

MENU

Sustainability Report

2021

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1. What Sustainability Means to MENU

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

Brundtland Commission, 1987

MENU A/S believes that real commitment means tangible actions. That is why our sustainability manifesto is inherently linked to 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 within the three sustainability pillars: Environment, Social and Governance.

MENU believes in 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. Sustainable business means using resources wisely.
- We measure and report on sustainable progress where relevant.

As a consumer product company, we believe we must minimize our environmental impact and optimize our positive social impact in our full value chain. MENU's strategic sustainability goals are therefore top priority to us and outlined as follows:

#1: Our Responsible Products

- **Responsible Products.** At MENU A/S we continually strive to comply with the MENU way of defining responsible products. Goal is to have more than 75% of our range to consist of responsible products
- **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.
- **CO2e reduction on Scope 3.** At MENU we aim to reduce Co2e relative to turnover according to the Paris agreement with 7% reduction per year on Scope 3.

#2: Our Social Commitment

- **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.

MENU A/S has defined several goals related to the environmental, social and governance pillars of our sustainability strategy. In this report, we present results and achievements related to our sustainability work from 1/1/2021 - 1/6/2022. To see the total manifesto and our policies and principles, please visit www.menuspace.com.

2. Our Responsible Products

Our Ambitions:

As part of our continued work with sustainability, we have analyzed key areas in our production where we can reduce the negative environmental impacts, and we have found two primary areas where we believe we can make the biggest difference:

- Environmental aspects related to our products and production.
- Environmental, social, and occupational health and safety aspects related to our own activities and those of our suppliers.

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 will do so by redefining product warranties whenever it is possible.

- **Responsible Products.** At MENU A/S we continually strive to comply with the MENU way of defining responsible products. From 9 responsible criteria's documenting everything from Bill of material to Code of conduct and emission we aim to have a minimum of 7 criteria fulfilled to become a responsible product. The ambition is to have 75% of our turnover to be defined as responsible by 2024.
- **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.
- **CO2e reduction on Scope 3.** At MENU we aim to reduce Co2e relative to turnover according to the Paris agreement with 7% reduction per year on Scope 3.

What have we done so far:

By June 2022 we have met the following goals:

- ✓ Procurement policy
Clear guidelines on tender, negotiation, and selection of vendors. CoC instructions, sustainable sourcing, and transportation.
- ✓ ISO 14001/ ISO9001
Certified for our internal environmental management and Quality system.
- ✓ Responsible products
All products have been mapped according to our 9 criteria and our baseline for 2021 has been calculated at 35%.
- ✓ Environmental license from our suppliers:
We have received environmental license from 86% of our top 10 suppliers measured on turnover.
- ✓ Documentation
We offer documentation and information about our products and designs from a life-cycle perspective to customers, stakeholders, and the public. The first documentation deadline is for our new tool, "Declare" label, which will be ready for 10 of our highest selling products by 1st of June 2022, 4 done and the rest to be finalized by end of the month.
- ✓ Renewable energy
From 1/3/2021, 50% of electricity consumption at our Copenhagen headquarters and warehouse is derived from wind or solar power.
 - 100% achieved by March 2021 in both Head Quarter and Central Warehouse
- ✓ Long lasting products:
The warranty cover has been extended to include seven more products families, moving the total share of furniture turnover from 18% to 41,6% by end of 2022. The warranty covers breach of construction due to normal use. It does not cover usual wear and tear of fabrics and surfaces.
- ✓ Scope 3 calculation:
The CO₂e-emissions of all MENU products have been calculated across their lifecycle, where 48% of products has been assessed and a conservative estimate value has been used to calculate emissions for the remaining products produced in 2021.

What we are committed to:

As the environmental and socioeconomic aspects of our products have been identified as the most important from a sustainability perspective, MENU A/S has defined a range of criteria that MENU products must comply with to obtain the MENU classification as 'responsible products'. The criteria are as follows:

1. Made Well for Longevity
2. Solutions for Repair and Revitalization
3. Design for Disassembly
4. Declaration of Materials
5. Safe Substances
6. Material Life Cycle Screening
7. Near-market Production
8. The MENU Code of Conduct
9. Certifications

Read more about our responsibility criteria at www.menuspace.com.

We will contribute to the UN global SDG 6.3: By 2030, we will help improve water quality by reducing pollution, eliminating dumping and minimizing the 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 the water 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. Our deadline for this goal is 1/2/2023.

We will contribute to the UN global SDG 7.2: By 2030, we will help to substantially increase the share of renewable energy in the global energy mix.

- We will engage with five of our largest suppliers to understand their local possibilities for renewable energy with deadline by 1/10/2022.
- 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.

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 will do so by redefining product warranties whenever it is possible. 30% of our furniture products will have a ten-year warranty by 2024.

Furthermore, in 2020 MENU A/S started collecting data on CO2 for scope 1 and scope 2. In 2021 MENU A/S also started calculating and reporting on Scope 3. Baseline for Scope 3 are 18.016.031 KgCo2e, where 48% of products has been assessed and a conservative estimate value has been used to calculate emissions for the remaining products produced in 2021.

MENU A/S (KgCo2e)	2020	2021
Scope 1	81.517	80.438
Scope 2	81.377	68.589
Scope 3	N/A	18.016.031
		18.165.058

Within scope 2, decrease in kgCO2e has been done by green electricity certificates.

During 2022, work continues with our calculation across lifecycle on the remainder of our collections, in order to present a full assessment of our portfolio.

Furthermore, a material group has been established to go back in our portfolio to find solution for reduction on Co2e.

3. Our Social Commitment

Our Ambitions:

- **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 impacts from transportation.

What have we done so far:

By June 2022 we have met the following goals:

- ✓ Code of conduct
Developed a clear standard for MENU and supplied the Code to all relevant business partners.
- ✓ Job contracts
Improved policies for overtime, freedom of expression, business secrets, etc.



Staff manual

Created a clear policy about non-discrimination, language, equal pay, health and safety, trade unions, zero tolerance, anti-corruption, etc.

Job satisfaction



During annual job satisfaction reviews, we have asked all employees to evaluate our efforts to ensure their personal and professional development and to ensure relevant job opportunities are available to them. Our measure for 2021, showed that 79% are satisfied ranking a score of 4/5 or higher.



Gender representation

Developed statistics for gender mix, salary mix, reporting, etc.

In 2021 MENU A/S conducted a unbiased recruit and development training in regards to general diversity for all manager.

Our current gender composition is:

- Organization: 2020: Female 52% / Male 48% - 2021: Female 56% / Male 44%
- Management: 2020: Female 28% / Male 72% - 2021: Female 29% / Male 71%
- Board: 2020: Female 0% / Male 100% - 2021: Female 0% / Male 100%

MENU will continue to focus on diversity going forward to also improve the gender balance at the management level.

What we are committed to:

As stated above, the second focus area is the environmental and socio-economic aspects of our activities, as well as the activities of our suppliers. Due to this focus we have decided upon locally oriented SDGs, as follows:

We will contribute to the UN global SDG 3.9: By 2030, we will help to 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 reproductivity are not used in any of our processes or products. Environmental license has been received for 86% of our top 10 suppliers measured on turnover, deadline for the remainder is 28/2/2023

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. Our deadline for this goal is 28/2/2023.

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. Our deadline for this goal is 30/9/2022.
- 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. We will complete the first report by 28/2/2023

Our CSR-policy can be seen [here](#) and our Code of Conduct can be seen [here](#).

4. How We Work

Our Ambitions:

MENU A/S wishes to adapt to sustainable practices and integrate sustainability information into our reporting cycle. We will do so by issuing an annual responsibility report including an annual ESG assessment. MENU will also join global organizations and support UN 17 Sustainable Development Goals. We are a member of Global Compact (as of June 2020).

What have we done so far:



The Right to non-discrimination:

Training for management related to unconscious bias training has been conducted.



Air Emissions:

Direct shipment to US warehouse from our suppliers, instead of shipment from Denmark. Local upholstery solution has been set-up in Mexico to support the North American market. Measuring Co2e on our complete portfolio, having our baseline for 2021, for continuous focus.

What we are committed to:

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.

Our employees and all stakeholders are informed that we do not accept behavior 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.

If you wish to review our governance statement, you may find it at www.menuspace.com.

NOTES:

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.

5. Meet the Team

-At Menu we have integrated our whole organization in the sustainability strategy. This is done by having a Green Group committee, which have representatives from all departments. Each representative is responsible for different aspects of our sustainability strategy, and responsible for engaging and implementing with colleagues.

Key focus areas:

Communication
Compliance
Suppliers
Co2e reduction
Data
Social governance
Operations

Members of the committee:

Danny Feltmann Espersen, CEO
Alexander Furland, Head of Sales, Northern Europe/Contract
Anne Sofie Blæsbjerg Henriksen, Supply Chain Coordinator
Charlotte Borch Janum, Compliance and Process Manager, Global Supply Chain
Frederik Clausen, Technical Coordinator
Joachim Kornbek Hansen, Brand & Design Director
Karine Too, Design Project Planner
Kelly Degeneve, Group Financial Controller
Line Borella, Head of PR
Markus Thönnessen, Claims and Quality Specialist



