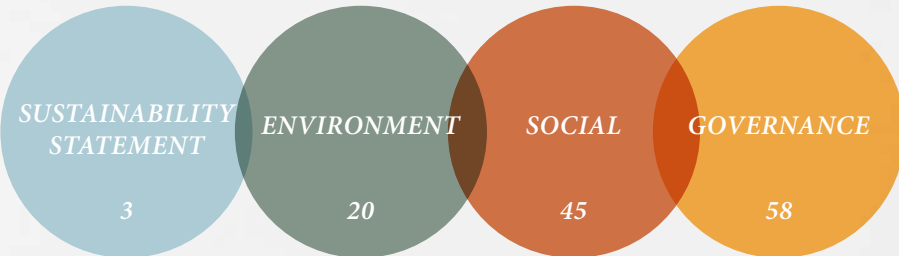


# GUBI

*SUSTAINABILITY REPORT 2022*



# CONTENTS



### *Sustainability statement*

- Basis for preparation (BP)*
- Governance (GOV)*
- Strategy (SBM)*

### *Environmental information*

- Climate change (E1)*
- Pollution (E2)*
- Water and marine resources (E3)*
- Biodiversity and ecosystems (E4)*
- Resource use and circular economy (E5)*

### *Social information*

- Own workforce (S1)*
- Workers in the value chain (S2)*
- Affected communities (S3)*
- Consumers and end-users (S4)*

### *Governance information*

- Business conduct (G1)*
- Statutory report on the underrepresented gender*
- Statutory report on data ethics policy*
- Statutory report on corporate governance*

# GUBI sustainability at a glance

## Sustainability



**1** **GUBI ESG Strategy** – developed with close engagement of GUBI’s stakeholders and global sustainability initiatives. Our Strategy focuses on the reduction of GUBI’s environmental footprint, engagement of employees, and conducting business with compliance and integrity.



**2** **11 Stakeholders identified** – the identification of a greater number of stakeholders guides GUBI towards the need to develop new engagement methods.



**3** **Double Materiality Assessment conducted** – GUBI has identified 15 relevant topics of which the most material are: circular economy, water use, water pollution and climate mitigation.

## Environment



**1** **GUBI 2022 CO<sub>2</sub> footprint** – 26,032 tCO<sub>2</sub>e emission in 2022 (23,993 tCO<sub>2</sub>e emission in 2021).



**2** **FSC® Certified** – 10% of products sold in 2022 were FSC®-certified.



**3** **Recycled plastic** – 0.75% of sold chairs in 2022 contained recycled plastic.

## Social



**1** **GUBI Employee Engagement surveys 2022** – keeping average score of 50 eNPS with a target of 40 eNPS.



**2** **GUBI fosters diversity, equality and inclusion** – engagement survey result at 40 eNPS, 6 above the industry standard.



**3** **Health and well-being at GUBI** – improved with an overall score of 59 eNPS compared to 37 eNPS last year, which is 38 above industry standard.

## Governance



**1** **2nd year of monitoring suppliers' ESG strategy** – increased awareness of ESG importance and closer engagement with suppliers towards climate change mitigation.



**2** **Whistleblower scheme** – set GUBI as a stable, safe and fair workplace.



**3** **Wood Sourcing Policy** – 2022 addition to GUBI Policies Catalogue. Ensures wood sourcing compliance in GUBI’s supply chain.

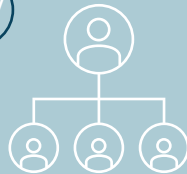
# GENERAL INFORMATION

BP



*Basis for  
preparation*

GOV



*Sustainability governance  
and organisation*

SBM



*Strategy and  
business model*

IRO



*Impact, risk and  
opportunity management*



## Basis for preparation

*The Sustainability Report provides detailed information on sustainability and our business behaviour. The Sustainability Report serves as a supplementary document to the UN Global Compact Communication on Progress, which will be submitted later in 2023 using the new CoP digital platform and as such is our disclosure in accordance with section 99(a), 99(b), 99(d) and 107(b) of the Danish Financial Statement Act. The report is available at Company Information (gubi.com) and approved by Board of Directors.*

*This sustainability statement has been developed using the draft Corporate Sustainability Reporting Directive (CSRD) standards. GUBI anticipates to be required to report against the CSRD standards in financial year 2025. This statement seeks to report currently available information that is requested in the CSRD standards as a first step in preparing for full compliance. The statement is therefore not fully compliant with the CSRD.*

The consolidated sustainability statements are prepared on the basis of the sustainability statement of GUBI (AX V GUBI Holding III ApS) and its subsidiaries. The scope is similar to the consolidation principles used for the Financial Statement.

The sustainability statements include material information related to impacts, risks and opportunities in GUBI's upstream and downstream value chain.

When estimating scope 3 GHG emissions GUBI relies on standard estimation approaches as described by the Greenhouse Gas Protocol. When activity-based data is used, the primary driver of uncertainty is the emissions factors. When spend-based data is used, the primary drivers of uncertainty are the less precise estimates of quantity and types of material than for activity-based data, as well as the emissions factors. GUBI has created a KPI to measure the share of activity based CO<sub>2</sub>e emissions toward total CO<sub>2</sub>e emissions. The share of activity-based data for 2022 is 93.9% (93.7% for 2021). The majority of GUBI's CO<sub>2</sub>e emissions come from purchased products (77% of total CO<sub>2</sub>e emissions). The calculations are based on specific CO<sub>2</sub>e emission calculations for 66 products (66 products in 2021) which have been assigned to 11 products (11 in 2021) with similar attributes. The percentage of total purchased products is 40% (50% in 2021), meaning that 60% has been extrapolated from the average CO<sub>2</sub>e emissions for 40% (50% in 2021). The percentage of total sold products is 49% (51% in 2021), meaning

51% has been extrapolated from average CO<sub>2</sub>e emissions for 49% (49% in 2021).

GUBI has used a software tool called MÅLBAR to calculate emission per products. Målbar CO<sub>2</sub>e emission calculator uses Product Environmental Footprint (PEF) methodology to estimate the CO<sub>2</sub>e emissions equivalent per product. GUBI decided to use PEF methodology to follow EU-standardized ways of measuring environmental performance of the product and have EU-market comparable results.

In addition, GUBI has used the following databases to support CO<sub>2</sub>e emission calculations: DEFRA, ecoinvent 3.8, IEA Emissions database, Energinet, Greenhouse gas emission intensity of electricity generation in Europe, IGES list of Grid Emission Factors, GHG Emission Factors Hub, EPD Library, Climatiq, Exiobase and Supply Chain GHG Emission Factors for US Commodities and Industries. In addition, GUBI has used other tools to support the calculations such as Waste Conversion Factors, Sea Route and Distances and Calculate Flight Emissions.

The Scope 3 calculations for 2021 have been adjusted due to material errors related to both errors in Excel formulas, update of CO<sub>2</sub>e emission per product (due to software update) and more accurate purchase data for 2021. The correction for 2021 is 3.5 mCO<sub>2</sub>e equalling to a total scope 3 emissions of 24 mCO<sub>2</sub>e compared to the reported 20 CO<sub>2</sub>e.

## Governance

### Role of the administrative, management and supervisory bodies<sup>1</sup>



**ASBJØRN  
HYLDGAARD**  
*Axcel*



**LARS  
CORDT**  
*Axcel*



**HANS CHRISTIAN  
GALST**  
*Invested*



**JACOB  
GUBI**  
*Invested*



**LARS  
MUNCH**  
*Independent*



**JACOB  
SLOTH**  
*Independent*



**TUE  
MANTONI**  
*Independent*

The organisation of the Management is, among other things, based on the Danish Company Act, The Danish Financial Statements Act and the company's Articles of Association. GUBI's corporate governance model is a two-tier system whereby the Board of Directors and Executive Management have two different roles laid down in the Rules of Procedure for the Board of Directors and Executive Management. Executive Management undertakes the operational management of GUBI, whereas the Board of Directors determines the overall company strategy and acts as a sounding

board to Executive Management including ESG (Environmental, Social and Governance). GUBI is owned by the private equity firm Axcel Management which is represented on the Board of Directors. GUBI has one Board Committee responsible for monitoring execution on targets defined for design and brand.

The entire board is composed to possess strong experience and skills in the conduct of business leadership, as well as in design, sourcing and sale of furniture, lighting, and interior products in the geographical markets

where GUBI is present. Experience and skills within sustainability matters are supported by Axcel's sustainability expert. Oversight of GUBI's work with ESG (Environmental, Social and Governance) is anchored in the Board of Directors. The next section (GOV-2) discloses roles and responsibilities in respect of impact, risk and opportunities.

The Board of Directors consists of 7 non-executive members (100% male) and the composition has remained unchanged throughout 2022. All members are appointed

by Axcel except for Jacob Gudmund Olsen and Hans Christian Galst who was appointed by Jacob Gudmund Olsen. Board meetings are held on a regular basis and a minimum of 6 times a year. Furthermore, the Chairman Committee meets with Executive Management on an ongoing basis. The percentage of independent board members is 57%. There are no employee representatives on the Board.

<sup>1</sup> This section concerns GUBI Group ApS and its subsidiaries.

## Overseeing ESG strategy and targets

Oversight of GUBI's work with ESG (Environmental, Social and Governance) is anchored in the Board of Directors. ESG risks are addressed in the business risk assessment conducted annually by Executive Management and overseen by the Board of Directors. Executive Management is responsible for carrying out sustainability due diligence, conducting double materiality assessments and defining GUBI's ESG strategy and action plan. Executive Management, together with the Board of Directors, is responsible for ensuring that the corporate strategy is informed by and addresses sustainability ESG impacts, risks and opportunities.

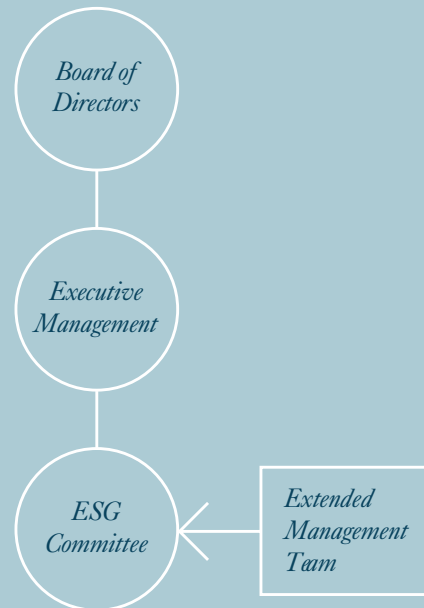
The ESG strategy and action plan are implemented by GUBI's ESG Committee. The ESG Committee meets monthly to discuss progress and prioritisation according to the approved ESG strategy as well as urgent topics. Bi-yearly, the ESG Committee meets with the Extended Management Team both for information purposes but also to discuss and seek approval for major topics.

ESG is an integrated part of the annual wheel for the Board of Directors with a yearly frequency. The Board of Directors is informed about GUBI's sustainability due diligence, double materiality assessment and progress on defined actions, metrics and targets. The Board of Directors approves material decisions and/or target settings as well as any amendments to GUBI's ESG strategy.

The GUBI ESG Committee is chaired by the CFO and the members are the full-time ESG Coordinator, the Head of Product Development, the Director of Supply Chain, the Chief Sales Officer, the Group General Counsel and the Head of Product Management.

Progress on ESG matters, including governance, ESG metrics and action plans, is overseen by the Board of Directors and Axcel Management. Axcel's Head of Sustainability is an active sparring partner to GUBI on sustainability matters. Furthermore, Axcel hosts an annual sustainability event and other sustainability knowledge-sharing events for its companies.

GUBI also relies on external experts to assist with major sustainability themes like GHG calculations, double materiality assessments and defining sustainability targets.



*In 2022, the Board of Directors, Executive Management and the ESG Committee have addressed the following material topics:*



*Climate change mitigation*



*Energy*



*Biodiversity (wood)*



*Circular economy (recycling plastic, packaging and packaging waste)*



*Own workforce*



*Workers in the value chain*



*Business conduct (management of relationship with suppliers, corporate culture, protection of whistleblowers and prevention of corruption and bribery)*



## *Integration of sustainability-related performance in incentive schemes*

The incentive scheme for 2023 for the CFO includes sustainability targets (none were included for 2022). The key characteristics of the incentive scheme are :

- ① develop state-of-art reporting within GUBI's industry and
- ② well-calculated and widely accepted scope 3 reduction targets for GUBI.

10% of variable compensation will depend on achieving the targets. The terms of the incentive scheme are approved by chairmanship of GUBI.



## Statement on sustainability due diligence

### Core elements of due diligence      Paragraphs in GUBI's Sustainability Statements

<p><b>Embedding due diligence in governance, strategy and business model</b></p>	<p>Overseeing ESG strategy and targets (GOV-2)</p> <hr/> <p>Integration of sustainability-related performance in incentive schemes (GOV-3)</p> <hr/> <p>Material impacts, risks and opportunities and their interaction with the strategy and business model (SBM-3)</p>
<p><b>Engaging with affected stakeholders in all key steps of due diligence</b></p>	<p>Overseeing ESG strategy and targets (GOV-2)</p> <hr/> <p>Interest and views of stakeholders (SBM-2)</p> <hr/> <p>Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1).</p>
<p><b>Identifying and assessing impact</b></p>	<p>Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1).</p> <hr/> <p>Material impacts, risks and opportunities and their interaction with the strategy and business model (SBM-3)</p>
<p><b>Taking actions to address those adverse impacts</b></p>	<p>Transition plan for climate change mitigation (E1-1)</p> <hr/> <p>Transition plan on biodiversity and ecosystems (E4-1) and targets related to biodiversity and ecosystems (E4-4)</p> <hr/> <p>Actions and resources related to resource use and circular economy (E5-2) and targets related to resource use and circular economy (E5-4)</p> <hr/> <p>Processes for engaging with own workers and workers representatives about impact (S1-2)</p> <hr/> <p>Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)</p> <hr/> <p>Policies related to value chain workers (S2-1)</p>
<p><b>Tracking the effectiveness of these efforts and communicating them</b></p>	<p>Targets related to climate change mitigation and adaptation (E-1)</p> <hr/> <p>Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)</p> <hr/> <p>Policies related to value chain workers (S2-1)</p>

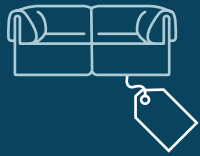
## *Risk management and internal controls over sustainability reporting*

*GUBI's sustainability reporting is based on a newly-established risk management system and internal controls to ensure completeness, integrity and documentation of data reported. In cases where data is not available in time or available at all, GUBI uses estimates or extrapolation. GHG emissions data are reported in accordance with GHG Protocol. GUBI uses internationally recognised databases to support the calculation of relevant datapoints. GUBI uses external assistance to calculate GHG emissions (CO<sub>2</sub>e). All datapoints are reviewed in comparison to previous periods and tested against expected results to assess validity. GUBI's prioritisation of completeness, data accuracy and timely data is based on materiality. GUBI reports on selected KPI's as well as progress on the ESG strategy to Axxel on a quarterly basis.*



# STRATEGY

*GUBI is the global design house where timeless modern icons and the creative talents of today meet and mingle – a century of design brilliance in one daring, definitive, and ever-evolving collection.*



*GUBI is the creative force designing, developing, marketing and selling timeless collection of furniture, lighting and interior objects around the world.*



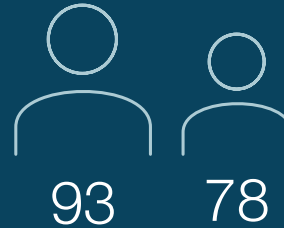
*Significant markets for GUBI are the USA, the Nordics, the United Kingdom, France, Germany and Asia.*



*GUBI has outsourced manufacturing of products.*



*GUBI mainly sells to Partners and not to end-consumers.*



*By the end of 2022, GUBI had 93 people employed, 78 of whom are on location in Denmark. The remaining employees are working in the USA, Australia, China, Italy, the UK and Sweden.*

GUBI is part of the Wholesale and Retail sector and its total revenue amounted to DKK 523 million in 2022. GUBI is assessed to be connected to Building Products & Furnishings (MBF) and Textiles, Apparels, Footwear & Accessories (MTA) through the sourcing of upholstered furniture, lighting and interior products.\*

GUBI's sustainability-related goals were approved by the Board of Directors in June 2022 as illustrated on the next page. Specific targets were developed in 2022 to support the overall strategy and updated for 2023.






## Revenue 2022: DKK 523 million

\* Assessment is based on Draft European Sustainability Reporting Standard SEC1 Sector classification standard.




# GUBI ESG Strategy in short

*Transparency: share knowledge, insights and facts with stakeholders*




## Environment *Reduce our climate footprint*

-  *Calculate CO<sub>2</sub> footprint (scope 1 to 3)*
-  *Determine GUBI's scope 3 GHG emissions target*
-  *100% FSC® certified products in 2024*
-  *Continue transformation of recycled plastic use into more products*
-  *Offering more responsible bestsellers*

## Social *Engaged employees*

-  *Engagement score at eNPS 40 (average 8)*
-  *Reduce employee turnover to 10%*
-  *Foster diversity, equality and inclusion*
-  *Improve indoor climate at HQ*

## Governance *Compliance and Integrity*

-  *Whistleblower scheme and GDPR (version 1.5)*
-  *GUBI Policies*
-  *Continue attention to certain international focus markets*
-  *Monitor suppliers' ESG strategy and progress, including scorecard*

*Framework shaping our strategy:*

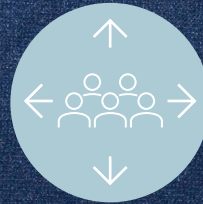


*GUBI assesses its current market positions in relation to its goals to ensure market conformity. GUBI has above market average governance, strategy and targets while being on par with peers with regards to FSC® certification and use of recycle plastic.*

*GUBI's ESG strategy has the overall intention to:*



*Reduce our  
environmental footprint*



*Have engaged  
employees*



*Conduct our business with  
compliance and integrity*

The main challenges ahead are related to reducing our environmental footprint where goals are concentrated on understanding the baseline for emissions, determining specific climate ambitions (in accordance with the ESRS E1 definition of GHG emissions reduction targets), securing FSC® certification and using recycled plastic, as well as developing more responsible bestsellers.

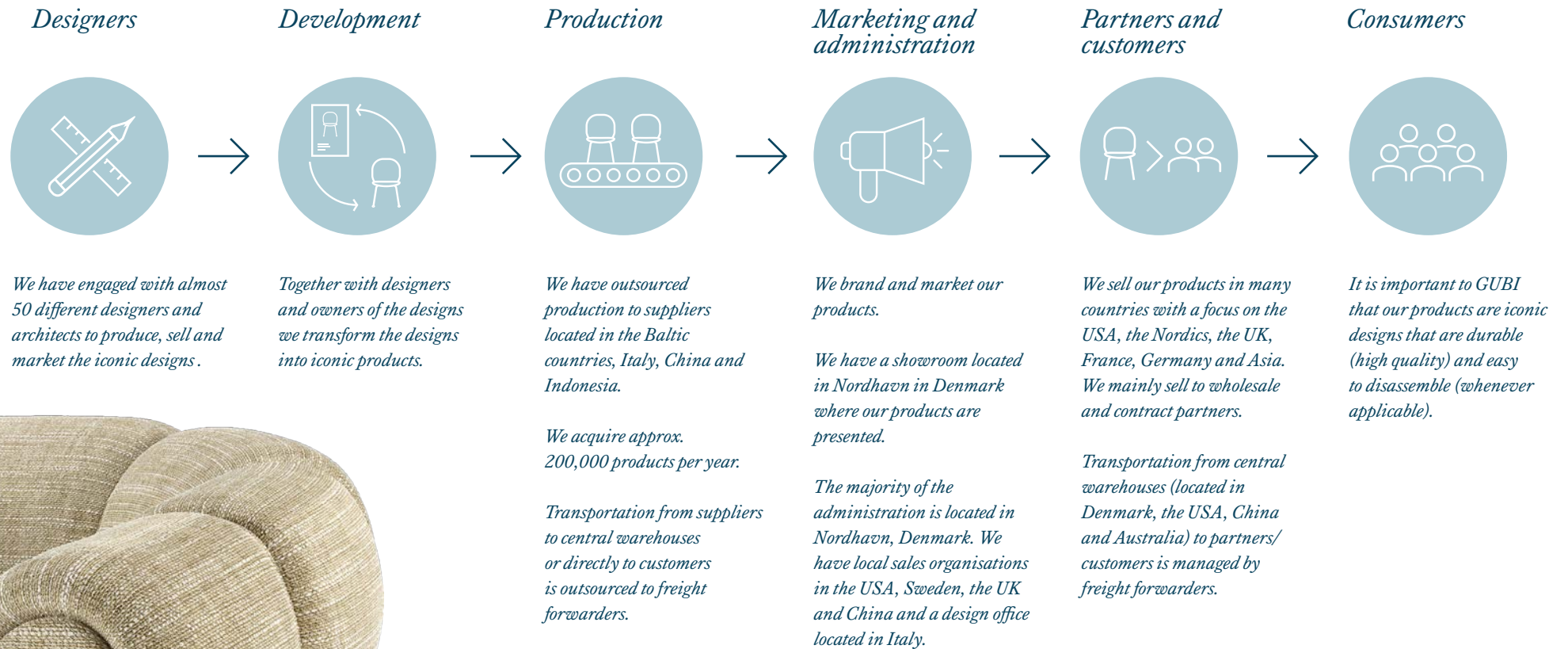
The identified main challenges are related to both target-setting for GHG emission reduction targets based on available technology, responsible production and sustainable materials, as well as matureness of suppliers and sub-suppliers, thereby securing an increase in the use of recycled plastic as well as developing more responsibly produced bestsellers.



*VALUE CREATION WITHIN THE GUBI  
BUSINESS MODEL IS FOCUSED ON CREATING  
THOUGHTFUL, ICONIC DESIGN OBJECTS  
IMBUED WITH MEANINGFUL STORIES AND  
CRAFTED TO LAST A LIFETIME.*

*Production and distribution are not a part of the GUBI core model and have been outsourced. GUBI aspires to grow its sales annually. This growth relies on the use of natural and man-made materials and will therefore result in an increased environmental impact if mitigating actions are not successfully implemented. GUBI's main challenge will be to source more environmentally circular materials where current technologies or practices do not make those materials readily available at acceptable price levels.*

# GUBI's Business Model



## *Stakeholder interests and views*

*GUBI engages with stakeholders to ensure their interests and views are taken into account when formulating and amending our ESG Strategy, supported by detailed goals and targets.*

*Depending on the stakeholder, GUBI uses different methods to engage and organise, and the frequency of engagement also varies from stakeholder to stakeholder.*

*The purpose and usability of the outcome from engagement varies, however the overall purpose is to ensure alignment between stakeholders and the ESG strategy.*

*The table overleaf illustrates GUBI's most important stakeholders, engagement and organisation as well as the purpose for engagement and use of the findings. The views of stakeholders inform GUBI's materiality assessment and due diligence process.*





<i>Stakeholders</i>	<i>Engagement and organisation</i>	<i>Purpose and outcome</i>
<b>Existing investors</b>	Regular reporting, meetings and dialogue with subject matter experts. Yearly board meeting to discuss and approve ESG strategy.	Ensure alignment with Axcel's sustainability strategy and related targets and monitor progress on strategy and targets defined as well as discussing important strategy targets.
<b>Lenders</b>	GUBI has the facilities of an agreement with Nordea and Nykredit that includes sustainability performance targets.	Commitment to drive the GUBI sustainability agenda. Performance according to targets impacts GUBI's margin for the upcoming year.
<b>Partners (customers)</b>	Ongoing engagement surveys with customers. Analysis of large partners' ESG strategy and prioritisations. Feedback from the sales organisation's dialogue with customers. Regular requests from customers in respect of ESG topics.	Understand customers' preferences within ESG topics.
<b>End-consumers</b>	Consumer studies. Engagement through social media.	Understand consumer preferences within ESG topics.
<b>Employees</b>	Regular engagement with employees including bi-yearly engagement surveys.	Understand and monitor important ESG topics from an employee perspective.
<b>Authorities etc.</b>	Review and assessment of emerging sustainability related regulation and requirements.	Ensure compliance with existing and future legislation and awareness of potential risks and opportunities that may be driven by regulation.
<b>Suppliers</b>	Regular dialogue with suppliers, yearly written update on ESG strategy. Signed supplier code of conduct in place.	Monitor and understand matureness of suppliers' ESG journey to facilitate ESG risk assessment and identification of suppliers with best practices.
<b>Sustainability organisations</b>	GUBI has signed up to SBTi, UN Global Compact and implements the recommendations made by the TCFD (Axcel is a signatory).	Commitment to take responsibility within the ESG agenda.
<b>Nature (Silent stakeholder)</b>	None.	Reduce our environmental footprint with an initial focus on climate change and deforestation.
<b>Insurance undertakers</b>	Very limited engagement.	We expect insurance undertakers will start to define sustainability targets towards GUBI on medium term.
<b>Potential new investors</b>	Engagement is done through existing investors (Axcel).	Protect and increase GUBI's financial value.

The findings from GUBI's engagement with stakeholders are continuously assessed and amendments are made to strategy and business model, if deemed relevant.

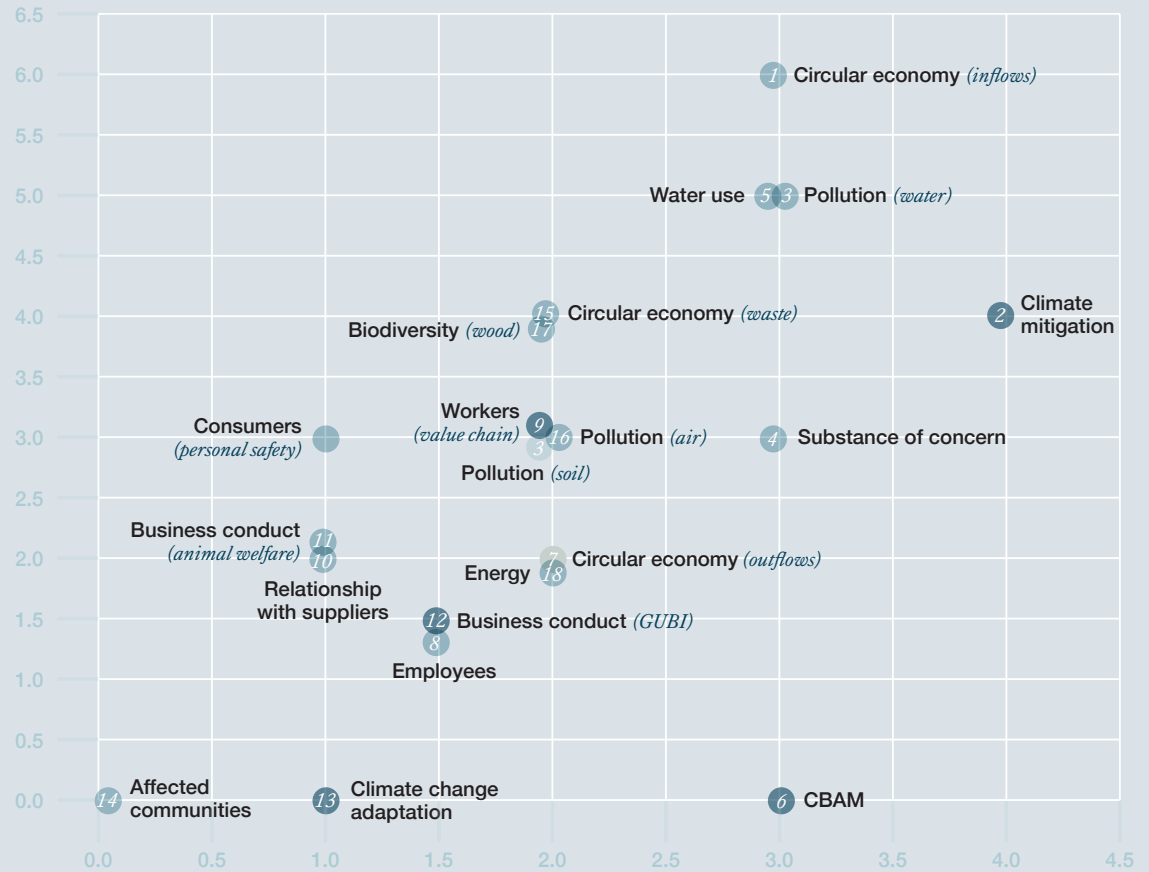
Findings from the above stakeholder engagements are shared with GUBI's ESG Committee, the Extended Management Team, Executive Directors and the Board of Directors.

## Material impacts, risks and opportunities and their interaction with the strategy and business model

At the beginning of 2023, GUBI updated its materiality assessment which is based on the concept of double materiality. This means that GUBI has explored the environmental and social impact, the related financial importance for GUBI and the importance for GUBI's stakeholders (scores are low, medium and high) of the topics listed in the CSRD.

The outcome of the assessment is illustrated opposite. Each sustainability matter in the materiality matrix represents a wider agenda and underlying issues.

### Impact



### Financial

**Impact materiality – GUBI**  
 impacts on people or the environment over the short-, medium- and long-term time horizons. 0 equals zero impact and 6 equals highest impact.

**Financial materiality – GUBI**  
 financial effects on financial position including cash flows, profit & loss statement or balance sheet. 0 equals zero financial effect and 4 equals highest financial effect.

**Stakeholders – Assessment of GUBI stakeholders view on impact materiality.** Scale is:  
 ● low  
 ● medium  
 ● high.

### Circular economy (inflows)

1

The nature of the GUBI business model is to use non-renewable and virgin materials when sourcing raw materials through suppliers like plastic including foam, stone, glass and metals. Some of the materials used in GUBI's products are non-recyclable, or difficult to recycle and reuse. The time horizon is expected to be short-term, medium and long-term.

### Energy and climate mitigation

2 18

Energy consumption and greenhouse gas emissions impact the environment negatively because they cause climate change which has negative impact on people's daily life and health. The nature of the GUBI business model causes greenhouse gas emissions and energy use mainly from our own operation (energy), emissions from outsourced production, transportation and the use phase (light products). Time horizons for the impact are short-term, medium and long-term.

### Pollution water, air and soil biodiversity (wood)

3 16 17

Pollution of water, air and soil negatively impacts the environment – including biodiversity – and thereby also people's health. GUBI's business model causes potential pollution of water, air and soil mainly from outsourced production (raw material extraction and production) and transportation. The time horizon is expected to be short-term, medium and long-term.

### Substances of concern

4

Chemical substances can be hazardous and can have serious consequences for human health. GUBI uses materials like textiles, plastic and metal that carry a risk of including such substances mainly from outsourced production. The time horizon is expected to be short-term, medium and long-term.

### Water use

5

Production of certain water-intensive raw materials in water-scarce regions can impact people's access to water. GUBI uses materials like stone and textiles in outsourced production in water-scarce regions, which can entail intensive water use. The time horizon is expected to be short-term, medium and long-term.

### CBAM

6

Carbon Border Adjustment Mechanism (CBAM). GUBI sells products within EU which are sourced outside EU. CBAM can have a financial effect on GUBI in the medium-term.

### Circular economy (outflow)

7

Production of products with low durability, reparability, upgradability, reusability, recyclability or lack of take-back service impacts the environment negatively while production of products with high durability, reparability, upgradability, reusability or recyclability impacts the environment positively. GUBI produces physical products and thereby contributes to the circular economy through design, development and production. The time horizon is expected to be short-term, medium and long-term.

### Circular economy (waste)

15

Waste impacts the environment and GUBI uses some materials in its products that are non-recyclable or difficult to recycle and reuse. Waste in the value chain mainly relates to production and packaging as well as requirements from customers and users (consumers). The time horizon is expected to be short-term, medium and long-term.

### Own workforce

8

Proper working conditions, equal treatment and opportunities, diversity, inclusion and compliance with labour laws for all etc. impact people. The relevant area in the value chain is our own operation. The time horizon is expected to be short-term, medium and long-term.

### Workers in the value chain

9

Proper working conditions, equal treatment and opportunities, diversity, inclusion and compliance with labour laws for all etc. impact people. The relevant area in the value chain are suppliers and sub-suppliers. The time horizon is expected to be short-term, medium and long-term.

### **Business conduct** *(relationship with suppliers)*

10

GUBI's way of managing procurement relationships impacts the suppliers' behaviour both from a sustainability point of view and an ethical perspective. Suppliers and sub-suppliers are impacted in GUBI's value chain. The time horizon is expected to be short-term, medium and long-term.

### **Business conduct** *(animal welfare)*

11

Proper treatment of animals mainly through GUBI's engagement with suppliers and sub-suppliers in relation to sourcing animal by-products such as wool. The time horizon is expected to be short-term, medium and long-term.

### **Business conduct** *(GUBI)*

12

GUBI's corporate culture has a direct impact on people it employs and on the organisations and people GUBI engage with. Value chain impact is mainly identified within our own operations and partners (customers). The time horizon is expected to be short-term, medium and long-term.

### **Climate change adaptation**

13

GUBI's process of adjustment to actual and expected climate change. The topic is not considered material.

### **Affected communities**

14

Impact on communities by GUBI's own operation or through upstream and downstream value chain. The topic is not considered material.

As of today, GUBI has started to adapt both our business model and strategy, even on a small scale, based on the outcome of the materiality assessment. It is still early days for GUBI and we do recognise the overall risks. Over time, GUBI expects the identified material financial risks and potential negative impacts to have an effect on the product strategy (selection of materials and how we develop and manufacture products), where we source products, transportation methods and even where GUBI sells products (geographical coverage).

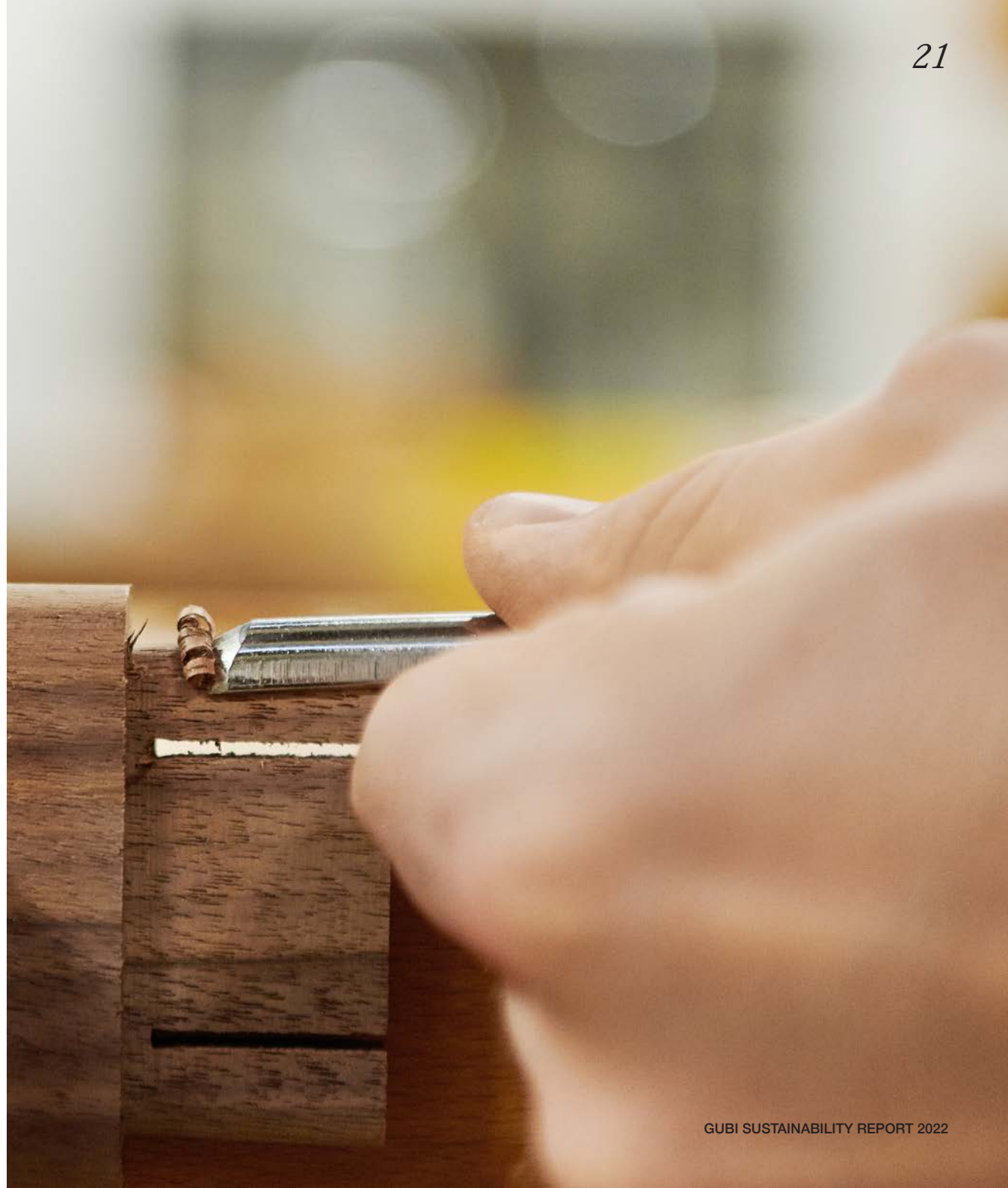
The financial effects of material risks and opportunities identified are illustrated in the matrix on page 18. Currently, the material risks and opportunities identified have not had a significant impact on GUBI's reported financial performance, financial position or cash flow besides additional resources that have been allocated to ESG (employees). GUBI expects negative financial effects in the short-

and medium terms, as raw materials and production costs will be more expensive. Transformation, both in production methods and use of raw materials, is expected to create additional costs. However, in the long run new standards are expected to be developed and to some extent reinforced by legislation. Therefore some costs will be common for our sector. Short-term benefits are expected for some players but in the long run they are expected to level out. Currently, GUBI has not made commitments to any material investment plans. Sourcing to fund GUBI's ESG strategy is a part of product development costs.

GUBI's strategy entails an asset-light business model which makes GUBI highly resilient towards material impacts and risks. Most materials used in our products are expected to be replaced over time even though it will be costly for a short/medium-term transformation period.

## *Description of the processes to identify and assess material impacts, risks and opportunities.*

*GUBI has conducted a thorough materiality assessment that considered its impacts, risks and opportunities related to the topics, sub-topics and sub-sub-topics in the draft ESRS 1 General Requirements. GUBI first mapped its value chain, including from where raw materials are sourced, how and where they are transformed into input materials, and where and how products are produced, packaged and transported to GUBI's warehouse, partners and end-consumers. Mapping criteria was built using currently accessible internal data. Further, estimations were based on global production of critical raw materials according to EU definition. The product-use phase was also mapped out. This information was combined with insights regarding potential and actual adverse environmental and social impacts and/or opportunities to contribute, as well as insights regarding financial risks and opportunities from the sources shown on the next page.*



*Description of the processes to identify and assess material impacts, risks and opportunities.*

In a workshop format attended by the CFO, members of ESG committee, external advisors and Axcel, the insights on the previous page were used to assess the impact materiality of each topic, considering the timing of impact (short-term, medium, long-term) as well as the severity (scale, scope and irremediable character) and likelihood of whether GUBI may directly cause the impact or whether GUBI is linked to the impact. The topics were scored as high, medium or low impact.

Financial materiality was assessed over the short-term, medium and long-term, considering how the sustainability topics may impact GUBI's cashflow, development, performance, position, cost of capital or access to finance. The financial materiality was assessed considering the likelihood of occurrence and the size of the potential financial effects grouped into low, medium and high.

Importance to stakeholders (both users and affected stakeholders) was assessed on a scale of high, medium and low. Topics assessed to be medium or high impact, financial risk or opportunity and/or importance to stakeholders are addressed in this sustainability report. Rating, supporting documentation and argumentation have been documented in a management system. Subsequently, the outcome (draft matrix and assessment per topic and sub-topic) has been shared with the ESG committee and Extended Management team for additional comments and dialogue to validate the matrix and supporting ratings. Lastly, the double materiality assessment has been approved by GUBI's Board of Directors. GUBI will embed findings of material impacts and risks into the overall risk management processes as described on page 63.

## Public resources

[ESRS SEC1 Sector classification standard \(draft\)](#)

[European Parliament website on sustainability matters](#)

[United Nations website](#)

[Stockholm Resilience Centre](#)

[Key biodiversity areas maps](#)

## Internal information, analyses and data

[TCFD assessment in two climate change scenarios](#)

[Scope 1, scope 2 and scope 3 GHG emissions baseline](#)

[Product Environmental Data for Målbar CO<sub>2</sub>e calculations](#)

[Energy, hazardous waste, emissions to water data](#)

[Employee sickness absence, work-related injuries, attrition rate and employee satisfaction data](#)

[Employee surveys](#)

[Peer ESG benchmarks](#)

[Due diligence process](#)

## External stakeholders

[Customer and consumer studies](#)

[Supplier ESG strategies \(shared with GUBI\)](#)

[Investor dialogue \(Axcel\)](#)

[Expert input \(consultants, advisors\)](#)

## Internal stakeholders

[GUBI Board](#)

[GUBI CFO and Executive Management](#)

[GUBI Sustainability Committee including material LCA experts](#)



## Disclosure requirements in ESRS covered by GUBI's sustainability statements

Below is a list with references to the disclosure requirements complied with, based on the outcome of the materiality assessment:

Requirement	Page	Requirement	Page	Requirement	Page	Requirement	Page	Requirement	Page
ESRS 2 BP-1	5	ESRS E1-3	31	ESRS 2 SBM 3 – E4	42	ESRS S1 – 6	52	ESRS S3-1	57
ESRS 2 BP-2	5	ESRS E1-4	32	ESRS 2 IRO 1 – E4	42	ESRS S1 – 7	53	ESRS S3-2	-
ESRS 2 GOV-1	6	ESRS E1-5	33	ESRS E4-2	43	ESRS S1 – 8	53	ESRS S3-3	-
ESRS 2 GOV-2	7	ESRS E1-6	34	ESRS E4-3	43	ESRS S1 – 9	53	ESRS S3-4	-
ESRS 2 GOV-3	8	ESRS E1-7	36	ESRS E4-4	43	ESRS S1 – 10	53	ESRS S3-5	-
ESRS 2 GOV-4	9	ESRS E1-8	36	ESRS E4-5	43	ESRS S1 – 11	54	ESRS2 – SBM-2 -S4	17
ESRS 2 GOV-5	10	ESRS E1-9	36	ESRS E4-6	43	ESRS S1 – 12	54	ESRS2 – SBM-3 -S4	18
ESRS 2 SBM-1	11	ESRS 2 IRO 1 – E2	38	ESRS 2 IRO 1 – E5	44	ESRS S1 – 13	54	ESRS S4-1	58
ESRS 2 SBM-2	12	ESRS E2-1	38	ESRS E5-1	45	ESRS S1 – 14	54	ESRS S4-2	#
ESRS 2 SBM-3	18	ESRS E2-2	#	ESRS E5-2	45	ESRS S1 – 15	55	ESRS S4-3	#
ESRS 2 IRO-1	21	ESRS E2-3	#	ESRS E5-3	45	ESRS S1 – 16	55	ESRS S4-4	#
ESRS 2 IRO-2	24	ESRS E2-4	#	ESRS E5-4	#	ESRS S1 – 17	55	ESRS S4-5	#
ESRS 2 DC-P	29	ESRS E2-5	39	ESRS E5-5	#	ESRS2 – SBM-2 -S2	17	ESRS 2 GOV 1 – G1	11, 63
ESRS 2 DC-A	12	ESRS E2-6	39	ESRS E5-6	45	ESRS2 – SBM-3 -S2	18	ESRS 2 IRO 1 – G1	21
ESRS 2 DC-M	(✓)	ESRS E2- IRO 1 E3	40	ESRS2 – SMB-2 – S1	17	ESRS S2-1	56	ESRS G1-1	60
ESRS 2 DC-T	(✓)	ESRS E3-1	40	ESRS2 – SMB-3 – S1	18	ESRS S2-2	#	ESRS G1-2	56
ESRS 2 GOV3 – E1	8	ESRS E3-2	#	ESRS S1 – 1	48	ESRS S2-3	#	ESRS G1-3	48
ESRS 2 E1-1	21	ESRS E3-3	#	ESRS S1 – 2	49	ESRS S2-4	#	ESRS G1-4	60
ESRS 2 SBM 3 – E1	20	ESRS E3-4	41	ESRS S1 – 3	49	ESRS S2-5	#	ESRS G1-5	60
ESRS 2 IRO 1 – E1	21	ESRS E3-5	41	ESRS S1 – 4	50	ESRS2 – SBM-2 -S3	-	ESRS G1-6	60
SRS E1-2	29	ESRS E4-1	N/A	ESRS S1 – 5	51	ESRS2 – SBM-3 -S3	-		

(✓) *Work in progress.*

# *Datapoints are not yet available.*

- *Topic is not considered material for GUBI*

N/A *The disclosure requirement does not apply for GUBI as not operating in one of the sectors listed in Draft ESRS E4 Biodiversity and Ecosystem Paragraph 15.*

*GUBI has omitted all the disclosure requirements in Draft ESRS S3 “Affected communities” as, due to the size of GUBI, it seems very unlikely that GUBI can have a material impact on local communities and/or be financially impacted by communities. It is also GUBI’s assessment that GUBI’s stakeholders share this view.*



# ENVIRONMENTAL INFORMATION

E1



*Climate  
change*

E2



*Pollution*

E3



*Water and  
marine resource*

E4



*Biodiversity  
and ecosystems*

E5



*Resource use and  
circular economy*

## Climate change

### *Transition plan for climate change mitigation*

GUBI's transition plan for climate change mitigation is embedded and aligned with the overall strategy for GUBI. The plan currently involves the following decarbonisation levers:

- *Increased use of recycled plastic*
- *More sustainable packaging*
- *Develop more responsible bestsellers*
- *Convert company cars from diesel/petrol to electric, or hybrid if not possible.*

GUBI has set approved science-based targets covering its scope 1 and scope 2 CO<sub>2</sub>e emissions (in line with the Paris Agreement). GUBI expects to set reduction targets for GHG emission scope 3 during 2023 and thereby strengthen its transition plan. The current transition plan has been approved by Executive management and the Board of Directors. By end 2022, [x]% of plastic used was recycled, 0% of bestsellers were more responsibly produced, and 5% of company cars were electric and 18% hybrid.

GUBI has allocated funding to support the above-mentioned decarbonisation levers. The cumulative locked-in GHG emissions from sold products (use-phase GHG emissions) are assessed to be 2.067 t.CO<sub>2</sub>e until 2023 and 2050.

*The cumulative locked-in GHG emissions for products have been calculated as sales volume of products for 2022 multiplied by the sum of estimated direct use-phase GHG emissions over their lifetime. GUBI is not excluded from the EU Paris-aligned Benchmarks.*





## *Material impacts, risks and opportunities and their interactions with the strategy and business model*

*As described in section SBM-3, GUBI's strategy entails an asset-light business model which makes GUBI highly resilient towards climate related risks. Most materials used in our products can be replaced over time with low-carbon materials, though the transition can be costly in the short- and medium timeframe. Currently, the technology might not be fully developed to change to raw materials with a lower-carbon footprint or such materials may be expensive, however it is expected that alternative materials will be available in the medium term.*

*As GUBI has outsourced production and transportation it will be able to transition to suppliers with low carbon as these become available. It is expected that this transition will come at a moderate cost in the short- to medium timeframe. This assessment of resilience relies on the TCFD assessment described overleaf.*



## *Description of the processes to identify and assess material climate-related impacts, risks and opportunities.*

As described in section (SBM-3), GUBI updated its materiality assessment which is based on the concept of double materiality. This means that GUBI has explored its environmental and social impacts, related financial importance for GUBI and importance for GUBI's stakeholders (score is low, medium and high). The assessment of GUBI's impact on climate change relied on GUBI's GHG emissions baseline including scope 1, scope 2, and scope 3 emissions.

In 2021 GUBI assessed its climate-related risks and opportunities in two climate change scenarios including a 1.5C-2C scenario and a 4C scenario. Each exposure identified for GUBI was assessed according to the climate-related risks and opportunities in the two climate-related scenarios using a scale (low, moderate and considerable). The outcome of the two assessments (double materiality assessment and use of TCFD framework) have not implied contradictory conclusions.

A key finding from the assessment was that GUBI is exposed to climate-related risks and opportunities.

The identified risks are in a 1.5C scenario: increased cost of raw materials with a lower CO<sub>2</sub>e impact can affect the Group's profit margin in the medium term and in a 4C scenario: increased severity of extreme weather events may affect the Group's sourcing and production abilities and elevated sea levels may affect operations in the Group's headquarters in Copenhagen in the long term.

The most important opportunity is for the Group to develop long-lasting, cost-effective products that meet changing customer and consumer preferences. If this opportunity is not captured, it will become a risk to revenue and profit generation.

## *Policies related to climate change mitigation and adaptation*

*GUBI's Board of Directors has adopted the GUBI Code of Conduct, which is based on seven main topics, two of which are relevant to climate change mitigation and adaptation. In June 2022, GUBI's Board of Directors approved the overall ambition for GUBI climate footprint:*

GUBI is committed to preservation of natural resources by decreasing our negative impact on environment.

GUBI is committed to reduce our CO<sub>2</sub> emissions in order to reduce our negative environmental footprint.

*Energy efficiency and deployment of renewal energy are not mentioned specifically in GUBI Code of Conduct or related policies but embedded indirectly. Implementation of the policy is the responsibility of Executive Management. A summary of the Environmental section of the policy is provided here.*



## The Environment

At GUBI, we strive 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 our company's thinking: from the concept phase through to production, logistics and the ways that our products can be recycled and/or responsibly disposed of.

Our commitment to sustainability includes understanding and measuring the way our processes and products impact the environment. This analytical approach allows us to continually adapt and improve the ways we work, so that we can become even more circular in both our thinking and our production methods. Along the way – and whenever possible – GUBI will actively work to positively influence our industry partners regarding relevant environmental best practices.

As we grow, GUBI is committed to offering ever more sustainable products to our customers and to taking steps to transparently communicate how our design impacts the environment. Additionally, GUBI encourages the development of environmentally green technologies and is committed to embedding these sustainable innovations into our designs whenever possible.

Furthermore, GUBI has a wood-sourcing policy, and in early 2023 we launched sustainable packaging guidelines.

The overall objectives with GUBI's wood-sourcing policy are:

- ♦ *sourcing wood and wood-fibre products in an environmentally and socially responsible manner for all GUBI-branded products to aid the sustainable management of the world's forests as renewable resources;*
- ♦ *avoiding the risk of contributing to unsustainable and/or illegal practices; and*
- ♦ *communicating the policy to all GUBI's suppliers of wood or wood-fibre products as part of GUBI's Supplier Code of Conduct.*

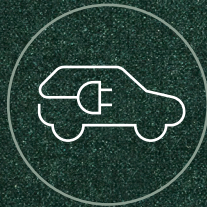
GUBI's sustainable packaging guidelines were created to assist product development and GUBI suppliers in designing more responsible packaging. The guidelines should be used as a tool to optimise the functionality and environmental impact of the packaging. The guidelines include:

- ① *sustainable packaging guideline principles*
- ② *requirements of the different packaging materials*
- ③ *packaging concept/transportation*
- ④ *plastic type ratings*
- ⑤ *impact category reference*

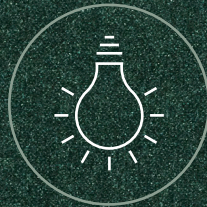


# Actions and resources in relation to climate change policies

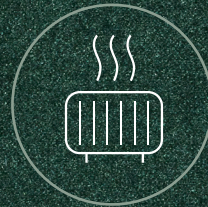
GUBI is committed to reducing CO<sub>2</sub>e emissions for scope 1 and 2 by 50% by the end of 2025 with 2021 as the baseline. GUBI has initiated the following actions to reduce emissions:



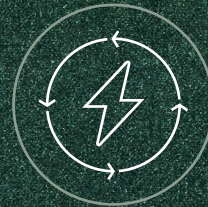
New company cars are electric cars or if not possible hybrid cars. In 2022, one company car has been exchanged to an electric car from a fuel-based company car.



GUBI's lighting system at the headquarters is connected to the GUBI alarm system, which means that the lights turn off when employees leave the building.



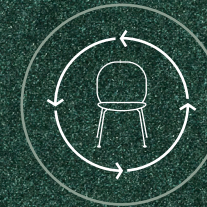
GUBI has reached out to the landlord of the GUBI headquarters to reduce the heating consumption.



Acquired guarantees of origin from a new and non-state subsidized solar park to ensure GUBI sources 100% renewable electricity using the market-based calculation approach.

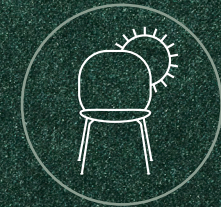


GUBI has not yet defined targets for reductions of CO<sub>2</sub>e emissions for scope 3, however we have currently initiated the following actions to reduce scope 3 emissions:



Shells for GUBI's 3D collection are made of 100% recycled PP plastic (except from front upholstered shell).

Continue transformation of recycled plastic to more GUBI products, e.g. the Beetle Dining chair.



Working on offering more responsible bestsellers (one seating and one lighting product have been identified).

Currently, GUBI is not able to estimate both achieved and expected GHG emission reductions from the above initiatives.

The above actions do not currently require either significant Capex or OPEX investments.



## *Targets related to climate change mitigation and adaptation*

GUBI has set GHG emissions reduction targets for scope 1 and 2. GUBI became SBTi signatory in 2022. GUBI A/S commits to reduce scope 1 and scope 2 GHG emissions by 42% by 2030 from a 2020 base year and to measure and reduce its scope 3 emissions. GUBI's baseline is 114 tonnes of CO<sub>2</sub>e which equals a reduction target of 45.6 tonnes of CO<sub>2</sub>e.

In addition, GUBI has entered into a sustainability agreement with our banks to decrease scope 1 and 2 emissions by 40% in 2022, increasing the goal to 50% in 2025 with 2020 as a baseline. The reduction target for 2020 is 45.6 tonnes of CO<sub>2</sub>e, increasing to 57 tonnes of CO<sub>2</sub>e in 2025.

GUBI's GHG emission reduction targets for scope 1 and 2 are science-based (as SBTi signatory) and compatible with limiting global warming to 1.5°C.

The most important decarbonisation levers for reduction of scope 1 and 2 emissions are:

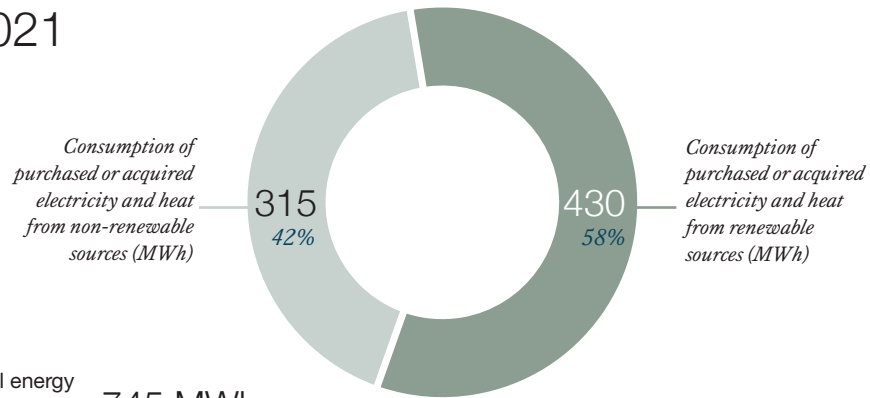
- *Reduction of heating consumption at GUBI offices/contract homes in close dialog with GUBI landlords*
- *Convert company cars from diesel/petrol to preferably electric or if not possible hybrid.*
- *Acquired guarantees of origin from a new and non-state subsidized solar park to ensure GUBI sources 100% renewable electricity using the market-based calculation approach.*

The overall contribution from above identified levers are expected to ensure GUBI emission reduction targets for scope 1 and 2 are met.



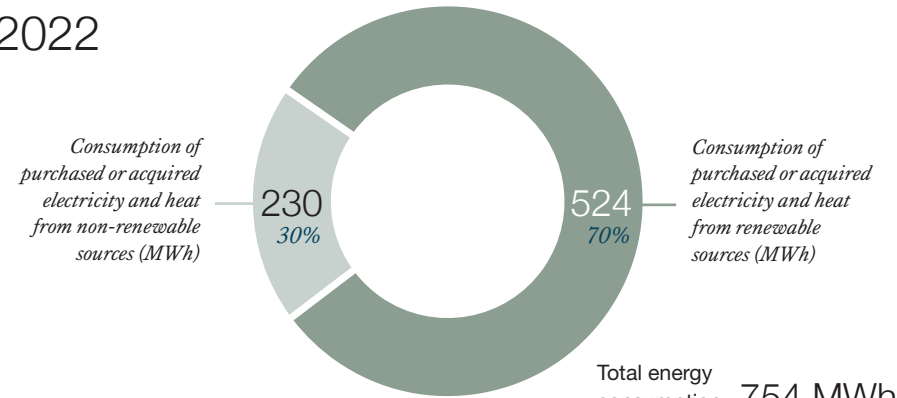
# Energy consumption and mix

2021



Total energy consumption 745 MWh

2022



Total energy consumption 754 MWh

*GUBI has not provided information on energy intensity as GUBI does not have any activities in high climate impact sectors.*

## Gross Scopes 1, 2, 3 and Total GHG emissions

Please see section above (BP) for practice applied to calculate GHG emissions for scope 1, 2 and 3.

### Retrospective

### Milestones and target years

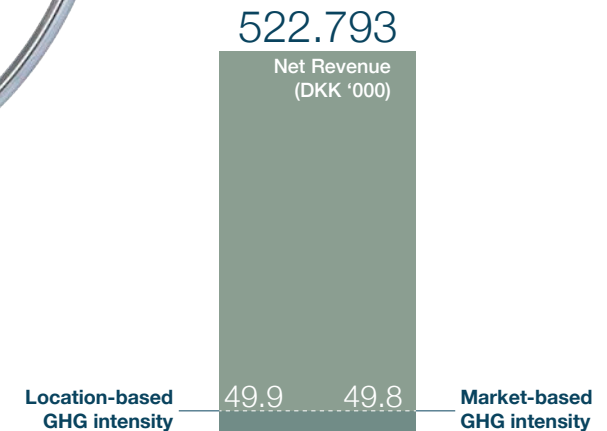
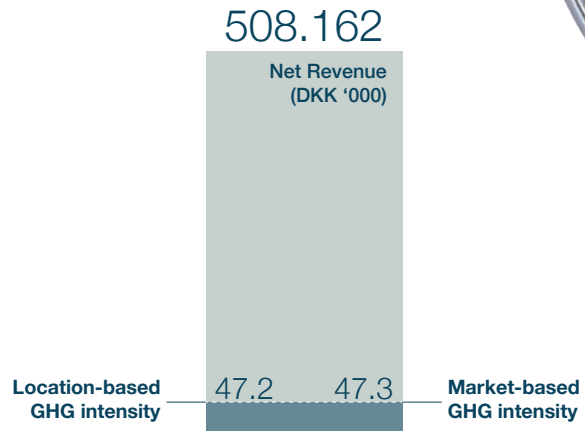
	Base year	2021	2022	2025	Annual % target /Base year
<i>Scope 1 GHG emissions</i>					
Gross Scope 1 GHG emissions (tCO <sub>2</sub> e)	59	34	38	30	10%
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)					
<i>Scope 2 GHG emissions</i>					
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> e)	55	58	57		
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> e)	55	76	24	28	10%
<i>Significant Scope 3 GHG emissions</i>					
Total Gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> e)		23.901	25.983		
Purchased goods and services		20.536	21.296		
Upstream capital goods			61		
Upstream fuel and energy related activities not included in scope 1-2		32	40		
Upstream transportation and distribution		1.209	1.839		
Upstream waste generated in operations	Base year has not been defined yet	6	13		Targets have not been defined yet
Upstream business travel		178	243		
Upstream employee commuting		21	32		
Downstream transportation and distribution		46	56		
Downstream use of sold products		1.659	2.067		
Downstream end-of-life treatment of sold products		215	335		
<i>Total GHG emissions</i>					
Total GHG emissions (location-based)		23.993	26.079		
Total GHG emissions (market-based)		24.011	26.046		

# GHG intensity based on net revenue



2021

2022



based on net revenue DKK '000 revenue / (kgCO<sub>2</sub>e)

based on net revenue DKK '000 revenue / (kgCO<sub>2</sub>e)

### *GHG removals and GHG mitigation projects financed through carbon credits*

GUBI has not acquired any carbon credits in 2022 (nor in 2021).

### *Internal carbon pricing*

GUBI does not apply internal carbon pricing schemes.

### *Potential financial effects from material physical and transition risks and potential climate-related opportunities*

As explained above in section SBM-3, GUBI's strategy entails an asset-light business model which makes GUBI highly resilient towards climate-related risks. In addition, GUBI doesn't depend on one or few suppliers and is thereby also less exposed to physical climate risks even in cases where GUBI has suppliers in more climate hazard-risk geographies.

The potential financial effects from material physical and transition risks are estimated to have a material impact on revenue, the costs of goods sold and inventory. The assessment is based on **significant judgement** of how impacts may have a potential financial effect on GUBI.



## Potential financial effects from material physical risks

<i>Topic</i>	<i>Short term</i>	<i>Medium term</i>	<i>Long term</i>
<b>Acute physical risk</b>	Low amount and share of assets at material physical risk	Low amount and share of assets at material physical risk	<p>Increased severity of extreme weather events may affect the Group's sourcing and production abilities as well as limited sales market due to difficult delivery conditions which could result in revenue losses in the high range.</p> <p>This risk is not addressed by climate change adaptation activities as the assets are not owned by GUBI and therefore low share of assets are at risk.</p>
<b>Chronic physical risk</b>	Low amount and share of assets at material physical risk	Low amount and share of assets at material physical risk	Elevated sea levels may affect operations in the Group's headquarters in Copenhagen (NUTS code 133). GUBI would move location if the risk became highly likely. If GUBI was not able to move location before it was damaged by rising water levels then the total value of the asset at risk is low or low share of assets.

## Potential financial effects from material transition risks

<i>Topic</i>	<i>Short term</i>	<i>Medium term</i>	<i>Long term</i>
<b>Carbon pricing (CBAM) and increasing cost of raw materials</b>	<p>Low amount and share of assets at material transition risk, thereby no mitigating action focused on assets.</p> <p>Low amount of net revenue at risk.</p>	<p>Low amount and share of assets at material transition risk.</p> <p>High amount or share of gross profit at risk due to increasing cost of raw materials driven by regulation (CBAM) and/or switching to lower carbon alternatives.</p>	<p>Low amount and share of assets at material transition risk.</p> <p>Medium amount or share of gross profit due to increasing cost of raw materials driven by regulation (CBAM) and/or switching to lower carbon alternatives.</p>
<b>Changing customer behavior and shift in consumer preferences</b>	<p>Low amount and share of assets at material transition risk, thereby no mitigating action focused on assets.</p> <p>Low amount and share of net revenue at risk.</p>	<p>Low amount and share of assets at material transition risk.</p> <p>High amount or share of net revenue at risk due to changing customer behavior and shift in consumer preference to lower carbon alternatives.</p>	Elevated sea levels may affect operations in the Group's headquarters in Copenhagen (NUTS code 133). GUBI would move location if the risk became highly likely. If GUBI was not able to move location before it was damaged by rising water levels then the total value of the asset at risk is low or low share of assets.

GUBI has an asset-light business model and as such does not own or finance-lease any material assets. Further, GUBI has not identified any liabilities that may have to be recognized in financial statements over the short-, medium- and long-term horizons, nor opportunities to increase revenue or reduce costs.

## *Pollution*

As described in section IRO-1 (page 21), GUBI conducted a thorough materiality assessment that considered its impacts, risks and opportunities related to the topics, sub-topics, and sub-sub-topics in the Draft ESRS 1 General Requirements, including topics and sub-topics related to pollution. The outcome of the assessment was that GUBI's business model may cause pollution of water, air and soil from the extraction of raw materials and input materials such as textiles, plastics, coatings, solvents and metal in its products as well as from the transportation of GUBI's products. The assessment also concluded that a small share of GUBI's products may contain substances of concern in for example textile materials.

### *Policies related to pollution*

GUBI's policy to manage material environmental impacts, risks and opportunities is described in section E1-2.

### *Actions and resources related to pollution*

Currently, GUBI has not taken any specific actions related to pollution.

### *Targets related to pollution*

Nor has GUBI defined any targets related to pollution.





### *Pollution of air, water and soil*

GUBI is currently not able to disclose the pollutants that are generated through raw material sourcing, transformation, and use in the production of GUBI's products in its value chain (suppliers and sub-suppliers) due to lack of transparency and reliable data points.

### *Substances of concern and substances of very high concern*

GUBI's products contain materials such as textiles, plastics, and various surface treatments. These materials carry a risk of containing hazardous substances. GUBI is currently not able to disclose information on the production, use, distribution, commercialisation and import/export of substances of concern and substances of very high concern. However, the majority of GUBI's products are produced by suppliers based in Europe who face strict regulation regarding substances of concern.

### *Potential financial effects from pollution-related impacts, risks and opportunities*

GUBI has assessed the potential financial effects from pollution-related risks to be medium. The identified risks include costs associated with changing materials driven by changing customer/consumer demand and/or regulation.

## *Water and marine resources*

As described in section IRO-1 (page 21), GUBI conducted a thorough materiality assessment that considered its impacts, risks and opportunities related to the topics, sub-topics, and sub-sub-topics in the draft ESRS 1 General Requirements including topics and sub-topics related to water and marine resources. The outcome of the assessment was that GUBI's business model is linked to the production of certain water intensive raw materials such as stone and textiles, in outsourced production, some of which may be located in water-scarce regions.

### *Policies related to water and marine resources*

GUBI's policy to manage material environmental impacts, risks and opportunities is described in section E1-2.

### *Actions and resources related to water and marine resources*

At present, GUBI has not taken any specific actions related to water and marine resources.

### *Targets related to water and marine resources*

Nor has GUBI defined any targets related to water and marine resources.





### *Water consumption*

GUBI's total water consumption in m<sup>3</sup> was 416 in 2022. GUBI has not had any water consumption in our own operations (offices) in areas at material water risk including areas of high-water stress. The total amount of water recycled and reused was 0m<sup>3</sup> in 2022. GUBI has not stored water in 2022. The water intensity of our own operation (total water consumption in m<sup>3</sup> per net revenue) was 0.000001 in 2022.

### *Potential financial effects from water and marine resources-related impacts, risks and opportunities*

GUBI has assessed the potential financial effects from water and marine resources-related risks to be medium. The identified risks include costs associated with changing materials driven by changing customer/consumer demand.

See section SBM-2 and section E1-9 for additional information on potential effects.

# *Biodiversity and ecosystems*

## *Transition plan on biodiversity and ecosystems*

As of today, GUBI doesn't have a plan to ensure that GUBI's business model and strategy are compatible with respect to planetary boundaries of the biosphere integrity and land-system change and relevant targets outlined in the Post-2020 Global Biodiversity Framework of no net loss by 2030, net gain from 2030, full recovery by 2050, and the EU Biodiversity Strategy for 2030.

GUBI's overall ambition for biodiversity and ecosystems is aligned with GUBI's overall ambition to respect the environment and continuously improve its impact on the environment. GUBI currently has a low level of transparency on biodiversity impacts and dependencies. GUBI will therefore seek to improve the mapping and understanding of its biodiversity impacts and dependencies. Upon this foundation GUBI will derive a transition plan as necessary to maintain a resilient and responsible business model due to lack of transparency and reliable data points.

In respect of resilience of GUBI strategy and business model in relation to biodiversity and ecosystems, please see section 1 SBM-3 as biodiversity and ecosystems are considered to have the same resilience as other environmental subjects.

As described in section IRO-1, GUBI conducted a thorough materiality assessment that considered its impacts, risks and opportunities related to the topics, sub-topics, and sub-sub-topics in the draft ESRS 1 General requirements including topics and sub-topics related to biodiversity and ecosystems. The outcome of the assessment was that GUBI's business model is linked to biodiversity impacts through the impacts described in the climate change, pollution, and water and marine sections as well as through the sourcing of wood.



*Policies related to biodiversity and ecosystems*

GUBI's policy to manage material environmental impacts, risks and opportunities is described in section E1-2. A specific biodiversity-related policy has not been developed.

*Actions and resources related to biodiversity and ecosystems*

GUBI has begun sourcing FSC® certified wood as its first biodiversity-related initiative and has obtained FSC® certification in 2022, including the first products to have been FSC® certified. 10%<sup>1</sup> of wood products sold in 2022 were FSC® certified.

*Targets related to biodiversity and ecosystems*

GUBI will continue with FSC® certification of bestsellers in 2023. GUBI targets 65% FSC® certified products in 2023 and 100% FSC® certified products in 2024.

*Impact metrics related to biodiversity and ecosystems change*

GUBI has not located any sites located in or near biodiversity-sensitive areas that it is negatively affecting. GUBI has not conducted a Life Cycle Assessment of its land-use or other biodiversity impact categories and can thereby not disclose further metrics at this time.

*Potential financial effects from biodiversity and ecosystem-related impacts, risks and opportunities*

GUBI has assessed the potential financial effects from biodiversity and ecosystem-related risks to be medium. The identified risks include costs associated with changing materials driven by changing customer/consumer demand.

See sections SBM-2 and E1-9 for additional information on potential effects.

**65%** FSC® certified products in **2023**

**100%** FSC® certified products in **2024**

<sup>1</sup> Number of FSC® certified products is calculated as: Number of FSC® certified products sold divided by total number of wood based products.



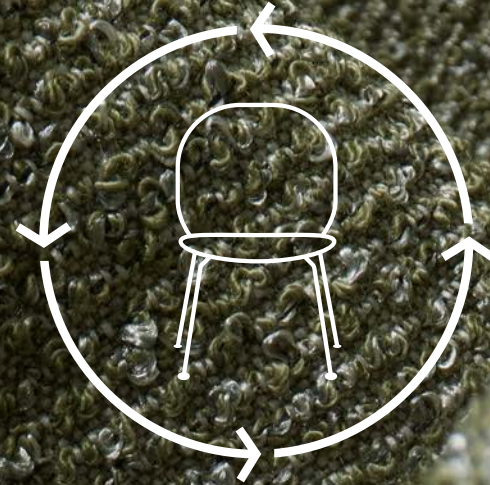
**The mark of responsible forestry**

*Securing FSC® Chain of Custody Certification (Forest Stewardship Council®, license code FSC® C176589), means that FSC® materials and products have been checked at every stage of processing, so customers purchasing products sold with FSC® claims can be confident that they are genuinely FSC® certified.*

## Resource use and circular economy

As described in section IRO-1 (pages 21), GUBI conducted a thorough materiality assessment that considered its impacts, risks and opportunities related to the topics, sub-topics, and sub-sub-topics in the draft ESRS 1 General Requirements, including topics and sub-topics related to resource use and circular economy. The outcome of the assessment was that:

- *The nature of GUBI's business model is to use non-renewal and virgin materials in its products such as plastic (including foam), stone, glass and metals.*
- *Production of products with low durability, reparability, upgradability, reusability or recyclability impacts the environment negatively whereas production of products with the opposite characteristics have a positive impact. GUBI designs and markets physical products and thereby impacts circular economy through design, development and sourcing of products.*
- *Some of the materials used in GUBI's products are difficult to recycle and reuse. Waste in the value chain mainly relates to production, packaging, and damaged goods.*



### *Policies related to resource use and circular economy*

GUBI's policy to manage material environmental impacts, risks and opportunities is described in section E1-2. A specific policy related to resource use and circular economy has not been developed.

### *Actions and resources related to biodiversity and ecosystems*

GUBI aims to produce products with high quality, long durability and easy disassembly. GUBI bestseller products like Beetle and Bat are especially in focus. Furthermore, returned used products are sold at GUBI's yearly stock sale. 18%<sup>1</sup> of both GUBI revenue and products sold in 2022 derive from countries with a recycling rate above 50%<sup>2</sup>. GUBI has also initiated internal Life Cycle Assessment studies of some materials and is incorporating the findings in product development processes. GUBI has also begun using recycled plastic (0.75% of sold chairs in 2022) in some of its products. Shells for GUBI's 3D collection are made of recycled plastic (except from upholstered chairs).

### *Targets related to resource use and circular economy*

Continue transformation of recycled plastic for more GUBI products, e.g. the Beetle Dining chair. GUBI targets that the majority of GUBI plastic-collections will be made from recycled plastic by 2024. Continue to produce products with high quality, long durability and easy disassembly.

1: Sources for countries with a recycling rate above 50% are OECD.stat: <https://stats.oecd.org/viewhtml.aspx?datasetcode=MUNW&lang=en> and European Environment Agency: <https://www.eea.europa.eu/ims/waste-recycling-in-europe>

2: Target for 2020 set in EU's Waste Framework Directive from 2008

### *Resource inflows and resource outflows*

GUBI is currently not able to report and thereby disclose information on material resource inflows and material resource outflows including waste.

### *Potential financial effects from resource use and circular economy-related impacts, risks and opportunities*

GUBI has assessed the potential financial effects from biodiversity and ecosystem-related risks to be medium. The identified risks include costs associated with changing materials driven by changing customer/consumer demand.

See sections SBM-2 and E1-9 for additional information on potential effects.



# SOCIAL INFORMATION

S1



*Own  
workforce*

S2



*Workers in the  
value chain*

S3



*Affected  
communities*

S4



*Consumers and  
end-users*



## *Own workforce*

*GUBI has fewer than 250 employees and own workforce has not been identified as material through the materiality assessment described in the section SBM-3, and GUBI are only required to disclose limited information according to Draft ESRS 2 General disclosures appendix E. However, GUBI has decided to extended reporting beyond mandatory requirements.*

*GUBI has included additional disclosures stemming from local Danish legislation and other standard-setting bodies ("Guidelines for responsible Ownership and Corporate Governance" of the Active Owners Denmark - Brancheforeningen for Aktive Ejere i Danmark, [www.aktiveejere.dk](http://www.aktiveejere.dk)).*

### *Policies related to own workforce*

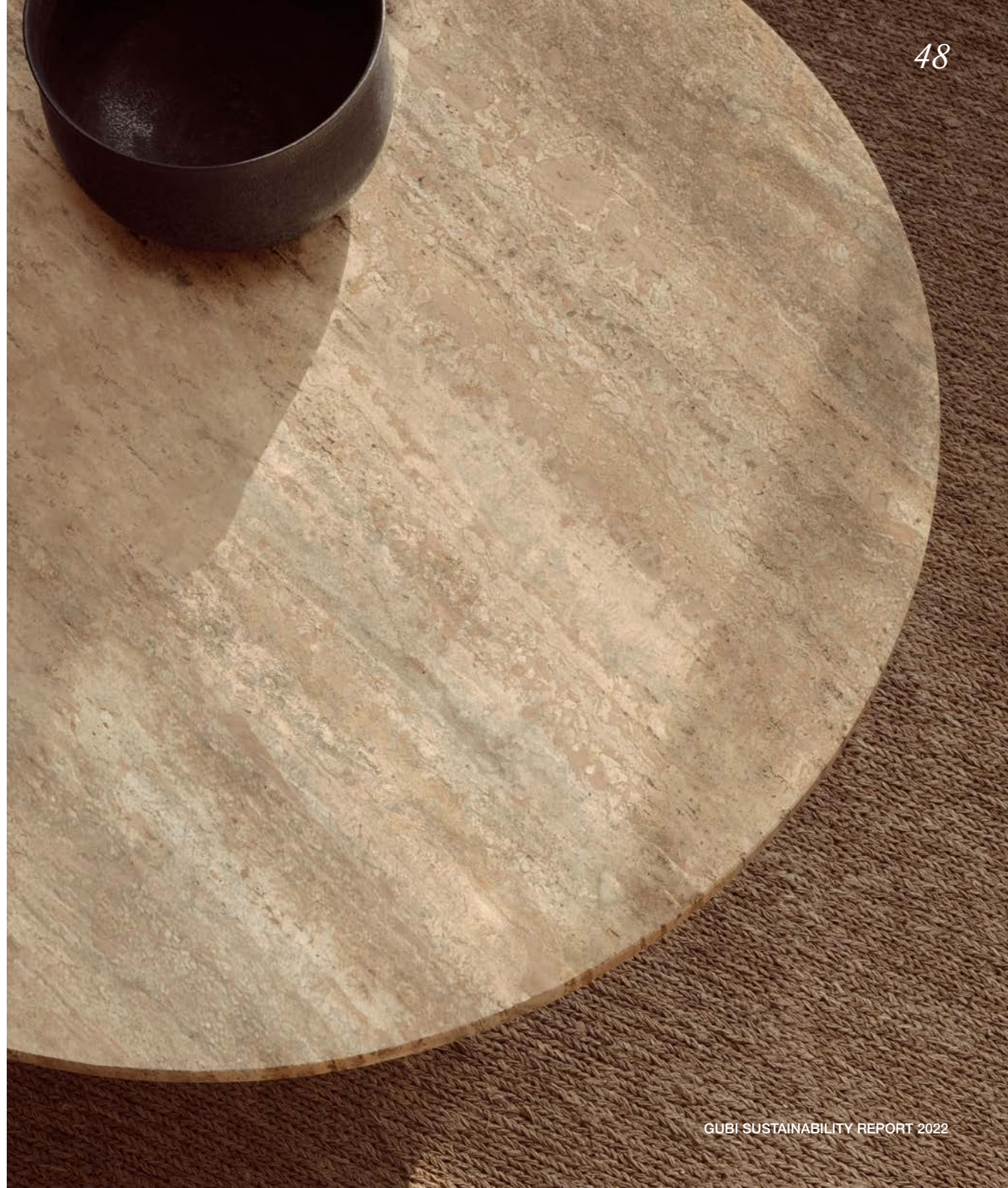
In 2019, GUBI joined the UN Global Compact (“UNGC”) and has since then been committed to the Ten Principles of the UNGC for responsible business conduct within the areas of human rights, labour, environment, and anti-corruption.

As stated in GUBI’s Code of Conduct, the Group supports and respects basic human rights for all and strives to uphold these essential rights in the ways that GUBI conducts business. Violations of human rights are unacceptable and will, under no circumstances, be tolerated. The use of child labour of any kind is strictly forbidden.

GUBI has an anti-bribery, anti-corruption and modern slavery compliance policy (latest updated in August 2022) which explicitly address GUBI zero-tolerance approach to Modern Slavery. GUBI is fully committed to acting ethically and with the utmost integrity in all its business dealings and business relationships and to implementing and enforcing effective systems and controls to ensure Modern Slavery is not taking place anywhere in GUBI’s organisation or supply chain.

All employees have received and have easy access to the Code of Conduct which outlines the Group’s value system, its approach to doing business as well as its views on human rights. Awareness training is also being conducted on a regular basis. Further, as a part of onboarding, all new employees are introduced to the Code of Conduct and all other relevant policies for a new employee.

Pursuant to GUBI’s Code of Conduct, a safe and healthy working environment is fundamental for GUBI and is a right for all employees in GUBI. GUBI is thus committed to providing a safe and secure place to work and an environment that supports the health and well-being of all of employees. GUBI’s employees shall be able to work under legal conditions where diversity is treasured, privacy of the individual is protected, and where freedom of association and collective bargaining is a common right.







### *Processes for engaging with own workers and workers' representatives about impacts*

The Group conducts bi-yearly engagement surveys and an annual working environment survey ("APV") and employees are informed of and engaged in the outcome of the surveys. Most employees have detailed job descriptions and the yearly appraisal conversations are conducted for the vast majority of employees.

GUBI has a working environment group (currently 5 members) meeting approximately six times per year to discuss and monitor working related topics including maintaining a safe and healthy working environment and preventing any accidents. The working Environment Group monitors relevant outcome of the semi-annual engagement survey as well as the annual working environment survey.

### *Processes to remediate negative impacts and channels for own workers to raise concerns*

GUBI has a whistle-blower scheme in place, including a supporting whistleblower policy, to ensure that all GUBI's employees can report suspected serious violation of law and other serious matters within GUBI. Other serious matters include (but are not limited to) violation of legislation aimed at ensuring public health, sexual harassment and serious personal conflicts in the workspace. Less serious misconduct can be addressed to a manager within GUBI, a representative from GUBI's working Environment Group, any member of the management or the Group General Counsel.



*Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions*

GUBI develops action plans in response to feedback from employees captured in the employee surveys and through the working environment group. During 2022 emphasis was placed on improving the physical working environment in the Copenhagen office.

*Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*

GUBI has conducted two engagement surveys in 2022. Both surveys had an engagement score of 51 eNPS<sup>1</sup> and 50 eNPS, respectively, compared to an average score for 2021 of 29 eNPS. (Engagement score for 2022 is similar to an average score of 8,1<sup>2</sup> compared to 7,8 in 2021). GUBI target for employee engagement is 8 or above.

Employee turnover in 2022 was 22% (2021 was 17%). GUBI target for employee turnover is 15% for 2022, and reduced to 12% in 2025.

In May 2022, GUBI conducted one of the two-yearly engagement surveys which included diversity and inclusion questions. The overall score for Diversity and Inclusion was 40 eNPS (average 8.2), 6 above benchmark for GUBI's industry (average 0.1). GUBI target score is aligned with or above industry benchmark.

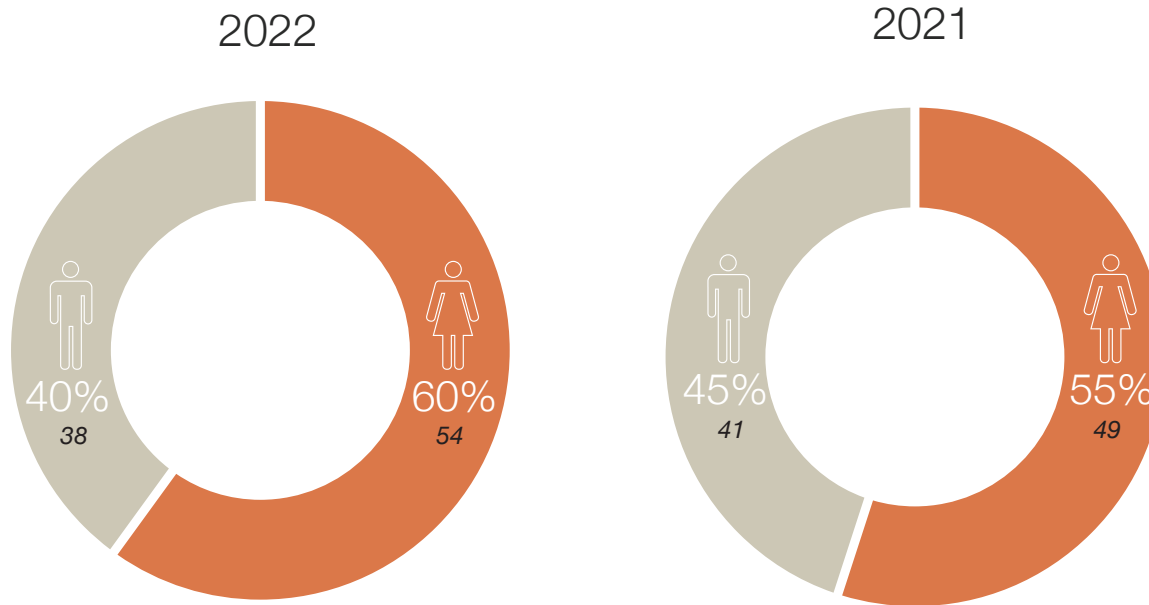
The engagement survey in October 2022 included health and well-being questions. The overall score for Health and Wellbeing was 59 eNPS in 2022 compared to 37 eNPS in 2021 (average score was 8.4 in 2022 compared to 8 in 2021) which was 38 (average 0.7) above benchmark for GUBI's industry. GUBI target score is aligned with or above industry benchmark.

<sup>1</sup> eNPS (employee Net Promoter Score) is an alternative way of measuring employees' satisfaction levels. The number represents the balance of employees who are "promoters" vs. "detractors". It's based on NPS methodology, which is used to measure customer loyalty.

<sup>2</sup> This is the average score given by survey respondents (employees). Engagement is a measure of how committed to and enthusiastic employees are about their work and the organisation.

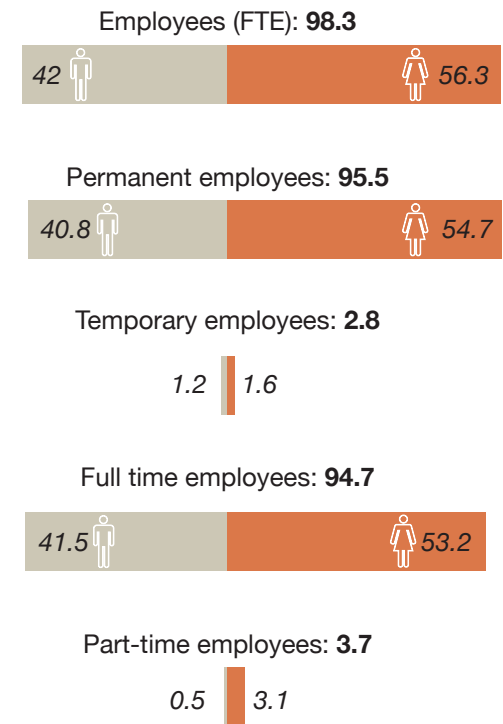


## Characteristics of GUBI's employees



Headcount is calculated as Full-Time equivalents at a given point in time. Full time employees counted as 1, employees on reduced hours counted as 0,75 and part-time employees such as student assistants as well as interns are counted as 0,5. Employees on garden leave or similar, who are not actively contributing to the company are excluded from the calculation, except for employees on parental leave.

FTE's are calculated as the average monthly headcount over the given period. Full time employees counted as 1, employees on reduced hours counted as 0,75 and part-time employees such as student assistants as well as interns are counted as 0,5. Employees on garden leave or similar, who are not actively contributing to the company are excluded from the calculation, except for employees on parental leave.





### *Characteristics of non-employee workers in the undertaking's own workforce*

GUBI has had 4,6 non-employee workers (FTE's) in own workforce during 2022. 2,3 out of 4,6 is considered to be a permanent non-employee worker. Rest has been temporary assistance due to vacant positions or additional workload.

*GUBI consider non-employee workers to be contractors hired by GUBI to perform work that would otherwise be carried out by a GUBI employee. Expert assistance for a well-defined task is not considered as non-employee worker (for example use of a consultant firm to calculate GUBI CO<sub>2</sub> emissions).*

### *Collective bargaining coverage and social dialogue*

GUBI employees are not covered by collective bargaining agreements.

### *Diversity indicators*

Currently, the Executive Management Board (of 2 members) as well as the Extended Management Team (of 6 members) have a 50/50 gender mix.

GUBI distribution of employees by age group is 15% under 30 years old, 74% between 30-50 years old and 11% over 50 years old.

### *Adequate wages*

All employees are paid an adequate wage in line with applicable benchmark (when available).

### *Social protection*

All employees are covered by social protection<sup>1</sup>, through public programs or through benefits offered by GUBI against loss of income due to any of the following major life events: sickness, unemployment starting from when the own worker is working for GUBI, employment injury and acquired disability, maternity leave and retirement. Except in USA, where not all employees are covered by social protection for maternity leave and retirement through public programs or benefits provided by GUBI due to varied regulation across member States.

### *Persons with disabilities*

GUBI (to the best of our knowledge) do not have any persons employed with disabilities.

### *Training and skills development indicators*

Majority of GUBI employees received annual performance review and career development discussions. GUBI currently does not track hours of training provided per employee.

### *Health and safety indicators*

GUBI has a health and safety management system in place which is overseen and monitored by GUBI Working Environment Group.

During 2022, GUBI has not had any fatalities as a result of work-related injuries and work-related ill health, nor has GUBI had any work-related accidents or days lost due to work related injuries and fatalities from work-related accidents.

<sup>1</sup> *Employment Injury - Search - GOV.UK* ([www.gov.uk](http://www.gov.uk))

*ILO | Social Protection Platform* ([social-protection.org](http://social-protection.org))

*How much Parental Leave Pay you can get - Parental Leave Pay - Services Australia*

*Sickness Allowance - Services Australia*

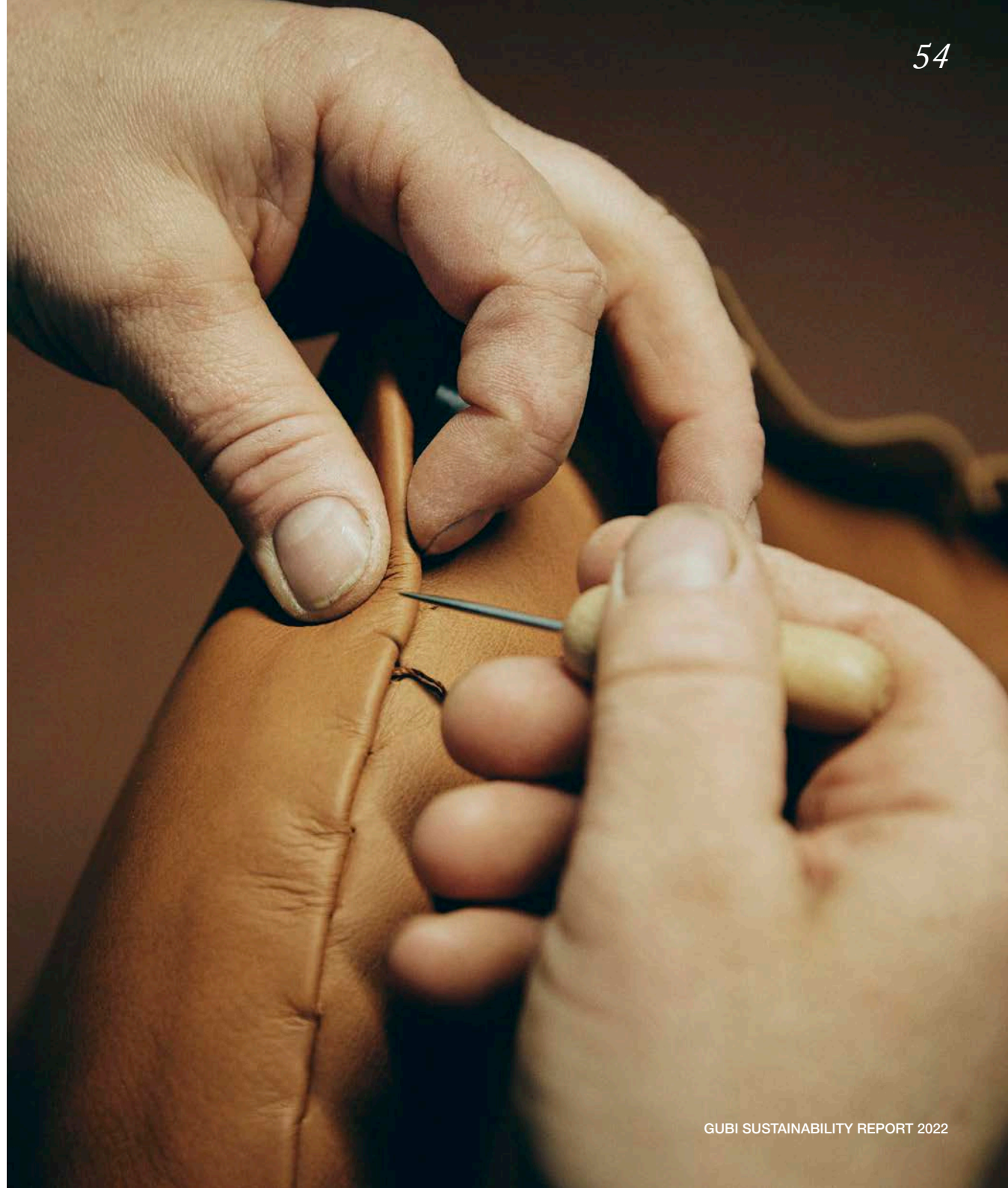
*HR Services in China | HROne*

*ILO | Social Protection Platform* ([social-protection.org](http://social-protection.org))

*China - Population and Family Planning Law of the People's Republic of China (Order of the President No.63)*. ([ilo.org](http://ilo.org))

*Paid Leave in Indonesia - Annual, Parental, Sick [2023 Guide]* ([nhglobalpartners.com](http://nhglobalpartners.com))

*Family and Medical Leave (FMLA) | U.S. Department of Labor* ([dol.gov](http://dol.gov))





### *Work-life balance indicators*

100% of GUBI employees are entitled to take parental leaves in a gender equitable manner due to local legislation<sup>1</sup> or policies. GUBI currently doesn't have sufficient information to disclose information on carer's leave nor is GUBI currently tracking the share of employees that took family related leave.

### *Compensation indicators (pay gap and total compensation)*

The overall male-female pay gap for GUBI is 27%. Within specific departments pay gap is considered to be 0%. GUBI is not disclosing ratio of the annual total compensation ratio of the highest paid individual to the median annual total compensation for all employees until mandatory by law.

### *Incidents, complaints and severe human rights impacts and incidents*

GUBI is not aware of any breach on work-related grievances, incidents and complains related to social and human rights matters in the Group during 2022 nor has GUBI received any whistle-blower reporting on same. GUBI has not received any fines, penalties or compensation for damages as a result of violations regarding social and human rights factors.

<sup>1</sup> References provided on page 54

## *Workers in the value chain*

Workers in the value chain have been identified as material through the materiality assessment described in section SBM-3. This first year, GUBI has decided only to report on limited information according to Draft ESRS 2 General disclosures appendix E.

### *Policies related to value chain workers*

As stated in GUBI's Code of Conduct, the Group supports and respects basic human rights for all and strives to uphold these essential rights in the ways that GUBI conducts business. Violations of human rights are unacceptable and will, under no circumstances, be tolerated. The use of child labour of any kind is strictly forbidden.

GUBI has a Supplier Code of Conduct which is made available for all suppliers and acknowledged by material product suppliers. Further, GUBI obtains ESG strategies from material product suppliers (2nd year in 2022) including important ESG achievements in 2022, Goals for 2023, Status on commitments and policies as well as any sustainability certificates in place. The ESG strategies also include information on employees (workers in the value chain). The suppliers are rated on ESG Maturity (assessment criteria have been defined), Emission size and Supplier influenceability (subjective assessment) as well as identified ESG risk (Environment, Social and/or Governance). GUBI's Supplier Code of Conduct also addresses the Group's zero tolerance for corruption in all its forms.

GUBI has an anti-bribery, anti-corruption and modern slavery compliance policy including GUBI's supply chain. A description of the policy can be found in section S1-1.

GUBI considers the Code of Conduct, Supplier Code of Conduct, Anti-bribery, anti-corruption and modern slavery compliance policy and other related policies to be aligned with international recognized standards relevant to value chain workers. GUBI has no knowledge of potential violations reported in upstream and downstream value chain in relation to UN Global Compact principles etc. that involve value chain workers. Nor has GUBI received any reporting related to severe human rights issues and incidents connected to GUBI's upstream and downstream value chain.







## *Affected communities*

Affected communities have not been identified as material through the materiality assessment described in section SBM-3 and are therefore only required to disclose limited information according to Draft ESRS 2 General disclosures appendix E.

### *Policies related to affected communities*

GUBI is committed to the Ten Principles of the UNGC for responsible business conduct within the areas of human rights, labour, environment, and anti-corruption. GUBI has general processes and mechanisms in place like GUBI's speak up culture and Whistleblower scheme. It does not, however, have dedicated processes and mechanisms to monitor and engage with potentially affected communities and indigenous peoples. This is due to the size of GUBI and the nature of its business whereby through the materiality assessment GUBI has concluded that its risk of adversely impacting communities and indigenous peoples is low. GUBI considers its Code of Conduct and related policies to be aligned with internationally recognized standards. GUBI has no knowledge of potential violations in its upstream and downstream value chain in relation to UN Global Compact principles. Nor has GUBI received any reporting related to human rights issues and incidents connected to affected communities.

## *Consumers and end-users*

Consumers and end-users have been identified as material through the materiality assessment described in section SBM-3. This first year, GUBI has decided only to report on limited information according to Draft ESRS 2 General disclosures appendix E.

### *Policies related to consumers and end-users*

GUBI is committed to the Ten Principles of the UNGC for responsible business conduct within the areas of human rights, labour, environment, and anti-corruption. As stated in GUBI's Code of Conduct, the Group supports and respects basic human rights for all and strives to uphold these essential rights in the ways that GUBI conducts business. Violations of human rights (also for partners and end-consumers including engagement) are unacceptable and will, under no circumstances, be tolerated.

As stated below in section "Statutory report on data ethics policy", in 2022, the Board of Directors prepared and approved the Data Ethics Policy applicable for the Group.

GUBI considers its Code of Conduct and related policies to be aligned with internationally recognized standards. GUBI has no knowledge of actual adverse impacts on consumers and/or end-users.



# GOVERNANCE

## INFORMATION

G1



*Business conduct*



## *Business conduct*

*Business conduct has not been identified as material through the materiality assessment described in section SBM-3 above and are therefore only required to disclose limited information according to ESRS 2 General disclosures appendix E. However, GUBI has decided to extend reporting beyond mandatory requirements.*

### *Corporate culture and business conduct policies*

As mentioned above, GUBI joined the UN Global Compact (“UNGC”) in 2019 and has since then been committed to the Ten Principles of the UNGC for responsible business conduct within the areas of human rights, labour, environment, and anti-corruption. GUBI has an Anti-Bribery, Anti-Corruption and Modern Slavery Compliance Policy which is consistent with the United Nations Convention against Corruption.

GUBI also has a policy on Whistle-blowers as well as having established a Whistle-blower scheme.

GUBI has not been convicted or received any fines for violation of anti-corruption and anti-bribery laws. Further, GUBI has not identified any insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery.

### *Political influence and lobbying activities*

GUBI does not have any engagement or involvement related to political influence and/or lobbying activities.

### *Payment practice*

GUBI’s standard payment terms are payment after 30 days or running month plus 30 days after receipt of invoice. Average payment time is 3 days (calculated as average actual payment date less due date of invoice). The number of invoices that have been outstanding due to a dispute between GUBI and suppliers was below 1% in 2022.

## *Statutory report on the underrepresented gender*

In 2022, the Board of Directors prepared and approved the Diversity, Equality and Inclusion Policy (“DEI Policy”) applicable for the Group pursuant to which the Group is committed to various targets, i.a. building a culture of inclusion for all colleagues with a particular focus on the underrepresented gender.

It is the Group's goal to have both genders represented at management level and in the Board of Directors. Targets have been set that the gender mix at management level should be equal and that the underrepresented gender is to represent at least 40% of the Board of Directors by 2024.

Currently, the Executive Management Board (of 2 members) as well as the extended management team (of 6 members) have a 50/50 gender mix. The Board of Directors consist of 7 male and 0 female members. Long term target are not met in current year as there have been no changes to the Board of Directors.

The DEI Policy is available on the GUBI website, <https://gubi.com/en/dk/company/company-information>.

*In relation to underrepresented gender (ÅRL 99b) for AX V GUBI Holding III ApS, please see the Annual Report.*





## *Statutory report on data ethics policy*

In 2022, the Board of Directors prepared and approved the Data Ethics Policy applicable for the Group.

As stated in GUBI's Code of Conduct, GUBI will actively work to ensure that all information is handled responsibly and accordance with all applicable standards, policies, and laws. This of course also implies that the Group strives to conduct its business in an ethical manner, acknowledging the increased use and processing of data as an integral part of the Group's business.

Data ethics goes beyond compliance with data privacy laws, however, and the Group strives for high data ethics standards for the use and administration of both personal and non-personal data. Further, the Group has taken measures ensuring that data is securely stored and avoids impermissible use (via internal guidelines directed towards the employees and specific guidelines directed towards the IT administration).

The Group's ambition for 2023 is to ensure continued awareness of the Policy through communication and training (eg. on Town Hall meetings).

The Data Ethics Policy is available on the GUBI website, <https://gubi.com/en/dk/company/company-information>.

## *Statutory report on corporate governance*

GUBI is subject to and complies with the “Guidelines for responsible Ownership and Corporate Governance” of the trade association Active Owners Denmark (Aktive Ejere, [www.aktiveejere.dk](http://www.aktiveejere.dk)) as a consequence of being ultimately owned by a member thereto; the private equity fund, Axcel (Fund V).

GUBI’s corporate governance model is described in section GOV-1.

The Parent’s management is on an ongoing basis monitoring the financial development as well as developments in the field of corporate governance to ensure that the Group – internally as well as externally – is managed in a manner that is in accordance with applicable laws, in order to protect the interests of all stakeholders.

Risk management is considered an essential and natural part of the realization of the Parent’s objectives and strategy. The daily activities, the implementation of the established strategy and the continuous use of business opportunities involve inherent risks, and the Parent’s handling of these risks is therefore seen as a natural and integrated part of the daily work and a way to ensure stable and reliable growth, reliability of financial reporting, and compliance with applicable laws and regulations. At least once a year, the Board of Directors receives a report on the development in the overall risk exposure, the assessment of key risks and the mitigating measures implemented. The Parent’s risk management process consists of 5 steps; Identify, Analyze, Treat, Monitor and Report.

The Parent’s activities expose the Group to a variety of risks, which are grouped in 8 risk categories: Brand, Market, Sourcing, Financial, IT, People, Sustainability and Compliance. A description of the individual risk(s) within a category has been made and the corresponding mitigating factors identified thus resulting in a net risk assessment. Each risk category is mapped based on probability and impact at a short-term view (12 months) and a long-term view (3-5 years), respectively.

In 2022, a whistle-blower scheme was implemented for the Group to promote a commitment to ethical behavior and encourage a culture within the Group where wrongdoing is safely reported.

Composition of the Board of Directors is described in section GOV-1. In August 2021, the board appointed a Design Board (committee) consisting of Jacob G. Olsen as chairman, the CEO as well as certain management team members and key design employee(s). The purpose of the Design Board is to ensure an evolutionary development of GUBI and its brand based on GUBI’s values; curiosity, courage and creativity.

In 2021, a total of 7 board meetings have been held of which 6 have been ordinary and one (1) has been extraordinary. All members of the Board of Directors have been present at all meetings, except for one (1) meeting where Tue Mantoni was absent.



*The members of the Board of Directors possess the following other management positions:*

<i>Name (position)</i>	<i>Chairman of the board</i>	<i>Deputy chairman of the board</i>	<i>Ordinary board member</i>	<i>Executive officer</i>
<b>Lars Henrik Munch (Prof. board member)</b>	<ul style="list-style-type: none"> <li>Politiken-Fonden (1) (*)</li> <li>Museumsfonden af 7-december 1966</li> <li>Louisaiana – Fonden</li> <li>Louisiana Museum of Modern Art</li> <li>BRFfonden (2)</li> <li>AX V GUBI Holding II ApS (3) (GUBI)</li> <li>Fonden for Håndværkskollegier</li> <li>SOS Children's Villages Denmark (Den selvejende institution SOS Brebyerne, Danmark)</li> <li>Master of Management Development, CBS (Advisory Board)</li> </ul>	<ul style="list-style-type: none"> <li>Advisory board to Axcelfuture</li> </ul>	<ul style="list-style-type: none"> <li>Novo Nordisk Fonden</li> <li>Utzon Center A/S</li> <li>Kunsten Museum of Modern Art, Aalborg – selvejende institution</li> <li>European Press Prize (Foundation)</li> <li>World Association of News Publishers (Paris) (honorary board member)</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>Member of the International Senate of SOS Children's Villages</li> </ul>	-
<b>Asbjørn Mosgaard Hyldgaard (partner in Axcel)</b>	<ul style="list-style-type: none"> <li>AX VI INV2 Holding III AB (2) (Voff)</li> </ul>	<ul style="list-style-type: none"> <li>AX V GUBI Holding II ApS (3) (GUBI)</li> </ul>	<ul style="list-style-type: none"> <li>AX V Nissens III ApS (Nissens)</li> <li>AX VI VET Holding III ApS (3) (VetGruppen)</li> <li>AX VI INV1 HOLDing AB (3) (Currentum)</li> <li>AX V INV3 Holding III AB (4) (Oral Care)</li> <li>AX V GUBI Holding III ApS (GUBI)</li> </ul>	<ul style="list-style-type: none"> <li>MNGT4 AH ApS</li> </ul>
<b>Lars Cordt (partner in Axcel)</b>	<ul style="list-style-type: none"> <li>AX V Nissens III ApS (Nissens)</li> <li>AX V GUBI Holding III ApS (GUBI)</li> <li>AX VI INV5 Holding III ApS (2) (DANX)</li> <li>AX VI INV8 Holding III A/S (3) (NTI)</li> </ul>	<ul style="list-style-type: none"> <li>AX V Nissens II ApS (3) (Nissens)</li> <li>AX VI INV5 Holding ApS (4) (DANX)</li> </ul>	<ul style="list-style-type: none"> <li>Mountain Top Holding III ApS (3) (Mountain Top)</li> <li>AX V Phase One Holding III ApS (5) (Phase One)</li> <li>AX V GUBI Holding II ApS (3) (GUBI)</li> <li>Axcel Management Holding ApS</li> </ul>	<ul style="list-style-type: none"> <li>MNGT3 LC ApS</li> </ul>
<b>Jacob Lahn Sloth (industrial advisor)</b>	-	-	<ul style="list-style-type: none"> <li>Dinesen Floors A/S</li> <li>AX V GUBI Holding II ApS (3) (GUBI)</li> </ul>	-

(\*) numbers shown in brackets define the number of subsidiaries where the same managerial position applies.



*The members of the Board of Directors possess the following other management positions:*

<i>Name (position)</i>	<i>Chairman of the board</i>	<i>Deputy chairman of the board</i>	<i>Ordinary board member</i>	<i>Executive officer</i>
<b>Tue Mantoni (prof. board member)</b>	<ul style="list-style-type: none"> <li>· Stine GOYA A/S</li> <li>· Lakrids JB Holding ApS (2) (Lakrids by Bülow)</li> <li>· SAGA DK</li> </ul>	<ul style="list-style-type: none"> <li>· Joe &amp; the Juice Holding A/S (2) (Joe &amp; the Juice)</li> <li>· Soundboks ApS</li> </ul>	<ul style="list-style-type: none"> <li>· AX V GUBI Holding II ApS (3) (GUBI)</li> </ul>	<ul style="list-style-type: none"> <li>· Chamonix Invest ApS</li> <li>· LiveBest ApS</li> </ul>
<b>Jacob Gudmund Olsen (industrial advisor)</b>	-	-	<ul style="list-style-type: none"> <li>· AX V GUBI Holding II ApS (3) (GUBI)</li> </ul>	<ul style="list-style-type: none"> <li>· Designsselskabet af 25.2.76 ApS</li> <li>· JGO Family Holding ApS</li> <li>· JGO Holding af 30/6 1999 Aps</li> <li>· JAMI Capital ApS</li> <li>· Padel Finance ApS</li> </ul>
<b>Hans Christian Galst (attorney-at-law)</b>	<ul style="list-style-type: none"> <li>· Galst Advokataktieselskab</li> <li>· Christoffersen og Knudsen A/S</li> <li>· Printzlau Privathospital A/S</li> <li>· Aaens Privathospital ApS</li> <li>· Nortec-Cannon A/S</li> </ul>	-	<ul style="list-style-type: none"> <li>· AX V GUBI Holding II ApS (3) (GUBI)</li> <li>· Den Kongelige Livgardes Musikkorps' Koncertfond</li> <li>· Ragnvald &amp; Ida Blix' Fond</li> <li>· CF Glad og Hustrus Mindelegat</li> </ul>	<ul style="list-style-type: none"> <li>· Legalst Holding</li> <li>· Advokatanpartsselskab</li> <li>· I/S Chalet de la Marine</li> </ul> <p>Other</p> <ul style="list-style-type: none"> <li>· Hans Christian Galst og Christian Steiwer Hein I/S</li> </ul>

(\*) numbers shown in brackets define the number of subsidiaries where the same managerial position applies.

