

GUBI

SUSTAINABILITY POLICY

December 2023

GUBI

1 OBJECTIVE AND SCOPE

- 1.1 The overall objective of this sustainability policy (the "**Policy**") is to outline the sustainability commitments and approach to ensure that GUBI Group ApS and its direct and indirect subsidiaries (collectively "**GUBI**") conducts its business in a sustainable manner.
- 1.2 The Policy applies to all employees in GUBI.

2 COMMITMENTS

2.1 General Commitments

- 2.1.1 GUBI strives to create iconic design objects that last a lifetime while, at the same time, endeavouring to work in ever-more conscious and responsible ways. For this reason, sustainability is a central part of GUBI's way of thinking: from the concept phase through to production, logistics, and the ways that our products can be recycled and / or responsibly disposed of.
- 2.1.2 GUBI wants to conduct its business in an ethical and responsible manner in relation to all stakeholders, which involves but is not limited to:
- (i) Respect and support of human rights,
 - (ii) Honor labour rights including a safe and healthy work environment,
 - (iii) Have a diverse workforce based on equal opportunities and fair and respectful treatment,
 - (iv) Reject bribery and corruption in any form and take an active role in applying with applicable sanctions law and regulations,
 - (v) Follow the law with integrity and compete fairly,
 - (vi) Safeguard information in a responsible way, and
 - (vii) take a responsible approach towards environmental and climate impacts.
- 2.1.3 As we grow, GUBI is committed to (i) offering even more sustainable products to its customers and (ii) taking steps to honestly communicate how GUBI's designs impact the environment. Further, GUBI encourages the development of environmentally friendly technologies and is committed to incorporating these sustainable innovations into its designs whenever possible.
- 2.1.4 GUBI will actively work to positively influence its industry partners to continuously improve their environmental, social, and governance practices as GUBI does.

2.2 UN Global Compact

- 2.2.1 In 2019, GUBI signed up to the UN Global Compact and actively works to make its 10 principles an integral part of GUBI's day-to-day operations and business strategy as follows:
- (i) to support and respect the protection of internationally proclaimed human rights;
 - (ii) to avoid complicity in human rights abuses;

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- (iii) to uphold the freedom of association and recognize the right to collective bargaining;
- (iv) to support the elimination of all forms of forced and compulsory labour;
- (v) to support the effective abolition of child labour;
- (vi) to support the elimination of discrimination in respect of employment and occupation;
- (vii) to support a precautionary approach to environmental challenges;
- (viii) to undertake initiatives to promote greater environmental responsibility;
- (ix) to encourage the development and diffusion of environmentally friendly technologies; and
- (x) to work against corruption in all its forms, including extortion and bribery.

2.2.2 GUBI is committed to upholding the 10 principles stipulated above in clause 2.2.1 and GUBI also expects its stakeholders to prioritize compliance with these principles.

2.3 UN Sustainable Development Goals (SDGs)

2.3.1 GUBI supports the UN Sustainable Development Goals (the “**SDGs**”). The SDGs promote 17 specific themes aimed at achieving sustainable development. These themes are categorized into climate change, environmental protection, and social needs such as education, health, social protection, and job opportunities.

2.3.2 GUBI actively works towards the goals that are particularly relevant to its business and has identified 5 relevant goals being “5 Gender Equality”, “8 Decent Work and Economic Growth”, “12 Responsible Consumption and Production”, “13 Climate Action”, and “15 Life on Land”.

3 **ORGANISATION AND MONITORING**

3.1 Board of Directors

3.1.1 The oversight of GUBI’s work with Environmental, Social and Governance (“**ESG**”) is anchored in the board of directors (the “**Board**”). ESG is a part of the annual wheel for the Board, and the Board is briefed about progress on the ESG agenda continuously and receives an in-depth review at least once a year in connection with the approval of the updated ESG strategy.

3.2 Executive Management

3.2.1 ESG risks are addressed in the business risk assessment conducted once a year by GUBI’s executive management (the “**Management**”) and overseen by the Board. The Management is responsible for carrying out sustainability due diligence, conducting double materiality assessments and defining GUBI’s ESG strategy and action plan. The Management, together with the Board, is responsible for ensuring that the corporate strategy takes into consideration and addresses ESG impacts, risks and opportunities.

3.2.2 The Management is responsible for allocating adequate resources to comply with the Policy.

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3.3 ESG Committee

3.3.1 The ESG strategy, action plan, defined targets, implementation of new initiatives and daily operations of already existing business processes are implemented by GUBI's ESG Committee. Existing processes include, but are not limited to, collection of all relevant sustainability data, progress towards defined targets, and annual reporting on sustainability performance. Yearly, the ESG Committee meets with the extended management team for information purposes as well as to discuss and seek approval for major topics.

4 **IMPLEMENTATION**

4.1 GUBI seeks to align its processes with the minimum requirements set out in the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD).

4.2 In practice, GUBI conducts regular due diligence to identify how the organization may cause, contribute to, or be linked to potential and actual adverse impacts on internationally proclaimed human rights stated in the International Bill of Human Rights and the core labour rights derived from the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work as well as on the environment and corruption.

4.3 GUBI takes action to prevent or mitigate actual or potential adverse impacts identified and track implementation. In instances where an adverse impact has occurred, GUBI seeks to provide access to remedy (such as apologies, restitution, rehabilitation, financial or non-financial compensation, etc.).

4.4 GUBI's commitment to sustainability includes understanding and measuring how the business model and products impact people as well as the environment across the value chain. GUBI is committed to conducting double materiality assessment (the "**DMA**") on a regular basis to understand and adapt its impact on both environment and people and any related financial effect thereof.

4.5 The DMA approach allows GUBI to continually adapt and improve the way GUBI affects major sustainability matters such as but not limited to:

- (i) Climate Change
- (ii) Pollution
- (iii) Water and Marine Resources
- (iv) Biodiversity and Ecosystems
- (v) Resources Use and Circular Economy
- (vi) Own Workforce
- (vii) Workers in Value Chain
- (viii) Affected Communities

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(ix) Consumers and End-users

(x) Business Conduct

4.6 As GUBI develops and matures the efforts, GUBI will set ambitious targets and communicate transparently about any progress and challenges in the annual sustainability reporting.

5 TARGET SETTING

5.1 GUBI is committed to disclose targets related to material sustainability matters. In case specific targets have not been defined yet, GUBI will communicate reason and expected timeframe to adopt targets.

5.2 Science based targets

5.2.1 GUBI A/S became a signatory to science based targets (SBTi) in 2022 and commits to:

- (i) reducing its scope 1 and scope 2 greenhouse gas (“GHG”) emissions by 42% by 2030 from a 2020 base year; and
- (ii) measuring and reducing its scope 3 emissions.

5.3 Sustainability-linked loan

5.3.1 In 2022, GUBI entered into a sustainability agreement with its financing partner based on 3 sustainability KPIs with the aim of facilitating and supporting environmentally and socially sustainable economic activity and growth.

5.3.2 The KPI's are (i) CO₂e emissions, (ii) Employee engagement and (iii) Employee turnover.

5.3.3 Annually, GUBI must report its performance on the 3 KPI's which can impact GUBI's financial expenses upwards or downwards depending on the performance.

5.4 Targets set out in ESG Strategy

5.4.1 GUBI are committed to several specific ESG targets¹ being:

- **Environment:** Reduce total GHG emission by 30% by 2030 compared to 2020 baseline;
- **Environment:** Obtain 90% FSC certification by 2026;
- **Environment:** 50% use of re-cycle plastic by 2025;
- **Social:** Engagement score to be at least 40 eNPS/8;
- **Social:** Employee turnover to be below 10%;
- **Governance:** Develop GUBI Responsible Development guidelines to be converted into a policy by 2030;
- **Governance:** GUBI Packaging guidelines to be converted into a policy by 2025;
- **Governance:** Biodiversity impact and emission footprint included in business case for new products.

¹ Most recently approved by the Board in August 2023.

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5.4.2 Further, GUBI is committed to several topics, where specific targets have not yet been defined mainly due to lack of solid metrics and datapoints. The most material topics being:

- Use of responsible textiles;
- Use of responsible packaging;
- Use of materials eligible for recycling;
- Product waste management;
- GUBI Responsible bestsellers and launch of responsible products;
- Foster equality and inclusion;
- Increase number of products with certificates, labels and/or traceability;
- Monitor GUBI suppliers' ESG strategy and progress including scorecard.

5.4.3 GUBI expects to define specific targets for the most material topics within 1-3 years from December 2023.

6 REPORTING

6.1 Transparency is an embedded element in GUBI's ESG strategy. Accordingly GUBI is committed to sharing knowledge, insights and facts with its partners, customers and stakeholders.

6.2 Commitment to transparency includes:

- (i) Quarterly progress reports to the majority shareholder, Axcel, on GUBI's sustainability initiatives and KPI's.
- (ii) Reporting according to the Corporate Sustainability Reporting Directive (CSRD) standards and since 2022, GUBI has used draft standards as inspiration for reporting.
- (iii) Following UN Global Compact reporting requirements.
- (iv) Publishing the yearly sustainability report at GUBI's website (gubi.com) together with GUBI's Code of Conduct and important sustainability policies.
- (v) Improving transparency related to sustainability at gubi.com and social medias.

6.3 All changes to the Policy must be adopted by the Board and the Policy must be reviewed on an ongoing basis and at least once a year.

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Approved and adopted by the Board on 13 December 2023.