



Sustainability Manifesto
June 9, 2021

Sustainability Manifesto

Introduction

In 1987, the Brundtland Commission defined sustainability in the following terms:

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Sustainability is based on following pillars: Environment, Social and Governance.

There is too much rhetoric and too little action. MENU believes that real commitment means tangible action. That is why our sustainability manifesto is inherently linked to realistic plans of action based on facts and knowledge. We follow it closely to ensure that we are held accountable—to our promises and our actions—to make a real difference.

To that end, we have created the following sustainability principles:

- We aim to make sustainable solutions a strong part of our business model.
- We commit to global standards for responsible business practices and work to continually improve our efforts in this field.
- We seek out likeminded partners to further develop sustainable solutions across our entire value chain.
- We create internal guidelines and policies to ensure organizational alignment on all our sustainability goals.
- We look to relevant organizations for support and guidance to realize our sustainability goals.
- We are committed to ensuring balanced growth, not only our brand, but also our entire supply chain. Loss of resources—whether human, social, environmental, or financial—is not a sustainable way of doing business.
- We believe that time and resources are scarce. Therefore, we do not look to new “green” miracle solutions simply because they claim to be sustainable. Sustainable business means using resources wisely.
- We measure and report on sustainable progress where relevant.

MENU’s strategic sustainability goals:

- **Responsible Products.** At MENU A/S we continually strive to comply with the MENU way of defining responsible products.
- **Near Market Sourcing.** At MENU A/S we aim to increase our near market sourcing from 26% to 39% within 2024. This is to ensure optimal social working conditions as well as minimal environmental impact from transportation.
- **Long Lasting Products.** By 2024, 30% of MENU A/S’s furniture sales will hold a product warranty up to ten-years. This is to ensure long lasting products for the benefit of the environment and customers.

The Social Pillar

Business Responsibility

MENU AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

In our pursuit to craft furniture, lighting and interior accessories shaped by purposeful details, high-quality materials and human needs, we aim to create strong and lasting relations between designers, manufacturers and customers. We help our customers to enrich modern living through designs that connect individuals creatively, comfortably and functionally. We design products that connect the dots between home, work and hospitality and we redefine how we use space and, ultimately, how we connect to those around us.

SUSTAINABILITY—THE TRIPLE BOTTOM LINE

At MENU, we focus as much on social and environmental concerns as we do on profits. Our commitment to sustainability is based on the internationally agreed core principles for sustainable development: human rights (including labour rights), environment (including climate) and anti-corruption. These principles are listed by the UN Global Compact and made operational through the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD).

We comply with regulations wherever and however we operate. Additionally, we continuously identify, scrutinize, prevent and mitigate the adverse impacts of our operations in relation to the UNGPs, communicating how we manage such impacts. We seek to make a difference to sustainability in the areas which correspond to our business.

EXPECTATIONS OF OUR EMPLOYEES

Our employees are key partners in helping us uphold international principles for sustainable development. We expect all team members at MENU to honor our commitment through their daily work. Our CSR commitment is embedded in the quotidian work of our employees and managed through training, communication and ongoing assessments. We are always open to ideas on how to mitigate the adverse impacts our business may have on sustainable development.

EXPECTATIONS OF OUR BUSINESS RELATIONSHIPS

We expect all our business relationships to meet the globally agreed minimum standard for responsible business practice as expressed in this commitment. Business relationships shall implement the UNGPs/OECD, i.e., manage risks of causing or contributing to adverse impacts in relation to human rights, the environment and anti-corruption, and address actual impacts, share their results and demand the same from their business relationships with others. Management of negative impacts shall be communicated promptly.

INTEGRATION

This policy commitment will be reflected in all other policies, guidelines and procedures at MENU. We encourage our employees and other stakeholders to inform us of challenges to human rights issues, the environment or anti-corruption associated with our services, products, or business relations.

POLICY COMMITMENT DEVELOPMENT

This policy is developed with the assistance of external sustainability specialists and approved by The Board of Directors. The policy commitment is communicated both internally and externally. The policy will be reviewed and, if necessary, revised every second year to reflect our progress.

Copenhagen, Denmark

June 9th, 2021

SIGNED (MENU A/S board of directors or Chairperson/CEO)

The Social Pillar

Our Code of Conduct Policy

The purpose of this document is to provide a set of behavioural guidelines which are to be observed and respected by employees on behalf of MENU when carrying out business activities, whether individually or in co-operation with partners, service providers or suppliers. This is to strengthen the sense of belonging and alignment with our leading values, discouraging and disapproving any unsuitable conduct.

BEST PRACTICES

MENU recognizes that fair and loyal competition is a key element for the development of the company and the market—this is why we always pursue a fair competition policy and sales strategy with our suppliers, customers and competitors. It is strictly prohibited to entertain relationships with the aim of achieving an economic reward. Any gift exceeding a reasonably low value shall always be rejected. Cash payments to suppliers are prohibited unless agreed in advance. Regarding public administration, no corruption of any form is tolerated.

EMPLOYMENT OPPORTUNITY

MENU is committed to providing a safe and healthy work environment that is free of unlawful discrimination including harassment that is based on any legally protected characteristics, including, but not limited to, race, colour, gender, sexual orientation, national origin, citizen status, disability, veteran status, height, weight and religion. Employees are expected to act in a fair and respectful manner towards each other and third parties. To build and maintain a professional relationship, we expect third parties to act the same way towards our employees. We do not tolerate discrimination or harassment of any kind.

We promote diversity in our own organization as well as among our suppliers to offer all employees the best possible means of individual development and job opportunities.

HUMAN RIGHTS

MENU convincingly complies with the ten principles stated in the UN Global Compact. Our business actively supports and respects the protection of internationally proclaimed human rights, standing strongly against any kind of abuse, including forced or compulsory child labour exploitation.

THE ENVIRONMENT

MENU is committed to undertaking any necessary precaution to protect and conserve the environment by implementing risk assessment and risk management to tackle and overcome environmental challenges, and by pursuing a strategy aimed at promoting environmental responsibility and supporting the development of technologies that embrace societal expectations.

CONFIDENTIAL INFORMATION

All employees at MENU are subject to a duty of confidentiality to protect all information, knowledge and data acquired and processed by way of their duties. Such information, knowledge and data will only be acquired and processed in compliance with applicable law and/or contractual obligations to avoid any improper use or disclosure to fellow employees or third parties.

VIOLATIONS

All employees at MENU are expected to read and understand this Code of Conduct and to follow its principles and standards in their day-to-day activities. Appropriate disciplinary actions are taken against employees who violate the Code of Conduct and may result in warnings or dismissal and in severe cases, civil or criminal prosecution.

For proper reporting and consulting on any questions regarding the Code of Conduct, employees should consult their immediate superior.

OUR GOALS FOR THE SOCIAL PILLAR

- We will contribute to the UN global SDG 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination. We will do so by ensuring that chemical substances classified as carcinogenic, mutagenic, or toxic to reproduction are not used in any of our processes or products*.

Deadline: 21/1/2022

- We will contribute to the UN global SDG 8.8: Protect labour rights and promote safe and secure working environments for all workers including migrant workers, in particular female migrants and those in precarious employment. We will do so by ensuring that our main suppliers provide secure and formalized working agreements with all workers, no matter their status or position.

Deadline: 21/1/2022

- We will contribute to the UN global SDG 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life. We will do so by ensuring and promoting diversity in our own organization as well as among our suppliers to offer all employees the best possible means of individual development and job opportunities.

During annual job satisfaction reviews, we will ask all employees to evaluate our efforts to ensure their personal and professional development and to ensure relevant job opportunities are available to them. Our goal is that the average score reaches 4/5 or higher.

Deadline: 21/1/2022

- Furthermore, we will initiate an annual responsibility report describing and evaluating occupational health and safety as well as individual job satisfaction and opportunities from the ten largest suppliers, supplemented by random inspections.

First Report: 1/4/2022

*Menu A/S maintains a product compliance system. This means that all products are systematically controlled and documented. If it turns out that a product contains CMR-substances due to a supplier mistake or a failure, action is taken immediately.

The Environmental Pillar

Our Environmental Policy

At MENU, we provide design solutions that can transform how we use space, connecting the dots between home, work and hospitality. We are committed to do so in a sustainable and responsible way.

INTRODUCTION AND PURPOSE

As a global company, environmental sustainability is extremely important for MENU's business—both presently and in the future.

Many of our raw materials and ingredients are sourced directly from nature and the continued success of our business is causally linked to the health of the environment. We are therefore continuously looking for ways to reduce our impact on the environment and the communities in which we operate. MENU understands and acknowledges the important role that we play in understanding, protecting and enhancing the underlying biodiversity.

We are therefore constantly striving to optimize our use of natural resources, to view our products and activities from a life cycle perspective and to develop and use environmentally friendly products, materials and technologies in a way that contributes to long-term sustainable development. The purpose of the Environmental Policy is to prevent and control potential risks to the environment and tackle the impacts of our activities throughout the value chain, from the sourcing of materials, through packaging, production, distribution, sales and marketing, to recycling and reusability.

In short, this concept is a life cycle philosophy that we instill throughout our entire organization.

SCOPE

This policy applies globally to the management, employees and contract workers of all entities in MENU, including sub-contractors. The policy also applies to visitors and to situations where MENU's employees are working at external locations.

This policy commitment will be reflected in all other policies, guidelines and procedures in MENU. We encourage our employees and other stakeholders to inform us about challenges on human rights, the environment, or anti-corruption associated with our services, products, or business relations.

COMMITMENT

Our commitment is based on the internationally agreed core principles for sustainable development: human rights (including labour rights), environment (including climate) and anti-corruption.

The principles are listed by the UN Global Compact and made operational through the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD).

We comply with all applicable regulations, wherever we operate.

Our commitment to comply derives from this, which means that MENU continuously identifies, prevents, or mitigates our risks of adverse impacts in relation to the core principles. We will communicate how we manage such impacts. We will seek to make a difference for sustainability where it makes most sense for us as an organization, but also as part of a larger ecosystem that is bigger than our corporation.

This, of course, also affects our sourcing, design and procurement as all these processes incorporate a life cycle-based philosophy. This ensures that no products are manufactured with parts we are unfamiliar with—including the chemical aspects of the products i.e., coating, foam, wiring, pigment for paint—and that the products are manageable in terms of sustainable waste-handling and recycling. This combined with our know-how within craftsmanship and our love and passion for utilitarian design translates into the brand and quality we are known and loved for today.

EMPLOYEES

Our employees are key partners in helping us respect international principles for sustainable development. We expect all team members at MENU to assist us in honouring our commitment in their daily work. We will embed our CSR and environmental commitment in the daily work of both our employees and management through training, communication and ongoing assessments.

We always appreciate good ideas for how to prevent, mitigate or improve our impacts on sustainable development. Since our employees have a crucial impact on how MENU acts in relation to our collaborators and business relations, it is expected that they follow our internal guidelines and procedures on how to practice and operationalize responsible sustainable development. We do this by instructing all employees on the relevant procedures in their specific area of responsibility. We also train all employees about the relevant procedures in our environmental management system ISO14001, which defines our focus and commitment in relation to avoiding and replacing chemical substances which possess newly-discovered, concerning properties—even if the substance has not been classified yet. Our designers are committed to creating products with a focus on quality and longevity to assure a positive life cycle perspective, wherein our products can hopefully be used for generations. Logistics are, undoubtedly, a significant part of our environmental impact; we believe that we have a responsibility to prioritize ways of transportation with the lowest possible environmental impact and all employees working with shipping share this belief.

The Environmental Pillar

Our Environmental Policy

TRANSPORTATION AND DISTRIBUTION

At MENU we strive daily to improve on all areas of our business in terms of sustainable behaviour and thinking, including our approach to transportation and distribution of our products. As a consequence of our holistic approach to product design, all our products are packaged in such a way as to use as little material as possible, while being packaged compactly. The compact packaging paired with the right shock-absorbing material ensures that we do not waste any space during transportation.

The choice of packaging material (cardboard boxes and shock-absorbers) is constantly being reviewed for both product and environmental longevity; if our products break during transport, they will have to be transported and packaged once, twice or three times before reaching the customer again. Choosing the right material that serves both our customers and the environment is therefore *alpha omega* in terms of packaging.

MENU will always strive to use the most environmental transportation mode possible and we employ several different technical solutions such as Clean Shipping Index (CSI), with the intent of aiding us in choosing the proper solution for each of our individual shipments. Furthermore, we are always in contact with our external land-based transportation agents to ensure that our products are delivered in an environmentally satisfactory manner.

SUPPLIERS AND EXTERNAL BUSINESS RELATIONSHIPS

We will expect all our business relationships to meet the globally agreed minimum standard for responsible business conduct as expressed in this policy.

Business relationships shall implement the UNGPs/OECD, i.e., manage risks of causing or contributing to adverse impacts in relation to human rights, the environment and anti-corruption, address actual impacts, share their results and ask the same from their business partners.

In cases where a severe risk or impact is discovered, it is mandatory that it is communicated promptly throughout MENU's organization and the supply-chain.

Likewise, MENU has an increased and sustained focus on the use of chemical substances in our products. Therefore, we are working with specialized advisors in the area to avoid toxic chemical substances and carefully evaluate classifications and newly identified suspected risks. We have a commitment to work actively with this area and set the bar higher than merely conforming to the standard legislation. Any questions and reflections by our stakeholders are welcomed as a key element in the continued responsible development of our strategy for responsible business development.

Furthermore, we have asked all our suppliers to sign chemical declarations with the intention of maximizing transparency, traceability and product compliance, and we have worked tirelessly—i.e., through our product-design-phase and choice of materials—to ensure the above-mentioned compliance and environmentally-friendly concept. This is a chain that must not be broken and this policy has the intention of enforcing this philosophy throughout our production.

OUR FUTURE GOALS FOR THE ENVIRONMENTAL PILLAR:

- We will contribute to the UN global SDG 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

We will do so by working together with our suppliers to ensure that all their wastewater is treated at wastewater treatment plants and that it does not contain dangerous chemical substances classified as carcinogenic, mutagenic, or toxic to reproductivity that could harm the wastewater treatment plant or contaminate the by-products.

Deadline: 1/2/2023

- We will contribute to the UN global SDG 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.
 - We will do so by ensuring that at least 50% of our electricity consumption in our Copenhagen head office and warehouse is derived from wind or solar power from 1/3/2021.
 - We will report on scope 1+2+3 (Green House Protocol) no later than 1/4/2022.
 - We will ask five of our largest suppliers to do the same, with a deadline of 1/3/2022.
 - We will remove all chemical substances classified as carcinogenic, mutagenic, or toxic to reproductivity—regardless of whether they are banned or restricted—from our products by* 1/1/2022.

- We will increase direct deliveries from MENU's warehouse to customers from the current rate of 29% of our total deliveries, to 53% of our total deliveries by the end of 2024.
- We will launch three responsible products in June 2021.
- We will contribute to the UN global SDG 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. We can reduce the amount of solid waste generated per product by extending product longevity and promoting the use of changeable parts. We reuse or recycle and we design to enable reuse or recycling.
- We offer documentation and information about our products and designs from a life-cycle perspective to customers, stakeholders and the general public. The first documentation deadline is for our new tool, 'MIPS', which will be ready for ten of our highest selling products by June 2021.

*Menu A/S maintains a product compliance system. This means that all products are systematically controlled and documented. If it turns out that a product contains CMR-substances due to a supplier mistake or a failure, action is taken immediately.

The Governance Pillar

It is the responsibility of The Board of Directors and the Executive Board to ensure that MENU A/S is perceived as a financially stable and reliable partner and supplier, in compliance with all relevant legislation related to the management of the company, the occupational health and safety of employees, the trusted supply of goods and a safe and sound use of these goods.

As a responsible caretaker of resources and people, The Board of Directors and the Executive Board recognize the need to comply with the ‘polluter pays’ principle, thus the need to govern the company in a way that ensures economic and legal strength and stability that enables MENU A/S to satisfy a cradle-to-cradle responsibility.

MENU adheres to the going concern principle which means that we comply with the following principles:

STATUTORY REPORT ON CORPORATE GOVERNANCE

The Board of Directors and the Executive Board constantly strive to ensure that appropriate and sufficient control systems are in place and managed by a robust management team structure. The Board of Directors and the Executive Board have a number of duties defined in, amongst others, the Companies Act, the Danish Financial Statements Act, the Articles of Association and good practice for companies of the same size and with the same international scope as MENU A/S. On this basis, an ongoing series of internal procedures are developed and maintained to ensure active, reliable and profitable management of the company.

BOARD OF DIRECTORS

The Board of Directors ensures that the Executive Board complies with the approved objectives, strategies and business procedures. The information to the Executive Board is provided systematically before and during meetings as well as through written and oral reports. These reports include market development, the company's development and profitability. The Board of Directors and Executive Management have overall responsibility for risk management and internal controls related to financial reporting.

MENU's Board of Directors meet at least four times a year. Furthermore, information about the company and the Group's results and financial position is shared with the Board of Directors on a regular, monthly basis. If relevant, extraordinary meetings are held.

REMUNERATION TO MANAGEMENT

To attract and retain MENU Group's management competencies, the remuneration of management and senior employees is based on tasks, value creation and conditions in comparable companies. An incentive program is implemented in the form of bonus schemes and share and warrant-based incentive programs.

SPECIAL RISKS—OPERATING RISKS AND FINANCIAL RISKS

Market Risks

The company's products are primarily positioned in high-end markets. The economic development in the professional and private consumer markets will affect the financial results.

Currency Risks

Due to sales activities in foreign markets, cash flow and equity might be influenced by changes in interest levels and exchange rates for several currencies. It is company policy to cover commercial exchange risks. Hedging is primarily used to cover open foreign exchange positions related to trading activities in foreign currencies in the next twelve months, based on the budget. The company does not use speculative hedging.

Credit Risks

The company's credit risks relate to trade receivables included in the balance sheet. The company has no vital risks related to a single customer or business partner. The company's credit risk policy involves assessing creditworthiness of all major customers and business partners. This is done on a regular basis.

Capital Structure

MENU Holding A/S's share capital is not divided into classes. Management regularly assesses whether MENU Holding A/S has an adequate capital structure, the Board of Directors continuously assesses that the company's capital structure is consistent with the company's and its stakeholders' interests. The overall objective is to ensure a capital structure that supports profitable long-term growth.

Intellectual Capital Resources

The employees are the Group's most important resource. All functions across the company play an important role. As a design and product driven company the design and product development are crucial.

Corporate Behaviour

The Board of Directors and the Executive Board recognize the importance of a free and fair market, and thus the duty of any company to avoid unfair competitive practices no matter the identity of the initiator.

Likewise, the Board of Directors and the Executive Board recognizes the need for transparency in terms of public procurement as well as public-private partnerships to ensure free and fair market conditions for everyone.

Furthermore, The Board of Directors and the Executive Board recognize the importance of tax transparency to supporting necessary public infrastructure and activities as well as social and cultural development.

The Board of Directors and the Executive Board see any corruptive activities as an activity that undermines the market, our societies and our common wealth. The boards ensure that all employees and partners are informed about the general policy, and they also observe a general obligation to inform management immediately should anyone meet any demands or wishes related to corruption.

PRODUCT QUALITY AND PRODUCT LIABILITY

It is the general philosophy of MENU A/S to design for generations. This means that MENU A/S is obliged to ensure a product quality that enables relatively long-term warranties on some items and parts. We are continually striving to enlarge the range of products and parts covered by this warranty.

Furthermore, it is vital to ensure that all products from MENU A/S are safe and sound for use. This means that all product development is based on a risk assessment that ensures relevant risks are identified, solved, or reduced and managed from cradle to cradle, and that we strive to ensure all relevant product testing is performed to ensure safe and sound products. Furthermore, we continually strive to define legal demands relevant for our products.

Likewise, we strive to make it easy for customers and end-users to get in touch to share experiences and ideas, or to make a complaint.

OUR GOVERNANCE GOALS:

- We will contribute to the UN global SDG 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practice and to integrate sustainability information into their reporting cycle.

We will do so by issuing an annual responsibility report including an annual ESG assessment; the first to be published 1/6/2021.

Furthermore, we will encourage our suppliers to issue their own responsibility reports and ESG assessments and ensure that ten of our largest suppliers do so in 2023.

- We contribute to the UN global SDG 16.5; Substantially reduce corruption and bribery in all their forms. We do not, under any circumstances, participate in any kind of corruption, bribery, or other ways of disturbing a free and fair market. Our employees and all stakeholders are informed that we do not accept behaviour that does not comply with this principle and we demand to be informed immediately if anyone experiences anything that could be meant as corruption or bribery.

- We continually measure this in our annual survey, by asking all employees if they have experienced anything suspicious. The subject is also discussed at least once a year with all important stakeholders.

We will contribute to the UN global SDG 12.5: As it is evident that the actual lifetime of any given product is a vital factor in influencing the environmental impacts of the product, MENU strives to enhance the quality and durability of all our products. Therefore, we will expand our product warranties and offer better conditions than the European mandatory two years' right of complaint.

- We have introduced a ten-year warranty for the following products: Co Dining Chair, Harbour Dining Chair and Pedal Bin. The warranty covers breach of the construction due to normal use. It does not cover usual wear and tear of fabrics and surfaces. Deadline: June 2021

- We have introduced a new spare parts solution that makes it possible to buy and replace certain changeable parts of the Pedal Bin when they are worn out. Deadline: June 2021