

GUBI

CSR Report 2020



3	A New Journey Begins
4	GUBI Company Profile
7	Our Mission
8	GUBI + The UN Global Compact
11	Our Sustainable Development Goals (SDG)
12	GUBI: A Great Business Partner and a Great Place to Work
15	GUBI's Current Code of Conduct
16	GUBI: An Innovative Company Investing in a Circular Economy
19	Materials Matter
20	GUBI: A Responsible and Respectful Company
22	Beetle For Life
25	Progress Report
26	Moving Forward

Since GUBI was founded in Copenhagen in 1967, our company has always been guided by a vision to push boundaries, challenge the status quo, and be a different kind of design Danish brand. Today, though we are still very much a family business rooted in the Scandinavian tradition, the GUBI name has earned the respect of customers around the world and our products are sold in more than 75 countries. We are proud to say that we have come a long way in the last 53 years. And yet, we believe that we still have a long way to go.

In order for GUBI to integrate sustainability as a core value, we have committed to revisiting every stage of our production process—from the concept phase to material sourcing to shipping and sales. We believe that now is the time to become more holistic in our thinking, more strategic in our processes, and more intentional in how we dialogue with our suppliers, partners, and customers. In short, we believe that it is once again time to challenge the status quo.

In the pages that follow, we have outlined a new strategy for how we believe we can reach our sustainability goals. At the heart of this strategy are two measurable standards that support the UN Global Compact: (1) a redefined GUBI Code of Conduct that enhances our ability to be a more responsible business partner and an even better place to work, and (2) an elevated emphasis on refining all of our processes, so that more and more of our products are created in a responsible, circular fashion.

As we look to the future, we know that we have much to learn, but we are committed to growing as individuals, as a company, and as a member of the global design community. This is the beginning of a new journey here at GUBI, but, striving to do more good for people and for the planet is a value that has long been at the heart of GUBI's mission to not only craft great products, but to tell great stories as well.

This is a journey that will certainly lead us into challenging and exciting new territory, but it is a journey that we believe is absolutely essential.



GUBI CEO Kenni Riise

GUBI Company Profile

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

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

Based in Copenhagen's docklands, GUBI HQ spans a 2,000-square-metre space in a former tobacco factory, renovated into an expansive, modern loft showroom. The GUBI Flagship Store is a 400-square-meter visual design universe located in the heart of Copenhagen's shopping district. Both locations are carefully curated and provide an atypical, colourful and evocative backdrop for the mainstay of GUBI's Collection. Robert Dudley Best's Bauhaus-inspired Bestlite Lamp, originally designed in 1930, sits comfortably alongside GamFratesi's iconic 2013 Beetle Chair.

The GUBI Chair – designed in collaboration with Komplot Design in 2003, the first of its kind to use three-dimensional veneering technology, and now part of MOMA's permanent collection – complements future design icons such as GamFratesi's Epic Collection and Space Copenhagen's Stay Collection.





Our Mission

At GUBI, we aspire to challenge the status quo in everything we do. By nurturing a company-wide culture of respect, inclusion, and excellence, we are creating thoughtful, iconic design objects imbued with meaningful stories and crafted to last a lifetime.

GUBI + The UN Global Compact

Since 2019, GUBI has been a part of the UN Global Compact and is committed to Compact's 10 principles for responsible business operations. Focus areas of the Global Compact are: human rights, labour rights, the environment, and anti-corruption.

THE 10 PRINCIPLES OF THE UN GLOBAL COMPACT

Human Rights

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

Labour

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

The Environment

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

Anti-Corruption

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






Our Sustainable Development Goals (SDG)

GUBI is committed to the UN's Sustainable Development Goals (SDG). As a tool for improving global business practices at every level, these practical goals are a blueprint to achieve a better and more sustainable future for all.

At GUBI, we have selected three focus areas for our SDG strategy:

8 DECENT WORK AND ECONOMIC GROWTH
 Decent Work and Economic Growth

11 SUSTAINABLE CITIES AND COMMUNITIES
 Sustainable Cities and Communities

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Responsible Consumption and Production

Moving forward, these three goals will act as a guide for GUBI's CSR strategy and all corporate sustainability initiatives. For each of the three prioritized goals, we have laid out a 3-year timeline and established specific, measurable initiatives to support each goal.

Each year, GUBI will report progress on each of our sustainable goals and projects and update our sustainability initiatives accordingly.



GUBI + AXCEL

GUBI is owned, in part, by the Copenhagen-based private equity firm Axcel, who has been a member of the UN Global Compact since 2010. In addition, Axcel is aligned with the UN Principles for Responsible Investment (PRI). With Axcel as our primary owner, GUBI complies with their CSR policies.

GUBI: A Great Business Partner and a Great Place to Work

In support of SDG 08: Decent Work and Economic Growth

Making a Positive Impact

GUBI products are produced and sold throughout the world. Because of this, we are deeply committed to making a positive impact wherever we can: in our own offices, in the local communities where our products are manufactured, and in the general environmental footprint that our processes create.

Our Suppliers and Partners

Guided by the UNGC, the GUBI Code of Conduct (COC) promotes Human Rights, transparency, and anti-corruption laws within our supply chain. As of 2020, all of our OEM suppliers have signed this document, pledging to uphold the standards for fair and ethical practices that GUBI demands. Over the next two years, we have made plans to further increase our supply chain transparency with each of our partners and sub-suppliers.

Our Employees

We want GUBI to be a great place to work, a place where our employees' skills and creativity can thrive in a safe, stable, fair, and inclusive work environment. Our employees have pledged to uphold the COC standards detailed in our employee handbook and which are aligned with Danish workers' rights.

Our Next Step

An Improved Code of Conduct: In 2020, GUBI will revise our Code of Conduct, to make it both more comprehensive and more effective in promoting fair and ethical standards for all of our business initiatives, both internally and externally. The new version of this COC will more closely follow the UN Global Compact principles and will incorporate other frameworks like SGD and ESG Goals into our overall CSR strategy. The new GUBI Code of Conduct will further elevate our standards for transparency among partners, raw material sourcing, OEM suppliers, and will award employees, suppliers, and stakeholders that comply accordingly.





GUBI's Current Code of Conduct

In support of SDG 08: Decent Work and Economic Growth

Best Practices

GUBI always pursues a fair competition policy and sales strategy, ought to be worth with suppliers, customers and competitors. It is strictly forbidden to entertain relationships with them by GUBI employees with the sake of an economic reward. Any gift exceeding a reasonably low value shall then be always rejected. Cash payments to suppliers are prohibited unless agreed in advance. Regarding public administration, no corruption, bribes, making procedures faster.

Employees Care

Employees are expected to interact with anyone linked to the company in a fair and respectful manner, considering as despicable whatever discrimination based on, for instance, race, gender or religion, together with sexual harassments. Respecting each colleague's dignity must be a fundamental feature in professional relationships, avoiding any offense by person or online.

Compliance With Human Rights

GUBI convincingly complies with principles stated in the UN Global Compact. Our business actively respect and promote the set of internationally proclaimed human rights, standing against any kind of their abuse such as the exploitation of forced, compulsory or child labor. Employees own freedom of association and recognition of collective bargaining, with organizations allowed to carry out tasks without neither pressure nor interferences.

Compliance With Environment

Our business is committed in undertaking any precaution to preserve the environment, implementing risk assessment and risk management to tackle its challenges. Furthermore, GUBI pursues a strategy aimed at promoting environmental responsibility to a higher extent, supporting the development of friendlier technologies eventually fulfilling society expectations.

Confidential Data

Critical information and confidential data are to be treated with awareness and minding any mandatory agreement. Avoidance of disclosure of intellectual and industrial properties or rights with whatsoever aim, no matter to which company's function is related.

GUBI: An Innovative Company Investing in a Circular Economy

In support of SDG 11: Sustainable Cities and Communities

Designed For Life

At GUBI, we carefully consider the entire life cycle of the products we make; from the raw materials we source, to the production methods being used, to how products are packaged, shipped, and sold, and how our products will be disposed of or recycled at the end of their useful life.

In order to minimize the amount of waste being added to the global waste stream, we strive to make quality products that can be disassembled into their individual material parts, and, thus, disposed of responsibly. This way, metals, plastics, and glass can easily be recycled by customers.

Currently, about 30% of GUBI's products can be disassembled and disposed of in this way. Moving forward, our internal product development team (in partnership with our CSR team) has committed to increasing this percentage over the next three years while, at the same time, finding creative new ways to create more sustainable products, reducing waste throughout the process, and becoming more circular in everything we do.

Additionally, GUBI has strategically designed all of our products to be "flat packed," as much as possible, to reduce the use of packing materials and space (and therefore energy). Most of GUBI's packaging is cardboard—a material that is easy to sort and recycle—though we also use a small amount of single-use plastics and polystyrene to ensure safe delivery of the product (in the future, we plan to phase out the use of these and replace with greener solutions).

Our Next Steps

1. Increased Circularity: At GUBI, we are committed to the idea of design and production circularity. This means incorporating more recycled materials into our collections and making it easier to recycle our products (or parts of our products) when they reach the end of their useful life. "Thinking circular" also means finding new ways of thinking about our relationships with customers by offering them sustainable options for how to repair / reuse our products when they are no longer new. For example, we are beta testing an initiative that will allow customers to easily replace the upholstery of our most popular chair, the "Beetle Chair," thus extending the product's useful life and reducing waste.

2. Reduce Single-Use Plastics: In the future, we are committed to eliminating the use of all single use plastics from our production and packaging. By 2021, we aim for all new projects to be launched with responsible and recyclable packaging.





The primary materials used in our production are: wood, steel, aluminum, textiles, leather, polypropylene, and polyurethane foam. We prioritize high quality materials and require the use of sustainable best practices from our suppliers and their sub-suppliers. GUBI's in-house CSR team works continuously to set new goals related to materials sourcing.

Wood and Veneers

As part of our ongoing sustainability strategy, GUBI continuously increases its standards in the sourcing, processing, and finishing of wood components. As part of our ongoing CSR strategy, we want our production of wood and veneers to be FSC, TSCA and CARB II certified. We aim to accomplish that by the end of 2021. Currently, more than 80% of our solid wood and veneer products are made of sustainable and traceable FSC certified Oak and Ash wood. 100% of our wood products are manufactured to comply with EUTR. Our veneered products comply with strict regulations regarding formaldehyde emission standards. Production of many pieces in our classic furniture collection—including Beetle, Masculo, Gascoin and Gent—has been updated to comply with FSC standards.

Steel & Aluminum

Steel and aluminum are 100% recyclable materials, which means they can be reused over and over with negligible loss of integrity. We make sure our suppliers proceed in the manufacturing and sourcing of these materials under regulated conditions.

More than 30% of our steel and aluminum components can be disassembled and disposed for recycling. We aim to increase this percentage with new developments and revisiting our current catalog aiming to reach at least 70% of our products by 2022.

Polypropylene

Polypropylene is a thermoplastic polymer that offers a material-efficient way to create durable forms. GUBI uses virgin polypropylene to optimise strength, durability, and product lifespan. 100% of the plastic shell chairs, barstools, and stools from our Beetle, Bat and GUBI 3D collections are recyclable; they can be easily disassembled and

recycled. These products represent 30% of the total volume of GUBI products in the market in 2020. As Polypropylene-made products allow for the use of “dead waste” materials in new products, we have recently initiated several new projects that will incorporate this green production technique (expected to launch in 2022).

Foam and Upholstery

We use various layers and densities of foam for our upholstery for greater comfort. These materials are treated with fire retardant chemicals, in line with strict fire regulations, to comply with the laws and guidelines of the countries we operate in. Although they are a vital measure in preventing fires, these retardants can be harmful to the environment, so we are actively exploring more environmentally friendly alternatives, while ensuring high levels of fire-safety are maintained.

All foams used in our Beetle and Bat collection are REACH compliant. This implies that the composition of the foam is strictly monitored, along with its related environmental impact, to align with EU Laws. We use a mix of foam and feathers in our pillow upholstery and always ask for RDS certified feathers (Responsible Down Standards) to ensure best practices in animal welfare and ensure down feathers are sourced responsibly. As for the upholstery glues and activators, we primarily use water-based products that have little or no toxicity. We aim to switch entirely to water-based compounds by 2021.

Textiles and Leather

We work in partnerships with many different textile and leather suppliers located around the world. Our main fabric suppliers have very strong CSR values and have worked towards developing a great series of materials for us to choose from. Among our fabric options, our customers can choose from sustainably-certified textiles and leathers with labels such as: Chrome-Free, Cradle to Cradle, Oeko-Tex Standard, the EU Ecolabel, GREENGUARD, among others. Many of our fabrics are single yarn textiles that are 100% recyclable.

GUBI: A Responsible and Respectful Company

In support of SDG 12: Responsible Consumption and Production

Carefully Considered CSR

At GUBI, we have a dedicated, internal CSR team tasked with helping us to improve our sustainability policies throughout every aspect of the company. This team approaches each of GUBI's business practices with a critical, three-fold CSR philosophy that carefully considers the social, environmental, and economic impact of what we are doing today vs. ways we can improve, change, and grow moving forward.

We believe that making decisions based on this CSR philosophy is the key to reaching our value-based goals of increased sustainability, greater transparency, and continued positive growth in the global market. Additionally, by considering all three factors in our decision making processes, we are better able to take positive steps toward reducing our carbon footprint, decreasing waste, and sourcing materials more responsibly, while continuing to innovate and create timeless design products.

Our Next Steps:

1. Further Waste Reduction: We will monitor waste creation throughout our value chain and take corrective actions where needed. In addition, we will explore opportunities to reuse "dead waste" materials in the production of new products, increase the recyclability of our products, and encourage customers to replace, or "upgrade," the GUBI products they already own by replacing simple elements such as upholstery or cushions.

2. More Supply Chain Transparency: We will require the use of certified and regulated material and processes to manufacture our products as well as full transparency from our suppliers regarding their sub-suppliers, raw materials sources, and the working conditions of their employees.

3. A Greater Focus on Local: Moving forward, we aim to further expand our global supply chain with a mindset of valuing local and regional industries, including local materials sourcing, manufacturing, warehousing, and upholstery operations. Focusing on local suppliers and supply chains will help to greatly reduce the practice of air-shipments, extra transport, and their related environmental impacts. We expect to have measurable results of this locally-focused strategy within the next two years.

4. Communicate Changes and Progress: In order to keep our in-house team, as well as our network of global partners and suppliers, abreast of our latest CSR-related strategies and initiatives, we will regularly publish and share updates about changes, news, and communication of progress (COP) reports.



Beetle For Life

A SDG Case Study by GUBI

About The Beetle

The Beetle Dining Chair has since its introduction in 2013 is well received by end-consumers as well as interior architects. Due to its appealing design, outstanding comfort and unique customisation possibilities, the dining chair can be seen in many of the most renowned restaurants around the world.

The fully upholstered dining chair carries strong references to the design duo GamFratesi's inspirational source; the insect world, more specifically the world of beetles. Not just the name indicates their inspiration, but also the characteristic elements of the beetles' sections have been interpreted - shape, shells, sutures, rigid outside and soft inside. The wide range of upholstery options and different bases make it possible to put your personal touch to the Beetle Dining Chair and create one of its kind.

We carefully design and develop all of our products with a view to their entire life cycle, from the production of the initial parts to their end of life and recyclability.

The Beetle and Bat Chairs—two of our best selling furniture products—exemplify this thoughtful approach because they both have the ability to be re-imagined, or “upgraded,” by replacing old upholstery with new. This practical, flexible system not only allows for customization by customers, but also extends the useful life of these two iconic chairs.

How It Works:

- 1 Customers can disassemble each individual chair into its three constituent parts: the legs, the polypropylene (plastic) shell, and upholstery insert.
- 2 Then, each part can be cleaned or replaced as needed.
- 3 A chair's old / original upholstery insert can now be replaced with a new one (available exclusively from GUBI) thus refreshing the look and feel of the chair, extending its lifespan.
- 4 When the chair finally does reach the end of its useful life, the same disassembly system enables each element to be separated and efficiently recycled.





Over the past year, our internal CSR team—guided by the United Nations Global Compact principles—has taken several steps toward enhancing our CSR strategy and clarifying our SDG goals for the future.

Since 2019, the leadership of GUBI has executed the following initiatives:

- Updated the GUBI employee handbook
- Conducted a company-wide internal work environment study
- Created a GUBI Code of Conduct agreement for employees and partners
- Joined the UN Global Compact
- Established an internal CSR team
- Created GUBI's first ever CSR strategy and actionable timeline
- Initiated several new sustainably-minded product developments
- Launched C-Chair Collection with FSC and EU Timber Regulation

Moving Forward

During 2019 and 2020, GUBI has worked to develop a detailed timeline for how to reach each of our SDG goals for the future. Along with the timeline, we have created a clear, actionable, step by step plan for how to move forward down the path toward greener thinking and more sustainable business practices.

By the end of 2020, GUBI will have established a detailed CSR management framework to use for governance and accountability. Afterwards, a CSR policy for each link in our value chain will be put into place. These department-specific policies—in conjunction with GUBI's new code of conduct—will provide guidance, help with the implementation of new strategies, and allow for progress to be measured.

Below are some of GUBI's key CSR targets for the next three years, as defined by our CSR team and our SDG goals:

CSR TARGETS FOR 2020:

1. Revisit / Revise the GUBI Code of Conduct (COC)
 - a. Implement new COC internally
 - b. Distribute new COC to all partners / suppliers worldwide
2. Establish new internal CSR Team, goals, and timeline
3. Gather data related to sustainability of all materials sourcing practices
4. Gather data related to sustainability of all supplier / sub-supplier processes
5. Evaluate carbon footprint of global and local / regional supply chains
 - a. Review data and use to develop a plan for reducing carbon footprint
6. Implement improvements for the GUBI workplace culture (based on internal work environment study)
7. Submit GUBI's first UNGC Report (July 2020)

CSR TARGETS FOR 2021:

1. Establish comprehensive CSR team, governance, and protocols
 - a. Begin monitoring / measuring for progress
2. Develop a comprehensive GUBI Code of Conduct (COC) based on our new CSR goals and the UNGC principles:
3. Require supply chain transparency compliance from our top 10 suppliers (globally), to take effect by 2022
4. Continue focus on developing local supply chains wherever possible

TARGETS FOR 2022:

1. Local supply chain strategy to be fully operational and monitored
2. A minimum of 3 fully “circular” product in development at all times
3. Ensure supply chain transparency compliance from our top 10 suppliers (globally)



GUBI
Klubensvej 7-9
2150 Copenhagen, Denmark gubi@gubi.com
+45 3332 6368
CVR: 17940384



GUBI.COM