

# 2024 **SUSTAINABILITY REPORT**



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# **ANCHORING SUSTAINABILITY AT THE HEART OF OUR STRATEGY**

2024 has been a breakthrough year for European House of Beds, and I am therefore pleased to present our Sustainability Report for the financial year 2024.

For the first time, sustainability has been fully anchored within our organization, becoming a key part of our overall company strategy.

As part of this important development, the responsibility for ESG has been placed with a dedicated person, ensuring that sustainability is deeply integrated into everything we do — from leadership decisions to daily operations.

One of our proudest achievements this year was the completion of our Scope Calculator, giving us full transparency and accurate data across Scope 1, 2, and 3 emissions. This milestone marks a new era of accountability and progress towards our long-term climate goals.

Looking ahead, we are committed to continuously evolving towards more sustainable solutions. This means selecting materials with the lowest possible CO<sub>2</sub>e footprint, partnering with distributors who share our vision, and making strategic green investments.

Among the highlights for 2025, we are installing solar panels and replacing gas heating on our facilities (to be completed by May), transitioning most of our company car fleet to electric vehicles, and reinforcing our commitment to recognized global standards including SBTi, GPSR, BSCI, BEPI, CBAM, FSC, DPA, OEKO-TEX, GRS, and EUDR.

Our journey towards a greener future is far from over. It requires persistence, collaboration, and continuous innovation, which we as an organization are committed to strive for.

I would like to sincerely thank all employees and partners who have contributed to our sustainability journey.

Together, we are building a stronger, more resilient, and more responsible company — ready to meet the demands of tomorrow.

— Nicky Berg, CEO





# EUROPEAN HOUSE OF BEDS AT-A-GLANCE

European House of Beds was founded in 2008 and specializes in the design, production, and sale of complete bed collections. We operate in the B2B segment and the professional contract market, offering both private label and own brand solutions.

Our production facilities are located in Horsens, Denmark, supported by a sales in Sweden & Norway. In 2024, we employed around 75 full-time staff.

We produce more than 220,000 bed units annually, distributed through more than 300 retailers and furniture chains across Scandinavia.

The majority of our raw materials and semi-finished products are sourced from Europe, with significant deliveries from key suppliers in Bulgaria. Assembly, packaging, and quality assurance are handled at our main site in Horsens.

Sustainability is a key pillar in our value chain, focusing on responsible sourcing, energy-efficient production, optimized logistics, and circular end-of-life solutions for our products.

- Foundation year (2008)
- Business model description (B2B, private label, contract market)
- Production volume (220,000+ beds)
- 75 employees
- Main office Horsens, Denmark
- Focus areas in the value chain (sourcing, production, transport, end-of-life)



# EUROPEAN HOUSE OF BEDS IN NUMBERS



**75**

Employees

**220.000**

Beds and mattresses produced fiscal year 2024

**38**

Suppliers

# OUR SUSTAINABLE VISION

At European House of Beds, sustainability is embedded in most of what we do.

In 2024, we took decisive steps to strengthen our sustainability vision by fully anchoring it into our company strategy.

## Sustainable Products

We aim to minimize the environmental footprint of our products by selecting materials with the lowest possible CO<sub>2</sub>e emissions. The removal of foam from our product range remains a top priority to significantly lower product-level carbon footprints.

## Circular Economy

We are investing in solutions to promote circularity, including recycling leftover materials, redesigning products for easier disassembly, and exploring partnerships for the reuse of old beds into new components.

## Energy and Climate Action

We are reducing our reliance on fossil fuels by transitioning from gas to district heating and installing solar panels on our facilities (expected to be completed by May 2025).

To support and strengthen our sustainable journey, European House of Beds is actively committed to a range of globally recognized standards and initiatives, including:

- SBTi (Science Based Targets initiative)
- BSCI (Business Social Compliance Initiative)
- BEPI (Business Environmental Performance Initiative)
- CBAM (Carbon Border Adjustment Mechanism),
- FSC (Forest Stewardship Council)
- GRS (Global Recycle Standard)
- GPSR (General Product Safety Regulation)
- EUDR (EU Deforestation Regulation)
- OEKO-TEX

***Through these commitments, we are driving greater transparency, accountability, and positive impact across our value chain.***

***Sustainability is no longer an isolated goal – it is part of our business DNA, guiding our innovation, investments, and daily operations.***

*Nicky Berg, CEO*



# SUPPORTING SUSTAINABLE DEVELOPMENT

At European House of Beds, we are committed to supporting the United Nations Sustainable Development Goals (SDGs) as part of our responsibility towards future generations.

In 2024, sustainability was firmly embedded in our strategy and daily operations, driving us to make measurable progress across multiple areas.

While we endorse all 17 SDGs, we have prioritized our efforts around the following key goals:



## **SDG 7.2: Increase the Share of Renewable Energy**

We are actively reducing our reliance on fossil fuels by transitioning from natural gas to district heating and installing solar panels on our facilities (completion expected May 2025).



## **SDG 8.8: Protect Labor Rights and Promote Safe and Secure Working Environments**

We continue to prioritize safe working conditions through our annual APV workplace assessments and employee satisfaction surveys. Our efforts were again recognized by local awards for corporate social responsibility.



## **SDG 12: Ensure Sustainable Consumption and Production Patterns**

We are developing more sustainable products by reducing foam, increasing the use of recycled materials, and enhancing recycling efforts across our production processes.



## **SDG 17.16: Strengthen Global Partnerships for Sustainable Development**

We collaborate closely with suppliers, customers, and external stakeholders to promote responsible business practices. We are committed to international standards including BSCI, BEPI, FSC, OEKO-TEX, GRS, and EUDR to strengthen our impact across the value chain.

# SUSTAINABILITY DUE DILIGENCE

At European House of Beds, sustainability due diligence is an essential part of how we operate and plan for the future.

In 2024, we reinforced our commitment by integrating sustainability even deeper into our value chain analysis and decision-making processes. Our approach is based on the double materiality principle, identifying both how our operations impact people and the environment, and how sustainability risks and opportunities may affect our business financially.

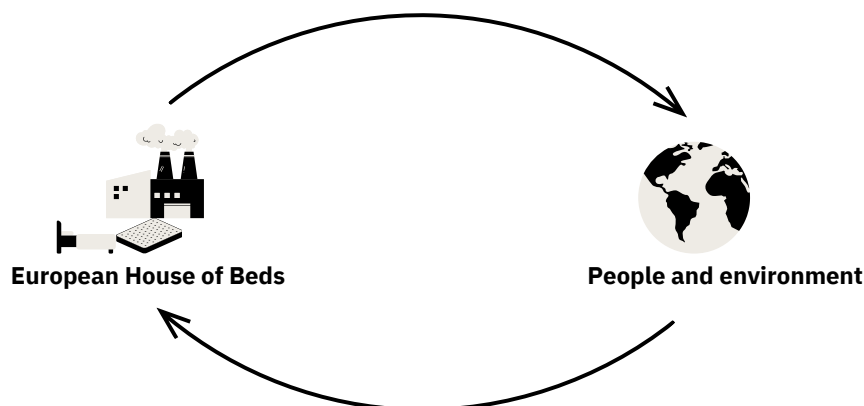
We updated our materiality assessment to reflect evolving regulatory requirements and stakeholder expectations. Key sustainability topics were reviewed, prioritized, and anchored in our strategic planning.

Our due diligence process covers:

- **Human Rights:** Ensuring fair labor conditions across our supply chain, supported by the implementation of our Supplier Code of Conduct. The CoC requires all suppliers to adhere to international principles on human rights, labor rights, environmental protection, and anti-corruption, with clear expectations for due diligence, grievance mechanisms, and continuous improvement.
- **Environmental Responsibility:** Monitoring and reducing our environmental footprint through Scope 1, 2, and 3 management and sustainable sourcing practices.
- **Governance and Ethics:** Strengthening ESG governance structures internally, promoting transparency and accountability at all levels.

A special focus has been placed on monitoring risks among our key suppliers, particularly with our major production partners in Bulgaria and logistics partners across Europe. Close dialogue, systematic risk assessments, and the right to perform audits help ensure that environmental and social standards are upheld throughout our value chain.

Moving forward, our sustainability due diligence framework will continue to guide our actions, ensuring that we address material risks proactively while contributing positively to society and the environment.





# ESG PERFORMANCE

In 2024, European House of Beds achieved a significant breakthrough in sustainability reporting by completing our internal Scope Calculator. This new tool provides a more transparent and accurate overview of our greenhouse gas (GHG) emissions across Scope 1, 2, and 3.

Compared to previous years, our reported emissions have increased. However, this increase is not due to a rise in actual emissions, but because we now have a much broader and more precise data foundation. Our previous reports were based on data available at that time, whereas the new Scope Calculator allows us to draw consistent and structured data directly from our ERP system. Also remembering that the numbers from 2023, are only for a 9 month period, due to the change in our fiscal year.

Additionally, we expanded the scope of our reporting to include distributor transport and employee commuting, which were not included in earlier years.

While our data is now much more consistent and reliable, we recognize that there are still minor gaps in our master data (e.g., weight details for some materials), which we are working actively to show a more accurate picture.

### Key Results:

- Electricity savings: In 2024, we achieved a 20% reduction in electricity consumption compared to 2023, reducing from 451.837 kWh to 362.367 kWh.
- Scope 1, 2, and 3 emissions: Updated results based on the expanded and improved dataset.

Key Indicator	2019/2020	2020/2021	2022/2023	2023	2024
<u>E1</u> Scope 1 emissions (ton CO2e)	275	230	181	105	230
<u>E2</u> Scope 2 location based emissions (ton CO2e)	72	86	84	39	32
<u>E3</u> Scope 2 market-based emissions (ton CO2e)	218	15	0	0	0

Key Indicator	2019/2020	2020/2021	2022/2023	2023	2024
<u>E4</u> Scope 3 emissions (ton CO2e)	10	3	7.340	5.032	10.413
<u>E5</u> Total emission (ton CO2e)	357	319	7.605	5.176	10.676
<u>E6</u> Recycling efficiency	72%	73%	81%	83%	84%
<u>S1</u> Attrition rate bluecollar (%)	17%	44%	117%	21%	26%
<u>S2</u> Attrition rate whitecollar (%)	13%	22%	44%	53%	41%
<u>S3</u> Lost Time Injury Rate (LTIR)	2.4	2.6	5.6	4.4	2.6
<u>S4</u> Sick leave (%)	3.3%	2.6%	5.2%	4.7%	5.8%
<u>S5</u> Customer retention rate (%)	-	-	95%	100%	95%
<u>G1</u> Gender diversity the board (%)	20%	20.0%	17%	17%	17%
<u>G2</u> Gender diversity management (%)	13%	123%	0%	22%	17%

To enhance transparency and comparability of our climate data, we have also calculated our total CO<sub>2</sub>e emissions per produced unit for 2024.

Based on our combined Scope 1, 2 and 3 emissions and total production volume, this corresponds to:

**48,52 kg. CO<sub>2</sub>e per produced unit**

This key performance indicator allows us to track progress over time and evaluate the impact of energy efficiency measures, green investments, and production improvements.

We expect this number to decrease in the coming years as we reduce emissions through initiatives such as the transition to electric vehicles and the installation of solar panels.

# DISCLOSURE ON CLIMATE-RELATED RISKS & OPPORTUNITIES

At European House of Beds, we actively monitor and manage climate-related risks and opportunities as part of our strategic ESG framework. Our approach is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), helping us integrate climate resilience into our business decisions.

In 2024, we updated our risk and opportunity mapping based on a broader analysis of Scope 1, 2, and 3 impacts, supplier assessments, and operational changes. The identified risks and opportunities are prioritized by their expected time horizon and potential materialization level.

## Key Climate-Related Risks:

- **Physical Risks:** Potential supply chain disruptions caused by extreme weather events.
- **Transitional Risks:** Regulatory changes such as CBAM and EUDR, as well as stakeholder expectations on ESG compliance.
- **Market Risks:** Increased demand for sustainable products and pressure to innovate.
- **Reputational Risks:** Stakeholder perception related to sustainability performance.
- **Technological Risks:** Competition from greener and more innovative industry players.

## Key Climate-Related Opportunities:

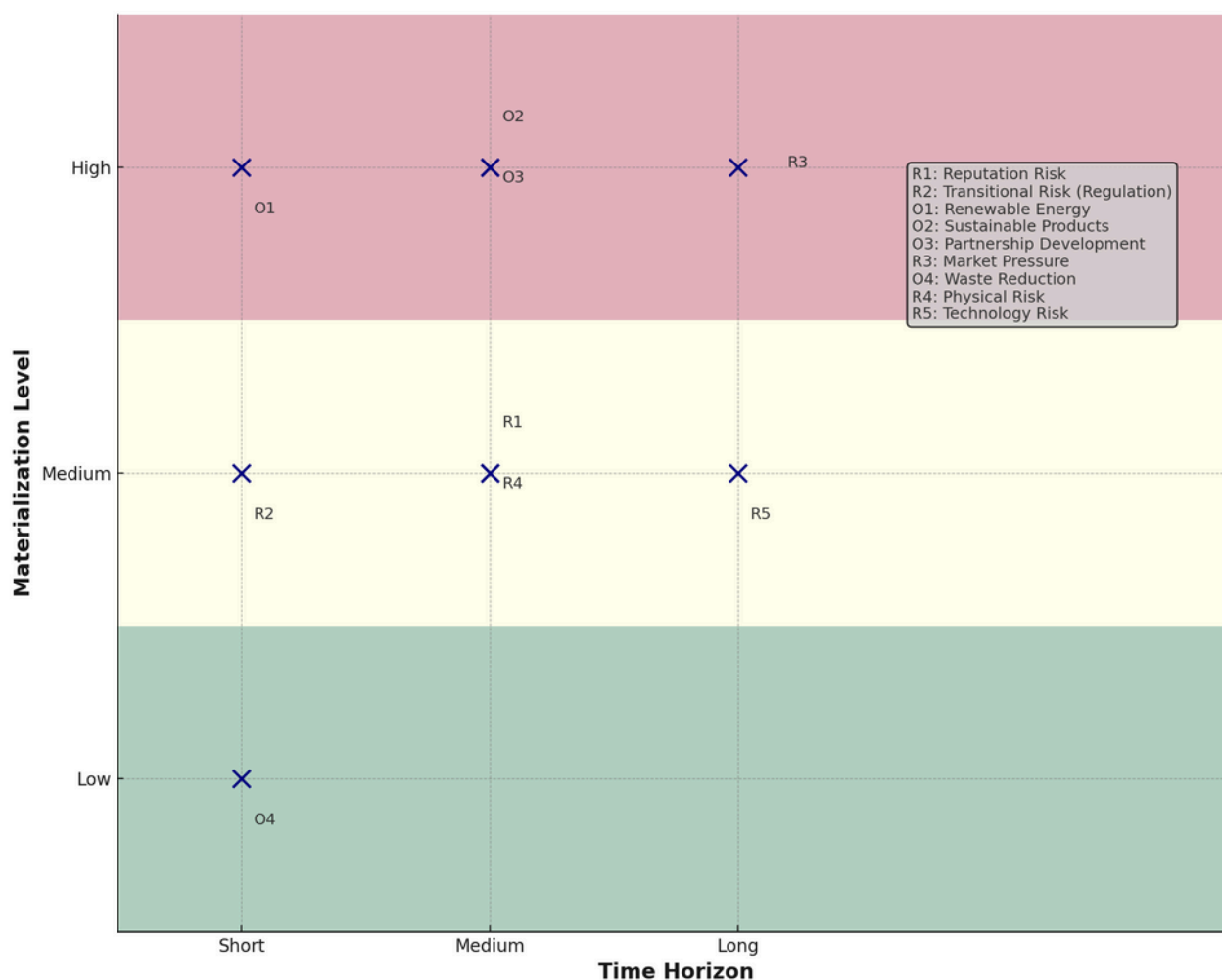
- **Product Innovation:** Development of low-carbon and circular economy product lines.
- **Energy Transition:** Reduction of energy costs and emissions through renewable energy investments (solar panels).
- **Operational Efficiency:** Improved recycling processes and reduction of production waste.
- **Supply Chain Collaboration:** Working with suppliers who share our sustainability vision.

Moving forward, we will continue to integrate climate considerations into our core strategy, monitor regulatory developments, and engage our entire value chain to strengthen resilience and capture emerging opportunities.

We also differentiate in the degree of materialization level for the individual risks. Specifically, whether it requires action now or is a development that must be monitored over time. We use the following definitions:

- **Short:** 0-2 years
- **Medium:** 3-5 years
- **Long:** 6-10 years
- **Low:** Not an immediate risk in the current situation, but must be monitored
- **Medium:** A clear trend or development that we keep a close eye on
- **High:** A current and ongoing development that requires our full attention

Our climate-related risks and opportunities are summarized in the matrix below, organized by time horizon (Short, Medium, Long) and materialization level (Low, Medium, High).



Topic	Impact on Environment	Impact on People
Material Sourcing	Deforestation, resource depletion	Supply chain labor conditions
Energy Consumption	Carbon emissions, climate change	Improved local air quality with clean energy
Waste and Recycling	Landfill use, resource loss	Workplace safety (handling waste materials)
Product Design (Circular Economy)	Reduced waste, better resource efficiency	Better recycling for customers
Employee Health and Safety	Low direct environmental impact	Safe and healthy working conditions
Transport and Logistics	Transport emissions (Scope 3)	Driver wellbeing and workload
Packaging	Plastic and material waste	Safer and easier product handling for employees



# INITIATIVES - ENVIRONMENTAL

At European House of Beds, we are committed to reducing our environmental footprint across all parts of our business.

In 2024, we launched and completed several key initiatives supporting this goal:

## **No. 01 – Energy and Emissions Reduction:**

- We achieved a 20% reduction in electricity consumption compared to 2023, cutting usage from 451.837 kWh to 362.367 kWh.
- We will change our heating source from gas to district heating in our main production facilities, expected to be fully operational by April 2025
- We began the installation of solar panels, expected to be fully operational by May 2025, further reducing reliance on fossil fuels.

## **No. 02 – Product Innovation and Sustainable Materials:**

- We continued the reduction of foam from our product lines, lowering embedded carbon footprints.
- We increased the use of recycled and certified materials, including FSC-certified wood and OEKO-TEX-certified textiles.

## **No. 03 – Circular Economy Initiatives:**

- Our recycling programs reached an 83% efficiency rate, covering paper, cardboard, plastic, and industrial waste.
- We initiated design improvements focusing on easy disassembly and recycling at end-of-life.

## **No. 04 – Scope 1, 2, and 3 Emissions Transparency:**

- We completed the development of a detailed Scope Calculator, enabling transparent and consistent carbon footprint reporting across our entire value chain.

# INITIATIVES - ENVIRONMENTAL

## Next Steps 2025

In 2025, we will continue to advance our environmental initiatives by:

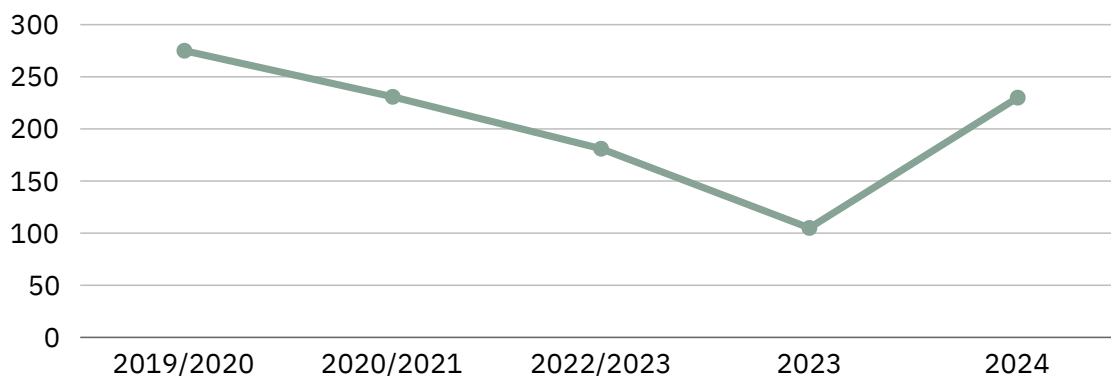
- Completing the commissioning of our solar panel installation and integrating renewable energy into our operations.
- Further reducing Scope 1 and Scope 2 emissions through electrification of the company car fleet.
- Expanding recycling programs to include additional waste streams and increasing our recycling efficiency beyond 85%.
- Increasing the share of recycled and certified sustainable materials in our product portfolio.
- Strengthening supplier engagement to promote lower carbon footprints and circular design principles across our value chain.

Our commitment remains focused on minimizing environmental impact, supporting climate action, and enabling more sustainable consumption patterns.

## E1 SCOPE 1 EMISSIONS (ton CO2e)



Year	2019/2020	2020/2021	2022/2023	2023	2024
KPI	275	231	181	105	230

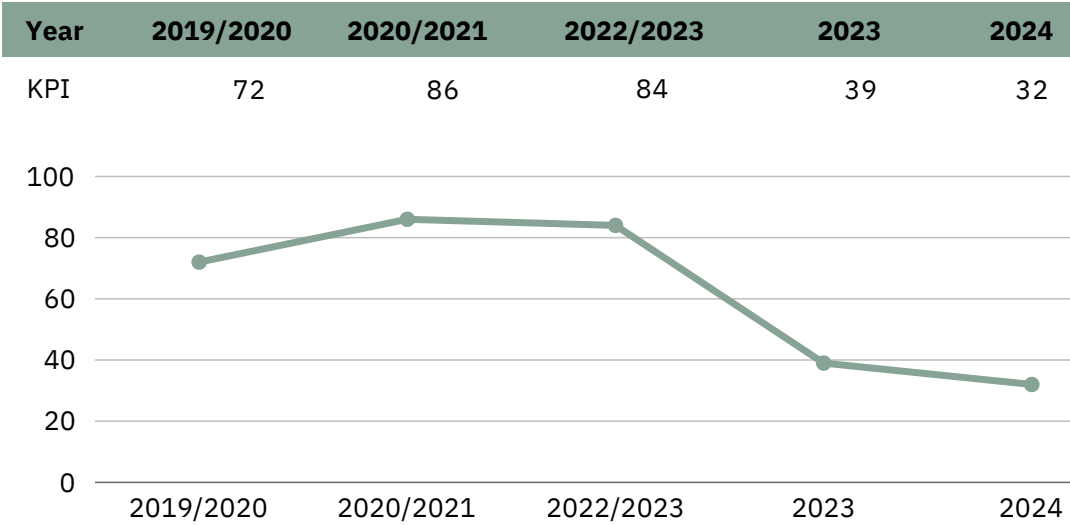


**Goal** - We have set the goal to reduce our total energy consumption from both electricity and heating by 30% by the end of 2024, using 2022–2023 as the baseline years.

**Status** - In 2024, we achieved a significant milestone by reducing our electricity consumption by 20% compared to 2023. While our Scope 1 emissions show an increase compared to previous reporting, this is primarily due to the completion of a full-year data collection using our new Scope Calculator. The improved data quality provides a much more transparent and complete overview of our actual emissions. The transition from gas heating to district heating in our main production facilities will also contribute to lower Scope 1 emissions moving forward.

**Future Action** - We are in continuous dialogue with the owner of our Horsens sites to transition the energy sources to greener solutions. Additionally, we have initiated the replacement of company cars with electric vehicles to achieve a further reduction in Scope 1 emissions. These initiatives will support our goal of consistently reducing direct emissions in the coming years.

## E2 SCOPE 2 LOCATION-BASED EMISSIONS (ton CO2e)



**Goal** - We have set the goal to reduce our total energy consumption from both electricity and heating by 30% by the end of 2024, using 2022–2023 as the baseline years.

**Status** - In 2024, our Scope 2 emissions are reported at 32,26 tons CO<sub>2</sub>e based on location-based accounting. This reflects emissions from the local electricity grid, despite all of our electricity being purchased as certified green energy through NRGi.

Under market-based accounting principles, our Scope 2 emissions would be close to zero. The change from previous reporting is due to the decision to disclose Scope 2 emissions based on both location-based and market-based methods for full transparency, in line with best practices under the GHG Protocol.

**Future Action** - To further secure our transition to renewable energy and reduce reliance on the grid, we have initiated the installation of solar panels at our Horsens facility.

The solar installation is planned for completion in May 2025 and will contribute significantly to further reducing our Scope 2 emissions in future reporting years

Note:

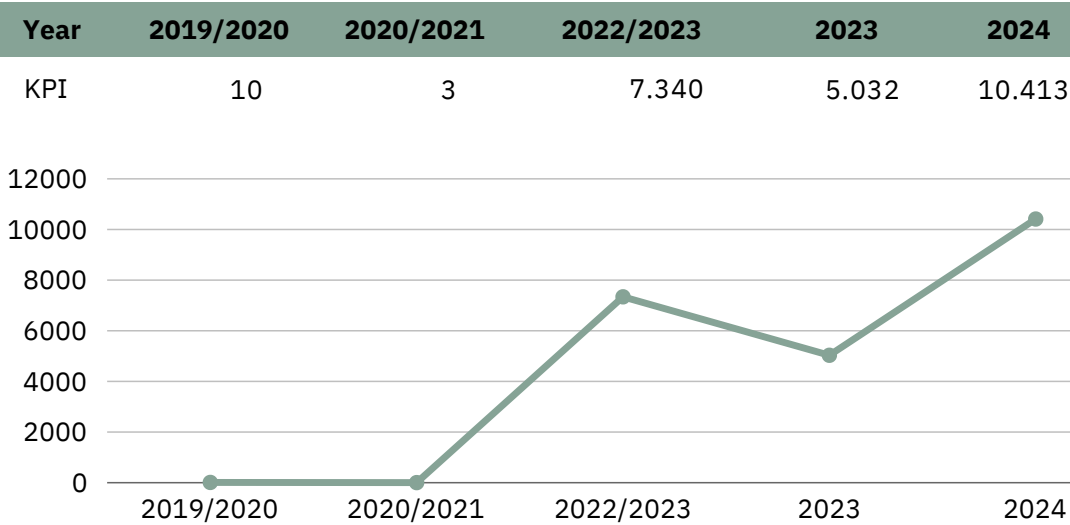
Scope 2 emissions are reported using the location-based method according to the GHG Protocol.

Although European House of Beds purchases 100% renewable energy through NRGi, emissions are calculated based on the average grid emission factors.

Under the market-based method, Scope 2 emissions would be close to zero.



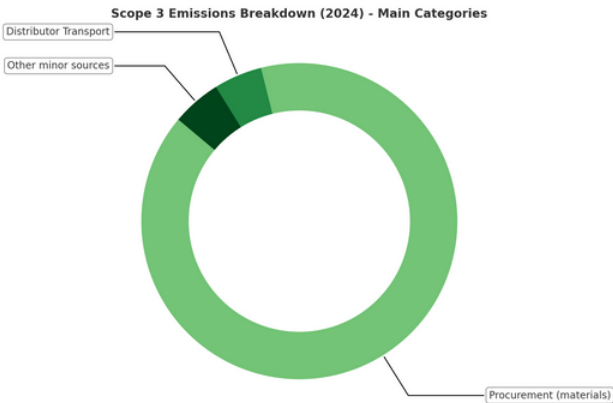
# E4 SCOPE 3 EMISSIONS (ton CO2e)



**Status** - In 2024, our reported Scope 3 emissions have increased significantly compared to previous years. This is primarily due to the inclusion of material procurement data in our calculations, covering major categories such as wood, aluminum, motors, cardboard, metal, plastic foil, and plastic. We expect our Scope 3 emissions figures to increase further over the next year, as we continue mapping and incorporating additional emission sources across our upstream and downstream value chain. The improvement in data transparency marks an important milestone towards full value chain accountability.

**Future Action** - For this report, we have successfully collected procurement data from key suppliers and included it in our Scope 3 emissions calculations.

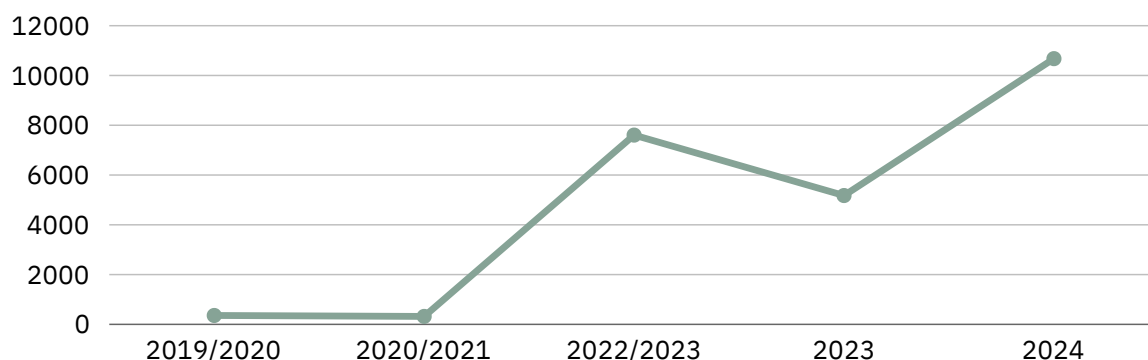
In the coming years, we aim to expand the Scope 3 boundary to include all remaining raw materials, product use, downstream logistics, and end-of-life emissions. This will allow us to achieve even greater completeness and consistency in our Scope 3 reporting, in line with best practices and emerging regulatory requirements.



## E5 TOTAL EMISSIONS (ton CO2e)



Year	2019/2020	2020/2021	2022/2023	2023	2024
KPI	357	319	7.604	5.176	10.676



**Status** - In order to deliver stronger results for this year's report, we have chosen to widen our set of data parameters. Due to this broader focus, our total GHG emissions have changed in character, particularly showing higher levels of Scope 3 emissions. The increase is a natural consequence of including more comprehensive data, covering material procurement, distributor transport, employee commuting, and other upstream activities. We expect the reported emissions to increase further in next year's report, as we are continuing to map additional parts of our value chain and have started collecting detailed data from all suppliers.

**Future Action** - Our ambition is for the data provided in our Sustainability Report for 2025/2026 to fully reflect the total GHG emissions of the company.

The next step will be to expand Scope 3 reporting to include downstream activities, such as product use, downstream transport, and end-of-life treatment.

This will allow us to calculate and disclose the complete carbon footprint of our organization, in alignment with leading reporting standards and stakeholder expectations.

A key indicator is to include correct weight data on all data from our ERP, which will give a more accurate Scope 3 result.

# MATERIAL SOURCING AND PRODUCT DEVELOPMENT



At European House of Beds, we recognize that responsible material sourcing and sustainable product development are critical to minimizing our environmental impact.

In 2024, we strengthened our efforts by focusing on the following key areas:

## **Sustainable Material Sourcing:**

- We increased the share of FSC-certified wood in our products, supporting responsible forestry practices.
- We continued to prioritize OEKO-TEX-certified textiles, ensuring that fabrics meet strict human-ecological requirements.
- We initiated collaboration with suppliers to improve data transparency on the carbon footprint of purchased goods, particularly focusing on wood, metals, plastics, aluminum, and motors.

## **Product Development Innovations:**

- We further developed products with lower CO<sub>2</sub>e footprints by reducing the use of foam and increasing the use of recyclable materials.
- We integrated circular design principles, focusing on easier product disassembly and recycling at end-of-life.
- We worked towards alignment with recognized standards such as the Global Recycled Standard (GRS) for products incorporating recycled content.

## **Focus on Circular Economy:**

- Our product development team is actively working to increase the proportion of recyclable and recycled materials in upcoming product lines.
- We continued to engage our value chain partners to support more sustainable production and packaging solutions.

By improving the way we source and design our products, we contribute to a more circular economy and position European House of Beds as a more climate-friendly and responsible business.

# CARBON FOOTPRINT CALCULATOR

In 2024, European House of Beds reached a major milestone by developing and implementing an internal Carbon Footprint Calculator.

The tool enables us to measure the CO<sub>2</sub>e emissions of our production processes on a product-specific level, starting with a pilot calculation for a selected box mattress.

The Carbon Footprint Calculator was designed in accordance with the GHG Protocol Product Standard and will later be fully integrated into our ERP & WMS systems to ensure seamless and consistent data management.

Our method focuses initially on Scope 1, 2, and Scope 3 upstream emissions related to raw materials. Over time, we aim to expand the calculator to include downstream emissions such as distribution, use phase, and end-of-life treatment.

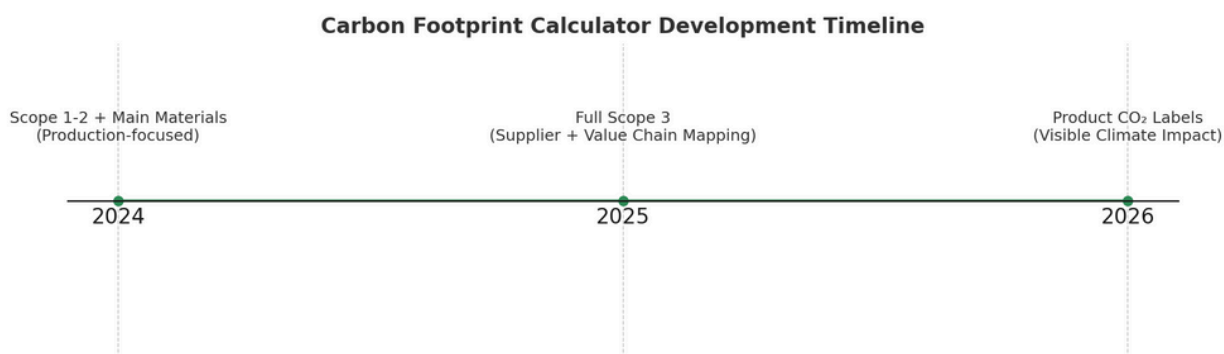
## Key Objectives:

- Increase transparency and consistency in emissions reporting
- Strengthen supplier engagement on carbon data
- Support product innovation by enabling CO<sub>2</sub>e labeling of products
- Prepare for future regulatory requirements under CSRD and ESRS

## Future Action:

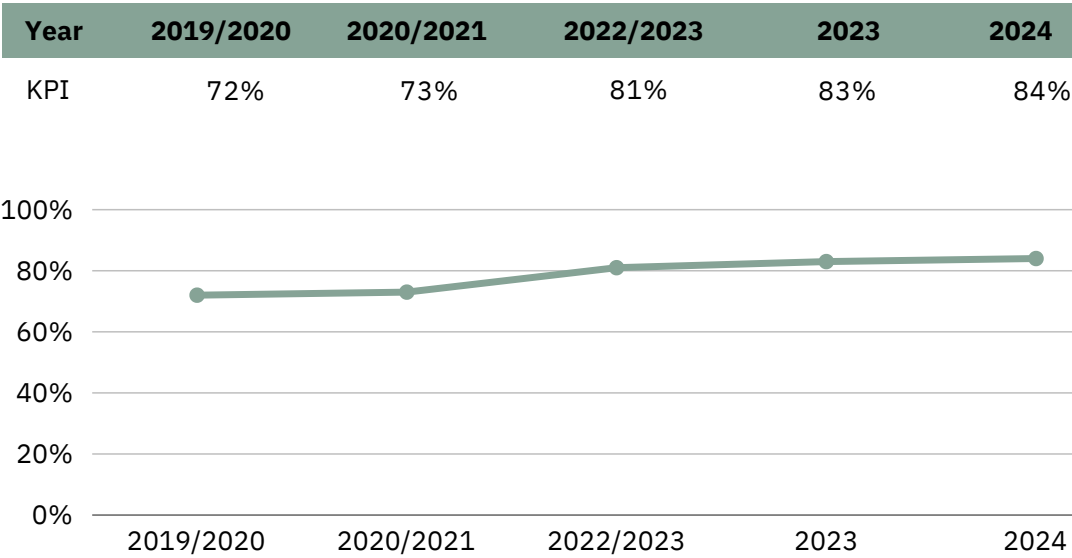
In the coming years, we will gradually extend the Carbon Footprint Calculator to cover all materials used across our product portfolio and include full Scope 3 value chain emissions.

Our ambition is to provide a transparent and consistent view of the climate impact of our products — and empower better decision-making for customers, partners, and internal teams.





# E6 RECYCLING EFFICIENCY



**Status** - In 2024, our recycling efficiency continued to improve as we identified and implemented more recycling solutions for packaging waste and leftover materials from production. We have made progress in increasing the share of materials that are diverted from landfill by focusing both on incoming packaging (from materials and components) and internal production waste.

**Future Action** - Moving forward, we are recycling the following material streams from our packaging and production:

- Cardboard
- Plastic folie
- Wood
- Metal

Additionally, foam leftovers and cutoffs are collected and sent back to our suppliers for recycling, ensuring circular handling of one of the major production residuals. Our ambition is to continue expanding the number of material types recycled, optimize waste separation processes, and further increase overall recycling efficiency in the coming years.

# PACKAGING

In 2024, European House of Beds continued to improve the environmental performance of our packaging.

Our focus was on increasing the recyclability of incoming and outgoing packaging materials, while simultaneously reducing the overall use of non-sustainable packaging components.

## Key Actions Taken:

- We prioritized the use of FSC-certified cardboard for outer packaging.
- We worked closely with suppliers to minimize plastic packaging and replace it with more sustainable alternatives where possible.
- We improved waste separation systems in our facilities to ensure that cardboard, wood, metal, and plastic foil are properly sorted and sent for recycling.

## Foam Packaging Recycling:

- Foam leftovers and packaging materials are collected and returned to our suppliers for recycling, supporting a more circular handling of production and packaging residuals.

## Future Action:

Moving forward, we aim to further optimize our packaging by:

- Reducing the use of mixed-material packaging (e.g., combining plastic and cardboard).
- Increasing the share of packaging made from recycled content.
- Encouraging suppliers to adopt more sustainable packaging practices in line with our sustainability strategy.



# TRANSPORT AND LOGISTICS

In 2024, European House of Beds strengthened its focus on reducing the environmental impact of our transport and logistics operations.

## Key Actions Taken:

- We mapped emissions from distributor transport as part of our Scope 3 calculations for the first time, ensuring more complete climate reporting.
- We began planning the transition of our company car fleet towards electric vehicles (EVs), with the first replacements 2024.
- We continued optimizing shipment planning to reduce the number of trips and maximize vehicle loading efficiency.

## Supplier Engagement:

- We have increased dialogue with our logistics partners to encourage the use of more sustainable transport options, including eco-driving initiatives and low-emission vehicles where possible.

## Future Action:

Moving forward, we aim to:

- Complete the transition to an electric/hybrid company car fleet by 2026.
- Further collaborate with logistics partners on emissions reduction initiatives.
- Explore opportunities to consolidate shipments and optimize warehouse-to-customer distribution routes to lower our Scope 3 transport footprint.



# INITIATIVES - SOCIAL

At European House of Beds, the wellbeing, safety, and engagement of our employees are essential pillars of our overall sustainability strategy.

In 2024, we intensified our efforts to create a safe, healthy, and supportive working environment through several key initiatives:

## **Annual Workplace Assessment (APV):**

- We conducted our annual APV, achieving a 74% participation rate, up from 63% previously.
- Results showed improvements in several areas, including fewer severe negative responses compared to earlier years.
- No incidents of harassment or discrimination were reported, reflecting a positive and inclusive workplace culture.

## **Focus Areas for Improvement:**

- Addressing ergonomic challenges in both administration and production through better equipment and lifting techniques.
- Enhancing indoor climate control by improving temperature regulation and ventilation systems.
- Reducing physical strain through potential fitness initiatives and improved workstations.
- Expanding safety measures with better signage, maintenance reporting systems, and protective gear such as high-visibility vests.

## **Employee Health and Safety:**

- New lotion stations were introduced to address dry skin issues among production staff.
- A new centralized maintenance email system was launched to make it easier for employees to report hazards or maintenance needs.

## **Diversity and Inclusion:**

- We continue to ensure a non-discriminatory work environment, supported by clear policies and strong workplace culture.

## **Future Action:**

Moving forward, we aim to:

- Further enhance ergonomic support in both office and production environments.
- Strengthen psychological wellbeing programs focusing on stress management and mental health.
- Continue conducting yearly APV surveys to track improvements and set new targets for employee engagement and wellbeing.



# EMPLOYEE SATISFACTION AND RETENTION



At European House of Beds, employee satisfaction and long-term retention are key focus areas that directly impact the success and resilience of our business.

In 2024, we strengthened our approach to employee engagement and workplace improvements through several initiatives:

## **Employee Satisfaction Survey (APV) 2024:**

- We achieved a 74% participation rate in our annual workplace assessment, a significant improvement from 63% in the previous year.
- Survey results showed a generally positive work environment, with no reported incidents of harassment or discrimination.
- Employees highlighted areas for improvement related to ergonomics, indoor climate, and psychological workload, providing valuable input for future initiatives.

## **Retention Efforts:**

- We launched new programs to improve ergonomics, including plans to invest in better workstations and lifting equipment.
- Maintenance systems and safety reporting processes were updated to increase responsiveness to employee needs.
- Wellbeing initiatives, such as lotion stations and better ventilation planning, were introduced to support physical health, especially in production areas.

## **Workplace Culture:**

- We continue to foster a respectful, inclusive, and supportive work environment across all locations.
- Leadership teams are actively involved in promoting open dialogue and fast follow-up on employee feedback.

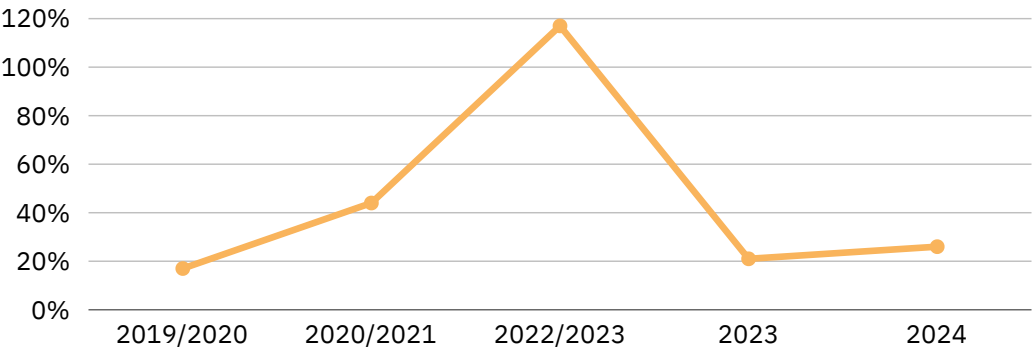
## **Future Action:**

Moving forward, we aim to:

- Conduct regular pulse surveys to track employee satisfaction more frequently throughout the year.
- Strengthen leadership training programs to better support psychological wellbeing.
- Implement additional initiatives aimed at retaining employees, including recognition programs and career development support.

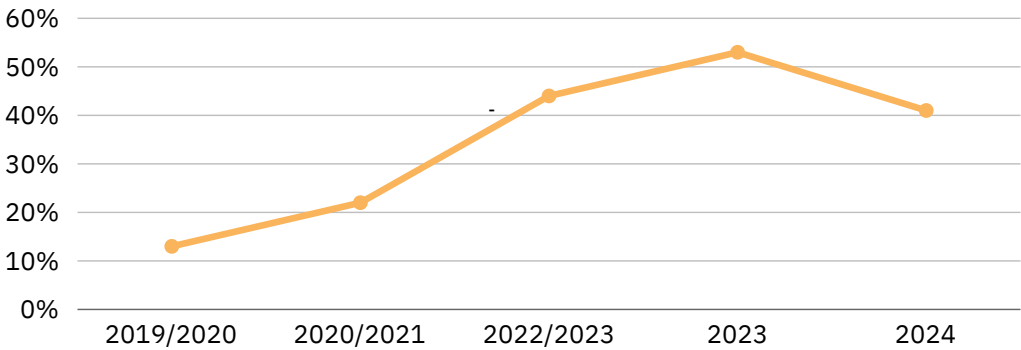
## S1 ATTRITION RATE BLUE-COLLAR (%)

Year	2019/2020	2020/2021	2022/2023	2023	2024
KPI	17%	44%	117%	21%	26%

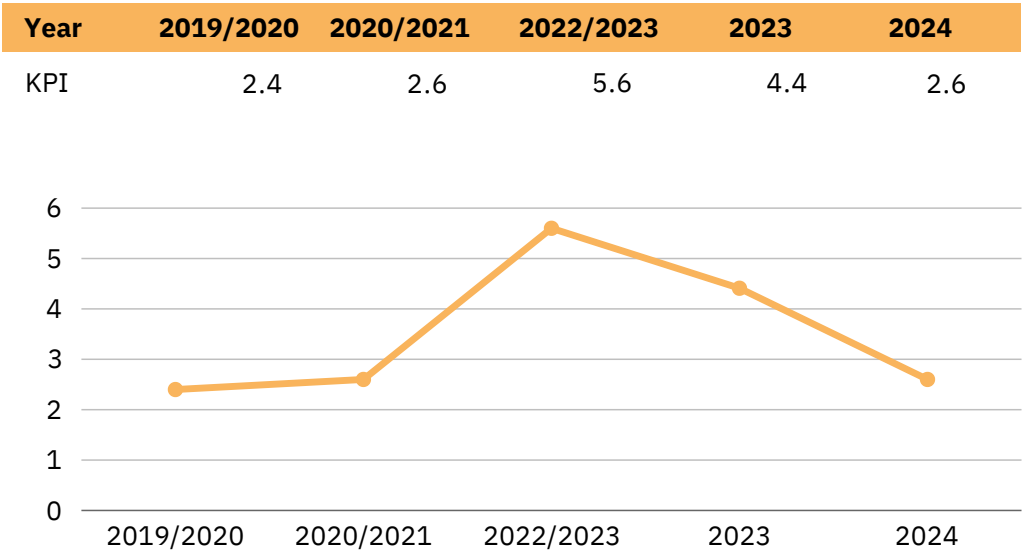


## S2 ATTRITION RATE WHITE-COLLAR (%)

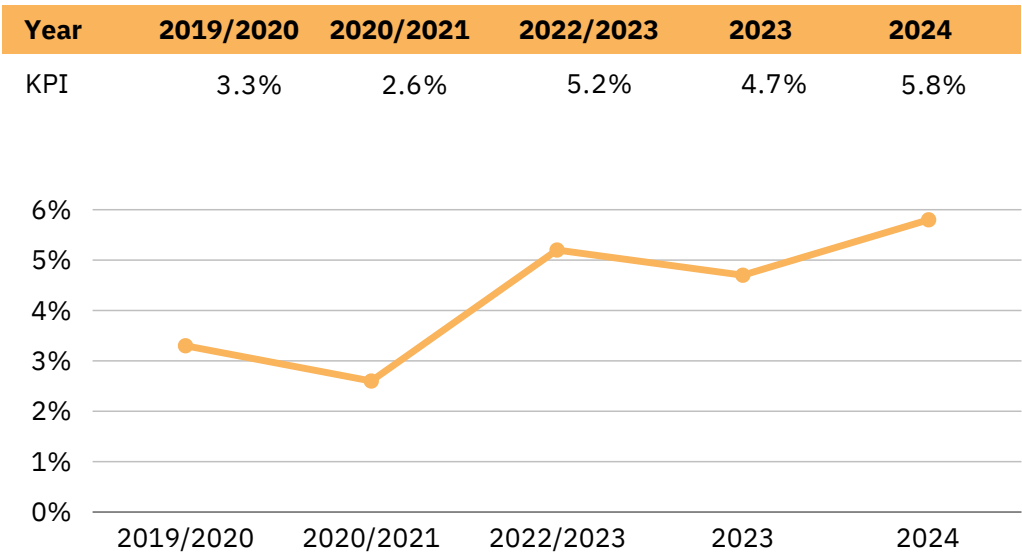
Year	2019/2020	2020/2021	2022/2023	2023	2024
KPI	13%	22%	44%	53%	41%



### S3 LOST TIME INJURY RATE (LTIR)

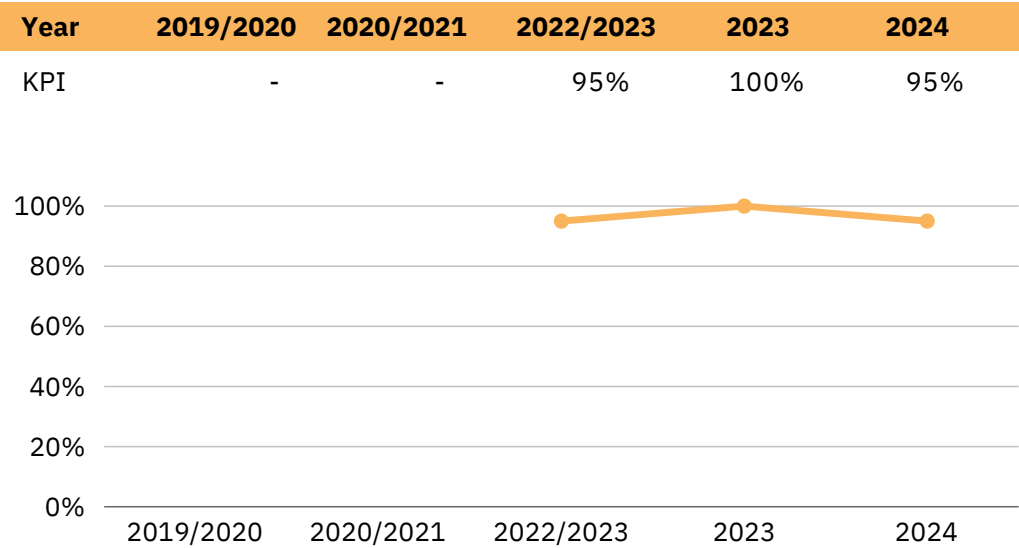


### S4 SICK LEAVE (%)



- **Status** - Lost time injury rate have decreased, which is very positive. There's an increase in sick leave % which needs to be worked with.
- **Future action** - The goal will be to keep the LTIR as low as possible, and over all decrease the sick leave % to around 4% in total.

## S5 CUSTOMER RETENTION RATE (%)



**Status** - In 2024, our customer retention rate was 95%, reflecting a slight decrease compared to the previous year. Although our retention rate dropped from 100%, we view 95% as a strong result in a competitive market and a sign of the continued trust our customers place in European House of Beds. We continuously track customer satisfaction through regular feedback and proactive dialogue, allowing us to quickly identify and act on opportunities to improve our service offerings and customer relationships.

- Future Action** - Our ambition remains to maintain a high retention rate close to 100% by:
- Strengthening partnerships with existing customers through enhanced collaboration and service.
  - Further aligning our solutions with customer needs, especially with a stronger focus on sustainability and innovation.
  - Acting swiftly on customer feedback to prevent dissatisfaction and improve experiences.

We are committed to being the preferred long-term partner for our customers by delivering high-quality, reliable, and sustainable solutions.

# INITIATIVES - GOVERNANCE

In 2024, European House of Beds further strengthened its governance structure to better integrate sustainability principles into business operations.

## **Key Actions Taken:**

- Responsibility for ESG, including strategy development and reporting, was formally assigned to a dedicated Head of ESG, ensuring direct management oversight and stronger accountability.
- Sustainability was fully anchored in our company vision and strategy, marking a major cultural and operational shift.
- We strengthened our supplier engagement practices by enforcing our Code of Conduct across the first line of suppliers, ensuring compliance with human rights, environmental, and ethical standards.
- We improved data collection processes for Scope 1, 2, and 3 emissions to comply with emerging reporting requirements under CSRD and ESRS.

## **Regulatory Compliance:**

- We initiated preparations for compliance with key regulations and standards, including:
  - CBAM (Carbon Border Adjustment Mechanism)
  - GPSR (General Product Safety Regulation)
  - FSC, OEKO-TEX, and GRS certifications
  - BSCI and BEPI membership and audits
- We enhanced our due diligence systems to better map risks in our supply chain, aligned with global sustainability frameworks.

## **Future Action:**

Moving forward, we aim to:

- Finalize CSRD readiness and ensure full compliance by 2025.
- Expand our double materiality assessment across environmental, social, and governance dimensions.
- Strengthen governance training for leadership and employees to embed sustainability deeper into decision-making processes.
- Enhance monitoring systems for supplier compliance and risk mitigation across the full value chain.

# STAKEHOLDER ENGAGEMENT - GOVERNANCE

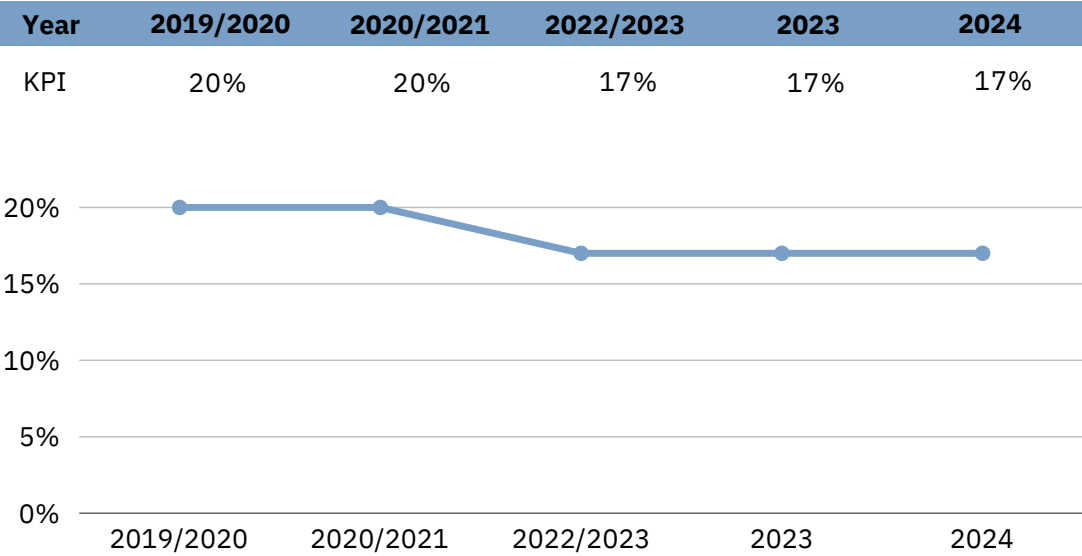
At European House of Beds, we recognize the importance of active stakeholder engagement in achieving our sustainability goals.

In 2024, we strengthened collaboration with our key stakeholders through:

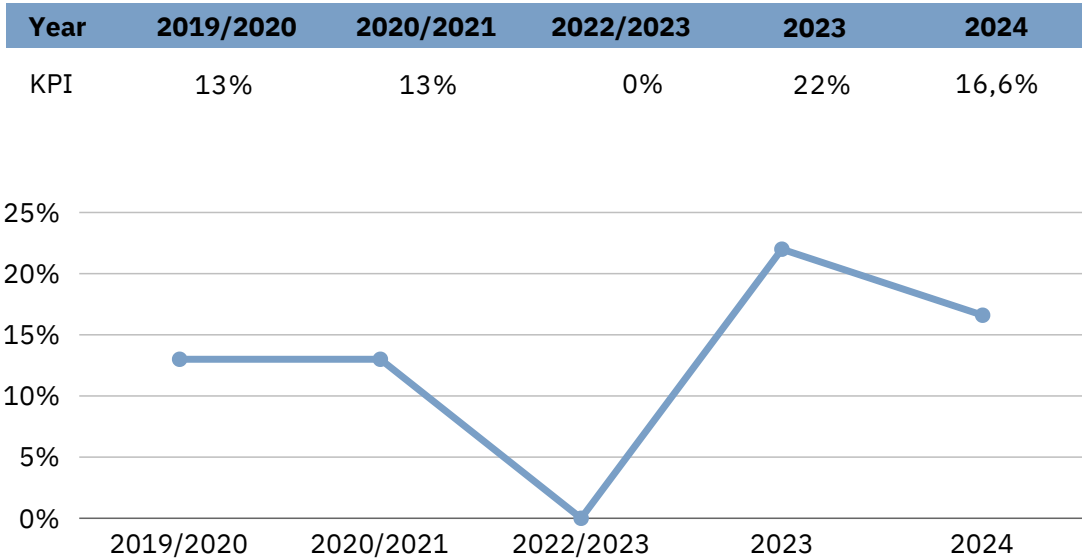
- Suppliers: Implementing our Code of Conduct, increasing dialogue on emissions data, and working together on sustainable sourcing practices.
- Customers: Regularly collecting feedback to ensure that our sustainability initiatives align with customer expectations and market demands.
- Employees: Engaging employees through our annual APV survey, continuous feedback mechanisms, and health and safety initiatives.
- Industry Networks: Maintaining active memberships in BSCI and BEPI to strengthen supply chain transparency and responsible business practices.

We will continue to build strong relationships with our stakeholders to drive progress, innovation, and shared success on our sustainability journey.

# G1 GENDER DIVERSITY ON THE BOARD (%)



# G2 GENDER DIVERSITY IN MANAGEMENT (%)



**Status** - The percentage of gender diversity within management has decreased. The board remains the same, and therefore this is not likely to change.

**Future action** - European House of Beds will keep working towards more diversity, but will also choose the best suiting applicant, regardless of diversity.



# ANCHORING IN MANAGEMENT AND BUILDING OF STRONG PARTNERSHIPS



In 2024, European House of Beds made significant progress in anchoring sustainability at the management level and fostering stronger partnerships across the value chain.

## **Anchoring in Management:**

- Sustainability was formally integrated into our corporate vision and strategy, signaling a company-wide commitment.
- A dedicated Head of ESG role was established, ensuring that ESG considerations are embedded in management decisions and strategic planning.
- Sustainability initiatives are regularly discussed and prioritized at management team meetings, highlighting the importance of ESG in our long-term business success.
- Progress on key ESG goals, including emissions reductions and supplier engagement, is tracked and reported directly to senior leadership.

## **Building Strong Partnerships:**

- We strengthened collaboration with key suppliers by implementing a Code of Conduct, which emphasizes environmental responsibility, human rights, and ethical business practices.
- We increased supplier engagement by initiating dialogues on emissions transparency, responsible sourcing, and future sustainability goals.
- We maintained and strengthened partnerships through our memberships in BSCI and BEPI, supporting supply chain due diligence and climate action initiatives.
- With customers, we foster open dialogue and collaboration on sustainability needs, positioning European House of Beds as a trusted partner in their own ESG journeys.

## **Future Action:**

- Deepen integration of sustainability in all strategic management processes.
- Strengthen supplier assessments and partnerships based on ESG performance.
- Expand collaboration initiatives with customers, suppliers, and industry groups to drive innovation and shared climate goals.

### **Building Strong Partnerships Flow**



# Accounting method

Key Indicator	Accounting method (Scope, definitions and calculations)
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Overall remarks on accounting method: For the current report, Klimakompasset of the Ministry of Business has been used for calculating CO2 emissions. European House of Beds financial year 2024 runs from January 1st 2024 - December 31st 2024. However, Klimakompasset uses only full year emission factors. The factors behind current report are from 2023. As emission factors tend to fall over time, the method can be said to be conservative.

Scope 1 emissions	The year's total consumption of gas (M3), diesel and petrol (liter) has been entered into Klimakompasset.dk. Business travel by air includes RFI.
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Scope 2 emissions	The year's total electricity consumption in kWh has been entered. As European House of Beds has acquired certificates to secure 100% wind energy as source, emission add up to 0. Principle is Market Based Method.
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Scope 3 emissions	Our calculations in Scope 3 include business airtravel, wood, metal, cardboard, foil and plastic. For next report, we will work hard to include additional materials such as polyurethan foam, latex, textiles as well as transport in and out.
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Recycling efficiency	<p>The recycling efficiency shows the company's ability to sort waste so that the individual fragments can be reused as opposed to incineration.</p> <p><b>Recycling efficiency:</b></p> $\frac{\text{Waste sent for recycling (kg)}}{\text{Total amount of waste (kg)}}$
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## Gender diversity

Gender diversity is calculated at two levels and represents the proportion women make up of the total group.

### **Gender diversity on the board:**

$$\frac{\text{Female member on the board at the end of the financial year}}{\text{All members of the board at the end of the financial year}}$$

### **Gender diversity in management:**

$$\frac{\text{Female managers in the company at the end of the financial year}}{\text{All managers in the company at the end of the financial year}}$$

## Attrition rate

The attrition rate shows how many people resign or are terminated during a financial year.

### **Attrition rate:**

$$\frac{\text{Number of people who resigned or were dismissed from their position during the year}}{\text{Average number of employees during the year}}$$

## Lost Time Injury Rate

The LTIR rate shows how many injuries the company has per 100 working years of 2.000 hours.

### **LTIR:**

$$\frac{\text{Number of injuries per financial year X 200.000 hours}}{\text{Total working hours per financial year}}$$

## Sick leave

Sick leave shows how many days of illness the company's staff have had in relation to the number of working days performed a 7.4 hours.

### **Sick leave:**

$$\frac{\text{Days with sick leave}}{\text{Days*) with attendance}}$$

\*) Number of days is calculated as hours worked divided by 7.4.