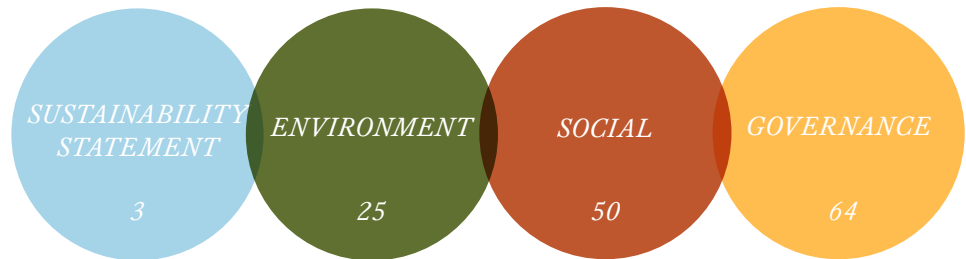


GUBI

SUSTAINABILITY REPORT 2023



CONTENTS



Sustainability statement

Basis for preparation (BP)
Governance (GOV)
Strategy (SBM)
Impact, risk and opportunity management (IRO)

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 has been updated with input from Biodiversity study** – GUBI has identified 18 relevant topics of which the most material are: climate mitigation, circular economy, substance of concern, pollution and biodiversity.

Environment



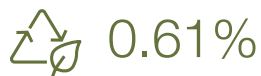
1 **GUBI 2023 CO₂ footprint** – 14,444 tCO₂e emission in 2023 (26,032 tCO₂e emission in 2022)



2 **GUBI 2023 biodiversity pressure impact (endpoint)**
11,718 endpoint pressure in 2023
27.698 endpoint pressure in 2022



3 **FSC® Certified** – 15% of products sold in 2023 were FSC®-certified (10% 2022).



4 **Recycled plastic** – 0.61% of sold chairs in 2023 contained recycled plastic (0.75% in 2022).



5 **Commitment to reduce CO₂e emission with 30% by 2030**

Social



1 **GUBI Employee Engagement surveys 2023** – average score of 20 eNPS with a target of 40 eNPS.



2 **GUBI fosters diversity, equality and inclusion** – engagement survey result at 21 eNPS, in the middle range of the industry.



3 **Health and well-being at GUBI** – an overall score of 24 eNPS, in the middle range for the industry

Governance



1 **3rd year of monitoring suppliers' ESG strategy** – increased awareness of ESG importance and closer engagement with suppliers towards climate change mitigation.



2 **Sustainability policy** – GUBI Sustainability policy has been developed and approved by Board of Directors.



3 **Bio Diversity Impact Assessment tool** – Developed a Bio Diversity Impact Assessment tool to be included in assessment of business cases for new products

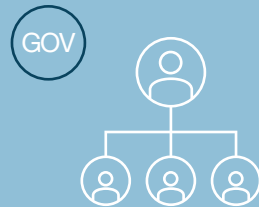


4 **GUBI Responsible Score Card** – Developed a GUBI Responsible Upholstery Score Card to classify GUBI’s upholstery.

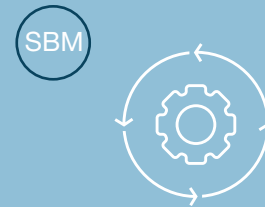
GENERAL INFORMATION



*Basis for
preparation*



*Sustainability governance
and organisation*



*Strategy and
business model*



*Impact, risk and
opportunity management*



The Sustainability Report provides detailed information on sustainability and our business behaviours. The Sustainability Report serves as a supplementary document to the UN Global Compact Communication on Progress, which will be submitted later in 2024 using the new CoP digital platform and as such is our disclosure in accordance with section 99(a), 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 approved 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 step in preparing for full compliance. The statement is therefore not fully compliant with the CSRD.

Basis for preparation

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 and forms part of the management commentary in the Financial Statement.

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

GHG emissions

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 CO₂e emissions toward total CO₂e emissions. The share of activity-based data for 2023 is 92.7% (93.9% for 2022). The majority of GUBI's CO₂e emissions come from purchased products (80% of total CO₂e emissions). The calculations are based on specific CO₂e emission calculations for 108 products (66 products in 2022) which have

been assigned to 23 products (11 in 2022) with similar attributes. The percentage of total purchased products is 38% (40% in 2022), meaning that 62% has been extrapolated from the average CO₂e emissions for 38% (40% in 2022). The percentage of total products sold is 55% (49% in 2022), meaning 45% has been extrapolated from average CO₂e emissions for 55% (51% in 2022).

GUBI has used a software tool called MÅLBAR to calculate emission per products. Målbar CO₂e emission calculator uses Product Environmental Footprint (PEF) methodology to estimate the CO₂e 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 CO₂e 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.

Biodiversity impact

GUBI's estimation of biodiversity impact is intended to quantify the impact from GUBI's value chain on nature and biodiversity through a life-cycle assessment (LCIA). The tool has been screened against the EU Commission's framework for Organizational Environmental Footprint (OEF) but not be made to comply with the OEF guidelines. The LCIA method applied is ReCiPe 2016 v.1.1 Hierarchist perspective. The database used for the biodiversity tool is Ecoinvent 3.9.1. and LCIA is only calculated based on already existing unit processes found in Ecoinvent 3.9.1. The software used to extract all the relevant Ecoinvent processes is SimaPro. The understanding of biodiversity is based on frameworks laid out by The Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services (IPBES), Science Based Targets for Nature and Taskforce on Nature-related Financial Disclosure (TNFD) operationalized in 12 pressure categories. The ReCiPe 2016 endpoint categories 'Damage to ecosystems' and 'Damage to resource availability' were applied to reflect the pressure categories in the calculation of biodiversity impact. The endpoint category 'Damage to human health' has not been applied as the focus is biodiversity and nature.

A list of unique materials and processes used in GUBI's products has been extracted based on GUBI's LCA's performed by Målbar. These unique materials and processes have been linked to the most relevant and best fitting processes in Ecoinvent 3.9.1.

For the biodiversity assessment, GUBI has focused on conducting life cycle assessments (LCAs) for materials used in products with a cut-off at the production stage, meaning that certain steps of the material's life cycle and of the products' value chain have been excluded from the evaluation. The omissions encompass the transportation to manufacturing sites, the process of turning materials into finished products, transportation to warehouses and the customers, the use phase and end-of-life treatment of our products. At GUBI, we are continuously working to improve our biodiversity impact assessment and acknowledge that future assessments may benefit from an expanded scope to encompass these stages, providing a more comprehensive understanding of the overall biodiversity impact associated with our products.



Governance¹

Role of the administrative, management and supervisory bodies

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 8 non-executive members (87.5%/12.5% male/female) and the composition has changed in 2023 adding one (1) new female member. All members are appointed by Axcel except for Jacob G. Olsen and Hans Christian Galst who was appointed by Jacob G. Olsen. Board meetings are held on a regular basis and minimum 6 times per year. Furthermore, the Chairman Committee meets with the Executive Management on an ongoing basis. The percentage of independent board members is 40%. There are no employee representatives on the Board of Directors



**ASBJØRN
HYLDGAARD**
Axcel



**LARS
CORDT**
Axcel



**HANS CHRISTIAN
GALST**
Invested



**JACOB
GUBI**
Invested



**LARS
MUNCH**
Independent



**JACOB
SLOTH**
Independent



**TUE
MANTONI**
Independent



**HELENE
ABEL HANSEN**
Independent

¹ In this section, any reference to the Management, Board of Directors and the Executive Management is a reference to the management, board of directors and the executive management of the GUBI Group.

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.

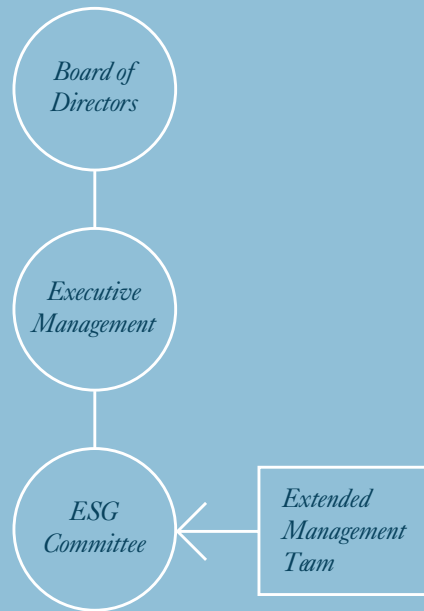
The ESG strategy and action plan are implemented by GUBI's ESG Committee. The ESG Committee meets monthly to discuss progress and prioritisation according to the approved ESG strategy as well as urgent topics. Yearly, the ESG Committee meets with the Extended Management Team both for information purposes 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 2023, the Board of Directors, Executive Management and the ESG Committee have addressed the following material topics:



Climate change mitigation



Substance of concern



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, sustainability policy)



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>Embedding due diligence in governance, strategy and business model</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>Engaging with affected stakeholders in all key steps of due diligence</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>Identifying and assessing impact</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>Taking actions to address those adverse impacts</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>Tracking the effectiveness of these efforts and communicating them</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>

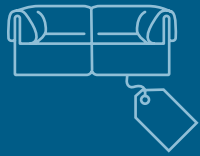
Risk management and internal controls over sustainability reporting

GUBI's sustainability reporting is based on a 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 data points. GUBI uses external assistance to calculate GHG emissions (CO₂e) and Biodiversity impact. 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 Axcel 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.



75 62

By the end of 2023, GUBI had 75 people employed, 71 of whom are on location in Denmark. The remaining employees are working in the USA, Australia, China, Italy, Korea, the UK and Sweden.

GUBI is part of the Wholesale and Retail sector and its total revenue amounted to DKK 389 million in 2023. 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 updated sustainability-related goals were approved by the Board of Directors in August 2023 as illustrated on the next page. Specific targets were developed in 2023 to support the overall strategy and updated for 2023.

Revenue 2023: DKK 389 million

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

GUBI ESG Strategy 2023 in short

Transparency: share knowledge, insights and facts with Partners, Customers and Stakeholders

GUBI Business model is based on long lasting designs, high quality, easy to disassemble and circularity



Environment

*Reduce our climate footprint
Targets/Commitments*

Targets/Commitments

- Reduce total GHG emissions with 30% by 2030*
- Responsible textiles
- Responsible packaging
- Use of materials eligible for recycling
- Production waste management
- FSC Certification 90% by 2026
- Re-cycle plastic 50% by 2025**
- GUBI Responsible bestsellers and launch of responsible new products



Social

Engaged employees

- Engagement score at 40/8
- Reduce employee turnover to 10%
- Foster diversity, equality and inclusion
- Improve indoor climate at HQ



Governance

Compliance and Integrity

- GUBI Responsible development guidelines
- GUBI Packaging guidelines converted to policy by 2025
- GUBI policies
- Increase # of products with certificate, labels and/or traceability
- Continue attention to certain international focus markets
- Monitor our supplier's ESG strategy and progress including scorecard
- Biodiversity impact and emission footprint included in business cases for new reports

Framework shaping our strategy:



*GUBI is committed to reduce scope 1 and 2 emission with 50% with 2022 as a baseline.

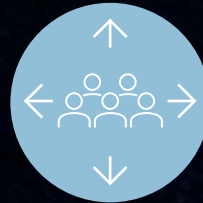
**Re-cycle plastic target is defined as all GUBI Dining Chair Shells and Legs in plastic will consist of recycled material in at least 50% by 2025

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 replacing materials in our products with lower GHG emission and biodiversity impact like more responsible textiles and packaging, increase use of FSC® certification and using recycled plastic, as well as developing more responsible bestsellers and launch of responsible new products.

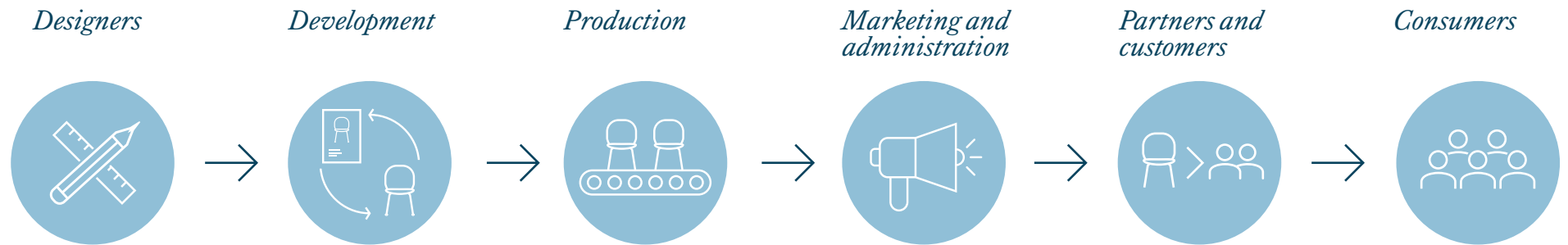
The identified main challenges are fulfilling our GHG emission target (30% by 2030) targets based on available technology, responsible production and sustainable materials, as well as maturity of suppliers and sub-suppliers, thereby securing an increase in the use of responsible materials as well as developing more responsibly produced bestsellers and launch of new more responsible products.

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



We have engaged with almost 50 different designers and architects to produce, sell and market the iconic designs.

Together with designers and owners of the designs we transform the designs into iconic products.

We have outsourced production to suppliers located in the Baltic countries, Italy, China and Indonesia.

We acquire approx. 120,000 products per year.

Transportation from suppliers to central warehouses or directly to customers is outsourced to freight forwarders.

We brand and market our products.

We have a showroom located in Nordhavn in Denmark where our products are presented.

The majority of the administration is located in Nordhavn, Denmark. We have local sales organisations in the USA, Sweden, the UK and China and a design office located in Italy.

We sell our products in many countries with a focus on the USA, the Nordics, the UK, France, Germany and Asia. We mainly sell to wholesale and contract partners.

Transportation from central warehouses (located in Denmark, the USA, China to partners/customers is managed by freight forwarders.

It is important to GUBI that our products are iconic designs that are durable (high quality) and easy to disassemble (whenever applicable).



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>
Existing investors	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.
Lenders	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.
Partners (customers)	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.
End-consumers	Consumer studies. Engagement through social media.	Understand consumer preferences within ESG topics.
Employees	Regular engagement with employees including bi-yearly engagement surveys.	Understand and monitor important ESG topics from an employee perspective.
Authorities etc.	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.
Suppliers	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.
Sustainability organisations	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.
Nature (Silent stakeholder)	None.	Reduce our environmental footprint with an initial focus on climate change and deforestation.
Insurance undertakers	Very limited engagement.	We expect insurance undertakers will start to define sustainability targets towards GUBI on medium term.
Potential new investors	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.

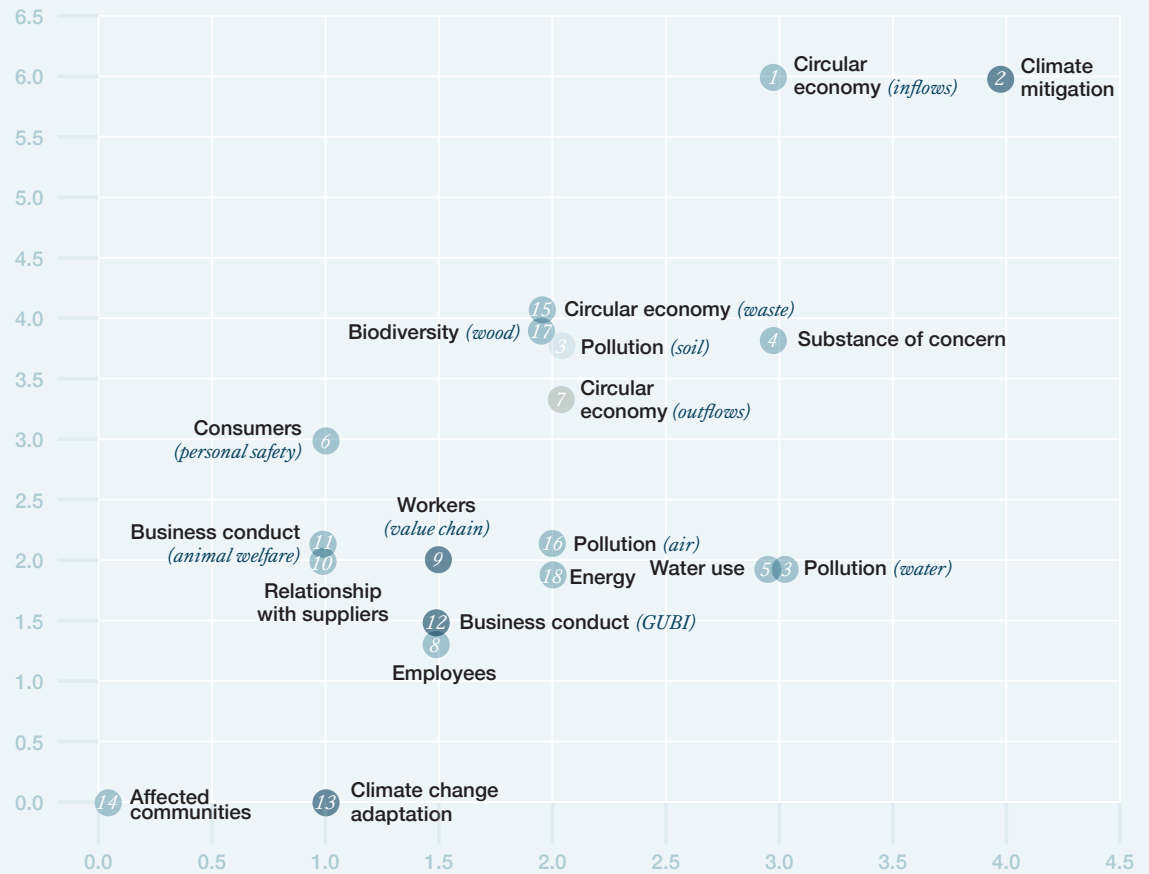
Material impacts, risks and opportunities and their interaction with the strategy and business model

During 1st half-year of 2023 GUBI conducted a biodiversity assessment which has resulted in an update of the double materiality assessment for GUBI. The most important themes are 1) Circular economy inflow 2) Climate mitigation 3) Biodiversity (wood) 4) Circular economy (waste) 5) Pollution (soil) and 6) substance of concern.

A double materiality assessment means that GUBI has explored the environmental and social impact, the related financial importance for GUBI and the importance of GUBI's stakeholders (scores are low, medium and high) of the topics listed in CSR.D.

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 supplies 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.

Consumers (personal safety)

6

End-consumers can be exposed to off-gassing of VOC. Further, GUBI is sourcing products which shall fulfil different countries legislation due to labelling but also materials and chemical including in the product. The time horizon is expected to be short-term, medium and long-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.

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 19. 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 double materiality assessment that considered its impacts, risks and opportunities related to the topics, sub-topics and sub-sub-topics in the 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. Further, the double materiality assessment has during 2023 been updated with subsequently insights during 2023 mainly from GUBI's biodiversity assessment and more insights for selected topics.





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.

During 2023 the double materiality assessment to identify and assess material impacts, risks and opportunities have been updated with insights from mainly GUBI's biodiversity assessment but also more information on specific topics.

GUBI has embedded findings of material impacts and risks into the overall risk management processes as described on page 68.

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 CO₂e calculations

Biodiversity tool for a life-cycle impact assessment (LCIA)

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

Internal stakeholders

GUBI Board

GUBI CFO and Executive Management

GUBI Sustainability Committee including material LCA experts

External stakeholders

Customer and consumer studies

Supplier ESG strategies (shared with GUBI)

Investor dialogue (Axcel)

Expert input (consultants, advisors)



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 E1-5	33	ESRS E4-2	43	ESRS S1 – 8	57	ESRS S3-3	-
ESRS 2 BP-2	5	ESRS E1-6	34	ESRS E4-3	44	ESRS S1 – 9	57	ESRS S3-4	-
ESRS 2 GOV-1	7	ESRS E1-7	36	ESRS E4-4	44	ESRS S1 – 10	57	ESRS S3-5	-
ESRS 2 GOV-2	8	ESRS E1-8	36	ESRS E4-5	44	ESRS S1 – 11	58	ESRS2 – SBM-2 -S4	17
ESRS 2 GOV-3	9	ESRS E1-9	36	ESRS E4-6	46	ESRS S1 – 12	58	ESRS2 – SBM-3 -S4	19
ESRS 2 GOV-4	10	ESRS 2 IRO 1 – E2	38	ESRS 2 IRO 1 – E5	48	ESRS S1 – 13	58	ESRS S4-1	62
ESRS 2 GOV-5	11	ESRS E2-1	38	ESRS E5-1	49	ESRS S1 – 14	58	ESRS S4-2	#
ESRS 2 SBM-1	12	ESRS E2-2	38	ESRS E5-2	49	ESRS S1 – 15	59	ESRS S4-3	#
ESRS 2 SBM-2	17	ESRS E2-3	38	ESRS E5-3	49	ESRS S1 – 16	59	ESRS S4-4	#
ESRS 2 SBM-3	19	ESRS E2-4	#	ESRS E5-4	#	ESRS S1 – 17	59	ESRS S4-5	63
ESRS 2 IRO-1	22	ESRS E2-5	39	ESRS E5-5	#	ESRS2 – SBM-2 -S2	17	ESRS 2 GOV 1 – G1	7,68
ESRS 2 IRO-2	25	ESRS E2-6	39	ESRS E5-6	49	ESRS2 – SBM-3 -S2	19	ESRS 2 IRO 1 – G1	22
ESRS 2 MDR-D	30,43,52	ESRS E3- IRO 1 E3	40	ESRS2 – SMB-2 – S1	17	ESRS S2-1	60	ESRS G1-1	65
ESRS 2 DC-A MDR-A	13,31	ESRS E3-1	40	ESRS2 – SMB-3 – S1	19	ESRS S2-2	-	ESRS G1-2	60
ESRS 2 GOV3 – E1	9	ESRS E3-2	#	ESRS S1 – 1	51	ESRS S2-3	-	ESRS G1-3	52
ESRS 2 E1-1	26	ESRS E3-3	#	ESRS S1 – 2	53	ESRS S2-4	-	ESRS G1-4	65
ESRS 2 SBM 3 – E1	37	ESRS E3-4	41	ESRS S1 – 3	53	ESRS S2-5	60	ESRS G1-5	65
ESRS 2 IRO 1 – E1	29	ESRS E3-5	41	ESRS S1 – 4	54	ESRS2 – SBM-2 -S3	-	ESRS G1-6	65
ESRS E1-2	30	ESRS E4-1	42	ESRS S1 – 5	55	ESRS2 – SBM-3 -S3	-		
ESRS E1-3	31	ESRS 2 SBM 3 – E4	42	ESRS S1 – 6	56	ESRS S3-1	61		
ESRS E1-4	32	ESRS 2 IRO 1 – E4	42	ESRS S1 – 7	57	ESRS S3-2	-		

(✓) *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.*

ENVIRONMENTAL INFORMATION

E1



*Climate
change*

E2



Pollution

E3



*Water and
marine resource*

E4



*Biodiversity
and ecosystems*

E5



*Resource use and
circular economy*

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.

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:

- *Include and use more responsible textiles*
- *More responsible packaging*
- *Use of materials eligible for recycling*
- *Product waste management*
- *More use of re-cycle plastic*
- *Develop more responsible bestsellers*
- *Launch of new responsible products*
- *Convert company cars from diesel/petrol to electric, or hybrid if not possible.*

During 2023 GUBI has set reduction target for scope 3 GHG emission to 30%. GUBI has set approved science-based targets covering its scope 1 and scope 2 CO₂e emissions (in line with the Paris Agreement). The current transition plan has been approved by Executive management and the Board of Directors. By end 2023, 43% of company cars (2022 5%) were electric and 43% hybrid (2022 18%).

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 1,309 t.CO₂e until 2023 and 2050 (2022: 2,067 t. CO₂e)

The cumulative locked-in GHG emissions for products have been calculated as sales volume of products for 2023 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 double 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 CO₂e 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's climate footprint:

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

GUBI is committed to reduce our CO₂ emissions in order to reduce our negative environmental footprint.

Energy efficiency and deployment of renewal energy are not mentioned specifically in GUBI's 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.

GUBI has developed a Sustainability Policy which has been approved by Board of Director in December 2023. The policy applies to all employees in GUBI including subsidiaries. Further, the policy

covers GUBI's upstream and downstream value chain. The Executive Management Team is responsible for the implementation of the policy. The general objective of the policy is to outline the sustainability commitments and approach to conduct GUBI's business in a sustainable manner in relation to all stakeholders, which involves but limited to human rights, labour rights, diverse workforce, rejecting bribery and corruption, following the law and competing fairly, safeguarding information and taking a responsible approach towards environmental and climate impacts. Organisation and monitoring of GUBI's work with Environmental, Social and Governance is address as well as approach for implementation, commitment to most material targets and commitment to reporting.

GUBI's sustainability policy includes the follow targets related to climate change mitigation

- Reduce GHG emission by 30% by 2030 compared to 2020 baseline.

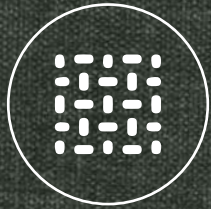
Further, GUBI sustainability policy includes commitments to several other topics like use of responsible textiles, responsible packaging etc. See section SBM-1 for overview of all targets and commitments.

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



Actions and resources in relation to climate change policies

GUBI is committed to reduce CO₂e emissions with 30% by 2030 with 2022 as the baseline. GUBI has initiated the following actions to reduce emissions:



9% reduction from Responsible Textiles

Major initiatives for more responsible textiles would be: Collaboration with transparent and responsible suppliers, traceability of origin of yarn, use of recycled yarn, innovative production of yarn, use of non-chrome tanned leather, traceability and animal welfare of hides, sourcing of responsible renewable fibres.



3% reduction Responsible Packaging

Major initiatives are: Limit use of non-recycled plastic and certain types of plastic, increase use of recycled materials, takeback system for pallets, investment in light weight pallets, guidelines how to dispose with material transparency.



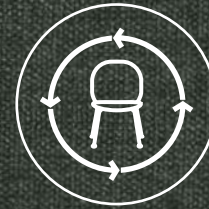
8% reduction from Production waste Management

Cooperation with suppliers to reduce both production waste and waste from materials used.



0.8% reduction from Recycled plastic

Continue transformation of recycled plastic to more GUBI products. Target for 2024 is to change virgin plastic in two of our existing chair collections to recycled plastic.



Responsible bestsellers

Launch of more responsible products for both GUBI bestsellers and new products. GUBI is aiming to launch a more responsible bestseller in 2024.



Transparency

Business case for new products includes an estimate of GHG emission

Broaden portfolio of CO₂ screened products.

Public existing GHG emission calculations per product at GUBI website



Responsible Development guideline

During 2024, GUBI is aiming to develop:

- Responsible development guidelines for products and circularity.

Currently, GUBI is not able to estimate historical achievements 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 defined reduction target for Scope 3 emission to 30%. The target has been approved by GUBI Board of Director and is a part of GUBI Sustainability Policy. The majority of the reduction of emissions are expected to come from:

- ♦ *Use of textiles with lower emissions, corporation with GUBI suppliers to reduce waste from production and use of more responsible packaging materials.*

GUBI also expects that a greener grid and more responsible transportation going forward will contribute to the reduction. GUBI expects emission has been reduced by 23% at the end of 2026.

GUBI became SBTi signatory in 2022. GUBI commits to reduce scope 1 and 2 GHG emissions by 42% by 2030 from a 2020 base year and to measure and reduce its scope 3 emissions. GUBI's baseline for scope 1 and scope 2 is 114 tonnes of CO₂e which equals a reduction target of 45.6 tonnes of CO₂e.

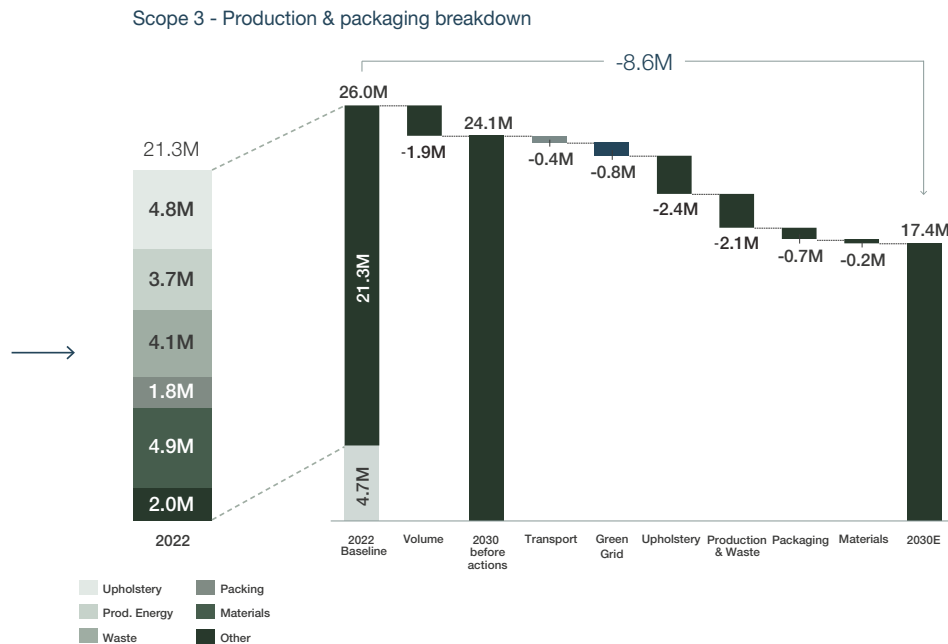
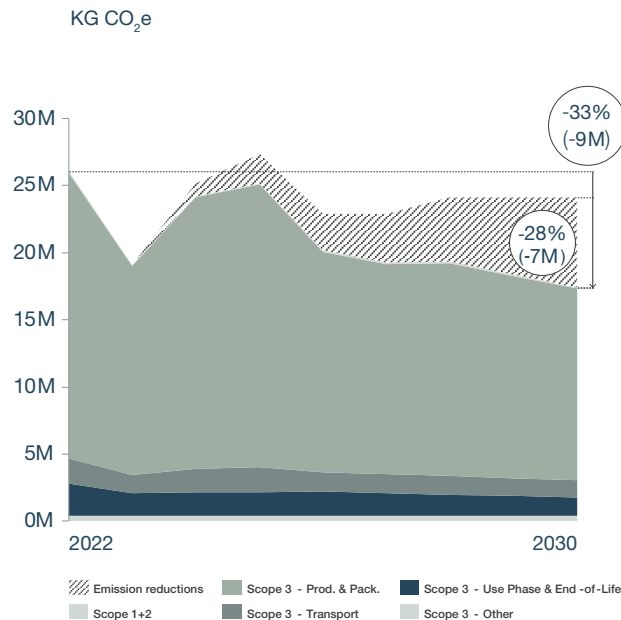
In addition, GUBI has entered into a sustainability agreement with our banks to decrease scope 1 and 2 emissions by 40% in 2022, increasing the goal to 50% in 2025 with 2020 as a baseline. The reduction target for 2020 is 45.6 tonnes of CO₂e, increasing to 57 tonnes of CO₂e in 2025.

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:

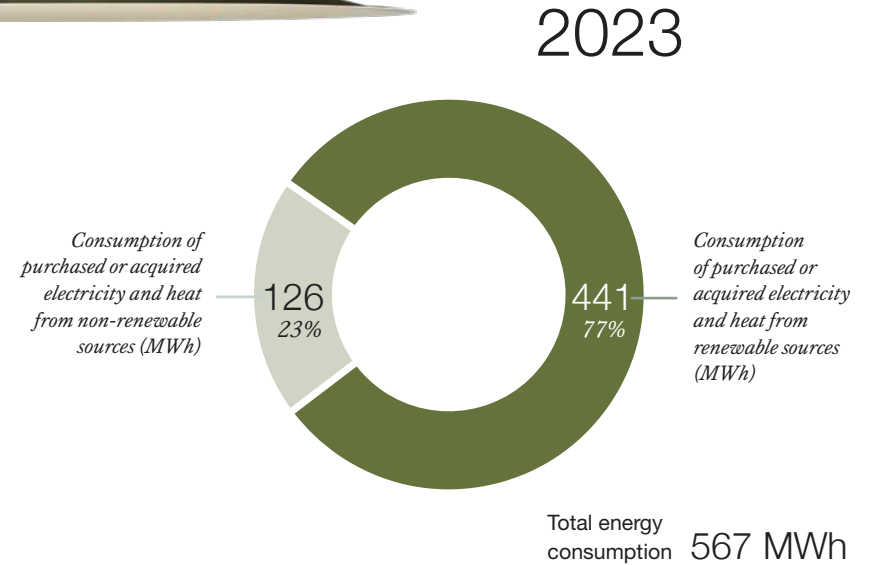
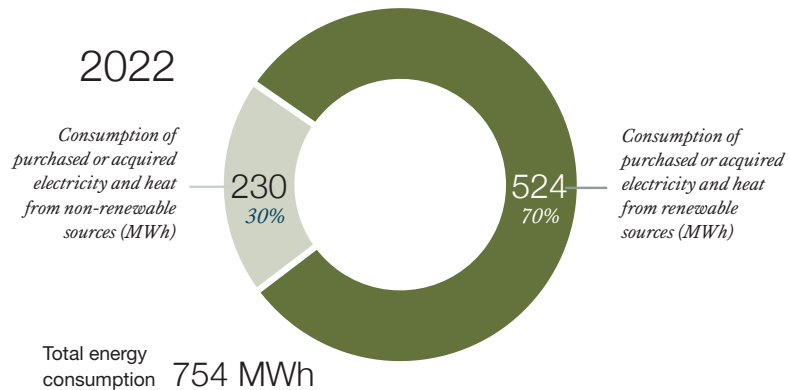
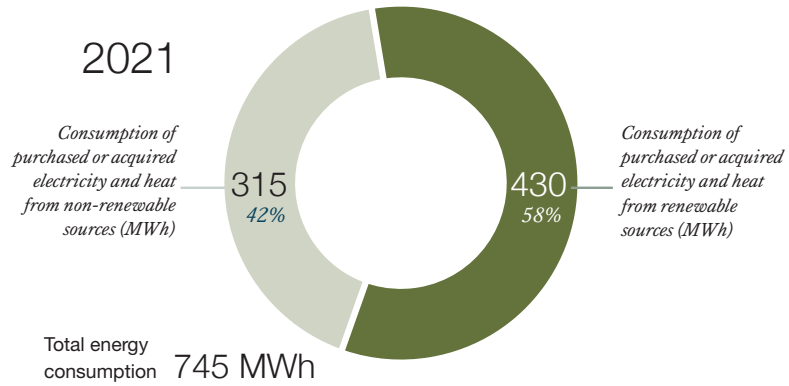
- ♦ *Reduction of heating consumption at GUBI offices/contract homes in close dialog with GUBI landlords*
- ♦ *Convert company cars from diesel/petrol to preferably electric or if not possible hybrid.*
- ♦ *Acquired guarantees of origin from a new and non-state subsidized solar park to ensure GUBI sources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

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

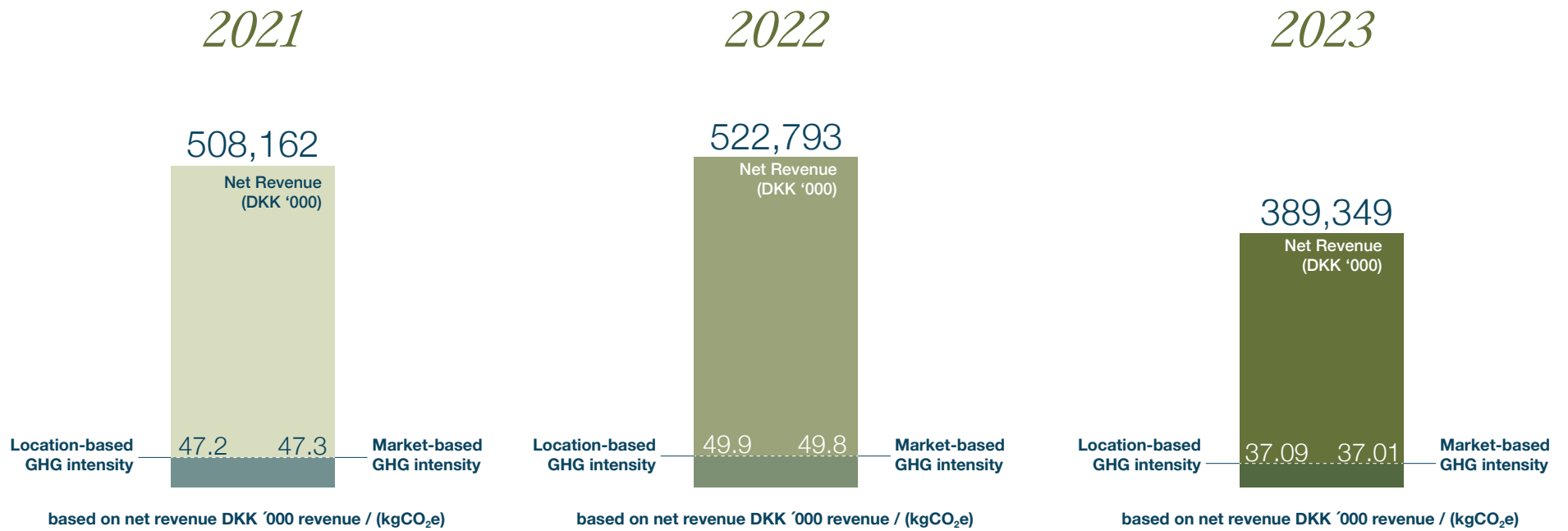
Please see section above (BP) for practice applied to calculate GHG emissions for scope 1, 2 and 3.

Retrospective

Milestones and target years

	Base year	2021	2022	2023	2025	Annual % target /Base year
<i>Scope 1 GHG emissions</i>						
Gross Scope 1 GHG emissions (tCO ₂ e)	59	34	38	15	30	10%
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	0	0	0	0	0	N/A
<i>Scope 2 GHG emissions</i>						
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	55	58	57	0	54	54
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	55	76	24	18	28	10%
<i>Significant Scope 3 GHG emissions</i>						
	Base year	2021	2022	2023	2025	2030
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ e)	25,983	23,901	25,983	14,369	25,069	17,308
Purchased goods and services	21,296	20,536	21,296	11,608	21,061	14,274
Upstream capital goods	61		61	48	61	61
Upstream fuel and energy related activities not included in scope 1-2	40	32	40	26	39	39
Upstream transportation and distribution	1,839	1,209	1,839	917	1,790	1,244
Upstream waste generated in operations	13	6	13	6	13	13
Upstream business travel	243	178	243	328	243	243
Upstream employee commuting	32	21	32	27	32	32
Downstream transportation and distribution	56	46	56	50	44	44
Downstream use of sold products	2,067	1,659	2,067	1,309	1,507	1,509
Downstream end-of-life treatment of sold products	335	215	335	59	280	302
<i>Total GHG emissions</i>						
Total GHG emissions (location-based)	4,442	23,993	26,079	14,442	25,161	17,400
Total GHG emissions (market-based)	14,411	24,011	26,046	14,411	25,135	17,374

GHG intensity based on net revenue



GHG removals and GHG mitigation projects financed through carbon credits

GUBI has not acquired any carbon credits in 2023 (nor in 2021 or 2022).

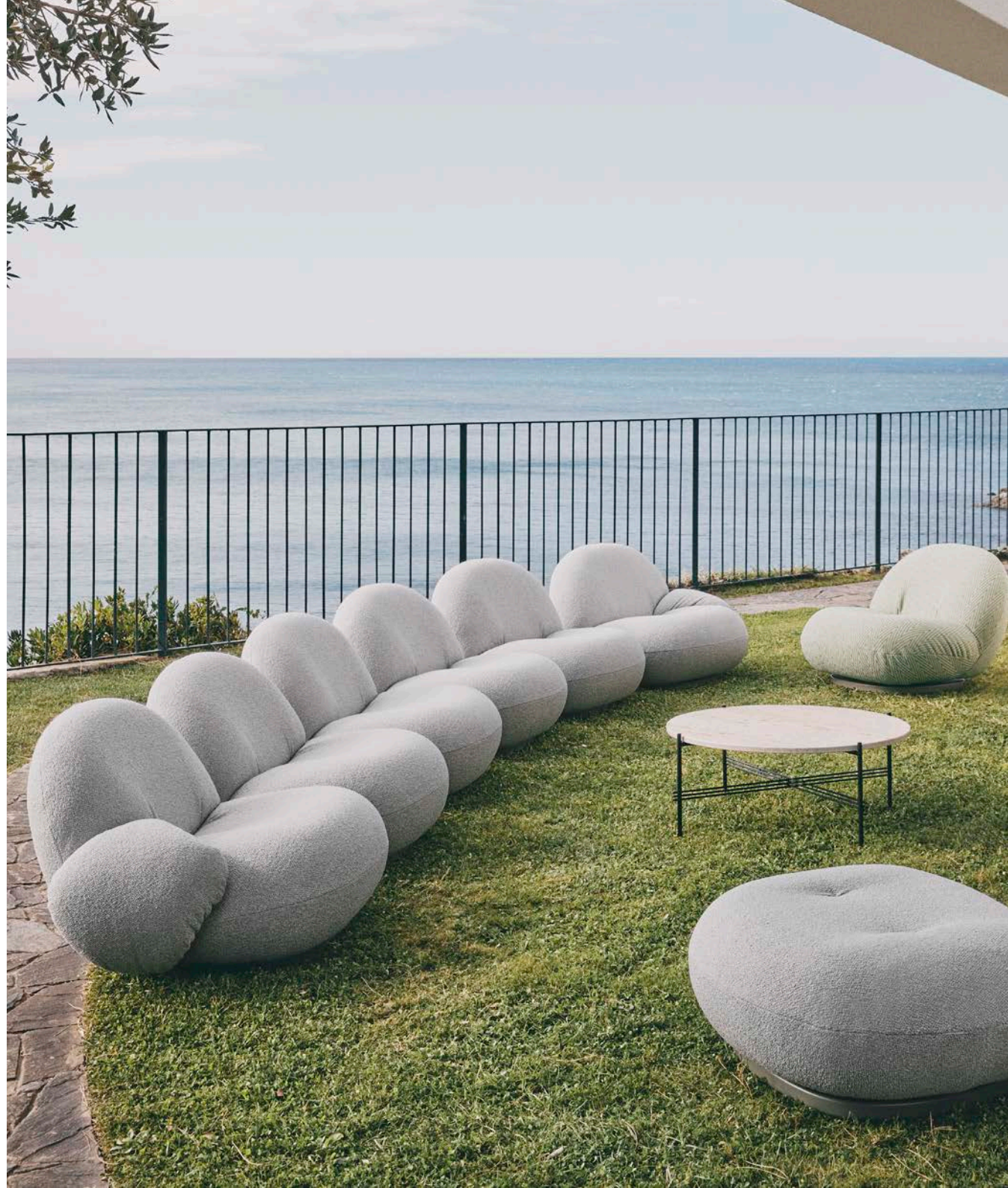
Internal carbon pricing

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>
Acute physical risk	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>
Chronic physical risk	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>
Increasing cost of raw materials	<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 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 and/or switching to lower carbon alternatives.</p>
Changing customer behavior and shift in consumer preferences	<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>	<p>Low amount and share of assets at material transition risk.</p> <p>Medium amount or share of net revenue at risk due to changing customer behavior and shift in consumer preference to lower carbon alternatives.</p>

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 double materiality assessment that considered its impacts, risks and opportunities related to the topics, subtopics, and sub-sub-topics in the ESRS 1 General Requirements, including topics and subtopics related to pollution. The outcome of the assessment was that GUBI's business model may be linked to 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. During 2023 GUBI has conducted a Biodiversity assessment which has impacted the score of pollution related topics. The scored Impact from water in use and pollution of water have been downgraded 5 to 2. The impact score for pollution of soil has been increased from 3 to 4.

Policies related to pollution

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

Actions and resources related to pollution

GUBI, which imports and sells furniture and lighting, follows various legislation and directives concerning, among other things, requirements for the unpermitted use of chemicals, the content of chemicals and their limit values as well as test requirements. In addition, GUBI also follows legislation in relation to requirements for individual labelling of products for specific content of certain types of chemicals. The most important directives/requirements that GUBI is covered by are REACH, CE marking, Prop65, ROHS Law label and in the future also PFAS.

In addition, GUBI aims to have several collections certified according to the Greenguard certificate. Greenguard certification for low chemical emission products helps demonstrate both compliance with key chemical emission standards and GUBI commitment to healthier indoor environments.

See section S4-1 for the list of collections where GUBI is aiming to have certified during 2024.

Targets related to pollution

The overall target for pollution is to follow legislation and directives as described above. Currently, GUBI has not defined any other specific 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 follows various legislation and directives concerning, among other things, requirements for the unpermitted use of chemicals, the content of chemicals and their limit values as well as test requirements. In addition, GUBI also follows legislation in relation to requirements for individual labelling of products for specific content of certain types of chemicals. The most important directives/requirements that GUBI is covered by are REACH, CE marking, Prop65, ROHS Law label and in the future also PFAS. GUBI does procure substances of concern (or of very high concern) in own operation.

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, GUBI conducted a thorough double materiality assessment that considered its impacts, risks and opportunities related to the topics, sub-topics, and sub-sub-topics in the 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 may be 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 sustainability 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.





392 m³

Water consumption

GUBI's total water consumption in m³ was 392 in 2023 (2022: 416 m³). 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 0m³ in 2023. GUBI has not stored water in 2022 and 2023. The water intensity of our own operation (total water consumption in m³ per net revenue) was 0.000001 in 2022 and 2023.

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

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 has conducted the first biodiversity assessment in 1st half-year 2023 which has enhanced GUBI's understanding on biodiversity impacts and dependencies. Based on the conclusions from the Biodiversity assessment, GUBI has made commitments (also included in sustainability policy) to a transition plan. For specific commitments, actions and targets, see section E4-3 and E4-4.

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's conducted a thorough materiality assessment that considered its impacts, risks and opportunities related to the topics, sub-topics, and sub-sub-topics in the 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. The biodiversity assessment has confirmed those impacts.



15% FSC® certified products in **2023**

90% FSC® certified products in **2026**

Policies related to biodiversity and ecosystems

GUBI sustainability policy including biodiversity-related themes is described in section E1-2. GUBI has a wood-sourcing policy. 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;*
- *Communicating the policy to all GUBI's suppliers of wood or wood-fibre products as part of GUBI's Supplier Code of Conduct.*

In early 2023 we launched sustainable packaging guidelines.

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*



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.





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. 15%¹ of wood products sold in 2023 were FSC® certified (10% in 2022).

Targets related to biodiversity and ecosystems

GUBI will continue with FSC® certification of bestsellers in 2024 and has updated targets related to FSC® certified products during 2023. GUBI targets 90% FSC® certified products in 2026. Previous target was 100% FSC® certified products in 2024.

GUBI's first estimation of biodiversity impact for 2022 has led to specific commitments to work with more responsible textiles and packaging materials. GUBI intends to develop more specific targets for both responsible textiles and packaging during 2024.

Impact metrics related to biodiversity and ecosystems change

Please see section above (BP) for practice applied to calculate Biodiversity impact.

GUBI has not located any sites located in or near biodiversity-sensitive areas that it is negatively affecting.

¹ 1 Number of FSC® certified products is calculated as:
Number of FSC® certified products sold divided by total number of products.

Environmental pressure data at midpoint level
















	Pressure category	ReCiPe Midpoint categories	Unit	ReCiPe Midpoint results (total)	
				2022	2023
Land/Water/Sea Use Change	Terrestrial ecosystem use	Land use	m ² a crop eq	4,529,536	1,859,855
	Freshwater ecosystem use¹	Freshwater ecotoxicity	kg 1,4-DCB	624,420	297,285
		Freshwater eutrophication	kg P eq	1,923	847
	Marine ecosystem use¹	Marine ecotoxicity	kg 1,4-DCB	797,801	379,100
		Marine eutrophication	kg N eq	2,351	1,199
Resource	Water use	Water consumption	m ³ water	410,150	214,667
	Other resource use	Fossil resource scarcity	kg oil eq	2,180,576	919,423
		Mineral resource scarcity	kg Cu eq	65,419	30,155
CC	GHG emissions	Global warming	KgCO ₂ e	7,829,907	3,172,817
Pollution ²	Non-GHG air pollutants	Ozone formation (terrestrial)	kg NO _x eq	24,414	9,551
	Water pollutants¹	Freshwater ecotoxicity	kg 1,4-DCB	624,420	297,285
		Freshwater eutrophication	kg P eq	1,923	847
		Marine ecotoxicity	kg 1,4-DCB	797,801	379,100
		Marine eutrophication	kg N eq	2,351	1,199
	Soil pollutants	Terrestrial ecotoxicity	kg 1,4-DCB	85,098,748	43,383,088
Terrestrial acidification		kg SO ₂ eq	51,228	22,840	
Invasives and other	Disturbance				
	Biological alterations / interference		Not directly modelled in ReCiPe		

Environmental pressure data converted into endpoint

	Pressure category	ReCiPe Endpoint categories	Unit	ReCiPe Endpoint results - points (% of total impact)	
				2022	2023
Land/Water/Sea Use Change	Terrestrial ecosystem use	Land use	Points	10,864 (39%)	4,461 (38%)
	Freshwater ecosystem use¹	Freshwater ecotoxicity	Points	117 (0%)	56 (0%)
		Freshwater eutrophication	Points	348 (1%)	153 (1%)
	Marine ecosystem use¹	Marine ecotoxicity	Points	23 (0%)	11 (0%)
Marine eutrophication		Points	1 (0%)	1 (0%)	
Resource exploit	Water use	Water consumption (terrestrial)	Points	807 (3%)	423 (4%)
		Water consumption (aquatic)	Points	0 (0%)	0 (%)
	Other resource use	Fossil resource scarcity	Points	4,960 (18%)	2,163 (18%)
		Mineral resource scarcity	Points	108 (0%)	50 (0%)
CC	GHG emissions	Global warming (terrestrial)	Points	5,929 (21%)	2,403 (21%)
		Global warming (freshwater)		0 (0%)	0 (0%)
Pollution ²	Non-GHG air pollutants	Ozone formation (terrestrial)	Points	852 (3%)	333 (3%)
	Water pollutants¹	Freshwater ecotoxicity	Points	117 (0%)	56 (0%)
		Freshwater eutrophication	Points	348 (1%)	153 (1%)
		Marine ecotoxicity	Points	23 (0%)	11 (0%)
		Marine eutrophication	Points	1 (0%)	1 (0%)
	Soil pollutants	Terrestrial ecotoxicity	Points	263 (1%)	134 (1%)
Terrestrial acidification		Points	2,938 (11%)	1,310 (11%)	
Total impact				27 698	11 718

Notes: 1) ReCiPe endpoint results for "freshwater ecotoxicity", "freshwater eutrophication", "marine ecotoxicity" and "marine eutrophication" have been split across SBTN pressure categories 2, 3 and 8.
Source: The Footprint Firm analysis; ReCiPe

Breakdown of pressure data (endpoint) for top fifteen materials, in total and per kg of material

	<i>Total for material, points</i>		<i>Total kg</i>	
	2022	2023	2022	2023
 Corrugated cardboard box	2,059	1,062	554,059	285,800
 Wool	1,319	986	5,708	4,268
 Cotton	503	862	10,162	17,398
 PU block foam	843	738	75,290	65,885
 Hardwood	712	662	307	286
 Wood	3,138	648	1,355	280
 Plywood board	468	483	126	131
 Velvet	915	467	18,474	9,430
 Brass machined	463	404	9,382	8,178
 Birch	446	390	193	168
 Packaging	2,354	380	633,361	102,349
 Power supply with cables + connectors	1,121	251	181,198	40,568
 Textile	1,269	176	25,624	3,556
 Re-Wool Kvadrat	876	26	3,792	896
 Glass	1,187	2	559,560	896

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

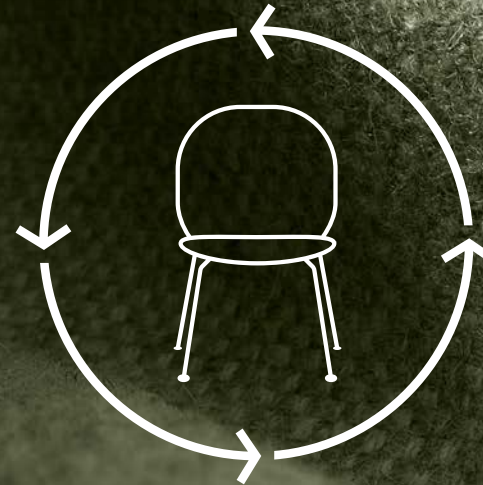
GUBI has assessed the potential financial effects from biodiversity and ecosystem-related risks to be medium. The identified risks include costs associated with changing materials driven by changing customer/consumer demand.

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

Resource use and circular economy

As described in section IRO-1, GUBI conducted a thorough double materiality assessment that considered its impacts, risks and opportunities related to the topics, sub-topics, and sub-sub-topics in the 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.*
- ♦ *GUBI designs and markets physical products and thereby impacts circular economy through design, development and sourcing of products. GUBI's products are designed to be durable and can be partly recycled/recyclable. Improvement with reparability and upgradability would have a positive impact on the environment.*
- ♦ *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 sustainability policy to manage material environmental impacts, risks and opportunities is described in section E1-2 including topics related to resource use and circular economy.

Actions and resources related to resource use and ecosystems

GUBI aims to produce products with high quality, long durability and easy disassembly. GUBI bestseller products like Beetle and Bat are in particular focus in this regard. Furthermore, returned used products are sold at GUBI's yearly stock sale. 32% of GUBI revenue and 37% of products sold in 2023 (in 2022, 18% from both revenue and products sold) derive from countries with a recycling rate above 50%. GUBI has also initiated Environmental Impact Assessment of some materials and is incorporating the findings in product development processes. GUBI is using recycled plastic (0.75% of sold chairs in 2023 compared to 0.61% in 2022) in some of its products. Shells for GUBI's 3D collection are made of recycled plastic (except for upholstered chairs).

GUBI has Care and Maintenance guidelines for the different materials GUBI is using in our products. Beginning of 2024, GUBI has had a cooperation with DTU on two student projects related to circularity. The scope of one of the projects is to develop a circularity guideline for GUBI.

Targets related to resource use and circular economy

GUBI target to develop a GUBI circular Product Development Guideline during 2024 based on input from DTU student project described above.

Continue transformation of recycled plastic for more GUBI products, e.g. the Beetle Dining chair. GUBI targets that 50% of GUBI plastic-collections will be made from recycled plastic by 2025. Continue to produce products with high quality, long durability and easy disassembly. GUBI is targeting to change from virgin plastic to recycled plastic for two chair collections in 2024.

In addition, GUBI expects to launch two table lamps during 2024 with 100% upcycled marble from GUBI's waste material. GUBI has also made a commitment to use of materials eligible for recycling. More specific targets will be developed.

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

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



SOCIAL INFORMATION

S1



*Own
workforce*

S2



*Workers in the
value chain*

S3



*Affected
communities*

S4



*Consumers and
end-users*

Own workforce

Own workforce has not been identified as material through the materiality assessment described in section SBM-3, and GUBI can omit all disclosure requirements for ESRS S1 Own Workforce according to ESRS 1 General Requirements appendix E. However, GUBI has decided to extend 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).

Policies related to own workforce

In 2019, GUBI A/S 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.

GUBI has developed a Sustainability Policy which has been approved by Board of Director in December 2023. The policy applies to all employees in GUBI including subsidiaries. The general objective of the policy is to outline the sustainability commitments and approach to conduct GUBI business in a sustainable manner in relation to all stakeholders, which involves but not limited to human rights, labour rights, diverse workforce, reject bribery and corruption, follow the law and compete fairly, safeguard information and take a responsible approach towards environmental and climate impacts. See section E1-2 for additional information regarding the policy.

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. The Sustainability policy is also available both a GUBI website and internal intranet.

Pursuant to GUBI’s Code of Conduct and Sustainability Policy, 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 2023. Both surveys had an engagement score of 34 eNPS¹ and 5 eNPS, respectively, compared to an average score for 2022 of 51 eNPS. (Engagement score for 2023 is similar to an average score of 7,0 compared to 8,1 in 2022). GUBI's target for employee engagement is eNPS at 40 (score at 8) or above.

Employee turnover in 2023 was 51% (2022 was 22 %). GUBI's target for employee turnover is 14% for 2023, and reduced to 12% in 2025.

GUBI has conducted two engagement surveys which included diversity and inclusion questions. The overall score for Diversity and Inclusion was 26 eNPS (average score at 7.9) compared to a score for 2022 of 40 eNPS (score at 8.2), 13 below benchmark for GUBI's industry (average 0.3). GUBI's target score is aligned with or above industry benchmark.

The engagement surveys included health and well-being questions. The average score for Health and Wellbeing was 10 eNPS in 2023 compared to 59 eNPS in 2022 (average score was 7.5 in 2023 compared to 8.4 in 2022) which was 4 (average 0.1) above benchmark for GUBI's industry. GUBI's target score is aligned with or above industry benchmark.

¹ 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.

² 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.

<i>Engagement score</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
Average eNPS	20	51	29
Average score	7,3	8,1	7,8
Target	Above 40/8	Above 40/8	Above 40/8

Employee turnover

Employee initiated	24%	13%	14%
Total turnover	51%	22%	17%
Target	14%	15%	NA

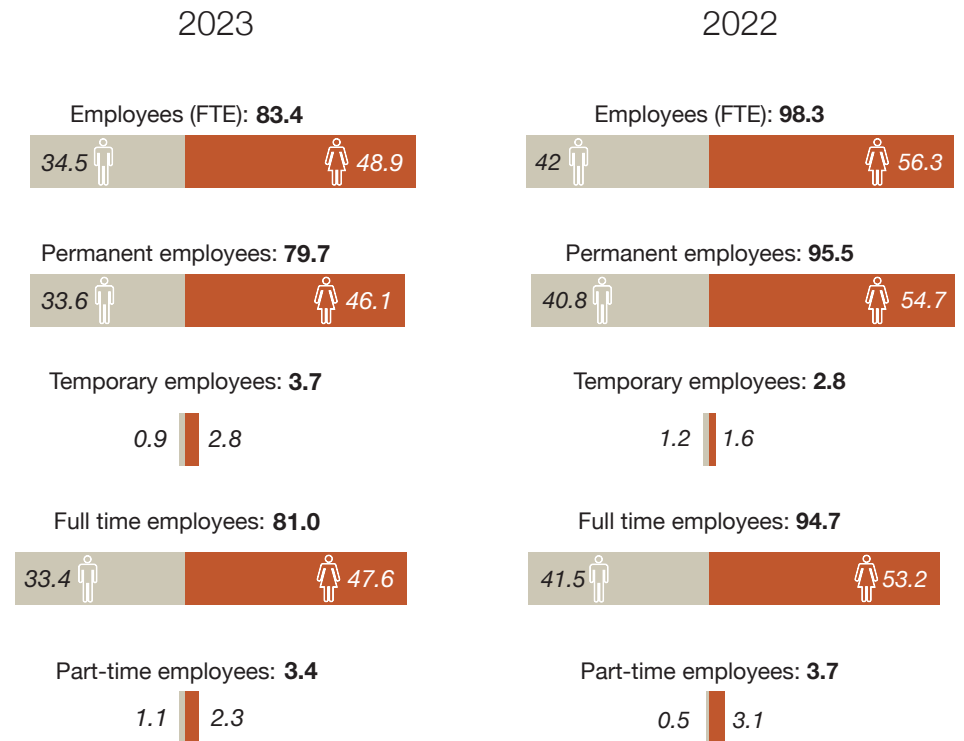
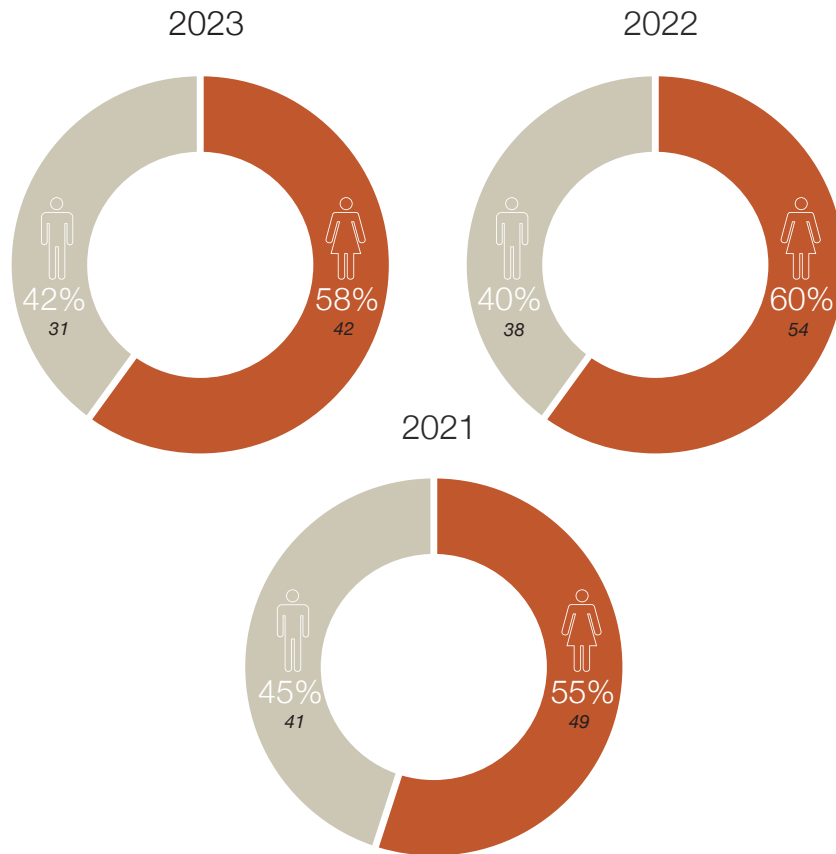
Diversity and inclusion

eNPS	26	40	NA
Score	7,9	8,2	NA

Health and well-being

eNPS	10	59	37
Score	7,5	8,4	8

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 4.7 non-employee workers (FTE's) in own workforce during 2023 compared to 6.6 in 2022. 3.3 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 considers 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 CO₂ 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 14% under 30 years old (2022 15%), 73% between 30-50 years old (2022 74%) and 13% over 50 years old (2022 11%).

Adequate wages

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

Social protection

All employees are covered by social protection¹, 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. The exception is 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 different states.

Persons with disabilities

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

Training and skills development indicators

The 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 2023, 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.

¹ *Employment Injury - Search - GOV.UK* (www.gov.uk)

ILO | Social Protection Platform (social-protection.org)

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

Sickness Allowance - Services Australia

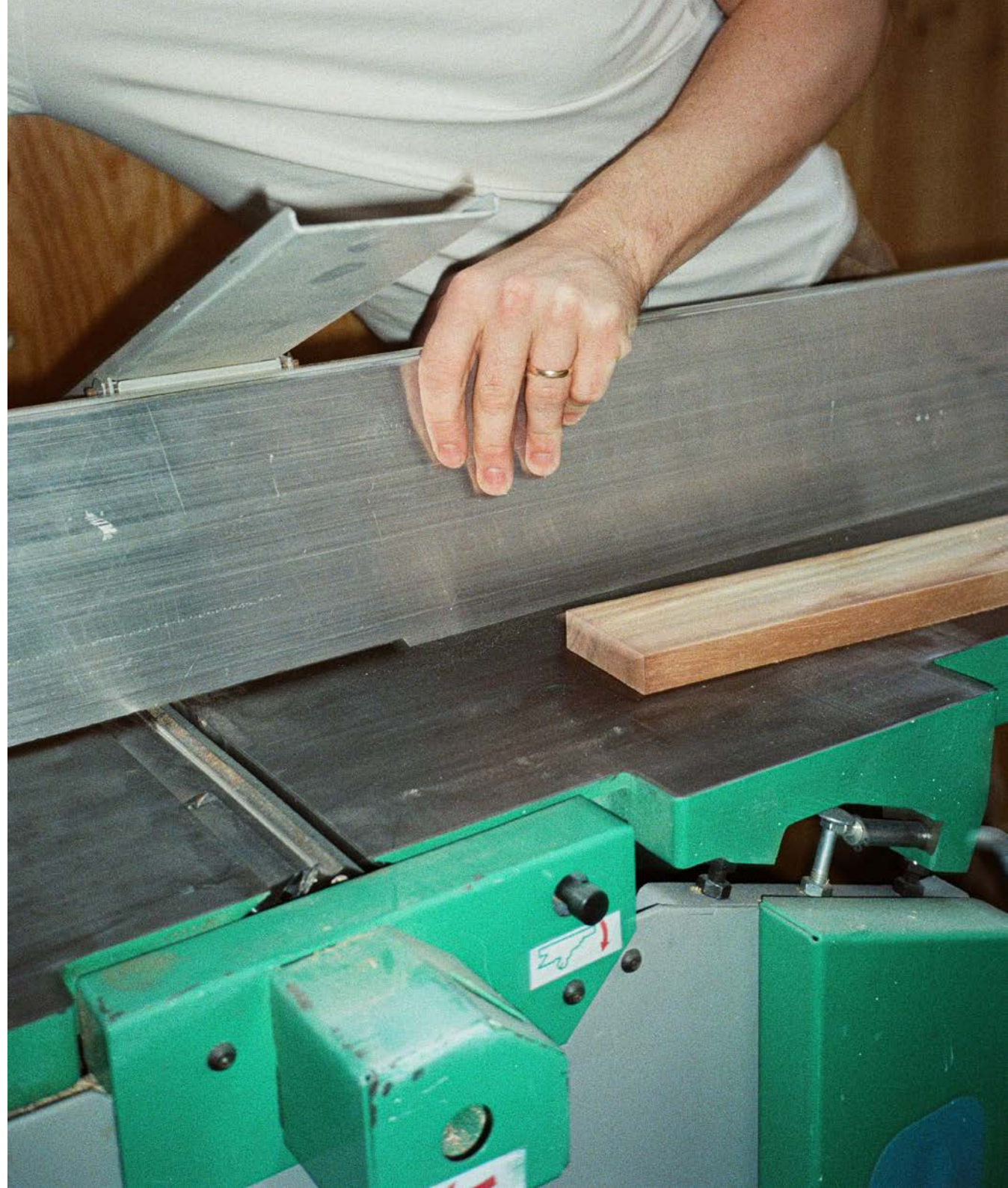
HR Services in China | HROne

ILO | Social Protection Platform (social-protection.org)

China - Population and Family Planning Law of the People's Republic of China (Order of the President No.63), (ilo.org)

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

Family and Medical Leave (FMLA) | U.S. Department of Labor (dol.gov)





Work-life balance indicators

100% of GUBI employees are entitled to take parental leave in a gender equitable manner due to local legislation¹ 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 19% (2022 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 2023 nor has GUBI received any whistle-blower reporting on same. GUBI has not been subject to any fines, penalties or compensation for damages as a result of violations regarding social and human rights factors.

Workers in the value chain

Workers in the value chain have not been identified as material through the materiality assessment described in section SBM-3, and GUBI can omit all disclosure requirements for ESRS S2 Workers in the value chain according to ESRS 1 General Requirements appendix E. However, GUBI has decided to extend reporting beyond mandatory requirements.

Policies related to value chain workers and processes for engaging with value chain workers about impact

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 (3rd year in 2023) including important ESG achievements in 2023, Goals for 2024, 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). Further, GUBI performs ESG visits to selected suppliers. During 2023 GUBI has made four visits. 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 that includes GUBI's supply chain. A description of the policy can be found in section S1-1.

GUBI has developed a Sustainability Policy which has been approved by Board of Director in December 2023. The policy covers GUBI's upstream and downstream value chain including workers in the value chain. The general objective of the policy is to outline the sustainability commitments and approach to conduct GUBI business in a sustainable manner in relation to all stakeholders, which involves but not limited to human rights, labour rights, diverse workforce, rejecting bribery and corruption, following the law and competing fairly, safeguarding information and taking a responsible approach towards environmental and climate impacts. See section E1-2 for additional information regarding the policy.

GUBI considers the Code of Conduct, Supplier Code of Conduct, Sustainability policy, 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 reports related to severe human rights issues and incidents connected to GUBI's upstream and downstream value chain.

Targets related to managing impact and material risk and opportunities

GUBI has targets to share its Sustainability Policy with all material suppliers, update the Business Relations Code of Conduct (former called Supplier Code of Conduct) and conduct a 4th review of suppliers' ESG Strategy.





Affected communities

Affected communities have not been identified as material through the materiality assessment described in section SBM-3 and GUBI are therefore not obliged to disclose any information according to ESRS 1 General requirements 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 whistle-blower 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, Sustainability policy 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 reports 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. GUBI has decided only to report on Policies and Targets related to consumers and end-users in 2023.

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.



Targets

GUBI, which imports and sells furniture and lighting, follows various legislation and directives concerning, among other things, requirements for the unauthorised use of chemicals, the content of chemicals and their limit values as well as test requirements. Furthermore, GUBI also follows legislation in relation to requirements for individual labelling of products for specific content of certain types of chemicals. The most important directives/requirements that GUBI is covered by are REACH, CE marking, Prop65, ROHS Law label and in the future also PFAS.

In addition, GUBI aims to have a number of collections certified according to the Greenguard certificate. Greenguard certification for low chemical emission products helps demonstrate both compliance with key chemical emission standards and GUBI commitment to healthier indoor environments.

GUBI aims to have the following collections certified during 2024:



Beetle



Bat



Violin



Coco



Pacha



Stay



Sejour

GOVERNANCE INFORMATION



Business conduct



Business conduct

Business conduct has not been identified as material through the materiality assessment described in section SBM-3 above and GUBI is therefore not obliged to disclose any information according to ESRS 1 General requirements appendix E. However, GUBI has decided to expand reporting beyond mandatory requirements.

Corporate culture and business conduct policies

As mentioned above, GUBI A/S 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. The GUBI Group has an Anti-Bribery, Anti-Corruption and Modern Slavery Compliance Policy in place which is consistent with the United Nations Convention against corruption.

Late 2023, a Sustainability Policy for the GUBI Group was established. The general objective of the Policy is to outline the sustainability commitments and approach to conduct business in a sustainable manner in relation to all stakeholders, including with respect to human rights, labour rights, diverse workforce, rejecting bribery and corruption, following the law and competing fairly, safeguarding information and taking a responsible approach towards environmental and climate impacts. See section E1-2 for additional information.

To support a responsible business conduct, the GUBI Group is also subject to a Competition Policy and a Finance Policy.

Further, in 2022 a whistleblower scheme was implemented to promote a commitment to ethical behaviour and encourage a culture within the GUBI Group where wrongdoing is safely reported. During 2023 there has been one (1) reporting which did not qualify as an incident within the 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 4 days compared to 3 days in 2022 (calculated as average actual payment date less due date of invoice). The number of invoices that have been outstanding due to a dispute between a GUBI Group company and suppliers was below 1% in both 2022 and 2023.

The statutory report on the underrepresented gender

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

It is the GUBI 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 in GUBI A/S and GUBI Group ApS by 2024.

Currently, GUBI Group’s Executive Management (of 2 members) as well as the extended management team (of 6 members) have a 50/50 gender mix. Total number of leaders reporting to the extended management team are 14 whereas 9 are female resulting in a gender mix of 36% male leaders and 64% female leaders.

As described above in section GOV-1, the GUBI Group’s Board of Directors consists of 8 members whereas 7 are male members and one (1) female member (in 2022, the Board of Directors consisted of 7 male members). Long term target is not met as there has only been one change during 2023 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 2024 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) 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.

GUBI Group’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 GUBI Group’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 GUBI Group’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 for GUBI Group receives a report on the development in the overall risk exposure, the assessment of key risks and the mitigating measures implemented. GUBI Group’s risk management process consists of 5 steps; Identify, Analyze, Treat, Monitor and Report.

GUBI Group’s activities expose the Group to a variety of risks, which are grouped into 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.

As mentioned in section G1-1 above, a whistleblower scheme was implemented in 2022.

Composition of the Board of Directors for GUBI Group 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 2023, a total of 6 board meetings have been held of which all have been ordinary. All members of the Board of Directors were present at all meetings, except for one (1) meeting where Helene Abel Hansen and Hans Christian Galst were absent.



*The members of the Board of Directors for GUBI group 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>
Lars Henrik Munch (Prof. board member)	<ul style="list-style-type: none"> · Politiken-Fonden (1) · Museumsfonden af 7-december 1966 · Louisaiana – Fonden · Louisiana Museum of Modern Art · BRFFonden (2) · AX V GUBI Holding II ApS (3) (GUBI) · Fonden for Håndværkskollegier · SOS Children's Villages Denmark (Den selvejende institution SOS Brebyerne, Danmark) · Master of Management Development, CBS (Advisory Board) 	<ul style="list-style-type: none"> · Advisory board to Axcelfuture 	<ul style="list-style-type: none"> · Utzon Center A/S · Kunsten Museum of Modern Art, Aalborg – selvejende institution · World Association of News Publishers (Paris) (honorary board member) <p>Other</p> <ul style="list-style-type: none"> · Member of the International Senate of SOS Children's Villages 	-
Asbjørn Mosgaard Hyldgaard (partner in Axcel)	<ul style="list-style-type: none"> · AX VI INV2 Holding III AB (2) (Voff) 	<ul style="list-style-type: none"> · AX V GUBI Holding II ApS (3) (GUBI) 	<ul style="list-style-type: none"> · AX V Nissens III ApS (Nissens) · AX VI VET Holding III ApS (3) (VetGruppen) · AX VI INV1 HOLDing AB (3) (Currentum) · AX V INV3 Holding III AB (4) (Oral Care) · AX V GUBI Holding III ApS (GUBI) 	<ul style="list-style-type: none"> · MNGT3 LC ApS
Lars Cordt (partner in Axcel)	<ul style="list-style-type: none"> · AX V Nissens III ApS (Nissens) · AX V GUBI Holding III ApS (GUBI) · AX VI INV5 Holding III ApS (2) (DANX) · AX VI INV8 Holding III A/S (3) (NTI) 	<ul style="list-style-type: none"> · AX V Nissens II ApS (3) (Nissens) · AX VI INV5 Holding ApS (4) (DANX) · AX VI INV Holding II ApS (2) (NTI) 	<ul style="list-style-type: none"> · Mountain Top Holding III ApS (3) (Mountain Top) · AX V Phase One Holding III ApS (5) (Phase One) · AX V GUBI Holding II ApS (3) (GUBI) · AX VI INV1 Holding AB (Currentum) · AX VI INV1 Holding III A/S (NTI) · AX VI INV1 Holding III AB (3) (Xpartners) · Axcel Managment Holding ApS 	<ul style="list-style-type: none"> · MNGT3 LC ApS · AX VI INV8 Holding III A/S (NTI) · AX VII INV1 Holding III ApS (3) (Tic-Elkas/Egholm)
Jacob Lahn Sloth (industrial advisor)	-	-	<ul style="list-style-type: none"> · Dinsen Floors A/S · Fischer Holding A/S · GUBI Group ApS (1) (GUBI) 	-

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

The members of the Board of Directors of GUBI group 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>
Tue Mantoni (prof. board member)	<ul style="list-style-type: none"> · Stine GOYA A/S · Lakrids JB Holding ApS (2) (Lakrids by Bülow) · The Organic Crave Company ApS · SAGA DK 	<ul style="list-style-type: none"> · Joe & the Juice Holding A/S (2) (Joe & the Juice) · Soundboks ApS 	<ul style="list-style-type: none"> · AX V GUBI HOLDing II ApS (3) (GUBI) 	<ul style="list-style-type: none"> · Chamonix Invest ApS · LiveBest ApS
Jacob Gudmund Olsen (industrial advisor)	-	-	<ul style="list-style-type: none"> · AX V GUBI Holding II ApS (3) (GUBI) 	<ul style="list-style-type: none"> · Designskabet af 25.2.76 ApS · JGO Family Holding ApS · JGO Holding af 30/6 1999 Aps · JAMI Capital ApS · Padel Finance ApS
Hans Christian Galst (attorney-at-law)	<ul style="list-style-type: none"> · Galst Advokataktieselskab · Christoffersen og Knudsen A/S · Printzlau Privathospital A/S · Nortec-Cannon A/S 	-	<ul style="list-style-type: none"> · AX V GUBI Holding II ApS (3) (GUBI) · Den Kongelige Livgardes Musikkorps' Koncertfond · Ragnvald & Ida Blix' Fond · CF Glad og Hustrus Mindelegat 	<ul style="list-style-type: none"> · Legalst Holding · Advokatanpartsselskab · I/S Chalet de la Marine <p>Other</p> <ul style="list-style-type: none"> · Hans Christian Galst og Christian Steiwer Hein I/S
Helene Abel Hansen (Industrial advisor)	-	-	<ul style="list-style-type: none"> · GUBI Group ApS (1) (GUBI) 	<ul style="list-style-type: none"> · Dinalinvest ApS

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

Definitions

Activity-based emission data	Measure the amount of emissions associated with a specific activity.
Biodiversity	Biodiversity is the collective term for the variety of life – biological diversity – on Earth, in all its forms.
Ecoinvent 3.9.1	LCA database used to assess and understand biodiversity impact of products and services.
Emissions factors	A quantitative measure that describe the amount of greenhouse gases (GHG) emitted during a specific activity or process.
Endpoint results	Show the environmental impact categories on three different units (DALY, species.yr, or USD2013) depending on the relevance for each category. They are derived from midpoint indicators by applying damage functions that estimate the potential or actual impact of each midpoint on human health, biodiversity, or resource scarcity. Endpoint indicators can be used to compare the overall environmental performance of different materials/products.
EU Commission’s framework for Organizational Environmental (OEF)	General method for life-cycle impact assessment
Greenhouse gas (GHG)	A gas that contributes to the natural greenhouse effect.
Greenhouse Gas Protocol	<p>Global standardized frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions. The GHG Protocol establishes comprehensive global standardized frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions. The Protocol is the world's most widely used greenhouse gas accounting standard.</p> <p>The GHG protocol covers the accounting and reporting of the six greenhouse gases covered by the Kyoto Protocol: Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆).</p>
GUBI	AX V GUBI Holding III ApS or the GUBI group.
GUBI Group	GUBI Group ApS incl. its subsidiaries

Definitions

LCA	Life cycle assessments
LCIA	Life cycle impact assessment
Midpoint results	Focus on single environmental problems, such as climate change or acidification, with individual measurement units relevant for each impact category. It measures the potential or actual impact of a material/product on the environment. Results are not comparable between categories.
Målbar	Software used to calculate CO ₂ e emission per product.
ReCiPe 2016 v1.1	A harmonized life cycle impact assessment method at midpoint and endpoint level
Scope 1 Direct emissions	Direct Greenhouse Gas Emissions come from sources that are owned or controlled by GUBI.
Scope 2: Indirect emissions	Scope 2 includes emissions that result from the generation of electricity, heat or steam purchased by the reporting company from a utility provider.
Scope 3: All other indirect emissions	<p>Scope 3 Emissions are emissions from sources that are not owned and not directly controlled by the GUBI. This is usually considered to be the supply chain of GUBI, e.g. emissions caused by vendors within the supply chain, outsourced activities, and from employee travel and commute.</p> <p>There are 15 scope 3 categories where emissions are reported, 8 for upsteam activities and 7 for downstream activities.</p>
SimaPro	Software used to extract all relevant Ecoinvent processes.
Spend-based data	Estimate emissions based on the monetary value of goods and services purchased by GUBI. These factors are calculated by multiplying GUBI's spending by the emissions intensity of the goods or services purchased.

