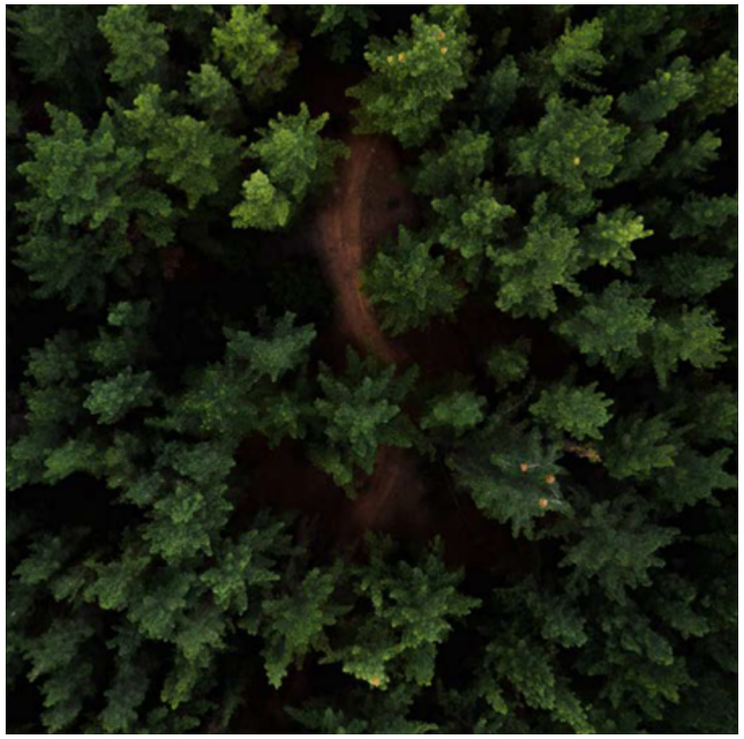
GUBI

ESG REPORT

2021 - 2022



4th of July 2022

TABLE OF CONTENTS

I. INTRODUCTION

04 CEO letter
05 Company profile
06 GUBI DNA and Code of Conduct
07 GUBI + Axcel
08 2021-2022 progress report overview
09 Different frameworks shaping our strategy
11 Sustainability performance targets agreement with our lenders
12 ESG Committee

II. ENVIRONMENTAL REPORT

14 Ambitions
15 Environmental Achievements
17 Science Based Targets Initiatives (SBTIs)
18 CO_2 Calculations: Scope 1,2 & 3
19 CO_2 Product Footprints
20 CO_2 Emission Beyond Beetle Chair
21 Future targets

III. SOCIAL REPORT

23 Social Achievements
24 Future target

IV. GOVERNANCE REPORT

26 Aspirations, Achievements & Future targets

CONCLUSION

27 Conclusion

INTRODUCTION

PART I

CEO LETTER

GUBI is a Danish brand with influence around the world. This influence is not something that we take lightly. Rather, it is something that inspires us to do better for people and for the planet.

Since our founding in 1967, GUBI has been committed to doing business in a fair and ethical way. By making high quality products that epitomize timeless design and fine craftsmanship, longevity and responsibility have been a part of the GUBI DNA since the very beginning. Now, in the 21st century, we have broadened our corporate commitments to include a greater emphasis on the environment, social responsibility, and corporate governance.

As we continue working together to become an evermore responsible global business, each of us at GUBI embodies our core values of curiosity, courage, and creativity on a daily basis. And while this journey is an important part of GUBI's ongoing corporate story, true and lasting change starts with each of us, as individuals. This is why we have made inclusion, diversity, and openness such a core part of our corporate culture. Independent thinking is absolutely essential for us as a company, both if we hope to continue challenging the status quo in our industry, and if we want to be a force for positive change in areas of corporate responsibility.

In the pages that follow, we have outlined the positive progress that is being made here at GUBI. From establishing a baseline calculation for our total carbon emissions, to becoming FSC ™-certified, to defining our vision and values, to establishing a whistleblower protocol and having zero workplace-related injuries in 2021–all of these achievements are the result of our focused commitment to responsibility, cooperation, and innovation and hard work. As a company, we should be proud of these tangible achievements and of our positive growth. But we should also remember that our work is not done. There is always more to learn, more ways to grow and improve, more innovative ideas to explore. While we know that the future holds many challenges, we are looking ahead with a positive mindset and remain committed to positive change and continued growth.

Best regards,

Klaus Høeg-Hagensen
Chief Executive Officer

FSC™ C176589

GUBI COMPANY PROFILE

GUBI is a design house renowned for designing, developing and marketing a daring and elegant collection of furniture, lighting and interior objects that resonate across the globe. Its signature pieces evoke emotion and tell meaningful stories that make them both timeless and enduring. GUBI brings forgotten icons of the past together with tomorrow's classics. The result is a visionary collection that spans almost 100 years of history and is sold all over the world.

Based in Copenhagen's docklands, GUBI HQ spans a 2,000-square-metre space in a former tobacco factory, renovated into an expansive, modern loft showroom. The GUBI Flagship Store is a 400-square-meter visual design universe located in the heart of Copenhagen's shopping district. Both locations are carefully curated and provide an atypical, colourful and evocative backdrop for the mainstay of GUBI's Collection. Robert Dudley Best's Bauhaus-inspired Bestlite Lamp, originally designed in 1930, sits comfortably alongside GamFratesi's iconic 2013 Beetle Chair. The GUBI Chair – designed in collaboration with Komplot Design in 2003, the first of its kind to use three-dimensional veneering technology, and now part of MOMA's permanent collection – complements future design icons such as GamFratesi's Epic Collection and Space Copenhagen's Stay Collection.

Founded by his parents in 1967 – the year that the current owner and creative director, Jacob Gubi, was born – GUBI originally focused on producing the family's own furniture designs and trading textiles within the retail sector. Over the years, Jacob Gubi's creative vision and courageous intuition has led GUBI to its current position in the global design scene with a handpicked edit of high-quality furniture from all over the world, and collaborations with both esteemed designers, archives and contemporary emerging talents.

COMPANY BUSINESS MODEL AND STRATEGY

GUBI designs and markets high quality products developed in cooperation with top designers from around the world. Our corporate strategy is to, 'grow with the modern consumer.' Our products are sold to both consumer and contract markets through retailers, e-tailers, and via professional customers worldwide. All of GUBI's production is outsourced to well-reputed manufacturers who are located, primarily, in Europe, China, and Indonesia. GUBI's leadership and ESG teams are based at the company's headquarters in Copenhagen, Denmark.

KEY FIGURES 2021

Revenue	Total emission	Employees
570m	~20,343 tCO_2e	94

Total emissions per DKK revenue
40.0 gCO_2e/DKK in revenue

Sourcing from: Europe, China, Indonesia

GUBI DNA & GUBI CODE OF CONDUCT

THE GUBI DNA

The vision that drives our values: GUBI is here to do things differently for the life you live.

GUBI. Where wide-eyed curiosity leads to new ideas. Where courage is part of the DNA. Where creative vision meets precise curation. Where forgotten icons of the past are brought together with tomorrow's classics. A bold and passionate approach to color, pattern and form that carves out a unique identity. Timeless collections that evoke emotion and tell meaningful stories. Guided by curiosity, courage, and creativity – GUBI is here to do things differently.

THE GUBI CODE OF CONDUCT

The GUBI Code of Conduct is an essential part of how we are striving to do things differently as a company. It describes our value system and approach to doing business in a responsible, ethical manner wherever we operate around the world.

The GUBI Code of Conduct helps to ensure that GUBI employees and all other relevant stakeholders know what GUBI stands for as a company and how we expect individuals to interact with colleagues, competitors, customers, and suppliers.

Because GUBI employees work in many different countries around the world, they are, first and foremost, subject to the standing laws in their country of residence. In addition to those laws, all GUBI Employees are also expected to comply with our corporate Code of Conduct, which addresses seven important aspects of how we conduct business: Our Employees, Health and Safety, The Environment, Anti-Corruption and Sanctions, Following the Law with Integrity, Safeguarding Information, and Accounting and Reporting.

If at any time, a provision of the GUBI Code of Conduct should conflict with a local, regional, or national law(s) in the employee's country of residence, then the law prevails. We believe that the behavior of our global network of business partners can and will have a direct impact on GUBI's reputation and brand. For this reason, it is important that all partners, collaborators, and third-party vendors share our commitment to ethics and compliance by acting in accordance with the responsibilities mentioned throughout this document.

GUBI + AXCEL

GUBI is partly owned by the private equity firm Axcel, a leading Nordic private equity investor. Axcel has a long-standing commitment to sustainability and responsible investment practices. They have been signatories to the UN Global Compact since 2010 and committed to the Principles for Responsible Investment (PRI) in 2014.

SUSTAINABILITY AND VALUE ARE LINKED

Axcel recognizes that profit and positive impact are intrinsically linked. Axcel's companies are met with increasing expectations with regards to sustainability from their stakeholders including customers, consumers, employees, and regulators. In partnership with its companies, Axcel seeks to deliver better returns and increase positive impacts on society and the environment by strengthening ESG management during ownership.

ESG MANAGEMENT APPROACH

Axcel has therefore developed a comprehensive 5-Step Sustainability program based on international standards including the OECD Guidelines, the UN Guiding Principles, the Task Force on Climate Related Financial Disclosures, and the UN Sustainable Development Goals that is implemented in all companies. Axcel has furthermore set portfolio-wide targets on climate change and diversity and collects ESG KPIs aligned with the EU Sustainable Finance Disclosure Regulation as well as additional KPIs related to people and culture.

GUBI reports to Axcel on progress on its ESG strategy and related KPIs on a quarterly basis.

AXCEL

2021 - 2022 PROGRESS REPORT OVERVIEW

KEY ENVIRONMENTAL, SOCIAL AND GOVERNANCE ACHIEVEMENTS AT GUBI IN 2021 - 2022

GUBI is proud to be part of the UN Global Compact, which we joined in 2019. We are committed to the Compact's Ten Principles for responsible business operations within human rights, labor, environment and anti-corruption. Oversight of our work with ESG (Environmental, Social, and Governance) is anchored in our Board. In June 2022, the GUBI Board approved an updated ESG strategy that includes a number of new protocols and targets for the future.

Our executive leadership is responsible for ensuring the ESG strategy is implemented via our ESG committee. Over the past year, our internal ESG committee has taken several important steps towards enhancing our ESG strategy and clarifying our goals for the future. This year's report is structured based on our learnings over the last year, with a defined focus on the three central factors of ESG.

ENVIRONMENTAL

- Established a baseline understanding of our total CO_2 emissions during the calendar year 2021.
- Added SDG #5, #13, and #15 to our ESG strategy (UNGC).
- Achieved FSC™ certification (Forest Stewardship Council™, license code FSC™ C176589).
- Strengthened compliance with product and packaging requirements.
- Submitted our plan to the SBTi to cut our emissions by 42% before 2030.
- Signed amendment to loan agreement with Nordea with annual sustainability performance targets (SPTs).
- Replaced virgin plastics with recycled plastics in select GUBI seating products.

SOCIAL

- Defined GUBI Vision: GUBI is here to do things differently for the life you live.
- Defined GUBI Core Values as: Curiosity, Courage, and Creativity.
- Recorded zero work-related injuries.
- Conducted organization-wide Code of Conduct training.
- Conducted two employee engagement surveys (including one APV).
- Created and shared an overview of GUBI ESG strategies with all stakeholders.
- Conducted our 3nd employee engagement survey; the results showed an improved eNPS (employee Net Promoter Score) rating of 51 (compared to a rating of 22 in 2020).
- Employee absences due to sickness decreased from 8,5 absence days per FTE to 1 day in May 2022.
- Employee turnover has decreased from 37% (2020) to 17% (2021)and further reduced to 4% (May 2022).
- Our latest engagement survey included questions related to diversity and inclusion.The overall eNPS diversity and inclusion rating is 8.2, which is 0.2 above consumer benchmark (inclusiveness had the highest score with 8.9, which is 1,0 above consumer benchmark).
- Maintained our targets for KPI's within Gender Diversity (52%) and Gender Diversity Management (50%) in 2021 and for Gender Diversity in May 2022 (55%).

GOVERNANCE

- Established an anonymous internal whistleblower scheme
- Strengthened compliance for product and packaging requirements (by suppliers)
- Collected ESG strategies from 79% of our product suppliers
- Continued to encourage product suppliers to sign and comply with the GUBI Supplier Code of Conduct (to date, 86% have signed)

DIFFERENT FRAMEWORKS SHAPING OUR STRATEGY

MAKING GLOBAL GOALS LOCAL BUSINESS

GUBI's ESG strategy is inspired by the United Nations' 17 Sustainable Development Goals (SDGs) and is directly informed by the Ten Principles of the UN Global Compact (UNGC). In addition to these two UN initiatives, GUBI – along with our owner, Axcel – is also obliged to report to the Task Force on Climate-related Disclosures (TCFD), a global effort to improve and increase the reporting of climate-related financial information. These important initiatives are at the heart of our ESG strategy and have informed our decision making throughout.

UN SUSTAINABLE DEVELOPMENT GOALS

The five UN Sustainable Development Goals that we have chosen to focus on for our ESG strategy are SDG #5 (Gender Equality), SDG #8 (Decent Work and Economic Growth), SDG #12 (Responsible Consumption and Production), SDG #13 (Climate Action), and SDG #15 (Life on Land).

Since our founding in 1967, women have been a driving force of creativity, innovation, and leadership at GUBI. We strongly agree with the UNDP (UN SDG #5 Gender Equality) that, 'Ending all discrimination against women and girls is not only a basic human right, it's crucial for a sustainable future…'

The original language of UN SDG #8 (Decent Work and Economic Growth) has directly informed both our Social and Governance standards and strategies. Because we want GUBI to be a great place to work, we have updated and expanded our company-wide Code of Conduct, have put new fair competition policies into place, and are continually working to improve compliance and transparency in all areas of our business.

The original language of UN SDG #12 (Responsible Consumption and Production) has directly informed our Environmental standards and strategies. The vision of SDG #12 aligns perfectly with our mission of 'creating thoughtful, iconic design ... to last a lifetime.'

This guide for Responsible Consumption and Production has also inspired our investment in carrying out Life Cycle Assessments (LCAs) on our products, becoming FSC ™-certified, and striving to be an active, positive influencer within the design industry.

The original language of UN SDG #13 (Climate Action) has directly informed our Environmental standards and strategies. Because we agree that, 'Global warming is causing long-lasting changes to our climate system, which threatens irreversible consequences if we do not act [and that]...it is still possible, with strong political will, increased investment, and using existing technology, to limit the increase in global mean temperature to two degrees Celsius above pre-industrial levels, aiming at 1.5°C, but this requires urgent and ambitious collective action,' we are taking measurable action to reduce the carbon emissions related to our company practices and production, including the increased use of recycled plastics in more products and the increased reduction of Scope 1 and 2 carbon emissions.

The original language of UN SDG #15 (Life on Land) has directly informed our Environmental standards and strategies. In light of the UNDP's call for, 'Urgent action…to reduce the loss of natural habitats and biodiversity which are part of our common heritage and support global food and water security, climate change mitigation and adaptation, and peace and security,' we have secured FSC ™-certification for select GUBI products made with / from wood products. We are pursuing additional approvals moving forward…

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Additionally, the Ten Principles of the UNGC has directly inspired the development of the new GUBI Code of Conduct.

The multi-year strategy of the UN Global Compact is to drive business awareness and action in support of achieving the Sustainable Development Goals of 2013.

About the Ten Principles: '*Corporate sustainability starts with a company's value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.'*

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

The Ten Principles of the UNGC provide ethical guidance for four key areas of principles-based approach to doing business: Human Rights, Labor, The Environment, and Anti-Corruption.

Human Rights

Principles 1 – 2: Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.

Labor

Principles 3 – 6: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.

The Environment

Principles 7 – 9: Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

TASK FORCE ON CLIMATE RELATED DISCLOSURES

Participation in the TCFD – a global initiative – is a commitment to environmental responsibility made by GUBI, through our owner, Axcel. [1]

About TCFD: 'The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information. This includes the risks and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in our changing world.' [2]

TCFD asks companies to make disclosures across four areas related to climate-related risks and opportunities. The four areas are (1) governance, (2) strategy, (3) risk management, and (4) metrics and targets. See below for more on GUBI's TCFD-related aspirations and achievements.

Axcel is a signatory to PRI (Principles for Responsible Investment) and in 2020 the PR made reporting on the Task Force on Climate- Related Financial Disclosure (TCFD) mandatory for all signatories.

GUBI + CSRD

Because GUBI is classified as a medium / large company, we will be obligated to comply with the EU's CSRD (Corporate Sustainability Reporting Directive) rules, which, beginning in 2023, will require large companies to publish regular reports on the social and environmental impacts of their activities.

1 Axcel is a signatory to PRI (Principles for Responsible Investment) and in 2020 the PRI made reporting on the Task Force on Climate- Related Financial Disclosure (TCFD) mandatory for all signatories.
2 TCFD text from www.fsb-tcfd.org.

SUSTAINABILITY PERFORMANCE TARGET *(SPT)* AGREEMENT WITH NORDEA BANK

In addition to making positive changes to our business practices, GUBI is also taking voluntary action with regards to transparency related to how we operate our business facilities in Denmark. One way of doing this is by partnering with Nordea, to establish Sustainability Performance Targets (SPTs). Sustainability-linked financial tools, such as SPTs, are used to incentivize companies to achieve environmental, social, and/or governance (ESG) goals. These types of agreements offer opportunities for businesses to benefit from reaching ESG goals (by way of better interest rates on loans from banks).

In early 2022, GUBI entered into an agreement with Nordea bank that amends the current loans connected to our business operations facilities in Copenhagen. This amendment includes three sustainability performance targets (SPTs) specific to GUBI, that will be assessed at the end of a three year period (2022 - 2025).

THE SPECIFICS OF EACH SPT ARE AS FOLLOWS

1. GUBI has committed to decrease CO_2 emissions year over year, from a 40% reduction in 2022 to a 50% reduction by 2025 (based on absolute Scope 1 and Scope 2 emissions as defined by Greenhouse Gas Protocol standards).

2. GUBI will strive to maintain an average employee engagement score of 7.5 or better every year from 2022 - 2025 (as defined by Peakon/Workday).

3. GUBI will strive to reduce employee turnover from 15% in 2022 to 12% in 2025.

GUBI ESG COMMITTEE

Oversight of GUBI's work with ESG (Environmental, Social, and Governance) is anchored in our Board. Our executive leadership is responsible for ensuring the ESG strategy is implemented via our ESG committee. Over the past year, this ESG committee has taken several important steps towards enhancing our ESG strategy and clarifying our goals for the future.

Since August, 2022, GUBI's ESG Committee has met monthly to discuss both urgent topics and ongoing strategies related to our ESG targets. The core directive for this committee is to continue to push GUBI toward evermore sustainable practices, process, and production. The agenda for these committee meetings includes status reports for current ESG projects, suggestions for new initiatives, and in-depth conversations about challenges and next steps.

GUBI ESG Committee members include: our CFO, the Head of Product and Development, the Director of Supply Chain, the Chief Sales Officer, the Group General Counsel, and the newly appointed GUBI ESG Coordinator. Since April of 2022, this dedicated, full-time Coordinator has been tasked with overseeing the company's ESG strategy and coordinating all GUBI ESG Committee activities. The ESG Coordinator is also responsible for Gubi's participation and involvement in international industry conferences to enrich Gubi's ESG knowledge and practices.

ENVIROMENTAL REPORT

PART II

AMBITIONS

GUBI is dedicated to protecting the environment while we continue to create iconic design objects to last a lifetime. We bring this mission to life through our business, aiming to deeply integrate responsible practices into our design process. We aspire to be fully compliant and transparent in our business, and we are also committed to fully understanding and actively reducing our carbon footprint, year over year as we move forward. The reduction of CO_2 emissions is a central pillar of our ESG strategy.

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

GUBI is committed to
reducing our CO^2 emissions
in order to reduce our
negative environmental footprint.

A key goal from our 2021 ESG Report was to establish a baseline understanding of our comprehensive carbon footprint so that we could, 'create measurable strategies and commitments based on this data.' That goal was achieved in June 2022, when it was established that our total emission for the 2021 calendar year was approximately 20,343 tCO_2e. And though this baseline has now been established, we are still working on the creation of specific emissions reduction targets for the short and long term future. We intend to establish these targets sometime during 2022.

ENVIRONMENTAL ACHIEVEMENTS

Since last year's ESG Report, a number of environmental targets have been met. These achievements include:

The calculation of our total Scope 3 carbon emission for the 2021 calendar year, which were found to be approximately 20,343 tCO_2e. The total amount of emission per revenue has been calculated as: 40.0 gCO_2e / DKK in revenue generated.

The calculation of GUBI's CO_2 emission for 2021 (based on Scope 1 and Scope 2 standards from the GHG Protocols). Compared to 2020, our emissions in 2021 were reduced by approximately 39%.

Working together with the Copenhagen-based Footprint Firm (a consultancy focused on sustainability), GUBI has established preliminary / baseline calculations of our total CO_2 emissions (based on Technical Guidance for calculating scope 3 emission provided by GHG Protocol).

Signing up for Science Based Targets (SBT) initiatives have helped us commit to a 42% reduction in CO_2 emissions by 2030.

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

Replacing virgin plastics with recycled plastics in select GUBI seating products.

Launching the 3D Collection of recycled plastic chairs partially made from WEEE waste (electronic waste), which saves up to 10% in energy consumption and 10% of water consumption when compared to the use of virgin plastics.

KPI	CO_2e, scope 1	CO_2e, scope 2
2020	59	75
2021	34	46
EXPLANATION	Direct emissions resulting from the company's own combustion of fuels and materials	Indirect emissions resulting from the energy used to produce electricity, district heating, or district cooling, which the company has purchased for its use.

FSC™ C176589

WHAT WE DIDN'T ACHIEVE

As the journey into a more comprehensive ESG strategy is both relatively new and complex, there is, understandably, much to learn along the way. And while we have accomplished much of what we set out to do in last year's ESG Report, we did come up short with regards to one of our previous targets.

Though we have not yet been able to achieve this particular target, we will continue to pursue the following goal until it is achieved:

During 2021, we made full Scope 3 emissions calculations for a number of GUBI products, based on both spend and activity data. For products sold, we have estimated CO_2 emissions for over 40 products (primarily from the best sellers list). Using this data, we have extrapolated to estimate the entire emission footprint for products sold. We hope that most relevant data gaps will be closed during the calendar year 2022. Although we were not able to establish CO_2 emission calculations for all existing products in 2021, we will continue working to establish detailed CO_2 information for every product we make (see more details on page 18).

SCIENCE BASED TARGETS INITIATIVES *(SBTI)*

In early 2022, GUBI applied to join the Science Based Targets initiative (SBTi), which, ‘provides a clearly-defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth.’

Targets are considered ‘science-based’ if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. [3]

Upon joining this initiative, GUBI will commit to a 42% reduction of CO_2 by the year 2030 (based on the GHG Protocol Scope 1 and Scope 2 standards). Now that our preliminary Scope 3 calculations have been completed, we will be able to better understand the challenges ahead and, then, further refine our CO_2 reduction strategies.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

* As of June 2022, we are still awaiting confirmation from the SBTi regarding our application.
3. Source: sciencebasedtargets.org

CO_2 CALCULATIONS: SCOPE 1, 2 & 3

A key ambition for our ESG strategy this past year was to establish a Scope 3 baseline understanding of all CO_2 emissions across our entire value chain. This achievement, although challenging, is essential to our broader, ongoing ESG strategy.

Establishing this emissions baseline was important for two main reasons: (1) it will allow us to create strategies based on real data that will then help us to work toward positive future goals, and (2) we need this information in order to comply with the updated EU regulations that are expected in the near future. Working together with Footprint Firm (a consulting firm focused on sustainability), we have been able to identify eight key emissions categories (divided into two types of indirect CO_2 emissions) that result from GUBI's corporate operations.

I. SCOPE 3 'UPSTREAM EMISSIONS'

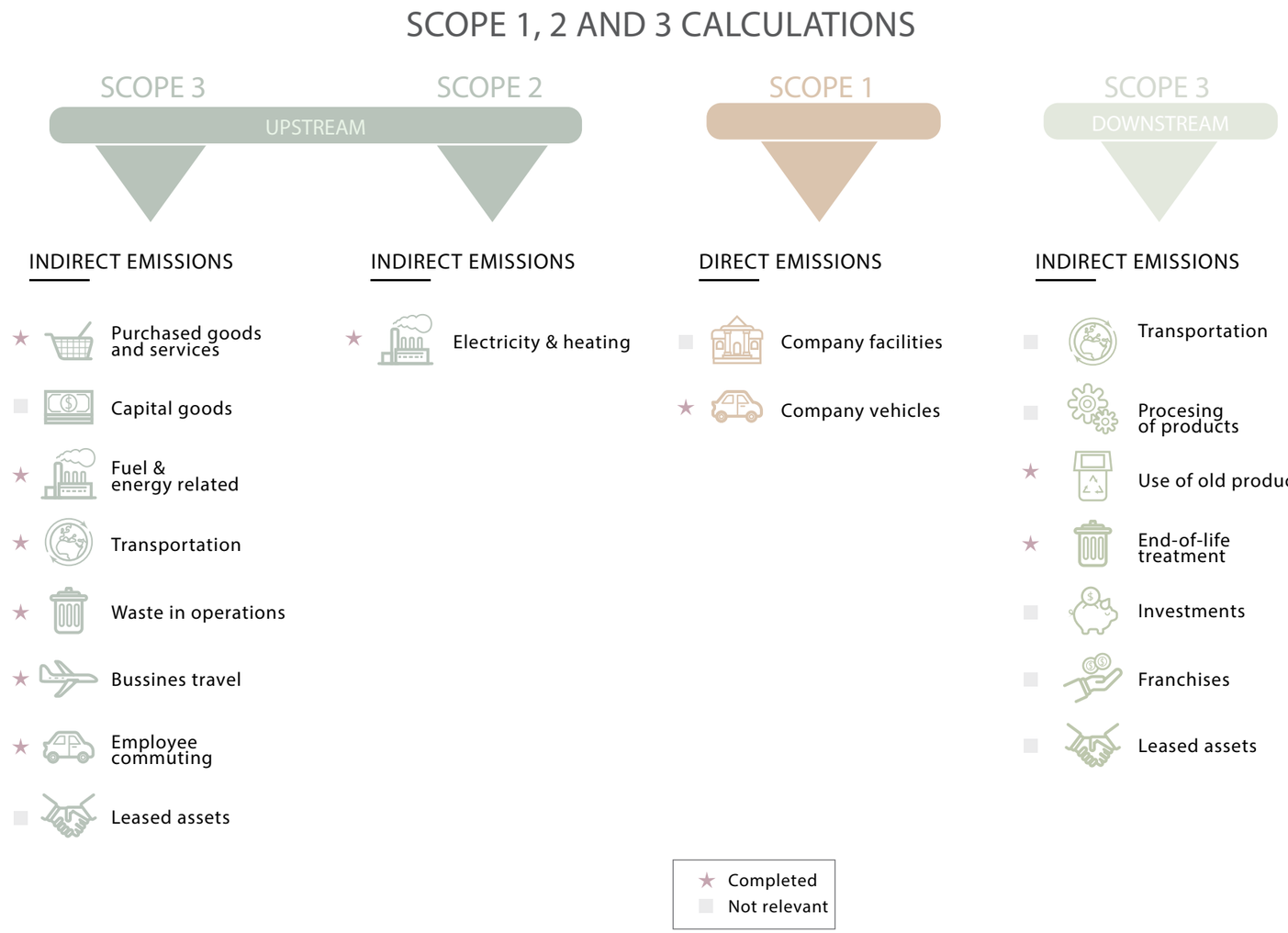
1. Purchased goods and services
2. Transportation
3. Waste in Operations
4. Business Travel
5. Employee Commuting

II. SCOPE 3 'DOWNSTREAM EMISSIONS'

1. Transportation
2. Use of Sold Products
3. End-of-Life Treatment

In June 2022, our total baseline CO_2 emissions were calculated using activity-based and spend-based data. These calculations were conducted following GHG protocol methodology / guidelines and resulted in the following findings: (1) the total CO_2 emissions for 2021 were approximately 20,343 tCO_2e, (2) the total emissions per revenue were 40.0 gCO_2e / DKK, (3) Scope 1 emissions were 34 tCO_2e, (4) Scope 2 emissions were 46 tCO_2e, and (5) Scope 3 emissions within the chosen categories shown above were 20,263 tCO_2e. [4]

Moving forward, this baseline understanding of CO_2 emissions will be further refined as more data is collected and analyzed, and will be highly influential as we continue to refine our ESG strategy and work together with our suppliers to reduce negative environmental impacts associated with production and transport of GUBI products.



4 All missing data and emission factors were interpolated using data from the following sources: DEFRA, IEA, US EPA, etc.

CO_2 PRODUCT FOOTPRINTS

Each year, we are gaining new and more in depth insights into the carbon impact of our products and our processes. This is an ongoing process of discovery and education, with new lessons learned on a daily basis.

As all of our production is outsourced to suppliers around the world, this is an challenging process of data collection and analysis. Two complicating factors add to this challenge: (1) GUBI produces a large number of products, many with numerous parts and subparts, and (2) secondly, our suppliers and sub-suppliers are located in a variety of facilities around the world. This means that establishing a baseline understanding of our total CO_2 emissions in calendar year 2021 required extensive research, communication, and data collection. In order to achieve this, a new and highly-detailed level of dialogue was established between the GUBI team and our network of suppliers, carriers and freight forwarders around the world.

And though we have now established a Scope 3 baseline for our total CO_2 emissions, this is still an early phase of the carbon reduction process. We still need to clarify the CO_2 impact of each individual product we make, each collection we design, and each of the various aspects related to our production (including transport, waste, end-of-life treatment, etc.).

Since our last ESG report, we have conducted specific CO_2 emissions calculations for a number of our best selling products (building on the study of our Beetle chair from 2020) and, as a result, one notable discovery has been made that will likely have a long term impact on GUBI's product development: upholstered furniture has a noticeably more significant CO_2 impact than un-upholstered furniture. This means that, moving forward, we will need to be very intentional when it comes to selecting fabrics to work with, considering the measurable environmental impact that each has, and then selecting only those that align with our broader CO_2 strategies and goals.

CO_2 EMISSION BEYOND BEETLE CHAIR

This past year GUBI has gathered CO_2 emissions data related to a number of our bestselling products. Along with our most popular chairs, we now know much more about the impact resulting from the production of many of the lamps and tables we make.

KEY FINDINGS FROM THIS INVESTIGATION INCLUDE

- During this data gathering process, we have learned that the most difficult emissions information to collect is related to lighting products and textiles / upholstery.
- Comparisons between different categories of GUBI products show that lightning products have the lowest overall CO_2 impact. Upholstered chairs have the biggest (most negative) impact.
- The most significant CO_2 impact from our lighting products happens during the user phase of the product life cycle. This means that the best way to lower CO_2 emissions related to lamps is for users to actively utilize energy saving practices (user phase emissions were not included in the presented results).
- Based on an internal analysis of the TS Coffee Table, we have discovered that the most significant CO_2 emissions are connected to material sourcing and packaging.
- When analyzing all the chairs that GUBI produces, we have learned that the more complex upholstered chairs (such as the Pacha) result in far more CO_2 emissions than, for example, the relatively simple upholstered Beetle Chair (this does not include the Beetle chair in leather, which has a greater impact). In general, we found that the more materials and parts used to make a chair, the more significant its overall CO_2 footprint. [5]

5 The accuracy of the data used for these calculations varies, depending on the complexity of each product and the details / data provided by suppliries. Therefore, these calculations represent only a preliminary estimation and will require additional data in order to gain a more exact understanding.

ENVIRONMENTAL REPORT

SITTING

Beetle dining chair
plastic shell / wooden base

C-Chair rattan cane
FSC™ oak

Beetle dining chair
plastic shell / conic base

SITTING UPHOLSTERED

Beetle dining chair leather /
wooden base

Beetle dining chair velvet /
wooden base

Pacha lounge chair without
armrest, without swivels

LAMPS

Multi-lite pendant
chrome base

BL1 table lamp
brass base

BL5 Wall Lamp
chrome base

Use phase Co_2e for lamps

TABLES

TS coffee table (top Ø80)
brass base glass top

TS coffee table (top Ø55)
black base glass top

TS coffee table (top Ø55)
black base marble top

FUTURE TARGETS

GUBI is setting new goals for the year ahead and will continue to pursue ambitious positive environmental targets. These goals include:

1. Now that GUBI has established a baseline understanding of our total CO_2 emissions for calendar year 2021, we will use this data to establish future targets and emissions strategies. But, before establishing any new goals, the ESG team needs time to analyze and process this new data set.

2. Preparing for new EU environmental regulations (expected in 2023). We will be educating ourselves, updating relevant protocols, and utilizing specialized consultants as needed.

3. Gathering data in order to calculate CO_2 footprint for most textiles used in our production processes. This knowledge will help us to make more informed / responsible choices in the future.

4. Calculating total CO_2 footprint using updated CO_2 footprint calculator to close the most relevant data gaps in year 2022 (using the PEF methodology developed by the European Commission's Joint Research Center)

5. Living up to our commitments to SPT and SBTi targets for 2023- 2025.

6. Obtaining FSC™ certification for 100% of our products over the next three years.

7. Calculating CO_2 emissions / impact for all new products and collections during the design and development process.

8. Utilizing more recycled plastic into variants of our plastic shell chairs (specifically the Beetle chair, our bestselling model). Starting in 2022, recycled plastic shells will be produced for all fully upholstered Beetle chairs. Then, during 2023, we aim to introduce a recycled shell for the colored variants of the Beetle chair, as well as for the Bat chair. During 2024, it is our aim to produce 100% of plastic seating shells with recycled materials. GUBI expects to achieve significant GHG emissions and water savings with this initiative.

SOCIAL REPORT

PART III

SOCIAL ACHIEVEMENTS

SOCIAL AMBITION

At GUBI we aspire to foster a positive and nurturing environment where GUBI employees' skills and creativity can thrive in a safe, stable, fair, and inclusive workplace.

SOCIAL ACHIEVEMENTS

In order to assist us in our drive towards a thriving company culture, we conducted a detailed internal work environment study (a continuation of our study from 2020). The major findings in this study have enabled us to make a number of considerable improvements.

HIGHLIGHTS INCLUDE

- GUBI recorded zero work-related injuries during 2021.
- Employee gender diversity has been maintained, with a target of + / - 5%.
- Employee absences due to sickness decreased from 8,5 absence days per FTE to 1 day in May 2022.
- Employee turnover % has dropped from 37% (2020) to 17% (2021) and further reduced to 4% (May 2022).
- We offered all employees an ergonomic review of their workspace, both at the office and at home.
- All employees have been offered additional screens, headsets, and the option to buy tables, chairs and lamps at affordable prices.
- Our employee handbook has been updated.
- A course was held to educate employees in the use of defibrillators.
- We have continued to improve our GUBI working environment group, which meets monthly to discuss company culture and environment.
- We are continuing to develop employee Job Descriptions that allow for greater company-wide alignment and a more positive impact on mental wellbeing at work.
- Temperature, lighting, and noise levels were assessed inside our company headquarters in Copenhagen, after which improvements were made.
- We are continuing to work on improving the indoor climate in our Copenhagen headquarters, focusing specifically on noise, which is still an issue, according to our employee survey.
- We are continuing to digitize and improve functionality of our ERP system (enterprise resource planning), changes that will accelerate ease of use and response time, both of which impacts employee welfare.
- GUBI's 3rd employee engagement survey was conducted, resulting in an improved eNPS (employee Net Promoter Score) rating of 51.

	FULL-TIME WORKFORCE	GENDER DIVERSITY	GENDER DIVERSITY MANAGEMENT	GENDER DIVERSITY BOARD	SICKNESS ABSENCE DAYS PER FTE	EMPLOYEE TURNOVER %	RATE OF RECORDABLE WORK-RELATED INJURIES	ENGAGEMENT SCORE eNPS/SCORE
2020	86	52%	50%	0	8,5	37%	0	22/7,6
2021	94	52%	50%	0	3,7	17%	0	36/7,8
May 2022	103	55%	50%	0	1	4%	0	51/8,1

WHAT WE DIDN'T ACHIEVE

We didn't enclose a target list for the social section of last year's report.

FUTURE TARGETS

Moving forward, we have a number of Social Targets that we are actively working to achieve at GUBI in the year ahead.

THESE INCLUDE

- Continue to foster diversity, equality, and inclusion.
- Maintain zero work-related injuries in 2022.
- Maintain an employee engagement score over 40/8 (based on eNPS, Employee Net Promoter Score).
- Reduce employee turnover over the next four years. Our targets are: 15% in 2022, 14% in 2023, 13% in 2024, and 10% in 2025.
- Reduce employee absences due to sickness to 3 days per employee / per year.
- Improve or maintain employee gender diversity, with a target of + / - 5%.
- Continue to improve the indoor climate at GUBI company headquarters in Copenhagen, with a special focus on noise reduction.

GOVERNANCE REPORT

PART IV

GOVERNANCE ASPIRATIONS, ACHIEVEMENTS & FUTURE TARGETS

ASPIRATIONS FOR GOVERNANCE

We are passionately committed to ensuring GUBI is an ethical business that is fully compliant with all applicable rules, regulations, and laws. We champion diversity, encourage transparency and reject corruption in all forms, including bribery and extortion. We strive to conduct our business proactively in order to avoid any conflicts of interest.

ACHIEVEMENTS IN GOVERNANCE

Our ongoing achievements in the realm of governance include:

1. Establishment of an internal whistleblower scheme.
2. Comprehensive Risk / Impact Assessment of GUBI ESG initiatives.
3. Implementation of a number of new guidelines, including the following:
    a. Data Ethics Policy
    b. Diversity, Equality and Inclusion Policy
    c. GUBI Sanction Compliance Policy
    d. IT Security Policy.
4. The introduction of software tools to assist GUBI in monitoring sanction compliance.
5. Strengthened compliance for product and packaging requirements (by suppliers).
6. Collection of ESG strategies from 79% of our product suppliers.
7. To date, 86% of our product suppliers have signed the GUBI supplier code of conduct.

FUTURE GOVERNANCE TARGETS

Our current governance targets include:

1. A comprehensive impact assessment of future business risks.
2. Improvement of our GDPR documentation and IT policies.
3. Ensuring that at least 90% of suppliers sign GUBI's supplier Code of Conduct
4. Improved monitoring of top suppliers and measurement of their progress with regards to GUBI's ESG standards. In the immediate future, GUBI will be reaching out to our top suppliers directly, to encourage them to take further actions regarding ESG commitments and activities.
5. We will create a dedicated 'responsible actions' section to GUBI.com with an easy to read overview of information related to climate responsibility and product impact (including FSC™ certification and use of recycled plastics).
6. Going forward, the GUBI ESG coordinator will visit select suppliers in order to assist 'low performers' move forward in their ESG journey.

CONCLUSIONS

Since initiating the GUBI ESG program in 2019 (then known as CSR), we have significantly increased our relevant base of knowledge–including a much greater emphasis on data collecting and analysis–and sharpened our focus with regards to the standards that guide us and the positive Environmental, Social, and Governance targets we hope to achieve. Over the past three years, we have taken a number of important practical steps that have helped us to clarify our strategy and make positive progress as we gain new knowledge along the way and continue moving forward in our ESG journey.

This past year, our most important achievements with regards to environmental responsibility have been related to carbon emissions. Along with a 39% reduction in general CO_2 emissions from 2020 - 2021 (based on Scope 1 and Scope 2 standards from the GHG Protocols), we have now established a Scope 3 baseline of total CO_2 emissions connected to all GUBI business activities. This newly-established baseline will help us to make strategic decisions as we strive for a 42% reduction in total CO_2 emissions by 2030.

When it comes to positive social changes at GUBI, this past year we defined our company's vision and core values, recorded zero work-related injuries, conducted numerous meaningful employee training sessions, and established an internal whistleblower scheme, among other activities intended to help foster a positive and nurturing environment where GUBI employees' skills and creativity can thrive in a safe, stable, fair, and inclusive workplace.

With regards to governance, we are continuing to work together with our global suppliers to encourage compliance with the GUBI Supplier Code of Conduct (to date, 86% have signed). In addition to this process, we have now collected ESG strategies from 79% of our product suppliers, which is a very positive step forward for GUBI, as well as for the suppliers and sub-suppliers who contribute to our production process.

Overall, the last year have been a very positive and productive period for GUBI, as we pursue an ambitious ESG strategy. And, though we know that we still have much to learn, we are proud of the progress we have made, and remain wholly committed to growing as individuals, as a responsible company, and as a member of the global design community. Although the development of a formal ESG strategy is a relatively new endeavor for us at GUBI, we believe that striving to do more good for people and for the planet is a value that has long been at the heart of GUBI's mission to not only craft great products, but to tell great stories as well. We know that this is a journey that will certainly lead us into challenging and exciting new territory, but it is a journey that we believe is absolutely essential.

GUBI
KLUBIENSVEJ 7-9 · 2150 COPENHAGEN · DENMARK
WWW.GUBI.COM · GUBI@GUBI.COM · +45 3332 6368 · CVR: 17940384