

For People & Planet

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Sustainability to us is taking our legacy and responsibility seriously when developing and producing furniture intended to be passed down from one generation to the next.



Key initiatives

- Development of Environmental Product Declarations
- GreenGuard Gold certification of Swoon collection and Ditzel Lounge Chair
- Collaboration with SPOOR
- ISO 14001 Certification
- Application to B Lab
- Member of the United Nations Global Compact and Global Compact Network Denmark

Targets for 2023–2025

- Become B Corp certified
- Aim for 100% of our wood-based models sold to carry the FSC® label by 2025
- Receive environmental certification for 75% of our products purchased by 2025
- Increase to 95% of the suppliers who have signed our Code of Conduct by 2025

Targets by 2035

- Be carbon neutral in our facilities and operations

From the CEO

At Fredericia, we strive to continue our heritage of purposeful and sustainable design, creating modern originals that encourage human well-being wherever people live, work or relax.

When it comes to people, we feel a great responsibility to make our working environments safe, healthy and inspiring for our employees. A commitment that applies to selecting and working with business partners and suppliers, preferably local or within the EU, to ensure that our procedures result in sustainable growth.

Regarding the planet, a focal point of our efforts is our impact on climate change as a company, including our product and environmental carbon footprint. It is a mission where transparency is essential, especially in the supply chain affecting the origin of materials. We are improving the circularity of our products by considering the end-of-life cycle when we design new products. Design for disassembly is essential for extending the product lifespan of the materials. Furthermore, we focus on increasing our usage of recycled and recyclable materials by utilising resources in the best possible way.

We continuously work on improving our performance and facilitating sustainable customer choices by producing high-quality products in a timeless design with longevity, which have a positive effect on consumerism. We all play a part in ensuring a sustainable future for generations to come.

— Kaja Møller, CEO

Honouring a history of purposeful design

History

Named after the city, Fredericia was established in 1911 as Fredericia Stolefabrik (Fredericia Chair Factory) by entrepreneur N. P. Ravnsø, who successfully led the venture until he died in 1936. From the start, Ravnsø wanted his new venture to be known for its high quality. Throughout his tenure, he hired only the most skilled craftsmen, quickly leading Fredericia Stolefabrik to become renowned for its high-quality furniture in various styles. Throughout the years, the Graversen family has expanded Fredericia's circle of designers – each contributing to the renewal and reinterpretation of the Fredericia design ethos in a new context. Inspired by the creative power of long-lasting relationships, such as our close collaboration with Børge Mogensen, Fredericia continues to see designer collaborations as partnerships based on a deep mutual trust. Forming a creative culture characterised by design integrity, artistic expression, material expertise and industry knowledge.

Our vision

Fredericia wants to be the preferred Scandinavian premium furniture brand. We are trustworthy, inspiring and supportive to our customers by offering a solid commercial approach and in-depth market and product knowledge.

Our mission

Fredericia creates Scandinavian design that encourages human well-being wherever people live, work, or relax. We strive to continue our heritage of purposeful and sustainable design. Crafted to last.



"It is of great importance that the things we purchase and live with, do not need to be changed but instead grow old with dignity and charm."

— Andreas Graversen, CEO for Fredericia, 1955-1995

Fredericia is a family-owned design company established in 1911.

We are co-founders of Danish Modern design.

We believe in clarity, honest materials and human empathy.

Sustainability Strategy Towards 2025

Our Mission

Fredericia creates Scandinavian design that encourages human well-being wherever people live, work or relax. We strive to continue our heritage of purposeful and sustainable design. Crafted to last.

Traceability & transparency

Certifications & documentation within Sustainability

Product Life Cycle approach

Fredericia for People & Planet

Encouraging customers to conscious consumption has been at the core of Fredericia's company ethics ever since we began in 1911.

Our pioneering work with Børge Mogensen is based on combining a timeless, modern aesthetic with durable construction and suitable materials. The goal is to create furniture that becomes more beautiful with age and is intended to be passed on from generation to generation. These core values are rooted in our sense of responsibility and our use of natural materials, our ethical methods of production and our respect for the people using our furniture every day.

At Fredericia, we take our legacy and responsibility seriously when developing and producing furniture utilising a modern chain of products geared toward today's global market.

Key highlights from 2021

Gross profit = 51 MDKK
EBIT = 38 MDKK

CO₂e emission in 2021:
Scope 1 = 107 Tons CO₂e
Scope 2 = 39 Tons CO₂e

Employees (Q4, 2021)

- 143 employees
- 67 being women and 76 being men
- Out of these, 86 white collars and 57 blue collars
- 11 nationalities
- 7.2 years being average seniority

Targets 2025

Setting realistic targets for future achievements will enable continuous improvements in our sustainable performance. All achievements reached before 2022 will be presented throughout this report while new targets are set. Future targets are expressed in a roadmap based upon the materiality assessment. By implementing these targets, Fredericia extends the sustainability effort and improves the journey. A never-ending journey demanding continuous focus and development.

Roadmap

STRATEGY	FOCUS AREA	CURRENT SITUATION	2022	2023-2025
TRACEABILITY AND TRANSPARENCY	Carbon elimination	Scope 1: 107 CO2e kg Scope 2: 39 CO2e kg 16% reduction in scope 1 and 2 compared to 2020	Reduction target: 10% for scope 1 and 2. Develop baseline for scope 3	Finalise baseline for scope 3 Set reduction target for scope 1-3 We strive to be carbon neutral in our facilities and operations by 2035
	Packaging	FSC Mix certification: Minimum 80% on packaging	FSC Mix certification: 100% on all packaging Showcase recycled content on cardboard [selected products] Implement recycled foam for packaging	
	FSC Mix	Out of all sold wood-based models, 56% were FSC Mix certified		100% on all wood-based models
	Transport	Primary methods: Road or Sea	Develop baseline for airfreight	Reduce airfreight with 10% Investigate sustainable methods within the transportation section
	Water consumption	474 m3	5% reduction relative to year 2021	15% reduction relative to year 2021
	Generated waste	110,900 kg of solid waste	5% reduction relative to year 2021	15% reduction relative to year 2021
	Biodiversity	Current share of areas: 42% of buildings, 40% of green areas and 18% of parking areas	Increase green areas with 2%	Increase green areas with 10%
	Charging stations for electric cars	2 out of 3 locations have a charging station		HQ have a charging station available for both employees and guests
CERTIFICATION AND DOCUMENTATION WITHIN SUSTAINABILITY	Environmental product sheet	None	EPSs on 10% of core assortment	Implement on 100% of assortment
	Products or components with an environmental certification	Out of all sold models, 32% were products or components with an environmental certification	40%	75%
	Waste sorting	Sorts in the following sections: Combustible, Paper and Cardboard, Wood, Iron, Plastic and Food waste	Implement same sorting procedures in all facilities	Decrease combustible waste with 10% through improved sorting procedures
	Company certification	ISO 14001 FSC Submission of B Impact Assessment		B Corporation certified
PRODUCT LIFE CYCLE APPROACH	Minimise CO2e footprint of product categories	Baseline is under development	Increase share of recycled materials with 5% Investigate alternative materials for upholstered models	Implement alternative materials for upholstered models
	Prolong product life cycle		Initiate development of Sell of reused products-concept	Full running Sell of reused products-concept
	Warranty on selected products	5 years on entire assortment		Increase warranty on selected products to 7-25 years
	Code of Conduct signed	51% signed	85% signed	95% signed

Joining the sustainability movement – United Nations Global Compact

This year, Fredericia has been accepted as a United Nations Global Compact member. The vision of this strategic initiative is to mobilise a worldwide movement of sustainable companies and stakeholders to help create a better world for the future. This is done by aligning strategies and operations with the Ten Principles on human rights, labour, environment, and anti-corruption. Furthermore, the companies take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals.

By being a member of the UN Global Compact, we are committed to implementing its fundamental principles into our strategy, culture, and day-to-day operations and to engaging in collaborative projects advancing the broader development goals of the UN, particularly Sustainable Development Goals.

United Nations' Sustainable Development Goals

Fredericia supports the UN's Global Goals for Sustainable Development which addresses some of the biggest challenges we are facing today.



Goal 12 encourages the sustainable use of natural materials, responsible consumption and production.



Goal 13 aims to integrate strategies and to plan to help mitigate the impact of climate change.



Goal 15 involves protecting and promoting sustainably managed forests, the prevention of de-forestation and the preservation of biodiversity.



Responsible Consumption and Production

SDG target 12.2 - By 2030, achieve the sustainable management and efficient use of natural resources.

Company action:

Gain valuable knowledge by implementing Life Cycle Assessments and Environmental Product Sheet throughout the assortment. Minimise material footprint by applying sustainable product development principles by focusing on a circular approach.

SDG target 12.5 - By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

Company action:

Increase the use of recycled material and enable circularity of furniture to extend the longevity of our products. Environmental management is standardised through ISO 14001 certification and increasing focus on waste material handling. Furthermore, we are currently considering expanding our warranty period on selected products.

SDG target 12.6 – Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Company action:

Launch of a sustainability report.



Climate Action

SDG target 13 - Integrate climate change measures into national policies, strategies and planning.

Company action:

Initiating a calculation of total greenhouse gas emissions per year covering scope 1, 2, and 3.



Life on Land

SDG target 15.2 - By 2020, promote sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

Company action:

We, as a company, and many of our wooden furniture and packaging material, are FSC-certified.

An important step in the right direction – Application of B Impact Assessment

We are proud to have submitted our B Impact Assessment for evaluation and validation, the first step of becoming a Certified B Corporation. The B Corp Certification is holistic, not exclusively focused on a single social or environmental issue. A B Corporation must meet high standards of social and environmental performance, accountability, and transparency. Only companies which can obtain 80 points or above in the B Impact Assessment can submit their application. The B Impact Assessment is divided into five stakeholder-focused “Impact areas”: Governance, Worker, Community, Environment, and Customers. These areas are followed up with topics related to our company’s day-to-day operations and overall business model. Achieving and maintaining the certification is rigorous and requires engaging teams and departments across the company. Continuous improvement is a natural part of our strategy for sustainable growth and how we handle our business processes. This fits perfectly with the verification process conducted every three years to become recertified.



Responsible assortment





CU851413OCS-01.2017



Underlining the longevity

Respect for nature and its materials is at the heart of our company hence it is of great importance to us to produce high-quality products.

We grant our customers a 5-year warranty on manufacturing defects on construction and materials apart from wear and self-inflicted damage. To underline the longevity of our designs, we work on increasing the warranty period up to 25 years on selected products by 2025. Several of our products are tested at the Danish Technical Institute or the German TÜV institute to ensure high quality.

Product tests executed by the above stated are done to ensure the user's safety of a given product. Both institutes measure in relation to international standards. Products can be tested for durability, strength, and/or fire.

In 2022, we introduced the testing method ANSI/Bifma X5.4-2020, an American National Standard For Office Furnishings - Public and Lounge Seating. It evaluates the safety, durability and structural adequacy of business and institutional lounges and public seating. A selected number of products will be tested based on this standard.

Environmental product certifications

Currently, there are no comprehensive benchmarks for measuring a company's environmental impact or even individual products, hence we use multiple third-party certifications to illustrate and underline our commitment to being a sustainable company.

In the early stages of a product, we challenge ourselves to make more sustainable choices, including using raw materials from sustainable resources and making choices that fulfil the high standards of third-party product certifications. For now, Fredericia has chosen to use the following material and product certifications:

Material certifications:

- FSC
- EU Ecolabel
- Blauer Engel
- Organic Content Standard
- Confidence in Textiles
- GreenGuard

Product certifications:

- EU Ecolabel
- GreenGuard Gold
- FSC

32% of our sold models in 2021 have carried an environmental certification or consists of components which have an environmental certification.

2022 TARGET:

40%

of our products will carry environmental certifications.

2023-2025 TARGET:

75%

of our products will carry environmental certifications.

“It can take 150 years to grow a big and beautiful oak tree, so you really have an obligation to make the best out of it. To craft the furniture to last.”

Thomas Graversen,
Owner of Fredericia

Ensuring the future of wood

CURRENT SITUATION:

56%

of sold wooden models carry the FSC Mix label.

*Calculation based upon sold pieces in 2021.

2023-2025 TARGET:

100%

of our sold wooden models carry the FSC label.

All wood from Fredericia comes from responsibly managed forests. To ensure this, we only use wood sources compliant with EUTR or FSC-certified wood on selected products.

The FSC Forest Management Certification confirms that a forest is being managed in an environmentally responsible manner preserving biodiversity and benefiting the lives of local people and workers. The FSC standard is gradually being applied to the assortment until ultimo 2025. It is to be noted that the supply of FSC-certified oak is currently under pressure due to overconsumption by the industry.

The European Union Timber Regulation (EUTR) is a trade mechanism imposed by the EU Parliament and Council to reduce illegal logging by ensuring that no illegal timber or timber products can be harvested or sold in the EU. The goal is to contribute to the sustainable management of forests and reduce emissions from deforestation and forest degradation beyond EU borders.



FSC® LICENSE NUMBER
FSC® C151292



+75%

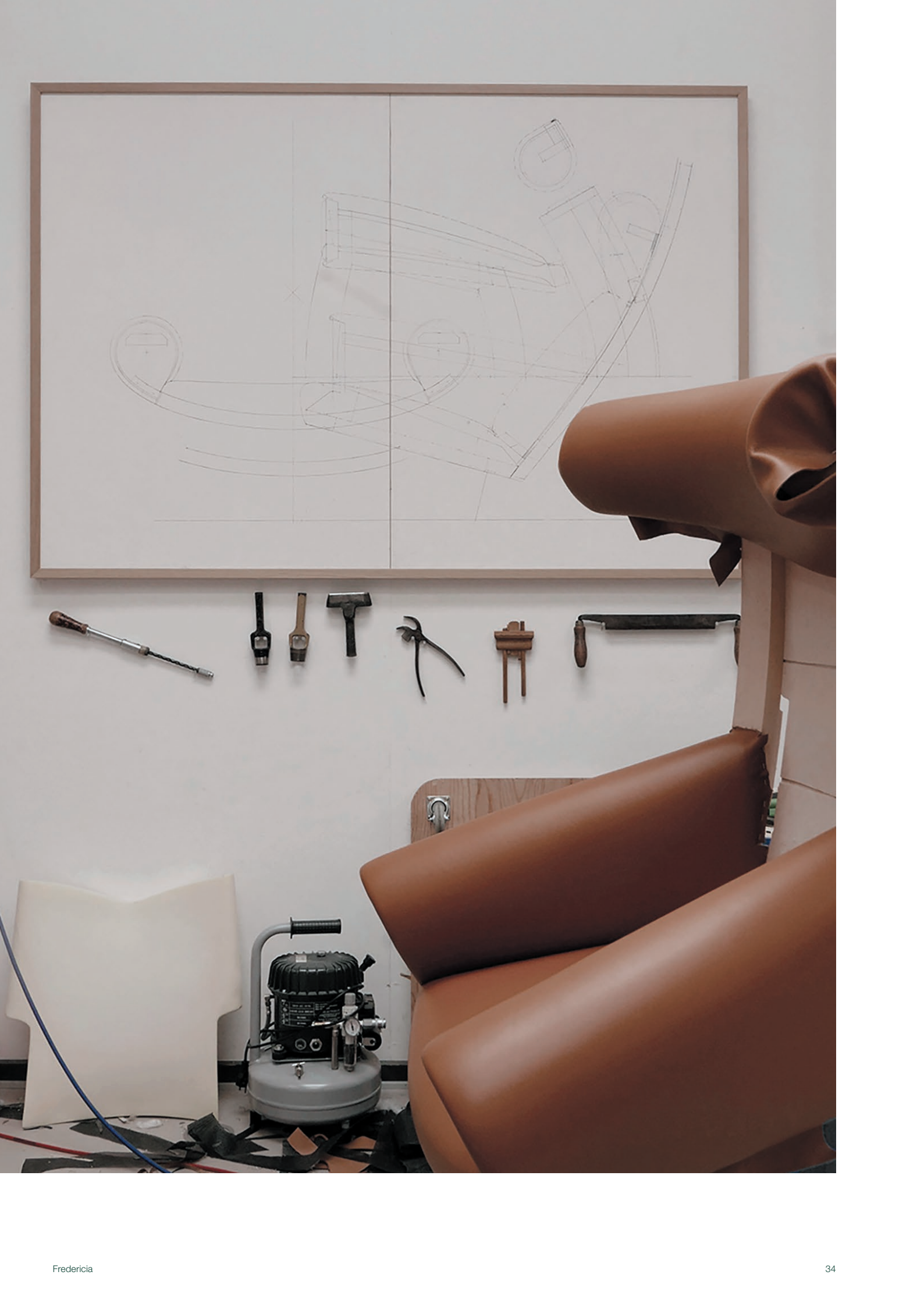
of our standard leathers
have an environmental
certification.

Using long-lasting leather from renowned European suppliers

Beautiful, high-quality leather starts with healthy livestock. Genuine quality leather ages with grace, and we carefully select premium pieces to provide the highest calibre for our designs. All leathers are free of allergic substances, and the tanning processes are kept in enclosed systems to minimise local environmental impact.

For a growing number of articles in our collection, we offer expanded traceability to trace the origin of raw hides to each specific animal. All Fredericia leather comes from well-known, certified sources with professionals trained to respect animals, optimising the quality of the raw hides. Our entire leather collection comprises raw hides guaranteed to be sourced from European livestock, primarily from Germany, Sweden and Denmark.

Additionally, a new selection of articles consists of organic leathers facilitating the customers to make yet another conscious choice.





The Blue Angel is the ecolabel of the German Federal Government. The Blue Angel guarantees that a product or service meets high standards regarding its environmental, health and performance characteristics. In the process, these products and services are always evaluated across their entire life cycle.

Criteria:

No presence of harmful substances
Sustainable production
No indoor climate effect
Durability

European raw hides:

Vice
Max
Nubuck
Vegeta
Omni
Primo



The Organic Content Standard (OCS) applies to non-food products containing 95-100% organic material. It verifies the presence and amount of organic material in a final product while tracking the flow of raw material from the source to the final product.

Criteria:

No presence of harmful substances
Sustainable production
No indoor climate effect

Scandinavian raw hides:

Organic
Vegetable tanned
Saddle leather

Constructing a Sustainable Partnership – SPOOR

From 2021, Fredericia has offered customers the option of buying products furnished with 100% traceable leather. SPOOR is a collection of leather with 100% documented traceability, meaning you can rest assured that the leather of your choice is traceable to the exact animal whose hide was used. The sourcing of rawhides used to produce leather and the ability to identify the animal's origin can be challenging. However, SPOOR ensures complete transparency by sourcing rawhides directly from the abattoirs responsible for slaughtering the animals. The abattoirs collect the cattle straight from the farmers raising the animals enabling customers to gain insights into the origin of the leather and make a conscious choice. SPOOR also provides a guarantee that the leather comes from Northern European rawhides. The Nordic origin means that the cattle have enjoyed some of the highest animal welfare standards in the world.

By initiating this partnership, Fredericia has taken yet another step in the direction of providing complete transparency in the manufacturing of furniture.

How SPOOR's traceability works



1. Individual animal identification

Ear-tags must be applied to every EU cattle within the first 20 days after birth. No animal may leave its birth holding before receiving ear-tag.



2. Computerised database

Each Member State must have a national computerised database containing ear-tags for all its cattle, all holdings on its territory and movements of the animals.



3. Passport for movement

Member States must issue an animal passport with information from the computerised database that should accompany the animal for movements or intra-union trade.



4. A hide enriched with data

The hide is collected at the abattoir and transported to Scan-Hide in Vester Skeringe, Denmark.



5. Laser number

When the hides are tanned at Scan-Hide, each is marked with a laser number that is linked to the ear-tag the animal receives at birth, and therefore all the data contained in the national database.



6. Collection of hides

The hide is delivered to the finishing tannery in Italy and then processed into leather. SPOOR provides you with the traceability and enriching data you would like.



Improving our durable foam

Our upholstered products can consist of three types of foam: Hard foam, HR foam and CMHR foam.

Some of Fredericia's hard foam shells are made by one of Europe's leading hard foam manufacturers. This Danish company works actively to create a recyclable rigid foam while limiting the environmental impact. Fredericia's hard foam is low-emission foam containing no chemical flame retardants. The foam is MDI-based foam, an environmentally friendly type of rigid foam, and it is clean, meaning you can breathe in the air in the room while the products are formed and hardened.

In 2023 Fredericia has ambitions to improve the environmental performance of foam materials. This is achieved by either improving the current foam material, minimising the usage of virgin foam - and consequently increasing the use of recycled foam in our products - or finding other alternatives to the current material. Therefore, a balance between high-quality and sustainable options must be found. Along this journey, the existing materials baseline must be set, and ambition targets formulated.

A step in the right direction is introducing the GreenGuard Gold certification to selected models. The Swoon Collection and Ditzel Lounge are newly Greenguard Gold certified enabling customers to make a conscious choice when buying new furniture.

Hard foam criteria: 16% of upholstered models

Hard foam criteria:

- No presence of harmful substances
- Sustainable production
- No indoor climate effect
- Durability – estimated +60 years of the lifetime of shell
- Zero flame retardants
- MDI based

CMHR and HR foam criteria: 84% of upholstered models

CMHR foam criteria:

- It can be used in Europe, where fire regulations are extraordinarily stringent
- Contains added chemicals to meet British fire standards due to British Law

HR foam criteria:

- No presence of harmful substances
- No negative indoor climate effect

Minimising the use of Chrome

CURRENT SITUATION:

Usage of chrome (VI) in only very few models.

2023-2025 TARGET:

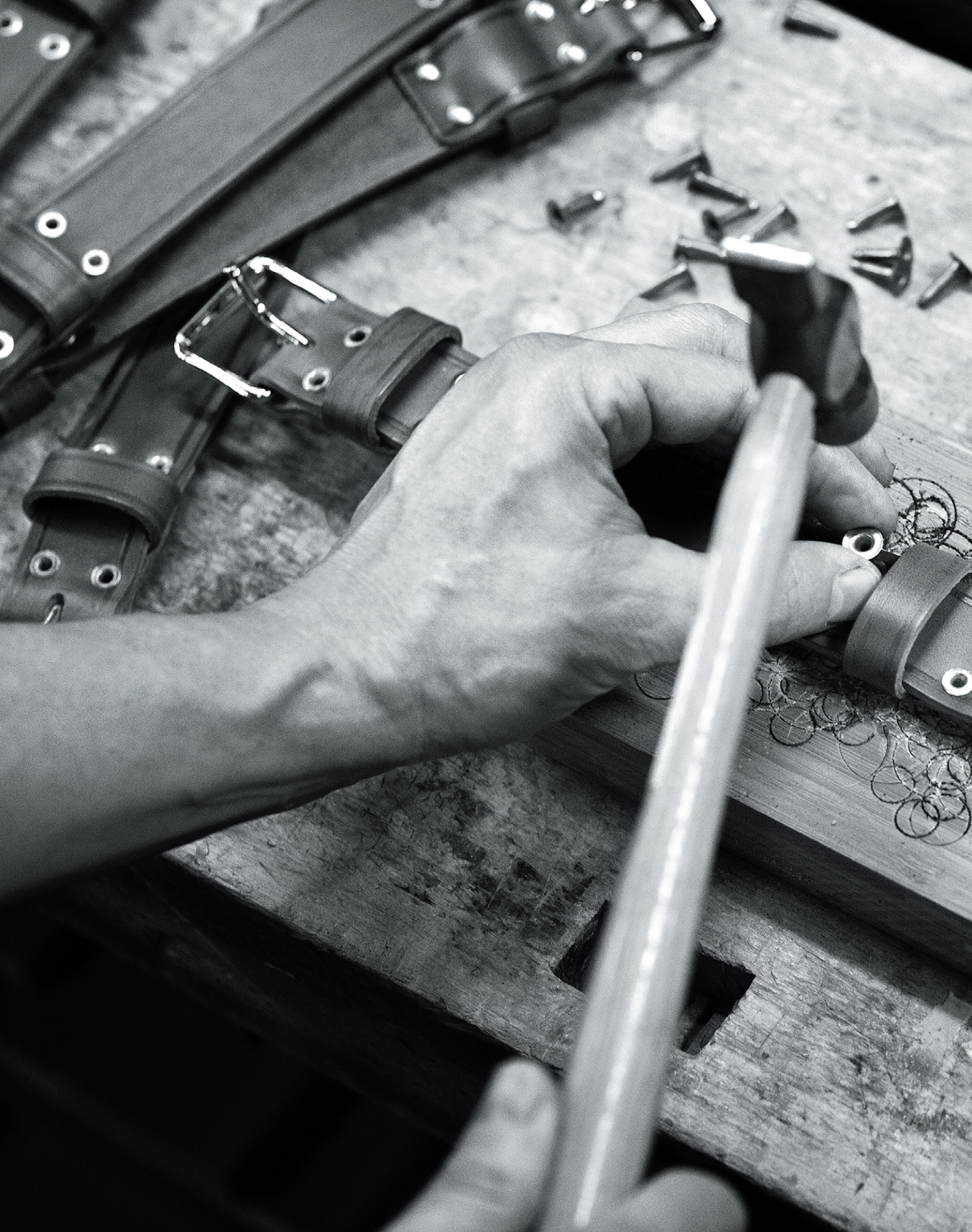
Eliminate all usage of chrome (VI) in assortment.

Chrome can be applied on the furniture's surface as a finished layer improving the strength and rust resistance. One of the pros of using chrome is that it is a highly durable material famous for its shine, which is desirable and hard to replicate. On the other hand, using chrome causes health complications for humans and environmental issues. There is no harm to the user after the product is manufactured, but the risk lies in the process of extracting the raw material regarding the people in the supply chain handling this. Also, other environmental aspects are affected by the chemical waste created in the process.

At Fredericia, we have systematically been phasing out the usage of chrome (VI) in our assortment by changing the material to chrome (III) or stainless steel. As a result of the acquisition of Erik Jørgensen, in 2020, chrome (VI) was re-introduced to our assortment due to several models. We have managed to change the materials on most and are working on changing the very last ones.

An investigation of new materials or methods which are more sustainable has been initiated in 2022. Ultimo 2023, all chrome (VI) materials will have been replaced by chrome (III).







Polypropylene: From plastic waste to resource

The Pato series was introduced in 2013 and has become one of Fredericia's most comprehensive furniture collections. By integrating recycled polypropylene plastic (PP) into our existing portfolio of products while at the same time ensuring the continuity of design, we are taking further steps into more sustainable production. Pato has always been made from recyclable PP, which is pure and free from additives. By relaunching Pato with upcycled plastic waste - while keeping the design recyclable for the future - we follow our CSR strategy to minimise our environmental footprint and contribute to the circular economy.

100% RECYCLED

Minimise waste

We minimise waste from the commercial and the industrial sectors by using upcycled plastic from two sources.



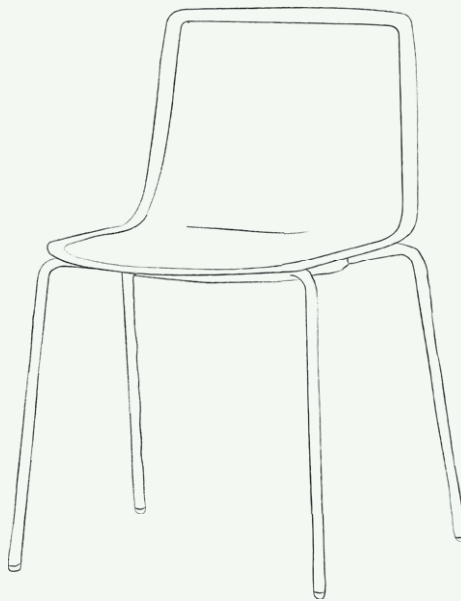
Post-industrial recycled PP

This is plastic waste from the production of other polypropylene products collected and reprocessed for reuse, making a zero waste production line.



Post-consumer recycled PP

This is used plastic from commercial products, which has been sorted and reclaimed. Typically from household waste such as yoghurt containers and medicine bottles or other sources such as discarded fishing nets.



Ready for the future

The final material for Pato is a mix of the softer post-consumer PP and the more rigid and durable post-industrial PP. Making each chair both recyclable and durable in use.

100% RECYCLABLE



Finding alternatives to harmful varnishes and glues

Varnishes and adhesives such as furniture lacquer, glues and foam are all auxiliary substances used in our furniture manufacturing. We meet the E1 formaldehyde standard for varnishes and adhesives, meaning the amounts of emissions are less than 0,015 mg/m³. This evaporation occurs in a closed plant within the production site during the application and hardening processes.

We are actively removing environmentally harmful varnishes and glues from our furniture and manufacturing. Part of our efforts involves requesting better alternatives from our suppliers while also changing all lacquers to water-based ones. When applying a water-based finish, a significantly lower amount of VOC (volatile organic compounds) is emitted into the air than PU lacquers. Consequently, making a water-based lacquer a better alternative to improve the indoor climate but also the working environment for the manufacturer. When searching for sustainable options, it is essential for Fredericia to ensure that the quality and longevity of the products are increased.

Carefully selecting the best textiles

We set high standards when selecting textiles to provide the best quality products. More than 80% of our standard fabrics have one or more certifications; EU Ecolabel, GreenGuard Gold, Confidence in Textiles or Cradle-to-Cradle.

+80%

of our standard fabrics
have an environmental
certification.



Confidence in Textiles stands for responsible textile production, safety, and transparency. It represents an additional reassurance for factory employees, retailers and consumers and guarantees that the products are free from harmful substances. As a customer, you can be sure that every component of a given article, i.e., every thread, button, and other accessories, has been tested for harmful substances, making it harmless for human health.

Criteria:

No presence of harmful substances
No indoor climate effect

Standard textiles:

Connect, Capture, Linara, Anta, Carlotto, Savoy,
Grand Mohair



The objective of the EU Ecolabel is to reduce the overall environmental impact of the production and consumption of goods. The label looks at the entire product's life cycle and any ecological problems arising along the way - for the benefit of people, the environment, and the earth's resources.

Criteria:

No presence of harmful substances
Sustainable production
No indoor climate effect
Durability

Standard textiles:

Connect, Re-Wool, Remix, Hallingdal, Steelcut
Trio, Divina Melange, Vidar, Capture, Bardal,
Foss, Fiord, Savoy



The GreenGuard Environmental Institute is an industry-independent organisation aiming to protect human health and improve quality of life by enhancing indoor air quality and reducing people's exposure to chemicals and other pollutants.

Criteria:

No presence of harmful substances
No indoor climate effect

Standard textiles:

Re-Wool, Remix, Hallingdal, Steelcut Trio, Divina
Melange, Vidar, Foss, Fiord, Sisu, Sunniva, Clay,
Safire, Elle, Harald, Gentle

Certifying all cardboard packaging

CURRENT STATE:

80%

of all cardboard packaging
is FSC-certified.

2022 TARGET:

100%

of all cardboard packaging
is FSC-certified.

Our packaging protects our design during transport, ensuring that our customers receive the products in perfect condition. We focus on minimising material consumption while simultaneously protecting the furniture and are currently converting all our cardboard packaging into FSC-certified cardboard.

To protect the furniture further, we use different types of foam shapes. Currently, the material is virgin, though some foam is reused from other parts of our operations. In the coming year, we will investigate the possibilities of converting the foam into recycled foam or another more appropriate material.

Design for Circularity

In the phase of developing new products or re-engineering existing products Fredericia follows the below listed principles:

- Timeless design
- Long material lifetime
- Crafted to last
- Easy disassembly of products to increase circularity and ease repair of broken parts
- Increase the use of recycled materials
- Replace harmful substances with less harmful alternatives

If a customer should experience a component in a product needing replacement, a selected number of products have been designed for the customer only to replace the specific part and thereby extend the longevity of the existing components.

Below you will find highlighted products which are designed focusing on easing the disassembly of the products:

- Lynderup Chair
- Selected Pato models
- Spanish collection regarding the replacement of leather
- The Canvas Chair regarding the replacement of textile
- Piloti tables
- Tableau tables
- Selected Søborg models

The environmental impact of our products

As part of our sustainability strategy at Fredericia, we have initiated environmental product sheets on our core assortment developed in compliance with ISO 14021, self-declared environmental claims. All done to quantify our products' environmental impact when manufacturing.

The Life Cycle Assessments are based upon a tool provided by the Danish company, Målbar, where valuable knowledge is gained through the single metric, CO₂e. CO₂e accounts for carbon dioxide and other gases: methane, nitrous oxide, and others. Therefore, CO₂e combines everything in one number and attempts to convert the warming impact of different greenhouse gases into one metric. The global warming potential (standard ratios) of each gases, are used to convert the various gases into equivalent amounts of CO₂, subsequently describing its total warming impact over a set period relative to CO₂. The valuable knowledge affects the selection of materials, techniques, and future production locations. Additionally, the current baseline of the products is made visible, making it easier to locate any possible improvements.

The knowledge regarding the impact of the different material types is increasing internally through the development of EPSs on core assortment enabling conscious, sustainable choices in our Product development department. This gives us an understanding of the impact caused by our products and how we can improve going forward. Hence, we now use the Life Cycle Assessment tool in the early development phases to consider the environmental impact of creating new products. The calculations are based on an average lifetime of 15 years though we expect our products to last throughout generations.

By 2022, Fredericia has set a target of launching EPSs on 10% of core assortment. EPSs on the remaining assortment will follow.

J39 Mogensen Chair – Detailed life cycle assessment data



Disposal

At Fredericia Furniture, we recommend that our customers handle our products carefully when they have served their use. We emphasise that spare parts are reused/recycled when possible and/or products repaired with the thought of the future and spare parts being sorted according to country regulations.



Use phase

This is the longest phase of the life cycle. During the use phase of our products, a limited environmental impact occurs.



Transport

Includes the transport between Fredericia's suppliers and the transport to Fredericia.



Packaging

Includes all packaging material.



Production

This phase includes both the manufacturing of components but also the assembly of finished goods.



Upholstery

Expresses the environmental impact that the cover has if the product consists of it.



Surface treatment

Showcases the total environmental impact that the product has concerning surface treatments.



Materials

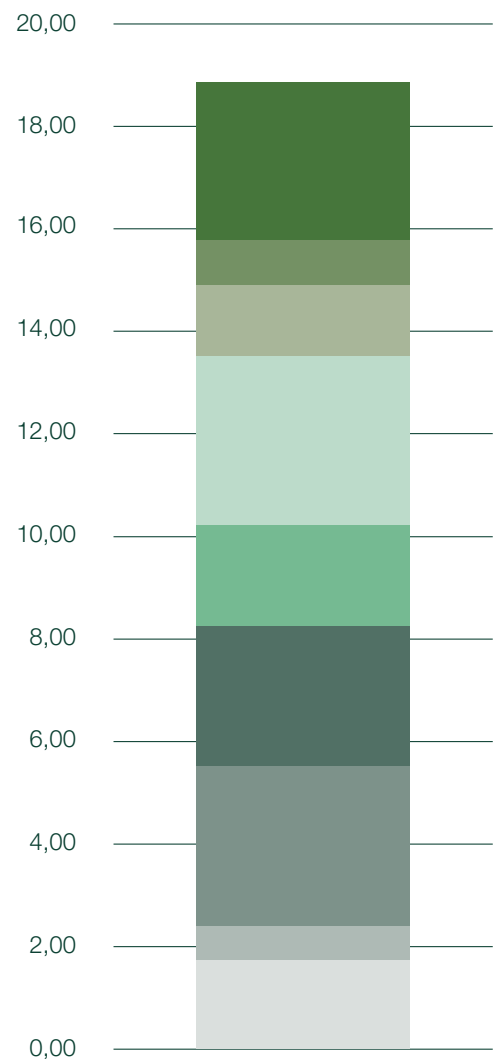
Includes the extraction of materials, and the benefit of recycled content is considered.



Carbon storage

Carbon credit for bio carbon is automatically subtracted in the calculation.

CO2e emissions [Kg of CO2e]





Responsible procurement

Code of Conduct – complying with human rights, UN Conventions and local legislation

51% of our suppliers have signed our Code of Conduct.

2022 TARGET:

85%

of our suppliers have signed our Code of Conduct.

2023-2025 TARGET:

95%

of our suppliers have signed our Code of Conduct.

The Code of Conduct is the foundation of a trustworthy partnership between our suppliers and us.

Through our ongoing implementation of a Code of Conduct and Sustainable supplier selection, we ensure our suppliers meet our conditions, such as human rights and environmental standards.

The aim is to ensure that all Fredericia's suppliers comply with the Universal Declaration of Human Rights, the UN Conventions on the Rights of the Child, and the local legislation of the country where the production is located. Furthermore, all suppliers must operate by the Ten Principles of the UN Global Compact. To clarify our position, we have formulated a Code of Conduct describing the social responsibility requirements of our suppliers. Fredericia adheres to these principles, and our suppliers are expected to do the same. We have our Code of Conduct form signed by 51% of our suppliers and aim at 85% supplier signage by the end of 2022.



Handpicking suppliers and sustaining long-term partnerships

We achieve a high-quality level in our products by only picking suppliers able to develop a long-term partnership, which is obtained through clear communication and mutual respect. We are proud to cooperate with the best suppliers in the industry.

We make use of a 360-degree- evaluation scorecard when evaluating our collaborations. A scorecard based on the sustainable Triple Bottom Line theory ensures that our suppliers perform satisfactorily. The most important criteria are quality, manufacturing facilities, environmental focus, and management. Additionally, developing a partnership with our suppliers is essential to us instead of a traditional supplier relationship, as we believe a partnership is the best method to ensure the highest quality of the products.

Working together with our local community

A protective workshop is placed close to our facility in Fredericia, facilitating a safeguarded environment for citizens in the local community suffering disabilities or needing extra support in their daily lives. We have developed a respectful relationship throughout the years of collaboration as we believe it both contributes to the local community and adds high value to us as a company. The workshop produces multiple objects for Fredericia, including one of our essential items: The leather strap of the Spoke-back sofa. Also, one of the employees at the workshop has invented manufacturing methods ensuring safety for the operators and guaranteeing the consistent quality.



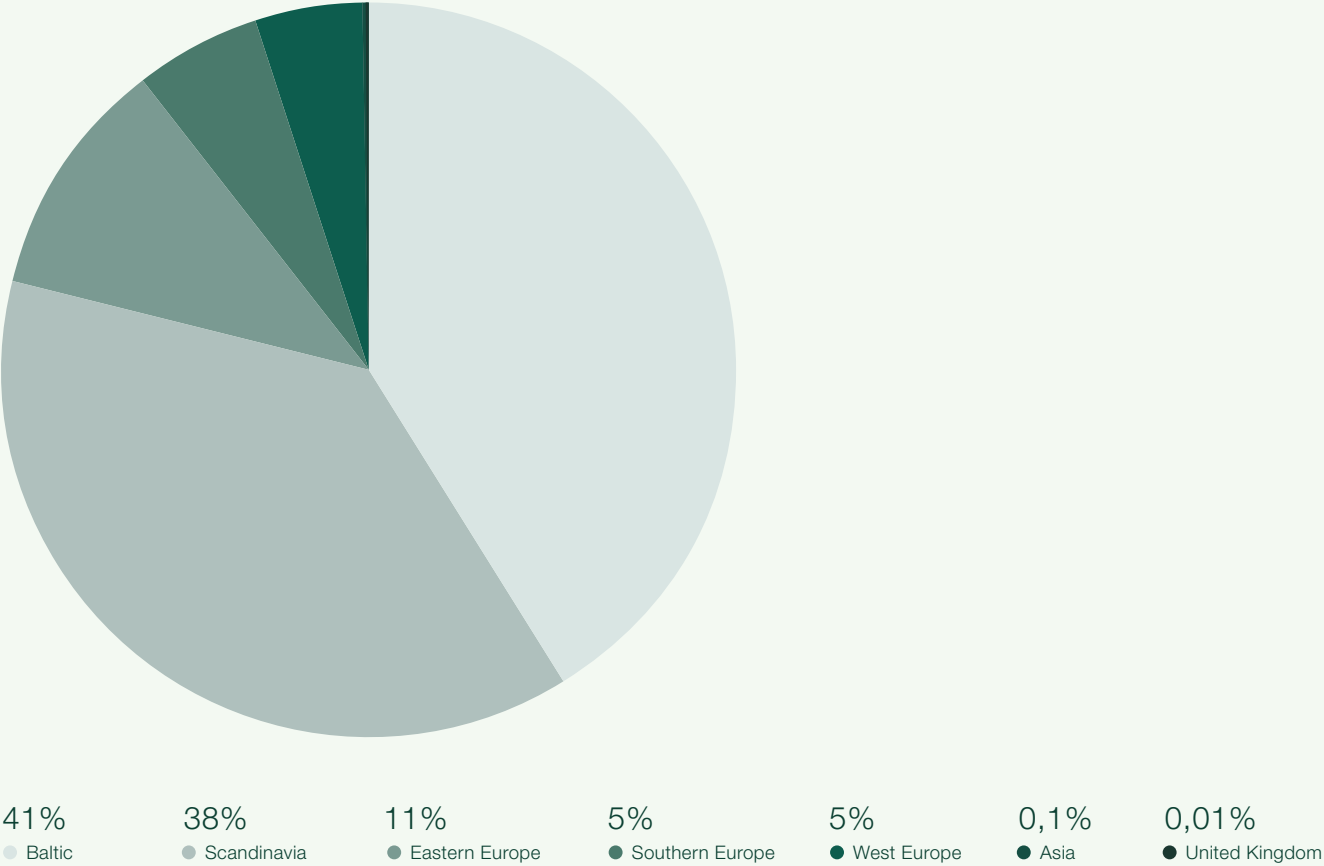
Scandinavian and European suppliers prioritised

We mainly purchase raw materials, semi-finished and finished products from suppliers within Europe. We have opted out of overseas transport and subcontractors, prioritising neighbouring countries. By selecting suppliers closer to our production facilities, we minimise the transportation of raw materials and products throughout the product life cycle.

In 2021, 61% of our suppliers were located within Scandinavia. 41% of our spending was spent in the Baltic countries, 38% in Scandinavia, 11% in Eastern Europe, 5% in Southern Europe, 5% in Western Europe, 0.1% in Asia and 0.01% in the UK. Within the next three years, alternative sustainable methods within the transport sector will be investigated and implemented.

The primary transportation methods are by road and sea, while monitoring of airfreight has been initiated, and a reduction target is set to 10% in 2023-2025.

Cost spend distribution



Responsible operations



Continuing the legacy with local production

Our local production facilities are important to us, and we are proud to honour our history of local expertise and unchanging quality. Our name Fredericia comes from the fact that the company was founded in the city of Fredericia, and to this day, we still have local production facilities for selected designs both in Fredericia and in Svendborg, employing some of the best craftsmen in furniture production and upholstery while taking in students and trainees contributing to our development and innovation.

Reaching carbon neutrality ahead of time

According to the UN Paris Agreement "Climate Neutral Now Initiative", all EU countries must reduce emissions by at least 55% by 2030 and be completely carbon neutral by 2050. At Fredericia, we want to meet these ambitions even sooner and be 100% carbon neutral in 2035.

We believe that the most sustainable way of realising this target is to outline our current baseline of CO₂e for scope 1-3 categorised by the Greenhouse Gas Protocol. Meanwhile, when designing new models conscious choices are taken to minimise material consumption and prolong product life cycles, enabled through ease of disassembly. We recommend our customers repair and care for their furniture and handle our products carefully when they have served their use. We emphasise that spare parts are reused/recycled when possible and correctly sorted according to country regulations.

16%

reduction in 2021 relative to 2020.

2022 TARGET:

25%

reduction in 2022 in scope 1 and 2 relative to 2020.
Development of baseline for scope 3.

2023-2025 TARGET:

50%

reduction in scope 1 and 2 relative to 2020.
Finalise baseline for scope 3.

2035 TARGET:

100%

100% carbon neutral in scope 1-3 relative to 2020.

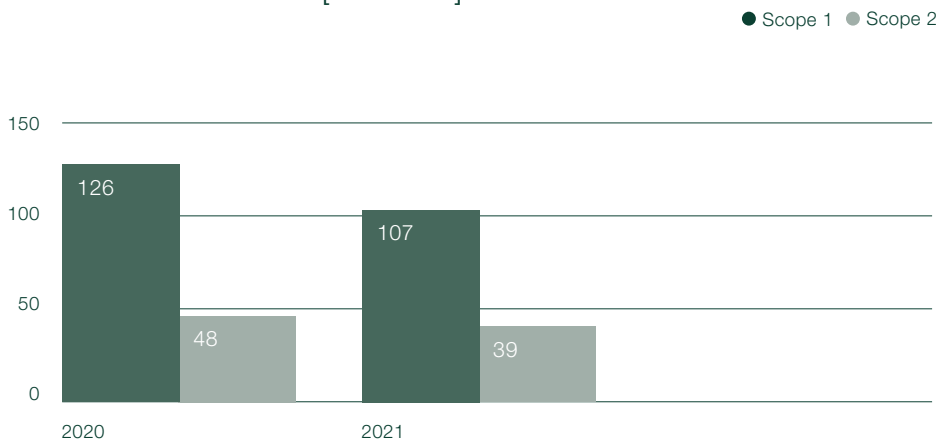
Lowering carbon and water consumption

Our carbon dioxide equivalent emissions in 2021 were 146 tons covering scope 1 and 2. This is a reduction of 16% relative to 2020. In 2021 we improved the buildings of our internal operations by installing new windows and doors in selected areas and isolating the outer facade. Furthermore, we changed an oil furnace into a heat pump in our facilities.

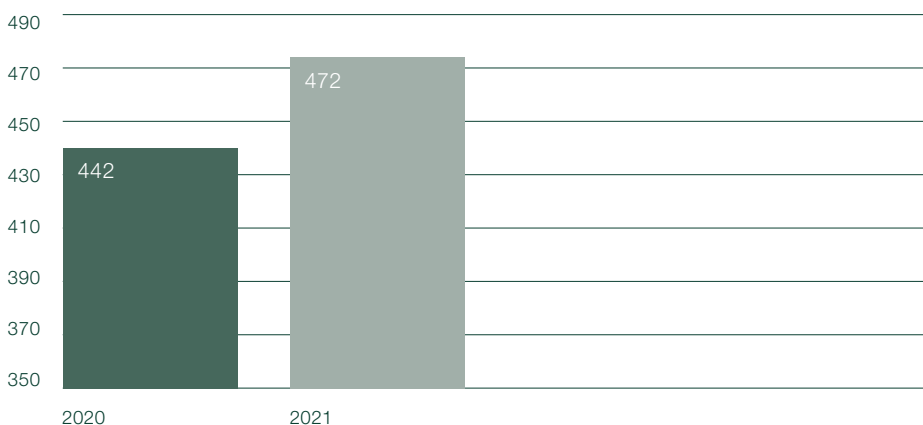
In the future, we will be phasing out our natural gas consumption and consequently expect a 10% reduction in scope 1 and 2 in 2022.

We monitor our water consumption due to water being a scarce resource globally. Our consumption slightly increased in 2021 compared to last year.

Carbon emissions [Ton CO2]



Water consumptions (m3)



Reducing waste

Waste management is an ongoing focal point in the operations at all facilities as the material we use in our products is highly valued both in cost and as a resource. We work systematically to ensure a reduction in waste by eliminating overconsumption of material and by utilising waste most sufficiently.

Our operations comply with ISO 14001 certification, indicating that an adequate environmental management system has been developed and an overview of the total weight of waste generated at our facilities has been created. In 2021 110,900 kg of solid waste was generated in our operations. This number reflects the result of an extensive renovation and cleaning of both facilities, meaning more solid waste has been discarded.

The amount of generated waste in 2022 is expected to decrease by 5% as different initiatives will be implemented to optimise our handling of waste, including new sorting procedures. Also, other initiatives are being investigated to increase circularity in terms of materials product life cycle, minimising the amount of generated solid waste.

Waste handling of textiles and leather

Our production sites collect and sort textile and leather waste material separately. This ensures that the waste material either can be donated, used for smaller products, or sold to other companies who can use it in their operations, prolonging the life of the materials.

In 2021 we donated different textiles to selected companies and educational institutions. E.g., an educational institution near the city of Fredericia helping young people who need academic support, allowing them to try working with textiles. We are also donating textiles to the Danish company SheWorks creating new jobs and adding life value by hiring female refugees, providing them with a way to support their families.

Additionally, Fredericia is also a member of Upcycling Forum, enabling other companies to buy our leftover leathers and textiles, eliminating the need to buy newly produced fabrics.

CURRENT SITUATION:

110,900 kg

solid waste discards in operations.

2022 TARGET:

5%

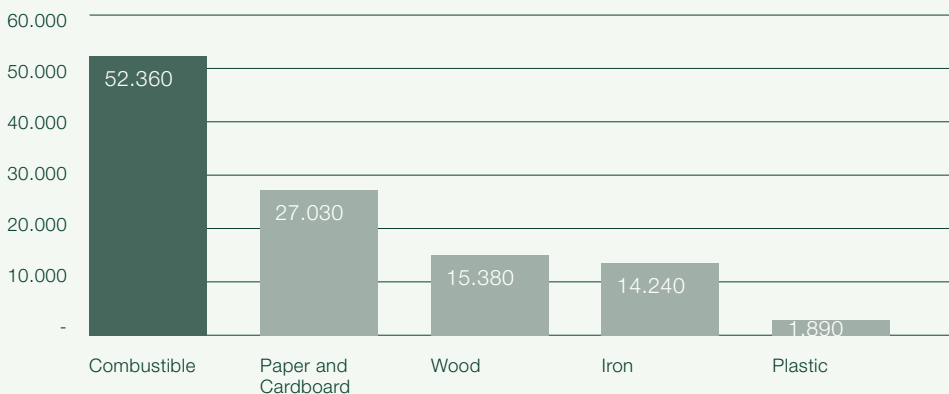
reduction of solid waste.

2023-2025 TARGET:

15%

reduction of solid waste.

Total Solid Waste Discards in Operations
[2021 by Material in Kg]



Enhancing environmental performance

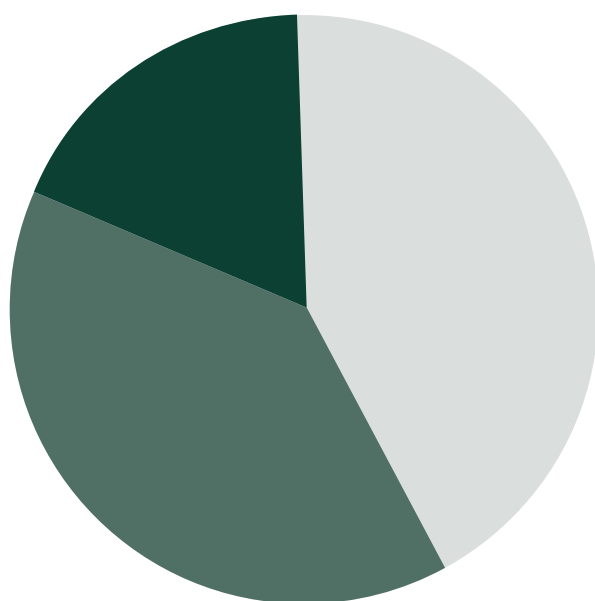


Fredericia's operations are ISO 14001:2015 certified. This voluntary third-party standard specifies the requirements for an environmental management system that organisations can implement to enhance their environmental performance. We seek to manage our environmental responsibilities systematically by continuous improving and optimising our operations; hence multiple actions will be implemented in the coming years, as stated in our roadmap.

Greenifying our areas

As Biodiversity is an essential matter to us, you will find green areas at our production facilities. The green areas consist of wildflower meadow, forest and grass areas providing nutrition for insects and bees. We aim to expand our production facilities' green spaces by 10% before the end of 2025.

Area distribution



42%
● Buildings

40%
● Green areas

18%
● Parking



CURRENT SITUATION:

40%

of green areas at our
production facilities.

2022 TARGET:

2%

increase of green areas.

2023-2025 TARGET:

10%

increase of green areas.

Governance



Safety and well-being of our employees

The safety and well-being of our workers are of high priority, and we strive to maintain a high safety standard and create a comfortable and inspiring workplace.

The people in our operations are highly valued as they put the last hand to the furniture in our production. At the same time, our quality department ensures high-quality and long-lasting models based on their craftsmanship and know-how. Same with our office employees who do their utmost to ensure sustainable growth within the company while ensuring smooth processes internally and towards customers.

Working at a table disk or when manufacturing a product, the different working positions can be challenging on the body, making ergonomic workstations a top priority. Therefore, we have chosen to implement various personal protective equipment. E.g., our newly built workstation for the Ox and Queen chair ensures the most optimal work position when upholstering. Also, when using hazardous raw materials, the workstations comply with legal requirements. Massages during working hours are offered at the facility in Fredericia to avoid long-term injuries, and training exercises are encouraged in our operations. All employees are provided health insurance and other health and safety initiatives, including free fruit in the facilities.

Zero work-related injuries were registered in 2020, whereas three were reported in 2021. Different initiatives have been or will be implemented to reduce workplace injuries.

At Fredericia Furniture, we do not tolerate violence, threats, racist utterances, bullying, harassment, or sexual harassment, neither during nor outside working hours. The professional tone among colleagues must be proper and respectful. We want everyone to feel safe when going to work.

In the event of bullying, harassment, or similar behaviour in the workplace, we are all obliged to act and help stop the unwanted behaviour as soon as possible.

In 2021 Fredericia Furniture established a whistleblower scheme by EU Directive 2019/1937, a solution for anonymous reporting of potentially unethical behaviour in our operations.

50% fulltime hire of interns and assistants

The students bring the latest theoretical knowledge and contribute to our development and innovation. Conversely, they get new perspectives on their learnings when working with us. We often hire interns and study assistants after graduating in full-time positions. It is a very effective way to ensure a good match, as both parties have had the opportunity to "test" each other on skills, professionalism and personality.

— Kaja Møller, CEO

Adding new knowledge through students and trainees

While keeping our employees safe, it is vital to enable everyone to grow within the company. For example, we prioritise taking on trainees and student workers as it is of high value to the employees and us as a company as valued knowledge is shared between both parties. 50% of whom completed their internship or fulfilled their education were then employed by the company in 2021.

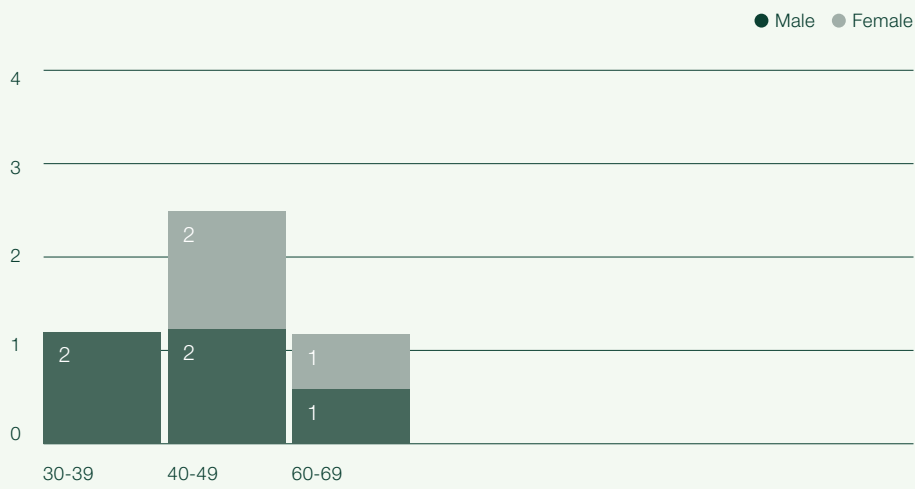
Distribution and inclusion in the workforce

Diversity in the workforce, both regarding age and gender, ensures the strengths of all groups creating the most suited workforce.

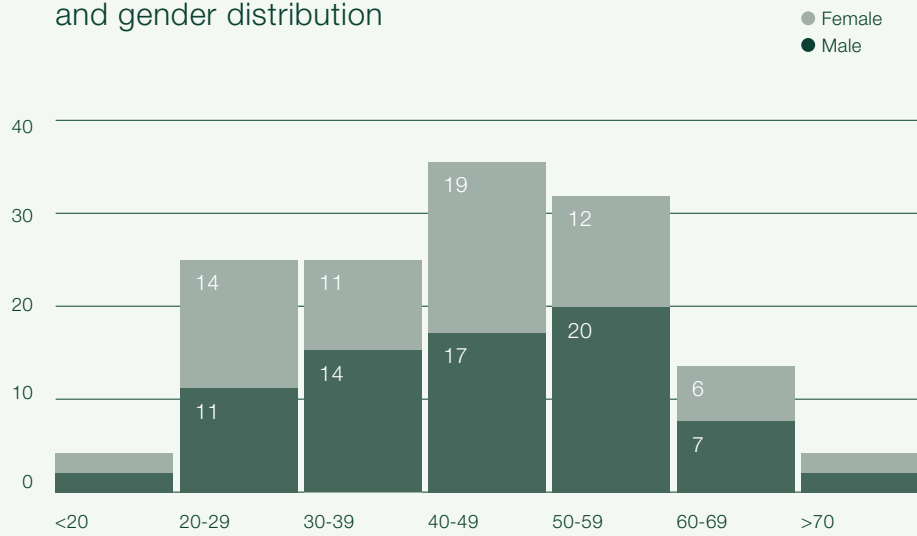
As Fredericia strives to be a diverse workplace, the age distribution is one of several significant factors to focus on. The age distribution within the workforce consists of employees going from 20 up to 70 years, the majority being in the middle-aged group, and within the management team, three different age groups are represented.

The overall age diversity indicates Fredericia is a company with practices and culture influenced by nearly all age groups.

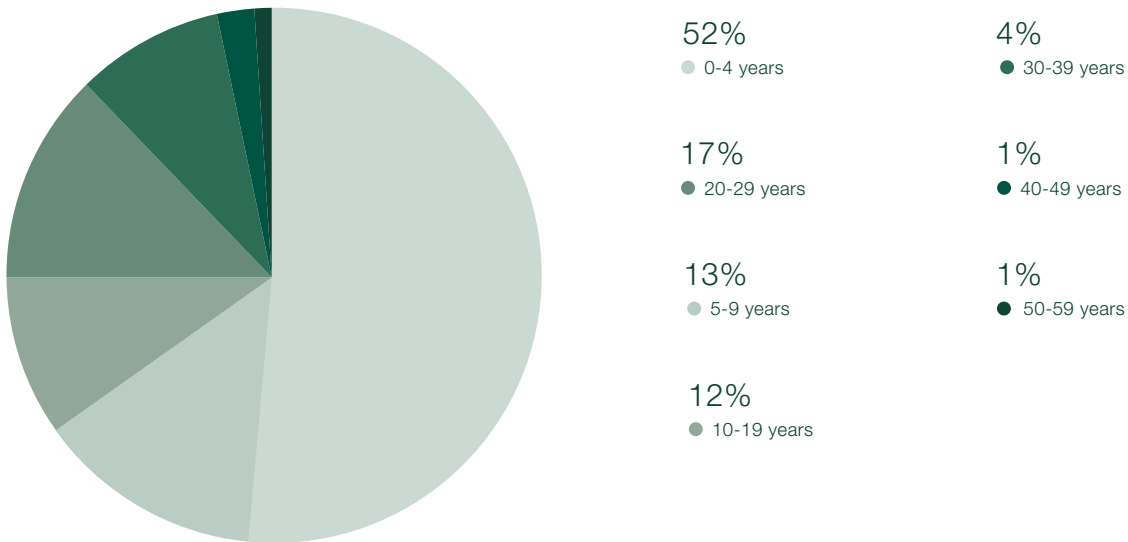
Management team by age and gender distribution



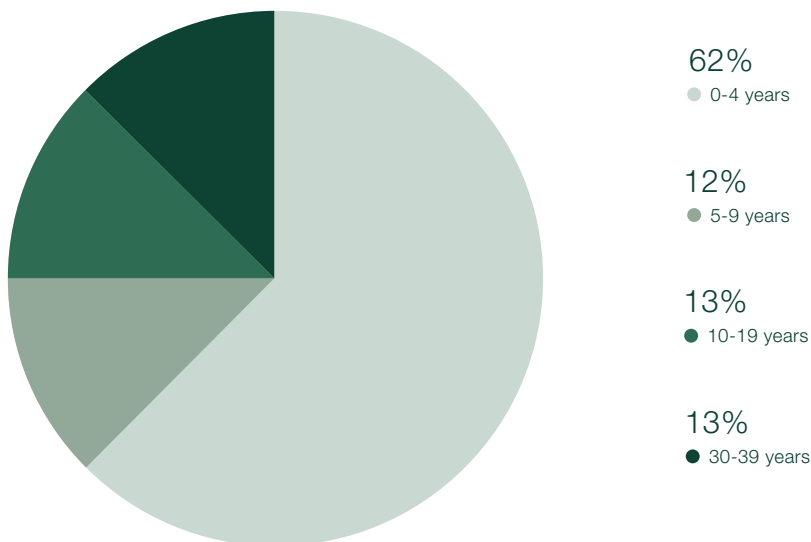
Workforce by age and gender distribution



Workforce distribution by Seniority



Management distribution by Seniority



The young and newly educated employees bring new knowledge and methods into the company, whereas the employees with higher seniority contribute with experience and know-how. We need to create a work atmosphere increasing knowledge sharing. As a family-owned company, long-term relationships with our employees, clients and designers are highly appreciated and prioritised.

More than half of the employees have less than five years of seniority in the company. A clear sign of the increasing growth that Fredericia have experienced in the last years, including the acquisition of Erik Jørgensen.

The other half have more than five years of experience illustrating a company taking care of their employees.

