The implementation of skills-enhancing activities can take place via physical training, apprenticeship, digital training via webinars, e-learning, nano-learning or self-directed learning.

Since 1980, Kinnarps has collaborated with Falköping Municipality to run a business-based upper secondary education programme in the form of an industry programme. Every year, we have the opportunity to receive 16 students with the aim of training competent and technically skilled individuals with a good feel for wood as a material. These students form a good recruitment base for the wood industry, both for Kinnarps and for other industry operators in our region.

WORKING ENVIRONMENT AND SAFETY We work systematically with health and safety at our units, and all production units within the Group now have ISO 45001 health & safety certification. We carry out risk assessments and inspections to prevent accidents and near-accidents. Our greatest risks are related to falling objects, crushing injuries and falls from tripping or slipping, as well as stress during work peaks. We systematically record and investigate accidents and near-accidents, and implement measures to ensure that the incident does not happen again. During the year, we've focused on activities such as information and awareness-raising in order to reduce incidents with sharp objects related to our sewing in Skillingaryd. The result for the year shows that the number of incidents has fallen sharply. During the year, we've also focused on raising awareness of the importance of reporting all incidents. Since 2022, our definition of incidents has been adjusted, so that even minor incidents are classified as accidents. We are therefore also seeing an increase in the number of accidents in the statistics from 2022. Incidents occur primarily in our production units, where relatively large amounts of material are handled manually. Our health and safety work is carried out in collaboration with the health and safety organisation.

Kinnarps has a collaboration plan that outlines how Kinnarps works to ensure consultation and participation with employees and/or employee representatives in the health and safety area. Collaboration takes place, for example, via a working environment collaboration meeting, working environment committee and risk assessments.

AGE:

	UNDER 30	30-50	OVER 50	TOTAL
Sweden	141	535	593	1269
Germany	5	26	26	57
Norway	5	73	68	146
France	13	61	33	107
Poland	5	53	11	69
UK	3	20	6	29
Denmark	0	17	25	42
Belgium	14	20	7	41
Switzerland	0	27	4	31
Hungary	0	13	1	14
TOTAL	186	845	774	1805



NUMBER OF EMPLOYEES:

60% men

40% women

NUMBER OF MANAGERS:

63% men

37% women

	2020	2021	2022	2023
Accidents resulting in absence	12	11	29	27
Accidents not resulting in absence	50	34	111	99

THE SUPPLIER CHAIN We set requirements for all our suppliers through our Supplier Code of Conduct. In this Code, we clarify our expectations and requirements of the supplier in connection with human rights, working conditions, the environment and anti-corruption. The Code is based on the ten principles of the UN Global Compact, and through the Code we also support the eight core conventions of the ILO. Although Kinnarps' Supplier Code of Conduct sets higher requirements than national regulations, legislation or standards, we require the supplier to respect and comply with the Code. In addition to these basic requirements, we also set material-specific requirements, based on ecolabelling, for the material they supply to us.

RISK ASSESSMENT We have mapped and compiled an overall risk analysis concerning social responsibility in the supplier chain, which aims to show which general risks may be present. The overall risk analysis compiles information from several different sources, both company-specific and publicly available sources, and conducted risk analyses in the industry. Based on the risk analysis, three main risk factors have been identified: country of manufacture, type of process and type of material.

The conditions in the country where the raw material is extracted or manufactured are of great significance to the level of risk. In cases where raw material extraction or production takes place in countries with ineffectual judicial institutions and limited legal certainty, the risk to human rights, working conditions, the environment and anti-corruption is assessed as high. At the raw material level, traceability is limited and thus the risk tends to increase farther down the supplier chain. The supply chain for textile materials differs depending on the type of material used. There is a high risk in the areas of human rights and workers' rights in both the production of raw materials and in manufacturing. The risk of violations of human rights and working conditions depends to a large extent on the country in which the production takes place. In forestry, there is a risk that wood has been harvested illegally. The illegally harvested timber can eventually end up in legal trade flows through smuggling. The supply chain for electronic components is often long and complex and includes numerous subcontractors. There is a high risk in the areas of human rights and workers' rights in both the production of raw materials and in manufacturing. There are particularly high risks in the extraction of so-called conflict minerals. Physically demanding work may entail an elevated risk in terms of working conditions and health and safety, and manufacturing involving heavy chemical use may pose a high risk to health and safety.

In order to assess the risk associated with each supplier and their specific conditions and working methods, we conduct risk assessments at supplier level based on the country of manufacture, type of process and type of material. In the assessment of the country of manufacture, we base our work on BSCI's country risk list. The risk analyses show that there is an elevated risk linked to a number of suppliers, who together account for 4% of the purchasing volume.

FOLLOW UP AND ACTION PLANS In cases where we deem there to be a greater risk of failure to fulfil the requirements in our Code, we conduct an on-site audit at the supplier's premises. If deviations are identified during the supplier audit, the supplier draws up an action plan to rectify the deviation. The supplier's action is then followed up by evidence and verifications or on-site visits. Any deviations need to be remedied in order for us to initiate or continue with a partnership, and if the supplier refuses to address our criticisms, we will terminate the relationship.

All suppliers of materials and components who have been assessed as having an elevated risk have been followed up with an audit. This means that 100% of our suppliers of materials and components for our products have either been assessed as low risk or have been audited. The audits show that the conditions on our supplier sites are generally good. The most common shortcomings are minor ones connected to fire prevention and a failure to use PPE, even though it is available. When we conduct follow-ups of measures taken by the suppliers, we see that there have been improvements and that our work has been effective.

PREVENTIVE WORK In recent years, we've insourced the production of certain articles and components to our factory in Sweden, thereby taking responsibility for a larger part of the supply chain. We have and continue to work on insourcing production of plastic components from primarily suppliers in Asia to our production in Skillingaryd, and we have also insourced metal production to our factory in Jönköping.

We insist that all articles purchased must meet material requirements based on the criteria in the applicable ecolabels. We have procedures for checking the origin of all wood raw material with regard to tree species and country of harvest, and work to ensure that all wood raw material is certified. In 2023, 96% of the wood raw material used in the Group's products was certified. The FSC® label requires all certified companies to live up to the ILO's requirements for labour rights, and through the requirement for an unbroken chain of certified operators, third-party audits are also carried out on all operators, from forest to finished product. 93% of the fabrics in our range are OEKO-TEX® or EU Ecolabel certified, which means they have been manufactured with regard to the environment and health, and there is third-party verification of compliance with ecolabel criteria. We require that conflict minerals must not be included in electronics and request information and verification from our suppliers. By taking this measure we want to ensure that we do not use electronics containing tin, tantalum, tungsten or gold which have been extracted illegally, or whose extraction contributes to supporting conflicts.



OBJECTIVE

2030 long-term goal

Our goal is to have verified good working conditions throughout our value chain, contributing positively to the social development on the sites where we and our partners operate. This goal is linked to the UN's Sustainable Development Goals 3, 8 and 10, 'Good health and well-being', 'Decent work and economic growth' and 'Reduced inequalities'.

PROPORTION OF PROCUREMENT VOLUME (SEK) CLASSIFIED AS LOW RISK OR ELEVATED RISK FOLLOWED UP BY AN AUDIT*

96%

LOW RISK

4%

ELEVATED RISK FOLLOWED BY AUDIT

0%

ELEVATED RISK

* Procurement of the products in our own range



ANALYSIS Based on our risk analysis, a number of suppliers, who together account for 4% of the total purchasing volume, have been assessed to have an elevated risk. We have followed up with all of these suppliers with at least one audit, which means that 100% of our suppliers of materials and components for our products have either been assessed as low risk or have been audited. We are working to gradually minimise our presence in countries and with suppliers who might generate an elevated risk. We have managed to secure the supply of materials by minimising risks through a strong supply chain at regional and local level, and a good ability to spread the risks. We work actively to insource the production of plastic and metal components to our own factories in Sweden in order to increase control of the chain and reduce risks.

2025 Goal

100% of our purchasing volume should be classified as low risk or elevated risk followed up by an audit.

Circularity

Just because something is circular doesn't automatically mean that it's sustainable. At Kinnarps, we focus on sustainable circularity. We do this by creating interior design solutions and furniture that last over a long period of time.

DEFINITION

Circularity is about keeping materials and products in use for as long as possible. It's also a business area with great potential for improvement, as every year we throw away about 10 million tonnes of furniture in the EU. With circular business models and services, we can not only extend the lifespan of existing furniture, but also design new products using recycled materials and in a way that makes them easier to update.

USE OF RECYCLED MATERIAL IN OUR MANUFACTURING

100%
MAGNESIUM

70%
CHIPBOARD

20%
STEEL

50–100%
CAST ALUMINIUM

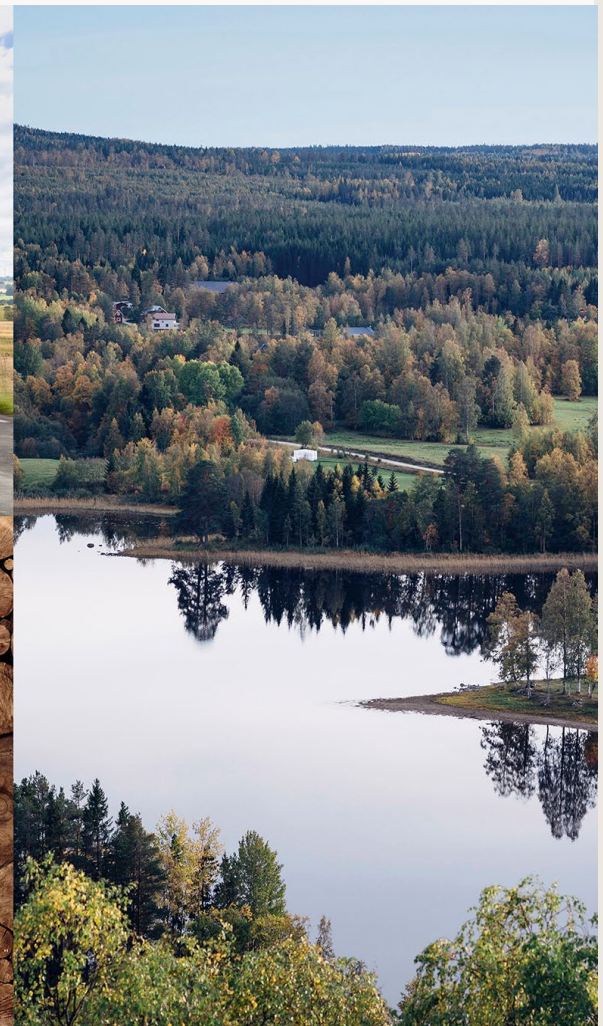
CHALLENGE

Increased circularity

The best way to reduce the environmental impact of a product is to extend its lifespan and optimise its use. Our industry has traditionally worked with linear flows and business models. The great challenge lies in changing these flows to make them more circular. Above all, it's about developing cost-effective solutions. Reuse is labour-intensive and so we need to find models in which any savings are not swallowed up by increased labour or transportation costs.

When products are to be reused and refurbished, it can also be a challenge to ensure that they maintain a good quality, and meet product safety and chemical content requirements. Our ambition is to increase the use of recycled material in our products, but we are often hindered by the fact that the recycled materials do not fulfil quality requirements in relation to e.g. durability or the colour-fastness of fabrics.







A long-lasting classic

Kinnarps' classic 6000, 8000 and Plus task chairs all belong to the same product family and thanks to their smart and ergonomic features more than 4 million units have been sold. The first version was launched way back in 1993 and in 2001 an update with a new seat and back design was introduced – the Plus chair. The chairs are based on the same platform, with a focus on ergonomics and modularity. The easy replacement of various seat components facilitates both repairs and design updates. This means that these chairs can last and be used for a very long time.



Sustainable circularity is when products are designed and manufactured to be updated – right from the start! Here you can see one of our office chairs with its replaceable parts.

STRATEGY

Just because something is circular doesn't automatically mean that it's sustainable

With our Circles of Change concept, we want to challenge the concept of circularity and how to specify requirements for sustainable interior design. Circularity is often equated with durability, but a product only becomes sustainable once it's been designed for long-term use. In this concept, we've developed three keys to consider when choosing sustainable and circular interior design. We've also collected our services that help to prolong the life cycle of our furniture.

This concept helps our clients make sustainable, circular and functional choices from the start. It's about making conscious choices, creating flexible solutions and choosing high quality to get a future-proof solution. The result is an interior design with a low life cycle cost, which has been designed according to identified needs and promotes well-being, efficiency and success, while conserving natural resources.

Three keys for sustainable and circular interior design

1. MAKE CONSCIOUS CHOICES

Change begins with understanding

2. CREATE FLEXIBLE SOLUTIONS

Change is the only constant

3. CHOOSE HIGH QUALITY

Change is found in the details



Circular product design and new business models

PRODUCT DESIGN When developing new products, we integrate circularity right from the start. We focus on creating high-quality products with a long lifespan. The products are also tested in our accredited test laboratory to ensure that they fulfil our strict quality requirements and standards. We've also created over 50 of our own test methods that we use in product development to simulate how products are used in real life, as a means of testing their longevity. We provide care instructions on the best way to care for different materials to keep the products looking their best for as long as possible and how to remove any stains.

Choosing the right material in the right place is a key factor in keeping the product in tip-top condition for as long as possible. We help our clients choose materials based on the space in which the product will be used. In a high-traffic space, for instance, laminate lasts better than veneer and light-coloured fabrics will show any dirt more than darker shades.

We design products that have been prepared for washing, renovating and updating, e.g. through removable upholstery and replaceable parts, such as tabletops and seats. We currently offer 26 product ranges with removable upholstery. By developing product ranges based on modular platforms that can be combined in different ways, we create flexibility for our clients to change and supplement the products as their needs change. We're striving to increase the amount of recycled material in our products, and in the last few years we have begun to manufacture several components made from recycled plastic in our new plastic production in Skillingaryd. Leftover fabric from our factory in Skillingaryd is included in our sound-absorbing material Re:fill to be turned into new products. During the year, we've developed additional products made from fabric offcuts from our own operations. The Re-Fold cushion from Materia is made from leftover fabric from our factory in Tranås – the fabrics used depend on the waste fabrics available at any given time. The padding is also recycled and consists of siliconised ball fibre. In product design, we make it a requirement that it should be possible to separate the different types of materials to make recycling easier.

We participate in research projects aimed at utilising waste material and developing product passports.

SERVICES AND BUSINESS MODELS The choice of furniture and how it's used affect its environmental impact. This is why we want to help our clients invest in the right furniture for the right needs, right from the start. We use our workplace analyses for offices, schools and healthcare facilities to map out the needs of the organisation and use this data to create a business adapted and flexible solution with conscious furniture choices. By buying or leasing both newly manufactured and reused furniture, use can be optimised and the furniture circulated according to changing needs.

We also carry out inventories, evaluations and action analyses of existing interior design. This provides important knowledge about how the interior design can be reused, renovated or updated. Frequently used furniture is subject to wear and tear, and we offer a number of different care services to ensure that it lasts over time. Furniture washing and maintenance services keep the interior design looking good and lasting for longer. If parts of the furniture need replacing or updating, our wide range of spare parts offers plenty of solutions.

In order to minimise the time the client has no access to their furniture, and to reduce unnecessary transportation, we strive to maintain the furniture on site either inside the client's premises or outside in our mobile renovation truck. We carry out major renovations such as reupholstering and relacquering in our factories, which enables us to provide existing furniture with a completely new look or new functions. During the year, we have also launched Materia Re:loved, where we offer reupholstering for a selection of Materia products. Whenever possible, we make use of components from furniture that can no longer be used in its entirety as spare parts for other products. Only when none of these options is possible will the worn-out interior be separated and recycled at reputable recycling companies.

Sustainable circularity
BY KINNARPS

OBJECTIVE

2030 long-term goal

Our goal is for all our products to be designed for a long lifespan, and for our interior design solutions to be part of a circular flow that extends the life of products and materials. We aim to use more recycled materials in our products and find innovative ways of using the leftover material from our operations. This goal is linked to the UN's Sustainable Development Goal no. 12 'Responsible consumption and production'.

PROPORTION OF RECYCLED WASTE FROM OUR OWN OPERATIONS*

	2020	2021	2022	2023
Material for recycling	30%	28%	31%	37%
Material for energy generation	68%	66%	65%	58%
Landfill	1%	3%	3%	3%
Hazardous waste	1%	3%	1%	2%

* Production in Kinnarp, Jönköping, Skillingaryd, Tranås, Vinslöv and sales subsidiaries.

ANALYSIS The proportion of waste for material recycling has increased to 37%, which means that we've achieved our target for the year. At the Jönköping factory, we've installed a purification filter in the washing process of metal components which enables us to purify the water and reuse part of it in the process, which results in a water saving of approximately 2,600 litres per month, while reducing the amount of hazardous waste. Leftover sound-absorbing material is returned to our material supplier, who recycles it into new material. We've also started to use fabric bags, which we make in-house from fabric remnants, for transporting plastic seat shells from our factory in Skillinaryd to Kinnarp. These fabric bags replace plastic bags and are used again and again.

During the year, our logistics concept has been expanded to include products from NC Nordic Care, which reduces not only the need for packaging material but also the amount of waste by reusing blankets as packaging material instead of single-use packaging. Since the concept was expanded to include all our product brands, we've been able to reduce the use of packaging boxes by about 90 tonnes per year.

2025 Goal

35% of the waste from our operations should be sent for material recycling.



SERVICES THAT PROLONG THE LIFE OF FURNITURE

WORKPLACE ANALYSES
Map and identify the needs in your environments using our workplace analyses for office, education and healthcare.

SUSTAINABLE DELIVERY
Reusable transport packaging and full responsibility for assembly and implementation according to your drawing.

MOVING AND RELOCATING
Whether you're moving your furniture within your premises or relocating to a new address, we're here to help.

HOLISTIC ERGONOMICS
Gain new knowledge on sustainable and successful work environments via our lectures and workshops.

INVENTORY AND ACTION PLAN
Get an overview of your interior, establish its value and find out how it can best be maintained, updated, placed and used to function for your current and future needs.

BUY CIRCULAR ONLINE
Shop both new and refurbished high quality furniture in Kinnarps Online Store.

FURNITURE SERVICE ON LOCATION
We can refurbish furniture at your place of business or in our specially equipped service truck.

WASHING OF FURNITURE
Keeping your furniture clean is key for maintaining an attractive workplace. By washing furniture, you also prolong its lifespan.

REFURBISHING AND UPGRADES
Refurbishing, renovations and upgrades give new life to your furniture and prolong the overall lifespan. New colours and upgrades can give your existing furniture a new lease of life.

RECYCLING
We help to recycle furniture that's reached its maximum lifespan, in an environmentally friendly way.

Case: Rosengård Library

The new Rosengård Library in Malmö is a welcoming and safe meeting space for people of all ages. Kinnarps' mission was to create a cohesive, inclusive and sustainable interior design solution with a broad appeal to both younger and older people, as well as families with young children and students.

Rosengård Library is located in a new three-storey building at the centre of the city district. It's accessible and welcoming to everyone, with an open ground floor that makes it easy to drop in for shorter or longer visits. When the proposal to build a new library was first tabled in the late 2010s, the old library – which occupied the same site as the new one – was worn out, overcrowded and poorly adapted to the way a modern library should function. "Rosengård was already Malmö's most visited district library at the time, and we'd simply outgrown the old building, both in terms of space and functions for the citizens," says Chief Librarian Maria Roijer.

The City of Malmö was very clear about its sustainability requirements and wanted to reuse as much of the existing interior design as possible. So an inventory was taken at the start of the project to give Kinnarps an idea of how many products could be used in the new library, which renovation needs existed and which new items of furniture were required in order to implement the interior design concept. The requirement was for all old and new furniture to comply with the same high environmental criteria and carefully considered interior design concepts in order to last over time. Kinnarps helped collect, renovate, update and adapt existing furniture for the new building, including the Wilson bench, Trix sofa and Invito armchair.



Collaborative space. Origo table, Neo Lite chair and D2 chair create a flexible meeting space. Space storage unit frames the space.

> *"It's about everything from their production in Sweden and carefully planned deliveries to knowing that the products are durable and can also be renovated in the future to ensure long-term sustainability, from an economic perspective as well."*
>
> Maria Roijer
> Chief Librarian at Rosengård Library

One important factor in a truly sustainable circular flow is that the furniture is made in a sustainable way from the outset, using environmentally friendly and high-quality materials. Maria Roijer explains that Kinnarps' reputation in Sweden's public sector for being good at sustainability made it the obvious choice. "It's about everything from their production in Sweden and carefully planned deliveries to knowing that the products are durable and can also be renovated in the future to ensure long-term sustainability, from an economic perspective as well," she says.

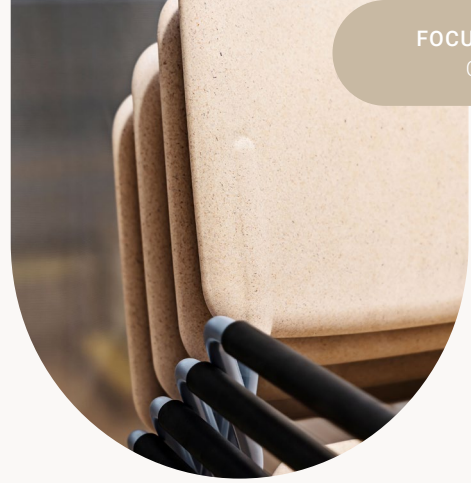
The three floors of the new library have different functions, and the interior design features wood, nature and muted colours, with themes such as sea, forest, fields, haze and twilight. The ground floor of the library includes the reception, adult department, drop-in areas, study spaces, a magazine corner and stage. The first floor is furnished for children and young people, with cosy reading spaces, story rooms and study spaces, a café, as well as staff rooms with workstations, meeting rooms and a pleasant lounge. And on the second floor, there are flexible rooms for co-working and association activities, as well as a spacious roof terrace.

"It's not just visitors who love the new library. Staff well-being has also been enhanced, due in no small part to our new social spaces, which provide a natural meeting space. While all the public areas are popular, the armchairs next to the stairs up to the first floor seem to be an especially big hit – a quiet and secluded place with a nice view," says Maria Roijer.

She also wants to remind people that the reuse has contributed to the effective use of taxpayer money, which creates pride among staff and legitimacy for library operations among the citizens. "On the subject of sustainability, you could say that all our activities aim to contribute towards social sustainability, at the same time as we have to be environmentally and economically sustainable. Kinnarps has worked hard to convert what were quite general wishes and ideas into specific furniture that satisfies our requirements and our vision of being an inspiring, inclusive and safe everyday space."



Reused meets new. The reused Trix sofa was upholstered in a warm red hue and, together with the newly produced Tinnef and Curling tables, creates a harmonious place for reading, snugly screened off with the Space storage unit.



FACTS

Client: Rosengård Library, City of Malmö
Location: Malmö, Sweden
Architect: White Arkitekter
Number of floors: 3
Completed: 2023



Screened-off space for focused work. Neo Lite chair, Serie P desk and Vibe partition screen.



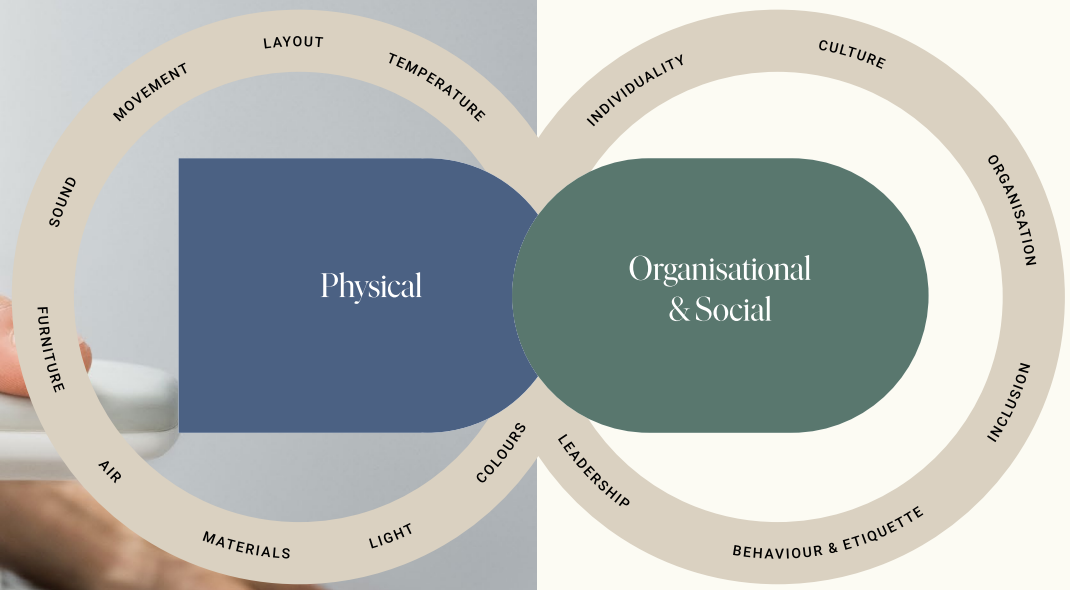
Open-plan study and workstations. Vagabond meeting table, Neo chair, Serie P desk and Vibe partition screen.

Ergonomics

Ergonomically designed workplaces have a number of obvious advantages. Not only do they counteract stress-related illnesses and repetitive strain injuries. They also enhance well-being, and increase creativity and productivity.

DEFINITION

At Kinnarps, ergonomics is about looking at the big picture. We call this holistic ergonomics – the total experience of a space. A perspective that takes into account the physical, organisational and social environment. Furniture, layout, air quality, temperature, light, colours, materials, sound and movement, as well as culture, leadership, and a sense of security and belonging are all important factors in creating a functioning whole.



OBJECTIVE

2030 long-term goal

Our goal is to create working environments that promote the health and well-being of everyone who spends time there. Holistic ergonomics is central to our interior design solutions, and our products are inclusive and customised to human needs. This goal is linked to UN Sustainable Development Goal no. 3, ‘Good health and well-being’ and no. 4 ‘Quality education’.



CHALLENGE

A holistic perspective on ergonomics

MOVEMENT AND VARIATION We spend a lot of our waking hours sitting still, which can increase the risk of cardiovascular diseases, obesity, diabetes, stroke and depression. By integrating customisation, movement and variation into our products and solutions, we can create ergonomic working environments that minimise various kinds of health risks. Our challenge is that employees don’t always understand how to use the products correctly, which means that the positive effect is lost and the investment is ineffective.

BEHAVIOURAL CHANGES The surroundings are also important when it comes to an ergonomic and sustainable working environment. Acoustics, lighting and ventilation affect our energy levels, and how spending time in the space makes us feel. It’s therefore important that each individual has the ability to determine and influence their immediate surroundings. Rules for how the spaces should be used, such as quiet zones for concentration, further enhance this. One challenge for us is to contribute to behavioural changes, so that users learn how to make the most of the opportunities in a varied space.

SEE THE WHOLE PICTURE But it’s not just the ergonomics of using the product that’s important to bear in mind. It’s also important to consider all situations involving the product – such as cleaning, moving or storing. A lightweight chair with easy suspension improves ergonomics for cleaning staff, castors may make moving the chair easier, and foldability and stackability simplify storing it. One challenge for us is therefore to take a holistic approach to ergonomics during product development, in order to include several areas of use.

STRATEGY

Increase knowledge about how the physical environment affects us

ACCUMULATED KNOWLEDGE AND EXPERIENCE In order to create successful interior design solutions that promote well-being and efficiency, it’s important for us to increase our knowledge about how the physical environment affects us. We therefore collaborate with reputable researchers, ergonomists and other experts to keep up to date with the latest findings relating to office, educational and healthcare spaces. We accumulate our expertise and experience in various types of reports, articles and magazines in order to inspire new ways of thinking about the physical environment and how it affects us.

PRODUCT DEVELOPMENT In our product development, we always adopt a holistic ergonomic perspective and collaborate closely with professional ergonomists. This means that we don’t just consider the human body, but take into account all human needs – including psychological ones. We design products with an inclusivity that recognises differences and not just the average, and understands that everyone has different abilities and qualities.

MAPPING NEEDS In order to help our clients create sustainable and ergonomic spaces, it’s important to involve all stakeholders from the start. Their accumulated knowledge can be used to map out the needs that exist and the activities that will be carried out in the environment. We do this through our analyses, Next Office®, Next Education® and Next Care®, where we can help to facilitate the client’s process towards a new space using our specially developed tools. The results of the analysis process are then summarised in a report containing recommendations on how best to design an environment that is a sustainable investment for the people spending time there and for the business.

Case: Elgiganten

The number of employees was on the rise, forcing temporary office solutions that hampered both efficiency and job satisfaction. To resolve the situation, Elgiganten Logistics enlisted the help of Kinnarps' Next Office® workplace analysis. "The thorough review of our needs and opportunities was key to our entire change journey," says Technical Manager Andreas Alm.

Elgiganten Logistics in Jönköping used to have its staff spread across several premises. Some places were cramped, while others, were almost empty. Some key functions were missing, and neither their formal nor informal meeting spaces were particularly functional. "It wasn't a good situation. Our working environment didn't have a good feel and acted more as an obstacle than a support for our employees. Despite this, we felt that the premises had potential, but that we would need help to make the most of it," says Andreas Alm.



Though they had the insight, the company needed guidance to move forward. Especially given the realisation that they'd have to start from scratch. Andreas Alm heard about Next Office®, Kinnarps' workplace analysis for developing business adapted working environments. The method entails mapping and analysing the organisation's needs and work patterns, involving the management team and employees in the change process and, using this knowledge as the basis, creating sustainable working environments for the long term.

The analysis kicked off in the spring of 2020, with Kinnarps' workplace strategists guiding the management team to establish the vision, goals and framework of the project. The efforts continued with the mapping of needs and habits. Kinnarps got the staff involved through several lectures, workshops and a web survey. This helped identify the organisation's work patterns, capture ideas, challenges and opportunities and got the entire team moving in the same direction.

Kinnarps also carried out a current situation analysis of the office based on the factors of productivity and creativity, collaboration, well-being, acoustics, light and air quality. The results were compiled and presented to Elgiganten in a final report in the summer of 2020. "We got rather low ratings, which convinced us even further that the investment was right and necessary. The analysis also provided important insights into what the employees lacked and which functions we needed to enhance," says Marie-Louise Gotmark.

In the autumn of 2020, the next phase began when Kinnarps' interior designers were tasked with developing a design concept and an interior design solution based on the results of the final report and the management's vision, goals and framework. In 2021, the premises were rebuilt, and in the spring of 2022, it was time for Kinnarps to implement the solution. Lastly, Kinnarps conducted a follow-up in order to analyse the results of the change.

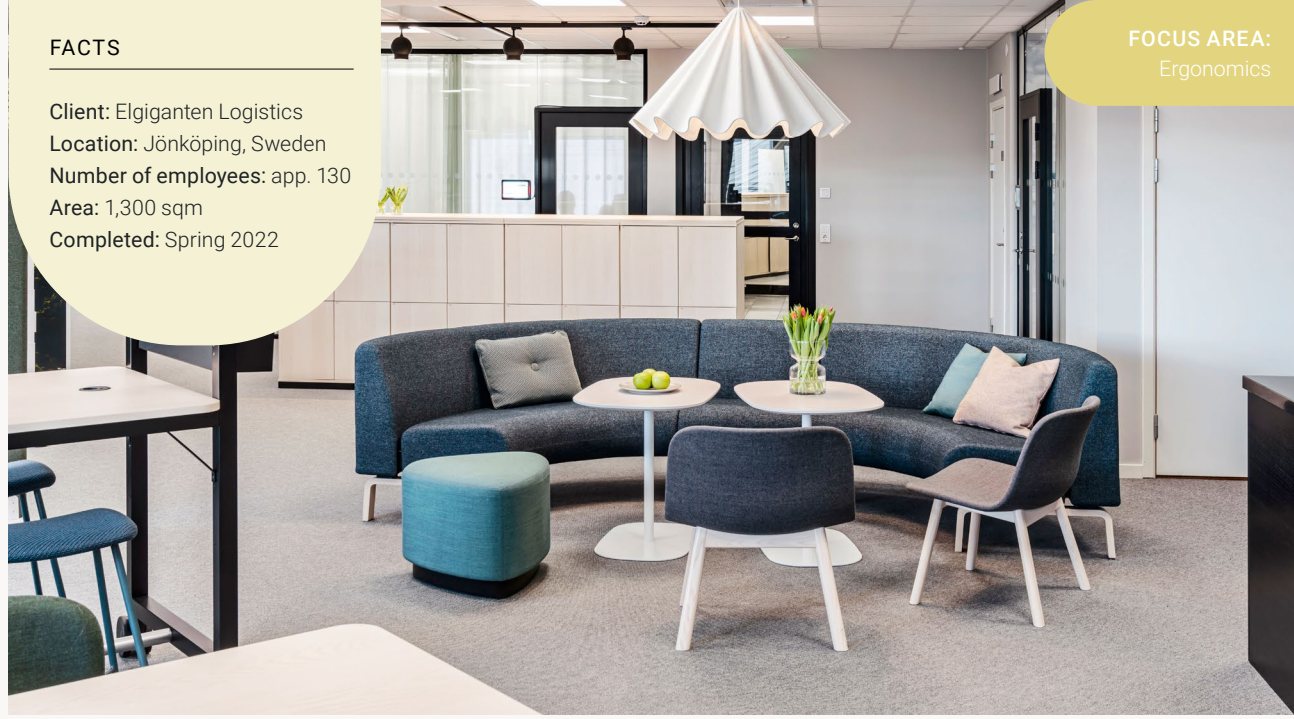


The workstations in the high focus zone have been furnished with the Serie P desk, Plus task chair and Vibe sound absorbers.

FACTS

Client: Elgiganten Logistics
Location: Jönköping, Sweden
Number of employees: app. 130
Area: 1,300 sqm
Completed: Spring 2022

FOCUS AREA:
Ergonomics

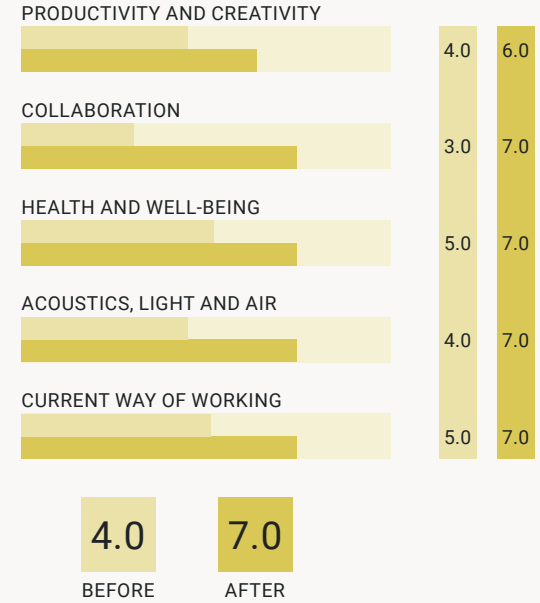


The concept is coordinated through Kinnarps' total solution, which takes into account the overall ergonomics of the workplace. Height-adjustable desks for work and meeting spaces make it easy to switch between sitting and standing. The workstations have adjustable task chairs with the highest level of ergonomics, providing each individual with a good working position. The meeting spaces have upholstered furnishings for good comfort even during longer meetings. There are also stools among the furnishings which offer more active sitting, and there is an office gym with treadmills and desk bikes.

The positive change can be seen in the follow-up analysis carried out with the help of Kinnarps when the new office had been in use for about six months. The employees' ratings of the office and the new way of working rose significantly. The rating of how well the environment supports focused and creative work nearly doubled – and the rating regarding collaboration between departments rose by more than 100 per cent!

> *"The workplace analysis laid the foundation for the entire project. To succeed, we knew that we needed to make a change journey and get all our employees to understand and buy into it."*
>
> Andreas Alm
> Technical Manager, Elgiganten

OVERALL RATING



The follow-up analysis shows that the rating of the office has gone up from 4.0 to 7.0. Kinnarps' Next Office® workplace analysis collects data that makes it easy to follow up on how different areas are functioning.

Risks and governance

Risk management is integrated into the internal processes of the management team and the Group by means of guidelines and work procedures. Continuity planning is carried out at Group level, and risks are also identified and managed on an ongoing basis in the Group's various units, by means of the procedures and systematic risk assessments performed in the various risk areas. Measures are then implemented in each area to minimise the likelihood and consequences of an incident.

IN OUR OPERATIONS, WE HAVE IDENTIFIED THE FOLLOWING RISKS LINKED TO SUSTAINABILITY:

RISK	DESCRIPTION	MANAGEMENT
ENVIRONMENTAL ACCIDENT RISKS	Environmental accidents involving leaks, spills or process errors.	Procedures for handling chemicals and waste management. Contingency plans for spills and leaks. Training of employees.
WORKING ENVIRONMENT RISKS	Accidents involving personal injury, poor social or organisational working environment as a result of shortcomings in preventive health and safety work.	Systematic HSE management through proactive risk assessments, regular inspections, clear working instructions and on-the-job training of employees. Read more on Page 50.
SUSTAINABILITY RISKS IN THE SUPPLIER CHAIN	Environmental risks linked to production of materials and components. Infringements of the Supplier Code of Conduct.	Environmental requirements for materials and components. Social requirements in contracts and follow-ups through supplier audits. Read more on Pages 24 and 52.
PRODUCT SAFETY RISKS	Safe use of products. Ergonomic risks linked to good working posture. Risk of the spread of fire.	Kinnarps' accredited Test & Verification Centre inspects the products in accordance with EN standards. We also stipulate that our materials must meet all quality and fire safety requirements.
FIRE HAZARDS	Risk of fire in production units and other premises.	Systematic fire safety management with a focus on preventive measures, e.g. through fire safety inspections, suitable fire protection equipment and dialogue with stakeholders.



INDUSTRY AND SOCIAL ENGAGEMENT As one of the largest European suppliers of interior design solutions for working environments, it's also our responsibility to drive development in sustainability issues. The Kinnarps AB Group is represented on the board of the 100 Group – an association that works for a more sustainable interior design industry in Sweden. Our commitment also includes membership of Swedish and international FSC®. We're also part of the Möbelfakta Criteria Council for further development of the Möbelfakta labelling system.

The Kinnarps AB Group is a member of the Swedish trade association and employers' organisation the Swedish Federation of Wood and Furniture Industry (Trä- och Möbelföretagen, TMF) and the European trade organisation European Federation of Office Furniture (FEMB). We are members of Interior Cluster Sweden, where we are represented on the board. We work actively to develop furniture quality standards in Sweden and internationally through the Swedish Standards Institute (SIS), Comité Européen de Normalisation (CEN) and International Organisation for Standardisation (ISO).

GOVERNANCE AND RESPONSIBILITY Governance of our sustainability work is based on our Sustainability Policy and Code of Conduct. These apply to the operations of the whole Group and are based on Kinnarps' core values. The Code of Conduct is based on the UN's Global Compact and is also clarified for our suppliers in our Supplier Code of Conduct.

Our sustainability work is firmly anchored in the board and management team, and is an integral part of the Group's strategy: "Let the Star Shine". The Group management determines the direction and goals of the work, and the sustainability manager is responsible for the development and coordination of sustainability work in the Group. Locally, each manager is responsible for compliance in their area, and in larger units the work is led and coordinated by local quality and environmental functions.

Audits of the operations take place in units that are ISO 14001, ISO 9001 and ISO 45001 certified, and compliance with the Code of Conduct is monitored by means of supplier audits.

Governance and follow-up of our sustainability work has proceeded according to plan during the year, and is deemed to be functioning well.



Auditor's statement concerning the statutory sustainability report

To the Annual General Meeting of Kinnarps AB, Corporate ID number 556256-6736

Assignments and division of responsibilities
The Board of Directors are responsible for the sustainability report for the financial year of 1 September 2022 to 31 August 2023 and for ensuring that it is drawn up in conformity with the annual report.

Focus and scope of the audit
Our audit has been carried out in accordance with RevR 12 *Auditor's statement concerning the statutory sustainability report.* This means that our audit of the sustainability report has a different focus and a considerably narrower scope than the focus and scope of an audit in accordance with the International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this audit gives us a sufficient basis for our statement.

Statement
A sustainability report has been drawn up.

Malmö 21 November 2023
Öhrlings PricewaterhouseCoopers AB

Mattias Lamme
Chartered Accountant



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