

sedus

since 1871

SUSTAINABILITY REPORT 2020
WITH INTEGRATED ENVIRONMENT STATEMENT
FOR THE DOGERN SITE



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All passages which are relevant for the environmental statement are marked with this symbol.

OUR



PROFILE

A large, vibrant mosaic wall composed of numerous small, multi-colored rectangular tiles in shades of red, yellow, blue, green, and white. The mosaic covers the lower half of the image. In the bottom right corner, a dark grey rectangular panel is integrated into the mosaic, featuring the word "sedus" in a white, lowercase, sans-serif font.

sedus

FOREWORD

FROM THE BOARD

Dear Readers,

2020 was a challenging year for us in many respects. We had to learn quickly how to live and work under the new circumstances created by the COVID 19 pandemic. We have our staff to thank for the fact that all the changes have worked out so well. They have done an excellent job and we are proud of them.

As you know, quality and durability are characteristics that are integral to Sedus products. This also includes all environmentally relevant issues. We pay attention to them during the development and design of new products – in the selection of materials, in all production processes and, of course, in packaging and logistics and, last but not least, in disposal. Due to the carbon footprint for our production sites, which is supplemented by the ecological assessments for our products, we now have the necessary transparency and measurability to best identify and consequently improve our environmental impact. We embarked on this path a few years ago and are pursuing it diligently.

It is not only the big steps, but often the many small ones that bring us forward when it comes to environmental protection. In the meantime, we have worked hard to draw up ecological assessments for all Sedus products and have introduced certification in accordance with the highest possible standards. These include ISO 9001 (Quality Management), ISO 14001 & EMAS (Environmental Management), ISO 45001 (Occupational Health and Safety) and ISO 50001 (Energy Management). We will continue to provide these certifications in the future – because they are becoming increasingly important in the sale of products and are regularly required in tenders.



Our new and ambitious goal is to become climate neutral by 2025. All operations and processes are currently reviewed and subsequently optimised so that greenhouse gas emissions only have a minimal impact on the climate.

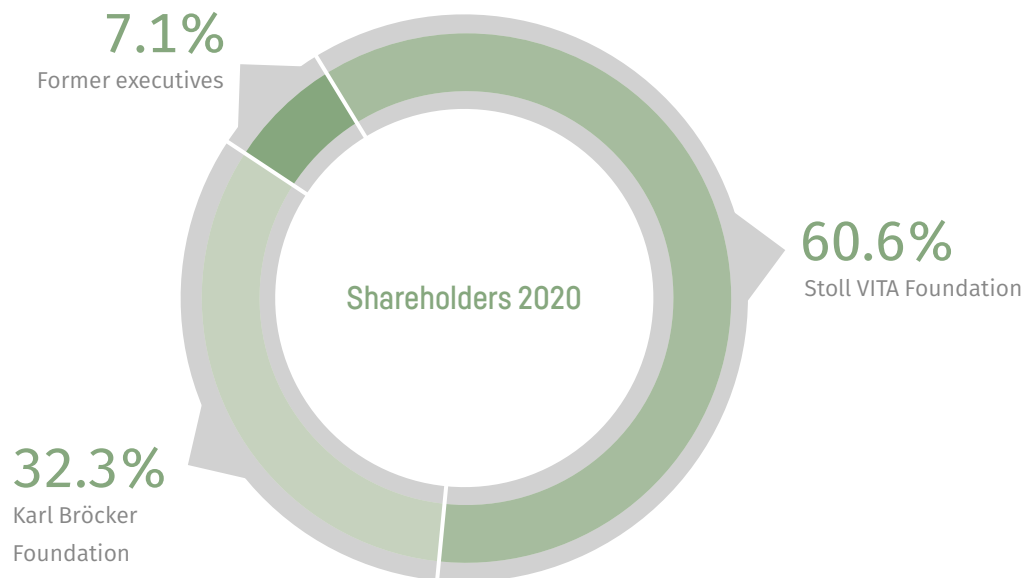
This is a challenge which does not only apply to production processes. It requires a high sensitivity to environmental issues – which has long existed in the company – and a completely new, courageous approach in which everything is put to the test. Starting with the materials used and their supply sources, to production methods and energy consumption, all the way to the recyclability and reuse of our products.

We are confident that we will achieve this goal. The first step has been taken and with it, every path, no matter how long, begins ...

Dogern, June 2021

The Board

Sedus Stoll AG is a non-listed joint stock company under German law, with its registered office in Dogern, Germany – or, to be precise, Dogern in the district of Waldshut in Baden-Württemberg. The company is majority-owned by the Stoll VITA Foundation in Waldshut, which holds 60.6% of the shares, and the Karl Bröcker Foundation in Lippstadt, which holds 32.3% of the shares. The remaining shares (7.1%) belong to the former executives.



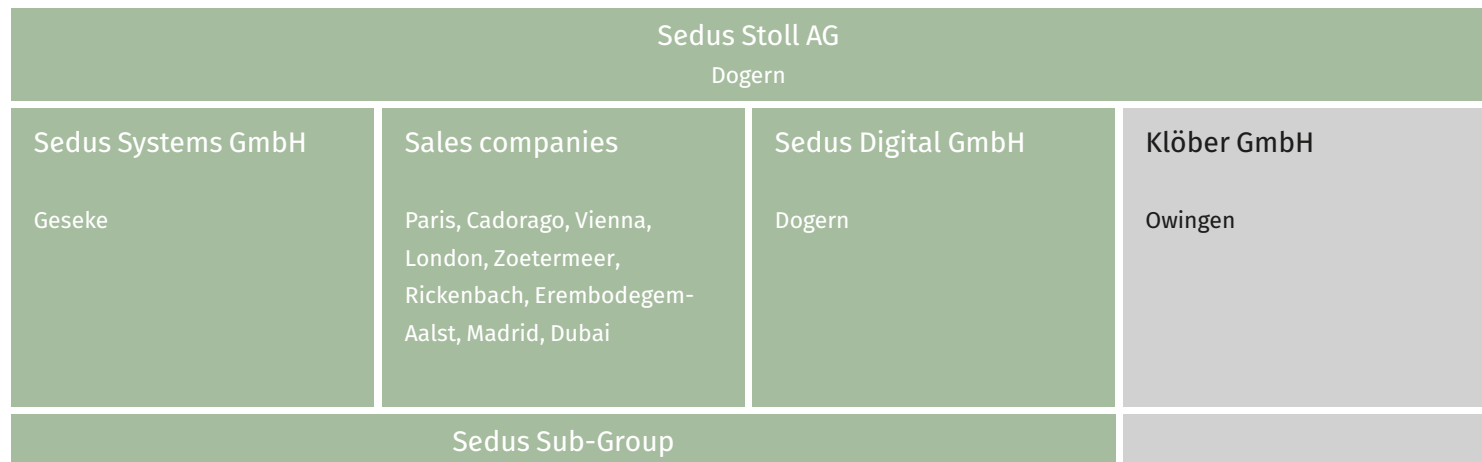
Sedus is a full-service supplier of office equipment and workplace concepts with a long history – the company was established in 1871. Its production sites are located in Dogern and Geseke. The environmental statement integrated into the report relates solely to the company headquarters in Dogern. The Dogern premises are located in a business park. You can find the relevant site map in the Appendix on page 74.

Office chairs, sofas and screen elements are manufactured in Dogern, while the office and conference room furniture is manufactured at the subsidiary, Sedus Systems GmbH, in Geseke. Products are distributed directly under the Sedus brand via specialist retailers in Germany, as well as via direct export in more than 70 countries worldwide. Eight European subsidiaries perform distribution in the neighbouring countries. The subsidiaries in the

United Kingdom, Belgium, France, Spain, Italy, Austria, as well as The Netherlands and Switzerland were, in some cases, established over fifty years ago. They operate independently in their markets. Customers in the Middle East are served by the subsidiary in Dubai. Sedus Stoll AG is, therefore, one of the most important international companies in the office furniture industry. Digital solutions for the use and management of workstations in smart working environments will be distributed in future via the subsidiary Sedus Digital GmbH (i.G.). It was founded in 2020 and is based in Dogern.

The Sedus Stoll Group also includes the Klöber GmbH, based in Owingen at Lake Constance. This international manufacturer of high-quality office seating solutions is an independent player on the market. Distribution is implemented under the Klöber brand via office furniture retailers all over Europe.

Sedus Stoll Group



THE SEDUS SUB-GROUP

The Sedus Sub-Group is the Sedus Stoll Group excluding Klöber GmbH. Products and services sold under the Sedus brand are distributed in furniture stores all over the world, while major international wholesale customers are also looked after and supplied by Sedus directly. The main customers are banks, insurance companies, IT and communications companies as well as industrial enterprises. At the time of writing this report, the Sedus Sub-Group employed 902 people, of which 591 worked in Dogern.

The total turnover of the Sedus brand was EUR 167.0 million in 2020; in 2019, it was EUR 189.9 million. Sales in Europe accounted for 96%. Almost 4% of turnover was realised in Asia as well as other continental regions. Broken down according to country, sales in Germany accounted for 58% of turnover. 42% was realised from exporting to around 75 countries.

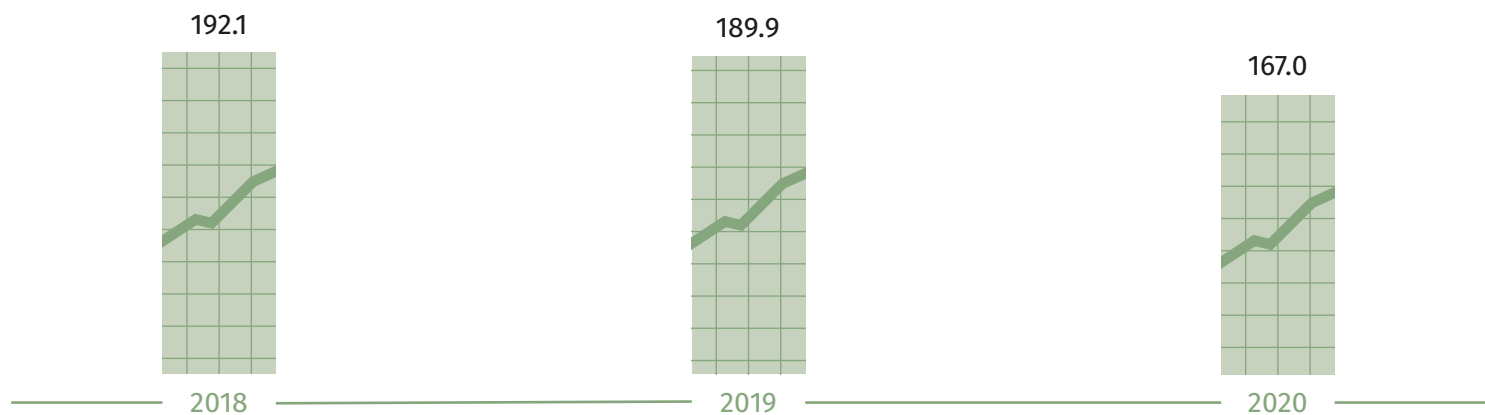


In the financial year 2020, the Sedus Sub-Group – under the Sedus brand – spent a total of EUR 63.7 million on operating and production resources. In 2019, it amounted to EUR 65.3 million. A total of 433 suppliers were used. Germany was the most important supplier country by far, with a total share of 74%, followed by other European countries.

Further information on business during the reporting period is contained in the annual report and is publicly available.

Turnover of the Sedus Sub-Group

in EUR million



THE SEDUS BRAND

Constant investments in the most modern technology, the targeted expansion of the product range, and strong, qualified distribution are the key strategic building blocks for successfully distinguishing ourselves from the competition and for the strong positioning of the Sedus brand.

Established 150 years ago as a family business, Sedus Stoll AG is now one of the leading full-service suppliers of office equipment and workplace concepts in Europe. In the past years and decades, Sedus has continued to set standards – particularly, in the areas of ergonomics, design and sustainability. This led to the development of standards that have gained global significance. The Sedus brand name has been synonymous with excellence in ergonomics and high quality for decades.

The companies Sedus Stoll AG and Sedus Systems GmbH develop, produce and distribute office furniture systems, office seating solutions, seminar and conference equipment as well as commercial furniture. As a globally recognised brand, Sedus is a synonym for aesthetic, ergonomic and high-performance office equipment. It is developed and produced in Dogern am Hochrhein as well as Geseke in Eastern Westphalia, and bears the quality seal “Made in Germany”. From reception areas to individual, combined, open-plan and manager’s offices, Sedus furnishes entire organisations. This is according to all the modern standards of office design – and tailored to meet individual customer wishes.





Sedus office equipment is manufactured to order. Furthermore, Sedus offers suitable additional benefits such as our extensive advisory services, individual planning services, mobile customer service and information and training programmes.

Constant investments in the most modern technology, the targeted expansion of the product range and strong, qualified distribution are the strategic building blocks for successfully distinguishing ourselves from the competition and for the strong positioning of the Sedus brand.

“Whatever bears the Sedus label is Sedus” – the products and services sold under the Sedus brand abide by this motto. Accordingly, the larger part of the added value is created in Sedus’ own sites in Germany. This is also due to the high vertical range of manufacture. If possible, and as far as it is economically feasible, orders for the manufacture of individual components are given to businesses in our own region. Videos of our manufacturing processes show the vertical range of manufacture and the quality of “Made in Germany”: [youtube.com/user/SedusStollAG/videos](https://www.youtube.com/user/SedusStollAG/videos).



OUR



POSITION

SUSTAINABILITY AT SEDUS

Sedus takes a stance which, over the past 150 years or so, has crystallised into the foundation of the company: It is only when people feel at ease that productivity and performance are possible. Whatever is good for people is also good for the company. This conviction is the guiding principle for everything we do. And how we do it.

Our philosophy

As a manufacturer of office furniture, we are simultaneously witnesses, partners and participants in global and digitally driven work. In spite of all the disruptions and changes in office work which have occurred, each company must decide for itself how to proceed in the future. This independence is crucial to us. Any kind of dictate imposed on conduct or taste has a counterproductive impact on people – particularly as the already high level of self-determination and identification with work continues to increase. Therefore, we are all the more convinced that our perceived values of quality, ergonomics, emotionality and sustainability all help to shape the office of the future.

Traditionally a trailblazer in sustainability

One's own conduct has consequences and one must keep these consequences in mind. This attitude towards entrepreneurial self-regulation is typical for Sedus – and it is easy to see from the establishment of the Stoll VITA Foundation and Karl Bröcker Foundation. These foundations do not only uphold the entrepreneurial independence of Sedus Stoll AG but also pursue charitable and philanthropic purposes.

Because it had been working on this basis for a long time already, the discussion about the environment, which began in the 1970s, did not surprise Sedus; nor has the now omnipresent issue of sustainability. On the contrary: The pioneering role of Sedus within the European furniture industry is evident from the chronology of the last 30 years. The number of relevant awards extends from Christof Stoll being voted as "1993 Eco-Manager of the Year" to the Eco Audit taken to achieve compliance with EU standard 1995 (as the first German furniture manufacturer to do so), as well as the EMAS III certification which Sedus received as one of the first office furniture manufacturers in the world.



Corporate principles

Our corporate principles cover ten points which were last updated by the Board in January 2018. These also include our environmental policy. Our company strategy states that vision, mission and corporate principles are the guidelines for our day-to-day work. There is a detailed strategy paper which provides further orientation.

Furthermore, there are other crucial documents, such as internal business agreements on social and financial aspects, e.g. the employee profit participation scheme. Then there are the environmental objectives, as set out in the environmental statements (see the Appendix, page 69) as well as detailed supplier guidelines. Suppliers share our commitment to acting sustainably in all dimensions – economically, socially and environmentally.

Various internal and external experts, and especially our employees and our customers, monitor to what extent Sedus achieves the values and objectives it has set for itself.

CORPORATE PRINCIPLES (include environmental policy)

1. The will to move

The world of work is changing – and with it, the responsibility of office furniture manufacturers. Sedus is taking the road to the future together with its customers and partners by not only recognising changes, but actively helping to shape it – with innovations both large and small. In this way, Sedus not only promotes physical and mental movement in everyday office life, it also becomes a movement itself.

2. Create proximity to the customer

Sedus is a brand that also moves people emotionally. By making our customers feel understood and respected, and by having our employees declare customers' wishes and needs to be their personal objectives, Sedus products and services create tangible benefits.

3. Deliver innovation through motivation

In an environment in which knowledge is shared and multiplied in a goal-oriented way, there is an inspiring interaction of motivation and innovation. This gives rise to the necessary competences to be able to offer “productive well-being” in ever new ways inside and outside the company. This calls for the consistent participation of employees in the success of the company.

4. Offer quality down to the smallest detail

Our products are used millions of times each day. We meet the resulting responsibility with top performance – at every level. Our process-oriented management system makes it possible to effectively combine quality and efficiency and to inspire our customers in a variety of ways.

5. Have a strong focus on sustainability

Many talk about it – we act on it. Certifications prove it: Sustainability is part of our corporate culture. We consider both direct and indirect environmental requirements which go beyond the limits of our business. This is demonstrated, among other things, by the durability of our products, environmentally friendly materials and the reduction of emissions to a minimum.

6. Network successfully

An idea can only become great if many people are committed to it. In the Sedus business network, this includes not only employees and sales agents, but also the suppliers. We, therefore, select them carefully. Together, we can make our vision of innovative office furniture and our understanding of sustainability come true.

7. Fulfil our role in society

Sedus acts fairly and responsibly at all times. We are committed to individual self-realisation and the functioning of society as a whole. Operating successfully around the globe requires complying with the laws and binding obligations of each country. We identify with the principles of the United Global Compact and support the core values relating to human rights, labour standards, environmental protection and anti-corruption.

8. Be reliable and consistent

We do what we say and say what we do. We always take forward-looking and target-oriented action, exploit opportunities and avoid risks for customers, employees, the company and the environment. This creates trust and loyalty – the hardest currency in all times.

9. Social responsibility

Sedus takes its social responsibility seriously, both within the company and beyond. This includes extensive company health management and events which promote culture. The main shareholders, two charitable foundations, support this approach through their own projects both in Germany and abroad.

10. Be independent

Our foresight in action and our financial basis secure our existence and growth, our entrepreneurial flexibility and our independence in the long term.

OUR APPROACH

We are committed to the vision of motivating people in their work and helping them to realise their full potential. We know that office space plays a significant role in the well-being of the company and its employees. Our solutions live up to this important role in a sustainable way.

For over 60 years, the knowledgeable and sensitive treatment of the environment and natural resources has been part of the philosophy of our company. We aim to leave future generations an environment which is intact and which can sustain life. The holistic view of the company means that, for us, people are always placed at the heart of things. This starts with our own employees: They have been able to participate in the joint success of the company since 1952.

Even if one should be careful when making statements about the future: Under the auspices of sustainability, we are looking to the next decades with full conviction and optimism. Those who know us will not be surprised: The course upon which we set out decades ago has made Sedus one of the leading manufacturers in the office furniture industry in Europe. Market trends show that, in the future, even more customers will look to see whether their office furniture is manufactured in line with environmental and social standards. We see this as an opportunity, not as a risk.

The focus on high quality, durable, environmentally friendly products is just as sustainably oriented as our corporate culture. Because our products are manufactured in Germany, internal working conditions also comply with the highest standards (you can find an overview of our most important sustainability issues on page 25). The assessment of environmental issues as part of our environmental statement is in the Appendix on page 72.

Corporate strategy 2025

We focus on our customers

Customer relationship management and knowledge of purchasing decisions form the basis of our distribution activities. Sedus sells its products primarily through local specialist retailers.

We are visible

The visibility of the Sedus brand is achieved primarily via free communication channels.

We make dealing with our customers as easy as possible

Cooperating with Sedus is fun for our customers and they recommend us to others.

We focus on sustainability

We take economic, ecological, and social aspects into account in making all our decisions.

We develop innovative products

We satisfy our customers with innovations and competitive products. The combination of design, ergonomics and sustainability creates unique added value.

We continuously improve our quality and service

Best quality and delivery service make the difference. All relevant products are “Made in Germany” in Dogern and Geseke.

We are flexible

Flexibility and agility in all internal processes lead to short delivery times and easy customer-oriented solutions.

We work efficiently

Focus on adding value through processes, competence centres and structures stretching across multiple locations allow maximum synergies to be achieved.

We provide our employees and executives with training on an ongoing basis

Through targeted personal development, we raise our employees' qualifications and strengthen their bond to our company.

We work profitably

In order to secure the future of the company in a sustainable way, we realise appropriate returns.

Sustainability strategy 2025

“Ecology and economy are not contradictory concepts, but rather indispensable parts of the whole.” These words of our long-time CEO, Christof Stoll, and appropriate, holistic action already characterise our corporate principles. We focus on the Sustainable Development Goals – SDGs for short. In order to develop individual topics in a targeted way, we have been working on a supplementary sustainability strategy since 2018:

- We know our supply chain and its effects.
- We have transparency about our products and their environmental impact.
- Sedus stands for sustainable production and innovative products.
- We maintain a dialogue with our stakeholders and communicate important issues.
- We have satisfied and healthy employees to whom we provide regular training.



Climate-neutrality by 2025

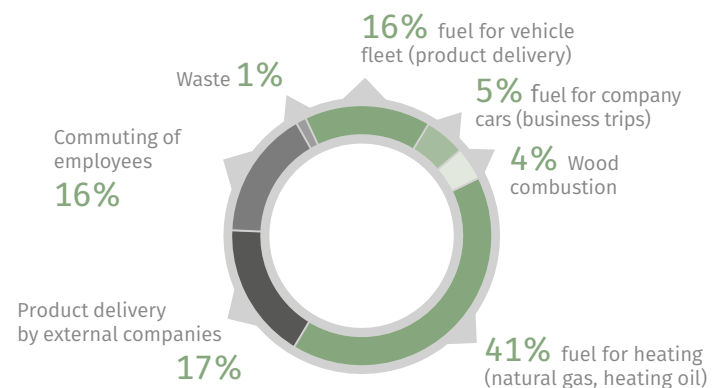
Climate protection has always been part of the Sedus philosophy. This includes conserving resources and continuously improving energy efficiency in order to keep detrimental effects on the environment and the climate as low as possible. Sedus is constantly setting ambitious goals with a particular focus on climate protection and the circular economy. Since 2012, our energy management system has been in accordance with ISO 50001, and we only purchase carbon neutral electricity from renewable energy sources.

The carbon footprint, also called CO₂ balance, represents the total amount of greenhouse gas emissions (measured in CO₂ equivalent) caused, directly and indirectly, by the company's activities. Sedus reports its corporate carbon footprint (CCF) according to the Greenhouse Gas (GHG) Protocol in three scopes.

Sedus 2020 GHG emissions, market-based (tCO ₂ -eq)	
Scope 1	2,219
Fuel for heating (natural gas, heating oil)	1,469
Fuel for company cars (business trips)	193
Fuel for vehicle fleet (product delivery)	557
Scope 2	0
Procurement of green electricity	0
Scope 3	1,202
Waste	37
Commuting of employees	570
Product delivery by external companies	596
Biomass	144
Wood combustion	144
Total	3,565

Sedus has set targets in line with the Paris Agreement, which aims to limit global warming to 1.5 degrees Celsius. These apply to direct and indirect emissions of the Sedus Group (Scope 1, 2 and 3). The 2025 climate neutrality target, on the other hand, relates to the management and production sites of the Sedus Group, i.e. for the Group's own generation and purchase of energy required for production and management (Scope 1 and 2).

Our first step is to significantly reduce emissions. Remaining emissions are to be compensated. To achieve this, we are currently conducting thorough discussions with all relevant departments in order to subsequently set ambitious and quantified targets. Among other things, new energy concepts are currently being developed for our management and production sites, which are to



be implemented from 2022. The aim is to minimize dependence on fossil fuels. This is our way of improving energy efficiency and expanding the use of renewable energies.

Since 2018, Sedus has also been accounting for its Product Carbon Footprint (PCF), which is essentially a component of indirect emissions (Scope 3). This is conducted on the basis of life-cycle assessment and is in accordance with current standards (DIN EN 15804). By 2021, the life-cycle analysis has been carried out for more than 100 products, covering all product groups. For each product, the ecological assessment and the PCF are consolidated in a so-called Environmental Product Information (EPI). This enables Sedus to create an environmentally oriented database for its products. On the one hand, this ensures transparency with regard to the emis-

sions of our products; on the other hand, it also allows a detailed analysis of the products in order to subsequently improve them from an environmental point of view.

We aim to sustainably develop our products in order to remarkably reduce our Product Carbon Footprint. To implement this plan, we are developing practical measures for the use of secondary materials before the end of the year.

SUSTAINABILITY PROGRAMME

As a globally active manufacturing company and a part of society, we shoulder our responsibility to contribute towards an environmentally, socially and economically worthwhile world – yesterday, today and tomorrow.



Clear standards for suppliers

Along with Sedus Stoll Group's general supplier guideline, a separate supplier guideline on sustainability was revised in 2018. This was signed in 2019 by all suppliers with an order volume of more than EUR 5,000. The guideline expressly refers not only to Global Compact, but also to the standards of the International Labour Organisation and the "Guidelines for Multinational Enterprises" from the Organisation for Economic Cooperation and Development (see page 38).



Environmentally friendly production sites

Back in 1994, Sedus was certified under the international quality standard ISO 9001. In 1995, Sedus was the first furniture manufacturer in Germany to be validated under the "Eco Audit Regulation" of the European Union. Since then, there have been annual monitoring audits and recertifications in three-year intervals. In addition, we have been certified according to the international standard for environmental management systems ISO 14001 since 2001. Furthermore, our energy management system has been certified according to the standard ISO 50001 since 2012. Since 2019, we have had our occupational Health and Safety Management certified in accordance with DIN EN ISO 45001 (see p. 43 et. seqq.).



Excellent employer

We strive to be a responsible and attractive employer which fosters and encourages its employees. We aim to build up the next generation of employees ourselves, and continuously invest in education and training. Safety and the health of our employees is an important concern for us. This includes regular inspections and training on the issue of occupational safety as well as various offers to promote health (see page 63 et. seqq.).



Highest standards for products

The certification of office furniture under "Greenguard" and "Toxproof" – i.e. tested for toxins – reflect Sedus' efforts to ensure that office air is clean and construction is sustainable. The Greenguard certification is part of the requirements of many sustainability-related construction standards. This includes, for example, the LEED system of the US Green Building Council. Furthermore, many products are certified under PEFC™. In addition, ten Sedus product families have recently been given the right to carry the "Blue Angel" (Blaue Engel) environmental label (see page 33 et. seqq.). For more information, see the environmental programme for the Dogern site on page 73 et. seqq.

SUSTAINABLE MANAGEMENT

Sustainability requires binding rules, clear structures – and that each individual has a feeling of responsibility. Here at Sedus, this requirement shapes the way we think and act, and we are motivated to deliver on it every day.

Management

As a non-listed joint stock company, Sedus Stoll AG has a dual management system. The management is the responsibility of the Management Board, and the Supervisory Board monitors it.

The Supervisory Board appoints and monitors the Management Board of the company, which comprises two members. The Management Board manages business and reports to the Supervisory Board on the company's situation on an ongoing basis. The Management Board is responsible for sustainability management at the company. The basis for this is documented in the "Corporate principles" (among other places).

An environmental officer is appointed at each of our sites, who ensures compliance with the applicable environmental laws, monitors and optimises environmental processes and trains employees on environmental issues. In addition, a "sustainability committee" has been appointed, whose members include the heads of various company divisions. The environmental officer and the sustainability committee define and coordinate the relevant works and report directly to the Management Board.

Forward-looking risk management

Following our corporate principles, our most important concerns are customer satisfaction and the avoidance of risks for our partners, the company, our employees and the regions in which we are active. Therefore, we manage risks in a forward-looking manner to protect the health of our employees, the business, the local public and the environment as well as to secure supply to our customers. We involve our suppliers in this without exception. To guarantee this at all times in day-to-day business, the Sedus Sub-Group has implemented a risk management system which systematically records and assesses risks and implements the resulting measures. For further details, please refer to our Annual Report.

Compliance with all national and international tax laws is part of responsible corporate governance for the Sedus Stoll Group. In this sense, the tax strategy aims at a legally compliant, tax-optimised structuring of circumstances both domestically and abroad.

The Sedus Stoll Group always acts in full compliance with local tax and customs regulations, as well as internationally binding guidelines and in accordance with domestic tax laws and the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

The Management Board is responsible for adopting the tax strategy and risk management. Functional responsibility is transferred to the “Tax” Department; there is a regular exchange of information between the head of the Tax Department and the Management Board on all significant tax issues, the current and future effects, as well as on the status of the risk survey and the implementation of risk-limiting measures/controls. In addition, the Management Board reports regularly to the Supervisory Board on important tax topics, such as the assessment of tax risk. To ensure accountability to the tax authorities, an internal control system has been implemented to centrally manage and monitor tax risks.

The tasks are fulfilled by establishing the following group-wide guidelines, which are centrally managed and monitored:

- No inappropriate tax structuring strategies.
- Tax payments in accordance with the value-added activity and the legal requirements.
- The Management Board is aware of its social responsibility.
- The Sedus Stoll Group makes its contribution to tax revenue in accordance with its performance in Germany and abroad.
- Open and respectful cooperation with fiscal authorities.



Stakeholder involvement

We maintain a regular dialogue with our stakeholders to identify instructions and requirements as well as changes in attitudes at an early stage and proceed proactively. The following groups count among the most important stakeholders:

- Specialist retailers
- End customers
- Intermediaries such as architects or occupational health professionals
- Shareholders
- Employees (including their families)

- Suppliers
- Public sector entities, such as administrative bodies or local councils where the sites are located
- Residents and local media at the location of the sites
- Associations and institutions of which Sedus is a member
- Specialist sectors of the public, such as media or organisations devoted to questions of responsible and sustainable corporate management
- Supervisory bodies such as auditors, representatives of authorities, environmental verifiers and certification bodies
- Competitors
- Legislators

Furthermore, various media outlets and formats are used which are oriented towards stakeholders:

Shareholders: Meetings of the Supervisory Board, Management Board report, annual general meeting and quarterly shareholder reports.

Employees: Communication as part of daily work processes, intranet, information on the notice board, training, exchanges between the workers' council and the Management Board, semi-annual staff meetings and the employee magazine Sedus trialog.

Suppliers: Direct personal or written exchange, on-site inspections by Sedus employees, supplier days, supplier visits to Sedus.

Intermediaries/customers/specialist retailers: Our specialist retail partners can find all relevant information about Sedus on the online platform "PartnerNET" – from tender text to data sheets on ecology to means of advertising – and can address their questions to the company online. For the target group of architects, interior designers and planners, we offer special services and consolidated information in ArchitektenNET. Other areas worth mentioning are trade fairs, showrooms, national and international trade events and feedback within the "Sedus Satisfaction Management".

Public sector: Direct personal or written exchange.

Residents and local media at the location of the sites: Direct personal or written exchange and factory visits.

Associations and institutions: Meetings and assemblies of the Chamber of Industry and Commerce and associations of which Sedus is a member.

Specialist sectors of the public: Direct personal or written exchanges, including regular press and PR work.

Supervisory bodies: Communications as part of on-site inspections.

During our exchanges with our stakeholders over the past few years, we have noticed a significantly stronger interest in information about our environmental, social and societal engagement. This is evident, for example, in the increased demand by specialist retailers for our data sheets with environmentally relevant information. We are also pleased to note that aspects of sustainability in manufacturing and management are gaining in significance as part of tenders.

Our customers have stated in surveys that the issue of sustainability is becoming more important despite the dominant concerns of price and performance. Sustainability in purchasing is of particular importance to wholesale customers. This also shows that the issue of a recycling economy is gaining in importance and that the corresponding commitment should be expanded and made more visible. Sedus has already taken up these stakeholder expectations and initiated a programme for comprehensive life-cycle assessments. You can find further information about this on page 33 et. seqq. In the future, we want to communicate our

efforts in the field of sustainable production and business even more powerfully in order to give our customers more good reasons to buy from Sedus.

Materiality analysis

In order to verify Sedus' strategic orientation, a first workshop with employees from various divisions of the company was held in 2016 to determine which sustainability issues were relevant; these issues were then approved by the Management Board. Continuous stakeholder management now builds on this.

In addition, key issues were identified by means of stakeholder surveys. The focus of our surveys in 2018 was on specialist dealers, distribution and subsidiaries. In 2019, a survey on sustainability issues was conducted at the International Management Meeting in the subsidiaries and in 2020, with all the company's area sales managers. We are currently preparing another extensive survey for 2021 among our national and international specialist retailers.

As part of an internal audit, new material issues were taken up by the executives during the reporting period, which resulted from the legal, social or market-relevant circumstances. The identified issues were collected before risks and opportunities were derived from them in a second step.

The complete list of issues was then presented to the Management Board as part of management assessment. It was then decided which issues – or which opportunities and risks – would be pursued further. The following material issues were determined for this report:

- Occupational safety
- Demographic change
- Good working conditions
- Legal Compliance
- Sustainable management
- Use of resources
- Climate neutrality
- Packaging concept
- Circular economy

MEMBERSHIPS

We participate actively in the exchange of knowledge within our industry. Based on dialogue, discussion and a broad, open view, we develop joint solutions and smooth the way into the future.

In May 2017, Sedus Stoll AG signed the accession declaration to join the United Nations Global Compact. The United Nations Global Compact is the most important initiative in the world for responsible corporate management. To date, the management boards of over 13,000 companies and organisations from 170 countries have committed themselves to the ten principles it sets out.

Our corporate principles also reflect these values: “We identify with the principles of the United Global Compact and support the core values relating to human rights, labour standards, environmental protection and anti-corruption.” As proof of their ongoing commitment, all signatories – including Sedus Stoll AG – submit an annual progress report. This is available separately on the UN Global Compact website.

In 2012 – to be precise, on September, 15 – Sedus signed the Heilbronn Declaration on Corporate Social Responsibility among Medium-Sized Enterprises. By doing this, we have voluntarily undertaken to pursue the vision set out in the Heilbronn Declaration and to adhere to the approaches described in it. That means

making corporate social responsibility a part of everyday life at the company by observing our social and societal responsibility, and significantly surpassing the standards set by the law.

Sedus Stoll AG is a member of the Chamber of Industry and Commerce of Hochrhein-Bodensee and is represented there in the plenary assembly as well as in the committees for energy and the environment, foreign trade, industry, finance and taxes.

Furthermore, Sedus is a member of the Bundesdeutschen Arbeitskreis für Umweltbewusstes Management e.V. (Federal German Working Group for Environmentally Conscious Management e.V.) (B.A.U.M.). With around 550 members, the environmental initiative B.A.U.M. is the largest of its kind in Europe’s economy. As a member, Sedus accepts its Code of Environmentally Aware Corporate Management. B.A.U.M.’s objective is to make companies, municipalities and organisations aware of concerns relating to forward-looking protection of the environment as well as the vision of doing business sustainably and to assist them in the environmentally effective, economically sensible and socially just realisation of such concerns.

SEDUS IN TRANSITION

At the Geseke site, we successfully completed the large-scale construction projects, which took several years to implement, at the beginning of this year. What particularly stands out is the newly added third floor of the main building, “the Loft”. It serves as a multifunctional space. It was designed as a canteen for employees and customer visits, and it offers a sweeping view of the Westphalian landscape.

Since the end of 2017, all administrative areas apart from IT and property consulting have moved to new or newly designed offices, and the almost 1,000 m² showroom has found its prestigious new home on the first floor. In total, over 4,000 m² of space was modernised. In addition to the office floors, new offices and social rooms were also created in parts of the production area.

140 employees from various departments were affected by the construction activities, and, in return, were rewarded with exemplarily designed workplaces.

Today, potential customers will find modern office worlds in Geseke that represent and reflect the product range and philosophy of the Sedus brand.





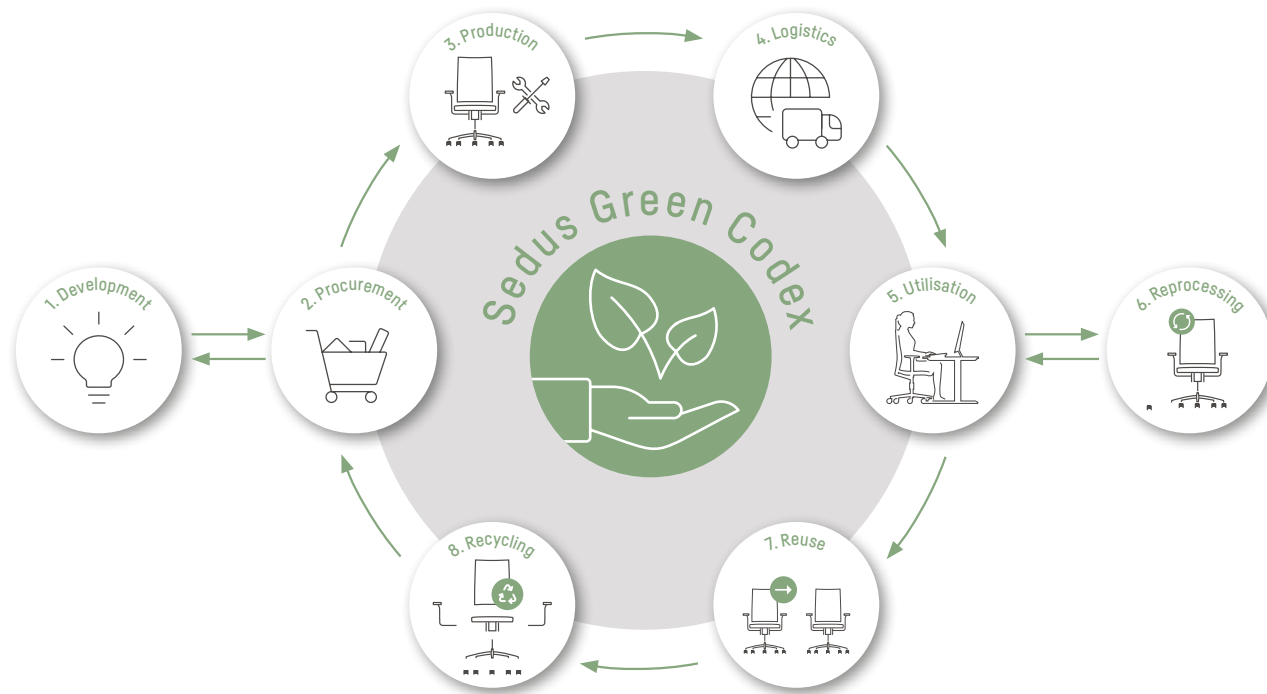
OUR



RESPONSIBILITY

SEDUS GREEN CODEX – THE CIRCULAR ECONOMY AT SEDUS

The development, manufacturing and marketing of Sedus products follow the Sedus Green Codex in a transparent and sustainable way. The individual process areas correspond to parts of a well thought-out circular economy.



Sustainable from the start

Behind every Sedus product there is an idea, a vision, a solution to a problem. Already at this point, i.e. during development, we think of materials that fit our standards and take environmental aspects into account. Accordingly, the assessment of life cycles and the associated environmental impacts are already taken into consideration in the development process, and work is carried out on the

basis of clear specifications. Our design concepts are created in-house and are characterised by three points in particular:

- Environmentally friendly material selection based on the life-cycle analysis
- Use of more and more recycled material
- High demands on durability and timeless design

Materials procurement

Short distances and certified materials, such as wood, are important for the environmentally conscious procurement of raw materials. Sedus stands for “Made in Germany” and this is reflected in facts: We rely on regional suppliers – from Germany, with a share of 74%, and from Europe, with a share of 97%. Furthermore, we pass on our high requirements in the areas of environment, human rights, labour standards and corruption prevention to our suppliers for them to sign.

Furthermore, our suppliers are committed to sustainable business practices. The materials we use are environmentally friendly:

- Secondary aluminium
- Wood from sustainably managed forests
- Leather from Germany and Austria
- Textiles according to Oeko-Tex or Cradle to Cradle certificate
- Recyclable and recycled plastics

Produced on site

Production in our own factories enables the best possible control. Environmentally relevant processes, such as efficient energy generation and economical energy consumption, remain in our own hands. We use 100% green electricity for the manufacturing of our products and thus reduce CO₂ emissions. Furthermore, we have a certified quality, environmental, energy and occupational health and safety management system that provides a clear framework for our production. We are continuously driving forward the optimisation of material and energy efficiency – e.g. by converting the electroplating plant from chromium (VI) to chromium (III).

Reliable logistics

We place value on the right measure – both in terms of the quantity of packaging materials and the packing dimensions. Logistics and shipping are optimised with intelligent packaging systems and the right loading of the lorries:

- Reduction of the packing volume by 50% due to a modular system
- Use of recyclable packaging materials and little plastic
- Processing and reuse of packaging materials
- Efficient utilisation of lorries by delivering new chairs while at the same time taking away products that are no longer in use

Long-lasting quality

Our products should last for a long time – which also helps to protect the environment. This is why quality and premium manufacturing have a very high priority at Sedus. Furthermore, good quality guarantees long-lasting joy with the product.

Easy reprocessing

Not everything can last forever in everyday office life, yet this does not mean that we have to use new raw materials and new energy. Our Sedus refurbishing service makes it possible with the subsequent delivery guarantee on spare parts, such as replaceable back and seat upholstery – for example, for the se:motion swivel chair. Furthermore, we use materials that are easy to clean.

Reuse and donations in kind

We do not dispose of office furniture that has been used for photo shoots and at trade fairs, or sample products. Around 2,000 products per year are prepared for the Sedus outlet. Sample products which cannot be sold are donated to non-profit organisations.

Back to the start: Recycling

Our products are designed to last a very long time and be repairable. If one day this no longer makes sense, we take our products back. Due to easily separable materials and an in-house scrap yard, individual components can be conveniently prepared for recycling.



SUSTAINABLE PRODUCT DESIGN

We develop products which bring together first-class quality, design, ergonomics, durability as well as ecological and economic standards in a balanced and unmistakable way – perfectly in line with our customers' needs. To this end, we set high standards for each life phase of the product.

Furthermore, in all construction groups, we pay attention to durability and can therefore rely on our products lasting between 15 and 20 years – depending on the user's conduct. The respective requirements for stability and fatigue strength always comply with the Sedus standard. This is defined in the test requirements and goes further than the requirements of national and European standards. In addition to this, we conduct regular product audits with reliability tests as part of serial manufacturing, analyses of causes of errors and effects as well as finite elements calculations to save resources and also optimise product strength. We have our own test laboratory which is accredited under DIN EN ISO 17025:2018.

According to our understanding of sustainability, we take all office furniture and chairs back after they have been used and recycle them professionally – if the customer so desires. However, due to the durability of our products, this offer is rarely taken advantage of. We also guarantee the delivery of spare parts for another ten years after the product has been discontinued. Already during the design stage, we think of how to replace worn out parts: Seat and back pads must be easy to replace, upholstery covers should not be glued down, all pneumatic springs should be easy to replace and castors and glides should have plug attachments. Wherever technically possible, we use recycled and high-quality materials in our new products.

Safety for people and nature

All current Sedus products are tested according to the criteria for "TÜV Rheinland Schadstoffgeprüft" and "GREENGUARD Indoor Air Quality Certified" and are subject to regular product monitoring. Furthermore, several product families have been certified under the environmental seal "Blaue Engel" (Blue Angel). These certifications guarantee that only materials which are free of toxins and emissions are used.

TÜV Rheinland Schadstoffgeprüft (Tested for harmful substances)

The Toxproof from TÜV Rheinland ensures that Sedus products have a low content of harmful substances and are harmless to health.



Greenguard Indoor Air Quality Certified

The Greenguard certificate confirms that Sedus products are developed and manufactured with low chemical emissions and, therefore, do not have a negative impact on indoor air when in use.



GS label of TÜV Rheinland

The GS label from TÜV Rheinland indicates that Sedus products meet all important quality and safety standards.



Blauer Engel (Blue Angel)

Blue Angel is a label awarded by the Federal Ministry for Environment, Nature Conservation and Nuclear Safety. The tests cover criteria for environmentally friendly production, indoor air quality, pollutants and the usability of the products. For more information on the Blue Angel and Sedus, go to the following website: <https://www.blauer-engel.de/de/produktwelt/marken/sedus>



Life-cycle analyses for our products

We use materials which have been tested and assessed with respect to potentially adverse effects on human health and the environment. We guarantee that the products can be assessed and optimised – even beyond their life cycle. For this purpose, we calculate the environmental performance of our products throughout their entire life cycle and publish it as quantitative results in the form of Environmental Product Information, or EPI. This documents and openly presents the most important product-related environmental indicators, such as the product CO₂ footprint, energy consumption and the proportion of recycled materials. EPIs are currently available for all relevant product groups.

We have informed our suppliers that all materials and products which are distributed within the European Union and which are used in our products, have to comply with the REACH Regulation – Registration, Evaluation, Authorisation and Restriction of Chemicals. Should the appropriate information not be available from the suppliers, we test the products ourselves in order to guarantee that they meet the relevant requirements.





An example of ecological assessment

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Environmental Product Information

Ausstattungsmerkmale

- Beschrieben auf Produktionsverfahren und Strömungsverlauf
- Stuhl-EPD-Merkmal
- Kompatibilität: schwarz
- A-D Konform mit Sitzschalen/EPD
- Lössendatenerklärung
- Baumaterial: Stahl
- 10 Jahre Ersatzteilversorgung
- 5 Jahre Garantie (siehe Sedus Garantiebedingungen)

Produktion

- Design: kein Kunststoff
- Sitzschale: EPD-Merkmal
- Selbstreinigung: HD-Druck
- Druck: von nachfolgenden Bauteilen
- Produktion: bei 60-80°C
- Produktion: gemäß DIN EN 15264
- Produktion: gemäß DIN EN 15267
- Produktion: gemäß DIN EN 15268

Materialien und Anteile

Material	Anteil
Mehrelemente	50,7%
Kunststoffe	2,2%
Metalle	1,9%
Textilien	1,6%
Glas	0,2%

Recyclinganteile/recyc

Anteil	Wert
Aluminium	100%
Stahl	100%
Kunststoffe	100%
Glas	100%
Textilien	100%
Mehrelemente	100%

Erklärung

Wir erweilen Proteste, die Qualität Design, Ergonomie, Leistungsfähigkeit und Ökonomie. Wir sind stolz auf unsere Produkte und unsere Verantwortung. Jedes Produkt wird mit Sorgfalt und Verantwortung hergestellt. Jedes Produkt wird mit Sorgfalt und Verantwortung hergestellt. Jedes Produkt wird mit Sorgfalt und Verantwortung hergestellt.

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Environmental Product Information

Materialien

Zusammenfassung der wichtigsten Materialien für das Produkt:
Hauptmaterial: Stahl
Bezugsmaterial: Stoff

Metalle

Material	Nr.	%
Stahl	1	97,9%
Aluminium	2	0,3%

Kunststoffe

Material	Nr.	%
Kunststoff	3	2,2%
Kunststoff	4	0,2%
Kunststoff	5	0,2%

Weitere Materialien

Material	Nr.	%
Textil	6	1,9%
Glas	7	0,2%
Metalle	8	0,0%

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Environmental Product Information

Materialkreislauf

Diagramm des Materialkreislaufs: Beschaffung → Produktion → Nutzung → Recycling → Beschaffung.

Treibhauspotenzial innerhalb des Produktlebenszyklus

GWP (kg CO₂ eq.)

Lebenszyklusphase	GWP (kg CO ₂ eq.)
Produktion	2,0
Transport	0,5
Reparatur	0,2
Endnutzung	0,1
Recycling	-1,5

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Environmental Product Information

LEED® V4.1 Beiträge*

LEED® Kategorie	Beitrag	Erklärung
LEED® B3-1: Materialauswahl	1 Punkt	Die Verwendung von Materialien mit einem niedrigen Treibhauspotenzial.
LEED® B3-2: Energieeffizienz	1 Punkt	Die Verwendung von Materialien, die die Energieeffizienz des Gebäudes verbessern.
LEED® B3-3: Wassereffizienz	1 Punkt	Die Verwendung von Materialien, die die Wassereffizienz des Gebäudes verbessern.
LEED® B3-4: Luftqualität	1 Punkt	Die Verwendung von Materialien, die die Luftqualität im Innenraum verbessern.

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Environmental Product Information

LEED® V4.1 Beiträge*

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LEED® B3-3: Wassereffizienz	1 Punkt	Die Verwendung von Materialien, die die Wassereffizienz des Gebäudes verbessern.
LEED® B3-4: Luftqualität	1 Punkt	Die Verwendung von Materialien, die die Luftqualität im Innenraum verbessern.

We inform our customers with detailed product information sheets, which are available for all relevant product groups on our website.

Our products and their materials

Aluminium

On the one hand, the extraction of aluminium consumes a lot of energy; on the other hand, aluminium can be recycled again and again without suffering any reduction in quality. This so-called secondary aluminium requires up to 95% less energy to manufacture. Our die-cast aluminium suppliers use secondary aluminium for environmental and cost reasons – providing it is available.



Oils

We only use non-chlorinated processing oils in production. They have the clear advantage that – unlike halogenated, organic hydrocarbons – they are biodegradable.



Wood

The majority of the wood processed for our Sedus products comes from Germany, Switzerland and France. Our site in Geseke is certified as part of the product chain certification “Chain of Custody” according to PEFC™ regulations. In this way, we make what we consider to be a very important contribution to the protection of forests and nature.

Apart from a few exceptions, we only use PEFC™-certified wood such as chipboard. We are, therefore, able to confirm to our customers that almost all of our products conform to PEFC™.

The wood is not treated with wood protection agents as part of further processing. Since 2020, our chipboard has been compliant with emission class E1. This means that they comply with the stricter legal limits for formaldehyde emissions from wood-based materials (formaldehyde < 0.05 ppm).



Plastics

In terms of plastics, we mainly use polypropylene, polyamide and polyethylene, because they are 100% recyclable. Our goal is to use more and more recycled plastics, i.e. to replace primary plastics with secondary materials. Our raw material for form fleece is made of polyethylene terephthalate fibre – PET for short. It is the same material as commercially available PET bottles. We can add shredded PET bottles as secondary material.

Due to material labelling, the different types of plastics can be cleanly separated. Production waste is returned to the plastics suppliers for recycling. Unlike aluminium, recycling reduces the quality of the plastics, meaning that the output from recycling is not used in our chairs for reasons of safety and quality. However, it is suitable for use in other products.

Foam

The foams we use are made from polyurethane and are water-based. For obvious reasons, we do not use any CFCs, i.e. chlorofluorocarbons. We collect foam waste separately and return it to the manufacturer for reuse. These waste materials are then used as fillers, for example.

Textiles

Our textile suppliers comply with either the OEKO-TEX Standard 100 or the requirements of the EU Ecolabel. The larger part of our textiles are supplied by an EMAS-validated company which is also certified under ISO 14001. This way, compliance with the provisions of environmental regulations is regularly reviewed by independent environmental verifiers.



Leather

We procure leather exclusively from suppliers in Germany and Austria. Tanning is done with chromium (III) salt agents, because they can be recovered in a chrome recycling facility and reused. We do not use any azo dyes or chromium (VI) agents.

Suppliers as the foundation of responsible procurement

Good and close cooperation with our suppliers is crucial in order to produce the best products according to high environmental and social standards. The Sedus Stoll Group runs a systematic and all-encompassing sustainability management programme. In this context, we also expect our suppliers to meet specific requirements in relation to sustainable business conduct. Our sustainability policy is based on international standards such as the ILO Declaration, the OECD Guidelines and, in particular, the United Nations Global Compact. Our sustainability guidelines supplement and substantiate the Sedus Stoll Group's existing general supplier guidelines.

The necessary compliance with human rights is specified in the directive and required in the terms and conditions of purchase. Suppliers undertake to ensure compliance with these guidelines, applying these same obligations to their sub-suppliers. We only take on new suppliers if they have made all the required disclosures and they are able to prove the necessary quality, or compliance with the applicable standards in the relevant fields. A supplier only gets a good assessment grade if they can demonstrate good revenue figures and a solid financial basis. Disclosures made by suppliers are supplemented by research in the Federal Gazette (Bundesanzeiger) as well as information obtained from business information services and banks. In a second step, we integrate the experience gained from joint projects, day-to-day cooperation, on-site visits and audits. We look for answers to important questions such as: Do stable processes exist? How is the necessary quality ensured? Do we have a backup supplier or could we

quickly switch suppliers (if necessary)? If we ascertain significant risks, we define targeted measures to minimise them. It is the job of our purchasing department to ensure that every partner is able to deliver. Risk management is an important tool in this respect. All suppliers of the Sedus Group which are strategically important are subject to an assessment of opportunities and risks at least once a year. This covers around 70% of the purchasing volume.

Origin of the most important materials

For production, Sedus primarily purchases steel, aluminium, plastic parts and wood. In the financial year 2020, the Sedus Sub-Group spent a total of EUR 63.7 million – in 2019, approx. EUR 65.3 million – on operating and production resources. These were distributed among 433 suppliers, 30 fewer than in 2019.

Although they are only used to a small extent in electronic parts, we have undertaken not to use any products, parts or raw materials which contain so-called “conflict minerals” from the Democratic Republic of Congo (DRC). They include coltan, cassiterite, gold, wolframite or the derivatives of these materials, for example.

It is always in our own interest to purchase resources and production means from nearby partners whenever this is economically viable. Communication is easier, there are no customs duties or currency risks and, last but not least, shorter shipping routes are less harmful for the environment. In principle, however, availability must be guaranteed. Furthermore, geographical proximity is also beneficial for the relationship to the supplier.

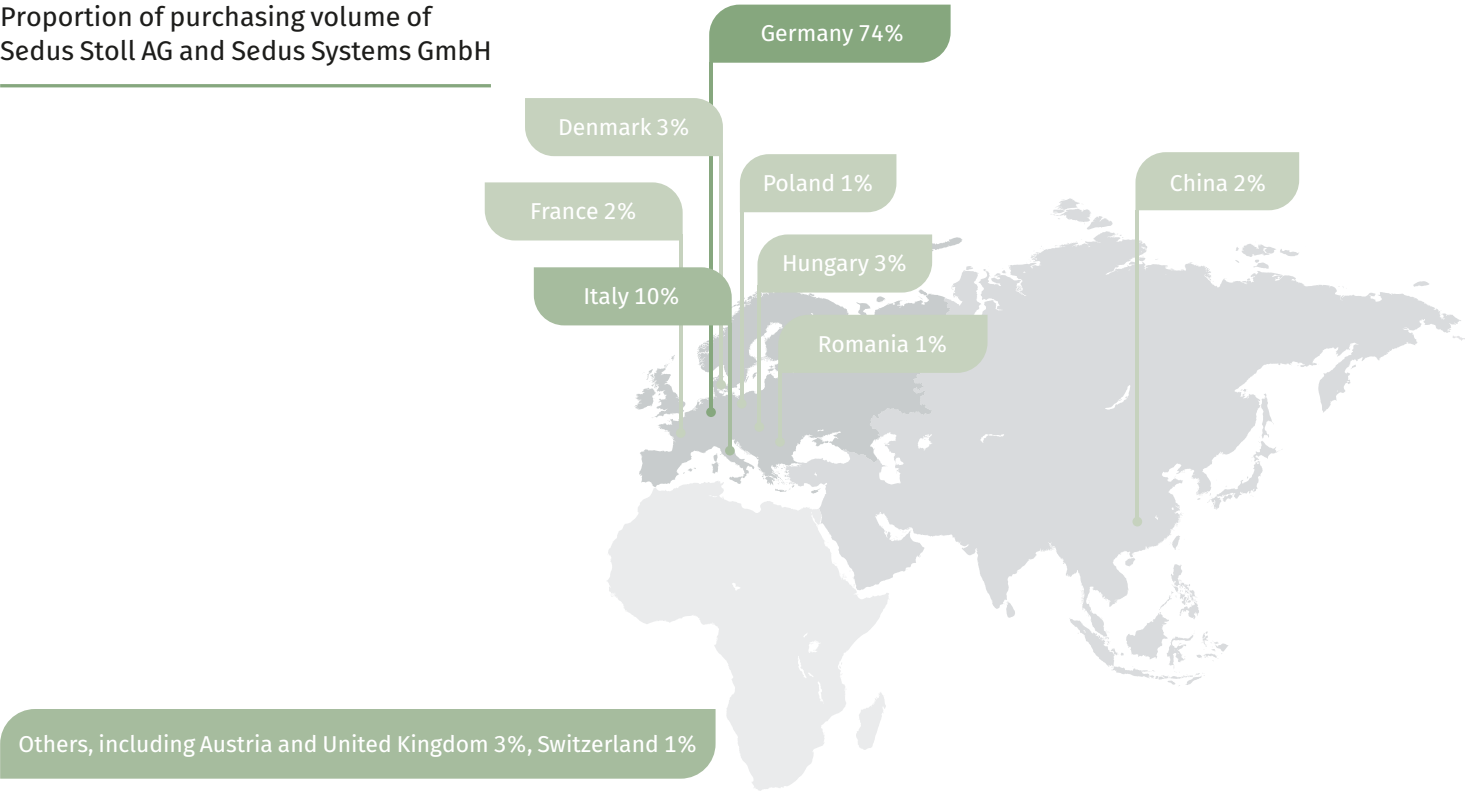
It is, therefore, easier to comply with our standards, and for us to conduct our regular on-site inspections.

In 2020, Germany was the most important supplier country by far, with a total share of 74%, followed by other European countries. The percentage of deliveries from non-European countries was less than 3%. Regional “local” suppliers – i.e. at the Dogern and Geseke sites – accounted for 32%, whereby 10% of the overall

purchasing volume came from Baden-Württemberg; 22% came from North-Rhine Westphalia.

For us, “local” means the Dogern and Geseke sites; “our regions” in the narrower sense means the province of Baden-Württemberg including the Dogern production site and the province of North-Rhine Westphalia including the Geseke site and, in the broader sense, Germany.

Proportion of purchasing volume of Sedus Stoll AG and Sedus Systems GmbH



Environmentally friendly shipping and packaging

We consciously forgo packaging which is whitewashed in a complicated procedure and then subject to four-colour printing. Standard cartons are marked with a simple black print. In Geseke, packaging materials are prepared and reused.

For our packaging materials, we use cardboard, wood, polyethylene and expanded polystyrene. Cardboard and wood are made from renewable raw materials and – like polyethylene and expanded polystyrene – are very easy to recycle. This is mainly because we do not use any composite materials in the packaging.



Safe and environmentally friendly

Packaging is a very important topic for Sedus. On the one hand, as few resources as possible should be consumed, on the other hand, the customer must receive their product intact and not have to complain about transport damage. Just one return or exchange involves a lot of logistical effort, which in turn has a negative impact on the environment and the economy. Therefore, our packaging protects the respective product and ensures damage-free transport. Its purpose is not marketing or image-building.

Innovative packaging concept se:cube

Sedus also provides a safe and environmentally friendly packaging concept for products with large dimensions such as the se:cube with its room-in-room element and a variety of different components and materials. The se:cubes from Sedus are delivered on a spruce wooden pallet from sustainable forestry. The A-shaped support structure is made of chipboard and grey cardboard blanks are used as intermediate layers. The protective elements on the front edges and the wrapping foil are made of PE material. No composite materials are used, so the different packaging materials can be easily separated.



Reduced packing material and small packing dimensions

The conventional film wrapping is not used for Sedus locker series for deliveries within Germany. What remains is the top cover, the base skirt and partial protective elements, which are mainly made of cardboard. The quarterback swivel chair follows another special

packaging and shipping principle: It is delivered partially assembled and thus requires only a small packing size. Besides the quarterback, other products* also use this shipping system; these products only take up maximum 50% of the pack volume. This not only reduces transport costs, but, above all, CO₂ emissions.

* "se:joy", "se:motion", "se:fit" and "se:spot" "se:do", "on spot cosy", "se:note", "secretair home"

Starting online retail as an additional distribution channel

Online visibility and availability of a brand play an increasingly important role and are expected by customers today. With our online activities, we also support our fixed retail partners and keep them involved. In this way, we combine several benefits: Independence from opening hours and an overview of the entire product range, including filter options and variants – all on one website. On the other hand, we can refer interested parties and potential customers to specialist retailers and shops where they can experience the products first hand. Furthermore, specialist retailers offer additional products and services in cooperation with Sedus.

Today, Sedus offers its products in its own online shops in cooperation with fixed specialist retailers as well as via online distribution using partners who operate solely online and online marketplaces. Since 2019, Sedus products have also been available through an outlet online shop.



Handcrafted by

S. Bisanti

sedus

SUSTAINABLE PRODUCTION

Careful use of natural resources and the reduction of detrimental effects on the environment as far as possible have been a part of our company philosophy for decades. We aim to leave future generations an environment which can sustain life and is pleasant to live in.

We plan, analyse and steer our processes in such a way as to avoid negative effects on the environment and only use environmentally friendly materials and technologies.

The strategic and continuous improvement of our environmental performance is anchored in the environmental and energy management system. In doing this, we take direct and indirect environmental requirements into consideration. We also aim to achieve a high level of material and energy efficiency, for example, by minimising emissions and waste.

Sedus is characterised by its high real net output ratio, which covers an average of half of the added value. This means that many processes which are relevant to the environment take place at our sites and can be monitored by us. We placed a premium on environmentally sound production very early on. As early as 1979, we replaced wet varnishing of metals and solvent-based varnishes with solvent-free and environmentally friendly powder coating.

Already since 1995, Sedus has had its environmental management validated by external environmental verifiers under the Eco-Management and Audit Scheme of the European Union (EMAS). Sedus belongs to one of the pioneers in this field and was the first office furniture manufacturer in Germany to have an EMAS-compliant environmental management system. Since 2001, it has also been certified under the international standard ISO 14001.

The Management Board of Sedus Stoll AG defines the objectives and principles of environmental protection, sets out competences, decides on the required measures and also inspects them. In addition, the Director of Technology oversees the internal environmental protection organisation. An environmental officer from within the Group coordinates the day-to-day work in the company. This officer is supported by the officers who have been appointed within the specialist departments and at the various sites.

On the whole, production in Dogern is divided into four manufacturing segments: 🌍

Metal production

Here, the metal components – e.g. pipes and sheet metal – are processed into blanks by means of cutting, filing, honing, joining and moulding. These steps in processing are done with mechanical presses, lathes, milling, bending, laser, filing and drilling machines as well as welding robots. These are partially organised into manufacturing islands

Coating

Most semi-finished products undergo a surface treatment or coating, which can serve to protect against corrosion and improve appearance. The parts can be galvanised with nickel or chrome or given a powder coating. The final products from metal manufacture and coating are chair and table frames as well as various small parts made of metal. At the end of 2018, the electroplating plant was converted from chromium (VI) to chromium (III).

Form fleece production

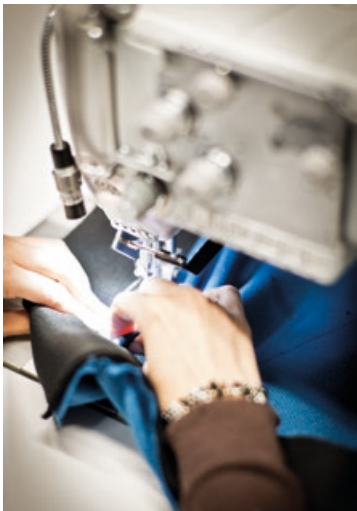
With its investment in form fleece production, Sedus is taking a further step towards environmentally friendly and sustainable manufacturing. The raw material for form fleece is made of polyethylene terephthalate fibre – PET for short. These come from shredded PET bottles – so-called “bottle flakes” – and can be added with a high recycled content. The raw material is optimally cut, heated and pressed into the desired shape. At the end, the contours are stamped off during pressing or separated in a water jet system.

Upholstery and stitching

Here, foam, textiles and leather are cut to size, padding foam is stuck to seat and back panels with solvent-free adhesive and the pads are covered in either textile or leather. The more expensive covers are produced in the stitching workshop. Due to the use of a CNC-controlled textile cutting table, the amount of waste is kept low, helping to save resources and avoid waste.

Final assembly

At this stage of manufacturing, the components made of metal and wood as well as the upholstery and stitched parts are assembled into finished products such as office swivel chairs, partner chairs, sofas or screens. Then the products are packaged and made ready for shipping.



Production in Geseke spans three core areas:

Wood manufacturing

Wooden parts such as arm rests, back rests, seat pans or table surfaces are manufactured in this core area from raw materials such as panels, layered materials and veneer. Depending on the intended use, the raw material is given a veneer, layer-glued, sawn to size or milled. All visible parts are varnished before final assembly and stained beforehand, if necessary. Conference tables and desks as well as media furniture go straight to shipping after being given a final check. The semi-finished products go for upholstering or directly to final assembly.

Manufacturing of parts

The parts manufacturing department produces almost all wooden components for the assembly of office tables and cabinets. Machines which are completely linked, highly flexible and fully automatic manufacture and provide the components for the commission in a batch size of one.

In general, we use HPL melamine-faced chipboard with low emissions (emission class E1). The majority of the chipboard we process is PEFC™-certified. The components are sawn to size from half-size panels. Then, using the most modern laser techniques, the edge-banding material is applied, which is made solely from polypropylene. Without using any additional adhesive, a strong, water-resistant and heat-resistant bond is created between the edgeband and the board, which appears to be absolutely seamless, is extremely attractive and has the best physical properties.

Afterwards, all drilling, milling and fitting work is carried out on the drilling line and the wooden dowels are automatically fitted and glued.

Assembly

To avoid transport routes which are unduly long or which overlap, special attention was paid to the flow of materials when planning and implementing the manufacturing layout.

Container and cupboard components are manually assembled on an assembly line. The wooden components provided are put together to form the body of the item and are then glued in a press. Then, various elements such as intermediate shelves, skirting boards or locks are added. Upon completion, each piece of furniture is subject to a quality check, packaged and sent for shipping. The packaging material has been made in such a way as to prevent damage or soiling during transit, as far as possible. Wherever possible, plastic film is not used for packaging.

Desks are also assembled on an assembly line. The table surfaces are fitted with cross-beams or cable flaps, electronic switches and other features and then packaged. Larger quantities are assembled at the so-called object workstation. The aim here is to reduce the packaging effort, the amount of packaging required and the work for the customer on site as much as possible. Conference tables are mounted at individual workstations due to their size and value.

Direct environmental and energy issues

The direct environmental and energy issues are assessed using an assessment matrix. The following were considered to be the most significant environmental issues:

- emissions into the air,
- discharge into water,
- potential soil contamination,
- use of raw materials or resources, including energy
- as well as production of waste and noise.

The individual issues are assessed for individual processes, procedures or activities. According to their significance, environmental or energy issues are assessed using a fixed scoring system and then multiplied (see Appendix, page 75). A comprehensive and detailed context analysis was conducted and updated in 2018; there were no changes in comparison to the previous year.

The trend towards certification according to the industry sustainability standard FEMB may be included in the context of the organisation. All material issues were addressed as part of a stakeholder analysis. The demands of external and internal stakeholders were systematically and completely analysed in 2019.

In 2019 and 2020, certain stakeholders were selected and asked by Sedus about sustainability performance and the relevant effects by means of a questionnaire. The individual answers were then consolidated and evaluated. Stakeholder expectations were then integrated into various decisions within the company. As a consequence of this, we have chosen to take the recommendation to pay more attention to the idea of cycles; this is why we are increasingly evaluating our products using life-cycle assessments. In addition, we have set ourselves the goal of becoming climate neutral by 2025 (see page 18).

The environmental issues were reassessed according to the version of ISO 14001:2015 so that preceding and subsequent processes were integrated in the table. Furthermore, opportunities and risks associated with individual steps along the value chain as well as the environmental impact of each step on further processes was also added to the table as a new column. You can find the summary in the Appendix on page 76. The opportunities are also reflected in the environmental objectives.

Indirect environmental and energy issues

Despite the high real net output ratio of an average of 50% of Sedus Stoll AG's added value, there are various environmentally relevant processes which do not take place in-house, but at suppliers and sub-suppliers.

The ABC analysis showed that the indirect impact on the environment lay mostly in the production of raw materials and processing materials. This primarily includes:

- extraction/production and processing of iron, aluminium and plastics: The indirect impact on the environment mostly consists of energy consumption and the associated CO₂ emissions as part of manufacturing and processing.
- Forestry: The wood we use mostly comes from sustainable forestry within Europe. Without taking transport and processing into account, it is CO₂-neutral.
- Textiles and leather: Impact on the environment in this context mostly results from emissions of pollutants during refinement by tanning and dyeing.
- Delivery process: The environmental impact here is also predominantly in the form of pollutant emissions, as the goods are delivered by lorry as well as by sea and air freight.

To minimise these environmental impacts, the most important measure is always to use the respective resource sparingly. Key suppliers are therefore monitored as part of an environmental audit. In addition, we discuss environmentally relevant topics, such as energy and resource efficiency, with them on a recurring basis and agree on the environmental properties of the materials supplied in the form of technical terms of supply. Suppliers who are certified according to an environmental standard are preferred, provided all other details in the offer are equally good.

Sedus has enacted supplier guidelines which also contain requirements for environmental conservation. These supplier guidelines were issued to key suppliers for the first time in 2007. These supplier guidelines are now an integral part of the contract. They were supplemented by the issue of sustainability in 2011 and revised in 2018. In addition, the "Commitment to Sustainability" document has recently been manifested. As of 2019, our suppliers must sign this document. The supplier day in spring 2019 was used as a "kick off" for this matter.

Furthermore, since 2018, we have been conducting a risk assessment of our suppliers, which – among other things – has addressed issues such as the environment, occupational safety, corruption and child labour. The identification of potential weak spots and the development of appropriate measures was placed at the heart of this process.

Organisation and management

In order to continually improve our environmental performance, we undertake consistent environment management, which is certified according to EMAS and ISO 14001 at the Dogern site and according to ISO 14001 in Geseke. Sedus Stoll AG's Management Board has defined appropriate principles for action on environmental protection in its business policy.

The objectives were defined for each individual site; the objectives for Dogern are presented in detail in the environmental programme on page 69. The Management Board decides which measures are required to realise the defined objectives, sets out competences for implementation and provides the necessary resources. It inspects the results of the measures and assesses their impact. The Management Board is responsible for the technical supervision of the environmental protection body created to achieve the objectives.

For this purpose, mechanisms have been put in place to comply with legislation with regard to environmental impacts. New or amended laws, ordinances, guidelines or regulations are regularly reviewed by the management representative, the changes are passed on to the officers and implemented by them accordingly.

The environmental officer at the Dogern site reports directly to the Management Board; the environmental officer in Geseke reports directly to the managing directors. They perform the following tasks:

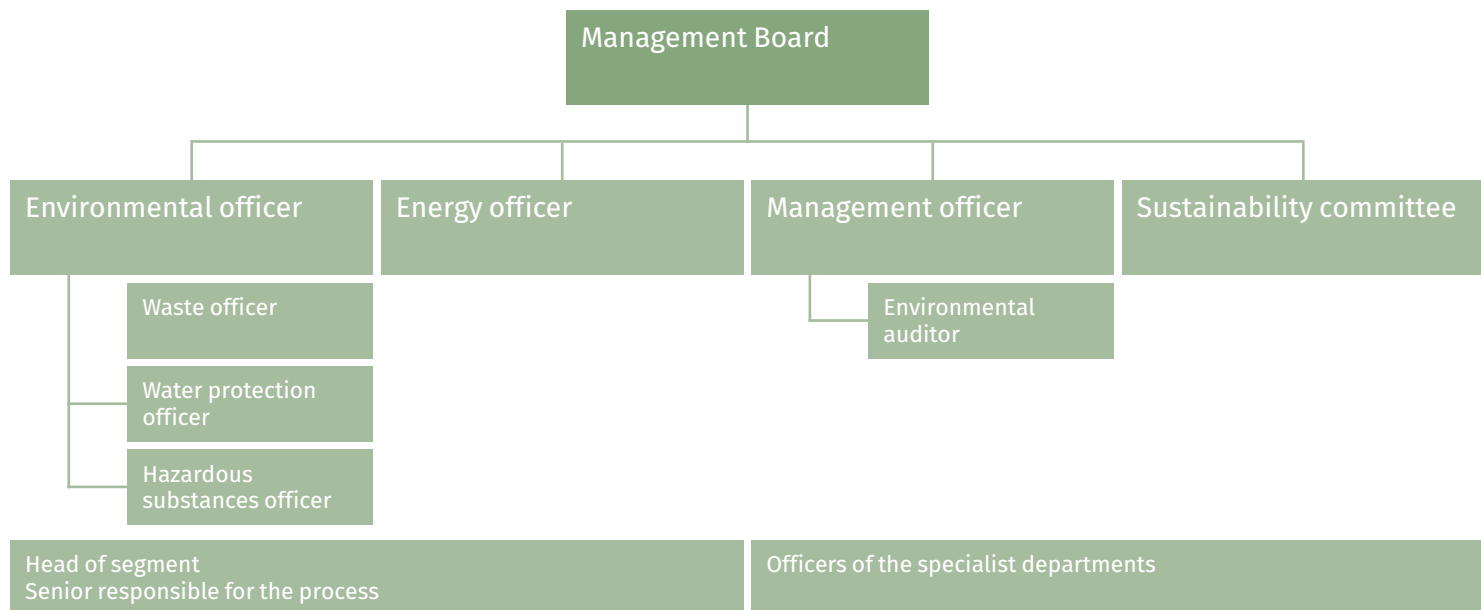
- waste and hazardous substance management
- water protection
- expert management when using and storing hazardous substances

- communication with authorities
- coordination of environmental protection measures and projects relating to the environment
- information about and training on current legislative changes and their practical implementation
- monitoring processes relevant to the environment
- assessment of direct and indirect environmental issues of Sedus Stoll AG's work with the objective of keeping impact on the environment to a minimum
- agreeing on the environmental programme with the Management Board and executives
- balancing input and output streams at Sedus Stoll AG
- monitoring the success of environmental protection work, including reporting to the Management Board
- cooperation with other environmental officers within the Group

The energy officer supports the environmental officer and performs the following tasks:

- assistance in planning energy saving objectives and drafting the energy programme
- analyses and support work for the managerial review on the status of the energy and environmental programme and the strategic and operative objectives relating to energy and the environment
- analysis of recorded consumption data, identifying opportunities to save energy and initiating appropriate measures
- cooperation with the energy officer for the extended group as well as with the environmental officer and the management officer of Sedus Stoll AG

Organisation of environmental protection



The management officer of Sedus Stoll AG is the management representative as defined by EMAS and performs the function of an internal environmental auditor and that of the environment management officer. He/she only acts as an auditor with respect to processes for which he/she is not responsible. Furthermore, he/she is responsible for structuring the ongoing monitoring of the environment management system under ISO 14001 and the energy management system under ISO 50001.

Officers of the specialist departments are appointed for processes relevant to the environment and are responsible for on-site

implementation of provisions relating to the protection of the environment. They are responsible for the environment-related tasks expressly assigned to them. If needed, they are involved in the meetings of the environmental committee. The environmental officer and line managers ensure that officers are chosen correctly and that they are qualified. At the present time, officers and their deputies have been appointed for the following units:

- waste water treatment facility for galvanisation
- the hazardous substance storage facility
- internal waste disposal

Energy

Fossil fuels are primarily used at the Dogern site. The natural gas supplied is used to produce heat – process heat and thermal heat – as well as electricity (co-generation unit). Furthermore, a small amount of heating oil is used for peak load balancing. Thermal energy is created in Geseke by burning waste wood. A small portion is generated by heating oil.

In 2020, Sedus covered 58% of its energy needs with thermal energy from natural gas and by burning wood as well as 25% with electricity, 16% with diesel for the vehicle fleet and company cars and 1% with heating oil. Since 2012, electricity has been obtained exclusively from hydroelectric power. The total energy consumption in 2020 was 22,519 megawatt hours (MWh), which was approx. 4% lower than in 2019 (23,392 MWh). More electricity was also consumed by the new Loft upper floor in Geseke.

Due to the Corona pandemic, some additional measures had to be implemented that also had an impact on energy consumption:

- Increased ventilation despite continuous heating and increase of air exchange in areas with ventilation systems
- Reduced working hours and mobile working

The site in Dogern generates heat from gas. Of this, 41% is process heat, the remaining 59% is thermal heat. Process heat is used for powder coating and galvanisation. Most of the thermal heat is required in the remaining buildings.

With a 54% share of electricity consumption, manufacturing is the main consumer at the Dogern plant. The share for the ventilation systems in the entire plant is 13%. The remaining electricity con-

Total consumption per energy type in MWh	2018	2019	2020
Fossil fuels			
Natural gas ¹	7,845	7,434	7,119
Wood combustion ²	6,209	6,823	5,985
Heating oil	211	249	175
Diesel (vehicle fleet)	1,904	1,890	2,161
Renewable energy			
Electricity	5,280	5,382	5,583
Total	21,450	21,778	21,022

¹ Natural gas is only used at the site in Dogern.

² Wood combustion and diesel for the vehicle fleet are only used at the Geseke site.

sumption is distributed relatively equally among IT, the warehouse, the canteen, the outlet and the showroom as well as the Smart Office and other areas.

Sedus operates a cogeneration unit at the Dogern site, which is run on natural gas. According to the principle of combined heat and power generation, the cogeneration unit simultaneously produces process heat and electricity. The operation of the cogeneration unit saved around 590 MWh of third-party electricity in 2020, compared to 632 MWh in the previous year. The cogeneration unit was renovated in November 2019. Due to fewer production orders in electroplating and reduced working hours, the heat demand in these areas was reduced and the cogeneration unit ran less.

The process heat is needed at the Geseke site as part of real wood manufacturing for the veneer presses and the drying channel; this constitutes 2.4% of the overall heat consumption at the site.

As part of ongoing energy management, and with the help of numerous multi-function meters, the recording of consumption data has been greatly improved. The energy figures are evaluated during monthly meetings and appropriate action is taken. Current data can be read at any time at almost 150 measuring points. The tables with the current meter readings and consumption figures are then circulated internally.

Energy consumption at the Dogern site in MWh	2018	2019	2020
Total energy consumption	10,652	10,297	9,983
Adjusted total energy consumption (temp.)	11,455	10,757	10,211
Relative adjusted total energy consumption in kWh/manufactured unit	34	32	39
Total power consumption	2,806	2,863	2,865
Power consumption from other sources, Dogern	1,944	2,153	2,252
Own power generation, cogeneration unit	777	632	590
Peak power, Dogern (heating oil)	24	59	23
Total thermal energy consumption	7,845	7,434	7,119
Consumption with consideration of the climate	8,649	7,894	7,346



First-year apprentices spend two weeks in the sustainability management department and are given tasks on the topics of environmental protection and energy efficiency. In their own project, they determine energy data and uncover potential for improvement.

Energy consumption at the Geseke site in MWh	2018	2019	2020
Total energy consumption	11,636	12,132	11,629
Adjusted total energy consumption (temp.)	12,253	12,813	12,226
Relative adjusted total energy consumption in kWh/manufactured unit	28	33	36
Total power consumption	3,336	3,229	3,331
Total thermal energy consumption	6,396	7,013	6,137
Consumption, climate-adjusted (process heat unadjusted)	7,013	7,694	6,734
Heating oil consumption Heat generation	34	64	56
Heating oil consumption Process heat real wood	153	127	96
Wood combustion	6,209	6,823	5,985
Total diesel consumption	1,904	1,890	2,161

Emissions

It is part of Sedus' corporate philosophy, to conserve resources and continuously improve energy efficiency in order to keep any detrimental effects on the environment and the climate as low as possible. This is why we rolled out an energy management system according to ISO 50001 in 2012 and only use CO₂-neutral electricity from renewable energy sources. We have reduced noise emissions to the extent necessary to comply with statutory noise thresholds and ensure that neighbouring buildings are disturbed as little as possible.

To better reduce emissions, we have been systematically compensating for the "carbon footprint" of products and processes since 2018. The indirect emissions that arise in the supply chain – from the extraction of raw materials to their further processing and disposal, are calculated separately for each individual product and summarised in the Environmental Product Information (EPI) document. We impose the obligation on our suppliers to guarantee the protection of the environment "at all stages of executing the order".

Each year, Sedus calculates direct greenhouse gas emissions (GHG) which result from the consumption of energy and electricity. In the financial year 2020, the Sedus Sub-Group produced 2,170 tons of GHG – 33 tons and thus 1% less than in the previous year (2,203 t). This development was in line with the consumption of energy. The pandemic situation in Germany also caused some shutdowns and inefficiencies, which led to a reduction in process-relevant energy efficiency.

While the calculation of the GHG emissions in Dogern comprises heating oil and gas (1 l heating oil corresponds to 2.65 kg CO₂-eq, 1 kWh natural gas corresponds to 0.2 kg CO₂-eq), the total value for Geseke comprises the summands heating oil, diesel for the vehicle fleet and wood combustion (1 l heating oil corresponds to 2.65 kg CO₂-eq, 1 l diesel corresponds to 2.61 kg CO₂-eq, 1 kWh energy from wood combustion corresponds to 0.024 kg CO₂-eq).

You can find a breakdown of energy consumption at Dogern in the Appendix on page 78.

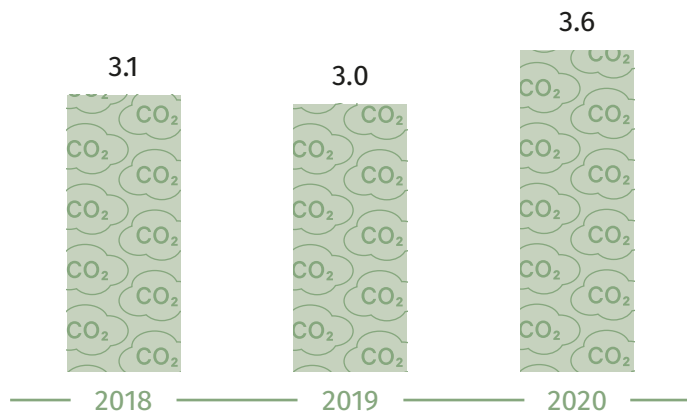
Despite the reduction in gas and heating oil consumption, specific GHG emissions increased in 2020 compared to the previous year (14 t per 1,000 manufactured units) due to the significant drop in production. By purchasing green electricity, about 1,960 t CO₂ was saved during the reporting year as compared to the federal mix.

The GHG emissions of Sedus Sub-Group by sources in tons of CO ₂ -eq	2018**	2019	2020	absolute
Natural gas	1,569	1,487	1,424	-4%
Wood combustion*	149	164	144	-12%
Heating oil	54	64	45	-30%
Diesel (vehicle fleet)	491	488	557	14%
Total	2,263	2,203	2,170	-1%

*Wood as biomass/bioenergy is defined as CO₂-neutral. CO₂ equivalent is the sum of the other greenhouse gases: N₂O and CH₄

** Due to a different emission factor in the calculation, this value differs from 2018 in the previous report

Specific GHG emissions in tons/1,000 manufactured units



Due to a different emission factor in the calculation, this value differs from 2018 in the previous report

Varnishing

Solvents used in varnishes as part of wood manufacturing also count as emissions into the air. Although their use has been greatly reduced over the past few years by switching to water-based varnishes, they are still necessary for manufacturing. The powder coating facility also uses solvent-free varnishes. Our upholstery unit in Dogern stopped using solvent-based adhesives in 2009 and now uses water-based adhesives.

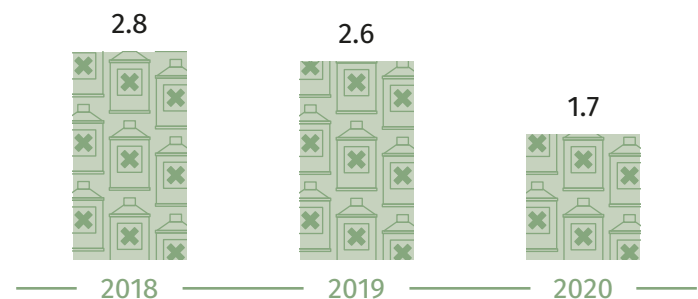
Since 2018, the real wood components for furniture production have been manufactured at the Geseke site. Raw panels are formatted, calibrated, veneered, edged, sanded several times and then stained and varnished. Only water-based varnishes are used;

solvent consumption, which is caused by various rinsing processes, was again drastically reduced by around 45% in 2020 by using a new varnishing system.

The heat requirements of the drying channel are reduced to a minimum by means of cascade technology and heat recovery, and frequency-controlled extraction systems remove dust from the machine production in an energy-saving manner. This results in a manufacturing process with a low environmental potential – due to low-energy, low-solvent and low-waste, resource-optimised production processes.

In 2020, we were able to reduce solvent consumption from the “cleaning of furniture surfaces” process by around 30% by implementing various measures.

Solvent consumption in tons



The solvent emissions only refer to the Geseke site.

Water

Two types of water are used at the Dogern site; well water and drinking water. We obtain the well water from our own deep wells pursuant to our permit under water law. The volume of water we use is not significant in terms of the overall amount of ground water. Although the supply does not come from conservation areas, the level is monitored on an ongoing basis. We obtain drinking water from the local supply network in the municipality.

Where possible, we use well water for business operations in order to keep our use of drinking water to a minimum. It is used in production, to water the gardens, to air-condition the offices in the administrative wing and the development centre and to cool the servers. Because the ceiling is cooled using well water, no traditional air conditioning is needed in these areas. The well water which is used to cool the ceiling and to water the garden then seeps directly back into the ground or is poured into the surface water and does not produce any waste water which needs to be sent to the water treatment plant.

Otherwise, Sedus tries to reuse waste water at its sites repeatedly: for cooling the premises during the summer months by means of heat exchangers and then in manufacturing processes at the Dogern site. It is impossible to make any quantitative statements about water recycling, because we have not recorded such data to date.

The water supply in Geseke comes from our own deep well. No industrial water is needed for manufacturing processes; only a small amount is used in office and security facilities. The regular drinking water quality control by a hygiene institute has so far remained without any objections. In 2020, the consumption of well water at the Dogern site, also called water for industrial use at Sedus, decreased by 2%. The maximum approved groundwater extraction volume of 72,000 m³ for Dogern was not exhausted.

In 2020, the average water temperature was just under 11 °C, similar to 2019. The temperature is measured behind the Sedus high-bay warehouse on the north side.

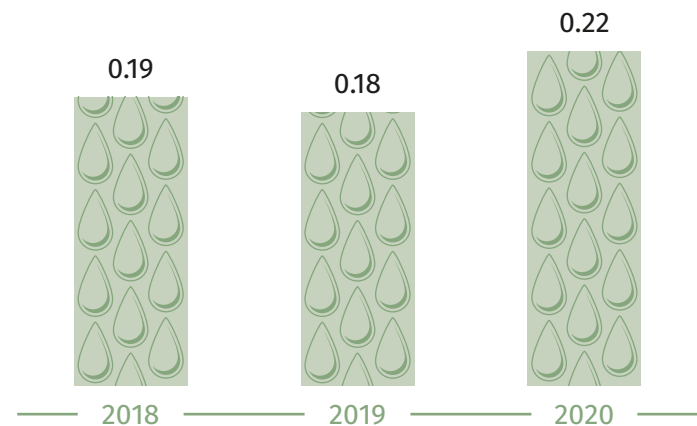
Water in m ³	2018	2019	2020
Industrial water, Dogern	58,280	52,994	51,891
Drinking water, Dogern	6,552	6,214	5,373
Water consumption, Dogern	64,832	59,208	57,265
Water consumption, Geseke	2,363	2,141	2,896

The consumption of drinking water also fell by around 14%. In 2020, this was exactly 841 m³ less than in 2019. The reasons for this are probably reduced working hours and mobile working.

At the Geseke site, water consumption increased by 31% in 2020 compared to the previous year. This striking deviation can be explained by the watering of the roof garden, which was built for the first time in 2020 and was initially watered considerably too much. In the winter months, water consumption returned to normal, so that watering must be done with moderation in 2021. Nevertheless, 2021 is projected to have approximately 20% additional consumption compared to 2019 and the baseline, as roof garden irrigation is a permanent additional consumption factor. The hygiene-conscious behaviour of staff to wash their hands more frequently during the pandemic may also have contributed to the increased water consumption.

Specific water consumption at the Dogern site

in m³/manufactured unit



Sedus uses the amount of water consumed per manufactured unit as a benchmark to monitor water consumption. In 2020, this consumption in Dogern increased by 0.04 m³ per manufactured unit compared to 2019.

*Updated value for 2018

Waste water and waste

With regard to waste water and waste, Sedus has also been prioritising avoidance over reuse and recycling for many years. However, if waste and waste water should accrue, we take care to ensure that they affect the environment as little as possible. All Sedus Stoll AG sites are not located in areas subject to water stress. Accordingly, there is no risk here.

So, for example, water which has been used to cool the servers and some buildings, can be piped back into a power station canal on the Rhine within the scope of a permit under water law. It is warmed up by less than one degree Celsius and is not used as such, because it is returned to the natural water cycle in an unaltered chemical state.

In this way, over 34,486 m³ of clean water was piped in 2020. All waste water pipes at the Dogern site are regularly checked for leaks in accordance with the relevant water law of the state.

Galvanisation

Chair and table frames are nickel- and chrome-plated by galvanisation. For this purpose, the parts are dipped and coated in various industrial baths. Between the individual galvanisation baths, there are rinsing baths which are used to clean the parts and reduce the amount of materials carried over from the previ-

Galvanic sludge at the Dogern site	2018	2019	2020
in tons	5.41	9.10	4.54
per hour of operation kg/h	4.70	7.76	5.96

ous baths. Used solutions from the manufacturing process and dirty rinsing water are channeled into the water treatment facility, in which chromium and nickel are extracted from the rinsing water by means of metal hydroxide precipitation. The byproducts of this are galvanic sludge and waste water.

The galvanising facility with an integrated waste water treatment facility was put into operation in 2010. Sedus later opted for a more environmentally friendly path and greater occupational safety, and converted the electroplating plant from chromium (VI) to chromium (III) in 2018. With its conversion to chromium (III), Sedus was one of the companies that acted early, thus fulfilling its own goal of “having a strong focus on sustainability”.

In 2020, the volume of galvanic sludge disposed of decreased by approx. 50% (or 4.6 tons) compared to the previous year. The volume of galvanic sludge per hour of facility operation sank by approx. 23% compared to 2019. This significant reduction results from the fact that the sludge is disposed of once every eight months, and there were two disposals in 2019 and one once again in 2020. However, the amount of galvanic sludge was also reduced due to fewer hours of operation.

Rinsing water

To minimise the amount of rinsing water used, we use cascade rinsing and water-saving rinsing technology, which has already enabled us to reduce the absolute volume of fresh water and waste water used. Furthermore, where nickel and chrome are concerned, Sedus relies on the standing rinse technique rather than running rinse. With this process, the use of chemicals, the volume

of waste water and therefore the amount of galvanic sludge is reduced. The overall volume of waste water from galvanisation in 2020 was down 21% compared to 2019. The threshold values for chromium (overall) (0.5 mg/l), chromium VI (0.1 mg/l) and nickel (0.5 mg/l) were always complied with in the regular internal and external inspections.

Powder coating

Powder coating of metals is an environmentally-friendly alternative to wet varnishing with solvent-based agents.

A powder-coating facility was put into operation in the year 2000, which was equipped with water-saving cascading rinse technology and conductivity monitoring as well as an energy-saving heat-recovery system. In this way, energy consumption – the biggest impact on the environment – could be significantly reduced. As part of a heat exchange system, gas and heat emissions from the curing furnace as well as the dryer are used to heat the industrial baths and the production hall. By minimising the amount of materials carried over, preliminary cleaning (de-greasing) hardly produces any waste water.

The powder coating not adhering to the products (overspray) is extracted by suction in the automated cabin recovered by means of a cyclone extractor, and then reused. Waste powder arises from the varnish becoming increasingly fine due to wear during the cycle and tends to form clumps. In addition, waste is produced when the colour is changed and because of overspraying in the hand cabin. The proportion of overspray is generally high, because

the surfaces of the parts to be coated are small in relation to the volume of the powder window.

A second powder cabin was installed in 2017, so that colour does not have to be changed so often within the facility. In 2020, there was about 20% less waste powder or about 0.7 tonnes less compared to the previous year.

Since 2011, powder coating has been powered by the electroplating plant's cogeneration unit. Besides increasing the degree to which this cogeneration facility is used (i.e. improving its utilisation rate), the amount of electricity which has to be sourced from third parties can also be reduced.

The volume of waste water in 2020 was 5,950 m³, which was 10% less than in the previous year (2019: 6,595 m³). Slightly less than a fifth of waste water comes from the galvanisation process; most of the rest comes from the sanitary facilities.

Sedus treats waste water from galvanisation and powder coating in its own water treatment facility and, after subjecting it to analy-

Waste water in m ³	2018	2019	2020
Volume of waste water at the Dogern site	5,995	6,595	5,905
of which waste water from galvanisation	1,543	1,557	1,223
Volume of waste water at the Geseke site	1,719	1,770	1,714
Total	7,714	8,364	7,619

sis, empties it out into the municipal water system. The galvanic sludge is reused in the metal industry. Furthermore, the water does not have to be subject to any further treatment and is primarily emptied into the municipal water system. The threshold values for chromium and nickel were regularly monitored by internal checks and also by external institutions appointed by the Regional Council of Freiburg and were found to be compliant.

The amount of waste water at Sedus Systems is not measured; it is defined in agreement with the town of Geseke on the basis of the average number of employees at the plant.

Waste

Waste separation was checked and documented in accordance with the Commercial Waste Ordinance. We received the declaration of the pretreatment plant pursuant to §4 Para. 2 of the Commercial Waste Ordinance and thus the confirmation of the proper technical equipment and the proper operation of the pretreatment plant from the plant operator for the reporting year 2020.

The volume of waste in 2020 was down from 1,774 tons in 2019 to 1,700 tons – a reduction of 4.2%.

In 2020, the volume of waste in Dogern has decreased by 114 tonnes compared to 2019. Reduced working hours have also played a part here. The 2019 relocations increased waste volumes more than average that year, and now the figures are back to 2018 levels. Furthermore, there was new waste type, such as the offcuts from the production of fleece.

The top five types of waste at the Dogern site in 2020 were paper and cardboard (1,289 t), mixed residential waste (123 t), old wood (87 t), mixed scrap metal (83 t) and pipe offcuts and untreated chair frames (47 t). The proportion of hazardous waste to the overall volume of waste is now approx. 2.6%. The recycling rate in 2020 was 99.7%.

In Geseke, the volume of waste increased by 2% in the reporting year. The top five types of waste here in 2020 were wood offcuts (786 t), paper and cardboard (168 t), other waste (63 t), metal (43 t) as well as bottom and boiler ash (44 t). The increase is primarily due to the 5.1% increase in wood waste. In absolute terms, this waste type, which is by far the largest, accounts for the majority of

the increase in waste volume. The reduction of hazardous waste by 6.1% compared to the previous year is encouraging; this means that even less of the already very small amount of hazardous waste (0.44% of total waste) is now generated. Only 0.4% of the waste is disposed of, 99.6% of the waste is recycled. The share of residual waste in total waste is very low at 5.5%; it has fallen again by 23.6% compared to the previous year. The calculated separate collection rate according to Commercial Waste Ordinance

(GewAbfV) is 94.2%, which is better than in the previous year and above the target of 90% set by the legislator.

Sedus only uses waste disposal services which have a specialist company certificate. It has worked closely with a complete disposer since 2013. We recycle paper, cardboard, foil, glass, wood and metal at all sites. To avoid waste, the rejection rate during the production process is monitored and continually improved.

Volume of waste		2018	2019	2020	absolute
Volume of waste at the Dogern site					
Recyclable waste	t	598	695	581	-16.4%
Waste for disposal	t	0.9	1.55	1.67	7.7%
Recycling rate	%	99.8	99.78	99.71	-0.1%
Hazardous waste	t	49	32	15	-53.5%
Non-hazardous waste	t	549	664	568	-14.5%
Total waste volume	t	599	696	583	-16.3%
Specific volume of waste	kg/manufactured unit	1.8	2.1	2.2	6.7%
Volume of waste at the Dogern site					
Recyclable waste	t	1,077	1,113	1,134	1.9%
Waste for disposal	t	3.9	3.8	4.4	15.8%
Recycling rate	%	99.6	99.6	99.6	0%
Hazardous waste	t	8.5	5.4	5.4	0%
Non-hazardous waste	t	1,069	1,111	1,133	2.0%
Total waste volume	t	1,078	1,117	1,139	2.0%
Specific volume of waste	kg/manufactured unit	2.8	2.8	3.4	18.2%
Total volume of waste	t	1,676*	1,813	1,722	-5.0%

*Updated value for 2018

Material efficiency

At 95.5%, material efficiency at the Dogern site in 2020 was slightly higher than in the previous year (93.3%). Due to the pandemic, both material input and material output have decreased. The material offcuts from textiles were 21.2% (+4% compared to 2019). The leather offcuts were 19.6% and were reduced by almost 9.5% compared to 2019. Of the materials used, plastic had the largest share with 36% (1,945 t), followed by steel with 23% (1,253 t), aluminium with 20% (1,062 t), packaging made of cardboard and foil 6% (339 t), chipboard with 5% (276 t) and textiles and upholstery materials with 3% (150 t). Other materials used included manufacturing aids such as chemicals and powder coatings.

Material efficiency at the Geseke site is not currently measured. The offcut rate of the chipboard was 27.9%. In 2022, a new cutting line with new cutting optimisation will be commissioned. According to the manufacturer, a significantly improved offcut rate is expected.

Material efficiency at the Dogern production site	2018	2019	2020	Change to previous year
Material input in tons	6,241	6,255	5,390	-865
Product output in tons	5,730	5,837	5,150	-687
Material efficiency	92%	93%	96%	2%
Material input/turnover (kg/TEUR)	63	59	63	4



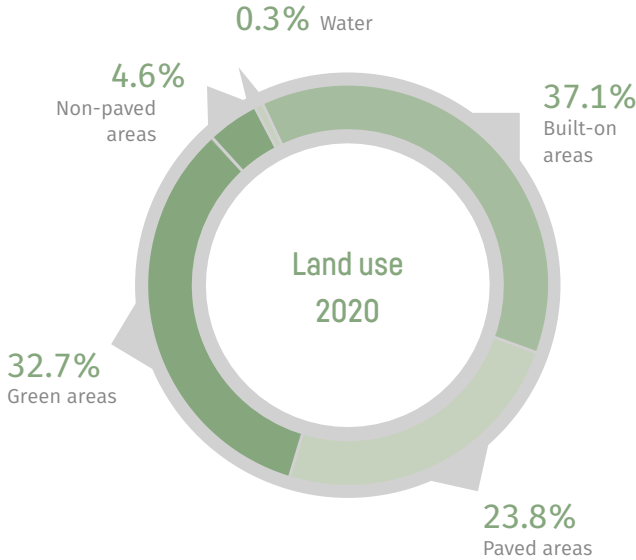
Biodiversity

There are not many ways in which we can influence biodiversity. However, this issue is very important to us. Therefore, for example, we have tried to keep the proportion of sealed surfaces to a minimum to guarantee that enough water can soak back into the ground and top up the ground water supply.

Avoiding sealing is a way of restoring nature and increasing the quality of living space – and not just for the flora and fauna. The natural pond and the green roof at the Dogern site are an enrichment for local biodiversity and an improvement of the working environment for employees.

The Sedus plant in Dogern covers a total area of approx. 93,000 m². The proportion of paved ground, including built-on land, i.e. sealed area, increased slightly in the last year and is now about 60%. The rainwater from around 12,000 m² of sealed surface area is fed into the groundwater via infiltration basins.

Land use at the Dogern site in percent	2018	2019	2020
Built-on land (m ²)	34,484	34,484	34,484
Built-on land/material output (m ² /t)	6.0	5.9	6.7
Built-on land/turnover (m ² /TEUR)	0.4	0.3	0.4





SOCIAL RESPONSIBILITY

“We do what we say and say what we do” – is stated in point eight of the Sedus corporate principles. For good reason, because each individual in the company will only work actively and successfully if working conditions, qualifications and management are optimal. We create an environment in which our employees can work towards our company objectives with motivation, expertise and a sense of responsibility.

We also place focus on protecting and promoting health, lifelong learning, attractive remuneration packages and absolute gender equality. In our corporate principles – and with our obligations under the UN Global Compact – we are engaged in the promotion and protection of human rights.

Accordingly, we reject discrimination just as emphatically as any forced or child labour. The principles of equal opportunities and equal treatment apply to our employees. Responsible cooperation with labour representatives is also a matter of course at Sedus.

Sedus' HR department is closely involved in sustainability management. Besides the workers' councils, Sedus also has a designated person of trust for the severely disabled and representatives for young employees and trainees. Furthermore, Sedus has also made it possible for employees to use the services of a social worker anonymously. This external advisory service (which is free of charge) covers problems in both the professional and private sphere and may be used even at an early stage.

An overview of our employees

The Sedus Sub-Group had 902 employees as at December 31, 2020; a year before, the figure was 918. The labour turnover¹ within the sub-group excluding the foreign distribution companies was 2.1% in 2020 (2019: 3.0%).

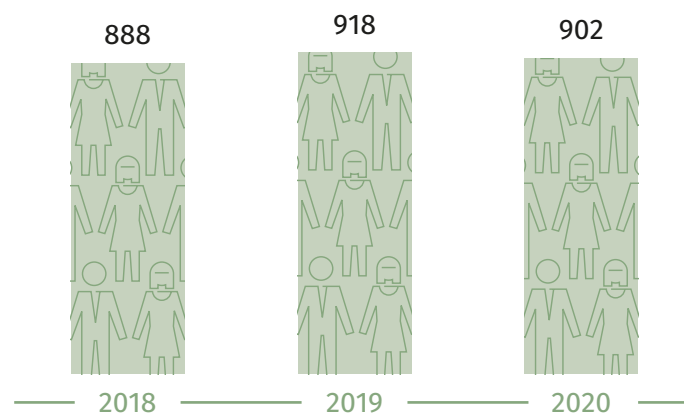
Sedus Sub-Group (incl. trainees)	2018	2019	2020
Women (full time)	154	174	159
Men (full time)	620	622	612
Total (full time)	774	796	771
Women (part time)	88	87	89
Men (part time)	26	35	42
Total (part time)	114	122	131
Total	888	918	902

Sedus Sub-Group	2018	2019	2020
Women (unlimited term contracts)	235	251	240
Men (unlimited term contracts)	575	600	608
Total (unlimited term contracts)	810	851	848
Women (limited term contracts)	7	10	8
Men (limited term contracts)	71	57	46
Total (limited term contracts)	78	67	54
Total	888	918	902

Sedus Sub-Group Sedus by region*	2020
< 20 km	532
> 20 km	142
Total	674*

*Excluding foreign distribution companies

Number of employees



Sedus Sub-Group by age	2018	2019	2020
<30	152	155	151
30-50	363	362	339
>50	373	401	412
Total	888	918	902

Sedus Sub-Group New hires	2018	2019	2020
Women	34	41	24
Men	106	60	63
Total	140	101	87

¹ Calculation of the labour turnover: Percentage share of departures in the current calendar year only due to own terminations (without departures due to retirement) in the total number of employees as of the reporting date 31.12.

Education and lifelong learning

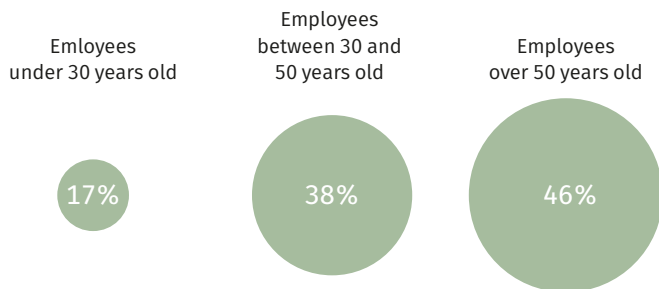
We are convinced that success is only possible with well-educated employees. Therefore, training and further education is a high priority at Sedus. We were training and building up the next generation of employees even before there was a shortage of skilled labour in Germany. Accordingly, we regularly invest in their development and offer vocational training to young people in various apprenticeships. The training opportunities we provide enable our employees to fully realise their individual strengths – without regard to their gender or origin, but according to their potential and the challenges within the company.

2019: 47 trainees and 4 students (Cooperative State University Baden-Württemberg) in 17 different courses of training/study

2020: 51 trainees and 4 students (Cooperative State University) in 18 different courses of training/study

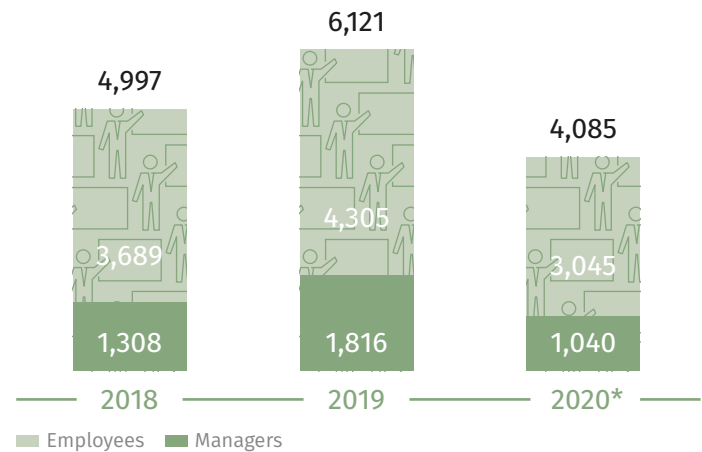
We also enable our trainees to participate in the “Go.for.Europe” scheme. Within this framework, trainees can undertake intern-

Employees by age 2020





Hours spent on education and training



ships of several weeks' duration in other EU member states. Due to the COVID 19 pandemic in Europe, the exchange programme booked for 2020 was postponed to 2021.

Our "Company Agreement on Training" has been in effect for 20 years. The last revision took place in 2009. Employees agree on necessary training measures with their line managers. The fixed offer includes IT training, communications training and English lessons. Regular internal and external training for managers, team leaders and trainees are held on the issues of occupational safety, sustainability and environmental management. As promoters, they help to keep issues such as occupational safety, sustainability and environmental management alive in the day-to-day work

of the company. Various training courses were held especially for trainees, for example: trainees Azubi Fit, "The customer on the phone" or Energy Scout. In addition, German language courses for employees with a migrant background have been running since 2018 in order to promote faster integration.

We are in the process of building up detailed training statistics. Within this framework, hours spent on education and training have also been recorded for the Geseke site since 2018. In 2019, 6,121.5 hours were spent on training in the Sub-Group. In 2020, the total was 4,085 hours – due to the COVID 19 pandemic. In 2020, face-to-face training was largely dispensed with, understandably.

Family-friendly environment

At Sedus in Geseke, family friendliness is part of everyday life. Since the beginning of July 2019, Sedus Systems GmbH in Geseke has been awarded the title of “Family-friendly company in the district of Soest”. The reasons for this include trust-based working hours and flexible working hours with hourly accounts, a holiday scheme that is above the pay scale as well as special holidays or days off. In addition, the children of employees are given the opportunity to do company internships and take part in a “Bring Your Child to Work” day on the company’s Girls’ & Boys’ Day. The certification as a family-friendly company does not only refer to children, but looks at the family as a whole. Thus, two employees were also trained as carers as part of the process.

The award as a family-friendly company of the district of Soest has existed since 2010. It was launched by the Hochsauerlandkreis mbH business development agency in cooperation with the Soest District Business Development Agency and the Hellweg-Hochsauerland Women and Career Competence Centre. The certificate is valid for two years.

In 2020, a company agreement for mobile working has been concluded as part of the COVID 19 pandemic, which applies to the entire Sedus Group. The scope is determined individually in each case with the responsible manager. The guidelines comprise a fixed framework of working hours with core working hours. Sedus provides employees who work remotely with the necessary communication and work equipment.

Our employees are all given equal opportunities for development. This also applies to salaries and wages: We rely on uniform assessment and classification of core professional tasks – irrespective of gender.

In the Sedus Sub-Group, there are no binding tariffs and no internal tariffs. For some industrial employees in manufacturing, the “Group Pay” company agreement provides for uniform pay groups. These are generally subject to uniform raises as part of annual wage adjustments. Collective bargaining agreements affect all salaried employees. Exceptions may apply to temporary workers on short-term contracts.

Sedus’ principles also include letting employees participate in the company’s success: Not just the shareholders of Sedus Stoll AG, but also the staff get a share of the company’s profits. Furthermore, Sedus also offers its employees the following additional services or benefits:

- occupational pension (with three years of uninterrupted service)
- direct insurance in the form of endowment insurance
- deferred compensation
- variable bonus payments – depending on results
- profit participation (starting when the employee has been with the company for one year)
- subsidised offers in the staff restaurant
- travel costs allowance of EUR 2 per month per kilometre
- allowance for annual travel cards for local public transport of up to EUR 90 per year
- monthly allowance of EUR 10 net when buying a JOBTicket
- birth allowance of EUR 300 per child
- marriage allowance of EUR 150
- benefits in kind for 10-, 20- and 30-year service anniversaries
- Long-service bonus in the amount of an average gross monthly salary for 25- and 40-year service anniversaries

Working safely

To guarantee the safety of our employees at all times, workstations and the working environment are checked annually as part of inspections – including with the Management Board and the production management – and in close, proactive cooperation with the Regional Council and the relevant professional associations.

As confirmation of its safe actions at its sites, Sedus successfully had its occupational health and safety management system certified in accordance with DIN EN ISO 45001 in November 2019 and was able to demonstrate this again in 2020.

In addition, managers from departments at both sites are given advice by their own specialists on occupational safety so that possible risks are recognised in a timely manner and eliminated. An additional occupational safety tool is the occupational safety committee. In this body, current issues from the field of occupational safety are discussed and optimised on a quarterly basis. The committee comprises specialists for occupational safety, the safety officer, the works council, the company doctor, the environmental officer and a representative from management.

To quickly identify sources of risk and eliminate them, we count on the help of our employees. Within this framework, it is very important to report accidents which were narrowly avoided. Only then can real accidents be avoided in the future. A reporting system is currently being set up for this purpose.

Our employees are sensitised to various aspects of occupational safety and given appropriate further training in regular internal instructions and training or in seminars at the professional associations. Staff members with mandates undergo further training on a regular basis.

For external companies, there is a corresponding guideline that is handed out to the respective company with the contract. The guideline deals with general occupational safety topics, but also with behaviour as well as emergency measures at the site. Contractors acknowledge the receipt thereof and are to instruct their employees accordingly. On site, there is a short orientation by the supervisor at Sedus.

The number of workplace accidents in the Sedus Sub-Group fell from 27 in 2019 to 22 in 2020. The number of accidents in the workplace which must be reported, i.e. accidents resulting in incapacity to work for more than three days after the day of the accident, decreased by one accident from 18 to 17 in this reporting period. This included three accidents which happened on the way to/from work. The rate of accidents – i.e. the number of accidents subject to reporting obligations per 1,000 full-time employees – was 21 in 2020. In 2019, this number was 22.

To sensitise employees to issues related to occupational safety, identify weak spots and prevent accidents, workshops were held in the production groups in 2019 on the topic of occupational

Sedus Sub-Group	2018	2019	2020
Accidents in the workplace subject to reporting obligations (incl. accidents on the way to/from work)	9	18	17
Absences in hours	1,956	1,779	2,125
Deaths	0	0	0

safety, among other things. Some of the measures were then implemented in 2020. These included the following projects, among others:

- Reducing the risk of accidents from flying particles by having parts delivered pre-cleaned from the supplier.
- Reducing the speed of forklift trucks in the goods receiving area.
- Improving ergonomics by optimising work tables in order picking for the high-bay warehouse.
- Easier assembly of the piping in the movable screen assembly, thus reducing the risk of hand-arm injuries.
- Various noise reduction measures in the different halls.



Promoting health

“Fit in your free time – fit at work” – this motto characterises “Occupational Health Management” at Sedus, which is managed by a working group and a steering group. Within this framework, health management has also been expanded during the reporting year. The fields where action has been taken include sport and exercise, healthy eating, medicine and prevention. The offers include (for example) influenza vaccinations, spinal health training, Pilates, colon cancer screening, corrective exercises as a Healthy Work Break, health days and – specially for trainees – driving safety classes and a trainee fitness day. With this comprehensive approach, the health rate, at over 94%, was once again very high in 2020. In cooperation with the health insurance scheme AOK, we receive an annual health report. Using the comparisons and the resulting findings, appropriate measures are defined to help us to continuously improve in this area.

Furthermore, workstations are regularly checked to see whether they could have a detrimental impact on the health of our employees. If this turns out to be the case, appropriate technical/organisational action is taken. Of course, our employees use office workstations which we make ourselves and which comply with the principles of ergonomics and occupational health and also promote well-being.

The diversity of the offers made as part of our occupational health management should encourage employees to participate in the scheme. The programme is not static; it is continually developed, taking the wishes of our employees into account. Here is an excellent example: Because there have been initiatives in all Group companies for many years to go jogging together and the partici-



pants also take part in races, organising a running event was a logical next step – embedded in personnel marketing and health management.

Traditionally, employees and guests of the company are provided with healthy food. Wholefood nutrition has been part of Sedus Stoll AG for decades. As early as 1966, Christof and Emma Stoll established a company canteen based on their anthroposophical beliefs, in which knowledge of modern nutrition is taken into account. This tradition is continued today in the company restaurant, “Oase”.

Improving quality of life lies at the heart of this work, as does encouraging awareness of health and the environment and making suggestions for changes to living and eating habits.

The menu is based on the seasonally varying offers and the perishability of local fruit and vegetables. As far as possible, ecologically produced food grown locally is used as raw materials and ingredients (including meat).

The former company garden was leased to the long-term gardeners in June 2006. They continue to care for the garden according to the principles of ecological farming. Ecological farming means completely foregoing synthetic fertilisers and chemical plant protection agents. Throughout the year, the garden provides Oase with fresh ingredients from several greenhouses or from the fields.

Social engagement

As part of its social engagement, the Sedus Stoll Group works with the Caritas workshops in Hochrhein, the rehabilitation centre CHRISTIANI and another rehabilitation workshop. Through this cooperation, Sedus purchased goods with a value of about 340,000 euros in 2020. Dogern gained two workers as a result of the cooperation with a total of four workshops for disabled people. Another worker went to Geseke in 2019.

A fundamental part of our social commitment is carried out by the Stoll VITA Foundation and the Karl Bröcker Foundation.

The Stoll VITA Foundation was established in 1985 by Emma and Christof Stoll. According to the wishes of the founders, the purpose of the foundation is to promote the following:

- academic research,
- public healthcare and
- education, especially in the fields of environmental and nature conservation, landscape conservation and breeding animals and plants.

The focus of the foundation's work lies in

- promoting healthy ways of living and eating,
- promoting ecological agriculture and gardening,
- preserving a healthy environment and living conditions as well as
- promoting holistic medicine.



The realisation of the foundation's objectives is primarily focused on the district of Waldshut and the surrounding areas. The foundation's assets consist primarily of the shareholding in Sedus Stoll AG. The dividend distributions are used to finance the ongoing work of the foundation as well as the grants.

“Future for Children” is the guiding principle of the Karl Bröcker Foundation, established in 1999. The foundation is a matter which is close to our hearts. Children are the future and yet there are many children and young people without opportunities for a happy life, safety, health and education. Helping them is the goal and mission of the Karl Bröcker Foundation. Since its establishment, the Lippstadt-based foundation has supported and launched numerous projects and institutions in the region, in Germany and abroad.


The foundation supports projects in kindergartens, schools as well as medical and therapeutic facilities. The main focus lies on education and therapy projects. The Karl Bröcker Foundation is present wherever children and young people need support. It gives them self-confidence, opportunities and carefree moments – or just a wonderful day. Furthermore, the foundation promotes scientific research into diseases affecting children – also in Germany.

APPENDIX

About this report

The last sustainability report was published in July 2019. Sedus has been regularly publishing Eco-Management and Audit Scheme (EMAS) reports since 1995. This is our sixth sustainability report to comply with the criteria set out in the Global Reporting Initiative (GRI). It was prepared in accordance with the Core option of the GRI Standards (2016). The statements and figures included in this report refer to Sedus Stoll AG, which includes both Sedus Systems GmbH and overseas subsidiaries. Klöber GmbH (Owingen), which belongs to the Sedus Stoll Group, is not included, because it operates independently in the market.

In April 2019, the remaining Sedus employees moved from Waldshut to the new office building in Dogern. As a result, the Waldshut site was closed in May 2019.

This report provides information on the sustainability activities in financial year 2020 (January 1, 2020 to December 31, 2020). The environmental statement according to the EU regulation for environmental management (EMAS) only refers to the site in Dogern, the site in Geseke was not audited within the framework of EMAS. The relevant sections are marked with the  symbol. An independent environmental expert's audit took place for the integrated environmental statement. Moreover, the whole report was checked to ensure the statements were comprehensible and the criteria of the GRI standards were complete (see p. 84 et seqq.).

We plan to publish our sustainability report in two years, and then keep to a two-year schedule.

Detailed information on the environmental statement

Overview of the Core indicators for the Dogern site

	Absolute values	Unit	Organisation output		Absolute values/output			
			Revenue (MEUR)	Mass (t)	Revenue	Unit	Mass	Unit
Energy efficiency	9,983.35	MWh			117.18	kWh/TEUR	1.94	MWh/t
Material efficiency	5,390.00	t			63.26	kg/TEUR	1.05	t/t
Water	57,264.54	m ³			0.67	m ³ /TEUR	11.12	m ³ /t
Waste	583.00	t			6.84	kg/TEUR	0.11	t/t
of which hazardous waste	15.37	t			0.18	kg/TEUR	0.00	t/t
Biodiversity (built-up area)	34,484.00	m ²	85	5,150	0.40	m ² /TEUR	6.70	m ² /t
Total emissions	1,431.03	t			16.78	kg/TEUR	0.28	t/t
CO ₂	1,429.58	t			16.78	kg/TEUR	0.28	t/t
SO ₂	0.01	t			0.12	g/TEUR	2.02	g/t
NO _x	1.43	t			16.81	g/TEUR	278.16	g/t
Dust	0.004	t			0.04	g/TEUR	0.70	g/t

Energy and environmental goals for the Dogern site

The environmental goals are set out in a detailed table with quantified individual goals, associated measures and methods. They are regularly reviewed and refined.

No.	Measures	Deadline	Processing status	Goal achievement
Reduce Scope 1 & 2 emissions by 50% by 12/2025 (subsequent offset)			23%	12%
1	Change to a low temperature powder (from 180 degrees to 160 degrees) to reduce the temperature in the enamelling furnace	06/2021	80%	80%
2	Convert to LED (100 lamps) in further areas	12/2021	50%	50%
3	Revise the energy supply concept with the goal of climate neutrality	12/2024	10%	0%
4	Conduct workshops with relevant departments to educate on the topic of climate neutrality and develop quantified targets	12/2021	30%	0%
Reduce hazardous materials				
1	Reduce hazardous substances by 10% and substitute some substances	12/2021	30%	30%
Reduce waste				
1	Reduce total volume of waste by 10%	12/2021	0%	0%
2	Improve the separate collection rate according to Commercial Waste Ordinance to 80%.	12/2021	0%	0%
Revise the packaging concept				
1	Change the edge protection to cardboard strips with paper coating	06/2021	70%	50%
Stakeholders				
1	Introduce further environmental standards for products (FEMB or Cradle to Cradle)	12/2022	0%	0%

Dogern site map



Table showing the assessment of environmental issues for the Dogern site

		Description	Remarks
Assessment of environmental issues	0	Not available	The assessment of environmental issues is given a weighting with production volumes. The maximum possible weighting is 99 points.
	1	Low	
	2	Medium	
	3	High	
Production volumes	0	Not available	
	1	ml/g	
	2	l/kg	
	3	m ³ /t	
Energy consumption	0	< 1% of total consumption	
	1	< 1–5% of total consumption	
	2	< 5–10% of total consumption	
	3	< 10% of total consumption	
Assessment of environmental issues accidents/emergencies	0	No additional impact	These are points for additional hazards/impacts in the case of an accident/emergency.
	1	Low	
	2	Medium	
	3	High	
Legal relevance	0	Not applicable	A maximum of 4 points is possible per regulation scope.
	1	Applicable	
Environmental impact further along the process chain	0	Not available	This assesses the relevance in terms of the environmental issues.
	1	Low	
	2	Medium	
	3	High	
Risks/opportunities	0	Not available	This assesses the relevance of the risks and opportunities to the environmental goals.
	1	Low	
	2	Medium	
	3	High	

Assessment of environmental and energy issues, overview of sub-processes for the Dogern site

Sub-process, action, procedure	Effects on ground, water and air			Consumption of raw materials/resources			
	Emissions into the air	Discharge into water	Soil contamination	Raw materials	Consumables and supplies	Energy	
						Electricity, compressed air	Heat
Development							
Product design Selection of materials	3	3	0	3	1	3	3
Determining manufacturing processes	3	3	0	2	2	3	3
Purchasing							
Procurement of investments and services	3	0	0	3	1	3	2
Procurement of plastics	3	3	1	3	3	3	3
Procurement of metals	3	3	1	3	3	3	3
Procurement of textiles and leather	2	3	1	3	3	3	3
Procurement of wood	2	2	1	3	0	3	2
Upholstery production							
Cutting (foam, textile, leather, membranes, wood), preliminary work	1	0	0	6	1	2	1
Sofa manufacturing	1	0	2	6	3	2	1
Screen element production	1	0	2	6	3	2	1
Fleece production							
Precutting, heating, pressing and cutting	1	0	0	6	0	2	1
Metal production							
Punching, sawing, bending, lasering and welding	4	0	0	6	4	2	1
Metal surface							
Galvanising	4	2	0	6	9	6	6
Powder coating	4	4	0	6	6	2	6
Chair production							
Assembling components and bought-in parts	0	0	0	0	2	1	1
Stitching, gluing, upholstery, assembling and packing	1	0	2	6	3	2	1
Internal logistics							
Goods receipt, storage and distribution	0	0	0	3	0	2	2
External logistics							
Packing finished products	0	0	0	6	0	1	1
Shipping finished products	6	1	1	0	0	0	0
Outsourced processes							
Outsourced processes	0	0	0	0	2	1	1
Facility Management							
Building maintenance	6	3	1	0	2	2	3
Use							
Use	0	0	0	0	0	0	0
Customer service							
Repair, replacement of parts	2	0	0	1	1	1	0
Disposal							
Recycling and disposal	0	0	0	0	0	1	0
	50	27	12	78	49	50	45

■ Key environmental and energy issues

	Production of waste and byproducts			Environmental impact further along process chain	Noise	Risks	Opportunities	Other environmental issues	Total	Relevance
	Recyclable materials	Waste heat utilisation	Hazardous waste							
	3	3	1	3	0	3	3	0	32	B
	3	3	1	3	3	3	3	0	35	B
	2	1	0	3	1	3	3	0	25	C
	2	2	1	3	1	3	3	0	34	B
	2	0	3	3	1	3	3	1	35	B
	2	2	2	3	1	3	3	0	34	B
	2	0	0	3	2	3	3	0	26	C
	1	2	1	1	2	0	0	0	18	C
	1	1	0	1	6	0	0	1	25	C
	0	2	0	1	6	0	0	1	25	C
	0	6	2	1	2	0	0	1	22	C
	3	0	2	0	2	3	3	0	30	B
	2	2	3	2	4	3	3	0	52	B
	2	4	4	2	4	2	2	3	51	B
	3	3	2	0	1	1	1	0	15	C
	0	2	0	1	6	1	2	1	28	C
	3	2	0	0	0	2	2	1	17	C
	2	2	0	1	0	1	1	0	15	C
	2	1	0	1	0	2	2	1	17	C
	2	2	1	1	1	1	1	0	13	C
	0	1	2	0	1	4	3	0	28	C
	0	0	0	1	0	2	2	0	5	C
	1	1	0	0	0	1	2	0	10	C
	1	1	0	3	2	1	2	0	11	C
	39	43	25	37	46	45	47	10	603	C

Consumption per energy type for the Dogern site

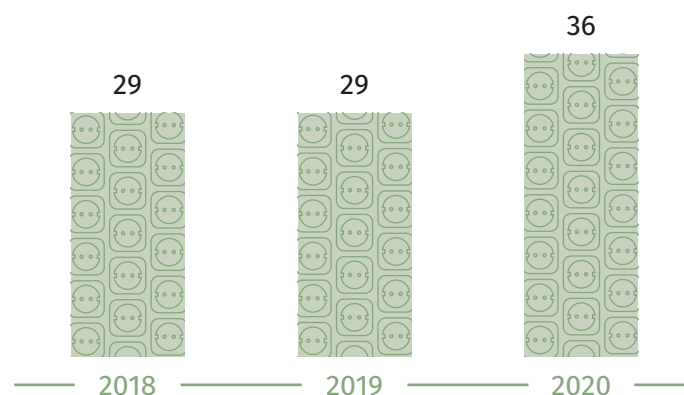
Energy type in MWh	2018	2019	2020	Energy use in MWh/t output of the organisation
Power supply from third parties	1,944	2,153	2,252	0.44
Natural gas	7,845	7,434	7,119	1.38
Heating oil (emergency power)	24	59	23	< 0.01
Total	9,813	9,646	9,394	1.82

GHG emissions for the Dogern site

In tons CO ₂ -eq	2018	2019	2020
Heating oil	6	15	6
Gas	1,569	1,487	1,424
Wood combustion	–	–	–
Total	1,575	1,502	1,430

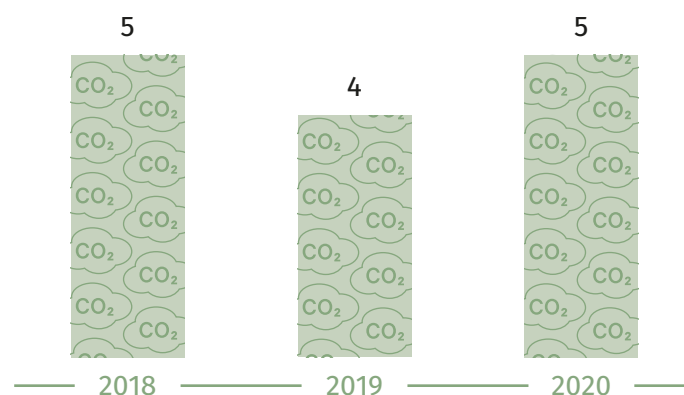
Specific energy consumption for the Dogern site

in kWh/manufactured unit



Specific GHG emissions for the Dogern site

in tons/1,000 manufactured units



Waste per waste type for the Dogern site

	Waste Classification Ordinance (AVV) no.	Whole year 2020	Previous year 2019	absolute	%
Manufactured units		263,280	335,520	-72,240	-21.53
Total waste volume		583	696	-114	-16
rel. waste accumulation		2.21	2.08	0.14	6.66
Sludge buildup from the removal of colour and varnish, varnish waste	080111 * 080113 *	0.16	-	0.16	-
Coating powder	080201	6.07	3.84	2.23	58.05
Galvanic sludge	110109 *	10.02	9.10	1	10.11
Halogen-free emulsions	120109 *	1.40	-	1	-
Grinding sludge	120118 *	1.04	1.24	-0	-16.13
Non-chlorinated waste oil	130205 *	-	0.60	-1	-100.00
Plastic (polyethylene film)	150102	8.39	14.22	-6	-41.00
Mixed glass	150107	2.83	1.34	1	111.19
Absorption and filter materials (oil reservoir)	150202 *	1.29	2.68	-1	-51.72
Aerosol cans	160504 *	0.07	0.05	0	36.54
Glass, plastic, wood with hazardous substances	170204 *	0.40	1.49	-1	-73.15
Construction waste	170904	1.67	1.55	0	7.74
Paper and cardboard	200101	128.74	144.57	-16	-10.95
Folders and file paper	200101	-	14.04	-14	-100.00
Textiles	200111	18.25	23.59	-5	-22.64
Grease separator residue	200125	6.00	-	6	-
Electronic scrap	200135 *	0.60	1.88	-1	-68.25
Matured timber AI-AIII	200138	86.93	105.21	-18	-17.37
Mixed municipal waste	200301	122.70	139.08	-16	-11.78
Foam material waste		-	0.52	-1	-100.00
Metal waste		124.32	216.20	-92	-42.50
Other	Other	0.39	15.19	-15	-97.46
Waste for disposal		1.67	1.55	0	7.74
Recyclable waste		581.19	694.84	-114	-16.36
Recycling rate		99.71	99.78	-0	-0.06
Separate collection rate according to Commercial Waste Ordinance		78.66	79.81	-1	-1.43
Hazardous waste		15.37	32.23	-17	-52.30
Non-hazardous waste		567.49	664.16	-97	-14.56

GRI CONTENT INDEX

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GRI 102-53	Contact point for questions regarding the report	87	
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GRI 102-55	GRI content index	80–83	
GRI 102-56	External assurance	84–86	
Key issues			
GRI 201	Economic performance 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)	7	
GRI 201-1	Direct economic value generated and distributed	7	
GRI 204	Procurement Practices 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)	38–39	
GRI 204-1	Proportion of spending on local suppliers	39	
GRI 207	Taxes		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)	21–22	
GRI 207-1	Approach to tax	21	
GRI 207-2	Tax governance, control and risk management	21–22	
GRI 207-3	Stakeholder engagement and management concerns related to tax	21	
GRI 207-4:	Country-by-Country Reporting (country-specific reporting)		No information available

GRI standard		Page	Omission/Remarks
GRI 301	Materials 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)	12, 30–31, 36–43	
GRI 301-1	Materials used by weight or volume	36–38	No quantitative data
GRI 301-3	Reclaimed products and their packaging materials	40–41	No quantitative data
GRI 302	Energy 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)	21, 43–49	
GRI 302-1	Energy consumption within the organisation	50–51	
GRI 302-4	Reduction of energy consumption	50–51	
GRI 303	Water and effluents 2018		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)	12, 43–49, 54–55	
GRI 303-1	Interactions with water as a shared resource	54	
GRI 303-2	Management of water discharge-related impacts	54–58	
GRI 303-3	Water withdrawal	54	
GRI 303-4	Water discharge	56–57	
GRI 303-5	Water consumption	54–55	
GRI 304	Biodiversity 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)	12, 43–49, 61	
GRI 304-3	Habitats protected or restored	61, 74	
GRI 305	Emissions 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)	12–15, 52–53	
GRI 305-1	Direct (Scope 1) GHG emissions	52–53	
GRI 306	Waste 2020		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)	12, 43–49, 58–59	
GRI 306-1	Waste generation and significant waste-related impacts	58–59	
GRI 306-2	Management of significant waste-related impacts	58–59	
GRI 306-3	Waste generated	59	

GRI standard		Page	Omission/Remarks
GRI 401	Employment 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)	12–15, 63	
GRI 401-1	New employee hires and employee turnover	64	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	67	
GRI 403	Occupational health and safety 2018		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)	68–69	
GRI 403-1	Occupational health and safety management system	68	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	68	
GRI 403-3	Occupational health services	68	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	68	
GRI 403-5	Worker training on occupational health and safety	68	
GRI 403-6	Promotion of worker health	69–70	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	68	
GRI 403-9	Work-related injuries	68	
GRI 403-10	Work-related ill health	68	
GRI 404	Training and education 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)	12–15, 65–66	
GRI 404-1	Average hours of training per year per employee	66	
GRI 419	Socioeconomic compliance 2016		
GRI 103	Management approach 2016 (including 103-1, 103-2, 103-3)	12–15, 21	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	85	No instances of non-compliance with laws and/or regulations

AUDITOR'S STATEMENT

Environmental verifier's declaration on verification and validation activities at Sedus Stoll AG (according to Annex VII of the EMAS III)

The signatories, Dr Ralf Utermöhlen and Mr. Matthias Precht, EMAS environmental verifiers with the registration number DE-V-0080/DE-V-0255, accredited for the scope (NACE-Code WZ 2008: 31.01), declare to have verified whether the sites Brückenstraße 15, 79761 Waldshut and Gewerbestraße 2, 79804 Dogern as indicated in the environmental statement 2020 of the Sedus Stoll AG with the registration number (D-143-00001), meet all requirements of Regulation (EC) No. 1221/2009 of the European Parliament and of the Council of 25 November 2009 in its version as amended by Regulation (EU) 2018/2026 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS).

By signing this declaration, it is declared that:

- the verification and validation has been carried out in full compliance with the requirements of Regulation (EC) No 1221/2009 2009 in its version as amended by Regulation (EU) 2018/2026,
- the outcome of the verification and validation confirms that there is no evidence of non-compliance with applicable legal requirements relating to the environment,
- the data and information of the environmental statement of the sites reflect a reliable, credible and correct image of all the sites activities, within the scope mentioned in the environmental statement.

This document is not equivalent to EMAS registration.

EMAS registration can only be granted by a Competent Body under Regulation (EC) No 1221/2009.

This document shall not be used as a stand-alone piece of public communication.

Braunschweig, 21 July 2021



Dr. Ralf Utermöhlen
Environmental verifier



Matthias Precht
Environmental verifier

Attestation about independent and verified environmental assessment

Sedus Stoll AG has commissioned AGIMUS GmbH environmental expert organisation and consulting company to review its 2020 sustainability report with an integrated environmental statement for the site Dogern for materiality, transparency and comparability. The appropriateness of the determination and presentation of the key figures for sustainability performance in accordance with the reporting criteria, including the identification of essential issues, lies within the responsibility of the Board of Management. It is our task to check the statements in the sustainability report for comprehensibility and for the completeness of the criteria according to the GRI standards.

Independence and quality assurance of the environmental expert organization

We have complied with the requirements for the independence of environmental expert organizations as well as other professional behavioural requirements for a third-party audit and carried out our audit of the sustainability report in connection with the certification of the environmental management system according to EMAS and ISO 14001.

Audit task

Our task is to provide an assessment based on the activities we have carried out as to whether we have become aware of issues that lead us to believe that the information provided in the Sustainability Report of Sedus Stoll AG for the financial year 2020 does, in essential aspects, not comply with the criteria of the GRI standards.

We carried out our audit in compliance with the requirements for professional practice for environmental verifiers. In doing so, we planned and carried out the order taking into account the principle of materiality in such a way that we can give our assessment with limited assurance. In the case of an environmental audit to achieve limited assurance, the audit procedures carried out are less extensive compared to an audit to obtain reasonable assurance, so that a correspondingly lower level of assurance is obtained. The selection of the audit activities lies within the professional judgement of the environmental verifier and was made in the technical and textual context of the audit activities for certification according to ISO 14001.

As part of our environmental audit, we carried out the following activities, among others:

- Survey of employees of the departments responsible for the preparation of the report about the process for the preparation of the report and about the internal control system related to this process;
- Inspection of the documents on the sustainability strategy as well as obtaining an understanding of the organizational structure regarding environmental and sustainability issues, the stakeholder dialogue and the development process for the company's environmental and sustainability program;
- Survey of employees in the specialist departments who are responsible for individual sections of the report;
- Recording of the procedures and inspection of the documentation of systems and processes for the collection and analysis;
- Plausibility check and aggregation of the sustainability data as well as their sampling inspection;
- Carrying out an audit and site inspections at the sites Dogern, Waldshut, Geseke (2020 and 21) and Owingen (in 2020);
- Aggregation of selected information; Analytical assessment of the information within the report;
- Obtaining of further evidence for selected information in the report by inspecting internal documents as well as reports and records from external service providers.

Conclusion

Based on our audit to obtain limited assurance, we have not become aware of any facts that lead us to believe that the information provided in the sustainability report for the financial year 2020 does, in essential aspects, not comply with the criteria of the GRI standards in the option "Core".

When preparing the report, relevant topics were weighted according to their materiality and upstream and downstream organisational units were taken into account. It contains all information that should be considered relevant, taking into account the principles of materiality, the sustainability context and the involvement of stakeholders. According to our audit results, the report does not omit any information that might influence assessments or decisions by stakeholders or that would reflect important economic, ecological and societal effects and discloses positive and – if any – negative events.

The use of the GRI indicators facilitates the comparability of the report. In the sustainability report, the requirements of the “In accordance” option of “core” are met. The scope of the Sustainability Report 2020 thus shows that Sedus Stoll does not draw back from comparing its sustainability performance with competitors and furthermore reports in quantified information.

Additional information and recommendations

The commitment of Sedus Stoll to preserve social capital and increase resource efficiency at the main sites and in a large number of products is very commendable, as is the signing of the UN Global Compact.

On a positive note, Sedus Stoll is implementing a climate neutrality strategy that aims to reduce emissions in Scope 1 and Scope 2 by 50% compared to 2019, by 2025 and which is therefore in line with the trajectories of the Paris Climate Agreement.

Without restricting the result of our audit presented above, we make the following recommendations for the further development of sustainability reporting:

Use of the term climate neutrality: We recommend following the legislative and standardisation procedures and only using the term in accordance with the valid definitions, even after standardisation.

The relocation of higher value-added shares to the after-sales business (repair, refurbishment) in the sense of the circular economy has started and should be consistently expanded. Further steps in supply chain management to implement the principles of the Global Compact in the entire value chain should be worked on together with suppliers.

PUBLICATION DETAILS

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“Ecology and economy are not contradictory concepts but essential parts of the whole.”

*Christof Stoll (*1912 – *2003), Sedus CEO*