

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

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

sedus

seit 1871

SUSTAINABILITY REPORT 2023



CONTENTS

OUR PROFILE	Foreword from the Board	4
	The Sedus Stoll Group	5
	The Sedus Sub-Group	7
	The Sedus Brand	8
OUR ATTITUDE	Sustainability at Sedus	12
	Corporate principles	14
	Our approach	16
	Sustainability programme	20
	Sustainable management	21
	Memberships	26
	Sedus in transition	27
OUR RESPONSIBILITY	Sedus Green Codex – the circular economy at Sedus	30
	Sustainable product design	33
	Sustainable production	43
	Social responsibility	61
APPENDIX	About this report	70
	Publication details	71

OUR



PROFILE



sedus

FOREWORD FROM THE BOARD

Dear Readers,

The company history of Sedus, spanning more than 150 years, is characterised by a pioneering spirit – whether in terms of ergonomics, manufacturing processes or sustainability. The company's commitment to environmental protection dates back to the 1950s, when Sedus was already promoting the careful use of resources. The number of our awards also demonstrates that sustainability is a top priority at Sedus. This extends from Christof Stoll being voted Eco Manager of the Year in 1993, to the Eco Audit in compliance with the EU standard 1995, to Sedus being the world's first office furniture manufacturer to have received the EMAS III certification in 2010.

This year, another important certification was added: SA8000 for social responsibility in the workplace. It emphasises our commitment to respecting human rights throughout the company and along our supply chain, and confirms the effective implementation of our socially responsible management system – a distinction that only 14 companies in Germany can currently boast.

Our objective is ambitious, yet clear: By 2025, we aim to be CO₂ neutral at our administrative and production sites in Dogern and Geseke. To achieve this, we have already taken significant steps as part of our circular economy – from development and production to recycling. We have also recently introduced an advanced energy concept at the Dogern site, including a 350-kWp photovoltaic system, heat pumps and an improved heating network.



Driven by the vision of a sustainable future, we are continuously developing innovations that are both environmentally friendly and optimised for people. With our high-quality and intelligent workplace solutions, we would like to enable everyone to fully develop their potential and achieve extraordinary things as part of a team. For this reason, we attach particular importance to individual needs, requirements and expectations.

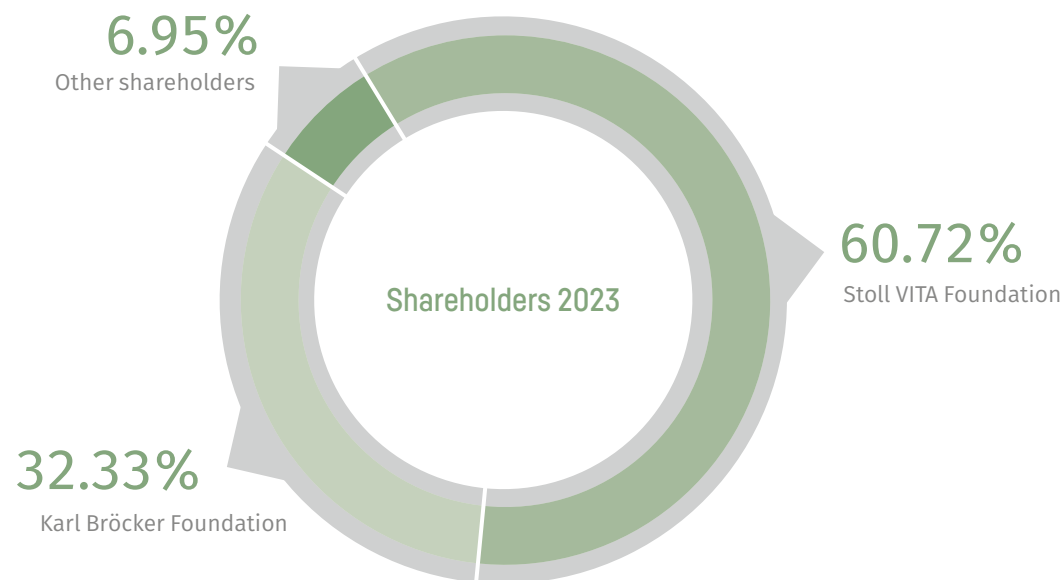
As a leading company, we bear great responsibility – for our employees, customers and the planet. For us, sustainable management means living a holistic approach that protects the foundations for tomorrow's life, today. Because:
“We really care.”

Dogern, May 2024

The Board

SEDUS STOLL GROUP

Sedus Stoll AG is a non-listed joint stock company under German law, with its registered office in Dogern, Germany – or, to be precise, Dogern in the district of Waldshut in Baden-Württemberg. The company is majority-owned by the Stoll VITA Foundation in Waldshut, which holds 60.72% of the shares, and the Karl Bröcker Foundation in Lippstadt, which holds 32.33% of the shares. The remaining shares, 6.95% belong to the former executives.



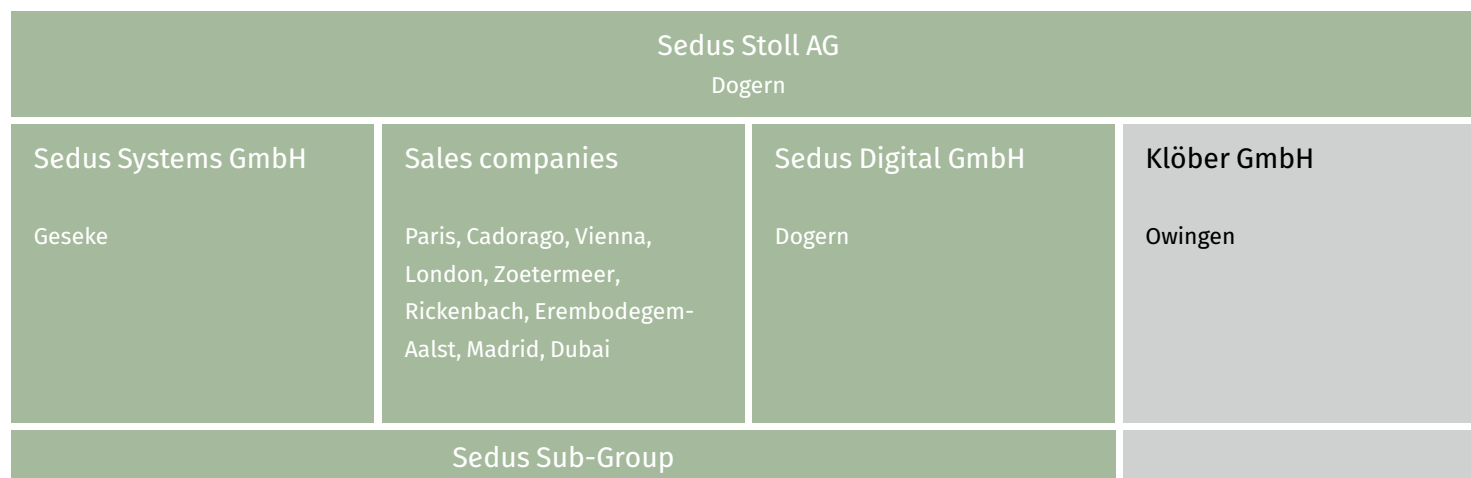
Sedus is a full-service supplier of office equipment and workplace concepts with a long history – the company was established in 1871. Its production sites are located in Dogern and Geseke. The environmental statement integrated into the report relates solely to the company headquarters in Dogern. The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

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

Netherlands and Switzerland were, in some cases, established over fifty years ago. They operate independently in their markets. Customers in the Middle East are served by the subsidiary in Dubai. Sedus Stoll AG is, therefore, one of the most important international companies in the office furniture industry. Digital solutions for the use and management of workstations in smart working environments will be distributed in future via Sedus Digital GmbH, which was founded in 2020.

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

Sedus Stoll Group



THE SEDUS SUB-GROUP

The Sedus Sub-Group is the Sedus Stoll Group excluding Klöber GmbH. Products and services sold under the Sedus brand are distributed in furniture stores all over the world, while major international wholesale customers are also looked after and supplied by Sedus directly. The main customers are banks, insurance companies, IT and communications companies as well as industrial enterprises. At the time of writing this report, the Sedus Sub-Group employed 1079 people, of which 675 worked in Dogern.

The total turnover of the Sedus brand was EUR 240.6 million in 2023; this number was EUR 220.2 million in 2022. In 2023, sales in Europe accounted for 96%. 3% of turnover was realised in Asia, as well as 1% in Africa. Broken down according to country, sales in Germany accounted for 52% of turnover. 48% was realised from exporting to around 77 countries.

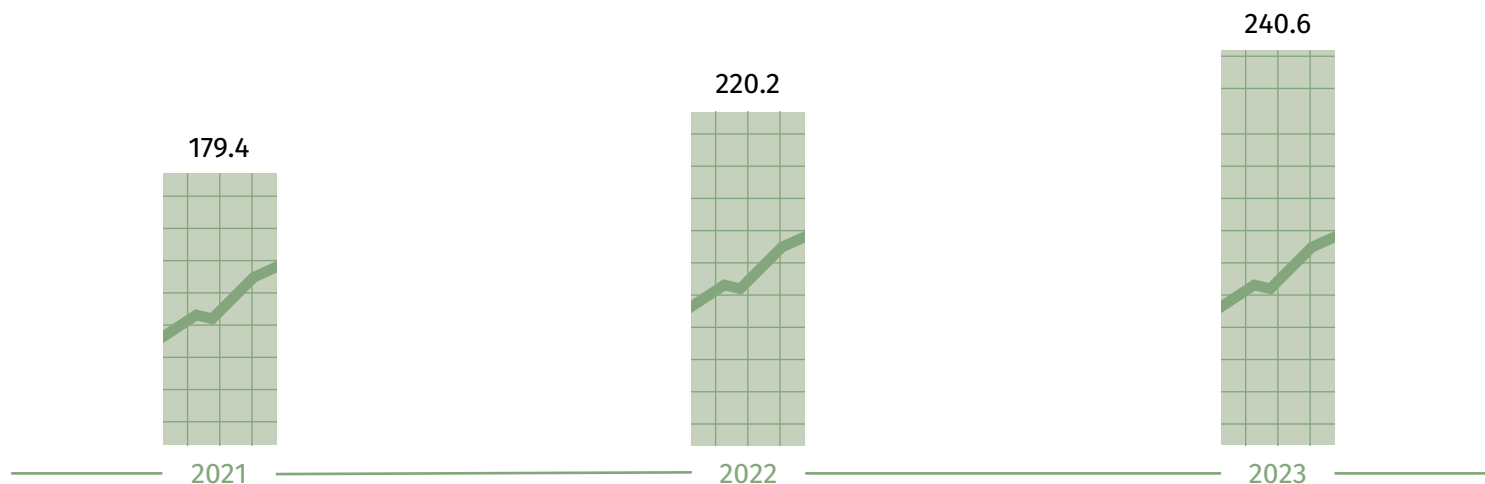


In the financial year 2023, the Sedus Sub-Group – under the Sedus brand – spent a total of EUR 87 million on operating and production resources. A total of 527 suppliers were used. Germany was the most important supplier country by far, with a total share of 67%.

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

Turnover of the Sedus Sub-Group

in EUR million



THE SEDUS BRAND

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

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

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





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

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

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



OUR



POSITION

SUSTAINABILITY AT SEDUS

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

Our philosophy

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

Traditionally a trailblazer in sustainability

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

Because it had been working on this basis for a long time already, the discussion about the environment, which began in the 1970s, did not surprise Sedus; nor has the now omnipresent issue of sustainability. On the contrary: The pioneering role of Sedus within the European furniture industry is evident from the chronology of the last 30 years. The number of relevant awards extends from Christof Stoll being voted as “1993 Eco-Manager of the Year” to the Eco Audit taken to achieve compliance with EU standard 1995 (as the first German furniture manufacturer to do so) as well as the EMAS III certification which Sedus received in 2010 as one of the first office furniture manufacturers in the world.



Corporate principles

Our corporate principles cover ten points which were last updated by the Board in January 2023. These also include our environmental policy. Our company strategy states that vision, mission and corporate principles are the guidelines for our day-to-day work. There is a detailed strategy paper which provides further orientation.

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

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

CORPORATE PRINCIPLES

[include environmental policy]

1. The will to move

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

2. Create proximity to the customer

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

3. Deliver innovation through motivation

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

4. Offer quality down to the smallest detail

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

5. Have a strong focus on sustainability

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

6. Network successfully

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

7. Fulfil our role in society

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

8. Be reliable and consistent

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

9. Social responsibility

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

10. Be independent

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

OUR APPROACH

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

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

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

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

Corporate strategy 2025

We focus on our customers

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

We are visible

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

We make dealing with our customers as easy as possible
Cooperating with Sedus is fun for our customers and they recommend us to others.

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

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

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

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

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

We provide our employees and executives with training on an ongoing basis
Through targeted personal development, we raise our employees' qualifications and strengthen their bond to our company.

We work profitably

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

Sustainability strategy 2025

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

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



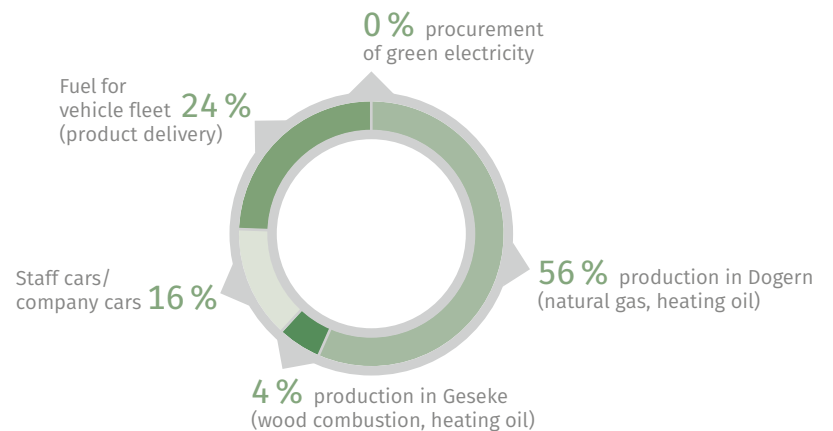
CO₂-neutrality

Climate protection has always been part of the Sedus philosophy. This includes conserving resources and continuously improving energy efficiency in order to keep detrimental effects on the environment and the climate as low as possible. Sedus is constantly setting ambitious goals with a particular focus on climate protection and the circular economy. Since 2012, our energy management system has been in accordance with ISO 50001, and we only purchase CO₂-carbon neutral electricity from renewable energy sources.

Sedus GHG emissions, market-based (tCO ₂ -eq)	2022	2023
Scope 1	2,483	2,399
Production in Dogern (natural gas, heating oil)	1,379	1,344
Production in Geseke (wood combustion, heating oil)	110	97
Staff cars/company cars	347	390
Fuel for vehicle fleet (product delivery)	647	568
Scope 2	0	0
Procurement of green electricity	0	0
Scope 3	24,746	22,812
Waste	61	78
Commuting of employees	778	764
Product delivery by external companies	1,411	1,267
Procurement of raw materials (A1)	21,223	19,543
Upstream transport (A2)	954	855
Procurement of energy sources	291	278
Biomass	28	26
Wood combustion	28	26
Total	27,229	25,211

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

Sedus has set targets in line with the Paris Agreement, which aims to limit global warming to 1.5 degrees Celsius. These apply to direct and indirect emissions of the Sedus Group (Scope 1, 2 and 3). The 2025 CO₂ neutrality target, on the other hand, relates to the management and production sites of the Sedus Group, i.e. for the Group's own generation and purchase of energy required for production and management (Scope 1 and 2).



Our first step is to significantly reduce emissions. Remaining emissions are to be compensated. To achieve this, we are currently conducting thorough discussions with all relevant departments in order to subsequently set ambitious and quantified targets. Among other things, new energy concepts are currently being developed for our management and production sites, which have been implemented since 2022. The aim is to minimise dependence on fossil fuels. This is our way of improving energy efficiency and expanding the use of renewable energies.

Since 2018, Sedus has also been accounting for its Product Carbon Footprint (PCF), which is essentially a component of indirect emissions (Scope 3). This is conducted on the basis of life-cycle assessment and is in accordance with current standards (DIN EN 15804). By 2021, the life-cycle analysis has been carried out for

more than 100 products, covering all product groups. For each product, the ecological assessment and the PCF are consolidated in a so-called Environmental Product Information (EPI). This enables Sedus to create an environmentally oriented database for its products. On the one hand, this ensures transparency with regard to the emissions of our products; on the other hand, it also allows a detailed analysis of the products in order to subsequently improve them from an environmental point of view.

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

SUSTAINABILITY PROGRAMME

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



Clear standards for suppliers

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



Environmentally friendly production sites

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



Excellent employer

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



Highest standards for products

The certification of office furniture under "Greenguard" and "Toxproof" – i.e. tested for toxins – reflect Sedus' efforts to ensure that office air is clean and construction is sustainable. The Greenguard certification is part of the requirements of many sustainability-related construction standards. This includes, for example, the LEED system of the US Green Building Council. Furthermore, many products from our production site in Geseke are certified under PEFC (PEFC/04-31-2603).. In addition, 22 Sedus products have recently been given the right to carry the "Blue Angel" (Blaue Engel) environmental label (see page 33 et. seqq.).

SUSTAINABLE MANAGEMENT

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

Management

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

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

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

Forward-looking risk management

Following our corporate principles, our most important concerns are customer satisfaction and the avoidance of risks for our partners, the company, our employees and the regions in which we are active. Therefore, we manage risks in a forward-looking manner to protect the health of our employees, the business, the local public and the environment as well as to secure supply to our customers. In doing so, we not only consider our own business area, but our entire supply chain. To guarantee this at all times in day-to-day business, the Sedus Sub-Group has implemented a risk management system which systematically records and assesses risks and implements the resulting measures. For further details, please refer to our Annual Report.

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

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

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

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

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



Stakeholder involvement

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

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

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

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

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

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

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

Intermediaries/customers/specialist retailers: Our specialist retail partners can find all relevant information about Sedus on the online platform "PartnerNET" – from tender text to data sheets on ecology to means of advertising – and can address their questions to the company online. Other areas worth mentioning are trade fairs, showrooms, national and international trade events and feedback within the "Sedus Satisfaction Management".

Public sector: Direct personal or written exchange.

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

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

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

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

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

Our customers have stated in surveys that the issue of sustainability is becoming more important despite the dominant concerns of price and performance. Sustainability in purchasing is of particular importance to wholesale customers. This also shows that the issue of a recycling economy is gaining in importance and that the corresponding commitment should be expanded and made more visible. Sedus has already taken up these stakeholder

expectations and initiated a programme for comprehensive life-cycle assessments. You can find further information about this on page 33 et. seqq.

In the future, we want to communicate our efforts in the field of sustainable production and business even more powerfully in order to give our customers more good reasons to buy from Sedus.

Materiality analysis

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

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

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

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

- Occupational safety
- Demographic change
- Good working conditions
- Legal Compliance
- Sustainable management
- Use of resources
- CO2 neutrality
- Packaging concept
- Circular economy

MEMBERSHIPS

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

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

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

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

everyday life at the company by observing our social and societal responsibility, and significantly surpassing the standards set by the law.

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

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

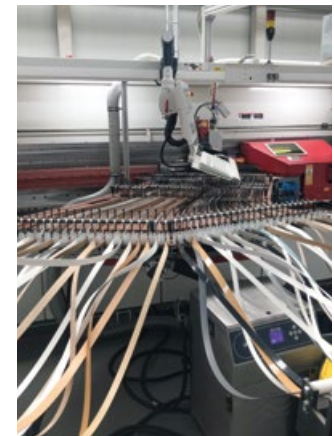
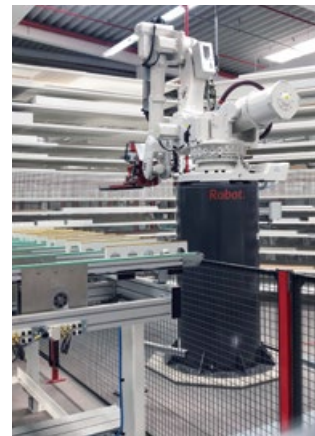
SEDUS IN TRANSITION

Commissioning of the new Futura II production line

After around two years of planning and construction, Sedus put the new “Futura 2” production facility at the Geseke site into operation in 2023. The new facility complements the existing “Futura 1” production line from 2012, which can be used to manufacture box furniture starting from batch size 1 and according to individual customer specifications. The automated panel cutting process will significantly reduce production cycle times and speed

up manufacturing processes. The new unit also has significantly lower waste than the Futura 1.

As part of the construction measures for the “Futura 2” project, investments were also made at the Geseke site in a new, almost 12-metre high logistics hall with a floor area of 2,500 m² and a new production hall with a floor area of 6,500 m².





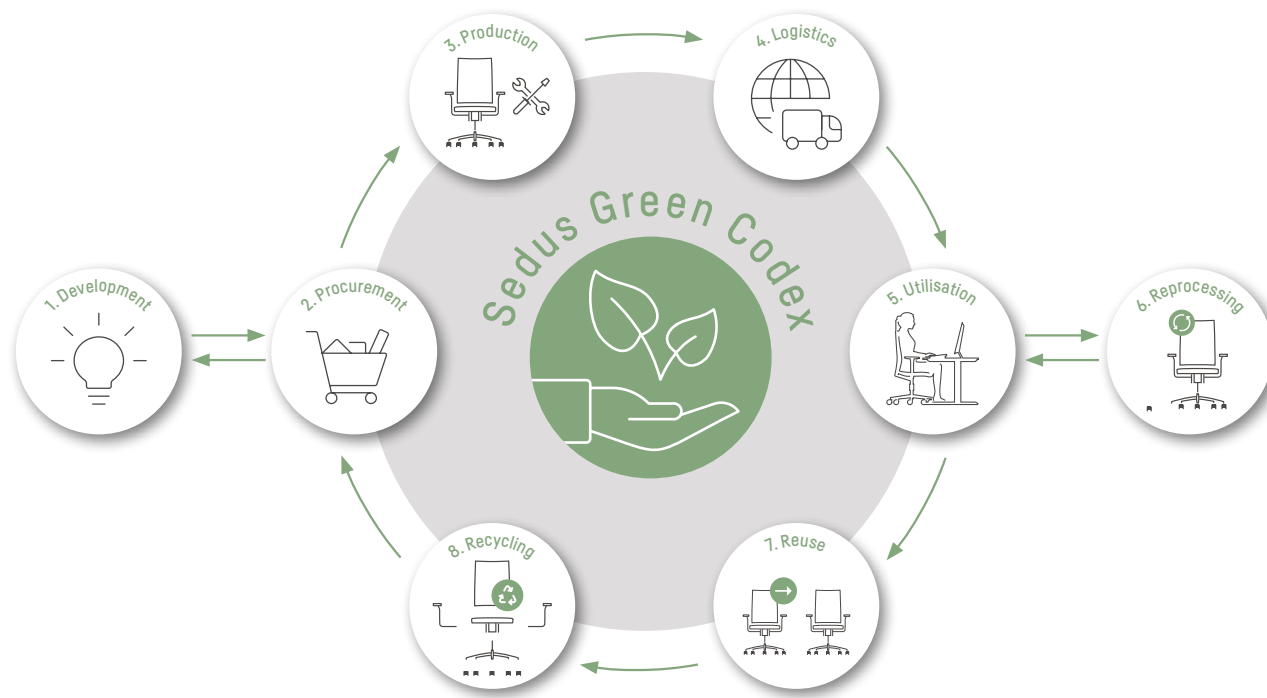
OUR

A modern office chair with a white frame and blue mesh upholstery is shown in profile. The chair is positioned on a light-colored tiled floor. In the background, there is a white fence with a hexagonal pattern and a clear blue sky. The word "RESPONSIBILITY" is overlaid in white, uppercase letters across the center of the image.

RESPONSIBILITY

SEDUS GREEN CODEX – THE CIRCULAR ECONOMY AT SEDUS

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



Sustainable from the start

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

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

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

Materials procurement

Short distances and certified materials, such as wood, are important for the environmentally conscious procurement of raw materials. Sedus stands for “Made in Germany” and this is reflected in facts: We rely on regional suppliers – from Germany, with a share of 66%, and from Europe, with a share of 85%. Furthermore, we pass on our high requirements in the areas of the environment, human rights, labour standards and corruption prevention to our suppliers for them to sign.

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

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

Produced on site

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

Reliable logistics

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

right loading of the lorries:

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

Long-lasting quality

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

Easy reprocessing

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

Reuse and donations in kind

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

Back to the start: Recycling

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



SUSTAINABLE PRODUCT DESIGN

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

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

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

Safety for people and nature

FEMB

The certificate is an internationally recognised proof of compliance with the market requirements of the Circular Economy in accordance with the FEMB level® standard. The assessment is carried out in the four impact areas of material, energy and atmosphere, human and ecosystem health and social responsibility. This gives buyers a comprehensive overview of all relevant sustainability aspects



TÜV Rheinland Schadstoffgeprüft (Tested for harmful substances)

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



GREENGUARD Indoor Air Quality Certified

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



GS label of TÜV Rheinland

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



Blauer Engel (Blue Angel)

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



Life-cycle analyses for our products

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

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





An example of ecological assessment

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

Our products and their materials

Aluminium

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



Oils

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



Wood

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

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

The wood is not treated with wood protection agents as part of further processing. Since 2020, our chipboard has been compliant with emission class E05. This means that they comply with the stricter legal limits for formaldehyde emissions from wood-based materials (formaldehyde < 0.05 ppm).



Plastics

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

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

Foam

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

Textiles

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



Leather

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

Suppliers as the foundation of responsible procurement

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

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

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

Origin of the most important materials

For production, Sedus primarily purchases steel, aluminium, plastic parts and wood. In the financial year 2023, the Sedus Sub-Group spent a total of EUR 87 million on consumables and supplies. These were distributed among approx. 500 suppliers.

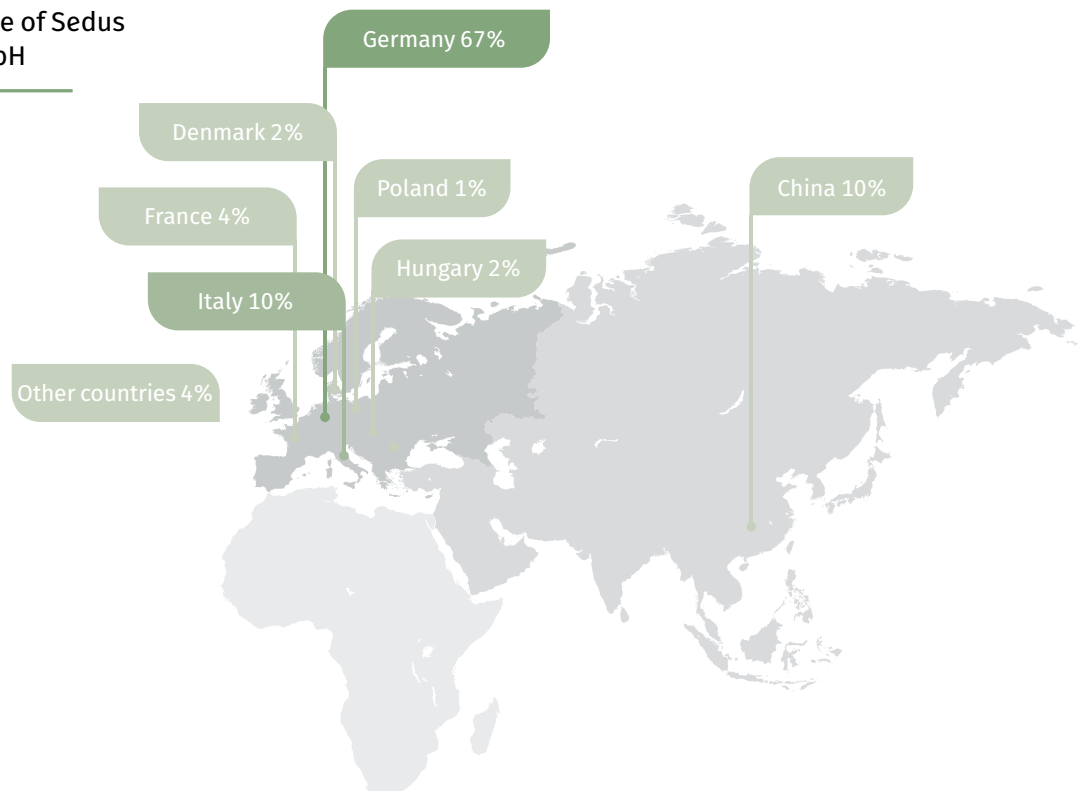
Although they are only used to a small extent in electronic parts, we have undertaken not to use any products, parts or raw materials which contain so-called "conflict minerals" from the Democratic Republic of Congo (DRC). They include coltan, cassiterite, gold, wolframite or the derivatives of these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

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

In 2023, Germany was the most important supplier country by far, with a total share of 67%. The percentage of deliveries from European countries was 88% in 2023. The percentage of deliveries from non-European countries was 12%.

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

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



Environmentally friendly shipping and packaging

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

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



Safe and environmentally friendly

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

Innovative packaging concept – se:cube

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



Reduced packing material and small packing dimensions

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

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

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

Online retail as a sales channel

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

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



Handcrafted by

S. Bisanti

sedus

SUSTAINABLE PRODUCTION

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

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

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

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

Since 1995, Sedus has had its environmental management validated by external environmental verifiers under the Eco-Management and Audit Scheme of the European Union (EMAS). Sedus belongs to one of the pioneers in this field and was the first office furniture manufacturer in Germany to have an EMAS-compliant environmental management system. Since 2001, it has also been certified under the international standard ISO 14001. Due to the redundancy of EMAS and ISO 14001, Sedus decided to discontinue EMAS in 2022.

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

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

Metal Production

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

Coating

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

Form fleece production

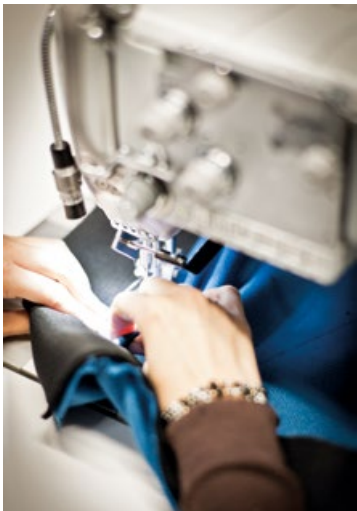
With its investment in form fleece production, Sedus is taking a further step towards environmentally friendly and sustainable manufacturing. The raw material for form fleece is made of polyethylene terephthalate fibre – PET for short. These come from shredded PET bottles – so-called “bottle flakes”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

Upholstery and stitching

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

Final assembly

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



Production in Geseke spans three core areas:

Wood manufacturing

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

Manufacturing of parts

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

In general, we use HPL melamine-faced chipboard with low emissions (emission class E05). The majority of the chipboard we process at our production site in Geseke is PEFC-certified. The components are sawn to size from half-size panels. Then, using the most modern laser techniques, the edge-banding material is applied, which is made solely from polypropylene. Without using any additional adhesive, a strong, water-resistant and heat-resistant bond is created between the edgeband and the board, which appears to be absolutely seamless, is extremely attractive and has the best physical properties.

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

Assembly

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

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

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

Direct environmental and energy issues

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

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

The individual issues are assessed for individual processes, procedures or activities. A comprehensive and detailed context analysis was conducted and updated in 2018; there were no changes in comparison to the previous year.

All material issues were addressed as part of a stakeholder analysis. The demands of external and internal stakeholders were systematically and completely analysed in 2019.

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

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

Indirect environmental and energy issues

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

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

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

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

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

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

Organisation and management

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

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

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

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

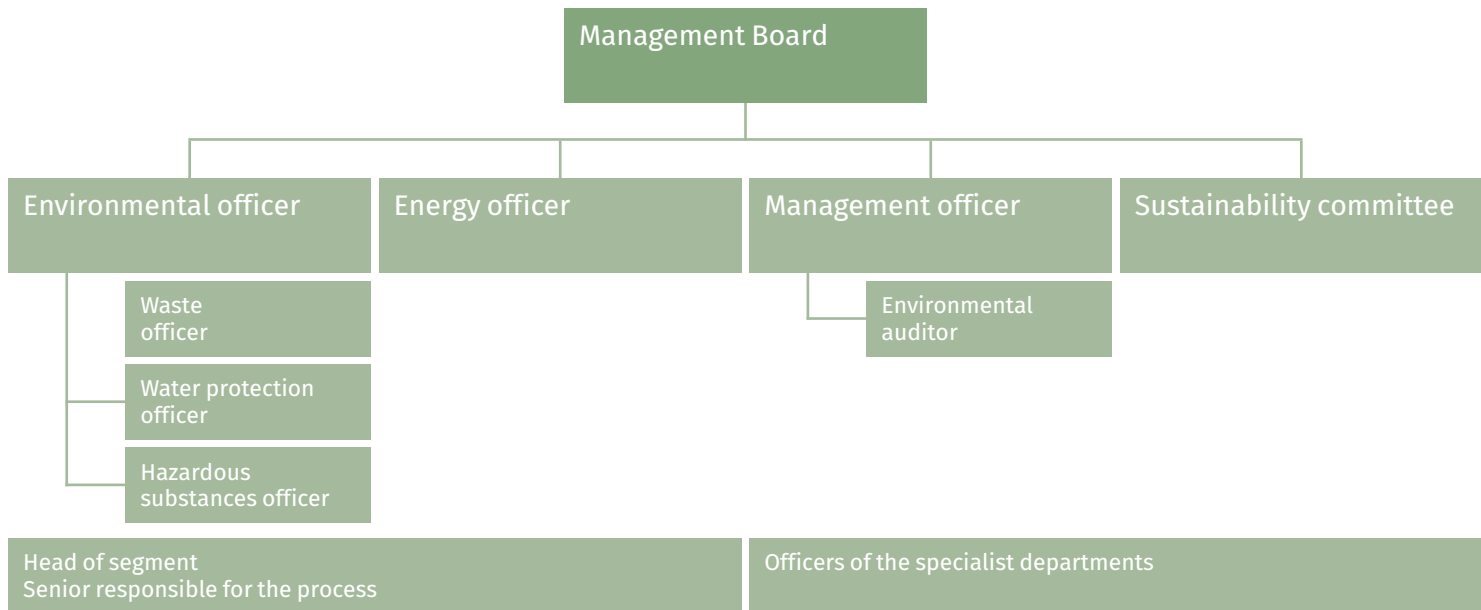
- waste and hazardous substance management
- water protection
- expert management when using and storing hazardous substances
- communication with authorities

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

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

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

Organisation of environmental protection



The management officer of Sedus Stoll AG performs the function of the environment management officer. Together with the environmental officers, he assumes the role of internal auditor. He/she only acts as an auditor with respect to processes for which he/she is not responsible. Furthermore, he/she is responsible for structuring and the ongoing monitoring of the environment management system according to ISO 14001 and the energy management system according to ISO 50001.

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

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

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

Energy

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

In 2022, Sedus covered 60% of its energy needs with thermal energy from natural gas and by burning wood as well as 27% with electricity, 11% with diesel for the vehicle fleet and company cars and 2% with heating oil. Since 2012, electricity has been obtained exclusively from hydroelectric power. The total energy consumption in 2022 was 22,340 megawatt hours (MWh), which was approx. 4% lower than in 2021 (23,358 MWh). More electricity was also consumed by the new Loft upper floor in Geseke.

The energy-saving measures resulting from the energy crisis had an impact on energy consumption:

- By lowering the heating temperature in the buildings, savings were made primarily in terms of thermal energy.
- Energy-saving measures, such as lowering the curing temperature in the powder coating system, also led to reduction of costs.

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

Total consumption per energy type in MWh	2021	2022	2023
Fossil fuels			
Natural gas ¹	7,782	6,821	5,977
Wood combustion ²	7,441	6,702	6,153
Heating oil	301	414	877
Fuel (vehicle fleet)	2,260	2,393	2,130
Renewable energy			
Power	6,259	6,687	7,158
Total	24,043	23,017	22,295

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

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

With a 50% share of electricity consumption, manufacturing is the main consumer at the Dogern plant. The share for the ventilation systems in the entire plant is 9%. The remaining electricity consumption is distributed relatively equally among IT, the warehouse, the canteen, the outlet and the showroom as well as the Smart Office and other areas.

Sedus operates a cogeneration unit at the Dogern site, which is run on natural gas. According to the principle of combined heat and power generation, the cogeneration unit simultaneously produces process heat and electricity. The operation of the cogeneration unit saved around 677 MWh of third-party electricity in 2022, compared to 691 MWh in the previous year. The cogeneration unit was renovated in November 2019.

First 350-kW photovoltaic system installed in Dogern

CO₂-neutral Sedus production sites in 2025 – this strategic goal for Sedus Stoll AG is both a social obligation and an incentive. The first step in this direction has now been taken at the Dogern site. The industrial photovoltaic system was connected to the domestic grid in March 2023. As this is only the first building block in an overall energy concept, the PV system had to be designed in a wider perspective from the very beginning. Various planning and regulatory requirements relating to grid stability and fire protection must be met.

The system itself consists of 875 individual 405-W modules and

Energy consumption at the Dogern site in MWh	2021	2022	2023
Total energy consumption	10,778	9,881	9,460
Adjusted total energy consumption (temp.)	10,393	9,543	8,496
Relative adjusted total energy consumption in kWh/manufactured unit	35	31	25
Total power consumption	2,996	3,060	2,972
Power consumption from other sources, Dogern	2,284	2,380	2,046
Own power generation, cogeneration unit	691	677	630
Own power generation, PV			295
Peak power, Dogern (heating oil)	21	3	1
Total thermal energy consumption	7,782	6,821	6,489
Consumption with consideration of the climate	7,397	6,483	5,819

achieves a peak electricity yield of approx. 354 kW. This can cover approx. 50% of our total electricity demand at the Dogern plant at peak times. Over the course of the year, we expect the system to generate a total output of around 350,000 kWh. This output corresponds to approx. 12%–15% of the total electricity consumption of the Dogern plant.

First-year apprentices spend four weeks in the sustainability management department, where they are given tasks relating to sustainability. In their own project, they determine energy data and uncover potential for improvement.

Energy consumption at the Geseke site in MWh	2021	2022	2023
Total energy consumption	13,264	13,136	11,884
Adjusted total energy consumption (temp.)	14,017	12,999	11,523
Relative adjusted total energy consumption in kWh/manufactured unit	40.7	35	30.7
Total power consumption	3,263	3,627	4,112
Total thermal energy consumption	7,741	7,116	6,517
Consumption, climate-adjusted (process heat unadjusted)	8,494	6,979	6,156
Heating oil consumption Heat generation	172	260	230
Heating oil consumption Process heat real wood	129	153	134
Wood combustion	7,441	6,702	6,153
Total diesel consumption	2,260	2,393	1,255

Emissions

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

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

Each year, Sedus calculates direct greenhouse gas emissions (GHG) which result from the consumption of energy and electricity. In the financial year 2022, the Sedus Sub-Group produced 2,355 tons of GHG. This development depends on the consumption of energy. The pandemic situation in Germany also caused some shutdowns and inefficiencies, which led to a reduction in process-relevant energy efficiency.

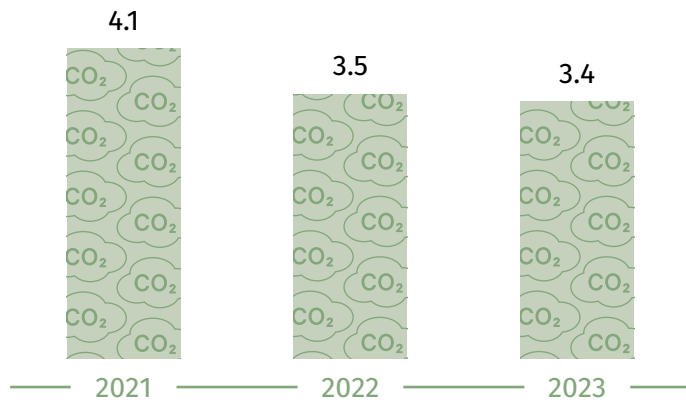
While the calculation of the GHG emissions in Dogern comprises heating oil and gas (1 l heating oil corresponds to 2.65 kg CO₂-eq, 1 kWh natural gas corresponds to 0.2 kg CO₂-eq), the total value for Geseke comprises the summands heating oil, diesel for the vehicle fleet and wood combustion (1 l heating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

Despite the reduction in gas and heating oil consumption, specific GHG emissions increased in 2020 compared to the previous year (14 t per 1,000 manufactured units) due to the significant drop in production. By purchasing green electricity, about 2,109 t CO₂ was saved in 2022 as compared to the federal mix.

The GHG emissions of the Sedus Sub-Group CO ₂ -eq in t by source	2020	2022	2023
Natural gas	1,438	1,378	1,207
Wood combustion*	25	28	26
Heating oil	47	111	234
Diesel	873	869	958
Total	2,383	2,386	2,425

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

Specific GHG emissions in tonnes/1,000 manufactured units



Varnishing

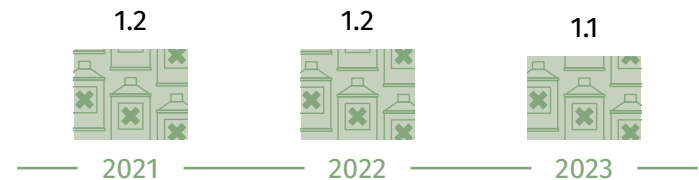
Solvents used in varnishes as part of wood manufacturing also count as emissions into the air. Although their use has been greatly reduced over the past few years by switching to water-based varnishes, they are still necessary for manufacturing. The powder coating facility also uses solvent-free varnishes.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

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

Solvent consumption has been reduced in recent years by changing the surface cleaner. In 2022, the relative solvent consumption was 3.2 g/manufactured unit (in 2021, the number was 3.4 g/manufactured unit).

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

Solvent consumption in tonnes



The solvent emissions relate only to the Geseke site.

Water

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

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

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

The water supply in Geseke comes from our own deep well. No industrial water is needed for manufacturing processes; only a small amount is used in office and security facilities. The regular drinking water quality control by a hygiene institute has so far remained without any objections.

In 2023, the consumption of well water at the Dogern site, also called water for industrial use at Sedus, increased by approx. 3%, which is 1,753 m³ more.

The maximum approved groundwater extraction volume of 72,000 m³ for Dogern was not exhausted.

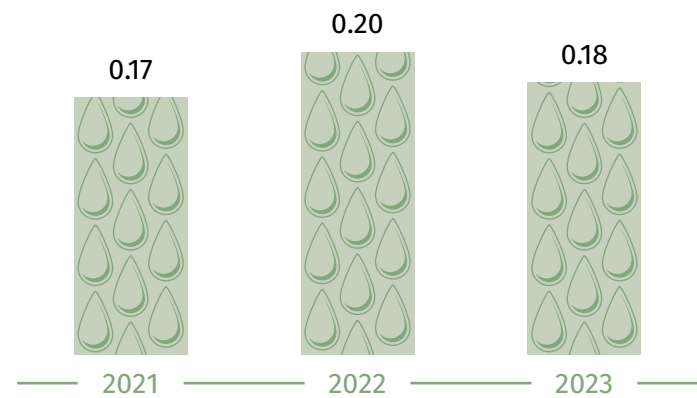
Water in m ³	2021	2022	2023
Industrial water, Dogern	44,764	54,338	56,091
Drinking water, Dogern	5,641	6,230	5,442
Water consumption, Dogern	50,405	60,568	61,533
Water consumption, Geseke	2,506	2,648	2,541

The consumption of drinking water fell by around 14%. In 2023, it was approx. 788 m³ less than in 2022. The reasons for this are probably reduced working hours and mobile working.

At the Geseke site, water consumption decreased by almost 4% in 2023 compared to the previous year, which is approx. 107 m³ less.

Specific water consumption at the Dogern site

in m³/manufactured unit



Sedus uses the amount of water consumed per manufactured unit as a benchmark to monitor water consumption. In 2023, this consumption in Dogern decreased by 0.02 m³ per manufacturing unit compared to 2022.

Waste water and waste

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

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

All waste water pipes at the Dogern site are regularly checked for leaks in accordance with the relevant water law of the state.

Galvanisation

Chair and table frames are nickel- and chrome-plated by galvanisation. For this purpose, the parts are dipped and coated in various industrial baths. Between the individual galvanisation baths,

Galvanic sludge at the Dogern site	2021	2022	2023
in tonnes	8.73	4.56	5.58
per hour of operation kg/h	11.38	6.35	8.33

there are rinsing baths which are used to clean the parts and reduce the amount of materials carried over from the previous baths. Used solutions from the manufacturing process and dirty rinsing water are channeled into the water treatment facility, in which chromium and nickel are extracted from the rinsing water by means of metal hydroxide precipitation. The byproducts of this are galvanic sludge and waste water.

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

The volume of galvanic sludge disposed of increased by approx 22% or one tonne compared to the previous year. The volume of galvanic sludge per hour of facility operation also increased by almost 31% compared to 2022.

Rinsing water

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

sludge is reduced. The amount of wastewater per plant hour has in fact decreased by half. The threshold values for chromium (overall) (0.5 mg/l), chromium VI (0.1 mg/l) and nickel (0.5 mg/l) were always complied with in the regular internal and external inspections.

Powder coating

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

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

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

A second powder cabin was installed in 2017, so that colour does not have to be changed so often within the facility.

Since 2021, powder coating has been used in a two-shift operation (previously single-shift operation).

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

The volume of waste water in 2023 was 5,701 m³, which was just under 2% less than in the previous year (5,814 m³).

Waste water in m ³	2021	2022	2023
Volume of waste water at the Dogern site	5,652	5,814	5,701
of which waste water from galvanisation	1,008	1,197	538
Volume of waste water at the Geseke site	1,736	1,971	2,167
Total	7,388	7,785	7,868

Slightly less than 10% of waste water comes from the galvanisation process; most of the rest comes from the sanitary facilities. Sedus treats waste water from galvanisation and powder coating in its own water treatment facility and, after subjecting it to analysis, empties it out into the municipal water system. The galvanic sludge is reused in the metal industry. Furthermore, the water does not have to be subject to any further treatment and is primarily emptied into the municipal water system. The threshold values for chromium and nickel are regularly monitored by internal checks and also by external institutions appointed by the Regional Council of Freiburg and are found to be compliant.

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

Waste

Waste separation was checked and documented in accordance with the Commercial Waste Ordinance. We received the declaration of the pretreatment plant pursuant to §4 Para. 2 of the Commercial Waste Ordinance and thus the confirmation of the proper technical equipment and the proper operation of the pretreatment plant from the plant operator for the reporting year 2022.

The volume of waste in 2023 was up from 2,238 tonnes in the previous year to 3,346 tonnes, an increase of 49.50%.

In 2023, the volume of waste in Dogern has increased by 69 tonnes compared to the previous year. This increase is primarily due to the surge in mixed residential waste and the flowable waste that is disposed of in it. We are currently looking for a separate disposal method.

The top five types of waste at the Dogern site in 2023 were mixed residential waste (146 t), paper and cardboard (135 t), old wood (84 t), pipe offcuts and untreated chair frames (81 t) as well as mixed scrap metal (61 t). The amount of hazardous waste in the overall volume of waste is approx. 4 t. The recycling rate was 99.38%.

The top five types of waste at the Geseke site in 2023 are: wood offcuts and wood chips 2,328 t, paper and cardboard 166 t, residual waste 62 t, metal 61 t as well as bottom and boiler ash 38 t. The amount of waste from wood residue almost doubled compared to the previous year, as it was necessary to empty a chip silo.

Only 0.4% of the waste is disposed of, 99.6% of the waste is recycled. The share of residual waste in total waste is very low at 2.3%. The calculated separate collection rate according to Commercial Waste Ordinance (GewAbfV) is 97.7%, which is better than in the previous year and above the target of 90% set by the legislator.

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

Volume of waste		2021	2022	2023	absolute
Volume of waste at the Dogern site					
Recyclable waste	t	568	586	633	8.02%
Waste for disposal	t	0	0	3.97	397%
Recycling rate	%	100	100	99.38	-0.62%
Hazardous waste	t	13	34	20	-41.18%
Non-hazardous waste	t	555	552	617	11.78%
Total waste volume	t	568	586	637	8.70%
Specific volume of waste	kg/ manufactured unit	1.9	1.9	1.9	0%
Volume of waste at the Dogern site					
Recyclable waste	t	1,288	1,649	2,706	64.10%
Waste for disposal	t	4.0	3.0	3.4	13.33%
Recycling rate	%	99.7	99.8	99.6	-0.2%
Hazardous waste	t	5.0	5.0	5.4	8%
Non-hazardous waste	t	1,286	1,646	2,704	64.27%
Total waste volume	t	1,292	1,652	2,709	63.98%
Specific volume of waste	kg/ manufactured unit	3.75	4.44	7.23	62.84%
Total volume of waste	t	1,860	2,238	3,346	49.50%

Material efficiency

At 98.9%, material efficiency at the Dogern site in 2023 was slightly higher than that in the previous year (97.3%). At 22.1%, the material offcuts from textiles has slightly increased compared to 2022 (21.2%). The leather offcuts were 23.27%, an increase of just under 2%. The materials used include plastics, aluminium, chipboard, textiles and other upholstery materials.

Other materials used include manufacturing aids, such as chemicals and powder coatings. Furthermore, we use packaging made of cardboard and film.

Material efficiency at the Geseke site is not currently measured. In our old production hall (Futura I), the offcut rate of the chipboard was 31.1%. In the new production hall (Futura II), the offcut rate

was 22.2%. At the end of 2022, a new cutting line with new cutting optimisation was commissioned. According to the manufacturer, a significantly improved offcut rate is expected.

Material efficiency at the Dogern production site	2021	2022	2023	Change to previous year
Material input in tonnes	6,211	6,744	6,670	-74
Product output in tonnes	5,911	6,565	6,595	30
Material efficiency	95.2%	97.3%	98.9 %	1.2%



SOCIAL RESPONSIBILITY

“We do what we say and say what we do” – this is stated in Section eight of the Sedus corporate principles. For good reason, because each individual in the company will only work actively and successfully if working conditions, qualifications and management are optimal. We create an environment in which our employees can work towards our company objectives with motivation, expertise and a sense of responsibility. That is why we have decided to introduce the SA8000 in 2023

SA8000 is a standard that specifies the requirements for a certifiable management system for the social responsibility and fulfilment of appropriate working conditions of a company. This standard places particular emphasis on various aspects to ensure that companies act in an ethical and socially responsible manner. The criteria that the SA8000 prioritises include:

- No child or forced labour
- Minimum standards in the area of occupational health and safety
- Freedom of association
- Right to collective bargaining
- No discrimination
- No physical or psychological disciplinary practices
- Compliance with the working hours regulations
- A living wage
- Further requirements for the management

SA8000 certification enables us to communicate our social responsibility efforts more transparently. We are proud to fulfil these criteria. We achieve continuous improvement through regular meetings of our Social Performance Team (SPT) as well as regular external and internal audits and inspections.

To ensure that we always meet the requirements, we regularly inform our employees about our progress and interview them to identify opportunities for improvement.

Furthermore, Sedus has set up a reporting office for violations and appointed a contact person for human rights violations to ensure that potential problems are quickly recognised and remedied.

Our efforts are monitored and certified by external auditors to ensure that we do not only honour our promises, but also continuously strive to improve our working practices. At Sedus, social responsibility is not just a promise, but a commitment that we live every day.

An overview of our employees

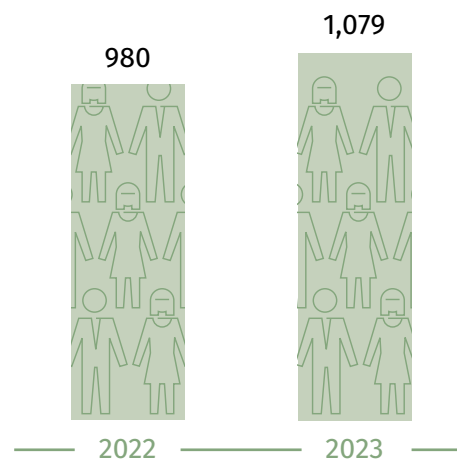
The Sedus Sub-Group had 1,079 employees as at December 31, 2023; a year before, the figure was only 980. The labour turnover¹ within the sub-group excluding the foreign distribution companies was 4.0% in 2023 (2022: 2.1%).

Sedus Sub-Group (incl. trainees)	2022	2023
Women (full time)	177	191
Men (full time)	357	738
Total (full time)	534	929
Women (part time)	413	108
Men (part time)	33	42
Total (part time)	446	150
Total	980	1,079

Sedus Sub-Group	2022	2023
Women (unlimited term contracts)	262	276
Men (unlimited term contracts)	637	644
Total (unlimited term contracts)	899	920
Women (limited term contracts)	9	23
Men (limited term contracts)	72	136
Total (limited term contracts)	81	159
Total	980	1079

Sedus sub-group trainees and students	2022	2023
Trainees	50	47
Students	8	9
Total	58	56

Number of employees



Sedus Sub-Group by age	2022	2023
<30	185	205
30-50	388	442
>50	407	432
Total	980	1,079

Sedus Sub-Group New hires	2022	2023
Women	43	53
Men	106	124
Total	149	177

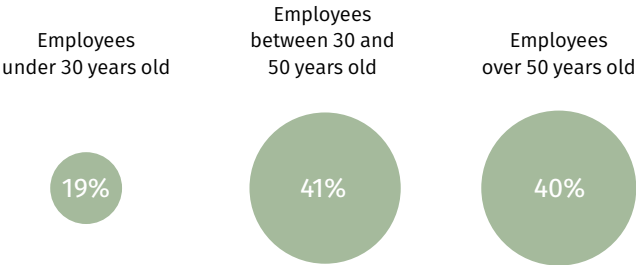
¹ Calculation of the fluctuation rate: Percentage of departures in the current calendar year only due to own terminations (excluding departures due to retirement) in relation to the total number of employees as at December 31

Education and lifelong learning

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

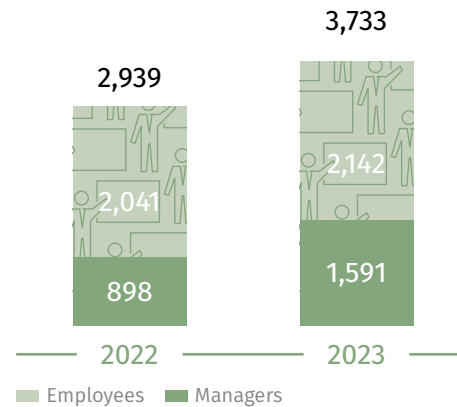
2023: 56 trainees and students (Cooperative State University) in 18 different courses of training/study.

Employees by age 2023





Hours spent on education and training



We also enable our trainees to participate in the “Go.for.Europe” scheme. Within this framework, trainees can undertake internships of several weeks’ duration in other EU member states. Due to the COVID 19 pandemic in Europe, the exchange programme booked for 2020 was postponed to 2021.

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

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

We are in the process of building up detailed training statistics. Within this framework, hours spent on education and training have also been recorded for the Geseke site since 2018. In 2023, 3,733 hours were spent on training in the Sub-Group.

Family-friendly environment

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

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

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

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

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

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

- occupational pension (with three years of uninterrupted service)
- direct insurance in the form of endowment insurance
- deferred compensation
- Bonus payments
- profit participation (starting when the employee has been with the company for one year)
- subsidised offers in the staff restaurant
- travel costs allowance of EUR 2.00 per month per kilometre
- allowance for annual travel cards for local public transport of up to EUR 90 per year
- monthly allowance of EUR 15 net when buying a JOBTicket
- birth allowance of EUR 300 per child
- marriage allowance of EUR 150
- benefits in kind for 10-, 20- and 30-year service anniversaries
- Long-service bonus in the amount of an average gross monthly salary for 25- and 40-year service anniversaries

Working safely

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

As confirmation of its safe actions at its sites, Sedus successfully had its occupational health and safety management system certified in accordance with DIN EN ISO 45001 in November 2019 and was able to demonstrate this again in 2022.

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

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

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

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

The number of workplace accidents in the Sedus Sub-Group fell from 24 in 2022 to 19 in 2023. The number of accidents in the workplace which must be reported, i.e. accidents resulting in incapacity to work for more than three days after the day of the accident, also decreased from 16 to 10. Three of these were commuting accidents. The rate of accidents – i.e. the number of accidents subject to reporting obligations per 1,000 full-time employees – was 11 in 2023. In 2022, this number was 19.

To sensitise employees to issues related to occupational safety, identify weak spots and prevent accidents, workshops were held in the production groups in 2023 on the topic of occupational safety, among other things. Some of the measures were then implemented in 2022.

Sedus Sub-Group	2021	2022	2023
Accidents in the workplace subject to reporting obligations (incl. accidents on the way to/from work)	10	16	10
Absences in hours	1,167	1,571	728
Deaths	0	0	0

These included the following projects, among others:

- Reducing the speed of forklift trucks in the goods receiving area
- Improving ergonomics by optimising office workstations.
- Various Corporate health management measures
- Training managers on occupational health and safety of their employees
- Testing and ordering exoskeletons for better handling of loads



Promoting health

“Fit in your free time – fit at work” – this motto characterises “Occupational Health Management” at Sedus, which is managed by a working group and a steering group. Within this framework, health management has also been expanded during the reporting year. The fields where action has been taken include sport and exercise, healthy eating, medicine and prevention. The offers include (for example) influenza vaccinations, spinal health training, Pilates, colon cancer screening, corrective exercises as a Healthy Work Break, health days and – specially for trainees – driving safety classes and a trainee fitness day. With this comprehensive approach, the health rate, at over 94%, was once again very high in 2023. In cooperation with the health insurance scheme AOK, we receive an annual health report. Using comparisons and the resulting findings, appropriate measures are defined to help us to continuously improve in this area.

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

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



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

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

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

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

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

Social engagement

As part of its social engagement, the Sedus Stoll Group works with the Caritas workshops in Hochrhein, the rehabilitation centre CHRISTIANI and another rehabilitation workshop.

Dogern gained two workers as a result of the cooperation with a total of four workshops for disabled people. Another worker went to Geseke in 2019.

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

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

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

The focus of the foundation's work lies in

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



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

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

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

APPENDIX

About this report

The last sustainability report was published in September 2023. Sedus has been regularly publishing Eco-Management and Audit Scheme (EMAS) reports since 1995. This is our seventh sustainability report to comply with the criteria set out in the Global Reporting Initiative (GRI). It was prepared in accordance with the Core option of the GRI Standards (2016). The statements and figures included in this report refer to Sedus Stoll AG, which includes both Sedus Systems GmbH and overseas subsidiaries. Klöber GmbH (Owingen), which belongs to the Sedus Stoll Group, is not included, because it operates independently in the market.

This report provides information on the sustainability activities in financial year 2023 (1 January 1, 2023 to December 31, 2023).

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

PUBLICATION DETAILS

Publishers

Sedus Stoll Aktiengesellschaft
Christof-Stoll-Strasse 1
79804 Dogern, Germany

Contact person

Simon Roquette
Head of Environmental Management
SimonRoquette@sedus.com

Concept, editorial office and design

akzente kommunikation und beratung GmbH

Images courtesy of

Sedus Stoll Aktiengesellschaft

The production site in Geseke is certified as part of a chain of custody “Chain of Custody” certification in accordance with PEFC regulations (PEFC/O4-31-2603).

For more information, visit www.sedus.com

Note on the use of male/female/diverse form

Please note that, for reasons of readability, we have refrained from using masculine, feminine and diverse forms throughout this document. Of course, all texts refer equally to all gender identities.