

MENU

Sustainability Report

2020

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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.
- ***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.

#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 1/1/2020 - 1/6/2021. 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.
- **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.

What have we done so far:

By June 2021 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
Certified for our internal environmental management system.

 We will launch three responsible products in June 2021

- *Offset Sofa Loose Cover*
- *Cocoon Textile Collection*
- *Co-Chair Re-cycled Plastic*



Documentation

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.



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



We introduced a ten-year warranty for the following products:

Co Dining Chair, Harbour Dining Chair and Pedal Bin. The warranty covers breach of construction due to normal use. It does not cover usual wear and tear of fabrics and surfaces.



We introduced a new spare parts solution that makes it possible to buy and replace certain changeable parts.

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. Minimal Water Consumption
10. 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 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. (See Note)

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 has collected data on CO2 for scope 1 and scope 2. In 2021 MENU A/S evaluated different tools for calculating CO2 emissions related to products. The next report will state the outcome of this evaluation.

| MENU A/S 2020 (from February to July) | kgCO2e |
|---------------------------------------|--------|
| Scope 1 | 81.517 |
| Scope 2 | 30.979 |

Within scope 1 and 2 we expect to see a decrease in kgCO2e during the coming years.

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 2021 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.
- ✓ Gender representation
Developed statistics for gender mix, salary mix, reporting, etc.
In 2020 MENU A/S has investigated the gender composition of our departments at all levels. We aim to maintain and encourage general diversity and will continue to share this focal point as an organization. Our current gender composition is:
 - Organization: Female 52% / Male 48%
 - Management: Female 28% / Male 72%
 - Board: 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. (See Note). Our deadline for this goal is 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. Our deadline for this goal is 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. Our deadline for this goal is 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. We will complete the first report by 1/4/2022.

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:



Designer's rights

Developed and created a copyright protection for MENU designers and created a system for the continual monitoring of these designer's rights.



Grievance mechanism

Ensure our staff and partners always have the possibility to complain anonymously.

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

Trine Jul Skalts

Title: **Category Purchasing Manager**

Function: Supply Chain.

Green Group Role: SCM & Warehouse & SAS.

My passion for sustainability: My passion for sustainability in both my professional and personal life is to reduce carbon footprint as much as possible. Professionally I work to optimize MENU's Supply Chain, including transporting our goods as little as possible, and I am passionate about MENU's plan to store/produce/assemble goods locally to improve this even further.

In my private life, my family of five and I have opted out of owning a car to reduce our carbon footprint. Instead, we bike everywhere or if needed, we join car share solutions.



Liv Lilliendahl van Rijn

Title: **Head of Content and Activation**

Function: Marketing.

Green Group Role: My role is to create the best possible communication and product launch plan, push it on all the right channels and make sure we deliver a clear and transparent statement to all segments.

My passion for sustainability: At home we try to be aware of turning off the electricity, water, and recycling plastic. Since we live in the city we mostly walk, bike, or use the metro. In the grander scale of things, I enjoy working for a company that takes CSR seriously--it fosters work-passion and makes me proud.



Joachim Kornbek Hansen

Title: **Brand & Design Director**

Function: Overall Brand and Design Management

Green Group Role: Ensure a sustainable approach in the design thinking.

My passion for sustainability: Sustainability is becoming more essential in my private life, but also in the work I do. My passion for sustainability has been increased after having kids and thinking about their future, such as providing them with some of the same opportunities to explore the world that previous generations have had.



Alexander Furland

Title: **Head of Sales, Northern Europe**

Function: Sales.

Green Group Role: Implementing the philosophy founded in the Green Group in Sales.

My passion for sustainability: Sustainability is a necessity nowadays and the responsibility is on all of us. We need to make the right choices and ensure we are taking the correct steps to become more sustainable every day--from the smallest steps to the bigger ones. Everything counts in this mind-set and it all adds up when the majority opt in.



Danny Feltmann Espersen

Title: **CEO**

Function: CEO.

Green Group Role: Leading the Green Group agenda.

My passion for sustainability: Over the years I have become passionate about the sustainability agenda as I see multiple wins. Both to benefit the planet but also to do things smarter in daily business operations for the benefit of the company. I love to find alternative and more sustainable solutions and through this, to change my own routines and private behaviours, such as not throwing away food and always prolonging the life of products.



Christina Baagø Hansen

Title: **Product Developer**

Function: Product development.

Green Group Role: My role is to be sure that the products in our range comply with our responsible goals.

My passion for sustainability: From a professional point of view, it is important for me that we not only produce aesthetic and functional products, but also know what they consist of and how the products effect the environment throughout their product life cycle.

