

Edsbyn Senab

Sustainability report 2019

Case: Edsbyn at SFF 2020 Photo: Jason Strong

EDSBYN SENAB

Sustainability according to us

Sustainability is a prioritized subject within our company and is a given part of our business model.

Our sustainability work is guided by agenda 2030, which was adopted by the UN member states in the fall of 2015. Agenda 2030 comprises of 17 goals and these, together with several sub-goals, are mainly aimed at achieving four things:



- **Eliminate extreme poverty**
- **Reduce inequalities and injustice**
- **Promote peace and justice**
- **Resolve the climate crisis**

These goals are very large and comprehensive. In order to make the work manageable, we have chosen to break down the goals into both small and large activities, all of which are connected to Agenda 2030. We who work with questions regarding sustainability compile all this information into this report.

The Edsbyn Senab sustainability report is a transparent account of our work on how we tackle these issues, big and small. The commitment to sustainability issues is extensive in both management and employees. It is on this basis our sustainability work is driven forward and developed further. Without a solid foundation and awareness from our co-workers, sustainable processes cannot be uphold and new ideas will stall. This report is established in accordance with the Swedish Annual Accounts Act, chapter 6 and covers all companies in the group. Ultimately responsible for this publication is the Board of Edsbyn Senab.

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Sustainability since 1899

Historically, the group has been driving an active and successful work within environmental and quality management. Edsbyverken was a pioneer with getting their assortment approved with the Nordic Swan Ecolabel. Today a large part of the furniture is labeled with both Möbelfakta and the Nordic Swan Ecolabel. The requirements from these labels play today a central role on our everyday work with environmental and sustainability questions. The wood raw material has always been central even though the area of use has changed. From skis, to stools, to the furniture we know today. Over time, our social commitment has also grown and the work with sustainability is now broader and more comprehensive than ever. Social responsibility is an important part of Edsbyn Senab's work towards becoming a more sustainable actor within the business.

According to the Corruption perceptions Index 2018, published by Transparency international, 2/3 of a total 100 countries show a high level of public sector corruption. The average score 43/100 and the majority of these countries have done very little or in some cases no progress.

At Edsbyn Senab, we constantly review our suppliers to counteract corruption. We put extra focus on supplier that are located in countries that, according to sources like BSCI, have a high level of corruption.

Collaboration in the group provide broader knowledge and increased ability to act. Today we can learn from each other in a way we have never done before.

/Henrik Hamberg, Edsbyn Senab Sustainability Group

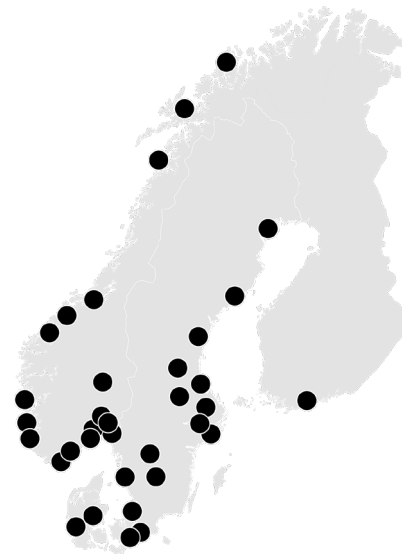
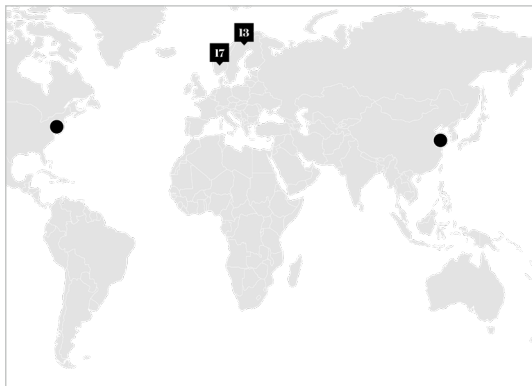
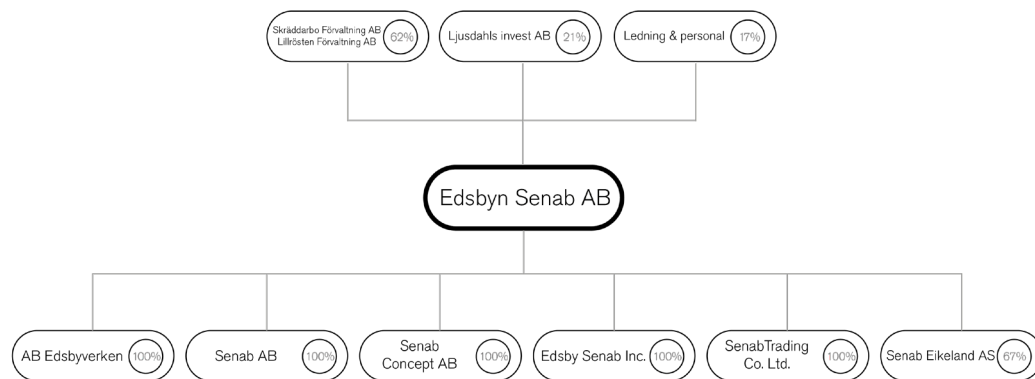


From left: Henrik Hamberg, & Cristian Dahlén Edsbyn Senab Sustainability

About us

EDSBYN SENAB

Edsbyn Senab AB, is the parent company in the group and it owns 100% of the shares in all subsidiaries with the exception of Senab Eikeland, Norway, where it owns app. 67% of the shares



EMPLOYEES

Today we have about 600 coworkers, represented in 13 locations i Sweden. From Luleå in the north to Malmö in the south, and we also have operations in Asia & North America. In Norway Senab Eikeland has 17 locations.

SUPPLIERS

Edsbyn Senab works annually with many different suppliers. The largest share are Swedish and Scandinavian. Others are from the Baltic countries and Central Europe as well as China and North America.

CUSTOMERS

We have a broad client portfolio, from small to medium and large companies, public organizations, hotels, restaurants and private customers.

A turbulent time

Outside my window the sun is shining. Spring is here for real now and although it came early this year, it is nonetheless welcome. One of winter's major topics of conversation has otherwise been the climate and, above all, the lack of "real winter". Is it a bygone era of cold and snow? Has our negative climate impact created this and what do we need to do urgently to save Mother Earth?

These have been issues that have colored our society and have driven the issue of sustainability forward at a rapid pace. The power Greta Tunberg symbolizes has mobilized the young people in society and is having a large impact on how society is undertaken the question of climate change.

While this is being written, the covid-19 pandemic is impacting the whole world and basically all nations are affected. We currently know very little about how this will affect our lives and we rely on our authorities and follow their directives. That the Coronavirus is affecting public health has been clear for some time, but now we also see the economic effects this brings.

We do not currently know how our companies will cope with this crisis. But what we do know is that our group is ready to take on this challenge. We have a challenging starting point, but with the inner strength that exists among our employees today, at least I am not worried! We will rise from the ashes and, strengthened by these challenges, take on the rest of 2020 and the future as the market-leading actor we are!

It is not easy to see bright spots in the devastation the Corona virus creates. But we have in the days been reached by pictures from some of the world's largest cities, where the sun is also shining right now! The smog that we were used to see surrounding metropolitan cities mainly in Asia but also in North America seems to have eased!

The obvious reason is that we do not create the same amount of pollution as a result of the quarantine prevailing in the cities. This is an effect that has also been confirmed with satellite images taken on our earth. Maybe this insight can be useful for us in the conversion to renewable fuels even after the crisis?

For me, there is a clear pattern in most of what happens in our society. Sustainability covers everything! It's easiest to see it in the environmental issue in general and the climate in particular. But where the virus advances, the social sustainability factors are also at the forefront. At a time when the responsibility for how an infection is spread is placed mainly on all individuals in society, a huge social commitment and responsibility is required.

Sustainability is often explained from a business perspective with the Triple Bottom Line. This consists of three factors: environmental, economic and social. None of these can be ignored and we must take them all under consideration - only together we can solve this. Sweden does not stand still despite the spread of infection, we as a social actor must do what we can to keep the world's businesses up and running and create the conditions for the future.

"No one can do everything but everyone can do something!"

/ Cristian Dahlén, Edsbyn Senab Sustainability Group



Social

Edsbyn Senab is well aware of the significant risks connected to our social sustainability aspects.

We assess risks both internally and externally. Internally we always strive to improve and promote a good working environment, both physically and mentally. Our mission is to safeguard human rights and fight corruption primarily within our supply chain where we consider the risks to be the greatest.



The best ideas comes from within

For Edsbyn Senab, all forms of social responsibility are an important part of our everyday lives. Our sustainability work is extensive and the social aspects are central and always present. Our work environment, our working conditions and our health and well-being are important factors for our operations and for the actors we interact with. Our employees are our biggest asset so shortcomings and risks within this are highly prioritized for our group.

With more than 40 years in the business as one of the most successful sales companies, Edsbyn Senab is an integrated player within the Swedish furniture industry. But it is not always as obvious for the viewer to identify what makes up the Edsbyn Senab group's most central functions. The most valuable asset is the human capital, the heart and drive of all our employees.

Many of the efforts that are made within the group connected to sustainability is of a social character. Based on the UN's 17 global goals we put a little more effort in goals 3 (good health and well-being), 5 (gender equality) and 8 (decent work and economic growth).

Working with gender equality has been central to Edsbyn Senab in recent years. This active and determined work has led to a 50/50 proportion of women and men in Senab's managements. Efforts are now awaiting to ensure that increased diversity is achieved in both the companies as large as well as the management groups.

Within Edsbyn Senab all our coworkers are encouraged to promote their own sustainability initiatives. It can be anything from e.g. recycling at one office to climate-smart diet choices on another. Social projects are often supported locally and make a big difference. All of these efforts, big or small are an important part of our total sustainability work. This is something we will continue to encourage and develop further within our companies. All our employees are in agreement and follow the guidelines contained in our code of conduct and must at all times be alert and act upon any deviation. This applies to all markets where we operate.



The LX-Project

In an effort to reduce the number of long-term unemployment the Swedish Public Employment Service in cooperation with the municipality has started a labor market project, called LX. This becomes an important activity where all stakeholders can benefit from the outcome. The participants in the project are offered a temporary employment which are made in stages. The goal is that the participants will have a continued employment in the labor market alternatively start an education that will lead to it.

In our own factory in Edsbyn we have contributed to this cause and employed new people which are participants of the LX project. We want to help them to gain more experience within the industry which they can add to their resume. We as a company can also help by recommending these people to other employers.

In 2020 our goal is to maintain this project and when the pandemic has settled, we aim to increarease the number of employees.

2019

8 Employees

Future

8> Employees



SSR

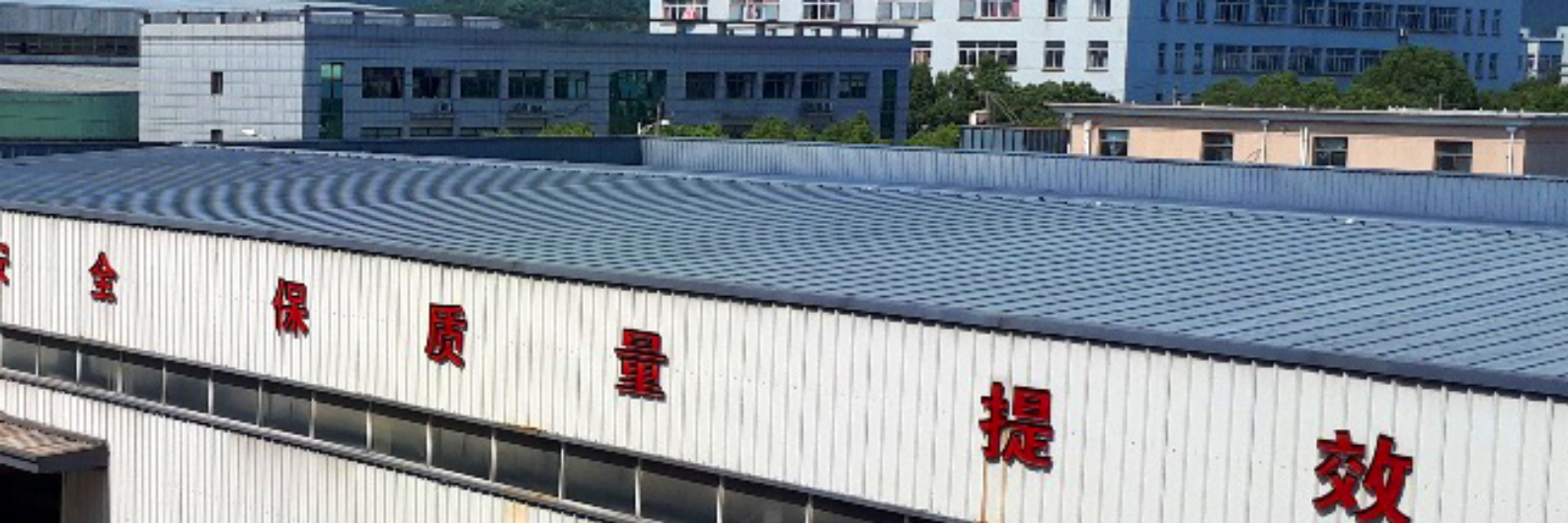
SUPPLIER SUSTAINABILITY REPORT

According to the Corruption perceptions Index 2018, published by Transparency international, 2/3 of a total 100 countries show a high level of public sector corruption. The average score is 43/100 and the majority of these countries have done very little or in some cases no progress. At Edsbyn Senab, we constantly review our suppliers to counteract corruption. We put extra focus on supplier that are located in countries that, according to sources like BSCI, have a high level of corruption. Another important part of the work is also to ensure that our products are manufactured with respect for human rights. We therefore make our demands according to UN:s "Global Compact" and all our partners/ suppliers must certify and support the requirements set out in the specification.

We have our own tool called SSR (Supplier sustainability report). The tool aims to provide insights and increase awareness of our suppliers' performance in their sustainability work. The tool also provides us with facts that become the basis for continuous improvement work among our suppliers.

During 2019, the work on the tool has continued and the focus has been on the suppliers where we have seen a great improvement potential. We have followed up the results and feedback with our requirements and recommendations. The result from this has been good and we have increased the proportion of approved suppliers by an additional 8% and we are now approaching our set target.





In 2020, work will continue with 20 new subcontractors

10 PRINCIPLES

Edsbyn Senab places its demands on suppliers that are in accordance with the UN's Global Compact. Our suppliers must certify and support this. This Regulation consists of 10 principles:

HUMAN RIGHTS

- Support and respect international human rights within the corporate sphere influence.
- Ensure that their own companies are not involved in human rights violations.

LABOR LAW

- Maintain freedom of association and recognize the right to collective bargaining.
- Eliminate all forms of forced labor.
- Abolish child labor.
- Eliminate discrimination in terms of recruitment and duties.

ENVIRONMENT

- Support the precautionary principle regarding environmental risks.
- Take initiatives to strengthen greater environmental awareness.
- Encourage the development of environmentally friendly technology.

ANTICORRUPTION

- Combat all forms of corruption, including extortion and bribery



Promoting health

The human body is built for movement and physical activity. Physical activity affects the body in many positive ways. It promotes health, provides surplus energy and is an effective means of preventing and treating many different diagnoses and conditions.

Our employees are the greatest asset and therefore occupational health and safety issues becomes prioritized topic for Edsbyn Senab. A healthy and prosperous organization is the foundation for continued successful development. Without good physical and mental health among our employees we see a big risk in not achieving our set targets.

Each year we have health-promoting staff activities and during 2019 we organized an activity called “walk, jog, run” which is an activity that is directed to all staff and they may also bring family members. Everyone is gathered and we all walk, jog or run around a track and then prizes are awarded to participants.

This is only one of many activities we do during the year. We also organize ice fishing, frisbee golf and bowling competitions.



Our goal for 2020

In 2019, we had 96,8% attendance at work.

Our goal for 2020 is to maintain at least the same level.
Another goal is to reduce the number of workplace-related sick leave to 0%.

A photograph of a forest floor. In the foreground, there is a patch of tall, green grass with some fallen tree branches and roots. The background is filled with dense green foliage and tree trunks, with bright sunlight filtering through the leaves, creating a bokeh effect of light spots.

Environment

Edsbyn Senab is well aware of the significant environmental aspects that we are covered by and what the risks are. In this section we cover why these areas are important for us and our activities connected to these.



Chemical Management

SOLVENTS

Chemicals are used in large quantities in our society today and these substances can be used for various applications. Many studies indicate that people have several chemicals in them every day, all year round. An individual chemical may not have a negative impact, but when they interact, they can have a potentially devastating consequences for both our health and the environment. Some chemical substances can for example be allergy inducing, affecting the brain or be endocrine disruptive.

REACH is the European Union's chemical legislation that came into the force in 2007. This is the first legislation in the world that has the ambition to cover virtually all chemicals. The goal is to cover all chemicals regardless of where they occur and how they are used.

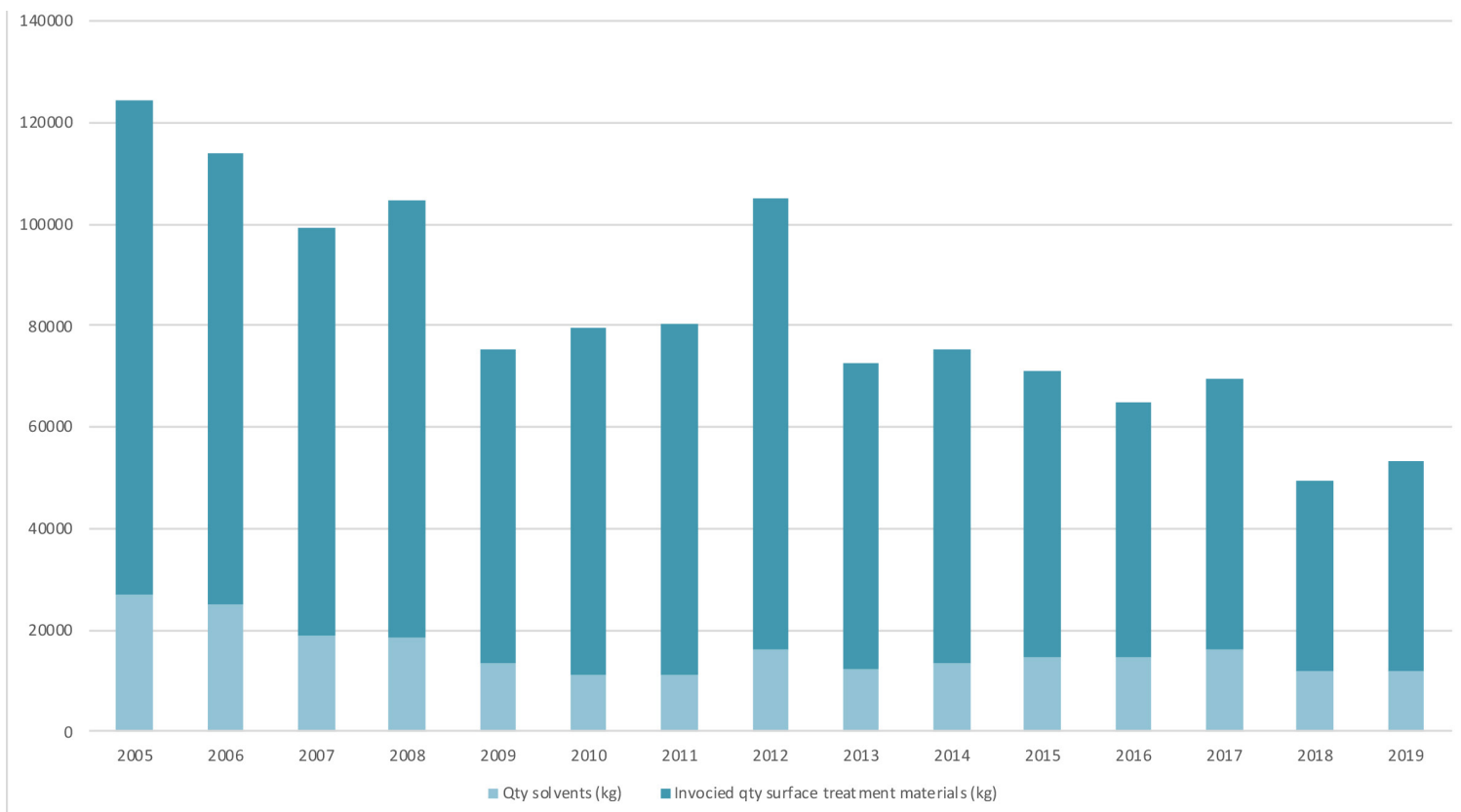
We as a company do not only have responsibility for our own chemical handling but also that our partners follow current laws and regulations. We work continuously to analyze and evaluate the chemical products that we use in our business. At Edsbyn Senab we see this as a very important question when talking about Sustainability.

Many types of solvents can be found in everyday products, from paints, pharmaceuticals, personal care products to different inks and cleaners. In paints solvents are used to dissolve and disperse the components that are used within the paint. The paint then gets the desired consistency for application.

In our own production in Edsbyn, we mostly use UV curing paints and colors. These products are cured when exposed to ultraviolet radiation. Acrylates are used in combination with a photo initiator. When it is exposed to the UV light the photo initiator starts a fast curing process. Additives are used to achieve desired properties in the finished paint. The additives are binders, fungicides, antifoams, catalysts, antifouling agents etc.

Solvents are also used in order to control the consistency of the binder in the paint. They are also very important in the drying process of the finished products.

For us, it is important that our products have a high quality and that they are manufactured with the lowest possible environmental impact. We always strive to minimize our use solvents and find solutions that are more efficient and better for the environment.



During 2019 we could see a small increase in our consumption of solvents around 1% (marginal increase that is in line with last year). Over time we can however see a major decrease. Since 2015 we have reduced our use of solvent with approximately 17%.

VOC - VOLATILE ORGANIC COMPOUNDS

Organic compounds that evaporates in room temperature are called volatile organic compound, abbreviated VOC.

This can in many cases be found in different paints and varnishes and can have negative effects on both health and the environment. When the paint dries these compounds releases into the air and the chemical reactions contribute to the formation of ground level ozone. We want to minimize the use of these types of compounds in our products and reduce our emissions. We therefore set very high demands on the types of adhesives and varnishes we use in our own production.

ECHA'S CANDIDATE LIST & SVHC (SUBSTANCES OF VERY HIGH CONCERN)

None of the products we manufacture and sell contains chemicals found on ECHA's candidate list of SVCHs in concentrations greater than 0.1% by weight.

Transportation

One of the biggest climate issues today is the release of Carbon Dioxide and other greenhouse gases into our atmosphere. Our transports are a significant contributing factor in our total climate footprint as well as a contributor to the total emissions each year.

When the concentration of greenhouse gases increases in the atmosphere more heat is trapped at the earth's surface. The natural greenhouse effect is enhanced, and the temperature rises. This changing of climate can have serious negative effects around the world.

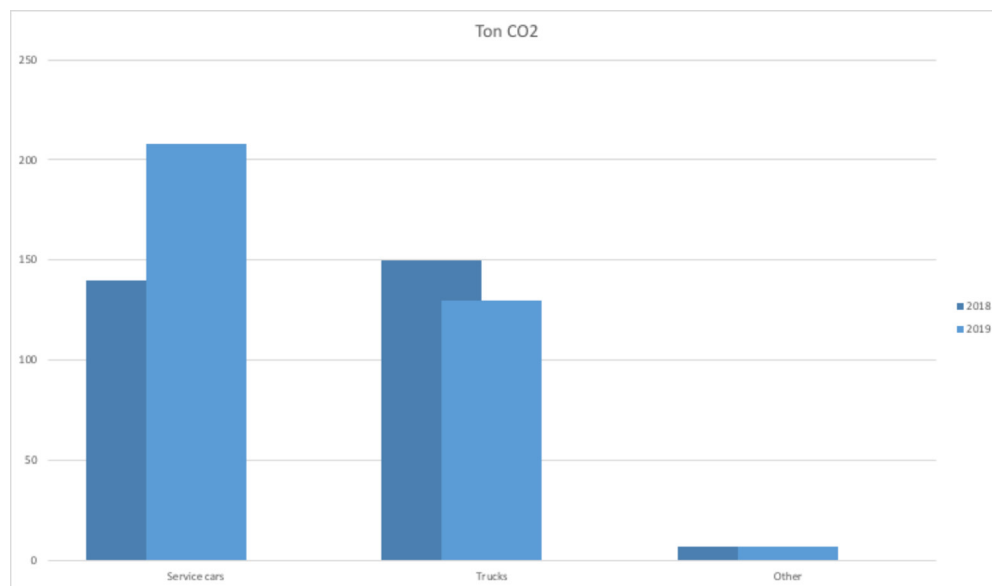
The burning of fossil fuels can also have a large impact on the environment due to acidification, eutrophication but also formation of ozone-forming substances.

Acidification is mainly caused by the release of substances such as sulfur dioxide, nitrogen oxides and ammonia. Many animals are sensitive to changes in acidity in their habitat. Especially corals, oysters and other creatures that have carbonate shells or skeletons. The higher acidity causes the shells or skeleton to weaken. This effect can also be seen on limestone buildings or stone gargoyles that have subjected to acidic rain.

Eutrophication is caused by high levels of nitrogen and/or phosphorus in either the ground or water. This enrichment of nutrients encourages the growth of algae and other aquatic plants. This in turn causes a multitude of negative effects, such as algae blooms and depletion of oxygen in the sea. In large urban areas one of the main issues are the formation of groundlevel-ozone caused by CO, NMVOCs and NOx. This is a harmful pollutant that can cause many negative effects, such as respiratory problems, damaging plants, contribute to premature mortality and even reductions in agricultural crop yields.



SERVICE CARS, TRUCKS & OTHER



The majority of the greenhouse gases emitted from the transport sector today come from road traffic, mainly from our passenger cars and the heavy transport. In 2017, road transport was responsible for about 72% of the total GHG emissions from the transport sector. This also includes international aviation and shipping. Of these about 44% was from passenger cars, 9% from light commercial vehicles and 19% heavy vehicles.

Flight	2018	2019	Train	2018	2019
Nr. of distance	-5%	-40%	Nr. of distance	6%	29%
KM	11%	-21%	KM	2%	42%
Co2	11%	-20%	Co2	2%	62%

REDUCED DISTANCE TRAVEL

During 2019 we have reduced our number of distances traveled with flight considerably. Compared to 2018 this have been reduced with about 40%. This large reduction also has a positive impact on the total CO2 emissions from our travels, which have been reduced by roughly 20%. At the same time, we can also see an increase in the number of distances traveled by train which is a more environmentally friendly option.

We can however see a negative trend in our CO2 emissions from our own service cars and trucks we use for transport. We can see an increased with about 16% compared to last year.



Circularity

CLOSING THE LOOP

One of the more important sustainability issues that we are working on today, and that is at the top of our agenda, is the shift towards a circular economy. As it seems today, we consume more resources than the Earth can handle and this is not sustainable in the long run. This transition is not something that only applies to us as a company/group but it is a challenge for the whole society. Instead of following the traditional linear economic model where products are manufactured, used by the consumer and then discarded, we now have to think completely different. In a circular economy, we try to use what has been manufactured as long as possible. When the product is consumed, the goal is that it should also be renovated and reused as long as possible.

Sweden has a strong furniture industry and the market for office furniture is estimated at 5–6 billion sek. There are currently no statistics on what happens to these furniture when they are no longer used, but it is clear that many of them are discarded prematurely move or make other changes within the company. By working with circular models, we can reduce the amount of what is thrown away and thus also reduce the total environmental impact.

For us as a manufacturer and seller of furniture for office and public environments, it is natural for us to actively work on this issue. Achieving a circular flow of materials is essential in order to have a sustainable future.

We have already had projects linked to circularity in the year 2019 where we among other things offered our customers the opportunity to renew their products by sending them back to our factory in Edsbyn. Throughout the process, it was important that we try to recycle and reuse existing material as much as possible. Since we do not need to buy any new materials that needs to be processed in the factory, it was fairly quickly possible to see that the environmental savings were very big. The impact from the transport associated with this activity is considered relatively small compared to the positive effect of not producing new material.

We will focus further on this area in the coming years and develop the concept further. The goal is for it to become a natural part of our business and an attractive offer to our customers. We have started the process of implementing new working methods and routines in our company where we already have a circular thinking at the design and product development stage and where new products are adapted for a circular economy. This can, for example, mean that the product and its materials should be easy to disassemble and separate, thus creating conditions for extending the service life.

Of course, this extends not only to new products, but we will also review our existing range if we can make any changes so that they can be adapted to a circular model.



Resale

- Reseller
- Direct customer
- Auction



Reuse

- Upcycling
- Donation
- Auction



Recycle

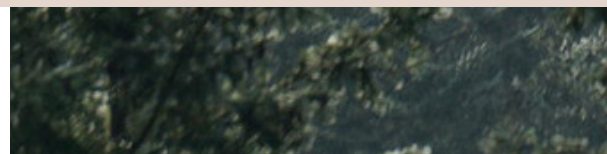
- Extraction
- Phasing
- Waste



Report

- Process description
- Budget
- Profit / Loss

**The goal for 2020 is that 5% of our
total turnover should consist in
circular business models**





Energy

THE NEXT STEP

All types of energy have a negative impact on the environment, through extraction, conversion and use. Therefore, the energy sector, as well as us users have a responsibility to contribute to a reduced environmental impact.

The usage of renewable energy is an important part towards reducing greenhouse gas emissions and our dependence of fossil fuels. Incineration of fossil fuels such as oil, coal, natural gas have a strong impact on the climate, give rise to problems such as acidification of land and water and can cause a variety of health problems. Improvements regarding reduction of our energy consumption is an important part of minimizing our impact on the environment.

Since 2016 we have carried out extensive mappings over our energy use, which is compiled in a separate report. This is a useful and powerful tool in mapping sources and identifying flows where we have the most energy consumption. Based on this we can take action and make improvements. We have worked hard to optimize the flow in our factory in Edsbyn and we have invested in a new format saw that was installed in 2018. This is a huge step forward and is part of a major restructuring project that we are working on. This investment has created a whole new linear flow in the factory that will not only give big savings in terms of materials but also time and energy.

During autumn/winter 2019 we also invested and installed a brand-new edging machine. We expect that this, along with other activities and improvements during the year will provide significant savings in our total energy consumption.



**The goal for 2020
is to reduce our electrical
consumption with >6 %
and our heat with 4 %**

ENERGY IMPROVEMENTS 2019

V 14-16

Scrapping of old edging machine

Disposal of 2 chip fans.
Saving of about 68 000 kWh/year.

V 25-31

Installation of new ventilation unit with recycling on the 3rd floor of the office Installation of new cooling and heating unit 2nd floor in the office.

Leak detection of compressed air systems

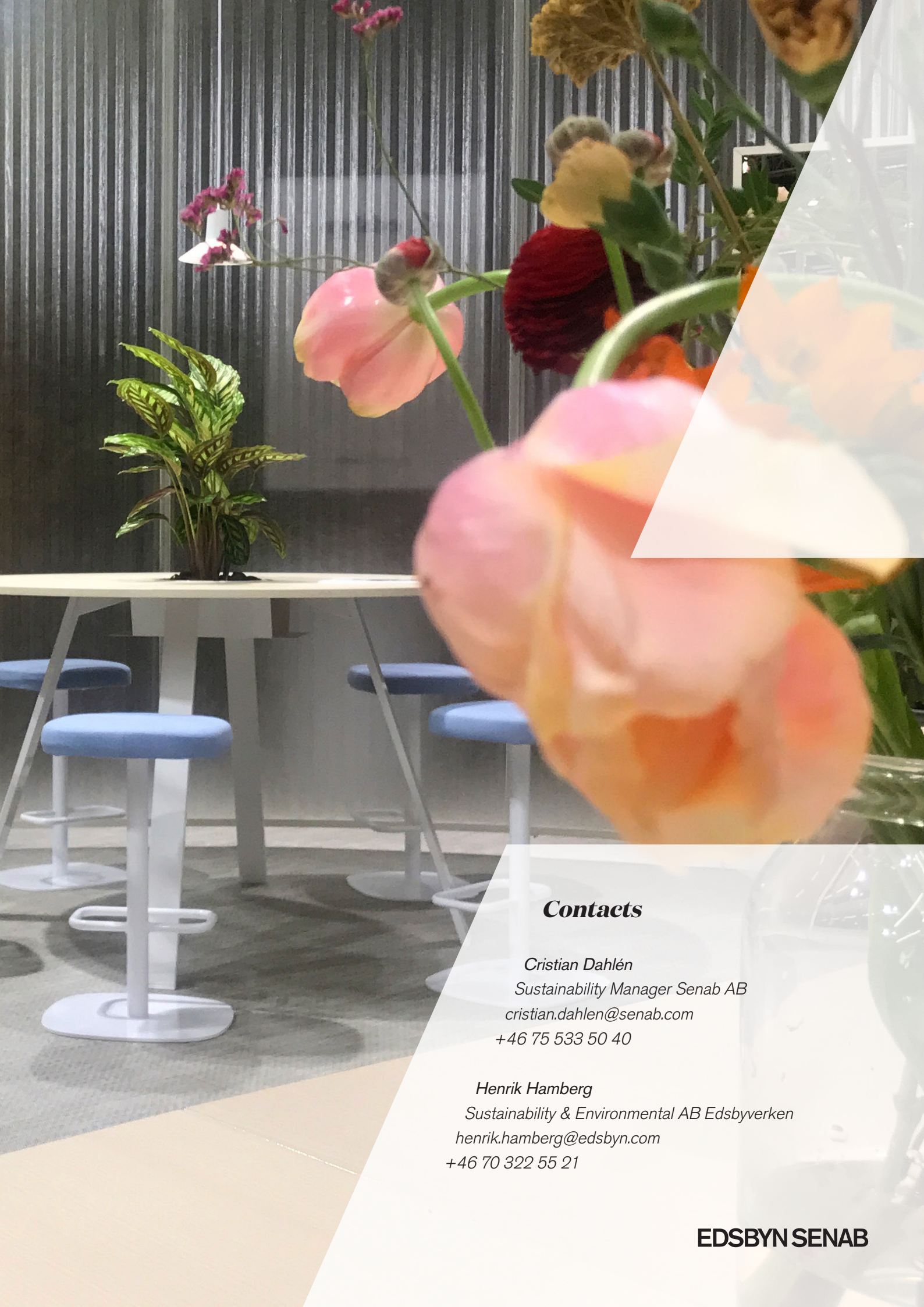
V 41-44

Switching to LED lighting in the ceiling at the new edging machine. Redevelopment of ring line. Transport fan and rotor lock closed. Savings of about 90 000 kWh/year. Disposal of old edge sanding machine

V 45-47

• Replacement of external lighting fixtures

Savings of about 12 300 kWh/year. Replacement of 2 sections of concrete glass for new windows in the factory facade. Savings of about 5702 kWh/year. Replacement of 2 x 6m skylight windows in factory facade.



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