

Responsibility Report 2023

# A Better Tomorrow



ferm  
LIVING

Responsibility Ambition

We work for a better tomorrow so you can feel good about your choices today.

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“Despite the adversities we faced in 2023, including challenging global conditions and pressured markets, we remain steadfast in our commitment to prioritise responsibility across our business.”

Peter M. Vedel, CEO

## CEO Statement

At firm LIVING, we continue to embrace life's contrasts and strive to empower individuals to make informed choices that contribute to a more sustainable future. As a design company, we believe it is our duty to lead by example and inspire positive change.

Throughout the years, we have carefully woven sustainability into the fabric of our operations. We have already established a robust and comprehensive responsibility strategy that encompasses our nine commitments for 2030, which extend to every facet of our business.

We acknowledge the profound impact of our efforts not only on our team, partners, suppliers and customers but also on the well-being of our planet and society at large. The global challenges of recent times underscore the critical importance of our shared mission to make the world more sustainable and use Earth's resources conscientiously.

Despite the adversities we faced in 2023, including challenging global conditions and pressured markets, we remain steadfast in our commitment to prioritise responsibility across our business. Upholding our ambitions is paramount, aligning with our vision of a better tomorrow.

Working holistically across our organisation on a daily basis, we strive to make more sustainable decisions and implement initiatives that positively impact both socially and environmentally. As established and proud participants in the UN Global Compact (UNGC), this report is our annual communication on progress, showcasing our dedication to responsibility and support for the UNGC.

Our passionate team, including our Changemaker ambassadors, is dedicated to driving progress and initiatives, projects and actions are consistently undertaken to ensure continuous improvement at every level.

We recognise that our journey towards increased responsibility and sustainability has no fixed endpoint. As the world evolves, so do our goals, shaped by the invaluable lessons learned along the path toward a better tomorrow.

Peter M. Vedel, CEO

Copenhagen, February 2024

“Upholding our ambitions is paramount, aligning with our vision of a better tomorrow.”



The Tarn Dining Table is meticulously crafted from solid, European FSC™ certified beech wood. Here shown together with the Rico Dining Chair and Kurbis Lampshade.



## Who We Are

Founded in 2006, ferm LIVING is a Danish design brand that melds authentic design with responsible thinking to create thoughtfully crafted, trustworthy pieces for everyday life. We work towards a better tomorrow, inspiring change by helping consumers to make responsible choices when creating homes that balance personality with sustainability. Based on nine 2030 Commitments encompassing the focus areas Our Planet, Our Society and Our Community, ferm LIVING works holistically to weave a sustainable mindset into every corner of our business.

### Our Core Story

**Life is full of contrasts.**

As we navigate expectations and dreams in search of meaning and comfort, we long for a balanced life with room to be ourselves. A place where we can realise the true value of things and feel at home.

Based on a passion for authentic design and with responsibility at the heart of every choice we make, we create honest products and calm environments that inspire you to balance the contrasts in life.

From our home in Copenhagen, we work with artisans around the world, fusing our Scandinavian mindset with global skills and traditions. Our collections are defined by soft forms, rich textures and curious details that let you create composed atmospheres with a touch of the unexpected.

From materials and processes to production and delivery, we challenge ourselves to help shape a sustainable future, making it easier for you to make responsible choices.

We create collections of furniture, accessories and lighting so you can create space to feel comfortably you.



## 💡 Design Philosophy

We are dedicated to designing for longevity, crafting high-quality, functional products responsibly and with enduring aesthetic appeal.

We aspire to inspire individuals to embrace a sustainable lifestyle. For us, this translates to advocating for mindful consumption, prioritising quality over quantity and encouraging prolonged product use.

During the design phase, where pivotal choices are made, we adhere to a set of 'Responsibility Criteria' for new products. These encompass considerations such as durability, materials, disassembly, certifications, climate screening, production and social responsibility. Adopting a 'cradle to grave' approach, we evaluate the entire life cycle of our products, promoting circularity.

Operating within this established framework allows us to navigate compliance, climate impact and social considerations. We believe that designing for longevity is the cornerstone of minimising resource consumption and reducing CO<sub>2</sub> emissions.

To ensure progress in the right direction, our sustainability manager is fully integrated in all areas of the company and collaborates closely with the design and product teams, monitoring advancements and identifying opportunities for more sustainable solutions in both social and environmental contexts. We approach our goals with determination and humility, continually seeking improved and more accessible ways for our customers to make responsible choices.



Behind the design process of the Rico Dining Chair.

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# Responsibility Strategy

Our responsibility ambition is to work for a better tomorrow so you can feel good about your choices today. Working towards a better tomorrow, our 2030 commitments extend across all aspects of our business. From material choices and design processes to production methods, delivery logistics and shaping our organisational culture, our dedication to longevity of function and aesthetics guides our endeavours. On a daily basis, each department is actively engaged in initiatives, projects and actions aimed at advancing progress, accountability and integrity across all facets of our operations.

As participants in the UN Global Compact, we report our progress on their platform annually. We advocate for better ways, fostering lasting relations based on mutual value creation, transparent communication and considerate behaviour. We believe in empowering everyone to explore opportunities for responsible business practices and better living. While we acknowledge that the ongoing journey will present challenges, we contribute to the sustainability dialogue, leverage insights for collective growth and progress towards a better tomorrow.

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## 2030 Commitments

Looking to the actions, initiatives and values that shape our company, we have defined nine 2030 commitments under three pillars that encompass planet, society and community and which enable us to adopt a comprehensive approach to responsibility.



Responsibility Ambition

We work for a better tomorrow, so you can feel good about your choices today

2030 Commitments

Our Planet

- Create full transparency on all products.
- Obtain third-party certifications on all products.
- Work towards CO<sub>2</sub>e neutrality.

Our Society

- Build value on all bottom lines: people, planet, profit and purpose.
- Inspire customers to make responsible choices.
- Give back to local communities in support of better homes.

Our Community

- Maintain a strong culture with clear values.
- Nurture long-lasting relations built on trust and respect.
- Empower individuals to learn and grow together.

Strategic Focus Areas

Our business operates within a framework that is organised around strategic focus areas and our brand purpose to inspire individuals to create personal and comfortable homes that balance the contrasts of life, helping to create a better tomorrow with responsibly made products. Each focus area encompasses various projects and initiatives outlined in our detailed action plan for 2024 and beyond. Aligned with our 2030 Commitments and evolving over time, these actions move us towards our goals.

Business in Balance

Striking an optimal balance between cultivating a thriving business and making a positive impact on the world has consistently held significant importance for ferm LIVING. The responsible decisions we make may sometimes run counter to our economic considerations, yet we proceed with them, nonetheless. We wholeheartedly adopt responsible practices in all aspects of our operations, working with integrity and shouldering the responsibility for our impact by broadening our focus to also encompass non-financial metrics. We are committed to measuring ourselves against these parameters, actively working towards a better tomorrow in both environmental and social realms.

Empowering Relations

We are a community of colleagues and partners deeply committed to our work. With genuine enthusiasm, helpfulness and respect, we celebrate our differences, uplift one another and cultivate an environment where each individual can shine. Our relationships with suppliers are built on a foundation of responsible practices to improve our joint efforts in sustainability. We prioritise mutual value creation, transparent communication and considerate behaviour to foster lasting relations. We empower individuals to learn and grow by exploring opportunities for responsible business and better living.

Responsible Living

Our ambition is to help individuals to establish a balance amidst life's many contrasts, creating homes and spaces that reflect a responsible mindset through carefully considered products. To realise this, we are dedicated to embedding a mindset of responsibility and sustainability at the core of our business. We continually enhance our methodologies, from material selection and design processes to production methods and delivery logistics to make it easier for our customers to make responsible choices.

Inspiring Change

Prioritising sustainable and responsible actions in every facet of life is crucial for both human well-being and the health of our planet. Recognising that this is an ongoing journey with much progress yet to be made, we move closer to our goals each day in our shared pursuit of positive change. Our aim is to instil confidence in individuals as they make choices that contribute to a more sustainable way of living. Transparency about our own journey toward responsibility is key, serving as inspiration for others to join us in our quest for change.



# At the end of 2023, farm LIVING employed

Number of employees\*

76

2022: 83

Percentage of female employees

81%

2022: 84%

Percentage of female employees in managerial positions

38%

2022: 50%

Percentage of women on the board

40%

2022: 50%

Staff turnover

22%

2022: 10%

Retention rate

78%

2022: 90%

Absenteeism rate

3%

2022: 3.62%

Number of workplace accidents

0

Total to date: 0

\* Full time employees

## People

As a collective of colleagues and partners, our shared commitment is evident in the passion we bring to our work. Guided by enthusiasm, helpfulness and respect, we celebrate our diversity, uplifting one another and fostering an environment where each individual can thrive. Our ethos centres around responsibility and decency, creating an inclusive environment where no one is considered above another.

- As participants in the UN Global Compact, we uphold its principles and values in our conduct and interactions.
- Our stance on diversity is unwavering, valuing every individual irrespective of race, age, religion, sexual orientation or social status.
- We vehemently oppose all forms of racism, as well as physical, verbal and emotional abuse.
- Our recruitment practices prioritise talent and disregard biases related to ethnicity, age, gender, religion, sexual preference, disability or social identity.
- Our passionate working environment is enhanced through greater empowerment and flexibility, fostering a healthy work-life balance and advocating for the well-being of both body and mind.
- Our relationships with partners and suppliers are built on mutual respect and lasting connections.
- While we are driven by entrepreneurship and high ambitions, we never compromise our values by solely chasing the lowest manufacturing price.
- Striving for excellence, we continuously aim to provide the best possible service to everyone, regardless of their background or identity.

### Health and Safety

Our efforts in documenting workplace accidents have yielded positive results, as no incidents have been recorded in the past years. Considering the unique nature of our company, we acknowledge the absence of specific health and safety procedures. Nevertheless, we maintain a proactive approach to safety through the operation of a Working Environment Committee.

In November 2023, we conducted a comprehensive Team Engagement Culture Survey and two more are planned for 2024. farm LIVING is steadfast in its commitment to leveraging the insights from each survey, addressing concerns at both individual department and Extended Leadership Team levels.

In 2023, our whistle blower programme transitioned to a digital format in step with legislation. All employees can anonymously raise concerns and report misconduct online, without fear of reprisal. Underpinning our culture of transparency, accountability, integrity and ethical behaviour, whistleblowing helps us to identify, address and act upon issues.



# Changemakers

Internal engagement is crucial for achieving our goals. Each department works daily on projects within our strategic focus areas. To meet our ambitious targets, everyone must take ownership, leveraging their talents and knowledge to propel firm LIVING forward. With a representative in each department and operating company wide, Changemakers track and drive progress guided by a detailed action plan and foster collective ownership of our responsibility journey. These internal sustainability ambassadors help to ensure our continuous improvement through tangible actions.



During the 2023 edition of 3daysofdesign, we held an exhibition to showcase our dedication to sustainability and responsibility. It shone light on the emerging concept of CO2e as a new currency, using it as a metric to not only quantify its environmental impact but also facilitate informed decision-making.

# Progress is Key

firm LIVING strives to contribute to a better tomorrow and aims to inspire change by empowering consumers to make responsible choices. Our commitment to sustainability extends to both environmental and social spheres, with a steadfast goal to communicate our advancements and enhance transparency.

We acknowledge that this pursuit has no definitive endpoint and our objectives will evolve in response to the dynamic world we operate in.



## 📄 2023 Actions Realised

Our commitment is reflected in our daily efforts within our company and with our broader community, including customers and partners. In 2023, we proudly achieved the following milestones on our responsibility journey.

### Conscious Consumption

Reducing our Footprint. Mindful of our environmental impact, we carefully measure the CO<sub>2</sub>e footprint of our products and materials using Málbar's Climate Screening Tool ([link](#)), building a comprehensive library of data that guides early-stage decisions and shapes material and production choices, prioritising responsible sourcing. Our commitment extends to ongoing efforts to incorporate even more responsible materials and practices in future designs. Our category managers conduct initial screenings of products and materials to gauge the environmental impact and make responsible choices early on.

In 2024, we intend to further enhance this project, with the goal of incorporating the CO<sub>2</sub> impact of a product into the decision-making process alongside considerations such as cost and lead time. This enhancement will contribute to creating a more informed foundation for making intelligent decisions that minimise environmental impact.

In 2023, our goal was to conduct top-100 product climate screenings. We surpassed expectations with nearly 200 screenings and have now taken the next step to provide a comprehensive and qualified estimate of our full impact (Scopes 1, 2 and 3) for our entire collection in collaboration with Málbar. The results of this assessment will form the baseline for firm LIVING's future reduction targets. We also offer CO<sub>2</sub>e estimates to B2B customers, including our made-to-order program, and share these insights with the consumer. This service aims to make CO<sub>2</sub>e more relatable.

Onboarding our key suppliers with the Climate Screening Tool, we quantify the CO<sub>2</sub>e footprint of our products. This creates a foundation for future initiatives in collaboration with our suppliers, and 'in-settings' – as opposed to off-settings – emphasising investment in more responsible design and production processes, including e.g. the use of more renewable energy.

### Responsible Products

Creating responsible products requires a conscientious approach to utilising the Earth's resources, a fact becoming increasingly evident with the escalating impact of climate change in our daily lives around the world. An essential part of our responsibility involves actively engaging with our Responsible Criteria during the design and development phases. These initial stages are crucial in making significant choices for each product, determining the materials used, production methods and whether we design for disassembly to facilitate circular systems at the end of a product's life.

Our commitment includes incorporating the RESPONSIBLE tag, signifying FSC™-, GOTS- or OSC 100- Organic blended-certification or production from recycled materials such as recycled glass, recycled aluminium, recycled cotton, recycled paper pulp, recycled ceramic and recycled PET yarns derived from post-consumer plastic. Additionally, environmentally friendly alternatives like nettle and cotton mâché are included due to their lower environmental footprint compared to conventional counterparts. We are consistently striving to integrate more responsible materials and methods into our upcoming designs.

The percentage of RESPONSIBLE products in our collection increased from 21% in 2020 to 33% in 2023. We are committed to increasing this figure to 36% in 2024.

In 2023, we expanded our network of FSC™-certified suppliers and the number of certified products in our overall collection. We are currently converting all wood possible from conventional to certified responsible forestry. The majority of all wood now used to create our products is FSC-certified, including the wooden frames of our sofas. We actively advocate for this certification, which not only safeguards the well-being of robust and healthy forests but also promotes biodiversity and upholds human rights. Our goal is to exclusively use FSC-certified wood by the end of 2024.





# Environmental Responsibility - Reducing our Footprint

At term LIVING, we are mindful of the impact of our business and measure the CO2e footprint of our products. In collaboration with the Danish company Malbar, we use their Climate Screening Tool to measure the CO2e footprint of our products. We are onboarding our key suppliers to the tool, taking every step of the manufacturing process into account—from the raw materials to the arrival of a finished product at our warehouse.



This process provides us with valuable data that will help us to set future strategic targets with our manufacturing partners to lower our climate impact in scope 3, where initiatives will have the biggest impact. The learnings from this strategic onboarding points to the right strategic in settings.

At term LIVING, we want to inspire change and help consumers make responsible choices. Our work with sustainability covers both environmental and social contexts, and our goal is to continue to share our progress and increase transparency.

Sustainability has no finish line. Our work and goals will continue to adapt according to the changing world around us.

## So Respo

term LIVING is committed to ethical and are committed to sourcing and as well as working to protect and healthy work

term LIVING is a participant of suppliers must comply with our based on the ten guiding principles business practices and as a member are working towards getting all Business Social Com

What We Consider a Responsible This is a supplier that has taken action working with initiatives or certification or GOTS which all have high standards sure that human rights and fair work

Throughout our supply chain, we are based on mutual value creation and transparent communication



## CO2e Tag

find out how much 1 kg responds to in CO2e. new currency. impactful CO2 emission products are: material raw material production consumption, type of energy action country packaging is packed, i.e. flat packed used to protect the product transport truck, sea or air

At our 3daysofdesign exhibition we highlighted some of the most influential CO2 emission drivers behind our products, including material, production processes, packaging and transport.

## Responsible Suppliers

Demonstrating a strong commitment to social responsibility within our supply chain is one of our core missions. As members of Amfori, we leverage the platform to ensure that all our key suppliers undergo BSCI audits.

Throughout 2023, we further developed our internal framework 'Responsible suppliers', setting the standards for collaboration. Our definition of a responsible supplier goes beyond mere compliance. We prioritise partnerships with suppliers actively involved in social responsibility, collaborating with initiatives and obtaining independent third-party certifications like BSCI, SA 8000, FSC™ and GOTS. These standards signify a mutual commitment to upholding human rights and ensuring fair working conditions. All our partners operate responsibly and in accordance with our Code of Conduct and contractual obligations.

Selecting suppliers aligned with these high standards enables us to contribute to a global supply chain that respects and advocates for human justice. In 2023 we achieved a 54% threshold of 'responsible suppliers' who meet high social responsibility standards and aim to reach 60% in 2024. Using third-party certifications, this frameworks allows both us and our suppliers to do better.

## Putting Sustainability on the Agenda

Throughout 2023, we consistently communicated our progress on our responsibility journey and heightened transparency on production and design. We are cautious not to engage in greenwashing or greenhushing. Through the sharing of production and design stories, we invite individuals into our world, providing insight into the journey our products take. Sharing our progress and actively participating in crucial dialogue is vital for fostering a movement and encouraging others to join the quest for positive change.

Placing sustainability at the forefront of the Danish design agenda is paramount for shaping the future of design. Transparency plays a pivotal role in this, bringing sustainability into the spotlight, while a shared agenda holds the potential to contribute significantly to creating a better tomorrow. During the 2023 edition of 3daysofdesign, we held an exhibition to showcase our dedication to sustainability and responsibility. It shone light on the emerging concept of CO2e as a new currency, using it as a metric to not only quantify its environmental impact but also facilitate informed decision-making.

The behind-the-scenes look at our work educated both our partners and our customers on the correlation between raw materials and CO2e emissions. We highlighted some of the most influential CO2 emission drivers behind our products, including material, production processes, packaging and transport. By fostering awareness and understanding, we encourage a collective effort towards sustainable practices at all levels of the design industry, from producer to consumer.



# The UN Global Compact Principles and Sustainable Development Goals

Our dedication to ethical and responsible business practices is outlined in our Code of Conduct, which aligns with the UN Global Compact's Ten Principles. All suppliers are required to adhere to ferm LIVING's Code of Conduct, emphasising our commitment to promoting responsible business practices.

## Human Rights

**PRINCIPLE 1:** Businesses should support and respect the protection of internationally proclaimed human rights.

**PRINCIPLE 2:** Make sure that they are not complicit in human rights abuses.

We uphold international human rights, embracing diversity and treating all individuals equally, irrespective of race, age, religion, sexual orientation or social background. We vehemently oppose all forms of racism and physical or emotional abuse. Our commitment extends to responsibly sourcing and producing products, safeguarding workers' rights and ensuring safe, healthy working environments. Human rights violations are unequivocally unacceptable and will not be tolerated.

Throughout our supply chain, we cultivate lasting relationships grounded in mutual value creation, respectful behaviour and transparent communication. We enforce good working standards among our suppliers through accredited certifications and auditing schemes in our internal framework entitled 'Responsible suppliers'. Our commitment to sustainability spans both environmental and social aspects and we are dedicated to sharing our progress and increasing transparency.

## Labour

**PRINCIPLE 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**PRINCIPLE 4:** The elimination of all forms of forced and compulsory labour.

**PRINCIPLE 5:** The effective abolition of child labour.

**PRINCIPLE 6:** The elimination of discrimination in respect of employment and occupation.

We unequivocally prohibit the use of forced and child labour in any form. Throughout 2023, we have not identified any instances of human rights violations within our company or among our suppliers. We remain committed to monitoring labour conditions along our supply chain to ensure compliance and ethical practices.

In 2021, we became a member of Amfori's Business Social Compliance Initiative (BSCI). Through our Code of Conduct and certifications such as BSCI, FSC™ and GOTS, we actively champion the rights of workers in our supply chain, aligning with the labour principles of the UN Global Compact. Our relationships with partners are built on mutual value creation, transparent communication, trust and considerate behaviour, all in pursuit of responsible business practices and improved living standards.

## Environment

**PRINCIPLE 7:** Businesses should support a precautionary approach to environmental challenges.

**PRINCIPLE 8:** Undertake initiatives to promote greater environmental responsibility.

**PRINCIPLE 9:** Encourage the development and diffusion of environmentally friendly technologies.

Our environmental policy revolves around three key 2030 Commitments: To achieve complete transparency for all products. To attain third-party certifications for all products whenever possible. To strive towards achieving CO<sub>2</sub>e neutrality.

Committed to minimising our environmental impact and promoting circular practices in responsible production processes, we encourage transparency and traceability, while certifications and testing ensure the safety and fairness of working conditions in our supply chain, as well as the responsible production and high quality of our products.

We use a Climate Screening Tool to measure the CO<sub>2</sub>e footprint of our products. This is based on the EU's method for calculating a product's environmental footprint (PEF).

## Anti-corruption

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

We staunchly condemn any form of corruption. Any business proposals implying corruption are promptly rejected and ferm LIVING is steadfastly dedicated to adhering to the law with utmost integrity. Despite inherent local risks in our global supplier relationships, we maintain a zero-tolerance stance within the company. All suppliers are required to sign and adhere to our Code of Conduct. Our governance procedures were updated in 2020, incorporating a four-eyed principle, and our whistleblower procedures allow for the anonymous reporting of incidents. As of 2023, there is no record of any corruption breaches within the company or among suppliers and no whistleblower incidents have been reported.

Read our Code of Conduct here ([Link](#)).



Behind the production of the distinctive Ripple series. Each glass is mouth blown by skilled glassblowers.



## UN Sustainable Development Goals

The 17 United Nations Sustainable Development Goals (SDGs) serve as a roadmap for creating a better and more sustainable future for everyone.

The SDGs address global challenges such as poverty, inequality, climate change, environmental degradation and the pursuit of peace and justice. For us, investing in sustainable and responsible practices is not just an ethical principle, but also a sound business approach.

We actively support the UN's SDGs, utilising them to shape the integration of sustainable policies into our business strategy and cultural mindset. Collaborating with partners and suppliers, our commitment is particularly focused on Goals 8, 12, 13 and 17, recognising these as areas where our business can have the most significant positive impact on both people and planet.

### GOAL 8

#### Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

We actively promote inclusive and sustainable economic growth, aiming for widespread employment and decent work opportunities for all. In our perspective, decent work encompasses productive employment that offers fair income, workplace security, favourable working conditions, social protection for families and enhanced prospects for personal development and social integration. Upholding high standards in human rights and fair wages is integral to our commitment, demonstrated through our Code of Conduct, as well as initiatives and certifications such as BSCI, FSC™ and GOTS. These measures affirm our proactive role in ensuring the rights of workers in our supply chain are upheld.

### GOAL 12

#### Responsible Consumption and Production

Ensure sustainable consumption and production patterns.

We promote sustainable consumption and production by achieving more with less, decoupling economic growth from environmental harm and advocating for resource efficiency and sustainable lifestyles. Our commitment involves “the use of services and related products which respond to basic needs and bring a better quality of life while minimising the use of natural resources and toxic materials, as well as the emissions of waste and pollutants over the life cycle of the service or product, so as not to jeopardise the needs of future generations.”

In close collaboration with suppliers, we enhance all phases of our supply chain, ensuring transparency through quality testing and certifications. We aim at manufacturing products in the right quantity, avoiding burning or destroying products unsold items. We want our products to be used and surplus

items are donated to NGOs like the Red Cross, our primary charity partner. In the early design phase, guided by our Responsibility Criteria, we make sustainable choices by selecting responsible materials, designing for disassembly and embracing a cradle-to-grave approach. This ensures ease of recycling for customers, promoting product longevity and fostering a circular mindset.

### GOAL 13

#### Climate Action

Take urgent action to combat climate change and its impacts.

Climate change poses an indisputable threat to civilisation, with visible and potentially catastrophic effects. Urgent action through education, innovation and commitment to climate goals can avert disaster. Making necessary changes not only safeguards the planet but also presents significant opportunities to modernise infrastructure, generate new jobs and foster global prosperity.

We assess and quantify our business impact by measuring the CO<sub>2</sub>e footprint of our products using Malbar's Climate Screening Tool ([Link](#)). Collaborating with key suppliers, we evaluate the product climate impact from raw material to warehouse arrival. In spring 2024, we will analyse our full impact (scopes 1, 2, and 3) to establish a baseline for future reduction targets by summer 2024. Our commitment extends to minimising environmental impact, promoting circular practices and designing for longevity to reduce resource consumption and CO<sub>2</sub> emissions. In the early product design phase, we apply Responsibility Criteria, including longevity, materials, disassembly design and certifications like FSC™, OCS, GOTS, and GRS, focusing on environmental considerations. Furthermore, the EU's sustainability commitment has resulted in new regulations, such as the Carbon Border Adjustment Mechanism (CBAM).

### GOAL 17

#### Partnerships for the Goals

Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.

This goal aims to strengthen global partnerships for sustainable development by engaging governments, civil society, the private sector, the United Nations and other actors in implementing the remaining sixteen SDGs. We maintain a longstanding partnership with the Red Cross. We prioritise long-term partnerships with specialists in various fields to continually learn, progress and improve our responsible practices, advancing toward greater sustainability for a better tomorrow.



We use a climate screening tool to measure the CO<sub>2</sub>e footprint of our products. This is based on the EU's method for calculating a product's environmental footprint (PEF). A CO<sub>2</sub>e footprint refers to the total amount of CO<sub>2</sub>e that is produced throughout a product's lifetime. Some of the most impactful CO<sub>2</sub> emission drivers behind our products are the use of materials, production processes, packaging and transport.



A producer working with GOTS certified materials has strict requirements when it comes to the usage of water, including responsible treatment and recycling of wastewater. Similarly, a farmer growing GOTS certified material faces high restrictions to protect both soil and animal welfare.



Featuring artfully uneven, chunky glass dots that have been individually placed by a skilled artisan, our Lump Vase has a distinct, artistic expression. Mouthblown and handmade from recycled glass, each vase is unique.



# We work to reduce our environmental impact

## Environment and Climate

Our environmental policy revolves around three key 2030 Commitments: To achieve complete transparency for all products. To attain third-party certifications for all products whenever possible. To strive towards achieving CO<sub>2</sub>e neutrality.

Committed to minimising environmental impact and promoting circular practices in responsible production processes, we encourage transparency and traceability, while certifications and testing ensure the safety and fairness of working conditions in our supply chain, as well as the responsible production and high quality of our products.

We use Mälbar's Climate Screening Tool ([link](#)) to measure the CO<sub>2</sub>e footprint of our products. This is based on the EU's method for calculating a product's environmental footprint (PEF). A CO<sub>2</sub>e footprint refers to the total amount of CO<sub>2</sub>e that is produced throughout a product's lifetime. Some of the most impactful CO<sub>2</sub> emission drivers behind our products are the use of materials, production processes, packaging and transport.

In 2023, we onboarded the majority of our key suppliers, conducting climate screenings for around 200 products to lower emissions. In spring 2024, we will assess our company's full impact (scopes 1, 2 and 3) to set our reduction targets for the com-

ing years and set goals for strategic 'in-settings' dialogues with suppliers by summer 2024.

To enhance environmental awareness, we share product climate footprints in professional projects. We use software calculators to optimise container space, minimising transport environmental impact and costs. Our focus on sustainability extends to packaging too, promoting recyclability and circularity while also utilising lower-impact, certified materials.

Expanding product lifespan is crucial and we encourage recycling and upcycling. In 2024, our website aims for CO<sub>2</sub> neutrality, compensating for emissions through certification. We provide care guides for products, support customers with spare parts and emphasise the use of recycled materials to reduce reliance on virgin resources.



# Our Global Supply Chain

We work with artisans around the world, fusing our Scandinavian mindset with global skills and traditions.

Bosnia/Herzegovina	Bulgaria	Latvia	Croatia	Denmark	Indonesia	Italy	India	China
Furniture	Furniture	Furniture	Furniture	Furniture Recycled plastic	Furniture Braided rattan	Furniture Marble products Marble furniture Glass table tops	Furniture Textile Rugs Marble acces. Metal	Furniture Lighting Ceramics Glass Mirror Metal Wooden acces. Paper pulp Braided rattan Scented candles



Lithuania	Poland	Portugal	Sweden	Turkey	Vietnam	Namibia	Upholstery textiles
Furniture Metal Textile	Furniture Wooden acces. Candles Wallpaper	Marble Textile	Furniture Wallpaper	Furniture Textile	Furniture Outdoor furniture	Lighting	Italy, Lithuania, United Kingdom, Norway, Turkey, Spain, China, Egypt, India, Pakistan



Behind the scenes at one of our skilled suppliers. Here, Rico sofas are being prepared for the assembly and upholstery phase before they are shipped to customers.





Various product samples for new designs are lined up. This supplier is known for their expertise in 3D printing.

## Production

We collaborate closely with skilled artisans around the world, producing our collections in different regions based on raw materials and crafting expertise.

Our products, including furniture, metal items, wallpaper and textiles, are crafted in Europe (Baltics, Italy, Poland, Portugal, Sweden and Turkey) and Asia, with a commitment to ethical practices outlined in our Code of Conduct.

Upholding social responsibility, we engage with Amfori for BSCI audits. We prioritise sustainable and responsible partnerships worldwide, aiming for a 54% threshold of 'responsible suppliers' who meet high social responsibility standards such as BSCI, SA 8000, FSC™ or GOTS.

Our environmental commitment extends to minimising impact and promoting circular practices in production. Responsible sourcing of raw materials is imperative and we foster lasting relationships in our supply chain based on mutual value creation, respect and transparency. Through sharing stories of suppliers and production, we invite everyone into the journey of our products and our responsible practices.

### **Compliance**

Committed to product safety, ferm LIVING will remain vigilant in researching and staying abreast of all chemical and product safety laws and regulations in collaboration with accredited consultants throughout 2024. Proactively addressing safety concerns, we utilise checklists from the initial developmental phase to ensure safety considerations at every stage of the product development process. Moreover, a systematic platform is employed for accurate documentation, internally and externally, reinforcing safety as a top priority.



In 2023, this Indian supplier installed additional solar panels, covering 90-95% of their total power consumption.



## A Responsible Supplier

We take pride in collaborating with responsible suppliers around the world. This Indian partner has been a steadfast ally for the past 16 years and boasts noteworthy achievements, initiatives and certifications.

### 2023 Achievements

- Increased solar energy panels: installed additional solar panels, covering 90-95% of power consumption.
- CO2 certification and reduced 105 tons of CO2 in production energy.
- Onboarded to Malbar's Climate Screening Tool in collaboration with firm LIVING.

### Other Social and Environmental Initiatives

- Worker pick-up service: providing a free transportation service for safe pick-up and drop-off, minimising vehicle pollution.
- Rainwater harvesting: directing rainwater into a well via pipes, boosting groundwater levels and fulfilling the factory's water needs (approximately 500,000 litre capacity).

### The company holds the following certifications:

- GOTS
- OCS / OCS 100
- GRS
- FSC™
- OEKO TEX
- BSCI (SA 8000)
- ISO 9001-2015
- SEDEX
- Carbon footprint – ISO 14064-2006 verified

## Conscious Consumption

We are conscientious about the impact of our business and actively measure the CO2e footprint of our products and materials.

Devoted to responsibly sourcing materials, we strive to incorporate responsible materials throughout our product range. In our commitment to sustainability, we have initiated the use of a Climate Screening Tool to assess the CO2e footprint of both our products and raw materials. This effort aims to build a comprehensive library encompassing existing and innovative materials and will yield valuable data and insights, empowering us to make informed decisions in the early stages of a product's life. These initial decisions significantly shape our choices related to materials and production. Our dedication extends to an ongoing effort to implement even more responsible materials and practices in our future designs, being mindful of the Earth's resources.



### The RESPONSIBLE Tag

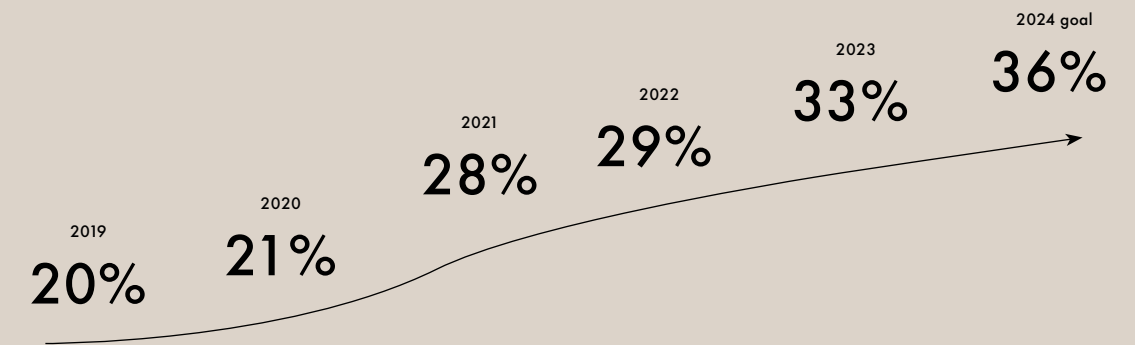
Approximately one-third of our products currently carry the RESPONSIBLE tag. The tag denotes products that are FSC™-, GOTS- or OSC 100/Organic blended-certified or made from recycled materials, such as glass, ceramics, paper pulp or PET yarn from post-consumer plastic. Materials such as brown cotton, nettle and cotton mâché are included due to their lower environmental footprint compared to more conventional counterparts.

Our commitment to 'Responsible Criteria' in the design phase aims to expand this definition in the future with earlier implementation. We strive to make sustainable choices from the initial design phase, ensuring many products use responsible materials and as many as possible are single-material designs for easier recycling. Despite challenges, the percentage of RESPONSIBLE products in our collection increased from 21% in 2020 to 33% in 2023. Dedicated to implementing new materials and practices, our commitment remains to increase RESPONSIBLE products to 36% in 2024. While we aim for growth, we acknowledge the percentage may vary each year due to design collection factors, resulting in the removal of some RESPONSIBLE products should demand diminish.

“Our dedication extends to an ongoing effort to implement even more responsible materials and practices in our future designs, being mindful of the Earth’s resources.”

# Progress on Responsible Products

The percentage of RESPONSIBLE products in our collection increased from 21% in 2020 to 33% in 2023. We are committed to increasing this figure to 36% in 2024.







Shell Pots are set out for quality control. We rigorously check all our products to maintain high standards.

## Quality

We aim to guide consumers toward responsible choices – choosing better and using items for longer.

Our commitment to longevity is the cornerstone of reducing resource consumption and CO<sub>2</sub> emissions. To achieve this we design durable products in timeless qualities and aesthetics, with the ability to be passed through generations. In the design phase of new products, we employ strict Responsibility Criteria and all our products undergo comprehensive quality control measures, including supplier inspections and routine visits to manufacturing

locations for additional checks, as well as risk assessment and rigorous testing in accredited laboratories for compliance with national and international regulations and standards.

In 2023 our production-related claim rate was 1.1% and we are working to maintain this level.



# Certifications and Testing

We are deeply committed to environmental and social responsibility in all aspects of our business and work with certifications and testing to ensure safe and fair working conditions in our supply chain and the responsible production of high-quality products.

To that end, we have created an internal framework entitled 'Responsible suppliers'. As engaged members of Amfori, we ensure our key suppliers undergo BSCI audits. To be classified a responsible supplier, ours must adhere to initiatives and certifications like BSCI, SA 8000, FSC™ and GOTS, reflecting their dedication to aligning with our mission of promoting responsible practices and ensuring stringent criteria for human rights and fair working conditions are met. We aim for 60% of our suppliers to be classified as such by the end of 2024, building on our 54% achievement in 2023.

Our products undergo risk assessment and rigorous testing in accredited laboratories, and we comply with applicable national and international regulations and standards such as REACH for environmental and health requirements.

**RESPONSIBLE** The RESPONSIBLE tag denotes that a product is either FSC™-, GOTS- or OSC 100-/Organic blend-certified or produced in a recycled material, such as recycled glass, recycled aluminium, recycled cotton, recycled paper pulp, recycled ceramic or PET yarns spun from post-consumer plastic. Materials such as brown cotton, nettle and cotton mâché are included due to their lower environmental footprint compared to more conventional counterparts. We are consistently working on integrating more responsible materials and methods into our future designs.

**Our current initiatives and certifications:**

**GOTS**, the Global Organic Textile Standard. Recognised as the world's leading processing standard for textiles made from organic fibres. It defines high-level environmental and social criteria along the entire organic textiles supply chain.

**OCS**, the Organic Content Standard. Products certified to the OCS contain organically grown content/material that has been independently verified at each stage of the supply chain, from source to final product.



**FSC™**, The Forest Stewardship Council™. An international, non-profit certification scheme for wood and paper. In FSC forestry, animals and plant life are protected and no more wood is felled than the forest can reproduce, either through natural regeneration or re-planting. At the same time, the FSC ensures that workers' rights throughout the certified supply chain are respected. Look for our FSC™ certified products on our website.



**NORDIC SWAN ECOLABEL**. A Nordic Swan Ecolabel candle is a candle meeting specific criteria for environmental performance as well as health aspects, quality and safety.



**BSCI**, the Business Social Compliance Initiative. An industry-driven initiative by Amfori, which aims to monitor and assess workplace standards across global supply chains. An Amfori BSCI audit helps us to ensure that suppliers treat their workers legally and ethically.



**UN Global Compact**. We are engaged participants in the UN Global Compact and our Code of Conduct aligns with their Ten Principles. This code establishes the ethical framework for our business and is endorsed by all our partners and suppliers. Its principles aim to safeguard the health and safety of workers during production, fostering an ethical and equitable partnership for all stakeholders. Our Code of Conduct is available at [fermliving.com](https://fermliving.com) (*Link*)

**From end 2024, ferm LIVING expects to add the following certification:**

**GRS**, the Global Recycling Standard. Promoting the use of recycled materials, the GRS certification signifies the inclusion of recycled materials, with each stage of the supply chain independently verified – from the initial recycling phase to the final product. Certified organisations are required to adhere to social, environmental and chemical standards throughout.



The Burl Coffee Table marries the rich textures of burl wood with the stark, simple lines of brutalist shapes. Crafted from FSC™ certified burl wood veneer with an MDF core, this table brings a bold yet warm presence to your living space, perfectly balancing robust design with the elegance and warmth of wood patterning.



## Packaging

The packaging of our products, including gift boxes, hang tags and tote bags, is a major contributor to our environmental footprint, ranking among the top four emission drivers. Prioritising sustainability in our packaging solutions is essential to significantly reduce the overall environmental impact of our products.

Underpinning our dedication to sustainability, we are actively converting all our gift boxes to FSC™-certified cardboard, printed with environmentally friendly black soy-based ink. Presently, we have achieved approximately 90% FSC compliance. In a noteworthy accomplishment for 2022, our primary packaging supplier in India received FSC certification. Our hang tags carry FSC certification and our tote bags are crafted from sustainably produced textiles, designed for repeated use.

In our commitment to eco-friendly practices, the majority of packaging used for product protection during shipping comprises natural-based materials such as cardboard, paper pulp and craft paper. Smaller items and textiles are packaged in recyclable plastic and textile bags, promoting circular consumption and reducing production waste. Some furniture pieces require more extensive packaging, such as hard boxes, to protect them during transportation. This form of packaging has a significant impact on our overall CO2e footprint. In the future, we aim to focus more on lower impact alternatives in close cooperation with our suppliers.

Recognising the need for product safety during transportation, some items are currently packaged with Styrofoam. In 2020, around 10% of our products utilised Styrofoam for packaging. By the end of 2021, we successfully lowered this to 5%. Although our goal for 2022 was a further reduction to 3%, we experienced a slight increase, reaching 4.5%. However, in 2023, we achieved our target of 3% and intend to maintain this level in 2024. Collaborating with our packaging suppliers, we are actively exploring alternative, more sustainable methods and are closely monitoring developments in this area.

### Extended Producer Responsibility

In step with the ongoing European Union initiative to minimise waste, we actively engage with both European and national regulations regarding producer responsibility for packaging. This involves registering, reporting and assuming financial responsibility in the required countries. Additionally, we are refining our packaging labelling to align with the specified requirements.

## Logistics

Our transport operations exclusively rely on external forwarders. European freight is transported chiefly via road or rail and products originating from Asia are shipped by sea. As standard practice, we prioritise alternatives to air transport; however, there are specific instances where high-priority shipments necessitate air transportation.

**In 2023, the distribution of our different shipping methods was as follows, measured by volume (m3):**



In 2020, our air transport rate saw a notable increase, doubling to 4% due to COVID-19-related delays. However, we effectively reduced this rate to 0.2% in 2021 and 0.3% in 2022. For 2024, we aim to maintain under 1%. Simultaneously, our road transportation rates have experienced a gradual and consistent rise, attributed to increased production in Europe compared to the Far East.

Our ongoing efforts are focused on optimising our logistic procedures to achieve maximum efficiency and space utilisation. We use software calculators to measure container space, ensuring that both environmental impact and transport costs are minimised to the fullest extent possible.

During spring 2024, we will partner with a new warehouse facility in Denmark. This innovative solution seamlessly aligns with both our logistical needs and our sustainability goals, as the new warehouse is designed with a strong commitment to sustainability and responsibility and key features include green energy generated through a rooftop solar system, a sustainability certification ensuring the building meets rigorous standards for eco-friendly operations and a comprehensive focus on sustainability in daily operations.





## A Better Tomorrow

Driven by our ambition and the commitments we have outlined for 2030, we are unwavering in our conviction about the transformative potential of change. Proactive involvement across our entire business is crucial and we are dedicated to achieving substantial advancements for and contributing positively to a more sustainable future.

Through ongoing initiatives and actions, we move forward in our strategic focus areas, each serving as a stepping stone toward our 2030 commitments and ensuring progress remains a continuous journey with no definitive endpoint. While embracing inevitable challenges and obstacles, we remain committed to transparency, sharing our progress to increase collective understanding.

The pursuit of responsibility extends beyond our company; it is a shared global agenda. By fostering partnerships, collaboration, contributing to essential sustainability dialogues and leveraging insights together, we work towards a better tomorrow.

We value your feedback. If you have any questions, comments or ideas relating to this report, please contact:

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Our Part series is the result of a perfectly balanced design where tactility and coolness meet. Inspired by the traditional Korean Pajagi technique, our Part products are made from a contemporary patchwork of pure linen and organic cotton.



