

SUSTAINABILITY REPORT

2022



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1.

Letter from CEOs Jan Andersen & Poul Madsen

Challenging conventional thinking through the power of great design has been at the core of Normann Copenhagen's DNA since the brand was founded in 1999. In recent years, this philosophy has evolved, taking on additional meanings, encompassing the brand's commitment to strive towards a more sustainable business model by exploring innovative, circular modes of operation. As we navigate the transformative and complex landscape of sustainability, we encounter challenges that prompt us to reassess decisions and explore alternative, more sustainable approaches. From initial design idea to final product, we actively seek out innovative materials and production methods, engaging in collaborations with specialized partners and technical institutions.

Sustainability has become a standard consideration in our decision-making processes, serving as a guiding principle that shapes our daily operations. We acknowledge that our commitment to sustainability is an ongoing journey without a

definitive endpoint, and while we are taking tangible actions across all departments to ensure ongoing improvements throughout the company, we are learning more and more about how to effectively optimize our operations along the way. As a part of our commitment to sustainability, we have established an internal sustainability team in 2022 to work intensively with forming a strategic framework that will guide Normann Copenhagen's sustainable transitions, striving to reach and potentially exceed the high goals we set for ourselves.

At the core of this transition is our commitment to transparency. This report is structured to effectively and transparently portray our progress in the upcoming years.

Yours sincerely,
Jan & Poul



2. Normann Copenhagen Business Model



To put our sustainability activities into context, we have established an overview of the Normann Copenhagen business model below

Products

Our products combine functionality and design and accommodate the diversity of needs of modern life in residential and professional interiors alike. We specialize in crafting and selling premium furniture, lighting, and accessories, aiming to contribute to the making of meaningful spaces that connect people ranging from public spaces to offices, hotels and private homes.

Materials

Our products are composed of a diverse array of materials. Figure 1 illustrates the key material groups utilized in our products. For more information about our materials, click [here](#).

Procurement

Through collaboration between our design and product development team and our production partners we strive to source the best raw materials available. In 2022, our global supply chain entailed 15 countries (see [Figure 5](#) on page 24).

Business Operations and Production

We mainly run our daily business operations from our headquarters in Copenhagen, Denmark. Our products

are manufactured through long-term partnerships with production facilities that manage their operations within the same high standards we set for ourselves. Normann Copenhagen maintains a storage and assembly facility in Denmark as well as an outsourced storage and assembly facility in China to support the near-market production partners. Before sending out the orders, we conduct a quality control. Finally, we carefully pack the products to ensure they are ready for shipment.

Sales

Normann Copenhagen’s products are sold in over 80 countries. We employ a global sales team that oversees the partnerships within the retail and contract sectors. The sales team is run through our headquarters in Copenhagen, where we also have our primary showroom and flagship store. In addition, we have showrooms in Oslo, Stockholm, Rotterdam and Barcelona, as well as a franchised flagship store in Hong Kong.



Figure 1.

3.

Sustainability Policy and Core Pillars

At Normann Copenhagen, we aim to take responsibility for our operations within the value chain that influences the well-being of both people and the environment. We're not perfect, but we constantly work towards fostering a more sustainable business model. Our commitment lies in making a positive social impact and minimizing our environmental footprint. Guided by our core values - **courage, quality, and responsibility** - we hold ourselves accountable for the impact on future generations. Our ambition is to challenge conventional thinking and explore innovative, circular modes of operation. We do that through three core sustainability pillars (see Figure 2).

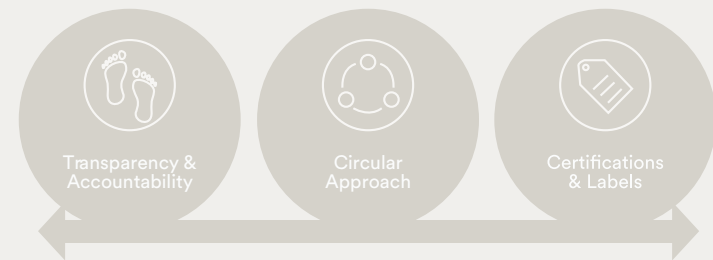


Figure 2.



4. Our Commitment to Sustainability Reporting





Considering the aforementioned sustainability pillars, transparency stands as a cornerstone of our initiatives. While not obligatory, we want to share our sustainability journey with our stakeholders to communicate our progress, providing insights into our achievements and our initiatives for how to improve in the coming years.

Our active involvement with the 17 UN Sustainable Development Goals (hereafter SDGs) is a critical tool for our business, allowing us to measure our progress and showcase our dedication to the global agenda.

We've identified four specific SDGs—No. 3 (Good Health & Wellbeing), No. 5 (Gender Equality), No. 8 (Decent Work and Economic Growth), and No. 12 (Responsible Production and Consumption)—as focal points where we believe our efforts can create a positive impact and areas in which we are dedicated to continuous improvement.



5. Sustainability Action Plan

Based on our core sustainability pillars (see page 6) and the identified SDGs, our sustainability team has developed an action plan for the period 2023-2026 encompassing four tracks of activities to improve our operations. Within each of these four tracks, a series of sub-activities are determined to better assess our performance. These are described in the following sections.

- Product Design
- Reducing Climate Impact
- Responsible Conduct
- Normann Copenhagen as Workplace

PRODUCT DESIGN	REDUCING OUR CLIMATE IMPACT	RESPONSIBLE CONDUCT	NORMANN CPH AS WORKPLACE
Creating long lasting products	Minimizing the environmental impact of our operations and activities	Ensuring transparency and proper business conduct throughout our value chain	Commitment to employee well-being
<ul style="list-style-type: none"> • Environmental impact of our products • Life cycle assessment • Product warranty • Product longevity and end-of-life management 	<ul style="list-style-type: none"> • Greenhouse Gas Emissions • Electricity • Heating • Waste • Transportation 	<ul style="list-style-type: none"> • Our supply chain • Proximity to markets • Code of Conduct 	<ul style="list-style-type: none"> • Normann Copenhagen HQ • Safety and health of employees • Eatery • Adding new knowledge through students and trainees • Gender distribution and inclusion in the workforce

5.1. Product Design

Contributing to UN Sustainable
Development Goal:





WHY

The main source of our Co2e emissions are attributed to the sourcing of raw materials and the production of the finished product.

Central to our sustainability initiatives is the pursuit of methods to diminish the environmental impact of our products and their production processes, all while preserving their timeless design, durability and comfort.



FOCUS AREA

- Enhance the products' sustainable attributes by further exploring different solutions from new materials to a circular life cycle
- Explore end-of-life solutions for our products.
- Rethink our packaging solutions to reduce packaging materials and waste.



GOALS FOR 2026

1. Present a robust lineup of new products crafted from innovative and recycled materials without losing the product's key attributes.
2. Conduct Life Cycle Assessments (LCAs) for all of our furniture collections.
3. Offer spare parts for 100% of our furniture collections.
4. Increase the product warranty of selected designs to 5-10 years.
5. Become FSC® certified.
6. Aim for 50% of our wood-based furniture to carry the FSC label.

Product Design

We believe that longevity and durability is at the core of sustainable design. By creating high-quality products, we invite people from all over the world to bring the world famous Scandinavian design heritage and craftsmanship into their lives. Our products are made to last – whether they adorn grand hotels, cozy cafés or family homes.

When introducing a new design to the market, our skilled team of designers and engineers investigate the best ways of production and utility of materials to create high-quality designs that will last for generations.

The Environmental Impact of Our Products

As an integral part of our commitment to The Environmental Impact of Our Products, we have started to conduct Life Cycle Assessments for our products. For that we rely on the Product Environmental Footprint (PEF) method. PEF is the approach developed by the European Commission to assess and measure the environmental impact of products throughout all stages of a product's life cycle, which allows for a more accurate and transparent assessment of a product's overall environmental impact.

We have partnered up with the Danish company Målbar which provides a specialized tool to conduct those assessments. The tool offers valuable insights using a single metric known as carbon dioxide equivalent (Co2e). The metric Co2e is used to express the total impact of all greenhouse gasses in one number. This includes gasses like: Carbon dioxide (Co2), methane (CH4) and nitrous oxide (N2O), allowing for the standardization and representation of the collective global warming effects in a common unit. The knowledge obtained through this process provides visibility into the current environmental baseline of our products, which, in turn, simplifies the identification of areas for potential improvements. When data was not available conservative estimates have been applied.



Life Cycle Assessment - Bit Stool

The Bit Stool was one of our first collections developed with a majority share of recycled materials, and therefore also one of the first to with Målbar's life cycle assessment tool. See figure 3.

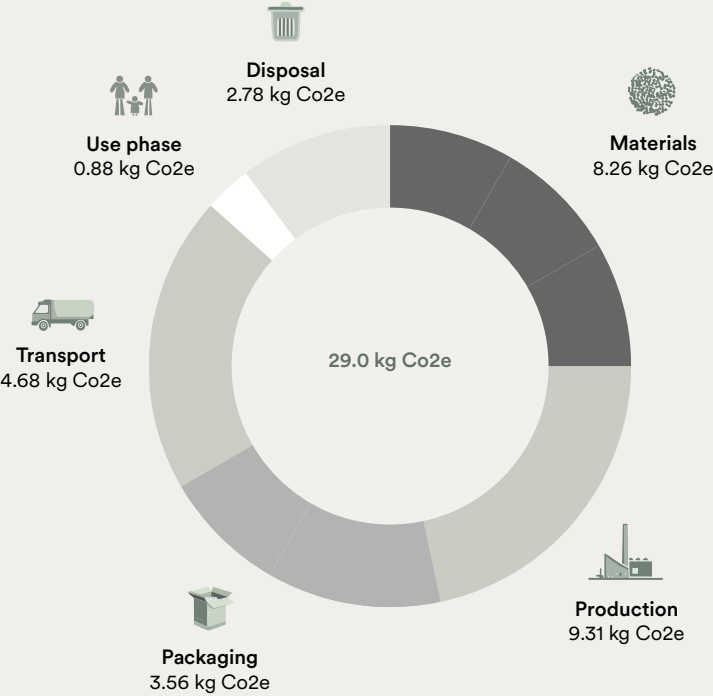


Figure 3.

Warranty

One of our main beliefs is that longevity is at the core of sustainable design. Our products stand the test of time, both in terms of timeless design and durability. To support this belief, we grant our customers a 2-5 year warranty on manufacturing defects on construction and materials apart from wear and self-inflicted damage. To underline the the longevity of our designs, we will work on increasing the warranty period on selected products until 2026.

Product Longevity

Our products have been tested for durability through large scale test phases such as the European EN standard or the American equivalent, ANSI/BIFMA.

During the testing, loads, forces and velocities are applied to the chairs, stimulating the normal functional use as well as misuse that might be expected to occur. In order to meet the strict requirements of the EN testing, the load capacity is tested in two rounds.

Using our Form Chair as an example (see Figure 4): The first round involves applying a pressure of 200 kg onto the chair's seat and 70 kg onto the chair's back 10 times. The second round applies a pressure of 100 kg onto the chair's seat and 30kg onto the chair's back 200,000 times. This is just a small excerpt of the very comprehensive testing process.

Explore our test and certifications [here](#).

End-of-life Management

We encourage recycling at the end of our products' lives after many years of good use. To enable this, the majority of our products can be disassembled, sorted and recycled at the end of their life cycle.

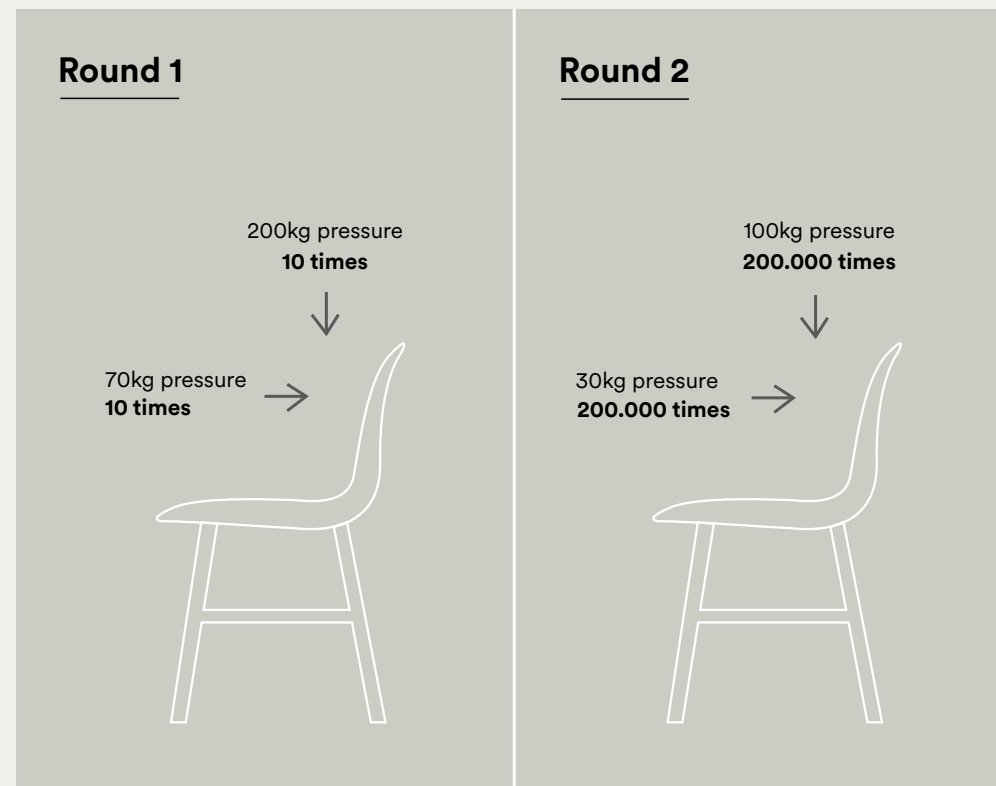


Figure 4.

Example: Form Chair - EN testing

Strategic Initiatives for 2023

- 01 Further conduct LCAs for our furniture collections
- 02 Become FSC® certified
- 03 Expand the warranty period for selected collections
- 04 Introduce end-of-life options with possible partners



5.2.

Reducing Our Climate Impact

Contributing to UN Sustainable
Development Goal:





WHY?

Emissions that fall within the company's direct influence include our own facilities, business travel and the outsourced production process.

Within our own facilities, the main emission contributors are electricity, heating and waste from our 8,000 square meter warehouse and 2,000 square meter HQ, both located in Denmark.

In addition, there are emissions related to our employees' business travels. We plan to reduce our environmental impact in all listed areas.

We have established guidelines in our Code of Conduct, aiming to minimize environmental impact through production emissions.



FOCUS AREA

- Run our operations as energy-efficient as we can and increase the use of renewable energy sources
- Minimize waste consumption in our facilities.
- Address transportation and business travel impacts by making environmentally friendly choices.



GOALS FOR 2026

1. Reduce Scope 1 and 2 emissions by 50% (baseline 2022) and complete baseline for scope 3 emissions
2. Increase the amount of green energy used in our Danish facilities
3. Reduce waste consumption by 5% (baseline 2022).
4. Obtaining accurate data for freight transportation

Greenhouse Gas Emissions

To help assess and quantify the overall environmental impact of our activities, we teamed up with an independent consultant to calculate our performance data for GHG emissions (scope 1-3) in 2022.

The carbon account was prepared according to the UN Global Compact Guidelines, and the Greenhouse Gas Protocol, a universally embraced accounting framework for determining the environmental impact of greenhouse gases.

Scope 1-2 emissions encompass direct and indirect emissions from entities where Normann Copenhagen has operational control. The company's scope 1 emissions come from the company car fleet and gas-fired heating, while scope 2 emissions derive from purchased electricity. Scope 3 emissions in general encompass Normann Copenhagen's value chain and make up the largest source of emissions. Accounting for the entirety of the scope 3 emissions is complex, so for our 2022 reporting, we have focused on data specifically related business travels undertaken by our sales force. Moving forward, we aim to include as much of the scope 3 emission data as possible.

Performance data for GHG emissions, scope 1-3 in 2022:

Indicator	Unit	2022
Scope 1	tons Co2e	108
Scope 2	tons Co2e	73
Scope 3	tons Co2e	165
Total GHG emissions, scope 1-3	tons Co2e	346
Total GHG emissions, scope 1-3 pr. FTE	kg Co2e/FTE	7.077

Electricity

In 2022, we consumed 151, 553 KWh across our Danish facilities. At our HQ, motion sensor LEDs were installed to reduce unnecessary electricity consumption. Solar cells on the roof generated 6,232 kWh.

Heating

Our facilities utilize two distinct heating methods - district heating at our headquarter and gas-fired heating at our warehouse facility. District heating plays a crucial role in the Danish government's green energy strategy.

Heating consumption data at Danish facilities in 2022:

Heating	Consumption
District Heating	156 MWh
Gas-fired Heating	25.607 l

Waste

As we do not have our own production, but only receive goods from our suppliers, our primary source of waste is packaging material generated at our two facilities in Denmark. We strive to repurpose packaging as much as possible in an effort to reduce waste.

In 2022, our accumulated waste from the headquarters and warehouse in Denmark amounted to 17.875 tons.

Transportation

Normann Copenhagen transportation activities break down into two main categories: freight and employee travel.

- **Freight**

Our freight activities comprise the inbound supply and outbound delivery of finished goods. We rely on external third-party providers for all transportation services. Our objective is to optimize sea-based transport, minimize air transport, and prioritize environmentally responsible companies whenever feasible.

We are working on obtaining accurate data for all of our freight activities.

- **Employee Business Travel**

Our business travel by employees includes international and domestic trips. Our total emissions for business travel in 2022 was 124,2 tons Co2e.

Visiting customers and suppliers is necessary to strengthen existing relationships and create new ones

Strategic Initiatives for 2023

- 01 Establish plan for switching heating solution at our warehouse facility
- 02 Continue working on adding scope 3 activities to our calculations
- 03 Open a new facility set up in Latin America supplying North and South America and thereby shorten transportation ways
- 04 Implement a new travel policy to guide employees to reduce the environmental impact of the transport they buy and use



normann
COPENHAGEN

5.3.

Responsible Conduct

Contributing to UN Sustainable
Development Goal:





WHY?

We aim to actively contribute to the promotion of responsible and ethical business practices, collaborating closely with our suppliers and business partners to drive the transformation of our operations toward greater transparency, ethics, and responsibility.



FOCUS AREA

- Ensuring high social, environmental and ethical standards
- Traceability in the value chain - knowing where our materials come from
- Communicating our progress in a transparent manner in a sustainability report



GOALS FOR 2026

1. Revise our Code of Conduct and aim to increase to 95% of the suppliers who have signed the revised Code of Conduct
2. Communicate openly about our sustainability performance in a clear annual sustainability report
3. Increase traceability in our value chain

Our Supply Chain

Our in-house design and product development team have spent years establishing close, solid relationships with carefully selected suppliers. We collaborate with suppliers and partners who align with our core values reflected in our Code of Conduct.

Our network of suppliers are distributed across our three primary product groups: furniture, lighting and accessories (see Figure 5).

Proximity to Markets

We advocate for Markets proximity, not only enhancing lead times but also minimizing Co2e emissions associated with the transportation of our products.

Code of Conduct

Our long-lasting and trustworthy partnerships with suppliers are built upon our Code of Conduct, which serves as the cornerstone for these relationships. We hold ourselves accountable to high standards in social and environmental responsibility and expect our suppliers to do the same.

Our Global Supply Chain



Furniture

Denmark
Italy
Poland
Croatia
Latvia
Lithuania
Portugal
Turkey
India
China

Lighting

Denmark
Italy
Hong Kong
China

Accessories

Denmark
Italy
Great Britain
Poland
Iceland
Latvia
Turkey
Pakistan
Hong Kong
China

Figure 5.

Strategic Initiatives for 2023

- 01 Enhance supply chain transparency through comprehensive data collection
- 02 Design a new Code of Conduct that entails a detailed section for climate impact



5.4.

Normann Copenhagen as Workplace

Contributing to UN Sustainable
Development Goals:





WHY?

Normann Copenhagen recognizes the significance of cultivating a workplace with a motivating atmosphere that attracts and develops skilled employees. We strive to adopt an organized strategy towards competence development, diversity, inclusion, workplace well-being, health and safety



FOCUS AREA

- Continue the development of an inclusive and attractive workplace
- Foster professional growth among our employees
- Maintain a high standard within health and safety



GOALS FOR 2026

1. Become locally known as an attractive workplace
2. Ensure good and equal opportunities for career development
3. Introduce more employee benefits to increase well-being

Normann Copenhagen HQ

The main office space of Normann Copenhagen is a seven-story building in the heart of Copenhagen dating back to 1936, where it was commissioned by Danish bookbinder Kai Lorentzen as his new bookbinding facility. This historic building serves as an inspiring space for our employees to engage in daily activities - a seamless integration of showroom, design studio and office areas which fosters collaboration and innovation.

Safety and Well-being of Our Employees

Normann Copenhagen is dedicated to ensuring the health, safety, and well-being of all employees and complies with all relevant safety regulations. We are committed to maintaining a safe and healthy work environment by creating a productive and welcoming workspace and offering benefits in regards to health and well-being. For Denmark-based employees, this includes benefits such as height adjustable workstations, convenient access to an on-site gym and health insurance. In addition, we host several social events throughout the year, encouraging employees to form strong bonds with one another. We believe that time invested in health and safety has significant benefits in terms of employee welfare and morale. In 2022, we had zero work-related accidents. Approximately 1,8% of working days, equivalent to 3,96 days per employee annually, was lost due to sickness. Recognizing the significance of employee well-being, we remain dedicated to implementing initiatives that promote health and work-life balance.

Eatery

Our eatery is a chef-run canteen offering daily, freshly prepared meals for all Normann Copenhagen employees working from the HQ. The eatery is focused on creating healthy, organic meals. Everything is homemade and made with a focus on seasonal ingredients, and leftovers are typically reused for the next day. This approach minimizes the amount of daily waste. Garbage is also sorted and separated to minimize the amount of daily waste.

Adding New Knowledge Through Students and Trainees

We regularly employ students and trainees from all over the world, striving to offer them hands-on experience with their theoretical education. In return, we recognize and value the exchange of expertise between our teams and these students and trainees, who contribute with refreshing perspectives and new knowledge. The students and trainees become a part of the Normann Copenhagen family, with some even returning in permanent positions at the end of their educational programmes. We believe that a diverse and inclusive environment is central to creating an inspirational workplace.



Gender Distribution and Inclusion in the Workforce

Workforce by Gender

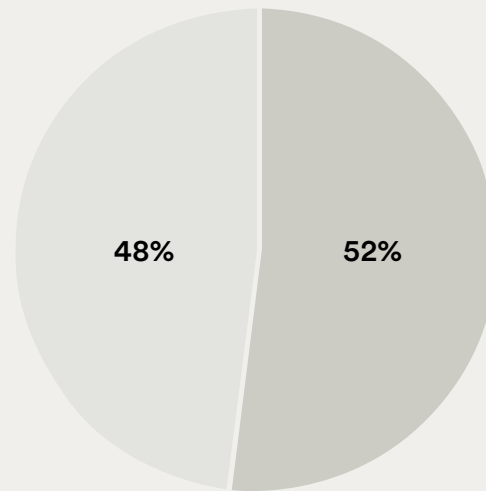


Figure 6.

- **Number of employees:** 79
(compared to 83 in 2021)
- **% of female employees:** 48%
(compared to 52% in 2021)
- **% of male employees:** 52%
(compared to **48%** in 2021)

Gender Distribution and
Inclusion in the Workforce

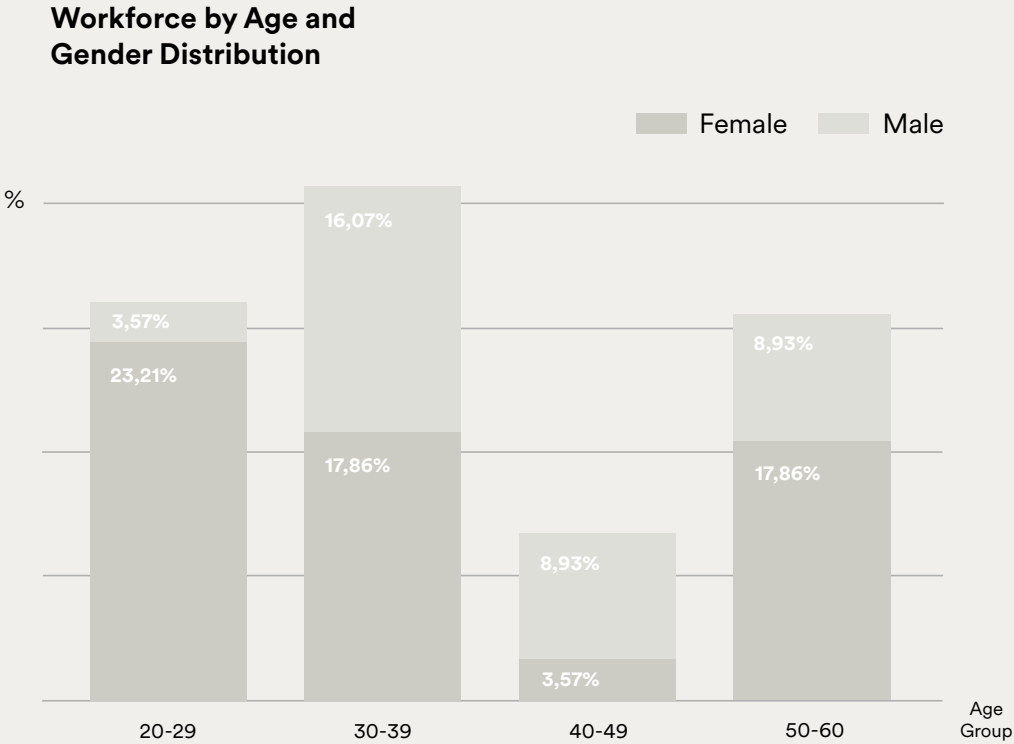


Figure 7.

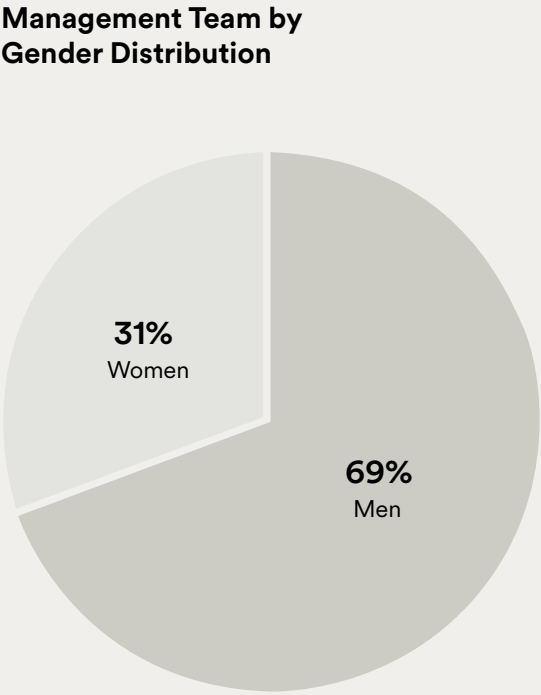






Figure 8.

Strategic Initiatives for 2023

- 01 Extend the health and well-being package for our employees
- 02 Continue our offer to join social events to foster employee relationships and knowledge within different areas



Appendix: The UN SDGs & Our Commitments

SDGs	Description ¹	Our Commitment
3 GOOD HEALTH AND WELL-BEING 	Ensure healthy lives and promote well-being for all at all ages.	<p>We encourage an active lifestyle among our employees by offering in-house gym facilities.</p> <p>We hired a skilled chef to prepare nutritious and seasonal breakfast and lunch tailored to dietary needs.</p> <p>We offer health insurance which includes medical and psychological care.</p> <p>We foster social well-being through employee gatherings and events on a regular basis.</p>
5 GENDER EQUALITY 	Achieve gender equality and empower all women and girls.	<p>We remain committed to enhancing the diversity of our workforce by ensuring a balanced representation of all genders.</p>
8 DECENT WORK AND ECONOMIC GROWTH 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	<p>Through our operations in Denmark and China we create local jobs, contributing to economic growth.</p> <p>We are proactively engaging in the recruitment of students, providing them with training opportunities with the dual purpose of preparing them for roles within Normann Copenhagen or equipping them with skills valuable in the broader job market.</p>
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Ensure sustainable consumption and production patterns.	<p>Efforts to minimize waste are actively pursued through established protocols for waste management within the company.</p> <p>Clear targets are set to decrease Co2e emissions and enhance reliance on renewable energy sources.</p> <p>The imminent establishment of the facility in Latin America underscores our commitment to fostering more efficient production practices.</p>

¹<https://sdgs.un.org/goals>



Contact Details

Thank you for taking the time to read our sustainability report. We hope it lived up to your expectations, and we're open to hearing your thoughts and feedback.

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Follow our progress

Stay in touch with our sustainability activities at the channels below:

normann-copenhagen.com
[instagram.com/normanncph](https://www.instagram.com/normanncph)
[linkedin.com/company/normann-copenhagen](https://www.linkedin.com/company/normann-copenhagen)

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C O P E N H A G E N